



M1

Kliniken AG

INTERIM REPORT

2022

KEY FIGURES M1 KLINIKEN AG

Consolidated Profit and Loss Account according to IFRS (in EUR)

	30.06.2022 EUR	30.06.2021 EUR
Sales	138,668,221	164,879,628
EBIT	4,472,248	7,067,350

Consolidated Balance Sheet M1 Kliniken Group according to IFRS (in EUR)

	30.06.2022 EUR	31.12.2021 EUR
Assets		
Short-term assets	102,931,370	110,118,821
Long-term assets	87,072,344	87,991,900
Total assets	190,003,714	198,110,721
Liabilities		
Short-term liabilities	33,724,150	43,417,678
Long-term liabilities	13,580,075	14,790,644
Equity	142,699,490	139,902,399
Total liabilities and equity	190,003,714	198,110,721

Share

Class of shares	Bearer shares
Number of shares	19,643,403
WKN / ISIN	A0STSQ / DE000A0STSQ8
Ticker symbol	M12
Trading shares	Frankfurt, Xetra, Dusseldorf, Stuttgart, Berlin, Hanover, Hamburg, Munich, Tradegate
Market segment	Open Market
Designated Sponsor, Listing Partner	Kepler Cheuvreux, mwd fairtrade
Coverage	Bankhaus Metzler, First Berlin, M.M.Warburg & Co.



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Share Performance of M1 Kliniken AG





Dear Shareholders, dear Ladies and Gentlemen,

The world is in a state of great change, and the nature and extent of the particular influences on our lives is in a state of constant alteration. The Corona pandemic has been affecting our society for about 2 ½ years, yet we are dealing with its effects with increasing routine.

Just as we had arrived in this „new normality“ at the beginning of this year, the next shock hit our society: Russia’s war of aggression on Ukraine creates a new context for our post-war thinking. At first, supply chain problems, which were expected to be resolved swiftly, have increased. As a result, it fuelled a spike in inflation. As of today, the extent and duration of this increase cannot be assessed.

We are now living in an inflation scenario unseen since the end of the World War. So far, many forecasting methods have failed to predict what impact these developments will have on our economy.

Needless to say: we are constantly asking ourselves where the new signs will take M1. In principle, with tighter budgets due to current inflationary trends, there is a risk that the demand for M1 services will be restricted. On the other hand, however, there is also an opportunity for M1, as patients can be encouraged to turn to the low-cost and high-quality treatment offered by M1.

Currently, we do not see any sustainable economic trends affecting our business development, but we are prepared for any possible scenario with appropriate measures.

For the first half of the year, M1 Group's key financial figures are in line with our expectations.

IFRS consolidated revenue in the first half of 2022 was EUR 138.7 million, compared to EUR 164.9 million in the first half of 2021, including sales of COVID rapid antigen tests amounting to almost EUR 25 million in the previous year. Apart from that, we are within striking distance of the previous year in 2022.

The „Beauty“ segment contributed EUR 27.9 million to sales - an increase of a good 15% compared to the previous year's value. The number of treatments performed also increased to the same extent, rising by a more than 15% to 189 thousand in the past half year. The share of beauty revenues generated in foreign countries increased particularly strong to EUR 3.8 million. The number of treatments carried out abroad even rose by more than 50%.

Earnings before interest and taxes (EBIT) for the reporting period totalled EUR 4.5 million. In the previous year, the M1 Group achieved an EBIT of EUR 7.1 million, including the relatively high earnings contribution of the COVID antigen rapid tests in 2021.

In the German market, we were once again able to achieve the target EBIT margin in the range of 15-20%, which proves the profitability of our business model. For our international companies, we implemented a further expansion campaign with extensive price and advertising campaigns, which increased the negative contribution to profits. The opening of new national branches in Europe is also planned for the second half of 2022 which will be reported on separately.

On July 13, 2022, M1 Kliniken AG held its Annual General Meeting for the financial year 2021. As in the previous year, we opted for a regular attendance meeting and were thus able to engage in a direct exchange with the numerous shareholders who attended. All proposed resolutions were confirmed with clear majorities.

I would like to thank our employees once again for their commitment to M1 Kliniken AG despite the exceptional circumstances of the last few months. I am proud of the M1 family and confident that together we will master the challenges that lie ahead. I would also like to thank our Supervisory Board for the very constructive and beneficial cooperation.

Yours



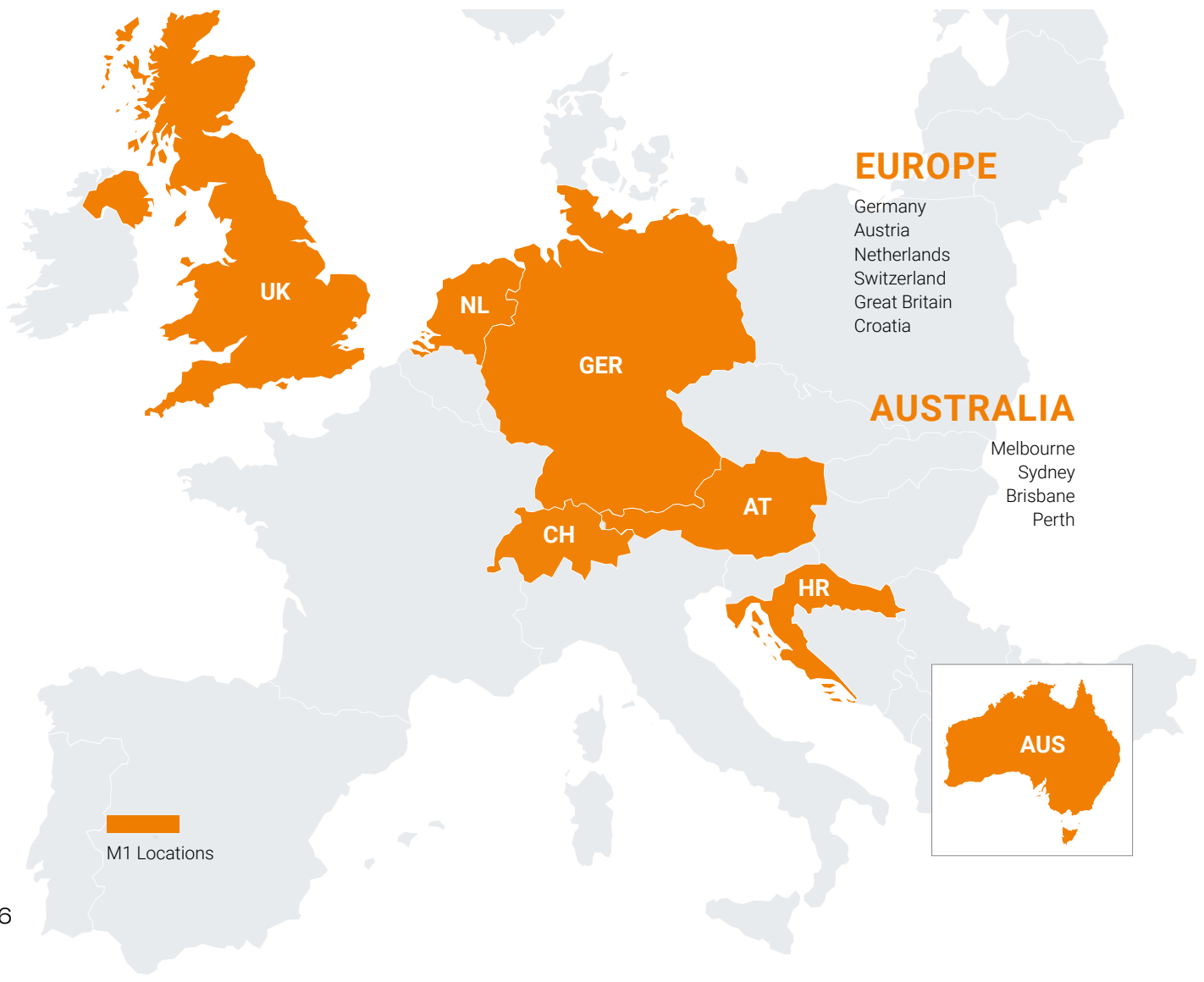
Dr. Walter von Horstig
Management Board

GROUP INTERIM MANAGEMENT REPORT OF M1 KLINIKEN AG

1. Company Profile

M1 Kliniken AG is the leading provider of health services in the field of beauty medicine in Germany. In the aesthetic and surgical areas, the group of companies offers products and services with the highest quality standards. Under the brand name „M1 Med Beauty“, aesthetic medical treatments are currently offered in more than 50 specialist centres. The M1 Schlossklinik for plastic and aesthetic surgery in Berlin, equipped with six operating theatres and 35 beds, is one of the largest and most modern facilities of its kind in Europe.

Since the end of 2018, M1 has been pushing ahead with its international expansion and is currently also operating in Austria, Switzerland, the Netherlands, England, Croatia and Australia. With its investment in HAEMATO AG, since the middle of 2020, M1 Kliniken AG is also in a position to exploit sales and earnings potential of treatment products in the medical-aesthetic field.



2. Economic Report

2.1 General Economic Situation

The recovery of the global economy has slowed down in light of new negative (economic and political) shocks. After a strong increase in global output in the second half of 2021, the recovery from the Corona crisis lost much of its momentum after the turn of the year. The key factors here were new disruptions from the pandemic and Russia's attack on Ukraine. As a result, inflation, which was already strong, increased further and supply shortages resumed. In the first quarter of 2022, global production increased at a rate of only 0.6% (seasonally adjusted quarter-on-quarter), slower than the average of the years before the Corona crisis. Although global industrial production increased again on a quarterly average, it declined in the course of the year. The IfW indicator for global economic activity, calculated on the basis of sentiment indicators from 42 countries and based primarily on surveys for the manufacturing sector, fell significantly in recent months and also suggests only a modest increase in global economic activity for the second quarter. ¹

Supply shortages and logistical problems have recently become significant again. In China, regional lockdowns have been enforced increasingly since January as the government maintains its strict zero-COVID policy. As a result, tensions in the global production networks increased again after a gradual easing had become apparent in autumn and winter. Thus, congestion at the major seaports widened again, initially mainly in China, but more recently also in Europe. Particularly in Europe, there were also disruptions in the production chains as a result of the war in Ukraine and the sanctions imposed on Russia, which particularly affected the automotive industry. Accordingly, industrial production declined significantly in March, especially in China and in Europe, while it remained on an upward trend in other areas, such as the United States. According to the figures of the „CPB Netherlands Bureau for Economic Policy Analysis“, world trade was robust until March, but is expected to show a noticeable decline in the spring. The basic economic trend in the advanced economies (G7 countries) has weakened. Gross domestic product in the major advanced economies declined slightly in the first quarter. ²

Under the impact of the war in Ukraine, commodity prices have once again risen significantly temporarily. Commodity prices had already risen sharply throughout the course of last year. The strong increase in demand due to the economic situation met with a reduced supply of oil - and natural gas in Europe. Although commodity prices are mostly off their peaks again, they are expected to remain high in the forecast period. The price of Brent oil fell temporarily from a maximum of over 130 US dollars per barrel to values around 100 dollars. The inflation surge in the advanced economies is not only due to energy prices. The rise in consumer prices worldwide has picked up sharply in recent months. In many advanced economies, long-term highs have been reached. In May 2022, inflation was 8.6% in the United States, 8.1% in the Eurozone and as high as 9.0% in the United Kingdom (April). Forecasts for inflation have increased not only because of currently stronger-than-expected consumer price inflation, but also because of the high momentum in producer prices, which reaches consumer prices with a delay. Monetary policy is now being tightened almost everywhere, but the expected interest rate hikes are (still) moderate compared to the extent of inflation. Further interest rate increases are foreseeable, the Kiel Institute for the World Economy expects a rise to 3% at the end of this year. In addition, the Fed has decided to withdraw funding from the financial sector by significantly reducing its holdings of securities, acquired in recent years to stimulate the economy. ³

Also in Germany, after the robust start to the year, there are signs of a significant slowdown in expansion compared to the spring forecast. The impact of the fourth pandemic wave apparently had less of an effect on economic activity in Germany in the first quarter than was assumed in the spring forecast of the Kiel Institute for the World Economy. Instead of a significant decline, gross domestic product even showed a slight increase. With the exception of manufacturing as well as energy and water industry, there was an increase in gross value added in all sectors.

However, additional negative factors are affecting the overall economic picture. For example, the supply shortages, which are particularly hard on industrial activity, are proving to be more persistent, partly because new lockdown measures in China have caused new disruptions in the meantime. Furthermore, private households are experiencing a stronger decline in purchasing power. This is due to the current increase in inflation, which is weighing on private consumption. Overall, the Kiel Institute for the World Economy continues to expect a 2.1% increase in gross domestic product for the current year. The forecast for the coming year was decreased slightly by 0.2 percentage points to 3.3%. ⁴

Added gross value is likely to increase in the summer months despite fierce headwinds. Overall, however, the pace of expansion will be much slower than the Kiel Institute for the World Economy had expected in its spring forecast. For example, contrary to expectations, a slight recovery has already begun in the first quarter in the service industries. These industries were particularly affected by the pandemic, so that the catch-up potential for the summer months is lower. In addition, consumer prices have risen stronger than forecast in spring, so that the momentum in the consumer-related service sectors will probably be lower in view of the weakened real disposable incomes. Leading indicators point to a weak development in the second quarter. Retail sales and industrial production in April were noticeably below the level of the first quarter. As supply shortages ease, production in the manufacturing sector is picking up rapidly. In the consumer-related service sectors, the recovery will continue despite high inflation. Leading indicators, such as mobility data or online bookings, point to a strong recovery in the second quarter in sectors that have been particularly affected by the pandemic. According to these indicators, turnover in the hospitality industry alone is likely to have been about 30% higher in May 2022 than in the first quarter. In contrast, value added in the trade sector is likely to decline; this is indicated in particular by the weak retail sales in April. ⁵

The export business (foreign trade) continues to be determined by supply shortages. In the first quarter, exports declined as expected due to Russia's invasion of Ukraine. Deliveries to Russia, which accounted for 2% of total export volume before the outbreak of the war, fell by around 60% in March compared to the previous month. Furthermore, a lack of deliveries of intermediate products from the war countries burdened production and exports, especially in the automotive sector. In the current quarter, exports are expected to have risen moderately. The IfW Kiel anticipates an increase in exports of 3.4% in the current year, followed by 6.5% in 2023. Imports are temporarily displaying quite little momentum. In the first quarter, the recovery in imports slowed down. Fewer goods - mainly capital goods - have been purchased from abroad compared to the final quarter of last year. On the other hand, imports of services rose very strongly and thus prevented a decline in imports overall. Overall, imports are expected to rise by 6.6% in 2022. For 2023, the Kiel Institute expects an increase of 5.6%. ⁶

The corona situation complicates the diagnosis of production possibilities. The economic development in Germany depends largely on the production level that is possible with normal utilisation of the overall economic production capacities. The risk situation has hardly changed since the spring. There are still no signs of an end to the war in Ukraine and the associated impairment of economic activity. In addition to the generally higher uncertainty, these risks are due primarily to the rise in commodity prices, the sanctions regime and political destabilisation in poorer countries as a result of a lack of agricultural commodity deliveries. Compared to the situation in March, however, the risk of an insufficient gas supply in the coming winter has been slightly mitigated, as there has been no complete interruption of Russian deliveries so far and thus higher storage levels are already being obtained again. In addition, progress was made on future landings of liquefied natural gas. The infectious disease outbreak and the political response to it also continue to pose a risk to economic activity, especially in the coming winter half-year. Furthermore, the assumption of over-coming supply shortages remains a significant forecasting risk. ⁷

At mid-year 2022, the sentiment in the German economy has slowed down more than expected. The Ifo Business Climate Index fell to 88.6 points in July from 92.2 points in June. This is the lowest value since June 2020. Companies expect business to deteriorate considerably in the coming months. They were also less satisfied with their current business situation. „High

energy prices and the threat of gas shortages are weighing on the economy. Germany is on the threshold of recession," said Ifo President Clemens Fuest. The Ifo Business Climate is considered Germany's most important leading economic indicator. The index fell sharply in the manufacturing sector. Pessimism about the coming months has reached its highest level since April 2020. This applies to almost all industrial sectors. Companies also assessed their current situation as worse. New incoming orders declined slightly for the first time in two years. In the service sector, the business climate deteriorated considerably. Expectations in particular dropped. After great optimism recently, the sentiment also turned in the tourism sector and the hospitality industry. Although the service providers' assessment of the current situation deteriorated, the indicator remains at a high level. In the trade sector, the indicator fell again significantly. Traders were less satisfied with current business. The concerns with regard to the coming months are increasing. Currently, there is no retail sector that is optimistic about the future. In the construction industry, too, the business climate deteriorated noticeably after a brief recovery in the previous month. The assessments of the current situation fell to their lowest level since April 2016. Expectations are also characterised by great pessimism.⁸

Given the above-mentioned political and economic conditions and the high inflation that is still expected, especially in the area of energy, as well as the economic transformation to a resource-conserving and climate-neutral economy, we are facing enormous social challenges. Consequently, forecasts regarding the overall economic development and its effects on our customer behaviour are also subject to a high degree of uncertainty.

2.2 Sector-related Economic Environment

In addition to the demographic development, medical-technical progress and rising incomes in private households, the growing 'social acceptance' of beauty medical treatments ensures that products and services of the medical-aesthetic market are more and more in demand. Society, which is getting older and staying fit longer, wants to look its felt age.

According to surveys by ISAPS (International Society of Aesthetic Plastic Surgery), the number of cosmetic treatments performed worldwide fell to around 24.5 million in 2020, compared to around 25 million in 2019. This development is unexpected, as a large number of clinics and practices were closed for several months in the spring of 2020 as part of the Corona lockdowns. Accordingly, after the end of the shutdowns, there were considerable catch-up effects in a market that continued to grow overall.

ISAPS has not yet published the quantitative development of the market for plastic aesthetic treatments in 2021 and the corresponding figures for the first half of 2022. However, it can be assumed that the number of procedures has continued to grow - also in light of the fact that holiday trips and other similar activities were often only possible to a very limited extent in the summer of 2021, which meant that a high level of purchasing power was available in the market.

More than 85% of the patients are women. The main applications are breast augmentations/lifts and liposuction in the surgical field as well as filler treatments with hyaluronic acid and injections with botulinum toxin. This is also reflected in the specialised range of treatments offered by M1 Kliniken AG.

According to ISAPS surveys, Germany is the leading market for medical aesthetic treatments in Europe, with more than 1.1 million procedures in 2020, alongside Italy. Other large markets for plastic aesthetic treatments are in France, Spain and Great Britain.

Based on our own estimates, the relevant core target group for M1 Kliniken AG in the German market is at least 10 million women between the ages of 20 and 40. In this target group, the greatest desire for improvement lies in breasts, body fat and wrinkles.

A growing proportion of women in Germany are open to the idea of having aesthetic surgery. According to the company's estimates, this trend will continue in the coming years as a result of the popularity of social media, vanishing taboos and increased social acceptance of beauty treatments.

2.3 Outlook

Russia's attack on Ukraine and China's strict no-COVID policy have aggravated the already strong inflation worldwide and led to an increase in supply shortages. Real wages are falling significantly in many countries, slowing private consumption. In many cases, however, it is possible to fall back on additional savings that were created during the pandemic. Considering the high inflationary pressure, central banks have embarked on a course of monetary tightening or have made it more stringent. Given this situation, the prospects for the global economy have become noticeably weaker. The IfW Institute for the World Economy in Kiel now expects global production to increase by only 3.0% this year and 3.2% next year (calculated on the basis of purchasing power parities). This means that the IfW's forecast of March 2022 has been lowered by 0.5 and 0.4% respectively.⁹

The Kiel Institute for the World Economy (IfW) therefore expects the global economy to expand only moderately this year and the next after the strong increase last year. Due to high inflation, real wages are declining in the advanced economies and in many emerging markets. The weakening purchasing power of labour income is holding back private consumption, even though income from profits is increasing and savings accumulated during pandemic periods are probably being used in part to finance consumer spending. The tightening of monetary policy is also having a slowing effect, resulting not only in higher interest rates but also in a decline in asset values.¹⁰

The economic barometer of the German Institute for Economic Research (DIW Berlin) dropped to 71.8 points in July. This means it is far below the 100-point threshold for the third quarter, indicating average growth in the German economy. By way of comparison, the index level for the second quarter was most recently still above 90 points. The energy crisis in particular continues to slow down the German economy with ongoing concerns about gas shortages and even higher energy prices. In addition, the problems in the global supply chains are only easing slowly. Contrary to what was hoped for in winter, the war in Ukraine and the Chinese Corona crisis have led to further supply shortages. These factors are also weighing on the global economy and in some cases leading to enormous inflation rates. This is slowing down the demand for German export goods. Thus, in the wake of weak exports and skyrocketing import prices for energy, the German trade balance was negative in May for the first time in a long time. „The export-oriented and energy-intensive German growth model is currently reaching its limits,“ says DIW economic expert Guido Baldi. „Compared to the previous months, the barometer value has once again dropped significantly and indicates that the German economy will decline in the third quarter of this year.“ German industry in particular is suffering from the weakening global economy. The problems of the previous months remain - the order situation is tight and the level of orders on hand, which is still high, can only be processed slowly because of the disrupted supply chains and the resulting lack of preliminary products. Further difficulties could be added in the coming months. „German industry is looking to the future with concern,“ says Laura Pagenhardt, DIW economic expert. „In addition to the ongoing supply shortage of materials, the approaching winter and the potentially restricted gas supply are now leading to uncertainties in terms of planning for the production of goods.“¹¹

In view of the above-mentioned political and economic developments and the high inflation that is still expected, especially in the area of energy, as well as the economic transformation to a resource-conserving and climate-neutral economy, we are facing enormous challenges. Consequently, forecasts regarding the overall economic development and its effects on our customer

behaviour are also subject to a high degree of uncertainty. However, we are observing the latest price increases, especially for everyday goods. Although we are not yet directly feeling any compensating effects, it can be assumed that this could be reflected in reduced organic growth if inflation remains high. However, with a continued competitive pricing policy, tight cost management and strong customer loyalty, the M1 Group is well prepared for the difficult conditions.

3. Economic Position

3.1 Earnings Position of the M1 Group (IFRS)

The company's situation in the 1st half of 2022 is characterised by the clear downward trend of the Corona pandemic. Throughout the fourth and fifth waves of the pandemic, M1 was able to keep all practices open - while implementing a strict hygiene concept.

Group sales amount to kEUR 138,668 in the first half of 2022 (H1 2021: kEUR 164,880). In this context, the „Trading“ segment, i.e. the wholesale and parallel import business with pharmaceuticals operated under the umbrella of Haemato AG, generated consolidated revenues of kEUR 110,805 (H1 2021: kEUR 140,838). The decline in sales in this business segment is primarily due to the reduced business with COVID-19 antigen tests and the ongoing portfolio streamlining.

Sales in the „Beauty“ segment rose from kEUR 24,042 (30.06.2021) to kEUR 27,863, an increase of around 15%. Part of this growth is due to the foreign locations, where sales grew by 32% to kEUR 3,838.

Material costs decreased to kEUR 111,660 in the first half of 2022 (first half of 2021: kEUR 136,737). The gross margin was 19.5%, compared to 17.1% in the previous year. This reflects the increased revenue share of the Beauty segment, which has a higher margin than the „Trading“ segment due to its inherent business model.

Personnel expenses decreased by kEUR 496 to kEUR 10,545 in the first half of 2022 (first half of 2021: kEUR 11,041). Due to the decline in sales and the higher share of the „Beauty“ segment, the personnel expense ratio increased from 6.7% to 7.6% compared to the previous year.

Other operating expenses totalled kEUR 9,832 in the first half of 2022 and thus exceeded the previous year's figures by kEUR 2,126. Significant parts of the other operating expenses are in the area of Haemato AG. This mainly relates to reimbursements, which were allocated more in the first half of 2022. The expense ratio is now 7.1% after 4.7% in the first half of 2021.

Depreciation and amortisation increased slightly from kEUR 2,799 (first half of 2021) to kEUR 2,889. This figure mainly includes rental and leasing expenses of kEUR 2,057 (previous year: kEUR 1,810) following of the regulations of IFRS 16 (leases).

EBIT decreased to kEUR 4,472 after kEUR 7,067 in the first half of 2021. The previous year's figure included income from the sale of COVID antigen rapid tests, which contributed a very high margin compared to the other trading business.

In the „Beauty“ segment, EBIT decreased by kEUR 352 to kEUR 2,580 compared to the previous year. The reason for this is the increased investment in international business activities and the resulting increase in the negative EBIT contribution from kEUR -345 to kEUR -1,149.

„Beauty“ segment sales/ EBIT H1-2022/ H1-2021:

	H1 - 2022		H1 - 2021	
	Germany	International	Germany	International
Sales	24,025	3,838	21,136	2,906
EBIT	3,729	-1,149	3,277	-345

The **financial result** for the first half of 2022 is kEUR -447 (first half of 2021: kEUR 960). This includes a write-down from the valuation of short-term liquidity investments amounting to kEUR 1,155.

Earnings before tax (EBT) amount to kEUR 4,025 (H1 2021: kEUR 8,027) and net profit for the period to kEUR 2,763 (H1 2021: kEUR 5,545).

3.2 Financial Position of the M1 Group (IFRS)

Our financial situation can be described as very stable. Our financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment periods.

Our capital structure is good. **Equity** at the end of June 2022 is kEUR 142.699 as compared to kEUR 139,902 per December 31, 2021. This corresponds to an equity ratio of 75.1%, which is 4.5 percentage points higher than the ratio of 70.6% on December 31, 2021.

Trade account payables amounted to kEUR 14,482, which is above the level of kEUR 12,845 as of December 31, 2021. Other short-term and long-term financial liabilities decreased significantly from kEUR 19,151 as of December 31, 2021 to kEUR 8,202 as a result of the low utilisation of the credit lines available.

Short- and long-term leasing liabilities to be reported in accordance with IFRS 16 totalled kEUR 10,973 compared to kEUR 11,783 as of December 31, 2021.

3.3 Asset Position of the M1 Group (IFRS)

As of June 30, 2021, the Group had **cash and cash equivalents** of kEUR 26,025 (31.12.2021: kEUR 37,867). The decrease is primarily due to the utilisation of liquid funds to settle financial liabilities. In addition to strengthening the equity base, this also contributes to an improved medium-term earnings situation in an environment of rising interest rates on bank liabilities.

Trade account receivables increased from kEUR 16,308 (31.12.2021) to kEUR 22,860 (30.06.2022). A significant portion of this amount was settled in the first days of July.

Due to strong sales in the first half of 2022, **inventories** decreased by kEUR 9,749 to kEUR 25,454 as of 30.06.2022 (31.12.2021: kEUR 35,203).

Fixed assets decrease to kEUR 14,518 compared to kEUR 15,267 as of 31.12.2021. This includes rights of use (regulations of IFRS 16) in the amount of kEUR 10,701.

Overall, our economic situation can be described as good.

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Group Balance Sheet - Assets

as of June 30, 2022*

	30.06.2022 in EUR	31.12.2021 in EUR
Cash and cash equivalents	26,025,062	37,867,304
Trade account receivable	22,859,585	16,308,165
Inventories	25,454,283	35,202,903
Other short-term financial assets	25,856,989	18,078,866
Other short-term assets	1,368,065	899,000
Income tax receivables	1,367,387	1,762,583
Short-term assets	102,931,370	110,118,821
Goodwill Intangible assets	60,296,842	60,392,488
Fixed assets	14,517,890	15,267,338
Other long-term financial assets	11,994,667	12,078,946
Other long-term assets	262,946	253,127
Long term assets	87,072,344	87,991,900
TOTAL ASSETS	190,003,714	198,110,721

* Accounting according to IFRS

Group Balance Sheet - Liabilities

as of June 30, 2022*

	30,06,2022 in EUR	31,12,2021 in EUR
Short-term accruals	735,152	1,905,077
Liabilities from income taxes	1,874,371	1,916,205
Trade account payables	14,482,149	12,844,805
Short-term lease liabilities	3,431,654	3,655,727
Other short-term financial liabilities	4,451,598	14,776,016
Other short-term liabilities	2,283,968	2,793,185
Contract and refund liabilities	6,465,258	5,526,662
Short-term liabilities	33,724,150	43,417,678
Long-term accruals	54,395	59,782
Long-term leasing liabilities	7,541,564	8,127,287
Other long-term financial liabilities	3,750,000	4,375,000
Deferred tax liabilities	2,234,116	2,228,576
Long-term liabilities	13,580,075	14,790,644
Subscribed capital	19,643,403	19,643,403
Acquired own shares	-1,063,547	-1,063,547
Capital reserve	49,907,438	49,907,438
Capital reserve for own shares	-10,741,825	-10,741,825
Revenue reserves	38,775,796	37,394,858
Adjustment item for minority interests	46,261,523	44,877,243
Equity differences from currency translation	-83,298	-115,172
Equity	142,699,490	139,902,399
TOTAL LIABILITIES AND EQUITY	190,003,714	198,110,721

* Accounting according to IFRS

Group Profit and Loss Statement

as of June 30, 2022*

	30.06.2022 EUR	30.06.2021 EUR
Sales	138,668,221	164,879,628
Other operating income	729,512	470,776
Cost of purchased goods and services	-111,659,677	-136,737,495
Personnel expenses	-10,544,537	-11,040,825
Other operating expenses	-9,832,102	-7,705,865
Profit from ordinary activities EBITDA	7,361,417	9,866,219
Depreciation and amortisation	-2,889,169	-2,798,869
Operating result EBIT	4,472,248	7,067,350
Income from investments	819,548	62,332
Income from other securities and loans held as financial assets	-	258,368
Other interest and similar income	243,419	377,120
Interest and similar expenses	-354,413	-483,731
Depreciation/ write-ups from the valuation of financial assets	-1,155,361	745,488
Financial result	-446,808	959,577
Earnings before taxes EBT	4,025,441	8,026,927
Taxes on income and earnings	-1,262,633	-2,481,760
Net profit/loss for the year	2,762,807	5,545,167
Profit or loss attributable to non-controlling interests	-1,384,280	-2,134,639
Profit/loss for the year after distribution of profit	1,378,527	3,410,528

* Accounting according to IFRS

Consolidated Cash Flow Statement

as of June 30, 2022*

	30.06.2022 EUR	30.06.2021 EUR
Cash flow from operating activities	10,214,862	3,547,152
Net profit for the period	2,762,807	5,545,167
Depreciation and amortisation of fixed assets	2,889,169	2,754,625
Increase/ decrease in short-term accruals	-1,175,263	-1,219,573
Increase/ decrease due to fair value measurement	7,994	-2,392
Increase/ decrease in inventories	9,742,110	8,476,890
Increase/ decrease in trade account receivables and other assets	-5,998,648	-10,502,890
Increase/ decrease in trade accounts payable and other liabilities	2,304,173	-3,960,314
Profit/loss from the disposal of fixed assets	6,784	-511
Interest expenses/ income	136,381	106,611
Other income from investments	-819,548	-320,700
Income tax expense/income	1,262,633	2,481,760
Income tax payments	-903,731	188,478
Cash flow from investing activities	-8,510,286	1,243,552
Inpayments from disposals of intangible assets	-	5,250
Payments for investments in intangible assets	-281,215	-136,218
Inpayments from disposals of fixed assets/ investment properties	29,997	142,609
Payments for investments in tangible fixed assets/ investment properties	-572,178	-546,128
Cash inflows from the sale of consolidated companies and other business units/ financial fixed assets	-	1,080,218
Cash inflows/outflows due to financial investments within the scope of the short-term financial management	-7,904,922	-
Interest income	218,032	377,120
Income from investments	-	320,700
Cash flow from financing activities	-13,549,749	6,110,088
Cash inflow from equity contributions	-	14,484,905
Change in liabilities to banks	-11,158,345	-6,120,140
Interest expenses	-152,383	-280,404
Redemption of rights of use	-2,239,021	-1,974,273
Change in liquid funds due to exchange rate changes	2,857	-30,907
Net cash flow	-11,842,316	10,869,885
Liquid funds at the beginning of the period	37,867,304	17,956,229
Liabilities due at any time at the beginning of the period	-	4,002,690
Liquid funds at the beginning of the period	37,867,304	21,958,919
Liquid funds at the end of the period	26,024,988	28,826,106
Liabilities due at any time at the end of the period	74	1,031,774
Liquid funds at the end of the period	26,025,062	29,857,880
Change in liquid funds	-11,842,242	7,898,962

* Accounting according to IFRS

Consolidated Equity Change Account

as of June 30, 2022*

in EUR	Subscribed capital	Acquired own shares	Capital reserves	Capital reserve for own shares	Revenue reserves	Equity differences from currency conversion	Adjustment item for shares of other shareholders	Equity
January 1, 2021	19,643,403	-1,063,547	49,907,438	-10,741,825	28,007,244	-	29,565,259	115,317,972
Net profit for the year	-	-	-	-	3,410,530	-	2,134,639	5,545,169
Capital increase	-	-	-	-	-	-	4,596,060	4,596,060
Change in scope of consolidation	-	-	-	-	2,189,042	-	8,741,270	10,930,312
Currency exchange differences	-	-	-	-	2,370	-35,340	-	2,370
June 30, 2021	19,643,403	-1,063,547	49,907,438	-10,741,825	33,609,183	-35,340	45,037,229	136,356,541
January 1, 2022	19,643,403	-1,063,547	49,907,438	-10,741,825	37,394,858	-115,172	44,877,243	139,902,399
Net profit for the year	-	-	-	-	1,378,527	-	1,384,280	2,762,807
Other changes in equity	-	-	-	-	14,132	-	-	14,132
Currency exchange differences	-	-	-	-	-11,722	31,873	-	20,152
June 30, 2022	19,643,403	-1,063,547	49,907,438	-10,741,825	38,775,796	-83,298	46,261,523	142,699,490

* Accounting according to IFRS

CONDENSED NOTES (unaudited)

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1. General Information

M1 Kliniken AG was founded in 2007. The company is registered in the Commercial Register of the Berlin-Charlottenburg District Court as HRB 107637 B and is based in Berlin. Its offices are at Grünauer Strasse 5, 12557 Berlin. Its parent company is MPH Health Care AG.

The M1 Group is active in the sector of aesthetic medicine and of medical products/ pharmaceuticals.

The consolidated interim financial statements for the period from January 1 to June 30, 2022 of M1 Kliniken AG were compiled in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), and according to IAS 34 „Interim Financial Reporting“, as this is to be applied in the European Union. The figures are unaudited.

With regard to the methods of accounting, valuation and consolidation applied together with the exercise of the options contained in the IFRS, we refer to the notes to the consolidated financial statements as of December 31, 2021.

2. Scope of Consolidation

No changes took place in the scope of consolidation during the reporting period. We refer to our presentation in the consolidated financial statements as of December 31, 2021.

3. Selected Notes to the Consolidated Balance Sheet

Liquid funds, which amount to kEUR 26,025 (31.12.2021: kEUR 37,867), are mainly bank deposits and recorded at their nominal values.

Trade account receivables, which total kEUR 22,860 (31.12.2021: kEUR 16,308), are valued using the effective interest method at amortised cost less any impairments.

Inventories which amount to kEUR 25,454 (31.12.2021: kEUR 35,203) consist of finished goods which were valued at procurement and manufacturing costs. In accordance with IAS 2, all costs incurred by the acquisition of the respective inventories were included.

Other financial assets amount to kEUR 37,852 (31.12.2021: kEUR 30,158). This figure mainly includes financial instruments. A financial instrument is a contractual agreement that simultaneously leads to a financial asset at one company and to a financial liability or an equity instrument at another company.

Other short-term financial assets include financial assets in the short-term liquidity portfolio, loans and trade account receivables. Loans and trade account receivables are non-derivative financial assets with fixed or determinable payments. They include only redemptions and interest and are measured at amortised cost.

The shares in CR Opportunities GmbH are recognised in the balance sheet under **other long-term financial assets**. The financial assets were allocated to the category „measured at fair value through profit or loss“. The subsequent valuation of the equity instruments is carried out at the market value of the respective reporting date.

Trade account payables are recognised at amortised cost using the effective interest method. They amount to kEUR 14,482 as of 30 June 2022 (31.12.2021: kEUR 12,845). It is assumed that the fair values correspond to the carrying amounts of these financial instruments due to the short maturities.

Other short-term financial liabilities amount to kEUR 4,452 (31.12.2021: kEUR 14,776). They mainly include liabilities to banks from working capital lines and overdraft facilities.

Other short-term liabilities amount to kEUR 2,284 as of June 30, 2022 (31.12.2021: kEUR 2,793) and include tax liabilities.

4. Dividends

At the Annual General Meeting held on July 13, 2022, it was decided to carry forward the entire balance sheet profit for the 2021 financial year.

5. Contingent Liabilities and other Financial Obligations

There are no contingent liabilities. Other financial obligations are within the scope of normal business transactions.

6. Significant events after June 30, 2022

After the balance sheet date of June 30, 2022 and up to the date of publishing this report, no further significant events took place.

Berlin, August 2022



Dr. Walter von Horstig
Management Board

FURTHER INFORMATION

Sources

- ¹ Cf. Kieler Konjunkturberichte Nr. 91/2022 „Weltwirtschaft im Sommer 2022, pp. 2-3
- ² Cf. Kieler Konjunkturberichte Nr. 91/2022 „Weltwirtschaft im Sommer 2022, p. 3
- ³ Cf. Kieler Konjunkturberichte Nr. 91/2022 „Weltwirtschaft im Sommer 2022, p. 4-8
- ⁴ Cf. Kieler Konjunkturberichte Nr. 92/2022 „Deutsche Wirtschaft im Sommer 2022, p. 2-3
- ⁵ Cf. Kieler Konjunkturberichte Nr. 92/2022 „Deutsche Wirtschaft im Sommer 2022, pp. 4-5
- ⁶ Cf. Kieler Konjunkturberichte Nr. 92/2022 „Deutsche Wirtschaft im Sommer 2022, p. 6
- ⁷ Cf. Kieler Konjunkturberichte Nr. 92/2022 „Deutsche Wirtschaft im Sommer 2022, p. 13
- ⁸ Cf. ifo Geschäftsklima Deutschland: „Ergebnisse der ifo Konjunkturumfragen im Juli 2022“, p. 1
- ⁹ Cf. Kieler Konjunkturberichte Nr. 91/2022 „Weltwirtschaft im Sommer 2022, p. 2
- ¹⁰ Cf. Kieler Konjunkturberichte Nr. 91/2022 „Weltwirtschaft im Sommer 2022, pp. 4-8
- ¹¹ Cf. DIW-Konjunkturbarometer Juli, Pressemitteilung vom 27. Juli 2022

Glossary

Botulinum toxin

also called botulinum neurotoxin or botulin. The name is derived from the Latin (botulus = sausage and toxin = poison) and is referred to as one of the most poisonous, but also most effective substances. It is used for spasticity, tension headache and migraine, excessive perspiration, in the cosmetic medicine for the treatment of mimic wrinkles and much more.

Hyaluronic acid

types of absorbable fillers. Hyaluronic acid is a hydrophilic, natural sugar compound, which is present in large quantities in the young skin and is degraded increasingly in the course of a life. In the aesthetic medicine it is used to build up volume and for deep wrinkles.

Dermal fillers

are referred to special fillers to build up volume of e.g. sunken cheeks or for lips augmentation, which degrade biologically after some time completely again.



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