

INTERIM REPORT

Q1 – Q3 2020

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

LETTER TO SHAREHOLDERS

Dear Ladies and Gentlemen,
Dear Shareholders,

The first nine months of the current financial year were marked by new and unexpected developments. In this context, the work of the Board of Management and the employees of our Group was especially dominated by the handling of the COVID-19 pandemic and the takeover of RHÖN-KLINIKUM AG by Asklepios Kliniken GmbH & Co. KGaA.

Two big players – one common goal

With Asklepios Kliniken GmbH & Co. KGaA and RHÖN-KLINIKUM AG, two innovative groups are joining forces for one common mission: together, we will develop and promote path breaking concepts of healthcare delivery to ensure we can continue providing excellent medical care. We will strategically complement each other at all levels and act within the network – creating outstanding value added, particularly given the tightening regulatory and demographic environment in the hospital sector.

Under one common roof we create the ideal basis for meeting the challenges of our sector head-on and taking advantage of the Group's economies of scale for each individual hospital in the best possible way. To this end – in addition to the targeted economies of scale in the areas of purchasing and IT – we are also focusing our joint efforts on optimising clinical procedures and processes in the best interests of our patients.

Particularly noteworthy is the already effective cooperation in the recruiting of additional nursing staff to successfully stem the increasing shortage of qualified employees. With the help of Asklepios Kliniken GmbH & Co. KGaA, for example, Universitätsklinikum

Gießen und Marburg GmbH has succeeded in a first step in recruiting 22 urgently needed nurses, and many others will follow.

Universitätsklinikum Gießen und Marburg (UKGM) – the third-largest university hospital in Germany – plays a special key role in this partnership. With its five maximum and intermediate care hospital sites, RHÖN-KLINIKUM AG already today is a recognised name for excellent medical care with a direct tie-in to the two university hospitals and their research institutions. This strength has to be used in future also – in the best interests of patients and employees at all sites of the Asklepios Group.

In the roadshow, the Board of Management of RHÖN-KLINIKUM AG together with the Board of Management of Asklepios Kliniken GmbH & Co. KGaA visited all hospital sites of the Group of RHÖN-KLINIKUM AG and in constructive discussions with employees identified numerous areas with potential for cooperation. These include, among others, synergy potentials in the area of the Marburg ion beam therapy facility, cooperation in the field of radiopharmacy at the Bad Berka site as well as cooperation in pathology.

Challenge from corona

As the spread of the coronavirus continues unabated, we face a big challenge as a hospital group. In terms of our medical competence we do see ourselves as well prepared for the tasks of the months lying ahead of us and are helped by the experiences gained from the “first wave”, but as the “second wave” approaches we also recognise with great concern the lack of mechanisms in place to

compensate for the additional costs in the fourth quarter of 2020.

The need for the political players to take further action at all levels has become even more urgent in the months of October and November 2020. On the one hand it is indispensable to continue those measures adopted only up to the end of the third quarter of 2020 – in particular in the area of ICU beds and reimbursement payments for the costs of keeping beds available. Without such federal and state policy measures there is a considerable risk of insolvencies among urgently needed systemically relevant hospitals and an accompanying weakening of the indispensable structures needed to fight the pandemic. At the same time it is absolutely necessary to ensure treatment for non-COVID-19 patients. On the other hand, we appeal to politicians to increase the so badly needed government grants for investment projects. The Hospital Future Act (Krankenhauszukunftsgesetz, KHZG) is one step in the right direction. But the investments contemplated in this piece of legislation are not enough to remove the investment backlog in the German healthcare system. It is imperative to adhere to the principle of dual funding on which the German Hospital Financing Act is based.

Sale of interests in Medgate Deutschland GmbH

With effect from 1 September 2020, RHÖN-KLINIKUM AG transferred 51 per cent of its interests in Medgate Deutschland GmbH to its co-shareholder, Medgate Holding AG. Both contracting parties agree that telemedicine will form an indispensable part of healthcare delivery in future and meaningfully complements provision of inpatient and outpatient care both from a medical and from an economic perspective. At the same time we have also agreed with Medgate Holding AG that such fundamental cooperation will not be dependent

on the rigid boundaries of a legal entity. As a result, Medgate Deutschland GmbH has been part of the corporate group of Medgate Holding AG since September 2020.

RHÖN-KLINIKUM AG will continue its active commitment in the area of telemedicine. Here RHÖN-KLINIKUM AG, in addition to other cooperation schemes already existing, will also explore potential cooperation opportunities with Asklepios Kliniken GmbH & Co. KGaA.

Board of Management expanded – new Supervisory Board chairman

The Supervisory Board resolved to appoint with effect from 15 August 2020 Dr. Christian Höftberger and with effect from 1 September 2020 Dr. Stefan Stranz to the Board of Management of RHÖN-KLINIKUM AG.

At the Annual General Meeting held on 19 August 2020, new representatives of the shareholders were appointed to the Supervisory Board of RHÖN-KLINIKUM AG. At its constituent meeting, the Supervisory Board elected Dr. Jan Liersch as its new chairman. Dr. Liersch thus succeeds Company founder Mr. Eugen Münch.

Economic result

In the first nine months of financial year 2020, RHÖN-KLINIKUM AG recorded consolidated revenues of € 1,018.7 million after € 970.8 million in the previous year. We thus succeeded in raising revenues by 4.9% compared with the same period last year. At 60.8 million euros, EBITDA (earnings before interest, taxes, depreciation and amortisation) were down by 36.7 million euros compared with the same level of the previous year (€ 97.5 million).

The EBITDA margin was 6.0%. Taking account of depreciation/amortisation, financing costs and taxes, EBITDA resulted in a consolidated profit of +€ 2.3 million after € 37.8 million in the previous year. The decline in earnings

compared with the previous year is essentially marked by positive one-off effects of the previous year in connection with the reversal of the provision for legal and tax risks in the amount of € 30.3 million, as well as effects from the agreements reached on the remuneration of university outpatient units amounting to € 6.7 million after profit participation of employees. The key figures of the first nine months of financial year 2020 also include transaction-related expenses in the amount of € 8.0 million. The decline in service volumes by roughly 6.2% versus the same period of the previous year compares

with revenues resulting from COVID-19 legislation in the amount of roughly € 75.3 million.

Yours sincerely,

RHÖN-KLINIKUM Aktiengesellschaft

Board of Management
Prof. Dr. Bernd Griewing
Dr. Christian Höftberger
Dr. Stefan Stranz
Dr. Gunther K. Weiß

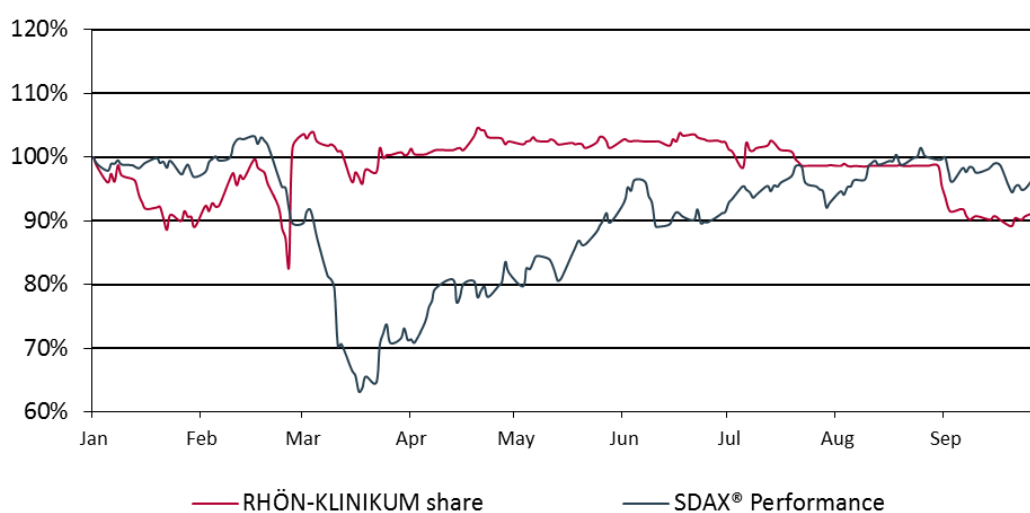
THE RHÖN-KLINIKUM SHARE

The share of RHÖN-KLINIKUM AG ended the first nine months of the 2020 stock market year at a XETRA price of € 16.22. Compared with the level at the close of 2019, the RHÖN share lost 7.2%. In the first half of 2020 the share price of the RHÖN share was dominated by the takeover offer of Asklepios Kliniken GmbH & Co. KGaA.

RHÖN-KLINIKUM share		
ISIN	DE0007042301	
Ticker symbol	RHK	
Registered share capital (€)	167,406,175	
Number of shares	66,962,470	
Share prices (€)	1 Jan.-30 Sept. 2020	1 Jan.-31 Dec. 2019
Closing price	16.22	17.48
High	18.56	27.20
Low	14.72	17.48
	30 Sept. 2020	31 Dec. 2019
Market capitalisation (€ m)	1,086.13	1,170.50

Compared with the RHÖN share, the German leading index DAX® recorded a decline of 3.7% and ended the third quarter of 2020 at 12,761 points. The second-tier index SDAX® lost 0.2%. The EURO STOXX 50® and EURO STOXX Healthcare® declined by 14.8% and 4.6%, respectively.

RHÖN-KLINIKUM share in comparison with the SDAX®



Source: XETRA®, stock performance indexed (2 January 2020 = 100)

On 8 April 2020, Asklepios Kliniken GmbH & Co. KGaA submitted to the shareholders of RHÖN-KLINIKUM AG a voluntary public takeover offer for all shares in issue of the Company in return for payment of monetary consideration of € 18.00 per share.

The extended acceptance period of the takeover offer ended on 6 July 2020. After expiry of the takeover offer, Asklepios and Dr. Bernard große Broermann together with the Company founder Eugen Münch hold roughly 93.38% of the voting interests in RHÖN-KLINIKUM AG.

We continue to be admitted in the Prime Standard of the Frankfurt Stock Exchange, the segment with the highest post-admission obligations for exchange-listed companies, and thus also continue to be committed to the highest level of transparency.

But since under the rules of Deutsche Börse a minimum free float of 10.00% is required to remain in the SDAX and we are no longer able to meet this criterion after conclusion of the takeover offer, the share of RHÖN-KLINIKUM AG had to leave the SDAX Index on expiry of 13 July 2020.

But our share remains in the indices CDAX composite index and in the sector index DAXsector Pharma+Healthcare.

GROUP INTERIM REPORT OF THE MANAGEMENT

REPORT ON THE THIRD QUARTER OF 2020 AND THE FIRST NINE MONTHS OF FINANCIAL YEAR 2020

- In the first nine months of 2020 we treated 607,151 patients in our hospitals and medical care centres, generating revenues of € 1,018.7 million, EBITDA of € 60.8 million and consolidated profit of + € 2.3 million.
- The first nine months of financial year 2020 were particularly dominated by COVID-19 pandemic as well as the takeover of RHÖN-KLINIKUM AG by Asklepios Kliniken GmbH & Co. KGaA.

BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The condensed interim consolidated financial statements of RHÖN-KLINIKUM AG for the period ended 30 September 2020 have been prepared in accordance with the provisions of IAS 34 in condensed form, and applying section 315e of the German Commercial Code (Handelsgesetzbuch, HGB) in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are the subject of mandatory adoption in accordance with the Regulation No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union in financial year 2020.

The accounting policies applied, to the extent already applied in financial year 2019 and consistently applied in financial year 2020, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2019. The accounting policies applicable for the first time in financial year 2020 are explained in the Condensed Notes to this Interim Report. These will have the effects as stated in the Condensed Notes on the net

assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG.

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

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

CORPORATE GOVERNANCE

At the virtual Annual General Meeting on 19 August 2020, new elections for the Supervisory Board were held in which eight members of the shareholders stood for election. Dr. Julia Dannath-Schuh, Prof. Dr. Gerhard Ehninger, Ms. Irmtraut Gürkan, Mr. Kai Hankeln, Dr. Jan Liersch, Ms. Nicole Mooljee Damani, Ms. Christine Reißner as well as Mr. Hafid Rifi were elected to the Supervisory Board. At the constituent meeting of the Supervisory Board, Dr. Jan Liersch was elected as the body's new chairman.

The new election of the eight employee representatives was held on 22 July 2020. Here, Mr. Peter Berghöfer, Ms. Regina Dickey, Mr. Peter Ducke, Prof. Dr. Leopold Eberhart,

Dr. Martin Mandewirth, Dr. Thomas Pillukat, Mr. Oliver Salomon and Mr. Georg Schulze-Ziehaus were elected to the Supervisory Board.

Stephan Holzinger, previously chairman of the Board of Management of RHÖN-KLINIKUM AG, resigned his Board mandate and his other offices with immediate effect on 22 June 2020. On 22 June 2020 the Supervisory Board approved the termination by mutual consent of the Board of Management service contract of Mr. Stephan Holzinger with effect on 30 September 2020.

On 10 August 2020 the Supervisory Board of RHÖN-KLINIKUM AG appointed with effect from 15 August 2020 Dr. Christian Höftberger and with effect from 1 September 2020 Dr. Stefan Stranz as new members to the Board of Management.

The Board of Management of RHÖN-KLINIKUM AG is currently composed of four members: Prof. Dr. Bernd Griewing, Dr. Christian Höftberger, Dr. Stefan Stranz and Dr. Gunther K. Weiß. The responsibilities within the Board of Management were adjusted accordingly.

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

The notifications pursuant to section 33 et seq. of the Securities Trading Act (Wertpapierhandelsgesetz, WpHG) are presented in the Notes to this Financial Report. We refer to our website for a detailed list of the notifications.

During the reporting period we moreover received five notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

The Declaration of Compliance pursuant to section 161 AktG jointly issued by the Board of Management and the Supervisory Board on

6 November 2019 was updated during the year under way in the first and third quarter of 2020. The Declaration on Corporate Governance and the Corporate Governance Report for financial year 2019 were published on our website in the first quarter of 2020. All other elements of our corporate constitution have remained unchanged during the financial year to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2019.

ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

The COVID-19 pandemic had led to a steep drop in economic output in Germany. After bottoming in April, this slump was initially followed by a robust recovery, which however has since slowed again. Sentiment amongst German companies has improved once again. After hitting 92.5 points in August 2020, the ifo business climate index rose to 93.4 points in September 2020. It remains to be seen to what extent the second COVID-19 wave will impact gross domestic product (GDP).

The German legislature responded to the COVID-19 pandemic with many different pieces of legislation and regulations. Of particular relevance for the healthcare industry is the Act Compensating COVID-19-Related Financial Burdens of Hospitals and Other Healthcare Facilities (COVID-19 Hospital Relief Act (COVID-19-Krankenhausentlastungsgesetz)). The Act provided for various measures, such as relief payments of € 560.00 daily for each hospital bed vacant compared with the average of the previous year and lump-sum amounts of € 50,000.00 for newly created intensive care beds. Since in particular the relief payments for vacant hospital beds were insufficient for intermediate and maximum-care hospitals to cover regular

costs, the “Regulation Amending the Relief Payments to Hospitals due to Extraordinary Burdens resulting from the Coronavirus SARS-CoV-2 (COVID-19 Relief Payment Adjusting Regulation – AusglZAV)” of 3 July 2020 defined differentiated lump-sum payments for determining relief payments as of 13 July 2020.

The need for the political players to take further action at all levels has become even more urgent in the months of October and November 2020. On the one hand it is indispensable to continue those measures adopted only up to the end of the third quarter of 2020 – in particular in the area of ICU beds and reimbursement payments for the costs of keeping beds available. Without such federal and state policy measures there is a considerable risk of insolvencies among urgently needed systemically relevant hospitals and of an accompanying weakening of the indispensable structures needed to fight the pandemic. In this regard it is absolutely necessary to ensure treatment for non-COVID-19 patients.

In September 2020 the Hospital Future Act (Krankenhauszukunftsgesetz, KHZG) was passed. Basically, it provides for investment funding for hospital modernisation, greater funding of emergency capacities and digital structures, as well as bonus payments to employees who had a particularly high workload from providing care to patients infected with coronavirus. The Act is a step in the right direction. But the investments contemplated in this new legislation will not be enough to remove the investment backlog of up to €3 billion p.a. for all hospitals (excluding university hospitals) described in the RWI study “Krankenhäuser in privater Trägerschaft 2018” (Privately Owned Hospitals 2018). It is imperative to adhere to the premise of dual funding on which the German Hospital Financing Act is based.

BUSINESS PERFORMANCE OF THE FIRST NINE MONTHS

Overall statement on economic position

January to September	2020	2019	Change	
	€ m	€ m	€ m	%
Revenues	1,018.7	970.8	47.9	4.9
EBITDA	60.8	97.5	-36.7	-37.6
EBIT	9.3	45.8	-36.5	-79.7
EBT	5.7	44.0	-38.3	-87.0
Consolidated profit	2.3	37.8	-35.5	-93.9

The first nine months of financial year 2020 were particularly dominated by the takeover of RHÖN-KLINIKUM AG by Asklepios Kliniken GmbH & Co. KGaA and the COVID-19 pandemic.

With revenues up by € 47.9 million (4.9%), we record a decline in EBITDA by € 36.7 million or 37.6% to € 60.8 million, a decline in EBIT by € 36.5 million or 79.7% to € 9.3 million, as well as a decline in consolidated profit by € 35.5 million or 93.9% to € 2.3 million in the first nine months of 2020 compared with the same period last year.

In this regard the only limited comparability of the figures of the first nine months of 2020 with the same period last year has to be noted. On the one hand, the same period of the previous year included one-off positive effects from the reversal of provisions for legal and tax risks in the amount of € 30.3 million and from the agreement reached on remuneration of the university outpatient units to the tune of € 6.7 million as well as the one-off expense-increasing effects of share-based remuneration of former members of the Management Board in the form of virtual shares amounting to € 1.0 million. On the other, the key figures of the first nine months of 2020 include transaction-related expenses in the amount of € 8.0 million as well as one-off expenses of € 1.8 million relating to the termination of the service contract of the

former chairman of the Board of Management. The decline in service volumes compares with income as a result of COVID-19 legislation in the total amount of € 75.3 million. Further discrepancies result from the new nursing regulation applicable from financial year 2020.

Development in service volumes

Since 31 December 2019 there have been minor changes in the number of approved beds as part of our acute-inpatient capacities:

	Hospitals	Beds
As at 31 December 2019	8	5,312
Change in capacities	-	-8
As at 30 September 2020	8	5,304

As at 30 September 2020, we operate eight MVZs with a total of 52.25 specialist physician practices:

	Medical care centres	Specialist practices
As at 31 December 2019	7	47.50
Opened/acquired		
MVZ Bad Berka	-	0.50
MVZ Bad Neustadt a. d. Saale	-	1.00
MVZ Frankfurt (Oder)	-	2.50
MVZ Marburg	-	1.00
MVZ MED	1	2.00
Disposals		
MVZ Bad Berka	-	-0.25
MVZ Bad Neustadt a. d. Saale	-	-2.00
As at 30 September 2020	8	52.25

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

January to September	2020	2019	Change absolute	Change %
Inpatient and semi-inpatient treatments, acute hospitals	144,189	157,941	-13,752	-8.7
rehabilitation hospitals and other facilities	3,006	3,755	-749	-19.9
	147,195	161,696	-14,501	-9.0
Outpatient attendances at our acute hospitals	321,999	349,356	-27,357	-7.8
medical care centres	137,957	136,293	1,664	1.2
	459,956	485,649	-25,693	-5.3
Total	607,151	647,345	-40,194	-6.2

The number of inpatient and semi-inpatient treatments is down - 14,501 or - 9.0%. This is attributable in particular to declining elective

service volumes. Added to that was the impact of the COVID-19 pandemic on the outpatient area.

Results of operations

Consolidated performance figures developed as shown below:

January to September	2020	2019	Change	
	€ m	€ m	€ m	%
Revenues				
Revenues	1,018.7	970.8	47.9	4.9
Other income	152.7	168.6	-15.9	-9.4
Total	1,171.4	1,139.4	32.0	2.8
Expenses				
Materials and consumables used	317.0	300.1	16.9	5.6
Employee benefits expense	683.2	644.1	39.1	6.1
Other expenses	109.8	97.5	12.3	12.6
Result of impairment on financial assets	-0.1	0.2	-0.3	-150.0
Total	1,109.9	1,041.9	68.0	6.5
Expense from deconsolidation of subsidiaries	0.7	0.0	0.7	N.A.
EBITDA	60.8	97.5	-36.7	-37.6
Depreciation/amortisation and impairment	51.5	51.7	-0.2	-0.4
EBIT	9.3	45.8	-36.5	-79.7
Finance result	-3.6	-1.8	-1.8	-100.0
EBT	5.7	44.0	-38.3	-87.0
Income taxes	3.4	6.2	-2.8	-45.2
Consolidated profit	2.3	37.8	-35.5	-93.9

Compared with the same period last year, revenues witnessed a rise of € 47.9 million or 4.9%. The revenues of the first nine months of financial year 2020 include € 70.6 million in relief payments of the legislature in connection with the COVID-19 pandemic, which essentially relate to income from relief payments in the amount of € 64.0 million for bed capacities kept available. As in the same period of the previous year, income from the invoicing of an additional remuneration component for the medicamentous treatment of spinal muscle atrophy as well as income from the invoicing of an additional remuneration component for the treatment of multiple sclerosis are likewise recorded under this item. The above supplementary fees are remunerated along with the pure DRGs (diagnosis related groups) and negatively impact the materials and consumables used item by nearly the same amount. Revenues further include cost reimbursements for cancer

immunotherapies which were applied for the first time in the second quarter of financial year 2019 and negatively impact the materials and consumables used item by the same amount. The first nine months of 2019 were moreover helped to the tune of € 8.9 million (before profit participation of employees) by revenues from our university outpatient units not attributable to the period under review.

The decline in other income by € 15.9 million or 9.4% is essentially attributable to the income recognised in the same period of the previous year from the reversal of provisions for legal and tax risks on the basis of new knowledge in the amount of € 30.3 million. The first nine months of 2020 were further impacted by higher income from ancillary and incidental activities as a result, among other things, of higher sales of drugs and cytostatics. Other income of the first nine months of financial year 2020 also for the first time include income of € 4.7 million from the legislature in connection with the COVID-19 pandemic, which essentially relate to relief payments in the amount of € 3.7 million for newly created ICU capacities.

January to September	2020 %	2019 %
Materials ratio	31.1	30.9
Personnel ratio	67.1	66.4
Other cost ratio	10.7	10.1
Depreciation and amortisation ratio	5.1	5.3
Finance result ratio	-0.3	-0.2
Effective tax ratio	0.4	0.6

Compared with the same period last year, the materials and consumables item witnessed a rise in the first nine months of 2020, disproportionate to the rise in revenues, by € 16.9 million or 5.6%. Here it has to be noted that prices for items needed for treating COVID-19 patients, such as personal protective equipment (PPE), increased hugely/many times over especially during the

first phase of the pandemic. The cost-of-materials ratio climbed from 30.9% to 31.1%. Materials and consumables used moreover includes expenditures for the medicamentous treatment of spinal muscle atrophy, multiple sclerosis, and for the first time from the second quarter of 2019 expenses for cancer immunotherapies (CAR T-cell therapy) which are remunerated in nearly the same amount and reported under revenues or other income. Adjusted for this effect, the materials ratio increased slightly from 29.1% to 29.3%.

In addition to a rise in the number of employees, general wage increases had an increasing effect on the employee benefits expense compared with the same period of the previous year. The personnel expense ratio rose from 66.4% to 67.1%. Employee benefits expenses of the first nine months of 2020 include one-off expenses in the amount of € 1.8 million in connection with the termination of the service contract of the former chairman of the Board of Management. By contrast, the employee benefits expense item of the same period last year recognised share-based remuneration of former members of the Board of Management in the form of virtual shares amounting to € 1.0 million.

The other expenditure ratio rose from 10.1% to 10.7%. The rise in particular includes one-off transaction-related expenses relating to the takeover by Asklepios Kliniken GmbH & Co. KGaA amounting to € 8.0 million.

The result from the impairment on financial assets results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets. The improvement in the negative result recorded in the same period of previous year is attributable to declining receivables owed from payers due to the COVID-19 pandemic.

The depreciation and impairment item declined slightly compared with the same period of the previous year by € 0.2 million or 0.4% to € 51.5 million. The depreciation/amortisation ratio fell from 5.3% to 5.1%.

In the first nine months of financial year 2020, the negative finance result increased by € 1.8 million to € 3.6 million. This was essentially attributable to finance expenses in connection with the registered bond issued in July 2019. Moreover, the promissory note was impacted by one-off breakage (prepayment) costs.

The income tax expense item declined by € 2.8 million compared with the same period last year. This is attributable to a provision for a risk in connection with a ruling by the Federal Fiscal Court (Bundesfinanzhof) recognised during the period of the previous year.

Compared with the first nine months of financial year 2019, our consolidated profit declined from + € 37.8 million by € 35.5 million to + € 2.3 million.

Non-controlling interests in profit declined compared with the same period last year by € 0.1 million to € 0.8 million (previous year: € 0.9 million).

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first nine months of 2020 declined by € 35.4 million to € 1.5 million (previous year: € 36.9 million) compared with the same period last year. The interest in profit of the shareholders corresponds to earnings per share of € 0.02 (previous year: € 0.55) in accordance with IAS 33 (undiluted/diluted).

The total result (sum of consolidated profit and other earnings) stood at + € 5.0 million (previous year: + € 39.5 million) in the first nine months of financial year 2020.

Net assets and financial position

	30 Sept. 2020		31 Dec. 2019	
	€ m	%	€ m	%
ASSETS				
Non-current assets	1,064.1	65.1	1,068.9	65.5
Current assets	571.4	34.9	563.0	34.5
	1,635.5	100.0	1,631.9	100.0
LIABILITIES				
Equity	1,190.4	72.8	1,185.8	72.7
Long-term loan capital	168.1	10.3	183.8	11.3
Short-term loan capital	277.0	16.9	262.3	16.0
	1,635.5	100.0	1,631.9	100.0

Compared with the balance sheet date of 31 December 2019, the balance sheet total rose slightly by € 3.6 million or 0.2% to € 1,635.5 million (31 December 2019: € 1,631.9 million).

The equity capital ratio saw a slight rise compared with the last reporting date, from 72.7% to 72.8%, and remains at a very high level.

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

Equity	2020			2019
	Shareholders € m	Non-controlling interests € m	Total € m	Total € m
As at 1 January	1,161.5	24.3	1,185.8	1,159.2
Equity transactions with owners	-	-0.7	-0.7	-19.4
Total comprehensive income of the period	4.2	0.8	5.0	39.5
Other changes	-	0.3	0.3	-
As at 30 September	1,165.7	24.7	1,190.4	1,179.3

As at 30 September 2020, equity stands at € 1,190.4 million (31 December 2019: € 1,185.8 million). The increase in equity capital compared with the reporting date of 31 December 2019 by € 4.6 million results from positive consolidated profit of the first nine months of financial year 2020 (€ 2.3 million), gains from the change in the fair value through other comprehensive income (FVOCI) (€ 2.5 million), gains from the revaluation of defined benefit pension plans (€ 0.2 million),

and changes in consolidated companies (€ 0.3 million), on the one hand, and from dividend payments to non-controlling interests (€ 0.7 million), on the other.

127.7% (31 December 2019: 128.1%) of non-current assets is nominally covered by equity and non-current liabilities at matching maturities.

As at 30 September 2020, we report net liquidity of € 113.5 million (31 December 2019: € 65.4 million). Our net liquidity is calculated as follows:

	30 Sept. 2020	31 Dec. 2019
	€ m	€ m
Current cash	115.7	128.0
Current fixed term deposits	149.4	89.8
Non-current fixed term deposits	9.9	19.8
Cash, fixed term deposits	275.0	237.6
Current financial liabilities	1.6	0.9
Non-current financial liabilities	148.4	158.3
Liabilities under leases	11.5	13.0
Financial liabilities	161.5	172.2
Net liquidity	113.5	65.4

Including assets and liabilities held for sale

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

January to September	2020	2019
	€ m	€ m
Cash generated from operating activities	103.2	37.4
Cash used in investing activities	-101.2	-91.1
Cash used/generated in financing activities	-14.3	36.8
Change in cash and cash equivalents	-12.3	-16.9
Cash and cash equivalents at 1 January	128.0	132.3
Cash and cash equivalents at 30 September	115.7	115.4

Cash and cash equivalents diminished in the first nine months of 2020 by € 12.3 million (first nine months of 2019 decrease by € 16.9 million). In this context, an operating cash flow was achieved in the amount of € 103.2 million (previous year: € 37.4 million).

Investments

Aggregate investments of € 69.3 million (previous year: € 77.5 million) in the first nine

months of financial year 2020 are shown in the following table:

	Use of		Total
	Gov't grants	Own funds	
	€ m	€ m	€ m
Current investments	14.6	53.7	68.3
Takeovers	-	1.0	1.0
Total	14.6	54.7	69.3

Of these investments made in the first nine months of 2020, € 14.6 million (previous year: € 14.8 million) was attributable to investments funded from grants under hospital financing legislation and deducted from total investments pursuant to the relevant provisions of IFRS.

An analysis of our investments financed from Company funds by site is given below:

	€ m
Gießen, Marburg	23.4
Bad Neustadt a. d. Saale	21.6
Frankfurt (Oder)	5.1
Bad Berka	4.6
Total	54.7

The agreement with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group's university hospitals provides for investment commitments in the amount of € 100.0 million until 2021. As at the balance sheet date of 30 September 2020, these investment obligations were fully met. There are also further obligations relating to building modernisation and extension measures at the Giessen and Marburg sites due to be completed by 31 December 2024.

Employees

Employees	30 Sept. 2020	31 Dec. 2019	Change	
			absolute	%
Hospitals	16,283	16,112	171	1.1
Medical care centres	322	296	26	8.8
Service companies	1,637	1,734	-97	-5.6
Total	18,242	18,142	100	0.6

On 30 September 2020, the Group of RHÖN-KLINIKUM AG employed 18,242 persons (31 December 2019: 18,142).

PERFORMANCE OF THE THIRD QUARTER

July through September	2020	2019	Change	
	€ m	€ m	€ m	%
Revenues	348.2	326.6	21.6	6.6
EBITDA	25.3	36.6	-11.3	-30.9
EBIT	7.9	19.1	-11.2	-58.6
EBT	7.8	18.2	-10.4	-57.1
Consolidated profit	6.0	17.2	-11.2	-65.1

With revenues up by € 21.6 million (6.6%), we record a decline in EBITDA by € 11.3 million or 30.9% to € 25.3 million, a decline in EBIT by € 11.2 million or 58.6% to € 7.9 million, as well as a decline in consolidated profit by € 11.2 million or 65.1% to € 6.0 million in the third quarter of 2020 compared with the same period last year.

The decline in EBITDA essentially results from the reversal of provisions for legal and tax risks in the amount of € 15.0 million recognised in the same period of the previous year.

The decline in service volumes by 2,192 patients or 1.0% in total compares with income from relief payments as a result of COVID-19 legislation in the amount of € 23.7 million.

With effect from 1 September 2020, RHÖN-KLINIKUM AG transferred 51% of its interests in Medgate Deutschland GmbH to its co-shareholder, Medgate Holding AG. Both contracting parties agree that telemedicine will form an indispensable part of healthcare delivery in future and meaningfully complements provision of inpatient and outpatient care both from a medical and from an economic perspective. At the same time we have also agreed with Medgate Holding AG that such fundamental cooperation will not be dependent on the rigid boundaries of a legal entity. As a result, Medgate Deutschland GmbH has been part of the corporate group of Medgate Holding AG since September 2020.

RHÖN-KLINIKUM AG will continue its active commitment in the area of telemedicine. Here RHÖN-KLINIKUM AG, in addition to other

cooperation schemes already existing, will also explore potential cooperation opportunities with Asklepios Kliniken GmbH & Co. KGaA.

RISKS AND OPPORTUNITIES

The risk management system in place as well as the individual Company risks and opportunities are described in the Annual Report 2019 on pages 78 to 83. The statements there essentially continue to apply unchanged. Given the COVID-19 pandemic our focus, in addition to providing the best possible medical care for our patients, is on coping with the economic impact. It is not yet possible to make a sufficiently reliable final assessment of the impact the COVID-19 pandemic will have on our core business for 2020, but it is clear that the lack of compensation mechanisms in the fourth quarter of 2020 will result in a further burden being placed on our result as the number of COVID-19 patients increases.

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

PUBLIC TAKEOVER OFFER BY ASKLEPIOS-KLINIKEN GMBH & CO. KGAA

Asklepios Kliniken GmbH & Co. KGaA, Hamburg, on 9 July 2020 announced that the voluntary public takeover offer made to the shareholders of RHÖN-KLINIKUM AG with a view to a contemplated strategic partnership was successfully concluded. By the end of the further acceptance period on 6 July 2020, the takeover offer by Asklepios at an offer price of € 18.00 in cash per RHÖN share was accepted for a total of 28,464,866 shares. After conclusion of the takeover offer and contribution of 92.27% of the voting interests in RHÖN-KLINIKUM AG to AMR Holding GmbH, Asklepios and Dr. Bernard große Broermann together with Mr. Eugen Münch hold 93.38%

of voting interests in total (as at 30 September 2020) in RHÖN-KLINIKUM AG. Of that, Mr. Eugen Münch accounts for 7.6% of the voting interests which he contributed to AMR Holding GmbH through the company HCM SE controlled by him.

For further statements, we refer to the publication on the Internet at www.rhoen-klinikum-ag.com/uebernahmeangebot.

FORECAST

For the current financial year 2020, we continue to expect revenues of € 1.4 billion within a range of plus or minus 5%. For earnings before interest, tax and depreciation/

amortisation (EBITDA), we continue to expect a level of between € 72.5 million and € 82.5 million.

It is still not yet possible to make a sufficiently reliable final assessment of the impact the COVID-19 pandemic will have on our core business, primarily owing to the fact that it is still unclear to what extent the respective federal states intend to make contributions for the hospital operators in the fourth quarter of 2020. Against this background our planning is still conditional on any impacts of the COVID-19 pandemic.

Our outlook is further subject to any regulatory measures impacting our remuneration structure in 2020.

Bad Neustadt a. d. Saale, 6 November 2020

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Dr. Christian Höftberger

Dr. Stefan Stranz

Dr. Gunther K. Weiß

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Consolidated Income Statement and Consolidated Statement of Comprehensive Income, January to September 2020

January to September	2020		2019	
	€ '000	%	€ '000	%
Revenues	1,018,715	100.0	970,812	100.0
Other income	152,671	15.0	168,638	17.4
	1,171,386	115.0	1,139,450	117.4
Materials and consumables used	316,964	31.1	300,143	30.9
Employee benefits expense	683,215	67.1	644,080	66.4
Other expenses	109,787	10.7	97,452	10.1
Result of impairment on financial assets	-92	0.0	236	0.0
	1,109,874	108.9	1,041,911	107.4
Expense from deconsolidation of subsidiaries	732	0.1	-	-
Interim result (EBITDA)	60,780	6.0	97,539	10.0
Depreciation/amortisation and impairment	51,505	5.1	51,780	5.3
Operating result (EBIT)	9,275	0.9	45,759	4.7
Result of investments accounted for using the equity method	73	0.0	68	0.0
Finance income	167	0.0	125	0.0
Finance expenses	-3,535	-0.3	-2,079	-0.2
Result of impairment on financial investments	-241	0.0	158	0.0
Finance result (net)	-3,536	-0.3	-1,728	-0.2
Earnings before taxes (EBT)	5,739	0.6	44,031	4.5
Income taxes	3,408	0.4	6,249	0.6
Consolidated profit	2,331	0.2	37,782	3.9
of which				
non-controlling interests	806	0.1	901	0.1
shareholders of RHÖN-KLINIKUM AG	1,525	0.1	36,881	3.8
Earnings per share in €				
undiluted	0.02		0.55	
diluted	0.02		0.55	

January to September	2020	2019
	€ '000	€ '000
Consolidated profit	2,331	37,782
of which		
non-controlling interests	806	901
shareholders of RHÖN-KLINIKUM AG	1,525	36,881
Changes in fair value through other comprehensive income (FVOCI)	2,969	1,901
Income taxes	-470	-301
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	2,499	1,600
Revaluation of defined benefit pension plans	208	176
Income taxes	-33	- 28
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	175	148
Other comprehensive income¹	2,674	1,748
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	2,674	1,748
Total comprehensive income	5,005	39,530
of which		
non-controlling interests	806	901
shareholders of RHÖN-KLINIKUM AG	4,199	38,629

¹ Sum of value changes recognised at equity.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, July to September 2020

July to September	2020		2019	
	€ '000	%	€ '000	%
Revenues	348,176	100.0	326,634	100.0
Other income	53,707	15.4	63,194	19.3
	401,883	115.4	389,828	119.3
Materials and consumables used	110,425	31.7	104,248	31.9
Employee benefits expense	230,949	66.3	215,822	66.1
Other expenses	34,583	9.9	33,131	10.1
Result of impairment on financial assets	-76	0.0	3	0.0
	375,881	107.9	353,204	108.1
Expense from deconsolidation of subsidiaries	732	0.2	-	-
Interim result (EBITDA)	25,270	7.3	36,624	11.2
Depreciation/amortisation and impairment	17,365	5.0	17,502	5.3
Operating result (EBIT)	7,905	2.3	19,122	5.9
Result of investments accounted for using the equity method	25	0.0	22	0.0
Finance income	50	0.0	39	0.0
Finance expenses	-450	-0.1	-907	-0.3
Result of impairment on financial investments	221	0.0	-104	0.0
Finance result (net)	-154	-0.1	-950	-0.3
Earnings before taxes (EBT)	7,751	2.2	18,172	5.6
Income taxes	1,717	0.5	933	0.3
Consolidated profit	6,034	1.7	17,239	5.3
of which				
non-controlling interests	280	0.1	197	0.1
shareholders of RHÖN-KLINIKUM AG	5,754	1.6	17,042	5.2
Earnings per share in €				
undiluted	0.09		0.25	
diluted	0.09		0.25	

July to September	2020	2019
	€ '000	€ '000
Consolidated profit	6,034	17,239
of which		
non-controlling interests	280	197
shareholders of RHÖN-KLINIKUM AG	5,754	17,042
Changes in fair value through other comprehensive income (FVOCI)	-398	-111
Income taxes	63	17
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	-335	-94
Revaluation of defined benefit pension plans	-27	221
Income taxes	4	- 35
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	-23	186
Other comprehensive income¹	-358	92
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	-358	92
Total comprehensive income	5,676	17,331
of which		
non-controlling interests	280	197
shareholders of RHÖN-KLINIKUM AG	5,396	17,134

¹ Sum of value changes recognised at equity.

Consolidated Balance Sheet as at 30 September 2020

	30 Sept. 2020		31 Dec. 2019	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	179,005	10.9	178,128	10.9
Property, plant and equipment	859,285	52.5	858,151	52.6
Investment property	2,244	0.2	2,349	0.2
Investments accounted for using the equity method	381	0.0	388	0.0
Deferred tax assets	805	0.1	626	0.0
Other financial assets	22,363	1.4	29,290	1.8
	1,064,083	65.1	1,068,932	65.5
Current assets				
Inventories	34,076	2.1	28,437	1.7
Trade receivables	179,277	10.9	226,606	13.9
Other financial assets	227,265	13.9	167,928	10.3
Other assets	14,576	0.9	10,479	0.7
Current income tax assets	575	0.0	1,482	0.1
Cash and cash equivalents	115,683	7.1	127,694	7.8
Assets held for sale	-	-	361	0.0
	571,452	34.9	562,987	34.5
	1,635,535	100.0	1,631,919	100.0

	30 Sept. 2020		31 Dec. 2019	
	€ '000	%	€ '000	%
EQUITY AND LIABILITIES				
Equity				
Issued share capital	167,406	10.2	167,406	10.3
Capital reserve	574,168	35.1	574,168	35.2
Other reserves	424,205	26.0	420,006	25.7
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,165,703	71.3	1,161,504	71.2
Non-controlling interests in equity	24,686	1.5	24,305	1.5
	1,190,389	72.8	1,185,809	72.7
Non-current liabilities				
Financial liabilities	148,434	9.1	158,315	9.7
Provisions for post-employment benefits	1,161	0.1	1,642	0.1
Other financial liabilities	18,533	1.1	23,807	1.5
	168,128	10.3	183,764	11.3
Current liabilities				
Financial liabilities	1,650	0.1	943	0.1
Trade payables	87,634	5.4	84,451	5.2
Current income tax liabilities	11,871	0.7	16,417	1.0
Other provisions	13,774	0.8	14,029	0.8
Other financial liabilities	43,200	2.6	35,087	2.1
Other liabilities	118,889	7.3	111,328	6.8
Held-for-sale liabilities	-	-	91	0.0
	277,018	16.9	262,346	16.0
	1,635,535	100.0	1,631,919	100.0

Consolidated Statement of Changes in Equity, January to September 2020

	Issued share capital	Capital reserve	Retained earnings	Treasury shares	Equity attributable to shareholders- of RHÖN- KLINIKUM AG	Non- controlling interests in equity ¹	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
As at 31 Dec. 2018/1 Jan. 2019	167,406	574,168	393,821	-76	1,135,319	23,903	1,159,222
Equity transactions with owners							
Dividend payments	-	-	-19,412	-	-19,412	-	-19,412
Consolidated profit	-	-	36,881	-	36,881	901	37,782
Other comprehensive income	-	-	1,748	-	1,748	-	1,748
Other changes							
Changes in consolidated companies	-	-	-	-	-	-24	-24
As at 30 September 2019	167,406	574,168	413,038	-76	1,154,536	24,780	1,179,316
As at 31 Dec. 2019/1 Jan. 2020	167,406	574,168	420,006	-76	1,161,504	24,305	1,185,809
Equity transactions with owners							
Dividend payments	-	-	-	-	-	-751	-751
Consolidated profit	-	-	1,525	-	1,525	806	2,331
Other comprehensive income	-	-	2,674	-	2,674	-	2,674
Other changes							
Changes in consolidated companies	-	-	-	-	-	326	326
As at 30 September 2020	167,406	574,168	424,205	-76	1,165,703	24,686	1,190,389

¹ Including other comprehensive income (OCI).

Consolidated Statement of Cash Flows, January to September 2020

January to September	2020	2019
	€ m	€ m
Earnings before taxes	5.7	44.0
Finance result (net)	3.5	1.7
Depreciation/amortisation and impairment and gains/losses on disposal of assets	51.4	51.5
	60.6	97.2
Change in net current assets		
Change in inventories	-5.6	1.7
Change in trade receivables	47.3	-13.0
Change in other financial assets and other assets	-4.1	-28.8
Change in trade payables	0.8	-6.6
Change in other net liabilities/other non-cash transactions	14.3	22.6
Change in provisions	-0.5	-32.0
Income taxes paid	-7.7	-3.3
Interest paid	-1.9	-0.4
Cash generated from operating activities	103.2	37.4
Investments in property, plant and equipment and in intangible assets	-64.7	-86.0
Government grants received to finance investments in property, plant and equipment and in intangible assets	14.6	14.9
Change in investments in fixed term deposits	-50.0	-15.0
Investments in financial assets	0.1	-2.2
Company acquisitions, net of cash acquired	-1.8	-3.4
Sale proceeds from disposal of assets	0.5	0.5
Interest received	0.1	0.1
Cash used in investing activities	-101.2	-91.1
Payments on contracting of financial liabilities	-	58.7
Repayment of financial liabilities and expenses relating thereto	-11.0	0.0
Payments for leases	-2.6	-2.5
Dividend payments to shareholders of RHÖN-KLINIKUM AG	-	-19.4
Payments to non-controlling interests in equity	-0.7	-
Cash used/generated in financing activities	-14.3	36.8
Change in cash and cash equivalents	-12.3	-16.9
Cash and cash equivalents at 1 January	128.0	132.3
Cash and cash equivalents at 30 September	115.7	115.4

Condensed Notes

GENERAL INFORMATION

RHÖN-KLINIKUM AG and its subsidiaries build, acquire and operate primarily acute-care hospitals, with the focus being on medicine oriented towards maximum, cutting-edge medical care with a direct tie-in to universities and research facilities. At specific sites, rehabilitation services are also offered for selected medical disciplines to complement existing acute inpatient offerings. Moreover, outpatient structures in the form of medical care centres are also offered. Currently, efforts are moving ahead apace for entry into the telemedicine field. We provide our services exclusively in Germany.

The Company is a stock corporation established under German law and has been listed on the stock market since 1989. The registered office of the Company is in Bad Neustadt a.d. Saale, Salzburger Leite 1, Germany. The Company is entered in the Commercial Register of the Register Court of Schweinfurt under HRB 1670.

The Interim Consolidated Financial Statements will be published on 6 November 2020 on the website of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 30 September 2020 have been prepared in accordance with the rules of IAS 34 in condensed form applying Section 315e of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, the provisions of the German accounting standard DRS 16 were observed in the preparation of this Group Interim Report of the Management.

With the exception of the Standards and Interpretation described below, the same accounting, valuation and calculation methods as already adopted by the European Union were applied in the Interim Consolidated Financial Statements as in the Consolidated Financial Statements for the financial year ending on 31 December 2019.

The amendments to IFRS 9, IAS 39 and IFRS 7 adopted into European law by the European Union on 15 January 2020 include facilitations in connection with the IBOR reform. They relate to hedge accounting result in the IBOR reform not generally leading to the termination of the hedge accounting relationship. The amendments are to be applied to financial years beginning on or after 1 January 2020 and are of no practical relevance for RHÖN-KLINIKUM AG.

The amendments to the Standard IFRS 3, which were adopted into European law by the European Union on 21 April 2020, relate to updates of the cross-reference in IFRS 3 to the revised Framework Concept which the IASB released in March 2018. They are to be applied to financial years beginning on or after 1 January 2020. The amendments are of no practical relevance for RHÖN-KLINIKUM AG.

In the first nine months of 2020 there were no Standards and Interpretations exceeding such scope to be applied as of 1 January 2020 and already adopted by the European Union.

The German legislature responded to the COVID-19 pandemic with many different pieces of legislation and regulations. Of particular relevance for the healthcare industry is the Act Compensating COVID-19-Related Financial Burdens of Hospitals and Other Healthcare Facilities (COVID-19 Hospital Relief Act (COVID-19-Krankenhausentlastungsgesetz)). The Act provided for various measures, such as relief payments of € 560.00 daily for each hospital bed vacant compared with the average of the previous year and lump-sum amounts of € 50,000.00 for newly created intensive care beds. Since in particular the relief payments for vacant hospital beds were insufficient for intermediate and maximum-care hospitals to cover regular costs, the “Regulation Amending the Relief Payments to Hospitals due to Extraordinary Burdens resulting from the Coronavirus SARS-CoV-2 (COVID-19 Relief Payment Adjusting Regulation – AusglZAV)” of 3 July 2020 defined differentiated lump-sum payments for determining relief payments as of 13 July 2020. In the first nine months of financial year 2020, an amount of € 70.6 million was reported in this context as relief payment within revenues, of which € 64.0 million is attributable to income relating to hospital beds kept available. Furthermore, € 4.7 million was reported under other income, which is essentially accounted for by lump-sum payments of € 50,000.00 for newly created intensive care beds (€ 3.7 million). In the third quarter of 2020, revenues in the amount of € 22.1 million and other income amounting to € 1.6 million were reported as a result of these measures.

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

CONSOLIDATED COMPANIES

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

	31 Dec. 2019	Additions	Disposals	30 Sept. 2020
Fully consolidated subsidiaries	27	1	-2	26
Companies consolidated using the equity method	1	-	-	1
Other subsidiaries	10	-	-1	9
Consolidated companies	38	1	-3	36

In the first quarter of 2020 we founded MVZ MED GmbH as a wholly owned subsidiary of RHÖN-KLINIKUM AG. Approval by the physicians association (Kassenärztliche Vereinigung) was granted as at 1 April 2020.

After all conditions for validity were met, the interests in GPG Gesellschaft für Projekt- und Grundstücksentwicklung GmbH Leipzig were transferred to the purchaser in 2020. The company was deconsolidated in the first quarter of 2020.

With effect from 1 September 2020, Medgate Deutschland GmbH was sold to the minority shareholder, Medgate Holding AG, and deconsolidated in the third quarter of 2020.

The liquidation of Soemmerring GmbH privates Institut für Bewegungsstörungen und Verhaltensneurologie i. L. previously recognised as other company was completed in the first quarter of 2020.

Company acquisitions

During the first nine months of financial year 2020, four physician's practices were acquired against consideration whose conditions of validity as per agreement in each case were satisfied during the reporting period of 2020:

Purchase of physician's practices, January to September 2020	Fair value post acquisition € m
Acquired assets and liabilities	
Property, plant and equipment	0.3
Other liabilities	-0.2
Net assets acquired	0.1
+ Goodwill	0.7
Cost	0.8
./. Purchase price payments outstanding	0.0
./. Acquired cash and cash equivalents	0.0
Cash outflow on transaction	0.8

Goodwill amounting to € 0.7 million essentially includes synergy effects expected from the expansion of medical care centres. The goodwill recognised is likely to be tax-deductible.

Furthermore, 0.50 physician's practices in each case were transferred during the reporting period from the physicians associations to the MVZ subsidiaries at the Bad Berka and Frankfurt (Oder) sites without consideration. 0.25 physician's practices at the Bad Berka site were returned to the physicians association. Moreover, 2.00 clinical physician's practices were transferred from MVZ Bad Neustadt a. d. Saale to MVZ MED.

In financial year 2020 no further physician's practices were acquired whose conditions of validity as per agreement will be satisfied only after 1 October 2020.

Deconsolidation of subsidiaries

The company GPG Gesellschaft für Projekt- und Grundstücksentwicklung GmbH Leipzig, which operates its business activity in Leipzig, was sold with effect from 1 January 2020. With the sale of the hospitals at the Leipzig site in 2014, the company did not have any affiliation to the remaining hospitals of the Group.

With effect from 1 September 2020, RHÖN-KLINIKUM AG transferred 51% of its interests in Medgate Deutschland GmbH to its co-shareholder, Medgate Holding AG.

The effects of the deconsolidation of the company or interests sold up to 30 September 2020 are set out below:

Effects from deconsolidation of subsidiaries	Carrying amount disposals € m
Assets and liabilities sold	
Non-current assets	0.8
Current assets	0.0
Cash and cash equivalents	0.3
Minorities	0.3
Non-current liabilities	-1.2
Current liabilities	-0.3
Net assets/liabilities of Group sold	-0.1
Sale proceedings from deconsolidated subsidiaries	0.4
Waiver of repayment of loan liabilities	-1.2
Expense from disposal of deconsolidated subsidiaries	-0.7
./. Sold cash and cash equivalents	-0.3
Cash outflow	-1.1
./. Purchase price payment outstanding	0.0
Cash outflow on deconsolidated subsidiaries	-1.1

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

Revenues

January to September	2020 € m	2019 € m
Fields		
Acute hospitals	987.5	939.6
Medical care centres	13.0	11.8
Rehabilitation hospitals	18.2	19.4
	1,018.7	970.8
Federal states		
Bavaria	205.9	200.0
Saxony	0.0	0.2
Thuringia	138.7	126.6
Brandenburg	119.2	111.2
Hesse	554.9	532.8
	1,018.7	970.8

According to IFRS 15, revenues constitute revenues generated from the provision of services. Revenues of the first nine months of financial year 2020 include income from the invoicing of an additional remuneration component for the treatment of spinal muscle atrophy as well as for the treatment of multiple sclerosis. The aforementioned supplementary fees are remunerated along with the pure DRGs and negatively impact the materials and consumables used item by nearly the same amount. Revenues further include cost reimbursements for cancer immunotherapies (CAR T-cell therapy) which were applied for the first time in the second quarter of financial year 2019 and likewise negatively impact the materials and consumables used item by the same amount.

Moreover, revenues of the same period of the previous year included one-off income before profit participation of employees, not attributable to the period under review, in the amount of € 8.9 million relating to university outpatient units.

Other income

January to September	2020	2019
	€ m	€ m
Income from services rendered	127.8	118.5
Income from grants and other allowances	16.4	10.2
Income from indemnification payments/Other reimbursements	1.5	1.1
Other	7.0	38.8
	152.7	168.6

Income from services rendered includes income from ancillary and incidental activities as well as income from rental and lease agreements. The Group received grants and other allowances as compensation for certain purpose-tied expenses in connection with publicly funded measures (e.g. costs of personnel and materials for research and teaching, benefits under German legislation governing maternity leave, and for other subsidised measures).

The decline in other income essentially results from the fact that income from the reversal of provisions for legal and tax risks in the amount of € 30.3 million were recognised in the same period of the previous year. The first nine months of 2020 were further impacted by higher income from ancillary and incidental activities as a result, among other things, of higher sales of drugs and cytostatics.

Materials and consumables used

Compared with the same period last year, the cost-of-materials ratio rose slightly disproportionate to the rise in revenues in the first nine months of 2020. This is attributable to the fact that prices for items needed for treating COVID-19 patients, such as personal protective equipment (PPE), saw a huge increase especially during the first phase of the pandemic. Furthermore, the Materials and consumables used item includes expenditures for the medicamentous treatment of spinal muscle atrophy, multiple sclerosis, and for the first time from the second quarter of 2019 expenses for cancer immunotherapies (CAR T-cell therapy) which are remunerated in nearly the same amount and reported under revenues or other income.

Employee benefits expense

In addition to a rise in the number of employees, general wage increases had an increasing effect on the employee benefits expense compared with the same period of the previous year. Furthermore, one-off expenses in the amount of € 1.8 million in connection with the termination of employment of the former chairman of the Board of Management are included. By contrast, the employee benefits expense item of the same period last year recognised share-based remuneration of former members of the Board of Management in the form of virtual shares amounting to € 1.0 million.

Other expenses

January to September	2020	2019
	€ m	€ m
Maintenance	42.2	41.0
Charges, subscriptions and consulting fees	33.9	20.0
Insurance	10.0	9.4
Administrative and IT costs	7.8	8.3
Other personnel and continuing training costs	3.8	4.1
Rents and leaseholds	3.1	3.2
Travelling, entertaining and representation expenses	1.2	1.8
Secondary taxes	0.2	0.7
Losses on disposal of non-current assets	0.1	0.1
Other	7.5	8.9
	109.8	97.5

The other expenses item includes one-off transaction-related expenses relating to the takeover by Asklepios Kliniken GmbH & Co. KGaA amounting to € 8.0 million.

Result from impairment on financial assets

The result from the impairment on financial assets results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets. The improvement in the negative result recorded in the same period of previous year is attributable to declining receivables owed from payers due to the COVID-19 pandemic.

Expense resulting from deconsolidation of subsidiaries

In the sale of the 51% interest in Medgate Deutschland GmbH to its co-shareholder, Medgate Holding AG, in the third quarter of 2020, an expense of € 0.7 million was generated from the first-time consolidation.

Depreciation and impairment

The depreciation and impairment item declined slightly compared with the same period of the previous year by € 0.2 million or 0.4% to € 51.5 million.

Finance result (net)

In the first nine months of financial year 2020, the negative finance result rose by € 1.8 million to € 3.6 million. This was primarily attributable to finance expenses in connection with the registered bond issued in July 2019. Moreover, our promissory note was impacted by one-off breakage (prepayment) costs recognised under the expense item.

Income taxes

January to September	2020 € m	2019 € m
Current income taxes	4.1	6.5
Deferred taxes	-0.7	-0.3
	3.4	6.2

The decline in the income tax expense compared with the same period of the previous year is the result of a risk provision relating to a ruling by the Federal Fiscal Court (Federal Fiscal Court) recognised during the same period of the previous year. A counter-effect to this was a higher tax assessment basis at an unchanged rate of taxation compared with the same period of the previous year.

SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

Goodwill and other intangible assets

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2020	164.2	48.5	212.7
Changes in consolidated companies	0.7	-0.8	-0.1
Additions	0.0	3.9	3.9
Disposals	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
30 September 2020	164.9	51.6	216.5
Cumulative depreciation and impairment			
1 January 2020	0.0	34.6	34.6
Depreciation	0.0	2.9	2.9
Disposals	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
30 September 2020	0.0	37.5	37.5
Balance sheet value as at 30 September 2020	164.9	14.1	179.0

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2019	163.9	43.9	207.8
Additions due to changes in consolidated companies	0.3	0.0	0.3
Additions	0.0	3.2	3.2
Disposals	0.0	0.1	0.1
Transfers	0.0	0.1	0.1
30 September 2019	164.2	47.1	211.3
Cumulative depreciation and impairment			
1 January 2019	0.0	31.1	31.1
Depreciation	0.0	2.6	2.6
Disposals	0.0	0.1	0.1
Transfers	0.0	0.1	0.1
30 September 2019	0.0	33.7	33.7
Balance sheet value as at 30 September 2019	164.2	13.4	177.6

Property, plant and equipment

	Land and buildings € m	Technical plant and equipment € m	Operating and business equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2020	1,167.9	57.9	368.8	34.2	1,628.8
Changes in consolidated companies	0.0	0.0	0.2	0.0	0.2
Additions	2.8	0.4	15.0	31.6	49.8
Disposals	0.2	0.0	8.4	0.0	8.6
Transfers	0.7	0.4	0.4	-1.5	0.0
30 September 2020	1,171.2	58.7	376.0	64.3	1,670.2
Cumulative depreciation and impairment					
1 January 2020	476.0	39.1	255.5	0.0	770.6
Changes in consolidated companies	0.0	0.0	-0.1	0.0	-0.1
Depreciation	23.0	2.9	22.6	0.0	48.5
Disposals	0.0	0.0	8.1	0.0	8.1
Transfers	0.0	0.0	0.0	0.0	0.0
30 September 2020	499.0	42.0	269.9	0.0	810.9
Balance sheet value as at 30 September 2020	672.2	16.7	106.1	64.3	859.3

	Land and buildings € m	Technical plant and equipment € m	Operating and business equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2019	1,150.2	56.4	345.5	19.2	1,571.3
Additions due to changes in consolidated companies	0.0	0.0	6.7	0.0	6.7
Additions	16.8	0.6	20.4	14.7	52.5
Disposals	0.0	1.1	10.4	0.0	11.5
Transfers	-0.1	0.9	4.0	-4.9	-0.1
30 September 2019	1,166.9	56.8	366.2	29.0	1,618.9
Cumulative depreciation and impairment					
1 January 2019	446.0	36.2	237.0	0.0	719.2
Depreciation	23.2	3.0	22.9	0.0	49.1
Disposals	0.0	1.1	10.3	0.0	11.4
Transfers	0.0	0.0	-0.1	0.0	-0.1
30 September 2019	469.2	38.1	249.5	0.0	756.8
Balance sheet value as at 30 September 2019	697.7	18.7	116.7	29.0	862.1

In the first nine months of financial year 2020, borrowing costs of € 0.3 million (previous year: € 0.0 million) were related to financing the acquisition or production of qualifying assets and are recognised under additions to property, plant and equipment. Furthermore, the additions of the reporting period include recognised rights of use pursuant to IFRS 16 in the amount of € 1.0 million (previous year: € 9.7 million). The depreciations relate to assets recognised under IFRS 16 in the amount of € 2.5 million (previous year: € 2.4 million). Rights of use account for € 11.3 million (previous year: € 12.9 million) of the balance sheet value as at 30 September 2020 within the meaning of IFRS 16.

Other financial assets (non-current)

Reported under this item are equity investments in the amount of € 12.5 million (31 December 2019: € 9.5 million) as well as fixed deposits in the amount of € 9.9 million (31 December 2019: € 19.8 million). The equity investments are the interests in the companies Inovytec Medical Solutions Ltd., Telesofia Medical Ltd., CLEW Medical Inc. and Tiplu GmbH.

Other financial assets (current)

As a result of current finance requirements of extensive investment measures, freely disposable funds are invested short-term. Fixed deposit investments were made in the amount of € 149.4 million (31 December 2019: € 89.8 million) in the form of overnight deposits and short-term deposits with a remaining term of < 1 year. In addition, receivables according to hospital financing law are reported under this item in the amount of € 70.8 million (31 December 2019: € 59.9 million). The rise in receivables according to the hospital financing legislation is essentially the result of the changes to the DRG system as at 1 January 2020 and the related phase-out of the nursing budget. Due to the change in the payment modalities from quarterly in arrears to monthly, receives owed from Justus-Liebig University Gießen declined to € 0.0 million (31 December 2019: € 9.9 million).

Equity

The rise in equity capital compared with the reporting date of 31 December 2019 by € 4.6 million results from positive consolidated profit for the first nine months of 2020 (€ 2.3 million), gains from other comprehensive income (FVOCI) (€ 2.7 million), and from the first-time consolidation of Medgate Deutschland GmbH (€ 0.3 million). This compares with the distribution to non-controlling interests in the amount of € 0.7 million. Profits from other comprehensive income (OCI) are attributable to gains from the fair values of investments (€ 2.5 million) which according to IFRS 9 are assigned to the category of fair value through other comprehensive income (FVOCI) as well as from gains resulting from the revaluation of defined benefit pension plans (€ 0.2 million).

Financial liabilities

In the fourth quarter of 2017, a syndicated line of credit in the amount of € 100.0 million was taken out. For this line of credit a change-of-control clause is stipulated providing, in the event of a change of control when the line of credit has been utilised, for early repayment and for the right of the lenders to exclude new lendings. Following the voluntary public takeover offer by Asklepios Kliniken GmbH & Co. KGaA, a change of control was triggered pursuant to the contractual terms on approval of the merger of Asklepios and RHÖN by the German Federal Cartel Office on 26 May 2020. As at 30 September 2020, the syndicated line of credit stood at € 88.0 million.

In October 2018, RHÖN-KLINIKUM AG placed a promissory note in the amount of € 100.0 million. The tranches exclusively bearing fixed interest with bullet maturities have terms of 5, 7 and 10 years. For the promissory note a change-of-control clause is stipulated providing for early repayment in the event of a change of control. Following the voluntary public takeover offer by Asklepios Kliniken GmbH & Co. KGaA, a change of control was triggered pursuant to the contractual terms on notification that a voting right threshold of roughly 83% was reached by Asklepios on 18 June 2020. As a consequence, the total volume of the promissory note is reduced by € 10.0 million to € 90.0 million.

In July 2019, RHÖN-KLINIKUM AG placed a registered bond in the amount of € 60.0 million with a term of 20 years. For the registered bond a change-of-control clause is stipulated providing for early repayment in the event of a change of control. Following the voluntary public takeover offer by Asklepios Kliniken GmbH & Co. KGaA, a change of control was triggered pursuant to the contractual terms on notification that a voting right threshold of roughly 83% was reached by Asklepios on 18 June 2020. After negotiation by RHÖN-KLINIKUM AG with the investors of the registered bond, the latter will not exercise their right to early repayment. The nominal volume of the registered bond is still € 60.0 million.

Lease liabilities

An amount of € 8.4 million (31 December 2019: € 9.8 million) is reported under non-current other financial liabilities, and an amount for lease liabilities of € 3.1 million (31 December 2019: € 3.2 million) under current other financial liabilities.

Additional disclosures regarding financial instruments

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

Measurement category according to IFRS 9	30 Sept. 2020	of which		of which		
		Financial Instruments		Financial Instruments		
		Carrying amount	Fair value	Carrying amount	Fair value	
	€ m	€ m	€ m	€ m	€ m	€ m
ASSETS						
Non-current assets						
Other financial assets	22.4	22.4	22.4	29.3	29.3	29.3
of which investments	12.5	12.5	12.5	9.5	9.5	9.5
of which investments	0.0	0.0	0.0	0.0	0.0	0.0
of which other	9.9	9.9	9.9	19.8	19.8	19.8
Current assets						
Trade receivables and other financial assets	406.5	406.5	406.5	394.5	394.5	394.5
Cash and cash equivalents	115.7	115.7	115.7	127.7	127.7	127.7
LIABILITIES						
Non-current liabilities						
Financial liabilities	148.4	148.4	167.9	158.3	158.3	172.6
Other financial liabilities	18.5	18.5	11.3	23.8	23.8	15.1
of which other financial liabilities	10.2	10.2	11.3	14.0	14.0	15.1
of which liabilities under leases	8.3	8.3	-	9.8	9.8	-
Current liabilities						
Trade payables	87.6	87.6	87.6	84.5	84.5	84.5
Financial liabilities	1.7	1.7	1.7	0.9	0.9	0.9
Other financial liabilities	43.2	43.2	40.1	35.1	35.1	31.9
of which other financial liabilities	40.1	40.1	40.1	31.9	31.9	31.9
of which liabilities under leases	3.1	3.1	-	3.2	3.2	-
Aggregated according to measurement categories, the above figures are as follows:						
Financial assets measured at amortised cost		532.1	532.1	542.0	542.0	
Financial assets measured at fair value directly in equity (fair value through other comprehensive income; without recycling)		12.5	12.5	9.5	9.5	
Financial assets measured at fair value through profit or loss		0.0	0.0	0.0	0.0	
Financial liabilities measured at amortised cost		288.0	308.6	289.6	305.0	

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

Investments in the amount of € 12.5 million (31 December 2019: € 9.5 million) are measured at fair value directly in equity (fair value through other comprehensive income, without recycling). These investments relate to start-up equity interests whose market value was calculated based on current

equity transactions between market participants in the context of additional financing rounds or applying the DCF method/multiplier method. Moreover, additional immaterial investments amounting to <€ 0.0 million (31 December 2019: < € 0.0 million) are measured at fair value (fair value through profit or loss). Changes in the market valuation of investments, which are measured at fair value directly in equity (fair value through other comprehensive income, without recycling), resulted in total in gains (after tax) in the amount of € 2.5 million (previous year: € 1.6 million), which are recognised directly in equity under other comprehensive income (OCI).

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

In the first nine months of financial year 2020, adjustments of the impairments on financial assets and financial investments within the meaning of IFRS 9 resulted in a negative effect on earnings (after tax) in the total amount of € 0.1 million (previous year: € 0.1 million).

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

	Level 1	Level 2	Level 3	Total	Total
	€ m	€ m	€ m	30 Sept. 2020	31 Dec. 2019
	€ m	€ m	€ m	€ m	€ m
Other non-current financial assets (investments)	-	12.5	-	12.5	9.5
Other non-current financial assets (remaining)	-	9.9	-	9.9	19.8
Trade receivables, other current financial assets	-	406.5	-	406.5	394.5
Non-current financial liabilities	-	167.9	-	167.9	172.6
Other non-current financial liabilities (excluding leasing)	-	11.3	-	11.3	15.1
Current trade liabilities	-	87.6	-	87.6	84.5
Current financial liabilities	-	1.7	-	1.7	0.9
Current other financial liabilities (excluding leasing)	-	40.1	-	40.1	31.9

The levels of the fair value hierarchy and their application to assets and liabilities are described below:

- Level 1: Listed market prices for identical assets or liabilities on active markets
- Level 2: Other information in the form of listed market prices which are directly (e.g. prices) or indirectly (e.g. derived from prices) observable
- Level 3: Information on assets and liabilities not based on observable market data.

OTHER DISCLOSURES

Interests held in the Company

During the period of 1 January 2020 up to and including 30 September 2020, we have received the following notifications from shareholders that their voting interest exceeded or fell below the statutory reporting thresholds pursuant to section 33 et seq. of the WpHG and that they thus at least temporarily held a voting interest of over 3% in the Company either directly or by way of attribution of such voting interest to them.

Person subject to notification requirement	Published on	Held directly %	Attributed %	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding / falling below threshold in the case of	Notification pursuant to section 33 et seq. WpHG Attribution pursuant to WpHG/additional information:
Landeskrankenhilfe V.V.a.G.	29 July 2020	0.00	0.00	0.00	13 July 2020	<5%; <3%	
Eugen Münch; AMR Holding GmbH	24 July 2020	0.00	92.27	92.27	22 July 2020	>75%	attributed (section 34 WpHG): AMR Holding GmbH
Dr. Bernard große Broermann; AMR Holding GmbH	23 July 2020	0.0005	93.37	93.38	22 July 2020	>75%	attributed (section 34 WpHG): AMR Holding GmbH
Ludwig Georg Braun; B. Braun Melsungen Aktiengesellschaft	16 July 2020	0.0000	0.0006	0.0006	14 July 2020	<3%	attributed (section 34 WpHG): B. Braun Melsungen Aktiengesellschaft
Ilona Braun; B. Braun Melsungen Aktiengesellschaft	16 July 2020	0.0000	0.0006	0.0006	14 July 2020	<3%	attributed (section 34 WpHG): B. Braun Melsungen Aktiengesellschaft
Martin Lüdicke; B. Braun Melsungen Aktiengesellschaft	16 July 2020	0.0000	0.0006	0.0006	14 July 2020	<3%	attributed (section 34 WpHG): B. Braun Melsungen Aktiengesellschaft
Dr. Bernard große Broermann; Asklepios Kliniken GmbH & Co. KGaA, AMR Holding GmbH	15 July 2020	0.0005	92.58	92.58	13 July 2020	>75%	attributed (section 34 WpHG): Asklepios Kliniken GmbH & Co. KGaA; AMR Holding GmbH
Dr. Bernard große Broermann; AMR Holding GmbH	29 May 2020	0.0005	50.07	50.07	28 May 2020	>50%	attributed (section 34 WpHG): AMR Holding GmbH
Eugen Münch; AMR Holding GmbH	29 May 2020	0.00	48.69	48.69	28 May 2020	>30%	attributed (section 34 WpHG): HCM SE
Ingeborg Münch	29 May 2020	0.00	0.00	0.00	28 May 2020	<3%	
Dr. Bernard große Broermann; AMR Holding GmbH	28 May 2020	0.0005	42.95	50.07	26 May 2020	>50%	attributed (section 34 WpHG): AMR Holding GmbH
Eugen Münch; AMR Holding GmbH	28 May 2020	3.69	42.11	45.80	26 May 2020	>30%	attributed (section 34 WpHG): Eugen Münch; HCM SE
Ingeborg Münch	28 May 2020	2.89	0.00	2.89	26 May 2020	<3%	
Dr. Bernard große Broermann; Asklepios Kliniken GmbH & Co. KGaA	5 March 2020	0.0005	28.99	50.07	1 March 2020	>50%	attributed (section 34 WpHG): Asklepios Kliniken GmbH & Co. KGaA; AMR Holding GmbH
Dr. Bernard große Broermann; Asklepios Kliniken GmbH & Co. KGaA	5 March 2020	0.0005	28.99	48.99	28 February 2020	>30%	attributed (section 34 WpHG): Asklepios Kliniken GmbH & Co. KGaA; AMR Holding GmbH

Based on the threshold events notified to us, the following picture pursuant to section 33 et seq. of the WpHG in terms of shareholder structure emerges as at the relevant key date of 30 September 2020:

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

The voting interests in the above tables may have changed since 30 September 2020. With regard to notifications on changes that took place as of 1 October 2020, and for additional information on the underlying financial instruments, on attribution and on the holding structures of the respective voting rights, we refer to the publications on our website in the Investor Relations/Publications/IR News section.

As at 30 September 2020, the Company holds 24,000 treasury shares. This corresponds to 0.04% of the voting rights.

Corporate bodies

Regarding the composition of the Board of Management and the Supervisory Board, the following changes took place compared with the consolidated financial statements of 31 December 2019.

Within the Board of Management, Stephan Holzinger resigned his Board mandate and all other offices with immediate effect on 22 June 2020. The Supervisory Board approved the termination by mutual consent of the Board of Management service contract of Mr. Stephan Holzinger with effect on 30 September 2020. On 10 August 2020 the Supervisory Board of RHÖN-KLINIKUM AG appointed with effect from 15 August 2020 Dr. Christian Höftberger and with effect from 1 September 2020 Dr. Stefan Stranz as new members to the Board of Management. The Board of Management of RHÖN-KLINIKUM AG is currently composed of four members: Prof. Dr. Bernd Griewing, Dr. Christian Höftberger, Dr. Stefan Stranz and Dr. Gunther K. Weiß. The responsibilities within the Board of Management were adjusted accordingly. Moreover, the allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements.

At the virtual Annual General Meeting on 19 August 2020, new elections for the Supervisory Board were held in which eight members of the shareholders stood for election. Dr. Julia Dannath-Schuh, Prof. Dr. Gerhard Ehninger, Ms. Irmtraut Gürkan, Mr. Kai Hankeln, Dr. Jan Liersch, Ms. Nicole Mooljee Damani, Ms. Christine Reißner as well as Mr. Hafid Rifi were elected to the Supervisory Board. At the constituent meeting of the Supervisory Board, Dr. Jan Liersch was elected as the body's new chairman. The new election of the eight employee representatives was held on 22 July 2020. Here, Mr. Peter Berghöfer, Ms. Regina Dickey, Mr. Peter Ducke, Prof. Dr. Leopold Eberhart, Dr. Martin Mandewirth, Dr. Thomas Pillukat, Mr. Oliver Salomon and Mr. Georg Schulze-Ziehaus were elected to the Supervisory Board.

The Declaration of Compliance pursuant to section 161 AktG jointly issued by the Board of Management and the Supervisory Board on 6 November 2019 was updated during the year under way in the first and third quarter of 2020. The Declaration on Corporate Governance and the Corporate Governance Report for financial year 2019 were published on our website in the first quarter of 2020. All other elements of our corporate constitution have remained unchanged during the financial year to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2019.

Related parties

RHÖN-KLINIKUM Group companies, in given instances, enter into transactions with related parties, as further described in the Notes to the Consolidated Financial Statements as at 31 December 2019.

Revenues of the first nine months of financial year 2020 generated with the group subsidiaries of Asklepios Kliniken GmbH & Co. KGaA amounted to € 0.6 million (previous year: € 0.4 million), which compares with benefits paid in the amount of € 0.1 million (previous year: € 0.1 million). No material transactions with related parties which are unusual in terms of their nature or amount have taken place.

No loans were granted to members of the Supervisory Board and the Board of Management.

Former members of the Board of Management and one acting member of the Board of Management hold an interest in the company RHÖN-Innovations GmbH founded in March 2016. The payments made for the interests are reported under the other liabilities item as cash-settled share-based payment transactions as defined by IFRS 2. As part of the fair value measurement, expenses were incurred during the reporting period in the amount of € 0.1 million (previous year: € 0.1 million).

During the period of 1 January to 30 September 2020, RHÖN-KLINIKUM AG received the following notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

Date of transaction	First and last name	Position/status	Financial instrument and ISIN	Nature and place of transaction	Quantity	Price	Trading volume
25 May 2020	Eugen Münch	Chairman of the Supervisory Board of RHÖN-KLINIKUMAG	Sale of shares, DE0007042301	Sale of shares, outside a trading venue	2,469,971	€ 18.00	€ 44,459,478.00
28 May 2020	Ingeborg Münch	Person has a close relationship to Eugen Münch, chairman of the Supervisory Board of RHÖN-KLINIKUMAG	Sale of shares, DE0007042301	Sale of shares, outside a trading venue	1,935,546	€ 18.00	€ 34,839,828.00
26 May 2020	HCM SE	Person has a close relationship to Eugen Münch, chairman of the Supervisory Board of RHÖN-KLINIKUMAG	Contribution, DE0007042301	Contribution of 5,097,578 shares in RHÖN-KLINIKUM AG to AMR Holding GmbH under a joint venture agreement, between HCM SE and Asklepios Kliniken GmbH & Co. KGaA dated 28 February 2020, outside a trading venue	5,097,578	not quantifiable	not quantifiable
26 May 2020	Eugen Münch	Chairman of the Supervisory Board of RHÖN-KLINIKUMAG	Sale of shares, DE0007042301	Sale of shares, outside a trading venue	2,180,112	€ 18.00	€ 39,242,016.00
26 May 2020	Ingeborg Münch	Person has a close relationship to Eugen Münch, chairman of the Supervisory Board of RHÖN-KLINIKUMAG	Sale of shares, DE0007042301	Sale of shares, outside a trading venue	1,708,778	€ 18.00	€ 30,758,004.00

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

Employees

At the reporting date of 30 September 2020 the Group employed a total of 18,242 persons (31 December 2019: 18,142 persons).

Other financial obligations

The agreement from 2018 with the Federal State of Hesse in connection with the financing of the services to be rendered for research and teaching at the Group's university hospitals provides for investment commitments in the amount of € 100.0 million until the end of 2021. These obligations were already completely fulfilled as at the balance sheet date of 30 September 2020. There are also further obligations relating to building modernisation and extension measures at the Giessen and Marburg sites due to be completed by 31 December 2024.

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

Contingent liabilities

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

Earnings per share

Earnings per share in accordance with IAS 33 is calculated using the share of consolidated profit attributable to the shareholders of RHÖN-KLINIKUM AG and the weighted average number of shares in issue during the year. Diluted earnings per share correspond to basic earnings per share, as there were no stock options or convertible debentures outstanding on the reporting date.

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

	No. of shares on 30 September 2020	No. of shares on 30 September 2019
Non-par shares	66,962,470	66,962,470
Treasury non-par shares	-24,000	-24,000
Shares in issue	66,938,470	66,938,470

Earnings per share are calculated as follows:

Non-par shares	30 September 2020	30 September 2019
Share in consolidated result (€ '000)	1,525	36,881
Weighted average number of shares outstanding, in thousands	66,938	66,938
Earnings per share in €	0.02	0.55

Statement of Cash Flows

The liquidity shown in the statement of changes in financial position continues to include cash on hand, cheques as well as cash with banks. For the purposes of the statement of cash flows, bank overdrafts are deducted from cash and cash equivalents. As at 30 September 2020 no bank overdrafts had been claimed.

The change in cash generated from operating activities is attributable on the one hand to the decline in the consolidated result and on the other to the contrary trend in trade receivables. The decline in trade receivables in the first nine months of 2020 as a result of faster payments by the health insurance funds in connection with the pandemic legislation, and the short-term relief payments of the legislature, compare with high revenue deferrals during the same period last year resulting from the negotiation outcome for university outpatient units as well as from current business operations.

The changes in the area of investing activities stem from the adjustments in fixed deposit investments as well as from lower investments in the current financial year.

Cash used in financing activity essentially results from the repayment of the promissory note (€ 11.0 million) due to a special termination right of the capital providers relating to the change of control in the wake of the public takeover offer by Asklepios Kliniken GmbH & Co. KGaA as well as the expenses incurred in this connection.

Events after the balance-sheet date

By resolution of the Supervisory Board of 5 November 2020, Dr. Christian Höftberger was appointed chairman of the Board of Management of RHÖN-KLINIKUM AG. In other respects, no particularly significant events have occurred since 30 September 2020 that are expected to have a material influence on the net assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG.

Bad Neustadt a. d. Saale, 6 November 2020

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Dr. Christian Höftberger

Dr. Stefan Stranz

Dr. Gunther K. Weiß

KEY FIGURES

KEY FIGURES JANUARY TO SEPTEMBER 2020 / JANUARY TO SEPTEMBER 2019

Data in € m	Jan. - Sept. 2020	Jan. - Sept. 2019	Change in %
Revenues	1,018.7	970.8	4.9
EBITDA	60.8	97.5	-37.6
EBITDA-ratio (%)	6.0	10.0	-40.0
EBIT	9.3	45.8	-79.7
EBIT-ratio (%)	0.9	4.7	-80.9
EBT	5.7	44.0	-87.0
Consolidated profit according to IFRS	2.3	37.8	-93.9
Equity according to IFRS	1,190.4	1,179.3	0.9
Equity-ratio in %	72.8	71.6	1.7
Earnings per ordinary share (in €) (undiluted/diluted)	0.02	0.55	-96.4
Number of employees (headcount)	18,242	17,899	1.9
Number of cases (patients treated)	607,151	647,345	-6.2
Beds and places	5,304	5,312	-0.2

KEY RATIOS JULY TO SEPTEMBER 2020 / JULY TO SEPTEMBER 2019

Data in € m	July - Sept. 2020	July - Sept. 2019	Change in %
Revenues	348.2	326.6	6.6
EBITDA	25.3	36.6	-30.9
EBITDA-ratio (%)	7.3	11.2	-34.8
EBIT	7.9	19.1	-58.6
EBIT-ratio (%)	2.3	5.9	-61.0
EBT	7.8	18.2	-57.1
Consolidated profit according to IFRS	6.0	17.2	-65.1
Equity according to IFRS	1,190.4	1,179.3	0.9
Equity-ratio in %	72.8	71.6	1.7
Earnings per ordinary share (in €) (undiluted/diluted)	0.09	0.25	-64.0
Number of employees (headcount)	18,242	17,899	1.9
Number of cases (patients treated)	212,593	214,785	-1.0
Beds and places	5,304	5,312	-0.2

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



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This Interim Report is also available in
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