

M1 Kliniken AG announces figures for Q3 2022: Group continues the expansion course with development of a new country market

- **Group turnover decreases to EUR 214 million (EUR 236 million as of Q3-2021)**
- **Group EBITDA amounts to EUR 10.9 million (previous year: EUR 12.0 million); EBIT amounts to EUR 6.5 million (previous year: EUR 7.8 million)**
- **Beauty: Extension of regional expansion to Eastern Europe with opening of first beauty centre in Budapest/Hungary in September 2022**

Berlin, 14.11.2022 - M1 Kliniken AG (ISIN: DE000A0STSQ8) announces key financial figures for the period Jan - Sep 2022. Accordingly, consolidated group sales for the first nine months amounted to EUR 214 million (previous year: EUR 236 million). This decline is attributable to a reduced sales volume in the trading area of the HAEMATO subgroup.

The business trend in the Beauty segment continues to be positive. With 97 thousand treatments in the third quarter of 2022, the value from the second quarter of 2022 (100 thousand) was almost reached despite the usual slowdown in business during the summer months. The value of the first three quarters of 2021 (247 thousand treatments) was exceeded by a good 15 % with more than 285 thousand treatments in 2022.

Sales in the Beauty segment rose to EUR 41.4 million (previous year: EUR 37.8 million). Six new treatment centres have already been opened this year and strengthen the basis for future growth. The changing consumer climate continues to have no significant influence on the course of business.

In its international business, M1 continues to pursue its expansive business approach. The number of treatments increased by more than 60 % to over 45 thousand; turnover rose by almost 50 % to now over EUR 6.0 million. Part of this development are targeted price campaigns to increase market coverage.

After the M1 Group had focused primarily on the national markets already served in the past three years, the next strategic step was taken in the third quarter with the opening of a beauty treatment centre in Budapest/Hungary. In addition to Hungary, further expansion in the short term is on the agenda with beauty centres in Bulgaria, Romania and Poland. Together, these national markets offer a potential of 20-25 treatment centres with a sales potential of more than EUR 20 million in the steady state.

EBITDA of the M1 Kliniken AG Group in the first nine months of 2022 totalled EUR 10.9 million (previous year: EUR 12.0 million), EBIT amounted to EUR 6.5 million (previous year: EUR 7.8 million). The previous year was characterised by product business with COVID antigen rapid tests, which made a high contribution to HEAMATO's earnings with very pleasing gross margins. In this respect, the current earnings situation is within the expected corridor.

The operating result (EBIT) in the Beauty segment totalled EUR 3.4 million as of Q3-2022. With an EBIT of EUR 5.2 million, the German business activities were just below the target corridor of 15-20%, which is also due to the typically weaker business development in the summer quarter. The

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EBIT generated in the foreign locations amounted to a total of EUR -1.8 million in the period Jan. - Sep. 2022, compared to EUR -0.8 million in the same period of 2021. The investments to build up the market presence and brand strength in the international markets form the foundation for the successful development in the medium to long term.

In order to strengthen the long-term profitability of the M1 Group, M1 is working on measures to reduce operating costs at all levels. Thus, a streamlining of structures together with the digitalisation of business processes in the HAEMATO subgroup led to a significant increase in efficiency within the past twelve months. Since mid-2022, comparable adjustments have also been made at the level of M1 Med Beauty by introducing a tool for online appointment bookings and a significant reduction of administrative expenses. The full cost effects from all measures will be reflected in 2023.

Overall, the company is optimistic about the future. The "robustness" of its business model, the Group's independence against expected interest rate increases, the secured financing with regard to international expansion and the implementation of the clinical trial for the Botox product, as well as the recent improvement in the cost structure, provide optimal conditions for a profitable growth in the coming years.

About M1 Kliniken AG

M1 Kliniken AG is the leading provider of beauty medical health services in Germany. In the aesthetic and surgical field, the group of companies offers products and services with the highest quality standards. Under the brand "M1 Med Beauty", beauty medical treatments are currently offered at more than 50 specialist centres. The M1 Schlossklinik for plastic and aesthetic surgery in Berlin, with six operating theatres and 35 beds, is one of the largest and most modern facilities of its kind in Europe. Since the end of 2018, M1 has been pushing ahead with internationalisation and is currently also active in Austria, Switzerland, the Netherlands, England, Croatia, Hungary and Australia. With its stake in HAEMATO AG, M1 Kliniken AG is also in a position to exploit sales and earnings potential of treatment products in the medical-aesthetic field.

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