



Asklepios Annual Report

Leading article by the Management Board



Ladies and gentlemen,

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

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

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

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

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

We are successfully exploring new
Digital





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

care will become an integral part of our healthcare system

The Management Board of Asklepios Kliniken

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

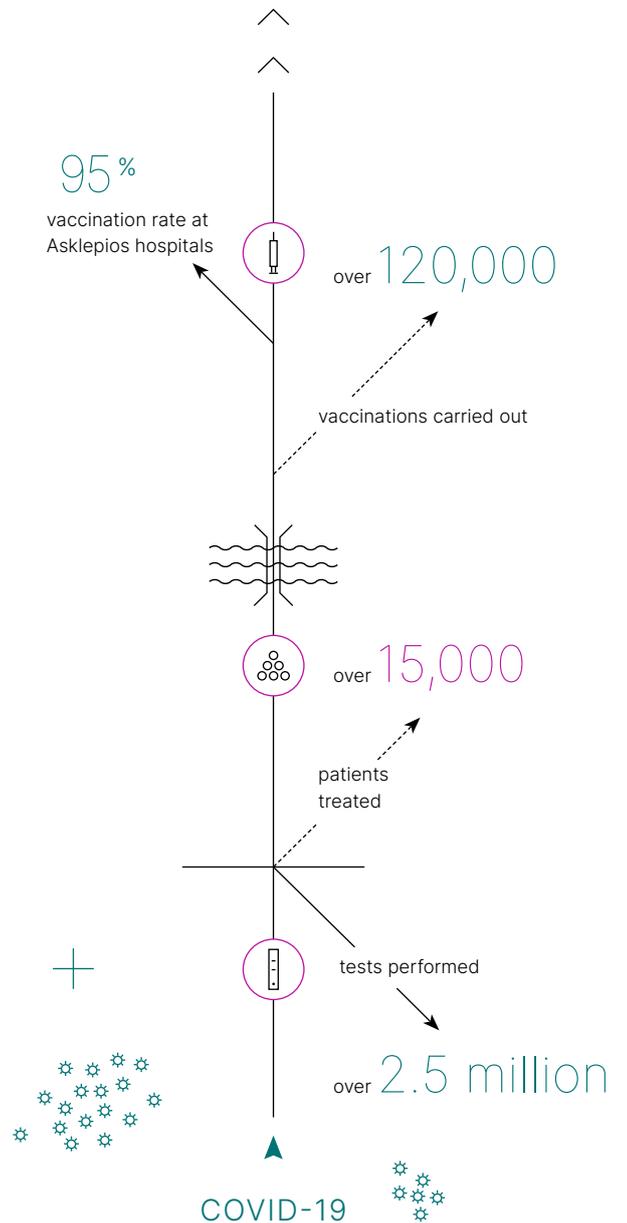
Video: Our corporate strategy





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

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



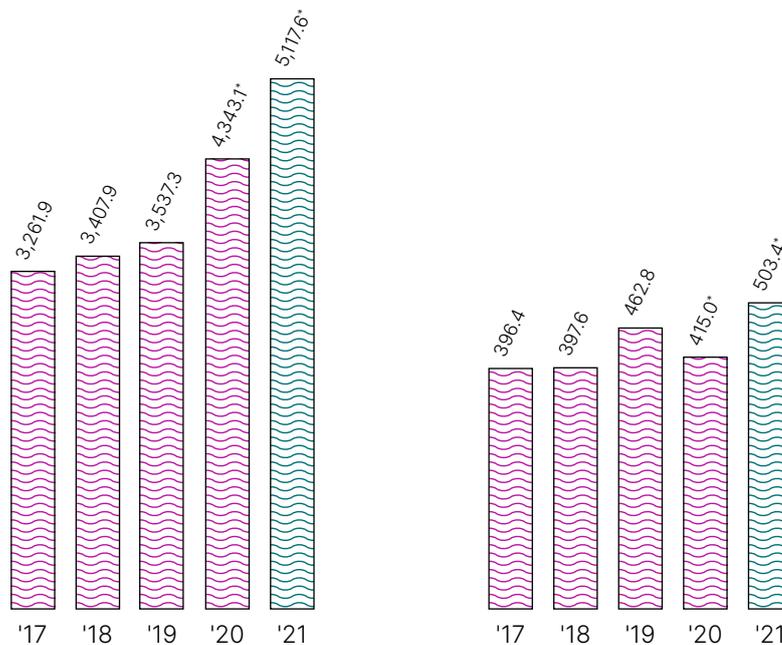


Stable development in a challenging environment

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

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

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



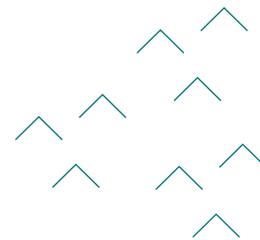
Revenue in EUR million
*including Rhön

EBITDA in EUR million
*including Rhön



Investment: our basis for safe healthcare

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



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



Placement of a schuldschein for pre-mature refinancing

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



Journey into the post-coronavirus era

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

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

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



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Digital HealthyNear – digitalisation at the heart of our business model

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

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

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

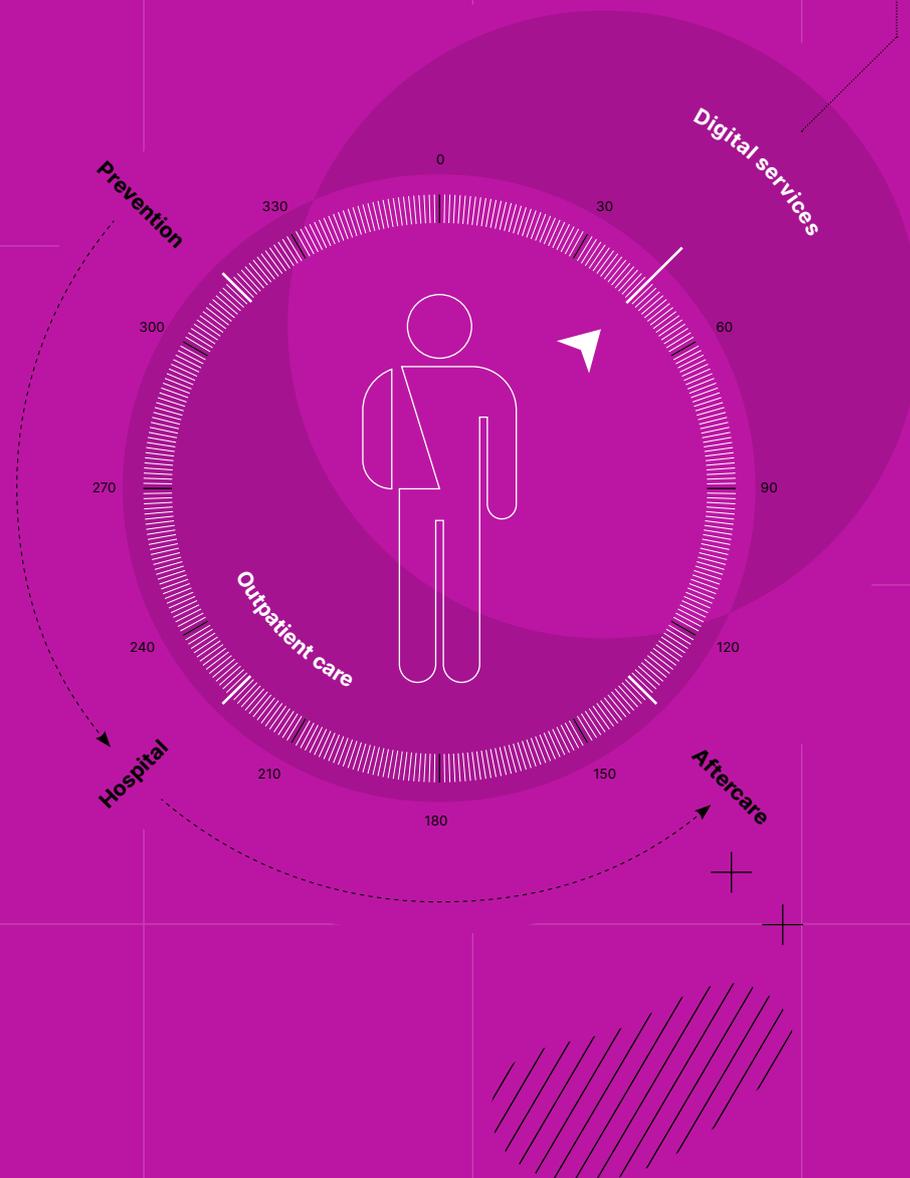


Digital HealthyNear / 360° care

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

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

Find out more



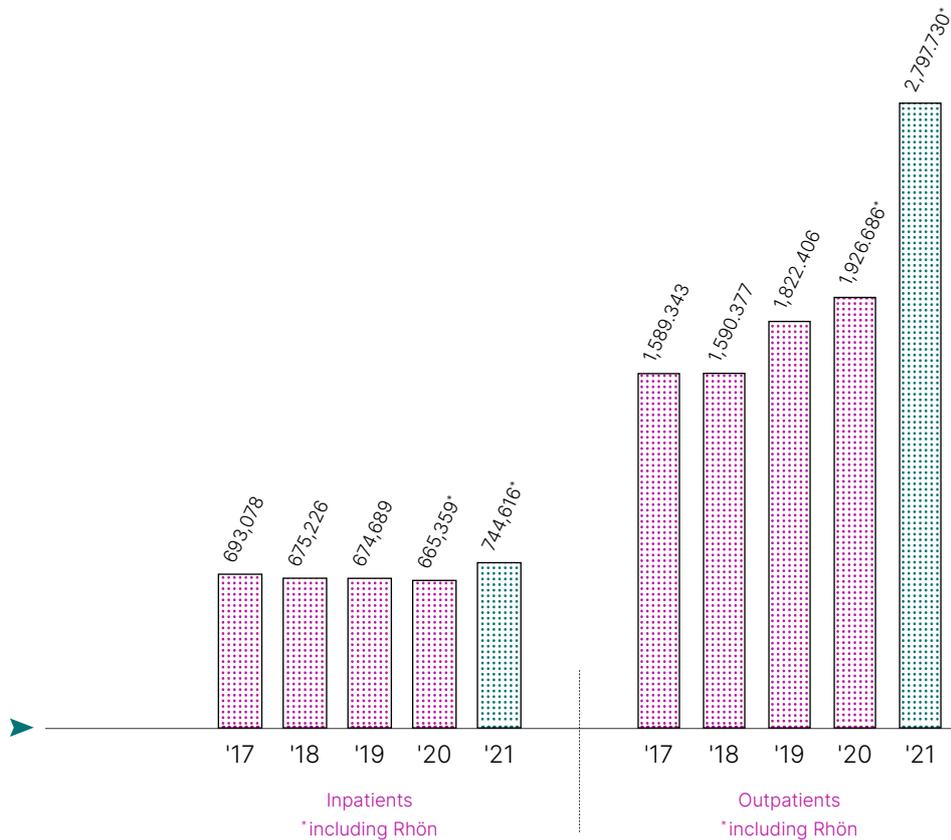


Today, we are already shaping tomorrow's advanced medicine

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

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

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





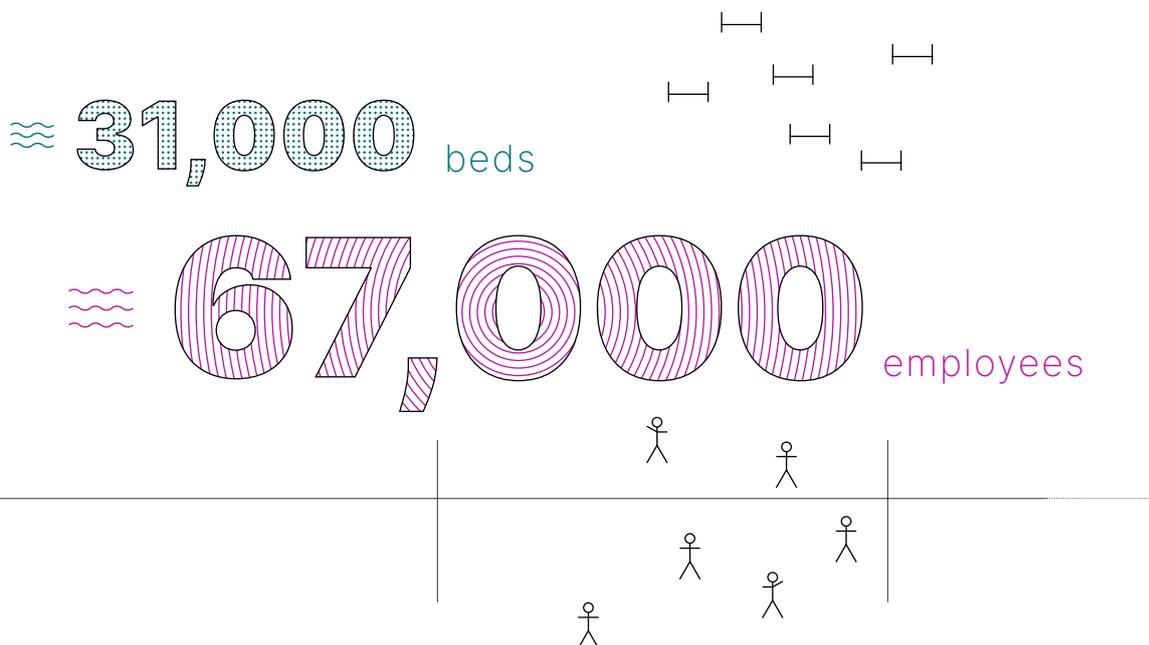
Shortage of qualified staff: a challenge for the entire sector

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

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

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

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





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Regulatory conditions: now set the right course for the future

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

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

Our Corporate
Responsibility Report





Time for a new beginning in the healthcare sector

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

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

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

The Management Board of Asklepios Kliniken
Hamburg, April 2022



Joachim Gemmel
COO



Kai Hankeln
CEO



Prof. Dr. Christoph U. Herborn
CMO



Hafid Rifi
CFO



Marco Walker
COO