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ANNUAL
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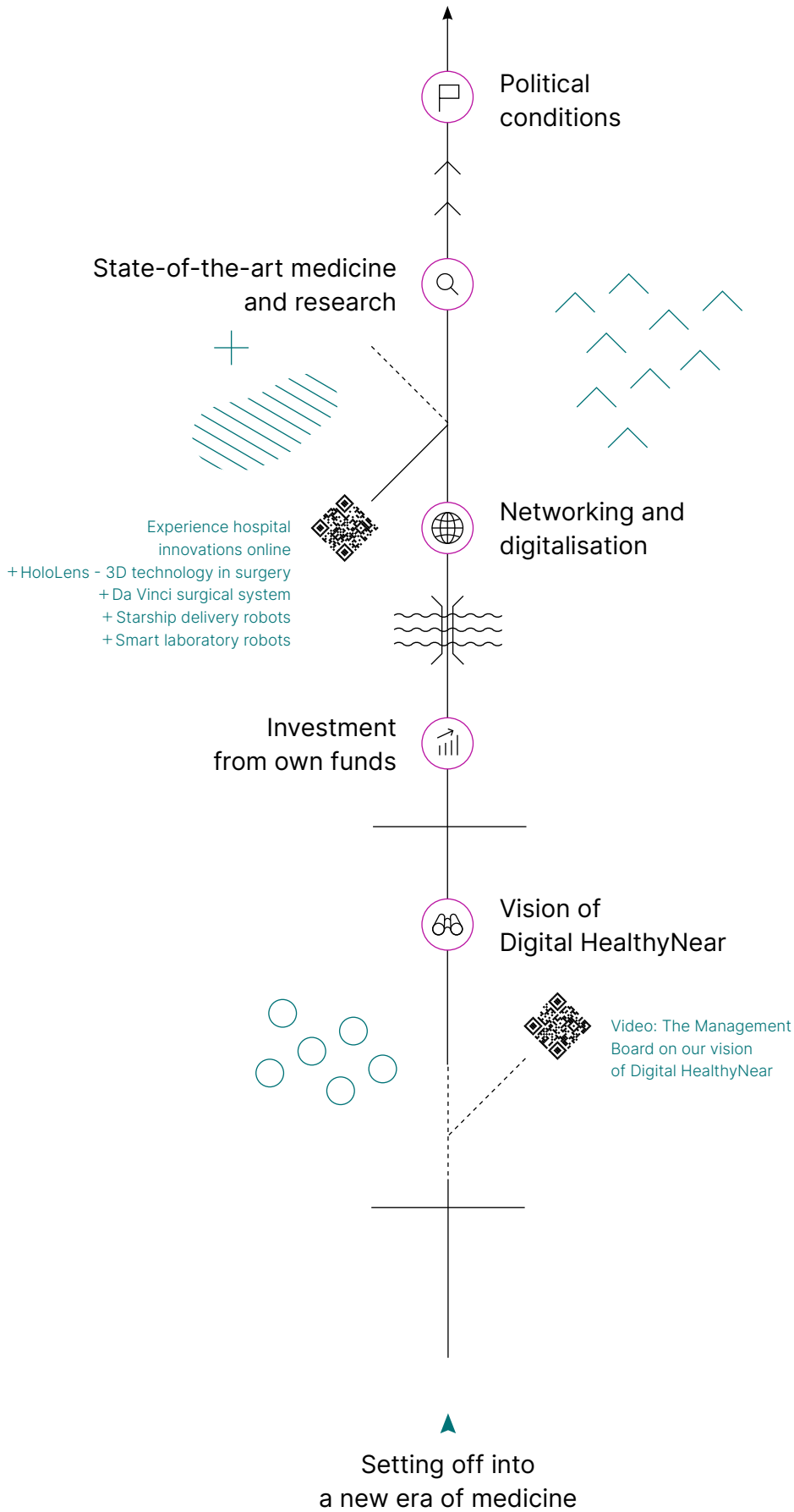
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Get well.
Live well.
This is what Asklepios
stands for, as well as
for the vision of higher-
performance healthcare.

We are setting
off into a new era
of medicine.

The digital
healthcare group



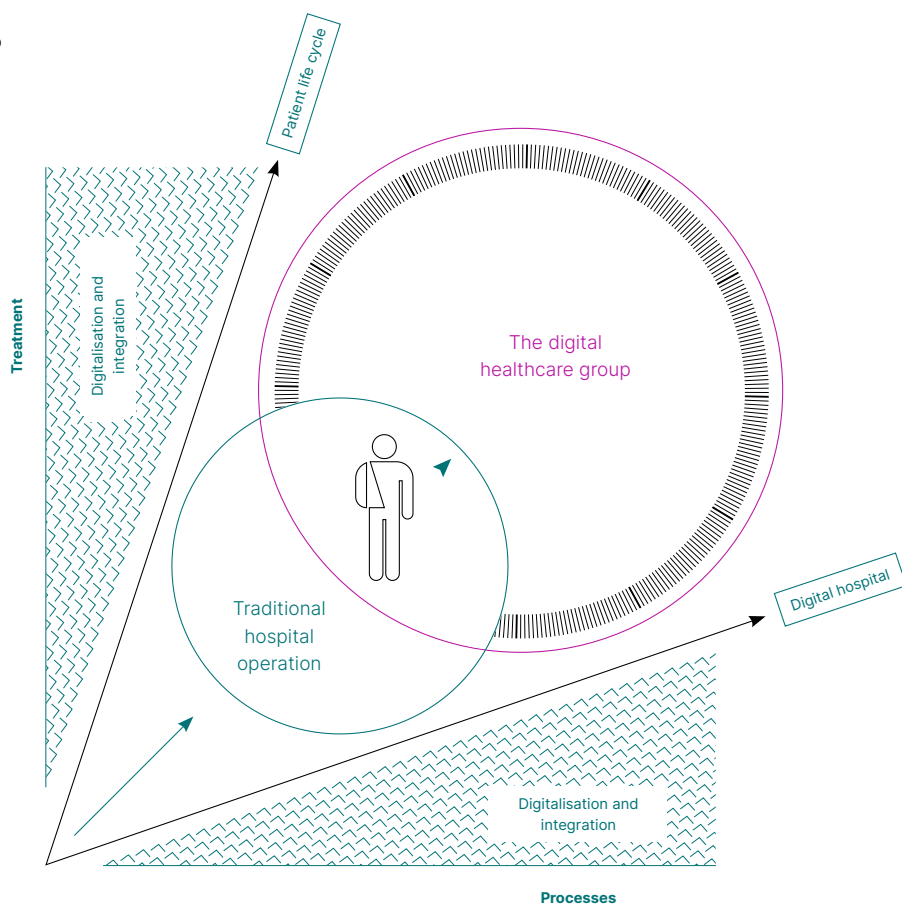


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The digital healthcare group

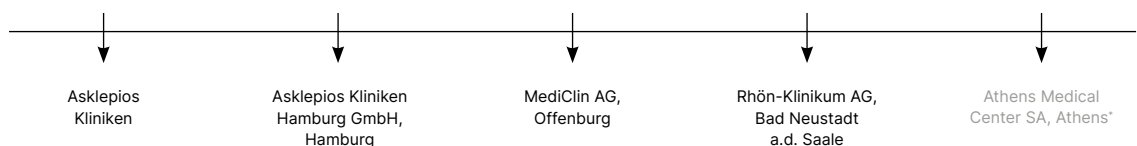
Asklepios was established in 1985 and is now a leading operator of private hospitals in Germany with around 170 healthcare facilities. We are represented in 14 German federal states with our medical facilities. Asklepios's business activities have always been aimed at providing future-oriented medicine for our patients based on the highest quality standards. We offer our 67,000 employees a varied, progressive and secure job with a wide range of benefits. We aspire to shape the future of medicine. The key to this lies in digitalisation. We sum up the Asklepios vision of a completely integrated digital healthcare group with the term "Digital HealthyNear".

Development into a digital healthcare group



Group structure

Asklepios Kliniken GmbH & Co. KGaA, Hamburg



*Accounted for using the equity method

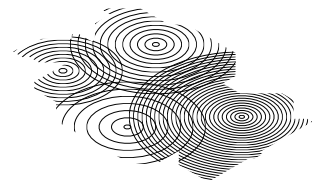
Healthcare facilities

- Asklepios Kliniken
- Rhön-Klinikum AG
- MediClin AG

Networking



Digital networking



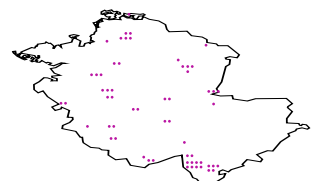
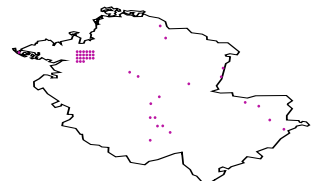
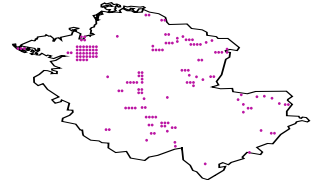
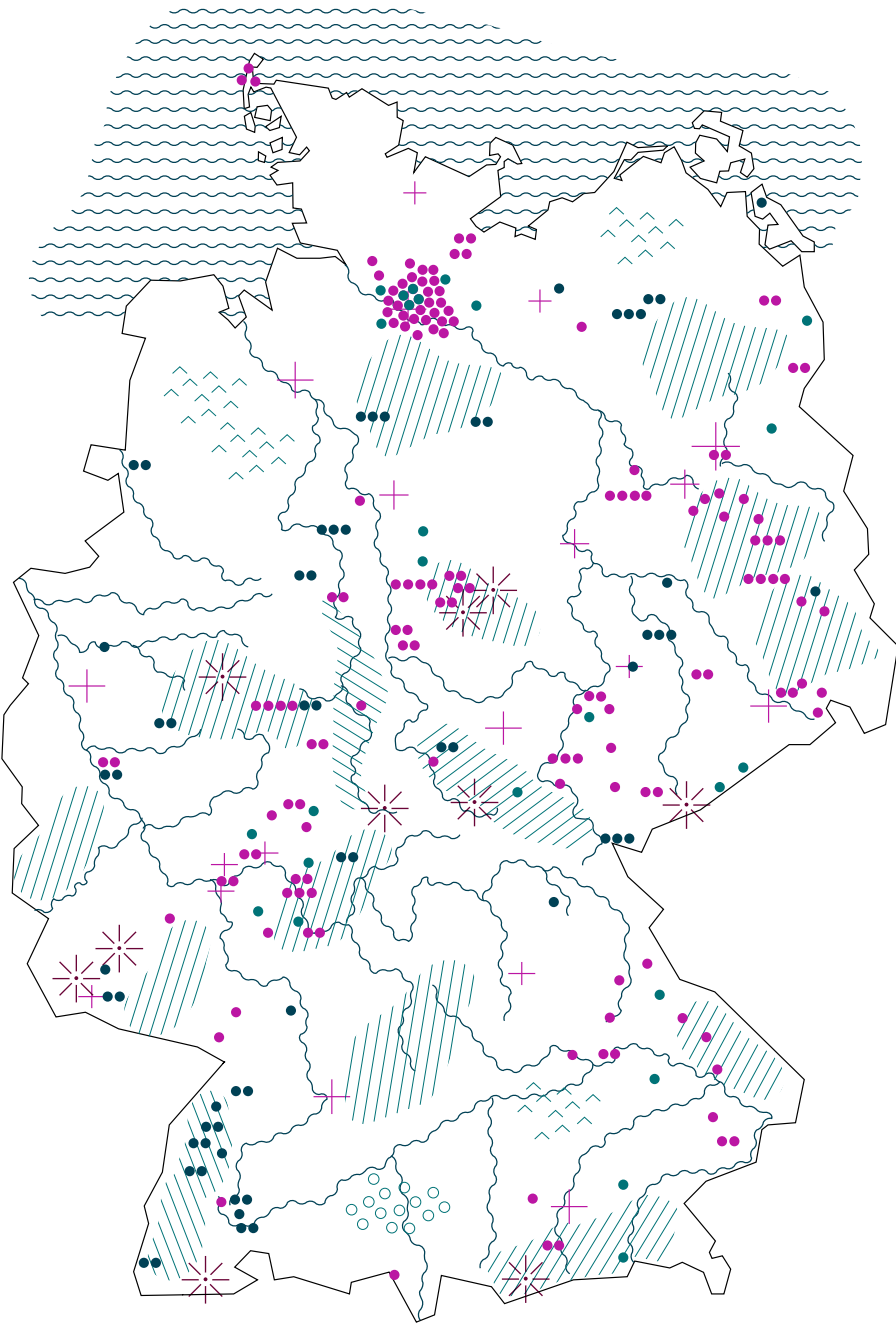
Nationwide care



State-of-the-art medicine



Aftercare





Ladies and gentlemen,

The world has been different since Russia attacked Ukraine in violation of international laws. We are all moved by the fate of the victims and their relatives,

all the people living there and the many refugees. For this reason, we quickly and flexibly took measures to provide help immediately after the war broke out, including admitting injured people to our hospitals, making donations and offering jobs to refugees.

The current changes in the geopolitical environment are currently expected to affect our day-to-day hospital work for a long time. For our hospitals, this will involve further uncertainties – for example, with regard to rising energy and material costs, supply bottlenecks and more limited access to qualified medical staff. The specific effects cannot yet be fully foreseen at present.

The 2021 financial year that is now behind us was also very dynamic, as the COVID-19 pandemic was still the dominant issue in healthcare. Our employees were right on the front line when it came to containing the spread of the pandemic and treated hundreds of COVID-19 patients. Many of our hospitals were key linchpins, while others were even centres of care in the pandemic. Our facilities therefore proved once more that they play their part in medical public services, particularly in an exceptional situation. In doing so, we benefited from the flexibility of a private company as compared to many public facilities. We were, for example, less affected by the shortage of tests because we had invested in rapid testing equipment (Spindiag) at an early stage.

Setting off into a new era of
for our employees
for our patients

We are successfully exploring new
Digital





advanced medicine
+
responsibility
horizons in
We take
healthcare
Digital solutions are the key element here for offering our patients and employees added value.

care will become an integral part of our healthcare system

The Management Board of Asklepios Kliniken

From left to right:
Joachim Gemmel, COO / Prof. Dr. Christoph U. Herborn, CMO /
Kai Hankeln, CEO / Hafid Rifi, CFO / Marco Walker, COO

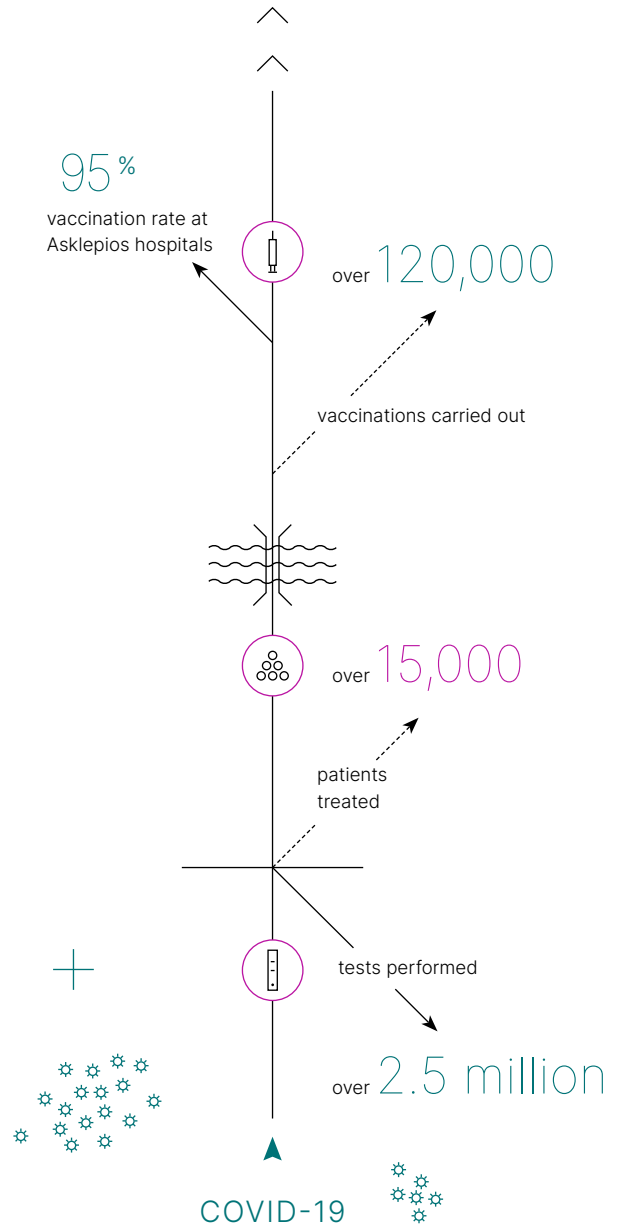
Video: Our corporate strategy





In the 2021 financial year, we carried out over 2.5 million tests, undertook approximately 120,000 vaccinations and treated over 15,000 COVID-19 patients. We are particularly proud of the vaccination rate in our own hospitals: around 95% of our staff took the opportunity to be vaccinated by the end of the year. Asklepios has therefore made a major contribution, as a private hospital operator, to fighting the pandemic and to ensuring healthcare in Germany.

None of this would have been possible without the boundless commitment of our employees. They have listened, treated, cared and encouraged. Under extremely challenging conditions at times, they have stood by their patients with courage and total devotion. With their passion for the medical profession, their empathy and their remarkable resilience, they have made a vital contribution to containing the virus and its impact on society. As the Management Board of Asklepios Kliniken, we would therefore like to thank you, our employees, from the bottom of our hearts. We are proud of the fact that we have countered the challenges of the past year with you at our side and hope that we will be able to do this in future too.



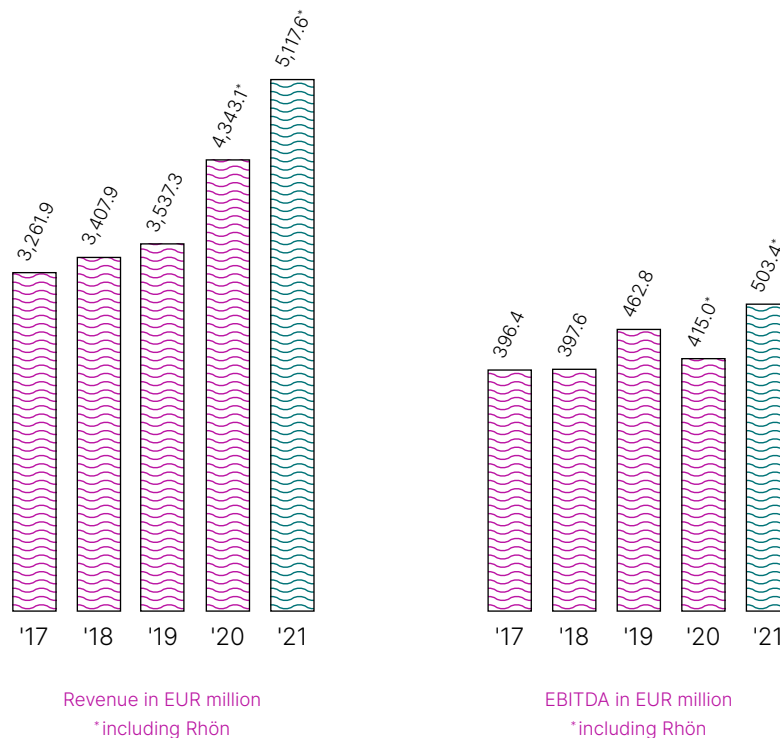


Stable develop- ment in a challenging environment

Thanks to the foresight with which it has acted – particularly in its strategic partnership with Rhön Kliniken, which was concluded in July 2020 – combined with active crisis man-

agement, Asklepios was able to report a stable business development despite the challenging environment. Although the COVID-19 pandemic has had an impact on the business development of Asklepios Kliniken, we improved the key figures for the Group year on year – this was largely due to Rhön-Kliniken AG being consolidated for the entire year for the first time.

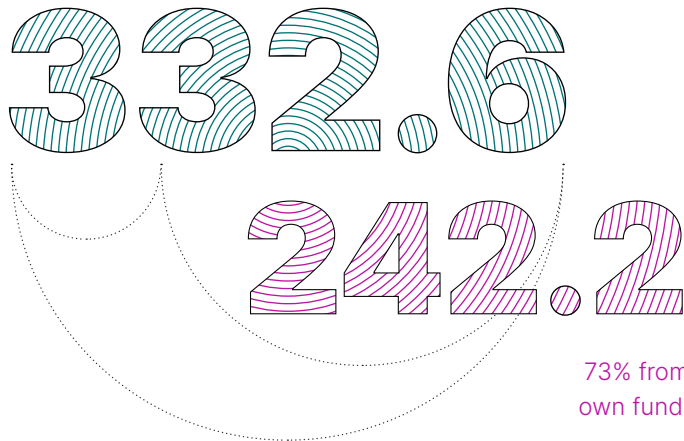
Our consolidated revenue amounted to EUR 5,117,6 million, consolidated net income for the year was positive again following a loss of EUR 106.3 million in the previous year. Our employees, numbering over 67,000, treated more than 3.5 million patients in the 2021 financial year. In total, we employed around 50,000 full-time equivalents on average during the year.





Investment: our basis for safe healthcare

From this position of economic stability, we were able not only to ensure our patients, including coronavirus patients, received medical care, we were also able to continue investing substantial sums in our medical facilities and consequently in tomorrow's medical care. In total, over 170 facilities benefited from investment of around EUR 332.6 million for this purpose. A majority of this – around 73% – was again financed from our own funds in 2021.



Capital expenditure in 2021
in EUR million

The central warehouse in Bad Oldesloe, which requires total investment of around EUR 50 million, is the largest project at present. Asklepios Kliniken are constructing a new, ultra-modern, fully automated central warehouse on an area of 65,000 square metres close to Hamburg, which will supply other health service providers, purchasing groups and individual hospitals and rehabilitation clinics in addition to our own hospitals. In future, we will also be able to supply our own patients with remedies and aids from there round the clock immediately after they leave hospital.



Placement of a schuldschein for pre-mature refinancing

Asklepios's healthy internal financing provides the basis for our central position in the healthcare sector and made a significant contribution to securing the Group's stable business development during the pandemic. The fact that we were able to secure our refinancing prematurely through the placement of a schuldschein is evidence of our investors' and business partners' confidence in us and the future viability of our business model. Placement of the schuldschein secured us the option of being able to invest in strategically important projects – such as the centralising of our purchasing, standardisation of our processes and our data warehouse – and will help us, at the same time, to take responsibility as a company. This is because our new credit facility is linked to the achievement of certain ESG components that will oblige us to develop continually in terms of sustainability.



Journey into the post-coronavirus era

We believe that competition and the diversity of healthcare offers available as a result is a key element in offering patients the best quality medicine. Such competition on quality requires, however, that German hospitals are financed fairly and sustainably without any hidden subsidies or any misallocation of financial and personnel resources.

A secure foundation of this kind allows us to face the future with confidence and resolve even in the challenging circumstances of the coronavirus pandemic. There will, however, be no easy return to the pre-COVID normality in the healthcare sector – and neither should there be. The pandemic has revealed many of the challenges facing the health sector too clearly – such as the shortage of qualified staff in the medical professions. The virus has, however, concealed other challenges. These also include urgently needed structural reform in the hospital market.

In recent months, the healthcare sector has overcome an unprecedented challenge – and also highlighted what we must work on. From our perspective, the post-coronavirus era will be characterised by four key tasks, which we want to actively shape: advancing digitalisation, the trend towards outpatient treatment, alleviating the shortage of qualified staff and better regulatory conditions.



Digital HealthyNear – digitalisation at the heart of our business model

The pandemic revealed the inadequate digitalisation of the German healthcare system and, as the same time, highlighted how urgently these inadequacies must be remedied. Despite positive approaches, such as the German Hospital Future Act (Krankenhauszukunftsgesetz - KHZG), implementation is still less than perfect here in Germany. For us, there is absolutely no doubt here: the future of healthcare is digital. With regard to digitalisation, we therefore play a pioneering role as Digital HealthyNear. We were even able to demonstrate this during the pandemic when well over a million vaccination appointments were arranged via our samedi platform.

In addition to our successful online platforms, such as samedi and carebridge, we also invest in start-ups with digital business models, such as Pulso or the Fürstenberg Institut and are thus able to monitor and support the entire patient life cycle digitally.

However, digitalisation in healthcare means far more than making life more convenient for our patients. It is a crucial lever for organising limited forces, particularly in the area of nursing care, more effectively and being able to use them to care for patients. Despite the pandemic, we were the first hospital network in German speaking countries to commission the ground-breaking software solution S/4HANA in 2021. With the help of this platform, we are harmonising our operational processes, reducing our employees' workload and simplifying ordering, delivery and accounting processes for all hospitals and service companies. Digitalisation can also somewhat mitigate the overwhelming documentation and bureaucracy in patient care initiated by payers and political requirements, which ties up a great deal of personnel resources. And last but not least, digital solutions help to ensure medical care in economically underdeveloped areas.

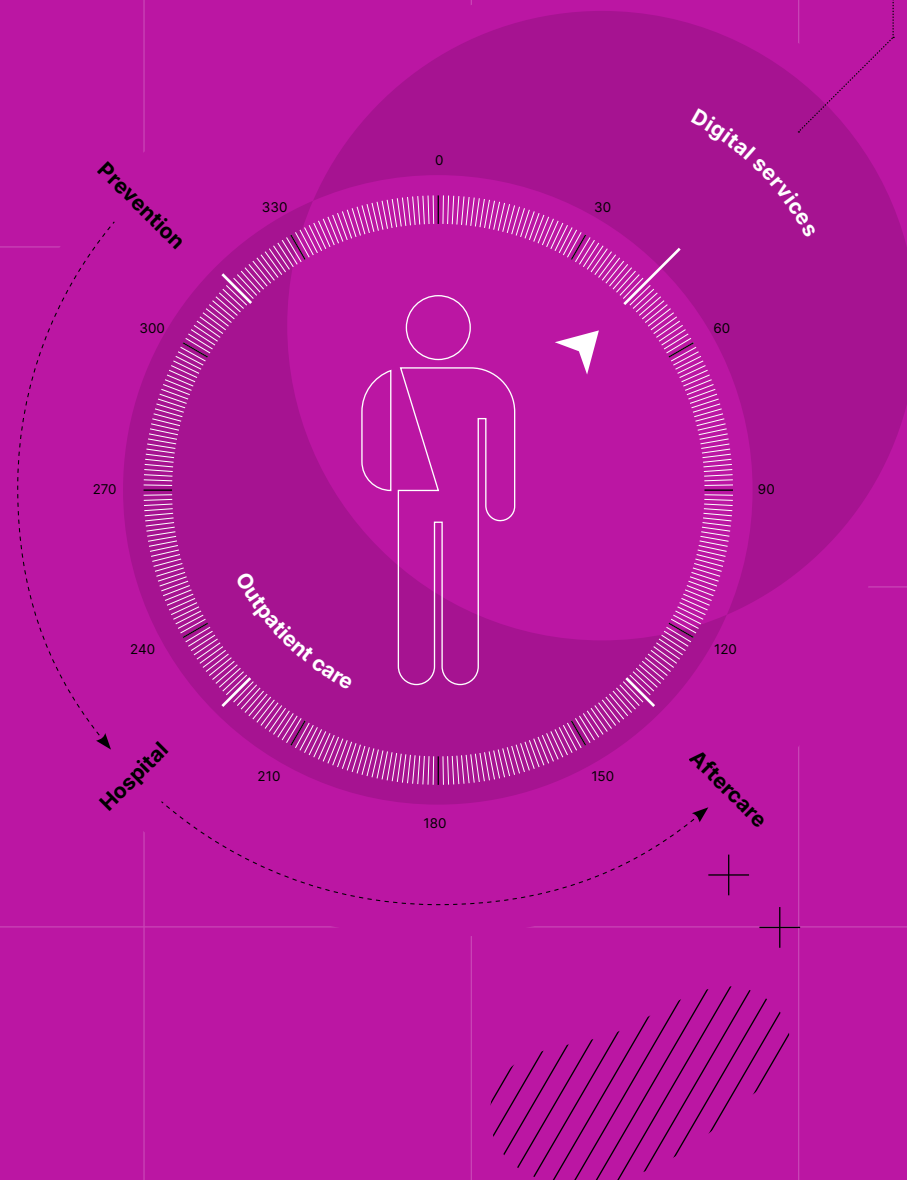


Digital HealthyNear / 360° care

Be it outpatient or inpatient care, analogue or digital, in the city or in the countryside – we are where our patients need us most. Our company is founded on quality, innovation and social responsibility. Our driving forces on the road to the future of medicine are digitalisation and a holistic, integrated approach across all healthcare facilities in the Group.

Digital HealthyNear – the future of medicine is already a reality at Asklepios

Find out more



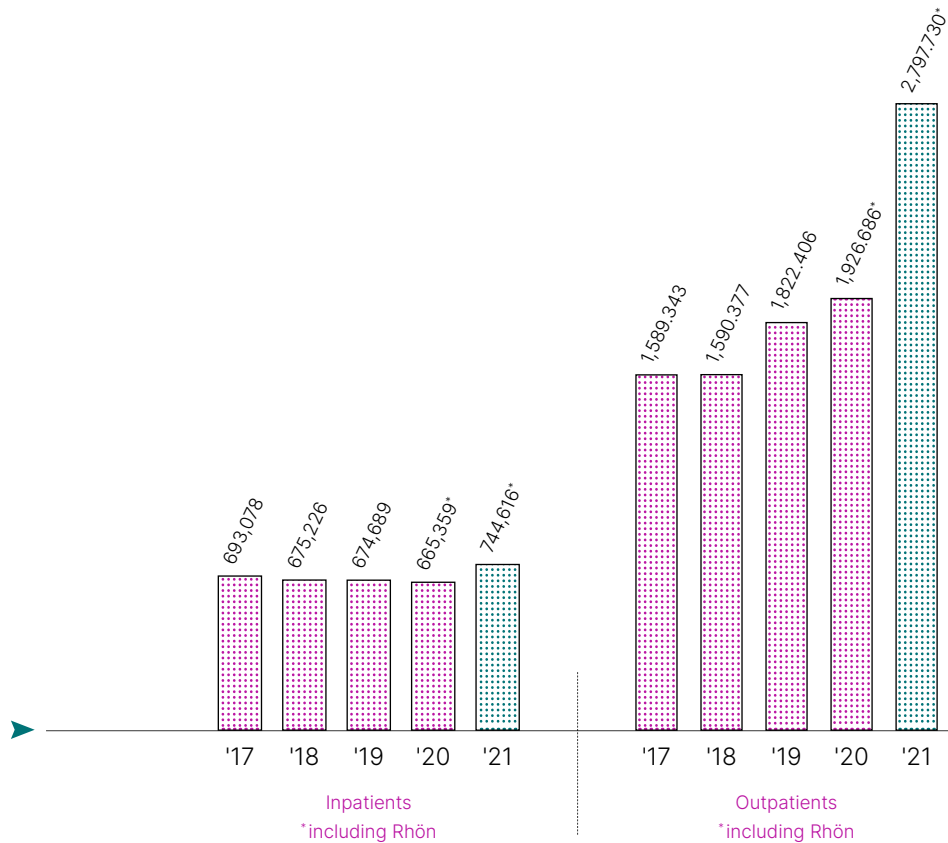


Today, we are already shaping tomorrow's advanced medicine

Medical advancements are making it possible to provide more and more treatments to outpatients, simultaneously lowering treatment costs and better utilising the capacity

of medical equipment. This is a crucial improvement in efficiency for healthcare providers like Asklepios, from which all patients will ultimately benefit.

We will continue to pursue our successful strategy in this area in future too and continue the targeted expansion of our leading network of hospitals, medical centres and practices. At the same time, we will work on entirely new outpatient treatment concepts, such as the campus concept established by Rhön-Kliniken. This combination will allow us to play a pioneering role in outpatient treatment in future too. Let us hope that politicians will make the trend towards outpatient treatment, which makes such sense for patients, easier by abolishing the boundary between the sectors.





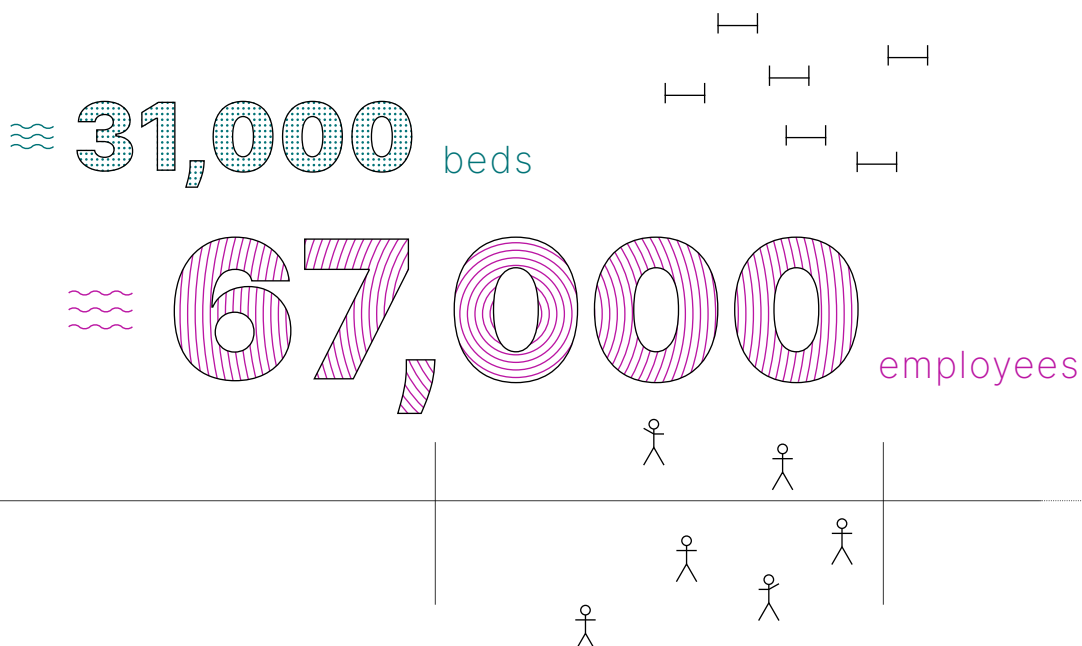
Shortage of qualified staff: a challenge for the entire sector

The shortage of qualified staff in the medical sector dominated media reporting during the pandemic – like no other topic. However, the ever-increasing demand for medical personnel

in the healthcare sector, which could no longer be covered by the applicants available on the labour market, was clear even before the pandemic. The causes for this range from demographic change to trained staff switching careers.

The approach of setting lower limits for staffing, such as in the “Psychiatric and Psychosomatic Staffing Directive” (PPR2.0 and PPPRL) is well meant but has the opposite effect in practice because the nurses required do not exist so that wards sometimes cannot operate at all.

To counter this situation, Asklepios is dealing with the shortage of qualified medical staff proactively. We offer nursing, medical and therapeutic trainee professions and dual study courses in twelve training sessions to cover the expanding need for staff with our own junior staff. In addition to numerous qualification measures to attract staff, we continue to acquire international nursing staff for Germany: in 2020 and 2021, Asklepios recruited and trained over 400 nurses from the Philippines.





Asklepios Annual Report

Leading article by the Management Board



Regulatory conditions: now set the right course for the future

Overall, we have too many hospitals in Germany, too many health insurance funds and an associated misallocation of financial and personnel resources, which are urgently needed in other places. That is the consensus among numerous experts. Over-regulation and bureaucracy must be curbed because they also cost valuable resources without benefiting patients' health. It is the task of politicians to set the course needed for the future with a major structural reform here, otherwise mushrooming social security contributions threaten to make our country uncompetitive.

The challenges of the coming years are a joint task and must be understood as such. In this process, it will be task of service providers to contribute their own experience and develop new solutions for healthcare. Asklepios is prepared to do this and leads the way as a constructive practice partner by its good example, as corporate responsibility is of major significance not just for the company as a whole but also for us as an integral part of this community.

Our Corporate
Responsibility Report





Time for a new beginning in the healthcare sector

One thing is certain: we shall achieve a genuine awakening only if all players in the healthcare sector pull together.

With a strong strategy and our dedicated team at our back, we will play our part in tackling the coming challenges and fighting against the pandemic – for our patients, with all our energies and complete commitment. We would again like to thank all of our employees wholeheartedly for this.

We are happy to experience this crucial period for medicine in Germany with our team at our side.

The Management Board of Asklepios Kliniken
Hamburg, April 2022



Kai Hankeln
CEO



Prof. Dr. Christoph U. Herborn
CMO



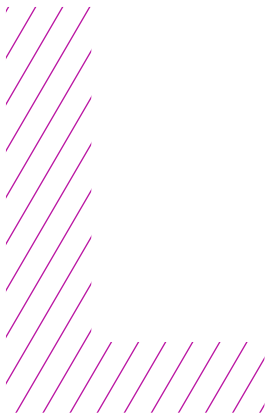
Hafid Rifi
CFO



Joachim Gemmel
COO



Marco Walker
COO



Ladies and gentlemen,

The coronavirus pandemic has had a tight grip on the world for more than two years now. A time that feels almost endless to many of us and has demanded a lot from us all. What started as an exceptional situation back then has now become everyday life. This makes it all the more important not just to return to our pre-crisis mode now. Instead, it is time for us as a society to learn from the past two years. We can

thereby ensure that we are better prepared to respond to pandemics and other disaster scenarios in the future.

This particularly applies to the healthcare sector, whose weaknesses were starkly exposed by the pandemic: gridlocked structures, chronic underfunding, ever-increasing bureaucratic obstacles and inadequate use of digital opportunities, to name just the most serious symptoms. There are many indications that our healthcare system urgently needs a radical reboot to be able to meet the challenges of the coming years. However, this will require courage from the new German government and from major institutions and players in the healthcare sector.

Asklepios Kliniken is already a pioneer in many areas here and has been pressing ahead with this transformation for years with many valuable initiatives, for example in the areas of digitalization and outpatient treatment. The headline topic for our annual report this year, “New Beginnings”, is therefore very fitting, as we have been contributing to improvements in German healthcare and actively helping shape medical progress for more than 35 years. Our success here is also reflected in the steady growth of our Group and in the annually increasing number of patients who have placed their trust in us since our foundation in 1985.

As a shareholder of Asklepios Kliniken, I am also personally committed to ensuring that we continue to put medical quality, innovation and social responsibility at the heart of what we do in the future, too. Sustainable corporate governance and growing corporate responsibility for our patients, employees and the environment go hand in hand with this. Preventive care and the health of our employees have always



been particularly important to me. I am therefore delighted that the Asklepios sustainability strategy also focuses on the key topic of employee health. You can find out more in our 2021 Corporate Responsibility Report.

The pandemic also showed that private operators have proven their strong performance in the crisis and protected our health-care system from collapse. In the past financial year alone, we provided inpatient care to more than 15,000 COVID-19 patients together with the Rhön hospitals. Our approximately 170 facilities across Germany showed how essential they are for the provision of healthcare, with our hospitals in Gauting, Burglengenfeld, Kandel, Schwedt and Weißenfels representing just a few examples. This was possible only thanks to the tireless dedication of our more than 67,000 employees throughout Germany.

So it is all the more important to us to remain a dependable and reliable employer for our employees in the future – including after the ongoing pandemic and in view of the growing challenges for the healthcare sector.

I would therefore like to express my sincere thanks to all the employees who have remained loyal to Asklepios for many years and who are doing their very best on a daily basis in these challenging times. In particular, I am delighted that we could welcome so many new colleagues into the Group due to the progressive integration of the Rhön hospitals last year. I am proud to be able to shape healthcare in Germany together with you. I am also particularly grateful to all the patients and partners who have placed their trust in Asklepios over the years. Even though it may be difficult after two years of the pandemic, let us look forward to the future together with optimism.

Best regards
Dr Bernard große Broermann

Dr Bernard große Broermann



Group management report

for the financial year
from 1 January to 31 December 2021

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Group key figures		2021	2020	Change in %
Number of patients		3,542,346	2,592,045	+36.7
Cost weight		609,734	507,917	+20.0
Number of beds		31,197	31,628	-1.4
Employees (full-time equivalents)		49,967	50,371	-0.8
Net cash from operating activities	EUR million	449.6	596.5	-24.6
Revenue	EUR million	5,117.6	4,343.1	+17.8
EBITDA	EUR million	503.4	415.0	+21.3
EBITDA margin in %		9.8	9.6	
EBIT	EUR million	184.8	128.1	+44.3
EBIT margin in %		3.6	2.9	
Consolidated net income (EAT)	EUR million	106.3	-65.1	-263.3
EAT margin in %		2.1	-1.5	
Investments in property, plant and equipment and intangible assets (own funds) ¹	EUR million	242.2	289.7	-16.4
Own funds ratio in %		72.8	74.4	
Total assets	EUR million	6,572.3	6,311.1	+4.1
Equity	EUR million	1,746.9	1,592.6	+9.7
Equity ratio in %		26.6	25.2	
Financial liabilities	EUR million	2,179.0	2,181.5	-0.1
Cash and cash equivalents	EUR million	647.2	548.5	+18.0
Short-term time deposits	EUR million	167.0	166.4	+0.0
Net financial debt	EUR million	1,364.8	1,466.6	-6.9
Net debt ratio ²		3.1x	3.8x	0
Interest coverage factor (EBITDA/net interest income)		10.0x	7.4x	

¹ In relation to investments at hospital locations

² Adjusted for IFRS 16 effects

Note: Figures include Rhön-Klinikum AG from 1 July 2020



B

Ongoing coronavirus pandemic impacted the 2021 financial year

From the beginning, the 2021 financial year was influenced by the COVID-19 pandemic, which has been ongoing since March 2020. The nationwide vaccination campaign in the months from January to September did indeed initially lead to the seven-day incidence rate stabilising and to a slight improvement with regard to the pandemic. The confidence that they could be treated without having to fear infection with COVID brought our patients back to the Asklepios hospitals and normalised hospital operation to some extent. However, at the end of the second half of 2021, the number of COVID-19 patients rose rapidly once again and developments in our approximately 170 healthcare facilities reflected the situation a year ago. The existing shortage of qualified staff and the obligations under the German regulation for the threshold for nursing staff (Pflegepersonaluntergrenzenverordnung - PpUGV) led to there being fewer intensive care beds in the entire hospital sector than there were a year ago. In addition, hospital operators were again asked to postpone elective surgeries.

The situation was badly affected by illnesses in many of the teams providing initial and emergency medical care; our emergency departments had to cope with difficult cases again and again as there was a sustained influx of patients. In December 2021 alone, we discharged between 250 and 300 people with COVID-19 from inpatient care per week. To avoid individual hospitals being overwhelmed, the clover-leaf scheme was created which allowed patients to be transferred easily to, in most cases, neighbouring German states. For example, coronavirus patients from various German states were transferred to Asklepios hospitals under this scheme. This highlights how responsible and care-aware all our teams are in working on the clinical front line in our healthcare facilities – and how well the Asklepios network functions in the background.

Although the COVID-19 pandemic has had an impact on the economic development of Asklepios hospitals, the key figures for the Group have improved year-on-year. This is due to Rhön-Kliniken AG being consolidated during the entire year for the first time, which had a positive impact in the 2021 financial year. In the previous year, Rhön was included in the consolidated financial statements of Asklepios Kliniken GmbH & Co. KGaA from 1 July 2020 only.

The strategic partnership with Rhön has emphatically proved its value against the backdrop of the effects of COVID-19. Since the beginning of the pandemic, the Group has made a significant contribution to ensuring healthcare in Germany and has distinguished itself through its responsiveness and competence: Asklepios's Group-wide COVID task force, made up of colleagues from the areas of medicine, hygiene, pharmacy, procurement and communications, as well as additional experts depending on how the situation develops, has continuously evaluated our COVID measures. Overall, we were therefore well prepared to fight the fourth wave of the pandemic and to fulfil our healthcare mandate and our responsibility to society. It has become clear that the Group's existing strong structures together with meaningfully validated synergies have had a positive effect on our healthcare facilities and thus on the future of medical treatment.

In the period from January to December 2021, the Asklepios Group's healthcare facilities treated around 3.5 million patients in total. Over 67,000 Asklepios employees worked at around 170 healthcare facilities in the 2021 financial year. EBITDA changed by 21.3% to EUR 503.4 million, while the EBITDA margin totalled 9.8%. Consolidated net income (EAT) amounted to EUR 106.3 million (previous year: EUR -65.1 million). Equity was EUR 1,746.9 million as at 31 December 2021, higher than the figure as at 31 December 2020 (previous year: EUR 1,592.6 million). The equity ratio changed to 26.6% (previous year: 25.2%).

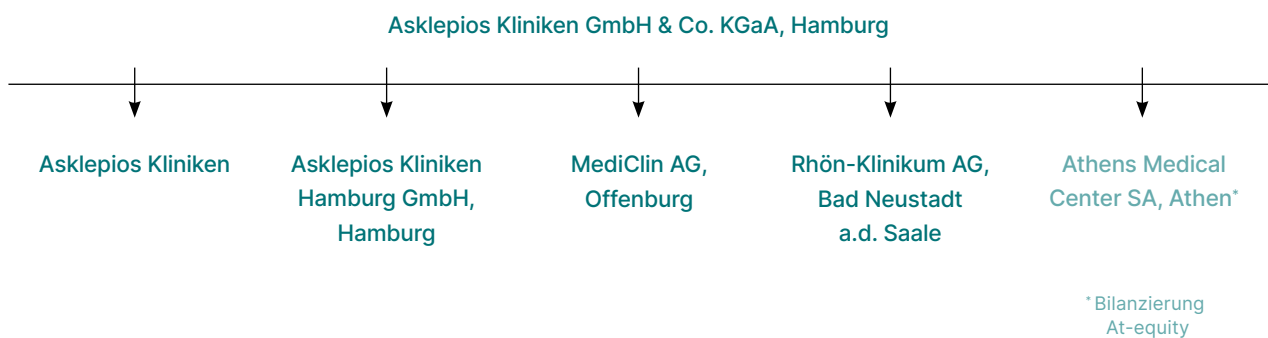
1. Business model of the Group

The healthcare group Asklepios epitomises the company values of medical quality, innovation and social responsibility. Since its foundation more than three decades ago, Asklepios has developed from a hospital operator to a future-oriented and digital company that has embraced a holistic, integrated treatment approach. Asklepios is a leading private hospital operator in Germany with approximately 170 healthcare facilities in 14 German states. The Asklepios Group has been a majority shareholder of MediClin AG since 2011 and of Rhön-Klinikum AG since 2020. The Rhön hospitals supplement the Asklepios network with five excellent locations. The close-knit network of hospitals and healthcare facilities allows for integrated treatment chains and the establishment of medical clusters. This enables the Asklepios Group to cover the entire range of medical care services, with specialist hospitals with specific specialities operating far beyond their own regions in addition to university hospitals and maximum, basic, standard and priority care. As an operator of rehabilitation clinics, we are able to guarantee full inpatient care from a single source and take top positions throughout Germany. Our patients find outpatient

support in our medical centres. We combine the Pulso Group and Fürstenberg GmbH in our e-health portfolio, which focuses on corporate health consulting. The e-health platform Minddistrict focuses on prevention and rehabilitation for patients with mental illnesses. Asklepios also takes a leading role in the digitalisation of the German healthcare system as "Digital HealthyNear".

The Asklepios Group's focus is on the non-cyclical acute market. Roughly 87.4% of the business volume related to acute care hospitals and the rest to the rehabilitation sector and other medical facilities. Nevertheless, the value chain at Asklepios has broadened significantly in recent years. Alongside outpatient and inpatient treatment, it includes prevention and aftercare for our patients in equal measure. In total, the approximately 170 Asklepios healthcare facilities treated 3,542,346 patients in the financial year (previous year 2,592,045). The Asklepios Group employed 49,967 full-time equivalents on average in the past financial year (previous year 50,371).

The structure of the Group as at 31 December 2021:



Asklepios Kliniken GmbH & Co. KGaA acts as the management company of the Asklepios Group. The operating entities Asklepios Kliniken, Asklepios Kliniken Hamburg GmbH, MediClin AG and Rhön-Klinikum AG are fully consolidated subsidiaries. Athens Medical Center SA is accounted for using the equity method. Asklepios Kliniken GmbH & Co. KGaA is responsible for the areas of Group development and strategy and financing as well as for monitoring, management and controlling functions. In addition, Asklepios

leverages functional synergies, for example in the areas of accounting, taxes and controlling, corporate finance & treasury, insurance, quality management, medicine and science, procurement, care and information technology. Standard intercompany agreements on the exchange of services and cooperation agreements have been entered into between the Group entities.



— 2. Objectives and strategies

Our aim is to provide our patients with the best possible medical care. We therefore focus on sound business development and stable internal financing to continue investing constantly in our medical facilities and in digitalisation from our own funds. Technical advances in digitalisation will help position Asklepios and the healthcare sector well for the future in spite of the increasingly challenging demographic situation.

— 3. Management system

The Asklepios Group is managed and controlled by its Group management, which is the responsibility of Asklepios Kliniken Management GmbH as the general partner. The other executive bodies of the company are the Supervisory Board, the Advisory Board and the Annual General Meeting. The Supervisory Board monitors and consults the management work by the general partner to the extent that this duty is not assigned to the Advisory Board. The Advisory Board is responsible for the consulting, controlling and monitoring of the management to the extent that these rights and duties are not assigned to the Supervisory Board or the Annual General Meeting. The Annual General Meeting adopts resolutions on the approval of the annual financial statements, official approval of the actions of the general partner and the Supervisory Board and the appropriation of profits.

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

Internally at company level, management is based on earnings before interest, taxes, depreciation and amortisation (EBITDA). Group management is dependent on earnings after taxes (EAT).

Asklepios uses the equity ratio, which expresses the ratio of equity to total assets as a percentage, as another significant, control-related financial performance indicator. The equity ratio represents the share of equity in overall capital and is an indicator of financial and economic stability.

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

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

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

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

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

4. Quality management

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

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

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

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

In 2021, the Quality department did not conduct any peer reviews in the acute care hospitals because of the pandemic situation. Peer reviews serve the purpose of examining whether a medical department is functioning properly, particularly with regard to adequate patient care. The focus is on the department's medical care processes and an external analysis of selected patient records by a trained specialist auditor from another Asklepios hospital. These audits include a critical analysis of whether the treatment is in line with the current scientific knowledge and is provided in accordance with guidelines.

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



1. General economic and sector-specific conditions

General economic conditions

In autumn 2021, the Federal Ministry for Economic Affairs and Energy¹ forecast an increase in gross domestic product (GDP) for 2021 of 2.6% year-on-year. The autumn forecast was based on the fact that the coronavirus crisis seemed to have been vanquished at this point. The German government's comprehensive aid package stabilised the economy and the employment market during the crisis. The fourth wave, which started in the fourth quarter of 2021 and the emergence of the omicron variant affected the German economy, as it did global logistics and high energy prices around the world. Despite supply bottlenecks and the fourth wave of coronavirus, the Organisation for Economic Cooperation and Development (OECD) is confident that the German economy will recover. In its forecast, it announced that gross domestic product (GDP) is expected to grow by 4.1% in 2022. The OECD is also expecting a global economic recovery. It expects the global economy to grow by 5.6% this year, then by 4.5% in 2022 and 3.2% in 2023.²

General sector conditions

According to the Federal Ministry of Health, the healthcare industry, as one of the largest sectors in the German economy, is of key economic importance for Germany. Gross value added in the core healthcare industry was around EUR 364 billion in 2020, representing approximately 12% of GDP and almost EUR 1 billion a day. The healthcare industry is therefore a growth driver and source of stability for macro-economic development. In the last ten years, the sector has grown at a much stronger rate than GDP with growth of 3.3% a year. With a workforce of some 7.4 million, the healthcare industry employed one in six workers in Germany in 2020.

There are three core segments within the healthcare industry. The largest, medical care, comprises inpatient facilities (including hospitals, inpatient care and rehabilitation clinics) and non-inpatient facilities (including doctors' practices, outpatient clinics and outpatient care). The industrial healthcare industry comprises the production of pharmaceuticals, medical technology and medical products, as well as the trading and sale of these goods. The third segment comprises the "other sub-segments" of the healthcare industry, including health insurance and public administration; independent healthcare; sport, wellness and tourism services and investment.

Like the rest of the economy, the healthcare market was significantly influenced by the COVID-19 pandemic, which has been ongoing since March 2020, in the 2021 financial year. The third and fourth waves of the pandemic dominated 2021, even though performance figures recovered in the second and third quarter. The compensation payments via flat-rate allowances from 2020 were initially continued until 15 June 2021, while the group of entitled hospitals has been significantly curtailed. Hospitals that did not receive flat-rate allowances were able to bill flat-rate discounts from May 2021. From 1 November 2021, initially envisaged until March 2022, hospitals could charge a flat rate for each patient infected with SARS-COV2 who stayed for at least 2 days, which is based on the amount of the previous flat-rate allowance multiplied by the average nationwide period spent in hospital of 13.9 days per COVID case. 85% of the revenue from the original and subsequently modified flat-rate compensation payments is subject to overruns or shortfalls in revenue being offset for psychiatric and somatic hospitals. In this offset, the actual revenue from 85% of the compensation payments in 2021, DRGs (excluding care) and additional fees is contrasted with the corresponding actual revenue in 2019. Unlike in 2020, revenue overruns must be repaid in full up to 85% of the revenue from the compensation payments. A hospital may retain all the revenue resulting from this only if it exceeds the 2019 service volume. To calculate the revenue shortfall, the actual revenue in 2021 is compared with the actual revenue in 2019 reduced to 98%. If this results in a revenue shortfall, only 85% is offset. When calculating both revenue overruns and revenue shortfalls, variable material costs are left out of the calculation. The calculation system leads to hospitals with revenue shortfalls not having their fixed costs reimbursed in full but having to repay revenue overruns in full. In a small range, hospitals will neither have any shortfall in revenue offset nor have to repay any revenue overrun. The offsets will be negotiated with the health insurance funds in 2022, whereby the key criterion for receiving shortfalls in revenue from hospitals is to provide evidence that the drop in revenue was caused by COVID.

¹ www.bmwi.de ² Organisation for Economic Cooperation and Development (OECD) 1 December 2021

There was further COVID aid in the continuation of the following measures:

- in the first half of 2021, financing of EUR 40 per case (EUR 80 per COVID case) in the somatic hospitals and EUR 20 per case in the psychiatric hospitals; in the second half of 2021, financing of EUR 20 per case in the somatic field, as in psychiatry, and EUR 40 per COVID patient for personal protective equipment; for 2021, the hospitals are to negotiate the additional costs caused by the pandemic at hospital level with the health insurance funds, whereby the contracting parties at national level recommend that lump sums paid to date are not agreed as lump-sum settlement of the additional costs caused by coronavirus for additional costs not financed from another source.
- Refinancing of testing costs via separate, additional fee
- Invoice payment by the health insurance funds within five days
- MDK verification quota limited to 12.5% suspension of penalties for 2021

After various requirements and the implementation of additional structural requirements was deferred until 2022 in 2020, hospitals were considerably affected by the bureaucratic costs of the new regulations despite the ongoing pandemic situation, especially with regard to the structural assessments of complex treatments that can only be agreed and billed from 2022 if the assessments have received a positive response. There were also the budget negotiations from 2020, which had practically ground to a halt in the dispute about the definition of excluding nursing costs. However, the federal agreement from November 2020 has not contributed to complete clarification either, which means that at most 40% of the German federal hospitals have agreed a budget for 2020 by the end of 2021.

With the onset of the fourth wave, hospitals in almost every German state were once again obliged to limit normal operations significantly and only treat emergencies because of the impending catastrophic care situation. From 1 November 2021, the following measures were enacted by legislators:

- Introduction of a care surcharge for hospitals for treating COVID patients for the period from 1 November 2021 to 19 March 2022 (see above)
- Supplementary regulations for testing concepts
- Prevention and rehabilitation clinics: extension of the coronavirus surcharge, German Social Service Providers Deployment Act (Sozialdienstleister-Einsatzgesetz - SodEG) as well as regulations on designating rehabilitation facilities as substitute hospitals.
- Extension of invoice payment by the health insurance funds within five days

In 2021, the nursing staff thresholds were extended to include internal medicine, general surgery as well as paediatrics and paediatric intensive care and were not suspended at any time despite the considerably more dramatic care situation in part. Orthopaedics, gynaecology and obstetrics as well as neonatal paediatrics will also be included from 2022. Given the simultaneous massive staff shortages in healthcare, the significant increases in personnel requirements associated with the nursing staff thresholds will lead to a further reduction in hospital locations and centralisation of services, as the legislators would like.

The discussions about including nursing staff have also had a significant impact on the Group's budget negotiations. The federal agreement concluded at the end of 2020 did not lead to any material improvement in the different views. The federal agreement stipulated that the personnel to be included in the German regulation for the threshold of nursing staff is recognised as unlimited in care on wards. In addition to nurses examined annually and triennially, this also includes medical assistants and emergency paramedics. Other personnel and personnel with no vocational qualifications – such as personnel providing care to help patients care for themselves, nursing assistants and ward assistants – should only be recognised to the extent of the level of employment determined for 2018. The legislators even specified these requirements retrospectively for 2020 with the German Act to Develop Healthcare (Gesundheitsversorgungsweiterentwicklungsgesetz - GVWG) but have still not resolved the basic conflict of how care activities are defined. However, over half the hospitals in the Group were able to conclude an agreement for 2020 by the end of 2021, which is far more than the national average.



Psychiatry and rehabilitation

The psychiatric and rehabilitation situation was equally impacted by the coronavirus pandemic, which meant that occupancy in rehabilitation and in psychiatry decreased compared with 2019 in 2021. While the psychiatric hospitals received flat-rate allowances for keeping capacity available at least temporarily or on a proportional basis, rehabilitation centres received only minimal support and had to accept statutory short-time work, etc.

From 2020, psychiatric hospitals no longer have to comply with the German Personnel Regulations for Psychiatric Hospitals (Psychiatrie-Personalverordnung) but with the German Guideline for Personnel Assessment in Psychiatric Hospitals and Psychosomatic Medicine (Richtlinie für die Personalbemessung in der Psychiatrie und Psychosomatik - PPP-RL) with quarterly verification of personnel and minimum personnel requirements for the therapeutic staff to be employed in psychiatric wards – similarly to the nursing staff thresholds in somatic hospitals. However, compared with the Psychiatrie-Personalverordnung, the PPP-RL also now contains requirements for therapeutic staff in psychosomatic specialist departments and more stringent personnel requirements especially for children's and adolescent psychiatric units, partly for the nursing service and partly for psychologists as a professional group. The lack of sanctions for staff shortfalls was extended until the end of 2021; service provision is permissible even if the minimum requirements are not met. The quarterly obligation to provide verification was suspended by the Federal Joint Committee because of the coronavirus pandemic but only for 2020: the reports had to be submitted in full for 2021.

Against the backdrop of the particular situation in which psychiatric hospitals have found themselves because of the coronavirus pandemic, it has so far been possible to agree with the health insurance funds on a blanket continuation of the 2019 budget for 2020 and 2021.

1. Business performance and results of operations

Rhön-Klinikum AG has been included in the consolidated financial statements of Asklepios Kliniken GmbH & Co. KGaA since 1 July 2020. The 2021 financial year is therefore not comparable with the previous year's figures.

	2021		2020	
	EUR million	%	EUR million	%
Revenue	5,117.6	100.0	4,343.1	100.0
Other operating income	421.0	8.2	326.7	7.5
Cost of materials	-1,235.5	-24.1	-973.5	-22.4
Staff costs	-3,314.5	-64.8	-2,824.2	-65.0
Other operating expenses	-485.1	-9.5	-457.1	-10.5
EBITDA	503.4	9.8	415.0	9.6
Depreciation, amortisation and impairment	-318.6	-6.2	-286.9	-6.6
EBIT	184.8	3.6	128.1	2.9
Income from equity investments	6.6	0.1	25.3	0.6
Net interest expenses	-50.2	-1.0	-56.4	-1.3
Income taxes	-34.9	-0.7	-23.2	-0.5
Consolidated net operating income (EAT)	106.3	2.1	73.9	1.7
Remeasurement as per IFRS 3	0.0	0.0	-139.0	-3.2
Consolidated net income (EAT)	106.3	2.1	-65.1	-1.5

The 2021 financial year was influenced by the dynamic progression of the COVID-19 pandemic, which has been ongoing since March 2020. The nationwide vaccination campaign in the months from January to September initially led to the seven-day incidence rate stabilising and to a slight improvement with regard to the pandemic. However, the number of COVID-19 patients rose rapidly once again in the fourth quarter of 2021. The number of COVID-19 patients being treated in hospitals stabilised at a high level in December 2021. In total, the Asklepios Group reported an increase of 36.7% to 3,542,346 patients treated (previous year 2,592,045). This sharp increase on the previous year resulted from the majority acquisition of the Rhön hospitals.

The legislators' demand that capacity be kept available resulted in some cases in a decline in the number of patients during the year and at the end of the financial year. The compensation payments for the provision of bed capacity led to revenue of EUR 243.0 million (previous year: EUR 392.5 million).

The Asklepios Group's consolidated revenue rose by 17.8% to EUR 5,117.6 million in the financial year (previous year: EUR 4,343.1 million). The largely acquisition-related increase in consolidated revenue was the result of the majority acquisition of Rhön-Klinikum AG on 1 July 2020.

87.5% (previous year 83.6%) of revenue was generated in acute care hospitals, 11.3% (previous year 12.7%) in rehabilitation clinics and 1.2% (previous year 3.7%) in social welfare facilities and other facilities.



Other operating income of EUR 421.0 million (previous year: EUR 326.7 million) includes income from services and from ancillary, additional and other operations.

Development of case numbers	2021	2020	Absolute change	Relative change
No. of inpatient cases	744,616	665,359	+79,257	+11.9%
No. of outpatient cases	2,797,730	1,926,686	+871,044	+45.2%
Number of patients	3,542,346	2,592,045	+950,301	+36.7%
Number of cost weights	609,734	507,917	+101,817	+20.0%
Number of beds*	31,197	31,628	-431	-1.4%

* 2021 beds in place, 2020 contracted beds

A total of 3,542,346 patients visited the Asklepios Group's facilities in the 2021 financial year. The increase on the previous year (2,592,045 patients) is due to the acquisition of the Rhön hospitals in July 2020. The number of inpatient cases totalled 744,616 (previous year 665,359). The number of outpatient cases amounted to 2,797,730 (previous year: 1,926,686) and was higher than in the previous year due to the coronavirus pandemic and the consolidation of Rhön. The number of cost weights amounted to 609,734 (previous year 507,917). As a non-financial performance indicator, cost weights were therefore within our forecast as at 31 December 2020. Average inpatient care case income rose from EUR 5,795.58 to EUR 5,999.16. Corrected for the share of flat-rate allowances for keeping capacity available and the care surcharge, average case income comes to EUR 5,612.20 (previous year: EUR 5,198.51).

As a result of the changes due to the coronavirus pandemic, the deduction for the cost degeneration of fixed costs was suspended in 2020. In 2021, a deduction for the cost degeneration of fixed costs was made only if additional services were agreed in the budget compared with 2019.

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

	2021 %	2020 %
Cost of materials ratio	24.1	22.4
Staff costs ratio	64.8	65.0
Other expenses ratio	9.5	10.5
EBITDA	9.8	9.6
Depreciation and amortisation expense ratio	6.2	6.6
EBIT	3.6	2.9
EAT	2.1	-1.5

Absolute cost of materials rose by EUR 262.0 million to EUR 1,235.5 million (previous year: EUR 973.5 million), representing an increase of 26.9% year-on-year. The cost of materials was influenced by the coronavirus-driven rise in the medical requirement for hygiene and protective clothing not only for employees, but also for patients. There were also increased expenses for pharmaceuticals as well as for anaesthetics and other surgical supplies. The cost of materials ratio in relation to revenue went up year-on-year. Overall, the cost of materials ratio worsened by 1.7 percentage points year-on-year to 24.1% (previous year: 22.4%).

— 3. Overall management statement

Absolute staff costs climbed by EUR 490.3 million to EUR 3,314.5 million, while the staff costs ratio fell slightly to 64.8% (previous year: 65.0%). The number of full-time equivalents changed from 50,371 in the previous year to 49,967 on average in 2021.

Other operating expenses rose by EUR 28.0 million or 6.1% in absolute terms to EUR 485.1 million (previous year: EUR 457.1 million). The ratio was 9.5% (previous year: 10.5%).

Operating EBITDA amounted to EUR 503.4 million in the financial year and was higher than in the previous year (EUR 415.0 million). The EBITDA margin came to 9.8% (previous year 9.6%). As a key financial performance indicator, EBITDA is within the forecast set out in the consolidated financial statements as at 31 December 2020.

The depreciation and amortisation expense ratio was 6.2% in the past financial year and thus lower than the previous year's level (6.6%).

The EBIT of EUR 184.8 million generated in 2021 meant a margin of 3.6% (previous year: EUR 128.1 million and 2.9%).

Income from equity investments was down year-on-year at EUR 6.6 million (previous year including remeasurement as per IFRS 3: EUR 25.3 million). Income from equity investments includes shares of investments accounted for using the equity method.

Negative net interest income amounted to EUR 50.2 million (previous year: EUR 56.4 million). Interest income increased to EUR 8.0 million (previous year: EUR 3.5 million). Interest expenses fell by EUR 1.7 million to EUR 58.2 million in the financial year (previous year: EUR 59.9 million).

At EUR 34.9 million, income tax expenses were up on the previous year's figure of EUR 23.2 million.

Consolidated net operating income (EAT) amounted to EUR 106.3 million and was thus above the comparable figure for the previous year of EUR 73.9 million and within our forecast as at 31 December 2020. The operating EAT margin was 2.1% in the financial year (previous year 1.7%).

The 2021 financial year was materially influenced by the persistent and very rapidly evolving COVID-19 pandemic. While the nationwide vaccination campaign in the months from January to September initially led to hospital operation stabilising, the number of COVID-19 patients rose rapidly once again in the fourth quarter of 2021. This was due in particular to the new coronavirus variant Omicron. However, Asklepios together with Rhön-Klinikum AG was well prepared for the pandemic through its responsiveness and competence. Its stable, long-term internal financing, which was increased again in the 2021 financial year, also provided security.

Revenue rose by 17.8% from EUR 4,343.1 million to EUR 5,117.6 million, with the increase being largely acquisition-driven through the takeover of Rhön hospitals. Organic growth at 2.8% was slightly below our forecast for the financial year, which specified revenue growth of between 3.0% and 4.0%. EBITDA at EUR 503.4 million was up on the previous year (EUR 415.0 million), and the margin was 9.8% (previous year 9.6%). The equity ratio was 26.6% (31 December 2020: 25.2%). At 609,734, the number of cost weights was within our forecast as at 31 December 2020 (previous year cost weights of 507,917).

— 3. Financial position and net assets

The financing structure is essentially medium-to long-term in nature and guarantees solvency and sufficient liquidity reserves at all times. This applies especially to exceptional situations such as the coronavirus pandemic. To achieve this, we ensure broad diversification of our financing instruments and a balanced maturity profile.

In addition to cash and cash equivalents of EUR 647.2 million, the Group has unutilised credit facilities of around EUR 788.9 million at its disposal (previous year: EUR 770.3 million). There are also short-term time deposits of EUR 167.0 million (previous year: EUR 166.4 million), which with maturities of up to 12 months are invested at various banks with an investment grade rating from a recognised rating agency or comparable credit rating and are recognised in current other financial assets. The high internal financing power and the targeted moderate level of net debt protect the Group from further financial market risks.



Pure financial liabilities not including IFRS 16 amounted to EUR 2,179.0 million (previous year: EUR 2,181.5 million). The financial liabilities essentially comprise the schuldschein loan agreements from 2013, 2015 and 2017, 2020 and 2021.

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

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

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

EUR million	2021	2020
Financial liabilities (including lease liabilities)	2.609,1	2.645,6
Cash and cash equivalents	647,2	548,5
Short-term time deposits	167,0	166,4
Net financial debt	1.794,9	1.930,7
EBITDA*	503,4	450,5
Net debt ratio	3,6x	4,3x
Net debt ratio excluding effects from the application of IFRS 16 Leases	3,1x	3,8x

* Rhön's 2020 full-year EBITDA

The net debt ratio amounted to 3.6x (previous year 4.3x), adjusted for effects on the statement of financial position from the application of IFRS 16 Leases, the ratio was 3.1x (previous year 3.8x). The improvement in the net debt ratio compared with the previous year is attributable, in particular, to the year-on-year increase in EBITDA. The comparatively high figure in the previous year largely resulted from the financing associated with the acquisition of Rhön-Klinikum AG. The interest coverage factor (EBITDA/net interest income) is 10.0x (previous year 7.4x).

Summarised statement of financial position	2021		2020	
	EUR million	%	EUR million	%
Non-current assets	4,216.6	64.2	4,306.7	68.2
Current assets	2,340.6	35.6	2,004.4	31.8
Assets held for sale	15.0	0.2	0.0	0.0
ASSETS	6,572.3	100.0	6,311.1	100.0
Equity	1,746.9	26.6	1,592.6	25.2
Non-current liabilities and provisions	3,179.0	48.4	3,409.5	54.0
Current liabilities and provisions	1,636.8	24.9	1,309.1	20.7
Debts associated with assets held for sale	9.6	0.1	0.0	0.0
EQUITY AND LIABILITIES	6,572.3	100.0	6,311.1	100.0

The Group's accounting and financing structures are sound. Asklepios has a long-term and balanced maturity profile, particularly due to the repeated issuance of schuldschein loan agreements. As in the previous year, non-current assets are financed at a rate of over 100% with matching maturities by equity or long-term borrowings. Total assets increased from EUR 6,311.1 million in the previous year to EUR 6,572.3 million.

Non-current assets decreased by EUR 90.1 million year-on-year to EUR 4,216.6 million. Equity amounted to EUR 1,746.9 million and was higher than the previous year's figure (31 December 2020: EUR 1,592.6 million). The equity ratio as at 31 December 2021 was above the previous year's figure at 26.6% (31 December 2020: 25.2%). Asklepios has permanent interest-free and redemption-free access to subsidies of around EUR 1,221.4 million (31 December 2020: EUR 1,254.8 million). As these subsidies will fall due for repayment only in the hypothetical event of no longer being included in the hospital plan, these funds are in effect similar to equity.

Days sales outstanding (trade receivables turnover rate x 365 days/total revenue) are at 52.7 days (previous year: 56.7 days). Adjusted for MDK provisions, DSO were 47.8 days (previous year: 51.4 days).

Non-current liabilities amounted to EUR 3,179.0 million (31 December 2020: EUR 3,409.5 million). These comprise pension provisions, other non-current provisions, financial liabilities and other liabilities due in more than one year, and deferred taxes. As part of the company's active maturity management, selected schuldschein loan agreements maturing in 2022 and 2023 were refinanced in the context of an exchange and increase offer November 2021.

In addition to cash and cash equivalents of EUR 647.2 million, the Group has unutilised credit facilities of EUR 764.1 million available. The Group therefore has financial reserves available at short notice of EUR 1,411.3 million.

Internal financing capability is still at a good level. Cash flow from operating activities was influenced by the EBITDA figure of EUR 503.4 million (previous year: EUR 415.0 million) and the health insurance funds' payment performance. Capital expenditure on equipment and new buildings for our hospitals was financed by cash flow from operating activities.



4. Capital expenditure

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

EUR million	2021	2020
EBITDA	503.4	415.0
Cash flow from operating activities	449.6	596.5
Cash flow from investing activities	-237.3	-853.9
Cash flow from financing activities	-113.6	540.9
Change in cash and cash equivalents	98.7	283.5
Cash and cash equivalents on 1 January	548.5	265.0
Cash and cash equivalents on 31 December	647.2	548.5

Investments in our healthcare facilities on a regular basis are the foundation for long-term healthy growth. Since the state investment subsidy does not cover the entire investment requirements of modern hospitals, the difference is financed from the Group's own funds. Asklepios is able, thanks to its internal financing power, to compensate for the loss of subsidies. Forward-looking business transactions and a stable cash flow again enabled the Asklepios Group to use its own funds averaging 7% to 9% of revenue for maintenance and capital expenditure in the 2021 financial year. As anticipated, the internal financing ratio is at the level of the previous year at 72.8% (previous year 74.4%).

Cash and cash equivalents changed by EUR 98.7 million to EUR 647.2 million in 2021. Operating cash flow amounted to EUR 449.6 million (previous year: EUR 596.5 million).

The operating cash flow is offset by a cash outflow from investing activities of EUR 237.3 million (previous year: EUR 853.9 million). Payments for investing activities mainly comprise investments in fixed assets and, in the previous year, investments in the acquisition of Rhön.

Financing activities resulted in a cash outflow of EUR 113.6 million (previous year: cash inflow of EUR 540.9 million).

Capital expenditure was as follows in the 2021 financial year:

	Capital expenditure in 2021		
	Total in EUR million	Of which subsidised	Internal financing ratio
Intangible assets	45.9	1.6	96.4%
Land and buildings	56.8	16.2	71.5%
Technical equipment	6.5	2.1	68.0%
Operating and office equipment	109.5	47.0	57.1%
Assets under construction	114.0	23.6	79.3%
Total	332.6	90.4	72.8%

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

Location	Capital expenditure in EUR million
Rhön-Klinikum AG Bad Neustadt	20,8
Central warehouse	19,0
University Hospital Marburg	15,0
University Hospital Giessen	11,6
Klinik Nord (Hamburg)	11,1
Klinik Harburg	8,6
MVZ Bayern	8,5
Bad Abbach	7,0
Seligenstadt	6,6
St. Georg	6,1

After deducting subsidised capital expenditure, net capital expenditure amounted to EUR 242.2 million (previous year: EUR 289.7 million) or 4.7% of revenue (previous year: 6.7%). Capital expenditure is fully financed by cash flow from operating activities. Without deducting subsidies, capital expenditure amounted to EUR 332.6 million (previous year: EUR 389.5 million). At EUR 172.9 million in total, expenditure for maintenance and servicing was up on the previous year (EUR 142.9 million). Expressed as a percentage of revenue, 3.4% was invested in ongoing maintenance (previous year 3.3%). Asklepios used 8.1% of revenue for internally financed capital expenditure and maintenance work (previous year 10.0%).



F

Forecast and report on risks and opportunities

1. Forecast

2. Risks and opportunities

COVID infections increased considerably throughout Germany in the fourth quarter of 2021, incidence rates have risen significantly. There is also the new coronavirus variant Omicron, the potential effects of which over the further course of the pandemic are not yet foreseeable. The intensity of the fourth wave and rapidly rising case numbers will likely result in continued coronavirus response measures. The forecast for the 2022 financial year is therefore heavily dependent on the German Infection Protection Act (Infektionsschutzgesetz) adopted by the German Bundestag and the German Bundesrat and a conceivable extension thereof or a possible renewed adoption of the “epidemic situation of national significance” which expired on 25 November 2021.

The ongoing COVID-19 pandemic will therefore have an impact on the business development and performance of our healthcare facilities. Our hospitals are also affected by a demanding regulatory environment. Asklepios will continue to operate responsibly and, at the same time, react flexibly and effectively to changes in medical or regulatory requirements. However, thanks to early investments in future-oriented fields such as digitalisation and strategic projects, as well as consistently high internally financed capital expenditure on its healthcare facilities, Asklepios has created a sound basis for weathering the ongoing COVID-19 pandemic well in economic terms. Not including COVID effects, i.e. not including any renewed intensification of the pandemic and associated unforeseeable effects, Asklepios therefore anticipates revenue growth and positive economic development in 2022.

Overall management statement

For the 2022 financial year, our economic goals, i.e. not including COVID effects, focus on organic revenue growth in a range of around 2.5% to 4.5% and a slight but sustained increase in EBITDA and EAT year-on-year. Against the backdrop of ongoing COVID-19 pandemic, however, Asklepios expects that its earnings margins will continue to be impacted. Our equity ratio will remain stable year-on-year in the 2022 financial year. In addition to financial figures, we also take account of the number of cost weights as a non-financial performance indicator when managing the company. We expect a constant development compared with the previous year.

a) Risk and opportunity management report

Asklepios is exposed to a range of challenges and risks, especially locally, due to dynamic growth, the complexity of business interrelations, high regulatory requirements, constant scientific, medical and technological progress, the de facto legal demand for greater efficiency and effectiveness, and the increasing demands of our patients. Systematic recognition of risks and opportunities in equal measure enables Asklepios to ensure long-term economic success, satisfy our patients’ requirements and secure our employees’ jobs. The rapidly changing health policy, structural, social and economic conditions must be identified and managed. Managing the associated risks and opportunities is an ongoing challenge and an important element of managing the hospitals and the Group. Risk management is firmly established at Asklepios and both satisfies and exceeds legal requirements.

Risk and opportunity management system process

→ The risk management system (system, responsibilities, structure, formal processes, integration and automation) is characterised by a strong degree of professionalism and institutionalisation. The homogeneous risk assessment structures are uniformly supported by standardised, automated procedures throughout the Group. Risk management is therefore not just practised operationally, but also used as an instrument for strategic management. The structures established in this way allow for a comprehensive risk management approach as a result of the combined risk assessment comprising both bottom-up and top-down approaches. This facilitates not only early detection of risks but also early identification of opportunities. The risk and opportunity management system is rounded off by systematic measures management, which forms the basis for the effective and efficient management of risks and opportunities. These processes receive technical support from appropriate risk management software to which all affected reporting units are connected. The effectiveness and efficiency of risk management is strengthened by the institution of the Strategic Risk Management Committee. The Strategic Risk Management Committee forms an essential pillar of the risk and opportunity management system.

→ The aim of the risk and opportunity management process is to enable the early identification, assessment and management of risks and opportunities that have a significant influence on the achievement of targets at hospital and Group level. To this end, a standardised process was established that allows close integration of elements of the bottom-up and top-down approach. In addition to regular reporting (e.g. financial reporting, reports on the quality of medical care), risks and opportunities are usually reported on a quarterly basis at the level of the hospitals (and Group departments), the sub-groups and the Group as a whole. An ad hoc reporting process has been established in order to escalate very critical issues. Risks and opportunities are always viewed in terms of the current financial year. This view constitutes a combination and aggregation of quantitative factors (probability of occurrence, effect on the achievement of planned EBITDA or on liquidity) and qualitative factors (e.g. information from supplementary reporting). In cooperation with the local risk managers and possibly also technical experts (known as risk sponsors) the risk officers – usually the managers in the hospitals and the heads of the Group departments – carry out the bottom-up elements for identifying and evaluating risks and opportunities. Based on the information gathered, corresponding risk management strategies and opportunity-taking strategies are developed and backed up with specific measures. Risks are categorised according to their potential adverse effects as “acceptable”, “requiring monitoring”, “requiring action” or “very critical”. Opportunities are allocated to one of four opportunity categories from “low expectations” to “very high expectations”.

→ Risks that are categorised as at least “requiring action” in the bottom-up process are examined again by Group management as part of the top-down approach. This procedure enables early support for reporting units by means of central measures. This allows for systematic management of risks and opportunities. Identified and documented risks and opportunities are monitored continuously with regard to their development. This monitoring includes tracking the risk and opportunity measures resolved in terms of their risk mitigation effect (effectiveness) and their cost and implementation status (efficiency). In addition, the Strategic Risk Management Committee analyses long-term developments early on to identify and assess their risk and opportunity potential for the company and to resolve appropriate action options.

→ Ecological and social issues relating to the external impact of Asklepios’s business activities are becoming increasingly important. In this context, the Asklepios Group sees corporate social responsibility (CSR) as an integral component of its corporate philosophy. Asklepios summarises the non-financial risks and additional possible CSR risks that may affect third parties under the heading of sustainability risks and allocates them in line with the five aspects (environmental matters including a climate assessment according to the Task Force on Climate-Related Financial Disclosures (TCFD), employee matters, social matters, respect for human rights, as well as combating corruption and bribery) stipulated in the German CSR Directive Implementation Act (CSR RUG). The period under review includes both the current financial year and a five-year outlook. Specific reporting takes place in the Corporate Responsibility Report.



Internal control system with regard to the Group financial reporting process

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

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

b) Risks

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

Ukraine conflict

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

have a significant negative impact on the domestic economy in Germany. Earnings may be reduced in particular by considerably higher material costs as compared to the previous year. In particular, rising energy costs may have a significant impact here. At the present time, it is not possible to quantify these risks in more detail.

COVID-19

Generally speaking, Asklepios is exposed to risks associated with the spread of the novel coronavirus (COVID-19) and the possible impact on its net assets, financial position and results of operations. The severity depends primarily on the further course of the pandemic, the financial assistance from federal and state governments and the Group's own measures. The coronavirus response measures are managed by a Group-wide task force. Internal communication regarding COVID-19 is coordinated centrally.

Specific measures have been imposed to minimise the risk of infection. In addition, there is constant communication with the relevant authorities. Subject to ongoing developments and based on the current state of affairs, we see the risk situation resulting COVID-19 as challenging but manageable.

IT risks and cyber risks

Asklepios is dependent on a functional IT structure. The successful course of treatment of a patient (from admission through diagnosis and treatment to documentation) depends to a large extent on an integrated IT system. Basic IT procedures and the configuration of the data centre are significant in this regard. Disruptions in IT integration and infrastructure or in related processes can have a corresponding impact on the net assets, financial position and results of operations. In this context, risk management in the IT department is being continuously developed.

The general IT risk situation was heightened on account of a global increase in cyber attacks in the past few years. In order to appropriately counter this trend, Asklepios has taken measures to further improve IT security and continue defending against possible cyber attacks moving ahead. The data centre is certified according to privacy and data security standards, and also performs independent internal and external audits and penetration tests that review the effectiveness of our security measures.

Personnel risks

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

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

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

Income, documentation and budget risks

The high level of state regulation means that Asklepios is exposed to risks in the day-to-day documentation and billing of cases and in the medium-term development of revenue budgets. This currently applies not only to the fact that the health insurance funds are slower to pay but primarily to details of budgetary law, such as differing opinions on case specifications and remuneration; the assessment of structural requirements; the size of the care budget; pending arbitration proceedings, where in some cases the outcome is impossible to predict; delayed budget negotiations; and potential changes to budgetary law and the supplementary billing regulations. The risks named could cause the results of operations, financial position and net assets to deteriorate.

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

Credit and counterparty risks

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



Financing and liquidity risks

Asklepios is subject to capital market risks. The management of short-term liquidity risks and longer-term financing risks is the central responsibility of the Finance department, which uses a treasury system for this purpose with a focus on efficient management of current cash and cash equivalents. As a financially conservative company, and on the basis of the investment terms of the assets, Asklepios' financing strategy is long-term in nature and contains manageable short-term refinancing risks. The high levels of cash and cash equivalents, steady cash flow, favourable capital structure (low level of debt), broad diversification of financing partners, access to the capital market and extensive unutilised lines of credit show that we are largely independent of general developments on the capital markets and ensure that we have full financial capacity for action, including for growth through acquisitions. The profitability and credit structure is negatively affected in part by the rental and financing structure associated with MediClin Aktiengesellschaft. The majority of financial liabilities are hedged by fixed interest rate agreements.

Investment risks

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

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

Planning and construction risks

On account of the extensive construction work, Asklepios is exposed to risks from business interruptions and delays in construction work with revenue losses and cost overruns in the budgeted construction work. The measures to reduce these risks include the provision of a high level of expertise within the Group with regard to construction planning and implementation. The implementation of standardised instructions and equipment and continuous quality assurance of projects throughout all work phases by the Construction department is essential to ensure an immediate response to any problems that may arise.

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

Performance risks

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

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

Risks from acquisition and integration

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

Risks from competition

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

Reputation risks

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

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





Liability and legal risks

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

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

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

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

Hygiene and infection risks

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

Quality risks

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

Risks from supply chains

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

Through forward-looking warehousing and a Germany-wide distribution system Asklepios aims to ensure that all locations can be supplied with sufficient pharmaceuticals and medical consumables. In the event of long-term disruptions to production and supply chains or long-term underproduction, however, there is a risk that certain products will become scarce. It is pharmaceutical businesses' responsibility to inform hospitals if they become aware of shortages in the supply of prescription drugs for inpatient care. Asklepios can thus initiate further countermeasures as appropriate or necessary.

Risks from climate change

Risks due to climate change are increasing all over the world and across industries.

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

There is also a danger that climate change will result in indirect cost risks, potentially including an increase in energy prices (e.g. due to CO2 pricing) as well as additional regulations for the construction and renovation of buildings. There is also a risk that locations without good public transport links become less attractive to employees, as these workplaces become less economically viable as a result of higher fuel prices.

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

Compliance risks

Compliance risk refers to the lack of legal and organisational compliance with the laws and standards applicable to Asklepios. This is associated with legal and economic risks for Asklepios. This can result in penalties, compensation claims or an occupational ban for medical staff. Existing measures to minimise any compliance risks that have been established are reviewed continuously and refined. A formal compliance management system is being set up.

Governance risks

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

c) Opportunities

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

Opportunities from the market and environment

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





Strategic opportunities

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

Opportunities from financial activities

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

Opportunities from operating activities

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

Infrastructural opportunities

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

— **Overall management statement:
summary and outlook**

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

Hamburg, 18 March 2022

Kai Hankeln

Hafid Rifi

Joachim Gemmel

Prof. Dr. Christoph U. Herborn

Marco Walker



Consolidated financial statement

for the financial year
from 1 January to 31 December 2021

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for the financial year from 1 January to 31 December 2021

EUR '000	Note no.	2021	2020
Revenue	V.1	5,117,601	4,343,069
Other operating income	V.2	421,016	326,723
		5,538,617	4,669,792
Cost of materials	V.3	1,235,492	973,461
Staff costs	V.4	3,314,547	2,824,199
Other operating expenses	V.5	485,140	457,113
Operating result/EBITDA^{1,2}		503,437	415,019
Depreciation, amortisation and impairment			
of intangible assets, property, plant and equipment, and of right-of-use assets	V.6	318,613	286,871
Operating result/EBIT³		184,824	128,148
Income from equity investments		6,634	25,339
Remeasurement as per IFRS 3		0	-138,991
Net investment income	V.7	6,634	-113,652
Interest and similar income	V.8	7,985	3,478
Interest and similar expenses	V.8	-58,167	-59,884
Net interest expenses	V.8	-50,182	-56,406
Net finance costs		-43,548	-170,058
Earnings before income taxes		141,276	-41,910
Income taxes	V.9	-34,929	-23,215
Consolidated net profit		106,347	-65,124
<i>of which attributable to the parent company</i>		<i>82,459</i>	<i>-86,822</i>
<i>of which attributable to non-controlling interests</i>		<i>23,887</i>	<i>21,698</i>

¹ EBITDA is negatively impacted by impairments of financial assets and contract assets in the amount of EUR 4.3 million (previous year: EUR 34.6 million)

² Operating earnings before interest, taxes and depreciation and amortisation

³ Operating earnings before interest and taxes



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IFRS Consolidated statement of comprehensive income

for the financial year from 1 January to 31 December 2021

EUR '000	2021	2020
Consolidated net profit	106,347	-65,124
Share in OCI of an associate accounted for using the equity method	0	1,066
Total changes in value reclassified to profit or loss	0	1,066
Change in actuarial gains (+)/losses (-) from defined benefit pension commitments and similar obligations	61,735	-53,683
Income taxes	-6,758	8,490
Total changes in value not reclassified to profit or loss	54,977	-45,193
Other comprehensive income (net of tax)	54,977	-44,127
Total comprehensive income	161,324	-109,250
<i>of which attributable to the parent company</i>	122,599	-130,894
<i>of which attributable to non-controlling interests</i>	38,725	21,644

for the financial year from 1 January to 31 December 2021

EUR '000	Note no.	2021	2020
Consolidated net profit		106,347	-65,124
Income taxes	V.9	34,929	23,215
Net interest expenses	V.8	50,182	56,406
Net investment income	V.7	-6,634	-25,339
Remeasurement as per IFRS 3		0	138,991
Amortisation of intangible assets and financial assets and depreciation of property, plant and equipment and right-of-use assets	V.6	318,613	286,871
Gross cash flow (EBITDA)		503,437	415,019
Other non-cash transactions		20,858	12,021
Changes in inventories, receivables and other assets	VII.6,7,8,9,10,11	-221,481	7,144
Changes in liabilities, provisions and other liabilities	VII.16,18,19,20,21,22,23	168,239	196,029
Dividends received	V.7	374	0
Interest income	V.8	2,171	2,322
Income taxes paid	V.9	-23,964	-36,009
Cash flow from operating activities/net cash flow		449,634	596,527
Investments in property, plant and equipment and intangible assets	VII.2,3	-332,533	-389,512
Inflows from grants for the financing of fixed assets		90,324	99,811
Proceeds from the disposal of non-current assets		7,097	7,813
Acquisitions of subsidiaries net of cash and cash equivalents acquired	VII.1	-1,715	-571,716
Investments in other financial assets and equity investments	VII.7	-470	-333
Cash flow from investing activities		-237,297	-853,937
Proceeds from borrowings	VII.15	295,000	730,000
Proceeds from the repayment of financial liabilities		-298,086	-96,707
Other interest expenses	V.8	-41,033	-34,646
Repayment of financial liabilities from right-of-use assets		-59,266	-47,078
Interest expenses from right-of-use assets	V.8	-8,992	-9,740
Distributions		-1,247	-975
Cash flow from financing activities		-113,624	540,854
Change in cash and cash equivalents		98,713	283,444
Cash and cash equivalents as at 1 January		548,491	265,047
Cash and cash equivalents as at 31 December	VII.12	647,204	548,491



for the financial year from 1 January to 31 December 2021

EUR '000	Note no.	31 Dec. 2021	31 Dec. 2020
ASSETS			
Non-current assets			
Intangible assets	VII.2	1,082,487	1,084,985
Property, plant and equipment	VII.3	2,478,387	2,507,571
Right of use assets	VII.4	405,317	440,807
Investments accounted for using the equity method	VII.5	43,437	37,582
Financial assets	VII.7	9,328	9,013
Receivables under German Hospital Financing Act	VII.6	67,430	78,643
Other financial assets	VII.7	1,670	1,760
Trade receivables	VII.9	533	626
Other assets	VII.11	61	62
Deferred taxes	VII.23	127,981	145,681
Total non-current assets		4,216,631	4,306,730
Current assets			
Inventories	VII.8	115,880	131,650
Receivables under German Hospital Financing Act	VII.6	115,536	101,488
Trade receivables	VII.9	738,709	671,338
Current income tax assets	VII.10	19,321	18,713
Other financial assets	VII.7	679,867	506,516
Other assets	VII.11	24,087	26,203
Cash and cash equivalents	VII.12	647,204	548,491
Total current assets		2,340,603	2,004,399
Assets held for sale	VII.13	15,040	0
Total assets		6,572,274	6,311,129

EUR '000	Note no.	31 Dec. 2021	31 Dec. 2020
EQUITY AND LIABILITIES			
Equity attributable to the parent company			
Issued capital	VII.14a	101	101
Reserves	VII.14b	1,088,616	1,138,477
Consolidated net profit	VII.14	82,459	-86,822
Non-controlling interests	VII.14c	575,681	540,794
Total equity	VII.14	1,746,857	1,592,550
Non-current liabilities			
Trade payables	VII.16	59	127
Financial liabilities	VII.15	2,021,357	2,141,262
Lease liabilities	VII.17	362,454	400,440
Pensions and similar obligations	VII.21	330,729	396,139
Other provisions	VII.22	314,892	306,088
Liabilities under German Hospital Financing Act	VII.18	39,543	38,515
Deferred taxes	VII.24	54,231	60,100
Other financial liabilities	VII.19	47,149	57,895
Other liabilities	VII.20	8,617	8,890
Total non-current liabilities		3,179,032	3,409,457
Current liabilities			
Trade payables	VII.16	115,644	97,338
Financial liabilities	VII.15	157,623	40,214
Lease liabilities	VII.17	67,631	63,718
Pensions and similar obligations	VII.21	7,827	8,483
Other provisions	VII.22	389,625	301,357
Current income tax liabilities	VII.23	26,201	25,911
Liabilities under German Hospital Financing Act	VII.18	265,868	222,471
Other financial liabilities	VII.19	209,465	196,930
Other liabilities	VII.20	396,920	352,700
Total current liabilities		1,636,804	1,309,121
Debts associated with assets held for sale	VII.13	9,580	0
Total equity and liabilities		6,572,274	6,311,129



5 IFRS Consolidated statement of changes in equity

for the 2021 financial year

EUR '000	Equity attributable to the parent company				Total	Non-controlling interests	Equity
	Issued capital	Capital reserves	Retained earnings	Consolidated net profit			
As at 1 January 2020	101	243,162	804,189	140,431	1,187,883	389,370	1,577,253
Net income	0	0	0	-86,822	-86,822	21,698	-65,124
Other comprehensive income	0	0	-44,094	0	-44,094	-33	-44,127
Total comprehensive income	0	0	-44,094	-86,822	-130,916	21,665	-109,251
Withdrawal	0	0	0	0	0	0	0
Payment obligations and distributions	0	0	0	0	0	-975	-975
Changes in the consolidated group	0	0	-4,062	0	-4,062	132,609	128,547
Change in equity interests in consolidated companies	0	0	0	0	0	0	0
Allocation to reserves	0	0	140,431	-140,431	0	0	0
Other changes	0	0	-1,149	0	-1,149	-1,875	-3,024
Total transactions recognised directly in equity	0	0	135,220	-140,431	-5,211	129,758	124,547
As at 31 Dec. 2020	101	243,162	895,315	-86,822	1,051,756	540,794	1,592,550
As at 1 January 2021	101	243,162	895,315	-86,822	1,051,756	540,794	1,592,550
Net income	0	0	0	82,459	82,459	23,887	106,346
Other comprehensive income	0	0	40,140	0	40,140	14,837	54,977
Total comprehensive income	0	0	40,140	82,459	122,599	38,724	161,324
Payment obligations and distributions	0	0	0	0	0	-1,247	-1,247
Changes in the consolidated group	0	0	-10	0	-10	10	0
Change in equity interests in consolidated companies	0	0	-463	0	-463	-164	-627
Allocation to reserves	0	0	-86,822	86,822	0	0	0
Other changes	0	0	-2,706	0	-2,706	-2,435	-5,141
Total transactions recognised directly in equity	0	0	-90,001	86,822	-3,179	-3,836	-7,015
As at 31 Dec. 2021	101	243,162	845,454	82,459	1,171,175	575,681	1,746,857



Notes to the consolidated financial statements

for the 2021 financial year
in accordance with International Financial Reporting Standards

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Group structure: principles and business segments

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

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

The Group operates facilities in numerous federal states in Germany. The Group structure is geared towards regional differences in terms of personnel and company law. The operating entities are essentially the Asklepios hospitals of AKG in which investments are held directly and the equity investments of the sub-group financial statements included in the consolidated financial statements, Asklepios Kliniken Hamburg GmbH, Hamburg (74.9% equity investment); MediClin AG, Offenburg (52.73% equity investment); and Rhön-Klinikum AG (93.71% equity investment), included in the consolidated financial statements since 3 July 2020.

In 2021, Asklepios expanded the existing portfolio with surgical instrument management by acquiring ELAN Arzt- und Klinikservice GmbH.

The Group also has selected foreign operations. They relate almost exclusively to the investment in Greece (Athens Medical Center S.A.), Mind District Holding BV in the Netherlands, which operates in the e-mental health sector, and Pulso Europe BV in Belgium. In the financial year, the Group intensified its activities abroad and founded the companies Pulso France SAS (Paris, France) and Samedi Austria GmbH (Vienna, Austria).

In addition, the Rhön-Klinikum AG sub-group continued to expand its corporate structure with regard to service companies in connection with the founding of Rhön-Klinikum IT Service GmbH, Rhön-Klinikum Service Einkauf + Versorgung GmbH and Rhön-Klinikum Business Services GmbH.

1. Regulations applied

The consolidated financial statements of the company and its subsidiaries as at 31 December 2021 were prepared in accordance with the requirements of section 315e (3) of the German Commercial Code (HGB), the International Financial Reporting Standards (IFRS) and the related interpretations of the IASB (IFRIC), as applicable in the European Union as per Regulation (EC) No. 1606/2002 of the European Parliament and of the Council. All standards and interpretations that are mandatory for the 2021 financial year were applied.

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

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

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

2. New standards and standards to be applied for the first time

Financial reporting standards applied for the first time

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16

Amendments to IFRS 4

Amendments to IFRS 16

Interest Rate Benchmark Reform – Phase 2

Extension of the Temporary Exemption from Applying IFRS 9

COVID-19-Related Rent Concessions beyond 30 June 2021

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On 27 August 2020, the International Accounting Standards Board (IASB) published **Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)** with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments to the standards represent phase 2 of the project, which addresses issues that might affect financial reporting when an interest rate benchmark is replaced with an alternative benchmark rate.

These amendments have no significant impact on the Asklepios Group's net assets, financial position and results of operations.



IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendments to IFRS 4 extend certain insurance companies' temporary exemption from applying IFRS 9, so that said insurance companies are still permitted to apply IAS 39 for annual periods beginning before 1 January 2023. The standard is irrelevant for the Asklepios Group.

Amendments to IFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021

In response to the ongoing effects of the COVID-19 pandemic, the International Accounting Standards Board (IASB) amended IFRS 16 Leases on 31 March 2021, extending the option to use the practical expedient that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification by one year.

On the basis of the "German Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law" passed by the German Bundestag on 27 March 2020, MediClin utilised the suspension of rental payments for hospital properties for the month of May and June 2020 and applied the amendment to IFRS 16. The suspended rental payments for the two months total EUR 7.9 million and relate to rents for 21 hospital properties. As at 1 January 2020, the amendments to IAS 1 and IAS 8 took effect. These redefined and standardised the term "materiality", thereby increasing the relevance of disclosures in the notes to the financial statements.

Endorsement	Publication	Effective date
Amendments to IFRS 3: Reference to the Conceptual Framework*	May 2020	1 January 2022
Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract*	May 2020	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use*	May 2020	1 January 2022
Annual Improvements to IFRSs (2018-2020 Cycle) with amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41*	May 2020	1 January 2022
Amendments to IFRS 17: Insurance Contracts and amendments to IFRS 17 deferring the date of initial application*	May 2017/June 2020	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current, including postponement of the date of initial application published in July 2020**	January 2020	1 January 2023
Amendments to IAS 1: Disclosure of Accounting Policies**	February 2021	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates**	February 2021	1 January 2023
Amendments to IAS 12: narrowing the scope of the initial recognition exemption**	May 2021	1 January 2023
Amendments to IFRS 17: expedients for entities that first apply IFRS 9 and IFRS 17 at the same time**	December 2021	1 January 2023

* Endorsed ** Not yet endorsed

IFRS 3: Reference to the Conceptual Framework

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

For acquisitions on or after 1 January 2022, the Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

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

The Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

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

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

The Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

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

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

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

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

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

The Asklepios Group does not apply the standards IFRS 1 and IAS 41. The Asklepios Group does not expect the amendments to IFRS 9 and IFRS 16 to have a significant impact on its net assets, financial position and results of operations.





IFRS 17 Insurance Contracts

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

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

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

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

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

The standard is irrelevant for the Asklepios Group.

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

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

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

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

The Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

Amendments to IAS 1: Disclosure of Accounting Policies (not yet endorsed)

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

The Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

Amendments to IAS 8: Definition of Accounting Estimates (not yet endorsed)

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

The Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

Amendments to IAS 12: narrowing the scope of the initial recognition exemption (not yet endorsed)

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

The Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

Amendments to IFRS 17: expedients for entities that first apply IFRS 9 and IFRS 17 at the same time (not yet endorsed)

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

The Asklepios Group does not expect a significant impact on its net assets, financial position and results of operations.

— 3. Presentation and reclassifications

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

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

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

— 4. Financial year

The financial year is the calendar year.

— 5. Approval of the financial statements

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





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

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

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

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

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

IV Consolidation and accounting policies

1. Basis of consolidation

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

a) Subsidiaries

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

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

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

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

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

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

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



b) Associates

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

The Group's share of the profits and losses of associates is recognised in the consolidated income statement at the date of acquisition, and the share of the changes in reserves of associates are recognised in the Group reserves. The cumulative changes after acquisition are recognised against the carrying amount of the investment. Dividend payments are deducted from the amount recognised in equity, accordingly. If the Group's share of the loss in an associate is equal to or greater than the Group's interest in this entity, including other unsecured receivables, the Group does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits is greater than the share of losses not recognised.

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

c) Other investments

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

d) Transactions with non-controlling interests

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

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

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

e) Basis of consolidation

The following companies were part of the group of consolidated companies as at 31 December 2021. Also presented are the amount of the interest (direct or indirect) and information on the extent to which the company is exempt from the obligation to prepare a management report and disclose information under section 264 (3) and section 264b HGB.

Name, registered office	Interest held in % 2021	Interest held in % 2020	Section 264 (3) and section 264b HGB
AKG Klinik Hohwald GmbH, Königstein	100.00	100.00	Yes
AKG Klinik Parchim GmbH, Königstein	94.00	94.00	Yes
AKG Kliniken GmbH, Königstein	100.00	100.00	Yes
Ambulantes Gesundheitszentrum Schwedt GmbH, Schwedt	100.00	100.00	Yes
AMR Holding GmbH, Königstein	91.75	91.75	No
Angiologikum GmbH, Hamburg	100.00	100.00	No
Aponova GmbH, Hamburg (formerly: Aponova Home & Care GmbH, Hamburg)	100.00	100.00	No
Asklepios ASB Krankenhaus Radeberg GmbH, Radeberg	94.00	94.00	No
Asklepios Abrechnung Bayern GmbH, Lenggries (formerly: Asklepios Klinik Lenggries GmbH, Lenggries)	100.00	100.00	No
Asklepios Aponova GmbH, Hamburg	100.00	100.00	No
Asklepios Business Services GmbH, Königstein	100.00	100.00	Yes
Asklepios Business Services Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios Connecting Health Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios Dienstleistungsgesellschaft Hamburg mbH, Hamburg	100.00	100.00	No
Asklepios Dienstleistungsgesellschaft mbH, Gauting	100.00	100.00	Yes
Asklepios Einkauf und Versorgung Hamburg GmbH, Hamburg	94.00	94.00	Yes
Asklepios Fachkliniken Brandenburg GmbH, Brandenburg	100.00	100.00	Yes
Asklepios Fachklinikum Stadtroda GmbH, Stadtroda	94.00	94.00	Yes
Asklepios Facility Services Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios Gesundheitszentrum Bad Tölz GmbH, Bad Tölz	100.00	100.00	Yes
Asklepios Gesundheitszentrum GmbH, Königstein	100.00	100.00	Yes
Asklepios Hamburg Personalservice GmbH, Hamburg	100.00	100.00	No
Asklepios Harzkliniken GmbH, Goslar	94.00	94.00	Yes
Asklepios International Beteiligungsgesellschaft mbH, Königstein	100.00	100.00	No
Asklepios International GmbH, Königstein	100.00	100.00	No
Asklepios IT-Services Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios Katharina-Schroth-Klinik GmbH, Bad Sobernheim	94.00	0.00	No
Asklepios Klinik Alsbach GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Bad Griesbach GmbH & Cie OHG, Königstein	94.00	94.00	Yes
Asklepios Klinik Bad Salzungen GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Bad Wildungen GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Fürstenhof Bad Wildungen GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Gauting GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Lich GmbH, Lich	94.00	94.00	Yes
Asklepios Klinik Lindau GmbH, Lindau	100.00	100.00	No
Asklepios Klinik Lindenlohe GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Pasewalk GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Sankt Augustin GmbH, Sankt Augustin	94.00	94.00	Yes



Name, registered office	Interest held in % 2021	Interest held in % 2020	Section 264 (3) and section 264b HGB
Asklepios Klinik Schaufling GmbH, Königstein	100.00	100.00	Yes
Asklepios Klinik Service Göttingen GmbH, Göttingen	100.00	100.00	Yes
Asklepios Klinik Service Langen, Langen	100.00	100.00	Yes
Asklepios Klinik Service Nordhessen GmbH, Schwalmstadt	100.00	100.00	No
Asklepios Klinik Service Potsdam GmbH, Brandenburg an der Havel	100.00	100.00	Yes
Asklepios Klinik Service Stadtroda GmbH, Stadtroda	100.00	100.00	Yes
Asklepios Klinik Service Wiesen GmbH, Königstein	100.00	100.00	Yes
Asklepios Klinik Sobernheim GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinik Wiesbaden GmbH, Königstein	94.00	94.00	Yes
Asklepios Kliniken Hamburg GmbH, Hamburg	74.90	74.90	No
Asklepios Kliniken Langen-Seligenstadt GmbH, Langen	94.00	94.00	Yes
Asklepios Kliniken Weißenfels GmbH, Weißenfels	94.00	94.00	Yes
Asklepios Klinikum Bad Abbach GmbH, Königstein	94.00	94.00	Yes
Asklepios Klinikum Uckermark GmbH, Schwedt	94.00	94.00	Yes
Asklepios Krankenpflegeschulen gGmbH, Königstein	95.00	95.00	No
Asklepios Lindau Beteiligungs GmbH, Lindau	100.00	100.00	No
Asklepios Medical Healthcare China Holding GmbH, Königstein	100.00	100.00	No
Asklepios Medical School GmbH, Hamburg	100.00	100.00	No
Asklepios MVZ Bayern GmbH, Cham	100.00	100.00	Yes
Asklepios MVZ Brandenburg GmbH, Brandenburg	100.00	100.00	Yes
Asklepios MVZ Hessen GmbH, Seligenstadt	100.00	100.00	Yes
Asklepios MVZ Mitteldeutschland GmbH, Stadtroda	100.00	100.00	Yes
Asklepios MVZ Niedersachsen GmbH, Goslar	100.00	100.00	Yes
Asklepios MVZ Nord GmbH, Hamburg	100.00	100.00	Yes
Asklepios MVZ Nord SH GmbH, Hamburg	100.00	100.00	Yes
Asklepios MVZ Rheinland-Pfalz GmbH, Kandel	100.00	100.00	Yes
Asklepios MVZ Sachsen-Anhalt GmbH, Weißenfels	100.00	100.00	Yes
Asklepios MVZ Schleswig-Holstein GmbH, Königstein	100.00	100.00	Yes
Asklepios Nordseeklinik Westerland GmbH, Königstein	93.00	93.00	Yes
Asklepios Objektbetreuung Hamburg GmbH, Hamburg	100.00	100.00	No
Asklepios Pflegeheim Weserblick GmbH, Königstein	100.00	100.00	Yes
Asklepios Privita GmbH, Hamburg	100.00	100.00	No
Asklepios Psychiatrie Langen GmbH, Langen	100.00	100.00	Yes
Asklepios Psychiatrie Niedersachsen GmbH, Göttingen	100.00	100.00	Yes
Asklepios Psychiatrie Verwaltungsgesellschaft mbH, Königstein (formerly: Asklepios Connecting Health Deutschland GmbH, Königstein)	100.00	100.00	Yes
Asklepios Reha - Klinik Bad Schwartau GmbH, Königstein	94.00	94.00	Yes
Asklepios Rehaklinik Bad Oldesloe GmbH, Königstein	100.00	100.00	Yes
Asklepios Schwalm-Eder-Kliniken GmbH, Schwalmstadt	94.00	94.00	No

Name, registered office	Interest held in % 2021	Interest held in % 2020	Section 264 (3) and section 264b HGB
Asklepios Service Einkauf und Versorgung GmbH, Königstein	100.00	100.00	Yes
Asklepios Service Entlassmanagement GmbH, Königstein	100.00	100.00	Yes
Asklepios Service Hotellerie GmbH, Königstein	100.00	100.00	Yes
Asklepios Service IT GmbH, Königstein	100.00	100.00	Yes
Asklepios Service Reinigung GmbH, Königstein	100.00	100.00	Yes
Asklepios Service Technik GmbH, Königstein	100.00	100.00	Yes
Asklepios Stadtklinik Bad Tölz GmbH, Königstein	94.00	94.00	Yes
Asklepios Stadtkrankenhaus Seesen GmbH, Seesen	100.00	100.00	No
Asklepios Südpfalzkliniken GmbH, Burglengenfeld	94.00	94.00	Yes
Asklepios Therapie GmbH, Königstein	100.00	100.00	No
Asklepios Verwaltungs- und Management-GmbH, Königstein	100.00	100.00	Yes
Asklepios Weserbergland-Klinik GmbH, Höxter	94.00	94.00	Yes
Asklepios Westklinikum Hamburg GmbH, Hamburg	74.98	74.98	Yes
Beteiligungsgesellschaft Prof. Mathey, Prof. Schofer GmbH, Hamburg	100.00	100.00	No
BGL Grundbesitzverwaltungs-GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Blomenburg Holding GmbH, Kiel	94.00	94.00	Yes
Care-Bridge GmbH, Königstein	100.00	100.00	No
DHZ Deutsches Herzkloppenzentrum GmbH, Hamburg	100.00	100.00	No
Digital Infusion GmbH, Berlin	100.00	100.00	No
Dr. Hoefler-Janker GmbH & Co. Klinik KG, Bonn	100.00	100.00	Yes
ELAN Arzt- und Klinikservice GmbH, Königstein	100.00	0.00	Yes
ESB - Gemeinnützige Gesellschaft für berufliche Bildung mbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Fachklinik Rhein/Ruhr für Herz/ Kreislauf- und Bewegungs- system GmbH & Co. Kommanditgesellschaft, Essen	100.00	100.00	Yes
Fachklinik Rhein/Ruhr für Herz/ Kreislauf- und Bewegungssystem Verwaltungs Gesellschaft mit beschränkter Haftung, Essen	100.00	100.00	No
Fachklinikum Wiesen GmbH, Königstein	100.00	100.00	Yes
Fürstenberg Institut GmbH, Hamburg	80.00	80.00	No
Gemeinnützige Gesellschaft zur Förderung der klinischen Forschung auf dem Gebiet der Humanmedizin und zur Betreuung von Patienten an den Universitäten Gießen und Marburg mbH, Marburg	100.00	100.00	No
German health tv GmbH, Königstein	100.00	100.00	Yes
GFB medi GmbH, Alsbach	100.00	100.00	No
GKB Klinikbetriebe GmbH, Königstein	94.00	94.00	Yes
Haus Saaletal GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
HDG-Harzkliniken Dienste GmbH, Goslar	100.00	100.00	Yes
Health Care Concept GmbH, Hamburg	100.00	100.00	No
Herzzentrum Lahr/Baden GmbH & Co. KG, Bad Rappenau	94.80	94.80	Yes
HKW Hamburger Krankenhauswäscherei GmbH, Hamburg	51.00	51.00	No



Name, registered office	Interest held in % 2021	Interest held in % 2020	Section 264 (3) and section 264b HGB
INSTITUT FÜR KLINISCHE FORSCHUNG Semmelweis Universität, Campus Hamburg gGmbH, Hamburg (formerly: PROMEDIG gemeinnützige Gesellschaft für medizinische Innovation mbH, Hamburg)	100.00	100.00	No
KB Krankenhausbeteiligungsgesellschaft mbH & Co. KG, Essen	100.00	100.00	Yes
KB Krankenhausbeteiligungsverwaltungsgesellschaft mbH, Essen	100.00	100.00	No
Kinderhort Salzburger Leite gemeinnützige Gesellschaft mbH, Bad Neustadt a.d. Saale	100.00	100.00	No
KLINIK "HAUS FRANKEN" GMBH Bad Neustadt/Saale i. L., Bad Neustadt a. d. Saale	100.00	100.00	No
Klinikum Frankfurt (Oder) GmbH, Frankfurt (Oder)	100.00	100.00	Yes
KLS – Facility Management GmbH, Langen	100.00	100.00	No
Kraichgau-Klinik Aktiengesellschaft, Bad Rappenau	94.80	94.80	No
Kraichgau-Klinik Bad Rappenau GmbH & Co. KG, Bad Rappenau	94.80	94.80	Yes
Lungenpraxis am Wördemannsweg GmbH, Hamburg	100.00	100.00	No
MAH Medizinische Akademie Hamburg GmbH, Hamburg	100.00	100.00	No
Marburger Ionenstrahl-Therapie Betriebs-Gesellschaft mbH, Bad Neustadt a.d. Saale	100.00	100.00	No
MC Kliniken Geschäftsführungs-GmbH, Offenburg	94.80	94.80	No
MC Service GmbH, Offenburg	100.00	100.00	No
MediClin à la Carte GmbH, Offenburg	100.00	100.00	Yes
MediClin Aktiengesellschaft, Offenburg	52.73	52.73	No
MediClin Betriebs GmbH, Offenburg	100.00	100.00	No
MediClin Energie GmbH, Offenburg	100.00	100.00	No
MediClin Fachklinik Rhein/Ruhr Therapie & Pflege GmbH, Essen	100.00	100.00	No
MediClin Geschäftsführungs-GmbH, Offenburg	100.00	100.00	No
MediClin GmbH & Co. KG, Offenburg	100.00	100.00	Yes
MediClin Immobilien Verwaltung GmbH, Offenburg	100.00	100.00	No
MediClin Medizinisches Versorgungszentrum GmbH, Offenburg	100.00	100.00	Yes
MediClin Pflege GmbH, Offenburg	100.00	100.00	Yes
MediClin Therapie GmbH, Offenburg	100.00	100.00	No
MediClin-IT GmbH, Offenburg	100.00	100.00	Yes
medicum Hamburg MVZ GmbH, Hamburg	100.00	100.00	No
MEDILYS Laborgesellschaft mbH, Hamburg	100.00	100.00	No
Medizinisches Versorgungszentrum Prof. Mathey, Prof. Schofer GmbH, Hamburg	100.00	100.00	No
Mind District Holding B.V., Amsterdam (Netherlands)	100.00	100.00	N/A
Minddistrict B.V., Amsterdam (Netherlands)	100.00	100.00	N/A
Minddistrict Development B.V., Amsterdam (Netherlands)	100.00	100.00	N/A
Minddistrict GmbH, Berlin	100.00	100.00	No
Minddistrict LTD, London (England)	100.00	100.00	N/A
MVZ Bad Neustadt/ Saale GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
MVZ des Klinikums Frankfurt (Oder) GmbH, Frankfurt (Oder)	100.00	100.00	No

Name, registered office	Interest held in % 2021	Interest held in % 2020	Section 264 (3) and section 264b HGB
MVZ Hamburg-Ost HOG GmbH, Hamburg	100.00	100.00	No
MVZ Hanse Histologikum GmbH, Hamburg	51.00	51.00	No
MVZ MED GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No
MVZ MediClin Bonn GmbH, Bonn	100.00	100.00	No
MVZ Onkologie Barmbek GmbH, Hamburg	100.00	100.00	No
MVZ Sobernheim GmbH, Bad Sobernheim	100.00	100.00	Yes
MVZ UKGM GmbH, Marburg	100.00	100.00	No
MVZ Vorpommern GmbH, Pasewalk	100.00	100.00	Yes
MVZ Zentralklinik GmbH, Bad Berka	100.00	100.00	Yes
Norddeutsches Herz- und Gefäßzentrum Hamburg GmbH, Hamburg	100.00	100.00	No
Nordseeklinik Neubau GmbH, Königstein	100.00	100.00	Yes
OT-Rhein-Main GmbH, Föhren	100.00	100.00	No
PMD Präventivum GmbH, Hamburg	100.00	100.00	No
Poly Z Med GmbH, Königstein	100.00	100.00	Yes
ProCuraMed AG, Bern (Switzerland)	100.00	100.00	N/A
Prof. Mathey, Prof. Schofer Vermietungsgesellschaft mbH & Co. KG, Hamburg	100.00	100.00	No
ProFuß GmbH, Föhren	80.00	80.00	No
Psychosomatische Klinik GmbH Bad Neustadt/Saale, Bad Neustadt a.d. Saale	100.00	100.00	No
PTZ GmbH, Marburg	100.00	100.00	No
PULSO EUROPE BV, Leuven (Belgium)	85.00	80.00	N/A
Pulso Europe LDA, Lisbon (Portugal)	60.00	60.00	N/A
Pulso France SAS, Paris, France	60.00	0.00	N/A
Pulso South East Europe P.C., Athens (Greece)	55.00	55.00	N/A
Reha - Klinik Schildautal Investgesellschaft mbH, Königstein	99.00	99.00	Yes
Rehabilitationszentrum Gernsbach/Schwarzwald GmbH & Co. KG, Bad Rappenau	94.80	94.80	Yes
Rhön-Cateringgesellschaft mbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
Rhön-Innovations GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Rhön-Klinikum AG, Bad Neustadt a.d. Saale	93.71	93.71	No
Rhön-Klinikum Business Services GmbH, Schweinfurt	100.00	0.00	No
Rhön-Klinikum Energie für Gesundheit GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
Rhön-Klinikum IT Service GmbH, Schweinfurt	100.00	0.00	No
Rhön-Klinikum Service Einkauf + Versorgung GmbH, Schweinfurt	100.00	0.00	No
Rhön-Klinikum Services GmbH, Bad Neustadt a. d. Saale	100.00	100.00	No
Rhön-Kreisklinik Bad Neustadt GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
RK Klinik Betriebs GmbH Nr. 35 i. L., Bad Neustadt a. d. Saale	100.00	100.00	No
RK Reinigungsgesellschaft Nordost mbH i. L., Bad Neustadt a. d. Saale	100,00	100,00	nein



Name, registered office	Interest held in % 2021	Interest held in % 2020	Section 264 (3) and section 264b HGB
Rückenzentrum St. Georg GmbH, Hamburg	100.00	100.00	No
Sächsische Schweiz Kliniken GmbH, Sebnitz	100.00	100.00	No
Samedi Austria GmbH, Vienna (Austria)	100.00	0.00	N/A
Samedi GmbH, Berlin	100.00	100.00	No
Sanomed Sanitätshaus für Orthopädie und Rehabilitationstechnik GmbH, Bad Sobernheim	75.10	75.10	No
UKGM Service GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Universitätsklinikum Gießen und Marburg GmbH, Giessen	95.00	95.00	No
Wolfgang Schaffer GmbH i. L., Bad Neustadt a. d. Saale	100.00	100.00	No
Zentralklinik Bad Berka GmbH, Bad Berka	87.50	87.50	No
ZIT Zentralinstitut für Transfusionsmedizin GmbH, Hamburg	100.00	100.00	No

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

Name, registered office	Interest held in %	Equity in EUR thousand	Net profit/loss in EUR thousand
4QD-Qualitätskliniken.de GmbH, Berlin*	45.11	283	-195
Bad Griesbacher Tunnelanlagen GmbH & Co. Betriebs-KG, Bad Griesbach*	38.42	1,339	-112
Bäderland Bayerische Rhön GmbH & Co. KG, Bad Kissingen*	0.10	9	1
CLEW Medical Inc., Delaware (USA)*	8.90	2,073	-4,552
Hospiz Mittelhessen gGmbH, Wetzlar*	13.60	531	6
Inovytec Medical Solutions Ltd., Hod Hasharon (Israel)*	10.20	8,994	7,754
movival GmbH, Achern	45.45	106	2
Müritz-Klinikum Service GmbH, Waren*	51.00	307	134
Projektanker GmbH, Hamburg*	1.20	68	-1
Robast Robic Assistant GmbH, Hamburg*	2.30	N/A	N/A
Seniorenpflegeheim GmbH Bad Neustadt a.d. Saale, Bad Neustadt a.d. Saale*	25.00	1,511	-16
Siebensachen GmbH, Hamburg*	0.004	49	1,157
Spitality GmbH, Charlottenburg*	15.55	296	-114
Telesofia Medical Ltd., Tel Aviv (Israel)*	12.20	-114	-163
Tiplu GmbH, Hamburg	5.00	4,756	2,010
Tiplu Schweiz S.A., Zurich (Switzerland)*	5.00	N/A	N/A
TipluBIKE GmbH, Hamburg* (formerly: proDRG GmbH, Hamburg)	5.00	28	12
Wir für Gesundheit GmbH, Berlin*	33.33	136	-944

* Figures for 2020

The following companies are accounted for using the equity method:

Name, registered office	Interest held in %
Athens Medical Center S.A., Athens	36.48
Collm Klinik Oschatz GmbH, Oschatz	25.00
Energiezentrale Universitätsklinikum Gießen GmbH, Giessen	50.00
Meierhofer AG, Munich	40.00

Assets held for sale

The intention is to sell ZIT - Zentralinstitut für Transfusionsmedizin GmbH, Dr. Hoefler-Janker GmbH & Co. Klinik KG and MVZ MediClin Bonn GmbH by way of share deals. In line with the amendment to IFRS 5, the assets and liabilities held for sale (disposal group) were reclassified accordingly in the statement of financial position. No impairment is required on the fair value. For further information, please refer to section VI.13) "Assets held for sale and liabilities in connection with assets held for sale".



2. Intangible assets

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

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

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

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

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

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

3. Goodwill

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

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

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

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

	2021	2020
Planning horizon	3 years	3 years
Growth reduction in perpetuity	0.25%	0.25%
Risk-free interest rate	0.10%	0.00%
Pre-tax discount rate	5.20%	4.62%
Post-tax discount rate (WACC)	5.11%	4.52%

Where the CGU under consideration is significantly affected by the accounting effects of IFRS 16, this was taken into account by way of an adjustment to the impairment model and the effects of IFRS 16 were included in the budget planning, the carrying amount of the CGU and WACC (5.11%). This did not change the impairment of the affected CGU.

The average revenue growth for the key companies to which goodwill has been assigned is between 0% and around 19% in the 2022 to 2024 planning period.

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

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

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

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

EUR million	2021	2020
Rhön-Klinikum AG	281.8	281.8
MediClin AG	234.0	233.4
Asklepios Kliniken Hamburg GmbH	100.5	100.8
Other goodwill	255.0	244.8
Total	871.3	860.8



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

EUR million	Difference between value in use and carrying amount	Impairment from increase in the discount rate (WACC) by in % points	EBIT in the perpetuity	Impairment from decrease in EBIT by in %
Rhön-Klinikum AG	475	3	101	-32
MediClin AG	760	20	64	-80
Asklepios Kliniken Hamburg GmbH	792	7	90	-59

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

4. Property, plant and equipment

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

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

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

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

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

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

5. Investment property

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

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

6. Government grants

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

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

7. Leases

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

Accounting by the lessee

The lessee recognises a right-of-use asset and a lease liability at the inception date of the lease. The right-of-use asset is accounted for at cost and is depreciated over the shorter of the lease term and the economic life of the asset. The asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, for payments on or before the inception of the lease, and for restoration and similar obligations. The right-of-use asset is recognised against a lease liability under equity and liabilities in the statement of financial position. The present value of all future lease payments is included in the measurement of the lease liability. These payments are discounted using the interest rate implicit in the lease if it can be determined reliably. If the interest rate cannot be determined, the incremental borrowing rate is used instead. Interest reference

rates were derived from corporate bond yields (EUR Europa composite BBB) taking account of MediClin AG's credit rating to determine the incremental borrowing rate. For the rest of the Group, relevant interest reference rates were derived from existing schuldschein loans and interpolated as the Group uses them for financing.

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

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

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

The Group utilises these options.

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

Accounting by the lessor

Lessors distinguish between finance and operating leases for each lease.

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

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



8. Research and development costs

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

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

9. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset (IAS 23.11). Borrowing costs of EUR 1.5 million (previous year: EUR 1.0 million) were capitalised in connection with construction projects in the 2021 financial year. The capitalised amount was calculated as a surcharge rate from the capitalisation rate for loans taken out (3.2% on average; previous year: 2.9% on average).

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

10. Impairment of non-financial assets

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

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

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

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

11. Financial instruments

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

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

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

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

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

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

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

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

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



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

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

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

In the case of debt instruments measured at fair value through other comprehensive income, interest income, remeasurements of gains and losses on currency translation, and impairment losses or reversals are recognised in the consolidated income statement. Other changes in fair value are recognised in equity. When a financial asset is derecognised, the cumulative gain or loss from changes in fair value recognised in other comprehensive income is reclassified to the consolidated income statement. There were no such financial assets in the Group as at 31 December 2021.

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

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

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

On initial measurement, an entity shall decide whether to classify its equity instruments as equity instruments measured at fair value through other comprehensive income if they satisfy the definition of equity in IAS 32 and are not held for trading. Gains and losses from these financial assets are not reclassified to the consolidated income statement. Dividends are recognised in the consolidated income statement under other income. Equity instruments measured at fair value through other comprehensive income are not tested for impairment. There were no such financial assets in the Group as at 31 December 2021.

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

Financial assets measured at fair value through profit or loss include financial assets held for trading, financial assets designated at fair value through profit or loss on initial recognition and financial assets that must be measured at fair value. Financial assets such as shares or interest-bearing securities are classified as held for trading if they are held with the intention of sale in the short term. As specified by the provisions of IFRS 9, derivative financial instruments are generally measured at fair value through profit or loss if they are not used as hedging instruments in hedge accounting. Examples of derivative financial instruments include options, futures and forwards, and interest rate swaps. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss regardless of the business model. Gains and losses from these financial assets are recognised in profit or loss. One exception to this is financial instruments designated for hedge accounting; gains and losses resulting therefrom are reported under equity in other comprehensive income. There are no financial assets in the form of debt instruments that could be allocated to this category in the Group.

e) Financial liabilities

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

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

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

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

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

f) Offsetting financial assets and financial liabilities

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



g) Determination of fair value

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

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

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

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

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

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

h) Net results by measurement category

EUR million	From subsequent measurement			
	From interest results	Loss allowance	2021	2020
Financial assets at amortised cost	1.1	-38.6	-37.5	-63.6
Financial liabilities at amortised cost	-2.4	0.0	-2.4	-7.7

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

12. Income taxes

a) Current tax assets and liabilities

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

b) Deferred taxes

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

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

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

The calculation of deferred taxes as at 31 December 2021 is again subject, as it was in the previous year, to a corporate income tax rate of 15% plus a solidarity surcharge of 5.5% on corporate income tax. The operating clinics are generally exempt from trade tax.

Income taxes that relate to items of other comprehensive income are also recognised in other comprehensive income and not in the consolidated income statement. This related to the change in pension commitments of EUR –6,758 thousand in the financial year (previous year: EUR 8,490 thousand).

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

13. Inventories

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

14. Trade receivables

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

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

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



15. Receivables and liabilities under German Hospital Financing Act

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

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

16. Recognition of revenue and income

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

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

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

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

As a rule, this occurs in the following financial year. On the other hand, revenue is already recognised on recognition of the contract assets. Loss allowances for credit risks on contract assets are recognised according to the accounting principles for trade receivables.

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

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

The German Third Civil Protection Act ("Third Act to Protect the Public in the Event of an Epidemic Situation of National Significance"), which entered into force in November 2020, provided hospitals with further support for the treatment of COVID-19 patients. The differing flat-rate allowances for keeping capacity available for each free hospital bed compared with the previous year's average continued to be granted from 18 November 2020. These flat-rate allowances were received by hospitals determined by the German federal states that met the specified care criteria depending on the proportion of free intensive care beds in the respective district and the seven-day incidence rate of new infections. The entitlement to receive the compensation payment, which also benefited some Asklepios hospitals, ended on 15 June 2021 at the latest depending on incidence rates and other stipulations by the federal states.

The German Act to Promote Vaccination of 12 December 2021 re-introduced the compensation payments from the liquidity reserve of the health fund from 15 November 2021 to 19 March 2022. In addition, the German Infection Protection Act also introduced a "care surcharge to prevent economic disadvantages for hospitals". This applies if COVID-19 patients are treated for longer than two days between 1 November 2021 and 19 March 2022. The care surcharge is likewise paid from the liquidity reserve of the health fund.

In contrast to 2020, the flat-rate allowances and the care surcharge were repayable in a compensation calculation if the hospital's total revenue was higher than in the 2019 financial year.

To finance additional costs due to the pandemic, especially for personal protective equipment, hospitals also received a fixed surcharge per patient in 2021, but this was significantly reduced compared with 2020. Since 1 October 2020 and in 2021, surcharges amounting to the demonstrated additional costs can be agreed with the payers for each hospital; the coronavirus additional cost agreement was published on 21 December 2021.

The compensation payments for prevention and rehabilitation facilities have been granted in accordance with section 111 (5) SGB V since 16 March 2020 and are currently set to expire on 19 March 2022. With regard to pension insurance, compensation is provided via the SodEG (German Social Service Providers Deployment Act) and ends in parallel on 19 March 2022. The same applies to the coronavirus hygiene surcharge agreed by the leading associations of health insurers and pension insurance providers. In addition, rehabilitation clinics in certain German states were authorized to carry out hospital treatments in order to lighten the load on acute care hospitals.

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



17. Other receivables and other assets

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

18. Cash and cash equivalents

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

19. Other provisions

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

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

20. Pension provisions

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

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

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

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

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

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

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

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

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

— 21. Share-based payment transactions

Share-based payment transactions are generally accounted for in accordance with IFRS 2. Active and former Management Board members of Rhön-Klinikum AG had a 0.0% (previous year: 3.0%) share in the share capital of Rhön-Innovations GmbH, founded in March 2016, and other employees had a 0.0% (previous year: 3.0%) share. In the 2020 financial year, the payments made for the shares when the company was founded totalling EUR 0.3 million – of which EUR 0.1 million was attributable to the Management Board members – were recognised under other liabilities as cash-settled share-based payment transactions in accordance with IFRS 2. The Management Board members were granted a put option to offer the shares to Rhön-Klinikum AG after five years, for the first time as at 31 December 2020.

It was also possible to return the shares on termination of employment. The shares were measured at fair value, but at least at the nominal amount of the shares. It was not possible to sell the shares freely. The current and former Management Board members offered their shares with effect as at 31 December 2020. The purchase prices of EUR 0.4 million were paid out in 2021. The profit or loss for the reporting year includes EUR 0.0 million (previous year: EUR 0.1 million) in connection with this.





22. Estimates and assumptions

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

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

→ Acquisitions: Assumptions and estimates have an impact on acquisitions as part of purchase price allocation. Contingent purchase price liabilities are carried at fair value as part of purchase price allocation.

→ Goodwill impairment: The Group tests goodwill for impairment annually. This requires an estimate of the value in use of the cash-generating units to which the goodwill is allocated. To determine the value in use, the Group has to estimate the expected future cash flows of the cash-generating unit and the discount rates to calculate the present value of these cash flows.

As at 31 December 2021, the carrying amount of goodwill was EUR 871.3 million (previous year: EUR 860.8 million).

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

→ Fair value of derivative and other financial instruments: The fair value of financial instruments that are not traded on an active market is calculated using suitable measurement methods, which are selected from a number of methods. The assumptions applied are largely based on prevailing market conditions on the reporting date.

→ Fair value of investments accounted for using the equity method: If the fair value of financial assets recognised in the statement of financial position cannot be determined using data from an active market, it is determined using measurement parameters including the discounted cash flow method. The input parameters included in the model are based as far as possible on observable market data and on assumptions of growth rates and interest rates. The carrying amount of investments accounted for using the equity method was EUR 43.4 million as at 31 December 2021 (previous year: EUR 37.6 million).

→ Inpatients at end of reporting period (contract assets): As part of our patient billing process, we receive fixed fees based on the respective DRGs, which are calculated using the standard base rates for the respective German state and the national coding system. The Group makes an inventory of the number of patients in hospital as at the end of the reporting period. This is based on the milestones 'length of stay' in relation to the national average length of stay and the date of the operation. As the costs per inpatient at the end of the reporting period cannot be reliably determined due to the difficulty of identifying patient numbers and projecting the development of the course of treatment for these patients, the Group calculates the costs per inpatient at the end of the reporting period using the fixed fees that Asklepios receives. Given the unreliable estimate of costs per inpatient at the end of the reporting period, the Group does not report any partial profits from the measurement of inpatients as at the end of the reporting period. Asklepios reports revenue only in the amount of the estimated contract costs incurred (zero profit method) by applying a discount to the estimated costs per inpatient at the end of the reporting period. The carrying amount was EUR 75.3 million as at 31 December 2021 (previous year: EUR 74.3 million).

→ Pensions and other obligations: The amount of pension provisions depends on a number of actuarial assumptions. These mainly relate to:

- discount rates
- future salary increases

Due to the long-term nature of these provisions, such estimates are subject to significant uncertainty. Please refer to our explanations under VII.21) Provisions for pensions and similar obligations. The carrying amount was EUR 338.6 million as at 31 December 2021 (previous year: EUR 404.6 million).

→ Taxes: Taxable profits are calculated on the basis of an assessment of the circumstances based on applicable legal standards and interpretations thereof. Amounts recognised as tax expense, tax liabilities and tax receivables are based on the assumptions made. The capitalisation of tax loss carryforwards in particular requires estimates regarding the amount of existing loss carryforwards and the taxable income that will be available in the future to offset these loss carryforwards. There is uncertainty primarily in the interpretation of these complex tax regulations. Differences from the assumptions that occur at a later stage are recognised in the period in which they occur. Expenses and income from such differences are recognised in the period in which they occur. Please refer to V.9) Income taxes.

→ Recognition of revenue: Our inpatient hospital services should be remunerated through budgets negotiated prospectively with the statutory health insurance funds. However, budget negotiations do not actually take place until mid-way through a financial year and some of these negotiations are not concluded until after the end of a financial year. In these instances, there is uncertainty over the agreed service volumes and/or remuneration amounts, which Asklepios offsets with reasonable estimates. Past experience shows that the intrinsic inaccuracy of each estimate in this case is insignificant in relation to revenue. Since the 2020 financial year, Asklepios hospitals have also had to agree budgets with the health insurance funds with regard to nursing staff. The approach in these cases was the same as that described above.

→ Other provisions: Estimates of amount, probability of occurrence and timing are required for provisions.

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

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

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



Disclosures on financial risk management

1. Financial risk management system

2. Liquidity risks

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

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

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

Group-wide financial risk management aims to minimise potential adverse effects of developments on the financial markets on the financial position of the Group.

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

Liquidity risks stem from a possible lack of financing to settle liabilities as they fall due in terms of volume and maturity. The latter fact in particular leads to the need to accept unfavourable financing conditions in the event of potential liquidity bottlenecks. The central task of the Group's Financing, Treasury and Investor Relations department is to manage short-term liquidity risks and longer-term financing risks, for which it uses a Group-wide integrated cash management system with a focus on efficient management of current cash and cash equivalents.

Prudent liquidity management involves holding an adequate reserve of cash and cash equivalents, the option of financing an adequate amount using lines of credit obtained and the ability to issue suitable financial instruments on the banking and capital market.

Given the dynamic nature of the business environment in which the Group operates, the aim of management is to ensure that financing remains as flexible as needed by securing sufficient lines of credit and constant access to capital markets. All credit agreements are complied with on an ongoing basis.

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

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

EUR million	Total as at 31 Dec. 2020	Up to 12 months	1 to 5 years	More than 5 years
Trade payables	97.4	97.3	0.1	0.0
Financial liabilities	2,423.4	75.8	1,587.0	760.6
Lease liabilities	505.1	64.1	215.3	225.7
Liabilities under German Hospital Financing Act	261.0	222.5	38.5	0.0
Other financial liabilities	254.8	196.9	45.4	12.5

3. Credit risks

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

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

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

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

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

As in the previous year, there are no significant concentrations of risk as at 31 December 2021. With respect to the other financial assets held by the Group, the maximum exposure to credit risk arising from default of the counterparty is equal to the carrying amount of the corresponding instruments.

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



4. Interest rate risks

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

For fixed-rate financial liabilities, the operating cash flow and Group profit are largely unaffected by changes in the market interest rate.

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

There is no interest rate risk within the meaning of IFRS 7 for financial instruments that are subject to fixed interest rates and measured at amortised cost.

The average balance was used as the closing balance of cash and cash equivalents is not reliable for calculating interest rate sensitivities. The average balance was taken to be the arithmetic mean of the monthly closing balances.

EUR '000
Variable: interest rate
Earnings before income taxes

31 December 2021		31 December 2020	
+100 basis points	-100 basis points	+100 basis points	-100 basis points
3,924	-7,881	-2,144	-5,631

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

5. Capital management

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

As at 31 December 2021, the equity ratio amounted to 26.6% (previous year: 25.2%) and was therefore up on the previous year.

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

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

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

EUR million	2021	2021 ¹	2020
Financial liabilities	2,609.1	2,185.4	2,645.6
Cash and cash equivalents	-647.2	-647.2	548.5
Short-term time deposits	-167.0	-167.0	166.4
Net financial debt	1,794.9	1,371.2	1,930.7
EBITDA	503.4	439.5	450.5
Net debt ratio	3.6x	3.1x	4.3x

¹ Excluding effects from the application of IFRS 16 Leases

The net debt ratio amounted to 3.6x (previous year 4.3x), adjusted for effects on the statement of financial position from the application of IFRS 16 Leases, the ratio was 3.1x (previous year 3.8x). The improvement in the net debt ratio compared with previous year is attributable, in particular, to Rhön-Klinikum AG being accounted for in full for the first time in twelve-month EBITDA. The comparatively high figure in the previous year largely resulted from the financing associated with the acquisition of Rhön-Klinikum AG. The interest coverage factor (EBITDA/net interest income) is 10.0x (previous year 7.4x).

As at the end of the reporting period, the Group has cash reserves of EUR 647.2 million (previous year: EUR 548.5 million) in the form of cash and cash equivalents and unutilised lines of credit for a further EUR 788.9 million (previous year: EUR 770.3 million).



VI

Notes to the consolidated income statement

1. Revenue

Revenue breaks down by business segment as follows:

EUR million	2021	2020
Clinical acute care	4,476.6	3,613.3
Post-acute and rehabilitation clinics	579.3	550.9
Social and welfare facilities	17.0	15.6
Miscellaneous	44.7	163.2
Total	5,117.6	4,343.1

The Asklepios Group facilities treated a total of 3,542,346 patients in the 2021 financial year. This equates to an increase on the previous year (2,592,045 patients) of 36.7%, which is due to the acquisition of Rhön Klinikum AG and its inclusion for the entire year for the first time. The increase in inpatient cases to 744,616 (previous year: 665,359) and outpatient cases to 2,797,730 (previous year: 1,926,686) is primarily attributable to this acquisition. In the financial year, this resulted in a revenue increase of 17.8% from EUR 4,343.1 million to EUR 5,117.6 million, with EUR 1,365.0 million of the revenue attributable to the Rhön Group.

In the 2021 financial year, EUR 298.4 million (previous year: EUR 420.7 million) was recognised within revenue as service performance under the various laws and regulations in connection with COVID-19. EUR 243.0 million (previous year: EUR 392.5 million) of this is attributable to revenue relating to compensation payments for the provision of bed capacity. The other main components are the flat fee for additional costs and the compensation payments for rehabilitation clinics, which are likewise deemed to be remuneration for services and recognised under revenue.

2. Other operating income

Other operating income is broken down as follows:

EUR million	2021	2020
Income from services	191.0	154.1
Income from ancillary, additional and other operations	78.7	60.9
Income from cost reimbursements	43.7	32.0
Income from other grants	20.6	14.7
Miscellaneous	86.9	65.0
Total	421.0	326.7

Of the total other operating income, EUR 182.1 million (previous year: EUR 93.3 million) is attributable to the Rhön Group, of which EUR 79.5 million (previous year: EUR 43.8 million) to income from services, EUR 20.3 million (previous year: EUR 4.6 million) to income from ancillary, additional and other operations, EUR 16.3 million (previous year: EUR 8.0 million) to income from cost reimbursements and EUR 9.7 million (previous year: EUR 2.9 million) to income from other grants.

Other own work capitalised, which is also allocated to income from services, amounts to EUR 13.7 million (previous year: EUR 14.5 million) in the Group as a whole. No more other operating income is recognised in connection with COVID-19 in the financial year (previous year: EUR 21.1 million), as bonuses for intensive care beds were only paid in the 2020 financial year.

3. Cost of materials

EUR million	2021	2020
Food and purchased services	53.9	50.0
Medical supplies	981.3	750.3
Water, energy, fuel	119.3	83.6
Business supplies and purchased services	80.7	89.3
Other cost of materials	0.3	0.3
Total	1,235.5	973.5

The Asklepios Group's cost of materials ratio in relation to revenue increased slightly year-on-year to 24.1% as at 31 December 2021 (previous year: 22.4%). In absolute terms, cost of materials increased by EUR 262.0 million to EUR 1,235.5 million year-on-year. The main reasons for the increase with regard to medical supplies were the EUR 70.2 million increase in medical product expenses to EUR 273.6 million, the EUR 47.4 million increase in expenses for laboratory costs to EUR 118.7 million, the EUR 38.1 million increase in expenses for implants to EUR 157.8 million. The Rhön Group's share in the cost of materials totals EUR 432.4 million (previous year: EUR 208.2 million).

4. Staff costs

Staff costs increased by EUR 490.3 million to EUR 3,314.5 million year-on-year. EUR 887.8 million (previous year: EUR 435.9 million) of the total staff costs is attributable to the Rhön Group. The number of employees fell from 50,371 full-time equivalents in the previous year to 49,967 full-time equivalents. The staff costs ratio in relation to revenue is almost stable at 64.8% (previous year: 65.0%).

Staff costs comprise wages and salaries of EUR 2,743.2 million (previous year: EUR 2,342.9 million), social security expenses of EUR 506.7 million (previous year: EUR 424.4 million), and contributions and additions to pension provisions of EUR 64.7 million (previous year: EUR 56.9 million). Staff costs include expenses for defined contribution plans of EUR 62.8 million (previous year: EUR 56.4 million).

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

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

5. Other operating expenses

Other operating expenses relate to:

EUR million	2021	2020
Maintenance and servicing	172.9	142.9
Taxes, dues and insurance	58.8	50.7
Contributions, consulting and audit fees	45.7	56.2
Other administrative and IT expenses	33.9	26.7
Office supplies, postage and telephone charges	29.1	26.5
Advertising and travel expenses	18.3	17.8
Rental expenditure	14.6	14.1
Training expenses	14.1	12.6
Miscellaneous	97.7	109.6
Total	485.1	457.1

The share of total other operating expenses attributable to the Rhön Group amounts to EUR 122.0 million (previous year: EUR 62.0 million). Contributions, consulting and audit fees include expenses for IT projects, annual financial statement audits and other consulting projects. Miscellaneous expenses relate to various items for current business operations.



6. Depreciation, amortisation and impairment

Depreciation and amortisation breaks down as follows:

EUR million	2021	2020
Depreciation of property, plant and equipment	212.4	189.5
Amortisation of intangible assets	47.9	41.1
Depreciation of right-of-use assets	58.2	56.3
Total depreciation and amortisation	318.6	286.9

8. Net interest expenses

Net interest income breaks down as follows:

EUR million	2021	2020
Interest income	8.0	3.5
Interest expenses	-58.2	-59.9
Net interest expenses	-50.2	-56.4

The Group received EUR 2.2 million (previous year: EUR 2.3 million) from reported interest income, while a total of EUR 41.0 million (previous year: EUR 34.6 million) in interest expenses was paid in addition to interest expenses for IFRS 16.

7. Net investment income

Net investment income breaks down as follows:

EUR million	2021	2020
Income from equity investments	6.6	25.3
Remeasurement as per IFRS 3	0.0	-139.0
Net investment income	6.6	-113.7

Income from equity investments includes shares of investments accounted for using the equity method, of which EUR 4.4 million resulted from the adjustment of the equity investment in Athens Medical Center SA, Athens (previous year: reversal of impairment loss of EUR 24.7 million).

Interest expenses break down as follows:

EUR million	2021	2020
Interest expenses from schuldschein loan agreements	-36.4	-29.6
Interest expenses from IFRS 16	-9.0	-9.7
Loans and overdraft facilities	-6.5	-4.6
Interest expenses from pensions and similar obligations	-1.9	-4.3
Interest expenses on provisions	-1.8	-4.2
Interest expenses from additional tax payment	-0.6	-3.5
Other interest expenses	-2.0	-4.0
Interest expenses	-58.2	-59.9

Interest income breaks down as follows:

EUR million	2021	2020
Interest income from discounting provisions	5.0	1.4
Interest income from default interest	1.1	0.0
Other interest income	1.9	2.1
Interest income	8.0	3.5

9. Income taxes

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

Income taxes break down as follows:

EUR '000	2021	2020
Current income taxes	-30,795	-30,058
Deferred income taxes	-4,135	6,843
Total	-34,929	-23,215

Taxes paid in the financial year amounted to EUR 24.0 million (previous year: EUR 36.0 million).

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

EUR '000	2021	2020
Earnings before income taxes	141,276	-41,910
Forecast tax expense ¹	-22,357	6,632
Remeasurement as per IFRS 3	0	-21,995
Capitalised and non-capitalised loss carryforwards	-1,432	-1,002
Trade tax	-7,144	-11,656
Tax refunds/back payments for previous years	3,789	5,324
Tax increase/reduction due to differing tax rates	5	2,471
Tax increase/reduction due to adjustments of deferred taxes	-5,028	-2,375
Tax increases/reductions due to compensation payments	-66	0
Tax increases/reductions due to non-tax-deductible expenses	1,042	-3,773
Corporate income tax on settlements of non-controlling interests	-328	-318
Elimination of items not relevant to taxation	-1,823	3,608
Dividend income, taxed at 5%	-21	0
Miscellaneous	-1,566	-130
Effective tax expense for the current year	-34,929	-23,215

¹ Tax rate calculated for 2021 and 2020: 15.825%

The effective tax rate is 24.7% (previous year: 23.9%).



VII

Notes to the consolidated statement of cash flows

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

Cash and cash equivalents increased by EUR 98.7 million to EUR 647.2 million year-on-year. Cash flow from operating activities amounted to EUR 449.6 million (previous year: EUR 596.5 million) and was influenced by the health insurance funds' payment performance.

The operating cash flow is offset by a cash outflow from investing activities of EUR 237.3 million (previous year: EUR 853.9 million). Payments for investing activities essentially comprise investments in fixed assets.

Financing activities resulted in a cash outflow of EUR 113.6 million (previous year: cash inflow of EUR 540.9 million). Cash flow from financing activities was influenced mainly by the early refinancing of various tranches of schuldschein loan agreements in the amount of EUR 295.0 million. Repayment of financial liabilities from right-of-use assets resulted in cash outflow of EUR 59.3 million (previous year: EUR 47.1 million). The increase was chiefly due to a non-recurring effect in the previous year. In the 2020 financial year, MediClin utilised the suspension of rental payments based on the "German Act to Mitigate the Consequences of the COVID-19 Pandemic Under Civil, Insolvency and Criminal Procedure Law" and suspended the rent for 21 hospital properties for two months.

VIII

Notes on items of the consolidated statement of financial position

1. Business combinations accounted for using the acquisition method

Acquisitions in 2021

In January 2021, Asklepios Kliniken und Co. KGaA acquired ELAN Arzt- und Klinikservice GmbH, Schneverdingen. As the company is of only minor significance, disclosures in accordance with IFRS 3 are not made.

2. Intangible assets

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

2020 EUR '000	Goodwill	Other intangible assets	Prepayments for intangible assets	Total
Cost As at 1 Jan. 2020	591,066	288,697	29,992	909,755
Changes in consolidated group	281,260	10,367	1,863	293,490
Additions/investments similar to acquisitions	4,602	56,658	3,055	64,315
Disposals	-1,546	-1,742	-611	-3,899
Reclassification	0	33,879	-26,609	7,270
Reclassification as per IFRS 5	0	0	0	0
As at 31 Dec. 2020	875,382	387,858	7,690	1,270,931
Cumulative amortisation As at 1 Jan. 2020	-15,348	-132,363	0	-147,711
Amortisation and impairment for the financial year	-288	-37,606	-3,168	-41,062
Reclassifications	0	-51	30	-21
Amortisation and impairment on disposals	1,036	1,811	0	2,847
Reclassification as per IFRS 5	0	0	0	0
As at 31 Dec. 2020	-14,600	-168,208	-3,138	-185,947
Residual carrying amounts As at 31 Dec. 2020	860,782	219,650	4,552	1,084,984

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



The goodwill recognised by the Group breaks down as follows:

Goodwill EUR '000	2021	2020
Rhön-Klinikum AG	281,807	281,806
MediClin AG, Offenburg	234,057	233,422
Asklepios Kliniken Hamburg GmbH, Hamburg	100,450	100,847
Asklepios Fachkliniken Brandenburg GmbH, Brandenburg location	17,957	17,957
Asklepios MVZ Bayern GmbH, Cham	15,793	6,442
Asklepios Klinikum Uckermark GmbH, Schwedt	14,044	14,044
Mind District Holding B.V., Amsterdam (Netherlands)	13,935	13,260
INSITE-Interventions GmbH, Frankfurt am Main	13,304	13,304
Samedi GmbH, Berlin	12,756	12,756
Sanomed Sanitätshaus für Orthopädie und Rehabilitationstechnik GmbH, Bad Sobernheim	11,364	11,364
Asklepios Klinik Sobernheim GmbH, Königstein	10,275	10,835
Asklepios Klinik Wiesbaden GmbH, Königstein	10,240	10,240
Asklepios Fachkliniken Brandenburg GmbH, Lübben location	9,729	9,729
Asklepios Kliniken Langen-Seligenstadt GmbH, Langen	9,496	9,496
Fürstenberg Institut GmbH, Hamburg	8,670	8,670
Asklepios Harzkliniken GmbH, Goslar	7,815	7,815
Asklepios Südpfalzkliniken GmbH, Burglengenfeld	6,835	6,835
Asklepios Klinikum Bad Abbach GmbH, Königstein	6,442	6,442
Asklepios Schwalm-Eder-Kliniken GmbH, Schwalmstadt	6,233	6,342
Asklepios Fachkliniken Brandenburg GmbH, Teupitz location	5,750	5,750
Miscellaneous	74,381	73,426
Total	871,333	860,782

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

The changes in goodwill primarily result from approximate values acquired or sold and already accounted for in the separate financial statements.

3. Property, plant and equipment

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

2020 EUR '000	Land and buildings including buildings on third-party land	Technical equipment and machinery	Operating and office equipment	Assets under construction	Total
Cost/As at 1 Jan. 2020	2,101,178	183,726	666,072	120,775	3,071,751
Changes in consolidated group	676,744	13,701	103,215	49,162	842,822
Additions	30,342	6,466	72,444	116,228	225,480
Disposals	-5,960	-3,145	-32,229	-767	-42,101
Reclassification	30,331	6,005	5,866	-49,472	-7,270
Reclassification as per IFRS 5	0	0	0	0	0
As at 31 Dec. 2020	2,832,635	206,755	815,368	235,926	4,090,684
Cumulative depreciation/As at 1 Jan. 2020	-890,230	-100,130	-437,436	0	-1,427,796
Depreciation for the financial year	-91,120	-14,812	-77,373	-6,172	-189,477
Depreciation on disposals	2,442	2,082	29,616	0	34,140
Reclassifications	-2	-584	608	0	22
Reclassification as per IFRS 5	0	0	0	0	0
As at 31 Dec. 2020	-978,908	-113,444	-484,586	-6,172	-1,583,111
Residual carrying amounts As at 31 Dec. 2020	1,853,727	93,311	330,782	229,754	2,507,571



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

Subsidies and government grants used to finance investments are deducted from the cost of the subsidised assets, which results in a reduction in current depreciation. This item relates to subsidies used for the intended purpose that were granted under the German Hospital Financing Act (KHG) with a residual carrying amount of EUR 1,121.5 million (previous year: EUR 1,151.8 million) and other government and third-party grants with a residual carrying amount of EUR 99.9 million (previous year: EUR 103.1 million). The subsidies that were granted under the German Hospital Financing Act will fall due for repayment only if hospital operations are discontinued in accordance with section 8 (1) KHG (no longer being included in the hospital plan).

The Group therefore has long-term interest-free and redemption-free access to subsidies of EUR 1,221.4 million (previous year: EUR 1,254.8 million).

4. Leases

Statement of financial position

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

	▼			▼	
Right of use assets EUR '000	2021	2020	Lease liabilities EUR '000	2021	2020
Land and buildings including buildings on third-party land	394,111	431,363	Current lease liabilities	67,631	63,718
Technical equipment and machinery	5,386	2,543	Non-current lease liabilities	362,454	400,440
Operating and office equipment	4,712	5,656	Total	430,085	464,158
Intangible assets	1,108	1,244			
Total	405,317	440,807			

Income statement

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

Depreciation of right-of-use assets EUR '000	2021	2020
Land and buildings including buildings on third-party land	53,453	52,498
Technical equipment and machinery	1,845	1,214
Operating and office equipment	2,288	1,987
Intangible assets	658	633
Total	58,244	56,332
Interest expenses	8,992	9,740
Expenses for short-term leases (less than 12 months)	3,761	724
Expenses for leases for low-value assets (under EUR 5,000)	2,312	2,057
Expenses for variable lease payments (not included in lease liabilities)	14,381	15,746.0

Total lease payments amounted to EUR 82.3 million in 2021 (previous year: EUR 70.4 million).

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

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

2020 EUR '000	Land and buildings including buildings on third-party land	Technical equipment and machinery	Operating and office equipment	Intangible assets	Total
As at 1 Jan. 2020	468,485	1,577	3,893	1,877	475,832
Additions	16,650	2,182	3,884	0	22,716
Disposals	-1,273	-1	-135	0	-1,409
Depreciation, amortisation and impairment	-52,498	-1,214	-1,987	-633	-56,332
As at 31 Dec. 2020	431,364	2,544	5,656	1,244	440,807



Leasing activities of the Asklepios Group

The main leased assets are the leased hospital properties of MediClin AG, which up to and including 2018 were accounted for as operating leases. There are also other longer-term lease agreements for properties, vehicles, printers and medical equipment, but these are immaterial in comparison with the hospital properties.

Renewal and termination options

A number of the Group's property and equipment lease agreements contain renewal options. Such contractual conditions are designed to give the Group maximum operational flexibility with respect to the assets it uses. If it has become reasonably certain that the respective option will be exercised, the term of the lease is renewed accordingly. The volume of renewal options was EUR 29.0 million as at 31 December 2021 (previous year: EUR 44.1 million), taking into account the maximum utilisation of all options. There are no renewal options for the leased hospital properties of MediClin AG; the agreements are due to expire on 31 December 2027. A renewal would have to be treated separately.

There are currently no termination options in the Group.

Residual value guarantees

The Group grants residual value guarantees in some cases to optimise lease costs during the term of the agreement. The Group estimates the payments from residual value guarantees that are expected to be made and recognises them as part of the lease liability. As at 31 December 2021, it was assumed that an amount of EUR 43 thousand would need to be paid on account of concluded residual value guarantees.

Obligations under leases not yet commenced

Leases that the Asklepios Group has concluded but have not yet commenced. As in the previous year, there were no such obligations as at 31 December 2021.

5. Investments accounted for using the equity method

Changes in investments were as follows:

EUR '000	2021	2020
Start of the year	37,582	496,706
Changes in the consolidated group	0	355
Acquisition of additional interests	0	0
Pro rata loss	0	0
Investment income incl. OCI	0	1,694
Dividend payment for the current year	0	0
Reversal of impairment losses	5,855	24,693
Switch from the equity method to full consolidation	0	-485,867
End of the year	43,437	37,582

Market capitalisation of the interests for which there is a published price quotation was EUR 53.5 million on a pro rata basis (previous year: EUR 47.5 million). The proportional comprehensive income for all investments accounted for using the equity method was EUR 4.4 million (previous year: EUR 25.3 million). Other comprehensive income was not reported.

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

EUR '000	30 Jun. 2021	30 Jun. 2020
Current assets	170,002	117,221
Non-current assets	259,746	258,697
Current liabilities	238,639	144,503
Non-current liabilities	99,977	152,597

EUR '000	1 Jan. – 30 Jun. 2021	1 Jan. – 30 Jun. 2020*
Revenue	114,606	90,258
Operating earnings after taxes	7,879	-278

* Revenue 2020: EUR 196,866 thousand; operating earnings after taxes: EUR 4,235 thousand

6. Receivables under German Hospital Financing Act

Receivables under German hospital financing law of EUR 183.0 million (previous year: EUR 180.1 million) relate to the claims to state subsidies outstanding at the end of the reporting period.

7. Financial and other financial assets

Non-current financial assets of EUR 9.3 million (previous year: EUR 9.0 million) relate primarily to companies in which AKG has a shareholding of between 20% and 51%. These other equity investments are not consolidated for reasons of materiality, but are accounted for at cost. Financial assets also include an investment property of Rhön AG of EUR 1.3 million (previous year: EUR 2.2 million).

Other financial assets break down as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Receivables under BPfIV and KHEntG	411,499	228,577
Receivables from time deposits	167,000	166,371
Receivables from the financing of training centres	50,830	54,042
Receivables from supplier bonuses	5,956	3,801
Receivables from employees	5,247	4,732
Receivables from tax authority/social insurance	3,147	6,141
Receivables from trustor	3,026	8,983
Receivables from pension liability insurance	1,676	1,601
Miscellaneous other financial assets	33,156	34,028
Other financial assets	681,537	508,276
Of which non-current	1,670	1,760
Of which current	679,867	506,516

The increase in other financial assets is particularly attributable to the receivables under the German National Hospital Rate Ordinance (BPfIV) and under the German Hospital Fees Act (KHEntG), which contain compensation claims and resulted in net receivables of EUR 411.5 million at the end of the financial year (previous year: EUR 228.6 million). Before netting, the company had receivables under BPfIV and KHEntG of EUR 538.1 million (previous year: EUR 341.6 million) and liabilities of EUR 126.6 million (previous year: EUR 112.6 million).

The receivables from time deposits of EUR 167.0 million, which were acquired as part of the acquisition of the Rhön Group, and the receivables from the financing of training centres under section 17a KHG are at almost the same level as in the previous year.

Other financial assets were impaired in the amount of EUR 1.8 million as at the end of the reporting period (previous year: EUR 0.2 million).



8. Inventories

Inventories break down as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Materials and supplies	111,079	128,164
Work in progress	3,800	2,002
Finished goods and merchandise	1,001	1,484
Total	115,880	131,650

Materials and supplies essentially include medical supplies.

There were no impairment losses in the financial year or in the previous year.

9. Trade receivable

EUR '000	31 Dec. 2021	31 Dec. 2020
Gross receivables	847,578	784,298
Of which inpatients at end of reporting period (<i>contract assets as per IFRS 15</i>)	75,280	74,309
Less impairment	-108,337	-112,335
Net receivables	739,242	671,964
Of which non-current receivables	533	626
Of which current receivables	738,709	671,338

Trade receivables are measured at amortised cost, which usually corresponds to the nominal amount, less a reasonable amount for credit losses. An amount of EUR 738,709 thousand (previous year: EUR 671,338 thousand) has a remaining term of less than one year. IFRS 9 thereby prescribes use of an impairment matrix (simplified approach). A primary distinction can be made in the groups of receivables between payers of statutory health and pension insurance and self-pay patients. The relevant credit risks are calculated using historical loss rates and historical experience (self-pay patients) and as at 31 December 2021 using Germany's CDS spread (payers of statutory health and pension insurance). The expected loss over the remaining lifetime is calculated as a fixed percentage depending on the respective group of receivables.

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

EUR '000	Carrying amount	Of which: Not past due as at end of reporting period	Of which: Past due by the following numbers of days as at end of reporting period					
			Less than 30 days	Between 30 and 60 days	Between 61 and 90 days	Between 91 and 180 days	Between 181 and 360 days	More than 360 days
	As at 31 Dec. 2021							
Trade receivables from health insurance funds	631,383	402,109	50,459	15,762	11,704	17,323	27,350	106,675
Trade receivables from other debtors	199,442	95,509	15,986	3,724	4,735	4,204	8,807	66,476
	As at 31 Dec. 2020							
Trade receivables from health insurance funds	577,741	416,874	66,671	9,869	5,374	13,390	13,028	52,535
Trade receivables from other debtors	132,248	72,231	13,435	5,418	3,579	10,103	4,238	23,244

While the CDS spread for German government bonds is used for receivables from legal institutions, the collective specific loan loss allowance on receivables from other debtors is based on historical credit loss experience in the receivables portfolio. On this basis, a matrix is generated that, adjusted for future-oriented insolvency forecasts, maps the probability-weighted probabilities of default depending on these maturity structure classes.

Write-downs of trade receivables amounted to EUR 108.3 million (previous year: EUR 112.3 million), whereby trade receivables of EUR 22.7 million were derecognised in the financial year (previous year: EUR 2.0 million).

EUR '000	2021	2020
Write-downs as at 1 Jan.	112,335	62,178
Additions to write-downs	39,042	66,009
Utilisation and reversal	-43,039	-15,852
Write-downs as at 31 Dec.	108,337	112,335



10. Current income tax assets

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

11. Other assets

Other assets break down as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Receivables from taxes	664	97
Doubtful other receivables	159	787
Advance payments made for expenses in the next financial year	23,327	25,381
Other assets	24,149	26,265
Of which non-current	61	62
Of which current	24,087	26,203

12. Cash and short-term deposits

Cash and shortterm deposits are subject to variable interest rates. Shortterm deposits are made for different periods of time depending on the Group's liquidity requirements. Interest is charged at the respective interest rates applicable for shortterm deposits. The fair value of cash and cash equivalents corresponds to their carrying amount. The short-term deposits amounted to EUR 252.4 million on the reporting date (previous year: EUR 246.2 million).

Total cash and short-term deposits includes subsidies received of EUR 125.4 million (previous year: EUR 109.4 million). The subsidies are earmarked for a specific purpose and may be used only for subsidised capital expenditure.

13. Assets held for sale and liabilities in connection with assets held for sale

The intention is to sell ZIT - Zentralinstitut für Transfusionsmedizin GmbH, Dr. Hoefler-Janker GmbH & Co. Klinik KG and MVZ MediClin Bonn GmbH by way of a share deal. In line with the amendment to IFRS 5, the assets and liabilities held for sale (disposal group) attributable to the companies held for sale were reclassified accordingly in the statement of financial position. No impairment was required on the fair value. The cash flow from the three units held for sale amounted to EUR 304 thousand in 2021.

EUR '000	Carrying amounts for Hoefer Janker	Carrying amounts for MVZ Bonn	Carrying amounts for ZIT	Total carrying amounts
Non-current assets				
Intangible assets	15	1	24	40
Property, plant and equipment including right-of-use assets	5,186	2	2,042	7,230
Deferred tax assets	0	3	937	940
Total non-current assets	5,201	6	3,003	8,210
Current assets				
Inventories	207	0	818	1,025
Trade receivables	1,517	818	841	3,176
Current income tax assets	0	3	0	3
Other financial assets	1,754	-2	22	1,774
Other assets	231	0	53	284
Cash and cash equivalents	455	81	32	568
Total current assets	4,164	900	1,766	6,830
Total assets held for sale				15,040

EUR '000	Carrying amounts for Hoefer Janker	Carrying amounts for MVZ Bonn	Carrying amounts for ZIT	Total carrying amounts
Non-current liabilities				
Lease liabilities	10	0	2,037	2,047
Pensions and similar obligations	0	0	252	252
Other provisions	121	0	0	121
Other financial liabilities	0	0	29	29
Other liabilities	25	2	11	38
Total non-current liabilities	156	2	2,329	2,487
Current liabilities				
Pensions and similar obligations	0	0	8	8
Trade payables	203	0	186	389
Lease liabilities	15	0	467	482
Other provisions	384	0	42	426
Other financial liabilities	789	138	3,691	4,618
Other liabilities	848	97	226	1,171
Total current liabilities	2,239	235	4,619	7,093
Total debts associated with assets held for sale				9,580



14. Equity

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

EUR '000	31 Dec. 2021	31 Dec. 2020
Equity attributable to the parent company	1,171,176	1,051,756
Non-controlling interests	575,681	540,794
Total equity	1,746,857	1,592,550

Components of equity

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

a) Issued capital

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

b) Reserves

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

A total of EUR –86.8 million (previous year: EUR 140.4 million) was allocated to retained earnings in the 2021 financial year. Equity increased by EUR 154.3 million to EUR 1,746.9 million (previous year: EUR 1,592.6 million).

c) Non-controlling interests

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

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

EUR 23.9 million of the consolidated net income for the year is attributable to non-controlling interests (previous year: EUR 21.7 million). Subject to executive approval, a provisional amount of EUR 13.9 million (previous year: EUR 15.0 million), and thus cumulatively EUR 225.7 million, of this net income for the year is attributable to the non-controlling interests of Asklepios Kliniken Hamburg GmbH, Hamburg, in 2021. Non-controlling interests hold 25.1% of the voting rights in Asklepios Kliniken Hamburg GmbH in total. For Asklepios Kliniken Hamburg GmbH, the consolidated financial statements include a total of EUR 786.2 million (previous year: EUR 688 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 304.1 million, which were up by EUR 59.8 million year-on-year) and EUR 799.4 million (previous year: EUR 822.3 million) in non-current assets available for generating future income (EUR 1,448.1 million in total in 2021). Non-current liabilities of EUR 435.9 million (previous year: EUR 495.9 million) and current liabilities of EUR 339.6 million (previous year: EUR 315.3 million) were included in the consolidated financial statements for Asklepios Kliniken Hamburg GmbH. In connection with the measurement of non-current liabilities, actuarial gains of EUR 56.1 million (previous year: losses of EUR 47.9 million) before taking account of deferred tax liabilities of EUR 5.9 million (previous year: deferred tax assets of EUR 8.2 million) were included in the consolidated financial statements in the reporting year, EUR 14.1 million of which was added to non-controlling interests in other comprehensive income (previous year: EUR 12.0 million charged). Asklepios Kliniken Hamburg GmbH generated cash inflow from operating activities of EUR 122.3 million (previous year: EUR 169.8 million), cash outflow from investing activities of EUR 49.8 million (previous year: EUR 60.6 million) and cash outflow from financing activities of EUR 12.6 million (previous year: EUR 17.7 million). In 2021, the company reports total comprehensive income of EUR 105.9 million (previous year: EUR 18.5 million), of which EUR 0.5 million (previous year: EUR 0.5 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR 50.3 million (previous year: EUR –39.6 million).

Subject to executive approval, a provisional amount of EUR 0.3 million of the net loss for the year (previous year: EUR 1.8 million of the net loss for the year), and thus cumulatively EUR 169.6 million, is attributable to the non-controlling

interests of MediClin Aktiengesellschaft (MediClin AG), Offenburg, in 2021. Non-controlling interests hold 47.27% of the voting rights in MediClin Aktiengesellschaft in total. There were no distributions to non-controlling interests in the reporting year (previous year: no distributions). For MediClin Aktiengesellschaft, the consolidated financial statements include a total of EUR 265.9 million (previous year: EUR 203.9 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 119.5 million, which were up by EUR 19.14 million year-on-year) and EUR 615.3 million (previous year: EUR 683.6 million) in non-current assets available for generating future income (EUR 687.1 million in total in 2021). Non-current liabilities of EUR 484.8 million (previous year: EUR 539.3 million) and current liabilities of EUR 213.4 million (previous year: EUR 171.4 million) were included in the consolidated financial statements for MediClin Aktiengesellschaft. In connection with the measurement of non-current liabilities, actuarial gains of EUR 5.6 million (previous year: losses of EUR 5.8 million) before taking account of deferred tax liabilities of EUR 0.9 million (previous year: deferred tax assets of EUR 0.9 million) were included in the consolidated financial statements in the reporting year, EUR 2.6 million of which was added to non-controlling interests in other comprehensive income. MediClin Aktiengesellschaft generated cash inflow from operating activities of EUR 82.0 million (previous year: EUR 118.7 million), cash outflow from investing activities of EUR 7.1 million (previous year: EUR 8.6 million) and cash outflow from financing activities of EUR 55.3 million (previous year: EUR 46.5 million). In 2021, the company reports total comprehensive income of EUR 6.2 million (previous year: EUR -13.9 million), of which EUR 0.1 million (previous year: EUR -0.1 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR 4.7 million (previous year: EUR -4.9 million).

Subject to executive approval, a provisional amount of EUR 6.5 million of the net income for the year (previous year: EUR 1.8 million) attributable to non-controlling interests, and thus cumulatively EUR 8.3 million, is attributable to the non-controlling interests of Rhön-Klinikum AG (Rhön AG), Bad Neustadt an der Saale, in 2021. Non-controlling interests hold 13.9% of the voting rights in Rhön Aktiengesellschaft in total. There were distributions to non-controlling interests in the amount of EUR 364 thousand in the reporting year (previous year: none). For Rhön Aktiengesellschaft, the

consolidated financial statements include a total of EUR 611.1 million (previous year: EUR 566.4 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 126.3 million, which were up by EUR 35.4 million year-on-year) and EUR 1,054.5 million (previous year: EUR 1,063.2 million) in non-current assets available for generating future income (EUR 1,600.5 million in total in 2021). Non-current liabilities of EUR 167.5 million (previous year: EUR 166.1 million) and current liabilities of EUR 273.3 million (previous year: EUR 273.4 million) were included in the consolidated financial statements for Rhön Aktiengesellschaft. In connection with the measurement of non-current liabilities, actuarial gains of EUR 26 thousand (previous year: losses of EUR 15 thousand) before taking account of deferred tax liabilities of EUR 5 thousand (previous year: deferred tax assets of EUR 3 thousand) were included in the consolidated financial statements in the reporting year, EUR 3 thousand of which was added to non-controlling interests in other comprehensive income (previous year: EUR 1 thousand charged). Rhön AG generated cash inflow from operating activities of EUR 97.5 million (previous year: EUR 113.3 million), cash outflow from investing activities of EUR 58.3 million (previous year: EUR 135.2 million) and cash outflow from financing activities of EUR 3.9 million (previous year: EUR 15.1 million). In 2021, the company reports total comprehensive income of EUR 34.9 million (previous year: EUR 4.8 million), of which EUR 1.9 million (previous year: EUR 1.0 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR 4.7 million (previous year: EUR 2.4 million).

There were no material transactions with material non-controlling interests in 2020 or 2021.

d) Development of other comprehensive income

Other comprehensive income includes the development of actuarial gains from pension provisions of EUR 55.0 million (previous year: EUR 44.1 million). In the previous year, this item also included the share of total comprehensive income of investments accounted for using the equity method of EUR 1,066 thousand (2021: EUR 0.00).

EUR 14,837 thousand (previous year: EUR 33 thousand) of the actuarial losses from pension provisions relates to non-controlling interests.



15. Financial liabilities

EUR '000	31 Dec. 2021	31 Dec. 2020
Current portion	157,623	40,214
Non-current portion	2,021,357	2,141,262
Total financial liabilities*	2,178,981	2,181,475

* Figures not including lease liabilities as per IFRS 16

EUR 298.1 million was repaid in total in the financial year (previous year: EUR 96.7 million).

Asklepios has a long-term and balanced maturity profile, primarily thanks to the repeated issuance of schuldschein loan agreements. The debut transaction on the schuldschein market in November 2013 had a volume of EUR 300 million, while the second schuldschein transaction in August 2015 placed schuldschein loan agreements of EUR 580 million. This was followed in November 2017 by Asklepios' largest transaction on the schuldschein market to date with the third schuldschein loan agreement of EUR 780 million. The fourth schuldschein loan agreement of EUR 730 million was then placed in October 2020, which primarily served the early refinancing and placement of the Rhön acquisition financing.

As part of the company's active maturity management, selected schuldschein loan agreements maturing in 2022 and 2023 were refinanced in the context of an exchange and increase offer November 2021.

All schuldschein loan agreements were placed with fixed and variable interest and subscribed by both domestic and international investors.

Other financial liabilities essentially bear interest at floating rates and usually have fixed-interest periods of between one and three months. The redemption payments are essentially in line with the fixed-interest terms. EUR 4.0 million (previous year: EUR 5.2 million) of the other financial liabilities of the MediClin sub-group are secured by land charges (carrying amount: EUR 15.2 million; previous year: EUR 16.6 million).

The non-subsidised portion of a loan to finance a new building with a carrying amount of EUR 15.8 million (previous year: EUR 19.5 million) as at 31 December 2021 had a fair value of EUR 17.2 million (previous year: EUR 21.9 million) as at the same date.

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

Financial year	Amount in EUR million
2023	67.9
2024	433.1
2025	476.7
2026	363.9
Subsequent years	679.8
Total	2,021.4

Changes in financial liabilities were as follows:

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

EUR million	1 Jan. 2020	Cash changes	Maturity reclassification	Non-cash changes	Changes in consolidated group	31 Dec. 2020
Lease payment obligations	485	-47	0	15	11	464
Current financial liabilities	114	-97	23	0	0	40
Non-current financial liabilities	1,270	730	-23	3	161	2,141
Total	1,869	586	0	19	171	2,646

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

31 Dec. 2021 Remaining term EUR million	Up to 1 year	More than 1 year to 5 years	More than 5 years	Total
Payment obligation	184	1,456	736	2,376

31 Dec. 2020 Remaining term EUR million	Up to 1 year	More than 1 year to 5 years	More than 5 years	Total
Payment obligation	76	1,587	761	2,424

Credit facilities

The Group has freely available lines of credit of EUR 788.9 million as at the end of the reporting period (previous year: EUR 770.3 million). As in the previous year, none of them are secured by land charges. Drawings on these credit lines are subject to floating interest.



16. Trade payables

There are trade payables due to third parties. An amount of EUR 115.6 million (previous year: EUR 97.3 million) has a remaining term of less than one year.

17. Lease liabilities

Maturity analysis

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

EUR '000	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Lease liabilities as at 31 Dec. 2020	63,718	207,130	193,310	464,158

As in the previous year, the current lease liabilities include suspended rental payments for the months of May and June 2020 of EUR 7.9 million in the MediClin Group. This suspension was based on the "German Act to Mitigate the Consequences of the COVID-19 Pandemic Under Civil, Insolvency and Criminal Procedure Law" of 27 March 2020. The suspended rents for the two months relate to rents for 21 hospital properties. The default interest rate in accordance with section 288 (2) BGB is 8.12% p.a.

18. Liabilities under German Hospital Financing Act

Liabilities under German hospital financing law of EUR 305.4 million (previous year: EUR 261.0 million) relate to subsidies committed or received but not yet used.

19. Other financial liabilities

In the financial year, other financial liabilities comprised:

EUR '000	31 Dec. 2021	31 Dec. 2020
Liabilities from outstanding invoices	108,349	116,628
Subsidised loans	38,054	47,085
Liabilities to Landeskrankenhausgesellschaft	25,768	19,248
Debtors with credit balances	12,602	9,393
Research grant liabilities	8,603	10,380
Liabilities from third-party funds	8,243	8,076
Purchase price commitments/liabilities to former payers	5,607	5,739
Archiving obligations	5,308	5,608
Liabilities to state authorities	4,376	7,547
Liabilities to shareholders	2,862	754
Liabilities to external shareholders	1,331	3,745
Social security liabilities	1,251	1,348
Liabilities to senior consultants	842	934
Miscellaneous other financial liabilities	33,418	18,340
Other financial liabilities	256,614	254,825
Of which non-current	47,149	57,895
Of which current	209,465	196,930

The subsidised loans of EUR 38.1 million (previous year: EUR 47.1 million) are financed in full by the respective states, affecting interest and repayment.

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

31 Dec. 2021 Remaining term EUR million	Up to 1 year	More than 1 year to 5 years	More than 5 years	Total
Payment obligation	11	26	4	41

31 Dec. 2020 Remaining term EUR million	Up to 1 year	More than 1 year to 5 years	More than 5 years	Total
Payment obligation	11	36	5	52

The interest component included in the payment obligations amounts to EUR 4.6 million (previous year: EUR 8.7 million).



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

20. Other liabilities

Other liabilities break down as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Payroll liabilities	268,945	263,625
Tax liabilities (wage tax, VAT)	55,995	53,927
Advance payments received	74,534	38,123
Miscellaneous	6,063	5,915
Other liabilities	405,537	361,590
Of which non-current	8,617	8,890
Of which current	396,920	352,700

The payroll liabilities mainly include performance-related remuneration, annual leave not taken and overtime. Payroll liabilities include termination benefits (mainly partial retirement and severance payments) of EUR 22.8 million (previous year: EUR 21.9 million). Liabilities from partial retirement agreements of EUR 2.8 million (previous year: EUR 2.7 million) contain future Group obligations from the outstanding settlement amount during the time the beneficiaries are in office and the top-up amount pursuant to IAS 19 (rev. 2011), which accumulates on a pro rata basis. For unresolved cases, an estimate was used based on previous acceptance of comparable contractual offers. The capitalised values of EUR 0.9 million (fair value) (previous year: EUR 1.8 million) to secure outstanding settlement amounts are offset against the obligations in the financial year.

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

21. Provisions for pensions and similar obligations

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

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

	2021	2020
Discount rate	0.90%	0.40%
Expected salary increases	2.10%	2.10%
Expected pension increases	1.50%	1.50%

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

Hamburg obligations (provision: EUR 272,557 thousand; DBO: EUR 583,422 thousand)

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

The Hamburg Act on Additional Retirement Pensions allows for pension benefits on the basis of final salary. The corresponding present value of the obligations was EUR 509,756 thousand as at 31 December 2021. The benefit amount is calculated from years of service and pay according to the pay grade when pension payments begin. Pensions increase by 1% per year.

The present value of the obligation from defined contribution pension commitments according to the bylaws of the VBL is EUR 65,318 thousand. The annual contribution amount is determined by the pay subject to supplementary pension payments. The pension payments result from the actuarial annuitisation of the contributions. The current annuities increase by 1% each year. The obligations in accordance with the Hamburg Civil Service Pension Act include individual obligations of EUR 8,348 thousand.

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

MediClin defined benefit obligations (provision: EUR 61,035 thousand; DBO: EUR 62,746 thousand)

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

At this date, the benefits accrued by active employees up to this point under the MAUK plan were in effect frozen. Under the terms and conditions of the plan, lifetime or time-limited benefits are granted in the form of a retirement pension, an early retirement pension or a disability pension. The retirement pension amount is between EUR 5.00 and EUR 10.00 a month per eligible year of service based on average weekly working hours. If the pension is taken early (before the age of 65), the entitlements earned are reduced by 0.5% for each month that the pension is claimed early. Except for two of the individual obligations, the ongoing pension payments are paid from the assets of the employee provident fund. MediClin pays sufficient funds to MAUK for this. The MAUK fund's assets comprise voluntary contributions from MediClin and returns on plan assets. Section 12 of the MAUK bylaws stipulates that fund assets are to be invested in a profitable way and are to be used solely for fund purposes and for incurred administrative costs. Loans may be granted to the sponsoring employer at an appropriate rate of interest, but this option is not utilised.

The pension provisions relating to the Kraichgau-Klinik Group are the result of the acquisition of the majority of shares in Kraichgau-Klinik AG in 2008. The Kraichgau-Klinik AG pension scheme provides for pension benefits, which include a retirement pension or early retirement pension and a deferred disability pension. The monthly retirement pension amounts to 0.5% per year of company service – but not exceeding 12% – of the average monthly salary for the last twelve months before



pension payments begin. If an early retirement pension is taken, the retirement pension calculated according to this formula is reduced by 0.5% for every month that the pension is claimed early before the claimant reaches retirement age. If the claimant retires early on the grounds of disability, a disability pension is paid, which is deferred until the claimant reaches retirement age. The pension amount is calculated using the same formula as the retirement pension, but takes account only of the years of service that the employee achieved up to the date of the disability. The age limit for employees who joined the company before 31 December 1994 is 60 for women and 65 for men. In the case of employees who joined the company after 31 December 1994, the retirement age is 65 for both men and women. No more new beneficiaries have been added to this plan since August 1997.

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

The pension obligations are accounted for in full and were remeasured for preparation of the IFRS statement of financial position. The Group's obligations cover both existing and future benefit claims. The pension provisions are measured in line with actuarial principles using the benefit/years of service method under IAS 19, taking account of future trends. The current service cost, which is calculated at the start of the financial year and is subject to interest until the end of the financial year, is calculated using the projected unit credit method. The defined benefit obligation (DBO) at the end of the reporting period is the present value of the benefits earned in the preceding accounting periods calculated using the projected unit credit method. The same method that is used to attribute benefits to periods of service is used to determine the current service cost. In accordance with IAS 19, the adjustment effects from actuarial gains and losses that arise in the financial year are recognised in "other comprehensive income". By

contrast, the insured portion of the MUK pension obligation is recognised at the fair value of the pension liability insurance policies in place. Only the obligation from the adjustment of ongoing benefits of 1% a year, which is not covered by the pension liability insurance policy, is measured in line with actuarial principles.

MediClin provident fund (provision: EUR 301 thousand; DBO: EUR 16,339 thousand)

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

All employees who joined one of the MediClin sponsoring employers before 31 December 2018 are still entitled to an employer-funded basic retirement pension plan under the MediClin retirement pension scheme. Even employees who are still in the vesting period will subsequently receive accrued entitlements from the MediClin retirement pension scheme. Employees who joined the company on or after

1 January 2019 will fall under a different pension scheme. A new agreement on this is being concluded with the Group Works Council. All existing MediClin retirement pension scheme contracts – both the employer-funded basic retirement pension plan and the self-funded contracts from deferred employee compensation – are being continued unconditionally in line with the valid benefit plans.

MUK e. V. is structured as an insured provident fund, whereby its pension obligations are covered by a corresponding pension liability insurance policy with an insurance company. MUK e. V. met its duty to make adjustments in accordance with section 16 of the German Company Pensions Act by making a commitment in respect to a guaranteed annual 1% adjustment (section 16 (3) sentence 1 of the German Company Pensions Act). When the pension liability insurance policy was taken out, the guaranteed adjustment of 1% p.a. in favour of a higher maturity payment was not covered by the policy because it was anticipated that the 1% adjustment would easily be generated through insurer surpluses. As a result of continuing low interest rates on the capital markets, particularly for pension liability insurance policies that have a high guaranteed interest rate it has increasingly been the case that virtually no surplus allocations have been made, which means that the insurer could no longer guarantee the adjustment to pension payments in the amount pledged in the pension plan. Nonetheless, the pension obligations were adjusted by 1% p.a. under the terms of the contract. The adjustment is being funded retrospectively through annual one-off payments to the insurer. This is classed as a systematic coverage gap, the future amount of which is presented as a best estimate in the financial statements. This means that, from now on, these pension obligations will be classified and accounted for as defined benefit obligations. The insurance coverage of MUK retirement benefits has since been changed; new pension obligations are no longer affected by a coverage gap from adjustment obligations because the 1% adjustment guarantee has now been included in the policy coverage. The amount of the coverage gap was determined by an actuary. The present value of the future coverage gap is calculated on the basis of the pension entitlements earned. An actuarial interest rate of 0.9% was assumed in the calculation of the coverage gap. An amount of 2.35% p.a. was recognised as the insurer's overall interest rate. Furthermore, the calculation also assumes that the percentage of scheme members who opt for current pension payments in lieu of the total pension capital (one-off payment) is still approximately 5%.

Rhön-Klinikum AG (provision: EUR 1,365 thousand; DBO: EUR 1,365 thousand)

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



**Other (provision: EUR 3,298 thousand;
DBO: EUR 3,298 thousand)**

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

The Group's total provisions break down as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Present value of funded benefit obligations	564,462	620,987
Present value of unfunded benefit obligations	102,708	113,705
Total present values of pension obligations	667,170	734,692
Fair value of plan assets	-328,354	-330,070
Reclassification as per IFRS 5	-260	0
Net provisions	338,556	404,622

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

The development is as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Provision as at 1 January	404,622	350,359
Rhön addition	0	1,058
Current service cost	7,751	12,147
Other (previous year: corporate transaction)	0	-67
Net interest expense/income	1,928	3,103
Benefits paid	-2,000	-3,355
Experience adjustments	-59	-174
Reclassification as per IFRS 5	-260	0
Employer contributions to plan assets	-11,751	-12,307
Actuarial gains (previous year: losses) from changes in financial assumptions	-61,674	53,858
Provision as at 31 December	338,556	404,622

The present value of the pension obligations developed as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Present value of the obligations as at 1 January	734,693	675,775
Rhön addition	0	1,058
Reclassification	49	1
Service cost	8,515	11,840
Other (previous year: corporate transaction)	-814	580
Interest cost	3,242	6,004
Experience adjustments	-3,324	-2,256
Reversal through settlement	0	-174
Actuarial gains (previous year: losses) from changes in financial assumptions	-57,644	60,190
Benefits paid	-17,546	-18,325
Present value of the obligations as at 31 December	667,171	734,693
Of which unfunded benefit obligations	102,708	113,705
Present value of funded benefit obligations	564,463	620,988

The fair value of plan assets developed as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Fair value of plan assets as at 1 January	330,069	325,416
Reclassification to defined benefit plans	-3	150
Expected return on plan assets	1,314	2,915
Benefits paid	-15,546	-14,970
Remeasurement of plan assets	769	4,251
Employer contributions to plan assets	11,751	12,307
Fair value of plan assets as at 31 December	328,354	330,069

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

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

EUR 9.8 million (previous year: EUR 10.4 million) was contributed to the Hamburg provident fund in the 2021 financial year. The amount paid in to plan assets for the 2022 financial year is expected to be comparable to 2021.

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

		Relative change of the obligation (previous year)
Actuarial interest rate	-0.50%	Increase of 8.31% (10.39%)
Actuarial interest rate	+0.50%	Decrease of 7.32% (9.11%)
Income trend	-0.50%	Decrease of 0.53% (0.72%)
Income trend	+0.50%	Increase of 0.55% (0.98%)
Mortality	-0.10%	Increase of 3.32% (4.21%)

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

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

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

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

Financial year	EUR '000
2022	17,822
2023	18,688
2024	19,522
2025	20,365
2026	21,308
2027-2031	119,292
Total	216,997

The estimated employer contributions to plan assets for 2021 amount to EUR 11.3 million. Estimated benefit payments from pension provisions are EUR 3.9 million.

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

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



Multi-employer plans (Hamburg)

Asklepios Kliniken (not including Rhön AG or MediClin)

In the financial year, Asklepios registered a total of 7,557 (previous year: 7,801) employees entitled to supplementary pension provisions.

Since 1 January 2002, BVK Zusatzversorgung, Munich, has paid a benefit that arises if an annual amount of 4.00% of an employee's gross salary is paid in full into a funded scheme. The contributions are made exclusively by the employer. The size of the contribution depends on the respective employee's pay subject to supplementary pension payments. The bylaws provide for a flat redevelopment charge for additional financing requirements above the actual contribution (2,697 Asklepios employees; previous year: 2,466 employees). BVK Zusatzversorgung, Munich, had 5,907 members in the 2021 financial year (previous year: 5,880) and managed assets of EUR 25.5 billion (previous year: EUR 24.2 billion). In 2020, 784,435 compulsorily insured employees and 759,784 non-contributory insurance contracts were registered via these members. Company pensions are paid to 309,051 compulsorily insured employees. In the following year, Asklepios is expecting a contribution/funding requirement for members of BVK Zusatzversorgung, Munich, of EUR 5.2 million (previous year: EUR 4.9 million).

In the financial year, the contribution rate of ZVK Darmstadt was 6.2% (frozen) of the pay subject to supplementary pension payments. As a result of the closure of the integrated scheme and the switch to the points model, the fund levies a flat redevelopment charge of 2.3% to cover additional financing requirements in order to finance the claims and accrued entitlements arising before 1 January 2002. In accounting group II, which is already funded, a compulsory contribution of 6.63% is levied (2,396 Asklepios employees; previous year: 2,372). The supplementary pension fund for municipalities and municipal associations in Darmstadt has more than 657 members. 97,760 compulsorily insured employees, 99,320 non-contributory insured individuals and around 5,670 voluntarily insured individuals were registered via these members. Company pensions are paid to 52,160 former employees and their surviving dependants. For members of the Zusatzversorgungskasse der Gemeinden und Gemeindeverbände (supplementary pension fund for municipalities and municipal associations) in Darmstadt, Asklepios is expecting a funding requirement of EUR 7.5 million (previous year: EUR 6.6 million).

There are different additional supplementary pension entitlements for 2,646 Asklepios employees (previous year: 2,656) at various pension institutions, which are comparable to those referred to above. Asklepios is expecting a funding requirement of EUR 4.6 million (previous year: EUR 7.2 million) for members.

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

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

Defined contribution plans and multi-employer plans (MediClin)

In the financial year, contributions of EUR 0.9 million (previous year: EUR 0.8 million) were made to multiple public-sector supplementary pension funds or provident funds a result of collectively agreed regulations. As such pension and provident funds insure employees from a large number of member companies, these are multi-employer plans. These pension plans are generally classified as defined benefit plans under IAS 19.30, as the employees have a legal right to the agreed benefits regardless of the contributions actually paid. The fund assets allocable to the company for the evaluation and calculation of a potential coverage gap cannot be obtained from the institutions concerned. Because of the lack of this necessary information about future payment obligations, the recognition of a provision in accordance with IAS 19 is not permitted. The obligation must be accounted for as a defined contribution plan in accordance with IAS 19.34a.

The funds are Rheinische Zusatzversorgungskasse (RZVK), Zusatzversorgungskasse der Stadt Hannover (ZVK Hannover) and Unterstützungskasse für Krankenhäuser in Mecklenburg-Vorpommern e. V. (UMVK). On reaching retirement age, UMVK grants a pension in the form of a one-off payment of the retirement capital or lifelong monthly payments of a retirement annuity of the same value. Moreover, during the active service period of the beneficiary a one-off payment is made to surviving dependants in the event of death and a monthly annuity is paid in the event of incapacity to work. The recipients receive the pension benefits from the UMVK. If the beneficiary has a legal claim to the pension benefits in this case despite the essentially voluntary nature of the benefits, the claim is not against UMVK, but only against the member company.

The pension benefits are financed entirely via pension liability insurance policies, which UMVK takes out with a pension liability insurer for each beneficiary. The contributions to the pension liability insurance are raised by the member company and provided to UMVK. The size of the pension is determined by the pension contribution, which amounts to 1.0% or 1.5% of the eligible income. The incapacity annuity is 0.25% of the retirement capital. One hospital was a member of UMVK in the 2021 financial year. This year and in the last financial year, a total of EUR 0.1 million was spent in each case. Contribution payments of roughly the same amount will be made in 2022.

RZVK is a special fund of Rheinische Versorgungskassen, Cologne. The fund's assets are managed as a separate fund. The fund's purpose is to grant the employees of its members an additional retirement, reduced earning capacity and survivors' pension (compulsory insurance). Accounting groups I and II are managed for compulsorily insured employees. MediClin belongs to accounting group I, which is managed according to the pay-as-you-go and funded system (hybrid financing). Here, a contribution rate is determined in relation to the pay subject to supplementary pension payments of the insured beneficiaries in a coverage period system. In addition to the coverage of the pension entitlements that arose in the former integrated scheme, RZVK collects a redevelopment charge. The redevelopment contributions are used to establish a separate capital stock within the assets of the supplementary pension fund. In the 2021 financial year, the redevelopment charge amounted to 3.5%. In total, the financing rate (contribution rate and redevelopment charge) in the 2021 financial year amounted to 7.75% of the salaries subject to contributions. The financing rate is unchanged in 2022. This year and in the last financial year, a total of EUR 0.7 million was spent in each case. Contribution payments of roughly the same amount are expected in 2022.

ZVK Hannover is a legally dependent pension fund of the city of Hanover. Its purpose is to grant the employees of its members an additional retirement, reduced earning capacity and survivors' pension by way of private-sector pension insurance. Here, too, there are two accounting groups (accounting group I and II) for compulsorily insured employees, with MediClin allocated to accounting group I. At ZVK Hannover, the compulsory insurance is financed exclusively with contributions and redevelopment charges. The contribution rate is 5.07%. In order to finance the claims and accrued entitlements arising before 1 January 2002, ZVK Hannover levies a redevelopment charge of 3.00% to cover additional financing requirements that exceed the contributions. For the employers of the insured employees, this results in expenses totalling 8.07% of the pay subject to supplementary pension payments. An employee contribution or a supplementary contribution to establish capital cover are not collected in the compulsory insurance. The financing rate is unchanged in 2022. A total of EUR 0.1 million was spent in the financial year (previous year: EUR 0.1 million). Contribution payments of the same amount are expected to be incurred in 2022.



A new Group works agreement regarding the pension scheme was concluded on 1 October 2020 and took effect as at 1 January 2021. It grants a pension entitlement to employees who joined a MediClin company on or after 1 January 2019 and employees who joined a MediClin company before 1 January 2019 and have not previously received an employer-financed pension plan. This new pension scheme is no longer purely employer-financed; instead, the beneficiaries contribute to the financing of their pension.

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

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

In addition to the contribution of EUR 40 per month, MediClin forwards 15.0% of the deferred compensation to the direct insurance as an additional employer contribution, provided MediClin saves social security contributions through the deferred compensation. If employees leave the employment relationship before pension payments begin, they receive a proportional entitlement to pension benefits, even if the statutory vesting dates have not yet been reached. The employer contribution is increased by 1.00% on 1 July each year. The first increase was made as at 1 July 2021. Likewise on 1 July every year, the 1.00% proviso of the employee contribution is reviewed as a condition of the employer contribution. If the review finds that the employee contribution has to be increased by at least EUR 5.00 in order to fulfil the 1.00% proviso, the deferred compensation amount must be increased.

The payment of a retirement pension begins on the first day of the month following the recipient's 67th birthday. Early retirement benefits can be drawn from the age of 62. It is possible to defer the payment until the age of 72. An annuity from capital 20 times the amount of the annual annuity guaranteed after retirement, less annuities guaranteed after retirement already paid, is agreed as a death benefit after retirement. In the 2021 financial year, the employer contribution for this pension scheme amounted to EUR 173 thousand. In total, 446 KlinikRente contracts have been concluded since this new pension scheme took effect.

Defined contribution plans and multi-employer plans (Rhön)

As a result of collectively agreed regulations, the Group pays contributions to the Pension Institution of the Federal Republic and the Federal States (VBL) and to other public sector pension schemes (Bayerische Versorgungskammer-Zusatzversorgung, BVK) for a certain number of employees. The supplementary pension funds are public-law corporations or institutions. The contributions are collected using a pay-as-you-go system. Due to this financing structure, there is a risk of contributions increasing as a result of the collection of restructuring contributions, which can be imposed entirely or disproportionately on employers. These schemes are multi-employer schemes (IAS 19.8) in which the participating companies share both the risk of the investment and the biometric risk. The VBL/BVK pension scheme is essentially to be classified as a defined benefit plan (IAS 19.38). However, the information required to appropriately account for the Groups' share in the future payment obligation is not available due to the pay-as-you-go financing. As a result of this financing according to the pay-as-you-go system, whereby the contribution rate for a certain coverage period is determined on the basis of the entire insurance portfolio and not on the basis of the individual insured risk, the pension plan is to be accounted for as a defined contribution plan in accordance with IAS 19.34.

There are no agreements as defined by IAS 19.37, which means that no corresponding assets or liabilities are recognised. The recognition of any liability item in the statement of financial position is subordinate to warrantor obligations of public-sector entities.

Ongoing contributions to VBL/BVK are recognised as pension expenses for the respective years or as post-employment benefit obligations under staff costs. In addition to the contribution, VBL collects redevelopment charges from participating employers with compulsorily insured employees in accounting group West. In the 2021 financial year, the redevelopment charge amounted to 0.15% (previous year: 0.17%) of the insured compensation. In accounting group West, VBL finances its benefits via a modified coverage period system (pay-as-you-go system). The current coverage period is from 2016 to 2022. The contribution rate is set such that the contribution to be paid for the duration of the coverage period together with the other expected income and available assets is enough to finance the expenditure during the coverage period and the six subsequent months. Since 1 January 2002, the contribution rate has been 7.86% of the pay subject to supplementary pension payments, of which 6.45% is borne by employers and 1.41% by employees. Since 1 July 2017, an additional employee contribution of 0.4% has applied. The BVK contribution rate is between 4.8% and 7.75% depending on the year the employee joined.

Because of insufficient information, no statement can be made regarding the size of the participation in the pension schemes on the basis of the Group's contribution for Rhön-Klinikum AG in comparison with the total contributions paid to VBL and to other public-sector pension schemes (BVK). In the event of termination of VBL participation, the resulting legal consequences are stipulated in section 23 of VBL's bylaws. The termination of VBL participation also ends the compulsory insurance. As VBL also continues to settle pension rights and entitlements arising until the end of the participation, the departing participant must pay an equivalent value in compensation, with the exception of funded portions. This equivalent value comprises serves to fund existing entitlements and to cover administrative costs and future claims to benefits. The supplementary pension fund also has a similar rule. As departure from pay-as-you-go financing means that the risks of other system participants must also be compensated for on a pro rata basis, only the pension fund itself can perform a transparent actuarial calculation. The VBL/BVK membership exists due to the acquisition of hospitals from the public sector. The hospitals in Giessen and Marburg are members of VBL, while Rhön Kreisklinik Bad Neustadt a.d. Saale is a member of BVK.





22. Other provisions

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

EUR '000	1 Jan. 2021	Utilisation/ reclassi- fication	Reversal	Addition to consolidated group	Addition	31 Dec. 2021
Contractual obligations	163,370	-3,993	0	0	885	160,262
Provisions for repayment risks	88,188	-8,432	-535	0	60,335	139,556
Loss compensation payments/ compensation for losses	180,940	-4,409	-652	0	20,456	196,335
Health insurance funds	122,234	-46,328	-13,611	0	98,459	160,754
Litigation risks	13,453	-2,137	-3,313	0	3,452	11,455
Other provisions	39,256	-13,804	-4,034	100	14,638	36,156
Total	607,445	-79,103	-22,145	100	198,225	704,518

The provisions break down by maturity as follows:

EUR '000	31 Dec. 2021	31 Dec. 2020
Up to one year	389,625	301,357
Over one year	314,892	306,088
Total other provisions	704,518	607,445

Contractual obligations include recognised provisions that are expected to be utilised from non-standard lease obligations and the reduction of the maintenance backlog up to 2026. An amount of EUR 9.0 million is expected to be utilised in 2022, and an amount of approximately EUR 36.0 million in 2022 through 2026. In particular, provisions for unfavourable contracts (EUR 89.9 million) for a cooperation are also included, the depletion of which is expected within the next ten years (utilisation in 2022: EUR 9.0 million).

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

The provision for loss compensation payments/compensation for losses was calculated for liability claims against physicians on the basis of actuarial methods by an external actuary. The provision includes both individual losses and IBNR (incurred but not reported) cases as well as claims adjustment expenses. The expected payments were discounted using a market interest rate for a matching maturity period. Of these provisions, an amount of EUR 22.1 million is expected to be utilised in 2022, and an amount of around EUR 65.2 million in 2022 through 2025.

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

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

Other provisions relate to provisions for current business operations.

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

23. Current income tax liabilities

Current income tax liabilities of EUR 26,201 thousand (previous year: EUR 25,911 thousand) can be attributed to the corporate income tax and solidarity surcharges not yet assessed for the past financial year and previous years.

24. Deferred tax assets and deferred tax liabilities

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

EUR '000	31 Dec. 2021	31 Dec. 2020
Deferred tax assets		
Pension provisions	57,010	67,923
Contractual obligations	21,513	22,597
Tax loss carryforwards	7,452	7,010
Provision for repayment risks	6,333	6,333
Lease liabilities	53,429	60,231
Miscellaneous	33,670	40,732
Total deferred tax assets	179,407	204,826
Offset	51,426	59,145
Deferred tax assets in statement of financial position	127,981	145,681
Deferred tax liabilities		
Differences in value of intangible assets and property, plant and equipment	49,435	45,640
Right-of-use assets in accordance with IFRS 16	51,783	59,145
Miscellaneous	4,439	14,460
Total deferred tax liabilities	105,657	119,245
Offset	51,426	59,145
Deferred tax liabilities in statement of financial position	54,231	60,100

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

EUR 9.3 million of the deferred tax assets and EUR 0.6 million of the deferred tax liabilities are attributable to measurement differences between the IFRS and tax accounts that reverse within a year.

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

Deferred taxes that relate to items directly recognised in other comprehensive income are reported in equity or in other comprehensive income and not in the consolidated income statement. An amount of EUR 6.8 million (previous year: deferred tax liabilities of EUR 8.5 million) related to deferred tax assets recognised in other comprehensive income on account of temporary differences in pension provisions.

In the 2021 financial year, no deferred tax assets were recognised on corporate tax loss carryforwards of EUR 101.5 million (previous year: EUR 99.8 million) and on trade tax loss carryforwards of EUR 39.3 million (previous year: EUR 34.5 million) because it is unlikely that sufficient taxable profit will be generated in the near future to cover these amounts. Deferred tax assets of EUR 3.4 million were recognised on trade tax loss carryforwards of EUR 21.7 million (previous year: deferred tax assets of EUR 3.4 million on loss carryforwards of EUR 21.6 million), because according to tax planning it is likely that sufficient taxable profit will be generated in the near future to cover these amounts.



25. Additional information on financial instruments

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

EUR '000	Measurement category as per IFRS 9	Carrying amount 31 Dec. 2021	Amount recognised in statement of financial position as per IFRS 9			Fair value 31 Dec. 2021
			Amortised cost	Fair value in other comprehensive income	Fair value in profit or loss	
ASSETS		2,067,982	2,067,917	0	65	2,067,982
Cash and cash equivalents	FAAC	647,204	647,204	0	0	647,204
Trade receivables	FAAC	739,241	739,241	0	0	739,241
Other financial assets	FAAC	681,537	681,472	0	65	681,537
EQUITY AND LIABILITIES		2,551,298	2,551,298	4,112	0	375,007
Trade payables	FLAC	115,703	115,703	0	0	115,703
Financial liabilities	FLAC	2,178,981	2,178,981	1,422	0	0
Other financial liabilities	FLAC	256,614	256,614	2,690	0	259,304
<i>Of which: aggregated by IFRS 9 measurement category:</i>						
Financial assets at amortised cost	FAAC	2,067,982	2,067,917	0	65	2,067,982
Financial liabilities at amortised cost	FLAC	2,551,298	2,551,298	4,112	0	375,007

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

EUR '000	Measurement category as per IFRS 9	Carrying amount 31 Dec. 2020	Amount recognised in statement of financial position as per IFRS 9			Fair value 31 Dec. 2021
			Amortised cost	Fair value in other comprehensive income	Fair value in profit or loss	
ASSETS		1,728,731	1,728,731	0	0	1,728,731
Cash and cash equivalents	FAAC	548,491	548,491	0	0	548,491
Trade receivables	FAAC	671,964	671,964	0	0	671,964
Other financial assets	FAAC	508,276	508,276	0	0	508,276
EQUITY AND LIABILITIES		2,533,765	2,533,765	8,373	0	2,542,138
Trade payables	FLAC	97,465	97,465	0	0	97,465
Financial liabilities	FLAC	2,181,475	2,18,475	2,363	0	2,183,838
Other financial liabilities	FLAC	254,825	254,825	6,010	0	260,835
Other financial liabilities	FLAC	0	0	0	0	0
<i>Of which: aggregated by IFRS 9 measurement category (IAS 39):</i>						
Financial assets at amortised cost	FAAC	1,728,731	1,728,731	0	0	1,728,731
Financial liabilities at amortised cost	FLAC	2,278,940	2,278,940	8,373	0	2,542,138

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

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

**1. Annual average number of FTEs**

The average number of employees was 49,967 in the financial year (previous year: 50,371).

FTEs by group	2021	2020
Nursing service	18,784	19,533
Medical-technical service	6,655	7,498
Medical service	7,141	6,381
Functional service	4,318	4,988
Administrative service	3,642	3,890
Financial and care service	3,813	4,368
Hospital maintenance staff	1,603	1,731
Technical service	879	911
Miscellaneous	3,132	1,071
Total	49,967	50,371

2. Contingent liabilities and other financial obligations

Contingencies and other financial obligations break down as follows:

EUR '000	2021	2020
Rental and lease agreements	62,851	53,480
Purchase commitments	42,241	28,790
Sureties	18,766	21,084
Supply agreements	21,992	21,112
Maintenance contracts	61,854	20,519
Insurance contracts	1,036	1,304
Capital commitments	0	579
Miscellaneous	58,092	32,149
Total	266,832	179,017

The purchase commitments include orders in investments that were not yet delivered as at the cut-off date. Of the purchase commitments, EUR 3.2 million was attributable to intangible assets and EUR 39.0 million to property, plant and equipment.

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

	EUR '000
Up to 1 year	152,979
Between 1 and 5 years	50,794
More than 5 years	63,059
Total	266,832

3. Investment property

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

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

Depreciation is recognised on a straight-line basis over a useful life of 33 $\frac{1}{3}$ years. As the lease agreement was terminated by the care home operator in the current financial year, the useful life was adjusted to the notice period. Rental income of EUR 0.4 million (previous year: EUR 0.4 million) was earned in the 2021 financial year. Due to the higher depreciation, operating expenses for investment property amounted to EUR 1.0 million (previous year: EUR 0.2 million) in the financial year. These are attributable entirely to properties with which rental income was generated.

4. Management remuneration

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

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

The remuneration paid to members of the Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA totalled EUR 1.0 million in the 2021 financial year (previous year: EUR 1.0 million), of which EUR 112 thousand (previous year: EUR 112 thousand) were meeting fees.



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

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

Fees EUR '000	2021	2020
Audits of financial statements	2,493	3,123
Other assurance services	1,000	365
Tax consultancy services	128	54
Other services	34	457
Total	3,655	3,999

Other assurance services relate primarily to reviews and confirmations.

6. Related party disclosures

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

Related parties EUR '000	2021	2020
Receivables	3,307	9,457
of which for consulting services	3,007	9,457
Liabilities	10,134	7,085
of which for consulting services and cost transfers	10,098	7,028
of which for hotel services	12	22
of which for Supervisory Board members	24	24
of which for leases	0	10
Income	183	497
of which for consulting services	0	293
of which for services	183	205
Expenses	10,493	3,684
of which for loss allowances	6,867	0
of which for consulting services and cost transfers	805	1,165
of which for hotel services	159	81
of which for Supervisory Board members	964	765
of which for leases	1,697	1,673

7. Legal disputes

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

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

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

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

Members of the Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA and their related companies and institutions performed consulting services totalling EUR 0.8 million (previous year: EUR 0.8 million) at market conditions in the financial year. The services are recognised in other operating expenses. Remuneration paid to employee representatives on the Supervisory Board for services outside their work on the Supervisory Board totalled EUR 0.9 million in the financial year (previous year: EUR 0.8 million), of which EUR 24 thousand (previous year: EUR 26 thousand) were meeting fees.

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

8. Declaration of compliance with the German Corporate Governance Code

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

9. Supplementary report

As a result of the tense situation in the Ukraine conflict, economic risks could not be ruled out at the time the annual financial statements were prepared. The corresponding effects, in addition to making a considerable impact on the global economy, could in particular disrupt supply chains (such as in the energy sector) and significantly limit access to qualified medical staff. Earnings at Asklepios may be reduced by considerably higher material costs as compared to the previous year, particularly energy costs. At the present time, it is not possible to quantify these risks in more detail.



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

Supervisory Board

The members of the Supervisory Board of the company are:

Ivo Schramm	Chairman of the Supervisory Board, Lawyer, Döbeln
Uwe Ostendorff	Deputy Chairman of the Supervisory Board, trade union secretary, Berlin
Barbara Brosius	Business consultant, Kronberg
Dr Julia Dannath-Schuh	Business consultant, Hamburg
Dr Miklas Drüeke	Anaesthetist, Bad Tölz
Dr Hans-Otto Koderisch	Internal medicine specialist, Heidelberg
Prof. Karsten Krakow	Senior consultant, Frankfurt am Main
Rainer Laufs	Business consultant, Kronberg
Prof. Karl-Heinrich Link	Senior consultant (retired), Wiesbaden
Monika Paga	Specialist nurse in anaesthesia, Schwedt
Heiko Piekorz (until 31 December 2021)	Nurse, Waldow
Katharina Ries-Heidtke (until 31 January 2021)	Employee, Hamburg
Thomas Haul (from 31 January 2021)	Specialist nurse in anaesthesia, Hamburg
Dirk Reischauer	Lawyer, Wiesbaden
Jochen Repp	Lawyer, Oberursel
Dr Anke Savcenko	Medical director for anaesthesia/intensive care, Schwedt
Michael Schreder	HR manager, Fernwald
Martin Simon Schwärzel	Specialist nurse, Griesheim
Hilke Stein	Trade union secretary, Hamburg
André Stüve	Architect, Damme
Stephan zu Höne	Managing director, geology graduate, Kassel

Management Board

Asklepios Kliniken Management GmbH, Königstein im Taunus	
Kai Hankeln Bad Bramstedt	State-certified business economist Chairman of the Management Board
Hafid Rifi Friedberg	Economics graduate Deputy Chairman of the Management Board
Marco Walker Hamburg	Economics graduate
Prof. Dr. Christoph U. Herborn Hamburg	Specialist for radiology
Joachim Gemmel Hamburg	Business administration graduate

All members of the Management Board represent Asklepios Kliniken Management GmbH

Hamburg, 18 March 2021

On behalf of Asklepios Kliniken Management GmbH

Kai Hankeln

Hafid Rifi

Joachim Gemmel

Prof. Dr. Christoph U. Herborn

Marco Walker



Audit Opinions

We have audited the consolidated financial statements of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Asklepios Kliniken GmbH & Co. KGaA for the financial year from 1 January to 31 December 2021.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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

Basis for the Audit Opinions

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

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

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

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

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

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





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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt am Main, 24 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Michael Burkhart
Wirtschaftsprüfer

Michael Ey
Wirtschaftsprüfer



The Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA thoroughly performed the tasks required of it in accordance with the law, articles of association and rules of procedure in the 2021 financial year. Based on regular written and verbal reports provided by the general partner Asklepios Kliniken Management GmbH or its management (hereinafter "Group management"), the Supervisory Board fully addressed the business performance, position and planned operating policy of Asklepios Kliniken GmbH & Co. KGaA. It was promptly and comprehensively informed of all events of significance to the company. This helped the Supervisory Board to support and monitor the activities of the Group management on an ongoing basis.

During the 2021 financial year, a total of four Supervisory Board meetings were held, as well as four General Committee meetings and two Audit Committee meetings. At these meetings, the Group management reported the performance of the business along with all events of significant importance to the Supervisory Board. The Supervisory Board carefully examined and – where necessary – approved matters of significant importance, namely transactions requiring its approval in accordance with the law, articles of association and rules of procedure. Some matters such as contractual matters involving Supervisory Board members were handled in accordance with section 114 AktG by the General Committee of the Supervisory Board, which took the relevant decisions or expressed recommendations to the Supervisory Board. The Supervisory Board was also informed about the development of operating business, HR performance indicators, performance levels, the introduction of S4/HANA, (potential) legislative initiatives in the healthcare industry and the economic planning for 2022 and subsequent years, and discussed these matters with the Group management. Reporting and discussions focused in particular on the effects of the COVID-19 crisis. These included the relevant statutory conditions, the impact of state support and flat-rate allowances, revenue overruns and shortfalls in revenue offset, the vaccination status of employees, crisis management, (ICU) capacities and the approach to infections and quarantine among employees. Group refinancing and the effects of the consolidation of Rhön-Klinikum were once again topics under discussion at the Supervisory Board meetings. In addition, the Supervisory Board was informed about the recruitment, training and strengthening of the workforce in the nursing sector and about Asklepios's marketing activities.

The Supervisory Board discussed the current situation and target achievement with regard to the proportion of women among the Supervisory Board members. The target it had set itself of 25% by 31 December 2020 was exceeded with 6 out of 20 members. The Supervisory Board discussed the target achievement and the current situation and resolved on a new target of achieving a proportion of women of at least 25% by 31 December 2025, i.e. maintaining or re-achieving the status quo.

The consolidated financial statements, the annual financial statements as at 31 December 2021 as well as the Group management report and the management report were examined by the auditors, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, and approved without reservation. The auditor's reports were supplied to all members of the Supervisory Board and were dealt with in detail by the Audit Committee on 20 April 2022 and at the financial statements meeting of the Supervisory Board on 26 April 2022.

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

The Supervisory Board recommends that the Annual General Meeting adopts the 2021 annual financial statements of Asklepios Kliniken GmbH & Co. KGaA. The Supervisory Board endorses the Group management's proposal for the appropriation of profits.

In accordance with section 312 AktG, the general partner has prepared a report on Asklepios Kliniken GmbH & Co. KGaA's relations with affiliates (dependent company report) for the 2021 financial year.

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

“In line with our engagement, we audited the legal representatives’ report according to section 312 AktG on relations with affiliates according to section 313 AktG for the reporting period from 1 January to 31 December 2021. As there are no objections to be raised based on the final outcome of our audit, we issue the following audit opinion according to section 313 (3) sentence 1 AktG: Having conducted a proper audit and assessment, we confirm that 1. the factual statements in the report are correct and 2. the company’s compensation with respect to the transactions listed in the report was not inappropriately high.”

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



“We declare that the company received appropriate compensation for all transactions in the 2021 financial year that are listed in the report on relations with affiliates in accordance with section 312 AktG, in accordance with the circumstances known to us when the transactions were conducted. No other measures were implemented or omitted in the relevant financial years.”

With effect from 31 January 2021, Ms Ries-Heidtke left the company and thus also the Supervisory Board. Thomas Haul was appointed as her successor by court order. The term of office of all eight employee representatives ended as scheduled with the Annual General Meeting on 28 April 2021. As at the same date, Dr Miklas Drüeke, Thomas Haul, Dr Hans-Otto Koderisch, Uwe Ostendorff, Monika Paga, Heiko Piekorz, Dr Anke Savcenko, Michael Schreder, Martin Schwärzel and Hilke Stein were appointed as employee representatives and members of the Supervisory Board by court order. With effect from 31 December 2021, Heiko Piekorz left the company and the Supervisory Board again. The Supervisory Board would like to thank all the members who have left for their many years of good, trust-based cooperation.

On behalf of the Supervisory Board, I would like to sincerely thank the Group management and all employees of the Asklepios Group for their successful work and their huge personal dedication throughout the 2021 financial year, especially given the challenges presented by the coronavirus pandemic.

Hamburg, 26 April 2022

Ivo Schramm
Chairman of the Supervisory Board



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Asklepios Kliniken GmbH & Co. KGaA
Rübenkamp 226
22307 Hamburg
Deutschland
www.asklepios.com

IR-Kontakt

Mirjam Constantin
Tel.: +49 (0)6174 901166
Fax: +49 (0)6174 901110
ir@asklepios.com

PR contact

Rune Hoffmann
Tel.: +49 (0)40 18188266-30
Fax: +49 (0)40 18188266-39
presse@asklepios.com

Editorial staff and coordination

Mirjam Constantin
Head of Group ESG & Sustainability/
Investor Relations Manager

Assistance

Janina Darm
Corporate Publishing

Dörte Rüsck
Leitung Konzernmarketing

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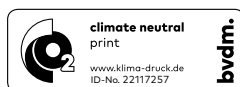
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