



Corporate News

Bad Neustadt / Saale | 6th May 2021

RHÖN-KLINIKUM AG: First quarter of 2021 continues to be marked by COVID-19 pandemic

The first quarter of financial year 2021 of RHÖN-KLINIKUM AG continued to be dominated by the COVID-19 pandemic. The trend towards the normalisation of patient numbers was brought to an end by the third wave of the pandemic. To create capacities for emergencies and COVID-19 patients it was once again necessary – to the extent this was medically acceptable – to initially postpone a large number of elective procedures and to adapt human resources planning to requirements. This was done subject to the restrictions of new, particularly regional, orders.

Dr Christian Höftberger, Chairman of the Board of Management of RHÖN-KLINIKUM AG, stated: “The increasing bureaucracy is extremely demanding on us as a hospital group. Parallel to that, new provisions on minimum staffing levels have significantly reduced the number of available hospital beds, purely in terms of calculations. In this environment, the service volume targets are seriously jeopardised.”

Under the Third Civil Protection Act (Drittes Bevölkerungsschutzgesetz), hospitals as well as certain specialised clinics participating in inpatient emergency care receive compensation payments for COVID-19 income losses. The payments depend on the share of free intensive care beds within the district or municipality and the 7-day incidence of new infections.

“Safeguarding measures at such short intervals fail to adequately reflect our role in fighting the pandemic. If hospitals and their staff who have devoted themselves to providing care to seriously ill patients, are the indicator for the need and reasonableness of lockdown orders, then the safeguarding of the economic existence of German hospitals on this basis is neither objectively expedient nor fair. We once again call for the business model of healthcare provision to be safeguarded for the year 2021 as a whole and consequently for real help to be given to our staff,” Dr Höftberger remarked.

By the "Regulation on Further Measures to Safeguard the Economic Viability of Hospitals " (Verordnung zur Regelung weiterer Maßnahmen zur wirtschaftlichen Sicherung der Krankenhäuser) which entered into force on 9th April 2021, hospitals that did not receive any

compensation payments in the first quarter of 2021 and recorded declines in occupancy in this period compared to 2019 will now also receive liquidity assistance. The regulation provides for the lowering of the incidence level from 70 to 50 as a pre-condition for compensation payments as well as compensations for declines in income due to the COVID-19 pandemic in 2021 compared with 2019 of only 85%. "This new legislative environment must not hide the fact that the hospitals – regardless of the further trend in service volumes in 2021 and on a very simplified view – are merely being secured 98% of their 2019 DRG revenues," Dr Höftberger stated.

Renewed Appeal for a National Policy

RHÖN-KLINIKUM AG re-iterates its urgent request for a national policy to secure adequate medical care. The commitments to safeguard the viability of hospitals must be met taking into account the true increases in costs including all revenue types, and not only financed pro rata. The current revenue compensation mechanisms are incomplete and disregard, among other things, revenue declines in outpatient structures as well as the considerable additional costs arising from protective equipment, tests and security personnel. Furthermore, special assistance for university hospitals, intermediate and maximum care facilities is indispensable and must not be made conditional on individual district boundaries and their local-regional incidence.

"At the same time, we appeal once again to the federal states to meet their obligations for necessary investment subsidies. This area has seen a deficit for many years which – regardless of the ownership structure – so far had to and could be cross-financed from profit contributions of specific service volumes, in particular also our secondary income streams that have now been lost. The lower payment and compensation volume is now laying bear the policy shortcomings of recent years. The shortfall in the funding of investments that has gone on for years can no longer be continued on the back of hospital operators but finally needs to be boldly addressed now," Dr Höftberger demanded.

Economic Results – First Quarter of 2021

RHÖN-KLINIKUM AG recorded revenues of € 335.9 million in the first quarter of financial year 2021 compared with € 332.6 million in the same period last year. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 19.5 million. Net consolidated profit stood at € 1.3 million. In the first three months 201,740 patients were treated at our five hospital sites in Bad Neustadt, Frankfurt (Oder), the university hospitals in Giessen and Marburg as well as in Bad Berka all providing maximum and intermediate medical care, a decline of 4.7 % in comparison with the same period last year.

Annual General Meeting on 9th June 2021

The Board of Management and the Supervisory Board will propose to this year's Annual General Meeting (AGM) that the balance sheet profit be carried forward. The 33rd ordinary AGM will take place on 9th June 2021 and will again be held digitally due to the COVID-19 pandemic.

You can read the complete publication of the results in our quarterly statement:

www.rhoen-klinikum-ag.com/interim-reports-quarterly-statements

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RHÖN-KLINIKUM AG is one of the largest healthcare providers in Germany. Its hospitals offer excellent medical care with a direct link to universities and research institutes. Approx. 809,000 patients are treated every year at the five group hospitals located in Bad Neustadt, Frankfurt (Oder), Giessen and Marburg as well as Bad Berka where roughly 18,450 employees work. The innovative RHÖN campus concept for offering forward-looking healthcare across sectoral boundaries in rural areas as well as consistently extending our gradual corporate digitalisation and the strategic partnership with Asklepios are key pillars of the corporate strategy. RHÖN-KLINIKUM AG is an independent company under the roof of Asklepios Kliniken GmbH & C. KGaA. www.rhoen-klinikum-ag.com

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