

HALF-YEAR FINANCIAL REPORT 2021



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LETTER TO SHAREHOLDERS

Dear Ladies and Gentlemen,

The coronavirus pandemic and its dynamic continued to hold sway also in first half of 2021. In what is being called the third wave, our hospitals are once again facing extraordinary challenges and pressures from rising COVID-19 patient numbers. This comes with a time lag after increasing incidences nationally.

We are thus still far from returning to normal hospital activities. To create and keep available capacities needed for emergencies and COVID-19 patients it was once again necessary – as far as this was medically acceptable, which is something that was reviewed by our doctors in an extremely responsible manner and always on case-by-case basis – to postpone for now a large number of elective procedures and to adapt our human resources in line with requirements.

From January to June we treated 414,489 patients, 5.1% more than in the same period last year (previous year, H1 2020: 394,558). Revenues within the Group of RHÖN-KLINIKUM AG in the first half stood at € 682.8 million (previous year: € 670.5 million). At € 46.5 million, EBITDA exceeded the previous year's level of € 35.5 million. The EBITDA margin was 6.8%. Taking account of depreciation/amortisation, financing costs and taxes, EBITDA resulted in a consolidated profit of +€ 8.6 million after -€ 3.7 million in the previous year.

Reform of German healthcare system

As the coronavirus pandemic has laid bare weaknesses in the German healthcare system, it is also impressing on us the urgent need to fundamentally rethink the system and to take action. Over the past months, we have reached out to federal and state politicians on many occasions, appealing to them to cut red tape and the amount of documentation, to ensure reliable planning certainty and fully

offset earnings losses for 2021, and to provide adequate government grants, as well as to reduce the number of hospitals in accordance with orderly and transparent criteria. Unfortunately our appeals and calls for the most part have gone unanswered so far.

#togetherevenstronger – strategic partnership with Asklepios

After the takeover by Asklepios in 2020, RHÖN-KLINIKUM AG has been undergoing a process of transformation. The feeling of belonging or togetherness as well as new networks are steadily growing within our new corporate group. This is opening up new prospects and opportunities for all companies under the umbrella of the Asklepios Group.

In addition to the targeted economies of scale in the areas of purchasing and IT, we are also focusing our joint efforts on further optimising clinical procedures and processes. In all areas, joint working groups have been established. These make it possible to get to know the strengths of our colleagues and to leverage such strengths for all hospitals. Together, we are defining the standards which are then applied in line with the “best practice” principle at all hospitals and medical facilities, e.g. in the IT area.

Strengthening of telematics infrastructure (TI)

State-of-the-art medical case is no longer conceivable without the use of information technology. And the digitalisation of the healthcare system is the statutory mandate required of all hospitals. It allows for new IT applications such as electronic patient files, eMedication plan, emergency management or tele-consultants, all of which are designed to improve patient care and make clinical processes more efficient.

In this context, RHÖN-KLINIKUM AG is making substantial investments in digitalisation. This means completely reorganising network technology, server and data management as well as medical technology and nursing systems and creating new interfaces – a huge challenge for large and complex hospitals like RHÖN-KLINIKUM AG.

Service companies creating synergies

As of immediately, RHÖN-KLINIKUM AG will amalgamate and pool its in-house services and competences from the areas of technology and medical technology, sterile processing (RUMED) and catering at the Bad Neustadt a.d. Saale, Bad Berka and Frankfurt (Oder) hospital sites into the Group service companies RHÖN-KLINIKUM Services GmbH and RHÖN-Cateringgesellschaft mbH.

Moreover, the IT and materials management/storage logistics functions are also to be centralised. Here we are relying in future, among other things, on the newly established subsidiaries RHÖN-KLINIKUM IT Service GmbH, RHÖN-KLINIKUM Service Einkauf + Versorgung GmbH and RHÖN-KLINIKUM Business Services GmbH to optimise our structures and processes.

Through the amalgamation and creation of synergies, these services can be provided from a one-stop shop, thus improving flexibility, quality and efficiency across all sites.

Separate accounting

The agreement between RHÖN-KLINIKUM AG, Universitätsklinikum Gießen und Marburg GmbH (UKGM), the Federal State of Hesse and the two Universities of Giessen and Marburg expires at the end of 2022. The agreement, which was entered into between the contractual parties in 2017 and was passed by the Hesse State Parliament in February 2018, governs the funding of the research and teaching services provided by UKGM. At the same time, a comprehensive investment package was launched for both university hospitals.

Currently, exploratory talks are under way between the contractual parties on the possibility of continuing the arrangement permanently and on its future terms and conditions.

Attractiveness as employer

RHÖN-KLINIKUM AG is among Germany's most attractive employers. "Innovative. Digital. Sustainable" – that was confirmed for our Company by the study of a leading German management and economic research institute in February of this year. We work hard in this area and invest in our employees – whether through numerous professional qualification offerings, training courses at our hospitals' own schools, recruiting nurses from abroad or promoting a better work-life balance of all colleagues.

On 1 August 2021, the new Employee Assistance Program (EAP) was introduced in the Company. It offers employees and their relatives assistance in personal, professional, health or family matters. For example, anyone who needs help looking for a kindergarten place, support in caring for relatives, or is suffering from a team conflict at work can quickly find confidential help there in such difficult situations. Here, RHÖN-KLINIKUM AG cooperates with the Group-internal partner Fürstenberg Institut, a subsidiary of Asklepios.

Annual General Meeting

At the Annual General Meeting of RHÖN-KLINIKUM AG on 9 June 2021, the shareholders, in addition to the proposed appropriation of profits, approved the actions of the members of the Board of Management and Supervisory Board as well as the new remuneration scheme for the Board of Management. By this scheme, the Company implements the amended regulatory requirements on executive compensation in accordance with the Act Implementing the Second Shareholder Rights Directive (ARUG II). The remuneration scheme offers an incentive for successful and sustainable corporate governance. It defines a maximum

remuneration and includes detailed provisions on fixed remuneration and variable remuneration elements.

Marco Walker, 45, COO of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, and managing director of Asklepios Kliniken Management GmbH, was elected by the shareholders to the Supervisory Board of RHÖN-KLINIKUM AG. He succeeds Prof. Dr. Gerhard Ehninger, who resigned his mandate and left the Supervisory Board of the Company with effect from 15 January 2021.

Medical excellence and quality of treatment

The physician's of RHÖN-KLINIKUM AG are among Germany's top medical practitioners. Their expertise is in demand both throughout Germany and beyond its borders, and they enjoy the trust of patients. Our hospitals are attested a high standard of treatment quality, and many of them hold multiple certifications. The strong interdisciplinary cooperation enabling specific therapies for our patients based on state-of-the-art diagnostics ensures individual, holistic patient care to high quality standards.

As of this year, the University Hospital of Marburg has gained recognition as one of the top 14 oncology centres in Germany. This distinction comes after many years of outstanding work, research at the highest level, and is a testament to its medical excellence. In addition to the greater national reputation this brings, we are also pleased that it also helps further promote oncology research.

RHÖN-KLINIKUM AG has so far done a good job coping with the coronavirus crisis. We are also confident that together we will succeed in meeting especially the economic challenges lying ahead.

Yours sincerely,

RHÖN-KLINIKUM Aktiengesellschaft
The Board of Management

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

GROUP INTERIM REPORT

REPORT ON THE FIRST HALF OF 2021

- The COVID-19 pandemic and its dynamic continued to hold sway also in the first half of 2021.
- We treated 414,489 patients in our hospitals and medical care centres in the first half of 2021, generating revenues of € 682.8 million, EBITDA of € 46.5 million and consolidated profit of € 8.6 million.

BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The condensed interim consolidated financial statements of RHÖN-KLINIKUM AG for the period ended 30 June 2021 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 2021.

The accounting policies applied, to the extent already applied in financial year 2020 and consistently applied in financial year 2021, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2020. In the first six months of 2021 there were no Standards and Interpretations exceeding such scope to be applied as of 1 January 2021 and already adopted by the European Union.

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 Annual General Meeting of RHÖN-KLINIKUM AG on 9 June 2021, the share-holders, in addition to the proposed appropriation of profits, approved the actions of the members of the Board of Management and Supervisory Board as well as the new remuneration scheme for the Board of Management. By this scheme, the Company implements the amended regulatory requirements on executive compensation in accordance with the Act Implementing the Second Shareholder Rights Directive (ARUG II). The remuneration scheme offers an incentive for successful and sustainable corporate governance. It defines a maximum remuneration and includes detailed provisions on fixed remuneration and variable remuneration elements.

Marco Walker, 45, COO of Asklepios Kliniken GmbH & Co. KGaA, Hamburg, and Managing Director of Asklepios Kliniken Management GmbH, was elected by the shareholders to the Supervisory Board of RHÖN-KLINIKUM AG. He succeeds Prof. Dr. Gerhard Ehninger, who resigned his mandate and left the Supervisory Board of the Company with effect from 15 January 2021.

The composition of the Board of Management has not changed since 31 December 2020. At its meeting on 24 March 2021, the Supervisory Board once again appointed Dr. Gunther K. Weiß to the Board of Management of the Company as of 1 January 2022.

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

During the first six months of financial year 2021, RHÖN-KLINIKUM AG received no notifications pursuant to section 33 et seq. WpHG and no notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

The Declaration on Corporate Governance and the Declaration of Compliance pursuant to section 161 of the AktG jointly issued by the Board of Management and the Supervisory Board were updated and published on our website in financial year 2021. 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 2020.

ECONOMIC REPORT

MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

Incidences of COVID-19 cases are currently at a low level nationally, which is why only few economic restrictions are still in place. The mood in the German economy has improved significantly. After hitting 99.2 points in May 2021, the ifo business climate index rose to 101.8 points in June 2021. As the rate of vaccinations rises and measures to contain the coronavirus are gradually eased, the

employment market is increasingly putting the third wave of the pandemic behind it. Unemployment and underemployment saw a significant decline in June 2021.

Under the Third Civil Protection Act (Drittes Bevölkerungsschutzgesetz, BSchG)), hospitals as well as certain specialised clinics participating in inpatient emergency care received relief payments depending on the share of free intensive care beds within the district or municipality and the 7-day incidence of new infections. The provision, which was originally limited in term to 31 January 2021, has since been continued by several regulations issued by the Federal Ministry of Health in line with how the pandemic has evolved. By the first Regulation Amending the Regulation on Further Measures to Safeguard the Economic Viability of Hospitals of 1 June 2021, the claim to relief payments was last extended to 15 June 2021.

The Regulation on Further Measures to Safeguard the Economic Viability of Hospitals, which entered into force on 9 April 2021, also provides for 2021 separate relief mechanisms for hospitals. Under this legislation, declines in a hospital's revenues compared with a 2019 revenue basis lowered to 98% are offset in hospitals' favour at a compensation rate of 85%. However, revenue increases compared with the 2019 revenue level attributable to relief payments received for beds kept available pursuant to section 21 (1a) sentence 1 of the German Hospital Financing Act (KHG) are subject to a full repayment obligation. At the same time, relief payments for beds kept available are applied at 85% in each case.

With the Healthcare Further Development Act (Gesundheitsversorgungsweiterentwicklungsgesetz, GVWG), which entered into force on 20 July 2021, the provisions on the nursing budget were clarified. For agreement year 2020 it provides for mandatory application of the clarification provision for agreement year 2021 if an agreement was still not concluded for the nursing budget for 2020.

BUSINESS PERFORMANCE OF THE FIRST HALF

Overall statement on economic position

January to June	2021	2020	Change	
	€ m	€ m	€ m	%
Revenues	682.8	670.5	12.3	1.8
EBITDA	46.5	35.5	11.0	31.0
EBIT	11.3	1.4	9.9	> 100.0
EBT	10.6	-2.0	12.6	> 100.0
Consolidated result	8.6	-3.7	12.3	> 100.0

Compared with the same period last year, we report in the first half of 2021 a rise in EBITDA to € 46.5 million, a rise in EBIT by € 9.9 million to € 11.3 million as well as a rise in consolidated profit by € 12.3 million to € 8.6 million on the basis of € 12.3 million higher revenues.

The increase in service volumes in the first half of 2021 as compared with the same period of the previous year resulting from an increase in patients treated on an outpatient basis compares with declining earnings in connection with COVID-19 legislation.

Development in service volumes

Since 31 December 2020 there have been minor changes in the number of approved beds as part of our acute-inpatient capacities:

	Hospitals	Beds
As at 31 December 2020	8	5,304
Change in capacities	-	8
As at 30 June 2021	8	5,312

As at 30 June 2021, we operate nine medical care centres with a total of 54.25 specialist physician's practices:

	Medical care centres	Specialist practices
As at 31 December 2020	9	54.75
Opened/acquired		
MVZ Frankfurt (Oder)	-	1.50
Disposals		
MVZ Bad Berka	-	-0.50
MVZ Gießen	-	-0.50
MVZ Marburg	-	-1.00
As at 30 June 2021	9	54.25

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

January to June	2021	2020	Change	
			absolute	%
Inpatient and semi-inpatient treatments,				
acute hospitals	93,367	93,617	-250	-0.3
rehabilitation hospitals and other facilities	2,089	1,841	248	13.5
	95,456	95,458	-2	0.0
Outpatient attendances at our				
acute hospitals	217,109	208,719	8,390	4.0
medical care centres	101,924	90,381	11,543	12.8
	319,033	299,100	19,933	6.7
Total	414,489	394,558	19,931	5.1

Whereas the number of patients treated on an inpatient and semi-inpatient basis is at the previous year's level, the number of outpatient cases rose by 19,933 patients or 6.7%.

Results of operations

Consolidated performance figures developed as shown below:

January to June	2021	2020	Change	
	€ m	€ m	€ m	%
Revenues				
Revenues	682.8	670.5	12.3	1.8
Other income	101.8	99.0	2.8	2.8
Total	784.6	769.5	15.1	2.0
Expenses				
Materials and consumables used	206.7	206.5	0.2	0.1
Employee benefits expense	466.0	452.3	13.7	3.0
Other expenses	65.5	75.2	-9.7	-12.9
Result from value increase of financial assets	-0.1	0.0	-0.1	N.A.
Total	738.1	734.0	4.1	0.6
EBITDA	46.5	35.5	11.0	31.0
Depreciation/amortisation and impairment	35.2	34.1	1.1	3.2
EBIT	11.3	1.4	9.9	100.0
Finance result	-0.7	-3.4	2.7	79.4
EBT	10.6	-2.0	12.6	100.0
Income taxes	2.0	1.7	0.3	17.6
Consolidated result	8.6	-3.7	12.3	100.0

Compared with the same period last year, revenues witnessed a rise of € 12.3 million or 1.8%. The revenues of the first six months of financial year 2021 include a net amount of € 32.1 million (previous year: € 50.8 million) in relief payments of the legislature, netted with the counter-effect of revenue-offsetting obligations, in connection with the COVID-19 pandemic. The reimbursements are essentially attributable to compensation amounts for beds 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 applied cost reimbursements for cancer immunotherapies that negatively impact the materials and consumables used item by the same amount.

The rise in other income by € 2.8 million or 2.8% is essentially attributable to the higher income from ancillary and incidental activities resulting among other things from higher sales of drugs and cytostatics. Moreover, reimbursements from the legislature in connection with the COVID-19 pandemic are included in the amount of € 0.8 million (previous year: € 0.8 million).

January to June	2021 %	2020 %
Materials ratio	30.3	30.8
Personnel ratio	68.2	67.4
Other cost ratio	9.6	11.2
Depreciation and amortisation ratio	5.1	5.1
Finance result ratio	-0.1	-0.5
Effective tax ratio	0.3	0.3

Compared with the same period last year, the increase in materials and consumables witnessed only a slight increase in the first six months of 2021, disproportionately moderate to the rise in revenues, by € 0.2 million or 0.1%. The materials ratio declined from 30.8% to 30.3%. Materials and consumables used moreover includes expenditures for the medicamentous treatment of spinal muscle atrophy, multiple sclerosis and 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 is unchanged at 29.0% as in the previous year.

The rise in the employee benefits expense compared with the same period of the previous year is essentially attributable to general wage increases. The personnel expense ratio rose from 67.4% to 68.2%.

The other expense ratio declined from 11.2% to 9.6%.

The positive result from the increase in the value of financial assets results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets.

The depreciation and impairment item rose compared with the same period of the previous year by € 1.1 million or 3.2% to € 35.2 million. The depreciation/amortisation ratio is constant at 5.1%.

In the first six months of financial year 2021, the negative finance result decreased by € 2.7 million to € 0.7 million. This improvement is essentially attributable to the breakage (prepayment) costs recognised in the same period of the previous year. Moreover, the result from the impairment on financial assets within the meaning of IFRS 9 was improved on the basis of a declining risk of default.

The income tax expense item rose by € 0.3 million compared with the same period last year. The rise is the result of a higher tax assessment basis with an unchanged rate of taxation.

Compared with the first six months of financial year 2020, our consolidated profit increased from -€ 3.7 million by € 12.3 million to +€ 8.6 million.

Compared with the same period last year, non-controlling interests in profit were nearly unchanged at € 0.6 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first six months of 2021 rose by € 12.3 million to +€ 8.1 million (previous year: -€ 4.2 million) compared with

the same period last year. The interest in profit of the shareholders translates into earnings per share of +€ 0.12 (previous year: -€ 0.06) in accordance with IAS 33 (undiluted/diluted).

The total result (sum of consolidated profit and other earnings) stood at +€ 12.8 million (previous year: -€ 0.7 million) in the first six months of financial year 2021.

Net assets and financial position

	30 June 2021		31 Dec. 2020	
	€ m	%	€ m	%
ASSETS				
Non-current assets	1,064.5	64.6	1,063.2	65.2
Current assets	583.8	35.4	566.5	34.8
	1,648.3	100.0	1,629.7	100.0
LIABILITIES				
Equity	1,203.0	73.0	1,190.2	73.0
Long-term loan capital	165.2	10.0	166.1	10.2
Short-term loan capital	280.1	17.0	273.4	16.8
	1,648.3	100.0	1,629.7	100.0

Compared with the balance sheet date of 31 December 2020, the balance sheet total rose by € 18.6 million or 1.1% to € 1,648.3 million (31 December 2020: € 1,629.7 million).

The equity capital ratio is unchanged compared with the last reporting date at 73.0% and remains at a very high level.

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

Equity	2021			2020
	Shareholders € m	Non-controlling interests € m	Total € m	Total € m
As at 1 January	1,165.3	24.9	1,190.2	1,185.8
Equity transactions with owners	-	-	-	-
Total comprehensive income of the period	12.2	0.6	12.8	-0.7
Other changes	-	-	-	-
As at 30 June	1,177.5	25.5	1,203.0	1,185.1

As at 30 June 2021, equity stands at € 1,203.0 million (31 December 2020: € 1,190.2 million). The increase in equity capital compared with the reporting date of 31 December 2020 by € 12.8 million results from the positive

consolidated result for the first half of 2021 (€ 8.6 million) and from gains from the change in fair value of investments through other comprehensive income (FVOCI) (€ 4.2 million).

128.5% (31 December 2020: 127.6%) of non-current assets is nominally covered by equity and non-current liabilities at matching maturities. As at 30 June 2021, we report net liquidity of € 136.6 million (31 December 2020: € 96.8 million). Our net liquidity is calculated as follows:

	30 June 2021		31 Dec. 2020	
	€ m		€ m	
Current cash	181.0		91.0	
Current fixed term deposits	116.6		166.4	
Non-current fixed term deposits	0.0		0.0	
Cash, fixed term deposits	297.6		257.4	
Current financial liabilities	2.3		0.9	
Non-current financial liabilities	148.5		148.5	
Liabilities under leases	10.2		11.2	
Financial liabilities	161.0		160.6	
Net liquidity	136.6		96.8	

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

January to June	2021 € m	2020 € m
Cash generated from operating activities	73.1	69.7
Cash generated from/cash used in investing activities	18.7	-73.1
Cash used in financing activities	-1.8	-1.7
Change in cash and cash equivalents	90.0	-5.1
Cash and cash equivalents at 1 January	91.0	128.0
Cash and cash equivalents at 30 June	181.0	122.9

Compared with the balance sheet date of 31 December 2020, cash and cash equivalents increased in the first six months of 2021 by € 90.0 million (versus a decrease in the first six months of 2020 by € 5.1 million). This includes an operating cash flow generated in the amount of € 73.1 million (previous year: € 69.7 million).

Investments

Aggregate investments of € 39.6 million (previous year: € 43.0 million) in the first six months of financial year 2021 are shown in the following table:

	Use of		Total € m
	Gov't grants € m	Own funds € m	
Current investments	6.0	33.5	39.5
Takeovers	-	0.1	0.1
Total	6.0	33.6	39.6

Of these investments made in the first six months of 2021, € 6.0 million (previous year: € 9.1 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
Bad Neustadt a. d. Saale	14.7
Gießen, Marburg	13.9
Frankfurt (Oder)	3.9
Bad Berka	1.1
Total	33.6

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 June 2021, these investment obligations had not yet been fulfilled in full. 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.

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

Employees

Employees	30 June 2021	31 Dec. 2020	Change	
			absolute	%
Hospitals	16,179	16,486	-307	-1.9
Medical care centres	336	321	15	4.7
Service companies	1,678	1,642	36	2.2
Total	18,193	18,449	-256	-1.4

On 30 June 2021, the Group of RHÖN-KLINIKUM AG employed 18,193 persons (31 December 2020: 18,449).

BUSINESS PERFORMANCE OF THE SECOND QUARTER

April through June	2021	2020	Change	
	€ m	€ m	€ m	%
Revenues	346.9	337.9	9.0	2.7
EBITDA	27.0	21.7	5.3	24.4
EBIT	9.5	4.4	5.1	> 100.0
EBT	9.3	2.0	7.3	> 100.0
Consolidated result	7.4	0.7	6.7	> 100.0

Compared with the same period last year we report, based on € 9.0 million higher revenues, a rise in EBITDA to € 27.0 million, a rise in EBIT by € 5.1 million as well as a rise in consolidated profit by € 6.7 million to € 7.4 million in the second quarter of 2021.

Compared with the same period last year, the increase in service volumes in the second quarter of 2021 compares with declining earnings in connection with COVID-19 legislation.

SEPARATE ACCOUNTING

The agreement between RHÖN-KLINIKUM AG, Universitätsklinikum Gießen und Marburg GmbH (UKGM), the Federal State of Hesse and the two Universities of Gießen and Marburg expires at the end of 2022. The agreement, which was entered into between the contractual parties in 2017 and was passed by the Hesse State Parliament in February 2018, governs the funding of the research and

teaching services provided by UKGM. At the same time, a comprehensive investment package was launched for both university hospitals. Currently, exploratory talks are under way between the contractual parties on the possibility of continuing the arrangement permanently and on its future terms and conditions.

RISKS AND OPPORTUNITIES

The risk management system in place as well as the individual Company risks and opportunities are described in the Annual Report 2020 on pages 66 to 71. 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 currently possible to make a sufficiently reliable final assessment of the impact on our core business for 2021. We do not see any risks posing a threat to the Company's existence, neither for the individual subsidiaries nor for the Group.

Bad Neustadt a. d. Saale, 5 August 2021

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Dr. Christian Höftberger

Dr. Stefan Stranz

Dr. Gunther K. Weiß

FORECAST

For the current financial year 2021, 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.

This forecast reflects the further heightened regulatory interference by the German legislator, such as the Regulation on Nursing Staff Floors (Pflegepersonaluntergrenzenverordnung, PpUGV) and the Nursing Staff Strengthening Act (Pflegepersonalstärkungsgesetz, PpSG).

We point out that our outlook continues to be subject to considerable uncertainties in connection with the further course of the COVID-19 pandemic and any regulatory measures impacting our remuneration structure in 2021.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT

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Consolidated Income Statement and Consolidated Statement of Comprehensive Income, January to June 2021

January to June	2021		2020	
	€ '000	%	€ '000	%
Revenues	682,804	100.0	670,539	100.0
Other income	101,815	14.9	98,964	14.8
	784,619	114.9	769,503	114.8
Materials and consumables used	206,744	30.3	206,539	30.8
Employee benefits expense	466,024	68.2	452,266	67.4
Other expenses	65,465	9.6	75,204	11.2
Result of value increase of financial assets	-103	0.0	-16	0.0
	738,130	108.1	733,993	109.5
Interim result (EBITDA)	46,489	6.8	35,510	5.3
Depreciation/amortisation and impairment	35,157	5.1	34,140	5.1
Operating result (EBIT)	11,332	1.7	1,370	0.2
Result of investments accounted for using the equity method	5	0.0	48	0.0
Finance income	389	0.1	117	0.0
Finance expenses	-1,386	-0.2	-3,085	-0.5
Result of value increase of financial investments (previous year: impairment)	276	0.0	-462	0.0
Finance result (net)	-716	-0.1	-3,382	-0.5
Earnings before taxes (EBT)	10,616	1.6	-2,012	-0.3
Income taxes	1,982	0.3	1,691	0.3
Consolidated result	8,634	1.3	-3,703	-0.6
of which				
non-controlling interests	574	0.1	526	0.0
shareholders of RHÖN-KLINIKUM AG	8,060	1.2	-4,229	-0.6
Earnings per share in €				
undiluted	0.12		-0.06	
diluted	0.12		-0.06	

January to June	2021	2020
	€ '000	€ '000
Consolidated result	8,634	-3,703
of which		
non-controlling interests	574	526
shareholders of RHÖN-KLINIKUM AG	8,060	-4,229
Changes in fair value through other comprehensive income (FVOCI)	4,916	3,367
Income taxes	-778	-533
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	4,138	2,834
Revaluation of defined benefit pension plans	16	235
Income taxes	-3	-37
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	13	198
Other comprehensive income¹	4,151	3,032
of which		
non-controlling interests	-	-
shareholders of RHÖN-KLINIKUM AG	4,151	3,032
Total comprehensive income	12,785	-671
of which		
non-controlling interests	574	526
shareholders of RHÖN-KLINIKUM AG	12,211	-1,197

¹ Sum of value changes recognised at equity.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, April to June 2021

April through June	2021		2020	
	€ '000	%	€ '000	%
Revenues	346,895	100.0	337,926	100.0
Other income	50,814	14.6	48,799	14.4
	397,709	114.6	386,725	114.4
Materials and consumables used	104,305	30.1	101,051	29.9
Employee benefits expense	233,775	67.4	228,609	67.6
Other expenses	32,807	9.4	35,878	10.6
Result of value increase of financial assets	-161	-0.1	-467	-0.1
	370,726	106.8	365,071	108.0
Interim result (EBITDA)	26,983	7.8	21,654	6.4
Depreciation/amortisation and impairment	17,532	5.1	17,239	5.1
Operating result (EBIT)	9,451	2.7	4,415	1.3
Result of investments accounted for using the equity method	-7	0.0	23	0.0
Finance income	346	0.1	45	0.0
Finance expenses	-779	-0.2	-2,250	-0.7
Result of value increase of financial investments (previous year: impairment)	251	0.1	-260	-0.1
Finance result (net)	-189	0.0	-2,442	-0.7
Earnings before taxes (EBT)	9,262	2.7	1,973	0.6
Income taxes	1,878	0.6	1,303	0.4
Consolidated result	7,384	2.1	670	0.2
of which				
non-controlling interests	440	0.1	452	0.1
shareholders of RHÖN-KLINIKUM AG	6,944	2.0	218	0.1
Earnings per share in €				
undiluted	0.10		0.00	
diluted	0.10		0.00	

April through June	2021		2020	
	€ '000		€ '000	
Consolidated result	7,384		670	
of which				
non-controlling interests	440		452	
shareholders of RHÖN-KLINIKUM AG	6,944		218	
Changes in fair value through other comprehensive income (FVOCI)	4,043		3,274	
Income taxes	-640		-518	
Other comprehensive income (changes in fair value through other comprehensive income) not subsequently reclassified to income statement	3,403		2,756	
Revaluation of defined benefit pension plans	12		221	
Income taxes	-2		-35	
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	10		186	
Other comprehensive income¹	3,413		2,942	
of which				
non-controlling interests	-		-	
shareholders of RHÖN-KLINIKUM AG	3,413		2,942	
Total comprehensive income	10,797		3,612	
of which				
non-controlling interests	440		452	
shareholders of RHÖN-KLINIKUM AG	10,357		3,160	

¹ Sum of value changes recognised at equity.

Consolidated Balance Sheet as at 30 June 2021

	30 June 2021		31 Dec. 2020	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	182,296	11.1	181,627	11.1
Property, plant and equipment	862,703	52.3	865,554	53.1
Investment property	1,751	0.1	2,208	0.1
Investments accounted for using the equity method	353	0.0	394	0.0
Deferred tax assets	501	0.1	1,472	0.1
Other financial assets	16,897	1.0	11,981	0.8
	1,064,501	64.6	1,063,236	65.2
Current assets				
Inventories	32,838	2.0	35,239	2.2
Trade receivables	184,965	11.2	193,900	11.9
Other financial assets	164,998	10.0	231,232	14.2
Other assets	17,527	1.1	11,968	0.7
Current income tax assets	2,496	0.1	3,140	0.2
Cash and cash equivalents	181,001	11.0	90,955	5.6
	583,825	35.4	566,434	34.8
	1,648,326	100.0	1,629,670	100.0
EQUITY AND LIABILITIES				
Equity				
Issued share capital	167,406	10.2	167,406	10.3
Capital reserve	574,168	34.8	574,168	35.2
Other reserves	436,042	26.5	423,831	26.0
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,177,540	71.5	1,165,329	71.5
Non-controlling interests in equity	25,466	1.5	24,892	1.5
	1,203,006	73.0	1,190,221	73.0
Non-current liabilities				
Financial liabilities	148,511	9.0	148,460	9.1
Provisions for post-employment benefits	1,253	0.1	1,114	0.1
Other financial liabilities	15,462	0.9	16,498	1.0
	165,226	10.0	166,072	10.2
Current liabilities				
Financial liabilities	2,325	0.2	943	0.1
Trade payables	78,551	4.8	80,707	4.9
Current income tax liabilities	10,703	0.6	11,388	0.7
Other provisions	29,176	1.8	32,393	2.0
Other financial liabilities	12,441	0.7	14,922	0.9
Other liabilities	146,898	8.9	133,024	8.2
	280,094	17.0	273,377	16.8
	1,648,326	100.0	1,629,670	100.0

Consolidated Statement of Changes in Equity, January to June 2021

	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. 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	-	-	-	-	-	-	-
Consolidated result	-	-	-4,229	-	-4,229	526	-3,703
Other comprehensive income	-	-	3,032	-	3,032	-	3,032
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
As at 30 June 2020	167,406	574,168	418,809	-76	1,160,307	24,831	1,185,138
As at 31 Dec. 2020/1 Jan. 2021	167,406	574,168	423,831	-76	1,165,329	24,892	1,190,221
Equity transactions with owners							
Dividend payments	-	-	-	-	-	-	-
Consolidated result	-	-	8,060	-	8,060	574	8,634
Other comprehensive income	-	-	4,151	-	4,151	-	4,151
Other changes							
Changes in consolidated companies	-	-	-	-	-	-	-
As at 30 June 2021	167,406	574,168	436,042	-76	1,177,540	25,466	1,203,006

¹ Including other comprehensive income (OCI).

Consolidated Statement of Cash Flows, January to June 2021

January to June	2021	2020
	€ m	€ m
Earnings before taxes	10.6	-2.0
Finance result (net)	0.7	3.4
Depreciation/amortisation and impairment and gains/losses on disposal of assets	35.1	34.1
	46.4	35.5
Change in net current assets		
Change in inventories	2.4	-4.6
Change in trade receivables	8.9	51.7
Change in other financial assets and other assets	11.0	-13.6
Change in trade payables	-1.7	5.3
Change in other net liabilities/other non-cash transactions	11.4	8.6
Change in provisions	-3.1	-7.0
Income taxes paid	-1.8	-6.0
Interest paid	-0.4	-0.2
Cash generated from operating activities	73.1	69.7
Investments in property, plant and equipment and in intangible assets	-38.7	-42.0
Government grants received to finance investments in property, plant and equipment and in intangible assets	6.0	9.1
Change in investments in fixed term deposits	50.0	-40.0
Investments in financial assets	0.1	0.1
Company acquisitions, net of cash acquired	-0.1	-0.8
Sale proceeds from disposal of assets	1.1	0.4
Interest received	0.3	0.1
Cash generated from/used in investing activities	18.7	-73.1
Payments for leases	-1.8	-1.7
Cash used in financing activities	-1.8	-1.7
Change in cash and cash equivalents	90.0	-5.1
Cash and cash equivalents as at 1 January	91.0	128.0
Cash and cash equivalents as at 30 June	181.0	122.9

Condensed Notes

GENERAL INFORMATION

RHÖN-KLINIKUM AG and its subsidiaries build, acquire and operate primarily acute-care hospitals of all categories, with the focus being on cutting-edge medicine oriented towards maximum care with a direct tie-in to universities and research facilities. At some 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. 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 RHÖN-KLINIKUM Group (smallest consolidation group) is indirectly included by way of full consolidation through AMR Holding GmbH, Königstein im Taunus, in the group financial statements of Broermann Holding GmbH, Königstein im Taunus (largest consolidation group). Furthermore, the RHÖN-KLINIKUM Group is included in the subgroup financial statements of Asklepios Kliniken GmbH & Co. KGaA, Hamburg.

The Interim Consolidated Financial Statements will be published on 5 August 2021 on the website of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 30 June 2021 have been prepared in accordance with the rules of IAS 34 in condensed form applying Section 315e of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, the provisions of the German accounting standard DRS 16 were observed in the preparation of this Group Interim Report of the Management.

The same accounting policies as already adopted by the European Union were applied in the Interim Consolidated Financial Statements as in the Consolidated Financial Statements for the financial year ending on 31 December 2020. In the first six months of 2021 there were no Standards and Interpretations exceeding such scope to be applied as of 1 January 2021 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-Krankenhausentlastungsgesetz). In this context we reported income amounting to € 32.1 million (previous year: € 50.8 million) within the scope of our revenues in the first half of 2021. The reimbursements primarily relate to lump-sum payments for beds kept available. Furthermore, additional cost reimbursements of € 0.8 million (previous year: € 0.8 million) were reported under other income.

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. 2020	Additions	Disposals	30 June 2021
Fully consolidated subsidiaries	26	-	-	26
Companies consolidated using the equity method	1	-	-	1
Other subsidiaries	9	-	-	9
Consolidated companies	36	-	-	36

In the first half of 2021, there were no changes in scope of consolidation.

Company acquisitions

During the first half of financial year 2021, one physician's practices was acquired against consideration whose conditions of validity as per agreement in each case were satisfied during the reporting period of 2021:

Purchase of physician's practices, January to June 2021	Fair value post acquisition € m
Acquired assets and liabilities	
Property, plant and equipment	0.0
Other liabilities	0.0
Net assets acquired	0.0
+ Goodwill	0.1
Cost	0.1
./. Purchase price payments outstanding	0.0
./. Acquired cash and cash equivalents	0.0
Cash outflow on transaction	0.1

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

Furthermore, 0.50 physician's practices were transferred during the reporting period from the physician's association to the MVZ subsidiary in Frankfurt (Oder) without consideration. 2.0 physician's practices were returned to the physician's association.

In financial year 2021, 1.75 further clinical physician's practices were acquired whose conditions of validity as per agreement will be satisfied only in the second half of 2021.

Purchase of physician's practices valid as at 1 July 2021	Fair value post acquisition € m
Acquired assets and liabilities	
Property, plant and equipment	0.0
Other liabilities	0.0
Net assets acquired	0.0
+ Goodwill	0.3
Cost	0.3
./. Purchase price payments outstanding	-0.3
./. Acquired cash and cash equivalents	0.0
Cash outflow on transaction	0.0

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

Revenues

January to June	2021 € m	2020 € m
Fields		
Acute hospitals	657.7	650.7
Medical care centres	12.1	8.4
Rehabilitation hospitals	13.0	11.4
	682.8	670.5
Federal states		
Bavaria	141.2	135.1
Thuringia	90.0	90.6
Brandenburg	79.5	78.4
Hesse	372.1	366.4
	682.8	670.5

According to IFRS 15, revenues constitute revenues generated from the provision of services. Revenues of the first six months of financial year 2021 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 negatively impact the materials and consumables used item by the same amount.

The revenues of the first six months of financial year 2021 moreover include an amount of € 32.1 million (previous year: € 50.8 million) in relief payments of the legislature in connection with the COVID-19 pandemic, netted with the counter-effect of revenue offsetting obligations. The reimbursements are essentially attributable to relief amounts for beds kept available.

Other income

January to June	2021	2020
	€ m	€ m
Income from services rendered	86.8	84.5
Income from grants and other allowances	10.6	8.2
Income from indemnification payments/Other reimbursements	0.6	1.2
Other	3.8	5.1
	101.8	99.0

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 rise in other income is essentially attributable to the higher income from ancillary and incidental activities resulting among other things from higher sales of drugs and cytostatics.

Income from government grants and other allowances moreover includes € 0.8 million (previous year: € 0.8 million) of reimbursements from legislation for catering and quarantine costs relating to the COVID-19 pandemic.

Materials and consumables used

Compared with the same period last year, the cost-of-materials ratio increased only slightly in the first six months of 2021. Materials and consumables used moreover includes expenditures for the medicamentous treatment of spinal muscle atrophy, multiple sclerosis and 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

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

Other expenses

January to June	2021	2020
	€ m	€ m
Maintenance	26.8	28.2
Charges, subscriptions and consulting fees	19.5	24.5
Insurance	5.2	6.8
Administrative and IT costs	4.6	5.2
Other personnel and continuing training costs	2.1	2.3
Rents and leaseholds	1.9	2.0
Travelling, entertaining and representation expenses	0.4	0.8
Secondary taxes	0.1	0.1
Other	4.9	5.3
	65.5	75.2

Result from increase in value of financial assets

The positive result from the increase in the value of financial assets results from the adoption of IFRS 9, which among other things governs the future expected losses of financial assets. The increase in the positive result is attributable to declining receivables owed from payers due to the COVID-19 pandemic.

Depreciation and impairment

The depreciation and impairment item rose compared with the first half of the previous year by € 1.1 million or 3.2% to € 35.2 million.

Finance result (net)

In the first six months of financial year 2021, the negative finance result fell by € 2.7 million to € 0.7 million. This was attributable above all to breakage (prepayment) costs for our promissory note recognised in the previous year. Moreover, the result from the impairment on financial assets within the meaning of IFRS 9 improved as a result of a declining risk of default.

Income taxes

January to June	2021	2020
	€ m	€ m
Current income taxes	1.8	2.2
Deferred taxes	0.2	-0.5
	2.0	1.7

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

SELECTED NOTES TO THE CONSOLIDATED BALANCE SHEET

Goodwill and other intangible assets

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2021	164.8	55.2	220.0
Additions due to changes in consolidated companies	0.1	0.0	0.1
Additions	0.0	3.0	3.0
Disposals	0.0	0.5	0.5
Transfers	0.0	0.1	0.1
30 June 2021	164.9	57.8	222.7
Cumulative depreciation and impairment			
1 January 2021	0.0	38.4	38.4
Depreciation	0.0	2.5	2.5
Disposals	0.0	0.5	0.5
Transfers	0.0	0.0	0.0
30 June 2021	0.0	40.4	40.4
Balance sheet value as at 30 June 2021	164.9	17.4	182.3
Cost			
1 January 2020	164.2	48.5	212.7
Additions due to changes in consolidated companies	0.7	0.0	0.7
Additions	0.0	2.5	2.5
Disposals	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
30 June 2020	164.9	51.0	215.9
Cumulative depreciation and impairment			
1 January 2020	0.0	34.6	34.6
Depreciation	0.0	1.9	1.9
Disposals	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
30 June 2020	0.0	36.5	36.5
Balance sheet value as at 30 June 2020	164.9	14.5	179.4

Property, plant and equipment

	Land and buildings € m	Technical plant and equipment € m	Operating and office equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2021	1,175.7	58.8	381.1	75.2	1,690.8
Additions due to changes in consolidated	0.0	0.0	0.0	0.0	0.0
Additions	3.2	0.3	7.4	19.6	30.5
Disposals	1.5	0.1	7.5	0.0	9.1
Transfers	6.6	0.8	1.7	-9.2	-0.1
30 June 2021	1,184.0	59.8	382.7	85.6	1,712.1
Cumulative depreciation and impairment					
1 January 2021	506.6	42.8	275.8	0.0	825.2
Depreciation	15.5	1.6	15.1	0.0	32.2
Disposals	0.5	0.1	7.4	0.0	8.0
Transfers	0.0	0.0	0.0	0.0	0.0
30 June 2021	521.6	44.3	283.5	0.0	849.4
Balance sheet value as at 30 June 2021	662.4	15.5	99.2	85.6	862.7

	Land and buildings € m	Technical plant and equipment € m	Operating and office equipment € m	Plant under construction € m	Total € m
Cost					
1 January 2020	1,167.9	57.9	368.8	34.2	1,628.8
Additions due to changes in consolidated	0.0	0.0	0.3	0.0	0.3
Additions	2.1	0.2	10.7	17.4	30.4
Disposals	0.3	0.0	7.1	0.0	7.4
Transfers	0.7	0.4	0.4	-1.5	0.0
30 June 2020	1,170.4	58.5	373.1	50.1	1,652.1
Cumulative depreciation and impairment					
1 January 2020	476.0	39.1	255.5	0.0	770.6
Depreciation	15.3	1.9	14.9	0.0	32.1
Disposals	0.0	0.0	6.9	0.0	6.9
Transfers	0.0	0.0	0.0	0.0	0.0
30 June 2020	491.3	41.0	263.5	0.0	795.8
Balance sheet value as at 30 June 2020	679.1	17.5	109.6	50.1	856.3

In the first half of 2021, borrowing costs of € 0.6 million (previous year: € 0.2 million) were related to financing the acquisition or production of qualifying assets and are recognised in additions to property, plant and equipment. Furthermore, the additions include recognised rights of use pursuant to IFRS 16 in the amount of € 0.8 million (previous year: € 0.8 million) as well as depreciations on capitalised rights of use in the amount of € 1.7 million (previous year: € 1.7 million). Rights of use account for € 10.0 million (previous year: € 11.9 million) of the balance sheet value as at 30 June 2021.

Other financial assets (non-current)

Equity interests in the amount of € 16.9 million (31 December 2020: € 12.0 million) are reported under this item. The equity investments are the interests in the companies Inovytec Medical Solutions Ltd., Hod Hasharon (Israel), Telesofia Medical Ltd., Tel Aviv (Israel), CLEW Medical Inc., Delaware (USA) and Tiplu GmbH, Hamburg. The increase is the result of adjustments in market value.

Other financial assets (current)

Fixed deposit investments were made in the amount of € 116.6 million (31 December 2020: € 166.4 million) with a remaining term of < 1 year. In addition, receivables according to hospital financing law are reported under this item in the amount of € 41.4 million (31 December 2020: € 56.0 million).

Equity

The increase in equity capital compared with the reporting date of 31 December 2020 by € 12.8 million results from consolidated profit for the first half of 2021 (€ 8.6 million) and from gains recognised under other comprehensive income (OCI) (€ 4.2 million). Other comprehensive income (OCI) is attributable to gains from the change in the fair value of investments (€ 4.2 million) which according to IFRS 9 are assigned to the category of fair value through other comprehensive income (FVOCI).

Financial liabilities

Compared with the end of the financial year at 31 December 2020, financial liabilities are unchanged. There is still a syndicated line of credit in the amount of € 88.0 million. As at 30 June 2021, the line of credit had not been utilised. The promissory note in the amount of € 90.0 million as well as the registered bond amounting to € 60.0 million likewise continue to exist.

Lease liabilities

An amount of € 7.1 million (31 December 2020: € 8.1 million) is reported under non-current other financial liabilities, and an amount for liabilities under leases of € 3.1 million (31 December 2020: € 3.1 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 June 2021	of which		31 Dec. 2020	of which	
			Financial Instruments		Financial Instruments		
		€ m	Carrying amount	Fair value	Carrying amount	Fair value	€ m
ASSETS							
Non-current assets							
Other financial assets		16.9	16.9	16.9	12.0	12.0	12.0
of which investments	Measured at fair value directly in equity (fair value through other comprehensive income; without recycling)	16.9	16.9	16.9	12.0	12.0	12.0
Current assets							
Trade receivables and other financial assets	Measured at amortised cost	350.0	350.0	350.0	425.1	425.1	425.1
Cash and cash equivalents	Measured at amortised cost	181.0	181.0	181.0	91.0	91.0	91.0
LIABILITIES							
Non-current liabilities							
Financial liabilities	Financial liabilities measured at amortised cost	148.5	148.5	164.2	148.5	148.5	172.3
Other financial liabilities		15.5	15.5	9.1	16.5	16.5	9.1
of which other financial liabilities	Financial liabilities measured at amortised cost	8.4	8.4	9.1	8.4	8.4	9.1
of which liabilities under leases	n. a.	7.1	7.1	-	8.1	8.1	-
Current liabilities							
Trade payables	Financial liabilities measured at amortised cost	78.6	78.6	78.6	80.7	80.7	80.7
Financial liabilities	Financial liabilities measured at amortised cost	2.3	2.3	2.3	0.9	0.9	0.9
Other financial liabilities		12.4	12.4	9.3	14.9	14.9	11.8
of which other financial liabilities	Financial liabilities measured at amortised cost	9.3	9.3	9.3	11.8	11.8	11.8
of which liabilities under leases	n. a.	3.1	3.1	-	3.1	3.1	-
Aggregated according to measurement categories, the above figures are as follows:							
	Financial assets measured at amortised cost		531.0	531.0		516.1	516.1
	Financial assets measured at fair value directly in equity (fair value through other comprehensive income; without recycling)		16.9	16.9		12.0	12.0
	Financial liabilities measured at amortised cost		247.1	263.5		250.3	274.8

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 € 16.9 million (31 December 2020: € 12.0 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 2020: <€ 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 € 4.1 million (previous year: € 2.8 million), which are recognised directly in equity under other comprehensive income (OCI).

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

In the first six months of financial year 2021, adjustments of the impairments on financial assets and financial investments within the meaning of IFRS 9 resulted in an improvement in earnings (after tax) in the total amount of € 0.3 million (previous year: negative effect on earnings of € 0.4 million).

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

	Level 1	Level 2	Level 3	Total	Total
	€ m	€ m	€ m	30 June 2021	31 Dec. 2020
	€ m	€ m	€ m	€ m	€ m
Other non-current financial assets (investments)	-	16.9	-	16.9	12.0
Trade receivables, other current financial assets	-	350.0	-	350.0	425.1
Non-current financial liabilities	-	164.2	-	164.2	172.3
Other non-current financial liabilities (including leasing)	-	16.2	-	16.2	17.2
Current trade liabilities	-	78.6	-	78.6	80.7
Current financial liabilities	-	2.3	-	2.3	0.9
Current other financial liabilities (including leasing)	-	12.4	-	12.4	14.9

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 2021 up to and including 30 June 2021, we received no notifications from shareholders that their voting interest exceeded or fell below the statutory reporting thresholds pursuant to section 33 ff. of the WpHG and that they thus at least temporarily held a voting interest of over 3% in the Company either directly or by way of attribution of such voting interest to them.

Based on the threshold events notified to us, the following picture pursuant to section 33 et seq. of the WpHG in terms of shareholder structure emerges as at the relevant key date of 30 June 2021:

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

The voting interests may have changed since 30 June 2021. With regard to notifications on changes that took place as of 1 July 2021, and for additional information on the underlying financial instruments, on attribution and on the holding structures of the respective voting rights, we refer to the publications on our website in the Investor Relations/Publications/IR News section.

As at 30 June 2021, the Company holds 24,000 treasury shares. This corresponds to 0.04% of the voting rights.

Corporate bodies

Prof. Dr. Gerhard Ehninger left the Supervisory Board of the Company as member of the Supervisory Board with effect from 15 January 2021. The Local Court of Schweinfurt, by Decision of 3 March 2021 issued on application by the Board of Management based on a corresponding proposal of the Supervisory Board, appointed Mr. Marco Walker as member of the Supervisory Board for the remaining term until conclusion of the Annual General Meeting on 9 June 2021. At the Virtual General Meeting on 9 June 2021, Mr. Marco Walker was elected to the Supervisory Board as representative of the shareholders.

The composition of the Board of Management has not changed since 31 December 2020. At its meeting on 24 March 2021, the Supervisory Board once again appointed Dr. Gunther K. Weiß to the Board of Management of the Company for the term of three years as of 1 January 2022.

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

The Declaration on Corporate Governance and the Declaration of Compliance pursuant to section 161 of the AktG jointly issued by the Board of Management and the Supervisory Board were updated and published on our website in financial year 2021. 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 2020.

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 2020.

The companies belonging to the group of related parties and the business transacted with these companies have not changed significantly in terms of the nature of the performance relationship and the amount of the pro rata temporis business volume as well as financial receivables and liabilities

compared with the Consolidated Financial Statements as at 31 December 2020. For the group subsidiaries of Asklepios Kliniken GmbH & Co. KGaA, we rendered services in the amount of € 0.8 million (previous year: € 0.4 million). During the same period, we purchased services in the amount of € 1.4 million (previous year: € 0.1 million). Services amounting to € 0.3 million (previous year: € 0.0 million) were rendered by Mr. Münch for the Group of RHÖN-KLINIKUM AG.

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

The contractual remuneration for the members of the Supervisory Board and of the Board of Management has remained unchanged compared with the reporting date of 31 December 2020. Giving due regard to the requirements of the new section 87a of the AktG in the version as amended by the Act Implementing the Second Shareholder Rights Directive (ARUG II), the Supervisory Board developed a scheme for remuneration of the members of the Board of Management and adopted the same in March 2021. This remuneration scheme was approved at the Annual General Meeting on 9 June 2021. The new remuneration scheme applies from 1 April 2021 for all new service contracts to be entered into with members of the Board of Management. 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 held an interest in the company RHÖN-Innovations GmbH founded in March 2016. The interests were tendered to RHÖN-KLINIKUM AG during the reporting period in accordance with the contractual provisions. 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 € 0.0 million (previous year: € 0.1 million).

During the period of 1 January to 30 June 2021, RHÖN-KLINIKUM AG received no notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014.

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

Employees

At the reporting date of 30 June 2021 the Group employed a total of 18,193 persons (31 December 2020: 18,449 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. This obligation was completely fulfilled as at the balance sheet date of 30 June 2021. Moreover, the following investments are to be performed: at the Marburg site, the modernisation of its clinic for psychiatry, the overhaul of the centralised operating theatre and IC units, as well as the new build of the clinic for paediatric and juvenile psychiatry are planned. At the Giessen site, the Paediatric Heart Centre will be expanded and an extension added on to the University Hospital. Our hospitals at the Giessen and Marburg sites continue to be committed to foregoing redundancies until the end of financial

year 2021 and to take over trainees into permanent employment if they possess the right qualifications for the respective positions.

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

Contingent liabilities

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

Earnings per share

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

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

	No. of shares on 30 June 2021	No. of shares on 30 June 2020
Non-par shares	66,962,470	66,962,470
Treasury non-par shares	-24,000	-24,000
Shares in issue	66,938,470	66,938,470

Earnings per share are calculated as follows:

Non-par shares	30 June 2021	30 June 2020
Share in consolidated result (€ '000)	8,060	-4,229
Weighted average number of shares outstanding, in thousands	66,938	66,938
Earnings per share in €	0.12	-0.06

Statement of Cash Flows

The liquidity shown in the statement of changes in financial position continues to include cash on hand, cheques as well as cash with banks. For the purposes of the statement of cash flows, bank overdrafts are deducted from cash and cash equivalents. As at 30 June 2021 there were no bank overdrafts.

The improvement in cash generated from operations from € 69.7 million to € 73.1 million is essentially the result of the higher earnings before tax as well as effects relating to revenue relief. A counter-effect to this was the smaller reduction in trade receivables compared with the same period of the previous year.

The increase in cash generated from investing activities to € 18.7 million essentially results from the repayment of the fixed deposit investments (same period of the previous year: money investment).

Cash used in finance activity of € 1.8 million results from payments relating to finance leases.

The other provisions include i.a. provisions for recovery risks. In the previous year as at 30 June 2020 these were stated under trade payables and adjusted for greater comprehension for the users of financial statements. In this connection, cash outflow in the first half of 2020 in the amount of

€ 6.5 million was reclassified in the cash flow statement from the item “Change in trade payables” to the item “Change in provisions”.

The cash flow statement included a total of € 14.5 million (previous year: € 8.8 million) in outstanding construction invoices as non-cash item.

Events after the balance-sheet date

No particularly significant events have occurred since 30 June 2021 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, 5 August 2021

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Dr. Christian Höftberger

Dr. Stefan Stranz

Dr. Gunther K. Weiß

RESPONSIBILITY STATEMENT

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

Bad Neustadt a. d. Saale, 5 August 2021

RHÖN-KLINIKUM Aktiengesellschaft
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Dr. Christian Höftberger

Dr. Stefan Stranz

Dr. Gunther K. Weiß

REVIEW REPORT

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

We have reviewed the consolidated condensed interim financial statements – comprising consolidated income statement and consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and condensed notes – together with the interim group management report of the RHÖN-KLINIKUM Aktiengesellschaft, for the period from 1 January to 30 June 2021, that are part of the semi annual financial report according to § 115 WpHG (“Wertpapierhandelsgesetz”: “German Securities Trading Act”). The preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the consolidated condensed interim financial statements and on the interim group management report based on our review.

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

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

Frankfurt am Main, 5 August 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

Huber-Straßer
Wirtschaftsprüferin
(German Public Auditor)

Schrum
Wirtschaftsprüfer
(German Public Auditor)

KEY FIGURES

KEY FIGURES JANUARY TO JUNE 2021/JANUARY TO JUNE 2020

Data in € m	Jan. - June 2021	Jan. - June 2020	Change in %
Revenues	682.8	670.5	1.8
EBITDA	46.5	35.5	31.0
EBITDA-ratio (%)	6.8	5.3	28.3
EBIT	11.3	1.4	707.1
EBIT-ratio (%)	1.7	0.2	750.0
EBT	10.6	-2.0	630.0
Consolidated result according to IFRS	8.6	-3.7	332.4
Equity according to IFRS	1,203.0	1,185.1	1.5
Equity-ratio in %	73.0	72.5	0.7
Earnings per ordinary share (in €) (undiluted/diluted)	0.12	-0.06	300.0
Number of employees (headcount)	18,193	18,131	0.3
Number of cases (patients treated)	414,489	394,558	5.1
Beds and places	5,312	5,304	0.2

KEY FIGURES APRIL TO JUNE 2021/APRIL TO JUNE 2020

Data in € m	April - June 2021	April - June 2020	Change in %
Revenues	346.9	337.9	2.7
EBITDA	27.0	21.7	24.4
EBITDA-ratio (%)	7.8	6.4	21.9
EBIT	9.5	4.4	115.9
EBIT-ratio (%)	2.7	1.3	107.7
EBT	9.3	2.0	365.0
Consolidated result according to IFRS	7.4	0.7	957.1
Equity according to IFRS	1,203.0	1,185.1	1.5
Equity-ratio in %	73.0	72.5	0.7
Earnings per ordinary share (in €) (undiluted/diluted)	0.10	0.00	N.A.
Number of employees (headcount)	18,193	18,131	0.3
Number of cases (patients treated)	212,749	182,770	16.4
Beds and places	5,312	5,304	0.2

<http://en.rhoen-klinikum-ag.com/investor-relations/publications/interim-reports>



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This Interim Report is also available in
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