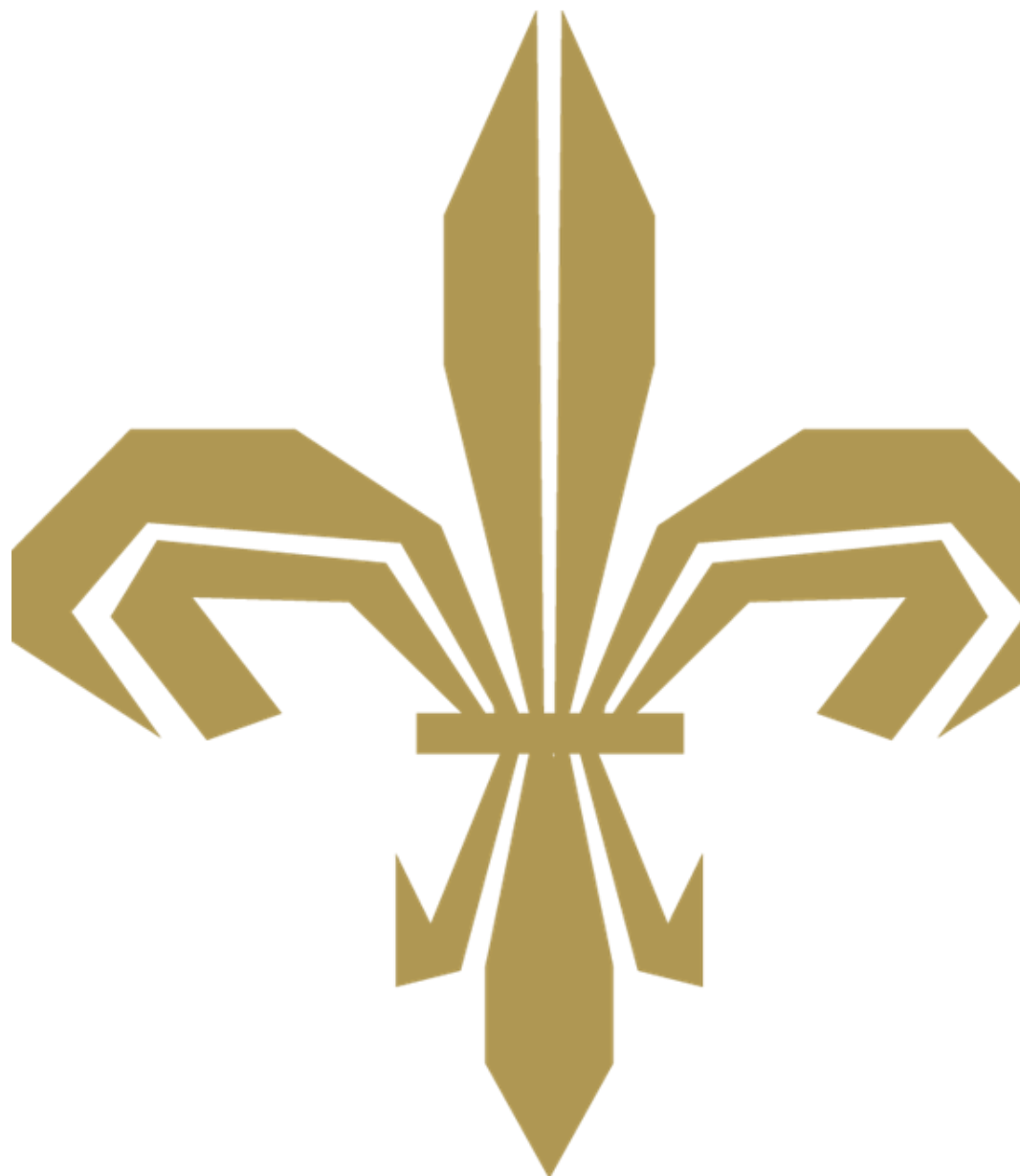


L I M E S

SCHLOSSKLINIKEN



Half-Year Report **2022**

LIMES Schlosskliniken

AT A GLANCE

Group performance indicators	January - June	January June**	Change
	2022	2021	
Revenues	13,394 kEUR	8,303 kEUR	61.3%
Patient days	17,116	15,525	10.2%
Gross earnings (EBITDA)	4,131 kEUR	2,278 kEUR	81.3%
EBITDA Margin	30.8%	27.4%	12.4%
Amortisation	1,154 kEUR	603 kEUR	91.4%
Operating result (EBIT)	2,977 kEUR	1,675 kEUR	77.7%
EBIT Margin	22.2%	20.2%	10.0%
Financial result	-179 kEUR	-102 kEUR	75.7%
Earnings before taxes	2,798 kEUR	1,573 kEUR	> 100.0%
Result for shareholders of the parent company during the period	1,911 kEUR	1,552 kEUR	23.1%
Long-term assets	12,060 kEUR	7,067 kEUR	70.7%
Short-term assets	13,342 kEUR	3,057 kEUR	336.4%
Balance sheet total	28,406 kEUR	12,722 kEUR	> 100,%
Equity	8,672 kEUR	4,231 kEUR	> 100,%
Equity ratio	30.5%	33.3%	-8.2%
Equity-like instruments / partner loans	5,898 kEUR	3,175 kEUR	85.8%
Expanded equity ratio	51.3%	58.2%	-11.9%
Liquid assets	12,614 kEUR	3,003 kEUR	> 100,%
Result per share as per DVFA* (German Association for Financial Analysis and Asset Management)	6.52 kEUR	5.29 EUR	23.1%
Employees at end of period	159	138	15.1%
No-par shares	293,192	293,192	0.0%
* based on number of no-par value shares in circulation	293,192	293,192	0.0%

** PRC / SCG not consolidated as at 30.06.2021

Business performance from 1 January to 30 June 2022

- **Revenue 13.4 million EUR +61.3 %**
- **Gross earnings in the period (EBITDA) +4.131 kEUR +81.3 %**
- **Operating result (EBIT) +2,977 KEUR +77.7 %**
- **Result for shareholders during the period +1.911 kEUR +23.1 %**
- **Result per share +6.52 EUR +23.1 %**
- **Liquid assets 12.6 Mio. EUR**
- **Capacities doubled at PRC Zurich**
- **Start of the clinic in Lindlar postponed from 1 September 2022 to 1 November 2022**
- **Strong third quarter expected, operating result in July and August each over 1 million EUR (EBITDA)**

Dear Shareholders in LIMES Schlosskliniken and other interested parties,

we have made great progress in the first six months of the current financial year. All three clinics were well received by patients with the range of services offered. Due to the positive patient feedback, we were able to increase our occupancy rate in all three clinics significantly. This led to higher revenues and earnings compared to the previous year. All three clinics made roughly the same contribution to the overall result.

Due to good occupancy in the months of July and August, we expect the strongest third quarter so far. For further expansion, we were able to raise a tranche of debt capital in the amount of 6 million EUR at attractive conditions. As of 30 June 2022, the company has liquid assets of 12.6 million EUR.

The new LIMES team for the Lindlar site has been in the familiarisation phase since 1 August 2022. Due to various supply problems, the general contractor has postponed the handover of the clinic to 1 November 2022.

We are pleased that the LIMES brand as a service provider stands for a high-quality psychiatric offer in the range of stress-related illness, depression, trauma and personality disorder and is increasingly finding positive resonance in the market.

Revenue

Across the group, we were able to achieve a turnover of 13.3 million EUR and total revenues of 13.4 million EUR in the first half year of 2022. The strong revenue growth of +62.5% was positively influenced by the organic growth of the clinic in Mecklenburg Switzerland, the Fürstenhof clinic in Bad Brückenau and the good development of clinic occupancy at PRC in Zurich. The number of patient days increased by +10.2% to a total of 17,116.

Earnings performance

Based on the higher occupancy rates at the clinic sites, the earnings situation was significantly increased. All three operationally active hospitals are showing a positive development.

At the group level, the cash flow from operating activities increased significantly. In terms of EBITDA, we were able to generate earnings of 4.1 million EUR in the first six months of the current business year. It currently looks like we will be able to increase the earnings at EBITDA level again in the second half of the year.

Amortisation costs increased by +91.4% to 1,154 kEUR in the first six months due to the investments made and the costs associated with getting the hospital operation up and running as well as the amortisation of goodwill from the acquisition.

The operating result (EBIT) at Group level amounted to +2,977 kEUR (p.y. 1,675 kEUR), an increase of 77.7 %. The financial result is more burdened by interest for the acquisition of the new clinic location in Zurich at -179 kEUR (p.y. -102 kEUR).

The consolidated earnings for the period respectively the result for shareholders of the parent company during the period was +1,911 kEUR (p.y. -1,552 kEUR) for the first six months of the current financial year. All clinics of the LIMES Group were able to end the period with a clearly positive result.

The cash flow from operating activities was 5,498 kEUR (p.y. 1,663 kEUR) in the first half of the year.

The cash flow from investing activities was -760 kEUR (p.y. -197 kEUR).

The cash flow from financing activities was 5,393 kEUR (p.y. -1,154 kEUR).

Assets and financial position

LIMES Schlosskliniken has a solid financial base. With a balance sheet total of 28.4 million EUR, equity including shareholder loans amounts to 51.3% (p.y. 58.2%).

At the end of the first half of the year, the company had liquid funds of EUR 12.6 million (p.y.: EUR 3.0 million). Against this background and the free cash flow, we are well positioned for further growth.

Long-term assets are reported as 12,060 kEUR (p.y. 7,067 kEUR). This item consists mainly of goodwill of 9,023 kEUR from the initial consolidation of the clinic Mecklenburgische Schweiz and goodwill from the acquisition of the Swiss PRC Group. The goodwill is amortised over a period of 10 years. Tangible assets include 2,934 kEUR (p.y. 2,946 kEUR). Short-term assets increased to 16,346 kEUR (previous year: 5,655 kEUR). This is mainly due to the fact that we took out a tranche of debt in the amount of 6 million EUR at attractive conditions because of our credit rating.

AGM

Due to reasons related to the coronavirus pandemic, the Annual General Meeting (AMG) of LIMES Schlosskliniken AG was once again held virtually on 27 June 2022 from 1.00 p.m. to 2.02 p.m. at the premises of the re:mynd agency, Hanauer Landstr. 154, 60314 Frankfurt am Main.

All items on the agenda were discussed and approved by our shareholders.

Employees

On 30 June 2022, LIMES Schlosskliniken had a total of 159 employees (p.y. 138).

Risks and opportunities

The risks and opportunities to which our company's business activities are exposed are described in detail in the Group Status Report, which we have published alongside our Consolidated Financial Statements for 2021. These Consolidated Financial Statements are available on the company's website (www.limes-schlosskliniken.de). In the reporting period, there were no significant changes to the opportunities and risks described in this report.

Miscellaneous

After reviewing the financial ratios and the development of the company, the Deutsche Bundesbank informed us on 20 July 2022 that LIMES Schlosskliniken AG is eligible for refinancing with immediate effect.

Outlook

In the first half of the year, we doubled the capacity of the PRC Clinic in Zurich. The higher capacity has already been utilised since June 2022. The two clinics Mecklenburgische Schweiz and Fürstenhof have also had good patient occupancy rates in recent months, so that we expect a positive business trend in the second half of 2022 and will achieve our targets for 2022.

Outside our influence was the postponement of the start of the project for the new clinic in Lindlar from 1 September 2022 to 1 November 2022. We are still in the process of evaluating new attractive locations for the LIMES Group.

We are delighted to be able to offer our patients the best treatment options in special locations in line with our Healing Environment approach and personalised psychiatry.

Cologne, 15 September 2022

Dr. Gert Frank / Board Member

A handwritten signature in blue ink, appearing to read 'Gert Frank', is positioned below the typed name. The signature is fluid and cursive, with a prominent initial 'G'.

Group Balance Sheet as per 30 June 2022

Assets	30 June 2022 EUR	30 June 2021 EUR	Change
A. Capital assets			
I. Intangible assets			
1. Concessions/Rights/Licences	103,373	88,222	17.2%
2. Goodwill	9,023,256	4,033,522	> 100.0%
	9,126,629	4,121,744	> 100.0%
II. Fixed assets			
1. Real estates and buildings	0	866,845	-100.0%
2. Technical equipment and machinery	200,041	127,606	56.8%
3. Other plant, operating and business equipment	2,697,040	1,951,162	38.2%
4. Assets under construction	36,562	0	-
	2,933,642	2,945,613	-0.4%
	12,060,271	7,067,357	70.6%
B. Current assets			
I. Inventory	63,706	9,977	> 100.0%
II. Receivables and other assets			
1. Accounts receivable trade	2,451,209	2,143,153	14.4%
2. Other assets	489,420	444,534	10.1%
	2,940,629	2,587,687	13.6%
III. Cash in hand and bank credit balances	12,613,728	3,003,185	> 100.0%
IV Prepaid expensens	727,857	54,012	> 100.0%
	13,341,584	3,057,197	> 100.0%
Total assets	28,406,191	12,722,218	> 100.0%
Liabilities			
A. Equity			
I. Subscribed capital	388,052	293,192	32.4%
II. Capital reserve	7,410,849	7,391,489	0.3%
III. Other reserves	664,299	-	-
IV. Loss carried forward	-1,702,223	-5,005,369	-
V. Net surplus/loss for the period	1,910,769	1,552,051	-
Total equity	8,671,746	4,231,363	> 100.0%
B. Long-term provisions	3,000	1,000	> 100.0%
C. Short-term provisions	774,356	76,720	> 100.0%
of which for taxes	(572,789)	(1,876)	> 100,0%
D. Long-term debt			
1. Liabilities to financial institutions	9,850,000	3,850,000	> 100.0%
2. Other liabilities	5,897,524	3,174,600	85.8%
of which to shareholders	(5,897,524)	(3,174,600)	85.8%
	15,747,524	7,024,600	> 100.0%
E. Short-term debt			
1. Liabilities to financial institutions	0	0	-
2. Advance payments received	1,814,461	300,705	> 100.0%
3. Liabilities from deliveries and services	757,749	565,144	34.1%
4. Other liabilities	637,355	522,685	21.9%
	3,209,565	1,388,534	> 100.0%
Summe Liabilities	28,406,191	12,722,218	> 100.0%

Consolidated profit and loss account

1 January to 30 June 2022

	Jan.-Jun. 2022 EUR	Jan.-Jun. 2021 EUR	Change
Total revenues	13,394,133	8,303,032	61.3%
of which sales revenue	13,280,239	8,170,067	62.5%
of which other operating income	113,895	132,964	-14.3%
Expenditure on raw materials, auxiliary materials and consumables	652,624	454,063	43.7%
Expenditure on services received	1.098.192	281,832	> 100,0%
Cost of personnel	4,806,007	3,459,551	38.9%
of which LSK Mecklenburgische Schweiz	2,089,579	1,786,548	17.0%
of which LSK Fürstenhof	1,458,435	1,075,311	35.6%
of which PRC Group	1,060,680	n.a.	-
of which head office in Cologne	188,790	210,372	-10.3%
Depreciation and amortisation of intangible assets in terms of property, plant and equipment	1,154,109	603,378	91.3%
Other operating expenses	2,706,093	1,829,221	47.9%
of which rent / cost of rooms	1,025,766	731,775	40.2%
of which marketing expenses	788,987	414,167	90.5%
Operating result (EBIT)	2,977,109	1,674,987	77.7%
Financial result	-179,352	-102,163	75.6%
Profit/loss from ordinary operations	2,797,757	1,572,824	77.9%
Taxes on income and earnings	435,452	20,773	> 100.0%
Consolidated earnings in the period	2,362,305	1,552,051	52.2%
Earnings from non-controlling interests	451,537	n.a.	-
Result for shareholders of the parent company during the period	1,910,769	1,552,051	23.1%
Gross earnings in the period (EBITDA)	4,131,218	2,278,365	81.3%
Result per share (undiluted)	6.52	5.29	23.1%

Consolidated cash flow statement

1 January to 30 June 2022

	Jan - Jun 2022 EUR	Jan - Jun 2021 EUR	Change
Consolidated earnings in the period	2,362,305	1,552,051	52.5%
Depreciation and amortisation of assets	1,154,109	603,378	91.3%
Increase/decrease in provisions	486,227	-30,973	> 100.0%
Decrease/increase in inventories	-52,110	0	n.a.
Decrease/increase in receivables	-57,224	-273,599	-79.1%
Decrease/increase in other assets that are not attributable to investment or financial activities	-574,804	-484,703	18.6%
Decrease/increase in liabilities	56,570	-88,913	> 100.0%
Decrease/increase in other liabilities that are not attributable to investment or financial activities	1,546,642	281,854	> 100.0%
Profit/loss from the disposal of fixed assets	-5,350	0	n.a.
Interest costs	179,352	102,163	75.6%
Balance of income tax expense and payments	402,330	1,876	> 100.0%
Cash flow from ongoing business activity	5,498,047	1,663,134	> 100.0%
Investments in intangible fixed assets	-17,914	-28,873	-38.0%
Disposals from items of tangible fixed assets	38,062	0	n.a.
Investments in tangible fixed assets	-779,696	-168,063	> 100.0%
Cash flow from investment activities	-759,548	-196,936	> 100.0%
Proceeds from the availment of loan liabilities	5,572,383	-1,051,402	> 100.0%
Interest paid	-179,352	-102,163	75.6%
Cash flow from financing activities	5,393,031	-1,153,565	> 100.0%
Change in cash and cash equivalents	10,131,529	312,633	> 100.0%
Cash in hand and bank credit balances at start of period	2,484,316	2,683,693	-7.4%
Further cash and cash equivalents at start of period	3,959	9,994	-60.4%
Cash and cash equivalents at start of period	2,488,275	2,693,687	-7.6%
Cash and cash equivalents at end of period	12,619,804	3,006,320	> 100.0%
Cash in hand and bank credit balances at end of period	12,613,728	3,003,185	> 100.0%
Further cash and cash equivalents at end of period	6,077	3,135	93.8%

Notes on the interim consolidated financial statements for the period 1 January 2022 to 30 June 2022

Accounting principles

The interim consolidated financial statements of LIMES Schlosskliniken AG as per 30 June 2022 were prepared in compliance with the accounting principles set out in the German Commercial Code(HGB).

As described in the notes to the consolidated financial statements for 2021, the principles governing accounting and consolidation were observed.

Consolidated companies

The consolidated companies are defined pursuant to Arts. 294-296 of the German Commercial Code. Thus the interim consolidated financial statements apply to the following companies:

Company	Stake 30 June 2022	Stake 30 June 2021
LIMES Schlossklinik Mecklenburgische Schweiz GmbH, Teschow	100 %	100 %
LIMES Schlossklinik Fürstenhof GmbH, Bad Brückenau	100 %	100 %
LIMES Schlosskliniken Bergisches Land GmbH, Lindlar	100 %	100 %
Fachklinik Tiergarten GmbH	100 %	n.a.
Swiss Clinic Group AG	51 %	n.a.
Paracelsus Recovery Group AG	51 %	n.a.

The first-time consolidation of Swiss Clinic Group AG and Paracelsus Recovery Group AG took place on 31 December 2021. The two companies are not consolidated in the business figures on 30 June 2021, as they were not yet part of the LIMES Group's scope of consolidation at that time.

Equity

The subscribed capital of LIMES Schlosskliniken AG as at 30 June 2022 totals 293,192 EUR (p.y. 293,192 EUR) and is divided into 293,192 (p.y. 293,192) no-par value bearer shares. On 17 July 2019, 15,555 new shares were issued and subscribed by investors as part of a capital increase. The company's subscribed capital has totalled EUR 293,192 since 19 July 2019. The

subscribed capital is fully paid up. As at the balance sheet date, no shares were held by the company.

These interim consolidated financial statements as at 30 June 2022 have not been reviewed by an auditing firm.

Cologne, 15 September 2022



Dr. Gert Frank
Board Member

2022 CORPORATE CALENDAR

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2022 Half-year report

16 May 2022 ✓
27 June 2022 ✓
15 September 2022 ✓

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