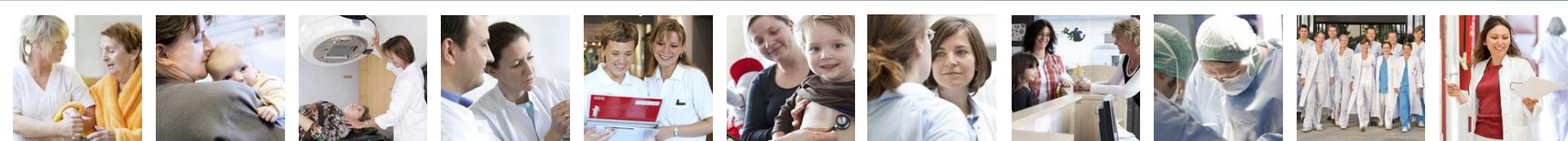


Results for the First Nine Months of 2019

8 November 2019



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Glossary: € = Euro; (F)Y = (financial) year(s); M = month(s); % = percentage; a = actual; acc. = according; approx. = approximately; e = expected; k = thousand(s); m = million(s); N/A = not applicable; MS = multiple sclerosis; CAR T cell = chimeric antigen receptor T cells; G-BA = Federal Joint Committee (The highest decision-making body of the joint self-government of physicians, dentists, hospitals and health insurance funds in Germany)

Compelling a challenging market environment

- Revenue **growth of +4.6%** with **+0.5% more treated patients** in first nine months of 2019
- **EBITDA margin at 10%**; but **EBITDA as expected down by -4.9% (yoy)** due to various contrary effects*
- **Excessive regulation and bureaucratization by the legislator, hot summer and Campus Bad Neustadt ramp-up effects** weigh on business
- **Operational challenges at all our locations are addressed**, but will take more time for earnings effects to materialize
- Highly specialized **acute care offers**, unique **cross-sectoral Campus model**, **sharpening of classical hospital processes, digitalization and telemedicine** as key strategic solutions to excel
- **Invest, strategy and finance committee** on behalf of the **supervisory board** of **RHÖN-KLINIKUM AG approved** the establishment of **Medgate Deutschland GmbH****

* Detailed explanation next to the P&L on page 5

** RHÖN is the majority holder of new co. with 51%;
Approval after reporting period ending 30 Sept. 2019

Extended improvement program

Further measures to improve our performance



- Ensuring optimal **bed occupancy, length of stay** and **discharge management**
- Establishment of **command and control tools** for chief physicians and hospital managers



- **Triage and control of patients flows** with additional support by **new tele medical offers**
- **Integrative and cross-sector approach** per site further developed:
Telemedicine, before outpatient medicine, before acute inpatient medicine and rehab
- **Retention and further recruitment of skilled personnel** in all medical areas



- Pursuit of **alternative reimbursement models at regional levels** based on **prevention**
- **Improvement of revenues** through the **group-wide** application of an **AI-assisted coding** software

Key P&L figures

First Nine Months of 2019

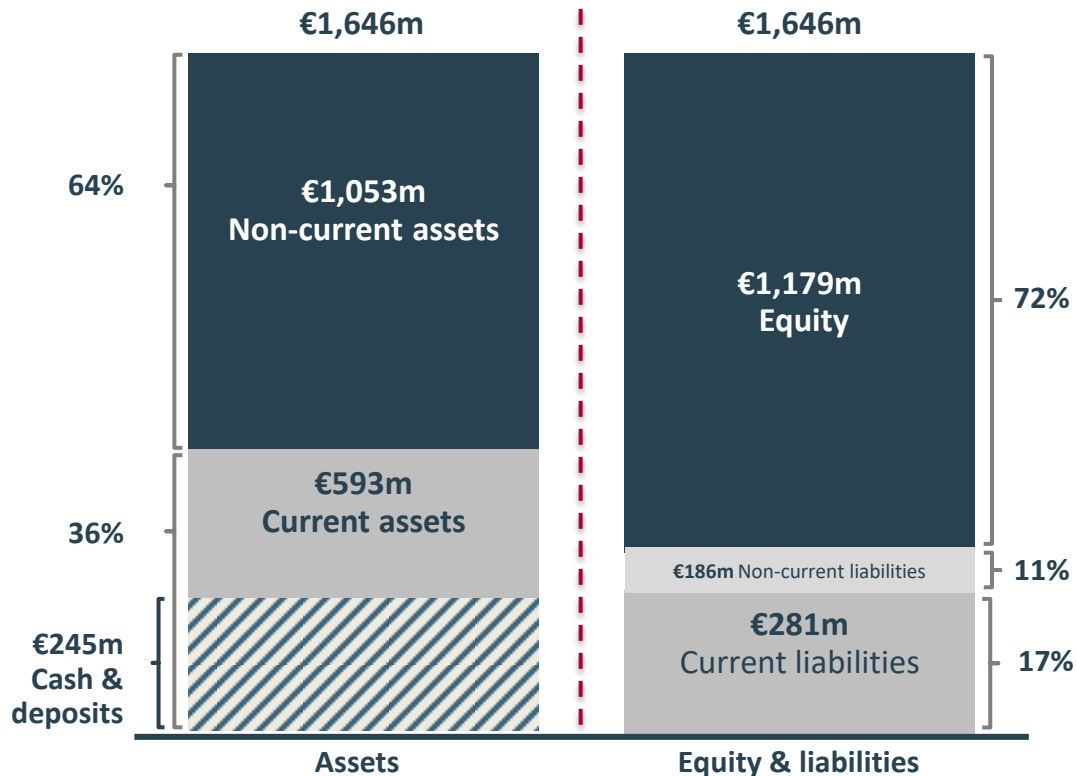
Performance* in € millions	9M 2019		vs. 9M 2018
Revenue	970.8	100.0%	4.6%
Other income	168.6	17.4%	25.4%
Material exp.	-300.1	30.9%	7.5%
Personnel exp.	-644.1	66.4%	8.6%
Other exp.	-97.5	10.1%	10.7%
EBITDA	97.5	10.0%	-4.9%
D&A	-51.7	5.3%	14.1%
EBIT	45.8	4.7%	-19.9%
Financial result	-1.8	-0.2%	>-100%
Income taxes	-6.2	0.6%	-31.1%
Consolidated profit	37.8	3.9%	-20.6%

Detailed explanation of P&L effects

- Besides price-volume-effects and regulatory interventions, revenues are impacted by a stronger case-severity-mix in acute-care areas, CAR T-Cell therapy and higher negotiated receipts for university ambulance centers
- Other income is driven by a +€30m provision release from lapsed warranties of the Helios transaction, additional income for MS treatments and compensations for the education of health students
- Increase in material expense is mainly affected by more cost-intensive services and extra costs for treatments of MS and CAR T-cell therapy
- A higher head-count, tariff agreement pay rises, share-based payments to former mgmt board members and salaries for health students which are fully reimbursed under other income are impacting personnel costs
- EBITDA percentage decrease influenced by above described P&L effects and a €20m one off from separate accounting in 2018**
- Increased D&A based on commissioning of Bad Neustadt campus and application of new leasing standard (IFRS 16)
- Newly emitted registered bond (2019) and promissory loan note (2018) result in higher interest expenses

* Fully detailed and comprehensive P&L in 9M 2019 report

Core balance sheet positions as of 30 September 2019



RHÖN shows a strong financial solvency, solid balance sheet ratios...

- High Equity ratio of **72%**
- Net Liquidity of **€+72m**
- Net Debt/EBITDA **<0**

and a well coordinated multi-stage financial strategy...

- 2017 revolving loan facility of **€100m** (not drawn by 30 September 2019)
- 2018 promissory loan notes of **€100m** (Schuldscheindarlehen: 5, 7 and 10 year tranches)
- 2019 registered bonds of **€60m** (Namenschuldverschreibung: maturity of 20 years)

Guidance confirmation

GUIDANCE 2019	Group REVENUES	€ 1.30bn +/- 5%	fully confirmed
	Group EBITDA	€ 117.5m to € 127.5m	

Regulatory environment in 2020

- DRG price inflator at 3.66% for 2020*; Fixed cost degression discount set to be at -35% (no changes to 2019)
- Minimum staffing levels in nursing care also relevant for heart surgery and neurology wards incl. stroke units
- €500m nursing allowance “Pflegezuschlag” to be abolished, €200m to be transferred to the fed. base rate (+0.30%)
- Effects of new nursing regulation expected to be in the low € double-digit million range for RHOEN in 2020

* Final DRG inflator expected to be lower due to negotiations on individual state levels

Federal Level

Layer **1**

Total hospital system budget

- Wage sum increase as main reference number for DRG inflation in **2020: +3.66%**
- Sector-specific cost index +2.99%
- Abolition of nursing allowance** ("Pflegezuschlag") leads to further DRG inflation of **+0.30%** in 2020

State Level

Layer **2**

Base rates and case-mix volume for each state

- Negotiations between hospital association and statutory health insurance funds
- Effective price hike depends on regional distribution

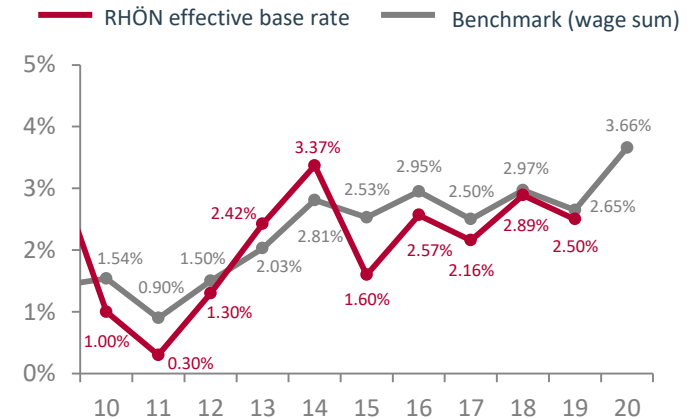
Hospital Level

Layer **3**

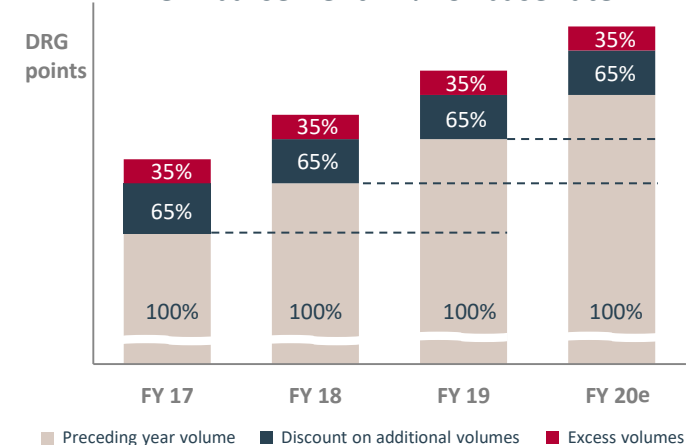
Individual hospital volumes and reimbursement

- Negotiation of volume "budgets" between hospital and health insurance funds
- Additional volumes within the budget reimbursed at 65%** for 3 years (→ e.g. \emptyset -vol. growth assumption of +1.5% p.a. leads over 3Y to a revenue discount of approx. -1.6% for these underlying DRG cases)
- Volumes outside the budget reimbursed at only 35%**

Average base rate increase in states with RHÖN hospitals
(weighted by RHÖN case mix)

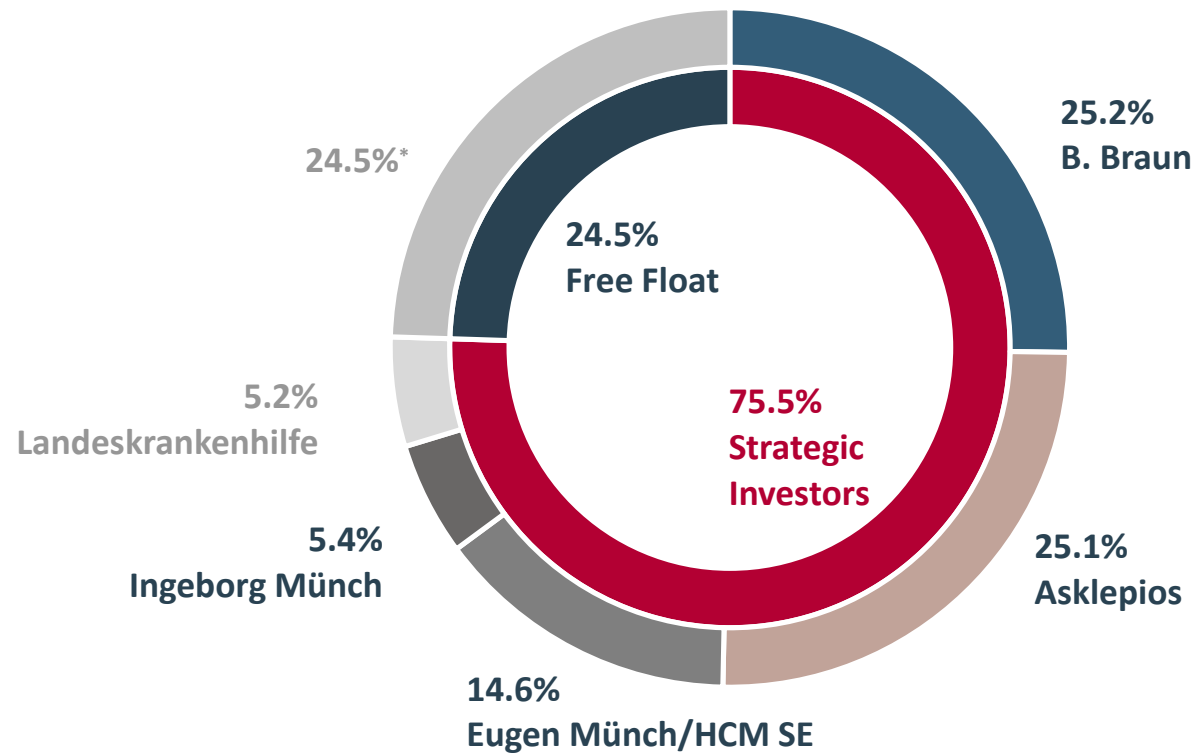


Reimbursement in % of base rate



Shareholder structure

as of 30 September 2019, according to the most recent notifications of voting rights at that time



* Shareholders with less than 3% of total voting rights

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Financial calendar 2020

21 February 2020	Preliminary results for FY 2019 Conference call
24 March 2020	Publication of annual financial report 2019 Annual press conference
7 May 2020	Publication of Q1 financial report 2020
3 June 2020	Annual General Meeting
6 August 2020	Publication of H1 financial report 2020
6 November 2020	Publication of Q3 financial report 2020 Conference call