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("**Mediclinic**", or the "**Company**", or the "**Group**")

11 November 2021

MEDICLINIC INTERNATIONAL PLC 2022 HALF-YEAR RESULTS ANNOUNCEMENT

Mediclinic announces its results for the six months ended 30 September 2021 (the "**period**" or "**1H22**"). For comparative purposes, the six months ended 30 September 2020 ("**1H21**") is presented alongside the six months ended 30 September 2019 ("**1H20**"), the latter representing a pre-pandemic period.

Delivering a strong recovery in first-half Group operating performance with a return to pre-pandemic level revenues at all three divisions

- Group revenue up 12% driven by strong recovery in patient volumes which exceeded pre-pandemic levels at Hirslanden and Mediclinic Middle East
- Material improvement in Group EBITDA margin to 15.8% (1H21: 12.1%); returning towards pre-pandemic levels (1H20: 16.6%)
- Financial position and liquidity strengthened; Group cash conversion strong at 104% (1H21: 42%)

Ongoing strategic execution, navigating the pandemic and adapting to changing client needs

- Continuing to effectively navigate the pandemic
- Further expanding across the continuum of care to deliver future growth opportunities
- Progressing digital initiatives to enhance patient pathways and deliver seamless integrated care

Positioned well for future growth, including increased revenue guidance for the full-year

- Strong first-half performance positions the Group well heading into the second half of the year
- Upward revision to FY22 revenue guidance for all three divisions; margin guidance remains unchanged
- Key priority to return to pre-pandemic profitability at all three divisions over time

Dr Ronnie van der Merwe, Group Chief Executive Officer of Mediclinic, said:
"Our recovery in the first-half is highly encouraging but, above all else, we are pleased with how we have continued to navigate the pandemic and safely treat patients through our diverse healthcare offering. Again, we extend our endless gratitude to all our exceptional medical professionals and employees, who have played such a vital role caring for all of those affected.

"Naturally, the pandemic impacted each region in which we operate differently and, accordingly, the speed and nature of their recoveries have also varied. In Southern Africa, due to the more sustained and severe third wave, we continued to treat a significant number of COVID-19 patients in this period, while maintaining our broad healthcare service offering. With less severe waves impacting admissions, Hirslanden and Mediclinic Middle East increased patient volumes, exceeding pre-pandemic levels. Mediclinic Middle East was also notable for its continued margin improvement which resulted in the divisions EBITDA exceeding pre-pandemic levels.

"We have been able to adapt quickly during the pandemic, applying critical learnings to effectively manage each wave, hastening the return towards normal operations, where possible. Furthermore, we have continued to execute on our strategy, advancing digital initiatives and investing across the continuum of care, laying a solid foundation for future growth and innovation. A key priority for us is to return to pre-pandemic profitability at all three divisions and we remain focused on adapting and delivering efficiencies.

"Although we move forward with caution, we are optimistic as we head into the second half with further support coming from ongoing vaccine programmes and increased immunity to the virus."

GROUP FINANCIAL SUMMARY

	1H22 £'m	1H21 £'m	% Variance 1H22 vs 1H21[1]	1H20[2] £'m	% Variance 1H22 vs 1H20[1]
Revenue	**1 581**	1 411	12%	1 515	4%
EBITDA	**247**	171	45%	252	(2)%
Adjusted EBITDA[3]	**249**	171	46%	252	(1)%
Operating profit	**129**	64	101%	149	(14)%
Adjusted operating profit[3]	**147**	66	122%	144	2%
Earnings[4]	**65**	15	330%	109	(41)%
Adjusted earnings[3]	**80**	17	373%	73	10%
Earnings per share (pence)	**8.8**	2.0	330%	14.8	(41)%
Adjusted earnings per share (pence)[3]	**10.8**	2.3	373%	9.9	10%
Interim dividend per share (pence)	**-**	-	0%	3.20	(100)%
Net incurred debt[5]	**1 426**	1 695	(16)%	1 775	(20)%
Cash conversion[6]	**104%**	42%		98%	

1 *The percentage variances are calculated in unrounded sterling values and not in millions.*
2 *2020 Half-Year Results Announcement was published on 14 November 2019.*
3 *The Group uses adjusted income statement reporting as non-IFRS measures in evaluating performance and to provide consistent and comparable reporting. Refer to the policy and "Reconciliations" section on pages 13–16 of this announcement.*
4 *Reported earnings refers to earnings attributable to equity holders.*
5 *Net incurred debt reflects bank borrowings and excludes IFRS 16 lease liabilities.*
6 *Refer to calculation on page 18 of this announcement.*

Details of the 1H22 results Zoom webinar for investors and analysts are available at the end of this announcement and on the Group's website at www.mediclinic.com

GROUP OVERVIEW

Effectively navigating the pandemic

Despite the pandemic demanding much of the global healthcare industry, Mediclinic has remained resilient. Since treating its first COVID-19 patient in January 2020, Mediclinic's incredible nurses, doctors and partners have remained committed and unwavering in caring for around 78 000 COVID-19 inpatients. Their efforts, combined with the Group's exceptional clinical protocols, have enabled Mediclinic to safely meet the ongoing demands for its broad offering of healthcare services. Throughout the pandemic, and as always, the health and wellbeing of our medical professionals, employees and clients remain the Group's highest priority.

The Group's international perspective and centrally coordinated Clinical Services function remain key differentiating factors for Mediclinic, leveraging insight and best practice from across the Group. The Group constantly re-evaluates its ongoing response to the pandemic through multidisciplinary task forces at Group and divisional level, allowing for treatment pathways to be continually optimised. This also enables the Group to adapt more quickly to challenges posed by the pandemic.

Unlike during 1H21 and the first wave of the pandemic, in 1H22 the Group's ability to provide its full breadth of services across the continuum of care, including elective procedures and outpatient treatments, was less restricted. This, combined with underlying demand for healthcare services, resulted in a significant increase in patient activity in 1H22, with volumes at Hirslanden and Mediclinic Middle East exceeding pre-pandemic (1H20) levels. Despite experiencing the most sustained and severe wave of the pandemic during the period in South

Africa, Mediclinic Southern Africa also saw significant growth in patient activity compared with 1H21 as the division effectively balanced the demands of COVID-19 and non-COVID-19 patient care.

Successful collaboration and support

Protecting populations against COVID-19 and variants of the virus remains a priority for all nations. Collaborating with public and private stakeholders, including governments and health authorities, has been vital in helping to address the effects of the pandemic. Across the world, major advances have been made in the development, manufacture and distribution of COVID-19 vaccines. Mediclinic is working with health authorities to support government-led vaccination roll-out plans, which has directly benefitted the Group’s performance during the period when compared with FY21. It has also resulted in greater protection for the Group’s valued frontline staff, and as a result, the quality of care Mediclinic patients receive.

In Switzerland, Hirslanden has opened nine vaccination centres since the onset of the pandemic, including the country’s largest in Zurich, carrying out more than 760 000 vaccinations and partnered with 12 cantons to manage repetitive testing on its digital platform, “TOGETHER WE TEST”, with more than 3.7m test kits dispatched. Furthermore, the Swiss Confederation (Federal Office of Public Health) mandated Hirslanden with the "pooled testing for all" project, to ensure that everyone living in Switzerland has access to pooled and cost-effective polymerase chain reaction (“**PCR**”) saliva tests. Mediclinic Southern Africa is supporting the vaccine roll-out strategy of the National Department of Health and is part of the private sector initiative to assist the government where required, including the management of vaccine centres at 31 of its facilities with more than 215 000 vaccines delivered. The government-led vaccination and testing programmes in the United Arab Emirates (“**UAE**”) are some of the most advanced in the world, with five Mediclinic Middle East facilities providing on-going support.

Strategic execution delivering enhanced client experience and growth initiatives

Through its centrally led areas of expertise, Mediclinic collates the best practices from each of its divisions across the clinical, procurement, finance, ICT, data science, digitalisation, and business development disciplines. The Group’s international footprint, shared expertise and diversified service offering provide attractive opportunities to deliver value for patients and profitable growth.

Despite ongoing disruptions due to the pandemic, during 1H22, Mediclinic continued to deliver on its Group strategic goals, which support future growth and an enhanced client experience.

Innovation and digital transformation
The pandemic has highlighted and accelerated the global demand for accessible, convenient, quality care. In response, Mediclinic has prioritised the execution of innovation and digital transformation initiatives to enhance services. Virtual care initiatives that were quickly deployed to provide remote access to the Group’s clinical experts and existing services during the pandemic have been further advanced and launched during the period. The Hirslanden mobile application pilot allows for live chats with paediatricians and midwives with the ability to refer patients to a doctor if necessary. The “MyMediclinic 24x7” mobile application at Mediclinic Middle East allows for live appointment booking, telemedicine services and is fully integrated with the division’s Electronic Health Record. Offering seamless service experience across both the virtual and physical care settings, early indications are encouraging regarding the use and benefits of these applications. The Group expects to make significant further progress over the coming months, with Mediclinic Southern Africa in advanced stages of development across its digital transformation journey, which will include the launch of its client-facing MyMediclinic application and doctor-focused MyPatient application. In addition, Intercare is currently in the process of rolling out an on-demand digital clinic service.

Precision medicine services utilising established divisional laboratory facilities were launched at Hirslanden and Mediclinic Middle East during the period and are expected to enhance future care delivery and levels of treatment for clients. Led by specialist geneticists, these services will enable disease treatment and prevention tailored according to genetic, environmental and lifestyle variables of individual clients.

Growth across the continuum of care
A key contributor to the growth strategy of the Group is the goal of becoming an integrated healthcare provider across the continuum of care. Mediclinic continued to invest in day case clinics during the period, which now total 19 across the Group with an additional facility opened at Mediclinic Winelands in South Africa. Further day case clinics are planned to open around the end of FY22 at Mediclinic Vergelegen in South Africa and in Bern, Switzerland.

In Abu Dhabi, Mediclinic Middle East opened the 100-bed expansion at Mediclinic Airport Road Hospital during the period. In addition, the division expects to launch its new cosmetic brand “Enhance” in a designated facility at Dubai Mall before the end of FY22. Mediclinic Middle East is acquiring the remaining 70% shares in the Bourn Hall Fertility Centre in October 2021, enabling the division to further advance its in-vitro fertilisation (“**IVF**”) service offering.

Remote patient monitoring (“**RPM**”) and home care services present new growth opportunities for the Group. Advancing its expertise in these areas, the Group invested in DomoSafety, a Swiss monitoring business; is acquiring a home healthcare business in the UAE; and commenced a RPM pilot with the Abu Dhabi government. In addition, Mediclinic Middle East has converted 35 licenced beds to provide long-term care for patients.

Hirslanden and Medbase (the leading Swiss specialist in family healthcare and part of the Migros Group), in collaboration with Helsana Insurance, are piloting an innovative continuum of care insurance product in Bern, which offers supplementary insured clients access to high-quality, integrated care at Hirslanden and Medbase facilities.

Demand for care in specialised fields, such as mental health, rehabilitation, oncology, radiology and dialysis, remains high. In July 2021, Mediclinic Southern Africa opened its new flagship oncology service in partnership with Icon Oncology at Mediclinic Constantiaberg in Cape Town, with further expansion expected. Following the opening of the Southern Africa division’s first renal facility at Mediclinic Bloemfontein in partnership with BGM Renal Care in February 2021, two further facilities were opened during the period in Potchefstroom and Soweto, with a Pietermaritzburg facility opening soon. Co-locating these services at existing facilities will ensure a comprehensive vertically integrated approach to renal care in the acute and chronic environment.

Partnerships and expansion

The formation of public-private partnerships (“**PPPs**”) remains an opportunity, with Mediclinic transferring its international perspectives and expertise to local healthcare providers. Hirslanden already has several successful PPPs supporting and cooperating with cantonal hospitals to expand care delivery regions across Switzerland, including recently in the field of cardiac medicine with hospitals in Lachen and Schaffhausen. In April 2021, Mediclinic Middle East entered into the first healthcare PPP in Dubai with the Dubai Health Authority to operate the Al Barsha Dialysis Centre which commenced in May 2021. In October 2021, the division entered into a second PPP in Dubai to manage the Al Tawar Dialysis Centre.

The Group’s entry into Saudi Arabia through a management contract with the Al Murjan Group is progressing well and it expects to open the 236-bed private hospital in the second-half of FY23.

GROUP FINANCIAL PERFORMANCE

- Group revenue increased by 12% compared with 1H21 (up 15% in constant currency) driven by growth in patient activity; revenue up 4% on pre-pandemic levels (up 11% in constant currency)
- Group adjusted EBITDA increased by 46% compared with 1H21, driven by revenue growth and adjusted EBITDA margin improvement to 15.8% (1H21: 12.1%); adjusted EBITDA broadly in line with pre-pandemic levels (up 5% in constant currency compared with 1H20)
- Adjusted operating profit of £147m; up 122% on 1H21 and up 2% on pre-pandemic 1H20; in constant currency terms up 121% and 8% compared with 1H21 and 1H20, respectively
- Operating profit of £129m; up 101% on 1H21 and down 14% on pre-pandemic 1H20
- Adjusted earnings and adjusted earnings per share significantly increased compared with the prior year period and 10% up on pre-pandemic period
- Reported earnings and reported earnings per share both up 330% to £65m (1H21: £15m) and 8.8 pence (1H21: 2.0 pence), respectively
- Net incurred debt continues to reduce, down £269m compared with the prior period and £349m compared with pre-pandemic period
- Liquidity position strengthened to £770m of cash and available facilities compared with £679m at FY21; supported by recovery in operating performance and strong Group cash conversion of 104% (1H21: 42%; FY21: 77%)

Adjusted results
Refer to page 13 of the announcement in the Financial Review regarding the Group's use of adjusted non-IFRS financial measures.

With the continued impact of and uncertainty presented by the pandemic, the Group delivered a strong first-half operating performance compared with 1H21, driven by growth in patient volumes in all three divisions. Performance in 1H21 reflected the sudden onset of COVID-19-related lockdown measures and non-urgent elective procedure restrictions implemented by health authorities during the first wave of the pandemic. In 1H22, the Group also made good progress compared to the pre-pandemic period, with revenue ahead of 1H20 at all three divisions.

Group revenue was up 12% at £1 581m (1H21: £1 411m) and up 15% in constant currency terms. This was driven by the strong recovery in patient activity given the demand for the Group's broad range of services and reduced restrictions on elective and non-urgent care. Compared with pre-pandemic 1H20, Group revenue was up 4% (1H20: £1 515m) and up 11% in constant currency terms.

Adjusted EBITDA was up 46% at £249m (1H21: £171m) and up 49% in constant currency terms. Across the Group, incremental COVID-19-related expenses totalled around £14m (1H21: £17m), reflecting the ongoing treatment of COVID-19 patients in 1H22 during the third wave of the pandemic. The Group's adjusted EBITDA margin materially increased to 15.8% (1H21: 12.1%), driven by the strong revenue performance in the half.

Compared with the pre-pandemic 1H20 period, adjusted EBITDA was broadly in line (1H20: £252m) and up 5% in constant currency terms. The adjusted EBITDA margin is approaching pre-pandemic levels (1H20: 16.6%), while reflecting increases in consumable and supply costs driven by COVID-19-related expenses and a higher input cost associated with higher acuity revenue. Specific cost management initiatives have been implemented as part of the Group's ambition to return to pre-pandemic margins across all three divisions over time.

Adjusted depreciation and amortisation was down 3% to £102m (1H21: £106m) and down 5% compared with pre-pandemic (1H20: £108m), reflecting prudent delays in capital expenditure and translation differences more than offsetting the IFRS16 impact of the Mediclinic Airport Road Hospital commissioning.

Adjusted operating profit was up 122% at £147m (1H21: £66m, 1H20: £144m) which resulted in an improved return on invested capital ("**ROIC**") of 4.0% compared with 3.0% at FY21. In constant currency terms, adjusted operating profit was up 121% and 8% compared with 1H21 and 1H20, respectively.

Adjusted net finance cost was down 10% at £33m (1H21: £37m, 1H20: £40m), mainly due to lower base rates and higher cash balances across the divisions more than offsetting the IFRS16 impact of the Mediclinic Airport Road Hospital commissioning.

The adjusted tax charge was £21m (1H21: tax credit of £1m, 1H20: tax charge of £23m) and adjusted effective tax rate for the period of 19.5% (1H21: (2.1)%, 1H20: 21.7%) largely due to the increased contribution by

Mediclinic Middle East to earnings before tax. In the prior period, tax losses reported in Southern Africa resulted in an income tax credit being recognised.

Adjusted non-controlling interests were up 178% to £8m (1H21: £3m, 1H20: £11m), reflecting higher contributions from Mediclinic Southern Africa hospitals with larger outside shareholdings. Adjusted net loss from equity-accounted investments was up from £10m in 1H21 to a loss of £5m in 1H22, reflecting the net loss reported by Spire for the six months ended 30 June 2021.

Both adjusted earnings and adjusted earnings per share ("**EPS**") were up 373% at £80m (1H21: £17m, 1H20: £73m) and 10.8 pence (1H21: 2.3 pence, 1H20: 9.9 pence), respectively.

At the end of FY20, the Board took the prudent and appropriate decision to suspend the dividend as part of the Group's efforts to maintain its liquidity position and maximise its ability to navigate through the pandemic. Although the decision remains unchanged, the Board recognises the importance of its dividend to shareholders and will keep this position under review as the business continues to recover.

In arriving at 1H22 adjusted operating profit, reported operating profit was adjusted for the following exceptional items:

- past service cost of £9m relating to Swiss pension benefit plan changes;
- insurance proceeds of £7m received for the damage of buildings and equipment at Hirslanden;
- accelerated depreciation of £9m relating to the dismantling of two hospital wings as part of an expansion project at Hirslanden's Klinik St. Anna; and
- impairment charges of £7m relating to damaged buildings and equipment in Hirslanden.

Prior period 1H21 operating profit was adjusted for the following exceptional items:

- impairment charges of £3m relating to Mediclinic Southern Africa; and
- fair value adjustments on derivative contracts of £1m.

Operating profit in 1H20 was adjusted for the impairment reversal of £5m relating to Hirslanden properties.

1H21 reported earnings was further adjusted for the following exceptional items:

- Mediclinic's share of the equity-accounted impairment loss from Spire of £60m; and
- reversal of previously recorded impairment losses against the carrying value of the equity investment in Spire of £60m.

Earnings in 1H20 was further adjusted with the reduction of Swiss property deferred tax liabilities of £35m resulting from corporate tax reforms in Switzerland.

The Group delivered strong cash flow conversion of 104% (1H21: 42%), improving since year-end (FY21: 77%), with all three divisions at or above the Group target of 90-100%.

Total capital expenditure for the period was £62m (1H21: £43m), in line with the Group's FY22 expectations for ongoing investment across the three divisions to enhance the existing business and deliver future growth opportunities.

The Group's leverage ratio reduced to 4.4x at 1H22 from 5.1x at year-end FY21. Incurred bank debt marginally increased to £1 801m (FY21: £1 777m) due to translation differences, while lease liabilities increased to £772m (FY21: £676m) mainly due to additional lease liabilities associated with the commissioning of the hospital expansion and new Comprehensive Cancer Centre at Mediclinic Airport Road Hospital in Abu Dhabi.

Reported results

Reported revenue was up 12% to £1 581m (1H21: £1 411m) and EBITDA was up 45% to £247m (1H21: £171m), up 15% and 43%, respectively, in constant currency terms, driven by the strong recovery in patient activity and reduced restrictions on elective and non-urgent care.

Depreciation and amortisation increased by 5% to £111m (1H21: £106m) and it includes accelerated depreciation of £9m relating to the Hirslanden's Klinik St. Anna expansion project. Operating profit was up by 101% to £129m (1H21: £64m).

Net finance cost decreased by 10% to £33m (1H21: £37m) mainly due to lower base rates and higher cash balances across the divisions more than offsetting the IFRS16 impact of the Mediclinic Airport Road Hospital commissioning.

The Group's effective tax rate for the period was 19.8% (1H21: (3.2)%) largely due to the increased contribution by Mediclinic Middle East to earnings before tax. In the prior period, tax losses reported in Southern Africa resulted in an income tax credit being recognised.

The reported earnings show a profit of £65m (1H21: £15m). The EPS was 8.8 pence (1H21: 2.0 pence).

DIVISIONAL RESULTS

	Group currency (millions)					Divisional currency (millions)[1]				
	1H22	1H21	1H20	% variance 1H22 vs 1H21	% variance 1H22 vs 1H20	1H22	1H21	1H20	% variance 1H22 vs 1H21	% variance 1H22 vs 1H20
Revenue	£1 581	£1 411	£1 515	12%	4%					
Hirslanden	£718	£716	£696	0%	3%	912	853	871	7%	5%
Mediclinic Southern Africa	£470	£317	£469	48%	0%	9 381	6 972	8 578	35%	9%
Mediclinic Middle East	£393	£377	£350	4%	12%	2 000	1 760	1 616	14%	24%
Corporate	-	£1	-	(100)%	-	n/a	n/a	n/a		
Adjusted EBITDA	£249	£171	£252	46%	(1)%					
Hirslanden	£106	£98	£113	8%	(6)%	134	116	141	15%	(5)%
Mediclinic Southern Africa	£88	£27	£97	232%	(9)%	1 759	573	1 785	207%	(1)%
Mediclinic Middle East	£56	£47	£44	19%	29%	288	223	204	29%	42%
Corporate	£(1)	£(1)	£(2)	-	(50)%	n/a	n/a	n/a		
Adjusted EBITDA %										
Group	15.8%	12.1%	16.6%							
Hirslanden[2]	14.7%	13.7%	16.2%			14.7%	13.7%	16.2%		
Mediclinic Southern Africa	18.8%	8.2%	20.8%			18.8%	8.2%	20.8%		
Mediclinic Middle East	14.4%	12.7%	12.6%			14.4%	12.7%	12.6%		
Adjusted operating profit	£147	£66	£144	122%	2%					
Hirslanden	£49	£36	£51	35%	(3)%	62	43	63	45%	(2)%
Mediclinic Southern Africa	£69	£9	£78	649%	(12)%	1 374	191	1 444	619%	(5)%
Mediclinic Middle East	£30	£22	£17	37%	74%	152	104	80	47%	90%
Corporate	£(1)	£(1)	£(2)	-	(50)%	n/a	n/a	n/a		
Adjusted operating profit %										
Group	9.3%	4.7%	9.5%							
Hirslanden	6.8%	5.0%	7.3%			6.8%	5.0%	7.3%		
Mediclinic Southern Africa	14.7%	2.7%	16.8%			14.7%	2.7%	16.8%		
Mediclinic Middle East	7.6%	5.9%	4.9%			7.6%	5.9%	4.9%		

Notes

[1] *Divisional currency for Hirslanden is shown in Swiss franc (CHF), Mediclinic Southern Africa in South African rand (ZAR) and Mediclinic Middle East in UAE dirham (AED).*
[2] *The EBITDA margin includes government grants of £1m (CHF2m) (1H21: nil) disclosed as "Other income".*

The Group uses adjusted income statement reporting as non-IFRS measures in evaluating performance and to provide consistent and comparable reporting. Refer to the policy and "Reconciliations" section on pages 13–16 of this announcement.

HIRSLANDEN

A robust first-half performance at Hirslanden was underpinned by a strong recovery in patient volumes, exceeding pre-pandemic levels. As Switzerland adapted its response to the pandemic, fewer restrictions were placed on the operating activities of healthcare providers compared with 1H21, which enabled greater operational flexibility to delivery care for non-COVID-19 patients, while continuing to provide significant support to health authorities and caring for COVID-19 patients.

Hirslanden’s revenue increased by 7% to CHF912m (1H21: CHF853m, 1H20: CHF871m), exceeding pre-pandemic revenue by 5%. This was due to a good recovery in inpatient activity, up 3.3% compared with 1H21, and 2.2% compared with pre-pandemic. While the general insurance mix increased to 51.6% (1H21: 50.7%), supplementary insured patient volumes were up 1.6% compared with 1H21 and general insured volume growth was 4.9% as the division continued to support cantonal health authorities during the pandemic. Inpatient revenue per case increased by 2.4% due to higher acuity. As a result, inpatient revenue increased by 6%. Average length of stay increased by 1.0%, which in combination with the increase in inpatient activity delivered an occupancy rate of 60.7% (1H21: 58.2%).

Outpatient and day case revenue also recovered well during the period, up 7%, contributing some 21% (1H21: 21%) to total revenue in the period.

The increase in patient activity supported a 15% increase in adjusted EBITDA to CHF134m (1H21: CHF116m, 1H20: CHF141m) with the adjusted EBITDA margin increasing to 14.7% (1H21: 13.7%; 1H20: 16.2%). Compared with pre-pandemic, the division continues to absorb COVID-19-related expenses of around CHF6m (1H21: CHF5m) and the direct and indirect impact on operational performance due to the ongoing pandemic.

Adjusted depreciation and amortisation was flat at CHF72m (1H21: CHF73m, 1H20: CHF78m).

Adjusted operating profit increased by 45% to CHF62m (1H21: CHF43m, 1H20: CHF63m).

Adjusted net finance cost was flat at CHF29m (1H21: CHF29m, 1H20: CHF29m).

Adjusted earnings increased by 202% to CHF24m (1H21: CHF8m), approaching pre-pandemic levels (1H20: CHF26m).

The division improved its cash conversion to 110% (1H21: 44%).

Following the significant reduction in capex during the pandemic in 1H21, total capex spent during 1H22 was in line with expectations at CHF37m (1H21: CHF17m), comprising maintenance capex of CHF17m (1H21: CHF7m) and expansion capex of CHF20m (1H21: CHF10m). Expected improvements in operating cash flows will enable the Group to proportionately increase the annual capex investment at Hirslanden while continuing to generate appropriate free cash to equity holders (including the annual debt repayments with the next CHF50m scheduled for November 2021). FY22 forecast total capex remains broadly unchanged with expansion capex of around CHF50m, which includes the first of seven years of investment in the projects at Klinik St. Anna and Hirslanden Klinik Aarau to strengthen the competitive position and growth opportunities of these key hospitals. FY22 maintenance capex is forecast at around CHF75m. Medium-term maintenance capex is expected to be around 4-5% of revenue.

MEDICLINIC SOUTHERN AFRICA

During 1H22, Mediclinic Southern Africa continued to treat a significant number of COVID-19 patients. The third wave of the pandemic, which peaked in July 2021, was more severe and sustained than the previous two waves. The division further adapted to effectively navigate the latest wave and was able to treat an increased volume of non-COVID-19 patients that required its broad range of healthcare services, despite the demands and interruption caused by the pandemic. Subsequent to the period end, the number of COVID-19 admissions fell to the lowest levels since the start of the pandemic, with positive trends observed in theatre and non-COVID-19 activity maintaining broadly stable overall patient volumes.

Mediclinic Southern Africa’s revenue was up 35% to ZAR9 381m (1H21: ZAR6 972m, 1H20: ZAR8 578m), reflecting the stronger than expected recovery in patient volumes compared with 1H21 when lockdowns and restrictions significantly reduced patient activity. Revenue was ahead of pre-pandemic levels by 9%. Compared with 1H21, Paid Patient Days (“**PPDs**”) increased by 29%, and remained marginally below pre-pandemic levels, down 3.1%. COVID-19-related PPDs were around 26% of total PPDs during the period, compared with around 16% in 1H21 and 20% in 2H21.

Occupancy improved with the growth in PPDs to 65.4% (1H21: 51.1%), approaching pre-pandemic levels (1H20: 69.8%). Average revenue per bed day was up 3.8% compared with 1H21 and up 13.0% to pre-pandemic levels, continuing to reflect the elevated acuity of treatments. The average length of stay was up 3.0% compared with 1H21, reflecting the longer than average length of stay for COVID-19 patients partly offset by an increase in day case admissions. Compared with the pre-pandemic period, the average length of stay was up 21.5%.

Adjusted EBITDA increased by 207% to ZAR1 759m (1H21: ZAR573m), driven by the revenue performance recovering towards pre-pandemic levels (1H20: ZAR1 785m). The adjusted EBITDA margin materially increased in 1H22 to 18.8% (1H21: 8.2%). The effects of COVID-19-related costs of around ZAR159m in 1H22 (1H21: ZAR157m) and the change in patient case mix continue to impact the margin when compared with the pre-pandemic period (1H20: 20.8%).

Depreciation and amortisation was flat at ZAR382m (1H21: ZAR382m, 1H20: ZAR340m), mainly due to the prudent delay to investments in the prior period due to the pandemic. Adjusted operating profit increased by 619% to ZAR1 374m (1H21: ZAR191m, 1H20: ZAR1 444m).

Net finance cost decreased by 20% to ZAR234m (1H21: ZAR291m, 1H20: ZAR279m) due to interest income on increased deposits and lower base interest rates.

Adjusted earnings increased to ZAR714m (1H21: loss of ZAR52m, 1H20: ZAR669m).

The division converted 96% (1H21: 110%) of adjusted EBITDA into cash generated from operations.

Total capex spent during the period increased in line with expectations to ZAR427m (1H21: ZAR323m) comprising maintenance capex of ZAR294m (1H21: ZAR104m) and expansion capex of ZAR133m (1H21: ZAR219m). FY22 capex guidance remains unchanged, with expansion capex of around ZAR520m including projects at Mediclinic Brits, Mediclinic Hoogland and Mediclinic Midstream hospitals and Mediclinic Vergelegen day case clinic, following the opening of Mediclinic Winelands day case clinics during the period. In addition, further investment in IT infrastructure projects will be made to support future growth initiatives. FY22 maintenance capex is forecast at around ZAR610m. Medium-term maintenance capex is expected to average around 3% of revenue. In October 2021, South Africa’s Constitutional Court announced that it overturned the Competition Appeals Court ruling and effectively prohibited the proposed acquisition by Mediclinic Southern Africa of Matlosana Medical Health Services Proprietary Limited, based in Klerksdorp.

MEDICLINIC MIDDLE EAST

Mediclinic Middle East delivered a strong first-half performance driven by a return to pre-pandemic inpatient and outpatient volumes, underpinned by investment over recent years to expand and enhance its facilities and services. Compared to 1H21, fewer restrictions were placed on the operating activities of healthcare providers in the region as the UAE’s rapid and advanced vaccination rollout programme reduced COVID-19 cases compared to the first wave. Similar to August 2020, counter-seasonal holiday trends due to global travel restrictions resulted in elevated patient volumes compared with the pre-pandemic period.

Mediclinic Middle East’s revenue increased by 14% to AED2 000m (1H21: AED1 760m, 1H20: AED1 616m), which includes around AED185m (1H21: AED270m) in COVID-19-related and new revenue streams. Inpatient admissions and day cases were up 21% and outpatient cases up 24%. The volume increase was partly offset by a decrease in the average revenue per inpatient and day case admission and outpatient cases by 11% and 3%, respectively, reflecting a move towards pre-pandemic acuity levels and revenue mix.

Despite ongoing COVID-19-related costs and ramp-up costs associated with the expansion at Mediclinic Airport Road Hospital and the new Comprehensive Cancer Centre, adjusted EBITDA increased 29% to AED288m (1H21: AED223m, 1H20: AED204m) due to the strong revenue performance. COVID-19-related expenses totalled around AED6m (1H21: AED17m). As a result, the adjusted EBITDA margin increased to 14.4% (1H21: 12.7%, 1H20: 12.6%).

Adjusted depreciation and amortisation increased by 9% to AED133m (1H21: AED122m, 1H20: AED123m), largely reflecting the commissioning at Mediclinic Airport Road Hospital during the period. Adjusted operating profit increased by 47% to AED152m (1H21: AED104m, 1H20: AED80m).

Net finance cost decreased by 7% to AED37m (1H21: AED40m, 1H20: AED47m), mainly due to a reduction in gross debt and the base rate and revised lease agreement rental savings, partly offset by the IFRS16 interest associated with the Mediclinic Airport Road Hospital commissioning.

Adjusted earnings increased by 81% to AED114m (1H21: AED63m, 1H20: AED33m).

The division significantly improved its cash conversion to 97% (1H21: 9%).

Total capex spent during the period was in line with expectations at AED57m (1H21: AED62m) comprising maintenance capex of AED17m (1H21: AED19m) and expansion capex of AED40m (1H21: AED43m). FY22 total capex forecast remains broadly unchanged with expansion capex of around AED275m including capex investment at Mediclinic Airport Road Hospital for the upgrade at the existing wing following the opening of the new facility and the EHR roll-out. Additionally, investments in key projects continue, including in the first cosmetic facility, additional outpatient clinics, precision medicine, IVF, sports medicine, RPM, IT infrastructure, critical care unit upgrades at Mediclinic Al Ain Hospital and the installation of smart lifts at the Mediclinic Al Noor Hospital. FY22 maintenance capex is forecast at around AED45m. Medium-term maintenance capex is expected to be around 2-3% of revenue with expansion capex from FY23 onwards at half the level in FY21.

OUTLOOK

The Group has demonstrated that it is well positioned to deliver its broad range of healthcare services as restrictions ease and patient demand increases. The Group remains highly focussed on delivering operational and cost-efficiencies, to return to pre-pandemic EBITDA margins over time. In addition, at Mediclinic Middle East, margins are expected to continue gradually increasing beyond pre-pandemic levels, driven by growth in patient volumes supported by recent expansion and upgrade projects in Dubai and Abu Dhabi.

FY22 guidance
Given the encouraging 1H22 revenue performance across all three divisions, the Group expects to deliver FY22 revenue growth ahead of previous guidance at all three divisions while maintaining FY22 margin guidance. However, we remain alert to the ongoing pandemic and potential subsequent waves which provide an element of uncertainty as to near-term operating performance and the shape of the recovery.

In Switzerland, Hirslanden expects to deliver FY22 revenue growth approaching mid-single digit percentage and a stable year-on-year EBITDA margin (FY21: 15.1%).

Mediclinic Southern Africa expects to deliver FY22 revenue growth in the mid- to high-teen digit percentage range and a year-on-year improvement in EBITDA margin approaching the 2H21 outturn (2H21: 19.0%).

Mediclinic Middle East expects to deliver FY22 revenue growth in the high-single digit percentage range and an EBITDA margin approaching FY20 levels (FY20: 15.1%).

BOARD UPDATES

The following changes to the Board and its committees have taken place since the financial year-end, as announced on 26 May 2021 or 27 July 2021:

- Natalia Barsegiyan joined the Board as an independent non-executive director and became a member of the Audit and Risk Committee with effect from 1 August 2021. She also joined the Environmental, Social and Governance ("ESG") Committee upon its constitution, on 1 September 2021.

- The new ESG Committee was constituted with effect from 1 September 2021, chaired by Dame Inga, with other members comprising: Dr Ronnie van der Merwe, Natalia Barsegiyan, Dr Felicity Harvey and Danie Meintjes.

- The Clinical Performance and Sustainability Committee has been refocused as the Clinical Performance Committee, with no changes to its composition.

- Dr Muhadditha Al Hashimi joined the Remuneration Committee on 13 September 2021.

- Tom Singer became Chair of the Audit and Risk Committee and joined the Investment Committee on 13 September 2021.

- Steve Weiner became Chair of the Remuneration Committee on 13 September 2021.

- Alan Grieve and Trevor Petersen stepped down from all their roles on Board Committees on 13 September 2021.

Furthermore, Zarina Bassa will be appointed as an independent non-executive director of the Company and a member of the Remuneration Committee on 1 February 2022. She will become a member of the Audit and Risk Committee with effect from 1 January 2023.

Except as described above, there have been no changes in the Board of Directors of Mediclinic International plc to those listed in the Group's Annual Report and Financial Statements for the year ended 31 March 2021.

FINANCIAL REVIEW

ADJUSTED NON-IFRS FINANCIAL MEASURES

The Group uses adjusted income statement reporting as non-IFRS measures in evaluating performance and as a method to provide shareholders with clear and consistent reporting. The adjusted measures are intended to remove volatility associated with certain types of exceptional income and charges from reported earnings. Historically, EBITDA and adjusted EBITDA were disclosed as supplemental non-IFRS financial performance measures because they are regarded as useful metrics to analyse the performance of the business from period to period. Measures like adjusted EBITDA are used by analysts and investors in assessing performance.

The rationale for using non-IFRS measures:

- they track the adjusted operational performance of the Group and its operating segments by separating out exceptional items;
- they are used by management for budgeting, planning and monthly financial reporting;
- they are used by management in presentations and discussions with investment analysts; and
- they are used by the directors in evaluating management's performance and in setting management incentives.

The Group's policy is to adjust, *inter alia*, the following types of significant income and charges from the reported IFRS measures to present adjusted results:

- cost associated with major restructuring programmes;
- profit/loss on sale of assets and transaction costs incurred on corporate transactions;
- remeasurement of right-of-use assets and lease liabilities as a result of lease modifications in terms of IFRS16 *Leases*;
- past service cost charges/credits in relation to pension fund conversion rate changes;
- accelerated depreciation and amortisation charges;
- mark-to-market fair value gains/losses relating to derivative financial instruments including ineffective interest rate swaps;
- remeasurement of redemption liabilities due to changes in estimated underlying value;
- impairment charges and reversal of impairment charges;
- insurance proceeds for items of property, equipment and vehicles impaired;
- prior year tax adjustments and significant tax rate changes; and
- tax and non-controlling interest impact of the above items.

EBITDA is defined as operating profit before depreciation and amortisation and impairments of non-financial assets, excluding other gains and losses.

Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The adjusted measures used by the Group are not necessarily comparable with those used by other entities.

The Group has consistently applied this definition of adjusted measures in reporting on its financial performance in the past as the directors believe this additional information is important to allow shareholders to better understand the Group's trading performance for the reporting period. It is the Group's intention to continue to consistently apply this definition in the future.

EARNINGS RECONCILIATIONS
NON-IFRS FINANCIAL MEASURES

30 SEPTEMBER 2021	**Total £'m**	Hirslanden £'m	Mediclinic Southern Africa £'m	Mediclinic Middle East £'m	Spire £'m	Corporate £'m
Revenue	**1 581**	718	470	393	-	-
Operating profit/(loss)	**129**	31	69	30	-	(1)
Profit/(loss) for the period[1]	**73**	15	41	23	(5)	(1)
Reconciliations						
Operating profit/(loss)	**129**	31	69	30	-	(1)
Add back:						
- Depreciation and amortisation	**111**	66	19	26	-	-
- Impairment of properties, equipment and vehicles and intangible assets	**7**	7	-	-	-	-
EBITDA	**247**	104	88	56	-	(1)
- Past service cost	**9**	9	-	-	-	-
- Insurance proceeds	**(7)**	(7)	-	-	-	-
Adjusted EBITDA	**249**	106	88	56	-	(1)
Operating profit/(loss)	**129**	31	69	30	-	(1)
- Past service cost	**9**	9	-	-	-	-
- Insurance proceeds	**(7)**	(7)	-	-	-	-
- Impairment of properties, equipment and vehicles and intangible assets	**7**	7	-	-	-	-
- Accelerated depreciation	**9**	9	-	-	-	-
Adjusted operating profit/(loss)	**147**	49	69	30	-	(1)
Profit/(loss) for the period[1]	**73**	15	41	23	(5)	(1)
Non-controlling interest	**(8)**	(2)	(6)	-	-	-
Exceptional items						
- Past service cost	**9**	9	-	-	-	-
- Insurance proceeds	**(7)**	(7)	-	-	-	-
- Impairment of properties, equipment and vehicles and intangible assets	**7**	7	-	-	-	-
- Accelerated depreciation	**9**	9	-	-	-	-
- Tax on exceptional items	**(3)**	(3)	-	-	-	-
Adjusted earnings	**80**	28	35	23	(5)	(1)
Weighted average number of shares (millions)	**737.2**					
Adjusted earnings per share (pence)	**10.8**					

Note

[1] *Profit for the period at Hirslanden is shown after the elimination of intercompany loan interest of £9m.*

EARNINGS RECONCILIATIONS (CONTINUED)

NON-IFRS FINANCIAL MEASURES

30 SEPTEMBER 2020	Total £'m	Hirslanden £'m	Mediclinic Southern Africa £'m	Mediclinic Middle East £'m	Spire £'m	Corporate £'m
Revenue	**1 411**	716	317	377	-	1
Operating profit/(loss)	**64**	36	6	23	-	(1)
Profit/(loss) for the period[1]	**18**	19	(4)	14	(10)	(1)
Reconciliations						
Operating profit/(loss)	**64**	36	6	23	-	(1)
Add back:						
- Other gains and losses	**(2)**	-	-	(2)	-	-
- Depreciation and amortisation	**106**	62	18	26	-	-
- Impairment of properties, equipment and vehicles and intangible assets	**3**	-	3	-	-	-
EBITDA	**171**	98	27	47	-	(1)
No adjustments	**-**	-	-	-	-	-
Adjusted EBITDA	**171**	98	27	47	-	(1)
Operating profit/(loss)	**64**	36	6	23	-	(1)
- Impairment of properties, equipment and vehicles and intangible assets	**3**	-	3	-	-	-
- Fair value adjustments on derivative contracts	**(1)**	-	-	(1)	-	-
Adjusted operating profit/(loss)	**66**	36	9	22	-	(1)
Profit/(loss) for the period[1]	**18**	19	(4)	14	(10)	(1)
Non-controlling interest	**(3)**	(3)	-	-	-	-
Exceptional items						
- Impairment of properties, equipment and vehicles and intangible assets	**3**	-	3	-	-	-
- Fair value adjustments on derivative contracts	**(1)**	-	-	(1)	-	-
- Equity accounted portion of impairment of intangible assets	**60**	-	-	-	60	-
- Reversal of impairment of associate	**(60)**	-	-	-	(60)	-
- Tax on exceptional items[2]	**-**	-	-	-	-	-
Adjusted earnings	**17**	16	(1)	13	(10)	(1)
Weighted average number of shares (millions)	**737.2**					
Adjusted earnings per share (pence)	**2.3**					

Notes

[1] *Profit for the period at Hirslanden is shown after the elimination of intercompany loan interest of £9m.*

[2] *Less than £0.5m*

EARNINGS RECONCILIATIONS (CONTINUED)

NON-IFRS FINANCIAL MEASURES

30 SEPTEMBER 2019	Total £'m	Hirslanden £'m	Mediclinic Southern Africa £'m	Mediclinic Middle East £'m	Spire £'m	Corporate £'m
Revenue	**1 515**	696	469	350	-	-
Operating profit/(loss)	**149**	56	78	17	-	(2)
Profit/(loss) for the period[1]	**122**	71	43	7	2	(1)
Reconciliations						
Operating profit/(loss)	**149**	56	78	17	-	(2)
Add back:						
- Other gains and losses	**-**	-	-	-	-	-
- Depreciation and amortisation	**108**	62	19	27	-	-
- Reversal of impairment of properties	**(5)**	(5)	-	-	-	-
EBITDA	**252**	113	97	44	-	(2)
No adjustments	**-**	-	-	-	-	-
Adjusted EBITDA	**252**	113	97	44	-	(2)
Operating profit/(loss)	**149**	56	78	17	-	(2)
- Reversal of impairment of properties	**(5)**	(5)	-	-	-	-
Adjusted operating profit/(loss)	**144**	51	78	17	-	(2)
Profit/(loss) for the period[1]	**122**	71	43	7	2	(1)
Non-controlling interests	**(13)**	(6)	(7)	-	-	-
Exceptional items						
- Reversal of impairment of properties	**(5)**	(5)	-	-	-	-
- Tax rate changes[2]	**(32)**	(32)	-	-	-	-
- Tax on exceptional items	**1**	1	-	-	-	-
Adjusted earnings	**73**	29	36	7	2	(1)
Weighted average number of shares (millions)	**737.2**					
Adjusted earnings per share (pence)	**9.9**					

Notes

[1] *Profit for the period at Hirslanden is shown after the elimination of intercompany loan interest of £9m.*

[2] *Tax rates changes of £35m are shown after taking non-controlling interest of £3m into consideration.*

DEPRECIATION AND AMORTISATION

Adjusted and reported depreciation and amortisation were calculated as follows:

	1H22 £'m	1H21 £'m	1H20 £'m
Depreciation and amortisation	**111**	106	108
Accelerated depreciation and amortisation	**(9)**	-	-
Adjusted depreciation and amortisation	**102**	106	108

NET FINANCE COST

Adjusted and reported net finance cost were calculated as follows:

	1H22 £'m	1H21 £'m	1H20 £'m
Finance cost	**36**	39	45
Finance income	**(3)**	(2)	(5)
Net finance cost	**33**	37	40

SHARE OF NET PROFIT OF EQUITY-ACCOUNTED INVESTMENTS

Adjusted share of net (loss)/profit of equity-accounted investments was calculated as follows:

	1H22 £'m	1H21 £'m	1H20 £'m
Share of net (loss)/profit of equity-accounted investments	**(5)**	(70)	2
Equity-accounted portion of impairment of intangible assets	**-**	60	-
Adjusted share of net (loss)/profit of equity-accounted investments	**(5)**	(10)	2

INCOME TAX

Adjusted income tax was calculated as follows:

	1H22 £'m	1H21 £'m	1H20 £'m
Income tax (expense)/credit	**(18)**	1	11
Tax rate changes	**-**	-	(35)
Tax impact of exceptional items[1]	**(3)**	-	1
Adjusted income tax (expense)/credit	**(21)**	1	(23)
Adjusted effective tax rate[2]	**19.5%**	(2.1)%	21.7%

Notes

1 *Less than £0.5m in 1H21*
2 *The effective tax rate percentages are calculated in unrounded sterling values and not in millions*

CASH CONVERSION

Cash flow conversion of 104% (1H21: 42%) improved since year-end (FY21: 77%) with all three divisions at or above the Group target of 90-100%.

Cash conversion was calculated as follows:

	1H22 £'m	1H21 £'m
Cash from operations (a)	**260**	72
Adjusted EBITDA (b)	**249**	171
Cash conversion ((a)/(b) x 100)[1]	**104%**	42%

Notes

[1] *Hirslanden 110% (1H21: 44%), Mediclinic Southern Africa 96% (1H21: 110%), Mediclinic Middle East 97% (1H21: 9%)*

PROPERTY, EQUIPMENT AND VEHICLES, AND INTANGIBLE ASSETS

Property, equipment and vehicles increased to £4 218m at 30 September 2021 (31 March 2021: £4 052m), mainly due to the recognition of a right-of-use asset to the value of £101m in respect of the expansion at Mediclinic Airport Road Hospital, as well as the strengthening of the period-end Swiss franc and UAE dirham rates against sterling.

Total capital expenditure for the period was £62m (1H21: £43m). Maintenance and expansion capex amounted to £32m (1H21: £15m) and £30m (1H21: £28m), respectively.

Mediclinic is one of the largest private healthcare providers across Europe, Middle East and Africa, with unique clinical expertise and scale. Aligned with the Group's strategic goals and balanced approach to capital allocation, Mediclinic will seek to execute on opportunities to grow within its existing business across the continuum of care, invest in various innovation and digital transformation initiatives and pursue opportunities for regional expansion through bolt-on investments at the appropriate time.

Intangible assets increased to £1 084m at 30 September 2021 (31 March 2021: £1 061m), mainly due to the impact of the strengthening period-end UAE dirham rate against sterling on the Mediclinic Middle East goodwill.

INVESTMENT IN ASSOCIATES

*Spire Healthcare Group plc ("**Spire**")*
Mediclinic holds a 29.9% investment in Spire which is equity accounted. Spire reported its half-year financial results for the period ended 30 June 2021 on 9 September 2021.

For the six months ended 30 June 2021, Spire reported a loss after taxation of £17m (30 June 2020: loss of £233m, which included a goodwill impairment charge of £200m). Mediclinic's equity-accounted loss amounted to £5m (1H21: £10m).

On 26 May 2021, Ramsay Health Care Limited ("**Ramsay**") announced that it had reached an agreement on the terms of a recommended cash offer of 240 pence per Spire share. Mediclinic provided an irrevocable undertaking to vote in favour of the recommended offer. On 5 July 2021, Ramsay increased its offer to 250 pence per Spire share. However, on 19 July 2021, Spire shareholders did not provide sufficient votes to support the Scheme of Arrangement and the proposed transaction was ceased. Mediclinic remains a supportive shareholder in Spire and continues to work with management and the Board to deliver their strategy and drive value for shareholders in the future.

NET DEBT AND LIQUIDITY

	1H22 £'m	FY21 £'m
Borrowings	**1 801**	1 777
Lease liabilities	**772**	676
Less: cash and cash equivalents	**(375)**	(294)
Net debt	**2 198**	2 159
Total equity	**3 160**	2 967
Debt-to-equity capital ratio	**69.6%**	72.8%

The Group's leverage ratio[1] reduced to 4.4x at 1H22 from 5.1x at FY21 year-end. Incurred bank debt marginally increased to £1 801m (FY21: £1 777m) due to translation differences, while lease liabilities increased to £772m (FY21: £676m) mainly due to additional lease liabilities associated with the commissioning of the hospital expansion and new Comprehensive Cancer Centre at Mediclinic Airport Road Hospital in Abu Dhabi.

The Group maintains a strategy of responsible leverage, largely using its extensive asset base to secure cost-efficient borrowings. The Group's fixed charge cover ratio[2] improved to 4.2x (1H21: 3.4x, FY21: 3.6x). While property ownership drives operational and financial benefits, the approach is not fixed, reflecting the business needs of the Group as it expands across the continuum of care, which includes less asset-intensive investments and partnerships.

Debt is ring-fenced within each division, with no cross guarantees or cross defaults. Borrowings are denominated in the same currency as the divisions' underlying revenue and therefore not exposed to foreign exchange rate risk. In August 2021, Mediclinic Southern Africa successfully completed the refinancing of existing debt through a new sustainability-linked banking facility. The new facility comprises ZAR7 950m senior secured debt and a ZAR500m revolving credit facility ("**RCF**"), replacing the previous facilities. The new five-year agreement is priced initially at three-month JIBAR plus 1.54% and 1.60% on the senior secured debt and RCF, respectively.

In FY22, debt repayments are expected at Hirslanden and Mediclinic Middle East of CHF50m and AED249m, respectively. Mediclinic Middle East currently expects to continue repaying debt it incurred during the multiyear expansion period that supports the division's future growth aspirations.

Cash and available facilities increased to £770m at 30 September 2021 compared with £679m at 31 March 2021. All three divisions' cash and cash equivalents increased during the period supported by the improved operating performance and strong cash conversion.

Notes

1. *Calculated as net debt divided by the last twelve months' adjusted EBITDA.*
2. *Calculated as adjusted EBITDA divided by rental payments and finance cost.*

Covenants

The Group had headroom over all covenants, waived or effective, at the end of 1H22, with the headroom on all three leverage ratios improving in line with improved operating performance.

In 2H21, Hirslanden prudently engaged with its lending banks to extend its leverage covenant test waiver by a further 12 months, with the first test now to be performed at the end of September 2022.

The following table illustrates the headroom to the covenant tests:

	Status	Headroom variable	1H22 Headroom[1]	FY21 Headroom[1]	Compliant
Hirslanden					
Leverage ratio	Waived[2]	EBITDA	12%	5%	n/a
Economic capital ratio	Effective	Equity	32%	30%	Yes
Loan-to-value ratio	Effective	Property value	14%	17%	Yes
Mediclinic Southern Africa					
Leverage ratio	Effective	EBITDA	46%	6%	Yes
Net interest cover ratio	Effective	EBITDA	53%	18%	Yes
Mediclinic Middle East					
Leverage ratio	Effective	EBITDA	66%	48%	Yes
Debt service coverage ratio	Effective	Cash flow	43%	21%	Yes
Minimum net worth	Effective	n/a	>AED700m	>AED700m	Yes
Minimum monthly receivables	Effective	n/a	>AED100m[3]	>AED240m[3]	Yes

Notes

1 *Headroom is calculated with reference to the indicated headroom variable, keeping other inputs constant.*
2 *Waived covenant compliance tests are to be performed at the end of September 2022 for Hirslanden.*
3 *Average of last three months.*

SWISS PENSION BENEFIT OBLIGATION

Hirslanden provides defined contribution pension plans in terms of Swiss legislation to employees, the assets of which are held in separate trustee-administered funds. These plans are funded by payments from employees and Hirslanden, taking into account the recommendations of independent qualified actuaries. Because of the strict definition of defined contribution plans in IAS 19, these plans are classified as defined benefit plans, since the funds are obliged to take some investment and longevity risk in terms of Swiss law. The IAS 19 net pension asset was valued by the actuaries at the end of the year and amounted to £136m (31 March 2021: net asset of £83m), consisting of a net pension asset of £146m relating to one of the plans and a net pension liability of £10m relating to four of the plans. The net pension asset is included under “Retirement benefit assets” in the Group’s statement of financial position, whereas the net pension liabilities are included under “Retirement benefit obligations”. The increase in the net pension asset was largely due to an increase in the plan assets, partly offset by an increase in the liability due to plan amendments that resulted in the recognition of past service cost of £9m.

DERIVATIVE FINANCIAL INSTRUMENTS

Through the acquisition of Clinique des Grangettes, the Group entered into a put/call agreement over the remaining 40% interest of Clinique des Grangettes and Clinique La Colline. At 30 September 2021, the value of the redemption liability related to the written put option amounted to £119m (31 March 2021: £115m).

FOREIGN EXCHANGE RATES

Although the Group reports its results in sterling, the divisional profits are generated in Swiss franc, South African rand and UAE dirham. During the reporting period, the average and closing exchange rates were as follows:

Average rates	1H22	1H21	% Variance 1H22 vs 1H21	1H20	% Variance 1H22 vs 1H20
Swiss franc	**1.27**	1.19	(7)%	1.25	(2)%
South African rand	**19.95**	22.04	9%	18.28	(9)%
UAE dirham	**5.10**	4.65	(10)%	4.62	(10)%

Period end rates	1H22	FY21	% Variance
Swiss franc	**1.26**	1.30	3%
South African rand	**20.34**	20.37	0%
UAE dirham	**4.94**	5.07	2%

Movements in exchange rates affected the reported earnings and reported balances in the statement of financial position. The resulting currency translation difference, which is the amount by which the Group's interest in the equity of the divisions increased because of spot rate movements, amounted to £79m (1H21: decrease of £33m) and was credited (1H21: debited) to the statement of comprehensive income. The increase was the result of the strengthening of the period end rates against the sterling.

Foreign exchange rate sensitivity:

- The impact of a 10% change in the £/CHF exchange rate for a sustained period of six months is that adjusted profit after tax would increase/decrease by £1m (1H21: increase/decrease by £1m) due to exposure to the £/CHF exchange rate.
- The impact of a 10% change in the £/ZAR exchange rate for a sustained period of six months is that adjusted profit after tax would increase/decrease by £4m (1H21: increase/decrease by £0m) due to exposure to the £/ZAR exchange rate.
- The impact of a 10% change in the £/AED exchange rate for a sustained period of six months is that adjusted profit after tax would increase/decrease by £2m (1H21: increase/decrease by £1m) due to exposure to the £/AED exchange rate.

GOING CONCERN

Despite the global vaccine roll-outs and ongoing restriction measures, there remains a degree of risk and uncertainty as to the Group's financial performance for at least the next 12-18 month period to 31 March 2023.

For the purposes of assessing liquidity specifically and going concern at 30 September 2021, the Group modelled a combination of severe but plausible downside scenarios on a month-by-month basis and also applied appropriate mitigation actions which would be within the Group's control. These scenarios had specific reference to:

- reduction in volumes due to the ongoing effects of the COVID-19 pandemic or a deterioration in the business environment;
- reduction in tariffs caused by possible regulatory changes; and
- working capital and capital expenditure requirements.

Due to the mostly fixed employee cost base across the business, lower revenue due to either a reduction in tariffs or volumes has the most pronounced impact on EBITDA. Compared to the base case, the combined adverse effect of reduction of tariffs and volumes after mitigation modelled amounts to an aggregate decline of 16% of EBITDA over the 12-month period to 30 September 2022 compared to the base case, with the worst affected month down by approximately 24%. In the downside case, the Group EBITDA includes an adverse impact of at least 9% for a month compared to base case.

Depending on the circumstances, further mitigating actions would be available to the Group that have not been modelled. These include:

- further reductions in capital expenditure, e.g. ceasing ongoing projects;
- reductions in staff and other operating costs;
- a freeze on recruitment;
- a restriction on salary increases;
- rental relief from landlords; and
- utilising surplus cash at Group level.

Based on the assumptions applied and the effect of mitigating actions set out above, most within the control of the Group, the analyses demonstrate that the divisions will continue to be able to meet their obligations for the periods modelled.

Debt is ring-fenced within each division, with no cross guarantees or cross defaults. Borrowings are denominated in the same currency as the divisions' underlying revenue and therefore not exposed to foreign exchange rate risk. Mediclinic Southern Africa has successfully refinanced its bank loans and it is repayable in September 2026. The Swiss listed bonds are repayable on February 2025 and 2026 and the Swiss bank loan is repayable on September 2025.

Due to the proactive response to maintain the Group's liquidity position, cash and available facilities have remained strong at £770m at half-year, compared to £679m at 31 March 2021.

While recognising that there remains significant risk to the Group's financial performance for at least the next 12 months, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for a period of at least 12 months from the date of approving of the half-year financial statements.

PRINCIPAL RISKS

The Board is ultimately accountable for the Group's risk management process and system of internal control. The principal risks and mitigating factors are described in more detail on pages 96 to 105, and in respect of climate change on pages 55 to 59, of the Group's Annual Report and Financial Statements for the year ended 31 March 2021 (a copy of which is available on the Group's website at www.mediclinic.com).

The Board reconsidered the Group's key risks and have made the following changes to the principal risks:

- The principal risks "Business projects" and "Disruptive innovation and digitalisation" were combined, and "Patient safety and clinical quality" was combined with "Quality of service and operational stability" due to the integrated or connected nature of these risk items.
- Given the potential direct and indirect impacts climate change poses to our operations climate change has been added as a principal risk.

Mitigation measures and monitoring activities for the principal risks combined and for those risks unchanged, remain consistent with the measures described in the 2021 Annual Report.

● Pandemics and infectious diseases	A pandemic occurs when a disease rapidly infects many people and spreads to multiple countries and continents. These risks refer to the Group's ability to respond effectively to the potential adverse clinical, operational and financial effects caused by a pandemic or infectious disease.
● Economic and business environment	These risks relate to the downturn in the general economic and business environments impacting the affordability of healthcare for funders and self-paying patients. The business environment risks include the effect of market dynamics on tariffs and fees. The risk includes the potential operational and financial exposure which may arise from any disruption arising from risks within the supply chain.
● Regulatory and compliance	These risks relate to adverse changes in legislation and regulations impacting on the Group, or where failure to comply with legislation and regulations may

result in losses, fines, penalties or damage to reputation. The Group is also exposed to an increasing compliance monitoring cost.

The risks include healthcare reform by regulators aimed at reducing the cost of healthcare, broadening the access to quality healthcare and increasing quality standards monitoring by regulators.

● Competition	This risk relates to the uncertainty created by existing and/or emerging competitors with alternative business models. The risk includes the outmigration of care (partly driven by further technological developments) and the development of alternative care models.
● Information systems security and cyberattacks	Information system security and cyberattack risks relate to the unauthorised access to information systems through external or internal attack or unauthorised breaches resulting in the unavailability of systems, failure of data integrity and loss of confidential data.
● Disruptive innovation and digitalisation	Disruptive innovation and digitalisation risks incorporate the disintermediation and erosion of the Mediclinic business model due to the impact of technological development. It refers to the extent and speed at which new technologies (and combinations thereof) change and transform industries, and to what extent an organisation can exploit these opportunities by being responsive and innovative, while managing associated risks. The Group is implementing various business projects as it is adapting to the evolving operational, regulatory environment and healthcare market. These business projects carry risks relating to occurrences that could interfere with successful completion of projects, including timelines, cost and quality.
● Workforce risks	There is a growing shortage of skilled labour, particularly of qualified and experienced nursing employees. The availability and support of admitting medical practitioners, whether independent or employed, are critical to the Group's services. The risk includes the potential negative effect of COVID-19 on frontline healthcare workers, who are working under immense and unprecedented pressure for extended periods and putting their physical, mental and social wellbeing at risk.
● Availability and cost of capital	The Group requires capital to finance strategic expansion opportunities and/or refinance or restructure existing debt – the cost, terms and availability of which depend on prevailing market conditions.
● Financial and credit risks	Credit risks relate to possible loss due to a funder's inability to pay the outstanding balance owing; default by banks and/or other deposit-taking institutions; or the inability to recover outstanding amounts due from patients. Credit risk with respect to trade receivables consists mainly of medical schemes and insurance companies, which are required to maintain minimum reserve levels. In Switzerland and the UAE, a large part of trade receivables is owed by cantonal or government funded programmes.
● Patient safety, quality of service and operational stability	These risks relate to all clinical risks associated with the provision of clinical care resulting in undesirable clinical outcomes. Clinical risks are managed daily at all facilities. High-priority clinical risk areas include patient safety culture, adverse obstetric outcomes, medication errors, surgical and procedural adverse events and multidrug resistant organisms. Such risks may also result in damage to Mediclinic's reputation and impact on brand equity. Operational risks refer to diverse types of operational events with a potential for financial loss, operational interruptions or reputational damage. These risks refer to the quality of service and the stability of the operations, including:

incidents of poor service or where operational management fails to respond effectively to complaints; operational interruptions, which refer to any disruption of the facility and may include the threat of disrupted electricity or water supply; and fire and allied perils causing damage or business interruption.

- Business investment and acquisition — These risks relate to increased financial exposure due to major strategic business investments and acquisitions. They include the sensitivity of the assumptions made when capital is allocated and the effective implementation of major investment decisions.

- Climate change — The risk of climate change refers to the potential impacts caused by long-term shift in climate patterns. This includes the rise in temperatures across the globe as well as the increase in extreme weather events which in turn may impact negatively on the economic environment. Climate change may cause disruption to day-to-day operations and increase the Group's cost of doing business due to:
  - increased risk of flooding caused by extreme rainfalls;
  - extreme heatwaves; and
  - increased risk of water shortages due to extreme droughts.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors confirm to the best of their knowledge that the condensed consolidated interim financial information, which have been prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting' as adopted by the United Kingdom ("UK") and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority, give a fair and true view of the assets, liabilities, financial position and profit and loss of the Group and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions that have taken place in the first six months of the current financial year and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the Mediclinic International plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the condensed consolidated financial information since they were initially presented on the website.

The names and functions of the Company's directors are listed on the Company's website.

By order of the Board.

Ronnie van der Merwe	Jurgens Myburgh
Group Chief Executive Officer	Group Chief Financial Officer

10 November 2021

CAUTIONARY STATEMENT

This announcement contains certain forward-looking statements relating to the business of the Company and its subsidiaries, including with respect to the progress, timing and completion of the Group's development; the Group's ability to treat, attract and retain patients and clients; its ability to engage consultants and general practitioners and to operate its business and increase referrals; the integration of prior acquisitions; the Group's estimates for future performance and its estimates regarding anticipated operating results; future revenue; capital requirements; shareholder structure; and financing. In addition, even if the Group's actual results or development are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of the Group's results or developments in the future. In some cases, forward-looking statements can be identified by words such as "could", "should", "may", "expects", "aims", "targets", "anticipates", "believes", "intends", "estimates", or similar. These forward-looking statements are based largely on the Group's current expectations as of the date of this announcement and are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the Group's expectations could be affected by, among other things, uncertainties involved in the integration of acquisitions or new developments; changes in legislation or the regulatory regime governing healthcare in Switzerland, South Africa, Namibia and the United Arab Emirates; poor performance by healthcare practitioners who practise at its facilities; unexpected regulatory actions or suspensions; competition in general; the impact of global economic changes; and the Group's ability to obtain or maintain accreditation or approval for its facilities or service lines. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements made in this announcement will in fact be realised and no representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this announcement.

The Group is providing the information in this announcement as of this date, and disclaims any intention to, and make no undertaking to, publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Independent review report to Mediclinic International plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Mediclinic International plc's condensed consolidated interim financial statements (the "interim financial statements") in the 2022 Half-year Results Announcement of Mediclinic International plc for the 6 month period ended 30 September 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated statement of financial position as at 30 September 2021;
- the condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2022 Half-year Results Announcement of Mediclinic International plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The 2022 Half-year Results Announcement, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the 2022 Half-year Results Announcement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the 2022 Half-year Results Announcement based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the 2022 Half-year Results Announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
10 November 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 September 2021

	Notes	**30 Sep 2021 (Unaudited) £'m**	31 Mar 2021 (Audited) £'m
ASSETS			
Non-current assets		**5 660**	5 440
Property, equipment and vehicles	4	**4 218**	4 052
Intangible assets	5	**1 084**	1 061
Equity-accounted investments	6	**166**	171
Retirement benefit asset	9	**146**	110
Other investments and loans		**17**	12
Deferred income tax assets		**29**	34
Current assets		**1 363**	1 232
Inventories		**113**	109
Trade and other receivables		**870**	826
Other investments and loans		**2**	2
Current income tax assets		**3**	1
Cash and cash equivalents		**375**	294
Total assets		**7 023**	6 672
EQUITY			
Capital and reserves			
Share capital		**74**	74
Share premium reserve		**690**	690
Retained earnings		**4 632**	4 523
Other reserves		**(2 356)**	(2 438)
Attributable to equity holders of the Company		**3 040**	2 849
Non-controlling interests		**120**	118
Total equity		**3 160**	2 967
LIABILITIES			
Non-current liabilities		**3 139**	3 021
Borrowings	7	**1 699**	1 686
Lease liabilities	8	**718**	621
Deferred income tax liabilities		**445**	425
Retirement benefit obligations	9	**117**	127
Provisions		**31**	37
Derivative financial instruments		**127**	124
Cash-settled share-based payment liabilities		**2**	1
Current liabilities		**724**	684
Trade and other payables		**521**	498
Borrowings	7	**102**	91
Lease liabilities	8	**54**	55
Provisions		**29**	19
Retirement benefit obligations	9	**14**	14
Derivative financial instruments		**2**	2
Current income tax liabilities		**2**	5
Total liabilities		**3 863**	3 705
Total equity and liabilities		**7 023**	6 672

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 September 2021

	Notes	**30 Sep 2021 (Unaudited) £'m**	30 Sep 2020 (Unaudited) £'m
Revenue		**1 581**	1 411
Other income		**8**	-
Employee benefit and contractor costs		**(747)**	(702)
Consumables and supplies		**(380)**	(336)
Care related costs		**(75)**	(71)
Infrastructure related costs		**(56)**	(54)
Service costs		**(80)**	(73)
Provision for expected credit losses		**(4)**	(4)
Depreciation and amortisation		**(111)**	(106)
Impairment of properties, equipment and vehicles and intangible assets		**(7)**	(3)
Other gains and losses		**-**	2
Operating profit		**129**	64
Finance income		**3**	2
Finance cost	10	**(36)**	(39)
Share of net loss of equity accounted investments		**(5)**	(10)
Profit before tax		**91**	17
Income tax (expense)/credit	11	**(18)**	1
Profit for the period		**73**	18
Attributable to:			
Equity holders of the Company		**65**	15
Non-controlling interests		**8**	3
		73	18
Profit per ordinary share attributable to the equity holders of the Company - pence			
Basic	12	**8.8**	2.0
Diluted	12	**8.8**	2.0

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2021

	30 Sep 2021 (Unaudited) £'m	30 Sep 2020 (Unaudited) £'m
Profit for the period	**73**	18
Other comprehensive income/(loss)		
Items that may be reclassified to the income statement	**80**	(37)
Currency translation differences	**79**	(33)
Fair value adjustment - cash flow hedges, net of tax	**1**	(4)
Items that may not be reclassified to the income statement	**50**	35
Remeasurements of retirement benefit obligations, net of tax	**47**	35
Changes in the fair value of equity investments at fair value through other comprehensive income, net of tax	**3**	-
Other comprehensive income/(loss), net of tax	**130**	(2)
Total comprehensive income	**203**	16
Attributable to:		
Equity holders of the Company	**193**	10
Non-controlling interests	**10**	6
	203	16

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2021

	Share capital £'m	Capital redemption reserve £'m	Share premium reserve £'m	Reverse acquisition reserve £'m	Financial assets at FVOCI £'m	Foreign currency translation reserve £'m	Hedging reserve £'m	Retained earnings £'m	Attributable to equity holders of the Company £'m	Non-controlling interests £'m	Total equity £'m
Balance at 1 April 2021 (audited)	74	6	690	(3 014)	-	578	(8)	4 523	2 849	118	2 967
Profit for the period	-	-	-	-	-	-	-	65	65	8	73
Other comprehensive income for the period	-	-	-	-	3	78	1	46	128	2	130
Total comprehensive income for the period	-	-	-	-	3	78	1	111	193	10	203
Equity-settled share-based payment[1]	-	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	(2)	(2)	3	1
Dividends paid	-	-	-	-	-	-	-	-	-	(11)	(11)
Balance at 30 September 2021 (unaudited)	**74**	**6**	**690**	**(3 014)**	**3**	**656**	**(7)**	**4 632**	**3 040**	**120**	**3 160**

Note

[1] *Less than £0.5m.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 September 2020

	Share capital £'m	Capital redemption reserve £'m	Share premium reserve £'m	Reverse acquisition reserve £'m	Foreign currency translation reserve £'m	Hedging reserve £'m	Retained earnings £'m	Attributable to equity holders of the Company £'m	Non-controlling interests £'m	Total equity £'m
Balance at 1 April 2020 (audited)	74	6	690	(3 014)	815	(8)	4 327	2 890	113	3 003
Profit for the period	-	-	-	-	-	-	15	15	3	18
Other comprehensive (loss)/income for the period	-	-	-	-	(34)	(4)	33	(5)	3	(2)
Total comprehensive (loss)/income for the period	-	-	-	-	(34)	(4)	48	10	6	16
Transactions with non-controlling shareholders	-	-	-	-	-	-	2	2	-	2
Dividends paid	-	-	-	-	-	-	-	-	(8)	(8)
Balance at 30 September 2020 (unaudited)	**74**	**6**	**690**	**(3 014)**	**781**	**(12)**	**4 377**	**2 902**	**111**	**3 013**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2021

	Notes	**30 Sep 2021 (Unaudited) £'m Inflow/(outflow)**	30 Sep 2020 (Unaudited) £'m Inflow/(outflow)
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations		**260**	72
Interest received		**3**	2
Interest paid		**(33)**	(35)
Tax paid		**(23)**	(9)
Net cash generated from operating activities		**207**	30
CASH FLOW FROM INVESTMENT ACTIVITIES		**(77)**	(67)
Investment to maintain operations		**(38)**	(23)
Investment to expand operations		**(38)**	(43)
Acquisition of subsidiaries		**-**	(2)
Disposal of subsidiaries		**-**	4
Acquisition of investment in associate		**-**	(1)
Proceeds from other investment and loans		**1**	-
Increase in other investments and loans		**(2)**	(2)
Net cash (utilised)/generated before financing activities		**130**	(37)
CASH FLOW FROM FINANCING ACTIVITIES		**(55)**	(38)
Distributions to non-controlling interests		**(11)**	(8)
Transaction with non-controlling interest		**1**	2
Proceeds from borrowings		**89**	7
Repayment of borrowings		**(112)**	(19)
Refinancing transaction costs		**(1)**	(1)
Repayment of lease liabilities		**(21)**	(19)
Net decrease in cash and cash equivalents		**75**	(75)
Opening balance of cash and cash equivalents		**294**	329
Exchange rate fluctuations on foreign cash		**6**	1
Closing balance of cash and cash equivalents		**375**	255

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Mediclinic is a diversified international private healthcare services group, established in South Africa in 1983, with divisions in Switzerland, Southern Africa (South Africa and Namibia) and the UAE. Its core purpose is to enhance the quality of life. Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, a LSE-listed and UK-based private hospital group.

The Company is a public limited company, with a primary listing on the LSE and secondary listings on the JSE and the NSX and incorporated and domiciled in the UK (registered number: 08338604). The address of its registered office is 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom.

The condensed consolidated financial information for the six months ended 30 September 2021 was approved by the Board on 10 November 2021.

2. BASIS OF PREPARATION

The condensed consolidated interim financial information is prepared in accordance with UK adopted IAS 34 and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

The results announcement has been prepared applying consistent accounting policies to those applied by the Group in the 31 March 2021 financial year, except for the estimation of income tax in accordance with IAS 34 at 30 September 2021. The Group has prepared the condensed consolidated interim financial information on a going concern basis (refer to the Finance Review). They do not include all the information required for full annual financial statements and should be read in conjunction with information contained in the Group's Annual Report and Financial Statements for the year ended 31 March 2021, which has been prepared in accordance with IFRS in conformity with the requirements of the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The condensed consolidated interim financial information has been reviewed, not audited.

For the year ending 31 March 2022, the annual financial statements will be prepared in accordance with IFRS as adopted by the UK Endorsement Board, as required by UK company law for the purposes of financial reporting as a result of the UK's exit from the EU on 31 January 2020 and the cessation of the transition period on 31 December 2020. This change does not constitute a change in accounting policy but rather a change in framework which is required to ground the use of IFRS in company law. There is no expected impact on recognition, measurement or disclosure between the two frameworks for the year ending 31 March 2022.

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards. The Group considered the impact of the amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16 *Interest Rate Benchmark Reform – Phase 2* on its hedging relationships and financial instruments. The amendments had no impact for the period under review.

This results announcement does not constitute statutory accounts of the Group within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. Statutory accounts for the year ended 31 March 2021 were approved by the Board on 25 May 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under Sections 498(2) or (3) of the Companies Act 2006.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2021.

Functional and presentation currency
The condensed consolidated financial statements are presented in pounds sterling, rounded to the nearest million. The functional currency of the majority of the Group's entities, and the currencies of the primary economic environments in which they operate, is the Swiss franc, South African rand and UAE dirham. The UAE dirham is pegged against the United States dollar at a rate of 3.6725 per US dollar.

3. SEGMENTAL REPORT

The reportable segments are identified as follows: Switzerland, Southern Africa, Middle East and additional segments are shown for the United Kingdom and Corporate.

		Reportable operating segments			Other	
Period ended 30 September 2021	**Total £'m**	**Switzerland £'m**	**Southern Africa £'m**	**Middle East £'m**	**United Kingdom £'m**	**Corporate £'m**
Revenue	**1 581**	**718**	**470**	**393**	**-**	**-**
EBITDA	**247**	**104**	**88**	**56**	**-**	**(1)**
EBITDA before management fee	**247**	**108**	**92**	**59**	**-**	**(12)**
Management fees included in EBITDA	**-**	**(4)**	**(4)**	**(3)**	**-**	**11**
Other gains and losses	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation and amortisation	**(111)**	**(66)**	**(19)**	**(26)**	**-**	**-**
Impairment of properties, equipment and vehicles and intangible assets	**(7)**	**(7)**	**-**	**-**	**-**	**-**
Operating profit/(loss)	**129**	**31**	**69**	**30**	**-**	**(1)**
Share of net loss of equity accounted investments	**(5)**	**-**	**-**	**-**	**(5)**	**-**
Finance income	**3**	**-**	**3**	**-**	**-**	**-**
Finance cost (excluding inter-segment loan interest)	**(36)**	**(14)**	**(15)**	**(7)**	**-**	**-**
Total finance cost	**(36)**	**(23)**	**(15)**	**(7)**	**-**	**9**
Elimination of inter-segment loan interest	**-**	**9**	**-**	**-**	**-**	**(9)**
Taxation	**(18)**	**(2)**	**(16)**	**-**	**-**	**-**
Segment result	**73**	**15**	**41**	**23**	**(5)**	**(1)**
At 30 September 2021						
Investments in associates	**162**	**2**	**2**	**5**	**153**	**-**
Investments in joint ventures	**4**	**-**	**4**	**-**	**-**	**-**
Capital expenditure	**62**	**29**	**22**	**11**	**-**	**-**
Total segment assets	**7 023**	**4 137**	**784**	**1 842**	**153**	**107**
Total segment liabilities (excluding inter-segment loan)	**3 863**	**2 537**	**602**	**715**	**-**	**9**
Total liabilities from reportable segment	**4 833**	**3 507**	**602**	**715**	**-**	**9**
Elimination of inter-segment loan	**(970)**	**(970)**	**-**	**-**	**-**	**-**

3. SEGMENTAL REPORT (CONTINUED)

Period ended 30 September 2020	Total £'m	Reportable operating segments: Switzerland £'m	Southern Africa £'m	Middle East £'m	Other: United Kingdom £'m	Corporate £'m
Revenue	1 411	716	317	377	-	1
EBITDA	171	98	27	47	-	(1)
EBITDA before management fee	171	101	30	49	-	(9)
Management fees included in EBITDA	-	(3)	(3)	(2)	-	8
Other gains and losses	2	-	-	2	-	-
Depreciation and amortisation	(106)	(62)	(18)	(26)	-	-
Impairment of properties, equipment and vehicles and intangible assets	(3)	-	(3)	-	-	-
Operating profit/(loss)	64	36	6	23	-	(1)
Share of net loss of equity accounted investments	(10)	-	-	-	(10)	-
Finance income	2	1	1	-	-	-
Finance cost (excluding inter-segment loan interest)	(39)	(16)	(14)	(9)	-	-
Total finance cost	(39)	(25)	(14)	(9)	-	9
Elimination of inter-segment loan interest	-	9	-	-	-	(9)
Taxation	1	(2)	3	-	-	-
Segment result	18	19	(4)	14	(10)	(1)
At 31 March 2021						
Investments in associates	167	3	2	5	157	-
Investments in joint ventures	4	-	4	-	-	-
Capital expenditure	126	67	33	26	-	-
Total segment assets	6 672	3 972	740	1 701	157	102
Total segment liabilities (excluding inter-segment loan)	3 705	2 470	602	624	-	9
Total liabilities from reportable segment	4 635	3 400	602	624	-	9
Elimination of inter-segment loan	(930)	(930)	-	-	-	-

4. PROPERTY, EQUIPMENT AND VEHICLES

	30 Sep 2021 £'m	31 Mar 2021 £'m
Land - cost	**918**	886
Buildings	**2 215**	2 181
Capital expenditure in progress	**93**	85
Right-of-use assets (see note 8)	**717**	625
Equipment	**238**	237
Furniture and vehicles	**37**	38
	4 218	4 052

Cash generating unit ("CGU") impairment indicators

Property, equipment and vehicles are considered for impairment if impairment indicators are identified at an individual CGU level. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group defines CGUs as combined inter-dependent hospitals and/or clinics or as individual hospitals depending on the geographical location or the degree of integration. The impairment assessment is performed at CGU level and any impairment charge that arises would be allocated to the CGU's goodwill first, followed by other assets (such as property, equipment and vehicles and other intangible assets).

Impairment assessment

At 30 September 2021, the Group performed a review of impairment indicators of all the CGUs. Impairment indicators have been identified at 2 CGUs in Southern Africa. The recoverable amounts of the Southern African CGUs were tested for impairment based on fair-value-less-cost-to-sell ("**FVLCTS**") calculations. In determining the FVLCTS calculations for the CGUs, the cash flows were discounted at 12.8% and a growth rate of 4.5% beyond five years was used. The recoverable amounts were determined to be higher than the carrying values and as a result no impairment charge was recognised. No impairment indicators were identified at Mediclinic Middle East and Hirslanden.

During the period under review, an impairment charge of £7m was recognised due to damage caused by the fire at Klinik Hirslanden.

At 30 September 2020 and 31 March 2021 property, equipment and vehicles relating to the Southern Africa division was impaired by £2m and £1m respectively.

5. INTANGIBLE ASSETS

	30 Sep 2021 £'m	31 Mar 2021 £'m
Goodwill	**971**	946
Trade names	**44**	45
Computer software	**69**	70
	1 084	1 061

	30 Sep 2021 £'m	31 Mar 2021 £'m
Goodwill by operating segment		
Switzerland	**103**	99
Southern Africa	**13**	13
Middle East	**855**	834
	971	946

Impairment testing of goodwill and trade names

No impairment indicators were identified by the Group at 30 September 2021.

At 30 September 2020, an impairment loss of £1m relating to goodwill in the Southern Africa division was recognised.

6. EQUITY-ACCOUNTED INVESTMENTS

	30 Sep 2021 £'m	31 Mar 2021 £'m
Investment in associates	**162**	167
Investment in joint venture	**4**	4
	166	171

6.1 Investment in associates

	30 Sep 2021 £'m	31 Mar 2021 £'m
Listed investment	**153**	157
Unlisted investments	**9**	10
	162	167
Reconciliation of carrying value at the beginning and end of the period		
Opening balance	**167**	177
Additional investment in unlisted associate	**-**	1
Share of net loss of equity accounted investments	**(5)**	(70)
Reversal of impairment of listed associate	**-**	60
Exchange differences	**-**	(1)
	162	167

6. EQUITY-ACCOUNTED INVESTMENTS (CONTINUED)

Set out below are details of the associate which is material to the Group:

	Country of incorporation and place of business	% ownership
Spire Healthcare Group plc (Spire)	**United Kingdom**	**29.9%**

Spire is listed on the London Stock Exchange. It does not publish quarterly financial information and has a December year-end. The investment in associate was equity accounted for the six months to 30 June 2021 (31 March 2021: 12 months to 31 December 2020).

At 30 September 2021, the market value of the investment in Spire was £247m, which was higher than the carrying value of £153m. The recoverable amount determined using a value-in-use calculation has not changed significantly compared to 31 March 2021. The Group considers the assessment of impairment or reversal in the context of, among other factors, the long-term forecast financial performance of Spire. As a result, no reversal of impairment losses has been recognised.

In the prior period, Spire's loss included a goodwill impairment charge of £200m. The equity-accounted portion of this impairment amounted to £60m. Accumulated impairment charges recognised by the Group in prior periods amounted to £283m. Following Spire's goodwill impairment charge, the Group's interest in the net asset value of Spire was higher than its carrying value of the equity investment at 30 September 2020. As a result an impairment reversal equal to the Group's share of the goodwill impairment of £60m was recognised.

7. BORROWINGS

	30 Sep 2021 £'m	31 Mar 2021 £'m
Bank loans	**1 614**	1 507
Preference shares	**-**	89
Listed bonds	**187**	181
	1 801	1 777
Non-current borrowings	**1 699**	1 686
Current borrowings	**102**	91
Total borrowings	**1 801**	1 777

		30 Sep 2021 £'m Non-current	30 Sep 2021 £'m Current	31 Mar 2021 £'m Non-current	31 Mar 2021 £'m Current
	Swiss operations (denominated in Swiss franc)				
Secured bank loan one	This loan bears interest at variable rates linked to the 3M LIBOR plus 1.25%. With reference to the Facility agreement, there will be a change in the calculation of the variable interest rate from Swiss LIBOR to SARON. CHF50m is redeemable annually on 30 September with the final outstanding balance redeemable on 30 September 2026. The repayment in September 2021 was suspended, to be resumed in September 2022. The non-current portion includes capitalised financing costs of £13m (2021: £13m).	**1 021**	**40**	986	38
Secured bank loan two	These loans were acquired as part of the Linde acquisition and bear interest at a fixed rate of 1.12%. CHF0.5m are repayable on 30 June and 31 December every year. The remaining balances are repayable during May 2023.	**13**	**1**	13	1
Secured bank loan three	This fixed interest mortgage loan was acquired as part of the Linde acquisition and bears interest at 0.90% compounded quarterly. The loan is repayable by December 2023.	**8**	**-**	8	-
Listed bonds	The listed bonds consist of CHF90m at 2.00% and CHF145m at 1.25% Swiss franc bonds. The bonds are repayable on 25 February 2025 and 25 February 2026, respectively.	**187**	**-**	181	-
	Balance carried forward	**1 229**	**41**	1 188	39

7. BORROWINGS (CONTINUED)

		30 Sep 2021 £'m Non-current	30 Sep 2021 £'m Current	31 Mar 2021 £'m Non-current	31 Mar 2021 £'m Current
	Balance carried forward	**1 229**	**41**	1 188	39
	Southern African operations (denominated in South African rand)				
Secured bank loan one	The loan bore interest at the 3M JIBAR variable rate plus a margin of 1.49% (2021: 1.71%) compounded quarterly. The loan was extinguished on 17 September 2021 as part of the refinancing arrangement.[1]	**-**	**-**	126	1
Secured bank loan two	The loan bore interest at the 3M JIBAR variable rate plus a margin of 1.59% (2021: 1.81%) compounded quarterly. The loan was extinguished on 17 September 2021 as part of the refinancing arrangement.[1]	**-**	**-**	176	1
Secured bank loan three	The loans bear interest at the 3M JIBAR variable rate plus a variable margin that is linked to predefined sustainability measures. The sustainability measures are assessed in calendar years, starting in January 2022. At 30 September 2021 a margin of 1.54% was applied. The loans are repayable on 17 September 2026. £195m of the loan has been hedged.[2]	**391**	**1**	-	-
Secured bank loan four	These loans bear interest at variable rates linked to the prime overdraft rate and are repayable in periods ranging between one and 12 years.	**3**	**-**	3	1
Preference shares	Dividends were payable quarterly at a rate of 72% of 3M JIBAR plus a margin of 1.65% (2021: 1.77%). The outstanding balance was redeemed on 1 September 2021.	**-**	**-**	89	-
	Middle East operations (denominated in US dollar)				
Secured bank loan one	The loan bears interest at variable rates linked to the 3M USD LIBOR and a margin of 1.85% with five-year amortising terms, expiring in August 2023. £62m (2021: £51m) of the loan has been hedged.	**76**	**60**	104	49
		1 699	**102**	1 686	91

Notes

1. There were no cash outflows on the extinguishment of the loans.
2. Cash inflows on the new bank loans amounted to £89m.

8. LEASES

This note provides information for leases where the Group is the lessee.

Amounts recognised in the statement of financial position
The statement of financial position shows the following amounts relating to leases:

	30 Sep 2021 £'m	31 Mar 2021 £'m
Right-of-use assets		
Buildings	**714**	621
Equipment	**3**	4
	717	625
Right-of-use assets by operating segment		
Switzerland	**390**	390
Southern Africa	**26**	27
The United Arab Emirates	**301**	208
	717	625

	30 Sep 2021 £'m	31 Mar 2021 £'m
Lease liabilities		
Switzerland	**409**	408
Southern Africa	**36**	38
The United Arab Emirates	**327**	230
	772	676
- Non-current lease liabilities	**718**	621
- Current lease liabilities	**54**	55
	772	676

During the six months ended 30 September 2021, Mediclinic Middle East recognised right-of-use assets and lease liabilities to the value of £101m in respect of the expansion at Mediclinic Airport Road Hospital.

8. LEASES (CONTINUED)

Amounts recognised in the income statement
The income statement shows the following amounts relating to leases:

	30 Sep 2021 £'m	30 Sep 2020 £'m
Depreciation charge of right-of-use assets		
Buildings	**24**	24
	24	24
Interest expense on lease liabilities (refer to note 10)	**10**	10
Expense relating to short-term leases and leases of low-value assets	**4**	3
Rent concessions (included in other gains and losses)	**-**	(1)

The total cash outflow for leases, excluding short-term leases and leases of low-value assets, was £30m (1H21: £27m).

9. RETIREMENT BENEFIT OBLIGATIONS

The Swiss pension benefit was reassessed by the actuaries at the end of the period and amounted to a net asset of £136m, consisting of a net pension asset of £146m relating to one of the plans and a net pension liability of £10m relating to four of the plans. At 31 March 2021, the pension benefit amounted to a net asset of £83m, consisting of a net pension asset of £110m relating to one of the plans and a net pension liability of £27m relating to four of the plans. The net pension asset is included under “Retirement benefit assets” in the Group’s statement of financial position, whereas the net pension liabilities are included under “Retirement benefit obligations”. The increase in the net pension asset was largely due to an increase in the plan assets, partly offset by an increase in the liability due to plan amendments that resulted in the recognition of past service cost of £9m.

10. FINANCE COSTS

	30 Sep 2021 £'m	30 Sep 2020 £'m
Interest expenses	**20**	23
Interest on lease liabilities	**10**	10
Interest rate swaps	**3**	3
Amortisation of capitalised financing costs	**2**	2
Preference share dividend	**2**	2
Less: amounts included in cost of qualifying assets	**(1)**	(1)
	36	39

11. INCOME TAX EXPENSE

	30 Sep 2021 £'m	30 Sep 2020 £'m
Current tax		
Current year	**17**	6
Deferred tax	**1**	(7)
Taxation charge/(credit)	**18**	(1)
Composition		
UK tax	**-**	-
Foreign tax	**18**	(1)
	18	(1)

The tax charge for the period has been calculated using an estimate of the effective annual rate of tax for the full year by operating division. This rate has been applied to the pre-tax profits for the six months ended 30 September 2021, with adjustments made for non-recurring items in the period. The effective tax rate on the profit before tax was 19.8%[1] (1H21: (3.2)%).

The following items affected the effective tax rate in the prior period:

- The net tax credit of £0.6m comprised of a tax charge of £1.8m from Switzerland and a tax credit of £2.4m from Southern Africa; and
- A higher contribution of non-taxable income from Mediclinic Middle East compared to 1H20.

If adjusting items and their related tax effect, as explained in the “Financial Review”, are excluded from the effective tax rate calculation, the adjusted effective tax rate would be 19.5%[1] (1H21: (2.1)%).

Note

[1] *The effective tax rate percentages are calculated in unrounded sterling values and not in millions.*

12. EARNINGS PER ORDINARY SHARE

	30 Sep 2021 £'m	30 Sep 2020 £'m
Profit per ordinary share (pence)		
Basic (pence)	**8.8**	2.0
Diluted (pence)	**8.8**	2.0
Earnings reconciliation		
Profit attributable to equity holders of the Company	**65**	15
Adjusted for:		
No adjustments	**-**	-
Profit for basic and diluted earnings per share	**65**	15

Numbers of ordinary shares

At 30 September 2021, the weighted average number of ordinary shares in issue were 737 243 810 (1H21: 737 243 810). There were no dilutive shares in issue at 30 September 2021 (1H21: nil shares).

Equity-settled long-term incentive plan (“LTIP”) awards

Equity-settled LTIP awards granted to employees are considered to be potential ordinary shares. They are included in the determination of diluted EPS if the required performance conditions would have been met at the reporting date, and to the extent to which they are dilutive. The awards have not been included in the determination of basic EPS.

The 607 072 awards granted in December 2020 and the 546 750 awards granted in June 2021 are not included in the calculation of diluted EPS because the required performance conditions were not met for the six months ended 30 September 2021. These options could potentially dilute basic EPS in the future.

Headline earnings per ordinary share

The Group is required to calculate headline earnings per share (HEPS) in accordance with the JSE Listings Requirements, determined by reference to the South African Institute of Chartered Accountants’ circular 01/2021 (Revised) *Headline Earnings*. The table below sets out a reconciliation of basic EPS and HEPS in accordance with that circular. Disclosure of HEPS is not a requirement of IFRS, but it is a commonly used measure of earnings in South Africa. The table below reconciles the profit for the financial year attributable to equity holders of the parent to headline earnings and summarises the calculation of basic HEPS:

	30 Sep 2021 £'m	30 Sep 2020 £'m
Headline earnings per share		
Profit for basic and diluted earnings per share	**65**	15
Adjustments		
Reversal of impairment of equity accounted investment	**-**	(60)
Impairment of properties, equipment and intangible assets, net of tax	**6**	3
Insurance proceeds for impaired properties and equipment, net of tax	**(6)**	-
Associate's impairment of goodwill	**-**	60
Headline earnings	**65**	18
HEPS (pence)	**8.8**	2.4
Diluted HEPS (pence)	**8.8**	2.4

13. COMMITMENTS

	30 Sep 2021 £'m	31 Mar 2021 £'m
Capital commitments		
Switzerland	**140**	137
Southern Africa	**82**	94
Middle East	**42**	36
	264	267

These commitments will be financed from Group operating cash flows and borrowings.

14. DIVIDENDS

Dividends are only recognised in the financial statements when authorised by the Board of directors (for interim dividends) or when authorised by the shareholders (for final dividends). As part of the Group's response to maintaining its liquidity position through the COVID-19 pandemic, the Board has taken the decision to suspend the interim dividend.

15. RELATED PARTIES

During the six months ended 30 September 2021, Mediclinic Southern Africa entered into an agreement with Energy Exchange of Southern Africa, an associate of Remgro Ltd, to procure renewable electricity. There were no transactions for the period under review or amounts outstanding at 30 September 2021.

There are no other significant changes to the related party transactions for the six months ended 30 September 2021 compared to those disclosed in the Group's annual financial statements for the year ended 31 March 2021.

16. SHARE-BASED PAYMENTS

During the six months ended 30 September 2021, the Group made further grants under its existing LTIP awards as follows:

On 4 June 2021, the Group granted 2 138 019 awards to senior management and executive directors. 546 750 of these awards are intended to be equity settled and the remaining 1 591 269 are intended to be settled in cash. The vesting of these shares is subject to continued employment and is conditional upon achievement of performance targets, measured over a three-year period. The performance conditions for the year under review constitute a combination of: absolute total shareholder return ("**TSR**") (25% weighting), adjusted earnings per share (40% weighting), growth in ROIC (25% weighting) and the Patient Experience Index (10% weighting). The equity-settled awards are also subject to an additional two-year holding period.

For the six months ended 30 September 2021, the total cost recognised in the income statement for the LTIP awards was £1.0m (1H21: £0.2m).

17. FINANCIAL INSTRUMENTS

Financial instruments that are measured at fair value in the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 – Input (other than quoted prices included within Level 1) that is observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3 – Input for the asset or liability that is not based on observable market data (unobservable input).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 September 2021 and 31 March 2021 on a recurring basis:

	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
At 30 September 2021				
Financial assets				
Financial assets at FVPL (included in Other investments and loans)	2	-	2	4
Financial assets at FVOCI (included in Other investments and loans)	-	-	4	4
Total financial assets measured at fair value	**2**	**-**	**6**	**8**
Financial liabilities				
Derivatives - interest rate swaps	-	9	-	9
Derivatives - forward contracts	-	-	(1)	(1)
Total financial liabilities measured at fair value	**-**	**9**	**(1)**	**8**
At 31 March 2021				
Financial assets				
Financial assets at FVPL (included in Other investments and loans)	3	-	-	3
Financial assets at FVOCI (included in Other investments and loans)	-	-	2	2
Total financial assets measured at fair value	**3**	**-**	**2**	**5**
Financial liabilities				
Derivatives - interest rate swaps	-	11	-	11
Total financial liabilities measured at fair value	**-**	**11**	**-**	**11**

Financial assets at FVPL (included in Other investments and loans) comprise investments in money market funds and equity instruments. The fair value of money market funds and listed equity instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Financial assets at FVOCI comprise unlisted equity instruments. The fair value of these financial instruments is not based on observable market data. These assets are grouped as level 3.

Derivative financial instruments comprise interest rate swaps and forward contracts. These financial instruments are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. Based on the degree to which the fair values are observable, the interest rate swaps are grouped as Level 2. Forward contracts are grouped as level 3.

17. FINANCIAL INSTRUMENTS (CONTINUED)

Redemption liability (written put option)

Through the acquisition of the Grangettes Group, the Group entered into a put/call agreement over the remaining 40% interest in the combined company of Clinique des Grangettes and Clinique La Colline. The option is exercisable after four years and the consideration on exercise will be determined based on the profitability of Clinique des Grangettes and Clinique La Colline at that time. The exercise price is formula based.

The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests.

The liability is subsequently adjusted for changes in the estimated performance and increased through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity. The changes in the fair value of the liability will impact the income statement. A 10% change in the projected earnings will change the liability and profit before tax by £12m (31 March 2021: £12m).

Redemption liability (written put option)	**30 Sep 2021 £'m**	31 Mar 2021 £'m
Opening balance	**115**	101
Charged to the income statement		
Remeasurement of redemption liability	**-**	23
Unwinding of discount	**-**	1
Exchange differences	**4**	(10)
	119	115

18. EVENTS AFTER THE REPORTING DATE

The directors are not aware of any matter or circumstance arising since the end of the financial period that would significantly affect the operations of the Group or the results of its operations.

ABOUT MEDICLINIC INTERNATIONAL PLC

Mediclinic is a diversified international private healthcare services group, established in South Africa in 1983, with divisions in Switzerland, Southern Africa (South Africa and Namibia) and the United Arab Emirates ("UAE").

The Group's core purpose is to enhance the quality of life.

Its vision is to be the partner of choice that people trust for all their healthcare needs.
Mediclinic is focused on providing specialist-orientated, multi-disciplinary services across the continuum of care in such a way that the Group will be regarded as the most respected and trusted provider of healthcare services by patients, medical practitioners, funders and regulators of healthcare in each of its markets.

At 30 September 2021, Mediclinic comprised 74 hospitals, five subacute hospitals, two mental health facilities, 19 day case clinics and 20 outpatient clinics. Hirslanden operated 17 hospitals and four day case clinics in Switzerland with around 1 900 inpatient beds; Mediclinic Southern Africa operations included 50 hospitals (three of which in Namibia), five subacute hospitals, two mental health facilities and 13 day case clinics (four of which operated by Intercare) across South Africa, and around 8 600 inpatient beds; and Mediclinic Middle East operated seven hospitals, two day case clinics and 20 outpatient clinics with around 1 000 inpatient beds in the UAE. In addition, under management contracts Mediclinic Middle East operates one hospital in Abu Dhabi and will open a 200-bed hospital in the Kingdom of Saudi Arabia in mid-2022.

The Company's primary listing is on the London Stock Exchange ("LSE") in the United Kingdom, with secondary listings on the JSE in South Africa and the Namibian Stock Exchange in Namibia.

Mediclinic also holds a 29.9% interest in Spire Healthcare Group plc, a leading private healthcare group based in the United Kingdom and listed on the LSE.

ZOOM WEBINAR AND CONFERENCE CALL DETAILS

In conjunction with these results, Mediclinic is hosting a Zoom webinar and conference call. A replay facility will be available on the website shortly after the presentation.

09:00 GMT/11:00 SAST

Register here: https://mediclinic.zoom.us/webinar/register/7516341951220/WN_0FPDikiISBuOH3jOUEIYLg

Join via Zoom
Participants connecting via Zoom will be able to participate in the 'Questions and Answers' segment that follows the presentation of results.

- Click on the registration link above which will direct you to the registration page.
- Once registered, you will receive a confirmation email containing more detail and the link needed to join the webinar.

Join via telephone
Participants connecting via telephone will not be able to participate in the 'Questions and Answers' segment that follows the presentation of results.

- Click on the registration link above which will direct you to the registration page.
- Once registered, you will receive a confirmation email containing the dial-in details.
- Upon dialling-in, enter the webinar ID as well as the passcode as contained in the confirmation email.

Q&A
In Zoom, you will be able to ask your question via audio only; your video will be disabled.

- Click on 'Raise Hand' in your Zoom toolbar.
- The webinar facilitators will prompt you to unmute your microphone when the panel is ready to receive your question. Please unmute your microphone as requested, ask your question when prompted, and stay connected.
- Once your question has been answered, the webinar facilitators will mute your microphone and move on to the next question.

Presentation
The presentation will become available in the Results Centre of the Mediclinic Investor Relations website a few minutes prior to the webinar: https://investor.mediclinic.com/results-centre/results-and-reports

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NSX sponsor (Namibia): Simonis Storm Securities (Pty) Ltd