HALF-YEAR FINANCIAL REPORT H1 2023

AS OF 30 JUNE 2023
SYNLAB AG, MUNICH

Content

Key figures

CONDENSED P&L

In M€, unless stated otherwise

	H1 2023	H1 2022	Change
Revenue	1,372.7	1,851.4	(25.9)%
Adjusted EBITDA (AEBITDA)	**232.3**	**528.0**	**(56.0)%**
As % of revenue	*16.9%*	*28.5%*	*(11,6)ppt*
Adjusted operating profit (AOP)	**114.3**	**410.8**	**(72.2)%**
As % of revenue	*8.3%*	*22.2%*	*(13.9)ppt*
Operating profit	**83.1**	**206.3**	**(59.7)%**
Financial result	(35.2)	0.2	n/a
Income tax expenses	(22.2)	(83.5)	(73.4)%
Adjusted net profit	**49.9**	**320.1**	**(84.4)%**
Net profit (Group share)	**40.0**	**121.8**	**(67.2)%**

CONDENSED CASH FLOW

In M€, unless stated otherwise

	H1 2023	H1 2022	Change
Operating cash flow	128.5	384.3	(66.6)%
Unlevered free cash flow	(12.0)	243.7	(104.9)%

NET DEBT AND LEVERAGE

In M€, unless stated otherwise

	30 Jun 2023	31 Dec 2022	Change
Net debt	1,730.3	1,575.1	9.9%
Adjusted net debt	1,700.5	1,645.4	3.3%
Leverage ratio	**3.40x**	**2.07x**	**1.33x**

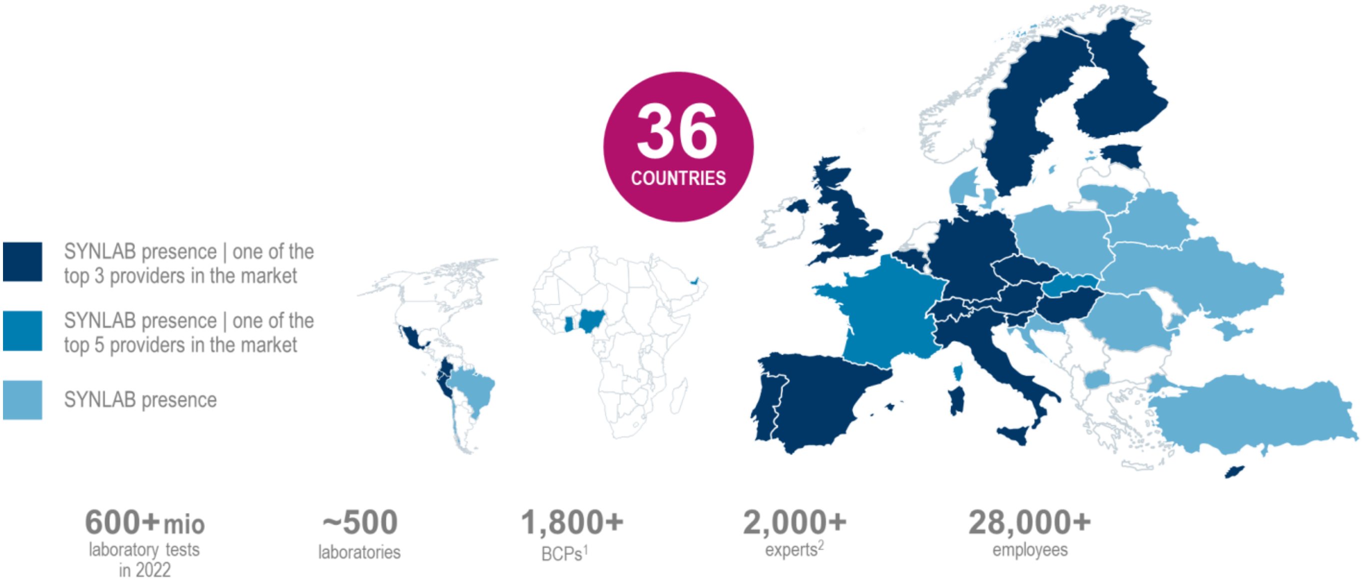
Preamble

This Half-Year Report as of 30 June 2023 comprises the interim Group management report, the interim consolidated financial statements as well as selected notes. It should be read in conjunction with the Group's Annual Report 2022 as of 31 December 2022 and Quarterly Report Q1 2023 as of 31 March 2023.

About SYNLAB

SYNLAB Group („the Group“, or „SYNLAB“), with headquarters in Munich, Germany, is the leader in medical diagnostic services and specialty testing in Europe. SYNLAB offers a full range of innovative and reliable medical diagnostics for patients, practicing doctors, hospitals and clinics, governments and corporations. Providing a high level of service within the industry, SYNLAB is a partner of choice for diagnostics in human and veterinary medicine. The Group continuously innovates medical diagnostic services for the benefit of patients and customers.

SYNLAB operated in 36 countries across four continents in the first half year of 2023 and held leading positions in most markets. Around 28,000 employees contribute to the Group's worldwide success. SYNLAB carried out around 600 M€ laboratory tests and achieved revenues of €3.25 billion in 2022.



Key achievements in Q2 2023

UNDERLYING ORGANIC GROWTH (EXCLUDING COVID-19)

The continued strong underlying organic growth achieved in Q2 2023 not only reflects the volume and price increases throughout most of the portfolio countries, but again also an over-delivery of the Group's For You Growth Initiative.

As part of the retail initiative, SNYLAB completed the Net Promoter Score (NPS) rating scheme roll-out throughout its Business-to-Consumer activities to assess customer satisfaction and started the initiative in ten countries regarding Business-to-Business activities in Q2 2023. The overall NPS score remained stable at a very high 87 with a possible range of -100 to +100 (Q1 2023: 87).

[1] Blood collection points
[2] Scientists, doctors, etc. in laboratories

OPERATIONAL EXCELLENCE

With SALIX, a multi-year efficiency programme, SYNLAB originally aimed to reduce its cost base by €20 million each year. For 2023 this goal was raised to €45 million of savings. In Q2 2023, SYNLAB achieved further €11 million savings through SALIX (H1 2023: €21 million).

To further raise synergies, SYNLAB successfully merged its laboratories in Mexico into a single central hub. The transformation of Synnovis (outsourcing contract with the hospitals in the borough of South East London) continues to proceed according to plan. The reduction of COVID-19 capacities is almost completed.

ESG

Environmental and social sustainability are anchored in the latest investment of SYNLAB regarding a medical care centre that will be built in Florence, Italy. The new centre will emphasize easy accessibility as well as patient well-being and aims to provide a safe and welcoming environment that meets ASHRAE standards and achieves LEED® Platinum certification for environmental sustainability. Furthermore, it will promote sustainable transportation options, including electrical vehicle charging points and proximity to public transport.

In the cybersecurity area, SYNLAB obtained the ISO 27001 certification for SYNLAB Group Data Center services in June 2023. ISO 27001 is the *de facto* international standard for information security for risk management, cyber-resilience, and operational excellence. Its conformity demonstrates that SYNLAB is handling these services and related information security risks in an effective and mature way. SecurityScorecard cybersecurity posture monitoring and rating has been extended to 34 countries and remediation activities are focusing primarily on high-risk issues.

To engage with its financial stakeholders, SYNLAB conducted an online survey amongst current and potential investors to understand their ESG strategy and the use of ESG ratings in their investment approach. The feedback is being used to refine the Group's approach towards ESG ratings and its ESG disclosure going forward.

Interim Group management report

ECONOMIC REPORT – GROUP BUSINESS DEVELOPMENT

Results of operations

Revenue

In M€, unless stated otherwise

	H1 2023	H1 2022	Change
Revenue	1,372.7	1,851.4	(25.9)%
M&A activities[3]	18.7	4.5	315.6%
Revenue including M&A activities	**1,391.4**	**1,855.9**	**(25.0)%**

Revenue of 1,372.7 M€ reported in H1 2023 decreased by 25.9% compared to the same period of the previous year (H1 2022: 1,851.4 M€). In Q1 2023, SYNLAB generated revenue of 702.4 M€ (Q1 2022: 1,061.0 M€). Q2 2023 recorded revenue of 670.3 M€ (Q2 2022: 790.4 M€).

COVID-19 testing revenue decreased from 618.0 M€ in H1 2022 to 32.8 M€ in H1 2023, of which 25.7 M€ was generated in Q1 2023 (Q1 2022: 454.0 M€) and 7.1 M€ in Q2 2023 (Q2 2022: 164.0 M€).

Revenue including M&A activities also takes into account revenue of 18.7 M€ (H1 2022: 4.5 M€) generated by the six companies acquired in H1 2023 (H1 2022: ten), as if they had already been consolidated from 1 January of the financial year. Since the date of first consolidation, these acquisitions contributed 8.4 M€ to Group revenue (H1 2022: 13.5 M€).

REVENUE: SEGMENT VIEW

In M€, unless stated otherwise

	H1 2023	H1 2022	Organic growth	Underlying organic growth
France	272.5	382.4	(29.2)%	1.0%
Germany	267.6	406.0	(36.6)%	7.2%
South	443.4	538.1	(21.8)%	5.2%
North & East	389.1	524.9	(23.3)%	13.8%
SYNLAB Group	**1,372.7**	**1,851.4**	**(26.9)%**	**7.1%**

The negative organic growth results from the significant decline in COVID-19 testing volume. Underlying organic growth (growth excluding COVID-19-related revenue) totalled 7.1% in H1 2023, thanks to volume growth of 5.9% and a positive price effect of 1.2%. Q2 2023 contributed 4.4% (Q2 2022: 4.0%) and Q1 2023 contributed 10.0% (Q1 2022: 2.1%) to underlying organic growth.

In France, volume growth was largely offset by regulatory price reductions. Both Germany and the South segment recorded an increase in volume with a slight increase in prices. The North & East segment achieved an increase in volume and continued to benefit from price indexation.

In addition, in H1 2023 there was a slight decline in revenue from currency effects from the North & East segment, which was partially offset by revenue growth from currency effects in the South segment. The group-wide decline in revenue from currency effects amounted to 0.3%.

Acquisition-related revenue growth amounted to 1.5%.

[3] Revenue in H1 2023 of the six acquired companies before their acquisition by SYNLAB during H1 2023

AEBITDA and AOP

In M€, unless stated otherwise

	H1 2023	H1 2022	Change
Revenue	1,372.7	1,851.4	(25.9)%
Adjusted EBITDA (AEBITDA)	**232.3**	**528.0**	**(56.0)%**
AEBITDA margin	*16.9%*	*28.5%*	*(11,6)ppt*
Regular depreciation and amortisation[4]	118.0	117.2	0.7%
Adjusted operating profit (AOP)	**114.3**	**410.8**	**(72.2)%**
AOP margin	*8.3%*	*22.2%*	*(13.9)ppt*

Adjusted EBITDA (AEBITDA) decreased by 56.0% to 232.3 M€ in H1 2023 and adjusted operating profit (AOP) decreased by 72.2% to 114.3 M€. The AEBITDA margin of 16.9% was in the middle of the forecast for the 2023 financial year of 16% to 18%.

The change in AEBITDA margin is mainly explained by significantly lower COVID-19 testing in H1 2023. In addition, inflation had an impact on labour costs and fuel and energy prices in particular. This was partially offset by savings from the ongoing SALIX programme (positive impact of 21.3 M€ on AEBITDA and 21.5 M€ on AOP) and underlying revenue growth (positive impact of 24.3 M€ on AEBITDA and 20.6 M€ on AOP).

Operating depreciation and amortisation was in line with the previous year in H1 2023 and led to a slightly stronger decline in the Group-wide AOP margin compared to the Group-wide AEBITDA margin (by minus 13.9 percentage points vs. 11.6 percentage points).

AOP: SEGMENT VIEW

In M€, unless stated otherwise

	H1 2023	H1 2022	*Margin H1 2023*	*Margin H1 2022*
France	33.0	82.9	*12.1%*	*21.7%*
Germany	(5.8)	107.8	*(2.2)%*	*26.6%*
South	41.5	87.2	*9.4%*	*16.2%*
North & East	45.6	132.8	*11.7%*	*25.3%*
SYNLAB Group	**114.3**	**410.8**	***8.3%***	***22.2%***

Germany recorded a negative result from operating activities in the first half of 2023 particularly impacted by the strong inflation and the lack of price increase in its core activity. Moreover, Germany was strongly affected on the cost side by the COVID-19 capacity reduction. For the other segments no significant drivers beyond the cross-segment development of revenue and expenses already explained occurred.

ADJUSTED TO REPORTED OPERATING PROFIT RECONCILIATION

In M€

	H1 2023	H1 2022	Change
AOP	**114.3**	**410.8**	**(296.5)**
Acquisition-related expenses and others	2.5	4.1	(1.6)
Impairment of non-current assets	-	173.0	(173.0)
Customer relationship amortisation	28.7	27.4	1.3
Total OPEX adjustments	**31.2**	**204.5**	**(173.3)**
Operating profit	**83.1**	**206.3**	**(123.2)**

[4] Consist mainly of depreciation of labs, blood collection points and testing equipment

The H1 2023 operating expenses (OPEX) adjustments totalled 31.2 M€ (H1 2022: 204.5 M€) and mainly relate to amortisation of customer relationship in the reporting half-year.

Earnings

In M€, unless stated otherwise

	H1 2023	H1 2022	Change
Operating profit	**83.1**	**206.3**	**(123.2)**
Financial result	(35.2)	0.2	(35.4)
Income tax expense	(22.2)	(83.5)	61.3
Effective tax rate (adjusted)	*28.4%*	*22.0%*	*6.4ppt*
Result from the disposal of investments, share in the result of minority interests and associates as well as share in the result of non-controlling interests	14.3	(1.2)	15.5
Net profit (Group share)	**40.0**	**121.8**	**(81.8)**

The net profit (group share) amounts to 40.0 M€ in H1 2023 (H1 2022: 121.8 M€).

The negative financial result of 35.2 M€ in H1 2023 is mainly due to lower net gains from changes in the fair value of derivative financial instruments (minus 23.5 M€) and higher interest expenses due to an increase in the reference interest rate (plus 17.1 M€) compared to H1 2022. On the other hand, higher unrealised and realised exchange rate gains from financial liabilities had a positive effect (plus 6.1 M€ compared to H1 2022).

The SYNLAB average cost of debt, net of the impact of interest rate hedges, is 4.4% for the first half of 2023 (H1 2022: 1.9%).

The reduction in income tax expense from 83.5 M€ in H1 2022 to 22.2 M€ in H1 2023 is due to lower taxable income.

ADJUSTED TO REPORTED NET PROFIT RECONCILIATION

In M€

	H1 2023	H1 2022	Change
Net profit (Group share)	**40.0**	**121.8**	**(81.8)**
OPEX adjustments	31.2	204.5	(173.3)
Current-year income taxes (OPEX adjustments-related)	(6.1)	(5.3)	(0.8)
Result from the disposal of investments	(15.2)	(1.0)	(14.2)
Adjusted net profit (Group share)	**49.9**	**320.1**	**(270.2)**

The adjusted net profit (Group share) amounted to 49.9 M€ in H1 2023 (H1 2022: 320.1 M€). The net profit (Group share) of 40.0 M€ in H1 2023 was adjusted for operating expenses of 31.2 M€ including the related income taxes and the result from the disposal of investments.

H1 2023 adjusted EPS was €0.23[5], compared with €1.44 for H1 2022.

[5] Based on 220,554,181 shares in H1 2023 and 222,137,476 in H1 2022 (weighted average of outstanding shares)

Financial position

CASH FLOW

In M€, unless stated otherwise

	30 June 2023	30 June 2022	Change
AEBITDA	**232.3**	**528.0**	**(295.7)**
Movements in working capital	(54.9)	(42.0)	(12.9)
Income tax paid	(50.5)	(119.5)	69.0
Change in provisions and other	1.6	17.7	(16.1)
Operating cash flow	**128.5**	**384.3**	**(255.8)**
Net capex	(61.7)	(62.7)	1.0
Lease	(78.8)	(77.9)	(0.9)
Net capex and lease as % of revenue	*10.2%*	*7.6%*	*2.6ppt*
Unlevered free cash flow	**(12.0)**	**243.7**	**(255.7)**
Net interest paid[6]	(20.0)	(20.2)	(0.2)
Free cash flow	**(32.0)**	**223.5**	**(255.5)**
Net M&A cash spend	(61.0)	(73.1)	12.1
Net dividend	(74.9)	(75.3)	0.4

Cash flow

The decrease in cash flows in H1 2023 is mainly due to the lower AEBITDA and several one-off effects in H1 2023, including an investment in a new Synnovis laboratory (Synnovis is a partnership between SYNLAB UK & Ireland, Guy's and St Thomas' NHS Foundation Trust, and King's College Hospital NHS Foundation Trust. in London) of approximately 30 M€.

Overall, net investments and lease payments in H1 2023 were at the same level as in the same period of the previous year.

Net cash outflows for acquisitions were below the previous year's level, in line with the planning for the current financial year.

Following the resolution by the Annual General Meeting on 17 May 2023, SYNLAB paid a dividend to the shareholders of SYNLAB AG in May 2023. The total payment amounted to 72.5 M€. This corresponds to a dividend of 0.33 € per share and a pay-out ratio of 21% based on the adjusted EPS in the financial year 2022. In addition, dividends of 2.4 M€ were paid to minority shareholders of various Group companies.

[6] FX effects on intragroup loans included, lease interest excluded

Net assets

SIMPLIFIED BALANCE SHEET

In M€, unless stated otherwise

	30 June 2023	31 December 2022	Change
Goodwill	2,338	2,323	0.6%
Net fixed assets[7]	1,541	1,646	(6.4)%
Net working capital (NWC)	100	93	7.5%
NWC as a % of the last twelve months revenue	*3.8%*	*2.8%*	*1.0ppt*
Capital employed	**3,979**	**4,062**	**(2.0)%**
Assets held for sale less related liabilities (IFRS 5)	138	-	n/a
Capital employed in consideration of IFRS 5	**4,117**	**4,062**	**1.4%**
Equity	2,305	2,333	(1.2)%
Net debt	1,730	1,575	9.8%
Other	82	154	(46.8)%
Resources	**4,117**	**4,062**	**1.4%**

Capital employed

The increase in goodwill of 0.6% or 15 M€ compared to 31 December 2022 mainly results from the six business combinations that took place in H1 2023.

Net fixed assets decreased by 6.4% or 105 M€ and consisted of:

- Customer relationships with doctors and hospitals and other intangible assets (software, brands) identified in connection with acquisitions of 631 M€ (31 December 2022: 733 M€)
- Assets related to laboratories and blood collection points as well as testing equipment (property, plant and equipment and rights of use) of 956 M€ (31 December 2022: 967 M€)

The decrease in customer relationships and other intangible assets results from the reclassification to assets held for sale and regular amortisation.

NET WORKING CAPITAL COMPOSITION

In M€

	30 June 2023	31 December 2022	Change
Inventories	70	85	(15)
Trade accounts receivables	437	443	(6)
Trade accounts payable	277	314	(37)
Contract liabilities	23	20	3
Current provisions	28	32	(4)
Other net current liabilities[8]	81	68	13
Net working capital	**100**	**93**	**7**

Net working capital increased by 7.5% or 7 M€ at the end of June 2023 compared to the end of December 2022, mainly due to a decrease in trade payables, partly offset by lower assets.

[7] Value net of deferred tax
[8] Other current liabilities net of other current assets

Equity

At the end of June 2023, equity amounted to 2,306 M€ after the dividend payment made in H1 2023 and taking into account the net profit (Group share) for the period.

Debt

In February 2023, SYNLAB reduced its financial debt through a partial repayment of one of the two Term Loans B in the amount of 100 M€. After the partial repayment, the Group's financial debt as at 30 June 2023 consisted mainly of the 735 M€ Term Loan A maturing in May 2026 and the two Term Loans B; one of 220 M€ (originally 320 M€) maturing in July 2026 and a second of 385 M€ maturing in July 2027.

In July 2023 (see section Subsequent report, p. 13), the full repayment of Loan B in the amount of 220 M€ took place, resulting in a total remaining financial debt of 1,120 M€ (735 M€ Loan A and 385 M€ remaining Loan B).

SYNLAB assesses the possibility to improve its debt structure on a regular basis, in terms of maturity, average cost or diversification of lenders. The financial instruments include certain covenants related to reporting and information requirements as well as certain financial covenants as defined in the agreements.

DEBT AND LEVERAGE RATIO

In M€, unless stated otherwise

	30 June 2023	31 December 2022	Change
Cash and cash equivalents	(256)	(542)	286
Non-current loans and borrowings	1,316	1,411	(95)
Non-current lease liabilities	520	558	(38)
Current loans and borrowings	24	16	8
Current lease liabilities	127	132	(5)
Net debt	**1,730**	**1,575**	**155**
Capitalised transaction costs and embedded derivatives	25	30	(5)
M&A deferred price consideration[9]	36	39	(3)
Lease items	(84)	-	(84)
Adjusted net debt	**1,707**	**1,645**	**62**
Cash and cash equivalents held for sale (IFRS 5)	(19)	-	(19)
Lease held for sale (IFRS 5)	12	-	12
Adjusted net debt in consideration of IFRS 5	**1,700**	**1,645**	**55**
Reported AEBITDA	232	753	(521)
Proforma[10] for M&A	2	9	(7)
Last twelve months proforma AEBITDA	234	763	(529)
Leverage ratio	**3.40x**	**2.07x**	**1.33x**

Liquidity position

The Group was always able to meet its payment obligations. Off-balance sheet obligations were mainly related to rental and leasing contracts for buildings and equipment.

As at 30 June 2022, SYNLAB has a liquidity position with 256 M€ in cash and cash equivalents and a 500 M€ undrawn RCF.

[9] Long- and short-term contingent purchase price liabilities and deferred purchase price liabilities
[10] AEBITDA from acquisitions, for the period starting 1 January until the date of acquisition

FORECAST REPORT

FY 2023 outlook

SYNLAB confirms its outlook for the 2023 financial year. The Group continues to expect revenues of around 2.7 B€ for the financial year 2023, with the sale of the business in Switzerland with expected revenues of 50 M€ in the second half of 2023 and reduced expectations for revenues from the COVID-19 testing business (now 40 M€ compared to 50 M€ as stated before). This is being offset by a stronger underlying organic growth (excluding COVID-19 testing) which is anticipated to reach more than 4% in 2023 (around 4% stated previously) which is driven by strong development of volumes and accelerated price increases within the core business.

The Group implemented a temporary reduction of M&A spending in 2023 to around 100 M€ to fully focus the business on achieving the same productivity level as before the pandemic outbreak.

SYNLAB also continues to expect the AEBITDA margin to be in the range of 16-18% in 2023. The prognosis regarding the adjusted EBITDA margin already incorporated the following factors: 1) the reduction in COVID-19 test volumes and corresponding prices, 2) dilutive impact of the build-up of direct-to-consumer (D2C) activities on the margin, 3) general inflationary risks, 4) a doubling of the effects from the SALIX programme in 2023 compared to previous years due to productivity initiatives, and 5) a lower M&A contribution. The following additional factors are now also reflected: 6) COVID-19 capacity ramp-down costs, 7) a positive effect of the sale of the operations in Switzerland, and 8) the strong development of the underlying organic growth.

Overall assessment of future development

SYNLAB is well positioned to take advantage of the growing market for clinical laboratory and medical diagnostic services, which benefits from favourable structural trends, including an aging population, the increasing prevalence of chronic diseases, a growing focus on disease prevention, increasing outsourcing of clinical laboratory testing by hospitals and an additional need for advanced testing.

SYNLAB has been very active in consolidating the European clinical laboratories market. The Group's expansion strategy is focused on adapting to local market environments while drawing from the strength of its pan-European support functions. The market position and the scale of its laboratory network also allow SYNLAB to benefit from favourable procurement conditions with suppliers, including Group-wide pan-European framework supply agreements for reagents and equipment. Major parts of the European clinical laboratory and medical diagnostic services market remain fragmented, providing further meaningful opportunities for continued expansion.

SYNLAB is also pursuing its expansion outside of Europe, with a focus on the emerging markets in Latin America. SYNLAB is aiming to take advantage of an increasing market demand for health services to the consumer developing its D2C channel of distribution building the relevant platform and piloting it first in two key European countries.

To further increase value for SYNLAB stakeholders, the Group is constantly monitoring its performance at the level of countries, segments, contracts and customer groups employing an active portfolio management strategy. Examples besides the constantly ongoing M&A activities are the sale of the UK veterinary business in 2022 as well as the recent sale of the business operations in Switzerland translating into reduction of the Group's adjusted net debt.

OPPORTUNITY AND RISK REPORT

The opportunities and risk situation of SYNLAB has not changed materially since the publication of the Company's 2022 Annual Report, available on its website. The situation in Ukraine has not changed materially since December 2022. SYNLAB remains impacted by the inflationary pressure resulting from the crisis. The Group is notably experiencing the direct impact on energy prices and the indirect impact on salaries and other operating expenses (material expenses). This currently high inflationary environment and the increase in government bond yields, impacting the WACC, increases the probability of goodwill impairment, notably for the Germany CGU & South CGU.

The ripple effects of the crisis are expected to continue into H2 2023. They were taken into account when elaborating the current forecast for 2023.

A detailed discussion of SYNLAB's opportunity and risk factors can be found in the "Forecast, opportunities and risk report" section of the Company's 2022 Annual Report, available on its website.

SUBSEQUENT REPORT

On 3 July 2023, all Swiss SYNLAB companies were sold to Sonic Healthcare. The preliminary purchase price amounts to 164.8 M€.

On 7 July 2023, SYNLAB Bondco PLC fully repaid the existing 220 M€ Term Loan B (TLB5) plus accrued interest. The original scheduled maturity was July 2026.

Condensed consolidated statement of income

from 1 January to 30 June 2023

€ 000, unless stated otherwise		From 1 January to 30 June	
	Note	2023	2022
Revenue	**5**	**1,372,713**	**1,851,439**
Material and related expenses		(327,051)	(440,558)
Payroll and related expenses		(572,307)	(606,111)
Other operating income		19,318	14,833
Other operating expenses		(262,862)	(295,703)
Depreciation and amortisation		(146,689)	(144,606)
Impairment of non-current assets	11	(14)	(173,000)
Operating profit		**83,108**	**206,294**
Share of loss of associates and other non-controlling interest		(487)	(1,133)
Profit on disposal of investment	3.1	15,151	972
Finance income	6	35,518	44,928
Finance costs	6	(70,715)	(44,735)
Profit before taxes		**62,575**	**206,326**
Income tax expenses	7	(22,169)	(83,451)
Profit for the period		**40,406**	**122,875**
thereof: Profit attributable to non-controlling interests		425	1,062
thereof: Profit attributable to equity holders of the parent company		39,981	121,813
Earnings per share (basic and diluted, in €)	**8**	**0.18**	**0.55**

Condensed consolidated statement of comprehensive income

from 1 January to 30 June 2023

€ 000		From 1 January to 30 June	
	Note	2023	2022
Net profit for the period		**40,406**	**122,875**
Actuarial gains or losses on pension obligations		(1,256)	6,946
Taxes on actuarial gains or losses on pensions obligations		164	(1,677)
Items that will not be reclassified to profit or loss (A)		**(1,092)**	**5,269**
Foreign exchange gains / (losses)		3,964	19,457
Items that may be reclassified subsequently to profit or loss (B)		**3,964**	**19,457**
Other comprehensive income for the year (A) + (B)		**2,872**	**24,726**
Total consolidated comprehensive profit / (loss) attributable to:		**43,278**	**147,601**
Equity holders of the parent company		42,748	146,492
Non-controlling interests		530	1,109

Condensed consolidated statement of financial position

as at 30 June 2023

ASSETS

€ 000

	Note	30 Jun 2023	31 Dec 2022
Goodwill	11	2,337,947	2,323,423
Intangible assets	10	631,375	733,238
Property, plant and equipment		348,925	311,506
Right-of-use assets	12	607,152	655,968
Investments in associates		1,402	1,281
Financial non-current assets		70,175	80,518
Other non-current assets		4,656	4,700
Deferred tax assets		51,249	47,916
Total non-current assets		**4,052,881**	**4,158,550**
Inventories	9	70,375	84,094
Trade accounts receivables	13	436,520	443,089
Financial current assets		62,532	47,299
Other current assets		82,554	106,398
Cash and cash equivalents		256,333	541,684
Assets classified as held for sale	3.3	185,875	-
Total current assets		**1,094,189**	**1,222,564**
Total assets		**5,147,070**	**5,381,114**

EQUITY AND LIABILITIES

€ 000

	Note	30 Jun 2023	31 Dec 2022
EQUITY			
Contributed capital	20	222,222	222,222
Additional paid-in capital	20	2,862,987	2,932,618
Treasury shares	20	-35,675	-35,730
Cumulative translation adjustment		35,629	31,771
Accumulated deficit	20	-778,724	-817,710
Total parent company interests		**2,306,439**	**2,333,171**
Non-controlling interests		-972	70
Total equity		**2,305,467**	**2,333,241**
NON-CURRENT LIABILITIES			
Loans and borrowings (non-current)	14	1,315,735	1,411,000
Non-current ease liabilities	14	520,359	557,773
Employee benefits liabilities		29,067	31,042
Non-current provisions	15	3,653	3,562
Contract liabilities		9,828	9,510
Other non-current liabilities	16	38,124	62,862
Deferred tax liabilities		174,421	189,375
Total non-current liabilities		**2,091,187**	**2,265,124**
CURRENT LIABILITIES			
Current loans and borrowings	14	23,500	15,873
Current lease liabilities	14	126,590	132,187
Trade accounts payable	16	276,799	313,693
Contract liabilities		13,097	10,515
Current provisions	15	27,840	31,517
Income tax liabilities		10,728	56,836
Other current liabilities		223,941	222,128
Liabilities directly associated with assets classified as held for sale	3.3	47,921	-
Total current liabilities		**750,416**	**782,749**
Total liabilities		**2,841,603**	**3,047,873**
Total equity and liabilities		**5,147,070**	**5,381,114**

Condensed consolidated statement of changes in equity

from 1 January to 30 June 2023

€ 000

	Contributed capital	Additional paid-in capital	Treasury shares	Cumulative translation adjustment	Accumulated deficit	Total	Non-controlling interests	Equity
Balance as at 1 January 2023	**222,222**	**2,932,618**	**(35,730)**	**31,771**	**(817,710)**	**2,333,171**	**70**	**2,333,241**
Net profit for the period	-	-	-	-	39,981	39,981	425	40,406
Other comprehensive income	-	-	-	3,858	(1,091)	2,767	105	2,872
Total comprehensive income for the period	**-**	**-**	**-**	**3,858**	**38,890**	**42,748**	**530**	**43,278**
Transactions with owners, recorded directly in equity								
Acquisition of non-controlling interests	-	-	-	-	96	96	(264)	(168)
Credit to equity for equity-settled share-based payments	-	2,927	-	-	-	2,927	-	2,927
Issue of treasury shares in connection with share-based payments	-	(55)	55	-	-	-	-	-
Dividends	-	(72,503)	-	-	-	(72,503)	(1,308)	(73,811)
Balance as at 30 June 2023	**222,222**	**2,862,987**	**(35,675)**	**35,629**	**(778,724)**	**2,306,439**	**(972)**	**2,305,467**

€ 000

	Contributed capital	Additional paid-in capital	Cumulative translation adjustment	Accumulated deficit	Total	Non-controlling interests	Equity
Balance as at 1 January 2022	**222,222**	**3,788,983**	**-**	**15,210**	**(1,769,537)**	**2,256,878**	**(1,179)**
Net profit for the period	-	-	-	-	121,813	121,813	1,062
Other comprehensive income	-	-	-	19,410	5,269	24,679	47
Total comprehensive income for the period	**-**	**-**	**-**	**19,410**	**127,082**	**146,492**	**1,109**
Transactions with owners, recorded directly in equity							
Purchase of treasury shares	-	-	(11,711)	-	-	(11,711)	-
Change of scope	-	-	-	-	-	-	900
Acquisition of non-controlling interests	-	-	-	-	273	273	35
Credit to equity for equity-settled share-based payments	-	1,278	-	-	-	1,278	-
Dividends	-	(73,327)	-	-	-	(73,327)	(379)
Balance as at 30 June 2022	**222,222**	**3,716,934**	**(11,711)**	**34,620**	**(1,642,182)**	**2,319,883**	**486**

Condensed consolidated statement of cash flows

from 1 January to 30 June 2023

€ 000	Note	H1 2023	H1 2022
Operating profit		**83,108**	**206,294**
Depreciation, amortisation, impairment		146,626	317,607
Change in provisions		273	679
Loss (income) from the disposal of non-current assets		(155)	2,076
Other non-cash revenues and expenses		4,090	19,103
Change in inventories		10,614	14,579
Change in trade accounts receivable		(322)	52,189
Change in trade accounts payable		(32,214)	(70,979)
Change in other net working capital		(33,013)	(37,805)
Income tax paid		(50,513)	(119,478)
Cash flow from operating activities (A)		**128,494**	**384,265**
Acquisition of subsidiaries, net of cash acquired	3.2	(60,977)	(73,139)
Purchase of intangibles and property, plant and equipment		(62,404)	(62,729)
Sale of subsidiaries, net of cash disposed and changes in debt		-	(4)
Proceeds from sale of intangibles and property, plant and equipment		700	349
Cash paid for other non-current assets		-	(298)
Interest received		3,531	209
Dividends received		3	358
Cash flow used in investing activities (B)		**(119,147)**	**(135,254)**
Acquisition of treasury shares	21	-	(11,711)
Interest paid		(35,445)	(29,639)
New loans, borrowings and other financial liabilities	14	545	690
Repayment of loans, borrowings and other financial liabilities	14	(100,946)	(293)
Repayment of lease liabilities	14	(66,913)	(68,982)
Contribution from non-controlling interests		-	900
Dividends paid and other payments to non-controlling interests		(74,862)	(75,628)
Cash flow used in financing activities (C)		**(277,621)**	**(184,663)**
Total cash flows (A+B+C)		**(268,274)**	**64,348**
Cash and cash equivalent at the beginning of the period		**541,590**	**443,525**
Net foreign exchange differences		2,138	3,119
Cash and cash equivalents at the end of the period		**275,454**	**510,992**
Cash and cash equivalents in the disposal group	3.3	(19,241)	-
Cash and cash equivalents in balance sheet		**256,213**	**510,992**

Selected notes to the condensed consolidated financial statements

1. REPORTING ENTITY

The condensed consolidated financial statements were prepared by SYNLAB Aktiengesellschaft (hereinafter: "AG" or "the Company"), the ultimate parent company of the SYNLAB Group. The Group's condensed consolidated financial statements as at and for the period ended 30 June 2023 consolidate those of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and include the Group's interest in associates.

The SYNLAB Group is Europe's largest private supplier of medical diagnostic services, focusing primarily on clinical diagnostics testing and screening services. The Group, which is based in Germany, employed approximately 28,000 people and benefitted from a pan-European network spanning 36 countries in H1 2023. The Group was active in Austria, Belarus, Belgium, Brazil, Chile, Colombia, Croatia, Cyprus, the Czech Republic, Denmark, Ecuador, Estonia, Finland, France, Germany, Ghana, Hungary, Italy, Lithuania, Mexico, Nigeria, North Macedonia, Panama, Peru, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, U.A.E., Ukraine and the United Kingdom. The address of SYNLAB AG is Moosacher Strasse 88, 80809 Munich, Germany.

2. BASIS OF PREPARATION

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. The half-year financial report and the interim management report as at 30 June 2023 were reviewed.

2.1. Significant accounting policies

The consolidated financial statements relate to SYNLAB AG, Munich, Germany (commercial register number HRB 246540), and its subsidiaries. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB), and as adopted by the European Union (EU). The interim condensed consolidated financial statements comply with IFRS as SYNLAB prepares and publishes the consolidated financial statements in euros (€).

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in preparing the Group's annual consolidated financial statements of SYNLAB AG for the financial year from 1 January to 31 December 2022. As at 30 June 2023 the following amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates

2.2. Details specific to the preparation of the interim condensed consolidated financial statements

2.2.1. Seasonality of operations

Revenue, operating profit before acquisition and restructuring expenses and all operating indicators are subject to seasonal fluctuations due to vacation periods and the related impact on activity in certain laboratories as well as to the impact of severe weather conditions, if any, during the winter period.

Consequently, the interim results for the six-month period ended 30 June 2023 are not necessarily representative of those that may be expected for the full-year 2023.

2.2.2. Use of estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of income and expenses. The significant areas of judgements and estimates are:

- Basis of consolidation
- Right-of-use assets
- Revenue recognition
- Intangible assets

- Restructuring and litigations
- Deferred tax
- Goodwill including contingent consideration payable and fair value adjustments.

Estimates and judgments have been applied on the same basis as in preparing the Group's annual consolidated financial statements of SYNLAB AG for the financial year 2022 unless otherwise noted.

2.3. Functional and presentation currency

These interim condensed consolidated financial statements are presented in euro, which is the Company's functional currency. All financial information presented in euro has been rounded to the nearest thousand.

2.4. Going concern

The Management Board consider the going concern basis to be appropriate following their assessment of the Group's financial position and its ability to meet its obligations as and when they fall due. In making the going concern assessment the Management Board considered the following:

- the principal risks facing the Group and its systems of risk management and internal control;
- the current capital structure and liquidity of the Group; and
- the cash flow forecasts for 2023 and 2024.

Based on those factors, the financial statements have been prepared on a going concern basis.

2.5. Russia-Ukraine war

In the context of the armed conflict between Russia and Ukraine, the Group's activities are not significantly affected. SYNLAB has no exposure to Russia, very limited exposure to Belarus and to Ukraine. SYNLAB is, however, impacted by the inflationary pressure on energy prices and the indirect pressure on salaries resulting from the crisis.

3. SIGNIFICANT EVENTS

3.1. Changes in the scope of consolidation

The following entities were liquidated / dissolved in H1 2023:

Country	Date	Entity	Method of consolidation
Switzerland	10 Jan 2023	CLINICAL REFERENCE LABORATORIES HOLDING SA	FC
United Kingdom	17 Jan 2023	SYNLAB LiveSmart Holdings Ltd.	FC
United Kingdom	4 Feb 2023	ALcontrol Group Limited	FC
United Kingdom	1 Mar 2023	Geneius Laboratories Limited	FC

FC = Full consolidation

The result from the disposal of investments in the amount of 15.2 M€ (H1 2022: 1.0 M€) mainly results from the currency translation differences relating to the liquidations mentioned above.

3.2. Acquisitions

The main acquisitions and corporate structuring activities undertaken during the reporting period are shown below. The Group has continued its external growth strategy with acquisitions of several laboratory and diagnostic centres. A deal standalone would have been immaterial from the point of view of the group, so we have combined all other acquisitions in the first half of the year.

All acquisitions in the period earn revenues mainly from diagnostic centres and a hospital. Through these acquisitions the Group expects to reduce costs through economies of scale, and the goodwill thus represents the fair value of the expected synergies resulting from the acquisitions.

Acquisition date	Country	Name of entity	Specialisation	Objective	Deal structure	Control
2 Jan 2023	Germany	MVZ St. Wendeler Land GmbH	diagnostic center	bolt-on	share deal	100.00%
12 Jan 2023	Belgium	LabAF SRL	veterinary	bolt-on	share deal	100.00%
28 Feb 2023	Belgium	Pathovet SRL	veterinary	bolt-on	share deal	100.00%
19 Apr 2023	Germany	Zytogentik Mannheim	medical diagnostic	bolt-on	asset deal	n/a
24 May 2023	Italy	Nuova Gestione centro diagnosi e terapie malattie cardiache vascolari reumatologiche e neurologiche S.r.l.	diagnostic center	bolt-on	share deal	100.00%
24 May 2023	Italy	Nuova X-Ray Center S.r.l.	diagnostic center	bolt-on	share deal	100.00%
24 May 2023	Italy	Nuovo Centro diagnostico Sant’Antimo S.r.l.	medical diagnostic	bolt-on	share deal	100.00%
24 May 2023	Italy	Nuova Gestione Centro di Diagnostica Radiologica ed Ecografica S.r.l.	diagnostic center	bolt-on	share deal	100.00%
1 Jun 2023	Germany	WolfartKlinik GmbH	hospital	bolt-on	share deal	100.00%
1 Jun 2023	Germany	MVZ Gräfelfing GmbH	diagnostic center	bolt-on	share deal	100.00%
1 Jun 2023	Germany	WolfartKlinik Service GmbH	service provider	bolt-on	share deal	100.00%

FAIR VALUES OF THE IDENTIFIABLE ASSETS AND LIABILITIES AT THE DATE OF THE RESPECTIVE ACQUISITION

€ 000	
Non-current assets	
Intangible assets	9,062
Property, plant and equipment	30,903
Right of use assets	4,848
Other financial non-current assets	1
Current assets	
Inventories	869
Trade accounts receivable	7,708
Other financial current assets	667
Other current assets	428
Cash and cash equivalents	1,833
Total assets	**56,319**
Non-current liabilities	
Non current lease liabilities	4,039
Employee benefits liabilities	1,036
Other non-current liabilities	43
Deferred tax provisions	2,772
Current liabilities	
Current loans and borrowings	25
Current lease liabilities	809
Trade accounts payable	1,908
Current provisions	1,631
Income tax liabilities	67
Other current liabilities	2,800
Total liabilities	**15,130**
Total identifiable net assets at fair value	**41,189**
Goodwill from company acquisitions	25,053
Total consideration	**66,242**

CONSIDERATIONS AT ACQUISITION DATE

€ 000	
Cash considerations	59,641
Deferred considerations	4,631
Contingent considerations	1,970
Total considerations transferred	**66,242**

ANALYSIS OF CASH OUTFLOW DUE TO COMPANY ACQUISITIONS

€ 000	
Total consideration for H1 2023 acquisitions	**(66,242)**
Deferred consideration on H1 2023 acquisitions unpaid	4,631
Contingent consideration on H1 2023 acquisitions unpaid	1,970
Total cash consideration for H1 2023 acquisitions	**(59,641)**
Net cash of acquired companies	1,833
Actual cash outflow due to H1 2023 acquisitions	**(57,808)**
Deferred consideration cash outflows due to the prior-year acquisitions	(1,212)
Contingent consideration cash outflows due to the prior-year acquisitions	(1,957)
Actual cash outflow due to acquisitions in H1 2023	**(60,977)**

The transaction costs related to the completed acquisitions amount to 1.7 M€ (H1 2022: 1.2 M€) and are recognised in the consolidated statement of income under other operating expenses, in the sub-item "acquisition and disposal-related items".

The fair value of the trade accounts receivable amounts to 7.7 M€. The gross amount of trade accounts receivable is 7.8 M€. The impairment of trade accounts receivable amounts to 0.1 M€.

Goodwill amounting to 25.1 M€ reflects the provisional value of expected benefits from the Group acquisitions including potential synergies. The allocation of additional goodwill per CGU group is as follows:

€ 000

CGU group	1 January to 30 June 2023
Germany	9,238
North & East	1,258
South	14,557
Total	**25,053**

Apart from asset deals in Germany, most of the goodwill recognised is expected to be non-deductible for tax purposes. All deals have contributed 8.4 M€ to revenue with (0.1) M€ consolidated net profit for the period since their acquisition. If the deals had been acquired as at the beginning of the year, revenue would have been 18.7 M€ higher and consolidated net profit for the period would have been 0.7 M€ higher.

3.3. Held for sale

During the first half of the year 2023 the Group entered into agreements to dispose of all Swiss entities as part of a strategic decision. The transaction was closed on July 3, 2023, and will be deconsolidated in July 2023.

Accordingly, the Swiss group companies SYNLAB Suisse SA, one-provide AG, Institut Arnaboldi AG and Bakteriologisches Institut Olten BIO AG have been classified as held for sale in the condensed interim consolidated financial statements and presented separately in the balance sheet. The proceeds of disposal are expected to substantially exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale (refer also to after period note). The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

€ 000	
Non-current assets	
Goodwill	28,747
Intangible assets	92,845
Property, plant and equipment	7,201
Right of use assets	11,877
Investments in at equity	28
Other financial non-current assets	524
Deferred tax assets	451
Current assets	
Inventories	4,231
Trade accounts receivable	17,350
Other financial current assets	1,272
Other current assets	2,108
Cash and cash equivalents	19,241
Total assets	**185,875**
Non-current liabilities	
Non-current loans and borrowings	329
Non-current lease liabilites	7,632
Employee benefits liabilities	4,589
Non-current provisions	478
Other non-current liabilities	204
Deferred tax provisions	12,625
Current liabilities	
Current loans and borrowings	80
Current lease liabilities	4,595
Trade accounts payable	10,005
Contract liabilities	167
Current provisions	693
Income tax liabilities	537
Other current liabilities	5,987
Liabilities directly associated with assets classified as held for sale	**47,921**
Net assets held for sale	**137,954**

4. SEGMENTAL ANALYSIS

The information by geographical segment presented below corresponds to the information used by Group management to allocate resources to the various segments and to assess each segment's performance. The Group uses Adjusted Operating Profit as the key measure of the segments' results as it reflects the segments' underlying performance for the financial period under review.

Adjusted Operating Profit is one of the consistent measures within the Group. The policies applied to determine the operating segments presented are set out in SYNLAB AG's financials Note 3 "Significant accounting policies" as of 31 December 2022 in the Segment information section.

According to IFRS 8.23 assets and liabilities for each reportable segment should be reported if such amounts are regularly provided to the chief operating decision maker. Amounts in the statement of financial position are not reported according to segment since they are currently not used for steering the Group, and the information cannot be made available with reasonable effort.

The segment results and the reconciliation of the segment measure to the respective statutory items included in the Group statement of income are as follows:

€ 000	1 January to 30 June 2023					
	France	Germany	South	North & East	Elimination	Total Group
Revenue external	272,548	267,621	443,400	389,144	-	1,372,713
Revenue intercompany	24	5,586	1,218	174	(7,002)	-
Total revenue	**272,572**	**273,207**	**444,618**	**389,318**	**(7,002)**	**1,372,713**
Operating Profit	**31,687**	**(23,011)**	**30,355**	**44,077**	-	**83,108**
Adjusted Operating Profit	**33,005**	**(5,843)**	**41,482**	**45,636**	-	**114,281**
Customer relationship amortisation						(28,655)
Acquisition- and disposal-related (income) / expenses						(3,501)
Restructuring and other significant expenses						997
Impairment of non-current assets						(14)
Share of loss of associates and revaluation of non-controlling interest						(487)
Net finance costs						(35,197)
Income tax expenses						(22,169)
Profit on disposal of investment						15,151
Result for the period						**40,406**

€ 000	1 January to 30 June 2022					
	France	Germany	South	North & East	Elimination	Total Group
Revenue external	382,384	406,049	538,060	524,946	-	**1,851,439**
Revenue intercompany	23	5,143	537	463	(6,166)	**-**
Total revenue	**382,407**	**411,192**	**538,597**	**525,409**	**(6,166)**	**1,851,439**
Operating Profit	**82,299**	**(75,851)***	**75,700**	**124,146**	**-**	**206,294**
Adjusted Operating Profit	**82,941**	**107,805**	**87,245**	**132,849**	**-**	**410,840**
Customer relationship amortisation						(27,403)
Acquisition-and disposal-related (income) / expenses						(4,036)
Restructuring and other significant expenses						(107)
Impairment of non-current assets						(173,000)
Share of loss of associates and revaluation of non-controlling interest						(1,133)
Net finance costs						193
Income tax expenses						(83,451)
Profit on disposal of investment						972
Result for the period						**122,875**

* Operating loss in Germany due to impairment - see Note 11 Goodwill

The reconciliation between operating profit, adjusted operating profit (AOP) and adjusted EBITDA (AEBITDA) is as follows:

€ 000	1 January to 30 June	
	2023	2022
Operating profit	83,108	206,294
Restructuring and other significant expenses	(997)	107
Acquisition- and disposal-related (income) / expenses	3,501	4,036
Impairment of non-current assets	14	173,000
Customer relationship amortisation	28,655	27,403
AOP	**114,281**	**410,840**
Depreciation and amortisation	146,689	144,606
Elimination customer relationship amortisation	(28,655)	(27,403)
AEBITDA	**232,315**	**528,043**

5. REVENUE

The components of revenue are as follows:

€ 000	1 January to 30 June	
	2023	2022
Revenue from human medicine	1,336,637	1,804,837
Revenue from veterinary medicine	19,034	22,503
Revenue from environmental and other analysis, studies and expertise	4,167	4,795
Revenue from trading goods and services	10,165	11,215
Revenue from software solutions and services	2,710	8,089
Total revenue	**1,372,713**	**1,851,439**

6. NET FINANCE COSTS

€ 000	1 January to 30 June 2023			1 January to 30 June 2022		
Net finance result	thereof interest expenses	thereof other financial expenses	Net finance result	thereof interest expenses	thereof other financial expenses	Net finance result
Financial assets						
at amortised cost	3,581	-	3,581	-	-	-
at fair value through P&L	-	-	3,233	-	-	13,747
income	-	6,015		-	13,922	
expenses	-	(2,782)		-	(175)	
Financial liabilities						
at amortised cost	(32,661)	(5,664)	(38,325)	(14,384)	(4,380)	(18,764)
at fair value through P&L			129			13,214
income	-	129		-	13,214	
Total net finance result	**(29,080)**	**(2,302)**	**(31,382)**	**(14,384)**	**22,581**	**8,197**

€ 000	1 January to 30 June	
	2023	2022
Other financial result		
Other interest income	1,065	226
Exchange gains	24,728	17,566
Total other financial income	**25,793**	**17,792**
Interest expenses arising from IAS 19 valuation	(534)	(207)
Interest expenses on lease liabilities	(11,869)	(9,196)
Exchange loss	(16,603)	(15,555)
Other finance costs	(602)	(838)
Total other financial costs	**(29,608)**	**(25,796)**
Total other financial result	**(3,815)**	**(8,004)**

The net finance result relates mainly to:

i. 220 M€ Senior Secured Term Loan (TLB5), issued by SYNLAB Bondco Plc, with effective interest rate of 5.5% (applied above the EURIBOR floored at zero and subject to a margin ratchet table) due 2026 as well as the unamortized part of debt issuance costs of the redeemed tranche (100 M€) amounting to 1.4 M€.
ii. 385 M€ Senior Secured Term Loan (TLB4), issued by SYNLAB Bondco Plc, with effective interest rate of 6.1% (applied above the EURIBOR floored at zero and subject to a margin ratchet table) due 2027.
iii. 735 M€ Term Loan A, issued by SYNLAB AG, with effective interest rate of 6.0% (applied above the EURIBOR floored at zero and subject to a margin ratchet table) due 2026.
iv. The Interest expenses line item also includes the commitments fees on the undrawn part of the Revolving Credit Facility (RCF), held by SYNLAB AG.
v. Changes in the fair value of the interest rate cap and of the embedded derivative.

Other financial income relates mainly to unrealised FX gains regarding retranslation of intercompany loans and is primarily due to EUR/MXN FX rate variation. Exchange losses relate mainly to unrealised FX losses regarding retranslation of intercompany loans as well as FX gains for the payment of the intragroup dividends and intercompany loans and is primarily due to EUR/CLP and EUR/BRL FX rate variation. Exchange income and exchange losses relate to financing items.

7. INCOME TAX EXPENSES

The Group has operations in various tax jurisdictions which have different tax laws and rates. Consequently, the effective tax rate on consolidated income may vary from year to year, according to the source of earnings. The effective tax rate on consolidated income is also impacted by several factors especially the non-deductible interests and the losses incurred particularly in certain holdings for which no deferred tax asset has been recognized. The income tax charge for the interim period is calculated based on the estimated effective tax rate for the full year, for each tax entity or sub-group.

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the total profit after tax attributable to ordinary shareholders of SYNLAB AG by the weighted average number of shares outstanding during the financial year. Diluted earnings per share are calculated assuming that all potentially dilutive securities and share-based payment plans are converted or exercised. The calculation of basic and diluted earnings per share is based on the following data:

€ 000	1 January to 30 June	
	2023	2022
Earnings		
Total profit for the Group	40,406	122,875
Less profit attributable to non-controlling interest	425	1,062
Earnings for the purposes of basic earnings per share	**39,981**	**121,813**
Effect of dilutive potential ordinary shares	-	-
Earnings for the purposes of diluted earnings per share	**39,981**	**121,813**

000s shares	1 January to 30 June	
	2023	2022
Weighted average number of ordinary shares for the purposes of basic earnings per share	219,706	222,137
Effect of dilutive potential ordinary shares	848	147
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**220,554**	**222,284**

€	1 January to 30 June	
	2023	2022
Basic earnings per share	**0.18**	**0.55**
Diluted earnings per share	**0.18**	**0.55**

9. INVENTORIES

€ 000	As at 30 June 2023	As at 31 December 2022
Raw materials	69,314	81,780
Finished goods	1,017	2,101
Advance payments	45	213
Total	**70,375**	**84,094**

In the financial year 2022 there was an inventory build-up in reagents due to COVID-19. The reduction in inventories as at 30 June 2023 is related to the consumption of the COVID-19 reagents, following the reduction of COVID-19 volumes as well as due to the partial reclassification of inventories to “assets held for sale”.

10. INTANGIBLE ASSETS

€ 000

Gross amount	Customer relationships	Trademarks	Software	Concessions, property rights and similar rights	Other	Total
As at 1 January 2023	**951,883**	**35,608**	**186,254**	**23,469**	**35,078**	**1,232,292**
Acquisition of subsidiaries	8,983	-	79	-	-	9,062
Foreign currency translation	6,895	39	413	478	551	8,376
Additions	353	-	2,890	2,427	12,569	18,239
Disposals	-	-	(183)	(74)	-	(257)
Reclassification	-	-	6,345	(12)	(6,333)	-
Reclassifed in held for sale	(194,287)	-	(15,087)	-	(78)	(209,452)
As at 30 June 2023	**773,827**	**35,647**	**180,711**	**26,288**	**41,787**	**1,058,260**

Trademarks include SYNLAB's own brand identified as an indefinite useful life intangible asset. The carrying amount of this indefinite asset is 35.6 M€.

€ 000

Accumulated amortisation and carrying amount of intangible assets	Customer relationships	Trademarks	Software	Concessions, property rights and similar rights	Other	Total
As at 1 January 2023	**(374,905)**	**39**	**(111,665)**	**(12,523)**	**-**	**(499,054)**
Amortisation of the period	(28,664)	-	(10,980)	(1,841)	-	(41,485)
Foreign currency translation	(2,333)	(39)	(554)	(249)	-	(3,175)
Disposals	-	-	148	74	-	222
Reclassifed in held for sale	102,884	-	13,723	-	-	116,607
As at 30 June 2023 amortisation	**(288,584)**	**-**	**(109,328)**	**(14,539)**	**-**	**(412,451)**
As at 30 June 2023 impairment	**(14,434)**	**-**	**-**	**-**	**-**	**(14,434)**
Carrying amount as at 1 January 2023	**576,978**	**35,647**	**74,589**	**10,946**	**35,078**	**733,238**
Carrying amount as at 30 June 2023	**470,809**	**35,647**	**71,383**	**11,749**	**41,787**	**631,375**

€ 000

Gross amount	Customer relationships	Trademarks	Software	Concessions, property rights and similar rights	Other	Total
As at 1 January 2022	**915,732**	**36,327**	**156,772**	**15,966**	**19,617**	**1,144,414**
Acquisition of subsidiaries	27,539	-	1,062	5,118	-	33,719
Foreign currency translation	8,612	(85)	304	(395)	75	8,511
Additions	-	-	20,318	1,189	29,053	50,560
Disposals	-	(634)	(4,069)	(203)	(6)	(4,912)
Reclassification	-	-	11,867	1,794	(13,661)	-
As at 31 December 2022	**951,883**	**35,608**	**186,254**	**23,469**	**35,078**	**1,232,292**

€ 000

Accumulated amortisation and carrying amount of intangible assets	Customer relationships	Trademarks	Software	Concessions, property rights and similar rights	Other	Total
As at 1 January 2022	**(318,988)**	**(407)**	**(91,869)**	**(7,224)**	**-**	**(418,488)**
Amortisation of the period	(55,449)	(278)	(23,783)	(5,763)	-	(85,273)
Change of scope	2,819	-	102	-	-	2,921
Foreign currency translation	(3,287)	90	(367)	261	-	(3,303)
Disposals	-	634	4,252	203	-	5,089
As at 31 December 2022 amortisation	**(353,507)**	**39**	**(111,665)**	**(12,523)**	**-**	**(477,656)**
As at 31 December 2022 impairment	**(21,398)**	**-**	**-**	**-**	**-**	**(21,398)**
Carrying amount as at 1 January 2022	**596,744**	**35,920**	**64,903**	**8,742**	**19,617**	**725,926**
Carrying amount as at 31 December 2022	**576,978**	**35,647**	**74,589**	**10,946**	**35,078**	**733,238**

Customer relationships primarily represent customer relationships with doctors and hospitals. These customer relationships consist of customer relationships acquired, identified, and evaluated in connection with the acquisitions that have been performed since the formation of the Group in 2015.

Customer relationships break down into the following group of CGUs:

€ 000	As at 30 June 2023			As at 31 December 2022		
	Gross	Amortisation & Impairment	Net	Gross	Amortisation & Impairment	Net
Germany	393,132	(146,673)	246,459	383,791	(135,794)	247,997
France	8,760	(2,794)	5,966	8,760	(2,542)	6,218
South	121,386	(37,995)	83,391	311,796	(129,783)	182,013
North & East	250,549	(115,556)	134,993	247,536	(106,786)	140,750
Total	**773,827**	**(303,018)**	**470,809**	**951,883**	**(374,905)**	**576,978**

11. GOODWILL

11.1. Impairment testing of goodwill and intangible assets with indefinite lives

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2022.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 30 June 2023, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill. As a result, management performed an impairment test as at 30 June 2023 for the cash generating units or groups of cash-generating units of the SYNLAB Group.

The CGUs and group of CGUs as at 30 June 2023 are consistent with the ones for the year ended 31 December 2022. The carrying amounts of goodwill allocated to each CGUs and group of CGUs and key assumptions of the impairment testing model, in addition to adjusted EBITDA, are as follows:

€ 000, unless stated otherwise	As at 30 June 2023				As at 31 December 2022			
	Carrying Amount	LT growth rate	Discount rate post-tax	Discount rate pre-tax	Carrying Amount*	LT growth rate	Discount rate post-tax	Discount rate pre-tax
Germany	290,789	2.0%	7.3%	9.8%	281,550	2.0%	7.2%	9.5%
France	929,762	1.6%	7.0%	8.8%	929,762	1.6%	7.7%	9.8%
South	851,413	1.8%	10.8%	14.2%	847,925	1.7%	9.6%	12.3%
North & East	265,983	2.0%	8.6%	10.2%	264,186	2.0%	8.6%	10.2%
Total	**2,337,947**				**2,323,423**			

* In the previous year's figures, an editorial error was corrected that related to the allocation of goodwill between the CGU Germany and the CGU North & East in the consolidated financial statements 2022

11.2. Result of the impairment test

Based on the impairment test model calculation performed, no impairment had to be recorded for any of the CGUs and group of CGUs.

11.3. Sensitivity analysis

A post-tax discount rate increase of 1% point would lead to a goodwill impairment for Germany, France and South where it would lead to impairment of respectively 97M€, 48M€ and 117M€ being recognized.

A 5% decrease in the forecasted adjusted EBITDA (AEBITDA) over the forecast's horizon (2023 – 2027) included in the terminal value would lead to a goodwill impairment for Germany and South where it would lead to an impairment of 62M€ and 93M€ being recognized respectively.

A decrease of 1% point in long-term growth rate would lead to a goodwill impairment for Germany and South where it would lead to impairment of respectively 60M€ and 48M€ being recognized.

12. RIGHT-OF-USE ASSETS

€ 000	Land and building	Technical machines and equipment	Vehicle fleet	Office, IT and other equipment	Total
Net carrying amount					
as at 31 December 2022	477,379	154,503	14,321	9,765	**655,968**
as at 30 June 2023	453,151	131,065	13,730	9,206	**607,152**
Depreciation expense for the period					
1 January to 31 December 2022	(83,058)	(45,270)	(9,113)	(4,710)	**(142,151)**
1 January to 30 June 2023	(43,271)	(22,162)	(4,641)	(2,347)	**(72,421)**

13. TRADE ACCOUNTS RECEIVABLE

Net trade accounts receivable break down into the following segments:

€ 000	As at 30 June 2023			As at 31 December 2022		
	Gross	Loss allowance	Net	Gross	Loss allowance	Net
Germany	107,265	(3,954)	103,311	107,088	(3,652)	103,436
France	69,106	(9,813)	59,293	79,593	(10,550)	69,043
North & East	128,862	(7,599)	121,263	117,806	(8,489)	109,317
South	186,711	(34,058)	152,653	196,983	(35,690)	161,293
Total	**491,944**	**(55,424)**	**436,520**	**501,470**	**(58,381)**	**443,089**

14. BORROWINGS AND OTHER FINANCIAL LIABILITIES

As at 30 June 2023, the Group borrowings comprised:

- a 735 M€ Term Loan, issued by SYNLAB AG, that bears floating interests at 1.75% (subject to a margin ratchet, initially at 2.50%) + Euribor 3.62% (with a 0% floor) due in May 2026;
- a 220 M€ Senior Secured Term Loan, issued by SYNLAB Bondco Plc, that bears floating interests at 2.50% (subject to a margin ratchet) + EURIBOR 2.69% (with a 0% floor) due in July 2026;
- a 385 M€ Senior Secured Term Loan, issued by SYNLAB Bondco Plc, that bears floating interests at 2.50% (subject to a margin ratchet) + Euribor 2.69% (with a 0% floor) due in July 2027.

€ 000

	Term Loan	Accrued interest on Term Loan	RCF syndicated secured loan	Other financial loans	Derivative financial instruments	Subtotal	Lease liabilities	Total
Amount at 1 January 2023	**1,406,534**	**14,093**	**318**	**2,730**	**3,198**	**1,426,873**	**689,960**	**2,116,833**
Business acquired	-	-	-	25	-	**25**	4,848	**4,873**
Non-cash movements	5,393	7,757	123	4	(129)	**13,148**	9,655	**22,803**
Proceeds from loans and borrowings	-	-	-	544	-	**544**	-	**544**
Lease additions	-	-	-	-	-	**-**	21,626	**21,626**
Repayments of loans and borrowings	(100,000)	-	-	(946)	-	**(100,946)**	(66,913)	**(167,859)**
Transferred to held for sale liabilities				(409)		**(409)**	(12,227)	**(12,636)**
Amount at 30 June 2023	**1,311,927**	**21,850**	**441**	**1,948**	**3,069**	**1,339,235**	**646,949**	**1,986,184**

Non-cash movements include the amortisation of transaction costs, accrued interest, lease modifications, foreign exchange movement and other non-cash transactions.

The proceeds from lease liabilities have no cash flow impact, as they are netted with the right-of-use assets.

€ 000

	Term Loan	Accrued interest on Term Loan	RCF syndicated secured loan	Other financial loans	Derivative financial instruments	Subtotal	Lease liabilities	Total
Amount at 1 January 2022	**1,398,276**	**10,846**	**416**	**1,605**	**19,065**	**1,430,208**	**615,676**	**2,045,884**
Business acquired	-	-	-	3,348	-	**3,348**	31,189	**34,537**
Non-cash movements	8,258	3,247	(98)	(532)	(15,867)	**(4,992)**	(4,730)	**(9,722)**
Proceeds from loans and borrowings	-	-	-	946	-	**946**	-	**946**
Lease additions	-	-	-	-	-	**-**	187,665	**187,665**
Repayments of loans and borrowings	-	-	-	(2,637)	-	**(2,637)**	(139,840)	**(142,477)**
Amount at 31 December 2022	**1,406,534**	**14,093**	**318**	**2,730**	**3,198**	**1,426,873**	**689,960**	**2,116,833**

14.1. 320 M€ Term Loan B5

Term Loan B5, held by SYNLAB Bondco Plc with an initial nominal amount of 320 M€ was partially repaid in February 2023 for an amount of 100 M€. The unamortized part of debt issuance costs of the redeemed tranche, amounting 1.4 M€, was recognised in the profit and loss statement and was included in the "net finance costs – interest expenses" line item. As at 30 June 2023, the outstanding amount is 220 M€.

The remaining 220 M€ were fully repaid in July 2023 after the reporting period (refer to Note 22 Events after the reporting period for more details).

14.2. Revolving credit facility (RCF) and Term Loan A covenants

RCF and the Term Loan A both include certain covenants related to reporting and information requirements as well as certain financial covenants as defined in the agreements. As part of this, SYNLAB needs to ensure that on each testing date the consolidated leverage ratio is lower or equal to 4.00:1. A consolidated leverage ratio above the threshold can trigger an event of default.

14.3. Senior secured Term Loan B covenants

The Senior Secured Term Loan includes certain maintenance covenants as well as some incurrence covenants as defined in the agreements. A failure to meet the covenants would give the lender the right to terminate the credit line without notice as well.

14.4. Lease liabilities

The Group has leases mainly for land and building and technical equipment (refer to Note 12 Right-of-Use Assets).

15. PROVISIONS

€ 000

	Provisions for restructuring	Other provisions	Total
As at 1 January 2023	**738**	**34,341**	**35,079**
Transferred to held for sale liabilities		(1,171)	**(1,171)**
Business acquired	-	1,631	**1,631**
Foreign currency translation	-	20	**20**
Provisions made during the period	-	2,481	**2,481**
Provisions utilised during the period	-	(2,184)	**(2,184)**
Provisions reversed during the period	(20)	(4,344)	**(4,364)**
As at 30 June 2023	**718**	**30,774**	**31,492**
Current at the end of the year	718	27,122	**27,840**
Non-current at the end of the year	-	3,653	**3,653**

€ 000

	Provisions for restructuring	Other provisions	Total
As at 1 January 2022	**644**	**12,966**	**13,610**
Business acquired	-	28	**28**
Foreign currency translation	-	580	**580**
Provisions made during the period	1,138	28,545	**29,683**
Provisions utilised during the period	(400)	(3,539)	**(3,939)**
Provisions reversed during the period	(644)	(4,239)	**(4,883)**
As at 31 December 2022	**738**	**34,341**	**35,079**
Current at the end of the year	738	30,779	**31,517**
Non-current at the end of the year	-	3,562	**3,562**

15.1. Provisions for restructuring

The provisions for restructuring reflect both provisions existing in the SYNLAB Group's statement of financial position as at the acquisition date and measured at fair value, as well as new provisions recognised for the restructuring plans announced.

15.2. Other provisions

The other provisions mainly relate to provisions for litigation. In the normal conduct of its business, the Group is involved in legal proceedings relating to different matters: anti-trust, personnel, damages, and other claims with uncertainties about the amount or timing of the outflows. According to management and as confirmed by legal counsel, the recorded provision is considered to be sufficient to cover probable losses.

16. TRADE PAYABLES AND OTHER LIABILITIES

€ 000	As at 30 June 2023	As at 31 December 2022
Trade payables	177,680	217,122
Accruals and other payables	99,119	96,571
Trade payables	**276,799**	**313,693**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The carrying amount of trade payables approximates to their fair value.

€ 000	As at 30 June 2023	As at 31 December 2022
Long-term contingent purchase price liabilities incl. put options over non-controlling interests	18,650	20,658
Long-term deferred purchase price liabilities	17,025	37,694
Other	2,449	4,510
Other non-current liabilities	**38,124**	**62,862**
Liabilities from salaries and social security payments	137,090	160,209
Short-term contingent purchase price liabilities incl. put options over non-controlling interests	6,277	4,768
Short-term deferred purchase price liabilities	33,859	7,471
Liabilities from VAT and other taxes	26,692	27,653
Liabilities to related parties	61	78
Payables related to fixed assets suppliers	4,095	1,743
Priority dividends payables	477	433
Other	15,389	19,773
Other current liabilities	**223,940**	**222,128**
Total	**262,064**	**284,990**

In the context of the external growth strategy of the SYNLAB Group, contingent consideration may arise in the scope of business combinations which is required to be recorded at fair value as at the date of acquisition. For contingent consideration, which is dependent on the fulfilment of performance targets, especially earn out, the amount is recorded as purchase price contingent consideration whereas fixed amounts are recorded as payables related to acquisitions of subsidiaries.

Of the total amount of 18.7 M€ (2022: 14.2 M€) for long-term contingent purchase price liabilities incl. put options over non-controlling interests, SYNLAB Labor München Zentrum GbR amounted to 7.9 M€ (2022: 7.4 M€). Of the total amount of 6.3 M€ (2022: 9.9 M€) for short-term contingent purchase price liabilities incl. put options over non-controlling interests, SYNLAB Labor München Zentrum GbR and EMT Medizintechnik GmbH & Co.KG amounted 2.5 M€ (2022: 4.5 M€).

17. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group’s statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

17.1. Classes and categories of financial instruments and their fair values

The following table provides information about:

- the classes of financial instruments based on their nature and characteristics,
- the carrying amounts of financial instruments, and
- the fair values of financial instruments.

€ 000

30 June 2023	Measurement categories according to IFRS 9	Carrying amount	AC	FVOCI	FVPL	Fair value
FINANCIAL ASSETS						
Non-current assets						
Non-current financial assets	AC	33,261	33,261	-	-	33,261
Equity instruments	FVOCI	1,612	-	1,612	-	1,612
Derivative instruments	FVPL	35,302	-	-	35,302	35,302
Total non-current assets		**70,175**	**33,261**	**1,612**	**35,302**	**70,175**
Current assets						
Trade accounts receivable	AC	436,520	436,520	-	-	436,520
Other current financial assets	AC	62,532	62,532	-	-	62,532
Cash and cash equivalents	AC	256,333	256,333	-	-	256,333
Total current assets		**755,385**	**755,385**	**-**	**-**	**755,385**
FINANCIAL LIABILITIES						
Non-current liabilities						
Interest bearing loans borrowings	AC	1,312,666	1,312,666	-	-	1,312,666
Lease liabilities	AC	520,359	520,359	-	-	520,359
Other liabilities	FVPL	18,650	-	-	18,650	18,650
Derivative financial instruments	FVPL	3,069	-	-	3,069	3,069
Other liabilities	AC	19,474	19,474	-	-	19,474
Total non-current liabilities		**1,874,218**	**1,852,499**	**-**	**21,719**	**1,874,218**
Current liabilities						
Interest bearing loans borrowings	AC	23,500	23,500	-	-	23,500
Lease liabilities	AC	126,590	126,590	-	-	126,590
Other liabilities	FVPL	6,277	-	-	6,277	6,277
Other liabilities	AC	190,897	190,897	-	-	190,897
Trade accounts payable	AC	276,799	276,799	-	-	276,799
Total current liabilities		**624,063**	**617,786**	**-**	**6,277**	**624,063**

AC: Measured at amortised cost, FVOCI: Fair value through other comprehensive income, FVPL: Fair value through profit or loss

As part of its risk policy, SYNLAB is regularly assessing its interest rate risk. The value of the interest rate cap, that covers part of the EURIBOR increase for the SYNLAB external financing amounts to 35.3 M€ (31 December 2022: 35.5 M€) and is shown as a long- term derivative instrument measured at fair value through profit or loss.

€ 000

31 December 2022	Measurement categories according to IFRS 9	Carrying amount	AC	FVOCI	FVPL	Fair value
FINANCIAL ASSETS						
Non-current assets						
Non-current financial assets	AC	45,396	45,396	-	-	45,396
Equity instruments	FVOCI	1,639	-	1,639	-	1,639
Derivative instruments	FVPL	33,483	-	-	33,483	33,483
Total non-current assets		**80,518**	**45,396**	**1,639**	**33,483**	**80,518**
Current assets						
Trade accounts receivable	AC	443,089	443,089	-	-	443,089
Other current financial assets	AC	47,299	47,299	-	-	47,299
Cash and cash equivalents	AC	541,684	541,684	-	-	541,684
Total current assets		**1,032,072**	**1,032,072**	**-**	**-**	**1,032,072**
FINANCIAL LIABILITIES						
Non-current liabilities						
Interest bearing loans borrowings	AC	1,407,802	1,407,802	-	-	1,407,802
Lease liabilities	AC	557,773	557,773	-	-	557,773
Other liabilities	FVPL	20,658	-	-	20,658	20,658
Derivative financial instruments	FVPL	3,198	-	-	3,198	3,198
Other liabilities	AC	42,205	42,205	-	-	42,205
Total non-current liabilities		**2,031,636**	**2,007,780**	**-**	**23,856**	**2,031,636**
Current liabilities						
Interest bearing loans borrowings	AC	15,873	15,873	-	-	15,873
Lease liabilities	AC	132,187	132,187	-	-	132,187
Other liabilities	FVPL	4,768	-	-	4,768	4,768
Other liabilities	AC	187,284	187,284	-	-	187,284
Trade accounts payable	AC	313,693	313,693	-	-	313,693
Total current liabilities		**653,805**	**649,037**	**-**	**4,768**	**653,805**

AC: Measured at amortised cost, FVOCI: Fair value through other comprehensive income, FVPL: Fair value through profit or loss

18. CAPITAL COMMITMENT AND CONTINGENCIES – OFF-BALANCE-SHEET COMMITMENTS GIVEN

As at 30 June 2023, the Group's off-balance-sheet commitments consist principally of guarantees given with regard to the existing Term Loans. This includes the pledge over the shares of certain Group companies. Additionally guarantees were given in connection with leasing contracts.

19. SHARE-BASED PAYMENT SCHEMES

During the year 2023, the following new tranches under existing programs were granted:

- EPP (employee participation program) for all employees / grant date: 7 January 2023
- Tranche 3 LTIP (long-term incentive plan) for the Management Board / grant date: 1 May 2023
- Tranche 3 LTIP for senior executives / grant date: 1 May 2023
- Tranche 3 Virtual LTIP for employees / grant date: 1 May 2023

The terms and conditions of the three LTIP programs and the EPP program are mainly similar to the grants that were issued in 2022 (for the terms and conditions of the above programs, please refer to SYNLAB Group financials 2022). However, the vesting period for tranche 3 of the LTIP for the Management Board is only 12 months.

The total expenses for the first half year 2023, which was recorded for those four plans, amounted to 2.9 M€ (1.3 M€ in H1 2022).

20. CAPITAL AND RESERVES

20.1. Share capital

Share type	Nominal value	Number of shares as at 1 January 2023	Value as at 1 January 2023	Change in shares	Number of shares as at 30 June 2023	Value as at 30 June 2023
Ordinary shares	1.00 €	222,222,222	222,222,222.00 €	-	222,222,222	222,222,222.00 €
Total		**222,222,222**	**222,222,222.00 €**	**-**	**222,222,222**	**222,222,222.00 €**

Treasury shares	Number of treasury shares	Amortised Acquisition costs (in €)
As at 1 January 2023	**2,518,864**	**35,729,949**
Acquisition of treasury shares	-	-
Issue of shares under the LTIP	(3,735)	(52,981)
Issue of shares under the EPP	(130)	(1,844)
As at 30 June 2023	**2,514,999**	**35,675,124**

20.2. Treasury shares and share buy-back

In 2022, the Company started to purchase ordinary shares in the market to satisfy the Company's various share-based payment schemes (Note 19) at the time of vesting. The required number of shares will be acquired over the vesting period. The buy-back was approved by shareholders at the annual general meeting in May 2022. The shares were acquired at an average price of €14.18 per share. The total acquisition cost of own shares in an amount of 35.7 M€ are shown separately as treasury shares within equity.

20.3. Capital reserve and dividends

In May 2023, SYNLAB AG distributed a dividend of €72,503,383.59 to its shareholders based on the resolution of the Annual General Meeting. In addition, reserves of 2.9 M€ (2022: 1.3 M€) were recognised in connection with the equity-settled share-based payment programmes.

20.4. Accumulated deficit

In the accumulated deficit, the retained earnings and retained losses for the Group are recognised. In addition, the accumulated deficit includes the parts of pensions according to the IAS 19 calculation recognised in equity.

20.5. Currency translation reserve

The currency translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations. Refer to the consolidated statement of changes in equity.

21. RELATED PARTIES

Relationships with related parties have not changed significantly compared to 31 December 2022.

22. EVENTS AFTER THE REPORTING PERIOD

22.1. Sale of the Swiss business

On 3 July 2023, all Swiss SYNLAB companies were sold to Sonic Healthcare. The preliminary purchase price amounts to164.8 M€. For further information, please refer to the section 3.3 Held for Sale in note 3 significant events.

22.2. Full repayment of Term Loan B5 tranche due 2026

On 7 July 2023, SYNLAB Bondco Plc fully repaid the existing 220 M€ Term Loan B (TLB5) plus accrued interest, initially scheduled to mature in July 2026.

Munich, 8 August 2023

The Management Board

Mathieu Floreani Chief Executive Officer	Sami Badarani Chief Financial Officer

Affirmation of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim condensed consolidated financial statements for the period from 1 January to 30 June 2023 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group reflects a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remainder of the financial year.

Munich, 8 August 2023

The Management Board

Mathieu Floreani
Chief Executive Officer

Sami Badarani
Chief Financial Officer

Report on the review of the condensed consolidated interim financial statements and the Group interim report for the period from 1 January to 30 June 2023

To SYNLAB AG, Munich/Germany

We have reviewed the condensed consolidated interim financial statements, which comprise the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, selected explanatory notes to the consolidated financial statements as well as the group interim management report for the period from 1 January to 30 June 2023 of SYNLAB AG, Munich/Germany, which form part of the semi-annual financial report pursuant to Sec. 115 German Securities Trading Act (WpHG). The Company’s executive board is responsible for the preparation of the condensed consolidated interim financial statements in accordance with the IFRS for interim financial statements reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the WpHG. Our responsibility is to issue a report on the condensed consolidated interim financial statements and the interim group management report based on our review.

We have performed the review of the condensed consolidated interim financial statements and of the group interim management report in compliance with the German Generally Accepted Standards for the Review of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and under the supplementary con-sideration of the International Standard on Review Engagements “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). According to these, the review has to be planned and conducted in a way – based on a critical assessment and with reasonable assurance – that we can rule out that material aspects of the condensed consolidated interim financial statements do not comply with the IFRS for interim reporting as adopted by the EU and that material aspects of the group interim management report do not comply with the provisions of the WpHG applicable for the preparation of group management reports.

A review is primarily limited to inquiring of Company personnel and to analytical procedures and thus provides less assurance than an audit of financial statements. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matter has come to our attention that causes us to believe that material aspects of the condensed consolidated interim financial statements do not comply with the IFRS for interim reporting as adopted by the EU or that material aspects of the group interim management report do not comply with the provisions of the WpHG applicable for the preparation of group interim reports.

Munich/Germany, 8 August 2023

Deloitte GmbH Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Cornelia Tauber Wirtschaftsprüferin (German Public Auditor)	Polina Spang Wirtschaftsprüferin (German Public Auditor)

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