ASKLEPIOS

VisioNear

Annual Report 2023

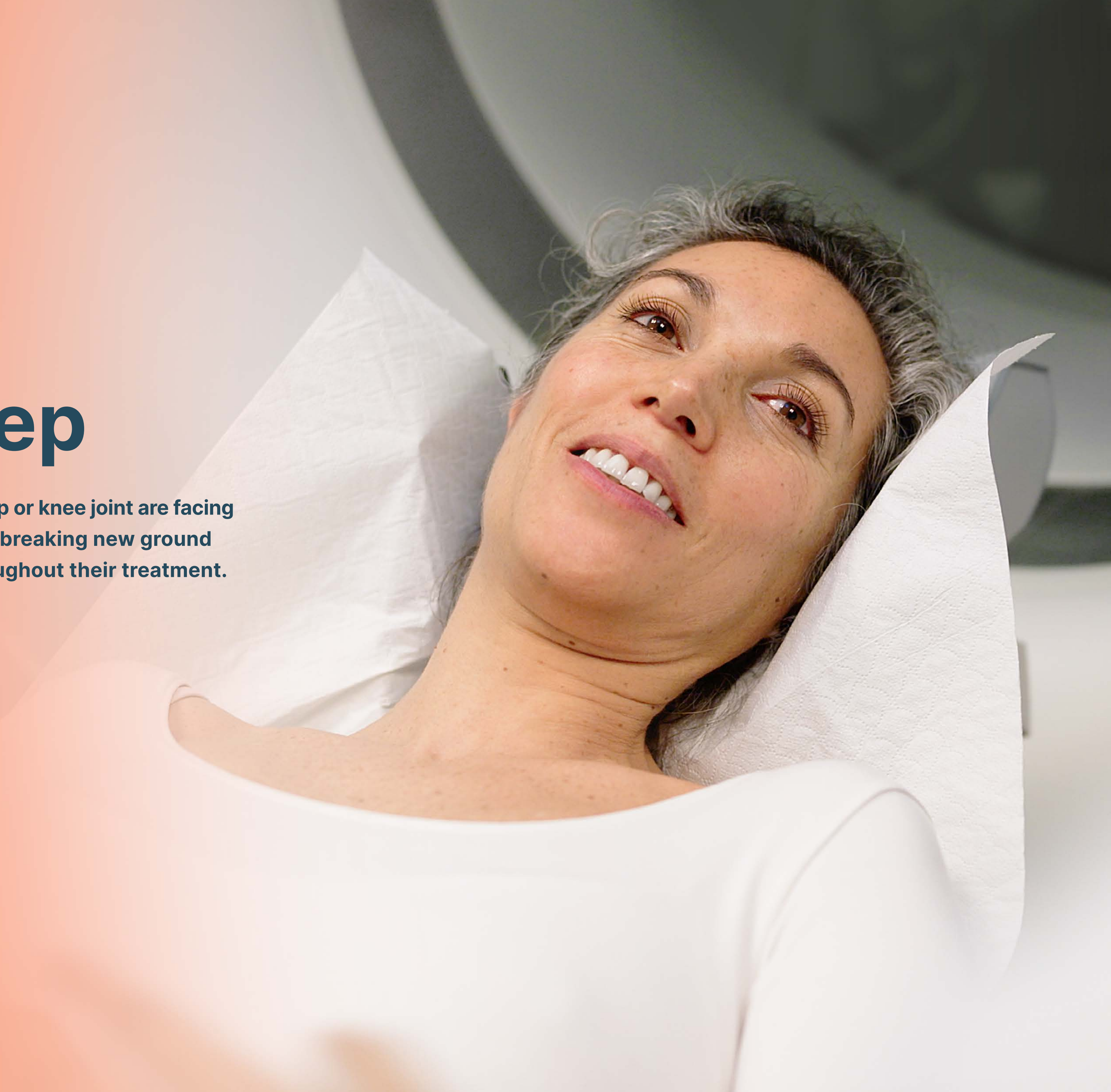
We are shaping the future of healthcare for our patients together with our employees. As "VisioNears", we are planning the digital structures of tomorrow today, which will enable new treatment concepts and research results. We are rethinking medicine.

VisioNear Stories

Help at every step

Patients who need an artificial hip or knee joint are facing a major operation. Asklepios is breaking new ground and is supporting patients throughout their treatment.

Read online →



VisioNear Stories

Care connects the world

What do Iran, the Philippines, Uzbekistan and Colombia have in common? Asklepios is looking for suitable nursing staff for its 164 healthcare facilities in these and many other countries.

Read online →

VisioNear Stories

Data – the cure of the future

Almost 40 years of experience result in a huge amount of medical data. In digitalised form, it becomes the perfect basis for medical research in the medical data warehouse.

Read online →

VisioNear Stories

Into the future together

Visionaries give their fellow human beings guidance in times of change. Get to know six VisioNears and discover their personal view of the future of healthcare.

Read online →

Asklepios
healthcare facilities

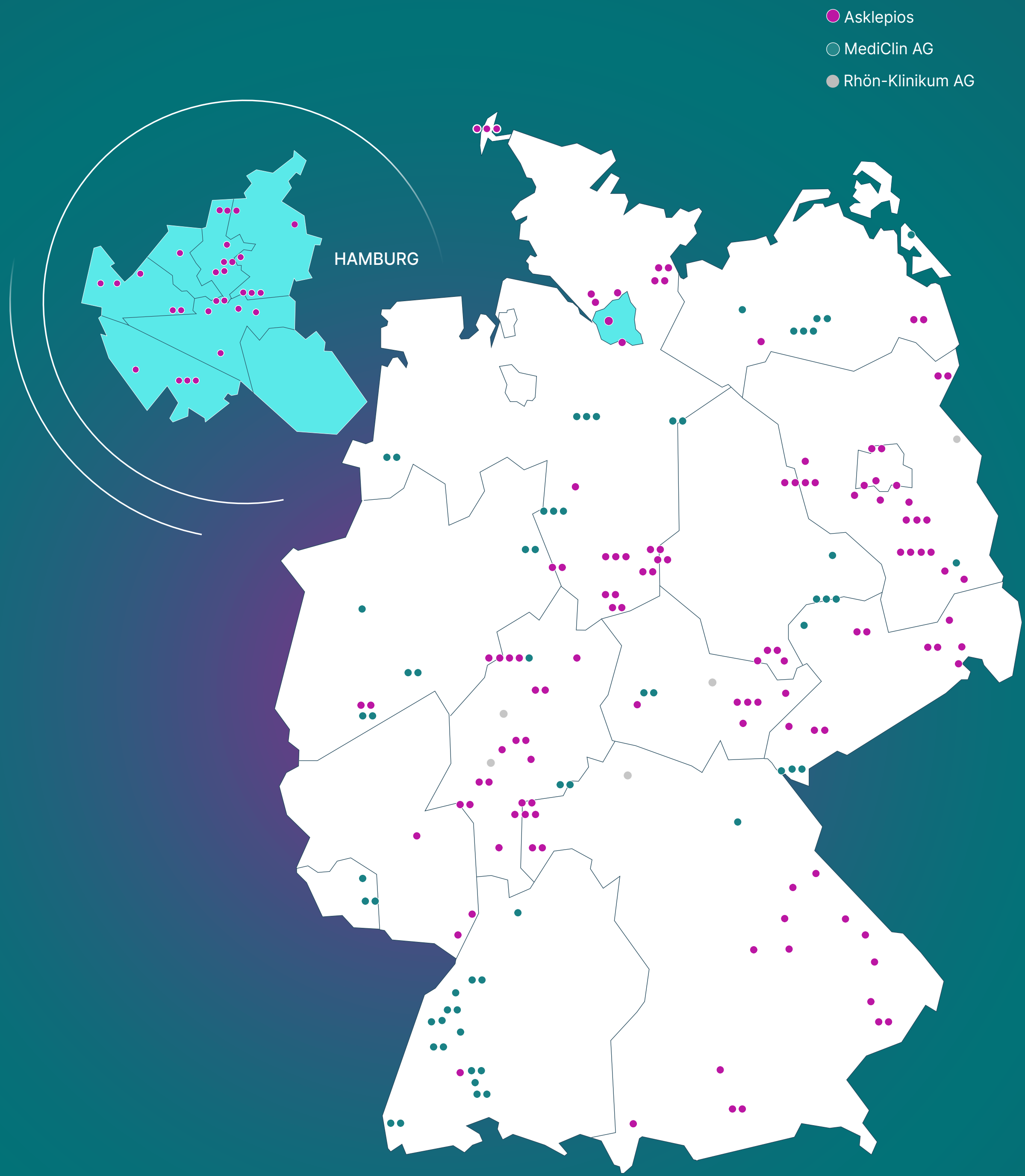
43
medical centres

74
acute care hospitals

47
rehabilitation clinics

164
in total

Find locations using the hospital finder



Group management report

Consolidated financial statement

Editorial by the Management Board

Ladies and gentlemen,

The past year has once again put our company, as well as the entire healthcare sector, to the test. We are living in times of crisis. The Russian war of aggression against Ukraine is still ongoing and the economic situation continues to be burdened by the significant rise in energy costs and persistently high inflation. All of this has also had a noticeable impact on German hospitals. At the same time, there is still a lack of the necessary and legally prescribed government investment to successfully overcome all of these challenges.

The German healthcare system is at an important turning point. Unfortunately, however, the politicians' current behaviour is not helping to set the course for stability and improvement. The timetable for implementing the hospital reform has not yet been finalised and leaves many questions regarding implementation unanswered. The main problems of underfunding, over-bureaucratisation and the shortage of specialists are not addressed by the hospital reform in its current form. There is a threat of structural change that puts the stability of the healthcare system at risk. In order to support those who are speaking out in this debate, we have championed the "krankenhausretten.de" hospital reform campaign of the Bundesverband Deutscher Privatkliniken (Federal Association of German Private Clinics). Everyone involved must come to the table and take on responsibility.

Despite these difficult framework conditions, Asklepios has once again demonstrated resilience and is on a solid financial footing. Last year, we benefited from our forward-looking actions and managed our business sustainably. As a result, we are flexible enough to respond to changing framework conditions and master even challenging times. In the 2023 financial year, Asklepios generated revenue of EUR 5,452.3 million and consolidated net income for the year of EUR 135.7 million. The Group's equity ratio was 29.4%.

»In a challenging environment, we are looking to the future with confidence and determination. We see the challenges ahead of us as an opportunity to drive Asklepios' growth forward with new impetus and innovative solutions. Our goal is the continuous improvement of quality.«

Marco Walker, CEO

Hafid Rifi, CFO
PD Dr. med. Sara Sheikhzadeh, CMO
Marco Walker, CEO
Joachim Gemmel, CEO

Almost 3.5 million patients placed their trust in us and visited our hospitals for treatment, 2.7 million of them on an outpatient basis. They were all able to rely on excellent, high-quality care from our 68,000 employees.

The positive development of our company would not be possible without the tireless commitment of our employees to the well-being of our patients. As the Management Board of Asklepios Kliniken, we would like to express our sincere thanks for this special commitment. With the title of "VisioNear" for this year's annual report, we would like to pay tribute to the daily work of our employees and show you, dear readers, what our colleagues do every day. Because they are all "VisioNears": close to our patients and committed to the modern healthcare of tomorrow.

Our aspiration is to always be easily accessible for our patients. Not just in the cities, but in rural regions too. To do this, we need qualified employees – no easy task in times of a shortage of skilled workers.

This is why we are continuing to pursue our strategy of recruiting qualified specialists from abroad in a targeted manner – a matter of course for us, with which we are consciously positioning ourselves against right-wing populist tendencies and thus relying on a diverse team. With our own integration concept and a success rate of around 95%, we are counteracting the shortage of skilled workers, particularly in the care sector. People from 36 nations now work in our facilities.

We always look ahead and, as VisioNears, we are leading the way in offering our patients first-class treatment along the medical supply chain. Among other things, we are committed to new ways of providing healthcare. Patients who need an artificial hip or knee joint are faced with a major operation, lengthy treatment and many uncertainties. To increase the chances of success, Asklepios is focusing on a new approach – and is at the patient's side throughout the entire treatment. By improving the quality of care and making more efficient use of resources, we ultimately also reduce treatment costs – a process that benefits everyone involved.

The targeted use of artificial intelligence (AI) promises further improvements for the care of our patients. We are convinced that AI will be an integral part of healthcare in the future. We are already implementing advanced concepts for modern, pioneering healthcare with our research and the use of AI. The driving force behind this pioneering work is our employees. They are enthusiastic about the future of healthcare, inspire those around them and make us as a company a pioneer of visionary healthcare.

The use of AI in conjunction with pseudonymised medical data promises enormous potential for medical research. Thanks to our almost 40 years of experience, Asklepios has a huge amount of medical data at its disposal. In digitised form, this data will soon form the basis for medical research in the Medical Data Warehouse and enable a completely new understanding of disease and therapy. The Medical Data Warehouse is therefore an important forward-looking project for Asklepios. Developed in-house by our employees, we can use the platform to link and evaluate data from various sources in order to detect diseases earlier and enable tailor-made therapies.

Our pursuit of medical excellence and the sustainable improvement of the healthcare system are our top priorities. We are committed to innovation and support medical research. In doing so, we remain true to the principles of our founder and former shareholder Bernard große Broermann and act with foresight, vision and a clear-cut strategy. The death of Dr große Broermann in February 2024 touched us deeply, but at the same time made it clear to us once again how much the strength of our company is based on his strong values and clearly defined vision. The network of efficient healthcare facilities he built up creates a reliability that enables us to provide our patients with comprehensive and safe care even in uncertain times. We are therefore cautiously optimistic about the new year as well and are determined to continue Bernard große Broermann's legacy.

»We not only want to keep Asklepios at the forefront of the healthcare system, but also to break new ground to further improve healthcare. We will implement this vision with a clearly defined strategy and fresh emphasis.«

Joachim Gemmel, CEO

Today, as in the future, we want our patients not only to get healthy, but above all to stay healthy. In our Annual Report for 2023, we show you how we are working to achieve this.

The Management Board of Asklepios Kliniken
Hamburg, April 2024

Joachim Gemmel, CEO

Marco Walker, CEO

Hafid Rifi, CFO

PD Dr. med. Sara Sheikhzadeh, CMO

Obituary: Dr Bernard große Broermann

Ladies and gentlemen,

We pay tribute to Bernard große Broermann, founder and shareholder of the Asklepios Group, who passed away on 25 February 2024 at the age of 80. As a visionary entrepreneurial personality, he not only built up one of the leading healthcare providers, but also played a key role in shaping the entire healthcare sector in Germany for decades.

Bernard große Broermann was born in Damme in what is now the federal state of Lower Saxony on 20 November 1943 and grew up on his parents' farm. Working in the family business soon saw him develop the entrepreneurial spirit that would accompany him throughout his entire life. After leaving school, he initially started to study medicine and chemistry before switching to and graduating in law and business administration and obtaining his doctorate of law at just 26 years of age. He subsequently obtained Masters of Business Administration from INSEAD in Fontainebleau (France) and Harvard in Boston (United States).

Bernard große Broermann began his career with the auditing and tax advisory firm Ernst & Whinney in Boston (now Ernst & Young) before moving to the company's Frankfurt office. During this period, he also qualified as a tax advisor and auditor and passed his second state examination in law.

The foundation of the Asklepios Group in 1985 was the first chapter in the success story of one of Germany's largest and best-known hospital groups. The establishment and development of the company – named after the god of medicine in Greek and Roman mythology – would prove to be Bernard große Broermann's life's work and his legacy. He began by taking over numerous public hospitals in need of renovation and restructuring, successfully repositioning them as businesses offering a high quality of care. In spite of his role as a visionary company founder, Bernard große Broermann was always happy to remain in the background. For many decades, he pursued his goal of continuously improving healthcare and prevention through quality, innovation and social responsibility with great passion and entrepreneurial foresight. As the Asklepios Group continued to grow, he placed particular importance on quality management – always with the aim of developing a system that takes full account of patient safety and the quality of medical care.

The acquisition of a majority interest in the former Hamburg state hospitals ("Landesbetrieb Krankenhäuser") in 2005 was a key event in the Asklepios Group's development. A majority interest in the listed MediClin AG followed in 2011. Finally, Asklepios acquired a majority interest in the listed Rhön-Klinikum AG in 2020, giving it an indirect interest in Germany's only privately operated university hospital in Gießen and Marburg. Thanks to Bernard große Broermann's business acumen and his tireless efforts, Asklepios now provides high-quality medical care and patient-oriented services at 164 healthcare facilities throughout Germany. Today, the company looks after around 3.5 million patients every year and has over 68,000 employees.

Bernard große Broermann's dedication to medicine and his business success were unprecedented. He understood how to combine modern management methods with humanitarian responsibility, allowing him to make lasting improvements to the quality and efficiency of healthcare in Germany. Continuously improving and enhancing medical care through innovation was his great passion. This is also reflected in the international "Broermann Innovation Prize for Medicine", which he established. This prize, which will be awarded annually in future and is endowed with EUR 1 million, is another important legacy of Bernard große Broermann. It underlines his continuous efforts to promote and recognise groundbreaking medical achievements. This mindset is also illustrated by the title of his autobiography, published in 2023, entitled "Leidenschaft für Gesundheit" (A Passion for Health).

Looking to the future of the company, Bernard große Broermann gradually handed over the operational management of the Asklepios hospitals to an experienced management team in order to increasingly dedicate himself to his role as shareholder. Bernard große Broermann ensured that the Asklepios Group will remain in family ownership after his own death, continuing to exist as a single entity with the ability to act and take decisions in its own right at all times. This was a matter of great importance to him and epitomises his understanding of entrepreneurial responsibility. All of the shareholdings have therefore been pooled in Broermann Holding GmbH, where a committee of family members and trusted individuals he knew for many years will protect the interests of the shareholders and ensure that Bernard große Broermann's vision is carried forward into the future.

We will remember Bernard große Broermann as a man who dedicated his life with great passion to making healthcare better. A devout Catholic, his work always reflected his Christian values and his commitment to the good of mankind. Bernard große Broermann was a pioneer of the private healthcare sector. His legacy will live on in the facilities he created and in the hearts of everyone who was fortunate enough to meet him and work with him.

Bernard große Broermann's death represents a great loss, but his spirit and his vision will live on through his achievements. We pay tribute to an outstanding individual and express our gratitude for everything he did for his company and for healthcare in Germany.

Letter from the Shareholder Committee

Ladies and gentlemen,

With great respect and in honourable memory of Bernard große Broermann, the founder and shareholder of the Asklepios Group, to whom we very sadly had to say farewell in February 2024, we are assuming the role of the Shareholder Committee. It is a special responsibility and at the same time an honour for us to assume this office in the spirit of Bernard große Broermann and to lead the Asklepios Group into the future in line with his vision.

The year 2023 once again brought major challenges. In times like these, we as a company have to take responsibility and take a stand – in our society, within our industry and especially regarding our employees and patients.

Amidst the uncertainties caused by geopolitical tensions, economic challenges and the planned hospital reform, Asklepios remains committed to offering stability and reliability. The well-being of our patients is always our top priority. The Asklepios Group is consistently committed to this. Instead of complex structures and bureaucracy, we are committed to reducing bureaucracy and promoting digitalisation and innovation in the healthcare sector. When we strive for efficiency, our aim is to give our employees more space for their important work with and for our patients.

The Asklepios Group is characterised by a culture of innovation and cooperation based on partnership, underpinned by the philosophy of a family business. As "VisioNears", we act with clearly defined values that Bernard große Broermann championed throughout his life: medical quality, innovation and social responsibility. Asklepios also stands for sustainable management, stability and strategic vision. With 164 healthcare facilities, a focus on outpatient medicine and the centres of excellence, the Asklepios Group is well positioned to meet the growing demand for high-quality healthcare.

The right specialists are crucial here. The entire healthcare system is suffering from a shortage of specialists. We at Asklepios are resolutely countering this. To this end, the Group provides targeted initial and ongoing training locally as well as recruiting and integrating specialists from abroad in a targeted manner. Only with a sufficient number of highly qualified employees are we able to improve our medical care on a long-term basis and in a sustainable manner.

We would like to express our deepest gratitude to the dedicated employees of the Asklepios Group. It is their tireless commitment as "VisioNears" that keeps the legacy of Bernard große Broermann alive. We would also like to thank the patients who place their trust in the Asklepios Group.

As "VisioNears", we at Asklepios not only solve the problems of today, but are already thinking about the challenges of tomorrow – supported by a strong management team. The decision to appoint a new management duo at the head of Asklepios is an expression of Bernard große Broermann's vision for a company in which harmonious and integrated cooperation across the board is a top priority. With the Management Board and the Shareholder Committee working closely together, we will confidently tackle current and future challenges together and continue to work towards a holistically healthy life.

Members of the Shareholder Committee

Group management report

A) Key figures of the Asklepios Group

Group key figures

		2023	2022	Changes in %
Number of patients[2]		3,475,692	3,395,452	+ 2.4
Cost weight[2]		596,676	591,191	+ 0.9
Number of beds[2]		30,670	30,817	− 0.5
Employees (full-time equivalents)		49,425	49,103	+ 0.7
Net cash from operating activities[2]	EUR million	568.5	402.0	+ 41.4
Revenue	EUR million	5,452.3	5,290.0	+ 3.1
EBITDA	EUR million	540.3	532.6	+ 1.4
EBITDA margin in %		**9.9**	**10.1**	
EBIT	EUR million	215.4	197.5	+ 9.1
EBIT margin in %		**4.0**	**3.7**	
Consolidated net income (EAT)	EUR million	135.7	131.9	+ 2.9
EAT margin in %		**2.5**	**2.5**	
Investments in property, plant and equipment and intangible assets (own funds)[1]	EUR million	229.6	218.3	+ 5.2
Own funds ratio in %		**62.0**	**69.5**	
Total assets	EUR million	7,018.8	6,870.7	+ 2.2
Equity	EUR million	2,061.8	2,043.1	+ 0.9
Equity ratio in %		**29.4**	**29.7**	
Net debt ratio		3.3x	3.5x	
Interest coverage factor (EBITDA/net interest income)		9.0x	12.6x	

[1] In relation to investments at hospital locations

[2] The statistical key figures were revised after more specific definitions of the key figures were provided in 2023. This retrospective adjustment improves comparability with the reporting year.

B) 2023 financial year

The 2023 financial year was a demanding year for Asklepios Kliniken GmbH & Co. KGaA, being dominated, as it was, by political and economic world affairs. As well as the ongoing war in Ukraine, the financial year also saw the effects of stubborn inflation. The impact of the planned hospital reform has already affected the healthcare sector and hospital operators. Thanks to its size, the Asklepios Group was able to absorb changes to the hospital and care environment. This translated into a robust economic performance in the 2023 financial year.

For the University Hospital of Gießen and Marburg (UKGM), which is part of the Rhön-Klinikum AG subgroup, an agreement has been reached between the state of Hesse, Rhön-Klinikum AG, Asklepios Kliniken GmbH & Co. KGaA and Universitätsklinikum Gießen und Marburg (UKGM) GmbH, as well as the universities in Gießen and Marburg and their medical faculties, regarding the investment subsidy to which the hospital is entitled. Under the “Zukunftsvereinbarung Plus” agreement signed in February 2023, a sum of almost EUR 850 million will be available to UKGM over the next ten years for investments in medical care and for research and development. The state funding of around EUR 530 million, combined with UKGM's own funds of around EUR 320 million, will enable the university hospital to modernise its medical, technical and building infrastructure extensively.

Revenue was up 3.1% year-on-year. 3.5 million patients chose to be treated in 164 healthcare facilities in the 2023 financial year (previous year: 3.4 million). EBITDA increased by 1.4% to EUR 540.3 million (previous year: EUR 532.6 million). Consolidated net income (EAT) amounted to EUR 135.7 million (previous year: EUR 131.9 million). Equity was EUR 2,061.8 million as at 31 December 2023, higher than the figure as at 31 December 2022 (previous year: EUR 2,043.1 million). The equity ratio decreased to 29.4% (previous year: 29.7%). Asklepios employed 49,425 full-time equivalents on average in the 2023 financial year (previous year: 49,103).

C) Basis of the Group

1. Business model of the Group

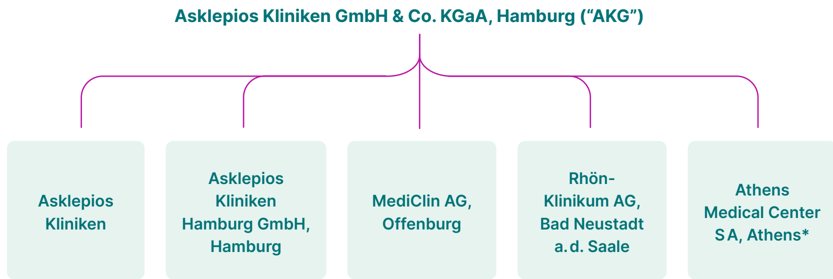
The healthcare group Asklepios was established in 1985 and since then has stood for quality, innovation and social responsibility. The acquisition of the hospitals owned by the City of Hamburg in 2004 and the majority acquisition of MediClin AG in September 2011 are key milestones in the company's development. The Asklepios Group has also been a majority shareholder of Rhön-Klinikum AG since 2020. Since its foundation, Asklepios has developed from a hospital operator to a healthcare group and has embraced a holistic, integrated treatment approach. Asklepios is one of the leading private hospital operators in Germany with 164 healthcare facilities in total in 14 German states.

The close-knit network of hospitals and healthcare facilities allows for integrated treatment chains and the establishment of medical clusters. The Asklepios Group covers the entire range of medical care services, with specialist hospitals with specific specialities – the Centres of Excellence – operating far beyond their own regions in addition to university hospitals and maximum, basic, standard and priority care. As an operator of rehabilitation clinics, Asklepios is able to guarantee full inpatient care from a single source. Patients find outpatient treatment in the Group's medical centres.

In addition to the Pulso Group, the Asklepios e-health portfolio comprises Fürstenberg Institut GmbH, which focuses on mental & corporate health. The e-health platform Minddistrict focuses on prevention and rehabilitation for patients with mental illnesses. Insite-Intervention GmbH implements and operates Employee Assistance Programs (EAP).

The Asklepios Group's focus is on the non-cyclical acute market. Roughly 86.8% of the business volume related to acute care hospitals and the remaining share of 13.2% to the rehabilitation sector and other medical facilities. However, the Asklepios value chain has been extended in recent years. Alongside prevention, outpatient and inpatient treatment and aftercare for our patients, Asklepios offers online-based therapy and treatment.

The structure of the Group as at 31 December 2023:



* Accounting using the equity method

Asklepios Kliniken GmbH & Co. KGaA acts as the management company of the Asklepios Group. The operating entities Asklepios Kliniken, Asklepios Kliniken Hamburg GmbH, MediClin AG and Rhön-Klinikum AG are fully consolidated subsidiaries in each case. Athens Medical Center SA is accounted for using the equity method.

Asklepios Kliniken GmbH & Co. KGaA is responsible for the areas of Group development and strategy as well as for monitoring, management and controlling functions. In addition, Asklepios leverages functional synergies in the areas of Accounting and Tax, Architecture and Construction, Auditing and Risk Management, Care, Controlling, Corporate Communications, Corporate Finance and Treasury, Corporate and ESG Reporting, E-Health and Corporate Health, ESG Management, Hospital Financing, Human Resources, Information Technology, Legal, Insurance and Compliance, M&A, Outpatient Medicine, Procurement and Supply, Quality Management, Revenue Management, Service Providers, and Service and Research.

Intercompany agreements on the exchange of services and cooperation agreements have been entered into between the Group entities.

2. Objectives and strategies

Asklepios aims to integrate medical care more closely with digital services to achieve a sustained improvement in the quality of patients' medical treatment and care. Asklepios strategically focuses its services on future needs and concentrates on digitalisation and the shift towards outpatient care. This requires sound business development and stable internal financing to invest constantly in medical facilities from our own funds.

3. Management system

The Asklepios Group is managed and controlled by its Group management, which is the responsibility of Asklepios Kliniken Management GmbH as the general partner. The other executive bodies of the company are the Supervisory Board and the Annual General Meeting. The Supervisory Board monitors and consults the management work by the general partner. The Annual General Meeting adopts resolutions on the approval of the annual financial statements, official approval of the actions of the general partner and the Supervisory Board and the appropriation of profits.

Asklepios is centrally organised, while operational responsibility for achieving targets is transferred to the regional units, which also look after the patients in organisational terms. The organisational structure of Asklepios is based on the following centrally controlled Group departments: Accounting and Tax, Architecture and Construction, Auditing and Risk Management, Care, Controlling, Corporate Communications, Corporate Finance and Treasury, Corporate and ESG Reporting, E-Health and Corporate Health, ESG Management, Hospital Financing, Human Resources, Information Technology, Legal, Insurance and Compliance, M&A, Outpatient Medicine, Procurement and Supply, Quality Management, Revenue Management, Service Providers, and Service and Research.

Key financial performance indicators

In the 2023 financial year, Asklepios' internal management at company level was based on earnings before interest, taxes, depreciation and amortisation (EBITDA). Group management is also dependent on earnings after taxes (EAT).

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

Asklepios uses the equity ratio, which expresses the ratio of equity to total assets as a percentage, as another significant, control-related financial performance indicator.

Key non-financial performance indicator

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

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

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

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

4. Quality management

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

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

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

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

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

D) Economic report

General economic and sector-specific conditions

General economic conditions

In its Annual Economic Report 2024, the German federal government anticipates growth in price-adjusted GDP of 0.2% in the current financial year[1]. In view of inflation, high energy prices and the shortage of qualified staff, Asklepios assumes that business development will be affected overall.

General sector conditions

After the end of the COVID-19 pandemic and the impact this had on inpatient health-care service providers, service figures picked up again across Germany in the 2023 financial year, although service and case numbers were still short of 2019 levels. Pandemic assistance compensation payments in the form of flat-rate allowances for keeping capacity available and the care surcharge were discontinued in 2023. Invoice payment by health insurance funds within five days of invoices being issued was extended until the end of 2024.

The hospital assistance programme to cushion the cost increases resulting from the war in Ukraine and inflation comprised an initial sum of EUR 4.5 billion in the period from October 2022 to April 2024 for individual additional costs – for which evidence must be provided – for natural gas, district heat and electricity and EUR 1.5 billion for lump-sum assistance, based on the number of beds, for costs caused indirectly by the increase in energy costs. The costs for which evidence had to be provided on an individual basis resulted in only low take-up rates on account of the legal definition of the comparison periods and so another EUR 2.5 billion was distributed for the period from October 2022 to May 2024 in the form of lump-sum payments to hospitals, again based on the number of beds.

The evidence required for an individual breakdown of the additional costs in connection with energy price increases demonstrates a core problem of the German healthcare system. This process of providing evidence was set up in an extremely bureaucratic way, the requirements were interpreted differently in different states and in most states the health insurance funds were responsible for receiving, evaluating and handling hospital enquiries. Budget negotiators, who are not experts on energy issues, were usually put in charge of this.

A structural assessment is required for complex treatments, which cannot be billed without this assessment. The "Regular assessments for compliance with structural features of OPS codes" guidelines (StrOPS-RL) issued by the German Medical Service run to 486 pages. Hospitals have to prepare extensive documentation for each operational and procedure (OPS) code, which must then be examined.

Nursing staff thresholds were expanded in 2023 to include otorhinolaryngology, urology and rheumatology, all of which require higher levels of staffing. Neurosurgery will be added in 2024, meaning that 93.5% of all nursing days will be covered by nursing staff thresholds. A tool for determining nursing care requirements is also to be introduced (PPR 2.0), entailing additional documentation work without increasing the requirements for compliance with nursing staff thresholds.

New deadlines were set for budget negotiations, and hospitals could face penalties of 1% of charges billed if these are not met. All documents for budget years up to and including 2021 were to be submitted by 31 October 2023, with penalties for failure to agree the corresponding years applicable from 1 May 2024. Documents for 2022 are to be submitted by 31 March 2024, with penalties from 1 October 2024. These deadlines have been repeatedly reduced, and documents for the 2026 budget year must be submitted by 31 December 2025 and an agreement reached by 1 August 2026 in order to avoid penalties. This massively reduces the amount of time for preparation and negotiations, and the unilateral penalties mean that the primary impact is felt only by hospitals.

From 2025 onwards, other personnel and personnel with no vocational qualifications – such as personnel providing care to help patients care for themselves, nursing assistants and ward assistants – will no longer be taken into account when agreeing care budgets. Instead, they will again be paid through the separate German diagnosis related-groups (aG-DRGs). Midwives and male midwives will also be taken fully into account in the care budget regardless of their work on wards or in delivery rooms from 2025.

Federal Health Minister Karl Lauterbach's planned hospital reform intends to divide hospital services into service groups with standardised structural requirements, for example for equipment, staffing, treatment programmes and other mandatory service groups. These services can no longer be provided if these requirements are not met.

[1] Annual Economic Report 2024 | German federal government

Remuneration is to be divided into budgets for the provision of services (Vorhaltebudgets) and care budgets, accounting for 60% of current financing, and DRGs as in the past, although these now comprise only 40% of remuneration.

There will be a budget-neutral phase in 2025 and 2026, with the budget for the provision of services then being based on the service groups allocated to hospitals by the states from 2027 onwards.

Starting in 2024, the Transparency Act aims to publish information on the quality of treatment at all hospitals, which patients can use as a guide. In this context, the hospitals are allocated to the relevant service groups and, in turn, to individual levels of care.

Hybrid DRGs will be introduced in 2024 to increase the share of outpatient care. These will apply both to hospitals and to doctors in private practice and will cover the costs of all healthcare provision with a maximum of one overnight stay. In the first stage, this standardised remuneration is to be available for 12 different procedures, which in some cases is far lower than the previous DRG income. In a second stage, likely from 2025, a total of 55 DRGs have been selected and are also to be converted into hybrid DRGs. Patients who spend more than one night in hospital or meet certain exclusion criteria will still be billed by way of the regular DRGs.

Psychiatry and rehabilitation

Psychiatric/psychosomatic hospitals and rehabilitation clinics also reported higher occupancy rates in 2023 following the end of the COVID-19 pandemic.

The German Guideline for Personnel Assessment in Psychiatric Hospitals and Psychosomatic Medicine (Richtlinie für die Personalbemessung in der Psychiatrie und Psychosomatik – PPP-RL) with quarterly verification of personnel and minimum personnel requirements for the therapeutic staff to be employed in psychiatric wards is steadily increasing the level of bureaucracy. Compared to the previous Psychiatrie-Personalverordnung, the PPP-RL also now includes psychosomatic specialist departments. It also contains more stringent personnel requirements, especially for children's and adolescent psychiatric units, partly for the nursing service and partly for psychologists as a professional group.

The lack of sanctions for staff shortfalls was extended until the end of 2025; service provision is permissible even if the minimum requirements are not met. Accordingly, it will not be absolutely necessary to restrict services as a result of personnel shortages. The reports required by the quarterly obligation to provide verification had to be submitted in full for 2023.

E) Net assets, financial position and results of operations

1. Business performance and results of operations

	2023		2022	
	EUR million	%	EUR million	%
Revenue	5,452.3	100.0	5,290.0	100.0
Other operating income	645.4	11.8	474.3	9.0
Cost of materials	−1,339.0	−24.6	−1,284.2	−24.3
Staff costs	−3,660.3	−67.1	−3,459.2	−65.4
Other operating expenses	−558.1	−10.2	−488.3	−9.2
EBITDA	**540.3**	**9.9**	**532.6**	**10.1**
Depreciation, amortisation and impairment	−324.8	−6.0	−335.1	−6.3
EBIT	**215.4**	**4.0**	**197.5**	**3.7**
Income from equity investments	3.5	0.1	11.6	0.2
Net interest expenses	−59.8	−1.1	−42.4	−0.8
Income taxes	−23.5	−0.4	−34.8	−0.7
Consolidated net income (EAT)	**135.7**	**2.5**	**131.9**	**2.5**

Asklepios' consolidated revenue amounted to EUR 5,452.3 million in the 2023 financial year (previous year: EUR 5,290.0 million) and was therefore 3.1% up on the previous year. 86.8% (previous year: 87.2%) of revenue was generated in acute care hospitals, 12.0% (previous year: 11.4%) in rehabilitation clinics and 1.2% (previous year: 1.4%) in social welfare facilities and other facilities.

Other operating income of EUR 645.4 million (previous year: EUR 474.3 million) includes income from services and from ancillary, additional and other operations. Other operating income includes subsidies of EUR 124.2 million (previous year: EUR 12.7 million) granted under section 26f KHG to mitigate the higher costs due to energy price increases.

Development of case numbers	**2023**	**2022***	**Absolute Change**	**Relative Change**
Number of inpatient cases	759,567	753,900	+5,667	+0.8%
Number of outpatient cases	2,716,125	2,641,552	+74,573	+2.8%
Number of patients	**3,475,692**	**3,395,452**	**+80,240**	**+2.4%**
Number of cost weights	596,676	591,191	+5,485	+0.9%
Number of beds	30,670	30,817	−147	−0.5%

* The statistical key figures were revised after more specific definitions of the key figures were provided in 2023. This retrospective adjustment improves comparability with the reporting year.

A total of 3,475,692 patients visited the Asklepios Group's facilities in the 2023 financial year (previous year: 3,395,452). The number of inpatient cases totalled 759,567 (previous year: 753,900). The number of outpatient cases amounted to 2,716,125 (previous year: 2,641,552) and was higher than in the previous year. The number of cost weights amounted to 596,676 (previous year: 591,191). As a non-financial performance indicator, cost weights were therefore in line with our forecast as at 31 December 2022. The development of cost weights was influenced by catalogue effects and the trend towards outpatient care. Average inpatient care case income rose from EUR 6,137.97 to EUR 6,282.54.

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

	2023	2022
	%	%
Cost of materials ratio	24.6	24.3
Staff costs ratio	67.1	65.4
Other expenses ratio	10.2	9.2
EBITDA	**9.9**	**10.1**
Depreciation and amortisation expense ratio	6.0	6.3
EBIT	**4.0**	**3.7**
Consolidated net income (EAT)	**2.5**	**2.5**

Absolute cost of materials rose by EUR 54.8 million to EUR 1,339.0 million (previous year: EUR 1,284.2 million), representing an increase of 4.3% year-on-year. The cost of materials was affected by inflation-related price increases, especially for energy and food. There were also increased expenses for pharmaceuticals as well as for anaesthetics and other surgical supplies. Overall, the cost of materials ratio worsened year-on-year to 24.6% (previous year: 24.3%).

Absolute staff costs climbed by EUR 201.1 million or 5.8% to EUR 3,660.3 million, mainly on the basis of collective agreements, while the staff costs ratio rose to 67.1% (previous year: 65.4%). The number of full-time equivalents changed from 49,103 in the previous year to 49,425 on average in 2023.

Other operating expenses rose by EUR 69.8 million (14.3%) to EUR 558.1 million (previous year: EUR 488.3 million). The ratio was 10.2% (previous year: 9.2%).

EBITDA amounted to EUR 540.3 million in the financial year and was higher than in the previous year (EUR 532.6 million). The EBITDA margin came to 9.9% (previous year: 10.1%). As a key financial performance indicator, EBITDA is within the forecast set out in the consolidated financial statements as at 31 December 2022.

The depreciation and amortisation expense ratio was 6.0% in the past financial year and thus lower than the previous year's level (6.3%).

The EBIT of EUR 215.4 million generated in 2023 meant a margin of 4.0% (previous year: EUR 197.5 million and 3.7%).

Income from equity investments was down year-on-year at EUR 3.5 million (previous year: EUR 11.6 million). Income from equity investments includes shares of investments accounted for using the equity method.

Negative net interest income amounted to EUR 59.8 million (previous year: EUR 42.4 million). Interest income increased to EUR 41.7 million (previous year: EUR 21.2 million) as a result of changes in interest rates. Interest expenses rose by EUR 37.9 million to EUR 101.5 million in the financial year (previous year: EUR 63.6 million). The change in interest expenses was attributable to movements in the general level of interest rates and the adjustment of key interest rates by the ECB, as well as to the associated effects on current financial liabilities and floating-rate schuldschein loan agreements.

At EUR 23.5 million, income tax expenses were down on the previous year's figure of EUR 34.8 million.

Consolidated net income (EAT) amounted to EUR 135.7 million and was thus above the comparable figure for the previous year of EUR 131.9 million and our forecast as at 31 December 2022. This increase was due to comparatively lower impairment in relation to the higher EBITDA and to the lower tax burden. The EAT margin was 2.5% in the financial year (previous year: 2.5%).

2. Overall management statement

The financial year has been demanding for Asklepios but its business remains stable. As well as the ongoing war in Ukraine and the resulting price hikes, 2023 was also dominated by general cost inflation. As a large hospital group, Asklepios was able to react comparatively flexibly to changes in the market and to absorb negative influences to a manageable extent. However, the Management Board is critical of the planned hospital reform and expects this to place considerable strain on healthcare facilities in the medium term. In the view of the Management Board, 2023 was a challenging financial year for the Asklepios Group overall.

3. Financial position and net assets

Financial position

Financial management objectives

The main objectives of the Asklepios Group's financing strategy are:

- to ensure solvency at all times
- to guarantee financial flexibility and independence
- to limit refinancing risks
- to optimise the weighted average cost of capital

It achieves these objectives by way of a balanced maturity profile with a high share of medium- to long-term financing, diversification of financing instruments and sufficient free credit lines and liquidity reserves.

Financing

Schuldschein loan agreements with terms of up to 10 years placed with various investors on the banking and capital markets are material medium- to long-term financing instruments. Long-term registered bonds with terms of up to 20 years are also issued.

Short-term financing requirements are covered by issues under the new commercial paper programme launched in December 2022. Bearer bonds of EUR 500.0 million with terms of up to 364 days can be issued under the commercial paper programme. The EUR 550.0 million syndicated line of credit signed in August 2021 was increased by EUR 200.0 million in November 2023 and essentially serves to further secure liquidity (back-up line).

Financial liabilities amounted to EUR 2,264.9 million as at 31 December 2023 (31 December 2022: EUR 2,231.4 million) and essentially comprise the schuldschein loan agreements issued.

The Group has total unutilised credit facilities of around EUR 878.8 million at its disposal (31 December 2022: EUR 695.1 million). It also has cash and cash equivalents of EUR 840.1 million (31 December 2022: EUR 634.6 million) and short-term time deposits of EUR 137.3 million (31 December 2022: EUR 220.0 million), which with maturities of 3 to 12 months are invested at various banks with an investment grade rating from a recognised rating agency or comparable credit rating and are recognised in current other financial assets.

For detailed information on the financing of the Asklepios Group, see section VIII. 15) Financial liabilities in the notes to the consolidated financial statements.

Credit rating

The Asklepios Group's good credit rating helps us achieve the main objectives of the financing strategy, which we monitor and manage using the key figures of net debt ratio (net financial liabilities/EBITDA) and the interest coverage factor (EBITDA/net interest income).

The target range for the net debt ratio (net financial liabilities/EBITDA) is 3.0x to 3.5x. The interest coverage factor (EBITDA/net interest income) should be at least 4.5x to 6.0x.

The following table illustrates how the net debt ratio and interest coverage factor were calculated in the financial year:

EUR million	2023	2022
Financial liabilities	2,264.8	2,231.4
Lease liabilities	479.9	495.0
Cash and cash equivalents	840.1	634.6
Short-term time deposits	137.3	220.0
Net financial debt	1,767.3	1,871.8
EBITDA	540.3	532.6
Net debt ratio	**3.3x**	**3.5x**
Net interest expenses	−59.8	−42.4
EBITDA	540.3	532.6
Interest coverage factor	**9.0x**	**12.6x**

The net debt ratio is 3.3x (31 December 2022: 3.5x). The improvement compared with the previous year is attributable, in particular, to the year-on-year increase in EBITDA. The increase in net debt in recent years largely resulted from the financing associated with the acquisition of Rhön-Klinikum AG. The level of lease liabilities is mainly attributable to the conclusion of new lease agreements for MediClin AG in the 2022 financial year.

Cash flow analysis

Cash flow from operating activities was influenced by the EBITDA figure of EUR 540.3 million (previous year: EUR 532.6 million) and the health insurance funds' payment performance. Capital expenditure on equipment and new buildings for our hospitals was financed by cash flow from operating activities.

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

EUR million	2023	2022
EBITDA	540.3	532.6
Cash flow from operating activities	568.5	402.0
Cash flow from investing activities	−238.7	−336.7
Cash flow from financing activities	−124.3	−78.0
Change in cash and cash equivalents	**205.5**	**−12.6**
Cash and cash equivalents on 1 January	634.6	647.2
Cash and cash equivalents on 31 December	**840.1**	**634.6**

Cash and cash equivalents rose by EUR 205.5 million to EUR 840.1 million in 2023. Operating cash flow increased year-on-year to EUR 568.5 million (previous year: EUR 402.0 million) due to the change in working capital and an improvement in EBITDA.

The operating cash flow is offset by a cash outflow from investing activities of EUR 238.7 million (previous year: EUR 336.7 million). Payments for investing activities essentially comprise investments in fixed assets. Financing activities resulted in a cash outflow of EUR 124.3 million (previous year: EUR 78.0 million).

Net assets

Asset and capital structure

Summarised statement of financial position	2023		2022	
ASSETS	**EUR million**	**%**	**EUR million**	**%**
Non-current assets	4,061.1	57.9	4,157.6	60.5
Current assets	2,935.6	41.8	2,698.5	39.3
Assets held for sale	22.1	0.3	14.5	0.2
Total assets	**7,018.8**	**100.0**	**6,870.7**	**100.0**
EQUITY AND LIABILITIES				
Equity	2,061.8	29.4	2,043.1	29.7
Non-current liabilities and provisions	2,700.2	38.5	3,065.8	44.6
Current liabilities and provisions	2,250.5	32.1	1,758.7	25.6
Debts associated with assets held for sale	6.2	0.1	3.0	0.0
Total assets	**7,018.8**	**100.0**	**6,870.7**	**100.0**

Total assets increased by 2.2% from EUR 6,870.7 million to EUR 7,018.8 million. As in the previous year, non-current assets are financed at a rate of 100% with matching maturities by equity or long-term borrowings. Non-current assets fell by EUR 96.5 million year-on-year to EUR 4,061.1 million.

As well as cash and cash equivalents of EUR 840.1 million, current assets also include short-term time deposits of EUR 137.3 million (31 December 2022: EUR 220.0 million), which with maturities of 3 to 12 months are invested at various banks with an investment grade rating from a recognised rating agency or comparable credit rating and are recognised in current other financial assets. In addition to cash and cash equivalents of EUR 840.1 million, the Group has unutilised credit facilities of EUR 878.8 million at its disposal. The Group therefore has financial reserves available at short notice of EUR 1,718.7 million.

Equity amounted to EUR 2,061.8 million and was higher than the previous year's figure (31 December 2022: EUR 2,043.1 million). The equity ratio as at 31 December 2023 was above the previous year's figure at 29.4% (31 December 2022: 29.7%) and also exceeded our forecast as at 31 December 2022, which included a stable development of the equity ratio. In addition to total comprehensive income, this change is also attributable to the recognition of an option to purchase shares in affiliates. Asklepios has permanent interest-free and redemption-free access to subsidies of around

EUR 1,179.6 million (31 December 2022: EUR 1,174.8 million). As these subsidies will fall due for repayment only in the hypothetical event of no longer being included in the hospital plan, these funds are in effect similar to equity.

Non-current liabilities amounted to EUR 2,700.2 million (31 December 2022: EUR 3,065.8 million). These comprise pension provisions, other non-current provisions, financial liabilities and other liabilities due in more than one year, and deferred taxes. The decrease as compared to the previous year is attributable to the schuldschein loans scheduled for repayment in 2024 (EUR 390.0 million), which are now reported under current liabilities. Current liabilities include the utilisation of syndicated and bilateral lines of credit as well as placements under the commercial paper programme.

4. Capital expenditure

Investments in our healthcare facilities on a regular basis are the foundation for long-term healthy growth. Since the state investment subsidy does not cover the entire investment requirements of modern hospitals, the difference is financed from the Group's own funds. Asklepios is able, thanks to its internal financing power, to compensate for the loss of subsidies. Forward-looking business transactions and a stable cash flow again enabled the Asklepios Group to use its own funds averaging 7% to 9% of revenue for maintenance and capital expenditure in the 2023 financial year. The internal financing ratio is 62.0% (previous year: 69.5%).

Capital expenditure was as follows in the 2023 financial year:

	Capital expenditure in 2023		
	Total in EUR million	Of which subsidised	Internal financing ratio
Intangible assets	58.0	13.5	76.7%
Land and buildings	29.0	3.3	88.6%
Technical equipment	11.3	5.4	52.2%
Operating and office equipment	156.9	76.2	51.4%
Assets under construction	115.3	42.5	63.1%
Total	**370.6**	**141.0**	**62.0%**

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

Location	Capital expenditure in EUR million
Central IT investments	24.4
Zentralklinik Bad Berka	9.9
Klinikum Frankfurt (Oder)	8.7
Universitätsklinikum Marburg	6.8
Klinikum Müritz	6.7
Südpfalz Kliniken	5.8
Klinik Harburg (Hamburg)	4.5
Klinik Altona (Hamburg)	4.0
Universitätsklinikum Gießen	3.7
Klinikum Langen	3.7

After deducting subsidised capital expenditure, net capital expenditure amounted to EUR 229.6 million (previous year: EUR 218.3 million) or 4.2% of revenue (previous year: 4.1%). Capital expenditure is fully financed by cash flow from operating activities. Without deducting subsidies, capital expenditure amounted to EUR 370.6 million (previous year: EUR 314.0 million). At EUR 201.9 million in total, expenditure for maintenance and servicing was up on the previous year (EUR 181.3 million). Expressed as a percentage of revenue, 3.7% was invested in ongoing maintenance (previous year: 3.4%). Asklepios used 7.9% of revenue for internally financed capital expenditure and maintenance work (previous year: 7.6%).

F) Forecast and report on risks and opportunities

1. Forecast

The Ukraine war and the associated price increases, alongside general inflation, will still have an impact on the business development and performance of our healthcare facilities in 2024. Our hospitals are also affected by a demanding regulatory environment.

Asklepios will react flexibly to these challenges and effectively handle changes in medical or regulatory requirements to mitigate potential effects. Thanks to strategic investments in digitalisation and the shift towards outpatient care, as well as internally financed capital expenditure on its healthcare facilities, Asklepios has created a sound basis for weathering the challenges well in economic terms. Overall, Asklepios therefore expects stable revenue performance in 2024 and largely positive economic development.

Overall management statement

Against the backdrop of challenging political and economic world affairs, Asklepios expects that its earnings margins will continue to be impacted. For the 2024 financial year, our economic goals nonetheless focus on organic revenue growth in a range of around 3.5% to 4.4% and a slight but sustained increase in EBITDA and EAT year-on-year. The equity ratio will remain stable year-on-year in the 2024 financial year. In addition to financial figures, Asklepios also takes account of the number of cost weights as a non-financial performance indicator when managing the company and expects a constant development compared with the previous year.

2. Risks and opportunities

a) Risk and opportunity management report

Asklepios is exposed to a range of challenges and risks, especially locally, due to dynamic growth, the complexity of business interrelations, high regulatory requirements, constant scientific, medical and technological progress, the de facto legal demand for greater efficiency and effectiveness, and the increasing demands of our patients. Systematic recognition of risks and opportunities in equal measure enables Asklepios to ensure long-term economic success, satisfy our patients' demands and secure our employees' jobs. The rapidly changing health policy, structural, social and economic conditions must be identified and managed.

Managing the associated risks and opportunities is an ongoing challenge and an important element of managing the hospitals and the Group. Risk management is firmly established at Asklepios and both satisfies and exceeds legal requirements.

Risk and opportunity management system process

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

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

- Risks that are categorised as at least "requiring action" in the bottom-up process are examined again by Group management as part of the top-down approach. This procedure enables early support for reporting units by means of central measures. This allows for systematic management of risks and opportunities. Identified and documented risks and opportunities are monitored continuously with regard to their development. This monitoring includes tracking the risk and opportunity measures resolved in terms of their risk mitigation effect (effectiveness) and their cost and implementation status (efficiency). In addition, the Strategic Risk Management Committee analyses long-term developments early on to identify and assess their risk and opportunity potential for the company and to resolve appropriate action options.
- Ecological and social issues relating to the external impact of Asklepios' business activities are becoming increasingly important. In this context, the Asklepios Group sees corporate social responsibility (CSR) as an integral component of its corporate philosophy. Asklepios summarises the non-financial risks according to section 289 (3) of the German Commercial Code (HGB) and additional possible CSR risks that may affect third parties under the heading of ESG or sustainability risks and allocates them in line with the five aspects (environmental matters, employee matters, social matters, respect for human rights, as well as combating corruption and bribery) stipulated in the CSR RUG. The software-based assessment of non-financial risks based on their probability and their possible effects was implemented in the 2022 financial year ("ESG risk reporting"). Established, active management measures are taken into account when assessing these risks and the assessment is carried out on the basis of the key CR topics by the Group departments mentioned on 30 September each year and the assessment is then updated on 1 January of the following year. The period under review includes both the current financial year and a five-year outlook. Specific reporting takes place in the Corporate Responsibility Report.

Internal control system with regard to the Group financial reporting process

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

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

b) Risks

Risks are categorised in line with the assessment at the level of the reporting units according to their potential adverse effects as "acceptable" (up to 1% of EBITDA), "requiring monitoring" (up to 5% of EBITDA), "requiring action" (up to 10% of EBITDA) or "very critical" (upwards of 10% of EBITDA). The categories represent the expected loss value, a combination of the likely probability of occurrence and the likely level of loss. Major areas of risk are outlined below; the order in which they are presented reflects the current estimate of the relative degree of risk for Asklepios. While risks in conjunction with the COVID-19 pandemic were far lower than in the previous year, the overall risk situation increased slightly as a result of higher billing, income and financial risks.

Income, documentation and budget risks (requiring monitoring)

The high level of state regulation means that Asklepios is exposed to risks in the day-to-day documentation and billing of cases and in the medium-term development of revenue budgets. This currently applies not only to the fact that the health insurance funds are slower to pay, the lack of staff due to illness (e.g. coronavirus) but also to new legal requirements, such as for the introduction of structural assessments, the increase in minimum quantities as well as from 2023 the shift from inpatient to outpatient care and details of budgetary law, such as differing opinions on case specifications and remuneration; the assessment of structural requirements; the size of the care budget; pending arbitration proceedings, where in some cases the outcome is impossible to predict; delayed budget negotiations; and potential changes to budgetary law and the supplementary billing regulations. The risks named could cause the results of operations, financial position and net assets to deteriorate.

The size of the Group, its available knowledge and its available data sets mean that it has the opportunity to define standards and to provide effective support to the hospitals locally in the implementation of the above issues. In the area of handling sensitive services, which also generally represent public authority tasks, there is generally an inherent risk that the private sector may be pushed back. A decline in processed contracts would entail a loss of revenue, whereas the effect depends on the product area concerned. With all other things remaining the same, the demographic development forecast in some areas can lead to decreasing case numbers and revenue. The planned hospital reform could affect the risk situation in the medium to long term, although the ongoing political process means that specific statements on the potential impact on Asklepios cannot yet be conclusively made.

Personnel risks (requiring monitoring)

On the healthcare market, there are always HR risks that can lead to a deterioration of the results of operations, financial position and net assets. The introduction of the PpUGV (German regulation for the threshold for nursing staff), the PPR 2.0 (German nursing staff regulation) and the PPP-RL (German Guideline for Personnel Assessment in Psychiatric Hospitals and Psychosomatic Medicine) is a key challenge for the entire healthcare market. The individual risks include the shortage of qualified staff, the migration of key personnel and the development of staff costs.

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

The trend in staff costs is heavily dependent on changes to the collective agreements governing staff wages. In particular, the remuneration of examined nursing specialists, who account for a large part of our employees, has increased sharply in recent years because of the nationwide shortage of qualified staff in this area. However, it is important to note here that direct personnel costs for the nursing service are funded by payers through the hospitals' care budgets. Staff cost increases are particularly noticeable in view of the public-sector collective bargaining agreements in 2023/2024, which were extremely high due to inflation. To reduce external dependency and to allow for the option of actively shaping future developments, Asklepios has significantly reduced the risks by using more flexible company agreements adopted to fit local circumstances, work and welfare regulations and other alternative remuneration models. These models are reviewed by the relevant Group departments before the agreements are entered into; in principle, all collective agreements/work and welfare regulations are negotiated by the Human Resources department. Asklepios' goal is to agree the longest possible terms in collective bargaining in order to achieve sufficient planning certainty. In view of the negotiated staff cost increases that are still to be expected Asklepios is paying particular attention to the required staffing levels.

IT risks and cyber risks (acceptable)

Asklepios is dependent on a functional IT infrastructure. The successful course of treatment of a patient (from admission through diagnosis and treatment to documentation) also depends on an integrated IT system. Basic IT procedures, system stability and the security of the IT infrastructure are significant in this regard. The focus is on patient safety and the effectiveness of treatment as the protection objectives of information security. Disruptions in IT integration and infrastructure or in related processes can have a corresponding impact on the net assets, financial position and results of operations. In this context, risk management in the IT department is being continuously developed.

The general IT risk situation was heightened on account of a global increase in cyber attacks in the past few years. At the same time, the IT infrastructure is increasingly complex and there is more networking with networks outside Asklepios, which increases the possible scope for cyber attacks. In order to appropriately counter this trend, Asklepios continues taking measures to further improve IT security and to continue recognising and defending against possible cyber attacks moving ahead. The data centre is certified according to a functioning information security management system, and also performs independent internal and external audits and tests that review the effectiveness of our security measures.

Credit and counterparty risks (requiring monitoring)

This risk arises if a contracting party fails to meet all or some of its obligations or fails to meet them on time. Asklepios is exposed to risk from an unexpected loss of cash or income based on counterparty risks. However, we believe the probability of occurrence here is low. There is a low level of risk of default due to a large portion of debtors consisting of German statutory health insurance funds, complemented by a smaller portion of public social security authorities and private patients. By contrast, the risk of late payment on trade receivables, and thus the risk of an increase in capital being tied up in current assets, can be considered medium.

We take a conservative and diversified approach to our investment and risk policy. Our counterparties are banks with investment grade ratings from a recognised rating agency that are additionally part of deposit protection systems. Investments are also monitored continuously and the company reacts with measures to correct any differences compared with its expected targets.

Interest rate risks (acceptable)

Interest rate risks may result from investing and financing activities. These risks are systematically quantified, assessed on an ongoing basis, managed and monitored as part of risk management. In certain circumstances, interest rate hedges (e.g. interest rate swaps, interest rate forwards and forward interest rate swaps) may also be used to mitigate interest rate risks.

Liquidity and financing risks (requiring monitoring)

This refers to the risk of no longer being able to meet future payment obligations in full or on time.

The management of liquidity and refinancing risks is the central responsibility of the Corporate Finance & Treasury department, which uses a treasury management system for this purpose with a focus on efficient management of cash and cash equivalents. As a financially conservative company, and in line with the investment terms of the assets, Asklepios' financing is long-term in nature and contains manageable short-term refinancing risks. The high levels of cash and cash equivalents and free credit lines, steady cash flow, good credit rating, broad diversification of financing partners and access to the capital market show that the Asklepios Group is largely independent of general developments on the capital market and ensure that it has full financial capacity for action.

Planning and construction risks (acceptable)

On account of the extensive construction work, Asklepios is exposed to risks from changes of use, deviations from standards in the execution and management of construction, business interruptions and delays in construction work with revenue losses and cost overruns in the budgeted construction work as well as deadlines or planning errors. The measures to reduce these risks include the provision of a high level of expertise within the Group with regard to construction planning and implementation in the form of a separate Architecture and Construction department. The Architecture and Construction department supports Asklepios hospitals with project management and planning. The implementation of standardised instructions and equipment and ongoing quality assurance of projects in conjunction with the identification and analysis of project-specific risks as well as continuous close coordination with all those involved in projects in all phases of the projects by the Group department responsible is essential to ensure an immediate response to any problems that may arise.

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

By this means, the department will ensure that all possible project risks are recorded systematically at the beginning of the project, assessed and management measures are put in place to prevent risks materialising and any possible losses. The Architecture and Construction department also guaranteed that all project-related processes are standardised and responsibilities are defined clearly and comprehensibly by introducing a Group-wide project management manual for construction projects. Process-related risks and inefficiencies inherent in the execution and management of construction are consequently effectively minimised.

International conflicts and other crisis situations (acceptable)
The ongoing conflict in Ukraine, the evolving situation in the Middle East, other potential conflicts in Asia and an increase in other crisis situations could develop into a multi-crisis scenario. This could strain the global economy and, in particular, international supply chains, in turn pushing up prices, reducing supply reliability and worsening the overall risk situation.

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

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

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

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

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

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

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

In addition, there is a potential liability risk if subsidies are used in breach of the laws governing subsidies.

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

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

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

Risks from supply chains (acceptable)

Like other industries, the healthcare sector depends on globally interconnected production and supply chains. This applies not only to pharmaceuticals, but also to medical devices, medical consumables and structural measures. There is a fundamental risk that circumstances will arise in which global supply chains are disrupted or obstructed or that cause significant supply delays ("port congestion"). Climate change (severe weather events, natural disasters and drought) and armed conflicts are also increasingly relevant factors here.

Through forward-looking warehousing and a Germany-wide distribution system Asklepios aims to ensure that all locations can be supplied with sufficient pharmaceuticals and medical consumables. In the event of long-term disruptions to production and supply chains or long-term underproduction, however, there is a risk that certain products will become scarce. It is pharmaceutical businesses' responsibility to inform hospitals if they become aware of shortages in the supply of prescription drugs for inpatient care. Asklepios can thus initiate further countermeasures as appropriate or necessary. To ensure the supply of medical consumables and disposals from the operating and administrative requirements areas, Asklepios is in regular contact with its principal suppliers with regard to their ability to supply and agreement on potential alternatives.

Supply reliability and contingency planning will be increasingly important factors in evaluating and choosing strategic framework contracts in the future. There is also increased focus on international procurement to establish or examine direct access to foreign markets (for selected products) as a way of securing supply.

As far as the execution of construction is concerned, Asklepios tries to minimise possible risks from supply bottlenecks or disruptions to production supply chains by ordering materials in advance immediately after companies are commissioned or considering potential alternative materials during the planning stage. This way, Asklepios remains flexible and ensures that resources will be available when needed.

Market price risk/price increases (acceptable)

As is the case for many economic sectors, the Asklepios Group is also exposed to the risk that cost fluctuations or cost increases in procurement due to the dynamic economic environment may have a negative impact on earnings performance. Factors driving up prices include the shortage of raw materials, higher personnel costs and declining product availability on the German market. The Group is exposed to a market price risk due to an increasing scarcity of resources and a volatile market for certain raw materials needed for medical consumables and pharmaceuticals. This affects medical appliances and corresponding spare parts to an equal extent. The industry and service providers are affected by a shortage of qualified staff and wage increases, especially for labour-intensive services such as operations, service work and staff secondment, which then translate indirectly into higher product costs or new service charge agreements. The market situation in Germany (low pricing policy, increasing regulation, e.g. MDR) is causing the industry to redirect its focus to other markets (e.g. other European countries), hurting product availability in Germany.

Risk buffers are already taken into consideration at an early stage of Asklepios' construction projects when determining costs and possible alternative and cost-saving measures are identified. Not least a compact, simple, cost-effective but sustainable design offers the greatest possible security when hedging against rising costs. A general shortage of qualified staff is also apparent, which affects personnel-intensive services, in particular, and will also affect the trend in prices.

Asklepios counters this risk by concluding long-term delivery and supply agreements and adopting multiple supplier strategies. It also reduces the effects of price increases on earnings performance and makes supply more reliable by rapidly agreeing fixed price contracts for as long as possible with the supply companies it uses.

Hygiene and infection risks (acceptable)

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

Quality risks (acceptable)

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

Risks from competition (acceptable)

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

Risks from climate change (acceptable)

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

There is also a danger that climate change will result in indirect cost risks, potentially including an increase in energy prices (e.g. due to CO_2 pricing) as well as additional regulations for the construction and renovation of buildings. There is also a risk that locations without good public transport links become less attractive to employees, as these workplaces become less economically viable as a result of higher fuel prices. The supply situation is expected to deteriorate further as a result of climate change. Increasing shortages of food and plant materials for medications create a financial risk as a result of higher production and supply costs.

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

Risks from acquisition and integration (acceptable)

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

Compliance risks (acceptable)

Compliance risk refers to the lack of legal and organisational compliance with the laws and standards applicable to Asklepios. This is associated with legal and economic risks for Asklepios. This can result in penalties, compensation claims, occupational bans for medical personnel or damage to the Group's reputation and a loss of confidence, which will be associated with financial losses. Existing measures to minimise any compliance risks that have been established are reviewed continuously and refined. A formal compliance management system is in place.

Governance risks (acceptable)

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

c) Opportunities

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

Opportunities from the market and environment

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

Opportunities from operating activities

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

Opportunities from financial activities

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

Strategic opportunities

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

Infrastructural opportunities

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

Overall management statement: Summary and outlook

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

Hamburg, 28 March 2024

Joachim Gemmel

Marco Walker

Hafid Rifi

PD Dr. med. Sara Sheikhzadeh

Consolidated financial statement

1 IFRS consolidated income statement

for the financial year from 1 January to 31 December 2023

EUR '000	Note no.	2023	2022
Revenue	VII.1	5,452,299	5,290,045
Other operating income	VII.2	645,393	474,270
		6,097,692	**5,764,315**
Cost of materials	VII.3	1,339,001	1,284,220
Staff costs	VII.4	3,660,322	3,459,151
Other operating expenses	VII.5	558,111	488,348
Operating result/EBITDA[1,2]		**540,258**	**532,596**
Depreciation, amortisation and impairment			
of intangible assets, of property, plant and equipment, and of right-of-use assets	VII.6	324,817	335,138
Operating result/EBIT[3]		**215,441**	**197,458**
Income from equity investments		3,479	11,635
Net investment income	VII.7	**3,479**	**11,635**
Interest and similar income	VII.8	41,725	21,180
Interest and similar expenses	VII.8	−101,483	−63,560
Net interest expenses	VII.8	**−59,758**	**−42,379**
Net finance costs		**−56,279**	**−30,745**
Earnings before income taxes		**159,162**	**166,713**
Income taxes	VII.9	−23,472	−34,838
Consolidated net profit		**135,690**	**131,875**
of which attributable to the parent company		97,153	97,686
of which attributable to non-controlling interests		38,536	34,190

[1] EBITDA is negatively impacted by impairments of financial assets and contract assets in the amount of EUR 4.1 million (previous year: EUR 18.0 million).

[2] Operating earnings before interest, taxes and depreciation and amortisation

[3] Operating earnings before interest and taxes

2 IFRS consolidated statement of comprehensive income

for the financial year from 1 January to 31 December 2023

EUR '000	2023	2022
Consolidated net profit	**135,690**	**131,875**
Measurement of financial assets	−10,890	0
Measurement of options	831	0
Income taxes	3,515	0
Total changes in value reclassified to profit or loss	**−6,544**	**0**
Change in actuarial gains (+)/losses (–) from defined benefit pension commitments and similar obligations	−23,746	219,512
Income taxes	3,984	−41,158
Total changes in value not reclassified to profit or loss	**−19,762**	**178,354**
Other comprehensive income (net of tax)	**−26,307**	**178,354**
Total comprehensive income	**109,383**	**310,229**
of which attributable to the parent company	76,386	227,603
of which attributable to non-controlling interests	32,997	82,626

3 IFRS consolidated statement of cash flows

for the financial year from 1 January to 31 December 2023

EUR '000	Note no.	2023	2022
Consolidated net profit		**135,690**	**131,875**
Income taxes	VII.9	23,472	34,838
Net interest expenses	VII.8	59,758	42,379
Net investment income	VII.7	−3,479	−11,635
Amortisation of intangible assets and financial assets and depreciation of property, plant and equipment and right-of-use assets	VII.6	324,817	335,138
Gross cash flow (EBITDA)		**540,258**	**532,596**
Other non-cash transactions		39,550	49,389
Gains from the disposal of subsidiaries		−1,540	0
Changes in inventories, receivables and other assets	IX.6, 7, 8, 9, 10, 11	−101,965	−199,832
Changes in liabilities, provisions and other liabilities	IX.16, 18, 19, 20, 21, 22, 23	100,601	47,714
Dividends received	VII.7	0	640
Interest income	VII.8	20,931	4,670
Income taxes paid	VII.9	−29,315	−33,149
Cash flow from operating activities/net cash flow		**568,521**	**402,029**
Investments in property, plant and equipment and intangible assets	IX.2, 3	−370,613	−314,043
Inflows from grants for the financing of fixed assets		28,719	17,006
Proceeds from the disposal of non-current assets		13,283	7,607
Change in investments in fixed deposits		82,700	−53,000
Acquisitions of subsidiaries net of cash and cash equivalents acquired	IX.1	−1,404	−5,577
Cash inflow from the disposal of subsidiaries and investments		8,648	11,333
Cash flow from investing activities		**−238,666**	**−336,674**
Proceeds from borrowings	IX.15	151,145	285,964
Proceeds from the repayment of financial liabilities		−125,482	−240,259
Cash outflow from changes to ownership interests in a subsidiary		−31,327	−9,889
Other interest expenses	VII.8	−60,026	−35,600
Repayment of financial liabilities from right-of-use assets		−35,036	−66,045
Interest expenses from right-of-use assets	VII.8	−21,945	−10,184
Distributions		−1,638	−1,963
Cash flow from financing activities		**−124,309**	**−77,976**
Change in cash and cash equivalents		205,546	−12,621
Cash and cash equivalents as at 1 January		634,583	647,204
Cash and cash equivalents as at 31 December	IX.12	**840,129**	**634,583**

4 IFRS consolidated statement of financial position

for the financial year ended 31 December 2023

EUR '000	Note no.	31 Dec. 2023	31 Dec. 2022
ASSETS			
Non-current assets			
Intangible assets	IX. 2	1,078,937	1,090,817
Property, plant and equipment	IX. 3	2,350,177	2,410,270
Right-of-use assets	IX. 4	425,986	447,636
Investments accounted for using the equity method	IX. 5	50,813	48,283
Financial assets	IX. 7	9,775	10,294
Receivables under German Hospital Financing Act	IX. 6	41,148	62,495
Other financial assets	IX. 7	1,500	2,055
Trade receivables	IX. 9	283	309
Other assets	IX. 11	47	67
Deferred taxes	IX. 24	102,418	85,400
Total non-current assets		**4,061,084**	**4,157,627**
Current assets			
Inventories	IX. 8	120,390	114,782
Receivables under German Hospital Financing Act	IX. 6	225,325	218,754
Trade receivables	IX. 9	737,982	780,615
Current income tax assets	IX. 10	25,399	21,998
Other financial assets	IX. 7	941,753	893,934
Other assets	IX. 11	44,670	33,826
Cash and cash equivalents	IX. 12	840,129	634,583
Total current assets		**2,935,647**	**2,698,492**
Assets held for sale	IX. 13	**22,074**	**14,537**
Total assets		**7,018,806**	**6,870,656**

EUR '000	Note no.	31 Dec. 2023	31 Dec. 2022
EQUITY AND LIABILITIES			
Equity attributable to the parent company			
Issued capital	IX. 14a	101	101
Reserves	IX. 14b	1,377,376	1,302,720
Consolidated net profit	IX. 14	97,153	97,686
Non-controlling interests	IX. 14c	587,216	642,598
Total equity	IX. 14	**2,061,845**	**2,043,104**
Non-current liabilities			
Trade payables	IX. 16	143	113
Financial liabilities	IX. 15	1,676,611	2,071,206
Lease liabilities	IX. 17	441,308	456,924
Pensions and similar obligations	IX. 21	127,570	110,676
Other provisions	IX. 22	261,587	287,774
Liabilities under German Hospital Financing Act	IX. 18	38,899	39,176
Deferred taxes	IX. 24	57,092	54,742
Other financial liabilities	IX. 19	90,367	38,729
Other liabilities	IX. 20	6,650	6,485
Total non-current liabilities		**2,700,227**	**3,065,826**
Current liabilities			
Trade payables	IX. 16	135,482	129,158
Financial liabilities	IX. 15	588,174	160,151
Lease liabilities	IX. 17	38,641	38,070
Pensions and similar obligations	IX. 21	4,122	3,472
Other provisions	IX. 22	355,550	353,811
Current income tax liabilities	IX. 23	19,336	22,343
Liabilities under German Hospital Financing Act	IX. 18	476,719	436,167
Other financial liabilities	IX. 19	224,638	224,811
Other liabilities	IX. 20	407,857	390,731
Total current liabilities		**2,250,518**	**1,758,714**
Debts associated with assets held for sale	IX. 13	**6,216**	**3,012**
Total equity and liabilities		**7,018,806**	**6,870,656**

5 IFRS consolidated statement of changes in equity

for the 2023 financial year

	Equity attributable to the parent company						
EUR '000	Issued capital	Capital reserves	Retained earnings	Consolidated net profit	Total	Non-controlling interests	Equity
As at 1 January 2022	**101**	**243,162**	**845,454**	**82,459**	**1,171,176**	**575,681**	**1,746,857**
Net income	0	0	0	97,686	97,686	34,190	131,875
Other comprehensive income	0	0	129,918	0	129,918	48,436	178,354
Total comprehensive income	**0**	**0**	**129,918**	**97,686**	**227,603**	**82,626**	**310,229**
Payment obligations and distributions	0	0	0	0	0	−1,963	−1,963
Changes in the consolidated group	0	0	129	0	129	9	138
Change in equity interests in consolidated companies	0	0	2,424	0	2,424	−12,265	−9,841
Allocation to reserves	0	0	82,459	−82,459	0	0	0
Other changes	0	0	−825	0	−825	−1,492	−2,317
Total transactions recognised directly in equity	**0**	**0**	**84,187**	**−82,459**	**1,728**	**−15,711**	**−13,983**
As at 31 December 2022	**101**	**243,162**	**1,059,559**	**97,686**	**1,400,506**	**642,598**	**2,043,104**
As at 1 January 2023	**101**	**243,162**	**1,059,559**	**97,686**	**1,400,506**	**642,598**	**2,043,104**
Net income	0	0	0	97,153	97,153	38,536	135,690
Other comprehensive income	0	0	−20,768	0	−20,768	−5,539	−26,307
Total comprehensive income	**0**	**0**	**−20,768**	**97,153**	**76,385**	**32,997**	**109,383**
Payment obligations and distributions	0	0	0	0	0	−1,638	−1,638
Changes in the consolidated group	0	0	119	0	119	−119	0
Change in equity interests in consolidated companies	0	0	−1,877	0	−1,877	−86,253	−88,130
Allocation to reserves	0	0	97,686	−97,686	0	0	0
Other changes	0	0	−504	0	−504	−368	−872
Total transactions recognised directly in equity	**0**	**0**	**95,423**	**−97,686**	**−2,263**	**−88,378**	**−90,641**
As at 31 December 2023	**101**	**243,162**	**1,134,214**	**97,153**	**1,474,630**	**587,216**	**2,061,845**

6 Notes to the consolidated financial statements

for the 2023 financial year in accordance with International Financial Reporting Standards

I. Basis of the consolidated financial statements

Group structure: principles and business segments

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

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

The Group operates facilities in numerous federal states in Germany. The Group structure is geared towards regional differences in terms of personnel and company law. The operating entities are essentially the Asklepios hospitals of AKG in which investments are held directly and the equity investments of the sub-group financial statements included in the consolidated financial statements, Asklepios Kliniken Hamburg GmbH, Hamburg (74.90% equity investment); MediClin AG, Offenburg (52.73% equity investment); and Rhön-Klinikum AG (94.20% equity investment), included in the consolidated financial statements since 3 July 2020.

Asklepios acquired a further 2.82% of shares in the fully consolidated unit AMR Holding GmbH, Königstein, in 2023. Asklepios Psychiatrie Therapie GmbH was newly established in the financial year. The Group structure was also expanded through the acquisition of MVZ Hamburg am Kampnagel GmbH, Hamburg. However, the newly acquired company is of minor significance for the consolidated financial statements. Reha-Klinik Schildautal Investgesellschaft mbH was also merged with Asklepios Klinik Schildautal Seesen GmbH in the financial year.

The Group also has selected foreign operations. They relate almost exclusively to the investment in Greece (Athens Medical Center S.A.), Mind District Holding BV in the Netherlands, which operates in the e-mental health sector, and Pulso Europe BV in Belgium.

The MediClin AG sub-group founded the companies MediClin Psychiatrie Pflege Dienstleistungen GmbH, MediClin BAV GmbH, MEDICLIN DIRECT GmbH, MEDICLIN Haustechnik GmbH, MediClin Management GmbH and MediClin Management GmbH & Co. KG. The companies were included in the sub-group. The company also sold its shares in MVZ MediClin Bonn GmbH, Bonn, and Dr. Hoefer Janker GmbH & Co. Klinik KG, Bonn.

II. Accounting principles

1) Regulations applied

The consolidated financial statements of the company and its subsidiaries as at 31 December 2023 were prepared in accordance with the requirements of section 315e (3) of the German Commercial Code (HGB), the International Financial Reporting Standards (IFRS) and the related interpretations of the IASB (IFRIC), as applicable in the European Union as per Regulation (EC) No. 1606/2002 of the European Parliament and of the Council. All standards and interpretations that are mandatory for the 2023 financial year were applied.

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

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

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

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

Financial reporting standards applied for the first time

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

Amendments to IFRS 17	Insurance Contracts and amendments to IFRS 17 deferring the date of initial application
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Narrowing the scope of the initial recognition exemption
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IFRS 17	Expedients for entities that first apply IFRS 9 and IFRS 17 at the same time

IFRS 17: Insurance Contracts

The standard contains regulations on accounting for insurance contracts. IFRS 17 replaces the previous IFRS 4 transitional standard. It covers insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. Pursuant to IFRS 17, insurance contracts are measured in accordance with the general model. Under this, the fulfilment cash flow and contractual service margin are calculated for a group of insurance contracts on initial recognition. Depending on the reason for changes to the underlying parameters, either the insurance service result or insurance finance income or expenses are affected in the subsequent measurement, or the contractual service margin may be adjusted, which does not affect profit or loss until subsequent periods.

The amendments came into effect on 1 January 2023. The Asklepios Group does not record any significant impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

IAS 1: Disclosure of Accounting Policies

The amendments to IAS 1 and IFRS Practice Statement 2 are intended to help preparers of financial reporting decide which accounting policies they are required to disclose in the financial statements. An entity is now required to disclose material accounting policy information rather than its significant accounting policies.

The amendments came into effect on 1 January 2023. The Asklepios Group does not record any significant impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

IAS 8: Definition of Accounting Estimates

The amendments to IAS 8 aim to help distinguish between accounting policies and accounting estimates. To this end, the definition of a change in accounting estimates is replaced by a definition of accounting estimates. Accounting estimates are redefined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities prepare accounting estimates if the accounting policies require items in the financial statements to be measured in a way that creates measurement uncertainty. A change in an accounting estimate resulting from new information or new developments does not constitute a correction of an error.

The amendments came into effect on 1 January 2023. The Asklepios Group does not record any impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

IAS 12: narrowing the scope of the initial recognition exemption

The amendment to IAS 12 narrows the scope of the initial recognition exemption, according to which no deferred tax assets or liabilities are to be recognised at the date of initial recognition of an asset or liability. If equal amounts of deductible and taxable temporary differences arise in a transaction, these are no longer covered by the exemption and so deferred tax assets and deferred tax liabilities are to be recognised.

The amendments came into effect on 1 January 2023. The Asklepios Group does not record any impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

IAS 12: International Tax Reform

The amendments to IAS 12 introduce a temporary exception from accounting for deferred taxes arising from the implementation of global minimum taxation (OECD's Pillar Two rules). This aims to ensure consistent financial statements and at the same time make it easier to apply the requirements. Targeted disclosure obligations are also introduced to help investors better understand the impact the top-up taxes resulting from the reform will have on the entity, especially before the country-specific laws for implementing minimum taxation take effect.

The amendments apply with retrospective effect from 1 January 2023. The Asklepios Group does not record any impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

IFRS 17: expedients for entities that first apply IFRS 9 and IFRS 17 at the same time

The amendment affects entities that first apply IFRS 17 and IFRS 9 at the same time. The amendment affects financial assets for which comparative information is presented when IFRS 17 and IFRS 9 are first applied but that has not been restated for IFRS 9. According to the amendment, entities are permitted to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that asset before.

The amendments came into effect on 1 January 2023. The Asklepios Group does not record any impact on the Group's net assets, financial position and results of operations from the amendment of the standard.

Financial reporting standards to be applied in the future

	Publication	Effective Date
Amendments to IAS 1: Classification of Liabilities as Current or Non-current, including postponement of the date of initial application published in July 2020 and October 2022*	January 2020	1 January 2024
Amendments to IFRS 16: Requirements for seller-lessees in leases as part of a sale and leaseback*	September 2022	1 January 2024
Amendments to IAS 1: Non-current Liabilities with Covenants*	October 2022	1 January 2024
Amendments to IAS 7 and IFRS 17: Supplier Finance Arrangements**	May 2023	1 January 2024
Amendments to IAS 21: Lack of Exchangeability**	August 2023	1 January 2025

*Endorsed
**Not yet endorsed

Amendments to IAS 1: Classification of Liabilities as Current or Non-current (endorsed on 19 December 2023)

On 23 January 2020, the International Accounting Standards Board (IASB) issued an amendment to IAS 1 regarding the classification of liabilities, which sets out criteria for the classification of liabilities as current or non-current. In the future, only "rights" that exist at the end of a reporting period will be relevant when classifying a liability. Additional guidance was also added for interpreting the "right to defer settlement of the liability by at least twelve months" and explanations regarding "settlement".

The amendments to IAS 1 published on 23 January 2020 stipulated initial application for annual periods beginning on or after 1 January 2022. On 15 July 2020, the IASB postponed the date of initial application of the amendments to 1 January 2023. "Non-current Liabilities with Covenants" issued on 31 October 2022 further postponed the date of initial application to 1 January 2024.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

Amendments to IFRS 16: Requirements for seller-lessees in leases as part of a sale and leaseback (endorsed 20 November 2023)

The amendment relates to requirements for the subsequent measurement of leases as part of a sale and leaseback for seller-lessees. This amendment aims in particular to standardise the subsequent measurement of lease liabilities and therefore to prevent the realisation of inappropriately substantial profits resulting from the fact that payments expected when the lease started no longer have to be taken into account. This means that the lease liability will be reduced by the expected payments in subsequent periods and only the difference to actual payments will be recognised through profit and loss.

The Asklepios Group does not expect any impact on the Group's net assets, financial position and results of operations from the amendment.

Amendments to IAS 1: Non-current Liabilities with Covenants (endorsed on 19 December 2023)

The amendment to the standard emphasises that when classifying liabilities as non-current or current, only covenants that the company must comply with on or before the reporting date are of relevance for the classification. The company is also obliged to disclose information regarding this in the notes to the financial statements, which will allow users to estimate the risk of the extent to which non-current liabilities could be repayable within twelve months.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

Amendments to IAS 7 and IFRS 17: Supplier Finance Arrangements (not yet endorsed)

The amendments are intended to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendments supplement existing disclosure requirements that require entities to disclose qualitative and quantitative information on supplier finance arrangements.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

Amendments to IAS 21: Lack of Exchangeability (not yet endorsed)

The amendments to IAS 21 require an entity to take a standardised approach when determining whether a currency is exchangeable into another currency and, if it is not, when determining the exchange rate and the required disclosures in the notes.

The Asklepios Group does not expect any significant impact on the Group's net assets, financial position and results of operations from the amendment.

3) Presentation and reclassifications

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

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

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

4) Financial year

The financial year is the calendar year.

5) Approval of the financial statements

The company's consolidated financial statements were approved for publication by management signature on 27 March 2024.

III. Currency translation

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

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

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

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

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

IV. Consolidation and accounting policies

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

1) Consolidated group

a) Subsidiaries

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

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

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

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

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

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

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

b) Associates

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

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

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

c) Other investments

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

d) Transactions with non-controlling interests

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

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

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

e) Consolidated group

The following companies were part of the group of consolidated companies as at 31 December 2023. Also presented are the amount of the interest (direct or indirect) and information on the extent to which the company is exempt from the obligation to prepare a management report and disclose information under section 264 (3) and section 264b HGB.

Name, registered office	Interest held in % 2023	Interest held in % 2022	Section 264 (3) HGB/ section 264b HGB 2022
AKG Klinik Hohwald GmbH, Königstein im Taunus	100.00	100.00	Yes
AKG Klinik Parchim GmbH, Königstein im Taunus	94.00	94.00	Yes
AKG Kliniken GmbH, Königstein im Taunus	100.00	100.00	Yes
Ambulantes Gesundheitszentrum Schwedt GmbH, Schwedt	100.00	100.00	Yes
AMR Holding GmbH, Königstein im Taunus	94.57	91.75	No
Angiologikum GmbH i. L., Hamburg	100.00	100.00	No
Aponova GmbH i. L., Hamburg	100.00	100.00	No
Asklepios – ASB Krankenhaus Radeberg GmbH, Radeberg	94.00	94.00	No
Asklepios Abrechnung Bayern GmbH, Lenggries	100.00	100.00	No
Asklepios Business Services GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Business Services Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios Dienstleistungsgesellschaft Hamburg mbH, Hamburg	100.00	100.00	No
Asklepios Dienstleistungsgesellschaft mbH, Gauting	100.00	100.00	Yes
Asklepios Einkauf und Versorgung Hamburg GmbH, Hamburg	94.00	94.00	Yes
Asklepios EYE GmbH, Hamburg	100.00	100.00	No
Asklepios Fachkliniken Brandenburg GmbH, Brandenburg	100.00	100.00	Yes
Asklepios Fachklinikum Stadtroda GmbH, Stadtroda	94.00	94.00	Yes
Asklepios Facility Services Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios Gesundheitszentrum Bad Tölz GmbH, Bad Tölz	100.00	100.00	Yes
Asklepios Großhandelsgesellschaft mbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Hamburg Personalservice GmbH, Hamburg	100.00	100.00	No
Asklepios Handelsgesellschaft mbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Harzkliniken GmbH, Goslar	94.00	94.00	Yes
Asklepios International Beteiligungsgesellschaft mbH, Königstein im Taunus	100.00	100.00	No

Name, registered office	Interest held in % 2023	Interest held in % 2022	Section 264 (3) HGB/ section 264b HGB 2022
Asklepios International GmbH, Königstein im Taunus	100.00	100.00	No
Asklepios IT-Services Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios Katharina-Schroth-Klinik GmbH, Bad Sobernheim	94.00	94.00	Yes
Asklepios Klinik Alsbach GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Bad Griesbach GmbH & Cie OHG, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Bad Salzungen GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Bad Wildungen GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Dienste Nordhessen GmbH, Schwalmstadt	100.00	100.00	Yes
Asklepios Klinik Fürstenhof Bad Wildungen GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Gauting GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Lich GmbH, Lich	94.00	94.00	Yes
Asklepios Klinik Lindau GmbH, Lindau	100.00	100.00	No
Asklepios Klinik Lindenlohe GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Pasewalk GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinik Sankt Augustin GmbH, Sankt Augustin	94.00	94.00	Yes
Asklepios Klinik Schaufling GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Klinik Schildautal Seesen GmbH, Seesen	94.00	94.00	Yes
Asklepios Klinik Service Göttingen GmbH, Göttingen	100.00	100.00	Yes
Asklepios Klinik Service Nordhessen GmbH, Schwalmstadt	100.00	100.00	Yes
Asklepios Klinik Service Potsdam GmbH, Brandenburg an der Havel	100.00	100.00	Yes
Asklepios Klinik Service Stadtroda GmbH, Stadtroda	100.00	100.00	Yes

Name, registered office	Interest held in % 2023	Interest held in % 2022	Section 264 (3) HGB/ section 264b HGB 2022
Asklepios Klinik Service Wiesen GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Klinik Weißenfels GmbH, Weißenfels	94.00	94.00	Yes
Asklepios Klinik Wiesbaden GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Kliniken Hamburg GmbH, Hamburg	74.90	74.90	No
Asklepios Kliniken Langen-Seligenstadt GmbH, Langen	94.00	94.00	Yes
Asklepios Kliniken Management- und Verwaltungs-gesellschaft Nord-Ost mbH, Königstein im Taunus	100.00	100.00	No
Asklepios Kliniken Management- und Verwaltungs-gesellschaft Rhein-Main mbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Klinikum Bad Abbach GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Klinikum Uckermark GmbH, Schwedt	94.00	94.00	Yes
Asklepios Krankenpflegeschulen gGmbH, Königstein im Taunus	95.00	95.00	No
Asklepios Lindau Beteiligungs GmbH, Lindau	100.00	100.00	No
Asklepios Medical School GmbH, Hamburg	100.00	100.00	No
Asklepios MVZ Bayern GmbH, Cham	100.00	100.00	Yes
Asklepios MVZ Brandenburg GmbH, Brandenburg an der Havel	100.00	100.00	Yes
Asklepios MVZ Hessen GmbH, Seligenstadt	100.00	100.00	Yes
Asklepios MVZ Mitteldeutschland GmbH, Stadtroda	100.00	100.00	Yes
Asklepios MVZ Niedersachsen GmbH, Goslar	100.00	100.00	Yes
Asklepios MVZ Nord GmbH, Hamburg	100.00	100.00	Yes
Asklepios MVZ Nord SH GmbH, Hamburg	100.00	100.00	Yes
Asklepios MVZ Rheinland-Pfalz GmbH, Kandel	100.00	100.00	Yes
Asklepios MVZ Sachsen GmbH, Königstein im Taunus	100.00	100.00	No
Asklepios MVZ Sachsen-Anhalt GmbH, Weißenfels	100.00	100.00	Yes
Asklepios MVZ Schleswig-Holstein GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Nordseeklinik Westerland GmbH, Königstein im Taunus	93.00	93.00	Yes

Name, registered office	Interest held in % 2023	Interest held in % 2022	Section 264 (3) HGB/ section 264b HGB 2022
Asklepios Objektbetreuung Hamburg GmbH, Hamburg	100.00	100.00	Yes
Asklepios OP-Zentrum GmbH, Hamburg	100.00	100.00	Yes
Asklepios Pflegeheim Weserblick GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Psychiatrie Langen GmbH, Langen	100.00	100.00	Yes
Asklepios Psychiatrie Niedersachsen GmbH, Göttingen	100.00	100.00	Yes
Asklepios Psychiatrie Therapie GmbH, Stadtroda	100.00	0.00	No
Asklepios Psychiatrie Verwaltungsgesellschaft mbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Radiologie MVZ GmbH, Hamburg (formerly: Asklepios Connecting Health Hamburg GmbH, Hamburg)	100.00	100.00	Yes
Asklepios Reha – Klinik Bad Schwartau GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Rehaklinik Bad Oldesloe GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Schwalm-Eder-Kliniken GmbH, Schwalmstadt	94.00	94.00	No
Asklepios Science & Research GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Service Entlassmanagement GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Service Hotellerie GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Service IT GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Service Reinigung GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Service Technik GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Stadtklinik Bad Tölz GmbH, Königstein im Taunus	94.00	94.00	Yes
Asklepios Südpfalzkliniken GmbH, Burglengenfeld	94.00	94.00	Yes
Asklepios Switzerland Holding AG, Bern (Switzerland) (formerly: Samedi Switzerland AG, Bern (Switzerland))	100.00	100.00	n.a.
Asklepios Technik Hamburg GmbH, Hamburg (formerly: Rückenzentrum St. Georg GmbH, Hamburg)	100.00	100.00	No

Name, registered office	Interest held in % 2023	Interest held in % 2022	Section 264 (3) HGB/ section 264b HGB 2022
Asklepios Therapie Dienstleistungen GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Therapie GmbH, Königstein im Taunus	100.00	100.00	No
Asklepios Verwaltungs- und Management-GmbH, Königstein im Taunus	100.00	100.00	Yes
Asklepios Weserbergland-Klinik GmbH, Höxter	94.00	94.00	Yes
Asklepios Westklinikum Hamburg GmbH, Hamburg	74.98	74.98	Yes
Asklepios Zentrallager Besitzgesellschaft mbH, Königstein im Taunus	100.00	100.00	No
Beteiligungsgesellschaft Prof. Mathey, Prof. Schofer GmbH, Hamburg	100.00	100.00	No
BGL Grundbesitzverwaltungs-GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Blomenburg Holding GmbH, Kiel	94.00	94.00	Yes
BUK Familienbewusstes Personalmanagement GmbH, Essen	100.00	100.00	No
DHZ Deutsches Herzklappenzentrum GmbH i.L, Hamburg	100.00	100.00	No
Digital Infusion GmbH, Berlin	100.00	100.00	No
ELAN Arzt- und Klinikservice GmbH, Königstein im Taunus	100.00	100.00	Yes
ESB – Gemeinnützige Gesellschaft für berufliche Bildung mbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Fachklinik Rhein/Ruhr für Herz/Kreislauf- und Bewegungssystem GmbH & Co. Kommanditgesellschaft, Essen	100.00	100.00	Yes
Fachklinik Rhein/Ruhr für Herz/Kreislauf- und Bewegungssystem Verwaltungs Gesellschaft mit beschränkter Haftung, Essen	100.00	100.00	No
Fachklinikum Wiesen GmbH, Königstein im Taunus	100.00	100.00	Yes
Fürstenberg Institut GmbH, Hamburg	80.00	80.00	No
Gemeinnützige Gesellschaft zur Förderung der klinischen Forschung auf dem Gebiet der Humanmedizin und zur Betreuung von Patienten an den Universitäten Gießen und Marburg mbH, Marburg	100.00	100.00	No
German health tv GmbH, Königstein im Taunus	100.00	100.00	Yes
GFB medi GmbH, Alsbach	100.00	100.00	No
GKB Klinikbetriebe GmbH, Königstein im Taunus	94.00	94.00	Yes
Haus Saaletal GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes

Name, registered office	Interest held in % 2023	Interest held in % 2022	Section 264 (3) HGB/ section 264b HGB 2022
HDG-Harzkliniken Dienste GmbH, Goslar	100.00	100.00	Yes
Health Care Concept GmbH, Hamburg	100.00	100.00	No
Herzzentrum Lahr/Baden GmbH & Co. KG, Bad Rappenau	100.00	100.00	Yes
HKW Hamburger Krankenhauswäscherei GmbH, Hamburg	100.00	100.00	Yes
IBT-Orthopädie GmbH, Föhren	100.00	100.00	No
INSITE-Interventions GmbH, Frankfurt am Main	100.00	100.00	Yes
INSTITUT FÜR KLINISCHE FORSCHUNG Semmelweis Universität, Campus Hamburg gGmbH, Hamburg	100.00	100.00	No
KB Krankenhausbeteiligungsgesellschaft mbH & Co. KG, Essen	100.00	100.00	Yes
KB Krankenhausbeteiligungsverwaltungsgesellschaft mbH, Essen	100.00	100.00	No
Kinderhort Salzburger Leite gemeinnützige Gesellschaft mbH, Bad Neustadt a.d. Saale	100.00	100.00	No
KLINIK "HAUS FRANKEN" GMBH Bad Neustadt/Saale i. L., Bad Neustadt a. d. Saale	100.00	100.00	No
Klinikum Frankfurt (Oder) GmbH, Frankfurt (Oder)	100.00	100.00	Yes
KLS – Facility Management GmbH, Langen	100.00	100.00	No
Kraichgau-Klinik Aktiengesellschaft, Bad Rappenau	94.80	94.80	No
Kraichgau-Klinik Bad Rappenau GmbH & Co. KG, Bad Rappenau	100.00	100.00	Yes
Lungenpraxis am Wördemannsweg GmbH i.L., Hamburg	100.00	100.00	No
MAH Medizinische Akademie Hamburg GmbH, Hamburg	100.00	100.00	No
Marburger Ionenstrahl-Therapie Betriebs-Gesellschaft mbH, Bad Neustadt a.d. Saale	100.00	100.00	No
MC Kliniken Geschäftsführungs-GmbH, Offenburg	100.00	100.00	No
MC Service GmbH, Offenburg	100.00	100.00	No
MediClin à la Carte GmbH, Offenburg	100.00	100.00	Yes
MediClin Aktiengesellschaft, Offenburg	52.73	52.73	No
MediClin BAV GmbH, Offenburg	100.00	0.00	No
MediClin Betriebs GmbH, Offenburg	100.00	100.00	No
MEDICLIN DIRECT GmbH, Offenburg	100.00	0.00	No
MediClin Energie GmbH, Offenburg	100.00	100.00	No
MediClin Fachklinik Rhein/Ruhr Therapie & Pflege GmbH, Essen	100.00	100.00	No
MediClin Geschäftsführungs-GmbH, Offenburg	100.00	100.00	No
MediClin GmbH & Co. KG, Offenburg	100.00	100.00	Yes
MEDICLIN Haustechnik GmbH, Offenburg	100.00	0.00	No
MediClin Immobilien Verwaltung GmbH, Offenburg	100.00	100.00	No
MediClin Management Geschäftsführung GmbH, Offenburg	100.00	0.00	No
MediClin Management GmbH & Co. KG, Offenburg	100.00	0.00	Yes
MediClin Medizinisches Versorgungszentrum GmbH, Offenburg	100.00	100.00	Yes
MediClin Pflege GmbH, Offenburg	100.00	100.00	Yes
MediClin Psychiatrie Pflege Dienstleistungen GmbH, Offenburg	100.00	100.00	No
MediClin Rehabilitationsforschung gGmbH, Offenburg	100.00	100.00	No
MediClin Therapie GmbH, Offenburg	100.00	100.00	No
MediClin-IT GmbH, Offenburg	100.00	100.00	Yes
medicum Hamburg MVZ GmbH, Hamburg	100.00	100.00	Yes
MEDILYS Laborgesellschaft mbH, Hamburg	100.00	100.00	Yes
Medizinisches Versorgungszentrum Prof. Mathey, Prof. Schofer GmbH, Hamburg	100.00	100.00	No
Mind District Holding B.V., Amsterdam (Netherlands)	100.00	100.00	n.a.
Minddistrict B.V., Amsterdam (Netherlands)	100.00	100.00	n.a.
Minddistrict Development B.V., Amsterdam (Netherlands)	100.00	100.00	n.a.
Minddistrict GmbH, Berlin	100.00	100.00	No
Minddistrict LTD, London (England)	100.00	100.00	n.a.
MVZ Bad Neustadt/Saale GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
MVZ des Klinikums Frankfurt (Oder) GmbH, Frankfurt (Oder)	100.00	100.00	No
MVZ Hamburg am Kampnagel GmbH, Hamburg	100.00	0.00	No
MVZ Hanse Histologikum GmbH, Hamburg	51.00	51.00	No
MVZ MED GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No

Name, registered office	Interest held in % 2023	Interest held in % 2022	Section 264 (3) HGB/ section 264b HGB 2022
MVZ MEDILYS Laborgesellschaft mbH, Hamburg	100.00	100.00	No
MVZ Rhön Diagnostik GmbH, Gießen	100.00	100.00	No
MVZ Sobernheim GmbH, Bad Sobernheim	100.00	100.00	Yes
MVZ UKGM GmbH, Marburg	100.00	100.00	No
MVZ Vorpommern GmbH, Pasewalk	100.00	100.00	Yes
MVZ Zentralklinik GmbH, Bad Berka	100.00	100.00	Yes
Norddeutsches Herz- und Gefäßzentrum Hamburg GmbH i. L., Hamburg	100.00	100.00	No
Nordseeklinik Neubau GmbH, Königstein im Taunus	100.00	100.00	Yes
OT-Rhein-Main GmbH, Föhren	100.00	100.00	No
PMD Präventivum GmbH i. L., Hamburg	100.00	100.00	No
Poly Z Med GmbH, Königstein im Taunus	100.00	100.00	Yes
Prof. Mathey, Prof. Schofer Vermietungsgesellschaft mbH & Co. KG, Hamburg	100.00	100.00	No
ProFuß GmbH, Föhren	80.00	80.00	No
Psychosomatische Klinik GmbH Bad Neustadt/Saale, Bad Neustadt a.d. Saale	100.00	100.00	No
PTZ GmbH, Marburg	100.00	100.00	No
PULSO EUROPE BV, Leuven (Belgium)	100.00	100.00	n.a.
Pulso Europe Portugal LDA, Lisbon (Portugal)	60.00	60.00	n.a.
Pulso France SAS, Paris (France)	60.00	60.00	n.a.
Pulso South East Europe P.C., Athens (Greece)	55.00	55.00	n.a.
Rehabilitationszentrum Gernsbach / Schwarzwald GmbH & Co. KG, Bad Rappenau	100.00	100.00	Yes
RHÖN-Cateringgesellschaft mbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
RHÖN-Innovations GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Rhön-Klinikum AG, Bad Neustadt a.d. Saale	94.20	94.20	No
RHÖN-KLINIKUM Business Services GmbH, Schweinfurt	100.00	100.00	Yes
RHÖN-KLINIKUM Energie für Gesundheit GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
RHÖN-KLINIKUM IT Service GmbH, Bad Neustadt a.d. Saale	100.00	100.00	Yes
RHÖN-KLINIKUM Service Einkauf + Versorgung GmbH, Schweinfurt	100.00	100.00	Yes
RHÖN-KLINIKUM Services GmbH, Bad Neustadt a. d. Saale	100.00	100.00	Yes
RHÖN-Kreisklinik Bad Neustadt GmbH, Bad Neustadt a. d. Saale	100.00	100.00	Yes
Sächsische Schweiz Kliniken GmbH, Sebnitz	100.00	100.00	No
Samedi Austria GmbH, Wien (Österreich)	100.00	100.00	n.a.
Samedi GmbH, Berlin	100.00	100.00	No
Sanomed Sanitätshaus für Orthopädie und Rehabilitationstechnik GmbH, Bad Sobernheim	100.00	100.00	No
TheraPro GmbH, Hamburg	100.00	100.00	Yes
UKGM Service GmbH, Bad Neustadt a.d. Saale	100.00	100.00	No
Universitätsklinikum Gießen und Marburg GmbH, Gießen	95.00	95.00	No
Zentralklinik Bad Berka GmbH, Bad Berka	87.50	87.50	No

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

Name, registered office	Interest held in %	Equity in EUR thousand	Net profit/loss in EUR thousand
4QD-Qualitätskliniken.de GmbH, Berlin*	45.11%	309.00	0.00
Bad Griesbacher Tunnelanlagen GmbH & Co. Betriebs-KG, Bad Griesbach*	38.42%	1,298.00	−126.00
Bäderland Bayerische Rhön GmbH & Co. KG, Bad Kissingen*	0.10%	20.00	5.00
Care Bridge GmbH, Bonn*	25.10%	2,559.00	−1,114.00
CLEW Medical Inc., Delaware (USA)**	8.80%	1,761.00	−5,302.00
HOSPIZ MITTELHESSEN gemeinnützige GmbH, Wetzlar*	14.30%	548.00	6.00
Inovytec Medical Solutions Ltd., Hod Hasharon (Israel)**	10.20%	5,694.00	−3,260.00
movival GmbH, Achern*	45.45%	99.00	−8.00
Seniorenpflegeheim GmbH Bad Neustadt a.d. Saale, Bad Neustadt a.d. Saale*	25.00%	−479.00	−1,769.00
Spitality GmbH, Charlottenburg*	15.55%	565.00	−625.00
Telesofia Medical Ltd., Tel Aviv (Israel)**	12.20%	−391.00	−342.00
Wir für Gesundheit GmbH, Berlin*	5.00%	128.00	−684.00
ZIT*	24.90%	−800.00	−326.00

* Equity and net profit/loss from 2022
** Equity and net profit/loss from 2022, translated at the reporting date rate/average rate 31 December 2023

The profit from the disposal of equity investments amounted to EUR 0.0 million in 2023 (previous year: EUR 5.5 million) and is reported in net investment income.

The following companies are accounted for using the equity method:

Name, registered office	Interest held in %
Athens Medical Center SA, Athens	36.48
COLLM KLINIK OSCHATZ GmbH, Oschatz	25.00
Energiezentrale Universitätsklinikum Gießen GmbH, Gießen	50.00
Meierhofer AG, Munich	40.00

Assets held for sale

Dr. Hoefer-Janker GmbH & Co. Klinik KG and MVZ MediClin Bonn GmbH, which were already held for sale in the 2022 financial statements, were sold as planned by way of share deals. The planned sale of the Oberviechtach site, part of Asklepios Klinikum Bad Abbach GmbH, did not go ahead. The profit from the disposal of the companies is of minor significance for the Group and is reported under other operating income. The intention is to sell MediClin Herzzentrum Coswig, part of MediClin GmbH & Co. KG, Offenburg, MediClin MVZ Bad Düben, part of MediClin Medizinisches Versorgungszentrum GmbH, Offenburg, and hospital buildings in Clausthal, part of Asklepios Harzkliniken GmbH, Goslar, in the first half of 2024. In line with the amend-ment to IFRS 5, the assets and liabilities held for sale (disposal group) attributable to the companies held for sale were reclassified accordingly in the statement of financial position. For further information, please refer to section VIII.13) "Assets held for sale and liabilities in connection with assets held for sale".

2) Intangible assets

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

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

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

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

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

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

3) Goodwill

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

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

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

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

	2023	2022
Planning horizon	3 years	3 years
Growth reduction in perpetuity	0.25%	0.25%
Risk-free interest rate	2.50%	1.50%
Pre-tax discount rate	6.71%	7.14%
Post-tax discount rate (WACC)	6.24%	6.97%

Where the CGU under consideration is significantly affected by the accounting effects of IFRS 16, this was taken into account by way of an adjustment to the impairment model and the effects of IFRS 16 were included in the budget planning, the carrying amount of the CGU and WACC (6.24%). This did not change the impairment of the affected CGU.

The average revenue and EBIT growth for the key companies to which goodwill has been assigned in the 2024 to 2026 planning period is shown in the table below.

EUR million	average revenue growth in the planning period in %	average EBIT growth in the planning period in %
Rhön-Klinikum AG	3	6
MediClin AG	6	30
Asklepios Kliniken Hamburg GmbH	3	15

As part of planning, the Asklepios management determines the assumptions for the current legal, macroeconomic and market-specific developments and framework conditions as well as the assessment of development, which provide the foundation for corporate planning and the Asklepios Group's three-year plan. For performance and revenue planning, the respective base rates at state level are calculated centrally and specified for each state. The assumptions made regarding cost development result from the economic performance of the facilities and the societal conditions.

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

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

EUR million	2023	2022
Rhön-Klinikum AG	282.6	282.5
MediClin AG	234.0	234.0
Asklepios Kliniken Hamburg GmbH	102.3	100.5
Other goodwill	255.7	262.7
Total	**874.6**	**879.7**

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

EUR million	Difference between value in use and carrying amount	Impairment from increase in the discount rate (WACC) by in % points	EBIT in the perpetuity	Impairment from decrease in EBIT by in %
Rhön-Klinikum AG	250	2	102	−23
MediClin AG	1,522	26	143	−84
Asklepios Kliniken Hamburg GmbH	735	6	112	−60

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

4) Property, plant and equipment

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

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

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

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

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

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

5) Investment property

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

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

The only investment property included in the 2022 consolidated financial statements was reclassified as at 30 June 2023 as it is to be used as employee housing in the future.

6) Government grants

The company receives government grants for various government subsidy programmes. Government grants are accounted for in accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) only if there is reasonable assurance that the conditions attached to them will be met and that the grants will be received. Where government grants were issued for the procurement of property, plant and equipment, they are generally offset against the cost of the asset in line with IAS 20.24. Furthermore, the company receives grants that are earmarked for financing ongoing expenses. These grants are recognised in profit or loss and deducted from the relevant expenses on an accrual basis, provided they are directly connected with these expenses. If there is no such direct connection, the grants are recognised in profit or loss as other operating income.

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

7) Leases

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

Accounting by the lessee

The lessee recognises a right-of-use asset and a lease liability at the inception date of the lease. The right-of-use asset is accounted for at cost and is depreciated over the shorter of the lease term and the economic life of the asset. The asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, for payments on or before the inception of the lease, and for restoration and similar obligations. The right of-use asset is recognised against a lease liability under equity and liabilities in the statement of financial position. The present value of all future lease payments is included in the measurement of the lease liability. These payments are discounted using the interest rate implicit in the lease if it can be determined reliably. If the interest rate cannot be determined, the incremental borrowing rate is used instead. The incremental borrowing rate for Asklepios Kliniken GmbH & Co. KGaA was determined on the basis of risk-appropriate and term-specific credit spreads on the market for corporate schuldschein loan agreements. The term-specific mid swap rate on the reporting date was used as the base interest rate.

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

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

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

The Group utilises these options.

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

Accounting by the lessor

Lessors distinguish between finance and operating leases for each lease.

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

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

8) Research and development costs

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

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

9) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset (IAS 23.11). Borrowing costs of EUR 0.2 million (previous year: EUR 1.2 million) were capitalised in connection with construction projects in the 2023 financial year. The capitalised amount was calculated as a surcharge rate from the capitalisation rate for loans taken out (5.6% on average; previous year: 2.8% on average).

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

10) Impairment of non-financial assets

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

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

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

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

11) Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

In the case of debt instruments measured at fair value through other comprehensive income, interest income, remeasurements of gains and losses on currency translation, and impairment losses or reversals are recognised in the consolidated income statement. Other changes in fair value are recognised in equity. When a financial asset is derecognised, the cumulative gain or loss from changes in fair value recognised in other comprehensive income is reclassified to the consolidated income statement. There were no such financial assets in the Group as at 31 December 2023.

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

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

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

On initial measurement, an entity shall decide whether to classify its equity instruments as equity instruments measured at fair value through other comprehensive income if they satisfy the definition of equity in IAS 32 and are not held for trading. Gains and losses from these financial assets are not reclassified to the consolidated income statement. Dividends are recognised in the consolidated income statement under other income. Equity instruments measured at fair value through other comprehensive income are not tested for impairment. There were no such financial assets in the Group as at 31 December 2023.

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

Financial assets measured at fair value through profit or loss include financial assets held for trading, financial assets designated at fair value through profit or loss on initial recognition and financial assets that must be measured at fair value. Financial assets such as shares or interest-bearing securities are classified as held for trading if they are held with the intention of sale in the short term. As specified by the provisions of IFRS 9, derivative financial instruments are generally measured at fair value through profit or loss if they are not used as hedging instruments in hedge accounting. Examples of derivative financial instruments include options, futures and forwards, and interest rate swaps. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss regardless of the business model. Gains and losses from these financial assets are recognised in profit or loss. One exception to this is financial instruments designated for hedge accounting; gains and losses resulting therefrom are reported under equity in other comprehensive income. The effective portion of changes in market value of derivatives classified as cash flow hedges is recognised in the cash flow hedge reserve through other comprehensive income as a component of equity. For further information, please refer to the additional disclosures on financial instruments in section VII. 25).

e) Financial liabilities

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

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

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

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

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

f) Offsetting financial assets and financial liabilities

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

g) Determination of fair value

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

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

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

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

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

For further information, please refer to the additional disclosures on financial instruments in section VII. 25).

h) Net results by measurement category

	From subsequent measurement			
EUR million	From interest results	Loss allowance	2023	2022
Financial assets measured at amortised cost	9.7	−26.4	−16.7	−40.8
Financial liabilities measured at amortised cost	−4.7	0.0	−4.7	−1.8

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

12) Income taxes

a) Current tax assets and liabilities

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

b) Deferred taxes

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

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

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

The calculation of deferred taxes as at 31 December 2023 is again subject, as it was in the previous year, to a corporate income tax rate of 15% plus a solidarity surcharge of 5.5% on corporate income tax. The operating clinics are generally exempt from trade tax.

Income taxes that relate to items of other comprehensive income are also recognised in other comprehensive income and not in the consolidated income statement. This related to the change in pension commitments of EUR 4.0 million in the financial year (previous year: EUR –41.2 million).

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

13) Inventories

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

14) Trade receivables

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

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

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

15) Receivables and liabilities under German Hospital Financing Act

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

16) Recognition of revenue and income

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

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

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

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

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

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

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

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

The compensation payments made during the COVID-19 pandemic expired in 2022. However, new challenges emerged in 2023. The German federal government responded to rising energy costs and the significant strain these pose and expanded the German Hospital Financing Act (KHG).

Under section 26f KHG, approved hospitals are entitled to two lump-sum compensation payments for indirect energy cost increases, without the obligation to provide verification, and hospital-specific reimbursements. The support applies from 1 October 2022 to 30 April 2024 and was/is paid out in several tranches.

The lump-sum funds are distributed on the basis of reported hospital beds. Individual reimbursements for direct energy cost increases for natural gas, district heat and electricity are assessed for each individual facility using a standard calculation. Compensation payments for the following periods are calculated separately and compared with the level in March 2022:

- October to December 2022
- January to December 2023
- January to April 2024

The individual payment requires verification to be submitted to hospital planning authorities in the form of invoices, discount payments or adjustment of costs outside acute inpatient care (e.g. medical care centre, rehabilitation, etc.). Legislators also require recipients of these funds to carry out a verified energy consultation by 15 January 2024. 20% of the subsidy will be deducted in the event of non-compliance. Unused funds must be repaid to the federal government.

Similar to the care budget, a new financing system for children and young people between 28 days and under 16 years old at the time of admittance in accordance with section 4a of the German Hospital Fees Act (KHEntgG) was introduced. Revenue volume for children and young people was removed from the hospital budgets from 2023 onwards. This was based on the services provided in 2019. As well as children's hospitals and hospitals with paediatric departments, the change also affects all hospitals that treated at least one patient as defined above in 2019.

Obstetrics funding was also introduced to ensure nationwide provision of obstetrics locations. The specific amount per hospital location is determined based on whether it has a specialist paediatric department and a specialist neonatal department, a certain share of vaginal births, the number of births and whether it is possible to carry out the practical portion of midwifery study programmes.

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

17) Other receivables and other assets

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

18) Cash and cash equivalents

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

19) Other provisions

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

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

20) Pension provisions

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

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

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

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

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

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

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

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

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

21) Share-based payment transactions

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

It was also possible to return the shares on termination of employment. The shares were measured at fair value, but at least at the nominal amount of the shares. It was not possible to sell the shares freely. The current and former Management Board members offered their shares with effect as at 31 December 2020. The purchase prices of EUR 0.4 million were paid out in 2021. The fair value measurement was adjusted once more in 2022 and 2023. The profit or loss for the reporting year includes: EUR 43 thousand (previous year: EUR 0.3 million) in connection with this.

22) Estimates, assumptions and judgements

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

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

- Acquisitions: Assumptions and estimates have an impact on acquisitions as part of purchase price allocation. Contingent purchase price liabilities are carried at fair value as part of purchase price allocation.
- Goodwill impairment: The Group tests goodwill for impairment annually. This requires an estimate of the value in use of the cash-generating units to which the goodwill is allocated. To determine the value in use, the Group has to estimate the expected future cash flows of the cash-generating unit and the discount rates to calculate the present value of these cash flows.

  As at 31 December 2023, the carrying amount of goodwill was EUR 874.6 million (previous year: EUR 879.7 million).

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

- Fair value of derivative and other financial instruments: The fair value of financial instruments that are not traded on an active market is calculated using suitable measurement methods, which are selected from a number of methods. The assumptions applied are largely based on prevailing market conditions on the reporting date.
- Fair value of investments accounted for using the equity method: If the fair value of financial assets recognised in the statement of financial position cannot be determined using data from an active market, it is determined using measurement parameters including the discounted cash flow method. The input parameters included in the model are based as far as possible on observable market data and on assumptions of growth rates and interest rates. The carrying amount of investments accounted for using the equity method was EUR 50.8 million as at 31 December 2023 (previous year: EUR 48.3 million).
- Inpatients at end of reporting period (contract assets): As part of our patient billing process, we receive fixed fees based on the respective DRGs, which are calculated using the standard base rates for the respective German state and the national coding system. The Group makes an inventory of the number of patients in hospital as at the end of the reporting period. This is based on the milestones 'length of stay' in relation to the national average length of stay and the date of the operation. As the costs per inpatient at the end of the reporting period cannot be reliably determined due to the difficulty of identifying patient numbers and projecting the development of the course of treatment for these patients, the Group calculates the costs per inpatient at the end of the reporting period using the fixed fees that Asklepios receives. Given the unreliable estimate of costs per inpatient at the end of the reporting period, the Group does not report any partial profits from the measurement of inpatients as at the end of the reporting period. Asklepios reports revenue only in the amount of the estimated contract costs incurred (zero profit method) by applying a discount to the estimated costs per inpatient at the end of the reporting period. The carrying amount was EUR 67.6 million as at 31 December 2023 (previous year: EUR 77.3 million).
- Pensions and other obligations: The amount of pension provisions depends on a number of actuarial assumptions. These mainly relate to:
  - discount rates
  - future salary increases

  Due to the long-term nature of these provisions, such estimates are subject to significant uncertainty. Please refer to our explanations under VIII.21) Provisions for pensions and similar obligations. The carrying amount was EUR 131.7 million as at 31 December 2023 (previous year: EUR 114.1 million).

- Taxes: Taxable profits are calculated on the basis of an assessment of the circumstances based on applicable legal standards and interpretations thereof. Amounts recognised as tax expense, tax liabilities and tax receivables are based on the assumptions made. The capitalisation of tax loss carryforwards in particular requires estimates regarding the amount of existing loss carryforwards and the taxable income that will be available in the future to offset these loss carryforwards. There is uncertainty primarily in the interpretation of these complex tax regulations. Differences from the assumptions that occur at a later stage are recognised in the period in which they occur. Expenses and income from such differences are recognised in the period in which they occur. Please refer to VI.9) Income taxes.
- Recognition of revenue: Our inpatient hospital services should be remunerated through budgets negotiated prospectively with the statutory health insurance funds. However, budget negotiations do not actually take place until mid-way through a financial year and some of these negotiations are not concluded until after the end of a financial year. In these instances, there is uncertainty over the agreed service volumes and/or remuneration amounts, which Asklepios offsets with reasonable estimates. Past experience shows that the intrinsic inaccuracy of each estimate in this case is insignificant in relation to revenue. Since the 2020 financial year, Asklepios hospitals have also had to agree budgets with the health insurance funds with regard to nursing staff. The approach in these cases was the same as that described above.

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

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

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

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

V. Disclosures on financial risk management

1) Financial risk management system

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

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

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

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

2) Liquidity risks

Liquidity risks stem from a possible lack of financing to settle liabilities as they fall due in terms of volume and maturity. The latter fact in particular leads to the need to accept unfavourable financing conditions in the event of potential liquidity bottlenecks. The management of short-term liquidity risks and longer-term financing risks is the central role of the Corporate Finance & Treasury department, which prepares rolling liquidity planning using a Group-wide integrated treasury management system with a focus on efficient management of current cash and cash equivalents.

To ensure the solvency of the Asklepios Group at all times and the proactive provision of liquidity is the management's aim to guarantee a significant degree of flexibility within the financing strategy.

Against this backdrop, the management has ensured that sufficient bilateral and syndicated lines of credit are in place, access to the money and capital markets is possible and a conservative approach is pursued when investing cash short-term. Contractual agreements are also complied with continually.

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

EUR million	31 Dec. 2023 Total	Up to 12 months	1 to 5 years	More than 5 years
Trade payables	135.6	135.5	0.1	0.0
Financial liabilities	2,530.7	654.2	1,410.0	466.5
Lease liabilities	714.2	53.3	185.0	475.9
Liabilities under German Hospital Financing Act	515.6	476.7	38.9	0.0
Other financial liabilities	330.3	224.6	96.4	9.3

EUR million	31 Dec. 2022 Total	Up to 12 months	1 to 5 years	More than 5 years
Trade payables	129.3	129.2	0.1	0.0
Financial liabilities	2,475.5	202.8	1,613.5	659.2
Lease liabilities	733.5	49.0	177.4	507.1
Liabilities under German Hospital Financing Act	475.4	436.2	39.2	0.0
Other financial liabilities	263.5	224.8	28.4	10.3

3) Credit risks

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

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

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

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

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

As in the previous year, there are no significant concentrations of risk as at 31 December 2023. With respect to the other financial assets held by the Group, the maximum exposure to credit risk arising from default of the counterparty is equal to the carrying amount of the corresponding instruments.

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

4) Interest rate risks

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

There is no interest rate risk within the meaning of IFRS 7 for financial instruments that are subject to fixed interest rates during the term of the financial instrument. Changes to market interest rates that occur during the term of the instruments therefore have no impact on operating cash flow and consolidated net profit.

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

The average balance was used as measurement of variable rate liabilities at the yearend is not entirely reliable for calculating the interest rate sensitivities of floating-interest liabilities. The average balance was taken to be the arithmetic mean of the monthly closing balances.

	31 Dec. 2023		31 Dec. 2022	
EUR '000 Variable: interest rate	**+100 basis points**	**−100 basis points**	**+100 basis points**	**−100 basis points**
Earnings before income taxes	−503	503	−638	−2,923

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

Interest rate risks are systematically quantified, assessed on an ongoing basis, managed and monitored using defined key figures as part of the interest risk management strategy. Interest rate risks are assessed on an ongoing basis based on a fixed proportion of floating-rate financing instruments in the overall financing portfolio and the volume-weighted fixed-interest period for the overall financing portfolio.

In certain circumstances, the interest rate risks is also managed using interest rate hedges (e.g. interest rate swaps, interest rate forwards, forward interest rate swaps). For example, interest rate swaps were concluded in the 2023 financial year to meet the target figures set out in the interest risk management strategy.

5) Capital management

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

As at 31 December 2023, the equity ratio amounted to 29.4% (previous year: 29.7%) and was therefore up on the previous year.

The Group uses the net debt ratio (net financial liabilities/EBITDA) and the interest coverage factor (EBITDA/net interest income) to assess the credit rating.

It set a target range for the net debt ratio (net financial liabilities/EBITDA) of 3.0x to 3.5x. The minimum interest coverage factor (EBITDA/net interest income) should be between 4.5x and 6.0x.

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

EUR million	2023	2023*	2022
Financial liabilities	2,744.7	2,269.3	2,726.4
Cash and cash equivalents	−840.1	−840.1	−634.6
Short-term time deposits	−137.3	−137.3	−220.0
Net financial debt	1,767.3	1,291.9	1,871.8
EBITDA	540.3	482.5	532.6
Net debt ratio	**3.3x**	**2.7x**	**3.5x**

* Excluding effects from the application of IFRS 16 Leases

The net debt ratio amounts to 3.3x (previous year: 3.5x) and is therefore at roughly the previous year's level. The interest coverage factor (EBITDA/net interest income) is 9.0x (previous year: 12.6x).

The Group has total unutilised credit facilities of around EUR 878.8 million at its disposal (previous year: EUR 651.1 million). In addition, the Asklepios Group has cash and cash equivalents of EUR 840.1 million (previous year: EUR 634.6 million) and short-term deposits of EUR 137.3 million (previous year: EUR 220.0 million) with maturities of 3 to 12 months.

VI. Notes to the consolidated income statement

1) Revenue

Revenue breaks down by business segment as follows:

EUR million	2023	2022
Clinical acute care	4,733.7	4,612.9
Post-acute and rehabilitation clinics	657.0	601.2
Social and welfare facilities	21.0	18.4
Miscellaneous	40.6	57.5
Total	**5,452.3**	**5,290.0**

The Asklepios Group facilities treated a total of 3,475,692 patients in the 2023 financial year. This corresponds to an increase compared with the previous year (3,395,452 patients) of 2.4%. The trend in inpatient cases, at 759,567 (previous year: 753,900), and outpatient cases, at 2,716,125 (previous year: 2,641,552), is also slightly positive. In total, revenue of EUR 5,452.3 million (previous year: EUR 5,290.0 million) is up on the previous year's level.

2) Other operating income

Other operating income is broken down as follows:

EUR million	2023	2022
Income from services	237.5	195.9
Income from other grants	151.0	33.3
Income from ancillary, additional and other operations	72.2	77.8
Income from cost reimbursements	49.3	48.0
Miscellaneous	135.3	119.2
Total	**645.4**	**474.3**

Other operating income included subsidies granted under section 26f KHG of EUR 124.2 million (previous year: EUR 8.5 million). Provisions of EUR 34.0 million were recognised in the financial year for the subsidies granted under section 26f KHG, as there is legal uncertainty as to whether additional other grants will be received (for example, under section 2 StromPBG). Other own work capitalised, which is also allocated to income from services, amounts to EUR 14.1 million (previous year: EUR 12.7 million) in the Group as a whole.

3) Cost of materials

EUR million	2023	2022
Medical supplies	1,009.7	981.7
Water, energy, fuel	135.1	121.7
Business supplies and purchased services	120.2	117.2
Food and purchased services	73.9	63.3
Other cost of materials	0.1	0.3
Total	**1,339.0**	**1,284.2**

At 24.6%, the Asklepios Group's cost of materials ratio in relation to revenue was slightly higher than in the previous year (previous year: 24.3%) as at 31 December 2023. In absolute terms, cost of materials increased by EUR 54.8 million to EUR 1,339.0 million year-on-year. This rise relates primarily to higher energy costs, which also pushed up food prices.

4) Staff costs

Staff costs increased by EUR 201.2 million to EUR 3,660.3 million year-on-year. The number of employees rose from 49,103 full-time equivalents in the previous year to 49,425 full-time equivalents. The staff costs ratio in relation to revenue is up year-on-year at 67.1% (previous year: 65.4%).

Staff costs comprise wages and salaries of EUR 3,047.5 million (previous year: EUR 2,870.1 million), social security expenses of EUR 553.6 million (previous year: EUR 524.8 million), and contributions and additions to pension provisions of EUR 59.2 million (previous year: EUR 64.2 million). Staff costs include expenses for defined contribution plans of EUR 58.6 million (previous year: EUR 63.3 million).

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

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

5) Other operating expenses

Other operating expenses relate to:

EUR million	2023	2022
Maintenance and servicing	201.9	181.3
Taxes, dues and insurances	56.0	60.0
Contributions, consulting and audit fees	45.8	58.4
Other administrative and IT expenses	32.1	38.2
Office supplies, postage and telephone charges	32.2	28.9
Advertising and travel expenses	27.1	22.4
Recruitment costs	26.6	28.1
Training expenses	22.9	20.3
Rental expenditure	21.8	17.4
Miscellaneous	91.7	33.2
Total	**558.1**	**488.3**

Contributions, consulting and audit fees include expenses for IT projects, annual financial statement audits and other consulting projects. Miscellaneous expenses relate to various items for current business operations.

6) Depreciation, amortisation and impairment

Depreciation and amortisation breaks down as follows:

EUR million	2023	2022
Depreciation of property, plant and equipment	224.0	223.8
Amortisation of intangible assets	59.9	52.8
Depreciation of right-of-use assets	40.9	58.5
Total depreciation and amortisation	**324.8**	**335.1**

7) Net investment income

Net investment income breaks down as follows:

EUR million	2023	2022
Income from equity investments	3.5	11.6
Net investment income	**3.5**	**11.6**

Income from equity investments includes shares of investments accounted for using the equity method, of which EUR 3.5 million resulted from the adjustment of the equity investment in Athens Medical Center SA, Athens (previous year: EUR 6.1 million).

8) Net interest expenses

Net interest income breaks down as follows:

EUR million	2023	2022
Interest income	41.7	21.2
Interest expenses	−101.5	−63.6
Net interest expenses	**−59.8**	**−42.4**

The Group received EUR 20.9 million (previous year: EUR 4.7 million) from reported interest income, while a total of EUR 60.0 million (previous year: EUR 35.6 million) in interest expenses was paid in addition to interest expenses for IFRS 16.

Interest expenses break down as follows:

EUR million	2023	2022
Interest expenses from schuldschein loan agreements	−60.6	−38.1
Interest expenses from IFRS 16	−21.9	−10.2
Loans and overdraft facilities	−7.2	−6.3
Interest expenses on provisions	−4.0	−1.5
Interest expenses from pensions and similar obligations	−3.7	−2.9
Interest expenses from additional tax payment	−0.7	−0.3
Other interest expenses	−3.4	−4.3
Interest expenses	**−101.5**	**−63.6**

Interest income breaks down as follows:

EUR million	2023	2022
Interest income from compounding interest on provisions	20.5	14.6
Interest income from fixed and overnight deposits	8.8	1.1
Interest income from default interest	0.7	1.1
Other interest income	11.7	4.4
Interest income	**41.7**	**21.2**

9) Income taxes

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

Income taxes break down as follows:

EUR '000	2023	2022
Current income taxes	−30,630	−32,976
Deferred income taxes	7,158	−1,862
Total	**−23,472**	**−34,838**

Taxes paid in the financial year amounted to EUR 29.3 million (previous year: EUR 33.1 million).

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

EUR '000	2023	2022
Earnings before income taxes	159,162	166,713
Forecast tax expense*	−25,187	−26,382
Capitalised loss carryforwards	2,669	671
Non-capitalised loss carryforwards	2,082	−2,287
Trade tax	−7,499	−8,072
Tax refunds/back payments for previous years	3,444	173
Tax increase/reduction due to differing tax rates	−1,042	−173
Tax increase/reduction due to adjustments of deferred taxes	2,731	2,349
Tax increases/reductions due to non-tax-deductible expenses	1,124	−915
Corporate income tax on settlements of non-controlling interests	−343	−310
Elimination of items not relevant to taxation	−641	−435
Dividend income, taxed at 5%	−528	−50
Miscellaneous	−281	593
Effective tax expense for the current year	**−23,472**	**−34,838**

* Tax rate calculated for 2023 and 2022: 15.825%

The effective tax rate is 14.7% (previous year : 20.9%).

VII. Notes to the consolidated statement of cash flows

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

Cash and cash equivalents increased by EUR 205.5 million to EUR 840.1 million year-on-year. Cash flow from operating activities amounted to EUR 568.5 million (previous year: EUR 402.0 million) and was influenced by the health insurance funds' payment performance.

The operating cash flow is offset by a cash outflow from investing activities of EUR 238.7 million (previous year: EUR 336.7 million). Payments for investing activities essentially comprise investments in fixed assets of EUR 370.6 million (previous year: EUR 314.0 million), EUR 141.0 million of which (previous year: EUR 95.8 million) was funded by subsidies. EUR 28.7 million (previous year: EUR 17.0 million) received in 2023 is earmarked specifically for investments in fixed assets Fixed deposits of EUR 82.7 million were also reversed in 2023 (previous year: EUR 53.0 million invested) as a result of the inverse yield curve.

Financing activities resulted in a cash outflow of EUR 124.3 million (previous year: EUR 78.0 million). Cash flow from financing activities was influenced mainly by the EUR 56.5 million planned repayment of the schuldschein loan agreement. This also included cash outflows from the purchase of further shares in the already consolidated AMR Holding GmbH (EUR 31.3 million). Payments for other interest came to EUR 60.0 million (previous year: EUR 35.6 million). Repayment of financial liabilities from right-of-use assets resulted in cash outflow of EUR 35.0 million (previous year: EUR 66.0 million). EUR 1.6 million (previous year: EUR 2.0 million) was paid to non-controlling companies.

VIII. Notes on items of the consolidated statement of financial position

1) Business combinations accounted for using the acquisitions method

Acquisitions in 2023

Alongside various immaterial acquisitions for the Asklepios Group of doctors' practices, Asklepios Kliniken und Co. KGaA acquired MVZ Hamburg am Kampnagel GmbH, Hamburg. As the company is of only minor significance, disclosures in accordance with IFRS 3 are not made.

2) Intangible assets

2023 EUR '000	Goodwill	Other intangible assets	Advance payments on intangible assets	Total
Cost As at 1 Jan. 2023	**894,004**	**462,166**	**8,130**	**1,364,300**
Additions from changes in the consolidated group	1,920	1	0	1,921
Additions/investments similar to acquisitions	1,412	42,122	987	44,521
Disposals	−265	−4,033	−80	−4,377
Reclassification	0	3,616	−1,944	1,672
Reclassification as per IFRS 5	−635	−2,008	0	−2,643
As at 31 Dec. 2023	**896,437**	**501,865**	**7,094**	**1,405,395**
Cumulative depreciation As at 1 Jan. 2023	**−14,324**	**−256,022**	**−3,138**	**−273,483**
Amortisation and impairment for the financial year	−8,363	−51,566	0	−59,929
Reclassifications	0	−12	0	−12
Amortisation and impairment on disposals	210	4,269	0	4,478
Reclassification as per IFRS 5	635	1,852	0	2,487
As at 31 Dec. 2023	**−21,842**	**−301,478**	**−3,138**	**−326,458**
Residual carrying amounts As at 31 Dec. 2023	**874,595**	**200,387**	**3,956**	**1,078,937**

2022 EUR '000	Goodwill	Other intangible assets	Advance payments on intangible assets	Total
Cost As at 1 Jan. 2022	**885,466**	**419,401**	**8,651**	**1,313,520**
Additions from changes in the consolidated group	6,190	12	0	6,201
Disposals from changes in the consolidated group	0	−1,603	−551	−2,154
Additions/investments similar to acquisitions	2,166	41,846	1,592	45,604
Disposals	−115	−8,764	−79	−8,957
Reclassification	297	11,691	−1,484	10,503
Reclassification as per IFRS 5	0	−418	0	−418
As at 31 Dec. 2022	**894,004**	**462,166**	**8,130**	**1,364,300**
Cumulative depreciation As at 1 Jan. 2022	**−14,133**	**−213,762**	**−3,138**	**−231,033**
Change in consolidated group	0	1,171	0	1,171
Amortisation and impairment for the financial year	−288	−52,510	0	−52,798
Amortisation and impairment on disposals	97	8,727	0	8,825
Reclassification as per IFRS 5	0	353	0	353
As at 31 Dec. 2022	**−14,324**	**−256,022**	**−3,138**	**−273,483**
Residual carrying amounts As at 31 Dec. 2022	**879,680**	**206,145**	**4,992**	**1,090,817**

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

The goodwill recognised by the Group breaks down as follows:

Goodwill EUR '000	2023	2022
Rhön-Klinikum AG	282,637	282,507
MediClin AG, Offenburg	234,002	234,057
Asklepios Kliniken Hamburg GmbH, Hamburg	102,270	100,532
Asklepios Fachkliniken Brandenburg GmbH, Brandenburg location	17,969	17,957
Asklepios MVZ Bayern GmbH, Cham	15,793	15,793
Asklepios Klinikum Uckermark GmbH, Schwedt	14,061	14,044
Mind District Holding B.V., Amsterdam (Netherlands)	13,935	13,935
INSITE-Interventions GmbH, Frankfurt am Main	13,304	13,304
Samedi GmbH, Berlin	12,756	12,756
Sanomed Sanitätshaus für Orthopädie und Rehabilitationstechnik GmbH, Bad Sobernheim	11,364	11,364
Asklepios Klinik Wiesbaden GmbH, Königstein	10,275	10,240
Asklepios Fachkliniken Brandenburg GmbH, Lübben location	9,735	9,729
Asklepios Kliniken Langen-Seligenstadt GmbH, Langen	9,533	9,496
Fürstenberg Institut GmbH, Hamburg	8,670	8,670
Asklepios MVZ Niedersachsen GmbH	8,094	388
Asklepios Harzkliniken GmbH, Goslar	7,101	7,815
Asklepios Südpfalzkliniken GmbH, Burglengenfeld	6,862	6,835
Asklepios Klinik Schildautal Seesen GmbH, Seesen	6,714	10,275
Asklepios Klinikum Bad Abbach GmbH, Königstein	6,467	6,442
Asklepios Schwalm-Eder-Kliniken GmbH, Schwalmstadt	6,255	6,233
Asklepios MVZ Hessen GmbH, Seligenstadt	6,018	5,145
Asklepios Fachkliniken Brandenburg GmbH, Teupitz location	5,756	5,750
Miscellaneous	65,024	76,413
Total	**874,595**	**879,680**

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

3) Property, plant and equipment

2023 EUR '000	Land, buildings including buildings on third party land	Technical equipment and machinery	Operating and office equipment	Assets under construction	Total
Cost **As at 1 Jan. 2023**	**2,995,277**	**219,340**	**897,801**	**226,100**	**4,338,518**
Additions from changes in the consolidated group	0	0	101	0	101
Additions	25,694	5,933	80,663	72,800	185,091
Disposals	−19,106	−1,661	−49,306	−11,337	−81,410
Reclassification	56,560	3,720	8,523	−70,476	−1,672
Reclassification from financial assets	4,947	0	0	0	4,947
Reclassification as per IFRS 5	−24,452	−1,278	−7,449	207	−32,972
As at 31 Dec. 2023	**3,038,921**	**226,055**	**930,333**	**217,294**	**4,412,603**
Cumulative depreciation **As at 1 Jan. 2023**	**−1,178,851**	**−132,425**	**−607,877**	**−9,094**	**−1,928,247**
Depreciation for the financial year	−113,709	−18,431	−90,956	−907	−224,003
Depreciation on disposals	15,662	1,535	44,839	6,040	68,076
Reclassifications	−1	0	13	0	12
Reclassification from financial assets	−4,631	0	0	0	−4,631
Reclassification as per IFRS 5	18,603	1,030	6,735	0	26,368
As at 31 Dec. 2023	**−1,262,927**	**−148,291**	**−647,246**	**−3,961**	**−2,062,426**
Residual carrying amounts **As at 31 Dec. 2023**	**1,775,993**	**77,764**	**283,087**	**213,333**	**2,350,177**

2022 EUR '000	Land, buildings including buildings on third party land	Technical equipment and machinery	Operating and office equipment	Assets under con-struction	Total
Cost **As at 1 Jan. 2022**	**2,933,087**	**209,958**	**863,074**	**216,320**	**4,222,439**
Additions from changes in the consolidated group	0	0	40	0	40
Disposals from changes in the consolidated group	0	0	−90	0	−90
Additions	36,173	5,654	59,528	71,319	172,674
Disposals	−7,722	−2,184	−33,249	−635	−43,790
Reclassification	34,631	5,939	9,391	−60,465	−10,503
Reclassification as per IFRS 5	−892	−25	−893	−439	−2,250
As at 31 Dec. 2022	**2,995,277**	**219,340**	**897,801**	**226,100**	**4,338,518**
Cumulative depreciation **As at 1 Jan. 2022**	**−1,067,084**	**−118,674**	**−549,651**	**−8,642**	**−1,744,051**
Change in consolidated group	0	0	25	0	25
Depreciation for the financial year	−116,346	−15,916	−91,098	−453	−223,813
Depreciation on disposals	3,331	2,147	32,095	0	37,574
Reclassifications	407	1	−408	0	0
Reclassification as per IFRS 5	842	16	1,160	0	2,018
As at 31 Dec. 2022	**−1,178,851**	**−132,425**	**−607,877**	**−9,094**	**−1,928,247**
Residual carrying amounts **As at 31 Dec. 2022**	**1,816,427**	**86,914**	**289,924**	**217,006**	**2,410,270**

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

Subsidies and government grants used to finance investments are deducted from the cost of the subsidised assets, which results in a reduction in current depreciation. This item relates to subsidies used for the intended purpose that were granted under the German Hospital Financing Act (KHG) with a residual carrying amount of EUR 1,082.5 million (previous year: EUR 1,078.6 million) and other government and third-party grants with a residual carrying amount of EUR 97.0 million (previous year: EUR 96.2 million). The subsidies that were granted under the German Hospital Financing Act will fall due for repayment only if hospital operations are discontinued in accordance with section 8 (1) KHG (no longer being included in the hospital plan).

The Group therefore has long-term interest-free and redemption-free access to subsidies of EUR 1,179.6 million (previous year: EUR 1,174.8 million).

4) Leases

Statement of financial position

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

Right-of-use assets **EUR '000**	**2023**	**2022**
Land, buildings including buildings on third party land	418,629	438,821
Technical equipment and machinery	2,895	4,018
Operating and office equipment	4,246	4,477
Intangible assets	216	320
Total	**425,986**	**447,636**

Lease liabilities **EUR '000**	**2023**	**2022**
Current lease liabilities	38,641	38,070
Non-current lease liabilities	441,308	456,924
Total	**479,948**	**494,995**

Income statement

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

Depreciation of right-of-use assets EUR '000	2023	2022
Land, buildings including buildings on third party land	36,184	53,348
Technical equipment and machinery	2,108	1,979
Operating and office equipment	2,377	2,413
Intangible assets	217	788
Total	**40,886**	**58,528**
Interest expenses	21,945	10,184
Expenses for short-term leases (less than 12 months)	8,644	5,108
Expenses for leases for low-value assets (under EUR 5,000)	2,552	2,288
Expenses for variable lease payments (not included in lease liabilities)	9,949	11,270

Total lease payments amounted to EUR 75.2 million in 2023 (previous year: EUR 82.0 million).

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

2023 EUR '000	Land, buildings including buildings on third party land	Technical equipment and machinery	Operating and office equipment	Intangible assets	Total
As at 1 Jan. 2023	**438,821**	**4,018**	**4,477**	**320**	**447,636**
Additions	19,078	1,087	3,887	112	24,164
Disposals	−2,360	−101	−1,714	0	−4,175
Depreciation, amortisation and impairment	−36,184	−2,108	−2,377	−217	−40,886
Reclassifications as per IFRS 5	−726	0	−27	0	−753
As at 31 Dec. 2023	**418,629**	**2,896**	**4,246**	**215**	**425,986**

2022 EUR '000	Land, buildings including buildings on third party land	Technical equipment and machinery	Operating and office equipment	Intangible assets	Total
As at 1 Jan. 2022	**394,111**	**5,387**	**4,712**	**1,108**	**405,317**
Additions	106,532	636	2,529	0	109,697
Disposals	−8,474	−25	−357	0	−8,856
Depreciation, amortisation and impairment	−53,348	−1,979	−2,413	−788	−58,528
Reclassifications as per IFRS 5	0	0	6	0	6
As at 31 Dec. 2022	**438,821**	**4,018**	**4,477**	**320**	**447,636**

Leasing activities of the Asklepios Group

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

Renewal and termination options

A number of the Group's property and equipment lease agreements contain renewal options. Such contractual conditions are designed to give the Group maximum operational flexibility with respect to the assets it uses. If it has become reasonably certain that the respective option will be exercised, the term of the lease is renewed accordingly. The volume of renewal options was EUR 203.7 million as at 31 December 2023 (previous year: EUR 206.5 million), taking into account the maximum utilisation of all options. Potential future cash outflows resulting from termination options that are not a component of the reported lease liability amounted to EUR 0.4 million as at 31 December 2023 (previous year: EUR 0.4 million).

Residual value guarantees

The Group grants residual value guarantees in some cases to optimise lease costs during the term of the agreement. The Group estimates the payments from residual value guarantees that are expected to be made and recognises them as part of the lease liability. As at 31 December 2023, it was assumed that an amount of EUR 43 thousand (previous year: EUR 43 thousand) would need to be paid on account of concluded residual value guarantees.

Obligations under leases not yet commenced

Obligations under leases that the Asklepios Group has concluded but have not yet commenced amounted to EUR 0.2 million as at 31 December 2023 (previous year: none).

5) Investments accounted for using the equity method

Changes in investments were as follows:

EUR '000	2023	2022
Start of the year	48,283	43,438
Dividend payment for the current year	−949	−2,215
Reversal of impairment losses	3,479	6,189
Switch from the equity method to full consolidation	0	871
End of the year	**50,813**	**48,283**

Market capitalisation of the interests for which there is a published price quotation was EUR 51.4 million on a pro rata basis (previous year: EUR 51.9 million). Total comprehensive income associated with companies accounted for using the equity method for which there is a publicly listed market was EUR 3.5 million in the financial year (previous year: EUR 6.1 million). Other comprehensive income was not reported.

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

EUR '000	30 June 2023	30 June 2022
Current assets	191,868	152,643
Non-current assets	264,731	259,694
Current liabilities	170,404	138,343
Non-current liabilities	177,419	172,170

EUR '000	1 Jan.–30 June 2023	1 Jan.–30 June 2022*
Revenue	133,344	117,394
Operating earnings after taxes	8,102	5,880

* Revenue 2022: EUR 233,419 thousand; operating earnings after taxes: EUR 6,917 thousand

6) Receivables under German Hospital Financing Act

Receivables under German hospital financing law of EUR 266.5 million (previous year: EUR 281.2 million) relate to the claims to state subsidies outstanding at the end of the reporting period. These included receivables due under section 26f KHG of EUR 13.5 million (previous year: EUR 7.4 million).

7) Financial and other financial assets

Non-current financial assets of EUR 9.8 million (previous year: EUR 10.3 million) relate primarily to companies in which AKG has a shareholding of between 20% and 51%. These other equity investments are not consolidated for reasons of materiality, but are accounted for at cost.

Other financial assets break down as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Receivables under BPflV and KHEntG	687,794	570,213
Receivables from time deposits	137,300	220,000
Receivables from the financing of training centres	60,280	45,633
Receivables from supplier bonuses	8,647	5,839
Receivables from employees	6,249	5,567
Receivables from tax authority/social insurance	3,186	4,702
Receivables from trustor	4,113	3,651
Receivables from pension liability insurance	1,556	1,758
Miscellaneous other financial assets	34,128	38,626
Other financial assets	**943,253**	**895,989**
Of which non-current	1,500	2,055
Of which current	941,753	893,934

The increase in other financial assets is particularly attributable to the receivables under the German National Hospital Rate Ordinance (BPflV) and under the German Hospital Fees Act (KHEntgG), which contain compensation claims and resulted in net receivables of EUR 687.8 million at the end of the financial year (previous year: EUR 570.2 million). Before netting, the company had receivables under BPflV and KHEntgG of EUR 856.3 million (previous year: EUR 701.8 million) and liabilities of EUR 168.5 million (previous year: EUR 131.6 million).

Other financial assets were value-adjusted in the amount of EUR 1.9 million as at the end of the reporting period (previous year: EUR 1.8 million).

8) Inventories

Inventories break down as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Materials and supplies	117,787	112,950
Work in progress	1,784	894
Finished goods and merchandise	819	938
Total	**120,390**	**114,782**

Materials and supplies essentially include medical supplies.

Loss allowances of EUR 3.8 million (previous year: EUR 3.7 million) were recognised in the financial year.

9) Trade receivables

EUR '000	31 Dec. 2023	31 Dec. 2022
Gross receivables	862,033	901,042
Of which inpatients at end of reporting period (contract assets as per IFRS 15)	67,573	77,289
Less impairment	−123,768	−120,118
Of which individual specific loan loss allowances	−47,782	−45,585
Of which for expected credit losses	−75,987	−74,533
Net receivables	**738,265**	**780,924**
Of which non-current receivables	283	309
Of which current receivables	737,982	780,615

Trade receivables are measured at amortised cost, which usually corresponds to the nominal amount, less a reasonable amount for credit losses. An amount of EUR 738.0 million (previous year: EUR 780.6 million) has a remaining term of less than one year. After taking account of individual specific loan loss allowances, an impairment matrix in accordance with IFRS 9 is therefore used (simplified approach). A primary distinction can be made in the groups of receivables between payers of statutory health and pension insurance and self-pay patients. The relevant credit risks are calculated using historical loss rates and historical experience (self-pay patients) and as at 31 December 2023 using Germany's CDS spread (payers of statutory health and pension insurance). The expected loss over the remaining lifetime is calculated as a fixed percentage depending on the respective group of receivables. While the CDS spread for German government bonds (0.41%, previous year: 0.57%) is used for receivables from legal institutions, the collective specific loan loss allowance on receivables from other debtors is based on historical credit loss experience in the receivables portfolio. On this basis, a matrix is generated that, adjusted for future-oriented insolvency forecasts, maps the probability-weighted probabilities of default depending on these maturity structure classes. No significant credit losses are expected for inpatients at the end of the reporting period (contract assets).

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

After taking account of individual specific loan loss allowances relating to a gross receivables volume of EUR 47.8 million (previous year: EUR 45.6 million), the expected credit losses by maturity structure class of the underlying receivables are as follows for each group of receivables:

			Of which: Past due by the following numbers of days as at end of reporting period					
EUR '000	Gross carrying amount	Of which: Not past due as at end of reporting period	Less than 30 days	Between 30 and 60 days	Between 61 and 90 days	Between 91 and 180 days	Between 181 and 360 days	More than 360 days
	As at 31 December 2023							
Trade receivables from health insurance funds	574,037	466,827	60,446	13,680	8,149	13,543	11,417	-26
Expected credit loss		1,914	248	56	33	56	47	0
Trade receivables from other debtors	172,660	71,334	13,513	4,147	2,143	5,560	10,490	65,473
Expected credit loss		357	405	415	268	1,390	5,245	65,473
Default rate in %		0.5	3.0	10.0	12.5	25.0	50.0	100.0
	As at 31 December 2022							
Trade receivables from health insurance funds	622,856	521,080	54,717	11,503	7,789	11,762	13,224	2,780
Expected credit loss		2,970	312	66	44	67	75	16
Trade receivables from other debtors	155,729	67,587	8,379	4,051	3,281	5,201	8,115	59,114
Expected credit loss		1,352	503	506	820	2,600	6,087	59,114
Default rate in %		2.0	6.0	12.5	25.0	50.0	75.0	100.0

Write-downs of trade receivables amounted to EUR 123.8 million (previous year: EUR 120.1 million), whereby trade receivables of EUR 23.6 million were derecognised in the financial year (previous year: EUR 27.4 million).

EUR '000	2023	Of which expected credit loss	Of which individual specific loan loss allowances
Write-downs as at 1 Jan.	120,118	74,533	45,585
Addition to consolidated group	25	0	25
Additions to write-downs	21,902	9,804	12,098
Utilisation and reversal	−18,277	−8,350	−9,927
Write-downs as at 31 Dec.	**123,768**	**75,987**	**47,781**

EUR '000	2022	Of which expected credit loss	Of which individual specific loan loss allowances
Write-downs as at 1 Jan.	108,337	56,300	52,037
Addition to consolidated group	5	0	5
Additions to write-downs	30,821	26,773	4,048
Utilisation and reversal	−19,046	−8,541	−10,506
Write-downs as at 31 Dec.	**120,118**	**74,533**	**45,585**

10) Current income tax assets

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

11) Other assets

Other assets break down as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Receivables from taxes	175	2,793
Doubtful other receivables	202	242
Receivables from public assistance	2,286	5,486
Advance payments made for expenses in the next financial year	42,055	25,373
Other assets	**44,718**	**33,894**
Of which non-current	47	67
Of which current	44,670	33,826

12) Cash and short-term deposits

Cash and short-term deposits are subject to variable interest rates. Short-term deposits are made for different periods of time depending on the Group's liquidity requirements. Interest is charged at the respective interest rates applicable for short term deposits. The fair value of cash and cash equivalents corresponds to their carrying amount. The short-term deposits amounted to EUR 426.1 million on the reporting date (previous year: EUR 338.4 million).

Total cash and short-term deposits includes subsidies received of EUR 189.4 million (previous year: EUR 127.7 million). The subsidies are earmarked for a specific purpose and may be used only for subsidised capital expenditure.

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

The intention is to sell MediClin Herzzentrum Coswig, part of MediClin GmbH & Co. KG, Offenburg, MediClin MVZ Bad Düben, part of MediClin Medizinisches Versorgungszentrum GmbH, Offenburg, and hospital buildings in Clausthal, part of Asklepios Harzkliniken GmbH, Goslar. In line with the amendment to IFRS 5, the assets and liabilities held for sale (disposal group) attributable to the companies held for sale were reclassified accordingly in the statement of financial position. No impairment was required on the fair value. There was no cash flow from units held for sale in 2023.

EUR '000	Carrying amounts for Herzzentrum Coswig	Carrying amounts for MVZ Bad Düben	Carrying amounts for hospital buildings in Clausthal	Total carrying amounts
Non-current assets				
Intangible assets	222	2	0	224
Property, plant and equipment including right-of-use assets	7,038	59	727	7,824
Deferred tax assets	5	0	0	5
Total non-current assets	**7,265**	**61**	**727**	**8,053**
Current assets				
Inventories	1,376	0	0	1,376
Trade receivables	2,177	66	0	2,243
Other financial assets	10,336	4	0	10,340
Other assets	58	1	0	59
Cash and cash equivalents	3	0	0	3
Total current assets	**13,950**	**71**	**0**	**14,021**
Total assets held for sale				**22,074**

EUR '000	Carrying amounts for Herzzentrum Coswig	Carrying amounts for MVZ Bad Düben	Carrying amounts for hospital buildings in Clausthal	Total carrying amounts
Non-current liabilities				
Other provisions	53	0	0	53
Lease liabilities	767	0	0	767
Other liabilities	80	0	0	80
Total non-current liabilities	**900**	**0**	**0**	**900**
Current liabilities				
Trade payables	822	12	0	834
Lease liabilities	21	0	0	21
Other provisions	1,390	0	0	1,390
Other financial liabilities	1,646	1	0	1,647
Other liabilities	1,393	31	0	1,424
Total current liabilities	**5,272**	**44**	**0**	**5,316**
Total debts associated with assets held for sale				**6,216**

14) Equity

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

EUR '000	31 Dec. 2023	31 Dec. 2022
Equity attributable to the parent company	1,474,630	1,400,506
Non-controlling interests	587,216	642,598
Total equity	**2,061,845**	**2,043,104**

Components of equity

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

a) Issued capital

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

b) Reserves

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

A total of EUR 97.7 million (previous year: EUR 82.5 million) was allocated to retained earnings in the 2023 financial year. Equity increased by EUR 18.7 million to EUR 2,061.8 million (previous year: EUR 2,043.1 million).

c) Non-controlling interests

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

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

EUR 38.5 million of the consolidated net income for the year is attributable to non-controlling interests (previous year: EUR 34.2 million). Subject to executive approval, a provisional amount of EUR 15.2 million (previous year: EUR 15.4 million), and thus cumulatively EUR 256.3 million, of this net income for the year is attributable to the non-controlling interests of Asklepios Kliniken Hamburg GmbH, Hamburg, in 2023. Non-controlling interests hold 25.1% of the voting rights in Asklepios Kliniken Hamburg GmbH in total. For Asklepios Kliniken Hamburg GmbH, the consolidated financial statements include a total of EUR 1,034.3 million (previous year: EUR 964.7 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 328.0 million, which were down by EUR 67.2 million year-on-year) and EUR 698.6 million (previous year: EUR 729.8 million) in non-current assets available for generating future income (EUR 1,570.8 million in total in 2023). Non-current liabilities of EUR 226.1 million (previous year: EUR 221.0 million) and current liabilities of

EUR 436.2 million (previous year: EUR 443.4 million) were included in the consolidated financial statements for Asklepios Kliniken Hamburg GmbH. In connection with the measurement of non-current liabilities, actuarial losses of EUR 20.8 million (previous year: actuarial gains of EUR 199.7 million) before taking account of deferred tax assets of EUR 3.5 million (previous year: deferred tax liabilities of EUR 38.0 million) were included in the consolidated financial statements in the reporting year, EUR 5.2 million of which was added to non-controlling interests in other comprehensive income (previous year: gains of EUR 50.1 million). Asklepios Kliniken Hamburg GmbH generated cash inflow from operating activities of EUR 109.5 million (previous year: EUR 167.4 million), cash outflow from investing activities of EUR 87.0 million (previous year: EUR 146.4 million) and cash outflow from financing activities of EUR 9.8 million (previous year: EUR 9.8 million). In 2023, the company reports total comprehensive income of EUR 41.1 million (previous year: EUR 222.5 million), of which EUR 0.4 million (previous year: EUR 0.5 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR – 7.3 million (previous year: EUR 162.7 million).

Subject to executive approval, a provisional amount of EUR 9.6 million of the net loss for the year (previous year: EUR 7.7 million), and thus cumulatively EUR 186.9 million, is attributable to the non-controlling interests of MEDICLIN Aktiengesellschaft (MediClin AG), Offenburg, in 2023. Non-controlling interests hold 47.27% of the voting rights in MEDICLIN Aktiengesellschaft in total. There were no distributions to non-controlling interests in the reporting year (previous year: no distributions). For MEDICLIN Aktiengesellschaft, the consolidated financial statements include a total of EUR 299.8 million (previous year: EUR 262.0 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 115.3 million, which were up by EUR 27.2 million year-on-year) and EUR 580.7 million (previous year: EUR 654.1 million) in non-current assets available for generating future income (EUR 766.7 million in total in 2023). Non-current liabilities of EUR 513.2 million (previous year: EUR 535.9 million) and current liabilities of EUR 171.2 million (previous year: EUR 170.8 million) were included in the consolidated financial statements for MEDICLIN Aktiengesellschaft. In connection with the measurement of non-current liabilities, actuarial losses of EUR 3.1 million (previous year: actuarial gains of EUR 19.7 million) before taking account of deferred tax assets of EUR 0.5 million (previous year: deferred tax liabilities of EUR 3.1 million) were included in the consolidated financial statements in the reporting year, EUR 1.4 million of which was added to non-controlling interests in other comprehensive income (previous year: gains of EUR 9.3 million). MediClin Aktiengesellschaft generated cash inflow from operating activities of EUR 78.0 million (previous year: EUR 37.1 million), cash outflow from investing activities of EUR 9.5 million (previous year: EUR 8.7 million) and cash outflow from financing activities of EUR 45.5 million (previous year: EUR 56.2 million). In 2023, the company reports total comprehensive income of EUR −13.3 million (previous year: EUR 26.3 million), of which EUR 0.0 million (previous year: EUR 0.4 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR −2.6 million (previous year: EUR 16.6 million).

Subject to executive approval, a provisional amount of EUR 1.0 million of the net income for the year (previous year: EUR 6.7 million) attributable to non-controlling interests, and thus cumulatively EUR 16.0 million, is attributable to the non-controlling interests of Rhön-Klinikum AG (Rhön AG), Bad Neustadt an der Saale, in 2023. Non-controlling interests hold 10.8% of the voting rights in Rhön Aktiengesellschaft in total. There were distributions to non-controlling interests in the amount of EUR 1,479 thousand in the reporting year (previous year: EUR 625 thousand). For Rhön Aktiengesellschaft, the consolidated financial statements include a total of EUR 789.2 million (previous year: EUR 688.6 million) in assets that can be liquidated at short notice (including cash and cash equivalents of EUR 206.0 million, which were up by EUR 128.7 million year-on year) and EUR 981.3 million (previous year: EUR 1,016.3 million) in non-current assets available for generating future income (EUR 1,736.4 million in total in 2023). Non-current liabilities of EUR 154.8 million (previous year: EUR 162.4 million) and current liabilities of EUR 335.5 million (previous year: EUR 291.1 million) were included in the consolidated financial statements for Rhön Aktiengesellschaft. In connection with the measurement of non-current liabilities, actuarial gains of EUR 75 thousand (previous year: EUR 99 thousand) before taking account of deferred tax liabilities of EUR 12 thousand (previous year: EUR 16 thousand) were included in the consolidated financial statements in the reporting year, EUR 8 thousand of which was added to non-controlling interests in other comprehensive income (previous year: EUR 13 thousand). Rhön AG generated cash inflow from operating activities of EUR 109.0 million (previous year: EUR 60.3 million), cash inflow from investing activities of EUR 40.9 million (previous year: cash outflow of EUR 105.2 million) and cash outflow from financing activities of EUR 21.2 million (previous year: EUR 4.1 million). In 2023, the company reports total comprehensive income of EUR 39.7 million (previous year: EUR 27.3 million), of which EUR 1.5 million (previous year: EUR 1.8 million) is attributable to non-controlling interests. The total comprehensive income includes other comprehensive income of EUR – 0.4 million (previous year: EUR 0.3 million).

Under a contract dated 16 June 2023, the minority shareholder of AMR Holding GmbH is entitled to demand the purchase and transfer of its shares by Asklepios Kliniken GmbH & Co. KGaA (or a person designated by the company) with notice of one month with effect from 31 December 2027. The purchase price is EUR 21.24 per share for 3.4 million shares. As at 31 December 2023, EUR 56.0 million (after discounting) was recognised from this option under other financial liabilities and EUR 0.8 million was recognised in total comprehensive income through OCI. EUR 56.8 million was recognised against the minority interests in equity. There were no material transactions with material non-controlling interests in 2022.

d) Development of other comprehensive income

Other comprehensive income includes the development of actuarial losses from pension provisions of EUR 19.8 million (previous year: gains of EUR 178.4 million). In other comprehensive income, we also show a loss from the measurement of financial assets of EUR – 7.4 million (previous year: none) and the measurement of a purchase option on shares in affiliates of EUR 0.8 million (previous year: none).

EUR – 5.5 million (previous year: EUR 48.4 million) of other comprehensive income relates to non-controlling interests.

15) Financial liabilities

EUR '000	31 Dec. 2023	31 Dec. 2022
Current portion	588,174	160,151
Non-current portion	1,676,611	2,071,206
Total financial liabilities*	**2,264,785**	**2,231,357**

* Figures not including lease liabilities as per IFRS 16

Financial liabilities of EUR 125.5 million were repaid in total in the financial year (previous year: EUR 240.3 million).

Asklepios has a long-term and balanced maturity profile, primarily thanks to the repeated issuance of schuldschein loan agreements. The debut transaction on the schuldschein market in November 2013 had a volume of EUR 300 million. There were further placements of schuldschein loan agreements in August 2015 and November 2017, which positioned Asklepios as an established issuer on the schuldschein market. The issue proceeds of the fourth schuldschein loan agreement of EUR 730 million were used in October 2020 for the early refinancing and placement of the Rhön-Klinikum AG acquisition financing. In November 2021 and July 2022, various schuldschein loan agreement maturities were refinanced prematurely as part of a policy of active maturity management.

In each case, schuldschein loan agreements were placed with fixed and variable interest and subscribed by both domestic and international investors.

The Asklepios Group's schuldschein loan agreements as at 31 December 2023 broke down as follows:

	Nominal amount	Terms	Interest rate	Amount outstanding
2015 schuldschein loan agreement	EUR 580.0 million	10, 12 and 15 years	fixed and variable rate	EUR 95.0 million
2017 schuldschein loan agreement	EUR 780.0 million	7 and 10 years	fixed and variable rate	EUR 519.0 million
2020 schuldschein loan agreement	EUR 730.0 million	5, 6, 7, 8, 10 and 20 years	fixed and variable rate	EUR 473.5 million
2021 schuldschein loan agreement	EUR 295.0 million	5, 7 and 10 years	fixed and variable rate	EUR 295.0 million
2022 schuldschein loan agreement	EUR 477.0 million	5, 7 and 10 years	fixed and variable rate	EUR 477.0 million

Furthermore, the Group has freely available lines of credit of EUR 878.9 million as at the end of the reporting period. These are primarily attributable to the syndicated line of credit of EUR 750.0 million from 2021 (back-up line) and additional lines of credit that are used for payment transactions as part of the Group's operating activities, in particular. The lines are unsecured and drawings on these credit lines are subject to floating interest.

As part of its active liquidity management, as well as bilateral and lines of credit and the syndicated line of credit, the Asklepios Group can also raise short-term funds through the euro commercial paper programme concluded in December 2022. Bearer bonds with terms of up to 364 days are issued under the programme for general corporate financing.

The non-subsidised portion of a loan to finance a new building with a carrying amount of EUR 7.5 million (previous year: EUR 10.8 million) as at 31 December 2023 had a fair value of EUR 7.6 million (previous year: EUR 11.3 million) as at the same date.

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

Financial year	Amount in EUR million
2025	358.7
2026	220.6
2027	499.3
2028	183.8
Subsequent years	414.2
Total	**1,676.6**

Changes in financial liabilities were as follows:

EUR million	1 Jan. 2023	Cash changes	Maturity reclassifi-cation	Non-cash changes	Changes in consolidated group	31 Dec. 2023
Lease payment obligations	495	−34	0	19	1	481
Current financial liabilities	160	26	396	6	0	588
Non-current financial liabilities	2,071	0	−396	1	0	1,677
Total	**2,726**	**−8**	**0**	**26**	**1**	**2,746**

EUR million	1 Jan. 2022	Cash changes	Maturity reclassifi-cation	Non-cash changes	Changes in consolidated group	31 Dec. 2022
Lease payment obligations	430	−66	0	131	0	495
Current financial liabilities	158	−40	65	−22	0	160
Non-current financial liabilities	2,021	93	−65	22	0	2,071
Total	**2,609**	**−13**	**0**	**131**	**0**	**2,726**

The reclassification of EUR 396.0 million from non-current to current financial liabilities mainly results from schuldschein loan agreement maturities in the 2024 financial year.

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

31 Dec. 2023 Residual term EUR million	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Payment obligation	654	1,410	466	2,531

31 Dec. 2022 Residual term EUR million	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Payment obligation	203	1,614	659	2,476

16) Trade receivables

There are trade payables due to third parties. An amount of EUR 135.5 million (previous year: EUR 129.2 million) has a remaining term of less than one year.

17) Lease liabilities

Maturity analysis

EUR '000	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Lease liabilities as at 31 Dec. 2023	38,641	117,246	324,061	479,948

EUR '000	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Lease liabilities as at 31 Dec. 2022	38,070	116,453	340,472	494,995

18) Liabilities under German Hospital Financing Act

Liabilities under German hospital financing law of EUR 515.6 million (previous year: EUR 475.4 million) relate to subsidies committed or received but not yet used.

19) Other financial liabilities

In the financial year, other financial liabilities comprised:

EUR '000	31 Dec. 2023	31 Dec. 2022
Liabilities from outstanding invoices	114,505	120,297
Liabilities from options on shares in affiliates	55,973	0
Liabilities to Landeskrankenhausgesellschaft	25,703	21,865
Debtors with credit balances	19,193	14,607
Subsidised loans	18,413	27,554
Hedging liabilities	10,890	0
Liabilities from third-party funds	8,258	7,615
Archiving obligations	5,668	5,299
Liabilities to state authorities	5,616	4,161
Purchase price commitments/liabilities to former payers	5,232	5,366
Liabilities to shareholders	5,044	2,863
Research grant liabilities	5,029	6,869
Liabilities from non-public assistance	3,196	1,552
Social security liabilities	2,948	2,122
Liabilities to senior consultants	913	842
Miscellaneous other financial liabilities	28,424	42,528
Other financial liabilities	**315,005**	**263,540**
Of which non-current	90,367	38,729
Of which current	224,638	224,811
	315,005	**263,540**

The subsidised loans of EUR 18.4 million (previous year: EUR 27.6 million) are financed in full by the respective states, affecting interest and repayment.

Under a contract dated 16 June 2023, the minority shareholder of AMR Holding GmbH is entitled to demand the purchase and transfer of its shares by Asklepios Kliniken GmbH & Co. KGaA (or a person designated by the company) with notice of one month with effect from 31 December 2027. The purchase price is EUR 21.24 per share for 3.4 million shares. As at 31 December 2023, EUR 56.0 million (after discounting) was recognised from this option under other financial liabilities.

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

31 Dec. 2023 Residual term EUR million	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Payment obligation	9	7	2	18

31 Dec. 2022 Residual term EUR million	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Payment obligation	9	17	4	30

The interest component included in the payment obligations amounts to EUR 0.6 million (previous year: EUR 6.1 million).

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

20) Other liabilities

Other liabilities break down as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Payroll liabilities	289,569	279,964
Tax liabilities (wage tax, VAT)	63,633	59,794
Advance payments received	41,658	51,103
Miscellaneous	19,647	6,355
Other liabilities	**414,507**	**397,216**
Of which non-current	6,650	6,485
Of which current	407,857	390,731

The payroll liabilities include mainly performance-related remuneration, annual leave not taken and overtime. Payroll liabilities include termination benefits (mainly partial retirement and severance payments) of EUR 15.3 million (previous year: EUR 25.1 million). Liabilities from partial retirement agreements of EUR 2.2 million (previous year: EUR 2.7 million) contain future Group obligations from the outstanding settlement amount during the time the beneficiaries are in office and the top-up amount pursuant to IAS 19 (rev. 2011), which accumulates on a pro rata basis. For unresolved cases, an estimate was used based on previous acceptance of comparable contractual offers. The capitalised values of EUR 1.3 million (fair value) (previous year: EUR 0.8 million) to secure outstanding settlement amounts are offset against the obligations in the financial year.

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

21) Provisions for pensions and similar obligations

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

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

	2023	2022
Discount rate	3.20%	3.60%
Expected salary increases	2.10%	2.10%
Expected pension increases	1.50%	1.50%

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

Hamburg obligations (provision: EUR 85,920 thousand; DBO: EUR 406,445 thousand)

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

The Hamburg Act on Additional Retirement Pensions allows for pension benefits on the basis of final salary. The corresponding present value of the obligations was EUR 360.7 million as at 31 December 2023 (89% of the total obligation). The benefit amount is calculated from years of service and pay according to the pay grade when pension payments begin. Pensions increase by 1% per year.

The present value of the obligation from defined contribution pension commitments according to the bylaws of the VBL is EUR 40.0 million (10% of the total obligation). The annual contribution amount is determined by the pay subject to supplementary pension payments. The pension payments result from the actuarial annuitisation of the contributions. The current annuities increase by 1% each year. The obligations in accordance with the Hamburg Civil Service Pension Act include individual obligations of EUR 5.8 million.

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

MediClin defined benefit obligations (provision: EUR 41,561 thousand; DBO: EUR 44,549 thousand)

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

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

The pension provisions relating to the Kraichgau-Klinik Group are the result of the acquisition of the majority of shares in Kraichgau-Klinik AG in 2008. The Kraichgau-Klinik AG pension scheme provides for pension benefits, which include a retirement pension or early retirement pension and a deferred disability pension. The monthly retirement pension amounts to 0.5% per year of company service – but not exceeding 12% – of the average monthly salary for the last twelve months before pension payments begin. If an early retirement pension is taken, the retirement pension calculated according to this formula is reduced by 0.5% for every month that the pension is claimed early before the claimant reaches retirement age. If the claimant retires early on the grounds of disability, a disability pension is paid, which is deferred until the claimant reaches retirement age. The pension amount is calculated using the same formula as the retirement pension, but takes account only of the years of service that the employee achieved up to the date of the disability. The age limit for employees who joined the company before 31 December 1994 is 60 for women and 65 for men. In the case of employees who joined the company after 31 December 1994, the retirement age is 65 for both men and women. No more new beneficiaries have been added to this plan since August 1997.

There is still an individual obligation to a former executive of Kraichgau-Klinik AG. The pension obligations are accounted for in full and were remeasured for preparation of the IFRS statement of financial position. The Group's obligations cover both existing and future benefit claims. The pension provisions are measured in line with actuarial principles using the benefit/years of service method under IAS 19, taking account of future trends. The current service cost, which is calculated at the start of the financial year and is subject to interest until the end of the financial year, is calculated using the projected unit credit method. The defined benefit obligation (DBO) at the end of the reporting period is the present value of the benefits earned in the preceding accounting periods calculated using the projected unit credit method. The same method that is used to attribute benefits to periods of service is used to determine the current service cost. In accordance with IAS 19, the adjustment effects from actuarial gains and losses that arise in the financial year are recognised in "other comprehensive income". By contrast, the insured portion of the MUK pension obligation is recognised at the fair value of the pension liability insurance policies in place. Only the obligation from the adjustment of ongoing benefits of 1% per year, which is not covered by the pension liability insurance policy, is measured in line with actuarial principles.

MEDICLIN provident fund (provision: EUR 170 thousand; DBO: EUR 16,645 thousand)

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

All employees who joined one of the MEDICLIN sponsoring employers before 31 December 2018 are still entitled to an employer-funded basic retirement pension plan under the MediClin retirement pension scheme. Even employees who are still in the vesting period will subsequently receive accrued entitlements from the MediClin retirement pension scheme. Employees who joined the company on or after 1 January 2019 will fall under a different pension scheme. A new agreement on this is being concluded with the Group Works Council. All existing MediClin retirement pension scheme contracts – both the employer-funded basic retirement pension plan and the self funded contracts from deferred employee compensation – are being continued unconditionally in line with the valid benefit plans.

MUK e. V. is structured as an insured provident fund, whereby its pension obligations are covered by a corresponding pension liability insurance policy with an insurance company. MUK e. V. met its duty to make adjustments in accordance with section 16 of the German Company Pensions Act by making a commitment in respect to a guaranteed annual 1% adjustment (section 16 (3) sentence 1 of the German Company Pensions Act). When the pension liability insurance policy was taken out, the guaranteed adjustment of 1% p.a. in favour of a higher maturity payment was not covered by the policy because it was anticipated that the 1% adjustment would easily be generated through insurer surpluses. As a result of continuing low interest rates on the capital markets, particularly for pension liability insurance policies that have a high guaranteed interest rate, it has increasingly been the case that virtually no surplus allocations have been made, which means that the insurer could no longer guarantee the adjustment to pension payments in the amount pledged in the pension plan. Nonetheless, the pension obligations were adjusted by 1% p.a. under the terms of the contract. The adjustment is being funded retrospectively through annual one-off payments to the insurer. This is classed as a systematic coverage gap, the future amount of which is presented as a best estimate in the financial statements. This means that, from now on, these pension obligations will be classified and accounted for as defined benefit obligations. The insurance coverage of MUK retirement benefits has since been changed; new pension obligations are no longer affected by a coverage gap from adjustment obligations because the 1% adjustment guarantee has now been included in the policy coverage. The amount of the coverage gap was determined by an actuary. The present value of the future coverage gap is calculated on the basis of the pension entitlements earned. An actuarial interest rate of 3.2% was assumed in the calculation of the coverage gap. An amount of 2.1% p.a. was recognised as the insurer's overall interest rate. Furthermore, the calculation also assumes that the percentage of scheme members who opt for current pension payments in lieu of the total pension capital (one-off payment) is still approximately 5%.

Rhön-Klinikum AG (provision: EUR 720 thousand; DBO: EUR 720 thousand)

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

Other (provision: EUR 3,320 thousand, DBO: EUR 3,320 thousand)

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

The Group's total provisions break down as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Present value of funded benefit obligations	398,814	381,053
Present value of unfunded benefit obligations	72,866	69,566
Total present values of pension obligations	**471,680**	**450,619**
Fair value of plan assets	−339,989	−336,470
Net provisions	**131,691**	**114,149**

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

The development is as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Provision as at 1 January	114,148	338,557
Current service cost	4,765	7,068
Miscellaneous	0	253
Net interest expense/income	3,705	2,925
Benefits paid	−1,880	−3,168
Experience adjustments	0	−58
Employer contributions to plan assets	−12,793	−11,974
Actuarial gains from changes in financial assumptions	23,746	−219,454
Provision as at 31 December	**131,691**	**114,148**

The present value of the pension obligations developed as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Present value of the obligations as at 1 January	450,618	667,171
Service cost	4,765	7,068
Miscellaneous	0	431
Interest cost	15,723	5,855
Experience adjustments	−4,072	−1,942
Actuarial gains (previous year: losses) from changes in financial assumptions	23,620	−207,656
Benefits paid	−18,975	−20,309
Present value of the obligations as at 31 December	**471,679**	**450,618**
Of which unfunded benefit obligations	**72,866**	**69,565**
Present value of funded benefit obligations	**398,813**	**381,053**

The fair value of plan assets developed as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Fair value of plan assets as at 1 January	336,470	328,354
Reclassification to defined benefit plans	0	439
Expected return on plan assets	12,019	2,929
Benefits paid	−17,093	−17,142
Remeasurement of plan assets	−4,200	9,916
Employer contributions to plan assets	12,793	11,974
Fair value of plan assets as at 31 December	**339,989**	**336,470**

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

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

EUR 9.5 million (previous year: EUR 9.8 million) was contributed to the Hamburg provident fund in the 2023 financial year. The amount paid in to plan assets for the 2024 financial year is expected to be comparable to 2023.

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

		Relative change of the obligation (previous year)
Actuarial interest rate	−0.50%	Increase of 7.25% (4.16%)
Actuarial interest rate	+0.50%	Fall of 6.53% (3.75%)
Income trend	−0.50%	Fall of 0.40% (0.26%)
Income trend	+0.50%	Increase of 0.41% (0.27%)
Mortality	−10.00%	Increase of 3.16% (1.73%)

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

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

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

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

Financial year	EUR '000
2024	17,478
2025	18,092
2026	18,908
2027	19,725
2028	20,660
2028–2032	111,820
Total	**206,683**

The estimated employer contributions to plan assets for 2023 amount to EUR 11.2 million. Estimated benefit payments from pension provisions are EUR 3.7 million.

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

The weighted average duration of pension obligations is around 15 years (previous year: 18 years).

Multi-employer plans (Hamburg)
Asklepios Kliniken (not including RHÖN AG or MediClin)

In the financial year, Asklepios registered a total of 13,767 (previous year: 12,146) employees entitled to supplementary pension provisions.

Since 1 January 2002, BVK Zusatzversorgung, Munich, has paid a benefit that arises if an annual amount of 4.00% of an employee's gross salary is paid in full into a funded scheme. The contributions are made exclusively by the employer. The size of the contribution depends on the respective employee's pay subject to supplementary pension payments. The bylaws provide for a flat redevelopment charge for additional financing requirements above the actual contribution (4,832 Asklepios employees; previous year: 3,488 employees). BVK Zusatzversorgung, Munich, had 5,983 members in the 2022 financial year (2021: 5,907) and managed assets of EUR 28.9 billion in 2022 (2021: EUR 27.3 billion). 1,629,420 insurance contracts were registered in 2022. Company pensions were paid to 341,278 compulsorily insured employees in 2022. In the following year, Asklepios is expecting a contribution/funding requirement for members of BVK Zusatzversorgung, Munich, of EUR 6.9 million (previous year: EUR 7.0 million).

In the financial year, the contribution rate of ZVK Darmstadt was 6.2% (frozen) of the pay subject to supplementary pension payments. As a result of the closure of the integrated scheme and the switch to the points model, the fund levies a flat redevelopment charge of 2.3% to cover additional financing requirements in order to finance the claims and accrued entitlements arising before 1 January 2002. In accounting group II, which is already funded, a compulsory contribution of 6.35% is levied (2,790 Asklepios employees; previous year: 2,598). For members of the Zusatzversorgungskasse der Gemeinden und Gemeindeverbände (supplementary pension fund for municipalities and municipal associations) in Darmstadt, Asklepios is expecting a funding requirement of EUR 7.8 million (previous year: EUR 7.9 million).

There are different additional supplementary pension entitlements for 6,145 Asklepios employees (previous year: 6,187) at various pension institutions, which are comparable to those referred to above. Asklepios is expecting a funding requirement of EUR 14.6 million (previous year: EUR 12.0 million) for members.

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

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

Defined contribution plans and multi-employer plans (MediClin)

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

The funds are Rheinische Zusatzversorgungskasse (RZVK), Zusatzversorgungskasse der Stadt Hannover (ZVK Hannover) and Unterstützungskasse für Krankenhäuser in Mecklenburg-Vorpommern e. V. (UMVK).

RZVK is a special fund of Rheinische Versorgungskassen, Cologne.

The fund's assets are managed as a separate fund. The fund's purpose is to grant the employees of its members an additional retirement, reduced earning capacity and survivors' pension (compulsory insurance). Accounting groups I and II are managed for compulsorily insured employees. MEDICLIN belongs to accounting group I, which is managed according to the pay-as-you-go and funded system (hybrid financing). Here, a contribution rate is determined in relation to the pay subject to supplementary pension payments of the insured beneficiaries in a coverage period system. In addition to the coverage of the pension entitlements that arose in the former integrated scheme, RZVK collects a redevelopment charge. The redevelopment contributions are used to establish a separate capital stock within the assets of the supplementary pension fund. In the 2023 financial year, the redevelopment charge amounted to 3.5%. In total, the financing rate (contribution rate and redevelopment charge) in the 2023 financial year amounted to 7.75% of the salaries subject to contributions. The financing rate is unchanged in 2023. This year and in the last financial year, a total of EUR 0.7 million was spent in each case. Contribution payments of roughly the same amount are expected in 2024.

ZVK Hannover is a legally dependent pension fund of the city of Hanover. Its purpose to grant the employees of its members an additional retirement, reduced earning capacity and survivors' pension by way of private-sector pension insurance.

Here, too, there are two accounting groups (accounting group I and II) for compulsorily insured employees, with MEDICLIN allocated to accounting group I. At ZVK Hannover, the compulsory insurance is financed exclusively with contributions and redevelopment charges. The contribution rate is 5.07%. In order to finance the claims and accrued entitlements arising before 1 January 2002, ZVK Hannover levies a redevelopment charge of 3.00% to cover additional financing requirements that exceed the contributions. For the employers of the insured employees, this results in expenses totalling 8.07% of the pay subject to supplementary pension payments. An employee contribution or a supplementary contribution to establish capital cover are not collected in the compulsory insurance. The financing rate is unchanged in 2023. A total of EUR 0.1 million was spent in the financial year (previous year: EUR 0.1 million). Contribution payments of the same amount are expected to be incurred in 2024.

On reaching retirement age, UMVK grants a pension in the form of a one-off payment of the retirement capital or lifelong monthly payments of a retirement annuity of the same value. Moreover during the active service period of the beneficiary a one-off payment is made to surviving dependants in the event of death and a monthly annuity is paid in the event of incapacity to work. The recipients receive the pension benefits from the UMVK. The size of the pension is determined by the pension contribution, which amounts to 1.0% or 1.5% of the eligible income. The incapacity annuity is 0.25% of the retirement capital. One hospital was a member of UMVK in the 2023 financial year. This year and in the last financial year, a total of EUR 0.1 million was spent in each case. Contribution payments of roughly the same amount will accrue in 2024.

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

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

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

In addition to the contribution of EUR 40 per month, MEDICLIN forwards 15.0% of the deferred compensation to the direct insurance as an additional employer contribution, provided MEDICLIN saves social security contributions through the deferred compensation. If employees leave the employment relationship before pension payments begin, they receive a proportional entitlement to pension benefits, even if the statutory vesting dates have not yet been reached.

The employer contribution is increased by 1.00% on 1 July each year. The first increase was made as at 1 July 2021. Likewise on 1 July every year, the 1.00% proviso of the employee contribution is reviewed as a condition of the employer contribution. If the review finds that the employee contribution has to be increased by at least EUR 5.00 in order to fulfil the 1.00% proviso, the deferred compensation amount must be increased. The payment of a retirement pension begins on the first day of the month following the recipient's 67th birthday. Early retirement benefits can be drawn from the age of 62. It is possible to defer the payment until the age of 72. An annuity from capital 20 times the amount of the annual annuity guaranteed after retirement, less annuities guaranteed after retirement already paid, is agreed as a death benefit after retirement. In the 2023 financial year, the employer contribution for this pension scheme amounted to EUR 265 thousand (previous year: EUR 241 thousand). In total, 708 (up to 31 December 2022: 570) KlinikRente contracts have been concluded since this new pension scheme took effect.

Defined contribution plans and multi-employer plans (RHÖN)

As a result of collectively agreed regulations, the Group pays contributions to the Pension Institution of the Federal Republic and the Federal States (VBL) and to other public sector pension schemes (Bayerische Versorgungskammer-Zusatzversorgung, BVK) for a certain number of employees. The supplementary pension funds are public-law corporations or institutions. The contributions are collected using a pay-as-you-go system. Due to this financing structure, there is a risk of contributions increasing as a result of the collection of restructuring contributions, which can be imposed entirely or disproportionately on employers.

These schemes are multi-employer schemes (IAS 19.8) in which the participating companies share both the risk of the investment and the biometric risk. The VBL/BVK pension scheme is essentially to be classified as a defined benefit plan (IAS 19.38). However, the information required to appropriately account for the Group's share in the future payment obligation is not available due to the pay-as-you-go financing. As a result of this financing according to the pay-as-you-go system, whereby the contribution rate for a certain coverage period is determined on the basis of the entire insurance portfolio and not on the basis of the individual insured risk, the pension plan is to be accounted for as a defined contribution plan in accordance with IAS 19.34. There are no agreements as defined by IAS 19.37, which means that no corresponding assets or liabilities are recognised. The recognition of any liability item in the statement of financial position is subordinate to warrantor obligations of public-sector entities. Ongoing contributions to VBL/BVK are recognised as pension expenses for the respective years or as post-employment benefit obligations under staff costs.

In addition to the contribution, VBL collects redevelopment charges from participating employers with compulsorily insured employees in accounting group West. In the 2023 financial year, the redevelopment charge amounted to 0.0% (previous year: 0.13%) of the insured compensation.

In accounting group West, VBL finances its benefits via a modified coverage period system (pay-as-you-go system). The current coverage period is from 2016 to 2023. The contribution rate is set such that the contribution to be paid for the duration of the coverage period together with the other expected income and available assets is enough to finance the expenditure during the coverage period and the six subsequent months. Since 1 January 2002, the contribution rate has been 7.3% of the pay subject to supplementary pension payments, of which 5.49% is borne by employers and 1.81% by employees. The BVK contribution rate is between 4.80% and 7.75% depending on the year the employee joined.

Because of insufficient information, no statement can be made regarding the size of the participation in the pension schemes on the basis of the Group's contribution for Rhön-Klinikum AG in comparison with the total contributions paid to VBL and to other public-sector pension schemes (BVK).

In the event of termination of VBL participation, the resulting legal consequences are stipulated in section 23 of VBL's bylaws. The termination of VBL participation also ends the compulsory insurance. As VBL also continues to settle pension rights and entitlements arising until the end of the participation, the departing participant must pay an equivalent value in compensation, with the exception of funded portions. This equivalent value comprises serves to fund existing entitlements and to cover administrative costs and future claims to benefits. The supplementary pension fund also has a similar rule. As departure from pay-as-you-go financing means that the risks of other system participants must also be compensated for on a pro rata basis, only the pension fund itself can perform a transparent actuarial calculation.

The VBL/BVK membership exists due to the acquisition of hospitals from the public sector. Universitätsklinikum Gießen und Marburg GmbH is a member of VBL, while RHÖN-Kreisklinik Bad Neustadt GmbH is a member of BVK.

EUR 22.1 million (previous year: EUR 25.9 million) was contributed to the VBL pension fund in the 2023 financial year. Payments to the BVK in 2023 amounted to EUR 0.6 million (previous year: EUR 0.7 million). As at 31 December 2023, 8,990 employees (previous year: 9026 employees) entitled to supplementary pension provisions were registered with the VBL and 300 employees (previous year: 315 employees) with the BVK.

22) Other provisions

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

EUR '000	1 Jan. 2023	Utilisation/ Reclassification	Reversal	Addition to consolidated group	Addition	31 Dec. 2023
Contractual obligations	133,810	−7,318	−8,989	0	609	118,113
Provisions for repayment risks	142,701	−8,872	−36,511	0	57,871	155,188
Loss compensation payments/compensation for losses	199,359	−6,371	−363	0	909	193,534
Health insurance funds	98,939	−36,432	−11,856	0	39,866	90,517
Litigation risks	20,792	−358	−2,599	0	647	18,483
Other provisions	45,984	−1,590	−17,968	86	14,791	41,303
Total	**641,585**	**−60,940**	**−78,286**	**86**	**114,693**	**617,137**

The provisions break down by maturity as follows:

EUR '000	31 Dec. 2023	31 Dec. 2022
Up to one year	355,550	353,811
Over one year	261,587	287,774
Total other provisions	**617,137**	**641,585**

Contractual obligations include recognised provisions that are expected to be utilised from non-standard lease obligations and the reduction of the maintenance backlog up to 2037. In particular, provisions for unfavourable contracts (EUR 71.9 million, previous year: EUR 80.9 million) for a cooperation are also included, the depletion of which is expected within the next eight years.

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

The provision for loss compensation payments/compensation for losses was calculated for liability claims against physicians on the basis of actuarial methods by an external actuary. The provision includes both individual losses and IBNR (incurred but not reported) cases as well as claims adjustment expenses. The expected payments were discounted using a market interest rate for a matching maturity period. Of these provisions, an amount of EUR 24.8 million is expected to be utilised in 2024, and an amount of around EUR 61.0 million in 2025 through 2028.

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

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

Other provisions relate to provisions for current business operations.

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

23) Current income tax liabilities

Current income tax liabilities of EUR 19.3 million (previous year: EUR 22.3 million) can be attributed to the corporate income tax and solidarity surcharges not yet assessed for the past financial year and previous years.

24) Deferred tax assets and deferred tax liabilities

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

EUR '000	31 Dec. 2023	31 Dec. 2022
Deferred tax assets		
Pension provisions	20,528	16,801
Contractual obligations	17,674	19,762
Tax loss carryforwards	12,213	7,454
Provision for repayment risks	3,763	4,032
Lease liabilities	62,322	65,479
Miscellaneous	38,225	29,874
Total deferred tax assets	**154,725**	**143,402**
Offset	52,307	58,002
Deferred tax assets in statement of financial position	**102,418**	**85,400**
Deferred tax liabilities		
Differences in value of intangible assets and property, plant and equipment	49,806	49,791
Right-of-use assets in accordance with IFRS 16	54,458	58,616
Miscellaneous	5,135	4,337
Total deferred tax liabilities	**109,399**	**112,744**
Offset	52,307	58,002
Deferred tax liabilities in statement of financial position	**57,092**	**54,742**

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

EUR 5.1 million of the deferred tax assets and EUR 0.3 million of the deferred tax liabilities are attributable to measurement differences between the IFRS and tax accounts that reverse within a year.

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

Deferred taxes that relate to items directly recognised in other comprehensive income are reported in equity or in other comprehensive income and not in the consolidated income statement. An amount of EUR 4.0 million (previous year: deferred tax assets of EUR 41.2 million) related to deferred tax liabilities recognised in other comprehensive income on account of temporary differences in pension provisions.

In the 2023 financial year, no deferred tax assets were recognised on corporate tax loss carryforwards of EUR 103.8 million (previous year: EUR 109.8 million) and on trade tax loss carryforwards of EUR 64.6 million (previous year: EUR 42.4 million) because it is unlikely that sufficient taxable profit will be generated in the near future to cover these amounts. Deferred tax assets of EUR 5.7 million were recognised on trade tax loss carryforwards of EUR 36.2 million (previous year: deferred tax assets of EUR 5.1 million on loss carryforwards of EUR 32.4 million), because according to tax planning it is likely that sufficient taxable profit will be generated in the near future to cover these amounts.

Changes in deferred taxes:

EUR '000	31 Dec. 2023	31 Dec. 2022
Deferred tax assets at the beginning of the year	**30,658**	**73,750**
Deferred taxes recognised through other comprehensive income in connection with the remeasurement of defined benefit pension plans recognised in equity through other comprehensive income	3,984	−41,158
Deferred taxes recognised through other comprehensive income in connection with share disposals	0	−72
Deferred taxes recognised through other comprehensive income in connection with cash flow hedges	3,515	0
Expense/income in the income statement from current settlements	7,169	−1,862
Deferred tax assets at the end of the year	**45,326**	**30,658**

25) Additional information on financial instruments

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

EUR '000	Measurement category as per IFRS 9	Carrying amount 31 Dec. 2023	Amount recognised in statement of financial position as per IFRS 9: Amortised cost	Fair value in other comprehensive income	Fair value in profit or loss	Fair value 31 Dec. 2023
ASSETS		**2,521,647**	**2,521,582**	**0**	**65**	**2,521,647**
Cash and cash equivalents	FAAC	840,129	840,129	0	0	840,129
Trade receivables	FAAC	738,265	738,265	0	0	738,265
Other financial assets	FAAC	943,253	943,188	0	65	943,253
EQUITY AND LIABILITIES		**2,725,986**	**2,715,415**	**10,890**	**319**	**2,726,624**
Trade payables	FLAC	135,625	135,625	0	0	135,625
Financial liabilities	FLAC	2,264,675	2,264,785	0	110	2,264,895
Other financial liabilities	FLAC	314,796	315,005	0	209	315,214
Interest rate swaps used for hedging	FLFV	10,890	0	10,890	0	10,890
Of which: aggregated by IFRS 9 measurement category:						
Financial assets measured at amortised cost	FAAC	2,521,647	2,521,582	0	65	2,521,647
Financial liabilities measured at amortised cost	FLAC	2,715,096	2,715,415	0	319	2,715,734
Financial liabilities at fair value	FLFV	10,890	0	10,890	0	10,890

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

			Amount recognised in statement of financial position as per IFRS 9			
EUR '000	**Measurement category as per IFRS 9**	**Carrying amount 31 Dec. 2022**	**Amortised cost**	**Fair value in other comprehensive income**	**Fair value in profit or loss**	**Fair value 31 Dec. 2022**
ASSETS		**2,311,496**	**2,311,431**	**0**	**65**	**2,311,496**
Cash and cash equivalents	FAAC	634,583	634,583	0	0	634,583
Trade receivables	FAAC	780,924	780,924	0	0	780,924
Other financial assets	FAAC	895,989	895,924	0	65	895,989
EQUITY AND LIABILITIES		**2,623,514**	**2,624,168**	**0**	**654**	**2,624,822**
Trade payables	FLAC	129,271	129,271	0	0	129,271
Financial liabilities	FLAC	2,231,131	2,231,357	0	226	2,231,583
Other financial liabilities	FLAC	263,112	263,540	0	428	263,968
Interest rate swaps used for hedging	FLFV	0	0	0	0	0
Of which: aggregated by IFRS 9 measurement category:						
Financial assets measured at amortised cost	FAAC	2,311,496	2,311,431	0	65	2,311,496
Financial liabilities measured at amortised cost	FLAC	2,623,514	2,624,168	0	654	2,624,822
Financial liabilities at fair value	FLFV	0	0	0	0	0

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

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

IX. Other notes

1) Annual average number of FTEs

The average number of employees was 49,425 in the financial year (previous year: 49,103).

FTEs by group	2023	2022
Nursing service	19,784	19,100
Medical service	7,227	7,183
Medical-technical service	6,868	7,210
Functional service	4,357	4,377
Administrative service	3,704	3,697
Financial and care service	2,883	2,967
Hospital maintenance staff	2,136	2,111
Technical service	874	870
Miscellaneous	1,592	1,588
Total	**49,425**	**49,103**

2) Contingent liabilities and other financial obligations

Contingencies and other financial obligations break down as follows:

EUR '000	2023	2022
Rental and lease agreements	71,804	65,836
Purchase commitments	46,987	46,782
Sureties	9,265	12,742
Supply agreements	29,395	18,296
Maintenance contracts	61,348	71,119
Insurance contracts	1,079	677
Miscellaneous	92,870	87,093
Total	**312,748**	**302,546**

The purchase commitments include orders in investments that were not yet delivered as at the cut-off date. Of the purchase commitments, EUR 3.3 million was attributable to intangible assets and EUR 43.7 million to property, plant and equipment.

The agreement with the state of Hesse from 2017 in connection with financing the services for research and teaching to be provided to the university hospitals which are owned by the group envisaged investment obligations of EUR 100.0 million by 2021. These obligations had already been fully met as at 31 December 2021. There are also further obligations in respect to building renovation and expansion at the Gießen and Marburg, locations, the conclusion of which was initially planned by 31 December 2024. Under the "Zukunftspapier Plus" agreement signed at the end of February 2023 between the state of Hesse, Rhön-Klinikum AG, Asklepios Kliniken GmbH & Co. KGaA, Universitätsklinikum Gießen und Marburg GmbH and the universities along with their medical faculties, the investment projects from the 2017 agreement were modified and the deadlines for meeting the investment obligations were adjusted. The deadlines for meeting these investments are now between 31 December 2024 and 31 December 2028. With regard to granting investment funds for the university hospital, the "Zukunftspapier Plus" agreement stipulates internally financed investment obligations of approximately EUR 259.0 million over the next ten years from 1 January 2023. As at 31 December 2023, there were still internally financed investment obligations of EUR 253.5 million.

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

	EUR '000
Up to 1 year	158,588
Between 1 and 5 years	90,559
More than 5 years	63,601
Total	**312,748**

3) Investment property

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

The largest item in absolute terms was the leasing of a property to a care home operator. On the basis of the requirements of IFRS 13.97, the fair value was determined for assets accounted for in accordance with IAS 40. The determined fair value was not observable on an active market and could also not be derived from a quoted price and was therefore allocated to level 3 of the fair value hierarchy of IFRS 13. The fair value is determined using an income capitalisation calculation and did not result in any material differences between the fair values of these properties and their carrying amounts of EUR 0.3 million as at 31 December 2022.

Rental income of EUR 0.4 million was earned for the investment properties in the 2022 financial year. Due to the higher depreciation, operating expenses amounted to EUR 1.0 million. These were attributable entirely to properties with which rental income was generated.

The property was reclassified in 2023 and again allocated to fixed assets as it is to be used as employee housing in the future.

4) Management remuneration

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

The remuneration paid to the management personnel of Asklepios Kliniken GmbH & Co. KGaA totalled EUR 2.2 million in the financial year (previous year: EUR 4.2 million). The management remuneration is divided into fixed remuneration of EUR 2.2 million (previous year: EUR 2.4 million) and variable remuneration of EUR 0.0 million (previous year: EUR 1.8 million). The variable remuneration is primarily based on the EBITDA and EAT of the consolidated financial statements and was influenced by section 37a StromPBG in the 2023 financial year. In the previous year, it exclusively comprised short-term employee benefits.

The remuneration paid to members of the Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA totalled EUR 1.2 million in the 2023 financial year (previous year: EUR 1.1 million), of which EUR 0 thousand (previous year: EUR 114 thousand) were meeting fees.

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

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

Fee EUR '000	2023	2022
Audits of financial statements	3,009	2,853
Other assurance services	774	1,081
Tax consultancy services	0	0
Other services	0	0
Total	**3,783**	**3,934**

Other assurance services relate primarily to confirmations.

6) Related party disclosures

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

Related parties EUR '000	2023	2022
Receivables	**6,365**	**4,068**
of which for consulting services	6,365	4,068
Liabilities	**381**	**368**
of which for consulting services and cost transfers	7	312
of which for hotel services	371	45
of which for leases	3	11
Income	**242**	**200**
of which for consulting services and cost transfers	65	14
of which for services	177	186
Expenses	**4,575**	**3,835**
of which for consulting services and cost transfers	859	494
of which for hotel services	480	530
of which for Supervisory Board members	1,216	1,194
of which for leases	2,021	1,618

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

Dr Bernard gr. Broermann, Königstein-Falkenstein, was the sole shareholder of Broermann Holding Gesellschaft mit beschränkter Haftung, which, in turn, is the parent company of Asklepios Kliniken GmbH & Co. KGaA. He died on 25 February 2024. His estate has not yet been divided up.

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

In the financial year, income of EUR 240 thousand (previous year: EUR 192 thousand) was generated, primarily from a service agreement with Broermann Holding GmbH as a shareholder. This was not yet shown as receivables in the accounts at the end of the reporting period.

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

Members of the Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA and their related companies and institutions performed consulting services totalling EUR 0.9 million (previous year: EUR 0.5 million) at market conditions in the financial year. The services are recognised in other operating expenses. Remuneration paid to employee representatives on the Supervisory Board for services outside their work on the Supervisory Board totalled EUR 0.9 million in the financial year (previous year: EUR 0.9 million), of which EUR 0 thousand (previous year: EUR 114 thousand) were meeting fees.

7) Legal disputes

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

8) Declaration of compliance with the German Corporate Governance Code

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

9) Supplementary report

No events have occurred since the reporting date that will have a material impact on the net assets, financial position and results of operations.

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

Supervisory Board

The members of the Supervisory Board of the company are:

Ivo Schramm	Chairman of the Supervisory Board, lawyer, Döbeln
Hilke Stein	Deputy Chair of the Supervisory Board, District Head of Department, Hamburg
Uwe Ostendorff (until 1 May 2023)	Deputy Chairman of the Supervisory Board, trade union secretary, Berlin
Klaus Bölling	Chairman of the Works Council, Homberg (Efze)
Barbara Brosius	Business consultant, Kronberg
Jennifer Eiteneyer	Head of Corporate Clients Rhein-Main, Oberursel
Mario Gembus (from 1 May to 10 May 2023)	Trade union secretary, Ludwigsfelde
Stefanie Grömling	Head of Family Offices DACH, Munich
Kerstin Gruschetzki	MTRA, currently independent Works Council representative, Butzbach
Thomas Haul	Anaesthetic nurse/functional service manager, Hamburg
Nora Klug	General Counsel, company lawyer, Starnberg
Dr Hans-Otto Koderisch	Internal medicine specialist, Chairman of the Works Council, Heidelberg
Rainer Laufs	Business consultant, Kronberg
Dr Jan Liersch	Lawyer, Düsseldorf
Hans Meier-Scherling	Managing director, Frankfurt am Main
Dr Anke Savcenko	Medical director for anaesthesia/ intensive care, Schwedt
Marnik Schiffler	Chairman of the Works Council, Bad Rappenau
Diana Sgolik	Trade union secretary, Berlin
André Stüve	Architect, Damme
Dr Cornelia Süfke	Company lawyer, Hamburg
Angelika Wultsch	Specialist paediatric nurse, Frankfurt (Oder)
Stephan zu Höne	Managing director, geology graduate, Kassel

Management Board

Asklepios Kliniken Management GmbH Königstein im Taunus	
Kai Hankeln (until 12 February 2024) Bad Bramstedt	State-certified business economist Chairman of the Management Board
Joachim Gemmel Hamburg	Business administration graduate since 12 February 2024 Co-Chairman of the Management Board
Marco Walker Hamburg	Economics graduate since 12 February 2024 Co-Chairman of the Management Board
Hafid Rifi Friedberg	Economics graduate Deputy Chairman of the Management Board
PD Dr. med. Sara Sheikhzadeh Hamburg	Internal medicine specialist, Heidelberg

All members of the Management Board represent Asklepios Kliniken Management GmbH

Hamburg, 28 March 2024
On behalf of Asklepios Kliniken Management GmbH

Joachim Gemmel

Marco Walker

Hafid Rifi

PD Dr. med. Sara Sheikhzadeh

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

Independent Auditor's Report

To Asklepios Kliniken GmbH & Co. KGaA, Hamburg

Opinions

We have audited the consolidated financial statements of Asklepios Kliniken GmbH & Co. KGaA, Hamburg and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Asklepios Kliniken GmbH & Co. KGaA for the financial year from 1 January to 31 December 2023.

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

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at … [date] and of its financial performance for the financial year from 1 January to 31 December 2023, in accordance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

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

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

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

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

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

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

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

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

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Frankfurt, 3 April 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Kneisel	Schrum
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Report of the Supervisory Board

The Supervisory Board of Asklepios Kliniken GmbH & Co. KGaA thoroughly performed the tasks required of it in accordance with the law, articles of association and rules of procedure in the 2023 financial year. Based on regular written and verbal reports provided by the general partner Asklepios Kliniken Management GmbH or its management (hereinafter "Group management"), the Supervisory Board fully addressed the business performance, position and planned operating policy of Asklepios Kliniken GmbH & Co. KGaA. It was promptly and comprehensively informed of all events of significance to the company. This helped the Supervisory Board to support and monitor the activities of the Group management on an ongoing basis.

During the 2023 financial year, a total of four Supervisory Board meetings were held, as well as four General Committee meetings and two Audit Committee meetings. At these meetings, the Group management reported the performance of the business along with all events of significant importance to the Supervisory Board. The Supervisory Board carefully examined and – where necessary – approved matters of significant importance, namely transactions requiring its approval in accordance with the law, articles of association and rules of procedure. Some matters such as contractual matters involving Supervisory Board members were handled in accordance with section 114 AktG by the General Committee of the Supervisory Board, which took the relevant decisions or expressed recommendations to the Supervisory Board. The Supervisory Board was also informed about the development of operating business, HR performance indicators, performance levels and legislative initiatives in the healthcare industry, particularly the hospital remuneration reform planned by the German Federal Ministry of Health, risk management and especially the risk-bearing capacity of the sub-groups, the development of the care budget and the economic planning for 2024 and subsequent years, and discussed these matters with the Group management. In 2023, there was once again a focus on the sharp increase in energy, commodity and material costs as a result of the war in Ukraine and on the generally challenging market environment after the COVID-19 pandemic, in which most hospitals probably did not yet achieve the 2019 level again in 2023. Other important topics included the conclusion of the "Zukunftspapier" agreement between the University Hospital of Gießen and Marburg (UKGM) and the state of Hesse, which secures subsidies in the hundreds of millions for UKGM, as well as environmental, social and governance (ESG) aspects and the upcoming legislative changes here, which particularly entail an increase in non-financial reporting. The Supervisory Board's discussions also addressed the growing share of outpatient care and the resulting potential for Asklepios, as well as the effects of the COVID-19 pandemic, particularly the expiring government support. In addition, the Supervisory Board was informed in detail about the topics of compliance with regard to services performed personally by senior consultants and the implementation status of the German Supply Chain Due Diligence Act.

The consolidated financial statements, the annual financial statements as at 31 December 2023 as well as the Group management report and the management report were examined by the auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, and approved without reservation. The auditor's reports were supplied to all members of the Supervisory Board and were dealt with in detail by the Audit Committee on 17 April 2024 and at the financial statements meeting of the Supervisory Board on 23 April 2024.

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

The Supervisory Board recommends that the Annual General Meeting adopts the annual financial statements of Asklepios Kliniken GmbH & Co. KGaA for the 2023 financial year along with the management report and approves the consolidated financial statements for the 2023 financial year along with the Group management report. The Supervisory Board endorses the Group management's proposal to carry forward the net profit of EUR 280,860,492.08.

In accordance with section 312 AktG, the general partner has prepared a report on Asklepios Kliniken GmbH & Co. KGaA's relations with affiliates (dependent company report) for the 2023 financial year.

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

> "In line with our engagement, we audited the legal representatives' report according to section 312 AktG on relations with affiliates according to section 313 AktG for the reporting period from 1 January to 31 December 2023. As there are no objections to be raised based on the final outcome of our audit, we issue the following audit opinion according to section 313 (3) sentence 1 AktG: Having conducted a proper audit and assessment, we confirm that 1. the factual statements in the report are correct and 2. the company's compensation with respect to the transactions listed in the report was not inappropriately high."

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

> "We declare that the company received appropriate compensation for all transactions in the 2023 financial year that are listed in the report on relations with affiliates in accordance with section 312 AktG, in accordance with the circumstances known to us when the transactions were conducted. No other measures were implemented or omitted in the relevant financial years."

In a letter dated 27 April 2023, Mr Uwe Ostendorff resigned as a member of the Supervisory Board with effect from 30 April 2023. He was replaced on the Supervisory Board by Mr Mario Gembus as an elected substitute member and employee representative. In a letter dated 9 May 2023, Mr Gembus also resigned as a member of the Supervisory Board with immediate effect. For this reason, Ms Frau Diana Sgolik was appointed as a member of the Supervisory Board (employee side) by order of the Hamburg Local Court on 16 June 2023 at the request of the management. By resolution of the Supervisory Board on 5 July 2023, Ms Hilke Stein was elected as Mr Ostendorff's successor as Deputy Chairwoman of the Supervisory Board.

The target resolved by the Supervisory Board in 2021 of achieving a proportion of women of at least 25% by 31 December 2025 was significantly exceeded in 2023 with nine to (currently) ten out of 20 members.

The Supervisory Board would like to thank all members who have left for their many years of good, trust-based cooperation.

On behalf of the Supervisory Board, I would like to sincerely thank the Group management and all employees of the Asklepios Group for their successful work and their huge personal dedication throughout the 2023 financial year.

Hamburg, 23 April 2024

Ivo Schramm
Chairman of the Supervisory Board

Schramm

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