



VAMED
health.care.vitality.



ANNUAL REPORT
2021

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VAMED

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FOREWORD BY THE EXECUTIVE BOARD

The global COVID-19 pandemic has been with us for two years now – and continues to be a major challenge, especially for the healthcare sector.

Never in this century the importance of a functioning health system has been more evident than during the pandemic. The lockdowns and the accompanying massive consequences for the overall economy was triggered almost entirely on the hospital occupancy rates. Health has therefore become the most strategically important sector among the economic sectors. As a healthcare provider with a range of services that spans the globe and is unique in this extent, VAMED has been and still remains in particular demand. We have specific responsibility towards our staff, business partners and, above all, the people entrusted to us in acute care, rehabilitation, nursing and health tourism facilities. In 2021, VAMED has again lived up to its reputation as a reliable partner despite all challenging circumstances.

Supply shortages, huge increases in construction costs, restricted lending, international travel restrictions and quarantine regulations all had a detrimental impact on the Project Business in particular. In terms of Total Operational Management, the area of health tourism services was also affected by temporary closures and measures mandated by the authorities in 2021. In the Service Business, the additional protective and hygienic measures had an adverse effect on work in all areas and led to higher costs.

New peaks in the order backlog

Despite the difficult general conditions still prevailing overall, the company developed according to plan in 2021. The investment in the "currency" of trust has paid off and is fructified. Even though we have not reached the pre-crisis level from 2019 this year yet, the key corporate figures show a significant improvement. The order books have filled up once again and the order backlog has reached a new high of EUR 3.5 billion. Orders for healthcare projects from all over the world contributed to this, and VAMED was able to enter the market in three additional countries, even in a year in which international travel was still severely affected. This brings the number of countries in which VAMED is active to 98.

Incoming orders for 2021 reflect the diversity of VAMED's services. They range from the general

contracting for the Wiener Neustadt Regional Hospital, which is one of the largest individual contracts in VAMED's history, to an entirely new telemedicine service that will provide access to healthcare in particular for people in rural regions with a lack of medical services. This project is part of a number of new orders from Africa, which include further expansion of healthcare in Angola and modernisation and biomedical equipment for maternity clinics in Kenya. Orders from Papua New Guinea, Mongolia and Guyana also show the broad regional distribution of incoming orders.

Ensuring the smooth running of technical operations in a hospital is an essential prerequisite for a functioning healthcare facility. For the past two years, VAMED's technicians have been maintaining uninterrupted technical operational management in the hospitals supported by them during the COVID-19 pandemic – sometimes under the most difficult conditions and in regions that have been very severely affected. These extraordinary achievements have been the best testimonial for numerous new orders as well as extensions of existing orders we received in the reporting year.

In 2021, VAMED provided technical services in 840 healthcare facilities with a total of around 227,000 beds. Furthermore, the company was responsible for the Total Operational Management services of 100 healthcare facilities with 15,000 beds during the reporting period.

Fit for the future

VAMED has also made itself fit for the future with regard to organisational terms in 2021. VAMED will be streamlined and pooled regionally by creating five management and competence hubs distributed for the Project and Service Businesses worldwide. This will enable us to continue to respond optimally to the needs of our customers in future, while at the same time increasing efficiency and saving costs. In the reporting year, the first two management and competence centers were established in Africa and the Middle East as part of this project.

Utilizing opportunities

The pandemic has ruthlessly exposed the deficits in the health system, but it has also helped to speed up processes and developments. VAMED is intensively occupied in future topics surrounding medical care. In 2021, outpatient rehabilitation services were greatly expanded, enabling easy access to medically required rehabilitation alongside work. The site Vienna Oberlaa was expanded to become VAMED's first fully integrated healthcare location – from prevention to acute care, rehabilitation and nursing, including a telemedicine service. VAMED's digitalisation initiatives also cover patient services for digital assistance systems that support Ambient Assisted Living (AAL) and digital rehabilitation services.

In the Project Business, demand for healthcare facilities as an expansion of the global health infrastructure will increase in the upcoming years. At the same time, national economies face major challenges in financing these projects considering tight budgets.

With life cycle models and tailor-made solutions for project financing, VAMED has decades of experience and can fulfill these requirements perfectly.

The fact that VAMED was once again able to position itself as a reliable partner in the healthcare sector in 2021 is owed in particular to our staff, to whom we would like to express our gratitude at this point for their commitment that has been so important in serving healthcare needs worldwide. We would also like to thank our customers, partners and shareholders for the trust and support they have shown in our company. Our very special thanks go to the outgoing Chairman of the Supervisory Board this financial year, Dr. Gerd Krick. His foresight and focus on long-term success have left a lasting mark on VAMED over the past 25 years and enabled our company to follow an outstanding growth path.



Mag. Gottfried Koos
Member of the Executive Board

MMag. Andrea Raffaseder
Member of the Executive Board

Dr. Ernst Wastler
Chairman of the Executive Board

DI (FH) Andreas Wortmann, M.Sc.
Member of the Executive Board

REPORT OF THE SUPERVISORY BOARD

According to the current resolution, the Supervisory Board currently consists of four shareholder representatives, namely Dkfm. Stephan STURM, KR Karl SAMSTAG, Mag. Andreas SCHMIDRADNER and Dr. Robert HINK, who were all elected to serve on the Supervisory Board until the end of the Annual General Meeting resolving upon the discharging of the Executive and Supervisory Boards for the 2022 financial year.

In addition to the manifold challenges in connection with the worldwide COVID-19 pandemic – ongoing since 2020 – in all VAMED markets, the focus of the Supervisory Board's deliberations in the 2021 financial year was on activities to strengthen the VAMED Group's market position in the healthcare economies of Central Europe and internationally, in particular by creating 5 globally distributed management and competence hubs.

The Executive Board reported to the Supervisory Board in writing and orally on the future business policy and the future development of the net assets, financial position and results of operations of VAMED Aktiengesellschaft and the VAMED Group, as well as on the course of business transactions and the situation of the company and the VAMED Group as a whole. The formal approval of the Supervisory Board was granted in those business cases where this was required by the provisions of the Austrian Stock Corporation Act, the Articles of Association or the Rules of Procedure.

The Annual Financial Statements and the Management Report of VAMED Aktiengesellschaft were audited by PwC Wirtschaftsprüfung GmbH, Vienna, and received an unqualified audit opinion.

With regard to the preparation of separate consolidated financial statements, the Executive Board made use of the exemption provision of Section 245 of the Austrian Commercial Code, according to which no separate consolidated financial statements had to be prepared due to the inclusion in the consolidated financial statements of the majority shareholder; the Supervisory Board was informed of (abridged) subgroup financial statements corresponding to the

VAMED segment in the consolidated financial statements of the majority shareholder. The consolidated financial statements most recently approved of the majority shareholder were also presented to the Supervisory Board.

The Supervisory Board has established an Audit Committee to review the financial statements of VAMED Aktiengesellschaft as well as the (condensed) subgroup financial statements of the VAMED Group, which, after its meeting held on March 4, 2022, recommended to the Supervisory Board the approval of the financial statements following a comprehensive review.

The Supervisory Board therefore approved the Annual Financial Statements and the Management Report of VAMED Aktiengesellschaft, which are thus adopted pursuant to Section 96 (4) of the Austrian Stock Corporation Act.

The Supervisory Board concurs with the proposal of the Executive Board on the appropriation of the net profit for the year.

The Supervisory Board proposes to appoint PwC Wirtschaftsprüfung GmbH, 1220 Vienna, Donau-City-Straße 7, as auditors for the Annual Financial Statements 2022 of VAMED Aktiengesellschaft.

We would like to thank and show our appreciation to the staff for their work in the 2021 financial year.

Special thanks and recognition are due to Dr. Gerd Krick, who resigned as Chairman of the Supervisory Board after 25 years and will continue to support VAMED Aktiengesellschaft as "Honorary Chairman of the Supervisory Board".

Vienna, March 24, 2022



Stephan Sturm
Chairman of the Supervisory Board

CORPORATE BODIES OF VAMED AG

The Executive Board

CHAIRMAN OF THE EXECUTIVE BOARD	Dr. Ernst Wastler
MEMBER OF THE EXECUTIVE BOARD	Mag. Gottfried Koos
MEMBER OF THE EXECUTIVE BOARD	MMag. Andrea Raffaseder
MEMBER OF THE EXECUTIVE BOARD	DI (FH) Andreas Wortmann, M.Sc.

The Supervisory Board

CHAIRMAN	<p>Dr. Gerd Krick (until July 8, 2021) Chairman of the Supervisory Board of Fresenius SE & Co. KGaA (until May 21, 2021) Chairman of the Supervisory Board of Fresenius Management SE (until May 21, 2021)</p> <p>Dkfm. Stephan Sturm (from July 8, 2021) Chairman of the Executive Board of Fresenius Management SE, of the general partner of Fresenius SE & Co. KGaA</p>
DEPUTY CHAIRMAN	<p>Dkfm. Stephan Sturm (until July 8, 2021)</p> <p>KR Karl Samstag (from July 8, 2021) CEO of Bank Austria Creditanstalt AG (retired)</p>
MEMBERS	<p>Dr. Robert Hink Secretary General of the Austrian Association of Municipalities (retired)</p> <p>KR Karl Samstag (until July 8, 2021)</p> <p>Mag. Andreas Schmidradner Consultant to the Executive Board of B & C Industrieholding GmbH</p>
DELEGATED BY THE WORKS COUNCIL	<p>Mag. (FH) Thomas Hehle</p> <p>DI (FH) Harald Steer, M.Sc.</p> <p>Ing. Robert Winkelmayr</p>
HONORARY CHAIRMAN	<p>Dr. Gerd Krick (from July 8, 2021) Honorary Chairman of the Supervisory Board of Fresenius SE & Co. KGaA, Honorary Chairman of the Supervisory Board of Fresenius Management SE</p>

THE VAMED VALUE CHAIN AND LIFE CYCLE

The international healthcare group VAMED is active in all areas of healthcare, including prevention, acute care, rehabilitation and nursing, with a comprehensive range of services of the Project and Service Business. This unique combination of project and service expertise enables to plan and construct healthcare facilities in an integrated manner throughout the entire life cycle and to keep these available and operational.

health. care. vitality.

The VAMED service portfolio is all about health. The concept of "health.care.vitality" stands for all the different fields in connection with health and well-being of those people VAMED is working for around the world – from prevention and acute care to rehabilitation and nursing.

A strong partner throughout the entire life cycle of healthcare facilities

VAMED's activities in these areas are segmented into projects and technical services. In the context of its projects, VAMED provides planning, construction and equipment services for healthcare facilities, sustainable training for specialist staff, and digitalisation for healthcare services. With its High-End Services, VAMED supports healthcare facilities in technical, commercial and infrastructural fields. It sets priorities in cases where VAMED does not assume responsibility for complete technical management, e.g., in support for biomedical equipment, supply of sterile goods and digitalisation of hospital processes.

Thanks to its uniquely broad range of services and value chain, VAMED always keeps an eye on the interaction of all processes in patient care – today, as well as for future generations. VAMED draws on four decades of experience in the construction and operation of healthcare facilities worldwide.

VAMED's responsibility for healthcare projects with the life cycle model thus does not end with the successful handover and training of the staff, but rather forms a sustainable cycle in the healthcare sector with the subsequent availability of all facilities and systems



as well as operational management: from consulting to project development, planning and financial engineering to project management and construction, and in the life cycle again for expansion/renewal and reinvestment of healthcare facilities.

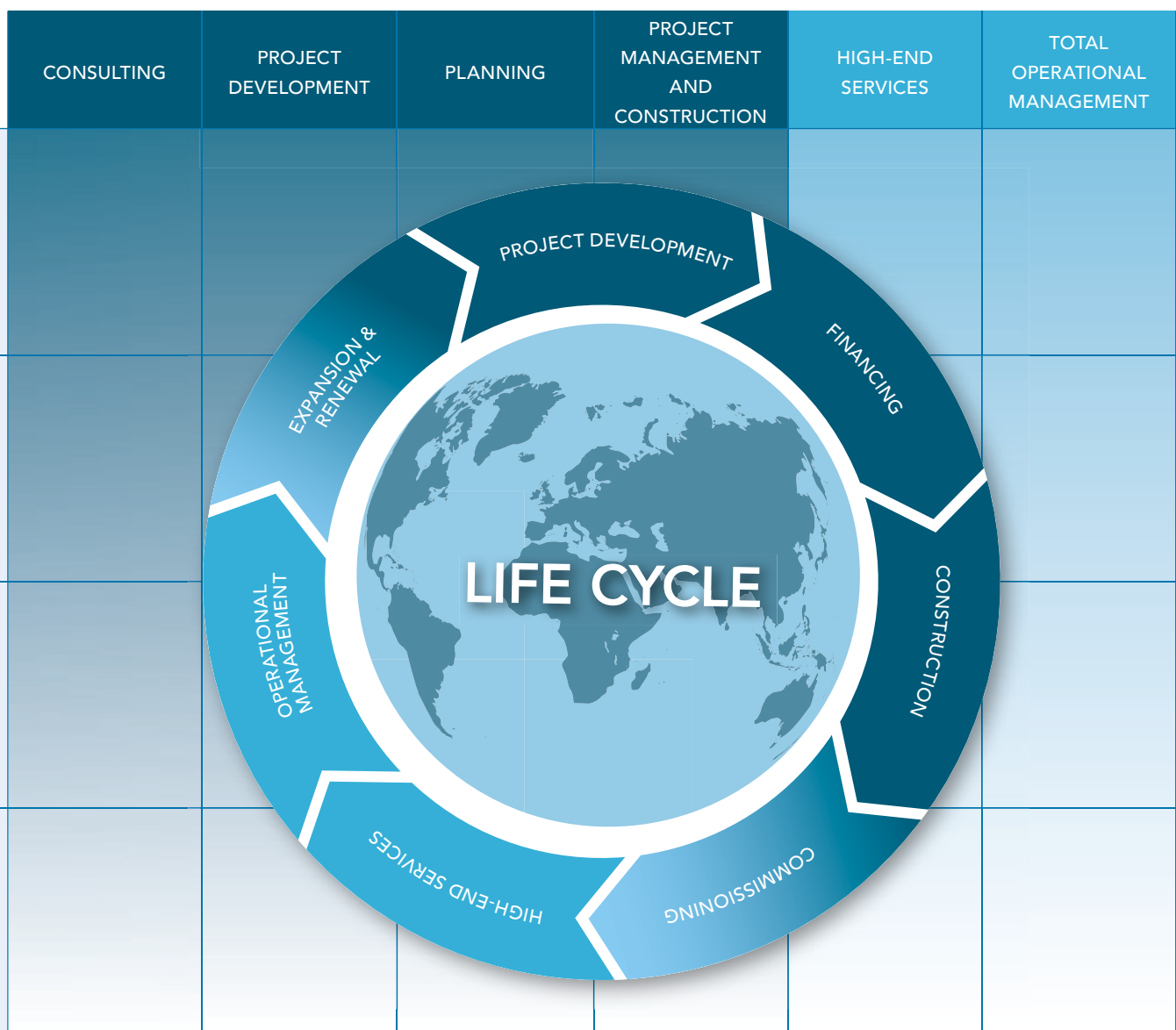
The people behind the success

VAMED’s companies bring together teams from a wide range of professions. Staff members from all over the

world include the best minds in health facility consulting and planning, financial engineering experts, highly experienced project and hospital managers, IT specialists, building engineers and high-end biomedical equipment technicians as well as medical staff from all healthcare disciplines. These multidisciplinary skills enable VAMED to design and implement healthcare systems and facilities in a long-term and holistic manner like no other company and to maintain availability for these on a continuous basis.

PROJECT BUSINESS

SERVICE BUSINESS



PROJECT BUSINESS

Four decades of experience, well over 1,000 successfully implemented healthcare projects on five continents and a worldwide excellent reputation for customer-specific solutions, cost and schedule compliance as well as reliability – these are the success factors for VAMED’s Project Business.

VAMED Standortentwicklung und Engineering GmbH (Project Business Central Europe) and VAMED Engineering GmbH (Project Business international) are responsible for VAMED’s Project Business.

Comprehensive services

VAMED supervises healthcare projects from the project idea to the commissioning stage – as well as throughout the entire operation if requested. In this context, not only the experience gained from each and every one of the projects implemented worldwide plays an essential role, but also the fact that VAMED successfully manages operations itself too. After all, people who run healthcare facilities themselves are already well aware of the requirements of operational management during the planning and construction stages.

In project development, VAMED offers its customers tailor-made solutions. The project idea forms the cornerstone for the concept. Based on this, VAMED develops an individually tailored, customised solution in several phases that puts the project on the right track in the healthcare market in terms of functionality, technology and finances. Among other things, the project’s chances of implementation are examined, decision-making bases are prepared in detailed analysis, project concept and economic viability, and the healthcare facility is planned, constructed and ultimately put into operation.

In times of tight budgets, needs-based financing concepts are becoming increasingly important.

In this area, too, VAMED offers professional support based on many years of experience in successfully implemented projects.

Here, VAMED can rely on an established international network of financing partners and on experience in integrating funds from programmes of national and international funding and development banks.

Pioneer in the field of PPP models in the healthcare sector

VAMED has particular expertise in the implementation of healthcare facilities in form of Public Private Partnership (PPP) models. With this, the core competencies of medicine and care remain with the public partner and the risks for financing, implementation and availability are borne by the private partner within the scope of a long-term cooperation. VAMED can already point to a total of 27 such reference projects, including the largest PPP project in the German healthcare sector, the University Hospital Schleswig-Holstein.

Biomedical equipment

VAMED is also an expert and reliable partner in the field of biomedical equipment. The services range from the planning of the entire biomedical equipment to procurement, delivery, installation, training and management through to responsibility for the entire life cycle of the medical technology equipment.



General Hospitals Angola



HIGHLIGHTS 2021

Strong increase in order intake

- VAMED wins the general contracting for the Wiener Neustadt Provincial Hospital in Austria
- Contract for the construction of a General Hospital in Kimbe, Papua New Guinea
- Contract for the construction of three general hospitals in Angola
- Turnkey construction of the Hohenlohe Hospital in Öhringen in Germany
- Orders for supply, installation and training of biomedical equipment



Rehabilitation Center Oberndorf, Austria



Sana Hospitals Landkreis Biberach, Germany



Building Information Modeling (BIM)



Biomedical equipment

Focus on health in Africa

- VAMED also supported the government programme in Angola in 2021 to expand the health infrastructure and was commissioned with the turnkey construction of three general hospitals and the project development of four further regional hospitals
- The modernisation and redesign of 20 maternity clinics will make an important contribution to reducing infant mortality in Kenya
- In Ghana, people will gain access to low-threshold telemedical healthcare in rural regions with poor medical services with the help of VAMED

Handover of healthcare facilities

- Newly constructed healthcare facilities were commissioned in the reporting year despite the pandemic-related challenges of the last two years
 - Expansion of the Rehabilitation Clinics in Oberndorf, Montafon, Gars am Kamp and the expansion of the Salzkammergut Hospital Vöcklabruck in Austria
 - The turnkey of the Sanaklinikum Biberach and the Helios St. Johannes Hospital in Duisburg in Germany
 - The turnkey of the 200-bed hospital in Songino Khairkhan in Mongolia
 - The construction of a new outpatient clinic was successfully completed at Hospital Suroeste in Córdoba, Argentina, with a focus on diagnostic imaging and surgery

Life cycle models and needs-based financing concepts are becoming increasingly important

VAMED's life cycle and multi-project financing models make an important contribution to the expansion of urgently needed healthcare infrastructure and combine VAMED's 40 years of experience in the construction and operation of healthcare facilities with the benefits of tailor-made financing solutions as well as cost and schedule security.

Current lighthouse projects include:

- The University Hospital Schleswig-Holstein – the largest Public Private Partnership project and life cycle project in the German healthcare system. Together with a partner, VAMED is responsible for the planning and realisation of new construction as well as the renovation of old buildings during ongoing operations at this University Hospital. In addition, VAMED is entrusted with the technical operational management until 2044
- The Reem Hospital in Abu Dhabi – a non-European life cycle project of VAMED comprising a modern outpatient primary care center and an acute care hospital with an integrated rehabilitation clinic



VAMED Rehabilitation Clinic/Baltic Sea Resort Damp, Germany



University Hospital Vienna, Austria



Hospital Suroeste, Córdoba, Argentina



Maternity Clinic Kenya



University Hospital Schleswig-Holstein, Germany



Hospital Villa Tunari, Bolivia

Kimbe General Hospital, Papua New Guinea



Hohenlohe Hospital, Germany



Anton Proksch Institute Vienna, Austria

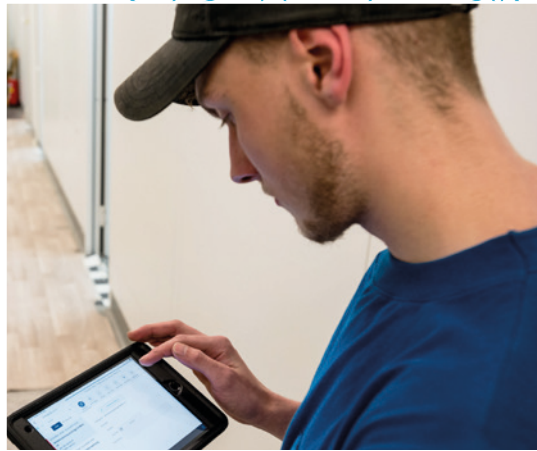


Reem Hospital, Abu Dhabi, UAE



Songi Hospital, Mongolia





Technical operational management Vienna General Hospital, Austria



Sterile material supply



"Team Gesund" – Medical Center Vienna Oberlaa, Austria

SERVICE BUSINESS

As an integrated healthcare provider, VAMED offers all services for healthcare facilities worldwide.

VAMED's Service Business has steadily gained in importance over the past years. This trend continued in 2021. VAMED's Service Business – divided into three lead companies – combines both High-End Services and Total Operational Management. VAMED Technical Services GmbH (VTS) is in charge of VAMED's High-End Service Business, while VAMED Management und Service GmbH (VMS) is responsible for Total Operational Management. VAMED-KMB Krankenhausmanagement und Betriebsführungsges.m.b.H provides operational management services with a focus on building, construction and biomedical equipment, information and communication technology, as well as infrastructural and commercial services for the Vienna Health Association with its main customer being the Vienna General Hospital.

HIGHLIGHTS 2021

New orders for High-End Services

- New orders resp. the extension of existing orders from Austria, Germany, Italy, Spain and the UK, among others, where IHSS is building and operating a new medical device reprocessing facility for University Hospital Southampton

IT services gain in importance

- Development of telemedical healthcare for regions with poor medical services

Expansion of outpatient rehabilitation

- Opening of two new locations in Austria and another location in Switzerland

First Campus Rehab in Germany

- Opening of Campus Rehab Bleicherode in 2021

First fully integrated health location

- VAMED's first fully integrated healthcare location in Vienna Oberlaa expanded: The offer includes prevention, acute medicine, rehabilitation, nursing and telemedical services

Growing need for training

- The nursing school operated by VAMED Mediterra in Mělník, Czech Republic, trained around 50% more nurses in the 2021/22 academic year than when it was taken over in 2018

HIGH-END SERVICES

The increasingly complex biomedical equipment in healthcare facilities worldwide also raises the requirements related to maintaining ongoing availability. In the field of High-End Services, VAMED's specialists ensure uninterrupted operation. The importance of these services for medical care became clearly visible during the coronavirus pandemic. Since the outbreak of the pandemic, VAMED staff members have made a significant contribution to maintaining operations in the hospitals they are in charge of under the most difficult conditions, e.g. by repairing ventilators that had already been taken out of service and by pushing ahead with the technical retrofitting of emergency equipment.

VAMED currently provides technical services for approximately 227,000 beds in around 840 hospitals spread across four continents covering a wide geographic range, in countries such as Austria, Germany, Belgium, the Netherlands, Italy, Switzerland, Spain, Czech Republic, United Kingdom, Peru, Ghana, South Africa, United Arab Emirates and Malaysia.

VAMED's portfolio of High-End Services includes the complete management of biomedical equipment, the whole hospital operating technology, sterile supplies, as well as IT development and equipment.

In technical operational management, a highly qualified team performs all maintenance services in partnership with the customers, takes care of the legally required documentation and optimises economic efficiency. The aim is to offer sustainable solutions for managing biomedical equipment that are tailored to the existing organisation in the hospital. Reinvestment decisions are supported objectively as they are independent of individual manufacturers. A comparable performance profile is implemented in operational technology.

The area of sterile goods processing is given the highest priority in day-to-day hospital operations. VAMED's range of services here extends from controlling the reprocessing of reusable medical devices to highly sensitive technological diagnostic and intervention systems such as endoscopes. This requires perfect quality management and constant control of results even under high time pressures.

VAMED offers a variety of training opportunities in order to meet the growing demand for well-trained professionals, especially in biomedical equipment and care.

The importance of IT and digitalisation along VAMED's entire value chain has also grown steadily. A massive digitalisation process has begun in the health sector, not least due to the ongoing findings from the COVID-19 pandemic. VAMED is also available as an expert partner in these areas with many international testimonials and many years of experience.

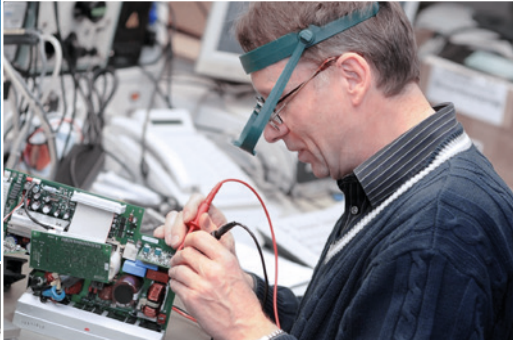
VAMED-KMB Krankenhausmanagement und Betriebsführungs-ges.m.b.H., Vienna (VAMED-KMB)

The Vienna General Hospital – Medical University Campus (AKH) is one of the largest hospitals in Europe.

VAMED-KMB has been responsible for smooth technical operational management since 1986 and thereby offers not only risk minimisation as well as legal and budget security, but also long-term value maintenance.

With its highly qualified staff, VAMED-KMB is one of the largest service providers worldwide. It provides value-added business management services with a focus on building, construction and biomedical equipment, information and communication technology as well as infrastructural and commercial services. In addition, it is also responsible for the care of around 50,000 biomedical devices. The company operates the vehicle fleet including patient transport, supports the documentation of patient medical histories and, last but not least, performs tasks in waste management, environmental economics and energy management. Planning and project management of new buildings, additions and conversions during ongoing hospital operations are also carried out by VAMED-KMB.







Telemedicine



VITALITY Residence Am Kurpark Vienna, Austria



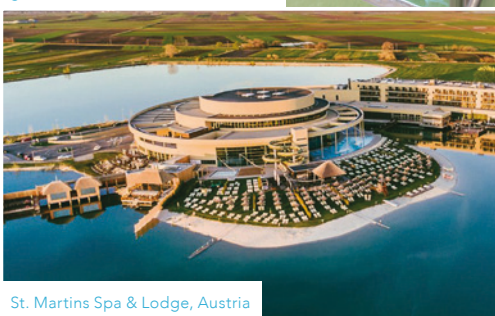
Revigo Therapy Center Zurich Airport, Switzerland



Vienna Baumgarten Rehabilitation Clinic, Austria



Montafon Rehabilitation Clinic, Austria



St. Martins Spa & Lodge, Austria



VAMED Campus Rehab Bleicherode, Germany

TOTAL OPERATIONAL MANAGEMENT

VAMED Management und Service GmbH (VMS) is responsible for the comprehensive range of rehabilitation services, making VAMED one of the leading companies in this segment. The area of Total Operational Management also includes services in acute care and nursing, as well as in prevention, where VAMED offers medical-therapeutic methods and comprehensive applications with thermal spa and health tourism resorts in Austria and Germany to improve the physical and mental well-being of its guests.

VMS operational management worldwide

VMS is currently entrusted with operational management services in around 100 healthcare facilities with a total of 15,000 beds spread across three continents. VAMED's operational management services in acute care as well as in rehabilitation and nursing facilities also provide it with unique healthcare expertise. It is able to draw on the knowledge and experience of around 10,300 doctors, therapists and nurses. The cross-linking of medical expertise takes place at the International Medical Board.

Comprehensive services for rehabilitation and nursing

VAMED relies on a combination of modern medicine, personalised and individually tailored rehabilitation goals, as well as personal attention in its rehabilitation facilities in order to minimise disease and accident-related restrictions as far as possible. Using the most modern resource-oriented approaches, such as the ICF concept (International Classification of Functioning, Disability and Health) or the CHES (Computer Based Health Evaluation System), patients are left able to achieve the best possible, evidence-based functional improvement to increase their own activity and participation in all areas of life, including after severe illnesses.

VAMED operates rehabilitation facilities in Austria, Germany, the Czech Republic and Switzerland, as well as outside Europe, for example in the United Arab Emirates and Kuwait.

In addition to the tried and tested inpatient rehabilitation clinics, outpatient rehabilitation service options close to home are also becoming increasingly important. VAMED has significantly expanded this offer, and hybrid and telerehabilitation are also being developed. In this context, the coronavirus pandemic presents itself as a great opportunity to rethink and redesign healthcare.

Digital rehabilitation provides the option of treating patients comprehensively, continuously and effectively, even during physical appointments with the doctor or clinic.

Integrated approaches (Campus Rehabs) are also a promising concept, such as the VAMED Campus Rehab in Bleicherode, which opened in June 2021, where inpatient rehabilitation is located on the campus of the specialist orthopaedic clinic, thereby enabling patients to undergo rehabilitation at the same location directly following acute care.

Another important area of post-acute care is nursing, with the aim of making residents at the facilities feel at home and caring for them in their everyday lives with full dedication and medical as well as nursing expertise. VAMED operates nursing facilities in Austria, Germany and the Czech Republic.

In Austria, VAMED also operates two residences for elderly people in Vienna and Innsbruck. The residents live their lives according to their own preferences at the VITALITY residences. Individual and accessible apartments, a stylish ambience, an extensive cultural programme and a wide range of sporting activities enable residents to live their lives autonomously with the security of being able to access medical care if necessary.

VAMED's medical services also include acute hospitals and clinics in Austria, Germany and the Czech Republic.

The site Vienna Oberlaa was expanded to become VAMED's first fully integrated healthcare location. The range of services extends from prevention and acute care to rehabilitation, nursing and telemedical consultation options.

Rehabilitation facilities for

- Neurology and Neurological Early Rehabilitation
- Neuropediatrics
- Orthopedics and Traumatology
- Haematology and Oncology
- Child and Adolescent Oncology
- Family-oriented Therapy
- Psychosomatics
- Cardiology
- Geriatrics
- Hearing disorders, Tinnitus and Vertigo
- Gastroenterology
- Nephrology
- Pneumology, Pulmonology
- Metabolic diseases
- Post-COVID

Nursing facilities for

Inpatient care and short-term care, in particular

- Basic nursing
- Medical treatment and nursing
- Comprehensive social care
- Day-structuring measures
- Care for dementia patients
- Special care for people with serious neurological disorders (persistent vegetative state), patients with psychiatric or gerontopsychiatric diseases, addictive disorders



Mělník Nursing School, Czech Republic



VITALITY Residence Veldidenapark Innsbruck, Austria



VAMED Rehabilitation Clinic Bad Salzdetfurth, Germany



VAMED Rehabilitation Clinic Zihlschlacht, Switzerland



Therme Wien Med, Outpatient Rehab, Austria



la pura women's health resort Kamptal, Austria



VAMED Clinic Geesthacht, Germany



VAMED Clinic Hattingen, Germany

SERVICING HEALTHCARE WORLDWIDE



143,000

INPATIENTS AND PATIENTS AT VAMED HEALTHCARE FACILITIES

98
COUNTRIES

EUR 3.5 BILLION

ORDER BACKLOG



STAFF MEMBERS FROM

117

NATIONS

46

LIFE CYCLE PROJECTS

TOTAL OPERATIONAL MANAGEMENT FOR

15,000

BEDS



10,300

MEDICAL STAFF



COOPERATION WITH
15
UNIVERSITY HOSPITALS



500
APPRENTICES IN
25 DIFFERENT
APPRENTICESHIP
TRADES

5
CONTINENTS

27
PPP PROJECTS



MORE THAN
1,000
HEALTH PROJECTS
COMPLETED
WORLDWIDE



TECHNICAL SERVICES FOR
227,000
BEDS



24,100
PEOPLE

STRUCTURE OF THE VAMED GROUP

PROJECT BUSINESS

CENTRAL EUROPE

INTERNATIONAL

VAMED
Standortentwicklung
und Engineering
GmbH,
Vienna

VAMED
ENGINEERING
GmbH,
Vienna

SERVICE BUSINESS

AKH AND
WiGev, VIENNA

CENTRAL EUROPE & INTERNATIONAL

VAMED-KMB
Krankenhaus-
management und
Betriebsführungs-
ges.m.b.H., Vienna

VAMED
Technical
Services GmbH,
Vienna

VAMED
Management und
Service GmbH,
Vienna

GROUP MANAGEMENT REPORT 2021

The global economy remained under the influence of the COVID-19 pandemic throughout 2021. The first COVID-19 vaccinations started in Europe at the end of December 2020, bringing with them the hope that immunisation of large parts of the population would lead to a rapid normalisation of the economic environment and business performance. This hope was not fulfilled, at least not to the extent expected, and so 2021 was once again characterised by lockdowns, travel restrictions and, in some cases, official closures of tourism businesses, especially in spring and late autumn.

Despite these difficult overall conditions and the unexpected course of the COVID-19 pandemic, VAMED was able to improve its result after the sharp declines of the previous year due to the coronavirus.

Under the pandemic conditions still prevailing, the company recorded an 11% increase in sales revenues to EUR 2.3 billion. EBIT amounted to EUR 100.7 million.

The favorable developments in the order backlog with an increase of 14% to EUR 3.5 billion as well as the order intake of around EUR 1.3 billion, despite the adverse circumstances, form a solid basis for further growth.

1. Economic Report

1.1. Health sector

The health sector ranks among the most important economic sectors worldwide. A health system with functioning acute medical care and a widely available rehabilitation system is an important pillar for the economy. It helps people stay employed and able to maintain themselves. Investments in health are therefore an important contribution to growth, employment and prosperity.

2021 marked the second exceptional year in a row for the health sector. Funds earmarked for the long-term expansion of the health system had to be reallocated to the immediate fight against the pandemic, and construction projects were postponed or could not be commissioned due to a lack of available funding. While 2020 and most of 2021 were dedicated to immediate pandemic response and emergency measures, global economies will need to focus intensively on the further development of their health systems once the pandemic is under control again.

Post-COVID challenges in 2021 and beyond include massive cost pressures on health facilities, as well as building up more capacity in many regions, the lack of which was clearly evident in the pandemic. Access to adequate healthcare in urban centers as well as in rural areas, the affordability of healthcare for people

also with low incomes, a lack of or inadequate infrastructure as well as an increasing shortage of health professionals are further tasks that need to be tackled and for which innovative solutions need to be found.

1.2. Business model

VAMED does not face any direct competitor covering a comparable portfolio of services over the entire life cycle of a healthcare facility.

VAMED operates in 98 countries on 5 continents and has implemented more than 1,000 projects since it was founded in 1982.

The company provides technical services for approximately 227,000 beds in 840 hospitals and is entrusted with Total Operational Management of 100 healthcare facilities with a total of around 15,000 beds. VAMED's range of services covers the entire value chain in the healthcare sector – from project development, planning and turnkey construction to maintenance and the execution of highly specialised technical, commercial and infrastructural services as well as Total Operational Management in prevention and acute care as well as in rehabilitation and nursing.

This comprehensive expertise enables VAMED to keep even complex healthcare facilities available efficiently

throughout their entire life cycle. VAMED is a pioneer in the field of Public Private Partnership (PPP) models for hospitals and other healthcare facilities. The reference projects also include the largest PPP project in the German health sector, the University Hospital Schleswig-Holstein.

With its business divisions, the company covers all areas of healthcare from prevention and health tourism to acute care, rehabilitation and nursing. VAMED is one of the leading private providers of post-acute healthcare in Central Europe, especially in the rehabilitation and nursing segments. With VAMED Vitality World, the VAMED Group is also the largest operator of thermal spas and health resorts in Austria.

1.3. Order situation and sales performance

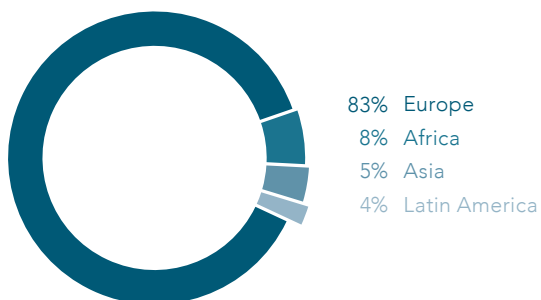
Despite the difficulties related to COVID-19, order intake in the Project Business was EUR 1,290 million or 27.8% above the previous year's value, and the order backlog at the end of the year increased by 13.7% to EUR 3,473 million. Sales increased by 11.1% to EUR 2,297 million in the reporting period.

The individual business divisions showed the following development:

in T€	2021	2020	Change
Project Business	717,146	633,390	13.2%
Service Business	1,579,682	1,434,299	10.1%
Total	2,296,828	2,067,689	11.1%

Geographically, Europe continued to be the strongest region, accounting for 83% of total sales. Africa, Asia and Latin America generated 8%, 5% and 4% of total sales respectively.

1.4. Business segments in detail



Project Business

The VAMED Project Business comprises consulting, development and planning, financing management as well as project management and turnkey construction of healthcare facilities.

VAMED's expertise in the field of biomedical equipment, which in many cases includes not only project management, planning and procurement of biomedical equipment, but also installation and training, is also appreciated worldwide. VAMED is also a leader in Public Private Partnership (PPP) models.

Public and private partners establish a joint project company that plans, builds, finances and operates hospitals or other health facilities. To date, VAMED can cite 27 PPP models as references.

Impact of the pandemic

VAMED Project Business continued to suffer from the consequences of the COVID-19 pandemic in 2021. While travel in Europe had improved during the year, travel to non-European destinations, supply chains and project execution continued to be affected. This also led to restrictions in the acquisition of new orders. In addition, VAMED was confronted with COVID-19-related changes in the prioritisation of health projects on the part of the contracting authorities, and the granting of loans was generally handled in a more restrictive manner.

The Project Business was also affected by the more difficult and more expensive working conditions in construction due to COVID-19 hygiene concepts, as well as rising construction prices worldwide. There were therefore delays in projects in some regions during the reporting period.

The following section provides information on major projects in selected markets of VAMED's Project Business.

Europe

In Austria, VAMED realized renovation, enlargement and new construction work at the Vienna General Hospital.

This resulted in further project call-offs in 2021, including completion of the birthing area and the preparation of the infrastructure for a parent and child center. The newly built ward for addiction disorders of the Anton Proksch Institute in Vienna was opened in September 2021. This completed the first of three phases of a comprehensive renewal of the Institute. The new ward offers a total of 45 inpatient therapy places,

therapy and seminar rooms, a therapy garden and sports facilities on an area of 2,000 m². Furthermore, an inpatient offer of 242 beds and an expansion of the outpatient treatment capacities are planned.

The expansion of the inpatient rehabilitation clinic for psychiatric rehabilitation was successfully completed in Oberndorf near Salzburg in November 2021. In the new mental health center, 60 patients can receive rehabilitative treatment, and another 4 beds are available for accompanying persons. State-of-the-art therapy and treatment rooms were built on 6,000 m² for individual and group therapy sessions. The rehabilitation clinic now has a total of 124 beds.

The expansion of the Montafon Rehabilitation Clinic in Vorarlberg was also completed in 2021. This means that an additional 62 beds are available for psychiatric rehabilitation and 8 beds for accompanying persons. In total, the facility now offers 223 beds for orthopaedics, cardiology, neurology and psychiatric rehabilitation.

The extension of the Gars am Kamp Lower Austrian Rehabilitation Center for psychiatric rehabilitation by 25 beds was already put into operation in January 2021.

In March 2021, the annex at the Neurological Therapy Center Kapfenberg (NTK) in Styria was officially opened. The expansion was implemented in record time despite the pandemic. This created space for the nursing of 24 additional patients in one of Austria's leading facilities for neurological early rehabilitation. This means that the NTK now has 77 inpatient beds.

In Lower Austria, the construction contract for part of the new St. Pölten University Hospital (Building D) is proceeding according to plan, and in September 2021 VAMED was presented as the general contractor for the new provincial hospital to be built in Wiener Neustadt.

In Germany, the contract for the planning, construction (new construction, modernization and renovation) of the University Hospital Schleswig-Holstein at the two sites in Kiel and Lübeck is designed as a life cycle model and also includes technical operational management including maintenance until 2044. Following the successful handover of the newly constructed central hospitals at both sites, the conversion of the existing buildings is currently underway.

The contract for the planning and construction of a central clinic in Biberach was delayed due to COVID-19; completion took place in 2021 and the handover was performed at the end of July 2021.

The construction of the Central Institute of Mental Health in Mannheim was also delayed due to the pandemic. Completion is now planned for mid-2024.

At the end of December, VAMED was awarded the contract for the turnkey construction of the Hohenlohe Hospital in Öhringen, having previously supported the hospital in the planning phase.

The company was also commissioned with the turnkey construction of a radiotherapy/radiation oncology facility at the University Hospital in Bonn.

VAMED is responsible for project management planning and general contracting services as well as biomedical equipment management for Helios Kliniken in Germany.

The shell of the construction project in Krasnodar was completed in Russia and the expansion work started. VAMED was awarded a contract in Turkmenistan for planning, equipping, installing and commissioning biomedical equipment as well as training local staff.

Africa

One focus of VAMED's international Project Business in 2021 remained the expansion of healthcare in Africa.

The government in Angola is currently focusing on expanding the health infrastructure. In this context, VAMED will build three more general hospitals. In addition, the company was commissioned with the first phase of planning services for another four regional hospitals.

In Kenya, VAMED has already successfully modernised maternity clinics at several locations and furnished them with biomedical equipment. At the beginning of the year, the company received an order for 20 more maternity clinics.

In Ghana, a project was commissioned that will provide access to low-threshold telemedical healthcare, especially for people in rural regions with poor supplies in healthcare.

The construction work for the five polyclinics in Ghana was largely completed despite pandemic-related delays, and the delivery and installation of biomedical equipment has begun. The construction of the Urology Center in Korle Bu is largely on schedule despite limited supply chains. Construction has begun on another ten regional hospitals, each with 40 beds.

In Ivory Coast, the construction of four turnkey hospitals is at an advanced stage despite severe delays caused by COVID-19, with two hospitals (Méagui, San Pedro) already completed and the installation of biomedical equipment also underway.

For long stretches of the reporting period, entry into Senegal was only possible with special permission. The project in Dalal Jamm could nevertheless be continued.

Mozambique is not only in a state of emergency due to the COVID-19 pandemic, but also due to a natural disaster triggered by a cyclone. Work on Buzi and Sussundenga Hospital, which started in September 2020, could be resumed after a short interruption following the cyclone.

Middle and Far East

On the Arabian Peninsula, phase 1 of the Reem Hospital in Abu Dhabi was handed over and operations are running according to plan. This healthcare facility is an important reference project outside Europe as a "VAMED life cycle project", which includes not only construction but also Total Operational Management for 20 years. In the Al Reem district, a mother and child hospital, a day clinic, a large outpatient and diagnostic area and a rehabilitation facility with a total of 219 beds are being built on an area of around 49,000 m².

Existing orders in the United Arab Emirates, Jordan and Oman are running according to plan, but with restricted supply chains.

Furthermore, VAMED has been awarded the contract for the biomedical equipment for the veterinary clinic at Sea World Abu Dhabi and had already successfully installed the first devices by the end of 2021.

Asia – Pacific

VAMED has been operating successfully in significant Asian markets for decades. Current order executions in China, Mongolia, Sri Lanka, Malaysia, Papua New Guinea, Vietnam and Thailand are largely on schedule. In Mongolia, VAMED handed over the newly built 200-bed hospital in Ulaanbaatar's Songino Khaikhan district, and a new order for the delivery of biomedical equipment came from the National Cancer Center in Ulaanbaatar.

The Presidential Hospital Jakarta Proton Therapy Center project, which includes the review of the master plan and the design, delivery and installation of a center for nuclear medicine and radiotherapy including

proton therapy and a cyclotron in Indonesia, was able to proceed with COVID-19 related delays.

In Papua New Guinea, work on the modernisation and turnkey expansion of Boram Hospital is progressing rapidly and VAMED was awarded another contract in 2021. The company will build a 110-bed turnkey hospital and provide biomedical equipment in Kimbe, one of the largest and fastest growing cities in the country.

Latin America

VAMED has been continuously expanding its market position in Latin America for several years. The construction of the Hospital Suroeste was completed in Argentina, as was the installation of the biomedical equipment. The existing construction contracts in Bolivia are also running again after delays. The start of patient operations at Villa Tunari General Hospital is underway.

In Nicaragua, VAMED is working on the turnkey construction of a regional hospital in Ocotal.

Construction of the Sangre Grande General Hospital in Trinidad and Tobago continued without significant delays.

Technical Services

In the Services Business, VAMED offers a broad portfolio of services for healthcare facilities which ensure that it is successful worldwide.

VAMED's range of services has a modular structure and covers all areas of technical, commercial and infrastructural facility management for healthcare facilities – from the maintenance of buildings to the provision of services and equipment, through the management of biomedical equipment facilities and technical operations management to Total Operational Management. In addition, VAMED is responsible for energy management, waste management, building and grounds maintenance and security services.

The area of highly specialised services (High-End Services) includes, among other things, the complete management of biomedical equipment, the entire hospital operating technology as well as sterile goods processing. VAMED also offers internationally sought-after expertise in the increasingly important field of highly specialised IT services in the healthcare sector. VAMED's services in the field of digitalisation are also becoming increasingly important, such as the use of state-of-the-art technologies in operational management or Building Information Modeling (BIM),

where VAMED plays a pioneering role in the hospital sector. With this broad range of services, VAMED ensures that healthcare facilities are optimally managed and operated throughout their entire life cycle, from construction to the end of primary use and/or their modernisation and expansion. Furthermore, VAMED offers purchasing and logistics services in the healthcare sector and contributes to minimising logistics costs and ensuring the required quality of nursing by optimising processes. Numerous national and international certificates and awards provide evidence that VAMED meets the highest quality standards.

VAMED's portfolio also includes education and training programmes in the healthcare sector, which are also offered internationally, from Africa to the Middle East and Asia.

An overview is provided below of the most important developments in key markets of VAMED's Service Business.

In the field of technical operational management, VAMED is in charge of about 840 healthcare facilities with around 227,000 beds worldwide. Service delivery in the area of technical services continued to run according to plan and without interruption in 2021 even under COVID-19 conditions, although under conditions that remained difficult and with the associated increase in costs.

VAMED's technicians made a significant contribution to ensure the availability of technical facilities and biomedical equipment for the treatment of patients through their efforts during the COVID-19 pandemic.

The development in the provision of sterile services varied from region to region due to the lower capacity of hospitals for elective surgeries as a result of COVID-19.

In 2021, VAMED was able to win significant new contracts in the field of Technical Services in Germany, Italy, the United Kingdom, Switzerland and Spain.

In Austria, VAMED successfully continued its decades-long partnership with the University Hospital Vienna in 2021.

VAMED has been entrusted with the technical management of the University Hospital Vienna since 1986. Within the framework of the first PPP life cycle model in Vienna, VAMED is also responsible for the technical management of radiation oncology at the Hietzing

Hospital and the Donaustadt Hospital (previously Sozialmedizinisches Zentrum Ost - Donauspital). In Austria, VAMED is responsible for the technical operation of a total of 45 hospitals with around 14,700 beds.

In Germany, VAMED and its consortium partner continued the technical operation of the University Hospital Schleswig-Holstein with a total of around 2,400 beds at the Kiel and Lübeck sites. Technical operations management (biomedical equipment, hospital operations technology and central sterilisation) for the German Helios hospitals was also continued. A total of 441 healthcare facilities with around 142,700 beds are under technical management in Germany.

In Spain, VAMED is responsible for the management and maintenance of biomedical equipment for the Quirónsalud Clinics. During the reporting period, VAMED was awarded the contract for the management of biomedical equipment for a university hospital in Barcelona. A total of 45 hospitals with 7,700 beds and 39 outpatient health centers are managed in Spain.

In Switzerland, VAMED provides technical services for 36 healthcare facilities with 4,400 beds.

In Italy, the Group manages 138 health facilities with around 41,700 beds. The projects of the Liguria regional tender (7 hospital districts), which were awarded to H.C. Hospital Consulting in 2020, were successfully launched in 2021. The regional tender in Venetia was also won. This involves a total of 10 hospital districts. The projects will be rolled out successively from Q1/2022.

In the UK, VAMED provides technical services to 48 healthcare facilities with 7,700 beds.

Outside Europe, VAMED provides technical services among other countries in Ghana, Libya, Malaysia, Peru, South Africa and the United Arab Emirates.

In Tonga, VAMED has successfully implemented the contract for the introduction of an IT-based healthcare system, the system is already in use in the capital Nuku'alofa, with roll-out to the islands planned for 2022 depending on restoration of the internet connection after the volcanic eruption.

Another ongoing digitalisation project of VAMED is the development of a digital healthcare strategy for ten Central Asian countries.

Total Operational Management

VAMED is responsible for Total Operational Management of 100 healthcare facilities with a total of around 15,000 beds worldwide. The company was able to further expand its position as one of the leading rehabilitation providers in Europe in 2021 and has inpatient and outpatient healthcare facilities in Austria, Germany, Switzerland and the Czech Republic in the post-acute healthcare sector. The impact of the COVID-19 pandemic on post-acute facilities varied due to different regional developments and targets. Tighter hygiene regulations were in force in all facilities during the reporting period and the safety concepts to prevent COVID-19 infections were continuously updated.

In contrast to 2020, there were no temporary pandemic-related closures of rehabilitation facilities in the reporting period.

In Austria, the Oberndorf Hospital was part of the COVID-19 healthcare service for the federal province of Salzburg. The Upper Austrian Gmundnerberg and Enns Rehabilitation Clinics were included in the COVID-19 care of patients after completion of their illness in the 1st quarter of 2021, with Enns additionally included from the end of November.

In Burgenland, the province has reorganised the provision of nursing and, in accordance with the policy decision to have all province-owned health and social care facilities managed by the province alone, has decided to bring the nursing facilities previously operated in a Public Private Partnership with VAMED into a new nursing model and to operate these itself from January 1, 2022.

In Germany, health facilities were able to continue operating at limited capacity during the ongoing pandemic. Occupancy has increased again following the relaxation of the measures during the year. However, during the phases of increased incidences of infection, the decline in elective procedures was also noticeable in the rehabilitation utilisation.

VAMED's rehabilitation facilities recorded declines in occupancy rates in Switzerland also due to the postponement of elective procedures in phases with increased incidences of COVID-19 infections.

In the Czech Republic, VAMED Mediterra was temporarily affected by the postponement of elective procedures.

In the rehabilitation sector, the expansion of outpatient rehabilitation services continued in 2021 and work was done to develop digital and hybrid rehabilitation services.

In Austria, two new outpatient rehabilitation centers were commissioned at the Eisenstadt and Wörgl sites in the 2021 financial year. This increased VAMED's range of outpatient rehabilitation services in Austria to six locations overall. In addition, the range of psychiatric rehabilitation services was expanded. Rehabilitation services for this indication have also been offered at the Montafon Rehabilitation Clinic and at the Oberndorf Rehabilitation Center since the 2021 financial year.

In Switzerland, VAMED opened an outpatient rehabilitation facility at Zurich Airport in cooperation with a partner.

The concept of Campus Rehab is an increasingly sought-after growth model in the rehabilitation sector. VAMED has been successfully implementing the model of integrated nursing facilities for around ten years already in several projects in Austria. This approach is characterised by combining an acute hospital with a rehabilitation clinic at one site. This is the optimum way of ensuring the continuous care chain of acute treatment followed by immediate rehabilitation. The first such model in Germany, the VAMED Campus Reha Bleicherode in Thuringia, was able to start operations in June and offers inpatient rehabilitation after knee, hip and spinal operations in a separate wing of the Helios Specialist Clinic for Orthopaedics.

In Switzerland, VAMED is also planning to implement this model in Bodan at the Hospital Campus in Münsterlingen, and another project is being planned with Kantonsspital Winterthur.

In the Czech Republic, VAMED Mediterra Hospitals provide acute care, rehabilitation and long-term nursing services in eight facilities with more than 1,000 beds. The nursing college acquired in 2018 was training around 160 students to become nurses as at the reporting date, 45% more than at the take-over of the facility.

After successfully building up its market presence in the High-End Services Business in the UK, VAMED also plans to regain a foothold in the rehabilitation sector. VAMED's major Total Operational Management projects outside Europe include the Reem Hospital life cycle project in Abu Dhabi and the Al Argan Rehabilitation Hospital in Kuwait.

In Saudi Arabia, VAMED was commissioned with Total Operational Management of a healthcare facility with a focus on long-term nursing.

VAMED Vitality World

Based on decades of experience in the health sector, VAMED is building a bridge between preventive medicine and health tourism with VAMED Vitality World which includes eight thermal spas and health resorts. The VAMED Vitality World facilities were among the business divisions most affected by the COVID-19 pandemic due to continuous closures from the beginning of the year until mid-May, as well as in the traditionally strong season from the end of November until mid-December. The additional special hygiene and protection measures during summer operations had a negative impact despite the positive bookings.

1.5.2. Assets and liabilities

in T€	Dec. 31, 2021	%	Dec. 31, 2020	%
ASSETS				
Current assets	1,284,814	46.0%	1,245,318	45.8%
Property, plant and equipment, right-of-use assets from leases, goodwill and intangible assets	1,299,756	46.5%	1,224,980	45.1%
Other non-current assets	209,968	7.5%	246,075	9.1%
Total assets	2,794,538	100.0%	2,716,373	100.0%
EQUITY AND LIABILITIES				
Current liabilities	1,052,247	37.6%	1,026,350	37.8%
Non-current liabilities	686,231	24.6%	635,796	23.4%
Shareholder's equity	1,056,060	37.8%	1,054,227	38.8%
Total equity and liabilities	2,794,538	100.0%	2,716,373	100.0%

Investments

The VAMED Group made the following investments in property, plant and equipment and intangible assets:

in T€	2021	2020
Property, plant and equipment	73,080	91,783
Other intangible assets	6,803	3,018
Total	79,883	94,801

1.5. Earnings, assets and financial position

1.5.1. Results of operations

Following the fall in sales revenues in the previous year due to coronavirus, an 11.1% increase in revenue from EUR 2,068 million to EUR 2,297 million was recorded in the 2021 financial year.

The operating result (EBIT) recovered significantly from EUR 28.5 million to EUR 100.7 million.

Earnings before taxes and non-controlling interests (EBT) of EUR 90.4 million were ultimately EUR 81.4 million higher than in the previous year.

Taxes on income and earnings increased by around EUR 15.3 million to approximately EUR 19.8 million. The tax rate in relation to EBT is 21.8%.

Additions to property, plant and equipment mainly relate to replacement and renewal investments in VAMED's hospitals and rehabilitation facilities.

1.5.3. Financial position

in T€	2021	2020	Change
Order intake (Project Business)	1,289,881	1,009,684	27.8%
Sales	2,296,828	2,067,689	11.1%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	190,504	113,294	68.2%
EBITDA margin	8.3%	5.5%	
Earnings before interest and tax (EBIT)	100,711	28,521	-
EBIT margin	4.4%	1.4%	
Earnings before taxes and non-controlling interests (EBT)	90,445	9,017	-
EBT margin	3.9%	0.4%	
Profit attributable to shareholders of VAMED AG	66,508	1,806	-
Total assets	2,794,538	2,716,373	2.9%
Shareholder's equity	1,056,060	1,054,227	0.2%
Equity ratio	37.8%	38.8%	

2. Non-financial performance indicators

From the very beginning, sustainability and social responsibility have been essential elements of VAMED's activities and part of our daily practice as a healthcare provider. With its unique value chain, VAMED has played a major role in the sustainable development of healthcare in numerous countries and has ensured that access to adequate healthcare is made possible or ensured for everyone, often under the most difficult conditions. The well-being of patients, people in care, and guests in the facilities operated by VAMED is at the heart of everything VAMED represents.

VAMED ensures smooth operation and permanent availability of the healthcare facilities it manages with its high-end services.

VAMED's successes and its potential for the future are essentially based on the following key factors:

- Unique overall competence in healthcare
- High performance abilities of staff due to training, expertise and project experience and the willingness to cooperate across all organisational and geographical boundaries
- An international focus as the basis for developing customised solutions all over the world
- Optimal customer benefit through product and producer neutrality

- Ability of the company to use and further develop the experience gained from projects as a "learning organisation"
- The willingness of management to demand performance and promote high performers, understood as a commitment
- Innovation leadership from the experience of more than 1,000 projects implemented successfully worldwide
- Life cycle approach and sustainability

VAMED is well aware of the impact of its business operations on society and the environment. The following topics were identified as important key priorities, which are explained in more detail below:

- Patient well-being and patient safety
- Digitalisation and innovation
- Attractiveness as an employer
- Protection of human rights
- Ethics and compliance
- Protection of nature as the basis of life

2.1. Patient well-being and patient safety

The safety of patients depends directly on the quality of the treatments or the products used, and also indirectly on the provision of operational management services.

VAMED is one of the leading private providers of post-acute care in Central Europe, thereby strengthening access to the corresponding services, especially in the rehabilitation segment. The outpatient rehabilitation offer was expanded in 2021. The outpatient services enable easily accessible, extra-occupational, medically required rehabilitation. Existing facilities were also supplemented to include therapy approaches for further indications. After numerous rehabilitation facilities were temporarily closed in 2020 due to the COVID-19 pandemic, business operations were largely uninterrupted in 2021. In order to ensure safe access to health services for patients and employees in the course of the COVID-19 pandemic, comprehensive prevention concepts were drawn up, measures were implemented and these were adapted in accordance with the epidemiological course, all based on the legal requirements. In addition, a Corona Crisis Team, which has been meeting regularly since the beginning of 2020, reviews the validity and application of preventive measures.

Healthcare in crisis situations

As an internationally active healthcare company, VAMED must be crisis-proof and react flexibly in all areas. High-performance as well as resilient emergency systems and programmes have been established in the divisions in order to enable full access to services and seamless care for their patients.

Structured crisis management comes into effect immediately in critical situations. This comprises the Executive Board, key staff units and the executive management teams from the lead companies. A crisis unit meets immediately after an incident becomes known and initiates all necessary measures. VAMED's healthcare facilities have emergency and outage concepts as well as crisis communication plans, which have been developed in cooperation with local emergency services. In addition, the company creates all the necessary conditions to ensure the safety of facilities and infrastructure, not only for its own facilities but also for those hospitals for which VAMED provides facility management services. The tried-and-tested crisis management system has increased the speed of response to individual COVID-19-related incidents and has made it possible e.g. to supply those facilities particularly affected with additional protective equipment at short notice.

Quality management

VAMED aligns its internal processes with established quality standards such as ISO 9001 or the sector-specific standard of quality management in healthcare EN 15224 and ISO 13485 as well as with the EFQM standards. In addition, the company has certified several healthcare facilities according to international standards such as JCI, ISO or the German QMS-REHA (BAR). All inpatient rehabilitation facilities in Germany must be certified according to a procedure recognised by the Bundesarbeitsgemeinschaft für Rehabilitation e.V. (BAR). All certifications form the basis for continuous process improvement at VAMED's healthcare facilities.

Quality standard	ISO 9001	ISO 13485	JCI or other
Number of certified units	31	13	135
Number of certified units (%)	74%	100%	56%

For the ISO 13485 standard, the % rate is related to the applicable facilities; for the JCI or other heading, the % rate is related to the total number of companies.

In Germany, the rehabilitation clinics are accredited according to the requirements of the Federal Working Group for Rehabilitation (Bundesarbeitsgemeinschaft für Rehabilitation - BAR), as required by law, and certified according to the quality seal Medical Rehabilitation in Certified Quality of the Association of Private Clinics in Schleswig-Holstein e.V. (Verband der Privatkliniken in Schleswig-Holstein e.V. - VPKSH). One exception is a geriatric clinic that is certified according to the DIN EN ISO 9001/Geriatrics quality seal.

All rehabilitation facilities in Austria are or will be subject to at least one certification (ISO, JCI, QMS-Reha).

In acute care, geriatric care and project management, all processes are regularly checked for their suitability and adapted if necessary. In accordance with the guidelines of the Federal Working Group, VAMED, in Germany, implements all relevant measures to increase patient safety in post-acute care facilities – including patient surveys, complaints management and regular internal audits of all areas. The company receives feedback on the quality of structures, processes and results from the funding agencies, e.g. as part of the quality assurance of the German pension insurance agency (Deutsche Rentenversicherung) or the statutory health insurance funds. In all VAMED healthcare facilities, patients receive appropriate informational material and patient training to ensure long-term treatment success. Complaint reporting systems are also in place

in some healthcare facilities. In the Project Business, the lead companies set guidelines for all subsidiaries, which are reviewed in annual audits.

In geriatrics and elderly care as well as in palliative care, VAMED relies on the recognised methodological concept of "salutogenesis". The approach is based on a clear understanding of the individual processes to promote and maintain the health and well-being of the residents in order to be able to lead a self-determined life in dignity. Quality of life and the feeling of security and belonging are placed at the center in nursing and care.

VAMED employs specially-trained staff for quality and risk management in order to raise staff awareness of quality requirements. As staff units, they report directly to the management. Quality officers also conduct training in their facilities, thereby involving all staff in the quality management systems. This way, the quality officers ensure that the workforce fulfils its duty of nursing. VAMED already informs its staff about its particular understanding of quality in the induction concepts and introductory events.

Audits and recertifications

Regular internal audits and external recertifications take place in order to ensure compliance with the quality standards. Quality management audits are conducted once a year in accordance with the ISO regulations in the certified healthcare facilities as well as in other VAMED facilities. Internal audits are carried out systematically and cover all areas of the company and, in terms of content, cover at a minimum those topics that are required by the certified standards, i.e. all quality management processes. In addition to the ISO certifications, audits are also carried out by the external control bodies.

Guidelines and regulations

VAMED sets out ethical standards in its own mission statement and in the Code of Conduct, the Clinical Code of Conduct and the Code of Conduct for Business Partners. VAMED's internal guidelines are derived from regulatory requirements imposed on healthcare facilities throughout Europe. In addition to legal requirements and the requirements of the funding agencies, VAMED also follows international standards such as ISO or EFQM, expert standards and medical guidelines. All internal guidelines are regularly reviewed and updated as necessary. Employees can obtain information on the guidelines via intranet.

Hygiene management in rehabilitation and nursing

When it comes to hygiene in rehabilitation clinics and nursing facilities, one of VAMED's tasks is to ensure the highest possible level of protection for everyone, without compromising on individual rehabilitation or nursing. Protecting patients from infectious diseases is a top priority during their stay. The health facilities follow systematic guidelines from day one to prevent infections from breaking out or spreading. Clearly defined procedures are followed and compliance with hygiene regulations is strictly controlled.

VAMED's hygiene standards in Germany are based on the recommendations of the KRINKO (Commission for Hospital Hygiene and Infection Prevention) at the RKI (Robert Koch Institute). These recommendations take into account all legal requirements for hygiene. In German health facilities, the Head of Hospital Hygiene (the central hygiene officer) coordinates the hygiene specialists and sets overarching standards in consultation with the CMO (Chief Medical Officer). One of the most important hygiene measures is hand disinfection. VAMED follows WHO guidelines on this. Hygiene specialists, doctors and nurses with special responsibility for hygiene implement hospital hygiene measures throughout the entire Group. In VAMED's Austrian healthcare facilities, the Federal Hospitals Act (Bundeskrankenanstaltengesetz) forms the basis for the management of hygiene plans, hygiene inspections, and the deployment of hygiene specialists and physicians with special responsibility for hygiene. Hygiene inspections in the facilities were intensified in the wake of the COVID-19 pandemic. Hand hygiene and the correct wearing of protective equipment were also recurrent topics.

Patient information

Information for patients is provided in various ways, e.g. in the room folder, with the treatment contract, via educational brochures, data protection statements, the website, the house regulations and the mission statement. Welcome talks and training sessions are also offered. Online information sources are available even before arrival. The treatment objective is discussed and evaluated with the patients at the admission and discharge interview.

Personalised and individually tailored rehabilitation goals

VAMED uses modern and resource-oriented approaches in rehabilitation, such as the ICF concept (International Classification of Functioning, Disability and Health) or the computer-based evaluation system CHES (Computer Based Health Evaluation System). This enables patients

to achieve the best possible and evidence-based functional improvement to increase activity and participation in all areas of life, including after severe illness.

In addition, the findings on the quality of treatment, e.g. at the rehabilitation facilities in Germany, are published on the website [qualitaetskliniken.de](https://www.qualitaetskliniken.de). This way, patients can find out about the central quality parameters of the various clinics before they are admitted. The VAMED International Medical Board (IMB) ensures opportunities for discussion between VAMED physicians from Austria, Germany, the Czech Republic and Switzerland. Within VAMED, quality and safety are coordinated between medical specialist groups and at management conferences.

Patient satisfaction

VAMED records patient satisfaction in the healthcare facilities in an ongoing and structured process. The evaluation takes place weekly or monthly. The company collects data for this purpose, evaluates it internally and implements appropriate measures to improve patient satisfaction. Patient surveys can take place both during the stay and after discharge, and in some facilities both are implemented. This gives facilities a comprehensive picture of overall patient satisfaction.

Reporting systems are used for critical incidents and near misses, such as an electronic CIRS system (Critical Incident Reporting System). Critical events can be reported anonymously here. The reports are processed by a committee established for this purpose. In addition, systems are also used for improvement suggestions, material vigilance (material safety) and pharmacovigilance (drug safety). Thanks to these systems, a timely response to potential sources of danger or complaints can be made to the required extent and in accordance with internal quality standards.

2.2. Digitalisation and innovation

Digitalisation is playing an increasingly important role in healthcare, whether in healthcare facilities, in direct contact with patients or in production. It drives innovative technologies and treatment concepts and can contribute to solving numerous challenges in the healthcare sector, and help provide added value for customers and patients.

VAMED has established a strategic business segment of digitalisation and is implementing numerous digitalisation initiatives and projects. For example, it develops patient services for digital assistance systems that support ambient assisted living (AAL) and digital

rehabilitation services. In addition, pilot projects have been launched and are being evaluated on an ongoing basis. In the Project Business, the company uses digital solutions, known as virtual Building Information Modelling (BIM) concepts, to simulate and optimise the entire life cycle (planning, development, construction and operation) within the planning phase for a healthcare facility. In addition, internal digitalisation projects are implemented in the areas of Project Business, High-End Services and Total Operational Management.

The management approach is regularly monitored using standard controlling processes. In addition, the strategic digitalisation business segment continuously surveys and reports on the status of the respective initiatives and projects in the business unit and the management of the strategic digitalisation business segment regularly reports on progress to the Executive Board.

VAMED uses common trend and innovation studies, e.g. the Gartner Hype Cycle, and the results of the Allensbach study also in 2021 to formulate and evaluate strategies for digitalisation in the healthcare market. This included the increased use of tele-health applications and apps in 2021. In addition, local publications and trend analyses are taken into account.

Digital support for treatments

VAMED makes rehabilitation and aftercare services accessible to patients with digital solutions largely free from barriers: telemedicine products allow services to be provided flexibly and independent of location. This allows the company to contribute towards improving healthcare, especially in structurally weak regions. The company has developed digital treatment pathways, evaluated technical solutions and launched pilot projects in the field of digital tele-rehabilitation aftercare services.

COVID-19 and digital solutions

Specific projects were implemented in the international field in connection with COVID-19. This includes the development of a COVID-19 management platform that was made available to clients. For the healthcare facilities operated by VAMED, existing digital solutions made it possible to offer online services such as virtual consultations, online videos and trainings at short notice.

Data protection

For VAMED, the protection of the personal data of its guests, patients, staff and business partners is of utmost importance. Trust in the diligent protection of data forms the basis of a successful relationship with patients and business partners.

The loss of sensitive data or non-compliance with data protection-related laws, regulations and standards could damage VAMED's reputation as well as the entire company. In order to comply with these requirements, the company has implemented comprehensive data protection management systems that provide for the appropriate technical and organisational measures and controls to protect personal data.

VAMED has its progress in data protection management evaluated and documented annually by an external law firm. In 2021, the division focused on updating directories and revising the erasure concept for processing activities.

VAMED has established an annual e-learning programme on data protection, which is mandatory for all staff members. In addition, training sessions are held on an ad hoc basis. The mandatory e-learning and re-certifications of data protection officers took place successfully in 2021.

2.3. Employees

In 2021, the consolidated companies of the VAMED Group employed an average of 1,983 wage earners, 17,148 salaried employees and 444 apprentices (2020: 1,888 wage earners, 16,951 salaried employees and 387 apprentices).

Working conditions

Fair working conditions are an essential part of VAMED's mission statement. The corporate culture is characterised by the diversity of people, open dialogue, mutual appreciation, respect, caring, clear goals and decisive leadership. The values, strategies and goals should be tangible through open, intensive and direct communication.

Based on the pandemic experience from 2020, more flexible gliding time agreements were made in 2021 for the lead companies and all companies at the VAMED headquarters site in Austria together with the works council and a home office guideline was issued. More flexible working was also made possible in the Austrian healthcare companies by granting extended reference periods for average working hours.

Work/life balance

Ensuring a good work/life balance is an essential factor in showing appreciation of staff performance. This was taken into account at the division's headquarters in Vienna, e.g. by extending home office options and framework working hours.

Recruiting

VAMED's business model is highly diversified – this places special demands on staff recruitment. The recruitment process is tailored to the individual requirements of each position.

The Group Human Resources Division manages the human resources work for the business units. As the framework conditions in the individual countries in which VAMED is active vary considerably, it actively involves the persons responsible in the countries on site.

In Austria, the management of the VAMED companies and the human resources managers of the rehabilitation and nursing facilities actively participate in the respective collective bargaining negotiations in order to ensure the best justifiable framework conditions for the staff and the company. Similarly, collective agreements are overpaid in all companies and market-specific salaries are evaluated on an ongoing basis.

Attracting new talent

One of the biggest challenges is to find and retain qualified staff. A staff referral programme was devised to counter this. Permanent employees of some companies in Austria and Germany receive benefits for recruiting new staff, linked to the duration of the new employment relationship. Certain groups of staff, e.g. members of the Human Resources department, are excluded from participating in the programme. Cooperation with various training institutions such as schools, universities and technical colleges in specific fields has been strengthened in order to counteract the shortage of skilled workers in a timely and efficient manner. In the Czech Republic, VAMED runs a nursing school, which has been able to increase the number of students significantly in recent years. In addition, the apprenticeship concepts are continuously revised in order to train the necessary skilled workers ourselves. VAMED increasingly uses digital recruitment channels to attract qualified professionals from abroad.

Guidelines and regulations

VAMED has defined detailed guidelines and standards on working conditions and working hours. Compliance with these requirements is reviewed on an ongoing basis. In the 2021 reporting year, new regulations were issued due to the COVID-19 pandemic, e.g. on working from home, hygiene at the workplace and business trips.

The minimum salaries for the respective job groups are determined in the form of wage bands and collective agreements in the majority of the facilities and locations in Switzerland, the Czech Republic, Germany and

Austria. These include the exclusion of non-objective differentiation in pay, e.g. on the basis of gender. In Austria, every employer who continuously employs more than 150 workers is legally obliged to prepare an income report every two years. In particular, the report must show the number of women and men in the respective collective bargaining or – if available – company employment groups as well as the respective average salary. It must also be made available to the respective works council.

Dialogue and feedback formats

Staff appraisals are an essential part of VAMED's management culture. In addition to providing essential insights and measures for further successful cooperation, the necessary training and further education needs also emerge from the detailed discussions. This is summarised in an education plan and the corresponding training and further education programme is drawn up on the basis of this. This ranges from specialised training in the health sector and character-building seminars to customised language training and IT seminars.

Training and further education offers

The expertise and project experience of employees play an essential role in VAMED's success, not least due to the diverse nature of the activities in the areas of High-End Service Business, Total Operational Management and Project Management. Promoting the further development of staff in a targeted manner is therefore highly relevant for all areas. Key success factors of human resources management include individually adapted personnel development measures and an extensive, needs-oriented training programme, which is broadly diversified due to the multi-layered structure of the division. In the context of strategic human resources planning, VAMED identifies employees with special potential and promotes their further individual development. This is done for applicants in the form of trainee programmes and for high potentials already employed and identified in the company in the context of the VAMED Human Capital Management Programme (HCM Programme), focusing on the assumption of management and specialist roles.

VAMED increasingly uses digital elements such as e-learning when designing new training offers. Employees can access combined knowledge and expertise via a variety of knowledge platforms. In addition, VAMED also has the possibility of developing and rolling out micro-learning solutions independently. The majority of these short training modules are available online and have enabled fast and up-to-date precise training

and education on applicable COVID-19 regulations, particularly in the area of hygiene. VAMED has also digitised required and obligatory training and further education measures.

VAMED staff members have access to their own academy. The courses and training it offers not only addresses technical issues, but also topics such as personal development as well as leadership, social and methodological skills. In addition, various knowledge platforms, including the International Medical Board (IMB), pool the expertise of around 1,300 physicians working for VAMED. In the wake of the COVID-19 pandemic, some courses and events were digitised and face-to-face seminars were postponed to later dates as a result of guidelines and regulatory requirements.

The company's own training, education and continuing education programmes are evaluated on an ongoing basis. Adaptation and improvement measures are developed and implemented as necessary.

In addition, the personnel development processes are continuously optimised towards further digitalisation.

The long-term success of the programmes is evidenced by the fact that the HCM programme, which has been in place since 2004, has had around 130 graduates to date. Of the graduates who are currently still active, more than 70% have now taken at least one further career step.

Occupational health and safety management

The health and safety of employees are firmly anchored within VAMED's corporate culture and mission statement.

Staff and, for the most part, patients and customers are covered by a holistic concept for occupational health and safety. Due to a broad range of services and various responsibilities, implementation is organised very differently throughout the segment – both nationally and internationally. All sites are subject to the respective local regulations and laws related to occupational health and safety. Compliance with these regulations is also ensured at the local level.

Different legal and also internal guidelines and directives play a significant role in occupational health and safety due to VAMED's decentralised organisation. The Code of Conduct covers the areas of Project Business, technical services and Total Operational Management. In addition, the Clinical Code of Conduct regulates the areas of rehabilitation and nursing as well as medical staff.

All new staff members receive safety training right at the beginning of their employment in order to prevent work-related injuries and accidents.

Risk management is a fixed component in the area of health and safety and has also been taken into account as such in the organisational structure. In Austria, for example, a certified risk manager has been appointed to ensure expertise in this area. The respective workplace-specific risks in Austria were identified, analysed, evaluated and reduced to an acceptable level through targeted measures in the process organisation. This was done in close coordination with the department heads. With regard to COVID-19, specific attention was paid to the reduction of risks in relation to the danger of infection as well as the physical and psychological burden of dealing with the overall situation. Corresponding documentation can be found in the health and safety documents.

In Austria, the Safety Technical Center of VAMED Technical Services employs several safety specialists. This center is responsible for the safety-related supervision of VAMED's facilities. In order to maintain and develop expertise, all safety professionals are subject to a focused training programme adapted to the respective needs of the organisation. The management of the safety center is also qualified as a certified quality, safety, risk and environmental manager as well as a lead auditor.

Switzerland has its own safety officers who are responsible for occupational safety and data protection. There is also a dedicated CIRS circle: this is a committee of different divisions to analyse critical and near-critical situations, to work out solutions and to implement these.

The Czech Republic not only has safety officers, but also the legally required categorisation of work into safety levels. This categorisation is carried out by the company's own staff responsible for this. The categories determine which protective clothing the employer must provide for the respective workplace and the framework within which occupational health examinations must take place.

Where logistically possible, COVID-19 testing was offered to workers free of charge on site and vaccinations were carried out centrally by the companies. Masks, protective equipment and sufficient facilities for disinfection were provided. Maintaining minimum distances in the offices was supported by a rotation principle and working from home.

In some facilities, additional psychological nursing was offered or bonuses were paid to employees with direct patient contact for the particular stress caused during the pandemic.

Regular occupational health and safety inspections are carried out at VAMED's sites. Work-related incidents are not only subject to mandatory reporting, but also trigger a revision of the existing work processes as well as any proposed changes and their implementation. Corresponding internal guidelines are available. The aim is to minimise risks and prevent the recurrence of hazards. Therefore, all incidents are subjected to a structured evaluation by means of a root cause analysis including the corresponding action planning. The measures are prioritised in terms of technical, organisational and personnel criteria. The effectiveness testing is carried out by the responsible safety specialist on site. A corresponding procedural instruction was implemented in order to ensure a holistically structured approach.

During the reporting period, an evaluation of mental stress at the workplace was carried out by an external provider for the lead companies at company headquarters in order to derive further findings for improving working conditions. The results are expected to be available in early 2022 so that appropriate measures can be developed.

VAMED is currently collecting locally relevant key figures that may result from occupational accidents. In the future, changes in occupational health management will also increasingly be evaluated.

2.4. Protection of human rights

According to the United Nations Universal Declaration of Human Rights, everyone has the right to a standard of living adequate for health and well-being. This includes adequate healthcare. As a global healthcare provider, VAMED improves access to affordable, high-quality healthcare in many countries.

As part of its corporate responsibility, VAMED respects and promotes human rights in accordance with international standards. Two essential aspects are of particular importance here according to the Group's field of activity:

- Since it was founded in 1982, VAMED has implemented more than 1,000 projects, thereby contributing to providing patients worldwide with access to healthcare facilities.

- VAMED is working hard to create safe working conditions for employees in the various healthcare facilities everywhere within its sphere of influence.

VAMED enacted a guideline on the protection of human rights in the reporting year. The company underlines its responsibility to protect human rights in this and declares that it will continue to develop its efforts to protect human rights. A human rights risk analysis was also introduced. The guideline sets a framework for identifying opportunities and risks in connection with the protection of human rights in operational activities as well as with regard to the procedure to be followed when human rights violations are identified or suspected in an internal division as well as in the supply chain. An appropriate grievance mechanism and a human rights organisation with a human rights committee and human rights officers have been established.

A code of conduct for business partners was already introduced in 2017 and was further adapted in the reporting year. One essential component is VAMED's expectation towards its business partner to comply with human rights, environmental protection and sustainability regulations.

A corresponding guideline was also introduced with the further development of the business partner audits which regulates a risk-based audit of all business partners.

2.5. Ethics and compliance

VAMED is committed to respect ethical standards (compliance rules) in its conduct towards staff members, customers, suppliers and other business partners. To ensure this, a group-wide compliance management system has been created to ensure compliance with all commitments as laid down in the VAMED Code of Conduct. The Code of Conduct covers the areas of Project Business, Technical Services and Total Operational Management.

Interaction between medical staff and patients is governed by the VAMED Clinical Code of Conduct, which communicates to staff the high ethical standards in the responsible operation of healthcare facilities. Furthermore, training courses on IT security are held on an ongoing basis. New staff members joining VAMED are obliged to complete the training courses relevant to them in the form of e-learning modules. The e-learning modules on the VAMED Code of Conduct, VAMED Clinical Code of Conduct as well as on the

IT Security Guidelines must be repeated annually, thereby ensuring that the level of information remains sufficiently high in long term.

VAMED also expects its suppliers and business partners to comply with ethical standards of conduct towards staff members, society and environment in their daily business.

VAMED's business activities in the respective country form the basis for the payment of taxes. It is a matter of course for VAMED to comply with the tax laws and regulations of the countries in which it operates, to pay the resulting levies on time, and thereby to contribute to the public finances of these countries. Compliance with applicable tax laws and the protection of its reputation with government authorities and the public help support VAMED's relevant business processes.

2.6. Environmental management

VAMED's responsibility as a healthcare group also extends to protecting nature as the basis for life and using its resources with care. In doing so, VAMED continuously keeps national and international regulations on environmental and climate protection in mind. Internal policies, guidelines and standard operating procedures are updated accordingly as required. The company also expects its suppliers to treat nature and its resources with care and responsibility, as laid down in the Code of Conduct for Business Partners.

Water management

VAMED plans, builds and operates healthcare facilities where an adequate supply of fresh water is essential for patient well-being and hygiene. Health facilities that are built on our behalf use construction and installation techniques that enable optimal water management compliant with the respective local regulations. At the same time, intelligent water management must under no circumstances undermine hygiene measures or jeopardise patient welfare. The largest users of freshwater are rehabilitation clinics with therapy pools, e.g. in the field of orthopaedics, and facilities that sterilise used medical instruments.

VAMED ensures strict compliance with the respective local guidelines on water and wastewater by means of local management systems, process owners, and instructions for action. The internal policies, guidelines and standard operating procedures are adapted to the applicable regulatory requirements.

Since fresh water use is extremely significant in terms of compliance with hygiene measures and therefore patient safety, no substantial reductions in water consumption are applied. In long term, the division aims to maintain a constant water consumption. Secondary use of water is not considered a priority because of the hygiene aspects to be observed.

An adequate water supply is a major challenge in developing countries, unlike the situation in industrialised countries with good infrastructure and strict regulation. The legal requirements for water quality in the countries outside of Europe where VAMED is active in the Project Business are often not comparable with the high standards required e.g. to operate a healthcare facility in Europe. The same applies to the treatment of wastewater. Many projects require the use of fresh water and wastewater treatment plants. The projects outside of Europe are implemented according to the World Health Organisation (WHO) guidelines for water quality. VAMED aligns the high quality standards for the facilities to be built with the requirements of the international project financiers and already implements these at the planning phase.

VAMED makes sure that water-saving technologies of the latest generation are used in the Project Business. The future operators and employees receive comprehensive training. Participants learn e.g. how they can save water most effectively. In the markets outside of Europe, VAMED's Project Business includes the use of fully biological purification plants to treat wastewater.

Waste and recycling management

Waste generated in all business processes is disposed of in accordance with regional, national and industry-specific regulations. The respective executive management team of health facilities is responsible for compliance. Recyclable waste is processed in required recycling processes. Other waste is disposed of via composting, waste incineration or landfill. In the case of clinical or hazardous waste, the individual facilities cooperate with local disposal companies. These carry out disposal in accordance with the law.

The most important legal basis for waste management in Austria is the Waste Management Act (Abfallwirtschaftsgesetz – AWG 2002). The AWG 2002 is supplemented in the federal provinces by provincial laws to include local aspects such as the fees to be paid. There is also some legislation under European law. All these regulations create the legal framework for ensuring a functioning waste management system in Austria.

The healthcare facilities built by VAMED itself use construction and installation techniques that allow for optimal resource management adapted to local regulations. The provision of technical management services is a major business division for VAMED. One focus of our work is to ensure the longevity of technical systems through maintenance and repair.

An innovative containerised purification plant of an Upper Austrian manufacturer treats the wastewater of the new hospital in Point Fortin, Trinidad and Tobago, built by VAMED ENGINEERING GmbH, in a fully biological process. This consists of a 40-foot ISO standard container, a pumping station and excess sludge dewatering. The technology used, known as Moving Bed Bio-Reactor (MBBR), is based on bio-chips: bacteria adhere to this and biological purification takes place. With the help of a special separation process, the solids settle and the biologically treated wastewater can flow out. The use of this biopurification plant is in line with VAMED's principle of using sustainable, resource-saving solutions as far as possible, also in economically and infrastructurally disadvantaged regions.

Climate protection – energy and emissions management

The respective executive management team is directly responsible for the energy and emission management of VAMED's healthcare facilities. The effectiveness of energy management is measured in the certified divisions through regular independent audits as part of ISO 50001 certification.

A pilot project was initiated in the reporting year aimed at collecting data on Scope 3 emissions of the economic activities of the consolidated VAMED healthcare facilities in Germany, Austria, Switzerland and the Czech Republic in future in addition to the data on Scope 1 and Scope 2 emissions.

CO₂-neutral power supply

The majority of VAMED's consolidated healthcare facilities in Austria are supplied with CO₂-neutral electricity from hydropower. Energy is also to a small extent procured from the company's own combined heat and power plants in Germany. Swiss healthcare facilities procure regional electricity, some of which comes from renewable sources.

LEED standard for VAMED

As part of its project developments for new functional buildings, VAMED advises on processes and the awarding of contracts for services in accordance with the specifications of the sustainability standard LEED

(Leadership in Energy and Environmental Design) and then incorporates these into energy-conscious construction up to the LEED Gold level.

3. Risk report

3.1. General risk report

VAMED has developed professional project controlling and project management as essential core competencies in both, the Project Business and Service Business. The company counters the general risks associated with the Project Business and Service Business with a sophisticated system for identifying, assessing and minimising risks that is adapted to the respective business activity. This system for adequate prevention of default, liquidity and cash flow risks consists of organisational measures (e.g. standards for risk calculation when preparing tenders, risk assessments prior to order acceptance, ongoing project controls with project supervision meetings and continuously updated risk assessment, regular budget tracking), quality assurance measures (cross-business unit quality standards, in particular in accordance with ISO 9001, EN 15224 and ISO 13485 as well as EFQM, JCI, ISO and the German QMS-REHA (BAR) and financial measures (credit checks, dunning procedures, advance payments as collateral, documentary credits and secured loans, secure investments, adequate balance sheet provisions)).

Hedging transactions are concluded to an extent appropriate to the respective project scope and duration in order to collateralise receivables in foreign currency or to hedge future purchases of goods and services in foreign currency.

The complexity of high-quality services in the national and international healthcare markets results in relatively long development times with a correspondingly high cost risk. VAMED is able to significantly shorten these common market development periods through specific experience, standardised process models, knowledge databases and comprehensive interdisciplinary expertise, thereby significantly reducing the cost risk. The noticeable cost pressure in healthcare systems worldwide is reflected above all in the hospital sector. In Europe, the acute healthcare sector is still dominated by considerations of reducing bed capacities, closing or merging hospitals and implement specialist hospitals. VAMED takes this development into account with holistic realisation models including financing (e.g. life cycle and innovative PPP models along the entire value chain of the VAMED Group). Appropriate sharing of opportunities and risks with public partners/legal entities and a concentration on the respective core competence give

public clients the opportunity for realising investment projects and of strengthening economic efficiency in the health sector. The realisation of these types of models requires targeted further development and further combination of core competencies from the service sector and the Project Business based on VAMED's broad international experience. The associated risks are adequately safeguarded by quality management, professional knowledge management and a comprehensive development programme for staff members and managers.

The risks from cybercrime that have increasingly emerged in recent years are identified, assessed and managed within the framework of the Information Risk Management (IRM) Forum, in coordination with the IT, Compliance and Data Protection departments. This takes place for all divisions and processes of the VAMED Group's business activities and is supported by the Executive Board.

If a risk event occurs despite comprehensive risk minimisation measures, a crisis management system regulates the course of action in a clearly defined step-by-step plan. Regular and systematic training is provided on this system. In particular as part of its responsibility as an operator of healthcare facilities, VAMED provides detailed plans and safety measures for its patients, guests and staff as well as for maintaining the functionality of the healthcare facilities under its care.

3.2. Special risk report

The global market for projects and services for hospitals and other healthcare facilities continued to be influenced significantly by the COVID-19 pandemic in 2021. The market for hospital and biomedical equipment projects was e.g. characterised by delays and postponements. These were accompanied by general delays in project execution, not least due to travel and quarantine restrictions caused by COVID-19 and supply chain constraints. The sharp rise in construction costs also had a negative impact. Furthermore, the COVID-19 pandemic in the Service Business led to lower demand for rehabilitation and high-end services due to postponed elective surgeries.

The current political crisis in Russia/Ukraine cannot yet be assessed in terms of its effects. A geopolitical and geo-economic escalation would, of course, also have a significant negative impact on VAMED.

4. Supplementary report

No events of special significance for the VAMED Group's assets, earnings and financial position occurred after the end of the financial year. Future effects of the political crisis in Russia/Ukraine mentioned in point 3.2 cannot yet be estimated.

5. Outlook

Holistic realisation models (such as PPP and life-cycle projects) will continue to play a major role in determining VAMED's business activities in Europe in the coming years. Outside Europe, the focus will be on tailor-made solutions and customer-oriented financing solutions for healthcare facilities along the VAMED value chain. VAMED will pay particular attention to the development of integrated care models.

In organisational terms, VAMED will be streamlined and consolidated regionally by creating five management and competence hubs distributed globally for the Project and Service Business worldwide.

VAMED will continue its successful path with its unique portfolio of services in the areas of prevention, acute care, rehabilitation and nursing in the 2022 financial year.

In the field of post-acute care, VAMED is mainly active in Germany, Austria, Switzerland and the Czech Republic and has become a leading private provider in this field in Central Europe over the past years. Further expansion is being sought in the range of post-acute services in Europe, particularly in the UK. VAMED meets the demand for extra-occupational rehabilitation close to the patient's home by expanding the range of out-patient rehabilitation services and by digitalisation initiatives to promote hybrid and tele-rehabilitation.

We expect that there will be a need for catch-up in projects and services for hospitals and other healthcare facilities due to the COVID-19-related postponements and that corresponding growth rates will be possible as a result. In medium term, growth should level off again in the low single-digit range.

VAMED generally distinguishes between established and emerging healthcare markets. VAMED's Service Business is in particular demand in the established healthcare markets with increasing cost pressures as well as cost awareness. In addition to efficiency gains through professional technical, infrastructural or commercial management, there are a large number

of processes that are indirectly controlled by medical and care activities and that harbour additional efficiency potentials. VAMED plays an innovative and leading role in the further development of these processes. In addition to services, the infrastructural adaptation of healthcare facilities is also in demand in the established target markets, particularly within the framework of life-cycle and PPP models. In the established healthcare markets of Central Europe, we expect solid growth once the COVID-19-related restrictions have been lifted. Demand will continue to rise here, driven by demographic trends and an increasing need for investment and modernisation in public health facilities, and by the fact that financing under PPP models is a reliable and predictable alternative when budgets are tight.

VAMED's focus in the emerging healthcare markets remains on creating efficient and needs-based healthcare for people. The current crisis has clearly highlighted existing weaknesses, meaning that national economies must address the further development of their health systems more intensively than it has been the case previously. Where the development of primary care structures has been completed, it is therefore important to push ahead with the expansion of secondary care and to create tertiary care structures as well as teaching and research facilities within the framework of "Centers of Excellence". Professional services according to European standards are also in demand in many markets in Asia, the Middle East and Africa. VAMED's core competencies in the Project and Service Business are therefore also in demand in the emerging markets. Customer-oriented offers in the areas of prevention, acute care, rehabilitation and nursing are also attracting increasing interest in these markets.

VAMED has been able to establish an excellent national and international reputation in recent years thanks to its comprehensive service portfolio, professionalism and reliability.

The COVID-19 pandemic has accelerated many processes in the company and provided the impetus to break new ground. For instance, digitalisation was further advanced and possibilities were developed to control, plan and commission projects remotely. External services that were not provided due to the pandemic were replaced by in-house services. The experience gained in dealing with the pandemic worldwide was incorporated into the preparation of hygiene and protection concepts for all services in the VAMED value chain. The development of a

telemedical health platform is aimed at contributing towards improved access to low-threshold medical treatment in remote regions.

VAMED is well positioned with these insights and experiences.

We expect dynamic development overall once again over the medium term in the emerging markets. The demand for efficient and needs-based primary health-care is e.g. growing in the first instance e.g. in Africa and Latin America.

In other markets, such as China, South East Asia and the Middle East, infrastructure needs to be further developed and new supply structures created. VAMED is very well positioned here with its integrated care

models consisting of acute and post-acute services. In 2022, we want to continue to live up to our reputation and the trust that our partners and customers at home and abroad place in our expertise and our commitment to costs, deadlines and quality. The pursuit of innovative paths and the development of quality solutions as well as their successful implementation will continue to be our top priorities in the future. VAMED will continue in 2022 to use and further expand its entire international network of subsidiaries and joint ventures in Central and Eastern Europe, the Middle East, as well as in Asia, Africa, Latin America and Australia, with the entire value chain for all customers and partners – for the purposes of health and quality, which should benefit all patients and all staff members.

Vienna, March 4, 2022

The Executive Board



Dr. Ernst Wastler
Chairman of the Executive Board



Mag. Gottfried Koos
Member of the Executive Board



MMag. Andrea Raffaseder
Member of the Executive Board



DI (FH) Andreas Wortmann, M.Sc.
Member of the Executive Board



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Condensed SUBGROUP FINANCIAL STATEMENTS of VAMED AKTIENGESELLSCHAFT, VIENNA for the financial year from January 1 to December 31, 2021

The condensed subgroup financial statements of VAMED Aktiengesellschaft correspond to the segment financial statements "Fresenius Vamed" in the consolidated financial statements of Fresenius SE & Co. KGaA, Bad Homburg v.d.H., Germany, prepared in accordance with IFRS and are referred to in the following as the "VAMED Group's consolidated financial statements".

VAMED CONSOLIDATED INCOME STATEMENT

January 1 to December 31, in T€	Note	2021	2020
Sales	3	2,296,828	2,067,689
Cost of sales	4,5	-2,063,818	-1,921,621
Gross profit		233,010	146,068
Selling and general administrative expenses	6	-156,915	-159,293
Other expenses	7	-2,948	-1,745
Other income	7	27,564	43,491
Earnings before interest and tax (EBIT)		100,711	28,521
Interest income	8	6,707	5,585
Interest expenses	9	-16,973	-25,089
Earnings before income taxes (EBT)		90,445	9,017
Taxes on income	10	-19,762	-4,421
Earnings after taxes (EAT) = net income		70,683	4,596
Non-controlling interests	11	-4,175	-2,790
Profit attributable to shareholders of VAMED Aktiengesellschaft		66,508	1,806

VAMED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to December 31, in T€	Note	2021	2020
Earnings after taxes (EAT) = net income		70,683	4,596
Other comprehensive income			
Items which will be reclassified into net income in subsequent years		4,391	-2,893
Currency translation differences		4,391	-2,893
Items which will not be reclassified to profit or loss in subsequent years		-42,761	-1,904
Actuarial gains (losses) on defined benefit pensions plans		7,722	589
Changes in fair value from equity instruments		-66,320	-2,735
Other items (mainly severance pay provisions)		617	95
Income tax on positions that are not reclassified		15,220	147
Other comprehensive income, net		-38,370	-4,797
Comprehensive income		32,313	-201
Total comprehensive income attributable to non-controlling interests		-4,350	-2,760
Total comprehensive income attributable to the shareholders of VAMED Aktiengesellschaft		27,963	-2,961

VAMED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

As at December 31, in T€	Note	2021	2020
Cash and cash equivalents	12	68,394	88,728
Trade accounts receivable, less allowances for doubtful receivables	13	456,497	401,007
Accounts receivable from and loans to related parties	14	80,264	90,258
Inventories	15	87,346	79,992
Other current assets	16	592,313	585,333
Total current assets		1,284,814	1,245,318
Property, plant and equipment	17	497,648	461,281
Right-of-use assets from leases	29	477,988	442,149
Goodwill	18	299,793	298,025
Other intangible assets	18	24,327	23,525
Deferred taxes	10	16,216	12,720
Other non-current assets	16	193,752	233,355
Total non-current assets		1,509,724	1,471,055
Total Assets		2,794,538	2,716,373

LIABILITIES

As at December 31, in T€	Note	2021	2020
Trade payables	19	240,491	195,851
Current liabilities to related parties	20	18,254	21,897
Current provisions and other current liabilities	21, 22	592,663	575,709
Short-term borrowings	23	12,187	13,473
Short-term borrowings from related parties	23	111,426	143,813
Current portion of non-current liabilities from borrowings	23	8,521	12,351
Current portion of non-current liabilities from leases	29	43,765	41,575
Current provisions for income taxes	24	24,940	21,681
Total current liabilities		1,052,247	1,026,350
Non-current liabilities from borrowings, less the current portion	23	27,230	22,277
Non-current liabilities from leases, less the current portion	29	445,168	411,253
Non-current liabilities to and borrowings from related parties	23	72,406	41,603
Non-current provisions and other non-current liabilities	21, 22	75,576	67,131
Pension provisions	25	41,348	50,122
Non-current provisions for income taxes	24	255	274
Deferred taxes	10	24,248	43,136
Total non-current liabilities		686,231	635,796
Non-controlling interests		18,215	15,404
Subscribed capital	26	10,000	10,000
Capital reserves	26	588,738	589,093
Other reserves	26	507,949	470,027
Accumulated other comprehensive income	27	-68,842	-30,297
Shareholders' equity attributable to shareholders of VAMED Aktiengesellschaft		1,037,845	1,038,823
Total equity		1,056,060	1,054,227
Total equity and liabilities		2,794,538	2,716,373

VAMED CONSOLIDATED CASH FLOW STATEMENT

January 1 to December 31, in T€	2021	2020
Earnings after taxes (EAT) = net income	70,683	4,596
Reconciliation of earnings after taxes (EAT) to cash received from operating activities		
Depreciation	89,793	84,773
Change in deferred taxes	-5,804	-9,171
Gain/loss on disposal of fixed assets	-304	-273
Other expenses/income not recognised as cash	76	-455
Changes in assets and liabilities, net of effects from businesses acquired or disposed of		
Trade accounts receivable, net	-63,537	-18,061
Inventories	-7,354	4,793
Prepaid expenses and other current and non-current assets	-5,131	137,221
Receivables/payables from/to related parties	10,597	-35,745
Trade accounts payables, provisions and other current and non-current liabilities	58,302	-89,167
Tax provisions	3,238	-722
Cash flow from operating activities	150,560	77,789
Acquisition of property, plant and equipment and intangible assets	-79,883	-94,801
Disposal of property, plant and equipment	1,483	18,733
Acquisition of shares in affiliated companies and participations, net	-1,002	-5,550
Disposal of participations	34	37
Proceeds from/repayment of borrowings to affiliated companies	-15,378	0
Cash flow from investing activities	-94,746	-81,581
Proceeds from/repayment of short-term loans	1,444	1,828
Proceeds from/repayment of borrowings from related parties	-1,584	111,983
Proceeds from/repayment of long-term debt from borrowings	-761	-17,501
Repayment of liabilities from leases	-46,239	-43,431
Dividend payments	-27,780	-22,800
Change in other non-controlling interests	-1,228	-857
Cash flow from financing activities	-76,148	29,222
Net change in cash and cash equivalents	-20,334	25,430
Cash and cash equivalents at the beginning of the year	88,728	63,298
Cash and cash equivalents at the end of the year	68,394	88,728
Including cash and cash equivalents with restrictions on disposal	14,671	19,611

VAMED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January 1 to December 31, in T€	Subscribed capital	Reserves		Accumulated other comprehensive income	Shareholders' equity attributable to the shareholders of VAMED Aktien- gesellschaft	Non- controlling interest	Total shareholders' equity
		Capital reserves	Other reserves				
As of December 31, 2019	10,000	239,078	492,145	-25,530	715,693	13,502	729,195
Stock options of the parent company	0	0	-455	0	-455	0	-455
Other comprehensive income							
Currency translation differences	0	0	0	-2,795	-2,795	-98	-2,893
Actuarial gains (losses) from defined benefit pension plans	0	0	0	137	137	0	137
Changes in fair value from equity instruments	0	0	0	-2,051	-2,051	0	-2,051
Other items (mainly severance pay provisions)	0	0	0	-58	-58	68	10
Effect of changes in the scope of consolidation and non- controlling interests	0	0	132	0	132	0	132
Allocation to or release from reserves	0	350,015	-801	0	349,214	0	349,214
Dividends	0	0	-22,800	0	-22,800	-858	-23,658
Net income	0	0	1,806	0	1,806	2,790	4,596
As of December 31, 2020	10,000	589,093	470,027	-30,297	1,038,823	15,404	1,054,227
Stock options of the parent company	0	0	76	0	76	0	76
Other comprehensive income							
Currency translation differences	0	0	0	4,179	4,179	212	4,391
Actuarial gains (losses) from defined benefit pension plans	0	0	0	6,485	6,485	0	6,485
Changes in fair value from equity instruments	0	0	0	-49,740	-49,740	0	-49,740
Other items (mainly severance pay provisions)	0	0	0	531	531	-37	494
Effect of changes in the scope of consolidation and non- controlling interests	0	0	-427	0	-427	-311	-738
Allocation to or release from reserves	0	-355	-455	0	-810	0	-810
Dividends	0	0	-27,780	0	-27,780	-1,228	-29,008
Net income	0	0	66,508	0	66,508	4,175	70,683
As of December 31, 2021	10,000	588,738	507,949	-68,842	1,037,845	18,215	1,056,060



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GENERAL NOTES

1. General

I. Group structure

The VAMED Group is a global provider of healthcare services. The headquarters and the registered office of the parent company VAMED Aktiengesellschaft are located in 1230 Vienna, Sterngasse 5.

Under company law, VAMED Aktiengesellschaft (also referred to as VAMED AG or VAG in the following) is 77% owned by Fresenius ProServe GmbH (also referred to as FPS in the following), Bad Homburg v.d.H., a wholly-owned subsidiary of Fresenius SE & Co. KGaA (also referred to as FSE in the following), Bad Homburg v.d.H., 13% by IMIB Immobilien und Industriebeteiligungen GmbH, Vienna, and 10% by B & C Beteiligungsmanagement GmbH, Vienna.

Fresenius is a global healthcare group with products and services for dialysis, hospitals and outpatient medical care. Other fields of work include the operation of hospitals as well as engineering and services for hospitals and other healthcare facilities. In addition to the activities of FSE, the operating activities in the financial year were distributed among the following legally independent divisions (subgroups):

- Fresenius Medical Care
- Fresenius Kabi
- Fresenius Helios
- Fresenius Vamed

General notes on the consolidated financial statements of the VAMED Group

VAMED AG is included in the consolidated financial statements of Fresenius SE & Co. KGaA, with its registered office in 61352 Bad Homburg v.d.H., Germany, and makes use of the exemption provision of section 245 of the Commercial Code (UGB). Pursuant to section 315a of the German Commercial Code, FSE prepares consolidated financial statements in accordance with IFRS in the German language and is subsequently also referred to as the "parent" or "parent company".

The subgroup financial statements of VAMED AG are therefore prepared on a voluntary basis; they essentially correspond to the segment presentation for the "Fresenius Vamed" business segment in the consolidated financial statements according to IFRS of FSE.

The reporting and functional currency of the VAMED Group is the euro. For reasons of clarity, the figures

are presented in thousands of euros (T€). This may result in minor deviations in totals or percentages due to rounding.

The VAMED Group's consolidated financial statements differ from the applicable International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) in the following respects:

- The goodwill resulting from the acquisition of the VAMED Group at the level of the parent company FSE is included in the VAMED consolidated financial statements (push-down accounting).
- Goodwill from acquisitions of other segments of FSE is included in the VAMED Group's consolidated financial statements at the values specified by FSE (push-down accounting) or results from the difference between the acquisition price and the amortised carrying amounts. In total, the goodwill from the above circumstances amounts to € 205.7 million.
- Minority interests of the Fresenius company FNT Rehaklinik-Beteiligungsgesellschaft mbH are not reported in the VAMED Group's consolidated financial statements as required by the parent company. As at the reporting date, the value of these minority interests amounts to € 7.6 million.
- A simplified presentation is used for the consolidated cash flow statement.
- These notes to the VAMED Group's consolidated financial statements ("Notes") have been prepared only to the extent that, in the opinion of the VAMED Group, they are necessary for an understanding of the statement of financial position and the income statement and do not purport to be complete for the purposes of the International Financial Reporting Standards (IFRS).

The company wordings for the abbreviations used in the Notes can be found in the schedule of participations. This is sorted alphabetically within the groups "fully consolidated companies" and "associated companies and non-consolidated companies" according to the abbreviations used within the group.

Those companies that are included in FSE's consolidated financial statements via FSE's scope of consolidation are also shown as affiliated and not consolidated.

II. Basis of the presentation

The VAMED Group's consolidated financial statements are prepared in accordance with the guidelines of the parent company (in particular with regard to the application of IFRS, materiality thresholds, determination of the scope of consolidation) and are included in the published consolidated financial statements of FSE according to IFRS as the "Fresenius Vamed" segment.

In order to improve the clarity of presentation, various items of the VAMED consolidated statement of financial position and the VAMED Group's consolidated income statement have been combined. These are disclosed separately in the Notes to the financial statements, insofar as they provide information to the recipients of the VAMED Group's consolidated financial statements.

The VAMED Group's consolidated statement of financial position contains the disclosures required by IAS 1, Presentation of Financial Statements, and is structured according to the maturity of assets and liabilities. The VAMED Group's consolidated income statement is prepared using the cost of sales method.

III. Summary of material accounting and measurement principles

a) Consolidation principles

The financial statements of the companies included in the VAMED Group's consolidated financial statements have been prepared in accordance with uniform accounting and measurement principles. Acquisitions are accounted for using the purchase method.

Capital consolidation is carried out by offsetting the carrying amounts of the investments against the pro rata remeasured shareholders' equity of the subsidiaries at the time of acquisition. The assets and liabilities as well as non-controlling interests are recognised at their fair values. The amortised carrying amounts are recognised for acquisitions within the group.

Any remaining positive difference is capitalised as goodwill and subjected to an impairment test at least once a year.

All intra-group sales, expenses and income as well as all intra-group receivables and liabilities are offset against each other.

There were no significant intercompany profits to be eliminated in the reporting year from intra-group deliveries to fixed assets and inventories.

Deferred tax assets and liabilities are recognised on consolidation-related temporary differences.

Non-controlling interests are recognised as "non-controlling interests" in the capital subject to consolidation. Profits and losses attributable to minority interests are shown separately in the income statement.

Companies not included in the VAMED Group's consolidated financial statements are accounted for at acquisition cost or at fair value.

b) Scope of consolidation

In addition to VAMED AG, the consolidated financial statements of the VAMED Group also include all material companies over which VAMED AG exercises control or a significant influence in accordance with IFRS 10. VAMED AG controls an entity to the extent that it has power over the entity. This means that VAMED AG has existing rights that give it the current ability to direct the relevant activities of the company. These are activities that have a significant impact on the company's return on investment. In addition, VAMED AG is exposed to, or has rights to, variable returns from its involvement with the company. Furthermore, it has the ability to influence these returns through its power over the company.

As a rule, associated companies are companies in which VAMED AG directly or indirectly holds more than 20% and less than 50% of the voting rights and has the power to exercise significant influence over the financial and operating policies. Associated companies are accounted for using the equity method. Investments not classified as associates are accounted for at acquisition cost or fair value.

At the end of the 2021 financial year, the VAMED Group's consolidated financial statements include 24 (2020: 25) Austrian and 112 (2020: 110) foreign companies in addition to VAMED AG.

The following companies were consolidated for the first time in the 2021 financial year:

Abbreviation	Company name and registered office	Foundation/ acquisition	Effective date
VHP-FIN	VAMED Health Projects Finland Oy, Helsinki, Finland	Foundation	Jan. 1, 2021
VHP-IT	VAMED HEALTH PROJECT ITALY S.R.L., Florence, Italy	Foundation	Jan. 1, 2021

Special purpose entities (SPEs) would have to be consolidated if a company of the VAMED Group exercises a controlling influence over that company (i.e. risks and opportunities are essentially assigned to the VAMED Group).

Companies of the VAMED Group are involved for a limited longer-term period in project companies established specifically for this purpose for the construction and operation of thermal spas. These project companies are SPEs in which VAMED does not exercise a controlling influence and are therefore not consolidated. In this context, VAMED AG accounts for financial instruments and investments in associates. The SPEs finance themselves mainly through borrowed capital, profit participation rights and investment grants. The value of assets and liabilities related to these project companies is immaterial. The VAMED Group did not make any payments to these companies other than those contractually agreed. From today's perspective, no significant risk of loss is discernible from these project companies due to existing contractual regulations.

The complete shareholdings of VAMED AG are disclosed in detail in the Notes to the financial statements.

c) Disclosure

Disclosure of the items in the VAMED Group's consolidated financial statements is based on the structure of the parent company's consolidated financial statements according to IFRS.

d) Revenue recognition principles

Revenue is recognised in accordance with IFRS 15, Revenue from Contracts with Customers.

Sales from services and product deliveries are invoiced in accordance with the usual contractual agreements with customers, patients and third parties involved. For healthcare services, the transaction price is based

on list prices, reimbursement agreements or government regulations. These reimbursement arrangements are usually agreed with third parties such as health insurance funds or insurance companies. Contractually agreed deductions from discounts or rebates are taken into account as necessary to calculate the expected reimbursement amounts.

Sales from services are generally recognised at the time the service is rendered. At this point, the client is obliged to pay for the services already provided. Sales revenues from product deliveries are recognised when the customer obtains control over the product; either after transfer of title to the customer, after installation and provision of the necessary technical training at the customer's premises, or at another point in time that clearly defines control.

Performance obligations from long-term manufacturing contracts are generally fulfilled over a period of time. Revenue recognition in these cases is based on the degree of completion. The degree of completion is determined either based on the ratio of costs already incurred to the estimated total cost volume of the contract, the contractually agreed milestones or the progress of performance, depending on which method is more suitable for estimating progress with the performance.

Sales are shown net of VAT.

e) Government grants and impact of the COVID-19 pandemic

Government grants are generally only recognised in the statement of financial position if there is reasonable assurance that the conditions attached to them will be complied with and that the grants will be received. The grants are initially recognised as liabilities when they are granted and are released to income over the

useful life of the asset in line with depreciation. Grants related to expenses are recognised in profit or loss and are generally offset in the periods in which the expenses are incurred that are to be compensated by the grants.

The VAMED Group's financial statements as of December 31, 2021 continued to be affected by the impact of the COVID-19 pandemic. The Project Business experienced significant delays and cost increases due to material and resource bottlenecks, interrupted supply chains, travel restrictions (especially in the first half of the year), material price increases and disruptions to project execution. In the Service Business, some capacities in rehabilitation clinics remained unused, especially in the first half of the year and at the end of the year, as fewer referrals were made due to COVID-19. Health tourism facilities in Austria and Germany were temporarily closed by the authorities or their operation was significantly impaired due to COVID-19 restrictions.

Various governments have provided economic aid programmes in regions where VAMED operates to counteract the consequences of the pandemic for businesses and to support healthcare providers and patients. The related reimbursement payments and subsidies received by VAMED have been accounted for in accordance with the terms and conditions set out in local laws and regulations.

The VAMED Group received grants from several governments under various COVID-19 programmes. All funds received from grants fulfil the respective conditions. The VAMED Group is committed and obliged to comply with all requirements set forth in the grant funding agreements.

Despite the compensation and reimbursements received in various countries, the VAMED Group was affected by the impact of the COVID-19 pandemic on the global economy and financial markets as well as by effects related to lockdowns.

f) Impairment

The VAMED Group tests the carrying amounts of its property, plant and equipment, its intangible assets and right-of-use assets arising from leases, and its other non-current assets for impairment whenever events or changes in circumstances indicate that the carrying amount is higher than the net disposal proceeds or the value in use. The net disposal proceeds are the fair value less costs directly attributable to the sale. The value in use is the sum of the discounted expected future cash flows of the assets concerned. If no own future cash flows can be allocated to these assets, impairment is tested using the cash flows of the corresponding smallest cash generating units (CGUs).

If the reasons for the impairment no longer apply and there is a change in the estimate of the amount, the impairment loss is reversed up to the amount of the amortised cost, with the exception of impairment losses on goodwill.

Assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell. No further scheduled depreciation and amortisation is applied to these assets. No assets of this type are to be reported in the reporting year.

g) Capitalised interest

The VAMED Group capitalises interest on borrowed capital to the extent that it is attributable to the acquisition, construction or production of qualified assets. No interest on borrowed capital was capitalised in the reporting periods presented.

h) Income taxes

Current income taxes are calculated on the basis of the current profits for the financial year as at the reporting date and the legal situation currently applicable in the individual countries. Expected and paid additional tax expenses and tax income for previous years are also taken into account.

Deferred tax assets and liabilities are determined for the future consequences attributable to temporary differences between the financial statement carrying amounts in the VAMED Group's consolidated financial statements for existing assets and total liabilities & shareholders' equity and their respective tax bases. In addition, deferred tax assets are recognised on consolidation measures affecting profit or loss. Deferred tax assets also include claims for tax reductions resulting from the use probably expected of existing loss carryforwards. The recoverability of deferred tax assets from tax loss carryforwards or their usability is assessed

on basis of the VAMED Group's profit planning and concrete tax strategies that can be implemented.

Deferred tax assets are measured using the tax rates expected to apply to the period when an asset is realised or a liability is settled. The tax rates used are those that are applicable or will soon be applicable as at the reporting date.

The recoverability of the carrying amount of a deferred tax asset is reviewed at each reporting date. The basis for assessing the recoverability of deferred tax assets is management's estimate of the extent to which deferred tax assets are likely to be realised. The realisation of deferred tax assets depends on the generation of future taxable profits during the periods in which tax measurement differences are reversed and tax loss carryforwards can be utilised. This takes into account the expected reversal of existing deferred tax liabilities and future taxable profits.

The carrying amount of the deferred tax asset is recognised to the extent that it is probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilised, either in part or in full.

The VAMED Group recognises tax assets and liabilities arising from tax items subject to uncertainty to the extent that it is probable that the tax will be recovered or paid. The VAMED Group recognises interest in connection with income tax obligations as interest expense and other surcharges as general administrative expenses.

The VAMED Group is subject to tax audits in Austria, Germany and other countries both currently and in the future. Different interpretations of tax laws can lead to additional tax payments or tax refunds for previous years. In order to determine income tax items or receivables due to the uncertainty of tax assessments, management makes assumptions based on the applicable tax laws of the respective countries and their interpretation. The assumptions are adjusted in the period in which there is sufficient evidence to justify changing the previous assumptions.

i) Inventories and contract assets

Inventories include those assets that are held for sale in the ordinary course of business (finished goods), are in the process of production for sale (work in progress), or are consumed in the production process or in the rendering of services (raw materials and supplies). Contract assets relate to customer orders where sales are recognised over the term of the contract.

Inventories of raw materials, consumables and supplies, merchandise and services not yet invoiced are valued either at acquisition or manufacturing cost (calculated using the average cost or FIFO method) or at the lower net realisable value.

j) Property, plant and equipment

Property, plant and equipment are measured at acquisition or manufacturing cost less accumulated depreciation. Ongoing maintenance and repair expenses are recognised immediately as expenses. Costs for the replacement of components or for general overhauls of property, plant and equipment are capitalised if it is probable that the future economic benefits will be accrued to the VAMED Group and the costs can be measured reliably. Depreciation is implemented using the straight-line method over the estimated useful lives of the assets, which range from 1 to 60 years for buildings and improvements and from 1 to 23 years for technical equipment, machinery and fixtures and fittings.

k) Intangible assets with a determinable useful life

In the VAMED Group, intangible assets with determinable useful lives resulting from consolidation procedures, such as customer relationships, are amortised on a straight-line basis over their respective remaining useful lives (usually 1 to 10 years) and tested for impairment. All other intangible assets are amortised over their respective estimated useful lives of between 1 and 20 years.

Permanent impairments are taken into account through unscheduled depreciation and amortisation. If the reasons for the impairment no longer apply, the impairment loss is reversed up to the amount of the amortised cost.

l) Goodwill and intangible assets with undeterminable useful lives

In order to assess the recoverability of separately identifiable intangible assets with undeterminable useful lives, the VAMED Group compares the fair values of these intangible assets with their carrying amounts. The fair value of an intangible asset is determined using a discounted cash flow method and, where appropriate, other methods. As at the reporting date, no intangible assets with undeterminable useful lives were recognised in assets.

Goodwill is not amortised but tested for impairment annually and additionally during the year if certain events occur (impairment test). For the purpose of the annual impairment test of goodwill, the VAMED

Group has defined groups of cash-generating units (CGUs) and determined the carrying amount of each CGU by allocating the assets and liabilities. A CGU is usually determined one level below the segment level according to operational control ("management approach").

At least once a year, the value in use of each group of CGUs is compared with their carrying amount. The recoverable amount of a CGU is determined as the value in use using a discounted cash flow method based on the expected cash flows of the CGU. If the value in use of the CGU is lower than the carrying amount and the fair value less costs to sell is not estimated to be higher than the value in use, the difference is first recognised in the goodwill of the CGU as an impairment loss.

For the goodwill of the "Fresenius Vamed" business segment reported in the VAMED Group's consolidated financial statements in accordance with the parent company's requirements, the impairment test is performed for the "Project Business" and "Service Business" CGUs.

If the purchase price allocation results in a negative difference ("lucky buy", badwill), this must be recognised immediately in profit or loss after a further review of the measurements.

The recoverability of the goodwill included in the VAMED Group's statement of financial position was verified. Significant impairment losses on goodwill were therefore not necessary in the 2021 and 2020 financial years.

m) Leasing

A lease is an agreement that conveys the right to use an asset for an agreed period of time in return for consideration.

The VAMED Group has decided not to apply the provisions of IFRS 16 to leases with a total lease term of twelve months or less (short-term leases) or to leases of low-value assets. These leases are excluded from the statement of financial position and their lease payments are recognised as an expense over the lease term.

IFRS 16 is not applied to leases of intangible assets.

Liabilities from leases

Liabilities from leases are recognised at the present value of the subsequent payments:

- Fixed lease payments,
- Variable lease payments linked to an index or interest rate,
- Expected payments from residual value guarantees,
- Exercise price of call options if exercise has been assessed as reasonably certain,
- Lease payments in renewal periods if the exercise of renewal options has been assessed as reasonably certain and
- Contractual penalties for termination of the lease if its term takes into account that a termination option will be exercised.

The VAMED Group is required by IFRS 16 to make discretionary decisions affecting the measurement of lease liabilities and right-of-use assets under leases. Discretionary decisions include determining which contracts are within the scope of IFRS 16, estimating the contract term and determining the incremental interest rate.

By assessing whether an option is considered "reasonably certain", the VAMED Group determines whether and which future costs based on renewal and/or termination options are included in the lease liabilities and in the right-of-use assets. In the measurement, the VAMED Group has to consider all relevant facts and circumstances that create an economic incentive for the Group to exercise or not to exercise an option. This includes all expected changes in facts and circumstances (for example, contract, property, company or market-specific factors) from the inception of the lease to the exercise date of the option. Options not exercised are reported as potential future cash outflows.

Lease payments are discounted at the implicit interest rate underlying the lease, if determinable. Otherwise, discounting is carried out at the incremental borrowing rate.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. In addition, lease liabilities are adjusted in the event of remeasurements or changes in lease contracts.

The incremental borrowing rate is determined at the inception of the lease or when there is a corresponding change in an existing lease. The interest rate is determined on the basis of the following components: available reference interest rates, group risk margins, credit risk margins, country risk margins, handling margins and other risk margins. No separation is made in contracts which, in addition to leasing components, also contain non-lease components that are not shown separately from the leasing components. Each lease component is accounted for as one lease together with the related other performance components.

Right-of-use assets from leases

Right-of-use assets from leases are measured at acquisition cost, which is comprised as follows:

- Liabilities from leases,
- Initial direct costs incurred upon entering into the contract,
- Lease payments made at or before the commencement of the lease and
- Expected payments from restoration obligations,
- Less lease incentives received.

Right-of-use assets from leases are amortised on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. In the event of a transfer of ownership at the end of the contract term or a reasonably certain exercise of a purchase option, right-of-use assets from leases are amortised on a straight-line basis over the useful life of the underlying asset. In addition, right-of-use assets to leases are reduced by any impairment losses and modified by certain adjustments.

Right-of-use assets from leases are divided into the following classes in accordance with the Group-specific classification of property, plant and equipment:

- Right-of-use assets: Land
- Right-of-use assets: Buildings and improvements
- Right-of-use assets: Machinery and equipment

In addition to the right-of-use assets listed, advance payments made on right-of-use assets are reported separately. Right-of-use assets from leases and liabilities from leases are reported separately from property, plant and equipment and other financial liabilities in the consolidated statement of financial position.

n) Financial instruments

Financial instruments involve all contracts that give rise to a financial asset of one company and a financial liability or equity instrument of another company.

Purchases or sales of financial assets are recognised as at the trade date. Furthermore, the VAMED Group does not make use of the option to designate financial liabilities at fair value through profit or loss upon initial recognition (fair value option). For selected equity instruments that are not held for sale, the VAMED Group makes use of the option to recognise changes in fair value directly in shareholders' equity.

The categorisation of financial instruments is based on the analysis of business model conditions and cash flow conditions provided by IFRS 9, Financial Instruments. The following categories are relevant for the VAMED Group: financial assets/liabilities measured at amortised cost, financial assets/liabilities measured at fair value through profit or loss, and assets measured at fair value recognised directly in equity.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with a maturity of up to three months. The risk of fluctuations in value is insignificant.

Trade accounts receivable and other receivables

Trade accounts receivable and other receivables are recognised at nominal values less credit losses expected over the total term.

Write-downs

The recognition of impairments according to IFRS 9 is based on an expected credit loss model (ECL). The VAMED Group recognises allowances for expected credit losses for financial assets measured at amortised cost, contract assets and lease receivables.

The VAMED Group records allowances for expected credit losses (allowances for doubtful receivables) mainly for trade accounts receivable and contract assets. The expected credit losses are adjusted at the respective reporting date to reflect changes in credit risk since the initial recognition of the respective instrument.

For trade accounts receivable, the VAMED Group recognises credit defaults expected over the entire term in accordance with the simplified procedure.

For cash and cash equivalents, the VAMED Group recognises credit losses expected to occur in the next 12 months (12-month ECL) in accordance with the general approach. Due to their short-term maturity, this corresponds to the total term ECL. A significant increase in credit risk is calculated using available qualitative and quantitative information. Based on the corporate ratings performed by rating agencies, the VAMED Group classifies the counterparty risk for cash and cash equivalents as low.

Creditor and financial instrument-specific analyses are carried out to determine impairments. Expected default rates, current financial stability and forward-looking economic conditions are included. If there is objective evidence that expected future cash flows are impaired, a financial asset is classified as impaired (with impaired credit rating). As a rule, this is the case after 360 days overdue at the latest.

In the event of default by a counterparty, all assets against that counterparty are classified as impaired. The definition of default is based on customary payment behaviour in the respective business and geographical regions.

Derivative financial instruments

Derivative financial instruments, essentially forward exchange contracts and interest rate swaps, are recognised as assets and liabilities at fair value in the consolidated statement of financial position. The effective portion of changes in the fair value of derivatives classified as cash flow hedges is recognised directly in equity (accumulated other comprehensive income) until the hedged item is realised. The ineffective portion of cash flow hedges is recognised in profit or loss in the current period. The changes in the fair value of derivatives without a hedging relationship, i.e. derivatives for which hedge accounting is not applied, are recognised in profit or loss periodically.

Embedded derivatives that contain a financial liability as the base contract are separated from the base contract and accounted for separately unless their economic characteristics and risks are closely related to the economic characteristics and risks of the base contract. These embedded derivatives are measured at fair value, and changes in market value are recognised in profit or loss.

o) Liabilities

Liabilities are generally measured at amortised cost as at the reporting date, which generally corresponds with the repayment amount.

p) Legal costs

In the normal course of business, the VAMED Group is subject to litigation and court proceedings regarding various aspects of its business. The VAMED Group regularly analyses relevant information and makes the necessary provisions for obligations that could result from such proceedings, including estimated fees for legal advice. The VAMED Group uses both its internal legal department and external resources for these analyses. The recognition of a provision for litigation is based on the probability of an unfavourable outcome for the VAMED Group and the possibility of being able to reasonably estimate a loss amount.

The filing of a lawsuit or the formal assertion of a claim or the announcement of such a lawsuit or the assertion of a claim does not necessarily indicate that accrual of a loss is appropriate.

q) Provisions

Provisions for taxes and other obligations are recognised when there is a present obligation to a third party as a result of a past event, the future payment is probable and the amount can be reliably estimated.

Provisions for warranties and claims are estimated based on past experience.

In addition to the calculation for the current year, the income tax provisions also include obligations for previous years.

Non-current provisions with a remaining term of more than one year are recognised at their settlement amount discounted to the reporting date.

r) Provisions for pensions and similar obligations

The actuarial measurement of pension provisions is carried out in accordance with IAS 19, Employee Benefits (revised in 2011), using the projected unit credit method for retirement benefit obligations, while also taking into account future wage, salary and pension trends.

The VAMED Group's measurement date for determining the financing status is 31 December for all plans. The net interest expense (net interest income) is determined by multiplying the net liability (net asset) at the beginning of the period by the interest rate underlying the discounting of the gross defined benefit obligation at the beginning of the period. The pension provision results from the pension obligation less the market value of the plan assets.

The remeasurement component includes, on the one hand, the actuarial gains and losses from the measurement of the defined benefit pension obligation. It also includes the difference between the actual return on plan assets and the return used to calculate the net interest expense at the beginning of the period.

All remeasurement effects are recognised directly in other comprehensive income. They are not reclassified to the income statement in subsequent periods. The components of net pension expense are recognised in profit and loss for the period.

s) Share-based compensation plans

The total value of the stock options issued by FSE to the members of the Executive Board and senior executives of the VAMED Group as of the issue date was determined using an option pricing model and is distributed over the vesting period of the stock option plans with an effect on profit or loss.

The phantom stocks or performance shares issued to members of the Executive Board and senior executives of the VAMED Group, which are settled by cash payment, are valued as of the respective measurement date using the Monte Carlo simulation. The corresponding liability is recognised pro rata over the vesting period of the phantom stock or performance share programmes based on the value of the phantom stocks or performance shares as at the respective reporting date.

t) Foreign currency translation

The reporting and functional currency is the euro. The assets and liabilities of the foreign subsidiaries whose functional currency is not the euro are translated at year-end exchange rates. Expenses and income are translated at the average exchange rate. Currency translation differences are recognised directly in equity (accumulated other comprehensive income).

Gains and losses from the translation of foreign currency positions, insofar as they are not of an equity nature, are recognised as "Other expenses" or "Other income". There were expenses of T€ 1,180 (2020: T€ 323) and income of T€ 550 (2020: T€ 502) under this heading in the financial year.

The exchange rates of major currencies on which the currency translation is based developed as follows:

	Period-end exchange rate		Average rate	
	Dec. 31, 2021	Dec. 31, 2020	2021	2020
AED (United Arab Emirates dirham) per €	4.160	4.507	4.344	4.195
ARS (Argentine peso) per €	116.780	102.900	112.522	81.042
BOB (Bolivian boliviano) per €	7.841	8.440	8.154	7.885
CHF (Swiss franc) per €	1.033	1.080	1.081	1.071
CZK (Czech crown) per €	24.860	26.245	25.640	26.453
GBP (British pound) per €	0.840	0.899	0.860	0.890
MYR (Malaysian ringgit) per €	4.718	4.934	4.902	4.796
OMR (Omani rial) per €	0.436	0.472	0.455	0.440
RUB (Russian rouble) per €	85.300	91.467	87.153	82.725
TTD (Trinidad dollar) per €	7.701	8.266	8.021	7.726
USD (US dollar) per €	1.133	1.227	1.183	1.142

u) Fair value hierarchy

The three-level fair value hierarchy under IFRS 13, Fair Value Measurement, classifies financial assets and liabilities carried at fair value based on the inputs used to measure the fair value. Level 1 therefore comprises observable data, such as listed market prices on active markets.

Level 2 is assigned to all price data that are directly or indirectly observable on the market and represent unlisted market prices in active markets.

Level 3 represents all non-observable values for which no or only few market data are available and which therefore require the development of the company's own assumptions.

v) Use of estimates

The preparation of the VAMED Group's consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and total liabilities and shareholders' equity and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the financial year. Actual profits may differ from these estimates. Estimates and discretionary decisions are required in particular for the items receivables, inventories, contract assets, investments, deferred tax assets, right-of-use assets and liabilities from leases, pension provisions and other provisions, as well as for the impairment test of goodwill.

w) Receivables management

The companies of the VAMED Group continuously review the financial situation of their customers and require collateral in form of advance payments, letters of credit or bank guarantees in most business cases, in particular in connection with construction projects.

x) Newly applied statements

In the financial year, those IFRS were applied that are mandatory for financial years beginning on January 1, 2021.

No new standards material to the VAMED Group's business activities were applied for the first time in the 2021 financial year.

y) New statements not yet applied

The International Accounting Standards Board (IASB) has issued the following new or amended standards, which are to be applied at the earliest for financial years beginning on or after January 1, 2022:

IAS 1

In January 2020, the IASB published Amendments to IAS 1, Classification of Liabilities as Current and Non-current. The amendments clarify under which circumstances liabilities with an uncertain settlement date are classified as current or non-current. The amendments explain, among other things, that classification depends on the rights that apply at the reporting date and defines under which circumstances liabilities can be settled with cash, other economic resources or equity instruments. On July 15, 2020, the IASB deferred the effective date by one year to give entities more time to implement any classification changes resulting from the amendments to IAS 1. The amendments to IAS 1 are now effective for financial years beginning on or after January 1, 2023. Earlier application is permitted. The VAMED Group is currently assessing the impact of the amendments to IAS 1 on the consolidated financial statements.

IFRS 17

The IASB adopted IFRS 17, Insurance Contracts in May 2017. The VAMED Group assumes that IFRS 17 will have no impact on the VAMED Group's consolidated financial statements.

The endorsement of IFRS 17 and the amendments to IAS 1 by the European Commission are still pending.

According to the VAMED Group's assessment, there are no other IFRS standards or interpretations not yet effective that are expected to have a material impact on the consolidated financial statements.

IV. Critical accounting policies

The following accounting policies and topics are, in the opinion of the VAMED Group's management, critical to the consolidated financial statements in the current economic environment. The influences and judgements as well as the uncertainties affecting them are also material to an understanding of the VAMED Group's present and future operating profits.

a) Impairment of goodwill

Goodwill accounts for a significant part of the VAMED Group's total assets. As at December 31, 2021 and December 31, 2020, the carrying amount of goodwill was € 299.8 million and € 298.0 million, respectively. This corresponded to 10.7% and 11.0% of the total assets and 28.4% and 28.3% of shareholders' equity respectively.

Goodwill is tested for impairment at least once a year – or when events occur or changes indicate that the carrying amounts of these assets may no longer be recoverable.

The recoverable amounts in the form of values in use of the group of CGUs are compared with their carrying amounts in order to determine any potential impairment of this goodwill. The value in use of the CGUs is determined by applying a discounted cash flow method including the specific weighted average cost of capital (WACC). A number of assumptions are made to determine the discounted future cash inflows. These relate in particular to future sales prices, sales volumes and costs. The budgets for the next three years as well as projections for years four to ten and corresponding growth rates for all subsequent years are used to determine the cash inflows. These growth rates are 1.0% with a planned tax rate of 24.7%. The WACC (after income taxes) applied in the VAMED Group is 5.60%. Country-specific adjustments were not necessary. If the value in use of the CGU is lower than the carrying amount, the difference is first recognised in the goodwill of the CGU as an impairment loss. An increase in the WACC by 0.5 percentage points would not have led to an impairment in the financial year.

A prolonged downturn in the healthcare sector with lower than expected sales prices and/or higher than expected costs for the provision of services or the execution of construction projects could negatively affect the VAMED Group's estimates of future cash flows of certain segments. Furthermore, changes in the macroeconomic environment could influence the discount rate. The possible consequence would be that the future operating profits of the VAMED Group would be affected by additional impairment of goodwill.

b) Legal contingent liabilities

The VAMED Group is not involved in any legal disputes arising from its business activities, the outcome of which could have a material effect on the financial position, results of operations and cash flows of the VAMED Group. See also Note 1. Basic principles – III. Summary of material accounting and measurement principles – p) Legal costs.

c) Allowances for expected bad debt losses

Trade accounts receivable is a significant statement of financial position item and the allowances for expected bad debts require extensive estimation and judgement by local management. Current and non-current trade accounts receivable after allowances amounted to € 489.2 million in 2021 and € 421.0 million in 2020.

The allowances for doubtful debts amounted to € 19.4 million as at December 31, 2021 and € 19.5 million as at December 31, 2020.

d) Contract assets

Contract assets included in other current assets are a material item in the VAMED Group's consolidated financial statements. The accounting for contract assets – especially in connection with long-term construction contracts – requires extensive estimates and judgements by local management. See also Note 1. Basic principles – III. Summary of material accounting and measurement principles – d) Revenue recognition principles.

2. Acquisitions and divestments

Regarding the companies acquired and included in the scope of consolidation in the reporting year, please refer to the list under Note 1. Basic principles – III. Summary of material accounting and measurement principles – b) Scope of consolidation.

NOTES TO THE INCOME STATEMENT

(All values with the exception of employee figures in T€)

3. Sales

Sales from contracts with customers resulted from the following activities:

	2021	2020
Project Business	717,146	633,390
Service Business	1,579,682	1,434,299
Sales	2,296,828	2,067,689

The breakdown of sales by region was as follows:

	2021	2020
Austria	518,253	461,713
Germany	1,016,846	1,024,745
Rest of Europe	387,702	328,011
Africa	172,792	80,183
Latin America	82,167	36,685
Asia	119,068	136,352
Sales	2,296,828	2,067,689

As at December 31, the VAMED Group had performance obligations that were not fulfilled or partially fulfilled and are expected to be fulfilled and recognised in sales over the coming years:

in € million	Transaction price of the unfulfilled or partially fulfilled performance obligations
2022	839.7
2023	864.9
2024	724.3
2025	928.8
2026	269.6
Subsequent	348.2
Total	3,975.5

4. Cost of sales

The cost of sales was made up as follows:

	2021	2020
Personnel	780,205	736,468
Material and services purchased as well as depreciation and amortisation	1,283,613	1,185,153
Cost of sales	2,063,818	1,921,621

5. Personnel expenses

The cost of sales, selling and general administrative expenses included personnel expenses of T€ 879,700 and T€ 826,846 in 2021 and 2020 respectively.

	2021	2020
Wages and salaries	713,062	667,774
Social security contributions; expenses for pensions (incl. expenses for severance payments) and other miscellaneous expenses	166,638	159,072
Personnel expenses	879,700	826,846

The average number of employees in the VAMED sub-group during the year was spread across the following functional areas:

	2021	2020
Production and service	18,425	18,079
General administration	1,044	1,020
Sales and marketing	106	127
Total employees (headcount)	19,575	19,226

6. Selling and general administrative expenses

The selling and general administrative expenses break down as follows:

	2021	2020
Selling expenses	22,268	29,350
General administrative expenses	134,647	129,943
Selling and general administrative expenses	156,915	159,293

7. Other expenses and income

Other expenses mainly include the effects of exchange rate changes, losses from the disposal of property, plant and equipment, expenses from participations, money transaction fees, fees for bank guarantees and expenses from the remeasurement of guarantee obligations.

Other income mainly includes income from equity instruments measured at fair value through profit or loss, gains from the disposal of property, plant and equipment and intangible assets, exchange rate gains, insurance compensation, income from the remeasurement of guarantees and miscellaneous other income.

8. Interest income

Interest income results in particular from investments with FSE, from loans to non-consolidated affiliated companies, from interest on bank balances, from interest on arrears and from the compounding of non-current assets.

9. Interest expenses

The interest expenses result in particular from local and project-related interim financing, from interest expenses paid to Fresenius companies in connection with the acquisition of participations, from the discounting of non-current assets and from interest expenses from leases.

10. Income taxes

The tax expense in the reporting years is composed as follows:

	2021			2020		
	Current tax	Deferred tax	Income tax	Current tax	Deferred tax	Income tax
Austria	8,092	6,066	14,158	-3,807	1,856	-1,951
Germany	12,533	-13,549	-1,016	13,008	-10,236	2,772
Rest of the world	6,301	319	6,620	3,825	-225	3,600
Total	26,926	-7,164	19,762	13,026	-8,605	4,421

The corporate income tax rate in Austria was 25% in the reporting year, which was unchanged from the previous year.

The reconciliation of the expected tax expense to the tax expense reported in the consolidated income statement is shown below.

The expected tax expense was calculated by applying the corporate tax rate to the profit before income taxes and before non-controlling interests.

	2021	2020
Expected income tax expense calculated	22,611	2,254
Increase or decrease in income tax due to:		
Non-deductible operating expenses	1,694	1,584
Tax rate differences abroad	-3,249	-699
Tax-exempt income	-2,631	-941
Taxes for previous years	2,241	3,305
Other	-904	-1,082
Income taxes according to the income statement	19,762	4,421
Effective tax rate	21.8%	49.0%

Deferred taxes

The tax effect from temporary measurement differences leading to deferred tax assets and liabilities results mainly from the measurement of statement of financial position items related to long-term manufacturing agreements (receivables, contract assets and project-related provisions), the measurement of equity instruments (participations) at fair value and the measurement of pension and other personnel related provisions.

As at the reporting date, deferred tax assets of T€ 16,216 and deferred tax liabilities of T€ 24,248 were reported, resulting in a net deferred tax liability of T€ 8,032.

As at the reporting date, deferred tax assets on loss carryforwards amounting to T€ 30,884 were recognised. In the previous year, the value amounted to T€ 16,615. The loss carryforwards are recoverable according to plan calculations and are expected to be utilised according to plan in the next few years.

11. Non-controlling interests

If non-controlling interests of other shareholders exist in fully consolidated subsidiaries, the corresponding shares of profit or loss are reported in this item.

DISCLOSURES ON THE STATEMENT OF FINANCIAL POSITION

Notes on current assets (all values in T€)

12. Cash and cash equivalents

As at December 31, 2021 and 2020, cash and cash equivalents included restricted items of T€ 14,671 and T€ 19,611 respectively.

13. Trade accounts receivable

The credit risk categories of trade accounts receivable from contracts with customers and their impairments are presented below:

	2021			2020		
	Total	of which overdue	of which credit impaired	Total	of which overdue	of which credit impaired
Trade receivables	474,071	117,183	37,601	420,266	105,470	38,576
Less impairment of receivables	-17,574	-9,863	-11,860	-19,259	-5,941	-12,219
Trade accounts receivable, net	456,497	107,320	25,741	401,007	99,529	26,357

14. Accounts receivable from and loans to related parties

As at December 31, receivables were composed as follows:

	2021	2020
Trade accounts receivable	51,103	69,943
Receivables from financing and other settlements	29,161	20,315
Accounts receivable from and loans to related parties	80,264	90,258

As at December 31, 2021 and 2020, this item included receivables from the Group companies FPS and FSE as well as the Fresenius Kabi, Helios and Medical Care segments in the amount of T€ 57,063 and T€ 58,826, respectively.

15. Inventories

As at December 31, inventories consisted of the following:

	2021	2020
Raw materials and supplies	15,740	13,297
Work in process	68,188	62,391
Finished products	3,418	4,304
Inventories	87,346	79,992

The companies of the VAMED Group have undertaken to purchase or procure goods and services worth T€ 92,170 at specified terms and conditions, of which T€ 70,596 is earmarked for purchases or procurements in the 2022 financial year as of December 31. The term of these agreements will not exceed ten years. Purchase commitments that are accompanied by equivalent acceptance commitments from customers are not recognised.

Furthermore, there are conditional acceptance obligations to suppliers in connection with construction projects, the fulfilment of which is linked to the completion of the projects with the end customers and for which no amount is therefore reported.

16. Other current and non-current assets

As at December 31, other assets consisted of the following:

	2021			2020		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Advance payments	36,975	0	36,975	46,634	0	46,634
Receivables from tax authorities	36,917	123	37,040	28,270	123	28,393
Accruals and deferrals	13,286	8,204	21,490	14,038	9,842	23,880
Contract assets	426,772	0	426,772	414,924	0	414,924
Other miscellaneous assets	58,435	20,759	79,194	61,965	20,731	82,696
Other non-financial assets, net	572,385	29,086	601,471	565,831	30,696	596,527
Deposits and collateral provided	19,873	653	20,526	18,315	826	19,141
Participations and long-term loans	0	127,710	127,710	0	178,112	178,112
Non-current trade accounts receivable	0	32,707	32,707	0	20,059	20,059
Other miscellaneous assets	55	3,596	3,651	1,187	3,662	4,849
Other financial assets, net	19,928	164,666	184,594	19,502	202,659	222,161
Other assets, net	592,313	193,752	786,065	585,333	233,355	818,688
Write-downs	1,414	1,851	3,265	143	265	408
Other assets, gross	593,727	195,603	789,330	585,476	233,620	819,096

Contract assets result predominantly from manufacturing agreements where revenue is earned over a period of time.

Prepayments received that were directly attributable to individual projects were deducted from the gross values of the contract assets.

As at December 31, 2021 and 2020, these advance payments received, deducted from contract assets, amounted to T€ 521,219 and T€ 763,107, respectively.

The item "Participations and long-term loans" includes the investments in associates and in non-consolidated companies as well as long-term loans to non-consolidated companies.

The adjustment of fair values led to a change in non-current assets (see also Note 27. Accumulated other comprehensive income).

Notes on non-current assets (all values in T€)**17. Property, plant and equipment**

As at December 31, 2021 and 2020, the acquisition and manufacturing costs and accumulated depreciation of property, plant and equipment were as follows:

Procurement and manufacturing costs	As at January 1, 2021	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2021
Land and land facilities	38,675	0	25	-234	76	38,542
Buildings and improvements	536,926	0	51,695	-784	2,227	590,064
Machinery and equipment	197,115	0	18,947	-6,125	2,117	212,054
Construction in progress	43,428	0	1,771	-400	294	45,093
Total	816,144	0	72,438	-7,543	4,714	885,753

Depreciation	As at January 1, 2021	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2021
Land and land facilities	0	0	0	0	0	0
Buildings and improvements	219,620	0	18,605	-505	474	238,194
Machinery and equipment	135,243	0	19,220	-5,893	1,341	149,911
Construction in progress	0	0	0	0	0	0
Total	354,863	0	37,825	-6,398	1,815	388,105

Procurement and manufacturing costs	As at January 1, 2020	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2020
Land and land facilities	42,264	0	117	-3,666	-40	38,675
Buildings and improvements	506,023	0	61,159	-28,978	-1,278	536,926
Machinery and equipment	186,328	1,097	21,063	-10,597	-776	197,115
Construction in progress	34,856	0	9,156	-533	-51	43,428
Total	769,471	1,097	91,495	-43,773	-2,145	816,144

Depreciation	As at January 1, 2020	Changes in the consol- idation scope	Additions/ Reclass- ifications	Disposals	Currency translation differences	As at December 31, 2020
Land and land facilities	0	0	0	0	0	0
Buildings and improvements	216,459	0	17,835	-14,512	-162	219,620
Machinery and equipment	127,520	0	18,368	-10,255	-389	135,243
Construction in progress	0	0	0	0	0	0
Total	343,979	0	36,203	-24,767	-551	354,863

Carrying amounts	December 31, 2021	December 31, 2020
Land and land facilities	38,542	38,675
Buildings and improvements	351,870	317,306
Machinery and equipment	62,143	61,872
Construction in progress	45,093	43,428
Total	497,648	461,281

Depreciation and amortisation are included in the cost of sales and in the selling and general and administrative expenses in line with the use of the assets.

18. Goodwill and other intangible assets

As at December 31, 2021 and 2020, the manufacturing costs and accumulated amortisation of intangible assets were as follows:

Procurement and manufacturing costs	As at January 1, 2021	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2021
Goodwill (not subject to scheduled amortisation)	299,107	0	7	0	1,824	300,938
Other (to be depreciated according to schedule)	63,537	0	7,593	-1,472	772	70,430
Total	362,644	0	7,600	-1,472	2,596	371,368

Depreciation	As at January 1, 2021	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2021
Goodwill (not subject to scheduled amortisation)	1,082	0	63	0	0	1,145
Other (to be depreciated according to schedule)	40,012	0	7,051	-1,325	365	46,103
Total	41,094	0	7,114	-1,325	365	47,248

Procurement and manufacturing costs	As at January 1, 2020	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2020
Goodwill (not subject to scheduled amortisation)	295,769	4,246	162	-93	-977	299,107
Other (to be depreciated according to schedule)	62,937	18	3,517	-2,520	-415	63,537
Total	358,706	4,264	3,679	-2,613	-1,392	362,644

Depreciation	As at January 1, 2020	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2020
Goodwill (not subject to scheduled amortisation)	992	0	90	0	0	1,082
Other (to be depreciated according to schedule)	35,729	0	6,869	-2,515	-71	40,012
Total	36,721	0	6,959	-2,515	-71	41,094

Carrying amounts	December 31, 2021	December 31, 2020
Goodwill (not subject to scheduled amortisation)	299,793	298,025
Other (to be depreciated according to schedule)	24,327	23,525
Total	324,120	321,550

Notes on liabilities and shareholders' equity (all values with the exception of percentages in T€)

19. Trade accounts payables

Trade accounts payables result primarily from the Project Business.

20. Trade accounts payables to affiliated companies

Liabilities of T€ 15,985 relate to companies within the scope of consolidation of FSE and of T€ 2,269 to non-consolidated affiliated companies (in the previous year T€ 19,362 and T€ 2,535 respectively).

21. Provisions

As at December 31, current and non-current provisions consisted of the following:

	2021			2020		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Personnel expenses	105	37,381	37,486	567	40,286	40,853
Guarantees	5,852	399	6,251	4,337	539	4,876
Other miscellaneous provisions	41,617	4,497	46,114	61,775	7,773	69,548
Provisions	47,574	42,277	89,851	66,679	48,598	115,277

The provisions developed as follows in the financial year:

	As at January 1, 2021	Allocations	Consumption/ Reclassification	Reversal	As at December 31, 2021
Personnel expenses	40,853	436	-3,140	-663	37,486
Guarantees	4,876	1,745	-370	0	6,251
Other miscellaneous provisions	69,548	19,860	-31,584	-11,710	46,114
Provisions	115,277	22,041	-35,094	-12,373	89,851

Provisions for personnel expenses include, in particular, provisions for severance payments and anniversary bonuses.

The provisions for guarantees relate to provisions for guarantee claims from construction and service projects.

The remaining other provisions relate in particular to project-related provisions.

22. Other current and non-current liabilities

As at December 31, other liabilities consisted of the following:

	2021			2020		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Liabilities within the scope of social security	9,718	0	9,718	8,608	0	8,608
Tax liabilities	30,858	199	31,057	34,724	123	34,847
Accrued liabilities	14,448	110	14,558	14,676	872	15,548
Contract liabilities	39,931	13,624	53,555	55,905	0	55,905
Personnel liabilities	50,891	0	50,891	42,238	0	42,238
Non-current portion of trade accounts payables	0	4,229	4,229	0	3,192	3,192
Derivative financial instruments	724	0	724	81	43	124
Accruals for deliveries and services	162,652	0	162,652	159,358	0	159,358
Other miscellaneous liabilities	235,867	15,137	251,004	193,440	14,303	207,743
Other liabilities	545,089	33,299	578,388	509,030	18,533	527,563

23. Financial liabilities

a) Short-term borrowings from third parties

The loans relate to short-term interim financing.

b) Short and long-term loans from related parties

This item includes in particular the short-term and long-term loans from FPS and FSE.

c) Liabilities from long-term loans

As at December 31, long-term loans consisted of the following:

	2021			2020		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Long-term loans	8,521	27,230	35,751	12,351	22,277	34,628

24. Provisions for income taxes

Current and non-current provisions for income taxes include the expected tax charges (less prepayments made).

25. Pensions and similar obligations

The majority of the defined benefit obligations are outsourced to pension funds. Entitlement to benefits (pension) is dependent on length of service and active remuneration. The provisions shown relate to active beneficiaries and former employees or their surviving dependants.

In addition to the defined benefit plans, there are also defined contribution plans for which payments are made to pension funds (depending on the employees' own contributions). There is no further obligation for these plans beyond the current contribution payment, therefore no provisions or liabilities are recognised for them.

The provision values are determined by external experts.

The changes in pension obligations, changes in plan assets and the funded status of the pension plans are presented below. The pension payments in the change in pension obligation include payments from the benefit plans financed by funds and financed by provisions. In contrast, pension payments in the change in plan assets only include payments made through pension funds.

	2021	2020
Pension obligations at the beginning of the year	131,495	130,180
Changes in the consolidation scope	0	661
Currency translation differences	3,990	386
Service costs	3,660	4,543
Prior service costs	-1,079	-1,463
Interest expense	697	718
Employee contributions	2,527	2,441
Transition (Transfer)	9,042	5,698
Gains (-) and losses (+) from the remeasurement	530	-1,231
<i>of which empirical adjustments</i>	3,510	-4
<i>of which change in financial and demographic assumptions</i>	-2,980	-1,227
Pension payments	-11,954	-10,438
Plan adjustments	0	0
Pension obligations at the end of the year	138,908	131,495
<i>of which vested</i>	103,913	94,953
Market value of plan assets at beginning of year	81,373	79,535
Changes in the consolidation scope	0	0
Currency translation differences	3,590	298
Interest income from plan assets	291	312
Gains (+) and losses (-) from the remeasurement	8,596	-139
Employer contributions	3,500	3,228
Employee contributions	2,527	2,441
Transition (Transfer)	9,042	5,707
Pension payments	-11,359	-10,009
Market value of plan assets at the end of the year	97,560	81,373
Funded status as of December 31	41,348	50,122

The plan assets are neither used by the employees of the VAMED subgroup nor are they invested in the VAMED subgroup.

The calculated pension obligations are based on the following weighted average assumptions as at December 31:

	2021	2020
Interest rate	0.57%	0.53%
Salary increases	1.39%	1.29%
Pension trend	0.60%	0.62%

In the year under review, the defined benefit plans resulted in pension expenses of T€ 2,987 (2020: T€ 3,486) in the VAMED Group, which are broken down as follows:

	2021	2020
Service costs	2,581	3,080
Net interest expense	406	406
Pension costs	2,987	3,486

The pension expense is allocated to the cost of sales as well as to the selling and general administrative expenses as personnel expenses. This depends on the area in which the beneficiary is employed.

The calculated pension cost for the current year ("NPPC" – Net Periodic Pension Cost) is based on the following weighted average assumptions (corresponding to the reporting date measurement as at December 31 of the previous year):

	2021	2020
Interest rate	0.53%	0.55%
Salary increases	1.29%	1.59%
Pension trend	0.62%	0.65%

The gains/losses from the remeasurement of plan assets result from the difference between the expected interest income (based on the interest rate used to determine the present values of the pension obligations in the previous year) and the actual net investment income in the reporting year.

Sensitivity analysis

Any increase or decrease in the key actuarial assumptions by 0.5 percentage points would have the following effects on the pension obligation as at December 31, 2021:

Changes in pension provisions	0.5% points Increase	0.5% points Decrease
Interest rate	-7,946	8,752
Salary increases	1,039	-1,005
Pension trend	5,586	-2,833

The sensitivity calculations are based on the average term of the pension obligations determined as at December 31, 2021. The calculations were carried out in isolation for the actuarial parameters classified as material in order to show the effects separately on the present value of the pension obligations calculated as at December 31, 2021.

The following table shows the expected future pension payments:

Financial years	Expected pension payments
2022	7,473
2023	6,703
2024	7,358
2025	6,497
2026	5,955
2027 until 2031	30,394
For the next 10 years	Total 64,380

Investment policy and strategy for the plan assets

The plan assets are managed exclusively by the pension funds according to their investment strategy and are broken down as follows:

	2021	2020
Equity funds	40.31%	38.67%
Pension funds	27.64%	29.22%
Real estate funds	17.67%	16.67%
Other	14.38%	15.43%

The fair value of the parts of the plan assets reported as 'Other' is calculated according to Level 1 and Level 2 ('Fair Value Measurement'; approx. 58% and 42% respectively).

Defined contribution pension plans

Total expenses from defined contribution plans in the VAMED subgroup amounted to T€ 4,480 in the financial year (2020: T€ 3,989).

The largest share is attributable to the plans existing in Austria and Germany.

27. Accumulated other comprehensive income

	before taxes		before taxes		Tax effect		after taxes	
	January 1, 2021	Change	Dec. 31, 2021	January 1, 2021	Change	Dec. 31, 2021	January 1, 2021	after Taxes Dec. 31, 2021
Currency translation differences	-3,646	4,179	533	0	0	0	-3,646	533
Actuarial gains (losses) on defined benefit pensions plans	-36,064	7,722	-28,342	7,052	-1,237	5,815	-29,012	-22,527
Changes in fair value from equity instruments	15,637	-66,320	-50,683	-3,909	16,580	12,671	11,728	-38,012
Other items (mainly severance pay provisions)	-12,232	654	-11,578	2,865	-123	2,742	-9,367	-8,836
Accumulated other comprehensive income	-36,305	-53,765	-90,070	6,008	15,220	21,228	-30,297	-68,842

26. Shareholders' equity**Subscribed capital**

There was no change in the subscribed capital in the financial year.

Capital reserves

This item includes the capital reserve from the consolidated financial statements of VAMED AG as of December 31, 2007 (according to the Austrian Commercial Code – UGB), the increase resulting from the initial recognition of goodwill (at the level of the parent company), and the capital reserve of a subsidiary not available for distribution. Also included are the changes in value from the fair value measurement of non-controlling interests with put options.

In the 2018 financial year, a subordinated registered bond in the amount of € 200 million was issued within the Group to finance the acquisition of the Post-Acute business in Germany. Furthermore, in the 2020 financial year, existing intra-Group financing was also replaced by subordinated registered bonds raised within the Group. These financings represent shareholders' equity and are therefore recognised in the capital reserve.

Other reserves

The other reserve includes the net profit achieved in the financial year and in previous years by the companies included in the consolidated financial statements, insofar as this was not distributed.

Dividends

Under Austrian stock corporation law, the statement of financial position profit as shown in VAMED AG's annual financial statements prepared in accordance with the Austrian Commercial Code (UGB) is the basis for the distribution of dividends to shareholders.

OTHER NOTES

(all values in T€)

28. Guarantees and contingent liabilities

Contingent liabilities

There are contingent liabilities from the assumption of guarantees and similar obligations (mainly in connection with various construction and service projects) in an assessable amount of a maximum of € 33.6 million (2020: € 30.3 million). In addition, there are contingent liabilities for which no measurement could be made at the reporting date due to the circumstances and for which no value is therefore stated.

Legal procedures

In the year under review, the companies of the VAMED Group were not involved in any legal disputes (either as claimant or as defendant) of material importance for the further development of business. All foreseeable risks from other legal proceedings are covered by allowances and provisions or existing insurance policies.

29. Leasing

The VAMED Group leases land, buildings and improvements, technical equipment and machinery as well as IT and office equipment under various rental and lease agreements.

Leasing in the consolidated income statement

The following table shows the effects of the leases on the consolidated income statement for the 2021 financial year:

	2021	2020
Depreciation and amortisation of right-of-use assets from leases	44,853	41,611
Expenses from short-term leases	3,377	3,579
Expenses from leases of low-value assets	2,912	2,525
Expenses from variable lease payments	1,746	2,100
Interest expenses from lease liabilities	7,453	6,709

Leasing in the consolidated statement of financial position

As at December 31, the acquisition costs and the accumulated depreciation and amortisation of the right-of-use assets from leases were as follows:

Procurement and manufacturing costs	As at January 1, 2021	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2021
Right-of-use assets: Land	29,555	0	602	-28	61	30,190
Right-of-use assets: Buildings and improvements	450,860	0	64,229	-6,310	7,860	516,639
Right-of-use assets: Machinery and equipment	39,871	0	15,336	-7,419	651	48,439
Right-of-use assets from leases	520,286	0	80,167	-13,757	8,572	595,268

Depreciation	As at January 1, 2021	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2021
Right-of-use assets: Land	1,051	0	649	-4	11	1,707
Right-of-use assets: Buildings and improvements	61,546	0	34,636	-1,930	1,271	95,523
Right-of-use assets: Machinery and equipment	15,540	0	9,568	-5,340	282	20,050
Right-of-use assets from leases	78,137	0	44,853	-7,274	1,564	117,280

Procurement and manufacturing costs	As at January 1, 2020	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2020
Right-of-use assets: Land	30,551	0	269	-1,269	4	29,555
Right-of-use assets: Buildings and improvements	349,804	25,937	83,265	-7,099	-1,047	450,860
Right-of-use assets: Machinery and equipment	29,690	54	14,133	-3,913	-93	39,871
Right-of-use assets from leases	410,045	25,991	97,667	-12,281	-1,136	520,286

Depreciation	As at January 1, 2020	Changes in the consolidation scope	Additions/Reclassifications	Disposals	Currency translation differences	As at December 31, 2020
Right-of-use assets: Land	447	0	645	-41	0	1,051
Right-of-use assets: Buildings and improvements	31,955	0	31,815	-2,109	-115	61,546
Right-of-use assets: Machinery and equipment	9,909	0	9,151	-3,449	-71	15,540
Right-of-use assets from leases	42,311	0	41,611	-5,599	-186	78,137

Carrying amounts	As at December 31, 2021	As at December 31, 2020
Right-of-use assets: Land	28,483	28,504
Right-of-use assets: Buildings and improvements	421,116	389,314
Right-of-use assets: Machinery and equipment	28,389	24,331
Right-of-use assets from leases	477,988	442,149

As at December 31, 2021, the lease liabilities consisted of T€ 43,765 current portion and T€ 445,168 non-current portion (2020: T€ 41,575 and T€ 411,253 respectively).

Leasing in the consolidated cash flow statement

The total cash outflow from leases amounted to T€ 58,462 in the 2021 financial year (2020: T€ 52,436).

In the consolidated cash flow statement, the interest component of the recognised leases is reported under cash flow from operating activities, while the repayment component is reported under cash flow from financing activities.

30. Financial instruments

Measurement of financial instruments

The main methods and assumptions used in determining the fair values of financial instruments are explained below:

Cash and cash equivalents are carried at amortised cost, which generally corresponds to the market value.

Short-term financial instruments, such as trade accounts receivable and payable as well as short-term borrowings, are recognised at amortised cost, which is a reasonable estimate of market value due to the short terms of these instruments.

Fair values of equity instruments traded in an active market are based on the prices listed at the reporting date. The fair values of other equity instruments are determined using observable market information or discounted cash flow models.

Derivatives consisting mainly of interest rate swaps and forward exchange contracts are measured as follows: Interest rate swaps are valued by discounting the future cash flows on the basis of the market interest rates applicable on the reporting date for the remaining term of the contracts. To determine the fair values of forward exchange contracts, the contracted forward rate is compared with the forward rate at the reporting date for the remaining term of the respective contract. The resulting value is discounted to the reporting date taking into account current market interest rates of the respective currency.

The calculation of the fair values of the derivative financial instruments is based on significant other observable inputs. Derivative financial instruments are measured at fair value in each reporting period, consequently the carrying amounts at the reporting date correspond to the fair values.

Derivatives without an accounting hedging relationship, i.e. derivatives for which hedge accounting is not applied, are also used exclusively to hedge economic risks and are not concluded for speculative purposes. The current portion due for derivatives is reported in the consolidated statement of financial position under other current assets or under current provisions and other current liabilities. The portion not currently due recognised as an asset or liability is included in other non-current assets or in non-current provisions and other non-current liabilities.

Market risk

The VAMED Group's international business activities in numerous currencies give rise to risks from exchange rate fluctuations. In addition, interest rate risks from variable interest rates can arise from long-term financial liabilities. To manage currency and interest rate risks, the VAMED Group enters into certain hedging transactions with banks of impeccable credit standing or with the Treasury department of the parent company.

The VAMED Group ensures that hedge accounting is in line with the Group risk management objectives and strategy and that a qualitative and forward-looking approach is applied when assessing the effectiveness of hedge transactions.

When hedging risks, the VAMED Group pays attention to the economic relationship between the hedging instrument and the hedged item as well as to a high hedge ratio of the hedged risks. This is ensured by the fact that the contract specifications of the interest rate and foreign exchange contracts largely correspond to the parameters of the corresponding risk positions. Therefore, the VAMED Group's result for the year was only marginally affected by the ineffectiveness of hedge transactions. Credit default risks as well as time shifts of underlying transactions are possible sources of ineffectiveness. The VAMED Group does not enter into derivative financial instruments for speculative purposes.

For financial reporting purposes, the reporting currency is the euro. Therefore, translation risks arising from changes in exchange rates between the euro and the local currencies in which the financial statements of the foreign subsidiaries are prepared affect the annual result reported in the consolidated financial statements and the presentation of the financial position.

In addition, there are transaction risks of individual Group companies, which result primarily from purchases, sales, projects and services invoiced in foreign currencies as well as from intra-Group sales of products and services to other Group companies in different currency zones. As a result, the subsidiaries are affected by changes in the exchange rates between the invoicing currencies and the currencies in which they conduct their local business activities. The VAMED Group uses forward exchange contracts exclusively to hedge existing or expected transaction risks. The VAMED Group only designates the spot

component of the forward exchange contracts as the hedging instrument in cash flow hedges and applies a hedge ratio of 1:1 to the designated risks.

Credit risk

With respect to financial instruments, the VAMED Group is exposed to the risk that contracting parties may fail to meet their performance obligations. The maximum credit risk from derivatives results from the sum of derivatives with a positive market value at the reporting date. The maximum credit risk from non-derivative financial instruments corresponds to the total value of all receivables.

The VAMED Group is exposed to a material risk of default on trade accounts receivable. This risk is countered by intensive credit assessment throughout the project phase, consistent receivables management, insurance and (as far as possible) outsourcing of the financing risk.

Liquidity risk

Liquidity risk is defined as the risk that a company may not be able to meet its financial obligations. The VAMED Group's management controls the group's liquidity by means of effective working capital and cash management. The VAMED Group's management is convinced that the existing credit facilities as well as cash inflows from operating activities and other short-term financing sources are sufficient to cover the Group's foreseeable liquidity needs.

31. Additional information on capital management

The VAMED Group has a sound financial profile. The need for borrowed capital (in the form of intra-group loans and bank loans) was mainly caused by the acquisition of new companies. The need for borrowed capital in the Project Business is usually low due to the advance payments received and the payments based on construction progress.

In the 2020 and 2021 financial years, COVID-19 led to additional short-term financing requirements, which were mainly covered by intra-group financing. In addition, in order to sustainably strengthen the shareholders' equity of the VAMED Group, existing intra-group loans amounting to € 350 million were converted into intra-group subordinated registered bonds in the 2020 financial year, which are reported in the capital reserve.

Due to the company's diversification within the health sector and its strong market position in global, growing and non-cyclical markets, the cash flows generated are essentially predictable and sustainable. Most of the VAMED Group's customers have a high credit rating. In addition, the down payments and collateral agreed in most business cases ensure the predictability of cash flows.

32. Segment reporting

The segmentation of the VAMED Group with the "Project Business" and "Service Business" divisions follows the internal organisational and reporting structures as of December 31, of the reporting year (management approach).

Inter-divisional sales and revenues are generally made at prices that would also be agreed with third parties outside the Group. Administrative services are charged via service agreements.

33. Related party transactions

There were no business relationships between companies of the VAMED Group and members of the Executive Board or members of the Supervisory Board of VAMED AG or the Fresenius Group in the year under review.

34. Subsequent events

There have been no material changes in the VAMED Group's corporate situation or in the industry environment since the end of the financial year. There are also no major changes planned currently in the structure, administration or legal form of the VAMED Group or in the area of human resources.

35. Remuneration Report

The total remuneration of the Executive Board amounted to T€ 2,733 (2020: T€ 2,488).

No loans or advance payments on future remuneration components were granted to members of the Executive Board of VAMED AG in the financial year.

36. Information on the Supervisory Board

The Supervisory Board consisted of the following persons in the reporting year:

Supervisory Board

Dr. Gerd Krick, Chairman (until July 8, 2021)
 Dkfm. Stephan Sturm, Chairman
 (from July 8, 2021; Deputy Chairman before that date)
 Dr. Robert Hink
 KR Karl Samstag
 (Deputy Chairman from July 8, 2021)
 Mag. Andreas Schmidradner

Employee representatives

Mag. (FH) Thomas Hehle
 DI (FH) Harald Steer, M.Sc.
 Ing. Robert Winkelmayer

The remuneration of the Supervisory Board is determined by the Annual General Meeting of VAMED AG and amounted to T€ 113 in the reporting year (2020: T€ 135).

37. Auditor's fees

In the reporting periods presented, the fees listed below for the auditor PwC Wirtschaftsprüfung GmbH, Vienna, and all other auditors engaged in its network were recognised as expenses.

	2021		2020	
	Total	of which Austria	Total	of which Austria
Audit of the financial statements	1,438	367	1,278	358
Tax consultancy services	0	0	0	0
Other services	15	15	2	2
Auditor's fee, total	1,453	382	1,280	360

38. Shareholdings

The shareholdings are listed in the appendix to the Notes.

Vienna, March 4, 2022

The Executive Board



Dr. Ernst Wastler
Chairman of the Executive Board



Mag. Gottfried Koos
Member of the Executive Board



MMag. Andrea Raffaseder
Member of the Executive Board



DI (FH) Andreas Wortmann, M.Sc.
Member of the Executive Board

VAMED GROUP PARTICIPATIONS

(excluding indirect participations, participations of less than 10% and defunct or non-operating companies)

Fully consolidated companies:

Abbreviation	Company name and registered office	Capital share %
VAG	VAMED Aktiengesellschaft, Vienna, Austria	
ALM	ALMEDA, a.s., Neratovice, Czech Republic	100.00
API	API Betriebs gemeinnützige GmbH, Vienna, Austria	60.00
AVN-GB	AVENSYS UK GROUP LIMITED, Kidderminster, United Kingdom	100.00
AVN-TR	AVENSYS UK TRAINING LIMITED, Kidderminster, United Kingdom	100.00
AVN-UK	AVENSYS UK LTD, Kidderminster, United Kingdom	100.00
CLP	Centrum léčby pohybového aparátu, s.r.o., Prague, Czech Republic	100.00
D-HCM	Casemanagement Reha GmbH, Hamburg, Germany	77.00
D-MBG	MVZ Medizinisches Versorgungszentrum in Bad Berleburg GbR, Bad Berleburg, Germany	100.00
D-MKA	MVZ Medizinisches Versorgungszentrum Kappeln GmbH, Kappeln, Germany	100.00
D-RSH	Betriebsführungsgesellschaft Schloß Schönhagen GmbH, Schönhagen, Germany	99.40
D-TAG	allgäu resort GmbH, Bad Grönenbach, Germany	94.90
D-TDA	ostsee resort damp GmbH, Damp, Germany	100.00
HCC	H.C. Hospital Consulting S.p.A., Bagno a Ripoli (Florence), Italy	100.00
HI	hospitalia international gmbh, Bad Homburg v.d.H., Germany	100.00
HSB	Heilbad Sauerbrunn Betriebsgesellschaft m.b.H., Bad Sauerbrunn, Austria	95.00
HTB	HERMED Technische Beratungs GmbH, Kirchheimbolanden, Germany	100.00
HTB-BE	Hermed Medrott Medical BVBA, Antwerp, Belgium	100.00
HTB-CH	HERMED Medizintechnik Schweiz AG, Rapperswil-Jona, Switzerland	64.00
HTB-ES	HERMED INGENIERÍA CLÍNICA ESPAÑA, S.L.U., Madrid, Spain	100.00
HTB-GB	HERMED BIOMEDICAL ENGINEERING UK LIMITED, London, United Kingdom	100.00
HTB-HR	HERMED Servis medicinske opreme d.o.o., Zagreb, Croatia	100.00
HTB-NL	Hermed Medrott Medical B.V., Oostvoorne, The Netherlands	100.00
ICL	Instruclean GmbH, Essen, Germany	94.90
ICL-AT	Instruclean Austria GmbH, Vienna, Austria	100.00
IFK-DA	Internat für Körperbehinderte Damp gGmbH, Damp, Germany	100.00
IHSS	IHSS LIMITED, London, United Kingdom	100.00
MED	MEDITERRA s.r.o., Prague, Czech Republic	100.00
MED-H	VAMED MEDITERRA a.s., Prague, Czech Republic	100.00
MEL	Mělnická zdravotní, a.s., Mělník, Czech Republic	100.00
NET	MEDNET s.r.o., Prague, Czech Republic	100.00
NFM	Niederösterreichische Facility Management GmbH, Wiener Neustadt, Austria	60.00
NSZ	Nemocnice sv. Zdislavy, a.s., Velké Meziříčí, Czech Republic	100.00
NTG	Neurologisches Therapiezentrum Gmundnerberg GmbH, Altmünster, Austria	60.00
NTK	Neurologisches Therapiezentrum Kapfenberg GmbH, Kapfenberg, Austria	90.00
NTV	Nemocnice Tanvald, s.r.o., Tanvald, Czech Republic	0.30
PKS GmbH	PKS Privatklinik Salzburg GmbH, Salzburg, Austria	100.00

Abbreviation	Company name and registered office	Capital share %
PKS KG	PKS Privatklinik Salzburg GmbH & Co KG, Salzburg, Austria	100.00
RBB	Rehaklinik Wien Baumgarten Betriebs-GmbH, Vienna, Austria	100.00
RDU	Rehaklinik Dussnang AG, Fischingen, Switzerland	100.00
RKB	Rehabilitationszentrum Kitzbühel Betriebs-GmbH, Kitzbühel, Austria	100.00
RKE	Rehaklinik Enns GmbH, Enns, Austria	67.00
RMB	Rehabilitationsklinik im Montafon Betriebs-GmbH, Schruns, Austria	100.00
ROB GmbH	Rehabilitationszentrum Oberndorf Betriebs-GmbH, Oberndorf bei Salzburg, Austria	100.00
ROB KG	Rehabilitationszentrum Oberndorf Betriebs-GmbH & Co KG, Oberndorf bei Salzburg, Austria	100.00
RSE	Rehaklinik Seewis AG, Seewis im Prättigau, Switzerland	100.00
RZS	Rehaklinik Zihlschlacht AG, Zihlschlacht-Sitterdorf, Switzerland	100.00
SED	MEDITERRA – Sedlčany, s.r.o., Sedlčany, Czech Republic	100.00
STC	Seniorenzentrum St. Corona am Schöpfl Betriebsgesellschaft m.b.H., Vienna, Austria	100.00
TBS	Therme Seewinkel Betriebsgesellschaft m.b.H., Frauenkirchen, Austria	100.00
TMD	TEMAMED Medizintechnische Dienstleistungs GmbH, Kirchheimbolanden, Germany	100.00
UKK	VAMED UKK Projektgesellschaft m.b.H., Berlin, Germany	100.00
UKP	ARGE UK St. Pölten, Vienna, Austria	60.00
VBT-MO	VAMED VSB-Betriebstechnik Mitte-Ost GmbH, Leipzig, Germany	100.00
VBT-N	VAMED VSB-Betriebstechnik Nord GmbH, Leezen, Germany	100.00
VBT-SW	VAMED VSB-Betriebstechnik Süd-West GmbH, Krefeld, Germany	100.00
VCA-D	VAMED Care Deutschland GmbH, Damp, Germany	100.00
VCG	VAMED CARE gemeinnützige Betriebs-GmbH, Vienna, Austria	100.00
VE	VAMED ENGINEERING GmbH, Vienna, Austria	100.00
VE-D	VAMED Engineering Deutschland GmbH, Bad Homburg v.d. Höhe, Germany	100.00
VFP-SCH	VAMED Fachpflege Schleswig GmbH, Schleswig, Germany	94.90
VGH-D	VAMED Gesundheit Holding Deutschland GmbH, Damp, Germany	99.90
VGR-N	VAMED Grundstücksverwaltung Nord GmbH & Co. KG, Damp, Germany	94.90
VGR-O	VAMED Grundstücksverwaltung Ost GmbH & Co. KG, Damp, Germany	94.90
VGR-S	VAMED Grundstücksverwaltung Süd GmbH, Damp, Germany	94.90
VGR-W	VAMED Grundstücksverwaltung West GmbH & Co. KG, Damp, Germany	94.90
VHP	VAMED Health Project GmbH, Berlin, Germany	100.00
VHP-CH	VAMED Health Project Schweiz AG, Zihlschlacht-Sitterdorf, Switzerland	100.00
VHP-CZ	VAMED Health Projects CZ s.r.o., Prague, Czech Republic	100.00
VHP-FIN	VAMED Health Projects Finland Oy, Helsinki, Finland	100.00
VHP-IT	VAMED HEALTH PROJECT ITALY S.R.L., Florence, Italy	100.00
VHP-MY	VAMED HEALTH PROJECTS MALAYSIA SDN. BHD., Petaling Jaya, Malaysia	100.00
VHP-UK	VAMED HEALTH PROJECTS UK LIMITED, London, United Kingdom	100.00

Fully consolidated companies:

Abbreviation	Company name and registered office	Capital share %
VIDL-D	VAMED Gesundheit IDL Deutschland GmbH, Damp, Germany	100.00
VKI-GE	VAMED Kids in Pflege Geesthacht GmbH, Geesthacht, Germany	100.00
VKL-BB	VAMED Klinik Bad Berleburg GmbH, Bad Berleburg, Germany	94.90
VKL-D	VAMED Kliniken Deutschland GmbH, Damp, Germany	100.00
VKL-DA	VAMED Ostseeklinik Damp GmbH, Damp, Germany	100.00
VKL-GE	VAMED Klinik Geesthacht GmbH, Geesthacht, Germany	94.90
VKL-HA	VAMED Klinik Hattingen GmbH, Hattingen, Germany	100.00
VKL-HG	VAMED Klinik Hagen-Ambrock GmbH, Hagen, Germany	100.00
VKL-HO	VAMED Klinik Hohenstücken GmbH, Brandenburg an der Havel, Germany	100.00
VKL-KI	VAMED Klinik Kipfenberg GmbH, Kipfenberg, Germany	100.00
VKL-PUL	VAMED Klinik Schloss Pulsnitz GmbH, Pulsnitz, Germany	94.90
VKMB	VAMED-KMB Krankenhausmanagement und Betriebsführungsges.m.b.H., Vienna, Austria	100.00
VKP	VAMED Krankenhausmanagement und Projekt GmbH, Vienna, Austria	100.00
VL-M	VAMED VSB-Logistik Mitte GmbH, Erfurt, Germany	100.00
VL-N	VAMED VSB-Logistik Nord GmbH, Schwerin, Germany	100.00
VL-O	VAMED VSB-Logistik Ost GmbH, Bad Saarow, Germany	100.00
VLO-D	VAMED Logistik Deutschland GmbH, Damp, Germany	100.00
VLR-KRO	VAMED Leben am Rosenberg Kronach GmbH, Kronach, Germany	100.00
VMS	VAMED Management und Service GmbH, Vienna, Austria	100.00
VMS-CH	VAMED Management und Service Schweiz AG, Zihlschlacht-Sitterdorf, Switzerland	100.00
VMS-D	VAMED Management und Service GmbH Germany, Berlin, Germany	100.00
VMT-M	VAMED VSB-Medizintechnik Mitte GmbH, Erfurt, Germany	100.00
VMT-N	VAMED VSB-Medizintechnik Nord GmbH, Stralsund, Germany	100.00
VMT-NO	VAMED VSB-Medizintechnik Nord-Ost GmbH, Bad Saarow, Germany	100.00
VMT-SW	VAMED VSB-Medizintechnik Süd-West GmbH, Berlin, Germany	100.00
V-NL	VAMED Nederland B.V., Arnhem, Netherlands	100.00
VPF-D	VAMED Pflege Deutschland GmbH, Damp, Germany	100.00
VPH-F	VAMED Projets Hospitaliers Internationaux France S.A.S, Courbevoie, France	100.00
VRE-D	VAMED Real Estate Deutschland GmbH, Damp, Germany	100.00
VRE-NO	VAMED Reinigung Nord Ost GmbH, Damp, Germany	100.00
VRE-SW	VAMED Reinigung Süd West GmbH, Damp, Germany	100.00
VRKL-AH	VAMED Rehaklinik Ahrenshoop GmbH, Ahrenshoop, Germany	100.00
VRKL-BB	VAMED Rehaklinik Bad Berleburg GmbH, Bad Berleburg, Germany	94.90
VRKL-BE	VAMED Rehaklinik Bad Ems GmbH, Bad Ems, Germany	94.90
VRKL-BER	VAMED Rehaklinik Berching GmbH, Berching, Germany	94.90
VRKL-BG	VAMED Rehaklinik Bad Grönenbach GmbH, Bad Grönenbach, Germany	94.90
VRKL-BL	VAMED Rehaklinik Bergisch-Land GmbH, Wuppertal, Germany	100.00

Abbreviation	Company name and registered office	Capital share %
VRKL-BS	VAMED Rehaklinik Bad Salzdetfurth GmbH, Bad Salzdetfurth, Germany	94.90
VRKL-DA	VAMED Rehaklinik Damp GmbH, Damp, Germany	100.00
VRKL-LE	VAMED Rehaklinik Lehmrade GmbH, Damp, Germany	100.00
VRKL-SCH	VAMED Rehaklinik Schwedenstein GmbH, Pulsnitz, Germany	100.00
VRKL-SS	VAMED Rehaklinik Schloss Schönhagen GmbH, Damp, Germany	100.00
VRZ-BLO	VAMED Campus Reha Bleicherode GmbH, Damp, Germany	100.00
VRZ-D	VAMED Rehazentren Deutschland GmbH, Damp, Germany	100.00
VRZ-ERF	VAMED Campus Reha Erfurt GmbH, Erfurt, Germany	100.00
VRZ-FFO	VAMED Rehazentrum Frankfurt (Oder) GmbH, Frankfurt (Oder), Germany	100.00
VRZ-HA	VAMED Rehazentrum Harburg GmbH, Hamburg, Germany	100.00
VRZ-HIL	VAMED Rehazentrum Hildesheim GmbH, Hildesheim, Germany	100.00
VRZ-KRE	VAMED Rehazentrum Krefeld GmbH, Damp, Germany	100.00
VRZ-LÜ	VAMED Rehazentrum Lübeck GmbH, Lübeck, Germany	100.00
VRZ-NO	VAMED Rehazentrum Norderstedt GmbH, Norderstedt, Germany	100.00
VRZ-ULM	VAMED Rehazentrum Ulm GmbH, Ulm, Germany	100.00
VS	VAMED Service- und Beteiligungsges. m.b.H., Berlin, Germany	95.00
VS-BPS	VAMED VS-BPS GmbH, Berlin, Germany	100.00
VSC-NO	VAMED Service & Catering Nord Ost GmbH, Damp, Germany	100.00
VSC-SW	VAMED Service & Catering Süd West GmbH, Damp, Germany	100.00
VSG	VAMED Standortentwicklung und Engineering GmbH, Vienna, Austria	100.00
VSH	VAMED VS-Sicherheit GmbH, Erfurt, Germany	100.00
VSP-ER	VAMED Senioren- und Pflegeheim Erfurt GmbH, Erfurt, Germany	94.90
VSP-HE	VAMED Senioren- und Pflegeheim Hettstedt GmbH, Hettstedt, Germany	100.00
VST	VAMED VS-Sterilgutversorgung GmbH, Berlin, Germany	100.00
VSW	VAMED VS-Sterilgutversorgung West GmbH, Wuppertal, Germany	100.00
VTE	VAMED VS-Technik GmbH, Damp, Germany	100.00
VTS	VAMED Technical Services GmbH, Vienna, Austria	100.00

The company names correspond to the respective local registration, the country names to ISO 3166.

VAMED GROUP PARTICIPATIONS

(excluding indirect participations, participations of less than 10% and defunct or non-operating companies)

Associated companies and non-consolidated companies:

Abbreviation	Company name and registered office	Capital share %
ANIS	ANIS-ANregiomed-Instruclean-Services GmbH, Ansbach, Germany	49.00
ARW	Ambulante Rehabilitation Wörgl GmbH, Wörgl, Austria	60.00
CFS	Casalis Facility Services GmbH, Kassel, Germany	49.00
D-RKL	Tagesklinik am Kurpark Lüneburg GmbH, Lüneburg, Germany	37.00
D-RSK	Sport-REHA-Kiel GmbH, Kiel, Germany	36.00
ELB	ELBLAND Sterilgutgesellschaft mbH, Meißen, Germany	49.00
FMS	Facility Management Schleswig-Holstein GmbH, Kiel, Germany	50.00
GOK	Gemeinnützige Oberndorfer Krankenhausbetriebsgesellschaft m.b.H., Oberndorf bei Salzburg, Austria	49.00
GRB	Gesundheitsresort Gars Betriebs GmbH, Gars am Kamp, Austria	19.14
GRG	Gesundheitsresort Gars GmbH, Gars am Kamp, Austria	17.00
HUH	Hainan Unicare Hospital Co, Ltd, Haikou, China	30.00
KHR GmbH	PPP – Radioonkologie KHR SZO GmbH, Vienna, Austria	19.00
KHR KG	PPP – Radioonkologie KHR SZO GmbH & Co KG, Vienna, Austria	19.00
LKV	LKV Krankenhaus Errichtungs- und Vermietungs-GmbH, Linz, Austria	49.00
MSK-H	MSK GROUP HOLDINGS COMPANY LIMITED, Bangkok, Thailand	13.35
NRZ	Neurologisches Rehabilitationszentrum "Rosenhügel" Errichtungs- und Betriebs-GmbH, Vienna, Austria	49.00
OCB	Oberndorfer Catering Betriebs-GmbH, Oberndorf bei Salzburg, Austria	49.00
PSZ	Psychosomatisches Zentrum Eggenburg GmbH, Eggenburg, Austria	29.00
RIH	RIHH OpCo Holdings (DIFC) Ltd, Dubai, United Arab Emirates	12.00
RVB	Rehabilitationszentrum St. Veit im Pongau Betriebs-GmbH, St. Veit im Pongau, Austria	76.00
RZO	Rheuma-Zentrum Wien-Oberlaa GmbH, Vienna, Austria	49.00
SEN	S.EN.AL.PA. S.P.A., Venice, Italy	21.40
SSZ	Soukromá střední zdravotnická škola Mělník, o.p.s., Mělník, Czech Republic	100.00
TBG	'TBG' Thermenzentrum Geinberg Betriebsgesellschaft m.b.H., Geinberg, Austria	18.00
TGMZ	TGMZ Team Gesund Medizin Zentren GmbH, Vienna, Austria	60.00
THG	"THG" Thermenzentrum Geinberg Errichtungs-GmbH, Linz, Austria	27.34
THL	THL Therme Laa a.d. Thaya – Projektentwicklungs- und Errichtungsgesellschaft m.b.H., Laa a.d. Thaya, Austria	19.96
TLG GMBH	Aqua Dome Tirol Therme Längenfeld GMBH, Längenfeld, Austria	12.31
TLG KG	Aqua Dome Tirol Therme Längenfeld GMBH & CO KG, Längenfeld, Austria	12.31
TWB GmbH	Tauern SPA World Betriebs-GmbH, Kaprun, Austria	20.99
TWB KG	Tauern SPA World Betriebs-GmbH & Co KG, Kaprun, Austria	19.07
TWE GmbH	Tauern SPA World Errichtungs-GmbH, Kaprun, Austria	20.99
TWE KG	Tauern SPA World Errichtungs-GmbH & Co KG, Kaprun, Austria	19.07
TWO GmbH	Therme Wien Ges.m.b.H., Vienna, Austria	19.99
TWO KG	Therme Wien GmbH & Co KG, Vienna, Austria	19.99
UKS	VAMED / DIF UKSH PPP GmbH, Frankfurt am Main, Germany	10.00

Abbreviation	Company name and registered office	Capital share %
VAROM	VAMED ROMANIA S.R.L., Bucharest, Romania	100.00
VBC	VAMED Business Consulting GmbH, Vienna, Austria	100.00
VBH	“Vamed B&H” d.o.o. Banja Luka, Banja Luka, Bosnia and Herzegovina	100.00
VCT	VAMED Construction (Thailand) Co., Ltd, Bangkok, Thailand	48.95
VE (M)	VAMED ENGINEERING (M) SDN. BHD., Kuala Lumpur, Malaysia	30.00
VE (P)	PRINSAMED – PROJECTOS INTERNACIONAIS DE SAÚDE UNIPESSOAL LDA, Lisbon, Portugal	100.00
VE (U)	TOV “VAMED UKRAINE”, Kyiv, Ukraine	100.00
VE-GAB	VAMED GABON SAS, Libreville, Gabon	100.00
VHC	VAMED Healthcare Co. Ltd, Beijing, China	100.00
VHP-ES	VAMED HEALTH PROJECTS SPAIN, S.L., Madrid, Spain	100.00
VHP-GH	VAMED HEALTH PROJECTS GHANA LTD, Accra, Ghana	100.00
VHP-ID	PT VAMED HEALTH PROJECTS INDONESIA, Jakarta, Indonesia	99.00
VHP-TH	Vamed Health Projects (Thailand) Co., Ltd, Bangkok, Thailand	99.94
VHP-V	VAMED HEALTH PROJECTS VIETNAM LLC, Hanoi City, Vietnam	100.00
VHS-ZA	VAMED HEALTHCARE SERVICES SA (PTY) LTD, Johannesburg, South Africa	85.00
VHT	VAMED Healthcare Services (Thailand) Ltd, Bangkok, Thailand	49.00
VIH	VAMED International Hospital Management and Consulting (Beijing) Co., Ltd, Beijing, China	100.00
VME	VAMED Middle East Healthcare Management and Consultancy Services LLC, Abu Dhabi, United Arab Emirates	49.00
VMR	Health Institution – Institute for diagnostics “VAMED” Novi Sad, Novi Sad, Serbia	75.00
VMS-CZ	VAMED CZ s.r.o., Prague, Czech Republic	100.00
VMS-SA	VAMED KSA Management and Service LLC, Riyadh, Saudi Arabia	75.00
VMS-UK	VAMED MANAGEMENT AND SERVICE UK LIMITED, Kidderminster, United Kingdom	100.00
VPC	VAMED Project CR d.o.o., Zagreb, Croatia	100.00
VPL	VAMED Polska Sp. z o.o., Warsaw, Poland	100.00
V-RU	OOO VAMED, Moscow, Russian Federation	100.00
VSK	“VAMED Services Kosovo” L.L.C., Pristina, Kosovo	100.00
VSS	VAMED Shared Services GmbH, Vienna, Austria	100.00
V-TR	VAMED TURKEY MÜHENDİSLİK İNŞAAT TAAHHÜT MEDİKAL SAĞLIK HİZMETLERİ LİMİTED ŞİRKETİ, Ankara, Turkey	100.00
VUE	VAMED Umwelt und Energie GmbH, Linz, Austria	100.00

The company names correspond to the respective local registration, the country names to ISO 3166.

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the "condensed subgroup financial statements" of VAMED Aktiengesellschaft, Vienna, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet as at 31 December 2021, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year ending on the reporting date, as well as the comments and other disclosures included in the group notes.

In our opinion, the accompanying condensed subgroup financial statements are prepared, in all material respects, in accordance with the accounting policies as presented in the 2021 consolidated financial statements of Fresenius SE & Co KGaA, Bad Homburg v.d.H., Germany.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Condensed Subgroup Financial Statements" section of our report. We are independent of the subgroup in accordance with the ethical requirements that are relevant to our audit of the condensed subgroup financial statements in Austria, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this report is sufficient and appropriate to provide a basis for our opinion by this date.

As provided under section 275 para. 2 UGB (Austrian Company Code) (liability provision regarding the audit of financial statements of large companies), our responsibility and liability towards the Company and any third parties arising from the audit are limited to a total of EUR 12 million.

Emphasis of Matter – Accounting Policies

We draw attention to the disclosure under "General notes on the financial statements of the VAMED Group" in the group notes, which states that the condensed subgroup financial statements were prepared in accordance with the guidelines of the parent company, Fresenius SE & Co KGaA, Bad Homburg v.d.H., Germany, in particular regarding the application of IFRSs, materiality thresholds, determination of the consolidated group. The accounting policies of Fresenius SE & Co. KGaA, Bad Homburg v.d.H., Germany, are based on IFRS as adopted by the EU. For the purposes of the condensed subgroup financial statements, material deviations from these principles are presented in the section "General notes on the financial statements of the VAMED Group" section of the condensed subgroup financial statements. As a result, the condensed subgroup financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Supervisory Board for the Condensed Subgroup Financial Statements

Management is responsible for the preparation of the condensed subgroup financial statements in accordance with the accounting policies as presented in the notes to the consolidated financial statements of Fresenius SE & Co KGaA, Bad Homburg v.d.H., Germany. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of condensed subgroup financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed subgroup financial statements, management is responsible for assessing the subgroup's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the subgroup or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the subgroup's financial reporting process.

Auditor's Responsibilities for the Audit of the Condensed Subgroup Financial Statements

Our objectives are to obtain reasonable assurance regarding whether the condensed subgroup financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed consolidated financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the condensed subgroup financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the subgroup's internal control.
- the reasonableness of accounting estimates and related disclosures made by management, if any, based on the accounting policies as presented in the consolidated financial statements 2021 of Fresenius SE & Co. KGaA, Bad Homburg v.d.H., Germany.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the subgroup's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed subgroup financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the subgroup to cease to continue as a going concern.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the subgroup to express an opinion on the condensed subgroup financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vienna
March 4, 2022

PwC Wirtschaftsprüfung GmbH

signed:
Mag. Dr. Anton Pichler
Austrian Certified Public Accountant

signed:
Mag. Dr. Aslan Milla
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is the legally binding version. Publication and sharing with third parties of the condensed subgroup financial statements together with our auditor's report is only allowed if the condensed subgroup financial statements are identical with German audited version. This independent auditor's report is only applicable to the German condensed subgroup financial statements presented on pages 43 to 87.

Disclaimer

This annual report also includes forward-looking statements based on current assumptions and estimates that are made to the best of its knowledge by the management of VAMED AG. If the underlying premises for these forecasts fail to materialize or risks indicated in the risk report arise, actual results may deviate from these estimates. We do not assume any warranty or liability that the future development or actual results will coincide with the assumptions and estimates contained in this annual report. It is neither our intention nor do we assume any separate obligation to update forward-looking statements in order to reflect events or developments occurring after the date of this annual report.

Calculation differences may arise when rounded amounts and percentages are summed.

The annual report was prepared with the greatest possible diligence to ensure that the information provided in all parts is correct and complete. Nevertheless, rounding, typesetting and printing errors cannot be completely excluded.

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**VAMED Aktiengesellschaft**

Sterngasse 5
1230 Vienna
Austria
office@vamed.com
www.vamed.com



VAMED
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www.vamed.com