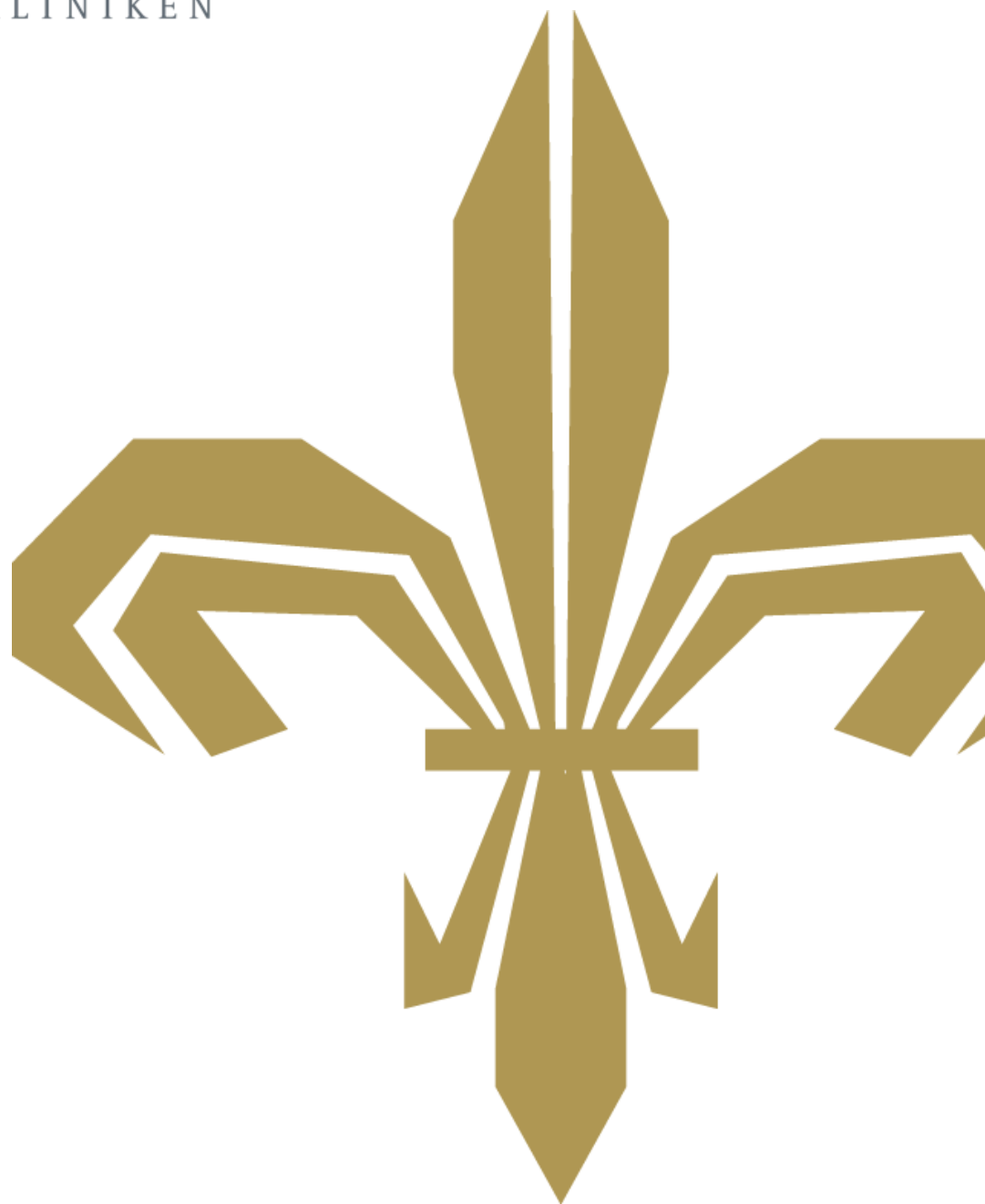


L I M E S

SCHLOSSKLINIKEN



2020 Half-year Report
Consolidated

LIMES Schlosskliniken AG

AT A GLANCE

Group performance indicators	January - June 2020	January - June 2019	Change
Revenues	4,578 TEUR	3,702 TEUR*	+23.7%
Patient days	9,721	8,509	+14.2%
Gross earnings (EBITDA)	15 TEUR	30 TEUR	-50.0%
EBITDA margin	0.3 %	0.8 %	-
Amortisation	524 TEUR	395 TEUR	+32.5%
Operating result (EBIT)	-509 TEUR	-366 TEUR	-39.4%
EBIT margin	-11.1%	-9.9 %	-
Financial result	-136 TEUR	-150 TEUR	+9.3%
Profit after tax	-645 TEUR	-516 TEUR	+25.3%
Result for shareholders of the parent company during the period	-645 TEUR	-516 TEUR	-25.3%
Long-term assets	7,912 TEUR	6,666 TEUR	+18.7%
Short-term assets	4,564 TEUR	2,226 TEUR	>100.0%
Balance sheet total	12,476 TEUR	8,892 TEUR	+40.3%
Equity	2,728 TEUR	2,206 TEUR	+23.7%
Equity ratio	21.9 %	24.8 %	-
Equity-like instruments / partner loans	5,125 TEUR	6,100 TEUR	-16.0%
Expanded equity ratio	62.9 %	93.4 %	-
Liquid assets	3,131 TEUR	358 TEUR	>100.0%
Result per share as per DVFA* (German Association for Financial Analysis and Asset Management)	-2.20 EUR	-1.86 EUR	-18.3%
Employees at end of period	124	103	+20.4%
No-par value shares	293,192	277,637	+5.6%
* based on number of no-par value shares in circulation	293,192	277,637	+5.6%

*adjusted for other operating revenues

Business performance from 1 January to 30 June 2020

- **Revenue 4.6 million EUR (PY: 3.7 million EUR) +23.7 %**
- **Second hospital site opened in Bad Brückenau on 1 June 2020**
- **Marked growth in business at the hospital in Mecklenburg Switzerland**
- **Planned start-up losses for additional site amount to -880 TEUR**
- **Gross earnings in the period (EBITDA) +15 TEUR (PY: +30 TEUR)**
- **Operating result (EBIT) -509 TEUR (PY: -366 TEUR)**
- **Result for shareholders during the period -645 TEUR (PY: -515 TEUR)**
- **Strong growth anticipated in 2HY; sound financial footing**

Dear Shareholders in LIMES Schlosskliniken and other interested parties,

The LIMES Schlossklinik Group successfully met its objective of opening an additional hospital at the end of 1HY. With a preparation time of only one year and a highly-committed team, we were able to realise our vision of providing modern, high-quality psychiatric services.

The strong performance of our first clinic in Mecklenburg Switzerland proved helpful in achieving this. Despite the difficult background of Covid-19, we were able to increase our occupancy rates once again, this time by +14 % in 1HY, and generate revenue of 4.6 million EUR in the first six months of the year.

In terms of earnings, the original facility in Mecklenburg Switzerland is on a sound financial footing, and was able to meet some of the funding needs of the second hospital site.

We expect the second site in Bad Brückenau to start turning a profit in the course of Q3 2020. It will then cease to represent a financial burden in the quarters which follow, allowing us to generate a healthy income.

We are delighted to note that the LIMES brand has established a profile as a provider of high-quality psychiatric services within the spectrum of stress-related illnesses, depression, trauma and personality disorders, and is building an increasingly strong reputation in the market.

Revenue

Despite the difficult conditions in which we were operating, we were once again able to increase revenue in 1HY 2020 by 23.7 % to 4,578 TEUR (PY: 3,702 TEUR). The number of patient days rose by +14.2 % to reach a total of 9,721. Since we did not open the second hospital site until June 2020, it was unable to generate a large amount of revenue for the Group. We expect this situation to improve substantially in 2HY, which will enable us to achieve our revenue target of more than 10 million EUR.

Earnings performance

The reported performance indicators relating to earnings can only be compared to a limited extent with the figures at group level for the previous year, as they include the start-up losses from the second site. We generated a modest positive result in terms of EBITDA at group level (+15 TEUR; PY: +30 TEUR). If one takes into consideration the start-up losses in terms of EBITDA for the second site (-715 TEUR), it is evident that we made good progress in terms of earnings performance compared with the previous year. This trend will continue in the quarters ahead.

Amortisation costs increased in the first six months by +32.5 % to 524 TEUR because of the investments made and the costs associated with getting the hospital operation up and running.

The operating result (EBIT) at group level was -509 TEUR (PY: -366 TEUR). The figure for EBIT incorporates the start-up losses for the second hospital site amounting to -847 TEUR. The financial result improved slightly, at -136 TEUR (PY: -150 TEUR).

The profit after taxes, i.e. the result for shareholders of the parent company during the period was -645 TEUR (PY: -516 TEUR) for the first six months of the current financial year. Of this figure, starting up the hospital operation at the second site in Bad Brückenau accounted for -880 TEUR. We have recorded strong patient demand for both hospitals in the months of July and August. As a result, we expect profits to improve considerably in 2HY 2020.

Assets and financial position

LIMES Schlosskliniken AG is on a sound financial footing. With a balance sheet total of 12.5 million EUR, the company's equity capital including partner loans is 62.9 % (PY: 93.4 %). Following the conclusion of the investment phase for the second hospital site, the company has liquid assets of 3.1 million EUR (PY: 0.4 million EUR) at the end of 1HY. Given that no additional start-up losses of any substance are likely to be associated with the second hospital in Bad Brückenau, we therefore have reason to feel confident about our future.

Long-term assets are reported as 7,912 TEUR (PY: 6,666 TEUR). This mainly represents goodwill amounting to 4,665 TEUR from the consolidation of the hospital in Mecklenburg Switzerland. The goodwill shall be amortised over a period of ten years. 3,169 TEUR (PY: 1,357 TEUR) is tied up in fixed assets. Short-term assets rose to 4,564 TEUR (PY: 2,226 TEUR), mainly as a result of an increase in the company's liquid assets.

AGM

Unfortunately, the AGM originally scheduled to be held on 23 June 2020 had to be cancelled because of the coronavirus and a lack of available meeting space.

Instead, the AGM of shareholders in LIMES Schlosskliniken took place on 17 September 2020 in the 'Grandhotel Hessischer Hof' in Frankfurt am Main. All items on the agenda were discussed and approved by our shareholders.

Employees

On 30 June 2020, LIMES Schlosskliniken employed a total of 124 staff (PY: 103).

Risks and opportunities

The risks and opportunities to which the business activities of our company are exposed are described in detail in the Group Status Report, which we published alongside our Consolidated Financial Statements for 2019. These Consolidated Financial Statements can be accessed on the company website (www.limes-schlosskliniken.de). The risks and opportunities described there remained essentially unchanged during the reporting period.

Outlook

We expect our previous growth in occupancy rates to continue throughout the remainder of the financial year, resulting in higher utilisation of our hospital capacity. The second hospital site is expected to turn a profit for the first time, allowing us to generate revenue of ca. 1 million EUR per month across this and the site in Mecklenburg Switzerland with an upward trend. The reported earnings quality will increase substantially.

Meanwhile, we have been able to develop well-qualified and highly motivated management and employee teams at both hospital sites. We can therefore look forward to being able to offer our patients optimum conditions for treatment at specially-chosen locations as part of our Healing Environment approach.

Cologne, 23 September 2020

Dr. Gert Frank / Board Member



Consolidated profit and loss account

1 January 2020 to 30 June 2020

	Jan-Jun 2020 EUR	Jan-Jun 2019 EUR	Change
Revenues	4,577,529	3,701,902	+23.7%
Other operating income	74,669	419,739	-82.2%
Materials expenditure	515,591	504,391	+2.2%
of which expenditure on raw materials, auxiliary materials and consumables	315,823	240,188	+31.5%
of which expenditure on services received	199,768	264,203	-24.4%
Personnel costs	2,482,855	2,253,817	+10.2%
of which LSK Rostocker Land	1,869,346	2,094,607	-10.8%
of which LSK Fürstenhof	395,096	0	n.a.
of which head office in Cologne	218,413	159,210	+37.2%
Depreciation and amortisation of intangible assets and property, plant and equipment	523,983	395,371	+32.5%
Other operating expenses	1,639,064	1,333,515	+22.9%
Operating result (EBIT)	-509,294	-365,453	-39.4%
Interest and similar expenditure	135,597	149,998	-9.6%
Financial result	-135,597	-149,998	+9.6%
Profit after taxes	-644,891	-515,451	-25.1%
Other taxes	699	0	n.a.
Consolidated earnings for the period	-645,590	-515,451	-25.3%
Result for shareholders of the parent company during the period	-645,590	-515,451	-25.3%
Gross earnings for the period (EBITDA)	14,689	29,918	-50.9%
Result per share (basic)	-2.20	-1.86	-18.3%

Group balance sheet as per 30 June 2020

Assets	30 June 2020 EUR	30 June 2019 EUR	Change
A. Capital assets			
I. Intangible assets			
1. Concessions/Rights/Licences	79,139	3,825	> 100.0%
2. Goodwill	4,664,540	5,305,054	-12.1%
	4,743,679	5,308,879	-10.7%
II. Fixed assets			
1. Real estate and buildings	2,016,918	985,052	> 100.0%
2. Technical equipment and machinery	152,137	37,738	> 100.0%
3. Other plant, operating and business equipment	984,807	239,209	> 100.0%
4. Assets under construction	14,763	94,995	-84.5%
	3,168,625	1,356,994	> 100.00%
	7,912,304	6,665,873	+18.7%
B. Current assets			
I. Inventory			
Finished products and goods	10,729	9,798	+9.5%
II. Receivables and other assets			
1. Accounts receivable trade	1,310,752	1,524,889	-14.0%
2. Other assets	110,821	322,845	-65.7%
	1,421,573	1,847,734	-23.1%
III. Currency in circulation	3,131,322	358,015	> 100.0%
IV Prepaid expenses	535	11,019	-95.1%
	4,564,159	2,226,566	> 100.0%
Total assets	12,476,463	8,892,439	+40.3%
Liabilities			
A. Equity			
I. Subscribed capital	293,192	277,637	+5.6%
II. Capital reserve	7,391,489	5,929,319	+24.7%
III. Other reserves	0	0	-
IV. Loss carried forward	4,310,953	3,485,916	+23.7%
V. Net loss for the period	-645,590	-515,451	-25.3%
Total equity	2,728,138	2,205,589	+23.7%
B. Provisions			
Other provisions	16,000	1,000	> 100,0%
C. Liabilities			
1. Liabilities due to banks	3,850,000	5	> 100.0%
- of which with a remaining term of more than one year 3,850,000 EUR (PY: 0 EUR)			
2. Advances received	113,752	40,684	> 100.0%
3. Accounts payable trade	532,805	514,526	+3.6%
4. Other liabilities	5,235,768	6,121,635	-14.6%
- of which to partners 5,125,000 EUR (PY: 5,700,000 EUR)			
- of which from taxes 99,199.20 EUR (PY: 82,463.82 EUR)			
- of which with a remaining term of up to one year 110,768 EUR (PY: 421,535 EUR)			
	9,732,325	6,676,750	+45.6%
Total liabilities	12,476,463	8,892,439	+40.3%

Notes on the interim consolidated financial statements for the period 1 January 2020 to 30 June 2020

Accounting principles

The interim consolidated financial statements of LIMES Schlosskliniken AG as per 30 June 2020 were prepared in compliance with the accounting principles set out in the German Commercial Code.

As described in the notes to the consolidated financial statements for 2019, 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 2020	Stake 30 June 2019
LIMES Schlossklinik Rostocker Land GmbH, Teschow	100 %	100 %
LIMES Schlosskliniken Heiligenhoven GmbH, Lindlar	100 %	100 %
LIMES Schlossklinik Fürstenhof GmbH, Bad Brückenau	100 %	100 %

Equity

The subscribed capital of LIMES Schlosskliniken AG as per 30 June 2020 was a total of 293,192 EUR (PY: 277,637 EUR) and was divided into 293,192 (PY: 277,637) no-par value bearer shares. On 17 July 2019, 15,555 new shares were issued and taken up by investors within the framework of an increase in capital. The subscribed capital of the company has totalled 293,192 EUR since 19 July 2019. The subscribed capital has been fully paid up. No shares were in the possession of the company on the balance sheet date.

At the ordinary Annual General Meeting of the company in Frankfurt on 17 September 2020, the shareholders of LIMES Schlosskliniken AG approved all agenda items.

These interim consolidated financial statements as per 30 June 2020 have not been inspected by a firm of auditors.

Cologne, 23 September 2020



Dr. Gert Frank
Board Member

2020 CORPORATE CALENDAR

Publication of 2019 consolidated financial statements
2020 AGM
2020 half-year report

29 May 2020 ✓
17 September 2020 ✓
25 September 2020 ✓

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