20230710286l2

Årsredovisning

för

SYNLAB Holding Sverige AB

559270-5833

Räkenskapsåret

2022

Fastställelseintyg

Fastställelseintyg

Undertecknad verkställande direktör i SYNLAB Holding Sverige AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-06-30. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Täby 2023-06-30

Johanna Kristoffersson

20230710028613

Årsredovisning

för

SYNLAB Holding Sverige AB

559270-5833

Räkenskapsåret

2022

20230710286l4

Styrelsen och verkställande direktören för SYNLAB Holding Sverige AB avger följande årsredovisning för räkenskapsåret 2022.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten
Bolagets huvudsakliga syfte är att fungera som ägarbolag och att samordna och leda förvaltning av dotterbolag samt i andra hand, direkt eller indirekt, genom dotterbolag bedriva sjuk- och hälsovård med särskild inriktning på laboratoriemedicinsk verksamhet.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret
1 januari 2022 har det, i samband med fusion, skett ett ägarbyte från SYNLAB Holding France S.A, orgnr 448650085, med säte i Frankrike, till SYNLAB France SA orgnr 752317107 med säte i Frankrike. SYNLAB France SA äger per 31/12 2022 således 100% av aktierna i SYNLAB Holding Sverige AB.

Bolaget har ingen verksamhet som är exponerad mot vare sig Ukraina eller Ryssland och påverkas inte i dagsläget direkt av den oerhört ledsamma situationen som pågår. Den globala krisen som kriget utlyst påverkar oss indirekt och vi fortsätter vara vaksamma på hur samhället och världen hanterar situationen.

Väsentliga händelser efter räkenskapsårets slut
Inga väsentliga händelser har skett efter räkenskapsårets slut.

Ägarförhållanden
SYNLAB Holding Sverige AB har under 2022 varit ett helägt dotterbolag till SYNLAB France SA, orgnr 752317107 med säte i Frankrike. SYNLAB Holding Sverige AB äger 100 % av dotterbolaget SYNLAB Sverige AB, orgnr 559179-2881, med säte i Täby.

Flerårsöversikt (Tkr)	**2022**	**2021**	**2020**
Nettoomsättning	0,0	0,0	0,0
Resultat efter finansiella poster	-634	-1 645	-165
Soliditet (%)	41,8	22,3	-0,27

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper.

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Förändringar i eget kapital

	Aktie-kapital	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	25 000	-164 910	12 442 692	**12 302 782**
Disposition enligt beslut av årsstämman:				
Balanseras i ny räkning		12 442 692	-12 442 692	**0**
Årets resultat			-62 100	**-62 100**
Belopp vid årets utgång	**25 000**	**12 277 782**	**-62 100**	**12 240 682**

Förslag till vinstdisposition

Styrelsen föreslår att utdelning lämnas med 12 000 000 kr, vilket motsvarar 480 kr/aktie.

Styrelsen föreslår att utbetalning av utdelningen skall ske i anslutning till Årsstämman men senast 30/9.

Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Yttrandet ska ses mot bakgrund av den information som framgår av årsredovisningen. Företagsledningen planerar inga väsentliga förändringar av befintlig verksamhet så som väsentliga investeringar, försäljningar eller avveckling.

Beträffandebolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

Medel att disponera:	
balanserad vinst	12 277 782
årets förlust	-62 100
	12 215 682
Förslag till disposition:	
Utdelning	12 000 000
Balanseras i ny räkning	215 682
	12 215 682

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Rörelsens intäkter			
Övriga rörelseintäkter		0	21 778
		0	**21 778**
Rörelsens kostnader			
Övriga externa kostnader		-7 554	-40 000
Övriga rörelsekostnader		0	-21 837
Rörelseresultat		**-7 554**	**-40 059**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	3	119 113	720 069
Räntekostnader och liknande resultatposter	4	-745 293	-2 324 594
Resultat efter finansiella poster		**-633 734**	**-1 644 584**
Bokslutsdispositioner	5	571 634	17 286 146
Resultat före skatt		**-62 100**	**15 641 562**
Skatter			
Skatt på årets resultat		0	-3 198 870
Årets resultat		**-62 100**	**12 442 692**

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Balansräkning

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	34 164 709	35 664 709
Fordringar hos koncernföretag	7	0	36 013 308
Summa anläggningstillgångar		**34 164 709**	**71 678 017**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		25 000	25 000
Övriga kortfristiga fordringar		2 947 849	285 709
		2 972 849	**310 709**
Summa omsättningstillgångar		**2 972 849**	**310 709**
SUMMA TILLGÅNGAR		**37 137 558**	**71 988 726**

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Balansräkning

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		25 000	25 000
		25 000	**25 000**
Fritt eget kapital			
Balanserad vinst eller förlust		12 277 782	-164 910
Årets resultat		-62 100	12 442 692
		12 215 682	**12 277 782**
Summa eget kapital		**12 240 682**	**12 302 782**
Obeskattade reserver		4 142 220	4 713 854
Avsättningar	8		
Övriga avsättningar		2 703 432	4 203 432
Summa avsättningar		**2 703 432**	**4 203 432**
Långfristiga skulder	9		
Skulder till koncernföretag		11 784 799	45 580 277
Summa långfristiga skulder		**11 784 799**	**45 580 277**
Kortfristiga skulder			
Skulder till koncernföretag		3 302 726	1 949 511
Aktuella skatteskulder		2 913 161	3 198 870
Övriga skulder		6 788	0
Upplupna kostnader och förutbetalda intäkter		43 750	40 000
Summa kortfristiga skulder		**6 266 425**	**5 188 381**
SUMMA EGET KAPITAL OCH SKULDER		**37 137 558**	**71 988 726**

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Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Finansiella instrument
Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Koncernbidrag
Koncernbidrag som lämnas till dotterföretag redovisas som en ökning av andelens redovisade värde. Erhållna koncernbidrag redovisas som bokslutsdispositioner.

Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget SYNLAB AG, organisationsnummer HRB 246540 med säte i Tyskland upprättar koncernredovisning.

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Nyckeltalsdefinitioner
Nettoinsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktkorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Uppgifter om moderföretag

Moderföretaget i den största koncern där företaget ingår och som upprättar koncernredovisning är SYNLAB AG med organisationsnummer HRB 246540 med säte i Tyskland.

Not 3 Övriga ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter från koncernföretag	119 113	720 069
	119 113	**720 069**

Not 4 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-742 262	-2 324 594
	-742 262	**-2 324 594**

Not 5 Bokslutsdispositioner

	2022	2021
Avsättning till periodiseringsfonder	0	-4 713 854
Återföring av periodiseringsfonder	571 634	0
Mottagna koncernbidrag	0	22 000 000
	571 634	**17 286 146**

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Not 6 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	35 664 709	37 164 709
Inköp		0
Justering tilläggsköpeskilling	-1 500 000	-1 500 000
Utgående ackumulerade anskaffningsvärden	**34 164 709**	**35 664 709**
Utgående redovisat värde	**34 164 709**	**35 664 709**

SYNLAB Holding Sverige AB äger 100 % dotterbolaget SYNLAB Sverige AB, orgnr 559179-2881, med säte i Täby.

Not 7 Fordringar hos koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	36 013 308	14 119 000
Tillkommande fordringar	0	22 180 017
Avgående fordringar	-36 013 308	-285 709
Utgående ackumulerade anskaffningsvärden	**0**	**36 013 308**
Utgående redovisat värde	**0**	**36 013 308**

Not 8 Avsättningar

	2022-12-31	2021-12-31
Övriga avsättningar		
Belopp vid årets ingång	4 203 432	5 703 432
Årets avsättningar	0	
Under året återförda belopp	-1 500 000	-1 500 000
	2 703 432	**4 203 432**

Not 9 Långfristiga skulder

Föregående års lån på 45 580 277 kr från andra koncernföretag klassas om från kortfristiga skulder till långfristiga skulder då löptiden är 2026.

	2022-12-31	2021-12-31
Skulder till koncernföretag		
Skulder till koncernföretag	11 784 799	45 580 277
	11 784 799	**45 580 277**

Not 10 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har skett efter räkenskapsårets slut.

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Stockholm 2023- 06 - 30

Johanna Kristoffersson
Verkställande direktör

Rainar Aamisepp

Vår revisionsberättelse har lämnats 2023- 06 -30

Deloitte AB

Johan Nilsson
Auktoriserad revisor

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Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i SYNLAB Holding Sverige AB
organisationsnummer 559270-5833

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för SYNLAB Holding Sverige AB för räkenskapsåret 2022-01-01 - 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av SYNLAB Holding Sverige ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SYNLAB Holding Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Övriga upplysningar

Årsredovisningen för räkenskapsåret 2021-01-01 - 2021-12-31 har inte varit föremål för revision och någon revision av jämförelsetalen i årsredovisningen för räkenskapsåret 2022-01-01 - 2022-12-31 har därmed inte utförts.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller

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förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för SYNLAB Holding Sverige AB för räkenskapsåret 2022-01-01 - 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamot och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SYNLAB Holding Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Västervik den 30 juni 2023

Deloitte AB

Johan Nilsson
Auktoriserad revisor

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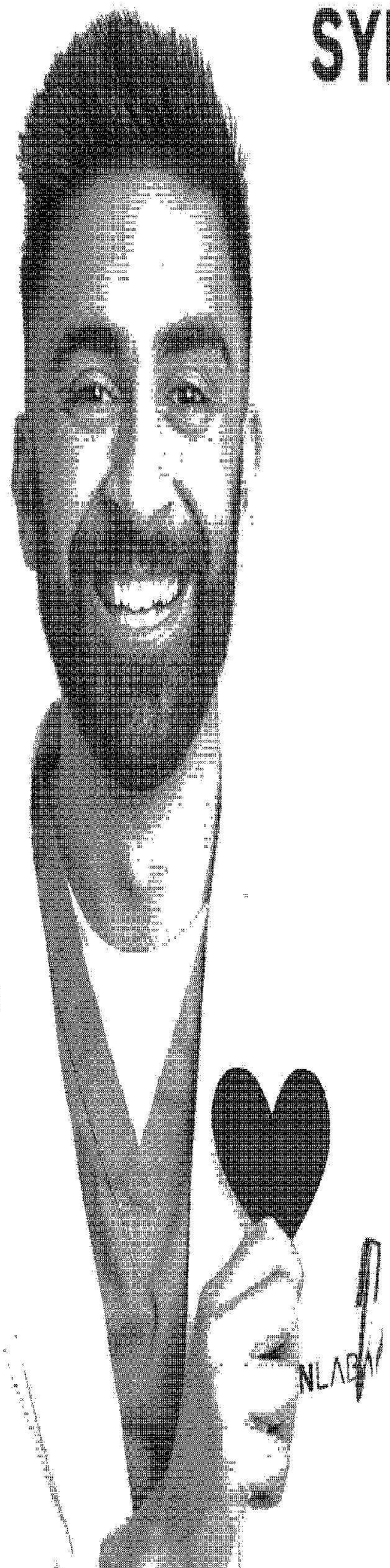
Medical Excellence

FOCUS



SYNLAB

ANNUAL REPORT 2022

OUR MISSION

We provide actionable diagnostic information for healthy lives and well-being for all.

OUR VISION

Leadership through excellence in service to patients and the medical community with reliable diagnostics and value added.

OUR VALUES

- Passion
- Accountability
- Customer centricity

2022 AT A GLANCE

		2022	2021	2020
Revenue	million €	3,250.5	3,764.9	2,621.2
Adjusted EBITDA	million €	753.4	1,209.8	679.2
Adjusted EBITDA margin	%	23.2	32.1	25.9
Adjusted operating profit	million €	507.5	996.1	504.5
Net profit (group share)	million €	150.7	824.8	257.8
Unlevered Free cash flow	million €	312.0	742.5	271.7

36
Countries
across four continents

€3.25BN
Revenue in 2022

>5,000
Routine and specialist
testing services

~600M
Laboratory tests per year

>28,000
Employees, including over
2,000 medical experts

~500
Laboratories and >1,800
blood sample collection points

SYNLAB · · ·

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Our investors can find up-to-date information on our investor website – simply follow the link below.

AG.SYNLAB.COM

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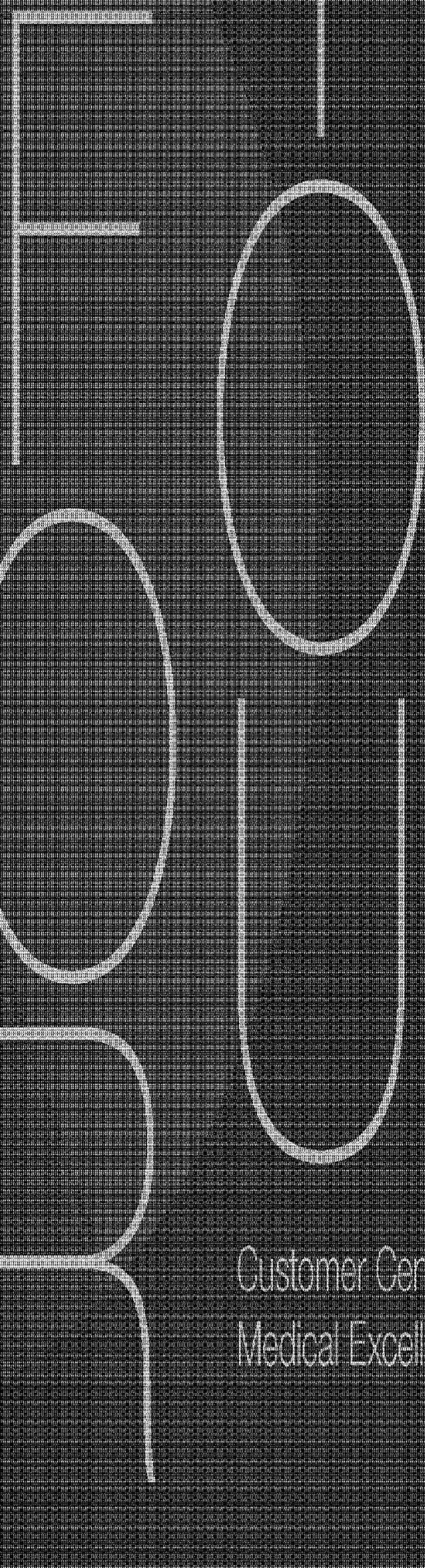
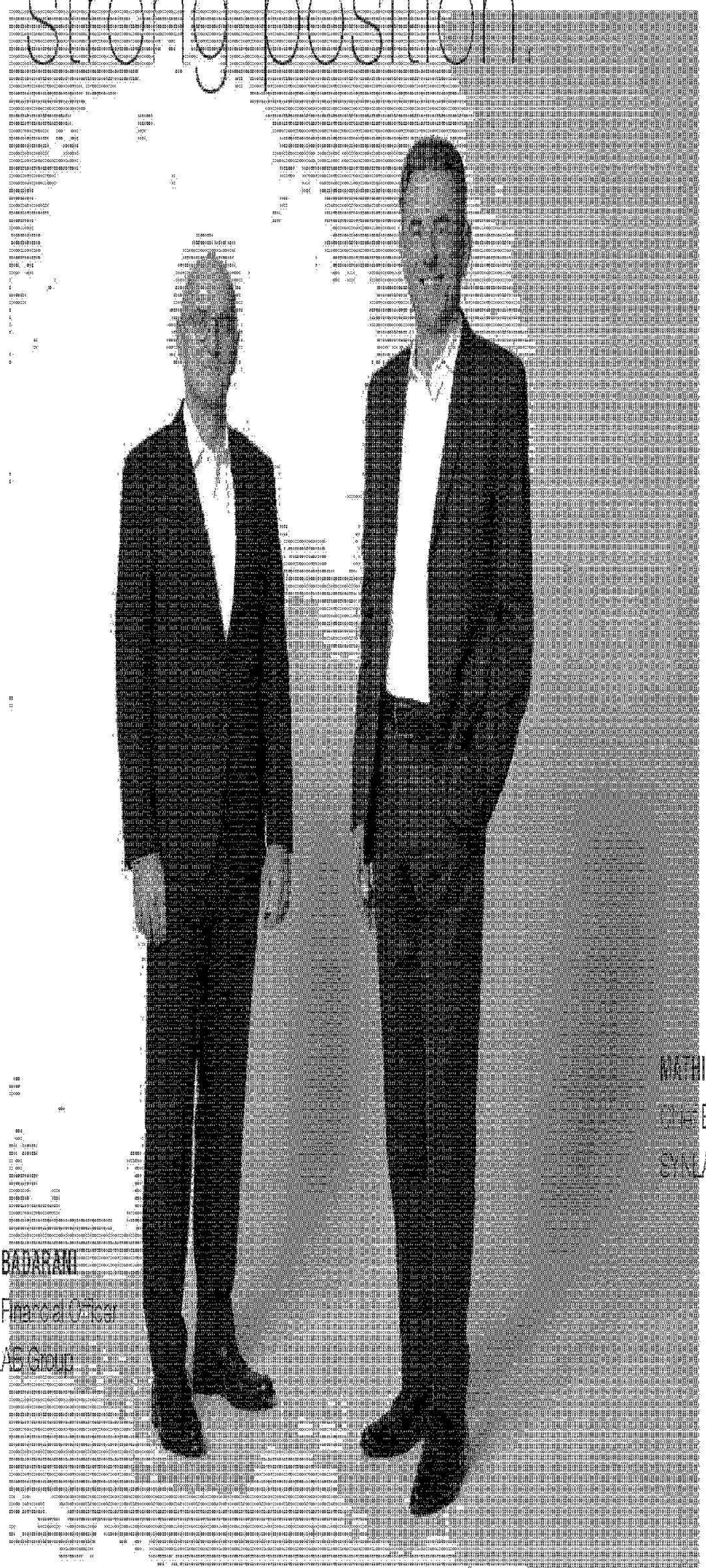


Customer Centric
Medical Excellence

MANAGEMENT INTERVIEW

"Continued growth in our core activities puts us in a strong position."



SAMI BADARANI
Chief Financial Officer
SYNLAB Group

MATHIEU FLOREANI
Chief Executive Officer
SYNLAB Group

Another successful financial year for SYNLAB has come to an end. We spoke with the members of the Management Board, Mathieu Floreani and Sami Badarani, about the business performance of SYNLAB in 2022. They also share what the SYNLAB strategy looks like given the challenges in the currently troubled economic environment and what ambitions they are pursuing with this strategy.

Mr Floreani, SYNLAB has had two very strong and exceptionally good financial years. The pandemic is now weakening, and the economic situation currently holds some additional uncertainties. What were your personal highlights in 2022, and what challenges will SYNLAB face in the financial year 2023?

FLOREANI First of all, one highlight was the continued organic growth in our core business. We laid the foundations by defining different growth initiatives within our strategy. This focus is now showing its effect. A second highlight this year was our expansion in specialty testing – one of the growth areas we defined. Among other things, we partnered with OncoDNA and Microba to bring additional innovative services to the market.

Also, we completed several acquisitions in this field, such as Sistemas Genómicos in Spain, a laboratory specialising in genetics and bioinformatics – a great step to expand our medical excellence in specialty testing. This leads me to my third highlight: we are continuously consolidating the market through M&A and made 23 acquisitions in the past year, both across our strategic initiatives and regions.

As for any other company, inflation and rising energy prices will continue to be challenges going forward. However, SYNLAB has proved the resilience of its business model. We are managing the inflation impact with price increases in selective areas and are further reducing our already low energy consumption through efficiency programmes. As we see continuing demand and offer critical infrastructure for global healthcare systems, SYNLAB is more resistant to times of crisis than other companies. With our growth strategy and the good financial condition, we are well-positioned in a growing diagnostics market.

With a lot of resources having been put into the fight against the COVID-19 pandemic, what measures are you taking to strengthen organic growth beyond COVID-19 revenues?

FLOREANI The COVID-19 pandemic is just an example of the crucial role that clinical labs play, as well as of the medical and operational leadership that SYNLAB has in Europe. In 2022, we experienced a heterogeneous year, with a peak in the first quarter during the Omicron wave. We worked in a high intensity mode, delivering the full spectrum from testing in hospitals to mass testing in schools. In doing so, SYNLAB proved its systemically relevant role as part of the medical infrastructure. Now we are experiencing a shift from "pandemic panic" to a state of coexistence with the virus. Healthcare systems will continue to require diagnostics to detect and monitor the spread of SARS-CoV-2.

For our core business, we are continuing to pursue our clearly defined strategy – based on organic growth through our customer-driven medical excellence and service offering, as well as value-enhancing acquisitions giving us operational scale and density in a fragmented market. Our customer-centric medical excellence focuses on delivering a superior experience to patients and clinicians. We provide a tailored approach to prescribers and focus on retail management, with several key initiatives under the FOR YOU growth strategy. These growth areas include the acceleration of our expertise and services in D2C and specialties, the increase of our exposure to fast growing markets, and an expansion in digitalisation and productivity.

> "Based on our robust cash generation, we continue our development through smart investments, while remaining focused on diligent cost control."
>
> SAMI BADARANI

Mr Badarani, could you please elaborate on the current financial situation of SYNLAB and give an outlook on your medium- and long-term financial strategy?

BADARANI We look back on a financially solid 2022 against very high comparison numbers from 2021. I am especially proud of our performance in the core business, with strong underlying organic growth of 6.2%. Overall, our revenue reached €3.25 billion, with an adjusted EBITDA of €753 million and a respective margin of 23.2%. It is a strong margin despite the challenging inflation environment. Based on our robust cash generation, we continue to explore further opportunities to improve our development through smart investments, both in our existing business and through M&A activities. At the same time, and factoring in the inflationary pressure, we remain focused on diligent cost control – for example, through our ongoing synergy programme SALIX, which once again saved €25 million in 2022. Our goal for organic growth is approximately 4% for 2023 and more than 3% on the medium to long run. Over the long-term, we maintain our ambition to reach an adjusted EBITDA margin of 23%. The continuous improvement of the

"Moving forward, the importance of medical diagnostics is going to increase further as a medical focus on prevention becomes key for future-proof healthcare."

MATHIEU FLOREANI

adjusted EBITDA margin is embedded in the Group's business model (year-on-year organic growth of 3%+ and accretive bolt-on acquisitions). The acceleration of the margin improvement is projected to be based on productivity of more than 2% each year, and active management of the business portfolio.

SYNLAB has a very strong track record for M&A. What will be your focus in this area going forward?

BADARANI Our successful and proven M&A strategy is built on three cornerstones. Firstly, we concentrate on bolt-on acquisitions, particularly the densification in our core markets to further strengthen the position of SYNLAB in these areas. Secondly, we pursue acquisitions of new laboratory platforms, especially in high-growth markets, to increase our geographic presence and to fill regional gaps. Thirdly, we plan to continuously expand the SYNLAB network with the latest technologies and know-how – for example, in speciality testing – to offer patients and customers innovative diagnostic solutions and close potential portfolio gaps.

We are continuously committed to our outlaid M&A strategy but will implement a temporary reduction of M&A spent in 2023 to around €100 million to fully focus the business on achieving the same productivity level as before the pandemic outbreak. And thanks to the robust financial results of the last few years, we can again self-finance all planned acquisitions in 2023.

If we look at the share price, SYNLAB is currently significantly off the highs at the end of 2022. How are you managing this situation?

BADARANI Since the beginning of 2022, the stock market has been under the influence of a very volatile environment. This macroeconomic environment is a fact we cannot influence. If we compare the development of the SYNLAB share price to the German SDAX or the sector index MSCI Europe Health Care Equipment & Service, we can observe similar developments based on the current economic situation. Against this background, we concentrate on what is within our power: the consistent implementation of our strategy and achieving our financial goals. We believe this is the best way to create long-term value for our shareholders.

In the growing diagnostics market, and as a part of the critical infrastructure, SYNLAB has continuously proven the resilience of its business model and agility to drive growth. We are in a strong position and will further develop SYNLAB with increased reinvestments.

What will the future diagnostics market and offering look like? Where is development heading?

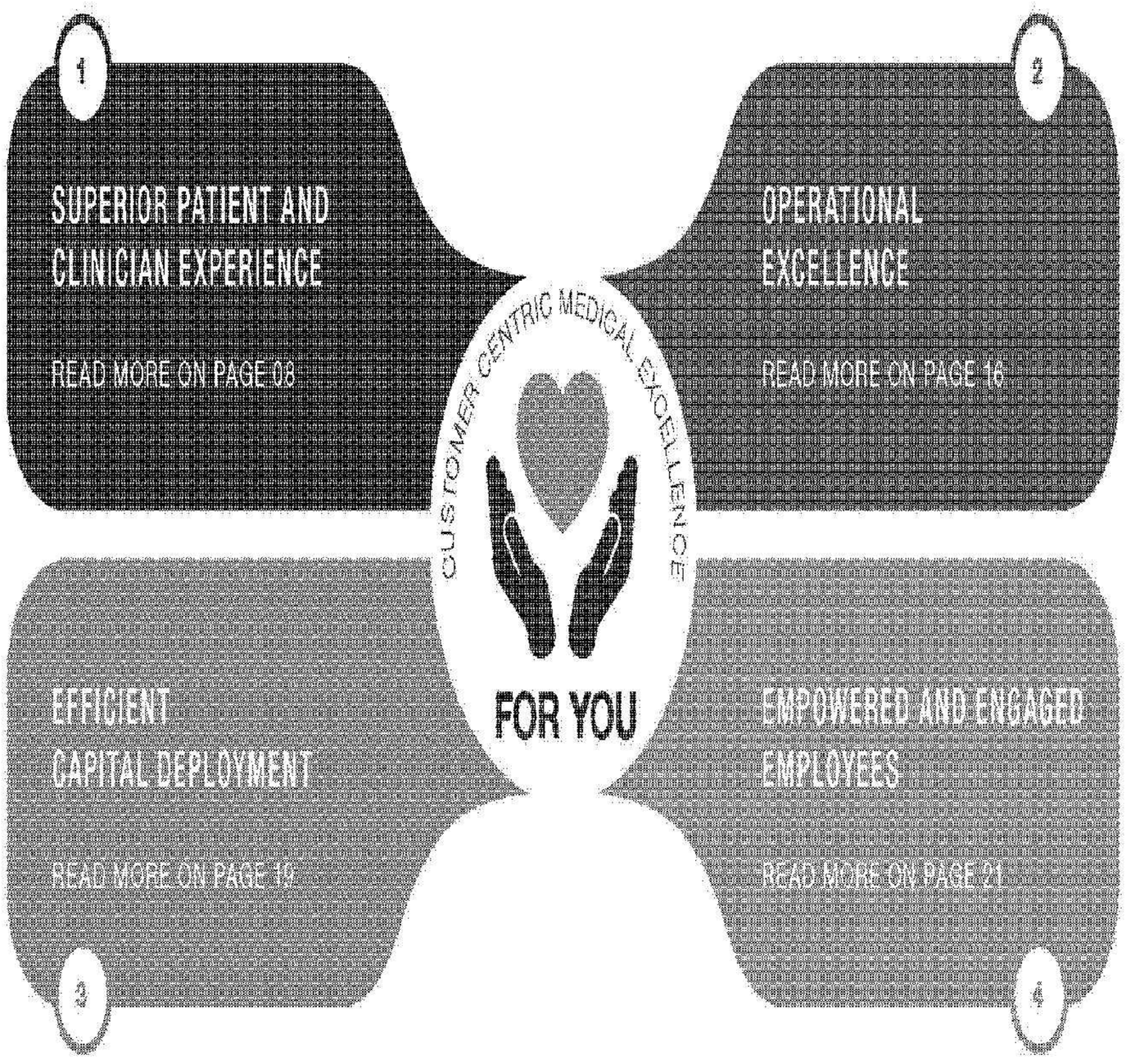
FLOREANI There is an ongoing shift in the diagnostic market, but also in healthcare systems in general. Healthcare systems around the world face major challenges, such as the fast-growing population, as well as aging societies and a rise in widespread and chronic diseases. These developments create an excess demand for medical services and make costs skyrocket. A paradigm shift in medical treatment is inevitable. According to OECD forecasts, health expenditure will outpace GDP growth over the next 15 years in almost every OECD country – a fast development that must be counteracted with appropriate solutions like medical diagnostics. A majority of medical decisions are already based on laboratory testing today, and recent studies show that almost 55% of new drugs in oncology are based on personalised medicine. Diagnostics play an important role here. Furthermore, medical laboratory diagnostics can replace expensive examinations, being a relatively cheap and non-invasive method, such as liquid biopsy in cancer diagnostics. Medical diagnostics are thus the foundation of many healthcare services and medical treatments. Moving forward, the importance of medical diagnostics is going to increase further as a medical focus on prevention becomes key for future-proof healthcare.

What are you looking forward to in 2023?

FLOREANI In 2023, we will focus strongly on further developing our core business in general and specialty testing in particular. We look forward to accompanying the fundamental healthcare systems and will seek more value-added activities to support people in their primary healthcare and beyond. While focusing on returning our productivity to pre-pandemic levels, we are committed to continue delivering our customer-centric medical excellence with an emphasis on personalised medicine, as well as bringing more services directly to patients and customers. Another area of focus will be the further improvement of our diagnostic services processes through digitalisation like state-of-the-art software and the use of artificial intelligence.

OUR STRATEGY

Staying the course in rough seas



2022 was a turbulent year. While many societies were still in the grasp of the COVID-19 pandemic, a terrible war began to shake the world and is still ongoing. It is affecting people's lives and the operations of companies around the globe. Like others, SYNLAB faces the challenges brought about by these events. But what we do remains as relevant as ever. In order to maintain the agility to make the right decisions in a challenging environment, we need a guiding star. That guiding star is our FOR YOU programme, built around the four blocks of the SYNLAB strategy, with each block encompassing a strategic field for engagement. FOR YOU enables us to take a well-adjusted approach to continue reinforcing our focus on medical excellence and customer centricity. This is what our patients and customers are expecting. And it is the foundation for us to grow our activities and expand our position as the leader in medical diagnostic services and specialty testing in Europe.

FOR YOU enables SYNLAB to continuously increase customer centricity and medical excellence, placing patients and customers at the heart of what we do. In 2022, SYNLAB successfully achieved its goals. We drove organic growth in the core business, continued to consolidate the market and built meaningful relationships with patients and customers. On top of this, we brought new scientific research and state-of-the-art diagnostics to the market.

In 2023, SYNLAB will advance the FOR YOU programme to be best positioned to deliver on our targets. SYNLAB will push for further growth in promising markets and fields of business, seizing untapped opportunities. To achieve this, we strive to be the best partner for our patients and customers, a recognised scientific leader whose success is built on empowered and engaged employees.

On the following pages, we highlight key achievements in each strategic field and describe plans for the year ahead.

OUR STRATEGY – SUPERIOR PATIENT AND CLINICIAN EXPERIENCE

Systematic follow-up of patient feedback

FRANCE

Focus on customer-centric medical excellence

SYNLAB builds its activities on medical expertise and scientific leadership. We are dedicated to serving patients and customers with accurate diagnostic information, providing the highest possible medical precision for prognosis, diagnosis and treatment control with the shortest possible turnaround time. We offer a full spectrum of testing, from routine to highly specialised tests.

Improved patient journey

Putting our patients at the centre of our actions also means improving communication with them. That is why we continuously invest in digital interfaces with patients and healthcare professionals. Against this background, we started a strategic initiative to systematically reach out to patients after their visit at our blood collection points (BCPs), asking for follow-up feedback. At the end of 2022, over 20 SYNLAB countries deployed the Feedtrail solution, a digital platform for real-time patient and customer feedback. Through this solution, we received more than 850,000 completed patient surveys.

This process can be illustrated with a project at SYNLAB France. After the patient completes the journey at our BCP and receives the diagnostic results, we ask the patient to give us feedback in a short questionnaire. The feedback form contains three easy and quick questions. We ask the patients to rate their satisfaction on a scale based on emojis. If they are unsatisfied, we given them an opportunity to tell us why. Next, we ask for their reasons for choosing SYNLAB. Finally, we try to find out if patients would recommend SYNLAB to others. We analyse their feedback through a net promoter score (NPS), measuring the rate of willingness to refer others to SYNLAB. NPS is a key performance indicator (KPI) for the management of our BCPs.

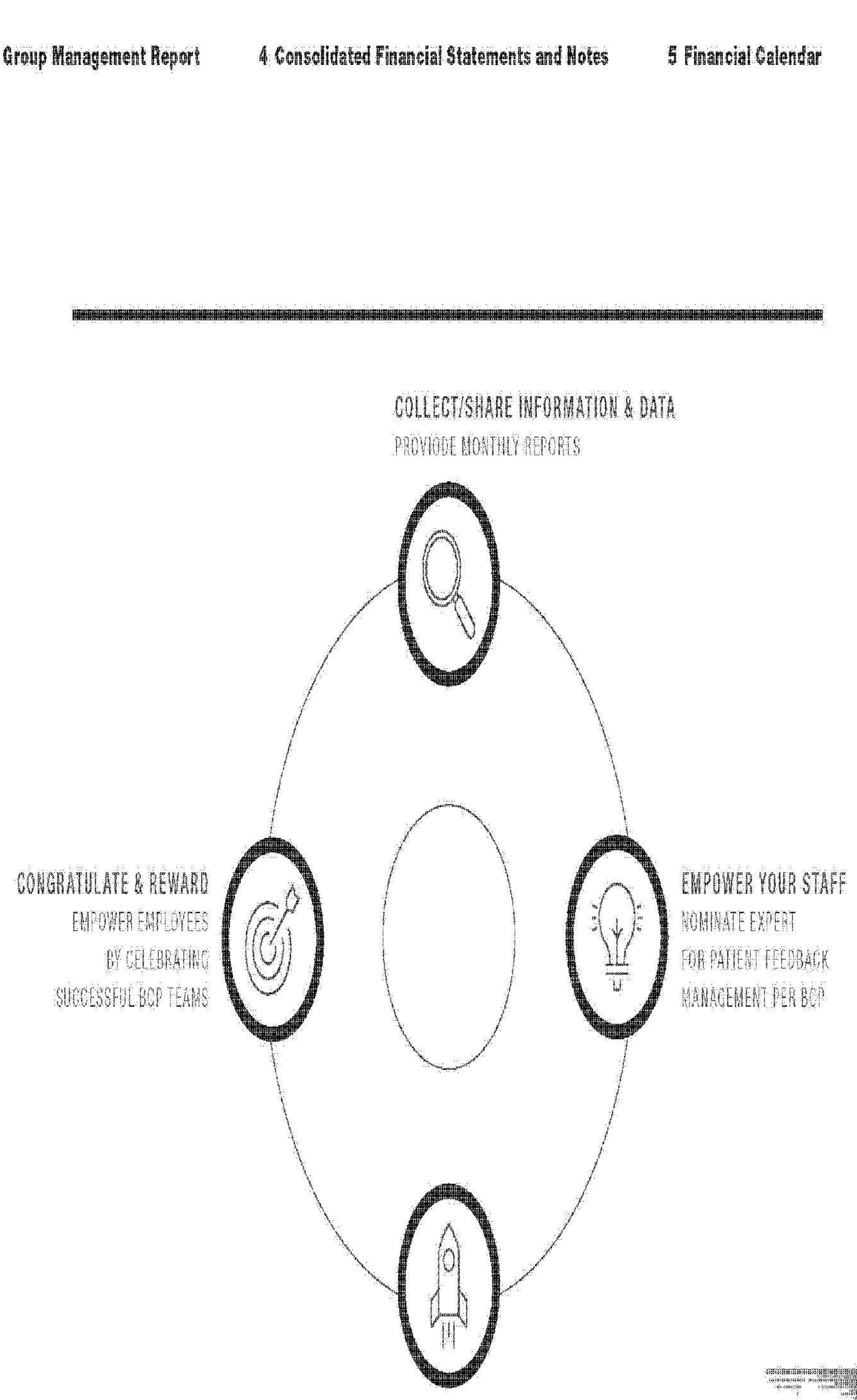
850,000

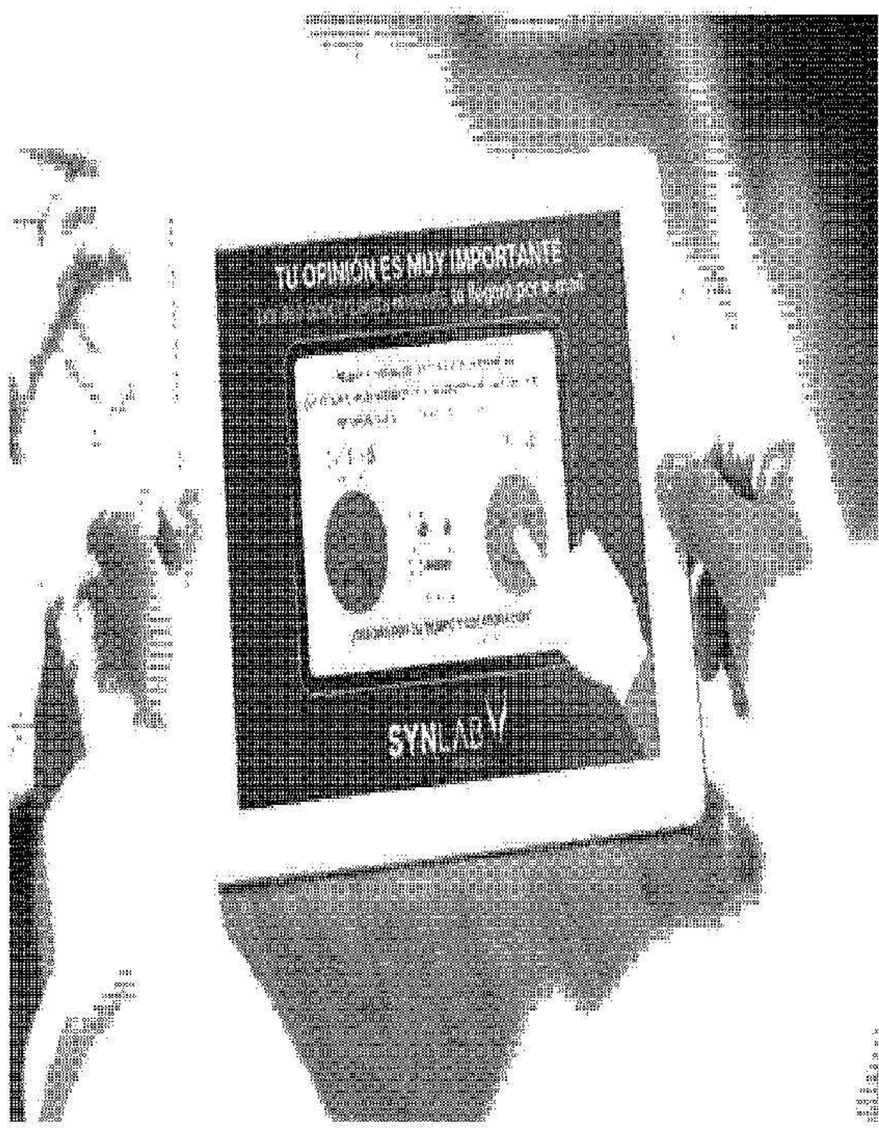
completed patient surveys

With the feedback, we created a unique customised action plan for each BCP based on their individual data analysis. In addition, our project team identified a plan for further standardised patient feedback projects. The concept is easy: share information and data through monthly reports, empower your staff and name an expert for patient feedback management per BCP, set clear objectives, and celebrate achievements by rewarding the individual successful BCP teams for achieving their goals and for their happy patients.

Our systematic follow-up feedback process proves that we take patients' wishes and requirements seriously. We implement their feedback quickly and encourage our staff to provide customers with excellent service and experiences at our BCPs. The improved patient feedback process has turned out to be a real success, with over 300,000 completed surveys per year and an average NPS of over 84 in France.

In 2023, we also started introducing the feedback processes into our B2B customer segments, for example with general practitioners (GPs), hospitals or between laboratories.





Optimised patient journeys at BCPs SPAIN

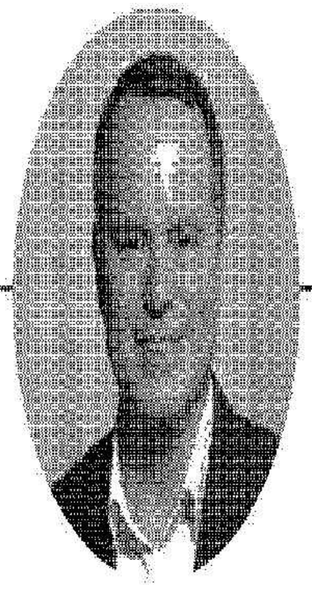
We all know that waiting times are unpleasant. They have a negative impact on patient satisfaction. This is also true for our BCPs.

In order to identify and address the potential to improve the patient experience at our BCPs, we started a pilot project called "SYNLAB Transformation System (STS) in Blood Collection Points (BCPs)" at five of our Spanish BCPs. Traditionally, STS has been focused on optimising operations at the laboratory through lean methodology. As part of this pilot project, we deployed STS for the first time at patient-facing BCPs to optimise the patient journey and create lean workflows at the BCPs.

When the pilot began, patient satisfaction had already reached an industry-leading NPS of 80 across all BCPs. This outstanding score was the result of our patient centricity and our concerted activities since 2018. However, we wanted to push further and find ways to meet the evolving needs and expectations of our clients even better.

To this end, we included our STS experts for the next level of improvement. We paid even closer attention to what problems patients are facing by listening to them and analysing how the problems can be solved. After identifying areas of concern, we defined our strategy and translated it into action. Our goal was to create the best service for patients by improving their experience throughout our BCPs, based on their feedback.

THREE ANSWERS FROM ...



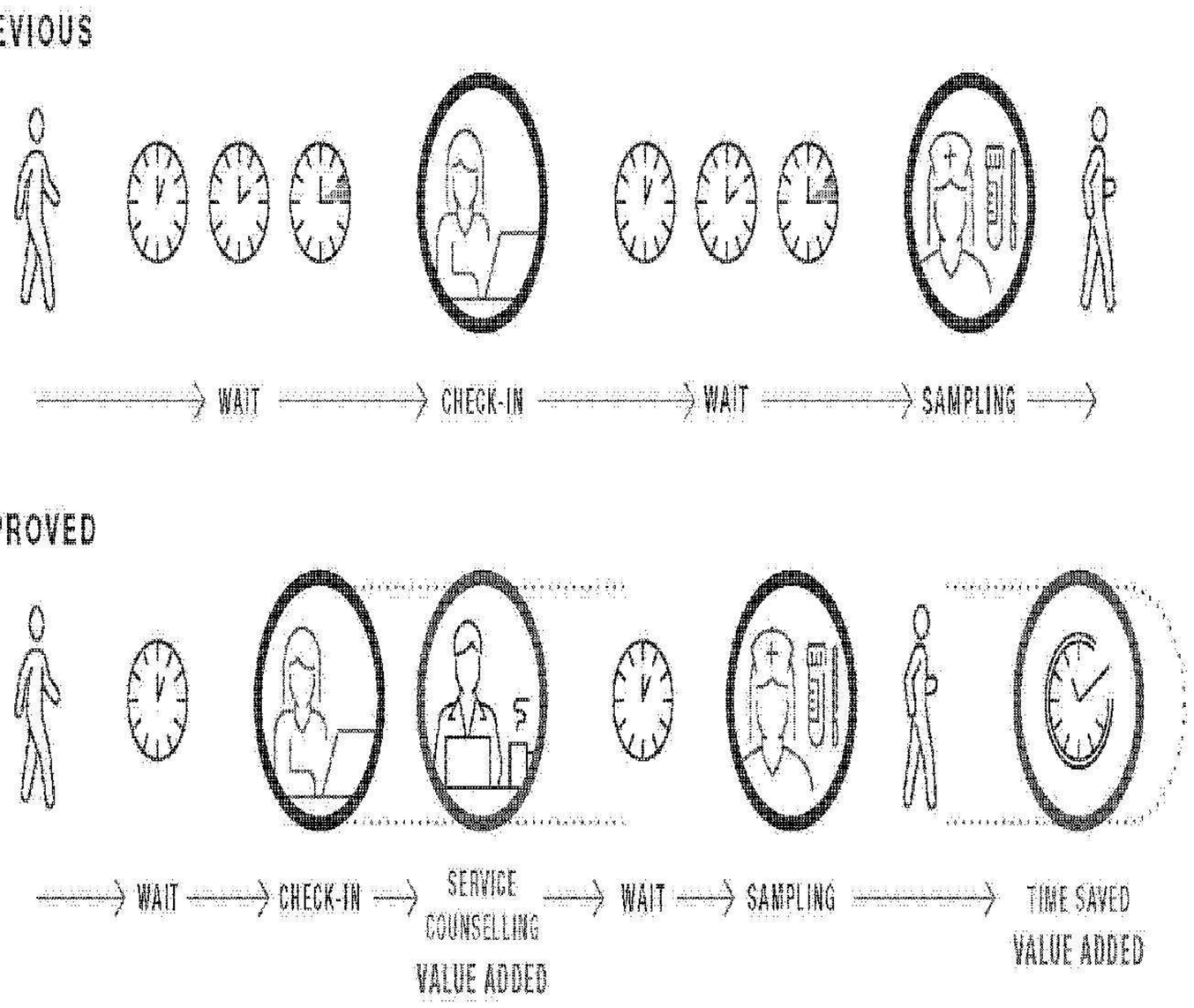
ALEXANDER HAGEN
Group Head of Commercial & Marketing

SYNLAB uses the NPS to define patient satisfaction during a visit to SYNLAB BCPs. How satisfied are patients with SYNLAB?
They are very satisfied! Thanks to our systematic follow-up of their feedback, we were able to let patients speak and successfully act on their comments. This year, we managed to achieve an average Group-wide NPS of 85 – which is the leading score in our industry. 88% of our patients show loyalty and promote our services. This is a fantastic result that proves the success of all our hard efforts and provides a basis to build on for 2023. It is our commitment to ensure that all patients are completely satisfied with their BCP experience.

Looking back on the past year, what successes did SYNLAB achieve with the systematic follow-up of patient feedback?
First, I am proud to say that our teams created detailed analyses and individual action plans for each BCP, all based on the extensive database of patient feedback we collected. The action plans have led to improved patient satisfaction at BCPs in Europe, which is reflected in the NPS figures. For example, we managed to improve patient satisfaction Group-wide by +4 NPS points compared to 2021, and by as much as +22 points at the specific BCP in France between 2020 and 2022. In terms of our efforts and innovations in the area of patient centricity, 2022 was a tremendous success.

And how does SYNLAB react to dissatisfied patients?
I would like to emphasise that patient dissatisfaction was very low at only 3.4% of all patients in 2022. When negative reviews or feedback arise, we take it up directly with the patient. We ask them what led to their dissatisfaction and what they think needs to be improved. As a result, patients feel appreciated, as their opinion is being heard. In order to not repeat negative experiences, identified shortcomings are addressed. Working on this systematically helps to greatly improve the ratings in our quality process. In the end, satisfied patients satisfy us.

CUSTOMER EXPERIENCE IN BCP



49%

reduced waiting time

Net Promoter Score (NPS) improved by

7 POINTS

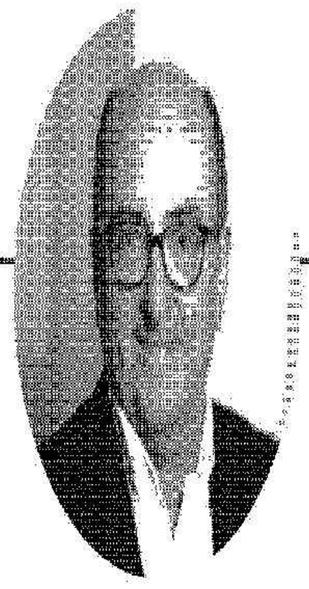
The pilot project identified three key improvement areas:

- Reduce waiting times
- Offer service counselling to all patients
- Standardise processes in the BCPs

For the optimisation at those five BCPs, we analysed the entire patient journey, from booking an appointment to receiving the diagnostic results. To start, we took action on waiting times by better aligning staff capacity to patient demand at each BCP. We then optimised the counselling process so it was clear to each SYNLAB employee when and how to advise patients on our out-of-pocket services. We used the dynamics of role-playing to continuously train the BCP teams. Finally, we standardised key processes and defined KPIs to help us identify and resolve problems in the workflows and introduced internal daily meetings to improve individual KPIs and metrics.

After running the pilot from May to June 2022, we improved in all three areas: We reduced waiting time by 49% and improved our NPS by a further 7 points. The overall lead time for the patient journey at BCPs was reduced by 34%. Additionally, we were able to increase average spending per patient on out-of-pocket services by 42% through improved patient information and counselling. This is a great example of how our patient-centric approach contributes to our growth.

After this more than successful pilot, we are now focusing on a roll-out of this approach to further BCPs by training staff in change management and continuously educating our managers in the use of leadership tools, among other things. Through this approach, we will continue to improve our patients' journey at SYNLAB to maintain world-class patient satisfaction.



THREE ANSWERS FROM

SANTIAGO VALOR
Group Chief Medical Officer

How did SYNLAB drive innovation and customer centricity in 2022?
Driving innovation means research and knowledge transfer within our organisation and with partners in order to improve our services for patients and customers. In each country, for example, we have units that focus on specialty testing, oncology or molecular genetics. They regularly conduct research and exchange information through our networks. In addition, we have taken our research and cooperation agreements with universities to a new level and are working in partnerships, one of which is geared towards early cancer diagnosis. We further introduced new services to the market, for example in the field of microbiome testing with our partner Microba Life Sciences.

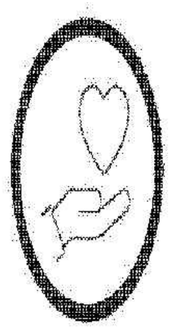
Additionally, we are regularly informing healthcare professionals, general practitioners and specialists about the latest diagnostics developments, findings and testing options. In some countries, we run academies for this purpose. In Germany, for example, we have a long-standing track record of training programmes that have attracted steadily growing interest. Conducting about 150 sessions annually, we were able to increase the number of attendees by more than 3,000 in 2021 compared to 2019, also thanks to the launch of virtual sessions in early 2020.

How does SYNLAB make sure the academy is tailored to its customers' needs?
Let's stay with the example of Germany, where we offer the advanced training programme as a service for prescribers. It focuses on up-to-date information on scientific research and medical specialties for physicians and their medical staff. With the customer at the centre of the new concept, a dedicated team relaunched the German training programme in 2022 to further increase interest among practitioners. The success has been remarkable: new SYNLAB newsletters and new contact data systems have now made it possible to identify and expand appropriate target groups. And a modernised presentation of topics relevant to the specific target group provides a better overview. By the end of the year, the team had successfully conducted 50 international training sessions and over 100 local events. As a Group, we benefit from best practices beyond borders. In Ecuador, for example, we organised events with more than 600 participants.

Also starting from customer needs, a Belgian team launched a clinician engagement programme, revamping the offered training in functional and nutritional biology and specifically tailoring it to clinicians. The implementation of this sophisticated programme has resulted in a participation rate of over 55% of those invited and a high satisfaction rate of over 90%.

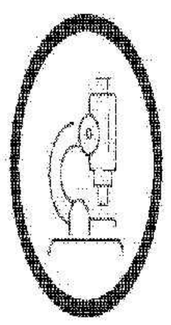
Such initiatives are a great success and help us create value for our customers.

EXPANDING SERVICES AND EXPERTISE



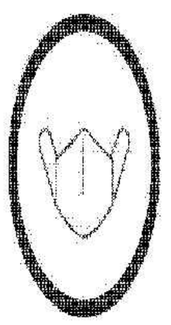
COUNSELLING

- Advance across boders counselling approach through SYNLAB network
- Increase pre-test and post-test counselling for:
  - Patients (D2C)
  - Customers (B2B)



ONCOLOGY

- Liquid Biopsy
- Next-Generation sequencing analytics, e.g. specialised for somatic mutations in solid tumours.



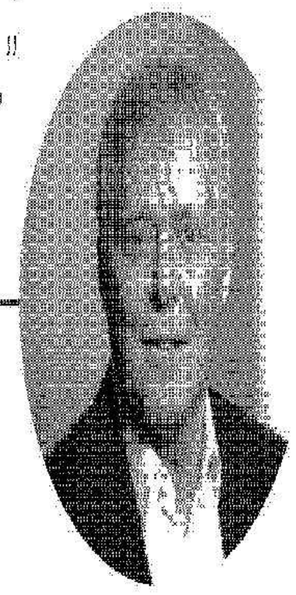
INFECTIOUS DISEASES

- Leverage specialised knowledge of our centre of excellence in Mycrobacteriology
- Expand offering in human genetics, e.g. genome wide sequencing and genetic testing for reproduction

OPPORTUNITIES

GROWING SERVICES FOR PATIENTS AND CUSTOMERS

"Creating a well-functioning and easy-to-handle interface increases customer satisfaction and experience."



THREE ANSWERS FROM ...

HENRIK ANDREASEN
Group Chief Information Officer

What areas did SYNLAB focus on in digitalisation this year, and why was that important for SYNLAB?
Digitalisation is crucial to our activities. And the COVID-19 pandemic has accelerated the digital transformation in the diagnostics industry even further. Embracing this development, we have many focus areas where we continue developing and digitalising both our services and our processes: accelerating productivity, increasing growth and supporting compliance. Digitalisation in the area of our diagnostic services enables us to support the work of SYNLAB employees at our laboratories, improve the customer journey at a physician's surgery or our BCPs and make our diagnostics more accessible. One example is the creation of global templates based on the lessons we have learnt from existing installations. Another example is the establishment of an artificial intelligence (AI) team that works on AI customer solutions based on our data.

How can digitalisation support our goal to facilitate D2C activities?
One of our main goals at SYNLAB is driving direct-to-consumer (D2C) activities forward. For D2C, we will focus on executing further projects in that area, such as the steady development of "SYNLAB Access", which provides an intuitive tool with a focus on the patient journey. It includes digitalised and automated ordering and reporting tools, as well as additional personalised result views and recommendations for patients. Our approach is to increase customer satisfaction and experience by creating a well-functioning and easy-to-handle interface for customers.

Furthermore, we want to establish a successful D2C webshop in all countries where healthcare regulations allow it. We have already gained extensive experience running a webshop in Estonia for the past six years and have launched a new webshop in the country. Through the webshop, customers can directly purchase our services, like ordering a test. We are developing this webshop further and plan to offer this service in all SYNLAB countries, based on our learnings.

What other topics are relevant for IT?
We attach the highest importance to data protection and cybersecurity. We are implementing a Group-wide cybersecurity road map that we will continuously develop to strengthen compliance within SYNLAB Group and safeguard our important data as well as business insights. We have made significant progress over the past two years in particular, and are working with auditors and external experts for the best results. Based on our Group strategy for cybersecurity, we will be bringing the Group standards to a common high level in all countries.

What are SYNLAB's goals regarding medical excellence for 2023?
At SYNLAB, we want to proactively drive innovation for our patients and customers. We serve millions of patients and healthcare professionals every year and support them with excellent service, medical counselling and scientific research. Medical diagnostics are at the core of healthcare services and medical treatments. Since the COVID-19 pandemic, they have also reached the awareness of the general public. Moving forward, we expect the importance of medical diagnostics to increase further. We observe an ongoing shift in medical focus to prevention. Based on this, we believe that prevention will be key for future-proof healthcare. SYNLAB is at the forefront of this change, with state-of-the-art personalised diagnostics and leading research. Making these insights and innovations available across our network creates real value for patients and customers. In 2023, we want to broaden our services and expertise across borders in three defined key areas.

CUSTOMER STORIES – DELIVERING FOR CUSTOMERS

South East London pathology partnership (SEL)

UK & IRELAND

The spirit of partnership: how a true SYNLAB collaboration is meeting an increased demand for medical diagnostic services

SYNLAB has created one of the largest pathology[1] partnerships the UK has ever seen – and successful delivery of services is being made possible by scientific collaboration on a major scale.

Synnovis is a partnership involving SYNLAB, Guy's and St Thomas', and King's College Hospital NHS Foundation Trusts to transform pathology provision for hospitals and other NHS healthcare providers in South East London over the next 15 years, performing around 32 million pathology tests annually.

The service scope required supplementary microbiology capacities. Tapping its broad network in the UK, only SYNLAB was able to provide this service immediately.

To seamlessly provide pathology to GPs and primary care services across six London boroughs from the beginning, Synnovis teamed up with Essex-based Pathology First – one of SYNLAB's three other NHS pathology partnerships in the UK.

Through the expansion of its laboratory space and the recruitment of a dedicated microbiology team, Pathology First now provides Synnovis with critical support and additional capacity, operating seven days a week and helping to serve the 1.7 million people living in South East London.

Without this pioneering arrangement, the ingress of primary care services into the Synnovis partnership would have had to be delayed by up to three years, until such time as a new microbiology laboratory (at a "hub" laboratory building currently under construction in London) was ready to be opened.

Mark Dollar, CEO at SYNLAB UK & Ireland, says: "The collaboration between Synnovis and Pathology First is a working representation of the benefits of being part of a large and forward-thinking organisation like SYNLAB."

32M

pathology tests annually over the next 15 years

1 In the UK, the term pathology is regularly used for medical diagnostics.

About Synnovis

In 2021, SYNLAB formed a pathology partnership with Guy's and St Thomas', and King's College Hospital NHS Foundation Trusts to deliver and transform NHS pathology services across South East London. The contract runs for 15 years, with the option to extend for a further five.

The pathology service – called Synnovis – provides diagnostics, testing and digital pathology services for hospitals, GPs and other NHS healthcare providers, as well as for a number of other consumers across the UK.

Synnovis is focused on an evolution of local pathology services, building on the strengths of the service as it is today and delivering tangible improvements both to the quality of patient care, and to the experience of clinicians providing that care.

Faster testing services and state-of-the-art laboratories will help to improve outcomes for patients, enable more people to be cared for in the community instead of being admitted to hospital and support the NHS in managing patient flows within its hospitals more effectively.

Synnovis is committed to improving ways of working for clinicians and scientists, and will also deliver better value for money for the NHS.

The NHS is also benefitting from SYNLAB's global laboratory and diagnostic network, which provides access to a wide range of clinical, scientific and operational expertise, as well as innovative research and development on an international scale. This has proven to be extremely valuable in SYNLAB's existing partnerships with the NHS, particularly during the COVID-19 pandemic, where UK access to supplies was critical and where knowledge of how SYNLAB's diagnostic testing services had responded elsewhere in Europe helped to inform and strengthen the UK's response.

"One of our key strengths is our flexibility to add value for various clients and partners, harnessing the power of pre-existing services and scaling up operations quickly to meet fresh challenges."

MARK DOLLAR
CEO SYNLAB UK & Ireland

"One of our key strengths is our flexibility to add value for various clients and partners, harnessing the power of pre-existing services and scaling up operations quickly to meet fresh challenges."

"Without the innovative approach demonstrated in this instance, Synnovis would have been unable to either take on the delivery of primary care services or fulfil the complex and demanding nature of the South East London contract in the short-term."

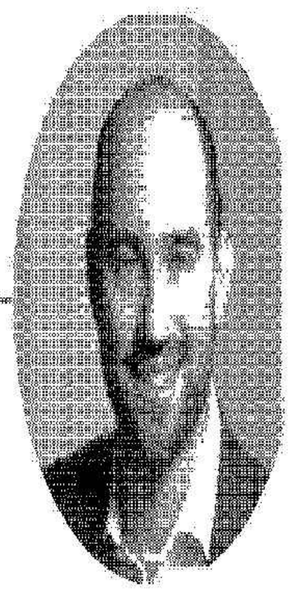
Pathology First continues to lead the way in speeding up access to patient care and treatment. Earlier this year, its microbiology laboratory became the first in the UK to enable remote microbiology plate reading, thanks to a £1.2 million investment from SYNLAB.

The system gives microbiologists the unique opportunity to review samples within NHS laboratories from wherever they are in the UK. It also gives specialist biomedical scientists working from home the ability to read plates and report back to laboratory-based colleagues.

This cutting-edge system will help more clinicians access pathology for their patients, increase capacity within microbiology services, support the NHS as it addresses post-pandemic backlogs and, ultimately, help more people to access care.

OUR STRATEGY – OPERATIONAL EXCELLENCE

THREE ANSWERS FROM ...



ROBERT STEINWANDER
Group Chief Operating Officer

What exactly does STS stand for? What is it about?

STS stands for "SYNLAB Transformation System" and is our management system to drive operational excellence. It is an enabler for customer-centric behaviour, productivity increases and a healthy organisation. Based on the lean methodology, STS aims at reducing waste in processes and avoiding silo-thinking while developing our leadership, technical and problem-solving skills. STS is an active contributor to organic growth and provides concrete guidance on how to address business needs.

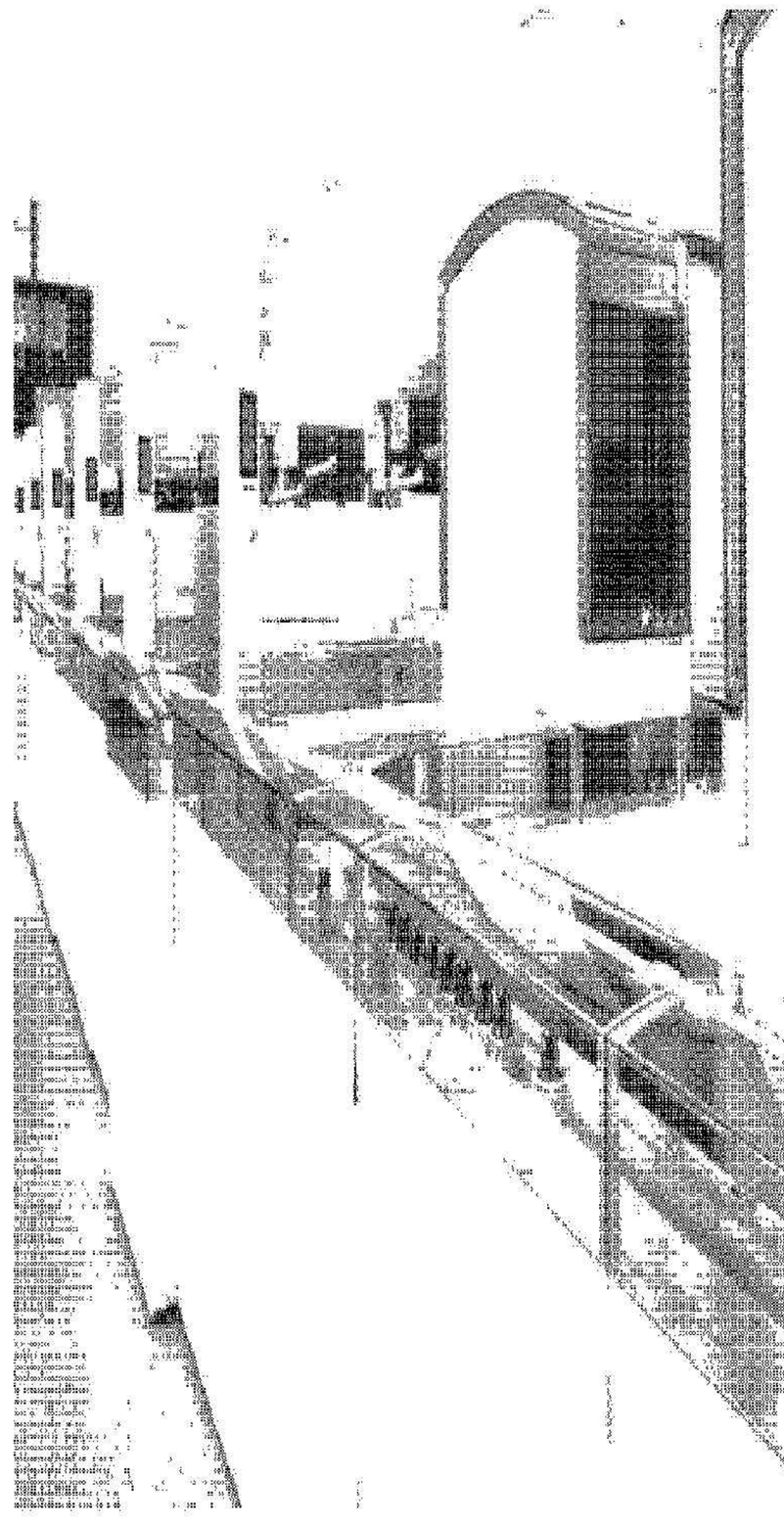
Where do you deploy STS within SYNLAB?

Our efforts initially focused on our laboratories, which are one of our high potential fields with regard to possible productivity increases. But STS contribution is not limited to cost optimisation, and we have started spreading the STS culture at our BCPs and in our support functions to deliver the best possible end-to-end experience to our patients. STS is currently deployed in 16 countries and at more than 150 sites, where we have conducted about 300 transformation projects. Ultimately, we want STS to become part of the SYNLAB DNA across all areas of business.

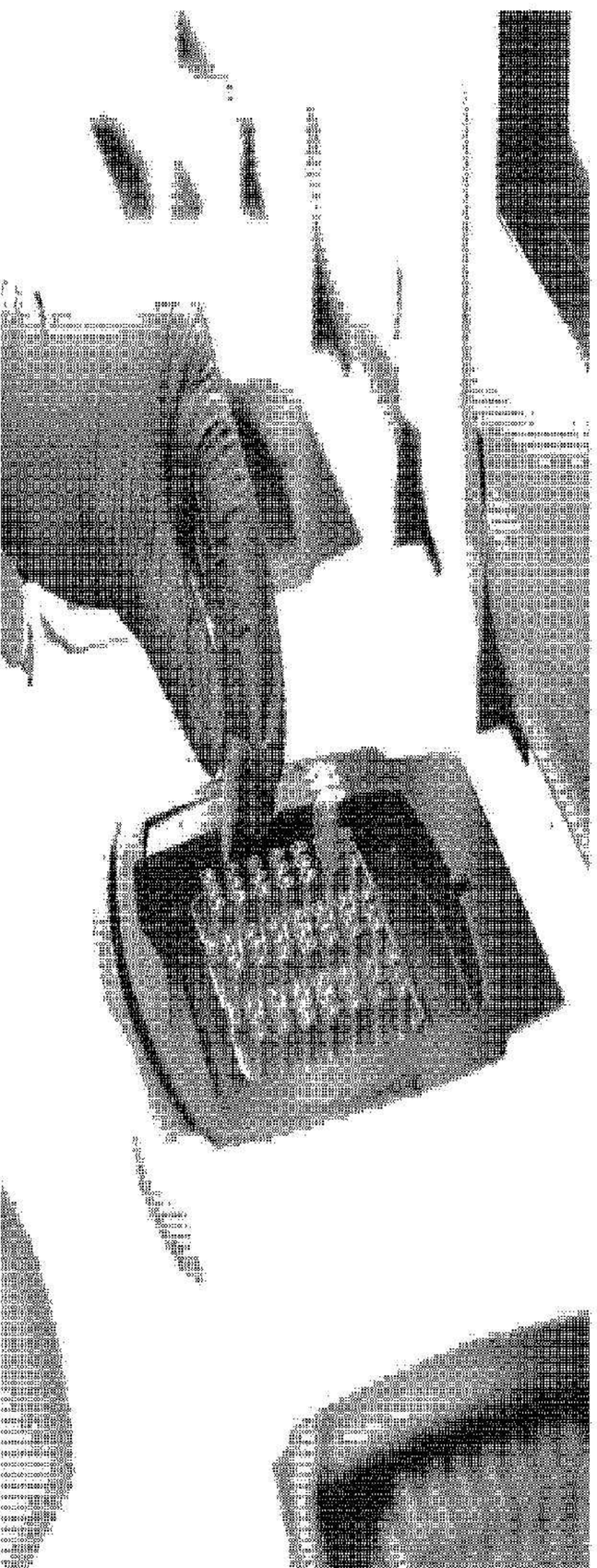
What are your plans for further optimisation in 2023?

In 2023, we will intensify the use of STS at every level of the organisation, across the entire value chain. We are going to continue implementing STS beyond the labs and focus on areas such as BCPs, administration and logistics, as the impact of STS in these areas so far has already been significant. We will reinforce performance management practice and improve processes. On top of this, we continue developing our employees to boost knowledge sharing through training and workshops. And finally, we of course want to further drive practical transformation. We will position STS as the way to support the Group's growth by improving our employee engagement level in collaboration with HR and by improving patient satisfaction at our BCPs to increase service volume.

"STS is the way we work, customer-centric and lean."



Centre of excellence in PCR GERMANY



In March 2020, when the SARS-COV-2 pandemic hit, our well-established PCR team in Weiden, Germany, rose to the challenge to quickly ramp up capacity for SARS-CoV-2 PCR testing. As a centre of excellence in PCR within SYNLAB Germany that started working with the technology as early as 1992, the team was able draw on their long-standing experience in the field. Soon, the PCR team had established a reputation for high efficiency, a diversified and growing portfolio of tests, and a high adaptability to new challenges and requirements.

After deciding to scale up PCR testing capacity to cope with the rapidly growing demand for SARS-CoV-2 screening, it became clear very early on that the lab structure had to evolve. The team decided to set up a "COVID test factory", both figuratively and literally, as the chosen site was an abandoned factory building near the Weiden laboratory. It was the ideal spot to create a new purpose-built and dedicated setup with the aim of offering low-cost testing by creating semi-automated processes and high throughput volumes. The peak capacity of the COVID factory so far has been around 1,000 tests an hour, or over 25,000 tests in a single day. The availability of high-capacity testing was instrumental for another SYNLAB innovation: to allow easier sampling of school children through "lollipop tests" and more efficient test methods by pooling samples for PCR testing. The cost-efficient and timely use of the high-sensitivity PCR testing method reduced the risk of false-positive or false-negative results compared to the widespread use of rapid antigen testing at that time and contributed to a safer school environment.

The work of the PCR team did not stop there. The effort to track the distribution of new SARS-CoV-2 variants created a need for equally efficient genome sequencing capacity. Setting up the Next Generation Sequencing (NGS) technology together with SYNLAB's Jena and Mannheim facilities resulted in more than 217,000 sequenced positive COVID sample results. The vast majority of these have also been uploaded to the Robert Koch Institute's data base. The PCR team in Weiden is now using this new technology and existing PCR capacities to work on or roll out new services beyond SARS-CoV-2 sequencing. One example is the PCR-based stool test for colorectal cancer screening, which is significantly more accurate than previous generations of tests and can detect polyps and tumours even earlier. Another example is the comprehensive analysis of the microbiome in the intestinal, oral and vaginal flora using NGS in order to identify irregularities, which in turn can inform therapy and treatment options.

Based on years of experience, the Weiden PCR centre of excellence played a pivotal role in reacting to the major challenges created by the COVID pandemic. Expertise in test design, workflow design, device evaluation and industry collaboration enabled the vital capability for dramatically increasing capacity while reducing turnaround time and cost and maintaining high quality and medical excellence.

217,000

Setting up the Next Generation Sequencing (NGS) technology together with SYNLAB's Jena and Mannheim facilities resulted in more than 217,000 sequenced positive Corona sample results

25,000

peak capacity of the Corona factory in a single day

Project BLUE

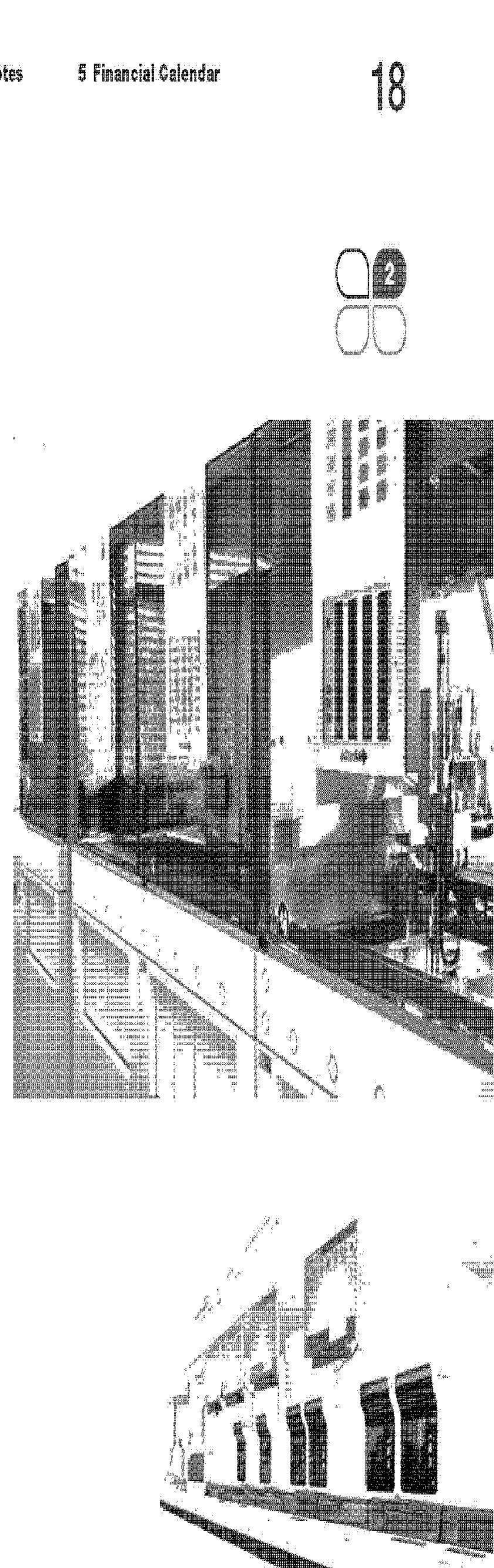
"Biggest lab modernisation programme in Europe has been completed"

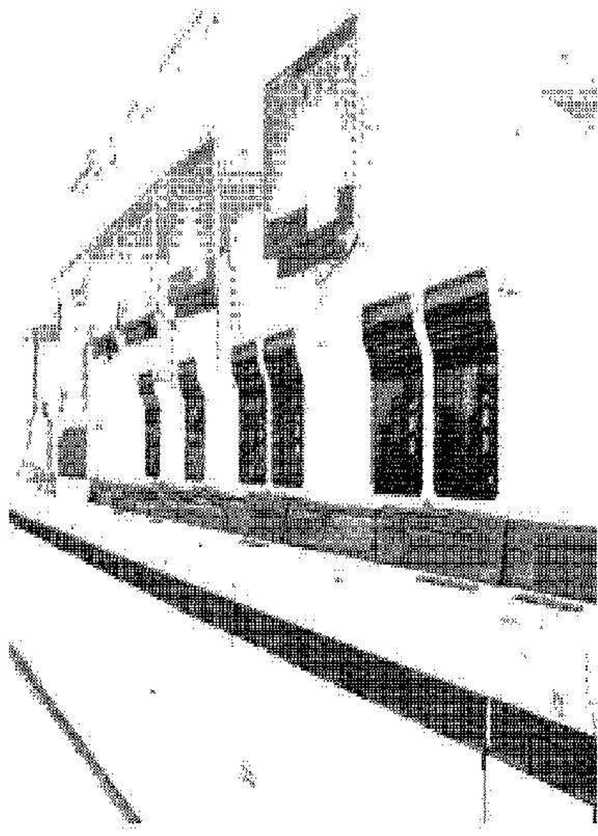
In 2022, we reached a milestone in our drive for operational excellence. We successfully implemented the largest lab modernisation and uniformisation project in the industry across many countries. We now have hundreds of laboratories equipped with the most up-to-date technology.

The change project started in 2020, and the challenge was to modernise and standardise analytical instruments in more than 26 countries during the COVID pandemic. With the involvement of more than 5,000 employees, it resulted in the installation of thousands of instruments in hundreds of laboratories. After building a shared vision for the operational country setup among all key functions – including medical, commercial, IT and operations – the project team kicked-off a six-step process to create the Project Blue road map. This was followed by technology assessment, process design, schedule implementation, kick-off support and follow-up to monitor defined KPIs.

Besides creating a shared vision for the operational setup, the overall goals of the initiative were to increase customer satisfaction through appropriate turnaround times and better quality as well as to improve business processes to result in higher productivity, efficiency and innovation. It was also intended to create a better workplace and develop employees with training on the latest technologies.

There are many individual examples showing the success of this project at individual labs. For example, our team in Spain used the technology assessment and process design effort in one of the labs to create a solution that saved more than €2 million in investment, reduced the required footprint in the laboratory by around 200 m2, and led to substantial savings in maintenance and facility costs. A team in France used the process design stage of the project to redesign their workspace based on lean principles as part of STS. Improved engagement and communication led to a significant increase in productivity, as the volume of tests increased with the same number of employees and the team performed more tasks with higher value added. The largest single country roll-out took place in Germany, where close to hundred laboratories have executed the uniformisation process in haematology, clinical chemistry, immunoassays and microbiology.





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Modernise and standardise analytical instruments in more than 26 countries during the Corona pandemic.

OUR STRATEGY – EFFICIENT CAPITAL DEPLOYMENT

M&A supporting further organic growth

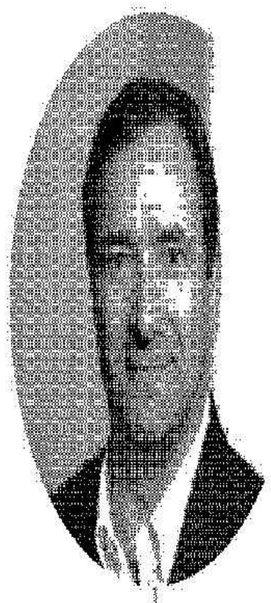
SYNLAB operates in a large and growing diagnostics market – a market that is valued at more than €200 billion globally and offers significant room for value-accretive acquisitions. With its strong track record in M&A and a dedicated team and strategy for inorganic growth, SYNLAB Group remains at the forefront of market consolidation. The Group's M&A strategy is based on three important pillars.

1. Consolidation in existing markets

Within markets where the Group is already present, SYNLAB expands its territorial coverage and executes bolt-on acquisitions. These are normally highly synergetic acquisitions aimed at densifying our hub and spoke model. Through these acquisitions, SYNLAB increases and optimises its existing geographic footprint and is able to strengthen underdeveloped business lines for a balanced service portfolio.

2. New laboratory platforms

The second pillar of the Group's M&A strategy includes acquisitions that are aimed at extending the SYNLAB footprint through new platforms of growth that will yield accelerated growth in the next few years. This includes moving into new countries or regions in unconsolidated areas where we see significant potential. For example, we further strengthened our footprint in Latin America with the opening of a new platform in Chile. We have entered the country by acquiring a significant operator with a strong market share in the north of Chile and aim to be able to add to that market share in the next few years.



3. Innovation

The third pillar includes the continuous expansion of the SYNLAB network with the latest technologies and know-how to offer innovative diagnostic solutions to patients and healthcare professionals and close portfolio gaps. Examples include the acquisition of special skill sets in diagnostics or the integration of companies that have technologies in testing or IT that allow us to enhance our future growth. One key focus area that SYNLAB has defined is specialty testing, which is also reflected in the Group's M&A strategy. Capital has therefore been specifically allocated to strengthen our position in this field. In 2022, SYNLAB consequently made several acquisitions in the field of genetics in several of its markets, with the aim of extending its standing as a European powerhouse in this field. One highlight was the acquisition of Sistemas Genómicos in Spain – a key player in the Spanish genetics diagnostics market that complements the expertise and capabilities of SYNLAB Group in genetics while accelerating the digital transformation of the Group's diagnostics service through its significant in-house bioinformatics capabilities.

THREE ANSWERS FROM ...

LUIS VIERA
Group Chief Strategy Officer

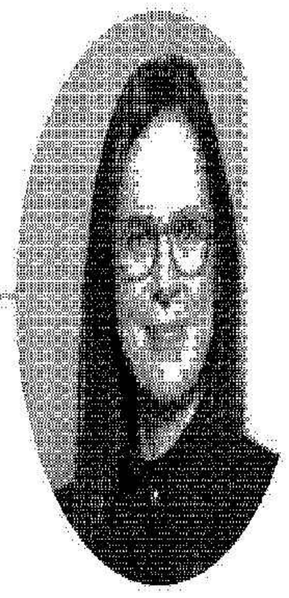
What role does M&A play in the overall growth strategy for SYNLAB?
A very important one. We deliver strong and consistent organic growth in line with our medium- to long-term annual target of more than 3%. Acquisitions are essential to further building the Group's presence in existing markets and helping to realise local efficiencies, bring our offering to new promising regions and strengthen our portfolio with innovative services. These innovative services will help enhance the future growth and competitiveness of SYNLAB Group overall. Specialty testing is the perfect example of how acquisitions support our growth plan in areas where SYNLAB sees significant organic growth potential.

What can we expect from SYNLAB in terms of acquisitions going forward?
We will continue to extend the Group's successful M&A track record, focusing on the three pillars of our strategy. There is significant growth and consolidation potential remaining in the market, and we still have a long pipeline of potential targets for execution in the next few years. SYNLAB has a resilient business and a strong cash flow performance. We can self-finance the planned acquisitions, mostly made up of highly accretive bolt-on acquisitions. However, should adequate and promising opportunities arise, larger acquisitions would also be possible. Generally, we see ourselves in a strong financial position to continue consolidating the market and creating value from our own resources.

What are you doing to ensure that the acquisitions you make are actually creating value for SYNLAB?
SYNLAB has a very strong and experienced team which once again executed 23 acquisitions in 2022, in line with our average of approximately 20 acquisitions annually between 2016 and 2021. Furthermore, we have well-established processes and structures in place that allow us to evaluate and steer our targets from identification to due diligence and acquisition, and on to the post-merger integration. These processes with clear criteria for M&A are at the core of our disciplined approach to acquisitions. The plans for post-merger integration that are drawn up ahead of any acquisition and a diligent execution give us the confidence that the expected value creation and deleveraging through synergies are aligned to bring value to our shareholders.

OUR STRATEGY - EMPOWERED AND ENGAGED EMPLOYEES

THREE ANSWERS FROM ...



CATHARINA MÖNSTER
Group Chief Human Resources Officer

How does engaged leadership benefit employee empowerment?

SYNLAB's success is based on the extraordinary commitment and dedication of all employees. That requires engaged leadership, too. Consequently, we see engaged leadership as a necessary tool for employee empowerment, which is why it is one of the key pillars of our strategy. To give our employees opportunities to actively contribute to their teams and the company as a whole, we have introduced the SYNLAB Leadership Framework **ACCE: be Agile – Communicate – Connect – Execute.** ACCE will build a SYNLAB culture that aims to strengthen communication within and between local and international teams and to empower and engage our employees. We want to create an attractive working environment that is in line with our values. We worked on several projects in 2022 to improve the internal environment of our colleagues by engaging our employees and to position SYNLAB as a great place to work.

How would you describe the working culture at SYNLAB?

At SYNLAB, we strive to be an employer with a value-based approach. We want employees to be proud to belong to us. We foster a working environment where all employees feel respected, supported and encouraged to achieve their goals and potential. Achieving a culture of equity, dignity, fairness and continual improvement is part of that. We want to be recognised as an employer with a reputation for diversity, equity and inclusion excellence and an environment of wellbeing for all. For sustainable and successful leadership, we believe it is essential to know our employees and their needs That's why we ask all employees for their opinion in the annual employee engagement survey, "SYNLAB Dialogue". After analysing their feedback, we integrate it into action plans. More than 28,000 employees worldwide do their best every day and are proud of their contribution to ensuring our continuous development and maintaining the trust of our customers and patients. Our employees work in several different countries, and live in different cultures and different environments. The outcomes and actions of the SYNLAB Dialogue enable us to continuously improve SYNLAB as an employer.

What are the challenges in the further integration of SYNLAB's leadership approach?

The pandemic has changed the way we work; a big part of it is now digital. Nowadays, it is important to find the right work-life balance, which can vary from location to location or country to country, especially at our laboratories around the world. This is the difficulty we have to tackle at SYNLAB. We are widely dispersed globally, which is why we have to work constantly on a close network. For me, the most important thing is to foster a culture that is focused on engagement, empowerment and wellbeing for all. We are on a journey to find the right balance – one that is mindful of the attractiveness of our employer brand, our mission and our business goals.

"We foster a working environment where all employees feel respected, supported and encouraged to achieve their goals and potential."

ACCE - The SYNLAB Leadership Framework

BE AGILE:

- Listen to customer needs; adapt and innovate when needed
- Try new things; take calculated risks
- Make fast decisions when needed

COMMUNICATE:

- Share with all where we are, where we go and why
- Encourage, develop and motivate people
- Show empathy: listen actively, be sensitive to others' views and needs

CONNECT:

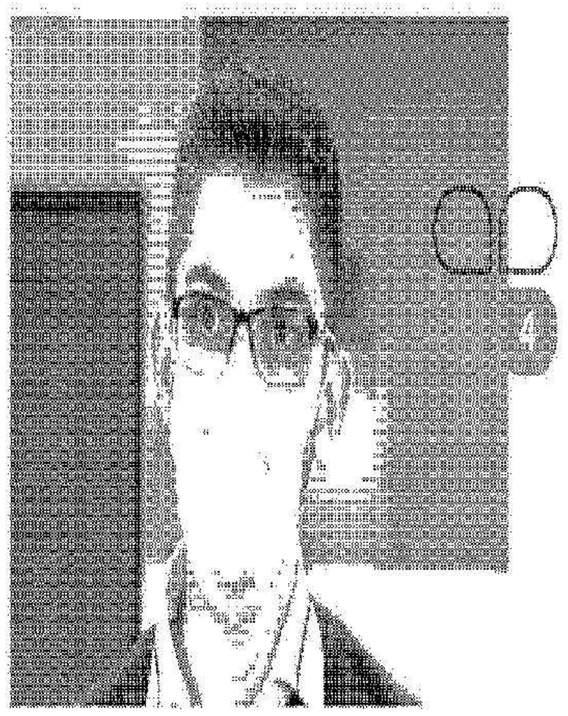
- Collaborate across teams, units and countries
- Be curious and humble to find and share best practices, knowledge and expertise
- Build bridges between the medical profession and business

EXECUTE:

- Set goals and measure results
- Empower your team, and reward the right behaviours and results
- Deliver with integrity, and keep your promises

Engaged employees drive success

FRANCE

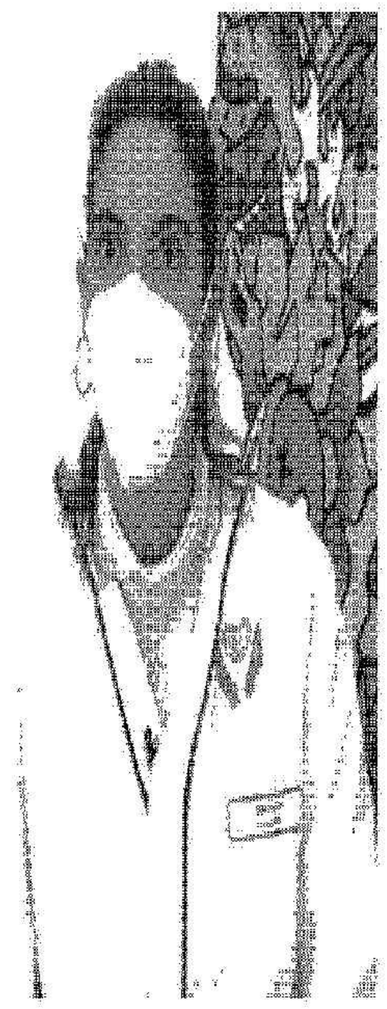


Empowered and engaged employees are much more satisfied at work and generate better results for the business. That is what we learn day by day from our people working at the laboratories and BCPs. As medical and operational experts, our colleagues are the heart of the company and thus contribute significantly to the success of our business.

A recent example from our French BCPs illustrates the connection between an attractive and engaging working environment and improved business performance.

With the original aim of optimising the customer journey and patient experience, we involved all local colleagues in redesigning our traditional BCP in Nancy. All employees were invited and empowered to share ideas and express their opinions. By putting patient needs first, a more modern and more friendly BCP has been created with the participation of many colleagues. The improvements have resulted in positive feedback from patients and a positive effect on staff throughout the work process, leading to a significant improvement in the BCP's business results.

Colleagues benefit from a new seamless workflow, as administrative tasks, for example, are done after patient contact. Moreover, all employees of the BCP in Nancy feel greatly appreciated and trusted, since their opinion is taken into account beyond the usual scope. With their active roles in redesigning the BCP, they now have a higher identification with their workplace and are proud of their business success.



RESULTS SINCE THE OPENING

EMPLOYEES

REALLY HIGH SATISFACTION OF OUR COLLEAGUES

66% **SYNLAB DIALOGUE**
+49pts since 2020
+36pts versus Dialogue France

GREAT PLACE TO WORK **GREAT PLACE TO WORK**
The first and only French labelled lab

PATIENTS

4,8 **GOOGLE RATING**

91 **FEEDTRAIL**
NPS
+8pts vs France

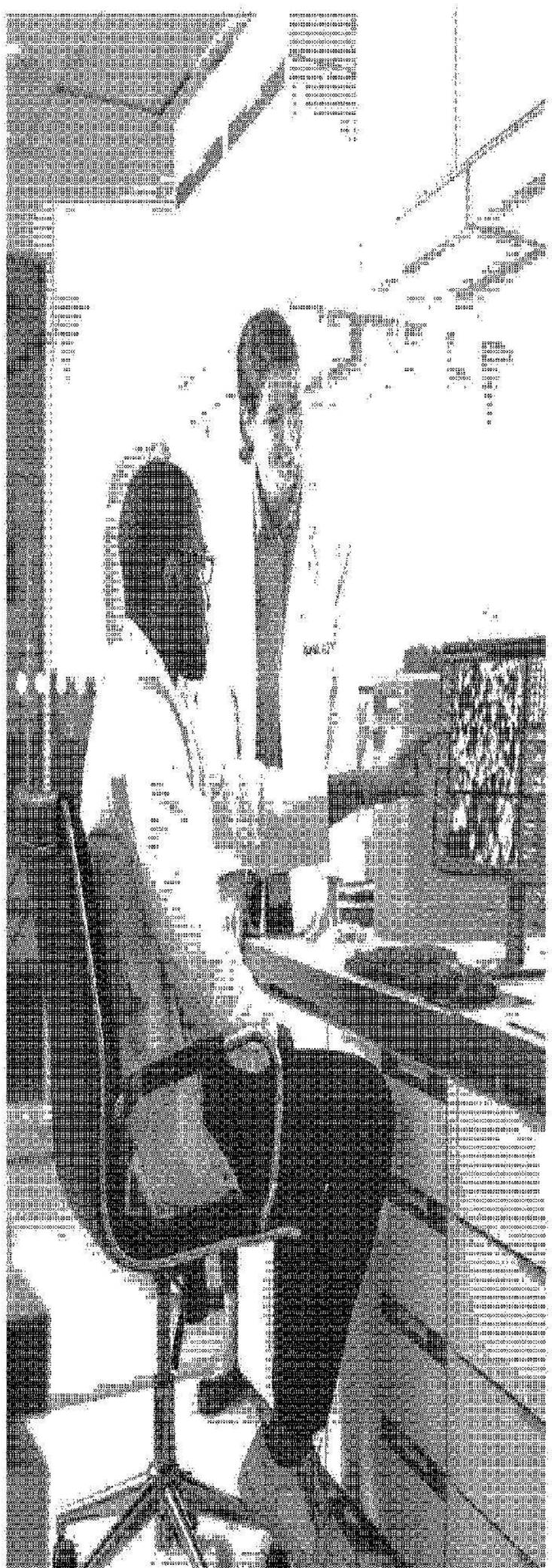
BUSINESS

300K€ **TURNOVER**
since october 2021

40-45 **PATIENTS**
per day in September 2022

Positioning as an attractive employer ESTONIA

SYNLAB's success and development depend largely on our great employees. That's why we are continuously searching for new talents to work with us on the future success of SYNLAB. But we are also affected by demographic change and the overall competition for talents. SYNLAB puts a focus on attracting young professionals and drives dedicated initiatives across the Group. A recent project in Estonia can serve as a showcase.



4TH

place in the category most attractive employers ranked by Estonian medical students

SYNLAB Estonia implemented a successful pilot project which helped the company become a top employer in the country. With a keen focus on our core value of customer centricity, the project team honed in on the needs of talents. They identified our strengths and potential for improvement in serving these needs to make SYNLAB a great place to work. Our strengths were quickly apparent: SYNLAB's services are in high demand and vital to health systems and people's individual health. Our mission fulfils an important purpose, and every employee contributes to it. Understanding their work in this light is of growing importance, especially for younger generations. Themes like fair and equal treatment and an inspiring and motivating internal environment came to be embraced as opportunities for further development.

We always want to create a supportive environment and engage our employees. Engaged and motivated employees can even act as brand ambassadors by being proud to work for SYNLAB and contributing to our medical leadership in diagnostics – and ultimately to satisfied customers and healthy people.

The Estonian project turned out to be a great success, with important general insights into employee perspectives. The results of the project are impressive. In 2020, SYNLAB Estonia was rated as the most attractive national employer in the healthcare sector. In 2021, it was ranked fourth by Estonian medical students in the category most attractive employers. Through comprehensive analyses, the team found the concrete pivot points where we as an employer have to start, so that we are able to meet the wishes and needs of our employees and future talents.

SYNLAB · · ·

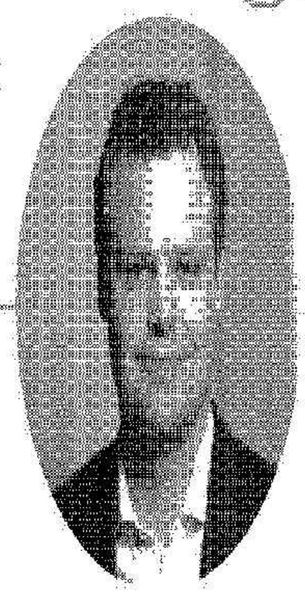
From feedback to action

GERMANY

In line with our best practice approach, the example of a team in Germany showcases our continuous improvement. After creating a step-by-step action plan, it quickly became clear that communication between the highly specialised teams was complicated by the decentralised location and the lack of defined processes. Following analysis, appropriate measures were taken at the local laboratory, such as rolling out standardised team processes, exchange meetings and regular site visits with the regional manager to understand the operational needs and challenges, as well as events for exchange and team-building to foster an improved working atmosphere.

Above all, the measures led to better and easier communication, exchange and processes. The measures improved the situation immediately, as confirmed by satisfied employees in the SYNLAB Dialogue survey. It's a good example of what open communication, employee involvement and committed leadership can do to improve the employee engagement – one we shared during our SYNLAB Congress to inspire other leaders to use best practices in their organisation.

"Compliance is an integral part of the corporate culture."



THREE ANSWERS FROM ...

FABIAN WALLA
Group General Counsel & Chief Compliance Officer

You joined SYNLAB during the last financial year, in July 2022, after many years at other major listed German companies. What is the role of Legal & Compliance within SYNLAB Group?

SYNLAB is already very advanced in this area. Generally, we see ourselves as a department that enables and protects the initiatives of SYNLAB Group, creating the greatest possible legal certainty. This includes, for example, topics such as our organic growth initiatives, M&A, ESG or the structure of our supply chain. Among other things, we also support the Management Board and the Supervisory Board in the fast evolving area of corporate governance and capital market law compliance.

What are your current main priorities?

One of our key focal points is to digitalise and standardise our processes more strongly – for example, through the comprehensive use of e-signatures. Furthermore, we want to strengthen the network of legal experts at the Group and country levels. We are also focusing on the area of compliance. For example, we are currently implementing Group-wide compliance e-learning in order to train all employees across the Group with regard to the SYNLAB Code of Conduct.

Speaking of compliance, can you describe the importance of this topic for SYNLAB?

The significance is very high across the entire organisation. Compliance is an integral part of the corporate culture at SYNLAB. Being a healthcare company, integrity lies at the basis of all our activities – not only when it comes to testing samples. Our work concentrates on further strengthening our compliance culture and anchoring it in the day-to-day responsibilities of all employees. As a further example, we implemented our whistle-blower platform and the associated speak-up policy in all countries in 2022. All reports are carefully checked by our department and included in the regular reporting at Group level. Substantiated reports are followed up through compliance audits, and remedial actions are taken if necessary.

CUSTOMER STORIES –
MEDICAL ADDED VALUE FOR INSTITUTIONAL CUSTOMERS

Tailored excellence for a successful partnership

COLOMBIA

The key to success is to always keep improving – which is what we do at SYNLAB. One example is the success story of the collaboration between SYNLAB Colombia and Fresenius Medical Care.

In the first quarter of 2021, SYNLAB Colombia provided medical diagnostics to 890 chronic kidney disease (CKD) patients at four Fresenius Medical Care (FME) dialysis centres. One and a half years later, SYNLAB Colombia was providing services to more than 3,650 CKD patients at eleven FME dialysis centres, and had expanded its market share in laboratory services for dialysis patients in Colombia from 2.8% to 8.5%.

In order to get there, SYNLAB tailored its medical excellence to customers' individual needs to generate the best outcome for them and their patients.

The Colombian healthcare sector is characterised by small margins and a growing prevalence of diseases that often require special and high-costs treatment. Consequently, medical diagnostics are key to countering adverse health conditions early on and preventing comorbidities. Such cost-effective interventions enable the healthcare sector to provide services to patients on a broad scale. This particularly holds true for the area of nephrology and CKD, where preventive diagnostics ultimately help to reduce mortality.

Against this background, SYNLAB took a holistic perspective and focused on FME's individual needs instead of merely concentrating on providing pathological services. Consequently, SYNLAB trained key contacts who are dedicated to providing excellent medical services while supporting FME with trustworthy advice and close collaboration on a daily basis. Such close engagement enabled SYNLAB Colombia to truly understand FME's operational, commercial, medical and scientific needs. Ultimately, SYNLAB Colombia and FME joined forces to apply testing protocols that allow for predicting and diagnosing medical conditions much earlier. Moreover, the team on the ground updated and modernised IT solutions, reduced turnaround times, implemented training for preanalytical issues, and met customers and partners regularly for follow-up sessions. Based on this fruitful collaboration, the two companies found a way to improve diagnosis for anaemia, helping to increase treatment effectiveness with immediate benefits for patients while reducing treatment costs.

This is what Dr Jose Javier Arango, nephrologist at FME and president of the Colombian Association of Internal Medicine, has to say about the collaboration:

"We are going beyond a simple laboratory result to optimise the provision of dialysis service and enable correct decision-making through prediction and the efficient use of our resources. One example of this is the generation of value by leveraging all the data surrounding haemodialysis and anaemia. Taking advantage of this information from the laboratory lets us reduce morbidity and mortality."

8.5%

market share in laboratory services for dialysis patients in Colombia

COVID-19 – UPDATE, IMPACT, OUTLOOK

Managing SARS-CoV-2 in everyday life

After more than three years, societies around the world are increasingly learning to live with SARS-CoV-2. While getting there was a long and rocky road, the fact that we are now able to manage the virus in everyday life is the result of tremendous societal, political, economic and medical efforts. And we are proud that SYNLAB was able to significantly contribute to these efforts.

>57M

PCR tests performed since the beginning of the pandemic

18M

PCR tests during 2022

The world is coming out of one of the worst health crises in modern history. Politicians, authorities and healthcare experts are working closely together to manage the COVID-19 pandemic and provide low-threshold opportunities for people to get vaccinated. Consequently, hospitals and intensive care units overwhelmed by patients infected with the SARS-CoV-2 virus have become rare. This is a true success for all of us.

However, experts predict SARS-CoV-2 will continue to evolve in waves rather than simply disappear. This also means that testing will inevitably remain an important factor for effective and efficient pandemic monitoring and management in the future, albeit to a lesser extent. In addition, large-scale genomic sequencing remains equally important for analysing mutations, quickly identifying new variants of concern, and guiding effective and efficient management measures to control the spread of the virus. Against this background, SYNLAB will continue to serve the societies it is operating in with best-in-class diagnostics to effectively maintain this monitoring and management.

So far, SYNLAB has been at the forefront in the fight against the COVID-19 pandemic. Not only have we been the first medical diagnostics provider in Europe to make PCR testing for SARS-CoV-2 available on a wide scale across multiple countries, we also further expanded our offering over the course of the pandemic to include multiplex PCR analysis, enabling healthcare professionals to quickly differentiate between SARS-CoV-2, Influenza A/B and the RSV pathogen with only one test. Furthermore, during the peak of the Omicron wave, we reinforced our testing services for companies, schools, preschools and other institutions to keep them running. With regard to pandemic monitoring, we quickly expanded genomic sequencing capabilities across our network. Applying NGS, we were able to entirely decode the genome of the virus within only one day, providing important data to leading public health institutions, such as the Robert Koch Institute in Germany, and informing effective containment strategies.

Given the pandemic-driven organisational need to quickly adapt, increase efficiencies and closely collaborate across teams (both internally and with various institutions and authorities externally), SYNLAB has continued to evolve over the past three years and is stronger than ever before. Throughout the pandemic, SYNLAB has continuously been the fast-est-growing medical diagnostic services group worldwide in terms of revenue and has proved its ability to go above and beyond in serving patients and society at large. In the foreseeable future, COVID-19 will become a part of healthcare routine. Comparable to diagnostics for other infectious diseases, such as influenza or tuberculosis, COVID-19 testing will become an integrated part of our diagnostics portfolio.

Moving forward, we will use our newly gained expertise, capacities and resources to further expand our leadership position in medical diagnostics. We will continue to invest in modern, digital and innovative solutions, with experts focusing on the needs of our patients and customers. This way, we will continue to drive customer-centric medical excellence in everything we do.

TO OUR SHAREHOLDERS

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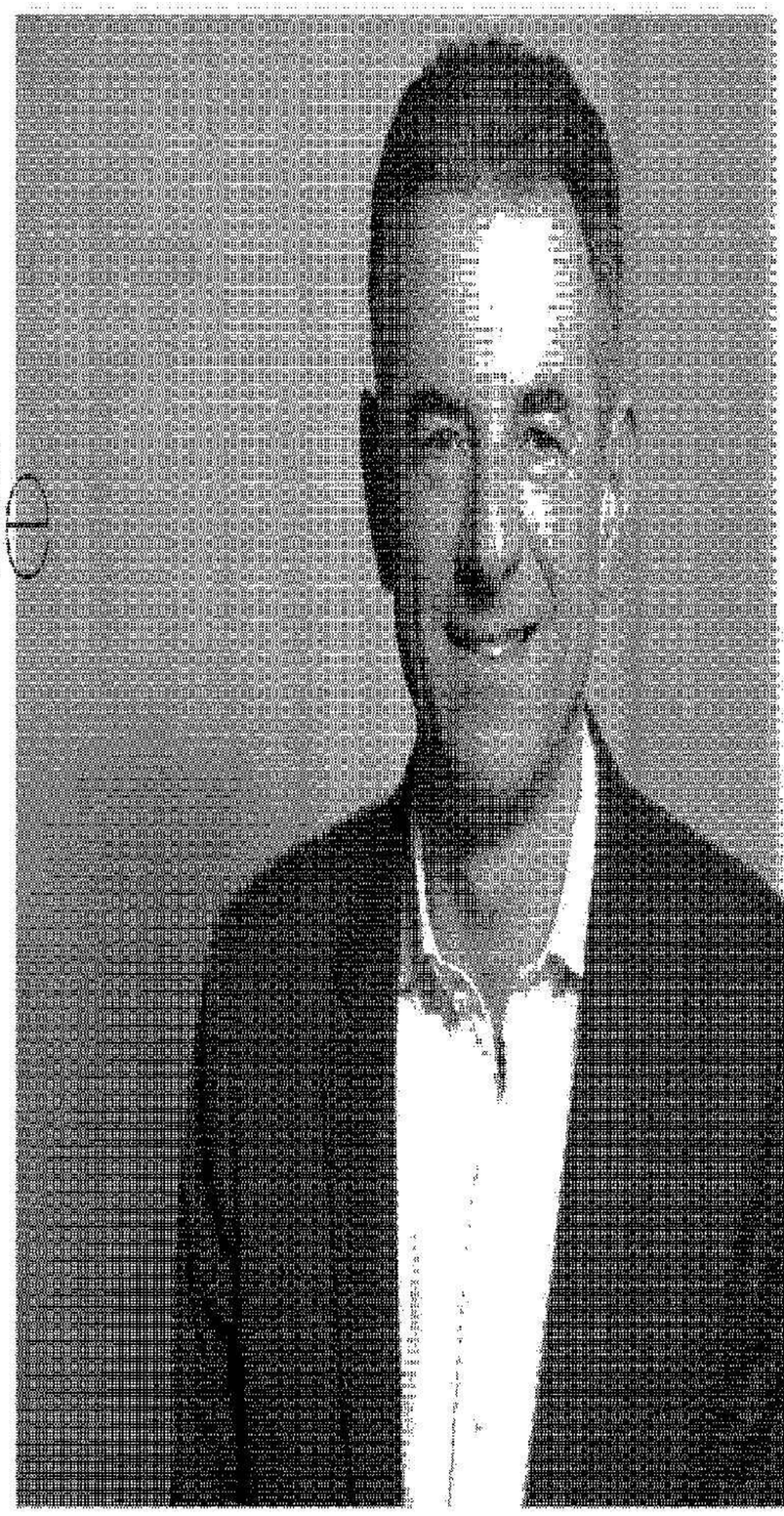
LETTER FROM THE CEO

"In the challenging market environment, we have been able to demonstrate the resilience of our business model."



MATHIEU FLOREANI
Chief Executive Officer SYNLAB Group

DEAR SHAREHOLDERS, DEAR FRIENDS OF SYNLAB,

2022 was another challenging year for the global economy. It was marked by the Russian war, COVID-19, inflation, supply chain issues and concerns about energy volatility – particularly in Europe. I am proud to say that SYNLAB managed to safely and steadily manoeuvre through these turbulent seas. We look back on a solid financial year. While macroeconomic uncertainty will continue throughout 2023, we see ourselves in a strong position to continue our sustainable growth course.

Let us take a look at what we achieved during the past year. In 2022, SYNLAB was yet again at the forefront of the fight against the COVID-19 pandemic. With our state-of-the-art medical diagnostics, we continued to help managing one of the worst healthcare crises in a century. With COVID-19 activities having decreased, we are re-focussing our efforts on our core business, delivering strong organic growth and ramping up our productivity to pre-pandemic levels.

We continued to further develop our strong core business, with an emphasis on different growth areas for SYNLAB. As part of our retail strategy, SYNLAB opened more than 130 blood collection points in 2022. We further strengthened our position in specialty testing, for example through our successful partnerships with OncoDNA and Microba, as well as important contract wins in Spain and Germany. Furthermore, we updated and modernised our laboratory equipment and implemented upgrades in logistics and IT services.

In addition to our organic growth initiatives, we continued to implement our proven M&A strategy. In 2022, we successfully made 23 acquisitions. Through these acquisitions, SYNLAB entered a new market in Chile and also expanded in its key growth areas such as specialty testing. Our pipeline going forward remains extremely strong, putting us in a great position of choice and selectivity.

Building on the successful execution of our strategy, SYNLAB reported robust financial results in 2022. We achieved strong underlying organic growth (excluding COVID-19 testing revenue) of 6.2%, with robust volume growth and a minor price increase at Group level. Even excluding the contribution of the SEL contract for Q1 2022, our underlying organic growth is well above the guidance of 3%+ year-on-year organic growth. This shows: SYNLAB delivers. We have strengthened the foundation for our future success.

Based on our performance in 2022, the Management and Supervisory Board of SYNLAB will propose a dividend of €0.33 to the Annual General Meeting in May 2023.

We can look back on a robust year, which we handled well despite many difficulties. The success of SYNLAB is based on the hard work of all our dedicated colleagues. Whether laboratory staff, medical experts, researchers or logistics workers, they all contributed to the joint success of taking the diagnostics industry to a new level. Therefore, we want to thank all our colleagues for their great work.

What can you expect from SYNLAB in the future? We see an ongoing shift in global medical healthcare systems and the existential challenges they face. Medical diagnostics are the foundation of many healthcare services and medical treatments. Our importance is going to increase further as a medical focus on prevention becomes essential to future-proof and sustainable healthcare systems for a growing and ageing population.

SYNLAB is well-positioned for these changes. We are focused on our clearly defined and resilient business strategy. It is founded on a solid organic growth plan and a robust cash flow, which gives us tailwind for further acquisitions and the expansion of our medical expertise. In the medium term, we will place a strong focus on accelerating organic growth, further expanding our retail and B2B business. We want to grow faster in D2C and specialties, increase exposure to fast-growing markets, and accelerate digitalisation and productivity. At the same time, winning and keeping talents is the basis for our continued success.

On the financial side, SYNLAB expects revenue of around €2.7 billion in 2023. These estimates are based on the assumption of the continued robustness of the underlying activity, reflecting the resilient nature of our business based on our critical role in the healthcare decision-making chain. Growth is expected to be approximately 4%, mostly volume driven but also benefiting from an increasingly favourable pricing environment in most of our countries. The adjusted EBITDA margin is expected to be within a 16 to 18% range.

In the challenging market environment, we have been able to demonstrate the resilience of our business model. Going forward, we will continue the consistent implementation of our strategy to outperform the market and strive to achieve our financial goals. We believe that this is the best way to create long-term value.

I would like to thank you, our shareholders, on behalf of the Management Board as well as the entire SYNLAB Group. Thank you for your continued trust and support.

Sincerely,

MATHIEU FLOREANI
CEO SYNLAB Group

SYNLAB Executive Committee

REGIONAL CEOs

Christoph Mahnke CEO SYNLAB Germany

Stephan Brune CEO SYNLAB South

Sébastien Gibault CEO SYNLAB France

Rainar Aamisepp CEO SYNLAB North and East

MANAGEMENT BOARD

Mathieu Floreani Chief Executive Officer SYNLAB Group

Sami Badarani Chief Financial Officer SYNLAB Group

SENIOR MANAGEMENT

Catharina Monster Chief Human Resources Officer SYNLAB Group

Fabian Walla General Counsel and Chief Compliance Officer SYNLAB Group

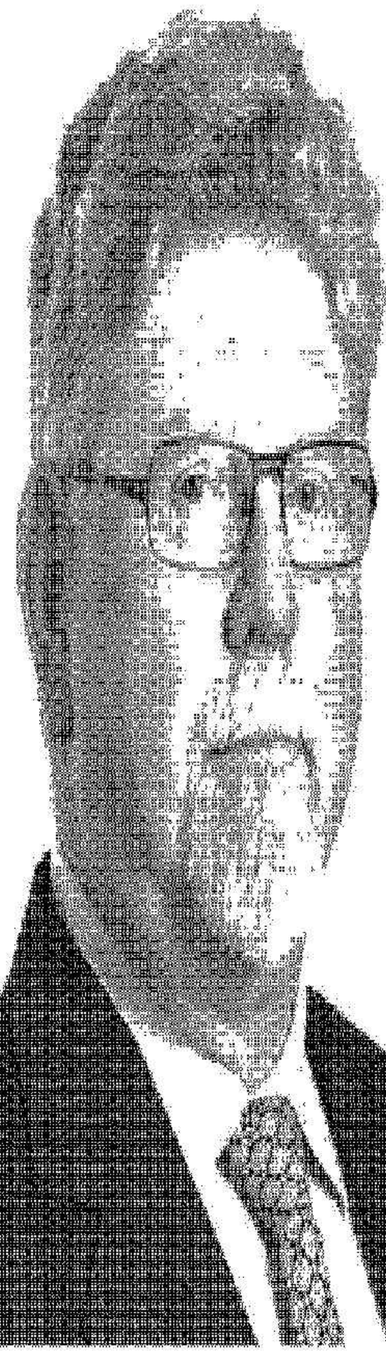
Luis Vieira Chief Strategy Officer SYNLAB Group

Santiago Valor Chief Medical Officer SYNLAB Group

Robert Steinwander Chief Operating Officer SYNLAB Group

Henrik Andreasen Chief Information Officer SYNLAB Group

Report of the Supervisory Board



DAVID EBSWORTH
Chairman of the Supervisory Board

DEAR SHAREHOLDERS AND READERS,

2022 was another eventful year for SYNLAB with many ups and downs. The COVID-19 crisis was still severe in the spring, but it is now becoming possible to live with some normality despite the virus. Further crises emerged in the world, such as the Russian war against Ukraine and the related energy crisis throughout Europe, which of course also affected our daily work and business.

We have adapted to this so far and can now look back on a successful year in 2022.

The Supervisory Board at SYNLAB has supported the management board in moving from the emergency of the pandemic towards more normal business routine. We also placed a focus on the further development of the Company's corporate governance. This has enabled us to ensure that we maintain the highest standards, with an especially strong focus on ESG given our dedicated board committee.

Composition of the Supervisory Board and the Management Board

During the financial year 2022 no changes occurred as to the composition of the Supervisory Board or the Management Board.

Monitoring, Advice in Dialogue and Cooperation

The Supervisory Board regularly advised the Management Board on the management of the Company as well as diligently and continuously monitored its management activities. The Management Board involved us directly and in a timely and comprehensive manner in all the Company's crucial decisions.

The cooperation between the Management Board and the Supervisory Board continued to be characterised by a spirit of strong trust supported by a professional and open dialogue.

Activity Report of the Supervisory Board

In its first full financial year, the Supervisory Board convened six times, whereby meetings were held in person and, due to the ongoing COVID-19 pandemic, by video call as well as a hybrid between the two.

The Management Board participated in all meetings of the Supervisory Board. The Supervisory Board also met regularly without the Management Board members, to discuss internal affairs of the Supervisory Board as well as personnel and compensation matters relating to the Management Board.

	15.03.2022	16.05.2022	24.06.2022	10.08.2022	14.09.2022	02.12.2022
Prof Dr David Ebsworth	In person	In person	In person	Virtual	In person	In person
Marc Welters	In person	In person	In person	In person	In person	In person
Karin Bierstedt	In person	Virtual	In person	Virtual	In person	In person
Peter Catterall	In person	Virtual	Excused	Virtual	In person	In person
Dr Stefan Graf	Virtual	Virtual	In person	Virtual	In person	In person
Dr Ute Hasholzner	In person	Virtual	In person	Virtual	In person	In person
Barbara Lambert	In person	In person	In person	In person	In person	In person
Anastasya Molodykh-McFarland	In person	Virtual	In person	Virtual	In person	Virtual
Christian Salling	In person	Virtual	In person	Virtual	In person	In person
Rene-Frank Schmidt-Ferroud	In person	In person	In person	Virtual	In person	In person
Iris Schopper	In person	Virtual	In person	Virtual	In person	In person
Dr Bartholomäus Wimmer	In person	Virtual	In person	Virtual	In person	In person

Regular agenda items of our meetings were an in-depth business review of the Group and its four operating units (France, Germany, North & East and South), the financial situation of the Company as well as of its affiliates, and the M&A activities of the Group. We further conferred on additional agenda items covering IT, ESG, legal & compliance, risk management and human resources topics.

At our meeting on **15 March 2022,** we reviewed and discussed the annual and consolidated financial statements (including (group) management report) for the 2021 financial year and endorsed them, based on the reports presented by the Audit and Risk Committee and the independent auditors who were present during this agenda item. We also reviewed and discussed the non-financial (group statement) for the reporting year as well as the dependent company report for the financial year 2021. Moreover, we approved the agenda for the 2022 Annual General Meeting and adopted the proposals for resolutions, including the proposal for appropriation of the annual profit. Due to the continuing effects of the COVID-19 pandemic, we decided, together with the Management Board, to hold the 2022 Annual General Meeting as a virtual event without the physical presence of shareholders.

In addition, the remuneration systems of the Management Board and the Supervisory Board were discussed in detail during this meeting. We approved both remuneration systems based on the preparatory work of the Presiding Committee. We further discussed the remuneration of the Management Board for the 2021 financial year and determined the variable compensation to be paid to the Management Board members having set the degree of target achievement and the individual performance of Management Board members. Another major topic of discussion was corporate governance. In this context, we discussed and approved the Corporate Governance report. Finally, we discussed the equity and debt instruments of the Company and the planned share buyback programme.

By way of written resolution on **24 March 2022,** based on authorisation granted by the Annual General Meeting on 27 April 2021, we approved the introduction of the first tranche of a share buyback programme as a measure requiring approval.

Through written resolution adopted on **26 April 2022,** we endorsed the non-financial (group) statement for the reporting year, based on the preparatory work of the Audit and Risk Committee.

By instrument of written resolution on **13 May 2022,** we approved adjustments to the proposal for appropriation of the annual profit in light of the reduced number of dividend-bearing shares as a consequence of the ongoing share buyback programme.

After the Annual General Meeting on **16 May 2022,** we discussed the voting results of the Annual General Meeting and approved certain corporate governance items, *inter alia*, granting to the Management Board the authority to buyback SYNLAB AG shares.

At our second regular meeting on **24 June 2022,** following an update on business performance, we further dealt with internal organisation items, including the annual meeting calendar. We also reviewed the Rules of Procedure of the Management Board, the Rules of Procedure of the Supervisory Board and its Committees. The Management Board presented a detailed analysis of the various regional M&A markets.

At a meeting on **10 August 2022,** we reviewed and approved the Company's 2022 half-year report, based on the preparatory work of the Audit and Risk Committee.

At our meeting on **14 September 2022,** we discussed a business update by the Management Board and focussed strongly on human resources, risk management, insurance and legal topics. Based on the authorisation granted at the Annual General Meeting on 16 May 2022, we approved the launch of the second tranche of a buyback programme. In addition, we discussed the succession planning for the Management Board.

The agenda of our strategic meeting on **2 December 2022** covered various items on the strategic development of the Company and presentations were given by the Management Board and selected members of the Executive Committee on their assigned areas of responsibility. We further approved the budget for 2023 and endorsed the multi-year plan, based on the preparatory work of the Audit and Risk Committee. Additionally, we discussed the profile of the Supervisory Board members, and the Declaration of Compliance with the German Corporate Governance Code.

Activity Report of the Committees

Five Committees support the work of the Supervisory Board. The Committees prepare topics for the Supervisory Board or, in line with the rules of procedure, take decisions instead of the full Supervisory Board. Each Chairperson reports on the Committee work during the following Supervisory Board meeting.

The **Audit and Risk Committee** met six times (5 regular meetings and 1 ad-hoc meeting) during the 2022 financial year. The Committee reviewed the 2022 quarterly reports as well as prepared for and endorsed to the Supervisory Board the 2021 annual and group consolidated financial statement and the 2022 half-year financial report. A focal point was the continuous support and monitoring of the further improved Group-wide risk management system, including the early warning system and the consequences of the Ukraine war on the Group's business, and the Group-wide internal control system as well as the non-financial declaration.

Further, the Audit and Risk Committee especially obtained detailed information on related party transactions, compliance (incl. the new German Supply Chain Due Diligence Act and the EU Whistle Blower Directive), legal proceedings, data privacy, IT, cybersecurity, tax, treasury, insurance and ESG. It issued the engagement letters to the statutory auditors, Deloitte Wirtschaftsprüfungsgesellschaft GmbH, Munich (**Deloitte**), agreed on their fees, monitored the fees for audit and non-audit services, assessment of the audit quality, and enquired regularly about their independence. Deloitte was present at each meeting and presented its audit plan, including the key audit matters and reported on the progress of its work. For good governance, private sessions with the auditors and without the presence of the Management Board were held at each meeting. In addition, we approved the internal audit plan for 2023, discussed the audit results of the internal audit in 2022, and addressed measures to close external and internal audit findings.

	Barbara Lambert	Marc Welters	Dr Stefan Graf	Anastasya Molodykh-McFarland
14.03.2022	In person	In person	Virtual	In person
19.04.2022	In person	In person	Virtual	Virtual
11.05.2022	In person	In person	In person	Virtual
10.08.2022	In person	In person	Virtual	Virtual
09.11.2022	In person	In person	Virtual	In person
01.12.2022	In person	In person	Virtual	Virtual

The **Presiding Committee** held five regular meetings and eleven ad hoc meetings. Its regular meetings mainly concerned the corporate housekeeping of the Supervisory Board, the preparation of the Supervisory Board meetings, the preparation of the 2022 Annual General Meeting, of the employee representative election, on Management Board and Executive Committee matters (including compensation) as well as succession planning for selected functions. Furthermore, it received reports on the investment and M&A activities of the Group.

During various ad hoc meetings, the Presiding Committee approved M&A transactions, inter alia, the acquisition of our first laboratory in Chile, *Diagno Salud*, and the divestiture of the UK veterinarian diagnostic business. In its ad hoc meeting on 23 December 2022, the Presiding Committee discussed with the Management Board and the Group Legal function the competition law case in Portugal. For good governance, private sessions without the presence of the Management Board were held at each regular meeting.

Five regular meetings and one ad hoc meeting of the **ESG Committee** were held during the financial year 2022. Updates on progress in ESG were received and the ESG targets and KPIs were further defined and approved based on the proposals of the Management Board.

The ESG Committee advised the Company during the creation of the 2022 ESG report. Furthermore, the status of the SYNLAB Foundation and its progress were reported on a regular basis.

	Prof Dr David Ebsworth	Marc Welters	Peter Catterall	Dr Stefan Graf
09.02.2022	Virtual	Virtual	Excused	Virtual
28.02.2022	Virtual	Virtual	Virtual	Virtual
11.03.2022	Virtual	Virtual	Virtual	Virtual
14.03.2022	In person	In person	In person	In person
09.05.2022	Virtual	Virtual	Virtual	Virtual
13.05.2022	Virtual	Virtual	Virtual	Virtual
13.06.2022	Virtual	Virtual	Virtual	Virtual
23.06.2022	Person	In person	In person	In person
20.07.2022	Virtual	Virtual	Virtual	Virtual
28.07.2022	Virtual	Virtual	Virtual	Virtual
02.09.2022	Virtual	Virtual	Virtual	Virtual
13.09.2022	In person	In person	In person	In person
17.10.2022	Virtual	Virtual	Virtual	Virtual
04.11.2022	Virtual	Virtual	Virtual	Virtual
01.12.2022	In person	In person	In person	In person
23.12.2022	Virtual	Virtual	Virtual	Virtual

	Dr Bartholomäus Wimmer	Christian Salling	René-Frank Schmidt-Ferroud	Iris Schopper
14.03.2022	In person	In person	In person	In person
08.04.2022	Virtual	Virtual	Virtual	Virtual
23.06.2022	In person	In person	In person	In person
13.09.2022	In person	In person	In person	In person
24.10.2022	Virtual	Virtual	Virtual	Virtual
01.12.2022	In person	In person	In person	In person

SYNLAB · · ·

The Nomination Committee and the Conciliation Committee, respectively, did not meet in 2022.

Review of the Financial Statements

Deloitte, the auditor elected by the Annual General Meeting for the financial year 2022, has audited the financial statements of SYNLAB AG and the SYNLAB Group consolidated financial statements. The financial statements of SYNLAB AG were prepared in accordance with the German Commercial Code (**HGB**) and the Group financial statements were prepared in accordance with the International Reporting Standards (**IFRS**) as adopted by the EU, and the additional requirements that must be applied in accordance with section 315e para 1 HGB, including the SYNLAB AG and Group management report and the accounting records from which they were prepared. All of which has have been approved by Deloitte free of qualifications. Furthermore, Deloitte certified that the Management Board has taken the measures incumbent upon it under section 91 para 2 German Stock Corporation Act (**AktG**) in an appropriate manner. In particular, it had instituted an appropriate early warning system that fulfilled the requirements of the Company and is applicable for the early identification of developments that could pose a risk to the continued existence of the SYNLAB Group. The results of the audit as well as the procedure and material findings of the audit of the financial statements are presented in the auditors' report. Beyond the statutory audit of the financial statements, Deloitte also conducted, on behalf of the Management Board, an independent assessment of the Company's non-financial reporting for SYNLAB AG and SYNLAB Group, which is an integral part of the SYNLAB ESG report. Above and beyond the statutory requirements, the auditor has also audited the compensation report, that is to be prepared by the Management Board and the Supervisory Board in accordance with section 162 AktG and has approved it free of qualification.

The auditor's reports were sent in a timely manner to every member of the Supervisory Board. The auditor attended the accounts review meeting of the Audit and Risk Committee on 14 March 2022, as well as the accounts meeting of the Supervisory Board on 15 March 2022 and reported on the procedure and material findings of its audit, including the key audit matters described in the auditor's report.

The Audit and Risk Committee reviewed the financial statements and the management reports at its meeting on 14 March 2022 and the non-financial group statement for the reporting year in its meeting on 19 April 2022, respectively, including the reports prepared by the auditor and the key audit matters specified in the auditor's report, and discussed them in full detail with the auditor. The Presiding Committee reviewed the compensation report, including the reports prepared by the auditor and the key audit matters specified in the auditor's report, and the compensation system, prepared by an independent compensation advisor, in its meeting on 14 March 2022 and discussed them in full detail. The chairwoman of the Audit & Risk Committee and the chairman of the Presiding Committee gave a detailed account of the review at the Supervisory Board meeting on 15 March 2022. On this basis, the Supervisory Board examined the financial statements and the management report of SYNLAB AG, the compensation report, the compensation system, the proposal by the Management Board for the appropriation of profit, and the consolidated financial statements and group management report for financial year 2022.

At its accounts meeting on 15 March 2022 and by written resolution dated 26 April 2022, the Supervisory Board approved the financial statements of SYNLAB AG including the management report, the consolidated financial statements, the group management report of the SYNLAB Group, and the non-financial group statement prepared by the Management Board, making the 2022 financial statements final. The Supervisory Board concurred with the proposal of the Management Board regarding the appropriation of profit and the payment of a dividend of EUR 0.33 per share.

Conflict of Interest

In the year under review, there were no conflicts of interest among the members of either the Supervisory Board or the Management Board.

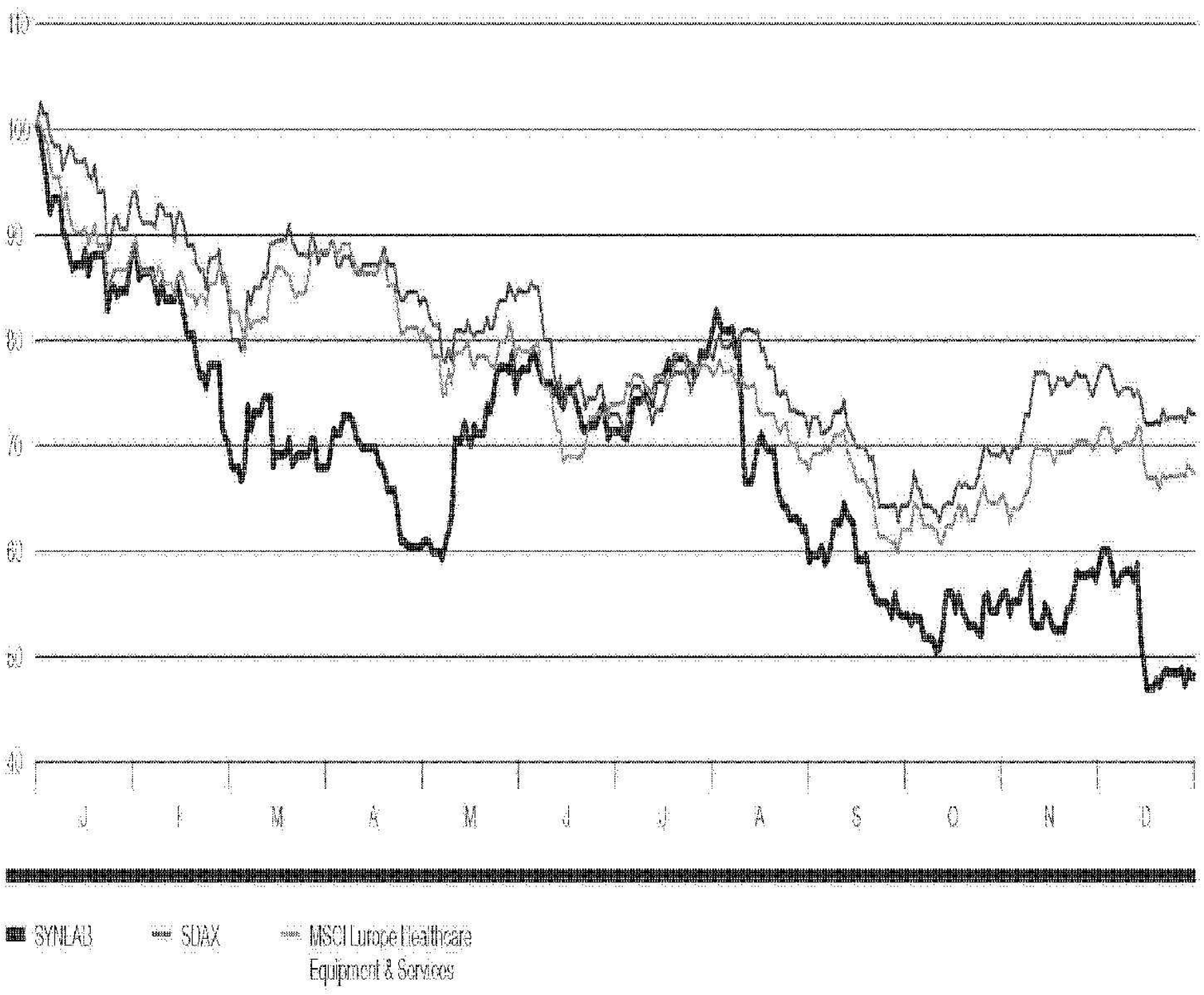
Note of Thanks

We would like to show our appreciation to the Management Board, the Executive Committee and especially to all employees of the SYNLAB Group for their passion, commitment and hard work throughout the year, making this a successful year. Lastly, our deepest gratitude goes out to you, our shareholders, for supporting us in our mission: to provide actionable diagnostic information for healthy lives and well-being for all.

Share Price Report

SYNLAB SHARE PRICE PERFORMANCE IN 2022

XETRA opening price 3 January 2022: €23.28; indexed to 100%



STOCK MARKET TRENDS IN 2022

2022 was marked by geopolitical crises and a turnaround in monetary policy, resulting in one of the worst stock market years worldwide in a long time.

The COVID 19 pandemic continued, Russia invaded Ukraine and there were constant tensions between China and Taiwan, energy costs rose, and global supply chain challenges intensified further. As a result, inflation spiked globally, which in turn led to rising interest rates with a negative impact on global equity markets.

In 2022 the SDAX was down by 27% and the MSCI Europe Healthcare Equipment & Services by 33%. Over the same period, SYNLAB's share price declined by 51% despite positive business-related news, active M&A and portfolio management as well as positive revision of the financial guidance throughout the year. The closing price of €23.28 on the first trading day of 2022 was also the highest price of the year. The share reached its low on 16 December 2022 at a closing price of €11.08. On 31 December 2022, SYNLAB's share price closed at €11.33 and SYNLAB's market capitalisation was €2.5 billion.

Share facts at a glance

Trading symbol	SYAB
ISIN	DE000A2TSL71
German securities code (WKN)	A2TSL7
Class	Non par-value bearer shares
Share capital	222,222,222
First trading day	30 April 2021
Stock exchanges	XETRA and all German stock exchanges
Listing segment	Prime Standard
Index	SDAX
Designated Sponsor	Goldman Sachs Bank Europe SE (Baader Bank AG)

Key indicators for the SYNLAB share
(BASED ON XETRA DATA)

	2022	2021
High	€23.28	€24.60
Low	€11.08	€17.61
Average	€16.04	€20.15
Year-end	€11.33	€23.60
Average daily trading volume (in shares)	129,819	125,286
Market capitalisation at year end	€2.5 billion	€5.2 billion
Number of shares outstanding at year-end	219,703,358	222,222,222
Treasury shares at year-end	2,518,864	0
Weighted average number of shares outstanding	221,558,169	215,159,817
Ajusted earnings per share (basic and dilute	€1.54	€3.14
Dividend payment per share outstanding	Proposal: €0.33	€0.33
Pay-out ratio	Proposal: 21%	11%

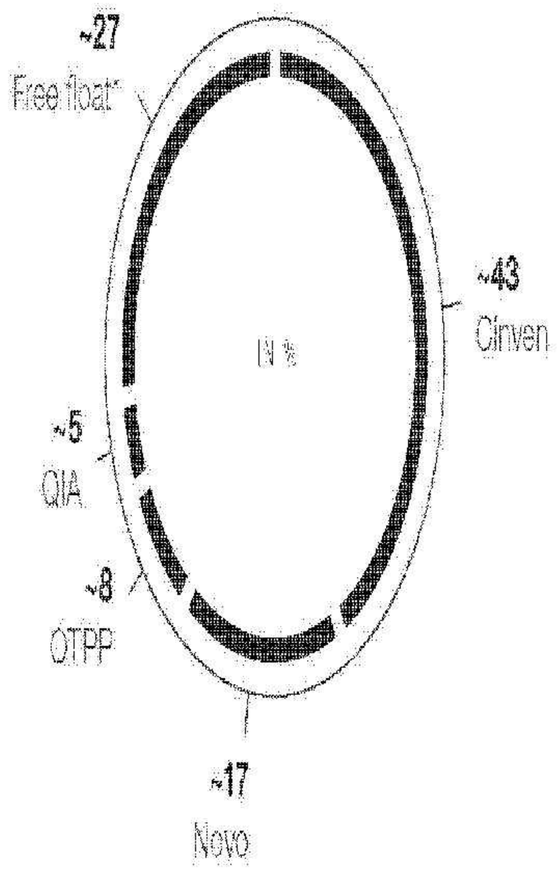
SHAREHOLDER STRUCTURE

SYNLAB AG's share capital amounts to €222,222,222.00 and is divided into 222,222,222 ordinary bearer shares with no par-value and the same number of voting rights at the Annual General Meeting (**AGM**).

As of 31 December 2022, SYNLAB AG held 2,518,864 own shares (approx. 1.1% of SYNLAB's share capital), which were purchased under the "Share Buy-Back Program 2022" at a total purchase price of €35.8 m (excluding incidental acquisition costs). The shares repurchased under this program are meant to be used to deliver them to employees and/or board members of the Company and its Group companies under the long-term incentive plans and employee participation program. More information regarding the share buy-back program can be found on SYNLAB's investor relations website: AG.SYNLAB.COM.

According to latest information, Cinven S.A. (**Cinven**), Novo Holding A/S (**Novo**), Ontario Teachers' Pension Plan Board (**OTPP**) and the Qatar Investment Authority (**QIA**) together held approximately 73% of total outstanding shares at year end. The Free float was at approximately 27%, including shares held by the Management Board, the Supervisory Board and employees of approximately 8%.

SHAREHOLDER STRUCTURE AT YEAR-END 2022 (ESTIMATES)



* As defined by Deutsche Börse, SYNLAB estimates

DIVIDEND

SYNLAB has adopted an attractive shareholder remuneration policy to ensure that shareholders enjoy a share of the Group's profit. This framework is determined by the earnings figures and the need to ensure that SYNLAB maintains adequate capitalisation. The Company's dividend policy reflects the current objective of the Management Board and the Supervisory Board and it may be modified in the future. In addition, corresponding dividend proposals from the Management Board and the Supervisory Board are required for the payment of a dividend each year, and both of these bodies could decide to depart from this dividend policy if they see fit under the prevailing circumstances.

The decision on the dividend is made by the AGM. At the AGM on 17 May 2023, the Management Board and the Supervisory Board will propose a dividend for 2022 of €0.33 per outstanding share (2021: €0.33) representing a pay-out ratio of 21% (2021: 11%).

BROAD ANALYST COVERAGE

In 2022, SYNLAB was covered by 11 sell-side analysts. Most of them also cover the broader healthcare/medtech sector. In their last report in 2022, 7 analysts give a buy and 4 a neutral recommendation. The full list of institutions and analysts can be found on SYNLAB's investor relations website:
AG.SYNLAB.COM.

INTENSIVE DIALOGUE WITH THE FINANCIAL COMMUNITY

The focus of our investor relations activities is on timely and transparent reporting, active and regular dialogue with our shareholders, analysts and potential investors, and the expansion of our existing network of contacts worldwide.

In the first year after the initial public offering (**IPO**), SYNLAB continued to maintain an intensive dialogue with the financial community. In 2022, SYNLAB participated in financial conferences and roadshows, which continued to be held mainly virtually, and was in contact with investors from around 140 institutions.

In addition, SYNLAB held its first Capital Markets Day in June 2022. During this event, investors, analysts, journalists, and other interested parties could interact personally with the Company's executives and experience our patient journey, starting at a sample collection point and ending with a tour through our Barcelona hub laboratory. During the plenary session, also available to a virtual audience, the management focused on SYNLAB's organic growth initiatives and showcased the company through several case studies. An update on mergers and acquisitions, SYNLAB's financial model and employee engagement was also provided.

SYNLAB communicates its financial results on a quarterly basis and organises investor calls to present results and recent developments. Webcasts of these events are available live and can be replayed on SYNLAB's investor relations website: AG.SYNLAB.COM.

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GROUP MANAGEMENT REPORT

The non-financial report is part of the separate ESG Report 2022, which will be published on our website under AG.SYNLAB.COM.

Principles of the Group

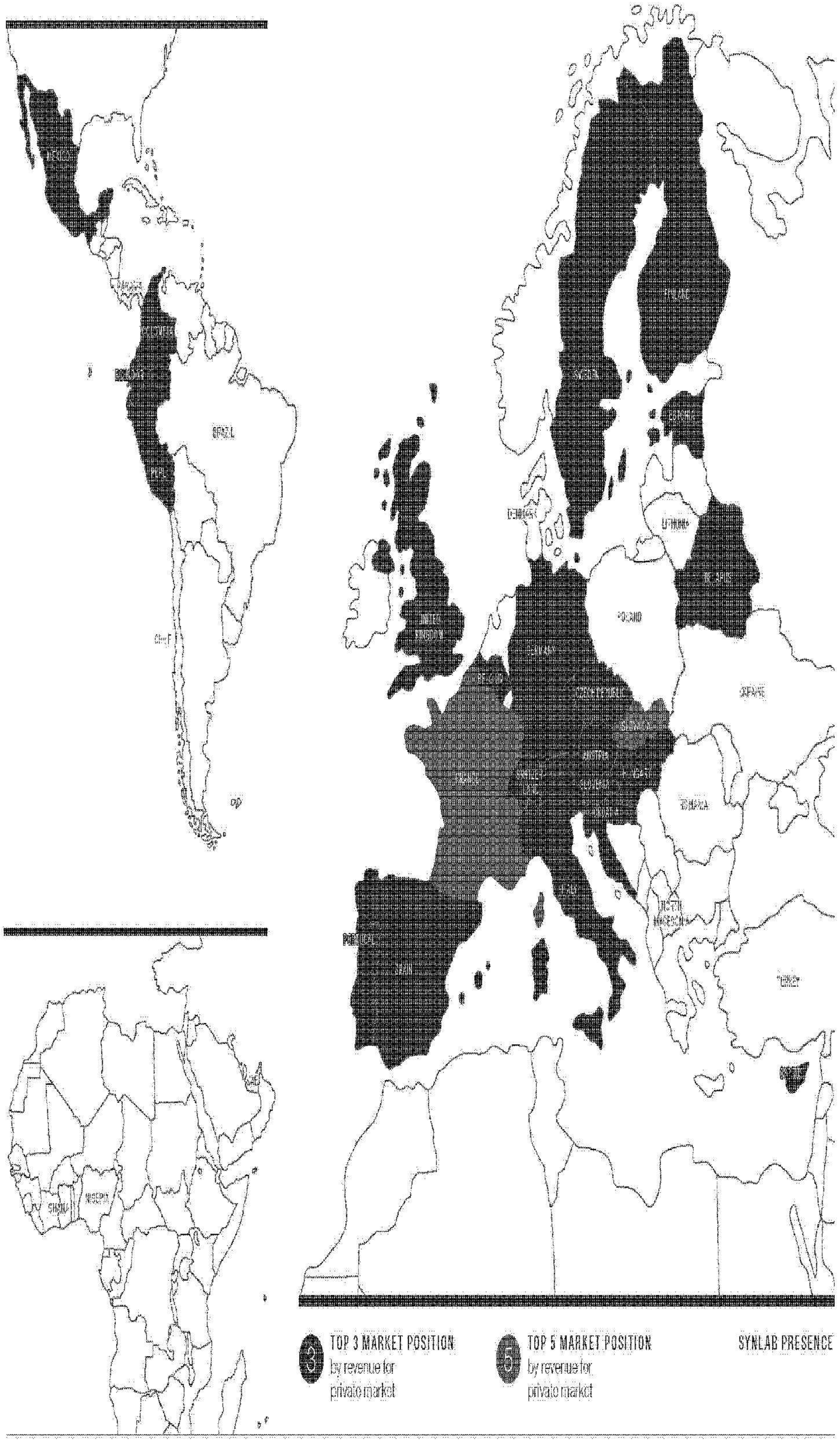
STRUCTURE AND MANAGEMENT OF THE GROUP

Business model

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 operates in 36 countries across four continents and holds leading positions in most markets. More than 28,000 employees contribute to the Group's worldwide success. SYNLAB carried out around 600 million laboratory tests and achieved revenue of around €3.3 billion in 2022.

LEADING POSITIONS IN OUR KEY MARKETS



Source: SYNLAB estimates

History

The SYNLAB Group, as it is today, was formed when Labco and SYNLAB were acquired by Cinven (as majority shareholder), Novo Holding (Novo) and Ontario Teachers' Pension Plan Board (OTPP) in 2015. These businesses were subsequently integrated as a single group under the SYNLAB name.

- SYNLAB was founded in 1998 by combining four laboratories in Germany. Since its inception, SYNLAB has continued to develop its expertise in routine and specialty laboratory testing, consistently expanding its presence and services through acquisitions in Germany and abroad.
- Labco was founded in France in 2004, operating a strong network of routine and specialist laboratories and over 1,000 collection centres across seven European countries.

Built as the combination of two large businesses, SYNLAB has a successful track record of sector consolidation. From the foundation of the SYNLAB Group in 2015 through to 31 December 2022, SYNLAB has completed 152 acquisitions (31 December 2021: 129 in more than 20 countries).

SYNLAB filed for initial public offering (IPO) in April 2021 to gain access to capital markets and reduce leverage. As a result of a capital increase in kind, by contributing the shares of SYNLAB Limited (London, United Kingdom) into SYNLAB AG, SYNLAB AG became the new parent company of the SYNLAB Group. Following the IPO, SYNLAB has been listed in the Prime Standard of the Frankfurt Stock Exchange since 30 April 2021 and is included in the SDAX index. Main shareholders[1] reduced their overall participation in the share capital from approximately 85% to 73% during the IPO and further reduced their participation to 68% in November 2021.

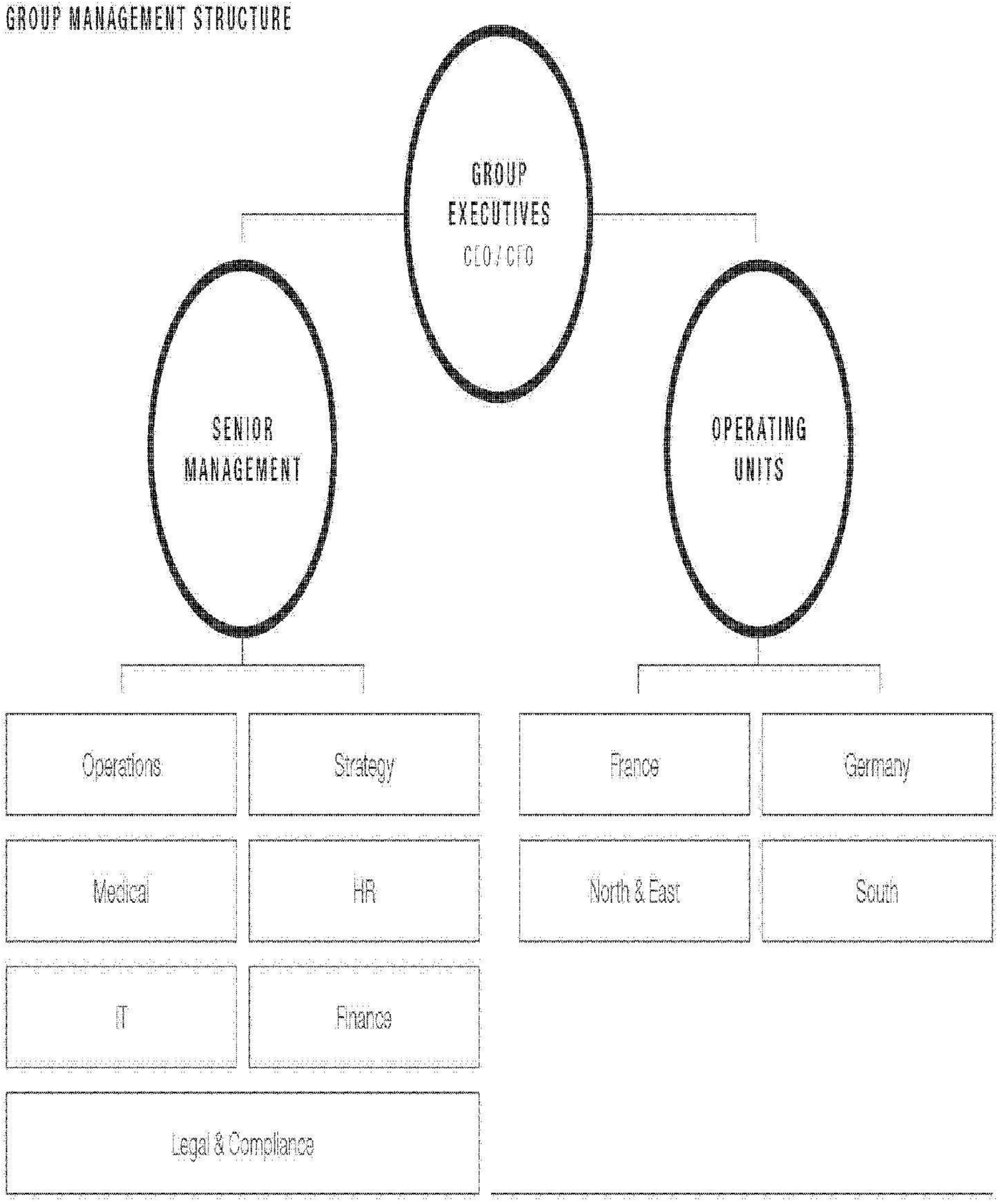
Structure

The SYNLAB strategy is to adapt to local market environments, leveraging the strength of the Group's transversal support functions. The business structure is decentralised to continuously deliver critical primary healthcare services while meeting the complex regulatory frameworks set in each region. In this way, decision-making is more efficient and tailored to the needs of each country.

The Executive Committee is made up of the senior functional executives: Medical, Operations, Strategy, HR, IT, Finance and Legal and the four operating units, "France", "Germany", "South" and "North & East", the latter two being clusters of countries. The senior functional executives (C-level) develop, implement, and execute specific functional strategies at all levels, while ensuring integration with the wider corporate strategy. The senior management is led by a Management Board of two persons: the CEO and the CFO of SYNLAB AG.

[1] Cinven, Novo, OTTP

GROUP MANAGEMENT STRUCTURE



MARKET AND COMPETITION

Markets and market environment

SYNLAB primarily operates in Europe, where it is the largest laboratory chain by revenue and number of tests, and has growing exposure to Latin America, the Middle East and Africa.

The diagnostic services sector comprises businesses and laboratories that offer analytic or diagnostic testing services including:

- Clinical biological testing (both routine and specialty),
- Anatomical pathology testing (both histological and cytological samples), and
- Diagnostic imaging (employing medical and nuclear imaging technologies).

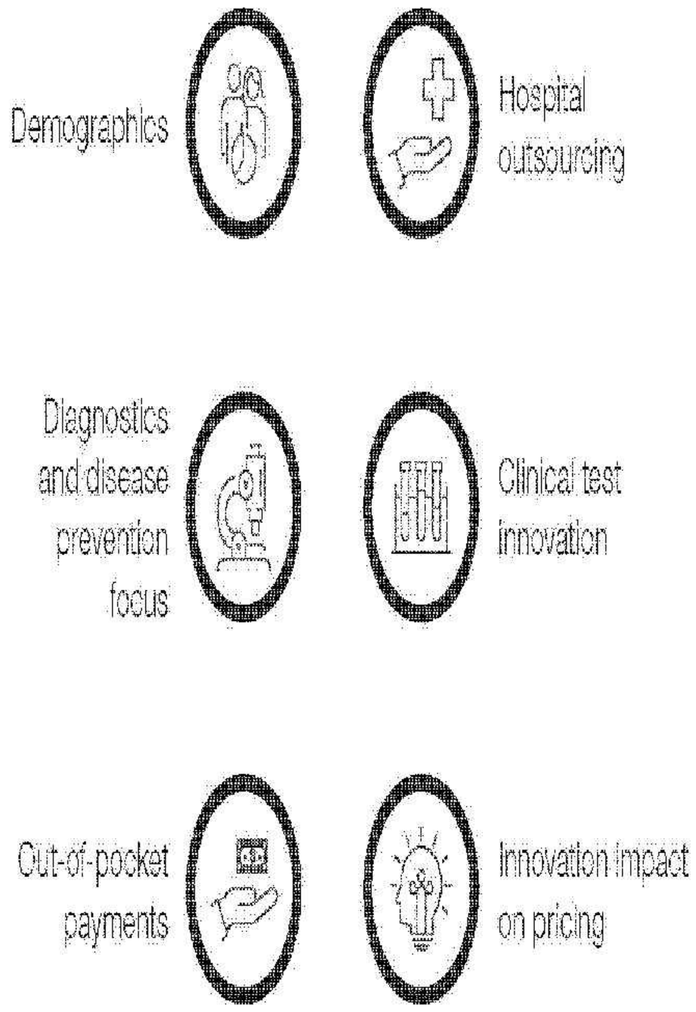
SYNLAB uses 2019 as reference year to assess the size of its underlying market, before the strong boost from COVID-19 testing. After peaking in 2021, the total market related to COVID-19 testing has declined in 2022 and should further decline and represent a few billion euros per-year globally in the longer-term.

The addressable European market for SYNLAB in its core countries France, Germany and Italy (plus Switzerland, which is not among the core market countries but was included in the underlying market research), is expected to grow at approximately 3% per year collectively over the 2021-2025 period, while the addressable emerging and other markets are expected to grow at 5% per year over this period, driven by sustainable, long-term trends[2].

[2] Source: BCG, SYNLAB

SYNLAB · · ·

NON-CYCLICAL GROWTH TRENDS



Demographics: SYNLAB expects that demographic trends and lifestyle changes will lead to increased demand for, and consequently increased volumes of, clinical testing. These trends include an aging population, the increased frequency of certain diseases (such as allergies) and long-term diseases (such as cancer and diabetes) which require recurring testing, and an increased focus on preventive healthcare.

Prevention: Healthcare policies also increasingly recognise the value of early detection and prevention of chronic and severe diseases. The growing emphasis placed on more accurate diagnosis supported by clinical testing has led doctors to increasingly utilise clinical laboratory tests to help identify potential diseases, detect illnesses early, monitor patient compliance, and determine and evaluate treatment. SYNLAB also believes there will be a growing demand for customised healthcare solutions as well as preventive medicine as a way to reduce costs.

Hospital outsourcing: Subcontracting and outsourcing by public and private hospital laboratories to the benefit of private organisations is another trend observed in the European clinical laboratory services sector over the last few years, mainly driven by hospital operators' desire for productivity gains. The Group believes subcontracting and outsourcing could represent a growing source of income for SYNLAB and similarly situated groups.

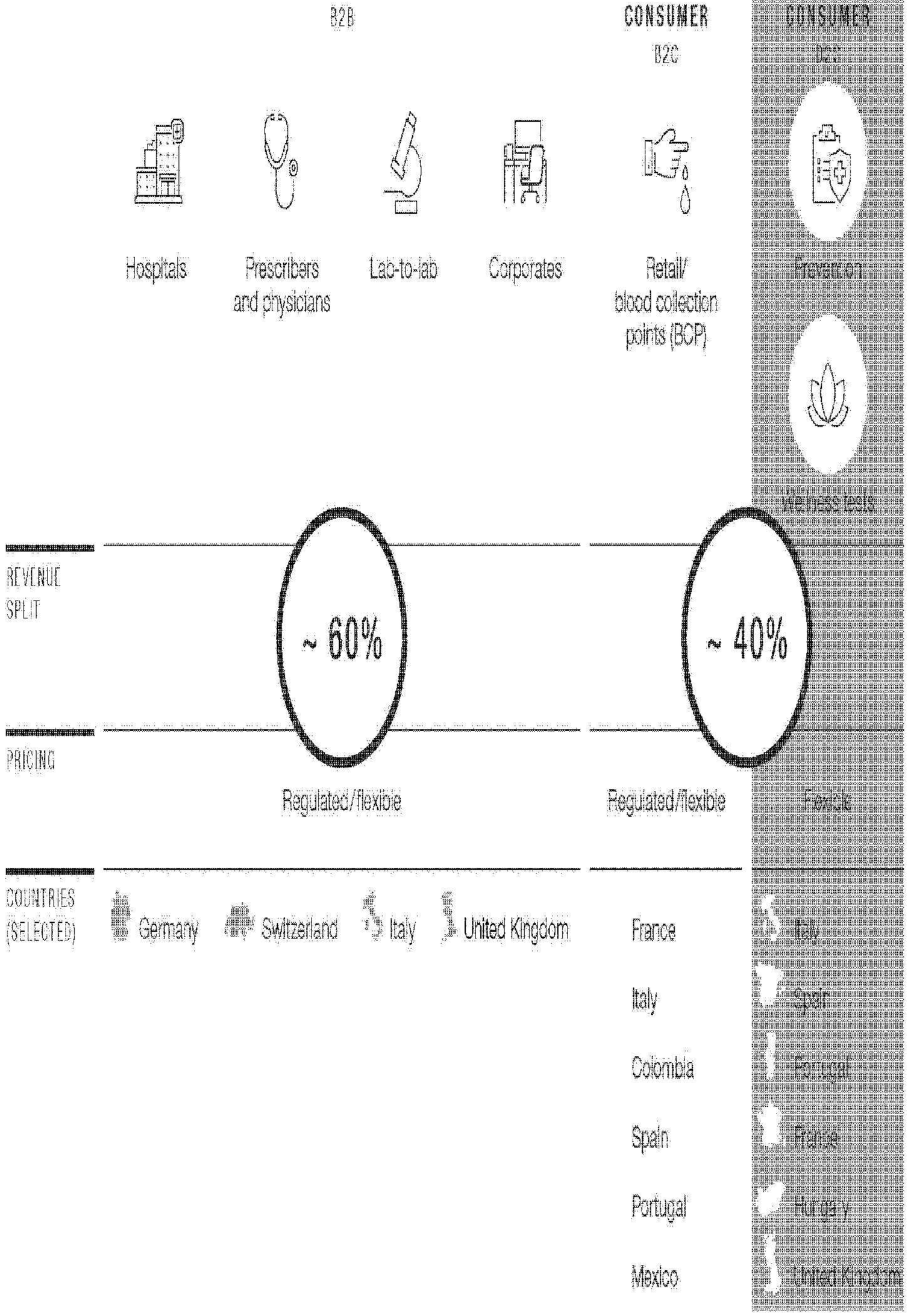
Out-of-pocket payments: The diagnostic testing services market has experienced a growing trend for patients to take control of their own health, which creates new market opportunities for D2C services for the increasing use of diagnostics to measure several metrics. The D2C trend includes not only lifestyle monitoring and disease prevention, such as physical wellbeing, cardiovascular health, and fertility, but also self-administered testing for infectious diseases such as AIDS or COVID-19, as well as at-home tests for detecting the use of drugs and alcohol.

Innovation: Key areas of focus for SYNLAB are precision medicine (customisation of medical decisions and treatments as well as products individually tailored to patients), digital services (including in the context of virtual consultations), and AI / machine learning (to analyse biological data sets and support clinical decision making).

Market structures/business models

The business is performed via two main channels:

1) a B2B channel that comprises all services performed for patients via provision to third-party entities (hospitals and clinics, private doctors, companies...), and
2) a direct to patient approach via B2C or D2C where the patient is in direct contact with SYNLAB and its services.

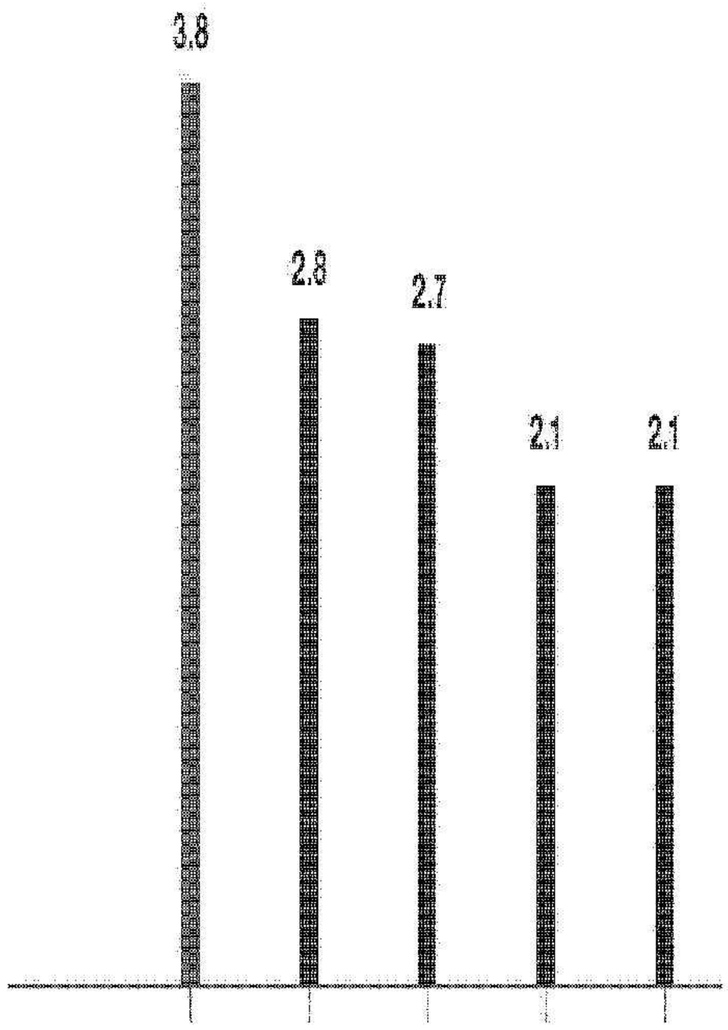


Competition

The markets where SYNLAB operates are highly fragmented, with SYNLAB, as the largest European clinical laboratory and medical diagnostic services company, only representing approximately 3% of the total European market[3]. The market share of SYNLAB in Latin America, the Middle East and Africa is below 1%, in each case based on 2019 revenue. There is ongoing consolidation in the market driven by pricing pressure, changing quality standards, increasingly complex and technically demanding tests and the ongoing industrialisation of processes to generate economies of scale and reduce costs. While this consolidation has not fundamentally changed the number of large-scale players operating in the European market, private equity players and infrastructure fund managers are increasingly active in the sector.

Key SYNLAB competitors across Europe include Sonic Healthcare Ltd., Unilabs SA, Cerba HealthCare S.A.S. and SCM Biogroup.

KEY EUROPEAN PLAYERS
(BASED ON 2021 REVENUE)



	SYNLAB	Peer #1[4]	Peer #2[5]	Peer #3[6]	Peer #4
Ownership	Public	Private capital	Founder and private capital	Public	Private capital
Last ownership change		2021	2020 (minority stake)		2021

Source: SYNLAB, Company information, J.P. Morgan
Note: Financials calendarized to December year-end
[4] Proforma for the 2021 acquisitions,
[5] LTM June 2021 Proforma,
[6] Revenues from European laboratories

Barriers to entry

Further cross-border consolidation among some of the established market participants is expected, and potential penetration of the European sector by some of the major non-European laboratory groups cannot be ruled out. Nevertheless, only a very limited number of significant new market participants are likely to emerge "organically".

This is mainly due to factors such as economies of scale, regulatory requirements, required technical know-how and reputation that give established market participants a strong advantage.

Economies of scale exist at multiple stages of the value chain of SYNLAB (e.g., for procurement, logistics and test procedures). They may be of advantage for larger market participants as they benefit to a greater extent from efficiency advantages for procurement as compared to smaller businesses.

The regulatory requirements and characteristics include a complex variety of pricing and (re)funding environments, strict quality standards, long-term contracts, and complex licensing and accreditation processes in some countries. Market participants, including SYNLAB, with enhanced experience in dealing with the various national reimbursement systems and established relationships with important customers and suppliers benefit from advantages over new market participants.

[3] Based on 2019 figures to eliminate COVID effects- Total European market estimated at €60 billion (Source: Howe Sound Research)

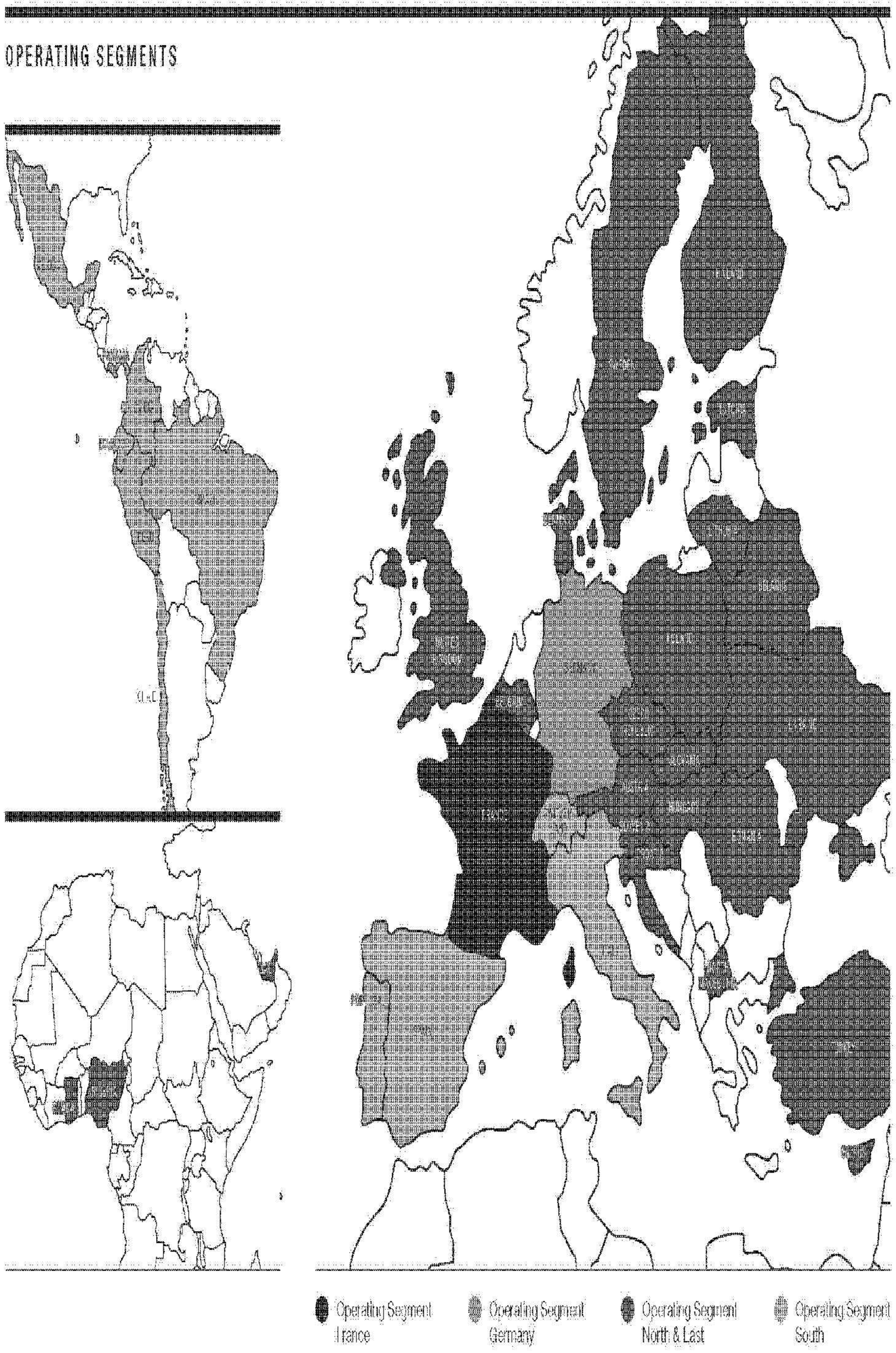
Usually, the customer churn rate is relatively low, as the patients and doctors are satisfied with their established laboratories with clinical diagnostics convenient and integrated into the doctors' daily clinical practice. This frequently leads to a low customer churn, which constitutes a competitive edge for SYNLAB and other established market participants.

In addition, bigger and more established market participants such as SYNLAB benefit from advantages with regard to attracting and retaining leading scientists as employees due to their scientific reputation, technical abilities and capacity to invest in new technologies, in particular concerning specialised test services. Their size also allows for more flexibility in identifying and applying advanced technologies and best practices in selected specialised test segments.

Building a reputation as a reliable, high-quality service provider takes time and may be a potential challenge for new market participants when establishing a strong recommendation network.

Operating segments and core markets

The map below shows the global footprint of SYNLAB by operating segment.



Key features of selected markets, such as France, Germany, Italy, the UK, Colombia & Mexico are described below:

SELECTED CORE MARKETS

	France (21% of Group revenue (2021: 22%))	Germany (22% of Group revenue (2021: 19%))	Italy (4% of Group revenue (2021: 4%))
Presence	▪ Since 2004 ▪ 71 laboratories (2021: 65) and more than 300 blood collection points (2021: approximately 300) distributed throughout France, mainly located in small towns or rural areas	▪ Since 1998 ▪ 84 laboratories primarily located in Southern and Western Germany (2021: 85) ▪ European reference laboratories located near Stuttgart	▪ Since 2011 ▪ 9 laboratories (2021: 14) and more than 300 blood collection points (2021: more than 250)
Business model	Mostly B2C with some B2B applications. Each of our laboratories and blood collection points in France employs a medical doctor or a specially trained pharmacist (both commonly referred to as "biologists").	Mostly B2B, primarily to outpatient doctor prescribers and hospitals.	Mostly B2C. Also offers other diagnostic services such as medical imaging.
Market structure/competition[7]	Top five player. Top five players including SYNLAB make up approximately 53% of the market.	Top three player. Top three players including SYNLAB, make up approximately 36% of the market.	Top three player. Top three players including SYNLAB make up approximately 19% of the market.
Key Initiatives in 2022	▪ Opening and refurbishing blood collection points for network optimisation ▪ Standardisation and optimisation of the IT infrastructure ▪ Staffing optimisations	▪ Tailored offerings for prescribers ▪ Replacement of legacy Order Entry systems ▪ Harmonisation of LIS Landscape ▪ digitalisation of logistics system	▪ Key country for bolt-on acquisitions[8] and expansion: 44 acquisitions of laboratory companies and blood collection points completed since 2018

OTHER SELECTED MARKETS

	The UK (10% of Group revenue (2021: 8%))	LATAM (6% of Group revenue (2021: 5%))
Presence	▪ Since 2011 ▪ SYNLAB is currently one of two leading private providers of clinical laboratory services	▪ Colombia: Started operations in 2016, became a leader ▪ Mexico: Started operations in 2018, reinforced through acquisitions ▪ Entered Chile in 2022
Business model	Mostly B2B: full spectrum of routine and specialty testing services	Mostly B2C: full spectrum of routine and specialty testing services
Key Initiatives in 2022	▪ Deliver on one of the largest outsourcing contracts ever signed in the UK (SEL) ▪ Get ready for future tenders ▪ Expand non-NHS[9] business	▪ Leverage Latin America platform to expand further in the region: multiple actionable targets focused on mid-sized laboratories with high business and operational synergy potential

[7] Source: J.P. Morgan communication, as of July 2022
[8] Acquisitions of smaller companies (laboratories, networks) in the already existing Business segment and regions in which SYNLAB is already represented
[9] National Health Service in UK

STRATEGY AND MANAGEMENT SYSTEM

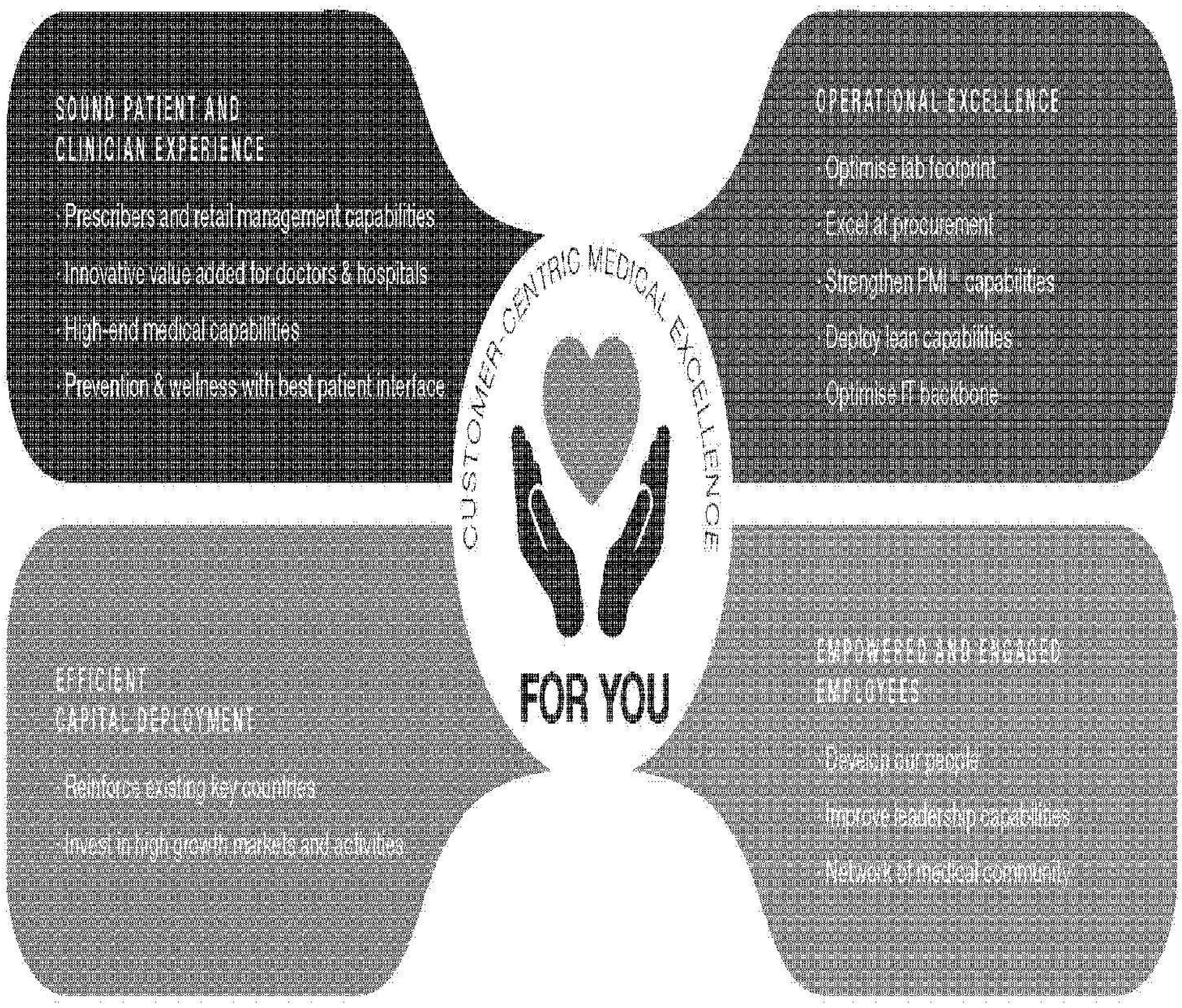
Strategy

SYNLAB intends to grow its business and maintain its position as the leading provider of clinical laboratory services in Europe and beyond by executing a strategy of customer-centric medical excellence based on the four pillars below. This strategy is aligned with the vision and values of SYNLAB and respects the environmental and social context in which the Group operates.

1) Providing superior patient and clinician experience

Under a programme of growth initiatives called "For You", SYNLAB aims to capitalise on its medical expertise in the major segments of retail, business with practicing physicians and hospital business to capture tenders of outsourcing by hospitals, drive consumer channels and advances in science and technology, to drive further organic growth.

SYNLAB GROWTH STRATEGY BASED ON CUSTOMER-CENTRIC MEDICAL EXCELLENCE



2) Providing excellence in medical expertise

SYNLAB is committed to a strategy of medical expertise and scientific leadership based on the highest standards of quality, ethics, and reliability. The Group will continue to focus on providing customers with accurate test results with the highest possible medical precision, the shortest possible turnaround time and the lowest possible analysis error rate. SYNLAB also intends to further develop its medical expertise by ensuring that all its laboratories work in accordance with the highest local standards and by maintaining industry leadership in self-regulation, governance and participation in pan-European scientific committees.

3) Providing efficient capital deployment

As some healthcare systems are coming under significant budgetary pressures, public and private hospitals, organisations and other healthcare providers are seeking to improve productivity and the medical quality of their services by outsourcing inefficient and sub-scale laboratory activities to diagnostics experts. SYNLAB is well placed to benefit from this trend as it can provide a full spectrum of outsourcing solutions, ranging from referral testing services to full outsourcing with the transfer of entire teams and assets, most notably in France, Finland, Germany, Portugal, Spain and the United Kingdom.

In 2021, SYNLAB started work on one of the largest hospital outsourcing contracts ever granted in the UK, the South-East London (SEL) contract. Partnering with Guy's and St Thomas'

[c] Post Merger Integration

NHS Foundation Trust and King's College Hospital NHS Foundation Trust, SYNLAB will transform and deliver pathology services across South-East London for the next 15 years.

In 2022, two additional hospitals joined the contract, construction of a new hub laboratory facility was initiated, and the partnership was recently named "Synnovis". Synnovis fostered multiple research projects and delivered more than 30 million tests across south-east London and the United Kingdom in 2022.

As with Synnovis, SYNLAB aims to continuously invest in facilities, technologies, and scientists. The Group plans to maintain and reinforce its "centres of excellence" culture across its laboratory network, not only within larger European reference and central laboratories but also in smaller ones.

SYNLAB also invests (for example, with the establishment of SYNLAB - Health For You Ltd. in March 2022) in selected areas, such as patient and doctor interfaces to increase proximity, in its instrument fleet and in artificial intelligence technologies to continuously improve customer service and satisfaction.

2) Sustaining focus on operational excellence by leveraging scale, capabilities and supplier relationships to drive operating efficiencies

SYNLAB intends to leverage its extensive network to streamline laboratory operations and administrative functions. In doing so, The Group aims to continuously reduce operating costs through operational efficiency improvements and the optimisation of procurement contracts, thus allowing SYNLAB to provide cost effective services to its customers.

To implement this goal, SYNLAB introduced the "SALIX" (Scale, Alignment, Leverage, Instruction, X-check) operational excellence programme in 2017, underpinned by three key components:

- Procurement: leveraging scale to save on direct and indirect costs, thereby reducing the cost of materials and operating expenses.
- SYNLAB Transformation System ("STS"), based on Lean Six Sigma principles (automation, workspace design, planning and scheduling, multi-skilled workforce, standardisation, performance management). STS is a management system which supports the strategy and is considered the driving force behind operational excellence.
- Focus on the laboratory network, including refining the hub-and-spoke network, ensuring it has superior logistics and reliable technical service and maintenance functions.

3) Developing talent by empowering and engaging employees

To deliver a best-in-class service for patients and customers, SYNLAB relies on committed and qualified people. Employees are the interface to patients and customers and are critical to the success of SYNLAB.

Employee engagement, with the objective of driving enhanced organisational performance, is a key pillar of the SYNLAB strategy. This effort is reflected in three Group-wide initiatives:

- The SYNLAB Leadership Model (ACGE), a proprietary model of leadership training that aims to align individual management actions to the principles and values shared within the company.
- The SYNLAB Campus, one of the core platforms for people development, focused on creating a new way of working based on a culture of collaboration and reflecting the values of passion, accountability, and customer centricity at SYNLAB. The SYNLAB Campus provides professional development courses and training to enhance personal and professional effectiveness, as well as further Group-level initiatives.
- The SYNLAB Dialogue, a Group-wide annual survey where employees can anonymously share their views with the Company. It is designed to serve as a basis for better employee engagement and promote continuous improvement, so that SYNLAB is perceived as a good and diverse employer and can always recruit and retain the best talents in the industry.

In addition, the human resources strategy is also focused on establishing successful talent and succession management programmes, establishing an ESG company culture that demonstrates commitment to corporate social responsibility and sustainability and enabling clear performance management processes throughout the organisation.

Other programmes implemented include acknowledgement of employee contributions (e.g. by offering medical awards and research grants), dual education opportunities and the creation of a work environment that minimises the risk of accidents.

4) Pursuing growth opportunities through efficient capital deployment, investments in business and selective acquisitions in current and new markets

SYNLAB operates with a highly cash generative model. Ensuring capital is efficiently deployed to facilitate growth opportunities is critical.

Between 2018 and 2022, SYNLAB invested around 100 M€ per year on average in targeted infrastructure developments to support its operational excellence strategy. Infrastructure investments typically include, but are not limited to, laboratory facilities, state of the art technology, new blood collection points and commercial activities, logistics infrastructure, diagnostic centres, improvements in existing laboratory and blood collection point facilities, laboratory equipment, customer interaction and end-user service platforms, as well as back office and IT. In 2022, beyond the normal investments in the core activities of SYNLAB, the Group has heavily invested in automation and customer-facing IT.

In parallel, SYNLAB is delivering on its external growth strategy through buy-and-build acquisitions[1] and regional platforms aiming at extending its footprint and capabilities. The Group's M&A strategy is focused on maintaining a good balance across regions, with a particular focus on higher growth regions. Achievement of synergy savings within the SYNLAB Group underlines its ability in integration and is a driver in the improvement of the gross and operating margins.

In regions where SYNLAB is already present, the expansion strategy will focus on pursuing acquisitions that are accretive to local networks and generate synergies through economies of scale to improve local territorial coverage and access for patients.

[1] Acquisitions of smaller companies (laboratories, networks) in the already existing Business segment and regions in which SYNLAB is already represented

SYNLAB also intends to continue to pursue acquisitions of laboratory platforms both in its existing markets, thus increasing the density of local regional networks, as well as outside its current markets, expanding the market share of SYNLAB and further consolidating its position across Europe and beyond, in each case by continuing to acquire companies that complement the network.

Management

SYNLAB has developed an internal performance management system and defined performance indicators. Detailed monthly reports are an important element of the internal management and control system.

To evaluate success in the implementation of the SYNLAB strategy and track any deviation from the financial guidance issued to the financial markets, management uses key financial performance indicators. The Group revenue and adjusted EBITDA margin are key performance indicators. Non-financial indicators are already used for evaluation and control purposes and may influence decision-making.

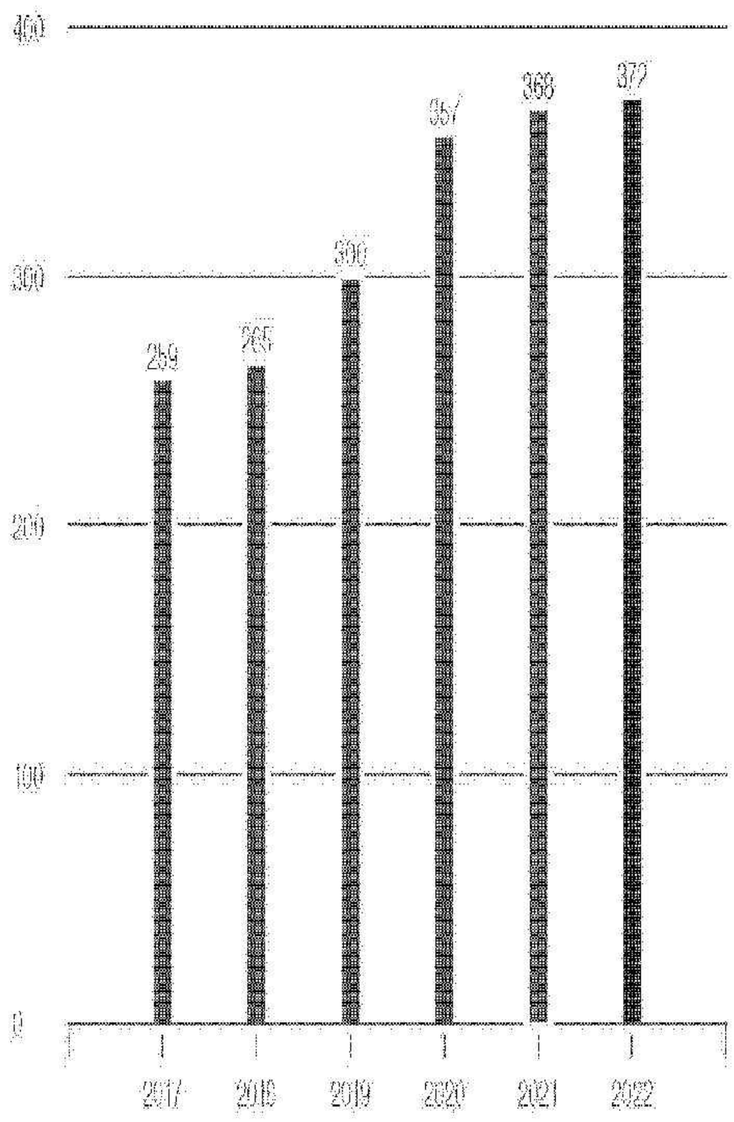
RESEARCH AND DEVELOPMENT

SYNLAB is committed to continuously develop its medical expertise by further improving the track record of research and innovation to underline and expand its medical leadership.

A strong reputation and market position enable SYNLAB to attract and retain industry-leading medical experts and qualified specialists. As a result, the Group has cultivated a wide network of medical experts, who collaborate on dozens of projects led by university research departments and the pharmaceutical industry, and SYNLAB sometimes funds research grants to continually enhance its diagnostic offerings.

SYNLAB scientists published 372 scientific articles in 2022. The Group constantly publishes a high number of scientific publications, with a 30% increase of PubMed references in 2022 as compared to 2017, and a stable number as compared to the previous year (2021: 368 scientific articles).

NUMBER OF PUBMED[1] REFERENCES



Source: PubMed

In addition to the clinical activity, SYNLAB operates the Istituto di Ricovero e Cura a Carattere Scientifico (IRCCS, "Institute for Hospitalisation and Treatment with Scientific Character") SYNLAB-SDN, a research facility in Naples, Italy, which is recognised by the Italian Ministry of Health and subjected to yearly scientific control. Its aims are the integration of diagnostics procedures, both in vitro and in vivo, to improve clinical assistance. The research activity of the IRCCS SYNLAB-SDN is self-financed, by winning tenders from the European community or international, national, and local entities.

The Group also honours cutting edge research and publications with the SYNLAB Medical Innovation Awards and maintains a Research Grants programme to foster innovation and medical excellence.

The innovation pipeline of SYNLAB is further sourced from the research and development of its equipment and test suppliers. The Group's expertise in leveraging its operational scale and global presence allows it to bring new technologies and innovative offerings to market quickly and make them accessible even in remote locations.

Alongside diagnostic innovation management at SYNLAB, a main focus is on digitalisation and the advancement of digital customer interfaces. The Group continuously invests in increasing its patients' and clinicians' digital experience and enhancing patient access to preventative care and medical wellness. SYNLAB operates an IT development centre in Denmark, which for example has developed broadly applicable patient interfaces like SYNLAB Access and tailor-made customer solutions, which were used for the cooperation with UEFA across 50 countries in 2021.

EMPLOYEES

As of 31 December 2022, SYNLAB had a total of 28,693 employees. The overall number of employees has decreased by around 6% compared to the prior year (31 December 2021: 30,570). The reduction is mostly related to the demobilisation of resources dedicated to the response to the COVID-19 pandemic and the reduction of the related capacity.

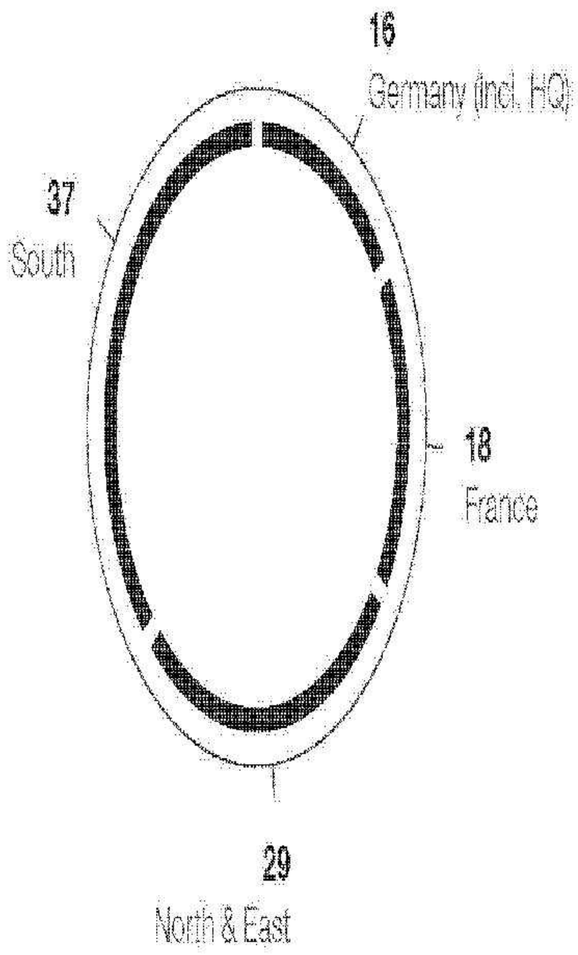
The number of full-time equivalents (FTEs) was 24,907 as of 31 December 2022 (31 December 2021: 25,750). It is calculated based on the employment contract of each individual and working hours compared to the usual weekly working time in the country of employment. Due to the nature of the laboratory activity (e.g., sampling mostly performed in the morning) the number of FTEs is consistently lower than the total number of employees at SYNLAB. This offers flexibility to the staff and a potential reservoir when activity is higher than normal.

TOTAL NUMBER OF EMPLOYEES AND CHANGE AS COMPARED TO PRIOR YEAR

	31 December 2022	31 December 2021	Change
Headcount	28,693	30,570	(6.1)%
FTEs	24,907	25,750	(3.3)%

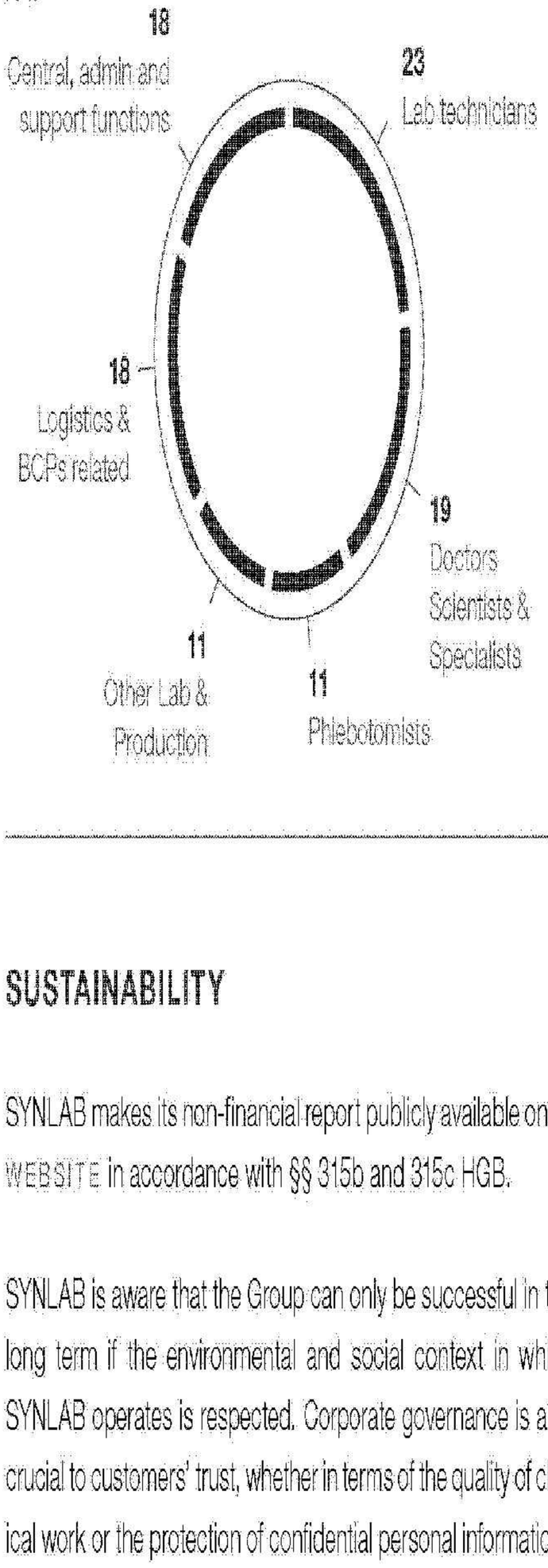
FTEs BY SEGMENT

in %



FTEs BY FUNCTION

in %



SUSTAINABILITY

SYNLAB makes its non-financial report publicly available on its WEBSITE in accordance with §§ 315b and 315c HGB.

SYNLAB is aware that the Group can only be successful in the long term if the environmental and social context in which SYNLAB operates is respected. Corporate governance is also crucial to customers' trust, whether in terms of the quality of clinical work or the protection of confidential personal information.

In particular, the services provided by SYNLAB contribute significantly to protecting public health and improving quality of life. SYNLAB strives to provide innovative and sustainable solutions through expertise and experience. The aim is to deliver satisfactory results in the following three fields of action for each test carried out:

SYNLAB Care

Provision of high-quality healthcare

- Making our high-quality services as widely accessible as possible and ensuring that the highest service quality and safety standards are met. Advocating for enhanced global healthcare and providing and sharing local innovation around diagnostic science and services.

Talent attraction, development and retention

- Attracting, engaging and retaining a highly talented workforce by providing the right conditions for our staff to provide the highest quality medical care (in line with our patient needs) and meet their personal and professional aspirations.

Employee engagement, empowerment and well-being

- We aim to support employee health, wellbeing and personal development. To this end, we use policies and support mechanisms and foster a supportive culture. Creating and maintaining a corporate culture where our employees are engaged and empowered to play a meaningful and appropriate role in the way that they contribute to the business and interact with each other and those external to the company.

Diversity, equity and inclusion

- Ensuring zero tolerance for discrimination of any kind across our business and creating meaningful opportunities for all, regard- less of nationality, cultural background, religion, ethnicity, gender (and gender identity), disability, marital status, parental status, sexual orientation, and age.

SYNLAB Green

Low carbon transition

- Reducing (absolute and intensity-based) direct and indirect greenhouse gas emissions and offsetting remaining unavoidable emissions. This includes reducing energy consumed and transitioning to renewable energy sources. Ensuring that our business model resilient to operating in a low carbon economy.

Environmental management

- Ensuring regulatory compliance and minimising the environmental impact of our operations and consumables through our management of materials and natural resources, seeking to reduce consumption, re-use and recycle. This is achieved through our procurement and operational systems and processes.

SYNLAB Citizenship

Addressing public health risks

- Ensuring that we have the ability to assist in the response to major risks to public health, including the spread of infectious diseases / pandemics, and deadly non-communicable diseases.

Data privacy and cybersecurity

- Safeguarding Personally Identifiable Information (PII) and mitigating the risk of breaches by processing data from patients, employees, suppliers and business partners in compliance with European and local jurisdictional data protection laws and our company policies around privacy and data protection.
- Cybersecurity is an essential part of the business in order to build digital trust, due to the increasing cyber-attacks and compliance requirements.

Responsible supply chain management

- Working with our suppliers to ensure that our commitment to sustainable business is upheld throughout our global network of manufacturers and suppliers. Conducting due-diligence assessments for suppliers and screening new suppliers through our Supplier Code of Conduct.

Economic Report

BUSINESS ENVIRONMENT

Macroeconomic environment

According to the January 2023 World Economic Outlook published by the International Monetary Fund, global economic activity is experiencing a broad-based and sharper-than-expected slowdown in 2022 as compared to the strong "post pandemic" year 2021, with inflation higher than seen in several decades. The increase in costs-of-living, tightening financial conditions in most regions, Russia's war in Ukraine, and the resurgence of COVID-19 in China all weighed heavily on the economic activity. On the supply side, easing bottlenecks and declining transportation costs reduced pressures on input prices and energy markets have adjusted faster than expected to the shock from Russia's invasion of Ukraine.

Taken together, global growth slowed from 6.2% in 2021 to 3.4% in 2022. In Latin America and the Caribbean, the growth rate dropped from 7.0% in 2021 to 3.9% in 2022. Growth in the euro area, which represents around 70% of the Group's revenue, slowed from 5.3% to 3.5%. GDP grew by 2.6% in France (2021: 6.8%), by 1.9% in Germany (2021: 2.6%) and 3.9% in Italy (2021: 6.7%). [12]

2022 was marked by a significant shift of the macroeconomic environment with a strong increase of inflation initiated by energy price and food inflation. According to a flash estimate from Eurostat, the statistical office of the European Union, euro area annual inflation was down to 9.2% in December, after 10.1% in November 2022. [13]

WEO growth estimations for key SYNLAB countries	2022 (estimations)	2021
World	3.4%	6.2%
Latin America and the Caribbean	3.9%	7.0%
Euro area	3.5%	5.3%
• France	2.6%	6.8%
• Germany	1.9%	2.6%
• Italy	3.9%	6.7%

Sector-specific environment

In 2022, the underlying activity at SYNLAB saw growth trends in line with longer term market growth in most of the markets in which the Group operates.

As in 2021, the first part of 2022 was marked by a strong wave of COVID-19 infections due to the Omicron variant. The global volume of COVID-19 testing in Q1 2022 reached a volume never reached before at SYNLAB. In the subsequent quarters, PCR test price and volume has reduced sequentially to stabilise at around 1.8 million PCR tests conducted by SYNLAB globally in Q4 2022. This reduction is a result of changing demand for PCR tests evolving during the year from tests performed for regulatory purposes to tests performed primarily for medical reasons. The reduction of the demand for COVID-19 PCR testing has triggered an adaptation of the testing capacity with closure of many points of test that have opened during the more acute phase of the pandemic. In Germany, for example, the testing capacity of the laboratories was still at around 2.36 million tests per week in mid-January 2023 with only around 284,000 PCR tests performed in the last week of 2022. [14]

[12] International Monetary Fund, January 2023 World Economic Outlook; https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023

[13] Eurostat, Flash estimate December 2022, 6 January 2023

[14] https://www.corona-diagnostik-insights.de/daten-fakten/

The sector was also impacted by macroeconomic trends such as inflation. Amongst others, an effect was seen in higher energy cost (fuel and electricity)[15]. The labour inflation has also increased above historic levels in all countries at the exception of those where annual agreements were already in place for 2022. In many countries the prices are regulated and the regulators have started to adjust the prices in several countries to reflect the pressure on the cost at the exception of France and Switzerland where prices decreased. German prices were broadly stable.

GROUP BUSINESS DEVELOPMENT

Results of operations

A solid year despite COVID-19 revenue reduction

SYNLAB achieved good results in 2022 on all key metrics. The comparison to prior year results is however impacted by the year-on-year reduction of COVID-19 testing activities even though COVID-19 testing activities remained at a strong level and much higher than anticipated.

Overall revenue stands at €3.25 billion with a drop of around 500 M€.

COVID-19 revenue decreased in 2022 by around 800 M€.

The 2022 profitability with adjusted EBITDA at 23.2% is down 8.9 percentage points but still up compared to 2019 pre COVID-19 pandemic.

Adjusted operating profit stands at 507.5 M€ down 49.1% and adjusted net profit is down 49.4%.

Adjusted EPS reached €1.54[16], down €1.60 compared with 2021.

Key financial indicators

In M€	2022	2021	Change
Revenue	**3,250.5**	**3,764.9**	**(13.7)%**
Adjusted EBITDA (AEBITDA)	**753.4**	**1209.8**	**(37.8)%**
As % of revenue	23.2%	32.1%	(8.9)pp.
Adjusted operating profit (AOP)	**507.5**	**996.1**	**(49.1)%**
As % of revenue	15.6%	26.5%	(10.9)pp.
Operating profit	**231.7**	**914.5**	**(74.7)%**
Net profit (group share)	**150.7**	**624.8**	**(75.9)%**
Adjusted net profit	**342.2**	**676.0**	**(49.4)%**
Adjusted EPS (€)	**1.54**	**3.14**	**(1.60)€**

Strong underlying revenue growth delivered

FY 2022 reported revenue was down 13.7% to 3,251 M€ (FY 2021: 3,765 M€).

Revenue

In M€	2022	2021	Change
Revenue	3,250.5	3,764.9	(13.7)%
M&A adjustment	41.4	94.3	(56.1%)
Revenue (with M&A adjustment)	**3,291.9**	**3,859.2**	**(14.7)%**

FY 2022 M&A adjusted revenue, which includes the contribution of acquisitions as if they had been consolidated from January 1st, was down 14.7%:

- The full year revenue of the 23 acquisitions in 2022 was 83.4 M€. It is composed of 42.0 M€ reported revenue and 41.4 M€ M&A adjustment. The major acquisitions in 2022 were Sistemas Genomicos[17] (15.2 M€ reported revenue in 2022), a strong player in Spain in Genetics testing, as well as a first acquisition in Chile (4.5 M€ reported revenue and €13.8 M€ M&A adjustment in 2022), a leading regional platform in the north of Chile[18] with the potential to further consolidate the attractive Chilian market. Other bolt-on acquisitions were made in ten countries (France, Germany, Italy, Spain, Portugal, Mexico, Colombia, Ecuador, Belgium, and Switzerland).
- FX revenue growth was 0.6% mainly due to the strengthening of GBP, CHF, and MEX Peso, partially offset by the weakening of some emerging countries' currencies.

[15] Eurostat, Flash estimate December 2022, 6 January 2023

[16] Based on a 2022 weighted average of 221,558 thousand shares (2021 weighted average: 215,160 thousand shares)

[17] Acquisition date 4 Jan 2022

[18] Acquisition date 3 Oct 2022

- The underlying organic growth[19] (organic growth excluding COVID-19 testing revenue evolution) was strong at 6.2%. Excluding the Q1 2022 growth coming from the South-East London contract[20], the underlying organic growth was 4.1%, higher than SYNLAB 3+ % guidance thanks to price and volume increase and the "For You" growth initiatives.
- The COVID-19 testing revenue contribution in 2022 was 797.2 M€ (including 4.6 M€ reported revenue and 2.3 M€ adjusted revenue from the 23 acquisitions in 2022) with SYNLAB performing 18.0 million PCR and 2.6 million non-PCR tests during the year. The average price per PCR test was around €41 in 2022, compared with €49 in 2021. The testing revenue contribution from COVID-19 was approximately €1.6 billion in 2021.

Revenue: segment view

In M€

	2022	2021	Organic Growth	Underlying Organic Growth
France	674.4	828.4	(19.3)%	(1.0)%
Germany	708.2	722.7	(3.6)%	+1.1%
South	960.3	1,052.7	(21.3)%	+1.7%
North & East	912.6	1,161.1	(20.7)%	+21.8%
SYNLAB Group	**3,250.5**	**3764.9**	**(17.4)%**	**+6.2%**

In France (21% of Group revenue), FY 2022 organic revenue decreased by 19.3% compared to 2021. SYNLAB performed around 4.0 million COVID-19 PCR tests, down 33% year-on-year. The average PCR test price was around €40 in 2022, a decrease of 22% compared with 2021.

Underlying organic revenue decreased by 1.0%, resulting from a decline of price by 3.2%, partly offset by an increase of volume by 2.2%.

In Germany (22% of Group revenue), FY 2022 organic revenue decreased by 3.6%. The number of COVID-19 PCR tests was around 5.8 million COVID-19 PCR tests, a decline of 3% year-on-year. The average PCR test price amounted to €42 in 2022, a 11% reduction compared with 2021.

Underlying organic growth reached 1.1% thanks to an increase of volume by 1.4%, slightly offset by a decrease of price by 0.3%.

In South (29% of Group revenue) FY 2022 organic revenue went down by 21.3%. COVID-19 PCR testing volume was 2.6 million, representing a 57% year-on-year decrease. The average PCR test price was around €55 in 2022, increased by 2% compared with 2021. Underlying organic growth was at 1.7% resulting from an increase of price by 1.4% and higher volume by 0.3%.

- Italy (37% of South revenue) recorded underlying organic growth of 1.7% due to an increase of price, slightly offset by a decrease of volume
- Latin America (20% of South revenue) registered underlying organic growth of 2.8% also due to an increase of price, slightly offset by a decrease of volume
- Iberia (27% of South revenue) achieved strong underlying organic growth of 7.7% mainly thanks to an increase of volume
- Switzerland (16% of South revenue) recorded a decrease of underlying organic growth mainly due to a decrease of volume

[19] Organic growth is a non-IFRS measure calculating the growth in revenue for a given period compared to the comparable period of the prior year for the same scope of businesses, excluding discontinued operations, and in constant currency, i.e., using the exchange rates of the prior year reporting period.

[20] Acquisition date 1 April 2021

SYNLAB · · ·

In North & East (28% of Group revenue), FY 2022 organic growth decreased by 20.7%. SYNLAB performed 5.6 million COVID-19 PCR tests, a decline of 49% year-on-year. The average PCR test price was around €35 in 2022, down by 24% compared with 2021. Strong underlying organic growth reached 21.8%, including slightly positive pricing, driven by inflation indexation mechanism in many North & East countries. The UK as the biggest single country in the segment (36% of revenue), recorded 40.7% underlying organic growth mainly thanks to the SEL contract.

Excluding SEL, underlying organic growth in North & East was a robust 11.1% in FY 2022. North, East-Europe and Emerging markets all recorded above Group performance.

Profitability reduction from COVID-19 ramp down and inflationary pressure

In M€	2022	2021	Growth
Revenue	3,250.5	3,764.9	(13.7)%
Material and related expenses	(776.9)	(942.4)	(17.6)%
Payroll and related expenses	(1,166.7)	(1,138.9)	+2.4%
Net other OPEX (adjusted)[21]	(553.5)	(473.8)	+16.8%
AEBITDA	**753.4**	**1,209.8**	**(37.7)%**
AEBITDA margin	23.2%	32.1%	(8.9)pp.
Operating depreciation and amortisation[22]	(245.9)	(213.7)	+15.1%
AOP	**507.5**	**996.1**	**(49.1)%**
AOP margin	15.6%	26.5%	(10.9)pp.

FY 2022 AEBITDA decreased by 37.7% to 753.4 M€. The AEBITDA margin decreased by 8.9 percentage points to 23.2%. Reduction of prices and volumes from COVID-19 testing was the main driver for the margin reduction.

Despite the efficiencies generated from the ongoing SALIX program (~€25 M€ of savings overall in 2022), the margin has also been impacted by the strong inflationary environment as well as the timing of the COVID-19 capacity ramp down:

- Material and related expenses decreased -disproportionately to the decline of revenue- by 18% compared to FY 2021 and amounted to 776.9 M€ or 24% of revenue. SYNLAB benefited from savings from the SALIX program (11 M€ on material expense) and the core lab equipment renewal project. The Group also delivered efficiencies on PCR test reagent costs. The inflation impact on material expenses was limited as the main group contracts for reagents and equipment are multi-year contracts with fixed prices.
- Payroll and related expenses were 1,166.7 M€ or 36% of revenue. The increase by 2% (with a revenue reduction of 14%) is due to the delayed ramp down of COVID-19 capacity and investment in retail, D2C and IT initiatives. Additionally, the inflation on Payroll and related expenses was 2.7 %. The FTE reduction mainly results from the reduction of COVID-19 capacity despite the increase coming from acquisitions (+3% compared to FY 2021 FTE) and the increase in staff to support increased levels of activity.
- Net other OPEX (adjusted) were 553.5 M€, or 17% of revenue. The increase of 17% is mainly due to IT and administration, utilities (including energy costs) and transportation; none of which represent more than 18% of the total. The overall inflation factor on Net other OPEX (adjusted) was 6.0%.

[21] Net other OPEX, net of acquisition/disposal related items (6.9 M€) and restructuring/other significant items (0.5 M€)

[22] Total of depreciation and amortisation excluding depreciation on capitalised customer lists

FY 2022 AOP decreased to 507.5 M€ with AOP margin at 15.6 %.

Operating depreciation and amortisation consist mainly of depreciation of labs, blood collection points and testing equipment assets. The 32 M€ year-on-year increase was driven by higher amortization of Right of use assets (+26 M€) and higher depreciation of technical equipment and machinery (+9 M€), partly offset by lower amortization of other intangible assets (-3 M€).

AOP: segment view

In M€

	2022	2021	Margin 2022	Margin 2021
France	116.3	214.8	17.2%	25.9%
Germany	134.7	163.6	19.2%	22.6%
South	96.8	238.2	10.1%	22.6%
North & East	159.7	379.5	17.5%	32.7%
SYNLAB Group	**507.5**	**996.1**	**15.6%**	**26.5%**

Adjusted to reported operating profit reconciliation

In M€

	2022	2021	Change
AOP	**507.5**	**996.1**	**(488.6)**
Restructuring and other significant expenses	(0.5)	(22.8)	+22.3
Acquisition-related (income) / expenses	(6.9)	(7.1)	+0.2
Impairment of goodwill	(213.0)	-	(213.0)
Scheduled customer relationship amortization	(55.4)	(51.6)	(3.8)
Total OPEX adjustments	**(275.8)**	**(81.5)**	**(194.3)**
Operating profit	**231.7**	**914.5**	**(682.8)**

The SYNLAB Group achieved an AOP margin of 15.6 % in the 2022 financial year, compared to 26.5% in the previous year. The margin decline is mainly due to price and volume decreases for COVID-19 tests.

France FY 2022 AOP margin decreased to 17.2 % (-8.7 percentage points compared with FY 2021), mainly reflecting the impact of lower COVID-19 testing volumes and overall declined prices.

Germany FY 2022 AOP margin declined to 19.2 % (-3.4 percentage points), less strongly than in other segments thanks to the comparatively smaller decline of COVID-19 testing volumes and prices.

South FY 2022 AOP margin reached 10.1 % (-12.5 percentage points), mainly due to significantly lower COVID-19 testing volumes and one-time provisions in Q4 2022.

North & East FY 2022 AOP margin was 17.5 % (-15.2 percentage points), mainly due to significantly lower COVID-19 testing volumes and prices.

FY 2022 OPEX adjustments amounted to 275.8 M€ in total. The adjustments comprised mainly the goodwill impairment recognized in Germany (213 M€) and scheduled customer relationship amortization (55 M€). Restructuring and other significant expenses (in 2021 mainly IPO-related costs) decreased to 0.5 M€.

Earnings

In M€

	2022	2021	Change
Operating profit	231.7	914.5	(682.8)
Net finance costs	(17.2)	(102.5)	+85.3
Income tax expense	(130.5)	(195.3)	+64.8
Effective tax rate[23]	46.1%	24.2%	+21.9pp.
Profit on disposal of investments	55.7	8.0	58.7
Net profit (group share)	**150.7**	**624.8**	**(474.1)**

FY 2022 net profit decreased by 474.1 M€, driven by the reduction in operating profit partly offset by improved financial results, lower tax expense and the net profit on disposal of investments (UK vet business 70.5 M€ less share of loss of associates and other non-controlling interest (2.0 M€) and profit attributable to non-controlling interests (1.8 M€)).

- FY 2022 net financial expense was 17.2, improving by 85.3 M€ compared to FY 2021. This major decrease is mainly due to lower debt and lower borrowing costs. The SYNLAB average cost of borrowings stands at 1.94% p.a. in FY 2022. SYNLAB further benefited from changes in the fair value of financial instruments.
- FY 2022 income tax expense was 130.5 M€, a 64.8 M€ decrease compared with FY 2021, coming from the reduction in results from operations. The effective tax rate was 46.1% for the period, higher than the weighted average of 25.5% (calculated on the basis of expected tax rates for the individual Group companies) mostly due to goodwill impairment.

[23] Income tax expense divided by Profit before taxes (see Consolidated Statement of Income)

Adjusted to reported net profit reconciliation

In M€

	2022	2021	Change
Net profit (group share)	**150.7**	**624.8**	**(474.1)**
OPEX adjustments	275.8	81.5	+194.3
Current-year income taxes (OPEX adjustments-related)	(13.9)	(13.1)	+0.8
Profit / (loss) after tax for the period from discontinued operations	-	(17.2)	+17.2
Profit on disposal of investments	(70.5)	-	(70.5)
Adjusted net profit	**342.2**	**676.0**	**(333.8)**

FY 2022 adjusted net profit decreased by 333.8 M€.

Financial position

Cash flow

In M€

	2022	2021	Growth
AEBITDA	**753.4**	**1,209.8**	**(456.4)**
Movements in working capital	+52.5	(28.8)	+81.3
Income tax paid	(233.1)	(161.4)	(71.7)
Change in provisions & other	+56.7	(8.9)	+65.6
Operating cash flow	**629.5**	**1,010.7**	**(381.2)**
Net capex	(158.0)	(143.4)	(14.6)
Lease[24]	(159.5)	(124.7)	(34.8)
As % of revenue	9.8%	7.1%	+2.7pp.
Unlevered free cash flow	312.0	742.5	(430.5)
Net interest paid[25]	(44.2)	(100.2)	+66.0
Free cash flow	**267.8**	**642.3**	**(374.5)**
Net M&A cash spend	(60.6)	(240.3)	(179.7)

[24] Including lease interest

[25] Currency effects on intercompany loans included, excluding lease interest

Strong cash flow generation

Operating cash flow from continuing operations was 629.5 M€ at the end of FY 2022 mainly driven by the reduction of AEBITDA.

- The impact of COVID-19 testing activity on working capital has improved over the year, with inventory reduction and DSOs declining to 55 days at the end of FY 2022, compared with 63 days at the end of FY 2021.
- Tax paid in FY 2022 increased by 71.5 M€ to 233.1 M€.

Strong operating cash flow led to record unlevered free cash flow of €312.0 M€ despite an increase in CAPEX during the period:

- Net CAPEX (excl. leases) was 158.0 M€, a nominal increase of 14.6 M€ compared with FY 2021. The increase mainly relates to software, technical machines and equipment, assets under construction and office, IT and other equipment.
- Leases amounted to 159.5 M€, with an increase of 34.8 M€ compared with FY 2021.

The cash conversion ratio (unlevered free cash flow / AEBITDA) was 41%.

The net M&A cash spend was 60.6 M€, with M&A activity in 9 countries across the South, Germany, and France segments. This includes acquisitions of 140.3 M€ and disposal of 79.7 M€.

Net assets

Simplified balance sheet

In M€

	Dec 2022	Dec 2021	Change
Goodwill	2,323	2,440	(117)
Net fixed assets[25]	1,646	1,488	+158
Net working capital (NWC)	93	146	(53)
NWC as a % of full-year M&A adjusted revenue.	2.8%	3.8%	(1.0)ppt
Capital employed	**4,062**	**4,074**	**(12)**
Equity	2,333	2,256	+77
Net debt	1,575	1,602	(27)
Other	154	216	(62)
Resources	**4,062**	**4,074**	**(12)**

Capital employed

At the end of December 2022 total goodwill reached 2,323 M€. The 117 M€ decrease compared to 2021 was attributable to the (213) M€ impairment in Germany and (12) M€ from the disposal of the UK vet business; offset by the 23 acquisitions finalized during the year amounting to 95 M€ and 13 M€ foreign exchange impact.

Total net fixed assets amounted to 1,646 M€ at end December 2022. Net fixed assets were mainly composed of:

- Customer relationships with doctors and hospitals identified in connection with acquisitions and other intangible assets (software, trademarks) amounting to 733 M€ and reflecting an increase of 7 M€ compared with end December 2021.
- Assets related to labs and blood collection points and testing equipment (property plant and equipment and right of use assets) amounting to 967 M€ and reflecting an increase of 113 M€ compared with end December 2021 coming from organic developments and acquisitions.

[25] Fixed assets net of deferred tax

Net working capital composition

In M€	Dec 2022	Dec 2021	Change
Inventories	85	110	(25)
Trade accounts receivables	443	633	(190)
Trade accounts payable	(314)	(387)	73
Contract liabilities	(20)	(18)	(2)
Current provisions	(32)	(11)	(21)
Other net current liabilities[2]	(67)	(181)	+114
Net Working Capital	**93**	**146**	**(53)**

Net working capital decreased by 53 M€ at end December 2022 compared to end December 2021.

The decrease results from lower trade receivables and lower inventory, partly offset by lower other net current liabilities and lower trade payables. The decrease in trade receivables and trade payables follows the decrease in revenues and material/ related expenses.

Inventory decreased from its high levels of end 2021 by 25 M€. SYNLAB had increased reagent inventory in 2020 and 2021 to be able to cope with increased COVID-19 testing volume taking into account the risk of disrupted supply chains.

The increase in current provisions results from an ongoing competition law case.

Other net current liabilities consist of short-term liabilities to personnel and social security, liabilities / receivables from VAT and other.

Equity

At the end of December 2022, equity stood at 2,333 M€ compared with 2,256 M€ at the end of December 2021. The increase in 2022 reflects the solid earnings for the year partly offset mainly by the 73 M€ dividends paid to SYNLAB AG shareholders for the first time in May 2022.

2022 net debt

Net debt was reduced in 2022 by 1.7% or 27 M€ from 1,602 M€ to 1,575 M€.

SYNLAB has no bank liabilities maturity before 2026.

At the beginning of 2022, the Group entered into a new interest rate cap agreement. The carrying amount and fair value of this financial instrument at year-end is 33.5 M€ (asset).

The carrying amount and fair value of the interest rate floor agreement is 3.2 M€ (liability). At the end of FY 2021 it amounted to 19.1 M€ (liability).

SYNLAB does not apply hedge accounting.

Other

The decrease in other items mainly relates to tax liabilities.

Financial management

The aim of the Group's financial management is to ensure that funds are always available for the proper conduct of business. This is achieved by optimising banking transactions and financing conditions and by minimising and diversifying financial risks.

Financial management is described by a uniform Group guideline. Accordingly, the group Treasury department is the central unit responsible for the group-wide design and monitoring of the financial profile. This is done in close coordination with the finance directors of the SYNAB countries. The goal is to ensure subsidiaries always have adequate liquidity to meet their financial obligations. The Group uses various cash pool structures with several banks to optimise its cash management organisation.

In addition, financial risk factors are regularly analysed and, if necessary, liquidity, credit, interest rate or foreign currency risks can be hedged using suitable financial instruments. Given all current external financing contracts are subject to the risk of an increase of the EURIBOR, the Group regularly enters hedging contract, by means of a cap, to partially offset possible interest rate increase.

[2] Other current liabilities net of Other current assets

The foreign currency risk for SYNLAB is considered as low, which is the reason why no hedging transactions have currently been concluded to hedge against such fluctuations.

In line with its risk-averse approach, SYNLAB refrains from building up speculative risk positions in the financial area.

At the end of December 2022, adjusted net debt stood at 1,645 M€ compared with 1,671 M€ at the end of December 2021. The Covenant leverage ratio[28] stood at 2.07x compared with 1.35x at the end of 2021.

The Executive Board and the Supervisory Board of SYNLAB AG propose to the Annual General Meeting on 16 May 2023 to distribute a dividend (€0.33 per share analogous to the previous year) to its shareholders.

Debt and leverage ratio

In M€	Dec 2022	Dec 2021	Change
Cash and cash equivalents	(542)	(444)	(98)
Non-current loans and borrowings	1,411	1,418	(7)
Non-current lease liabilities	558	502	+56
Current loans and borrowings	16	13	+3
Current lease liabilities	132	114	+18
Net debt	**1,575**	**1,602**	**(27)**
Capitalized transaction costs, net of embedded derivatives	30	23	7
M&A deferred price consideration[29]	39	46	(6)
Adjusted net debt	**1,645**	**1,671**	**(26)**
Reported AEBITDA	753	1,210	(457)
Proforma[30] for M&A	9	28	(19)
Pro-forma AEBITDA	763	1,238	(475)

Financial instruments

In M€	Dec 2022	Dec 2021
Term loan (2.5%+EURIBOR), due 2026	320	320
Term loan (2.5%+EURIBOR), due 2027	385	385
Term loan (1.25%+EURIBOR), due 2026	735	735
Total borrowings	**1,440**	**1,440**
Leases	690	616
Other bank debt and accrued interest	17	13
Cash and cash equivalents	(542)	(444)
M&A deferred price consideration	39	46
Adjusted net debt	**1,645**	**1,671**

Liquidity position

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

On December 31, 2022, SYNLAB had a strong liquidity position with 542 M€ of cash and cash equivalents and a five-year 500 M€ revolving credit facility (remaing term: 4 years), fully undrawn[31].

[28] Adjusted net debt to full year proforma AEBITDA with banking covenant adjustments

[29] Long- and short-term contingent purchase price liabilities and deferred purchase price liabilities, net of put options over non-controlling interests (SYNLAB Labor München Zentrum GbR and EMT Medizintechnik GmbH & Co.KG), net of escrow accounts

[30] AEBITDA from acquisitions, for the period starting January 1st until the date of acquisition

[31] As of the balance sheet date, guarantee credit lines amounting to 5.3 M€ were utilised.

Overall statement on the economic development and the outlook made in the previous year for 2022

FY 2022 was a strong year despite COVID-19 revenue decline.

SYNLAB continued with the implementation of its growth strategy through For You initiatives and M&A. Organic growth (excluding COVID-19) was at 6.2% and higher than expected.

23 acquisitions were successfully made in FY 2022 with a M&A spend of 146 M€ (lower than aimed), in particular to enter new markets and platforms (e.g., in Chile) and to increase density (e.g., in Italy).

Within the outlook stated in the Annual Report 2021, we expected FY 2022 total revenue to be around €3.0 billion and COVID-19 testing revenue to decline, but to remain significant due to our large-scale, geographically diversified and medically relevant services. FY 2022 total revenue amounted to €3.25 billion and COVID-19 testing revenue was approximately 800 M€ compared to our expectation of 500 M€.

The profitability decreased due to COVID-19 ramp down and inflationary pressure.

The AEBITDA margin was expected to be within a 23-25% range, compared with 32.1% in FY 2021. We achieved a margin of 23.2% in FY 2022.

The adjusted ACP was expected to evolve accordingly but decreased disproportionally compared to AEBITDA.

The cash flow generation continued to be strong. The liquidity position is very solid.

Unlevered FCF to AEBITDA conversionamounted to 41% in FY 2022.

Subsequent Report

On February 24th 2023, SYNLAB Bondco Plc partially unscheduled repaid the existing 320 M€ Term Loan B (TLB5) with a scheduled maturity in July 2026, for a nominal amount of 100 M€, plus accrued interest. After the repayment, the outstanding debt of the Term Loan B5 will amount to 220 M€. There were no other changes with regards to this external debt instrument.

Forecast Report

ECONOMIC OUTLOOK

Macroeconomic projections

According to the January 2023 World Economic Outlook by the International Monetary Fund, global growth is projected to fall from an estimated 3.4% in 2022 to 2.9% in 2023, then rise to 3.1% in 2024. Negative growth in global GDP or global GDP per capita – which often happens when there is a global recession – is not expected. The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation – especially in advanced economies - as well as the war in Ukraine.

In the euro area growth is projected to bottom out at 0.7% in 2023 before rising to 1.6% in 2024. For 2023, the GDP is estimated to slightly grow by 0.7% in France (2022: 2.6%), by 0.1% in Germany (2022: 1.9%) and 0.6% in Italy (2022: 3.9%). GDP growth in Latin America and the Caribbean is supposed to decline to 1.8% in 2023 (2022: 3.9%). Following the path of global demand, world trade growth is expected to decline in 2023 to 2.4%, despite an easing of supply bottlenecks, before rising to 3.4% in 2024.[32]

Global price pressure was expected to persist for most of 2023 with annual inflation foreseen at 6.3% in 2023, before easing to 3.4% in 2024 according to the European Central Bank.[33]

For the International Monetary Fund, Russia's war in Ukraine and the global fight against inflation will remain major factors of uncertainty for 2023 and beyond. The balance of risks to the global outlook remains tilted to the downside, with scope for lower growth and higher inflation.

WEO growth projections for key SYNLAB countries	2023 (estimate)	2022 (estimate)
World	2.9%	3.4%
Latin America and the Caribbean	1.8%	3.9%
Euro area	0.7%	3.5%
* France	0.7%	2.6%
* Germany	0.1%	1.9%
* Italy	0.6%	3.9%

Sector-specific outlook

The current consensus is that the industry will have to deal with the subsiding of the COVID-19 pandemic. At the same time, the inflation will continue to put pressure on governments to adjust prices while managing their budget deficits, which increased as a consequence of the pandemic.

Nevertheless, growth will potentially accelerate for non-COVID-19-related testing as healthcare systems try to catch-up on the backlog from past years and from the universal realisation that testing is key for any healthcare policy. It is also becoming more of an individual topic where consumerisation is a reality – due to awareness, easier access and an increased prevention mindset.

In the longer term, one key headwind facing the sector is the scarcity of specialised lab knowledge in the labour market. This will make companies change the way they attract people, and the way the work will be organised with the impact of technology, and how the services will be provided still not fully realised.

Patient access will increase with new digital access tools and extraction methodologies. At the same time, testing accuracy and personalisation will be impacted by new tools such as Next Generation Sequencing or by data and new related technologies such as artificial intelligence, potentially broadening the use of testing for diagnostics and with it the accessible market for all players.

[32] International Monetary Fund, January 2023 World Economic Outlook; https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023

[33] Eurostat, Flash estimate December 2022, 6 January 2023

GROUP OUTLOOK

As announced in February 2023, SYNLAB expects revenues of around €2.7 billion in 2023. COVID-19 testing revenue, as part of total revenue, is expected to decline, but to remain around €50 million in 2023. The volume of these tests will be primarily driven by medical needs. SYNLAB will continue to monitor potential new SARS-CoV-2 variant developments in the course of 2023 and maintain its capability to be able to quickly respond to respective needs in COVID-19 testing.

Furthermore, SYNLAB anticipates underlying organic growth (excluding COVID-19 testing) at approximately 4% in 2023, driven by strong development of volumes and accelerated price increases within the core business.

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

SYNLAB expects the adjusted EBITDA margin to be in a range of 16–18% in 2023. The adjusted EBITDA margin incorporates the following factors: 1) the reduction of the COVID-19 testing volume and price, 2) the dilutive impact on the margin of setting up Direct to Consumer (D2C) activities, 3) general inflation risks, 4) a doubling of benefits from the SALIX programme in 2023 compared to prior years from productivity initiatives, and 5) lower M&A contribution.

SYNLAB considers its adjusted EBITDA margin for 2023 as the basis for gradual and continuous improvement going forward and is comfortable with its accretive volume leverage model. The Group expects to increase the adjusted EBITDA margin by at least 0.5 percentage points each year in 2024 and 2025, still noting the current uncertainty about the inflation net-of-price trajectory.

Over the long-term (>5 years), SYNLAB maintains its ambition to reach an adjusted EBITDA margin of 23%. The continuous improvement of the adjusted EBITDA margin is embedded in the Group's business model (year-on-year organic growth of 3%+ and accretive bolt-on acquisitions). The acceleration of the margin improvement is projected to be based on productivity of more than 2% each year and active management of the business portfolio.

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 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.

Opportunity and Risk Report

The main SYNLAB business is the supply of medical diagnostic services, primarily relating to clinical diagnostics testing and screening services. The past crisis with COVID-19 has created significant uncertainty for all businesses across the geographies in which the Group operates. Furthermore, the COVID-19 crisis also drove the Company's rapid growth.

Risk management at SYNLAB is geared towards securing the successful, continued development and profitability of the Group in the long term. The key instrument for achieving this goal is the risk management system. It identifies, evaluates, and manages risks, whereas opportunities are considered separately. The risk management system is not designed to track the opportunities which are considered separately.

The formalized risk management process shall ensure that risks can be managed within acceptable limits and mitigated where necessary. A standardised reporting process assures that risk information is addressed and communicated timely to the respective stakeholders, e.g., to the Management Board, the Corporate Risk Management function as well as the Supervisory Board and the Audit and Risk Committee. This ensures decision-making based on appropriate risk information and enables the Management Board to pursue the Group's strategic goals.

RISK MANAGEMENT SYSTEM (RMS) AND INTERNAL CONTROL SYSTEM (ICS)

The SYNLAB Management Board has implemented a risk management system (RMS) to ensure the effective and efficient management of all risks that affect the achievement of the Group's strategy and objectives. The risk management system is implemented Group-wide, including SYNLAB AG and all fully consolidated subsidiaries. It includes all corporate functions and countries in which SYNLAB operates. Balancing the rewards and inherent risks in the business operations of SYNLAB within a complex and rapidly changing business environment is a central and continuous task for the corporate management.

Responsibilities

The following roles and responsibilities are defined within the risk management system:

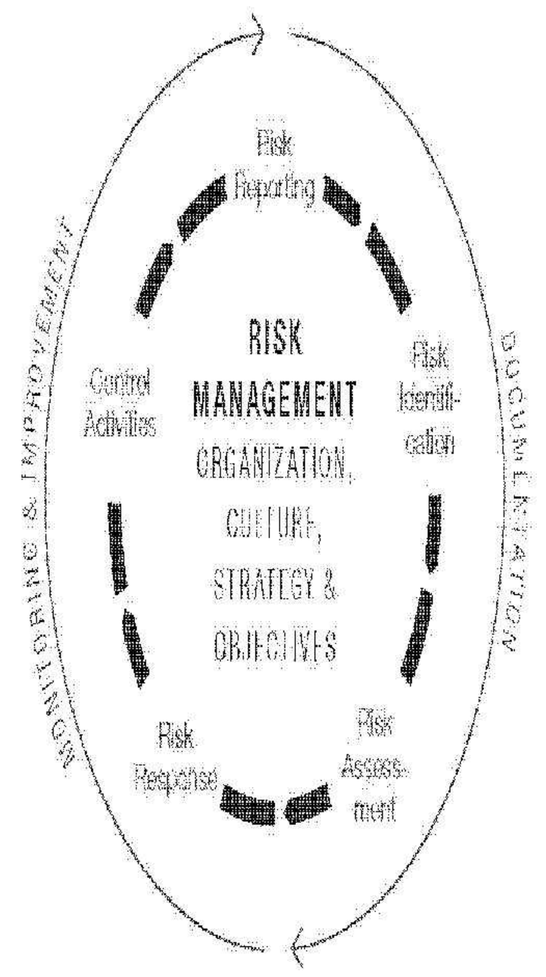
Body/Function	Roles and Responsibilities for Risk Management
Supervisory Board / Audit and Risk Committee	• Monitoring the appropriateness and effectiveness of the risk management system
Management Board	• Definition of SYNLAB strategy and risk strategy • Responsible for implementing the risk management system • Monitoring and management of key significant risks • Approval of corporate risk report • Reporting on risks and risk management activities to the Audit and Risk Committee
Corporate risk management / risk manager	• Supporting the SYNLAB Management Board in developing guidelines, methods and tools for risk management and implementing the risk management system, recommendations for developing and improving the risk management system • Coordination of the risk management process, monitoring of deadlines, completeness, and effectiveness of activities • Assurance of a functioning risk reporting process (regular and ad-hoc) • Definition of top risks and aligning of risk factors • Assessment of risks on an aggregated level in preparation of the corporate risk report (cross functions and subsidiaries) • Preparation of biannual (Q2 & Q4) corporate risk report • Update of the corporate risk report (Q1 & Q3) • Training and communication of the risk management approach
Heads of Group functions, countries, and entities	• Provision of guidance for risk assessments within their area of responsibility • Validation and approval of risks within area of responsibility • Management of risks within area of responsibility • Responsible for appointing a risk owner in area of responsibility
Risk owner	• Responsible for identifying and assessing risks • Responsible for implementing and conducting response measures • Preparation of input and documentation for risk reporting
Employees	• Detection and mitigation of risks within area of responsibility • Communication on risk matters with the respective line manager/risk owner for their unit
Internal Audit	• Regular audit of risk management processes • Audits on special risk topics and findings

Risk management process

Process overview

The SYNLAB risk management process is embedded in the company's process landscape and is intended to support the Management Board to make decisions based on appropriate risk information. It is guided by the COSO II Framework for Enterprise Risk Management and comprises the following steps:

RISK MANAGEMENT PROCESS



The individual steps in the risk management process are linked concurrently. They are arranged as a continuous cycle providing timely feedback to all functions involved in risk management activities.

Objective of the risk management process

The risk management process aims to identify developments at an early stage, which by themselves or in interaction with other risks could pose an existential threat to SYNLAB, and to manage these risks adequately.

To evaluate risks according to their potential to endanger the Group's continued existence, the Group's risk-bearing capacity is determined on Group level as part of the risk management process and monitored continuously, aggregated at the level of the total risk. The risk-bearing capacity is the maximum risk that SYNLAB can bear without threatening its continued existence and it is calculated according to a liquidity and an equity perspective. The plan values of the relevant KPIs for the next 12 months forward from the appointed assessment date are considered to determine the liquidity and equity risk-bearing capacity. The liquidity and equity plan values are adjusted by the amounts of liquidity and equity required to maintain a successful business operation and therefore not available as risk-bearing capacity.

In the context of the risk management process, the risk-bearing capacity is checked against the aggregated risk profile. In addition, the risks that are regularly assessed according to their impact on results are transferred with regard to their impact on liquidity. In this, the existential threat to SYNLAB is assessed.

Risk identification

Systematic risk identification conducted by risk owners and employees is required at the beginning of the risk management process. The purpose is to record and document in a structured way all risks that could have a negative impact on corporate objectives, irrespective of countermeasures already in existence (gross method). For structured documentation and reporting, a risk documentation template is available. Identified risks must be allocated to a risk owner.

To ensure the completeness of risk identification, a uniform understanding of the potential risk landscape of SYNLAB as well as clear categorisation of identified risks, a risk inventory is provided, maintained, and continuously developed by corporate risk management. The risk inventory provides a structured overview of risk categories and helps risk owners to identify risks. Identified risks must be allocated to one of the risk categories defined in the risk inventory. To ensure completeness of risk identification, the inventory is updated regularly. Therefore, risk owners are asked to report new potential risks or necessary changes to the corporate risk management.

In addition, the bottom-up identification of risks is supported by the top-down definition of risk factors. These are specific risk causes within risk categories that must be considered in the risk identification and assessment. In case certain risk factors do not apply to a country or entity, the country or entity needs to provide reasoning for their non-inclusion.

A further measure to ensure a comprehensive and early risk identification is the early warning system. The early warning system comprises a set of questions to the risk managers that indicate internal or external changes which might result in material risks for SYNLAB. The early warning system is regularly monitored, and if required, it is enhanced with additional questions to fit the Group's risk situation. Existing risks can be linked to an early warning indicator, which is monitored on an ongoing basis.

Risk assessment

To manage risks in an effective and efficient way, it is necessary to understand and assess each risk individually and to evaluate potential interdependencies between identified risks. The assessment serves to focus management's attention and resources on significant matters (e.g., mitigation plans, control activities).

As a basic standard, all risks are assessed on a gross risk basis (i.e., before the consideration of response measures) and a net risk basis (i.e., remaining risks after existing and risk response measures) to display the effectiveness of risk response activities.

Based on the net risk assessment, the SYNLAB Management Board, the corporate risk manager and the heads of functions, countries and entities can evaluate the necessity of additional risk response activities from the Group's perspective. All gross and net risks must be assessed by using defined classes for likelihood of occurrence and impact on the objectives of SYNLAB.

Risk matrix

Based on the assessment of likelihood and impact, all identified risks need to be given a risk rating and visualised in a risk matrix. The classification of the risk score of an individual risk is calculated by multiplying the converted classes (1-6) for likelihood and impact (based on net risk). These risk scores are then converted into risk ratings which determine the severity of a single risk. The various individual risks are subsequently aggregated at the Group level and the aggregated overall risk is compared with the risk-bearing capacity.

The risk matrix facilitates the comparison of the risks' relative priority and increases transparency over the total risk exposure of SYNLAB. In addition, the rating of risks from minor to major is used to determine which risk information needs to be provided in more detail to the Management Board as well as to the Supervisory Board / Audit and Risk Committee (please refer to the Risk Reporting section). Appropriate risk response measures can be derived.

RISK MATRIX

IMPACT ON SYNLAB GROUP		LIKEHOOD 1 Remote 0-4.9%	2 Highly unlikely 5-14.9%	3 Unlikely 15-24.9%	4 Possible 25-49.9%	5 Likely 50-74.9%	6 Almost certain 75-100%
6	Very high >400M€		6 12	18	24	MAJOR 30	36
5	High 250-400M€		5 10	15	20	25	30
4	Significant 125-250M€		4 8	12	INCREASED 16	20	24
3	Medium 65-125M€		3	MODERATE 9	12	15	18
2	Low 15-65M€		2	4	6	8	10 12
1	Insignificant 0-15M€	MINOR 1	2	3	4	5	6

DERIVATION OF THE RISK RATING AND PRIORITISATION OF RISK MANAGEMENT MEASURES ACCORDING TO THE RISK CLASSIFICATION

Risk Score	Risk Rating	Color in Risk Matrix	Prioritisation of risk response measures
24-36	Major		Critical risks that endanger the success of the company and/or threaten its existence. These risks require an urgent need for risk response.
10-20	Increased		High risks that require need for action. These risks are regularly reviewed and intensively managed.
4-9	Moderate		Latent or low impact risks for which need for action may be required.
1-3	Minor		Risks for which there is currently little or no need for action.

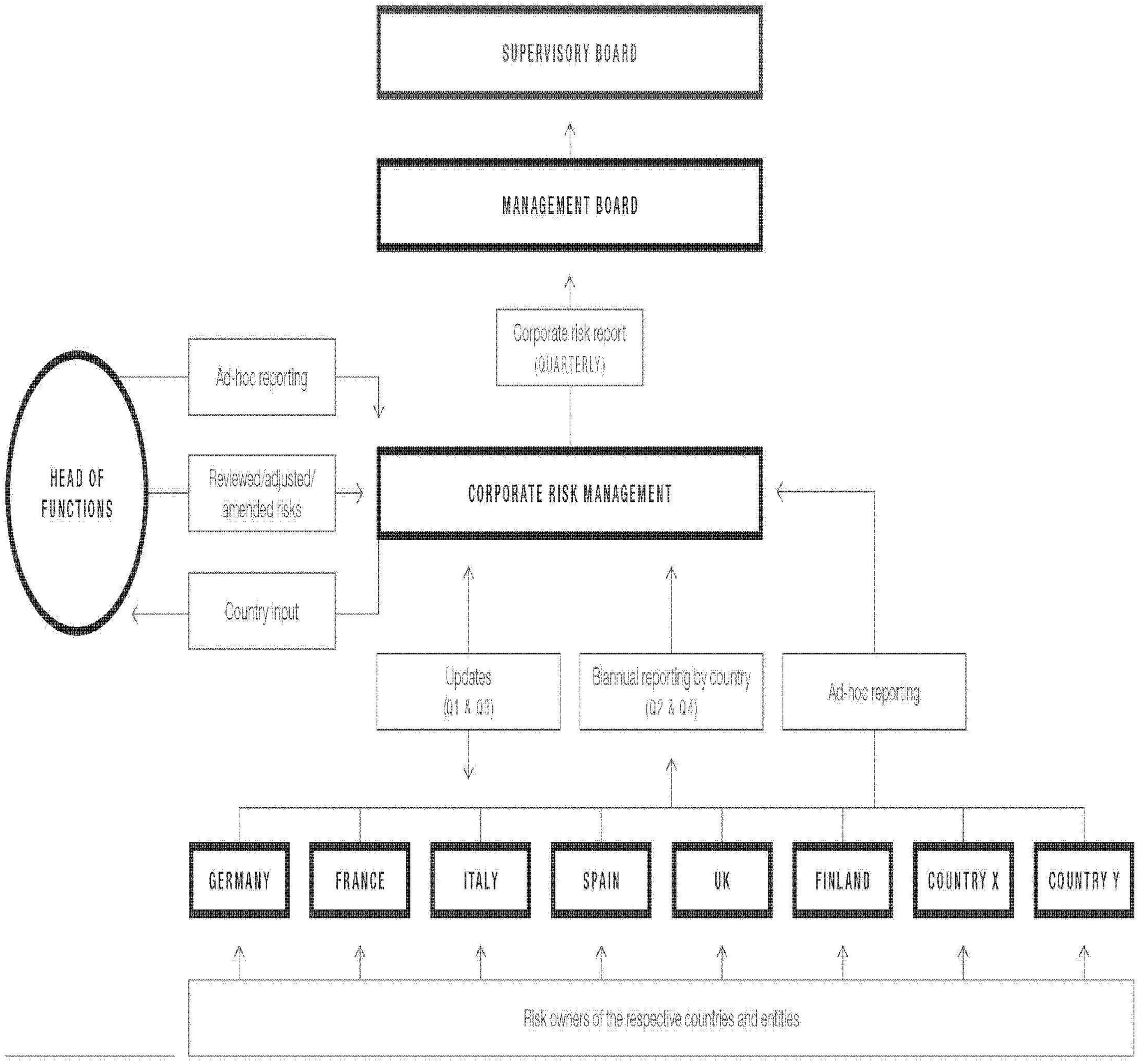
Aggregated risk profile at SYNLAB Group level

To derive a Group risk profile, all risks are aggregated by using Monte Carlo simulation. The aggregation considers the likelihood of occurrence and impact of an individual risk as well as interrelations between the risks. The aggregated risk profile is derived based on the net risks, i.e., including the effect of implemented and effective measures, and is compared with the Group's risk-bearing capacity. Thus, it is used to evaluate whether the identified risks pose a threat to the continued existence of SYNLAB.

Risk reporting

The aim of risk reporting is to provide the management responsible at each organisational level with significant information relating to the Group's risk exposure and mitigation activities. Risk reporting is integrated in the overall SYNLAB reporting structure. It comprises regular risk reporting across all functions, countries, and entities in the scope of this policy as well as ad-hoc risk reporting for newly identified major risks and sudden material changes to risks already identified and assessed separately from the regular reporting cycles. The risk reporting process is as follows:

RISK REPORTING PROCESS



Reporting at corporate level is addressed to the Management Board and the Supervisory Board / Audit and Risk Committee.

Internal control system

The overarching objectives of the RMS and internal control system (ICS) are to protect assets and support sustainable growth for SYNLAB. The ICS supports the aforementioned objectives by creating reliable operational and financial processes in order to ensure the accuracy, completeness and timeliness of financial reporting in particular and **compliance** with laws and guidelines.

Organisation of ICS

Group-wide ICS tasks and responsibilities are clearly defined and reflect our corporate structure. SYNLAB combines centralised business management by the management holding company SYNLAB AG with the decentralised responsibility of the SYNLAB country subsidiaries and the service companies that support the operational business.

The Company's ICS defines group-wide minimum requirements for the design of the ICS for financial processes (for example accounting and tax processes) or operational processes (such as purchasing processes and processes in the marketplace) for the SYNLAB Group. Among others, these requirements cover the control design, control execution, the monitoring of the effectiveness of controls and reporting on effectiveness analyses. The SYNLAB control framework, the local control design of the companies, the control execution and documentation as well as the effectiveness analyses of the subsidiaries are also documented in a central tool.

The purpose of the implemented internal controls is to identify, assess and control risks that could affect the adequate preparation of the separate and consolidated financial statements. The internal control over financial reporting (ICFR) at SYNLAB, consists of policies and control procedures to assess financial statement risk and provide reasonable assurance that SYNLAB prepares reliable financial statements. The ICFR comprises preventive, detective, monitoring and corrective control measures in the areas of accounting, controlling and operational functions that ensure a methodical and uniform approach to the preparation of the Company financial statements.

These processes of the ICS, the relevant risks and the assessment of the control mechanisms are analysed and documented. The control mechanisms include the identification and definition of processes, the introduction of approval levels, the application of the principle of segregation of duties and the identification of best practices. The implemented control mechanisms impact multiple processes and therefore often overlap. The mechanisms include the establishment of policies and procedures, the definition of processes and controls including month-end closing checklists, variance analyses, approval levels, and guidelines.

MONITORING AND IMPROVEMENT OF THE RMS AND ICS (UNAUDITED)

The German Commercial Code, the German Stock Corporation Act and the German Corporate Governance Codex require monitoring of ICS and company-wide RMS. The primary objective of the monitoring process is to ensure that the ICS and the RMS are working in an adequate and effective way. SYNLAB ensures that actual activities are carried out in compliance with its Group policies and that internal control and risk management activities provide the right quality.

Key elements of internal monitoring include effectiveness checks performed by Internal Audit based on risk-oriented annual audit planning as well as self-assessments of the management systems by the Management Board.

The monitoring process is based on the following elements:

- Organisational and procedural measures, e.g., training and communication,
- Internal controls and checks as part of the risk management system conducted by the risk manager and of the internal control systems performed by Internal Audit;[34]
- Process-independent reviews by Internal Audit, carried out either as part of the risk-based annual audit plan or as part of audits scheduled during the year upon request.

Independent monitoring and audits are carried out, in particular by Internal Audit. Weaknesses identified or suggestions for improvement of the process flows are addressed immediately for elimination or implementation, as well as routinely and specifically followed up.

The Executive Board is not aware of any circumstances that would speak against the appropriateness and effectiveness of the risk management and the ICS in significant parts or even as a whole. Notwithstanding this, there are inherent limitations to the effectiveness of any risk management and control system. It must therefore be taken into account that an internal risk management and control system, regardless of its design, cannot guarantee absolute certainty with regard to its functionality (e.g. with regard to the correct and complete recording of facts in the consolidated financial statements).

RISKS

General

SYNLAB identifies risks as part of its risk inventory process, all to be monitored and managed by the risk management system. The composition of the risk inventory is reviewed at least twice a year (in Q2 and Q4). Ad hoc adjustments are made if risks are identified in course of the year (see risk identification). The specific risks are clustered by the nature of the risk event (strategic, operational, financial, legal and compliance) to allow for a better operational management of the risks.

[34] Organisational seat of the internal audit department at the German headquarters; reporting line to the Group CFO and the Chairwoman of the Audit Committee

The risks clusters for the SYNLAB Group are presented below:

Risk Category	Impact on SYNLAB Group	Probability Category	Risk Rating	Risk Development
Strategic Risks				
Economic and market developments	Low	Unlikely	Moderate	↗
Regulatory developments	Low	Possible	Moderate	↗
M&A	Insignificant	Possible	Moderate	→
Operational risks				
Commercial & operational	Medium	Highly unlikely	Moderate	↘
Medical	Insignificant	Remote	Minor	→
Cyber security	Low	Unlikely	Moderate	↗
IT information security	Significant	Unlikely	Increased	↗
Personnel	Low	Unlikely	Moderate	→
Financial risks				
Liquidity and financing	Low	Remote	Minor	→
Market price	Insignificant	Likely	Moderate	↗
Tax	Low	Highly unlikely	Moderate	→
Financial operational	Low	Possible	Moderate	→
Impairment	Significant	Possible	Increased	↗
Legal and Compliance risks				
Legal	Significant	Highly unlikely	Moderate	↗

STRATEGIC RISKS

This category covers the risk of losses inherent to the characteristics of the markets in which SYNLAB operates. Most of our markets are highly regulated, publicly funded, and fragmented.

Economic and market developments

We provide health care services which are generally characterized by a low-price elasticity however a severe economic downturn could still lead to a reduced demand from patients not visiting their doctors or reducing any out-of-pocket spent. Furthermore, an economic downturn would stress public finance and therefore healthcare budgets. Of particular importance in this area is the risk of declining prices, especially in a market where healthcare spend is publicly funded and under constant cost pressure.

SYNLAB is impacted by the inflationary pressure on energy prices and the indirect pressure on salaries resulting from the current geopolitical environment.

SYNLAB operates in a highly competitive environment and actions from competitors could result in a loss of market share & lower the revenue i.e., scope of services, price, reputation etc.

The risk exposure of this cluster has increased due the current macro geopolitical environment.

Regulatory developments

Operating in a highly regulated markets implies that changes in government policies, laws or regulations (including reimbursement) may adversely impact the supply or demand in SYNLAB businesses i.e., licenses, certification, new requirement to practice in the medical business. Our revenue is closely dependent of the reimbursement of clinical testing so any change in the reimbursement would directly affect the operational result of SYNLAB.

We consider that the risk of adverse regulatory developments has increased now that the COVID-19 pandemic is receding.

M&A risks

SYNLAB faces specific risks associated with the M&A strategy of the Company which requires SYNLAB to acquire companies & laboratories.

The results of operations, and financial position could be adversely impacted if SYNLAB was unable to perform the acquisition strategy and to successfully integrate the acquired businesses. Furthermore, an acquisition can increase instability in the acquired business (i.e., higher staff turnover, loss of customer, suppliers, partners, licenses) or unexpected liabilities might arise. This could result in situations where SYNLAB does not achieve sufficient economic returns in case such risks would not be detected during the Due Diligence process.

The medical diagnostics market is a highly competitive market with several other companies pursuing a similar M&A strategy, so SYNLAB competes more often than not with other potential buyers to acquire existing businesses. This competition may cause a difference both in acquisition prices (higher than planned) and number of the companies acquired (lower than planned).

SYNLAB follows a strict investment policy which includes the use of external advice which reduces the execution risk significantly.

The risk exposure of this cluster remains unchanged. The risk exposure is however dependent on the size of the M&A activity.

OPERATIONAL RISKS

Commercial and operational risks

This category covers the risk of losses caused by flawed or failed processes, policies, systems or events (incl. actions from competitors) that disrupt operations or customer relationships.

SYNLAB operates in a constantly changing environment and is required to meet government or industrial standards which also evolve, and therefore needs to constantly adapt its existing processes.

The Group's business strongly depends on the continuity of the supply chain. Any event that could interrupt the continuity of operations such as supplier delivery failure (technical, human, lack of resources or quality) could significantly adversely impact the financial performance of the Group. Disruptions to its supply chain could affect the relationship with customers to the point that the Company would suffer from reputation loss and in the end loos the relationship.

Particular relevance in this category is given to disruption in operations following a natural catastrophe and other force majeur events. Results of such service interruptions may be lower patient volumes or inability to operate laboratories or collection points for a longer period.

The risk exposure of this cluster has decreased as the commercial exposure has reduced (fragmented customer base) whereas the current macro geopolitical environment continues to put a strain on global supply chains.

Medical risks

This category covers all risks resulting from providing inaccurate or non-state-of-the-art medical information to medical practitioners.

SYNLAB services may be subject to negligence, errors and omissions (human or technical issues) resulting into poor quality and/or a wrong medical test result being communicated to customers. An event like this would directly affect SYNLAB's reputation (i.e. loss of customer and revenue decrease).

Furthermore, SYNLAB business depends on technological innovations developed by technology companies. Failure to keep up with the innovation or trends in the market might result in SYNLAB providing less competitive or obsolete services.

The risk exposure of this cluster remains unchanged. SYNLAB is investing continuously in quality improvement programs to reduce the risk exposure.

Cyber security risk and information security risks

This category covers all threats to IT systems and information management at SYNLAB. These can be external, internal, deliberate or unintentional. It encompasses a wide range of potential events including cyber-attacks and data breaches.

The company is continuously investing in its IT infrastructure and training of people to reduce its risk exposure.

The risk exposure of this cluster increased due to the current geopolitical situation which resulted in an increased number of cyber security incidents. Please note that none of these incidents was successful or caused any damage to the company.

Personnel risks

This category covers all risks related to the availability of the human resources required to operate the Group's business (including availability and cost of licensed medical staff).

Failure to attract or retain staff might adversely impact the performance of the Group. SYNLAB therefore continuously invests in the development of its workforce and actively monitors the engagement of its employee.

The risk exposure of this cluster has remained broadly stable.

FINANCIAL RISKS

The Group's overall exposure to financial risks laid out in the following paragraphs has increased due the current macro political environment, which is creating volatility on the financial market, increasing interest rates and overall increasing uncertainty. However, the Group has solid financial resources and is well positioned to manage these risks.

Market price risks

SYNLAB operates in an international environment. Thereby, SYNLAB must face fluctuations in foreign currency which impact directly all transactions concerned.

Furthermore, SYNLAB is exposed to interest rate fluctuations as it is being partly financed by term loans based upon EURIBOR. Rising interest rates will increase the Company's debt service obligations. SYNLAB is actively managing its exposure to interest rate fluctuations and, e.g., has purchased an "Interest Rate Cap" in February 2022.

The risk exposure of this cluster has increased due to the volatility being witnessed on the debt markets.

Liquidity and financing risks

This category covers all risks negatively impacting SYNLAB treasury or financing such as the inability to refinance existing debt or obtain new financing, cash shortages, risk of a default by a financial institution(s) used by the Group, risk of breaching the covenants of an external financial debt facility which might result in early repayment or cancellation of the facility and a lack of sufficient insurance coverage (scope and or limit).

The risk exposure of this cluster has remained broadly stable even though the exposure to risks which are dependent on the leverage of the group has increased resulting from the anticipated leverage increase post Covid 19 pandemic.

Tax risks

SYNLAB operates in many countries around the world and is subject to multiple tax jurisdictions. Any change in the tax regulation might increase its tax liability.

Regular tax audits are conducted by the tax authorities in the respective jurisdictions. Tax risks can arise from legal interpretations by tax authorities that diverge from interpretations by SYNLAB. For example, the VAT or transfer pricing policies applied by SYNLAB might be rejected by local authorities.

We are currently of the opinion that the upcoming implementation of the so-called "Pillar 2 regulation" (Säule 2-Regelung) will not increase our exposure to tax risks.

The risk exposure of this cluster remains unchanged.

Financial operational risks

The Group's consolidated financial statements are prepared centrally based upon uniform financial reporting guidelines. During this process, however, SYNLAB may encounter human errors such as forecasting or reporting error, fraud, or litigation etc. SYNLAB ensures that the employees are regularly trained and are updated with the latest guidance to minimise such risks.

The risk exposure of this cluster remains unchanged.

Impairment risks

SYNLAB has been formed through a series of acquisitions. This has resulted in a significant amount of goodwill being recorded on the balance sheet.

This might expose SYNLAB to future losses as the goodwill is tested regularly in accordance with IFRS requirements and might need to be impaired if the future expected cash flows can no longer sustain the valuation. Please note that the valuation model used to test the goodwill involves the use of financial estimates for revenue growth and EBITDA margin which might not materialise. Such an impairment might reduce the operating profit.

Overall, the risk has increased due to the current uncertainty on the financial markets (resulting in higher cost of capital requirements) and the uncertainty surrounding the longer-term impact of C19 revenue.

LEGAL AND COMPLIANCE RISKS

The risk covers all accidental or deliberate acts in breach of legal provisions, committed by employees or SYNLAB partners (i.e., anti-bribery, anti-corruption, antitrust violations, fraud, non-compliance with competition laws, etc.). This can lead to penalties, fines, reputation damage or profit absorption.

The company has implemented a governance structure to minimise occurrence of such events.

The adoption of the German "responsible supply chain act" (Lieferkettensorgfaltspflichtengesetz) has not increased our risk exposure.

The risk related to compliance with the French "Law No. 2013-442 of May 30, 2013" which regulates certain restrictions on the ownership of the share capital and voting rights of the French laboratories remains very remote.

The risk exposure has increased due to ongoing competition law proceedings in Portugal. The Portuguese competition law authority has issued a statement of objections against two Portuguese entities of SYNLAB Group as well as SYNLAB AG as the parent company of SYNLAB Group in December 2022. SYNLAB has responded to this statement of objections by dismissing the allegation brought forward by the authority.

Other

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 (below €4,5 million of revenue in 2022) and very limited exposure to Ukraine (well below €1 million of revenue in 2022).

The company also has a very limited exposure to Türkiye (less than 10m€ revenue in 2022) and does not operate in the area impacted by the earthquake.

The company completed a double materiality assessment in 2022 as part of its ESG road map. No risks with a financial impact above "insignificant" were identified during this exercise that were not covered yet by the current risk inventory.Additional risks not currently known to management may also adversely affect the business.

OPPORTUNITIES

SYNLAB operates in the large and growing European market for clinical laboratory testing services, which is characterized by strong and non-cyclical growth trends and has further growth potential. The Company also sees significant opportunities in emerging markets in Latin America, Asia, and Africa.

The broad range of routine and specialized testing services provided by SYNLAB makes it a global player in the field of medical diagnostics and the market leader in Europe in terms of sales in this area. The customer-focused strategy aims for above-market growth and is based on medical and operational excellence, highly skilled employees, and a disciplined approach to capital allocation. SYNLAB is a major market consolidator in a highly fragmented market with a proven track record of disciplined acquisitions, successful integration, and synergies across countries, and it benefits from significant further consolidation opportunities.

SYNLAB has a good financial profile, robust organic growth, operational efficiencies, and strong liquidity allowing for growth through strategic acquisitions. SYNLAB benefits from a highly experienced international management team at the corporate level and locally with extensive market knowledge and experience in addressing local regulatory requirements and achieving growth, as well as a strong track record in executing and integrating acquisitions.

SYNLAB is also in a good position to respond in case of a new covid pandemic.

SYNLAB intends to deliver world-class service to patients and physicians by expanding its service offering, strengthening its network, and creating a differentiated brand identity in Europe and globally. SYNLAB will focus on operational excellence by leveraging company scale, competencies, and supplier relationships to increase operational efficiency and cash flow. SYNLAB will capitalise on growth opportunities in its existing and new markets through effective use of capital, investment in current operations and selected acquisitions.

SYNLAB will develop talent by assigning responsibility to its employees and engaging with them intensively (see SYNLAB Care).

OVERALL ASSESSMENT OF RISKS AND OPPORTUNITIES

Based on the SYNLAB risk management system, the Executive Board of SYNLAB AG permanently identifies and assesses risks. Suitable measures are taken to manage and control these risks as far as possible. The development of major risks is regularly monitored at Group level. At present, no risks are identifiable which either individually or in their entirety could endanger the continued existence of the SYNLAB Group or SYNLAB entities.

In view of the precautions taken and the Group's market position, the Executive Board is confident that it will be able to successfully manage the existing risks and the resulting challenges and exploit the opportunities for SYNLAB.

Takeover-Relevant Information

Pursuant to section 289a (1) and section 315a (1) of the German Commercial Code (HGB), the Management Board of SYNLAB AG hereinafter reports on takeover-relevant information as of 31 December 2022.

Composition of the Subscribed Capital

As of 31 December 2022, the Company's share capital amounts to EUR 222,222,222.00 and is divided into 222,222,222 no-par value bearer shares, each with a notional value of €1.00 in the share capital. All shares of the Company are fully paid up and confer the same rights and obligations. Pursuant to clause 17.1 of the Company's articles of association, each share grants one vote in the Annual General Meeting.

Restrictions Affecting Voting Rights and Transfer of Shares

Pursuant to clause 15.1 of the Company's articles of association and in accordance with section 123 (2) AktG, only those shareholders shall be entitled to attend the Annual General Meeting and to exercise their voting rights who registered their attendance at the address given in the convocation on time. The registration must be received by the Company at the address specified at least six days before Annual General Meeting; the day of receipt and the day of the Annual General Meeting shall not be counted. The convocation notice may provide for a shorter period to be measured in days.

The Management Board is not aware of any other restrictions that may affect voting rights or the transfer of shares, or any restrictions that may emerge from agreements between shareholders.

In addition, in connection with Article 19 (11) of Regulation (EU) No. 596/2014 (Market Abuse Regulation) and due to internal guidelines, certain restrictions apply in certain phases to members of the Management Board and the Supervisory Board of SYNLAB AG as well as persons closely related to them (as defined in each case in the Market Abuse Regulation) regarding trading in shares in the Company.

Restrictions on voting rights may also arise from the provisions of the German Stock Corporation Act (AktG), such as those under section 136 AktG or the provisions for treasury shares under section 71b AktG, as well as from provisions under capital market law, in particular in accordance with sections 33 et seq. and 44 of the German Securities Trading Act (WpHG).

Certain shareholders, including the Management Board members, have contractually agreed to customary lock-ups pursuant to which they may not sell their shares in the Company without the consent of the joint global coordinators that were mandated for the Company's IPO during the agreed lock-up period (up to 36 months following the Company's IPO).

Direct or Indirect Shareholdings and Disclosures Pursuant to § 160 (1) 8 AktG

As of 31 December 2021, the following shareholders had notified the Company that each of them holds directly or indirectly shares on the reference dates indicated in their respective voting rights notifications pursuant to sections 33 et seqq. WpHG. We had not received any notifications to the contrary by the time the financial statements were prepared. It is important to note that the number of voting rights reported may have changed within the respective statutory thresholds without triggering an obligation to notify the Company and may be different to the below:

Shareholder	Number of shares	Shareholding
Cinven Capital Management (V) General Partner Limited	102,510,986	46.13%
Novo Nordisk Foundation	43,444,532	19.55%
Ontario Teachers' Pension Plan Board	21,309,824	9.59%
Qatar Investment Authority	11,111,111	5.00%
Dr. Bartholomäus Wimmer	10,554,629	4.75%

Pursuant to Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), information must be provided on the existence of shareholdings of which the Company has been notified pursuant to section 20 (1), (4) and section 33 (1), (2) WpHG. The above table shows the shareholdings in the Company subject to disclosure requirements at the balance sheet date of which the Company has been notified. In each case, the information relates to the most recent notification of a notifiable party to the Company. All publications by the Company concerning notifications of shareholdings in the reporting year since the stock exchange listing can be found in the COMPANY REGISTER.

Shares with Special Rights Conferring Powers of Control

No shares with special rights conferring powers of control have been issued.

Voting Rights Control of Employee Shares

The Management Board is not aware of any employees holding an interest in the capital of the Company who do not directly exercise their control rights.

Appointment and Dismissal of Members of the Management Board and Amendments to the Articles of Association

The number of Management Board members and their appointment and dismissal is determined by the Supervisory Board in accordance with section 84 AktG. The Supervisory Board may revoke the appointment of a Management Board member for good cause as defined under section 84 (3) AktG. If a required member of the Management Board is absent, one will be appointed by the court in cases of urgency under section 85 AktG.

Pursuant to clause 6.1 of the Company's articles of association, the Management Board shall comprise at least two members. Subject thereto, the Supervisory Board shall decide upon the number of Management Board members. Pursuant to clause 6.2 of the Company's articles of association, the Supervisory Board may elect a Chairperson of the Management Board as well as one or more Deputy Chairpersons of the Management Board.

The articles of association can only be amended by a resolution of the General Shareholders' Meeting in accordance with section 179 (1) 1 AktG.

Pursuant to clause 17.2 of the Company's articles of association and in accordance with section 179 (2) 2 AktG, the resolutions of the Annual General Meeting are approved by simple majority of the votes cast unless mandatory statutory provisions or the Company's articles of association dictate otherwise. If governing law prescribes a majority of the share capital in addition to a majority of the votes cast, a simple majority of the represented share capital shall be sufficient to approve a resolution to the extent permitted by law, unless the Company's articles of association expressly provide otherwise.

Pursuant to clause 20 of the Company's articles of association, the Supervisory Board may resolve to amend the Company's articles of association, provided that such amendments affect only the version wording.

Authority of the Management Board to Issue or Buy Back Shares

Pursuant to clause 4.3 of the Company's articles of association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company in the period until 27 April 2026 in an amount of up to EUR 111,111,111.00, once or in several tranches, by issuing up to 111,111,111 new no-par value bearer shares against contributions in cash and/or in kind ("Authorized Capital 2021"). The authorization may be exercised in partial amounts. The Management Board is authorized, with the consent of the Supervisory Board, to determine the further content of the share rights and the conditions of the share issue.

The new shares shall in principle be offered to the shareholders for subscription. The shares may be subscribed for in accordance with section 186 paragraph 5 of the German Stock Corporation Act (Aktiengesetz) by one or more credit institution(s) or one or several enterprise(s) operating pursuant to section 53 paragraph 1 sentence 1 or section 53b paragraph 1 sentence 1 or paragraph 7 of the German Banking Act (Gesetz über das Kreditwesen) with the obligation to offer such shares to the shareholders of the Company (so-called indirect subscription right (mittelbares Bezugsrecht)). However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the subscription rights of the shareholders for one or more capital increase in the context of the Authorized Capital 2021:

- in order to exclude fractional amounts (Spitzenbeträge) from the shareholders' subscription rights;
- to grant holders or creditors of bonds (including profit participation rights) issued by the Company with conversion or option rights or a conversion obligation or an obligation to exercise options subscription rights to new shares to the extent to which they would be entitled as shareholders after exercising their conversion or option rights or after fulfilment of a conversion or option obligation;
- for the issuance of shares against contributions in kind, including for – but not limited to – the purpose of directly (or indirectly) acquiring businesses, parts of businesses or participating interests in businesses or other assets (including receivables) in connection with an acquisition transaction;
- to the extent required for the implementation of share dividends in the course of which shareholders are offered the opportunity to exchange their claim for dividends (totally or in part) in order to receive in return new shares from the Authorized Capital 2021 of the Company;
- for the issuance of shares to employees of the Company and its group companies (employee shares) and/or members of the governing bodies of the Company and its group companies as part of the agreed remuneration or separate share or stock-option programs; to the extent legally permitted by section 204 (3) 1 AktG, the contribution to be made on the new shares may be covered by that part of the net profits for the year which the Management Board and the Supervisory Board are entitled to allocate to other revenue reserves in accordance with section 58 (2) AktG; the Supervisory Board of the Company shall decide if shares are to be issued to members of the Management Board of the Company; the total number of shares issued to employees of the Company and its group companies on the basis of the authorization under exclusion of shareholders' subscription rights, may not exceed 10% of the share capital, and the shares issued to members of the Company and its group companies may not exceed 5% of the share capital at the time the authorization becomes effective and is exercised; or
- for issuance of shares against cash contributions if the issue price of the new shares is not significantly below the market price of the shares already listed on a stock exchange. The calculated proportion of the share capital attributable to shares issued against contributions in cash with an exclusion of subscription rights pursuant to section 186 (3) 4 AktG must not exceed a total of 10% of the share capital. The share capital at the time this authorization becomes effective or – if this value is lower – at the time of the exercise of this authorization is decisive. Shares issued or sold during the term of this authorization until the time of its exercise in direct or corresponding application of this provision shall be deducted from this 10% threshold. Further, shares issued to serve bonds (including profit participation rights) with conversion or option rights or conversion or option obligations, to the extent the bonds or profit participation rights were issued during the term of this authorization under exclusion of subscription rights pursuant to section 186 (3) 4 AktG respectively.

In accordance with the resolution of the annual general meeting of May 16, 2022 and Section 71 (1) No. 8 AktG, the Management Board is authorized until 15 Mai 2027 to acquire treasury shares with a pro-rata amount in the share capital attributable to them of up to 10 % in total of the Company's share capital existing at the time such authorization takes effect, provided that the shares acquired together with other shares of the Company that the Company has already acquired and still holds or that are attributable to it pursuant to section 71d and section 71e AktG do not represent more than 10 % of the share capital of the Company at any given time. The requirements in section 71 (2) 2 and 3 AktG must be observed.

The shares may only be acquired via the stock exchange or by way of a public offer and must comply with the principle of equal treatment of the shareholders (section 53a AktG). If the shares are acquired via the stock exchange, the acquisition price paid by the Company (excluding ancillary acquisition costs) may not exceed or fall below the price for shares of the Company determined by the opening auction on the trading day in XETRA trading (or any comparable successor system) at the Frankfurt Stock Exchange by more than 10 %. If the shares are acquired by way of a public offer, the offer price paid by the Company (excluding ancillary acquisition costs) may not exceed or fall below the price for shares of the Company determined by the closing auction on the last stock exchange day prior to the publication of the acquisition offer in XETRA trading (or any comparable successor system) at the Frankfurt Stock Exchange by more than 10 %. Furthermore, a rounding according to business principles may be provided for to avoid fractions of shares. Any further tender right of the shareholders shall be excluded in this regard.

The authorization may be utilized in full or in several partial amounts at several points in time of acquisition until the maximum acquisition volume has been reached. The acquisition can also be implemented by group companies dependent on the Company within the meaning of section 17 AktG or by any third parties on their behalf. The authorization may be exercised subject to the statutory requirements for any purpose permissible by law, in particular in pursuit of one or more of the following specified purposes. Trading with treasury shares is not permissible. If the treasury shares acquired are utilized for one or more of the following specified purposes, the subscription right of the shareholders shall be excluded. If the treasury shares acquired are sold via the stock exchange, the shareholders shall not have any subscription right, either. In the case of a sale of the acquired treasury shares by way of a public offer to the shareholders made in compliance with the principle of equal treatment, the Management Board is authorized to exclude the shareholders' subscription right for fractional amounts.

The Management Board is authorized to dispose of the treasury shares acquired based on the above authorization or any previous authorization, by means other than the stock exchange or a tender offer to all shareholders, provided that the shares are sold for cash at a price that is not substantially lower than the quoted stock market price of shares of the Company having the same terms and conditions at the time of the sale. However, this utilization authorization is restricted to shares with a pro rata amount of share capital that may not exceed 10 % of the share capital, either on the date this authorization becomes effective or on the date of exercising the existing authorization, if this value is lower. The maximum limit of 10 % of the share capital is reduced by the pro-rata amount of the share capital attributable to the shares issued or sold during the term of this authorization under exclusion of subscription rights pursuant to or corresponding to section 186 (3) 4 AktG. Further, the maximum limit of 10 % of the share capital is reduced by the pro-rata amount of the share capital attributable to the shares to be issued to serve bonds with option or conversion rights or option or conversion obligations, to the extent the bonds were issued during the term of this authorization under exclusion of subscription rights in analogous application of section 186 (3) 4 AktG.

The Management Board is authorized to transfer treasury shares acquired based on the above authorization or any previous authorization to third parties to the extent that this occurs for the purpose of acquiring businesses, parts of businesses or participating interests in businesses or other assets or of implementing business combinations.

The Management Board is authorized to offer, grant or transfer the treasury shares acquired on the basis of the above authorization or any previous authorization as part of the agreed compensation or a separate share or stock option scheme to employees of the Company and its affiliated subsidiaries and members of the Management Board of the Company and members of the management of affiliated subsidiaries; this also includes the authorization to offer, grant or transfer the shares free of charge or at other special terms and conditions. The shares acquired on the basis of the above authorization or any previous authorization may also be transferred to a credit institution or any other entity fulfilling the requirements of section 186 (5) 1 AktG, which acquires the shares subject to the obligation to offer, grant or transfer the shares exclusively to employees of the Company and its affiliated subsidiaries as well as members of the Management Board of the Company and members of the management of affiliated subsidiaries. The shares to be transferred to employees of the Company and its affiliated subsidiaries, to members of the Management Board of the Company or to members of the management of affiliated subsidiaries may also be procured by way of securities lending from a credit institution or any other entity fulfilling the requirements of section 186 (5) 1 AktG and utilization of the shares acquired on the basis of the above authorization or any previous authorization for the repayment of this securities lending. The authorizations pursuant to this section shall be limited to a total of 5 % of the Company's share capital at the time of the resolution of the Annual General Meeting or – if its value is lower – 5 % of the Company's share capital at the time of the transfer of the shares. Where Management Board members are due to receive shares, the decision on this shall be made by the Supervisory Board.

The Management Board is in particular authorized to grant or transfer the treasury shares acquired on the basis of the above authorization or an earlier authorization in accordance with this paragraph to the beneficiaries of the employee participation programs and long-term incentive plans described following item 10 of the agenda for the convening of the annual general meeting of SYNLAB AG on 16 May 2022 on the terms and conditions contained therein.

The Management Board is authorized to redeem treasury shares acquired based on the above authorization or any previous authorization without any further resolution by the General Meeting. The shares may also be redeemed without a capital reduction by adjusting the pro-rata amount of the remaining no-par value shares in the Company's share capital. In this case, the Management Board is authorized to adjust the number of no-par value shares in the articles of association.

The Management Board is authorized to use treasury shares acquired based on the above authorization or any previous authorization to implement a scrip dividend.

The Management Board may use the authorizations only with the Supervisory Board's consent. Moreover, the Supervisory Board may determine that measures taken by the Management Board based on this resolution by the General Meeting may only be taken with its consent.

The above authorizations may be used once or several times, in each case individually or collectively, in respect of a specific portion of treasury shares or the entire portfolio of treasury shares.

Material Agreements in the Event of a Change of Control Following a Takeover Bid

A change of control clause is included in each of the external financing agreements, as is typically the case in such agreements. Under a schedule and formalities defined therein, these clauses would theoretically allow each of the SYNLAB lenders to terminate its commitment in one of the financing agreements. In order to trigger the change of control clauses, 50% of the outstanding voting shares of the SYNLAB Group would have to become the property of a new beneficial owner that is not one of the existing principal shareholders. In such a case, SYNLAB would either refinance its existing loans or ask the existing lenders to waive the exercise of the clause, leaving the existing loans completely unchanged.

Compensation Agreements with the Management Board or Employees in the Event of a Takeover Bid

No compensation agreements are in place between the Company and members of the Management Board or employees in the event of a takeover offer.

Corporate Governance Report

In this report, SYNLAB AG (**Company** or **SYNLAB**) provides information about the Company's corporate governance in accordance with section 289f and section 315d German Commercial Code (Handelsgesetzbuch – **HGB**).

DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

Declaration of Conformity with the German Corporate Governance Code of the Management Board and of the Supervisory Board of SYNLAB AG pursuant to section 161(1), 1 of the German Stock Corporation Act (Aktiengesetz – AktG)

The Management Board and Supervisory Board of SYNLAB AG issued their last declaration of conformity with the German Corporate Governance Code in accordance with section 161 AktG in December 2021.

Insofar as it is related to the past, the following declaration refers to the recommendations of the 'Government Commission on the German Corporate Governance Code' as of 16 December 2019, published in the Federal Gazette (Bundesanzeiger) on 20 March 2020 (**Code 2020**); as far as it is related to the present and future, the following declaration refers to the recommendations of the 'Government Commission on the German Corporate Governance Code' in the version as of 28 April 2022, published in the Federal Gazette (Bundesanzeiger) on 27 June 2022 (**Code 2022** or **Code**).

The Management Board and the Supervisory Board of SYNLAB AG declare that since the last declaration of conformity and until 26 June 2022 (inclusive) the recommendations of the Code 2020 have been complied with the following deviation:

- Taking diversity into account when appointing management board members (recommendation B.1 of the Code 2020

The Management Board consists of two members. As of the date of this declaration of conformity, the current Management Board members are both male. As long as the Management Board consists of two members, the proportion of women on the Management Board is set to zero until April 17, 2026. As soon as the Management Board consists of more than three members, the quota of women will be at least 25%.

We are of the opinion that in accordance with its rationale, recommendation B. 1 of the Code 2020 is thus not applicable to the Management Board. However, a deviation is declared for precautionary reasons.

The Management Board and the Supervisory Board of SYNLAB AG declare to comply or will comply with the recommendations of the Code 2022 with the following deviations:

- Taking diversity into account when appointing management board members (recommendation B.1 of the Code 2022)

With regard to diversity in the appointment of members of the Management Board, reference is made to the explanations above. We are of the opinion that in accordance with its rationale, recommendation B. 1 of the Code 2022 is thus not applicable to the Management Board. However, a deviation is declared for precautionary reasons.

Munich, December 2022

SYNLAB AG

Management Board	Supervisory Board
MATHIEU FLOREANI	**PROF DR DAVID EBSWORTH**
Chairman of the Management Board	Chairman of the Supervisory Board

CORPORATE MANAGERIAL BODIES

The Company is a joint stock corporation under German law, headquartered in Munich, Germany, and founded in 2021.

In accordance with the AktG, the Company has three corporate bodies:

At the SYNLAB **Annual General Meeting**, the shareholders of the Company exercise their rights, deciding, inter alia, on the appropriation of profits, measures concerning the share capital, amendments to the Articles of Association, granting discharge of the Supervisory Board and the Management Board, the appointment of statutory auditors, the ratification of the remuneration report and electing shareholder representatives to the Supervisory Board. An Annual General Meeting is held at least once a year.

The **Supervisory Board** appoints members of the Management Board, determines their remuneration and monitors and advises the Management Board in its management of the Company. The Supervisory Board is not authorised to take any operational management measures for the business.

The **Management Board** is responsible for independently managing the Company. In coordination and agreement with the Supervisory Board, the Management Board defines and implements the corporate strategy. The Management Board regularly informs the Supervisory Board promptly and comprehensively, and requests the latter's approval for certain key business transactions.

MANAGEMENT BOARD

Composition

The Management Board of SYNLAB AG consisted of two members during the reporting year:

- **Mathieu Floreani**, Munich, Germany, (born in July 1967) is appointed as a member and Chairman of the Management Board until 2024.
- **Sami Badarani,** Munich, Germany, (born in January 1963) is appointed as a member of the Management Board until 2024.

In accordance with the Articles of Association of SYNLAB AG and the AktG, the Management Board was appointed by the Supervisory Board.

Composition Target, Profile Requirement and Diversity Concept

The Supervisory Board is of the opinion that the basic suitability criteria for the appointment of members of the Management Board are professional suitability for the management of the area of responsibility, proven performance in prior roles and superior leadership skills. In addition, diversity must also play a role in the composition of the Management Board. The Supervisory Board is determined to choose persons ideally with complementary profiles, professional and other experience, as well as varying ages, for appointment to the Management Board. The Management Board should also be composed of members who have broad international experience.

At the time of appointment, a Management Board member should not be older than 65 years. This age limit may be deviated from in individual cases if there are no doubts about the suitability of the proposed person and his or her appointment appears to be expedient in the interest of the Company.

Gender Representation within the Management Board

The Supervisory Board has determined the Management Board to consist of two members. The current Management Board members are both male. Until 17 April 2026, the target proportion of women on the Management Board is set to 0%, as long as the Management Board consists of only two members. As soon as the Management Board consists of more than three members, the quota of the underrepresented gender will be at least 25%. This target reflects the opinion that the current Management Board has proved that it can successfully lead the Company. Thus, the Supervisory Board is convinced that the current set-up should be maintained for the time being.

Gender Representation on First and Second Management Level Below the Management Board

In December 2021, the Management Board resolved target quotas for the underrepresented gender in the first and second management level below the Management Board.

	Target figure[35]	Target period	Status as of 31 December 2022
First management level below Management Board	20%	31 December 2026	10%
Second management level below Management Board	45%	31 December 2026	26%

The reduction of the quota of the underrepresented gender in the second management level compared to the previous year, is due to the consolidation of management functions in the second management level.

[35] As a percentage of the total number of members at the respective reporting date

Tasks

The Management Board is responsible for managing the Company in accordance with applicable law, the Articles of Association and the rules of procedure for the Management Board, taking into account the resolutions of the Annual General Meeting and the Supervisory Board. The Management Board is responsible for the strategic direction and implementation of the strategic plan, working closely and in consultation with the Supervisory Board at regular intervals for the benefit of the Company.

The guiding basic management principles, collaboration between the Management Board and the Supervisory Board, and the regular information to the Supervisory Board are set out in the rules of procedure for the Management Board.

The Management Board members are jointly responsible for the management of the Company. Each Management Board member independently manages the area of responsibility assigned to him or her by the schedule of responsibilities and is personally responsible for it. The Management Board members inform each other on an ongoing basis of all significant events and the course of business in their areas of responsibility to an extent that enables them to fulfil their collective responsibility.

The Management Board collaborates closely with the Supervisory Board. The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all issues of strategy, planning, business development, risk situation, risk management and compliance that are relevant for the Company. The Management Board requires the Supervisory Board's approval for specific transactions set out in the rules of procedure.

Meetings of the Management Board usually take place once per month. They are convened by the chairperson. The chairperson also sets the agenda and runs the meetings. The Management Board is quorate if half, but at least two, of its members are present. The Management Board decides unanimously with the votes of all members present. Resolutions of the Management Board are generally passed in meetings and documented. The chairperson may exceptionally instruct decisions to be taken by circulation in writing, by fax, orally, via telephone, by way of electronic means or by other customary means of telecommunication.

The Management Board has formed an **Executive Committee** consisting of the Management Board members and further members of the highest management level. The Executive Committee considers all matters of material importance as designated by the Management Board. The decision-making power, however, always remains with the Management Board.

Conflicts of Interest

The Management Board is committed to the interests of the Company; the shareholders, customers, employees and other groups associated with the Company (stakeholders); and to increasing the sustainable value of the Company. The Management Board members may not pursue personal interests in their decisions. They are subject to a comprehensive non-competition clause during their term of office and may not take personal advantage of business opportunities to which the Company is entitled. No Management Board member may demand or accept unjustified advantages from third parties in connection with their activities. Each Management Board member is required to disclose conflicts of interest to the Supervisory Board without undue delay and inform the other Management Board members thereof. All transactions between the Company or one of its group companies on the one hand and the Management Board members, as well as persons close to them or companies with which they have a personal relationship, on the other hand must comply with standards customary in the industry. Material transactions with persons or companies related to a Management Board member are only conducted with the consent of the Supervisory Board.

Long-term Succession Planning

The Management Board, in cooperation with the Supervisory Board, ensures long-term succession planning. To this extent, the Supervisory Board has defined the above mentioned profile requirement for members of the Management Board and the diversity concept, which is regularly analysed and taken into consideration when filling management positions in the Company.

SUPERVISORY BOARD

Composition

The Supervisory Board consists, in accordance with the Company's Articles of Association and the German Codetermination Act (Mitbestimmungsgesetz), of twelve members, of which six represent the shareholders and six represent the employees. During the reporting year, the Supervisory Board of the Company was composed of the following members:

- **Prof Dr David Ebsworth,** Overath, Germany, shareholder representative and chairman of the Supervisory Board.
- **Marc Welters, Hanover,** Germany, union representative (IG BCE) and deputy chairman of the Supervisory Board.
- **Karin Bierstedt,** Weiden, Germany, employee representative and member of the Supervisory Board.
- **Peter Catterall,** London, United Kingdom, shareholder representative and member of the Supervisory Board.
- **Dr Stefan Graf,** Augsburg, Germany, employee representative and member of the Supervisory Board.
- **Dr Ute Hasholzner,** Dachau, Germany, employee representative and member of the Supervisory Board.

- **Barbara Lambert,** Givrins, Switzerland, shareholder representative and member of the Supervisory Board.
- **Anastasya Molodykh-McFarland,** London, United Kingdom, shareholder representative and member of the Supervisory Board.
- **Christian Salling,** Copenhagen, Denmark, shareholder representative and member of the Supervisory Board.
- **René-Frank Schmidt-Ferroud,** Heidelberg-Eppelheim, Germany, employee representative and member of the Supervisory Board.
- **Iris Schopper,** Amberg, Germany, trade union representative (IG BCE) and member of the Supervisory Board.
- **Dr Bartholomäus Wimmer**, Berchtesgaden, Germany, shareholder representative and member of the Supervisory Board.

The shareholder representatives of the Supervisory Board are all appointed until the end of the ordinary Annual General Meeting 2026; the employee and union representative members are, respectively, appointed until the next employee representative election, which is scheduled to take place in 2023.

Composition Target, Profile Requirement and Diversity Concept

The members of the Supervisory Board are required to have, as a whole, the knowledge, professional competency and experience to fulfil the assigned tasks of the Supervisory Board properly. Thus, and in accordance with the German Corporate Governance Code, the following criteria apply to the appointment of members of the Supervisory Board:

- **Independence:** The Supervisory Board shall have at least four shareholder representative members who are independent of the Company and the Management Board.
- **Age limit:** In general, Supervisory Board members shall not be older than 75 years at the time of their election.
- **Diversity:** The Supervisory Board members shall have complementary professional profiles and international experience. The competence profile of the Supervisory Board provides further details. In accordance with statutory law, a quota of at least 30% female members and at least 30% male members applies to the Supervisory Board.
- **Maximum number of mandates:** A Supervisory Board member who is not a member of the management board of a listed company may, in total, not hold more than five supervisory board mandates at non-group listed companies or comparable functions, whereby one chairmanship of the supervisory board of a listed company shall count double. A Supervisory Board member who is a management board member of a listed company may, in total, not hold more than two supervisory board mandates at non-group listed companies or comparable functions or the chairmanship of the supervisory board of a non-group listed company.
- **Former Management Board members:** The Supervisory Board shall not consist of more than two former Management Board members.
- **Function with competitors:** Supervisory Board members may not exercise any executive or advisory functions with significant competitors of the Company and may not have a personal relationship with a significant competitor.
- **Time resources:** Irrespective of the assumption of further mandates, care must be taken to ensure that each member has sufficient time available to fulfil his/her mandate on the Supervisory Board of the Company.

In addition to the foresaid appointment criteria, the Supervisory Board has given itself a competency profile, applying to the Board:

- **International market knowledge:** The Supervisory Board should include expertise in all international markets relevant to SYNLAB Group.
- **Technology and product expertise:** The Supervisory Board should have a strong knowledge of technologies and products relevant for SYNLAB Group, particularly experience in the field of diagnostics and expertise in digitalisation matters.
- **General business expertise:** Within the Supervisory Board, knowledge and experience regarding the establishment and further development of innovative business models, as well as corporate strategies, should be reflected.
- **Financial expertise:** The Supervisory Board must have a sound knowledge of the financial processes of the Company and competencies in the areas of controlling and risk management. At least one member shall be experienced in area of accounting; at least one other member shall be experienced in the area of auditing (section 100 (5) AktG).
- **Legal and regulatory knowledge:** The Supervisory Board must have general knowledge in law, compliance and corporate governance.
- **Human resources expertise:** The Supervisory Board must have knowledge and experience in human resources.
- **M&A expertise:** The Supervisory Board must have knowledge and expertise in domestic and cross-border corporate transactions.
- **ESG expertise:** The Supervisory Board should have general knowledge of the topics concerning environmental social governance (ESG).

Implementation status of the targets

With regard to diversity, the Supervisory Board meets the target of at least 30% representation of each gender on the Board: five are female (representing a proportion of 41.7%), of whom two are shareholder representatives and three are employee/union representatives, and seven are male (representing a proportion of 58.3%), of whom four are shareholder representatives and three are employee/union representatives.

The members of the Supervisory Board also completed training and study courses in the reporting year.

In the opinion of the Supervisory Board, the members have the following expertise and experience that should be represented to satisfy the objectives of the Supervisory Board:

	International market	Technology and product	General	Financial	Legal and Regulatory	Human Resources	M&A	ESG
Prof Dr David Ebsworth	+		+	+	+	+	+	+
Marc Welters		+	+	+	+	+	+	+
Karin Bierstedt		+	+			+		
Peter Catterall	+	+	+	+	+	+	+	
Dr Stefan Graf		+						
Dr Ute Hasholzner		+	+			+		+
Barbara Lambert	+	+	+	+	+	+	+	+
Anastasya Molodykh-McFarland	+	+	+	+	+	+	+	+
Christian Salling	+	+	+	+	+	+	+	+
René-Frank Schmidt-Ferroud		+	+					+
Iris Schopper		+	+			+		+
Dr Bartholomäus Wimmer	+	+	+		+	+	+	+

In the opinion of the Supervisory Board, the Supervisory Board as a whole satisfies the appointment criteria and the diversity concept for the Supervisory Board:

	Nationality	Age	International experience	Appointment	Independent (as per German Corporate Governance Code)	No Overboarding	No former Management Board member
Prof Dr David Ebsworth	British / German	68	+	Jan 2021	+	+	+
Marc Welters	German	56	+	Apr 2021		+	+
Karin Bierstedt	German	51		Apr 2021		+	+
Peter Catterall	British	54	+	Jan 2021		+	+
Dr Stefan Graf	German	59		Apr 2021		+	+
Dr Ute Hasholzner	German	63		Apr 2021		+	+
Barbara Lambert	Swiss / German	60	+	Jan 2021	+	+	+
Anastasya Molodykh-McFarland	Greek / British	33	+	Apr 2021		+	+
Christian Salling	Danish	48	+	Apr 2021	+	+	+
René-Frank Schmidt-Ferroud	German	61		Apr 2021		+	+
Iris Schopper	German	35	+	Apr 2021		+	+
Dr Bartholomäus Wimmer	German	60		Apr 2021	+	+	+

Duties

The Supervisory Board monitors and advises the Management Board in the management of the Company. In case of decisions of fundamental importance to the Company, the Supervisory Board must be consulted early enough to be able to influence the outcome.

The Supervisory Board has, in accordance with the Articles of Association, adopted its own rules of procedure and made them available on the INVESTOR RELATIONS WEBSITE of SYNLAB AG. The Supervisory Board shall perform its duties in accordance with the law, the Articles of Association, its rules of procedure and any supplementary resolutions issued by the Supervisory Board. The Supervisory Board cooperates with the Management Board on a trustful basis to the benefit of the Company. In the rules of procedure for the Management Board, the Supervisory Board has defined the transactions requiring the Supervisory Board's approval.

In accordance with its rules of procedure, the Supervisory Board holds at least two meetings per calendar half-year and in addition when necessary. Meetings are convened by the chairperson, indicating the individual agenda items and the place and time of the meeting. The Supervisory Board must also be convened if its own members, or the members of the Management Board, request it, stating good reason.

The Supervisory Board is only quorate if all Supervisory Board members have been invited to the meeting and at least six of its members participate in the adoption of a resolution.

Resolutions of the Supervisory Board are generally adopted by a simple majority of the votes cast. In the event of a tie vote, the chairperson has a casting vote in the second voting round if votes are cast equal again. The chairperson may also have resolutions adopted outside meetings by circulation in writing, orally, by telephone or by way of electronic means if no member objects to this procedure within a reasonable period.

The Supervisory Board also meets on a regular basis without the Management Board. Further information on the meetings of the Supervisory Board during the financial year 2022 can be found in the Report of the Supervisory Board.

The Supervisory Board biannually carries out an assessment to determine how effectively the Supervisory Board as a whole and its committees fulfil their tasks. This self-assessment is based on a questionnaire containing questions or statements on various topics, to which every member of the Supervisory Board can express his or her agreement with (+) or disagreement with a (-). In addition, every question or statement allows them to add points for discussion, and each section closes with the invitation to comment on the subject matter. The evaluation of the questionnaires is conducted by an external expert, thus ensuring anonymity and impartiality. The results are discussed in one of the Supervisory Board's regular meetings.

All members of the Supervisory Board proactively undertake the training required for their duties, with the appropriate support of SYNLAB. The Company informs the Supervisory Board regularly

about current legislative changes. In addition, the Company offers independent training to the employee representative Supervisory Board members.

SYNLAB AG has implemented D&O insurance, which covers all members of the Management Board and the Supervisory Board. The insurance coverage applies for insured persons who are prosecuted for any alleged wrongful act within their capacity as legal representative or officer or related to the exercising of any of their duties. For all insured persons, no individual deductible applies.

Committees

In accordance with its rules of procedure, the Supervisory Board has formed a Presiding Committee, an Audit and Risk Committee, an ESG Committee, a Nominations Committee and a Conciliation Committee. The chairperson of a committee reports regularly to the Supervisory Board on the work and results of the committee's meetings.

Presiding Committee

The Presiding Committee consists of four members, having an equal number of shareholder and employee representatives. During the reporting year, the Presiding Committee comprised Prof Dr David Ebsworth (Chairman), Peter Catterall, Dr Stefan Graf and Marc Welters. The Presiding Committee carries out preparatory work for the Supervisory Board meetings and approves certain reserved matters and transactions. It further monitors the appointment, succession planning, remuneration and remuneration system of the Management Board. The Committee meets regularly before the Supervisory Board meetings or on an ad hoc basis whenever required.

Audit and Risk Committee

The Audit and Risk Committee consists of four members, having an equal number of shareholder and employee representatives. During the year under review, the Audit and Risk Committee comprised Barbara Lambert (Chairwoman), Dr Stefan Graf, Anastasya Molodykh-McFarland and Marc Welters. The Audit and Risk Committee prepares topics for discussion or resolution by the Supervisory Board and, in some cases, acts on its behalf. Pursuant to the German Corporate Governance Code, the Audit and Risk Committee shall include at least one member with expertise in the field of accounting and at least one other member with expertise in the field of auditing; both areas of expertise shall include sustainability reporting and its audit and assurance.

In Anastasya Molodykh-McFarland, the Audit and Risk Committee has one member with expertise in the area of accounting, and in Barbara Lambert one additional member with expertise in the auditing. Pursuant to the German Corporate Governance Code, the chair of the Audit and Risk Committee shall have expertise in the application of accounting principles and internal control processes, be familiar with the auditing of financial statements and be independent. The Chairwoman of the Audit and Risk Committee, Barbara Lambert, fulfils all these requirements.

ESG Committee

The ESG Committee consists of four members, having an equal number of shareholder and employee representatives. During the reporting year, the ESG Committee comprised Dr Bartholomäus Wimmer (Chairman), Christian Salling, René-Frank Schmidt-Ferroud and Iris Schopper. The ESG Committee assists the Supervisory Board regarding environmental matters, health and safety, corporate social responsibility, economically viable and sustainable corporate development, and responsible corporate governance.

Nomination Committee

The Nomination Committee consists of three members, all being shareholder representatives. During the reporting year, the Nomination Committee comprised Prof Dr David Ebsworth (Chairman), Peter Catterall and Christian Salling. The Nomination Committee pre-selects candidates as shareholders' representatives for the Supervisory Board to prepare the Supervisory Board's proposal to the Annual General Meeting for the appointment of shareholder representatives to the Supervisory Board.

Conciliation Committee

The Conciliation Committee consists of four members, having an equal number of shareholder and employee representatives. During the reporting year, the Conciliation Committee comprised Prof Dr David Ebsworth (Chairman), Karin Bierstedt, Marc Welters and Dr Bartholomäus Wimmer. The Conciliation Committee makes a proposal for the election of the members of the Management Board should the Supervisory Board fail to elect the members of the Management Board.

Compensation report and Remuneration policy

The compensation report for the financial year 2022 (including the auditor's notice in accordance with section 162 AktG) and the remuneration system currently in place as approved by the Annual General Meeting on 16 May 2022 are publicly accessible on the SYNLAB INVESTOR RELATIONS WEBSITE.

Compliance and Supplier complaints

Compliance is an integral part of corporate culture at SYNLAB and an essential element of successful and responsible corporate governance.

With its global compliance management system, SYNLAB ensures that the members of its management bodies, executives and employees comply with all legal regulations and perform their activities in accordance with the Company's internal rules

and guidelines. Dedicated and regular information and training sessions for our managers and employees prevent misconduct, as well as economic damage and loss of reputation.

Employees have various channels at their disposal to report compliance violations. Reports can be made on an anonymous basis. All reports are investigated in a timely manner. The same applies to suppliers, which can use these channels to report grievances.

The group compliance organisation is responsible for the review of and adherence to the compliance principles, as well as evaluating and mitigating compliance risks. The Compliance Committee, headed by the Chief Compliance Officer, is the key body of the Compliance Organisation which reports to the Management Board. Furthermore, the Chief Compliance Officer reports regular to the Audit and Risk Committee of the Supervisory Board.

SYNLAB has developed a Code of Conduct as a preventive component of its compliance management system and has committed to an Anti-Bribery and Corruption policy. The Code of Conduct is translated into the working languages of all countries SYNLAB Group is active in. The English version is available on the Company's WEBSITE.

Transparency and protection of shareholder interests

The Company places great importance on disclosing consistent and complete information promptly. Information about the economic position of SYNLAB Group and new developments is therefore released regularly, without delay, as it becomes known in order to inform participants in the capital market and interested members of the public at large. The annual report, first-half financial report and quarterly reports are published within the timeframes specified by the German Corporate Governance Code. Current developments and material events are publicised as press releases and, where appropriate, ad hoc announcements. This information is usually made available in German and English simultaneously and published via suitable media and on the internet.

The main recurring events and publications, such as the Annual General Meeting, the annual report and the interim reports, are specified in the financial calendar published on the SYNLAB INVESTOR RELATIONS WEBSITE.

In addition, the Company provides all documents and information on our Annual General Meeting on our website. This year's ordinary Annual General Meeting on 16 May 2022 was held in a virtual format due to uncertainties surrounding the coronavirus pandemic and our responsibility to protect the health of our shareholders, employees and other participants. SYNLAB is determined to allow our shareholders to participate in the virtual event as comprehensively as possible within the legal framework and the pandemic-related restrictions. Coverage of the Annual General Meeting was available to SYNLAB shareholders via our shareholder portal. The Management Board and Supervisory Board provided detailed answers to pre-submitted questions. The measures undertaken were intended to align our shareholders' justified interests in a broadest possible participation in the Annual General Meeting on the one hand and the Company's responsibility to protect the health of all participants on the other.

Managers' Transactions

SYNLAB AG provides information on the managers' transaction by the Management Board and the Supervisory Board, as well as persons closely associated with them, in accordance with Article 19 of the EU Market Abuse Regulation (**MAR**). These transactions can be viewed on the SYNLAB WEBSITE.

In the financial year 2022, seven transactions were reported to SYNLAB AG pursuant to Article 19 MAR. They are listed on the SYNLAB INVESTOR RELATIONS WEBSITE.

Accounting and Audit

SYNLAB AG prepares the annual financial statements in accordance with the provisions of the HGB and the AktG. The annual consolidated financial statements are prepared in accordance with the principles of the International Financial Reporting Standards (**IFRS**), as adopted by the European Union (**EU**).

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, was appointed by the Annual General Meeting as the statutory auditor for the 2022 annual financial statements and consolidated financial statements, as well as the auditor for the audit review of the first half-year financial report for the financial year 2022. The Supervisory Board had previously assured itself of the auditor's independence.

Munich, 13 March 2022

SYNLAB AG

The Management Board

MATHIEU FLOREANI
Chief Executive Officer

SAMI BADARANI
Chief Financial Officer

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CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

COPY OF THE INDEPENDENT AUDITOR'S REPORT

We have issued the following Independent Auditor's Report on the consolidated financial statements and the group management report of SYNLAB AG, Munich/Germany, for the financial year ended 31 December 2022:

Independent Auditor's Report

TO SYNLAB AG, MUNICH/GERMANY

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of SYNLAB AG, Munich/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of SYNLAB AG, Munich/Germany, for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the group corporate governance statement included in section 38 of the group notes.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial annual, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion of the group management report does not include an opinion on the content of the group corporate governance statement stated above.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group companies in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1) Requirement for estimates in connection with the determination and cut-off of realised revenue in Germany
2) Recoverability of goodwill
3) Valuation of the provision for risks from antitrust proceedings

Our presentation of this key audit matter has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)
b) auditor's response

1. Requirement for estimates in connection with the determination and cut-off of realised revenue in Germany

a) The Group generates revenue with a wide range of clinical laboratory and medical diagnostic services for insurance companies, hospitals, individuals, pharmacies and national health organisations. These services are primarily provided in the area of human medicine but also in the area of veterinary medicine.

On the one hand, the agreed accounting modalities are based on the respective country-specific conditions for publicly regulated healthcare systems as well as on individual agreements concluded with any natural person or legal entity outside of the publicly regulated healthcare system on the other hand. The accounting processes resulting from the complex accounting laws – particularly in Germany – require estimates be made to a significant extent at the end of the financial year when determining and cutting-off realised revenue.

In Germany, significant revenue estimates are necessary in the following areas:

i) Realisation of revenue in connection with tests performed but not yet finally billed. These revenues are subject to risks regarding their measurement as assumptions on the determination of average prices are to be made. When budgets are agreed upon, assumptions for forecasts for the budgeted period have to be calculated additionally due to regular pricing depending on the volume. Moreover, when dealing with regulated prices, assumptions on the consideration of billing restrictions need to be considered. These estimates are particularly complex, especially in the German part of the Group, due to the multitude of existing regulations.

ii) Revenue and/or quotes for services, respectively, that are billed via the public health insurance's system depend on doctors' performance requirements in connection with set budgets public health insurance companies have in due consideration of the according restriction instruments, which are only determined well after the service has been rendered. The estimate is made considering historic information and values as well as current expectations the executive directors have.

The Group revenue for the financial year 2022) includes cut-off revenue of mEUR 189.6 (prior year: mEUR 235.7). Based on the estimate, the revenue share in Germany amounts to mEUR 128.2 (prior year: mEUR 178.8).

This matter constitutes a key audit matter from our point of view, as a large extent of judgement is necessary regarding the executive directors' estimates and the results of these estimates are significant for the financial statements overall. In light of the existing discretionary scopes and due to the complexity of the determining methods and models, which served as basis, this matter was of particular importance during our audit.

Information provided by the parent company's executive directors on material estimates when determining and cutting off of revenue are included in sections 2.6.2 and 3 in the notes to the consolidated financial statements.

b) We tested the design and implementation of accounting-related internal controls and the general IT controls from selected laboratory information, billing and accounting systems as well as regarding estimated revenues. In addition, we developed an understanding of the relevant methods, assumptions and data sources used by the executive directors regarding the estimated revenues. In order to assess the quality of the estimates in the past, we have conducted retrospective analyses while critically assessing deviations. In so doing, we conducted the following audit procedures all the while maintaining "professional judgement: Validation with average prices, that we have ascertained ourselves from the billed population, plausibility checks based on historic information and on external market data, regulations and agreements as well as understanding the executive directors' billing method.

2. Recoverability of goodwill

a) As at 31 December 2022, the Group reports goodwill of m EUR 2,323 (2021: mEUR 2,440) in total, which overall includes four cash-generating-units ("CGU") and groups of CGUs, respectively.

As at 31 December 2022, the executive directors of the parent company carried out impairment tests of goodwill in compliance with IAS 36 (impairment of assets), by means of a detailed measurement of the value in use of the CGUs and CGU groups, respectively, by using the discounted cash flow model. The determination of the value in use is based on the planning of SYNLAB AG's executive directors, which consists of a three-year plan (budget for 2023 and strategic medium-term planning 2024 to 2025) as well as a projection for two more years, which is continued with assumptions on long-term growth rates. This planning was updated in December based on current events. The budget and the medium-term planning are approved by the supervisory board and the executive board, respectively.

In the context of the impairment test, even after taking into account the fair value less costs to sell of the cash-generating unit Germany, the executive directors arrived at an impairment of mEUR 213.0 in total.

The result of the impairment tests highly depends on the executive directors' assessment of future cash inflows to the respective CGUs and CGU groups as well as from the used discount rate (weighted average cost of capital) and hence is subject to significant uncertainty. This issue was of particular importance within the scope of our audit in light of the existing uncertainties and discretionary scope and due to the complexity of the measurement model the measurement was based on.

Information provided by the executive directors of the parent company on the recoverability of goodwill as well as their impairment tests are included in sections 2.6.2 and 17 of the notes to the consolidated financial statements.

b) First of all, we developed an understanding of the relevant methods the executive directors applied as well as of the assumptions and data sources used relating to the measurement of goodwill. This also included the manner and ways of ascertaining the planning figures for future cash inflows as well as ascertaining the discount rates.

According to our audit strategy we have conducted scaled audit procedures in accordance with our risk assessment. Our risk assessment was primarily based on headroom and sensitivity analyses. Our audit procedures, which were conducted step-by-step, are described below. When conducting the impairment tests, we integrated internal measurement specialists into our audit team. With their help, we audited whether the essential parameters used during the calculations such as for example the used discount rates and sustainable growth rates in the perpetual pension as well as the planned cash inflows were appropriate, by comparing these values with the multi-year budget figures for 2023 to 2027 adopted by the executive directors as well as by checking the plausibility of the measurement assumptions made based on general and industry-specific market forecasts and expectations as well as publicly available forecasts from financial analysts regarding SYNLAB AG. Apart from that, we examined the accuracy of the forecasts over time. We scrutinised the planned revenues using internal evidence and provided information as well as publicly available external market assessments all the while considering internal and publicly available external sources regarding their assessment on the development of the coronavirus pandemic and its economic impact.

In addition, we examined the allocation of corporate assets and corporate costs to the CGUs and CGU groups, respectively. Considering that even relatively small changes of the discount rate may have a significant impact on the determined amount of the Company's value, we also made the parameters used to determine each discount rate (WACC) including the resulting weighted average cost of capital (WACC) plausible based on own control and comparison calculations, respectively.

Finally, we examined the information provided by the executive directors in the notes to the consolidated financial statements regarding the measurement of goodwill as well as the information provided on the impairment tests with regard to their completeness and compliance with the requirements of IAS 36.

3. Valuation of the provision for risks from antitrust proceedings

a) In December 2022, SYNLAB Group received the statement of objections under current antitrust proceedings from the Portuguese antitrust authority Autoridade da Concorrência(). The Autoridade da Concorrência accuses various private laboratories in Portugal of colluding to limit price fixing and influence market allocation and access. In addition to two Portuguese subsidiaries, the statement of objections of the Portuguese antitrust authority also directly relate to SYNLAB AG as concerned party. In this context, a provision for processes and risk provisions was set up in the consolidated financial statements in the reporting year. The risk assessment to be made regarding the course of the antitrust proceedings and the evaluation of whether and to what extent it is necessary to recognise a provision as a liability to cover the risks is characterised by estimates and assumptions by the executive directors and is subject to a high degree of uncertainty, also due to the early stage of the proceedings. From our point of view, this matter was of particular importance for our audit of the consolidated financial statements for the 2022 financial year due to the considerable uncertainties regarding the course and outcome of the proceedings as well as the possible effects of the antitrust proceedings on the assets, liabilities, financial position and financial performance of SYNLAB Group.

The Company's disclosures on the applied "Accounting and valuation principles" and on "Use of estimates and assumptions" are included in the notes to the consolidated financial statements under note 2.6.2 and on "Provisions" in section 30.

b) As part of our audit, we examined, among other things, the processes established by SYNLAB AG for recording, for legal and accounting treatment and for the presentation of legal disputes and legal proceedings in the consolidated financial

statements. In the reporting year, this primarily concerned the substantive discussion of the accusations made in the context of the above-mentioned antitrust proceedings and their possible consequences. As the legal assessment and the resulting valuation decisions of the executive directors have a direct impact on the consolidated result and the control-relevant parameter AEBITDA, we have assessed the assessment and valuation, including the underlying methods and assumptions, of the executive directors under involving an internal antitrust expert. Furthermore, we had several discussions with employees of the central legal department of SYNLAB AG and its external experts for antitrust law issues and had the executive directors explain to us the development and the reasons that led to their current assessment. The presentation of the background and status of the antitrust proceedings as of the balance sheet date, including the assessments of the executive directors with regard to the risks resulting from this for SYNLAB Group, was made available to us in summarised written form by the executive directors of the Company. As at the balance sheet date, we have also obtained external lawyers' confirmations on the antitrust proceedings and assessed them with the involvement of our internal antitrust expert. We also appreciated the competence, skills and objectivity of the external lawyers commissioned by SYNLAB AG. On this basis, we have understood the assessments made by the executive directors of the status of the proceedings and their decisions on the presentation of the facts within the consolidated financial statements and, in particular, on the valuation of the provision recognised, including the methods and assumptions used.

Other Information

The executive directors and the supervisory board are responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the remuneration report pursuant to Section 162 AktG,
- the subsection "Monitoring and Improvement of the Internal Control System and of the Risk Management system" in section "5.1 Risk Management System" of the group management report,
- the separate non-financial group report pursuant to Sec. 315b to 315c, which will probably be provided to us after the date of this Independent Auditor's Report,
- the group corporate governance statement pursuant to Sections 289f and 315d HGB which is included in section "Declaration on corporate governance" of the group management report, including the "Declaration of conformity with the German Corporate Governance Code" contained therein, to which reference is also made in section 38 of the group notes,
- the executive directors' confirmation regarding the consolidated financial statements and the group management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, and
- all other parts of the annual report,
- but not the consolidated financial statements, neither the audited content of the group management report, nor our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board as well are responsible for the declaration related to the German Corporate Governance Code in accordance with Section 161 German Stock Corporation Act (AktG), which makes part of the above-mentioned consolidated corporate governance statement. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We provide those charged with governance with a statement that we have complied with the relevant in-dependence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Group Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the group management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA 256 value 3ac5638df719ac6029bd-589991fe6d9f9b1e3daf228f042de469bb9c9ddc23ef meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the group management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the group management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Annual Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the group management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 16 May 2022. We were engaged by the supervisory board on 11 November 2022. We have been the group auditor of SYNLAB AG, Munich/Germany, since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as with the audited ESEF documents. The consolidated financial statements and the group management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

Note on the supplementary audit

We issue this opinion on the consolidated financial statements and on the amended group management report based on our audit completed in accordance with professional standards on 14 March 2023 and our supplementary audit completed on 15 March 2023, which related to the amendments to the group management report in section "5. 2 Risks" with regard to the risk categories Commercial and Operational Risks (Commercials & Operations) and Taxes as well as the withdrawal of the ESEF documentation, and our supplementary audit of the newly submitted ESEF documentation for the consolidated financial statements and the amended group management report completed on 22 March 2023.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Cornelia Tauber.

Munich, 14 March 2023 / Limited to the amendments specified in the note to the supplementary audit: 15 March 2023 / Limited to the newly submitted ESEF documents: 22 March 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

(CORNELIA TAUBER)	(POLINA SPANG)
Wirtschaftsprüferin	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Consolidated financial statements

CONSOLIDATED STATEMENT OF INCOME

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	Note	For the year ended 31 December 2022	2021
Continuing operations			
Revenue	6	3,250,521	3,764,916
Material and related expenses	7	(776,916)	(942,434)
Payroll and related expenses	8	(1,166,671)	(1,138,891)
Other operating income	10	35,756	42,563
Other operating expenses	9	(596,682)	(546,265)
Depreciation and amortisation	11	(301,304)	(265,360)
Impairment of non-current assets	17	(213,026)	-
Operating profit		**231,678**	**914,529**
Share of loss of associates and other non-controlling interest		(2,022)	(3,543)
Profit on disposal of investment	4 / 15	70,491	(2,882)
Finance income	12	86,590	85,846
Finance costs	12	(103,755)	(168,314)
Profit before taxes		**282,982**	**805,636**
Income tax expenses	13	(130,463)	(195,324)
Profit from continuing operations		**152,519**	**610,312**

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	Note	For the year ended 31 December 2022	2021
Discontinued operations			
Profit after tax for the period from discontinued operations	15	-	17,224
Profit for the period		**152,519**	**627,536**
thereof: Profit attributable to non-controlling interests		1,822	2,773
thereof: Profit attributable to equity holders of the parent company		150,697	624,763
Basic earnings per share from continuing operations (in EUR)	14	**0.68**	**2.82**
Diluted earnings per share from continuing operations (in EUR)	14	**0.68**	**2.82**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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	Note	For the twelve months ended 31 December 2022	2021
Net profit / (loss) for the period		**152,519**	**627,536**
Actuarial gains or losses on pension obligations	28	16,561	8,244
Taxes on actuarial gains or losses on pensions obligations		(3,007)	(1,347)
Items that will not be reclassified to profit or loss (a)		**13,554**	**6,897**
Foreign exchange gains/losses		16,469	23,754
Other changes		152	-
Items that may be reclassified subsequently to profit or loss (b)		**16,621**	**23,754**
Other comprehensive income for the year (a) + (b)		**30,175**	**30,651**
Total consolidated comprehensive profit / (loss) attributable to:		**182,694**	**658,187**
Equity holders of the parent company		180,906	655,222
Non-controlling interests		1,788	2,965

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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	Note	As at 31 December 2022	2021
ASSETS			
Goodwill	17	2,323,423	2,439,780
Intangible assets	18	733,238	725,926
Property, plant and equipment	19	311,506	273,022
Right of use assets	19	655,968	580,494
Investments in associates	20	1,281	4,831
Financial non-current assets	23	80,518	42,690
Other non-current assets	21	4,700	5,092
Deferred tax assets	24	47,916	41,747
Total non-current assets		**4,158,550**	**4,113,582**
Inventories	16	84,094	110,020
Trade accounts receivables	25	443,089	632,553
Financial current assets	23	47,299	62,272
Other current assets	22	106,398	63,771
Cash and cash equivalents	26	541,684	443,747
Total current assets		**1,222,564**	**1,312,363**
Total assets		**5,381,114**	**5,425,945**

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	Note	As at 31 December 2022	2021
EQUITY AND LIABILITIES			
EQUITY			
Contributed capital	36	222,222	222,222
Additional paid-in capital	36	2,932,618	3,788,983
Treasury shares	36	-35,730	-
Cumulative translation adjustment	36	31,771	15,210
Accumulated deficit	36	-817,710	-1,769,537
Total parent company interests		**2,333,171**	**2,256,878**
Non-controlling interests		70	-1,179
Total equity		**2,333,241**	**2,255,699**
LIABILITIES			
Loans and borrowings (non-current)	27	1,411,000	1,417,635
Non-current lease liabilities	27	557,773	501,688
Employee benefits liabilities	28	31,042	45,283
Non-current provisions	30	3,562	2,365
Contract liabilities		9,510	10,038
Other non-current liabilities	32	62,862	52,283
Deferred tax liabilities	24	189,375	185,424
Total non-current liabilities		**2,265,124**	**2,214,716**
Current loans and borrowings	27	15,873	12,573
Current lease liabilities	27	132,187	113,988
Trade accounts payable	32	313,693	387,123
Contract liabilities		10,515	7,540
Current provisions	30	31,517	11,245
Income tax liabilities		56,836	116,066
Other current liabilities	32	222,128	306,995
Total current liabilities		**782,749**	**955,530**
Total liabilities		**3,047,873**	**3,170,246**
Total equity and liabilities		**5,381,114**	**5,425,945**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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	Contributed capital	Additional paid-in capital	Treasury shares	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)**	**2,255,699**
Net profit for the period	-	-	-	-	150,697	150,697	1,822	152,519
Other comprehensive income	-	-	-	16,561	13,648	30,209	(34)	30,175
Total comprehensive income for the period	**-**	**-**	**-**	**16,561**	**164,345**	**180,906**	**1,788**	**182,694**
Transactions with owners, recorded directly in equity								
Withdrawal capital reserve	-	(860,000)	-	-	860,000	-	-	-
Purchase of treasury shares	-	-	(35,730)	-	-	(35,730)	-	(35,730)
Change of scope	-	-	-	-	-	-	900	900
Acquisition of non-controlling interests	-	-	-	-	809	809	135	944
Credit to equity for equity-settled share-based payments	-	3,635	-	-	-	3,635	-	3,635
Dividends	-	-	-	-	(73,327)	(73,327)	(1,574)	(74,901)
Balance as at 31 December 2022	**222,222**	**2,932,618**	**(35,730)**	**31,771**	**(817,710)**	**2,333,171**	**70**	**2,333,241**

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	Contributed capital	Additional paid-in capital	Accumulated deficit	Cumulative translation adjustment	Total	Non-controlling interests	Equity
Balance as at 1 January 2021	134,388	1,523,590	(8,365)	(443,973)	1,205,640	(2,088)	1,203,552
Net profit for the period	-	-	-	624,763	624,763	2,773	627,536
Other comprehensive income	-	-	23,575	6,884	30,459	192	30,651
Total comprehensive income for the period	**-**	**-**	**23,575**	**631,647**	**655,222**	**2,965**	**658,187**
Transactions with owners, recorded directly in equity							
Issue of share capital	222,222	3,776,927	-	-	3,999,149	-	3,999,149
Reorganisation of equity	(134,388)	(1,390,705)	-	(2,074,006)	(3,599,099)	-	(3,599,099)
Withdrawal capital reserve	-	(115,750)	-	115,750	-	-	-
Expenses for equity contribution	-	(7,129)	-	1,872	(5,257)	-	(5,257)
Acquisition of non-controlling interests	-	-	-	(827)	(827)	(1,357)	(2,184)
Credit to equity for equity settled share based payments	-	2,050	-	-	2,050	-	2,050
Dividends	-	-	-	-	-	(699)	(699)
Balance as at 31 December 2021	**222,222**	**3,788,983**	**15,210**	**(1,769,537)**	**2,256,878**	**(1,179)**	**2,255,699**

CONSOLIDATED STATEMENT OF CASH FLOWS

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	Note	For the year ended 31 December 2022	2021
Operating profit		**231,678**	**914,529**
Depreciation, amortisation, impairment		514,297	265,359
Change in provisions		169	536
Loss (income) from the disposal of non-current assets		1,151	1,982
Other non-cash revenues and expenses	34	27,994	18,483
Change in inventories		28,146	49,894
Change in trade accounts receivable		167,502	(81,395)
Change in trade accounts payable		(74,411)	(28,058)
Change in other net working capital		(33,794)	30,752
Income tax paid		(233,107)	(161,400)
Cash flow from operating activities continuing operations		629,625	1,010,682
Cash flow from operating activities discontinued operations		-	1,021
Cash flow from operating activities (A)		**629,625**	**1,011,703**
Acquisition of subsidiaries, net of cash acquired and changes in debt related to acquisitions	4	(140,290)	(244,416)
Purchase of intangibles and property, plant and equipment		(158,271)	(144,482)
Sale of subsidiaries, net of cash disposed and changes in debt	4 / 15	79,659	4,142
Proceeds from sale of intangibles and property, plant and equipment		1,172	1,072
Cash paid for other non-current assets		(691)	(4)
Cash received from other non-current assets		39	534
Interest received		2,450	1,834
Other inflows of cash investing activities		-	39
Dividends received		227	290
Cash flow used in investing activities continuing operations		(215,705)	(380,991)
Cash flow used in investing activities discontinued operations		-	(1)
Cash flow (used in)/from investing activities (B)		**(215,705)**	**(380,992)**

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	Note	For the year ended 31 December 2022	2021
Proceeds from share capital increase	36	-	392,921
Acquisition of treasury shares	36	(35,730)	-
Proceeds from non-controlling interests		900	-
Interest paid and other financing activities		(64,362)	(117,951)
New loans, borrowings and other financial liabilities	27	946	727,631
Repayment of loans, borrowings and other financial liabilities	27	(2,637)	(1,995,234)
Repayment of lease liabilities	27	(139,840)	(108,827)
Dividends paid and other payments to non-controlling interests		(79,047)	(2,624)
Cash flow used in financing activities continuing operations		(319,770)	(1,104,084)
Cash flow used in financing activities discontinued operations		-	(22)
Cash flow used in financing activities (C)		**(319,770)**	**(1,104,106)**
TOTAL CASH FLOWS (A+B+C)		**94,150**	**(473,395)**
Cash and cash equivalent at the beginning of the period		**443,525**	**904,707**
Net foreign exchange differences		3,915	9,004
Change cash and cash equivalent assets held for sale		-	3,209
Cash and cash equivalents at the end of the period	26	**541,590**	**443,525**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**98,065**	**(461,182)**

Notes

1. REPORTING ENTITY

The consolidated financial statements were prepared by SYNLAB Aktiengesellschaft (hereinafter: "AG" or "the Company"), the ultimate parent company of the SYNLAB Group. The Group's consolidated financial statements as at and for the period ended 31 December 2022 consolidate those of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and include the Group's interests in associates. The consolidated financial statements for the financial year ended 31 December 2022 were released for publication on 13 March 2023 by resolution of the Management Board.

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, employs approximately 29,000 people and benefits from a pan-European network spanning 36 countries. The Group is currently 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.

2.1 STATEMENT OF COMPLIANCE

The consolidated financial statements relate to SYNLAB AG, Munich, Germany (commercial register number HRB 246540), and its subsidiaries. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to section 315 e (1) of the German Commercial Code (HGB). The consolidated financial statements comply with IFRS as published by the International Accounting Standards Board (IASB). SYNLAB prepares and publishes the consolidated financial statements in euros (€).

2.2 IFRS BASIS ADOPTED

2.2.1 Standards, amendments and interpretations effective or adopted in 2022

From 1 January 2022, the Group applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for accounting periods beginning on or after 1 January 2022. Their adoption did not have any material impact on the disclosures or on the amounts reported in these financial statements:

- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The amendments had no material impact on the consolidated financial statements.

2.2.2 New standards, amendments and interpretations not yet applicable

At the date of authorisation of these financial statements, the Group had not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective

- IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2.3 BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis except for the following items in the statement of financial position:

- derivative financial instruments are measured at fair value and
- certain long-term financial assets are measured at fair value.

2.4 FUNCTIONAL AND PRESENTATION CURRENCY

These 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.

2.5 GOING CONCERN

The Group's financial statements have been prepared on a going concern basis.

As at 31 December 2022, the Group had net assets of 2,333.2 M€ (31 December 2021: 2,255.7 M€) and net current assets of 457.4 M€ (31 December 2021: 356.8 M€). For the year ended 31 December of 2022, the Group reported an operating cash flow of 629.6 M€ (31. December 2021: 1,011.7 M€), cash flow from investing activities of -215.7 M€ (31 December 2021 : -381.0 M€), cash flow from financing activities of -319.6 M€ (31 December 2021 : -1,104.1 M€) and cash and cash equivalents at the end of the period of 541.6 M€ (31 December 2021: 443.5 M€).

The directors 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.

Testing, and particularly medical testing, is a resilient and defensive market on which past economic or capital market downturns have only had a limited impact.

2.6 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated Group financial statements requires management to make judgements, estimates and assumptions in applying the Group's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, with revisions to accounting estimates applied prospectively.

2.6.1 Critical accounting judgements

In applying the Group's accounting policies, management has applied judgement in the following areas that have a significant impact on the amounts recognised in the consolidated financial statements.

Leases

The evaluation of whether the exercise/non-exercise of purchase or extension/termination options is "reasonably certain" may require substantial judgement.

The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:

- is within the control of the lessee; and
- affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

The Group revises the lease term if there is a change in the non-cancellable period of a lease. For example, the non-cancellable period of a lease will change if one of the following occurs:

- the lessee exercises an option not previously included in the entity's determination of the lease term;
- the lessee does not exercise an option previously included in the entity's determination of the lease term;
- an event occurs that contractually obliges the lessee to exercise an option not previously included in the entity's determination of the lease term; or
- an event occurs that contractually prohibits the lessee from exercising an option previously included in the entity's determination of the lease term.

The lease term may also be revised following a reassessment as to whether an extension option is reasonably certain to be exercised, or whether a termination option is reasonably certain not to be exercised.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company, and each of those companies over which it exercises control. Control over an entity exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When the Group has less than a majority of voting or similar rights in an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over an entity, including the contractual arrangements, and voting rights and potential voting rights. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to the elements of control. This assessment is key in certain jurisdictions where the regulations governing the ownership and certification of laboratories require the Group to hold each clinical laboratory or a limited number of the clinical laboratories through a separate subsidiary. Certain countries also regulate the corporate form through which laboratories may be held, such as the Medizinisches Versorgungszentrum (MVZ) in Germany and the société d'exercice liberal (SEL) in France. See Note 3, Basis of consolidation, for further information.

2.6.2 Key sources of estimation

Information about assumptions and estimation concerning the future, and other key sources of estimation at the reporting date, that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Revenue estimation

The Group earns revenues from a wide range of analysis and diagnostic testing services, which are invoiced to a range of customers including insurance companies, hospitals, individuals, pharmacies and national health organisations. The most significant areas of revenue estimation in the Group relate to:

a) revenue recognised based on as yet, unconfirmed public health budgets, where revenue is estimated using historical patterns and other publicly available information (Germany, Italy, Switzerland and Spain being the main countries in which this method is applied); and
b) accrued revenue based on completed but unbilled tests, where the calculation of the value of those tests include a level of estimation based on
   - pricing mechanisms as agreed during contract negotiations and used to calculate average prices;
   - historical experience; and
   - actual work performed (e.g. analyses completed).

Based on historical data and experience, the measures are reliable and the economic benefits associated with the revenue recognised based on these measures are likely to flow to the entity.

Please refer to Note 3 for further details.

Goodwill and impairment of goodwill

The Group determines on an annual basis whether goodwill is impaired. The determination as to whether goodwill has been impaired involves estimation of the key inputs in the impairment process including:

- the forecast cash flows and management assumptions for revenue growth and EBITDA margin used in making the determinations which are based on financial budgets covering a five-year period;
- the key assumptions in calculating the discount rates applied to each cash-generating unit or group of cash-generating units ("CGUs"), in particular the risk-free rate, equity risk premium, size premium and tax rates which are used in the calculation; and
- the terminal growth rates applied to each of the CGUs.

Please refer to Note 17, Goodwill.

Acquisitions

Acquisition accounting involves estimation in determining the fair value of the intangible assets through a purchase price allocation assumed in a business combination and the fair value of the consideration payable. The key areas of estimation include:

- estimates in accounting for any unusual terms and conditions in the respective share purchase agreement ("SPA"), including contingent consideration. These amounts are contingent on the acquired business meeting agreed performance targets. At the date of the acquisition, the Group reviews the profit and cash forecasts for the acquired business and estimates the amount of contingent consideration that is likely to be due. See Note 31, Trade Payables and other Liabilities; and
- the key assumptions within the fair value calculation of the intangible assets through a purchase price allocation, specifically the discount rates, revenue growth rates and future cash flow forecasts.

Please refer to Note 4, Significant events, and Note 18, Intangible assets.

Pension and other post-employment benefit obligations

The determination of pension and other post-employment benefit obligations and expenses for defined benefit plans is dependent on a number of estimates and assumptions, including the discount rate and future mortality rate. The changes in assumptions and actuarial estimates may affect the benefit obligation, future expense and future cash flow. Refer to Notes 3 and 28.

Provision for litigation

The determination of provisions for litigation depends on a number of estimates and assumptions regarding the facts of the case, the amount of damages, the amount of potential fines and the probability of occurrence. Please refer to Note 30 provisions.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the IFRS consolidated financial statements of SYNLAB AG are described below.

The accounting policies have been applied consistently by Group entities and have not changed from those applied in the 2021 consolidated financial statements of SYNLAB Limited. The principal accounting policies adopted are set out below.

Basis of accounting

The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 are unobservable inputs for the asset or liability, in particular own data of SYNLAB.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) prepared as at 31 December each year. Control is achieved when the Company direct or indirect:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to influence those returns.

When the Company directly or indirectly has less than a majority of the voting rights of an investee, it assesses whether it has power over the investee if it has sufficient voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's share of voting rights relative to the size and distribution of the proportions of other holders of voting rights;
- potential voting rights held by the Company, other holders of voting rights or other parties;

- rights arising from other contractual arrangements including articles of association, shareholders' agreement; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

Regulations governing the ownership and certification of laboratories in certain jurisdictions require the Group to hold each clinical laboratory or a limited number of the clinical laboratories through a separate subsidiary. Certain countries also regulate the corporate form through which laboratories may be held, such as the MVZ in Germany and the SEL in France.

In France, the Group is subject to regulatory constraints on the ownership of share capital and voting rights of SELs operating clinical laboratories by persons other than laboratory doctors and laboratory companies. In fact, since the French law on medical biology was adopted on 30 May 2013 (which includes a grandfathering clause for existing SELs that operate under a different ownership structure where the majority of their share capital is held by laboratory companies as of the date of enactment), laboratory doctors practicing in an SEL should hold the majority of voting rights and the majority of the share capital. To comply with such regulatory constraints, the Group has put in place a specific corporate structure, under which, and subject to a few exceptions, the Group, directly or indirectly, holds the maximum percentage of shares authorised by the law (up to 99.9% of share capital for historical SELs owned before May 2013 and 49.9% of share capital for SELs acquired since May 2013), while some of the laboratory doctors practicing in said SEL hold the remaining shares. However, in all instances, the Group has been granted substantially all of the economic rights. This is done by issuing preferred shares in cases where laboratory doctors practicing in said SEL hold more than 50% of the share capital. The Group has therefore put in place mechanisms that grant it substantially all of the economic rights in such SELs and allow it to control the relevant activities in accordance with the French regulatory framework and to fully consolidate its French network. The control exercised over French subsidiaries is based on specific governance mechanisms and contractual agreements with laboratory doctors practicing in the SEL. These mechanisms and contractual agreements are classified by the Group as de facto control.

In Germany, German fee regulations mean that registered doctors outsource a wide range of laboratory procedures to medical collaborative laboratories ("CLs"), which may also be responsible for billing. The sole shareholders of such CLs are registered doctors co-operating to provide the required services in an economically viable way. As a laboratory services provider, the SYNLAB Group thus sometimes has to cooperate based on contractual agreements with these CLs in order to render services. As a consequence of these contracts, most of the benefits from the CL's business operations accrue to the Group, i.e. the Group has put in place mechanisms that grant it the majority of the economic rights in such CLs and allow it to control the relevant activities in accordance with the German regulatory framework. The Group therefore takes the view that it has control over the CLs even though it does not own a shareholding from a legal perspective. These entities are therefore fully consolidated.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that it ceases.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Non-controlling interests ("minority interests") represent the part of total income or loss, and of total equity not held by the Group and are identified separately from the amounts attributable to the owners of the Company in the statement of income, statement of comprehensive income, statement of changes in equity and statement of financial position.

Those interests of minority shareholders that are present ownership interests entitling their holders to a corresponding share of net assets upon liquidation may initially be measured at fair value or at the minority shareholders' corresponding share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. For medical biology companies, whether controlled de jure or de facto, minority interests of other shareholders, i.e. laboratory doctors, must be assessed based on the financial rights attached to their shares rather than the percentage of share capital or voting rights. The Group has an insignificant amount of minority interests.

Business combinations

Acquisitions of subsidiaries and businesses, regardless of whether equity instruments or other assets are acquired, are accounted for using the acquisition method at the acquisition date, which is the date on which control is obtained. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees are expensed as incurred and are presented in a dedicated aggregate "acquisition- and disposal-related items" line under other operating expenses in the consolidated statement of income.

The Group measures goodwill as the difference between: (a) the sum of (i) the fair value of the consideration transferred, (ii) the recognised amount of any non-controlling interest in the acquiree, (iii) the acquisition-date fair value of any previously held interest in the acquired business and (b) the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

If, at the reporting date, the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities can only be established provisionally, then these values are used. If we obtain new information within twelve months of the acquisition date, these fair value adjustments are treated as adjustments to goodwill. Knowledge of facts and circumstances that existed at the acquisition date is recognised in the consolidated statements of income.

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement (e.g. earn-out), the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Any subsequent changes after the closing date are recognised in profit or loss and are presented in the dedicated aggregate "acquisition-related expenses" line. Contingent consideration classified as equity is not re-measured.

A contingent liability assumed in a business combination is recognised only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Acquisitions and disposal of non-controlling interests

Acquisitions and/or disposals of non-controlling interests are accounted for as a transaction with equity holders in their capacity as equity holders. Therefore, no goodwill is recognised or derecognised as a result of such transactions.

Acquisitions of achieved in stages

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to their acquisition-date fair value, and any resulting gain or loss is recognised in profit or loss.

Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that standard.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group of CGUs expected to benefit from the synergies of the combination. Cash-generating units and groups of CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently if there is an indication that the unit may be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

For the purposes of goodwill impairment testing, the lowest level at which goodwill is monitored for internal reporting purposes corresponds to the CGUs described in Note 16, Goodwill. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Investments in associates

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or losses are made.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue

The Group earns revenues from a wide range of analysis and diagnostic testing services, which are invoiced to insurance companies, hospitals, individuals, pharmacies, and national health entities.

Those services include mainly analysis and diagnostic testing services for human medicine, and in particular clinical biological testing, including routine and specialty tests, anatomical pathology, histological or cytological testing and the diagnostic imaging using medical and molecular imaging technologies, as well as testing services for veterinary medicine.

The Group applies the principles set out in IFRS 15 for revenue recognition by using the following five steps:

1) Identify the contract(s) with a customer.
2) Identify the performance obligations in the contract.
3) Determine the transaction price.
4) Allocate the transaction price to the performance obligations in the contract.
5) Recognise revenue when (or as) the entity satisfies a performance obligation.

In general, contracts with customers are clustered in major revenue streams and their substreams. The revenue recognition is outlined below for each separately.

Usually, the activities performed to generate revenue might include e.g. logistics, analytics and the provision of a result. However, the service promised to the customer is an analysis (even in the case of multiple parameters), i.e. the combined output of several activities that are either not capable of being distinct or not distinct within the context of the contract (because they are highly interrelated). As a result, each contract (order) has only one performance obligation.

In order to determine the transaction price, the nature, timing and amount of consideration promised by a customer are taken into account, as well as variable consideration, significant financing components and non-cash consideration, if applicable. Amounts collected on behalf of third parties are excluded.

Human medicine

HEALTH INSURANCE FUNDS

Generally, the contractual basis for revenue from health insurance funds comes from framework contracts and/or from statutory regulations that define general terms and conditions that are applied to individual orders to perform an analysis.

The basis for remuneration with respect to revenues differs by country, type of analysis and/or contract type. For contracts that – despite fixed prices per analysis – contain elements that cause variability such as e.g. volume-based discounts, allocated budgets/caps, and quotation rates, the amount of consideration will be estimated based on the expected value and historical experience.

The (estimated) transaction price per analysis is recognised once the results of the analysis have been validated and reported to the requester.

DOCTORS

In most cases SYNLAB acts as a principal whereas the doctor (as an agent) arranges the sale with the patient (while using the results for their diagnosis). Each patient (customer) enters into a contract with SYNLAB as soon as the doctor transmits the laboratory analysis form (order) with the required services and the patient information on behalf of the patient. As a result, each order is considered to be a contract with the customer. Accordingly, SYNLAB generally invoices the beneficiary (i.e. the patient) for laboratory services. For contracts where the doctor does not act as an agent and is invoiced by SYNLAB the doctor is considered to be the customer.

The basis for remuneration per analysis and patient is generally based on regulated tariffs, i.e. medical fee schedules.

The (estimated) transaction price per analysis is recognised once the results of the analysis have been validated and reported to the requester.

Any payments made to the doctor with respect to the collaboration agreement (e.g. signing fees or allowances per analysis) reduce the transaction price. Depending on their nature, they either reduce revenue by order or over the contract duration.

PRIVATE PATIENTS

Private patients are invoiced directly and, even if an insurance company might refund the private patient for the costs incurred, the claim to consideration is against the private patient.

The transaction price for an analysis is based on medical fee schedules and, therefore, fixed upfront without later adjustments. As each contract (order) has only one performance obligation, there is no need to allocate the transaction price (per analysis).

The transaction price per analysis is recognised once the results of the analysis have been validated and reported to the requester.

HOSPITALS

In the case of contracts with hospitals, SYNLAB often provides more than one service to the customer and/or delivers more than one good. Therefore, in these cases, two or more contracts entered into at or near the same time with the same hospital (or related parties of the hospital) have to be combined and accounted for as a single contract if (i) the contracts are negotiated as a package with a single commercial objective; (ii) the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or (iii) the goods or services promised in the contracts are considered to be a single performance obligation.

The activities performed to generate revenue might include e.g. logistics, analytics and the provision of a result. With respect to lab operations, there are three major types of service arrangements:

Type 1: SYNLAB operates an external lab (outside the hospital's premises). Accordingly, the arrangement typically includes logistics services (transportation of samples from the hospital to the external lab).

Type 2: SYNLAB operates a lab on the hospital's premises to meet quality standards (e.g. response times) or for economic reasons (e.g. to reduce transportation cost), but is not legally bound to do so. SYNLAB has not promised to operate a lab on the hospital's premises and the hospital has no enforceable right to demand in-house lab operations.

Type 3: SYNLAB operates a lab on the hospital's premises because it has promised to do so and the hospital has an enforceable right to demand in-house lab operations.

For type 1 and type 2 arrangements, the service promised to the customer is an analysis, i.e. the combined output of several activities that are either not capable of being distinct or not distinct within the context of the contract (because they are highly interrelated). As a result, each contract (order) has only one performance obligation.

For type 3 arrangements, the promise to the customer constitutes the complete outsourcing of in-house lab operations for a specified period of time. This bundled service also includes incidental services that are highly interrelated to the outsourcing of in-house lab operations. Therefore, there is only one performance obligation, which is the operation of the hospital's in-house lab (including all analyses performed).

In type 1 and 2 arrangements, the transaction price for an analysis is typically based on medical fee schedules. In addition, there might be volume-based discounts, allocated budgets/caps, quotation rates or other clauses that might cause variability even if the price per analysis due to the medical fee schedule is fixed. In these cases, the amount of consideration to which the entity will be entitled in exchange for providing each analysis shall be estimated.

Type 3 arrangements typically include an annual fixed amount of consideration that might be constant or increase or decrease from period to period. In addition, there is typically a variable component based on the number and complexity of analyses actually performed within each period. Accordingly, the amount of consideration to which the entity will be entitled in exchange for transferring the lab operation services to the hospital shall be estimated.

In each type of arrangement discussed above, there is only one performance obligation. In the case of type 1 and type 2 arrangements, the obligation is to perform an analysis. There is no need to allocate the (estimated) transaction price (per analysis). In the case of type 3 arrangements, the obligation is to operate the hospital's in-house lab for a specified period of time. The transaction price shall be estimated for the total service period.

With respect to type 1 and type 2 arrangements, the (estimated) transaction price (per analysis) is recognised once the results of the analysis have been validated and reported to the requester.

In type 3 arrangements, SYNLAB performs recurring services in relation to the in-house lab operations, which are received and simultaneously consumed by the hospital. Thus, the performance obligation is satisfied over time (total service period) and revenue shall be recognised by measuring the progress towards complete satisfaction of that performance obligation.

OTHER LABS, PUBLIC AGENCIES AND OTHER COMPANIES

The contracting party ordering an analysis is the customer according to IFRS 15. In general, the contractual basis for revenues from other labs, public agencies and other companies comes from general service agreements.

The activities performed to generate revenue might include e.g. logistics, analytics and the provision of a result. However, the service promised to the customer is an analysis (even for multiple parameters), i.e. the combined output of several activities that are either not capable of being distinct or not distinct within the context of the contract (because they are highly interrelated). As a result, each contract (purchase order) has only one performance obligation. As each contract (purchase order) has only one performance obligation, there is no need to allocate the (estimated) transaction price (per analysis).

The basis for remuneration with respect to revenue from other labs, public agencies and other companies is the prices stated in the contract. In general, the price for each kind of analysis is fixed.

With respect to revenue from other labs, public agencies and other companies, the (estimated) transaction price (per analysis) is recognised once the results of the analysis have been validated and reported to the customer.

REVENUES FROM VETERINARY MEDICINE

In general, revenue from veterinary medicine is based on an offer and an acceptance with reference to a price list. Typically, there is a standard price list with fixed prices for each kind of analysis.

The activities performed to generate revenue might include e.g. logistics, analytics and the provision of a result. However, the service promised to the customer is an analysis (even for multi-

ple parameters), i.e. the combined output of several activities that are either not capable of being distinct or not distinct within the context of the contract (because they are highly interrelated). As a result, each acceptance (order) has only one performance obligation.

As each acceptance (order) has only one performance obligation, there is no need to allocate the (estimated) transaction price (per analysis). With respect to revenue from veterinary medicine, the transaction price (per analysis) is recognised once the results of the analysis have been validated and reported to the customer.

REVENUE FROM TRADING GOODS

The contracting party ordering the trading goods is the customer according to IFRS 15. The contractual basis for revenue from trading goods can be a stand-alone contract or part of another contract (e.g. with hospitals or doctors).

Typically, trading goods are both capable of being distinct and distinct within the context of the contract. Accordingly, each trading good is considered to be a separate performance obligation.

The basis for remuneration with respect to revenues from trading goods is the prices stated in the contract. In general, the price for each trading good is fixed and – if the contractual basis is part of another contract – not interrelated to other goods or services in that contract. Accordingly, there is no variability in consideration.

In general, the prices for trading goods as stated in the contract reflect the stand-alone selling price for such trading goods, i.e. the price at which SYNLAB would sell the trading goods separately to another customer with similar characteristics.

With respect to trading goods (that are considered to be a separate performance obligation), the transaction price for the trading goods is recognised on delivery of the trading goods to the customer.

Leases

At inception of a contract, the Group assesses whether the contract is or contains a lease. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (defined as all leases of assets with an original price of up to EUR 5,000.00 or local currency equivalent). For short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

When initially recognised, the lease liability is valued at the present value of the lease payments not yet made on the provision date and discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right of use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability and makes a corresponding adjustment to the related right of use asset whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease payments

Lease payments included in the measurement of the liability comprise

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease; and
- the amount expected to be payable by the lessee under residual value guarantees;
- lease term reflects the lessee exercising an option to terminate the lease and residual value guarantees.

The lease liability is subsequently measured after the commencement date by

- increasing the carrying amount to reflect interest on the lease liability (using the effective interest method);
- reducing the carrying amount to reflect the lease payments made.

Lease modifications

Modifications of leases are assessed to ascertain whether the modification should be accounted for as a separate lease agreement or, effectively, a continuation of the existing lease.

Lease modifications are accounted as separate leases when both of the following conditions are met:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When lease modifications are not accounted for as a separate lease at the effective date of the lease modification, the Group

- allocates the consideration in the modified contract by applying the requirements of IFRS 16.13 to 16;
- determines the lease term of the modified lease by applying the requirements of IFRS 16.18 and 19; and
- remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

The Group accounts for the remeasurement of the lease liability as follows:

- for lease modifications that decrease the scope of the lease, by decreasing the carrying amount of the right of use asset to reflect the partial or full termination of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss; and
- for all other lease modifications, by making a corresponding adjustment to the right of use asset and lease liability.

Right of use assets

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs related to a right of use asset, the costs are included in the related right of use asset, unless those costs are incurred to produce inventories.

Right of use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or if the cost of the right of use asset reflects that the Group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right of use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right of use asset is impaired and accounts for any identified impairment loss as described in the policy on property, plant and equipment.

Short-term lease

The Group makes use of the short-term lease exemption for all leases that, as at the commencement date, have a lease term of 12 months or less, including any extension options. Rentals for short-team leases are recognised as an operating expense in profit or loss.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in euros, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

Foreign currency transactions and balances

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity are recognised in other comprehensive income and accumulated in equity.

Value of €1:	Assets and liabilities	Income and expense
	Closing rates	Average rates
	31 December 2022	Period ended 31 December 2022
Swiss Francs (CHF)	0.98470	1.00170
Colombian Peso (COP)	5,167.82000	4,474.50050
Czech Koruna (CZK)	24.11600	24.53775
Pound Sterling (GBP)	0.88693	0.85482
Croatian Kuna (HRK)	7.53650	7.54004
Hungarian Forint (HUF)	400.87000	393.11083
Mexican Peso (MXN)	20.85600	21.05364

Value of €1:	Assets and liabilities	Income and expense
	Closing rates	Average rates
	31 December 2021	Period ended 31 December 2021
Swiss Francs (CHF)	1.03310	1.08141
Colombian Peso (COP)	4,560.96000	4,426.55550
Czech Koruna (CZK)	24.85800	25.64809
Pound Sterling (GBP)	0.84028	0.86000
Croatian Kuna (HRK)	7.51560	7.52909
Hungarian Forint (HUF)	369.19000	358.46354
Mexican Peso (MXN)	23.14380	23.99030

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

This year, Turkey was assessed as a hyperinflationary country. The Turkish Institute of Statistics reported a three-year cumulative inflation rate of 109% for March 2022, and the country's economy has been classified as hyperinflationary since 30 June 2022. If the functional currency of an entity is that of a hyperinflationary economy, the accounting rules of IAS 29 must be applied as if the currency of the economy had always been hyperinflationary (retrospective application). IAS 29 was applied for the first time as if Turkey had always been classified as a hyperinflationary economy. The net gains or losses from the ongoing inflation of non-monetary assets and liabilities as well as equity and all items in the statement of income are recognised in profit or loss in other operating income. The financial statements of these subsidiaries are generally based on the historical cost concept. Due to changes in the general purchasing power of the functional currency, these financial statements had to be adjusted to the measurement unit applicable on the reporting date. Comparative figures that previously corresponded to a non-hyperinflationary currency do not need to be adjusted (unlike in the individual financial statements of Turkish companies). The total restatement effect from the ongoing inflation is equal to 0.8 M€ for the period ended 31 December 2022 and is recognised in "other operating income - Income from foreign currency transactions" line item.

The price index applicable to Turkey was 1.128,45 points as at 31 December 2022 (686,95 points as at 31 December 2021).

Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, gains on hedging instruments that are recognised at fair value in profit or loss and foreign currency gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise the cost of net debt and other financial expenses. Cost of net debt includes interest expense on borrowings and financial leases, as well as expenses related to derivatives. Other financial expenses mainly include the unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred. The Group does not own any qualifying assets.

Retirement benefit costs

Depending on the laws and practices in force in the countries where the Group operates, Group companies have legal obligations in terms of pensions, early retirement payments and retirement bonuses. Such obligations are generally state-managed defined contribution plans, but the Group is also affected by post-employment or post-retirement employees' benefits.

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans and similar obligations

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on the settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- service cost, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

The Group recognises service cost within profit or loss as payroll-related expenses (see Note 8). Net interest expense or income is recognised within finance costs (see Note 13). The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduc-

tions in future contributions to the plans. Details of the assumptions used are included in Note 27 to the financial statements.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan. When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting treatment depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to service, they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to service, they reduce service cost.

Taxation

Current income taxes

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years and it also excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The Group adopted IFRIC 23. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- Determine whether uncertain tax positions are assessed separately or as a group; and
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

Deferred tax

According to IAS 12 the balance sheet liability method is used for deferred tax accounting. Deferred taxes are recognized for temporary differences between the tax base of assets and liabilities and their carrying amounts in the consolidated statement of financial position, and for tax losses and interest carryforwards Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Value-added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the taxation authority. The main SYNLAB Group activities being related to medical services are exempt from VAT in most of the countries in which the Group operates. In this case the Group cannot recover VAT applicable to charges and expenses relating to those VAT exempt activities and it is recognised as part of the cost of the acquisition of the asset or as part of the expense. In the case of Group companies for which partial reimbursement of VAT is possible, the non-reimbursable portion of VAT is not deducted.

The VAT amount to be refunded by or paid to the tax authority is recognised in the statement of financial position under "Other current assets" or under "Other liabilities".

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset, and subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If material parts of property, plant and equipment must be replaced at regular intervals or have different useful lives, the Group capitalises such parts as separate assets (major components) with specific useful lives or depreciation periods.

Other maintenance and repair costs are recorded in profit or loss. The net present value of expected costs for disposal of an asset after its use is included in the cost of the respective asset if the criteria for recognition have been fulfilled.

An item of property, plant and equipment is derecognised on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other operating income in profit or loss.

Depreciation

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The estimated useful lives for the current and comparative periods are as follows:

Land and buildings	15 to 50 years
Technical machines and equipment	3 to 10 years
Vehicle fleet	3 to 7 years
Other fixed assets	2 to 10 years

Intangible assets

Intangible assets are recognised for the first time at acquisition cost. The cost of intangible assets acquired in a business combination is calculated as the fair value on the date of acquisition.

Subsequent to initial recognition, intangible assets with finite useful lives acquired separately or in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives.

The estimated useful lives are as follows:

Customer relationships	3 to 25 years
Trademark (own brand)	indefinite
Property rights and similar rights	3 to 6 years
Software	1 to 7 years

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if certain conditions have been demonstrated. Expenditure on software development is capitalised when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and the costs can be measured reliably.

During the initial purchase price allocation when setting up the SYNLAB Group, the SYNLAB brand was identified as an intangible asset by the acquirer, SYNLAB Limited, which was an independent third party in this process, at that time. As the SYNLAB brand has existed since the creation of the company in 1998, and as SYNLAB is the largest European laboratory operator with a global presence, an indefinite useful life has been retained.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impair-

ment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets are derecognised either upon disposal or when no economic benefits are expected to flow from further use or from the disposal of the recognised asset. Profit or loss arising from the derecognition of the asset are recorded in the statement of income as the difference between the net disposal proceeds and the carrying amount of the asset in the period in which the asset is derecognised.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset is the greater of the fair value of an asset or a cash-generating unit (CGU) less cost of sale and the value in use. The recoverable amount must be determined for each individual asset unless a particular asset does not generate any cash flows that are largely independent of other assets or other groups of assets, in which case the Group estimates the recoverable amount of the CGU to which the asset belongs. If the carrying amount of an asset or CGU exceeds its respective recoverable amount, the asset is impaired and is reduced to the recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Value in use is the net present value of future expected cash flows using a discount rate before tax that reflects market expectations with respect to the interest rate effect and the specific risk of the asset. Recent market transactions, if applicable, are taken into consideration when determining the fair value less any cost of sale. If there are no such identifiable transactions, a suitable valuation model is used. This is based on valuation multiples or other available indicators of fair value.

Assets other than goodwill are assessed at every reporting date to determine whether there are indications that a previously recorded impairment loss no longer exists or has been reduced. If such indications are present, the Group assesses the recoverable value of the asset or the CGU. Any previously recorded impairment losses are only reversed if a change in the assumptions that formed the basis for the determination of the recoverable amount has taken place since recording the last impairment loss. The impairment reversal is limited by the fact that the carrying amount of an asset may exceed neither its recoverable amount nor the carrying value that would have remained after scheduled depreciation if in prior years no impairment losses for the asset had been recorded.

Inventories

Inventories consist of raw materials ("reagents") and consumables and are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and selling expenses.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Ordinary purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has an immaterial amount of debt financial assets that are recognised at fair value through other comprehensive income (FVTOCI). By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

1) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "net finance costs – interest income" line item. For these financial instruments, the Group measures the loss allowance equal to the 12-month expected credit losses, as there has been no significant increase in credit risk since initial recognition.

2) Financial assets at FVPL

Financial assets that do not meet the criteria for being measured at amortised cost, are subsequently measured at FVTPL and are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 33.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and for which the Group has evidence of a recent actual pattern of shortterm profittaking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets are categorised into current and non-current assets in the consolidated statement of financial position. Current financial assets comprise:

- financial assets with a settlement or maturity date within 12 months of the statement of financial position date.

Equity instruments

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrumentbyinstrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "finance income" line item (Note 12) in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI.

Impairment of financial assets

The Group has adopted the simplified expected credit loss model for its trade receivables. To measure the expected credit losses, trade accounts receivable have been grouped based on shared credit risk characteristics and the days past due. Moreover, reasonable and supportable information (if available without undue cost or effort) at the reporting date about past events, current conditions and forecasts of future economic conditions have been taken into account in the calculations. The amount of

expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

The Group writes off a trade receivable only when the trade receivable is uncollectable and there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Other overdue trade receivables are not considered written off, since there is, in fact, no risk of default and only a risk of late payment. In general, there are longer payment settlement periods for trade receivables, as the business partners are commonly represented by institutional organisations such as public and private hospitals, public health insurance funds and public health agencies. Payments are generally secured in terms of contract arrangements.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment measured at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities include borrowings, trade and other payables, derivative financial instruments and other financial liabilities.

Financial liabilities are classified as at FVTPL when the liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL. A financial liability is classified as held for trading if it has been acquired principally for the purpose of repurchasing it in the near term, or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit; or it is a derivative, except for a derivative that is a financial guarantee or a designated and effective hedging instrument. All other financial liabilities are held at amortised cost.

Financial liabilities measured at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Financial liabilities that do not meet the criteria to be FVTPL are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. On initial recognition, any issue or redemption premiums and discounts and issuing costs are added to or deducted from the nominal value of the borrowings concerned. These items are taken into account when calculating the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities are categorised into current and non-current liabilities in the consolidated statement of financial position. Current financial liabilities comprise:

- financial liabilities with a settlement or maturity date within 12 months of the statement of financial position date; and
- financial liabilities in respect of which the Group does not have an unconditional right to defer settlement for at least 12 months after the statement of financial position date.

Derecognition of a financial liability

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group may enter into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both the legal right and intention to offset them. A derivative is presented as a noncurrent asset or a noncurrent liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The Group does not apply any hedge accounting.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured at either amortised cost or fair value as appropriate. Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at fair value.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank current accounts, and other bank deposits and short-term investments considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are recorded under "Short-term borrowings" but included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Provisions

A provision is recognised if the Group has a present (legal or constructive) obligation arising from a past event, expenditure of resources with an economic benefit to fulfil the obligation is likely, and a reliable assessment of the amount of the obligation is possible. If an accrued liability is expected to be reimbursed at least in part (e.g. liabilities covered under an insurance policy), the reimbursement is classified as a separate asset, provided that there is a high probability of it occurring. The expense for such a provision is reported in the consolidated statement of income less any reimbursement.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows (when the effect of the time value of money is material for a cash outflow after more than one year). Discount rates reflect current assessments of the time value of money and risks that are specific to the liability and not included in expected cash flows. The unwinding of the discount is recorded as finance costs.

A provision for restructuring is only recognised when the Group has a formalised restructuring plan setting out detailed requirements regarding the business unit or part of the business unit concerned, the site and the number of employees concerned, as well as a detailed estimate of associated cost and a reasonable time schedule. The employees concerned must justifiably expect that the restructuring will take place, or it must have already begun.

Share-based payments

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based

payment transactions, regardless of how the equity instruments are obtained by the Group. The expenses also include any social charges to be paid on the shares granted.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Fair value is determined using a suitable option pricing model. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 27, Share-based payments.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

This vesting period ends at the first possibility to exercise the option (i.e. when the employee concerned is irrevocably entitled to exercise the option). The cumulative expenses recorded for equity-settled share-based payment transactions thereby reflect, at any reporting date up to the date of first possibility of exercising the option, the vesting period already expired as well as the number of equity instruments which, based on the best estimate of management, will eventually vest. However, the amount by which the Group's income is reduced or increased reflects the change in cumulative expenses reported at the beginning versus the end of the reporting period.

Forfeited equity instruments granted for remuneration are not recorded as expense. An exception is granted for equity instruments granted for which non-forfeitability is based on certain market or non-vesting conditions. These equity instruments granted are deemed to be exercisable regardless of whether the market or non-vesting conditions are fulfilled, as long as all performance and service conditions have been fulfilled.

If the underlying conditions of an equity-settled share-based payment transaction are changed, expenses are recorded in the minimum amount of costs that would have been incurred if contractual conditions had not been changed, provided that the original conditions of the remuneration agreement are fulfilled. The Company also records the effect of changes that increase the fair value of the share-based payment or are related to any other benefit for the employee, valued at the date of the change.

If an equity-settled share-based payment agreement is cancelled, this is treated as if the option had been exercised on the day of cancellation. Expenditure not yet recognised is recorded immediately. This applies to all remuneration agreements for which non-vesting conditions on which either the Company or the employee have an influence have not been fulfilled. However, if the cancelled remuneration agreement, either equity or cash-settled, is replaced by another remuneration agreement declared on the day it is granted as replacement for the cancelled remuneration agreement, the cancelled agreement and the new remuneration agreement are recorded as a change to the original remuneration agreement with an impact limited to the incremental fair value granted, if any, during replacement.

Non-controlling interests in partnerships/put options

Pursuant to the rules prescribed by IAS 32, non-controlling interests in partnerships for which minority partners have a right of termination are recorded as a liability. In the same manner, shares for which the minority shareholders have been granted a put option by the majority partner are to be recognised at the fair value of the purchase price as an obligation. If this is done for a business combination, the business combination is accounted for as if the non-controlling interests had already been acquired. As a result, goodwill is recognised in full. Such shares are shown on the Group statement of financial position as a liability under "Other liabilities". Income from these shares which can be withdrawn by the minority partner is shown in the consolidated statement of income in "Other financial expenses".

Adjusted operating profit

In the analysis of the Group's operating results, we present certain non-IFRS measures as (i) they are used by management to measure operating performance, in presentations to our board members, and as a basis for strategic planning and forecasting, and (ii) they represent similar measures that are widely used by certain investors, securities analysts and other parties as supplemental measures of performance. These measures enhance management's and investors' understanding of our financial performance by excluding items that are outside of ongoing operations such as acquisition-related costs including integration costs, strategic project costs (e.g. the IPO in 2021), impairment and reversal of impairment of non-operational assets, income taxes and costs of capital.

We believe that adjusted operating profit is widely used by investors to measure our operating performance and can vary substantially from company to company depending on the accounting methods, book value of assets and capital structure or method by which assets were acquired. This adjusted measure eliminates potential differences in performance caused by variations in capital structures (affecting net finance costs), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortisation expense). This adjusted measure also eliminates the effect of additional specific items that are considered to hinder comparison of the trading performance of our business year on year.

However, non-IFRS measures are not measures or adjustments determined based on IFRS or any other internationally accepted accounting principles, and such items should not be considered as an alternative to the historical financial results or other indicators of our performance based on IFRS measures. Due to differences in the way our non-IFRS measure is calculated, the non-IFRS measure, as defined by us, may not be comparable to similarly titled measures as presented by other companies. Even though non-IFRS measures are used by management to assess ongoing operating performance and these types of measures are commonly used by investors, they have important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of SYNLAB's results as reported under IFRS.

In calculating adjusted operating profit certain items are added back.

Adjusted Operating Profit

- Earnings before interest, tax, depreciation and amortisation (EBITDA)
- Share of loss of associates and other non-controlling interest
- Acquisition and integration-related costs
- Other non-recurring costs from strategic projects (see Note 5)
- Less depreciation and amortisation of all items, except for amortisation of customer relationships

Adjusted operating profit is the Group's segment performance measure and has therefore been disclosed in Note 5.

Segment information

In accordance with IFRS 8, the reportable segments are components of the Group that engage in business activities and whose operating results based on the internal reporting are regularly reviewed by the chief operating decision-maker.

Segment performance is mainly assessed based on total revenue and adjusted operating profit and is measured in line with the statement of income in the consolidated financial statements. All costs initially borne by the head office are allocated to those segments when directly attributable. General costs are assigned to the segments on a revenue basis, whereas costs with a closer relationship to single segments are allocated on a case-by-case scenario. The Group's financing (including finance costs and finance income) and income taxes are centrally managed on a Group basis and are not allocated to operating segments.

This is the basis on which internal reports are provided to the chief operating decision-maker for assessing performance and determining the allocation of resources within the Group.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the three-level fair value hierarchy.

For assets or liabilities repeatedly reported in the financial statements, the Group determines any hierarchy level re-classification by re-evaluating the existing classification at the end of each reporting period. Such revaluation is based on the lowest-level input parameters which are essential for fair value measurement.

Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount that would be received to sell a property in an orderly transaction between market participants at the measurement date. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted recent market prices for similar items when available and current replacement cost when appropriate.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The net carrying value is considered as a reasonable estimate of their fair value considering the short payment and settlement periods applied by the Group. This fair value is determined for disclosure purposes.

Derivatives

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness on an ad hoc basis by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values also reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-based payment transactions

The fair value of employee share options is generally measured using a binomial lattice model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on weighted average historic volatility of similar quoted entities), the weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

4 SIGNIFICANT EVENTS

4.1 Changes in the scope of consolidation

The following changes in the scope of consolidation occurred during the reporting period:

	As at 31 December 2022			As at 31 December 2021		
	% of control	Method of consolidation	% of interest	% of control	Method of consolidation	% of interest
France						
Société d'Exercice Libéral Laboratoire Val de Garonne SELARL	100.00	FC	100.00	49.49	EC	49.49

FC= full consolidation / EC = equity-method

On 31 May 2022, we acquired the remaining shares of Société d'Exercice Libéral Laboratoire Val de Garonne SELARL.

On 17 January 2022, we established a new company in Belgium called SYNLAB Flanders SRL. However, we only have 64.0% control of this company. The minority shareholders paid in 0.9 M€ at the time of incorporation.

We show this cash inflow for Belgium in the cash flow line "Proceeds from non-controlling interests".

As of 30 September 2022, the Group sold its veterinary business in Ireland and United Kingdom for strategic purposes. This deal included SYNLAB VPG Limited and VLSI Limited entity. The portion of that gain attributable to measuring any investment retained in the former subsidiary at its fair value at the date when control is lost was follows 70.5 M€. In consolidated statement of income, the profit is shown under line "profit on disposal of investment". For this transaction, we received a cash inflow of 79.7 M€ and show the amount in the cash flow line "Sale of subsidiaries, net of cash disposed and changes in debt".

The following entities were liquidated / dissolved in the financial year 2022:

Country	Date	Entity	Method of consolidation
United Kingdom	28. Feb. 2022	Integrated Path Services Limited	FC
United Kingdom	28. Feb. 2022	Genon Laboratories Limited	FC
United Kingdom	13. Mar. 2022	SW Path Services LLP	EC
United Kingdom	13. Apr. 2022	Bridge Pathology Limited	FC
United Kingdom	13. Apr. 2022	TDDS 2015 Limited	FC
United Kingdom	14. Dec. 2022	CTDS 2015 Limited	FC

4.2 Acquisitions

The main acquisitions and corporate structuring activities undertaken during the reporting period are shown below, by country. The Group has continued its external growth strategy with several laboratory bolt-ons and acquisitions. As standalone would have been immaterial from the point of view of the group, so we have combined all other acquisitions in the financial year.

All acquisitions in the period earn revenues mainly from genetic, medical or pathology analyses. 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
4. Jan 2022	Spain	Sistemas Genómicos, S.L.	genetic testing	expansion	share deal	100.00%
10. Jan 2022	Italy	Analisi Cliniche O'Bios S.r.l.	medical testing	bolt-on	share deal	100.00%
26. Jan 2022	Italy	Multimedica Lab S.r.l.	medical testing	bolt-on	share deal	100.00%
27. Jan 2022	Italy	Centro Polispecialistico Lecchese S.r.l.	medical testing	bolt-on	share deal	100.00%
28. Feb 2022	Germany	Pathologie Pforzheim	pathology	expansion	asset deal	n/a
1. Apr. 2022	Mexico	Corporación De Atención Medica S.A. De C.V.	medical testing	bolt-on	share deal	100.00%
1. Apr. 2022	Portugal	Genomed, Diagnósticos de Medicina Molecular, S.A.	genetic testing	bolt-on	share deal	93.75%
4. May 2022	Ecuador	Corporación Multigamma S.A.	medical testing	bolt-on	share deal	100.00%
30. May 2022	Italy	Cam Sport S.r.l.	medical testing	bolt-on	share deal	100.00%
30. May 2022	France	Société d'Exercice Libéral Laboratoire Val de Garonne SELARL *)	medical testing	bolt-on	share deal	100.00%
1. Jul. 2022	Ecuador	Lab Centro Illingworth LCI S.A.	medical testing	bolt-on	share deal	100.00%
1. Jul. 2022	Spain	Centre Sanitari Can Mora S.L.	medical testing	bolt-on	share deal	100.00%
4. Jul. 2022	Germany	MVZ für Rheumatologie Dr. Martin Welcker GmbH	rheumatology	bolt-on	share deal	100.00%
1. Aug. 2022	Italy	Salus S.r.l.	diagnostic center	expansion	share deal	100.00%
1. Aug. 2022	Italy	Belluno Medica S.r.l	diagnostic centre	expansion	share deal	100.00%
3. Oct 2022	Chile	Diagnolab S.A.	diagnostic centre	expansion	share deal	100.00%
3. Oct 2022	Chile	Centro de Diagnósticos Cardiovascular S.A.	diagnostic centre	expansion	share deal	100.00%
3. Oct 2022	Chile	Diagno Odont SpA	diagnostic centre	expansion	share deal	100.00%
3. Oct 2022	Chile	Servicios Administrativos Integrales Limitada	diagnostic centre	expansion	share deal	100.00%
3. Oct 2022	Chile	Diagnoneuro SpA	diagnostic centre	expansion	share deal	100.00%
3. Oct 2022	Chile	Diagnósticos Médicos por Imágenes S.A.	diagnostic centre	expansion	share deal	100.00%
3. Oct 2022	Chile	Diagnosalud SpA	diagnostic centre	bolt on	share deal	100.00%
3. Oct 2022	Spain	Anàlisis Mèdiques Barcelona SL	medical testing	bolt-on	share deal	100.00%
3. Oct 2022	Spain	Laboratori d'Analisis Cliniques Analisis Lab, S.L.	medical testing	bolt-on	share deal	100.00%
4. Oct 2022	Germany	Fachpraxis für Tierpathologie	veterinary pathology	expansion	asset deal	n/a
13. Oct. 2022	Portugal	Laboratório de Análises Clínicas Doutor Aires Raposo & Doutora Teresinha Raposo Lda	medical testing	bolt-on	share deal	100.00%
31. Oct. 2022	France	Maubourguet	medical testing	bolt-on	asset deal	n/a
15. Nov. 2022	Italy	M.E.D.A. Lab S.r.l	medical testing	bolt-on	share deal	100.00%
24. Nov. 2022	Italy	Clinilab S.r.l	medical testing	bolt-on	share deal	100.00%
28. Nov. 2022	Italy	CMT S.r.l	medical testing	bolt-on	share deal	100.00%
30. Nov. 2022	Switzer-land	Institut Arnaboldi AG	pathology	bolt-on	share deal	100.00%

*) Change of scope

FAIR VALUES OF THE IDENTIFIABLE ASSETS AT THE DATE OF ACQUISITION

€000

Non-current assets	
Intangible assets	40,897
Property, plant and equipment	9,098
Right of use assets	31,189
Other financial non-current assets	982
Other non-current assets	3
Deferred tax assets	1,766
Current assets	
Inventories	2,828
Trade accounts receivable	8,029
Other financial current assets	5,126
Other current assets	1,670
Cash and cash equivalents	15,611
Total assets	**117,199**
Non-current liabilities	
Loans and borrowings (non-current)	1,916
Lease liabilities (non-current)	27,513
Employee benefits liabilities	1,469
Other non-current liabilities	510
Deferred tax provisions	8,082

€000	
Current liabilities	
Current loans and borrowings	1,432
Current lease liabilities	3,676
Trade accounts payable	5,246
Contract liabilities	574
Current provisions	28
Income tax liabilities	904
Other current liabilities	2,563
Total liabilities	**53,913**
Total identifiable net assets at fair value	**63,286**
Non-controlling interests	(25)
Goodwill from company acquisitions	95,445
Total consideration	**158,706**

CONSIDERATION AT ACQUISITION DATE

€000	
Cash consideration	132,735
Deferred consideration	11,144
Contingent consideration	10,480
Other purchase price in relating to change in scope IAS 28	4,347
Total consideration transferred	**158,706**

Goodwill amounting to 95.5 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	For the year ended 31 December 2022
Germany	2,230
France	10,535
South	82,680
Total	**95,445**

Apart from asset deals in Germany, most of the goodwill recognised is expected to be non-deductible for tax purposes.

All deals have contributed 42.0 M€ to revenue with 0.3 M€ consolidated net profit for the period from continuing operations since their acquisition.

If the deals had been acquired as at the beginning of the year, revenue would have been 41.4 M€ higher and consolidated net profit for the period from continuing operations would have been 5.4 M€ higher.

ANALYSIS OF CASH OUTFLOW DUE TO COMPANY ACQUISITIONS

€000	
Total consideration for FY 2022 acquisitions	**(158,706)**
Deferred consideration on FY 2022 acquisitions unpaid	2,725
Contingent consideration on FY 2022 acquisitions unpaid	6,445
Non-cash part of the other purchase price IAS 28	4,247
Total cash consideration for FY 2022 acquisitions	**(145,289)**
Net cash of acquired companies	15,611
Actual cash outflow due to FY 2022 acquisitions	**(129,678)**
Deferred consideration cash outflows due to the prior-year acquisitions	(4,665)
Contingent consideration cash outflows due to the prior-year acquisitions	(5,947)
Actual cash outflow due to acquisitions in FY 2022	**(140,290)**

The transaction costs related to the completed acquisition amount to 1.2 M€ (2021: 0.7 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 8.0 M€. The gross amount of trade accounts receivable is 8.4 M€. The impairment of trade accounts receivable amounts to 0.4 M€

5. 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 a 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 Note 3, "Significant accounting policies", in the Segment information section. Prior year comparatives only include the results of continued operations.

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

	For the year ended 31 December 2022					
	France	Germany	South	North & East	Elimination	Total Group
Revenue external	674,349	703,206	960,337	912,629	-	3,250,521
Revenue intercompany	56	10,321	1,354	862	(12,593)	-
Total Revenue	**674,405**	**713,527**	**961,691**	**913,491**	**(12,593)**	**3,250,521**
Operating Profit	**111,187**	**(110,830)**	**78,677**	**152,644**		**231,678**
Adjusted Operating Profit	**116,251**	**134,694**	**96,848**	**159,739**		**507,532**
Customer relationship amortisation						(55,449)
Acquisition-and disposal-related expenses and income						(6,928)
Restructuring and other significant expenses						(451)
Impairment of non-current assets						(213,026)
Share of loss of associates and other non-controlling interest						(2,022)
Net finance costs						(17,165)
Income tax expenses						(130,463)
Profit on disposal of investment						70,491
Result from continuing operations						**152,519**

€000

	For the year ended 31 December 2021					
	France	Germany	South	North & East	Elimination	Total Group
Revenue external	828,430	722,698	1,052,657	1,161,131		**3,764,916**
Revenue intercompany	217	12,710	846	2,990	(16,763)	-
Total Revenue	**828,647**	**735,408**	**1,053,503**	**1,164,121**	**(16,763)**	**3,764,916**
Operating Profit	**209,372**	**141,988**	**204,831**	**358,338**	**-**	**914,529**
Adjusted Operating Profit	**214,824**	**163,591**	**238,194**	**379,469**		**996,078**
Customer relationship amortisation						(51,634)
Acquisition- and disposal-related expenses and income						(7,149)
Restructuring and other significant expenses						(22,766)
Impairment of non-current assets						-
Share of loss of associates and other non-controlling interest						(3,543)
Net finance costs						(102,468)
Income tax expenses						(195,324)
Profit on disposal of investment						(2,882)
Result from continuing operations						**610,312**

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

€000

	For the year ended 31 December	
Continuing Operations	**2022**	**2021**
Operating profit	231,678	914,529
Restructuring and other significant expenses	451	22,766
Acquisition- and disposal-related (income) / expenses	6,928	7,149
Impairment of non-current assets	213,026	-
Customer relationship amortization	55,449	51,634
AOP	**507,532**	**996,078**
Depreciation and amortisation	301,304	265,360
Elimination of customer relationship amortisation	(55,449)	(51,634)
Operating D&A	245,855	213,726
AEBITDA	**753,387**	**1,209,804**

6. REVENUE

The components of revenue are as follows:

€000

	For the year ended 31 December	
Continuing Operations	**2022**	**2021**
Revenues from human medicine	3,167,885	3,667,248
Revenues from veterinary medicine	41,523	43,739
Revenues from environmental and other analysis, studies, expertise	9,669	9,672
Revenues from trading goods and services	19,760	21,726
Revenues from software solutions and services	11,884	22,531
Total revenue	**3,250,521**	**3,764,916**

Of the revenue recognised in the reporting period 2022, 7.5M€ was included in the contract liability balance at the beginning of the period.

There are no single customers that contribute 10% or more to the Group's revenue as the Group generates revenue from a wide range of analysis and diagnostic testing services with a wide range of customers in many different countries worldwide.

7. MATERIAL AND RELATED EXPENSES

Significant items included in material expenses are as follows:

€000

	For the year ended 31 December	
Continuing Operations	**2022**	**2021**
Reagents	(269,900)	(300,969)
External analysis services	(103,559)	(110,556)
Consumables	(151,587)	(217,830)
Per reported result	(146,677)	(192,972)
Temporary workers laboratory	(49,420)	(40,568)
Other	(55,773)	(79,539)
Total	**(776,916)**	**(942,434)**

Consumables and reagents are the key materials in the clinical diagnostic business. Master agreements in place with clinical diagnostic equipment manufacturers also provide for payments to suppliers based on the analyses performed on a "per reported result" billing basis.

8. PAYROLL RELATED EXPENSES

€000

	For the year ended 31 December	
Continuing Operations	**2022**	**2021**
Salaries and wages	(759,180)	(694,281)
Social security contributions	(234,822)	(222,785)
thereof pension contributions	(51,888)	(50,910)
Other personnel related costs (including bonus payments & premiums)	(100,090)	(158,002)
Subcontracting/temporary staff	(68,944)	(61,773)
Share-based payments	(3,635)	(2,050)
Total payroll and related expenses	**(1,166,671)**	**(1,138,891)**
Average number of employees during the year:	**29,153**	**27,337**
Administration	4,696	4,207
Operation	24,457	23,130
thereof doctors/biologists	3,136	2,601

The average number of employees throughout the year was 29,153 (2021: 27,337). In the financial years 2022 and 2021, two members of the Executive Board were employed by the parent company SYNLAB AG.

Other personnel related costs include, amongst others, profit sharing, overtime, premiums, bonuses, severance payments and unused personal leave.

Other personnel-related costs decreased significantly between 2022 and 2021. This decrease resulted mostly from additional bonuses and premiums in the financial year 2021 that were awarded to the workforce in relation to the COVID-19 pandemic and acquisitions.

Details of pension arrangements and share-based payment transactions are set out in Notes 29 respectively and 28. In the year ended 31 December 2022, 59.8 M€ (2021: 55.8 M€) was paid by the Group into defined contribution plans.

Total payroll and related expenses include the variable remuneration paid to the French biologists under the legal form of a dividend. These priority dividends to be paid to certain laboratory doctors after year-end are recognized as employee benefits expense and liabilities in the current year.

9. OTHER OPERATING EXPENSES

Significant items included in other operating expenses are as follows:

€000

	For the year ended 31 December	
Continuing Operations	2022	2021
IT and administration expenses	(83,784)	(82,505)
Utilities	(93,589)	(73,372)
Transportation expenses	(91,175)	(82,233)
Consulting and advisory fees	(75,840)	(52,858)
Marketing and communication expenses	(52,342)	(53,567)
Repairs, maintenance and insurance expenses	(45,713)	(38,357)
Personnel-related expenses	(40,877)	(40,367)
Other taxes, charges and fees	(29,729)	(27,876)
Other expenses	(27,334)	(26,866)
Valuation of receivables	(19,589)	(12,229)
Low-value, variable and short-term leases	(12,014)	(16,688)
Acquisition- and disposal-related items	(6,928)	(7,150)
Exchange loss	(5,059)	(7,619)
Loss from asset disposal	(2,258)	(1,812)
Restructuring and other significant items	(451)	(22,766)
Total other operating expenses	**(596,682)**	**(546,265)**

IT- and administrative expenses include expenses for hardware and software maintenance, IT consulting, network, materials and software licenses.

Utilities include energy expenses, running costs for rental premises, expenses for security and building observation, cleaning and maintenance.

Transportation expenses include both expenses related to external logistics providers and expenses incurred for the Group's vehicle fleet.

Consulting and advisory fees include expenses for tax and auditing, legal, Supervisory Board fees, expenses for accounting and payroll accounting, as well as other external consultancy fees.

Personnel-related expenses include travel expenses, expenses for temporary workers and training.

Other taxes, charges and fees consist mostly of non-recoverable VAT and other trade taxes.

Other expenses include consolidation loss, penalties and bank charges, prior-period and other expenses, contributions, donations, and valuation of receivables.

Audit services

Audit services are included in the "Consulting and advisory fees" line. During the year, the Group (including its overseas subsidiaries) obtained the following services from the Group's auditor and its associates at the following costs.

Audit fees

The following is a breakdown of auditor fees from Deloitte Wirtschaftsprüfungsgesellschaft GmbH to SYNLAB AG and its subsidiaries for the period of 1 January to 31 December:

€000

	For the year ended 31 December	
Audit fees	**2022**	**2021**
For audits performed	2,122	2,480
For other audit services	616	215
For tax consultancy services	-	2
For other services	-	556
Total audit fees	**2,738**	**3,253**

The other assurance services mainly relate to services in connection with the review of the half-year financial report. In prior year other assurance services mainly related to services in connection with the issuance of a comfort letter and the performance of the formation audit/sub-formation audit pursuant to section 33 of the German Stock Corporation Act (AktG). The other services in 2021 mainly related to services in connection with the carve-out of the A&S business.

10. OTHER OPERATING INCOME

Significant items included in other operating income are as follows:

€000

Continuing Operations	For the year ended 31 December 2022	For the year ended 31 December 2021
Other	28,812	32,741
Income from foreign currency transactions	4,400	7,729
Income from overdue fines	1,930	1,488
Rental and lease income	614	605
Total other operating income	**35,756**	**42,563**

Other income includes grants, apportionments and other compensations in an amount of 26.6 M€ (2021: 31.1 M€), insurance compensation 1.5 M€ (2021: 0.3 M€), and income from prior periods 0.9 M€ (2021: 0.9 M€).

11. DEPRECIATION AND AMORTISATION

Depreciation and amortisation relate to the following items:

€000

Continuing Operations	For the year ended 31 December 2022	For the year ended 31 December 2021
Property, Plant and Equipment	(73,881)	(63,061)
Right of Use assets	(142,151)	(117,635)
Customer relationships	(55,449)	(51,632)
Other intangible assets	(29,823)	(33,032)
Total depreciation and amortisation	**(301,304)**	**(265,360)**

Amortisation of customer relationships relates to customer relationships recognised as part of the purchase price allocation for the acquisitions completed by the Group.

12. NET FINANCE COSTS

€000

Continuing Operations	For the year ended 31 December 2022			For the year ended 31 December 2021		
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 fair value through P&L	-	28,526	28,526	-	(10)	**(10)**
Financial liabilities						
at amortised cost	(32,833)	(8,799)	(41,632)	(73,291)	(38,667)	**(111,958)**
at fair value through P&L	-	15,867	15,867	-	36,389	**36,389**
Total net finance result	**(32,833)**	**35,594**	**2,761**	**(73,291)**	**(2,288)**	**(75,579)**

€000

Continuing Operations	For the year ended 31 December	
Other financial result	2022	2021
Other interest income:	7,825	3,278
Exchange gains from financial instruments:	27,089	26,179
Total other financial income:	**34,914**	**29,457**
Interest expenses arising from IAS 19 valuation:	(421)	(292)
Interest expenses on lease liabilities:	(19,886)	(15,907)
Exchange loss from financial instruments:	(31,579)	(35,119)
Other finance costs:	(2,954)	(5,028)
Total other financial costs:	**(54,840)**	**(56,346)**
Total other financial result:	**(19,926)**	**(26,889)**

The net finance result relates mainly to:

i) 320 M€ Senior Secured Term Loan (TLB5), issued by SYNLAB Bondco Plc, with an effective interest rate of 3.2% (applied above the EURIBOR floored at zero and subject to a margin ratchet table) due in 2026.

ii) 385 M€ Senior Secured Term Loan (TLB4), issued by SYNLAB Bondco Plc, with an effective interest rate of 3.6% (applied above the EURIBOR floored at zero and subject to a margin ratchet table) due in 2027.

iii) 735 M€ Term Loan A, issued by SYNLAB AG, with an effective interest rate of 4.1% (applied above the EURIBOR floored at zero and subject to a margin ratchet table) due in 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 FX gains with regard to retranslation of intercompany loans and is primarily due to EUR/MXN FX rate variation as well as FX gains for the payment of the intragroup dividends and intercompany loans. The latter is mainly caused by the EUR/CHF and EUR/GBP FX rate variation.

Exchange losses relate mainly to FX losses with regard to retranslation of intercompany loans and is primarily due to EUR/CHF and EUR/GBP FX rate variation.

Exchange income and exchange losses relate to financing items.

13. INCOME TAX EXPENSES

Analysis of tax charge in the year:

€000

	For the year ended 31 December	
Continuing Operations	**2022**	**2021**
Current tax current year	(128,409)	(199,109)
Current tax prior year *	(13,072)	(1,383)
Deferred tax	11,018	5,168
Total income tax expenses	**(130,463)**	**(195,324)**

The reasons for the difference between the expected and the reported tax expense are as follows:

€000

	For the year ended 31 December	
Continuing Operations	**2022**	**2021**
Earnings before tax	282,982	805,636
Tax charge expected on the profit on ordinary activities at group tax rate of 25.5% **	(72,160)	(205,437)
Impairment of goodwill	(54,315)	-
Tax increases due to non-tax-deductible expenses	(16,071)	(1,976)
Tax effect on non-taxable income	18,076	385
Profits taxed at rates different from the weighted group tax rate	(6,043)	(15,098)
Net temporary differences (incl. loss and interest carryforwards) for which no deferred tax asset was recognized in the past	11,425	26,834
Effect of changes in corporate tax rates	1,922	1,356
Prior year tax adjustments *	(13,072)	(1,383)
Other tax effect	(225)	(5)
Total tax charge for the year	**(130,463)**	**(195,324)**

* The 2022 Current tax prior year includes a change in our assessment on the use of losses carried forward in Germany.
** A weighted average tax rate on the basis of expected tax rates for individual Group Companies is used for the reconciliation.

14. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit from continuing operations or 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

Earnings	For the year ended 31 December 2022	2021
Income from continuing operations	152,519	610,312
Less Earnings attributable to non-controlling interest	1,822	2,773
Earnings for the purpose of basic earnings per share	**150,697**	**607,539**
Effect of dilutive potential ordinary shares	-	-
Earnings for the purposes of diluted earnings per share	**150,697**	**607,539**
Total income for the Group	152,519	627,536
Less Earnings attributable to non-controlling interest	1,822	2,773
Earnings for the purpose of basic earnings per share	**150,697**	**624,763**
Effect of dilutive potential ordinary shares	-	-
Earnings for the purposes of diluted earnings per share	**150,697**	**624,763**

000s shares

	For the year ended 31 December 2022	2021
Weighted average number of ordinary shares for the purposes of basic earnings per share	221,558	215,160
Effect of dilutive potential ordinary shares	308	65
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**221,866**	**215,224**

EUR

	2022	2021
Basic earnings per share from continuing operations	0.68	2.82
Diluted earnings per share from continuing operations	0.68	2.82
Basic earnings per share from discontinued operations	0.00	0.08
Diluted earnings per share from discontinued operations	0.00	0.08
Basic earnings per share	0.68	2.90
Diluted earnings per share	0.68	2.90

15. DISCONTINUED OPERATIONS / PROFIT ON DISPOSAL OF INVESTMENTS

During the year ended 31 December 2020 the Group entered into agreements to dispose of the Analytics and Services (A&S) business segment as part of a strategic decision to fully focus on its core medical activities and drive further growth. The disposal of the A&S segment included the following transactions:

- On 9 July 2020 and 3 November 2020, the Group disposed of the A&S operations in Austria and Italy, specifically SYNLAB Analytics & Services Austria GmbH, SYNLAB Analytics & Services S.r.l. and SYNLAB Analytics & Services Italia S.r.l.
- On 10 November 2020, the Group entered into a sale agreement to dispose of the remaining A&S entities, which was completed on 31 December 2020 for all but one entity, BZH GmbH Deutsches Beratungszentrum für Hygiene, which was not sold in 2020 and is shown as held for sale as of December 2020:

Country	Entities
Switzerland	SYNLAB Analytics and Services Switzerland AG
Germany	BZH GmbH Deutsches Beratungszentrum für Hygiene*)
Germany	SYNLAB Analytics & Services LAG GmbH
Germany	SYNLAB Chemie, Industrie- und Spezialanalytik CIS GmbH
Germany	SYNLAB Analytics & Services Germany GmbH
Denmark	AnalyTech Miljølaboratorium A/S
Finland	SYNLAB Analytics & Services Finland Oy
Finland	Nordic Testing Oy
Netherlands	SYNLAB Analytics & Services BV
Netherlands	SYNLAB Analytics & Services Oosterhout BV
Netherlands	Alcontrol Holding (Netherlands) BV
Netherlands	ALcontrol Holland BV
Norway	SYNLAB Analytics & Services Norway AS
Norway	ALcontrol Norway AS
Sweden	SYNLAB Analytics & Services AB
Sweden	ALcontrol Holding (Sweden) AB
Sweden	ALcontrol Sweden AB
UK	ALcontrol Financial Limited
UK	ALcontrol Holdings Limited
UK	ALcontrol Netherlands Limited
UK	ALcontrol Holding (Norway) Limited
UK	ALcontrol Sweden Limited
UK	ALcontrol Holdings (UK) Limited
UK	SYNLAB Analytics & Services UK Limited

* Shown as held for sale as of 31 December 2020.
The entity was sold on 29 January 2021.

The table below shows the results of the discontinued operations and disposal of investments which are included in the consolidated statement of income:

€000	For the year ended 31 December 2021
Revenue	848
Expenses	(638)
Profit before tax	**210**
Profit on disposal before transaction costs and tax	13,555
Tax charge on profit on disposal	(240)
Profit for the year from discontinued operations	**13,525**
Profit for the year from discontinued operations FY 2020	3,699
Total profit for the year from discontinued operations	**17,224**

The profit on disposal of these entities, which has been calculated as the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill totalled of - M€ (2021: 13.6 M€).

The profit on disposal calculation and the major classes of assets and liabilities comprising the operations classified as disposed entities are as follows:

€000	As at 29 January 2021
Non-current assets	
Intangible assets	15
Property, plant and equipment	78
Right of use assets	864
Other non-current assets	2
Deferred tax assets	11
Current assets	
Trade accounts receivable	551
Other current assets	17
Cash and cash equivalents	4,417
Total assets	**5,955**
Non-current liabilities	
Lease liabilities (non-current)	672

€000	As at 29 January 2021
Current liabilities	
Current lease liabilities	184
Trade accounts payable	821
Contract liabilities	1,551
Current provisions	43
Income tax liabilities	98
Other current liabilities	486
Total liabilities	**3,855**
Attributable goodwill	-
Net assets disposed of	**2,100**
Consideration received, satisfied in cash	**15,655**
Profit on disposal before transaction costs and tax	**13,555**
Disposal costs	-
Tax charge on profit on disposal	(240)
Profit on disposal after tax (current year)	**13,315**

Net cash inflow arising on sale of subsidiaries, net of cash acquired and changes in debt as follows:

€000	As at 31 December 2021
Cash consideration	15,655
Less: cash and cash equivalents disposed of	(4,417)
Transaction costs paid	(11,068)
Consideration received prior year disposals	3,972
Net cash inflow arising on disposal	**4,142**

16. INVENTORIES

€000

	As at 31 December	
	2022	2021
Raw materials	81,780	108,133
Finished goods	2,101	1,542
Advance payments	213	345
Total	**84,094**	**110,020**

In 2021, there was an increase in reagent inventories related to COVID-19. The decrease in inventories as of 31 December 2022 is due to the consumption of COVID-19 reagents.

The cost of inventories recognised as an expense during the year in respect of continuing operations was 568.2 M€ (2021: 711.8 M€).

17. GOODWILL

€000

		Goodwill
	At 1 January 2022	**2,799,321**
	Acquisition through business combinations	95,445
	Change in Scope	(12,254)
	Foreign currency translation	25,357
Gross amount	**31 December 2022**	**2,907,869**
	At 1 January 2022	**(359,541)**
	Impairment charge	(213,000)
	Foreign currency translation	(11,905)
Impairment	**31 December 2022**	**(584,446)**
	At 1 January 2022	**2,439,780**
Carrying amount	**At 31 December 2022**	**2,323,423**

€000

		Goodwill
	At 1 January 2021	**2,561,108**
	Acquisition through business combinations	225,360
	Disposal of subsidiaries	(2,799)
	Foreign currency translation	15,652
Gross amount	**31 December 2021**	**2,799,321**
	At 1 January 2021	**(348,980)**
	Impairment charge	-
	Foreign currency translation	(10,561)
Impairment	**31 December 2021**	**(359,541)**
	At 1 January 2021	**2,212,128**
Carrying amount	**At 31 December 2021**	**2,439,780**

Goodwill values for the acquisitions made during the period ended 31 December 2022 are provisional and subject to modification in the twelve months period following the acquisition date.

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to cash generating units or groups of cash-generating units ("CGUs") defined at the level of main countries or geographical zones, which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

The CGUs and group of CGUs for the year ended 31 December 2022 are Germany, France, South and North & East. This CGUs and group of CGUs definition is consistent with the current operating segment structure of SYNLAB Group and directly results from its reorganization in 2020. Consequently, the current CGUs and group of CGUs structure reflects the change in management approach and approach in monitoring the results of the Group.

The carrying amounts of goodwill allocated to each CGUs and group of CGUs and key assumptions of the impairment testing model are as follows:

As at 31 December 2022

	Carrying Amount	LT growth rate	Discount rate post-tax	Discount rate pre-tax
	€000	%	%	%
Germany	320,687	2.0	7.2	9.5
France	929,762	1.6	7.7	9.8
South	847,925	1.7	9.6	12.3
North & East	225,049	2.0	8.6	10.2
	2,323,423			

As at 31 December 2021

	Carrying Amount	LT growth rate	Discount rate post-tax	Discount rate pre-tax
	€000	%	%	%
Germany	492,324	1.0	5.8	8.1
France	919,226	0.7	6.4	8.5
South	749,764	0.8	7.3	9.8
North & East	278,466	1.1	6.9	8.5
	2,439,780			

Recoverable Amount

The recoverable amount of each cash-generating unit was based on its value in use which was determined by discounting the future cash flows generated from the continuing use of the unit. The main assumptions on which the value in use of a cash generating unit is based are the discount rate and trends in volumes, prices and direct costs (inflation) over the period.

The calculation of the value in use was based on the following key assumptions:

- The Group's latest available five-year business plan shows trends in volumes, prices and direct costs based on past trends and the future market outlook which includes a specific level of uncertainties. This five-year business plan was reviewed in the current context of difficult economic environment in some European countries.
- The cash flow projections for the years 2023 to 2027 also include:
  - taxes impact by applying the latest enacted rate per country;
  - working capital; and
  - capital expenditures
- The terminal value is then calculated by discounting the forecast flows of the past year (2027 as the steady state of the respective CGU) using a sustainable growth rate between 1,6% and 2,0% (2021: 0.7% and 1.1%) depending on the cash-generating unit. This percentage is management's best estimate of the inflationary growth effects based on the long-term inflation rates for each CGU.
- The discount rate is based on the respective CGU's weighted average cost of capital (WACC), including a leveraged beta, market risk premium, country risk premium and cost of debt.

- The discount rates used are post-tax discount rates applied to post tax cash flows. Applying those rates results in a value in use materially consistent to those computed using pre-tax discount rates applied to pre-tax cash flow. (as required by IAS 36).

RESULT OF FULL YEAR IMPAIRMENT TESTING

Based on the impairment test model calculation performed, the recoverable amount for the CGU Germany amounts to 753M€ and there was an impairment of 213M€ recognized for the CGU Germany.

The impairment in Germany has been largely the consequence of the overall geopolitical situation which affected our German CGU in two (2) ways. Firstly, the rise in the yield of the 30-year German government bond increased the WACC of the CGU and secondly, the current high inflationary environment weakened our outlook for the German CGU.

The financial plans are also based on assumptions about the effects of climate change and the influence of other sustainability-relevant aspects on the business development of SYNLAB.

For the SYNLAB Group, climate-related risks as a result of the necessary implementation of regulatory requirements to promote a circular economy and limit climate change did not have any significant impact on the determination of the recoverable amounts of the CGUs or groups of CGUs.

SENSITIVITY ANALYSIS

A post-tax discount rate increase of 1% point would lead to a goodwill impairment in Germany & France where it would lead to impairment of respectively 106M€ and 125M€ being recognized.

A 5% decrease in the forecasted EBITDA over the forecast's horizon included in the terminal value would lead to a goodwill impairment for Germany & France where it would lead to an impairment of 71M€ and 67M€ being recognized respectively.

18. INTANGIBLE ASSETS

€000

Gross amount	Customer relationships	Trademarks	Software	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**
Change of scope	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**

Trademarks include the proprietary SYNLAB brand identified as an indefinite-lived intangible asset. The carrying amount of this indefinite-lived asset is 35.6M€. The value of the proprietary SYNLAB brand is reassessed and confirmed annually through an impairment test

€000

Accumulated amortization and carrying amount of intangible assets	Customer relationships	Trademarks	Software	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

€000

Gross amount	Customer relationships	Trademarks	Software	Property rights and similar rights	Other	Total
As at 1 January 2021	898,462	36,661	119,537	13,270	23,243	1,091,173
Acquisition of subsidiaries	34,138	-	346	9,455	36	43,975
Foreign currency translation	13,378	(56)	962	176	(2)	14,458
Additions	146	-	17,235	18	25,581	42,980
Disposals	(30,392)	(278)	(10,597)	(6,905)	-	(48,172)
Reclassification	-	-	29,289	(48)	(29,241)	-
As at 31 December 2021	**915,732**	**36,327**	**156,772**	**15,966**	**19,617**	**1,144,414**

€000

Accumulated amortization and carrying amount of intangible assets	Customer relationships	Trademarks	Software	Property rights and similar rights	Other	Total
As at 1 January 2021 Amortisation	(264,157)	(582)	(73,284)	(9,303)	-	(347,326)
As at 1 January 2021 Impairment	(28,467)	-	-	-		(28,467)
Amortisation of the year	(51,632)	(134)	(28,146)	(4,754)	-	(84,666)
Impairment of the year	-	-	-	-	-	-
Foreign currency translation	(5,124)	31	(937)	(74)	-	(6,104)
Disposals	30,392	278	10,498	6,907	-	48,075
As at 31 December 2021 Amortisation	(297,590)	(407)	(91,869)	(7,224)	-	(397,090)
As at 31 December 2021 impairment	(21,398)	-	-	-	-	(21,398)
Carrying amount as at 1 January 2021	605,838	36,079	46,253	3,967	23,243	715,380
Carrying amount as at 31 December 2021	596,744	35,920	64,903	8,742	19,617	725,926

The 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 performed since the formation of the Group in 2015.

Customer relationships break down into the following group of CGUs:

€000	As at 31 December 2022		
	Gross	Amortisation & Impairment	Net
Germany	383,791	(135,794)	247,997
France	8,760	(2,542)	6,218
South	311,796	(129,783)	182,013
North & East	247,536	(106,786)	140,750
Total	**951,883**	**(374,905)**	**576,978**

€000	As at 31 December 2021		
	Gross	Amortisation & Impairment	Net
Germany	373,099	(115,256)	257,843
France	8,286	(2,057)	6,229
South	277,992	(106,298)	171,694
North & East	256,355	(95,377)	160,978
Total	**915,732**	**(318,988)**	**596,744**

19. PROPERTY, PLANT AND EQUIPMENT

€000

Gross amount	Land and building	Technical machines and equipment	Vehicle fleet	Assets under construction	Office, IT and other equipment	Total
As at 1 January 2022	**113,245**	**204,602**	**2,537**	**15,183**	**146,387**	**481,954**
Change of scope	2,100	3,931	(13)	(12)	1,161	7,167
Foreign currency translation	(476)	(1,278)	39	(73)	914	(872)
Additions	13,188	31,521	1,352	31,480	30,189	107,710
Disposals	(2,791)	(7,450)	(757)	(143)	(6,114)	(17,255)
Reclassification	5,280	3,109	(8)	(16,496)	8,115	-
As at 31 December 2022	**130,526**	**234,437**	**3,150**	**29,939**	**180,652**	**578,704**

€000

Accumulated amortization and carrying amount of tangible assets	Land and building	Technical machines and equipment	Vehicle fleet	Assets under construction	Office, IT and other equipment	Total
As at 1 January 2022	**(33,436)**	**(104,836)**	**(357)**	**-**	**(70,303)**	**(208,932)**
Depreciation during the year	(13,170)	(36,248)	(1,003)	-	(23,460)	(73,881)
Change of scope	35	1,177	34	-	39	1,285
Foreign currency translation	400	992	(48)	-	(251)	1,093
Disposals	807	6,514	684	-	5,232	13,237
as at 31 December 2022	**(45,364)**	**(132,401)**	**(690)**	**-**	**(88,743)**	**(267,198)**
Carrying amount as at 1 January 2022	**79,809**	**99,766**	**2,180**	**15,183**	**76,084**	**273,022**
Carrying amount at 31 December 2022	**85,162**	**102,036**	**2,460**	**29,939**	**91,909**	**311,506**

€000

Gross amount	Land and building	Technical machines and equipment	Vehicle fleet	Assets under construction	Office, IT and Other equipment	Total
As at 1 January 2021	**91,651**	**159,723**	**1,527**	**7,707**	**113,988**	**374,596**
Acquisition of subsidiaries	6,258	11,242	201	40	1,644	19,385
Foreign currency translation	570	1,482	84	(27)	603	2,712
Additions	10,727	36,486	1,254	21,002	32,021	101,490
Disposals	(431)	(8,806)	(637)	(139)	(6,216)	(16,229)
Reclassification	4,470	4,475	108	(13,400)	4,347	-
as at 31 December 2021	**113,245**	**204,602**	**2,537**	**15,183**	**146,387**	**481,954**

€000

Accumulated Depreciation an carrying amount of intangible assets	Land and building	Technical machines and equipment	Vehicle fleet	Assets under construction	Office, IT and Other equipment	Total
As at 1 January 2021	**(22,329)**	**(79,884)**	**(38)**	**-**	**(55,276)**	**(157,527)**
Depreciation during the year	(11,263)	(31,073)	(828)	-	(19,897)	(63,061)
Foreign currency translation	(200)	(1,087)	(77)	-	(558)	(1,922)
Disposals	356	7,208	586	-	5,428	13,578
as at 31 December 2021	**(33,436)**	**(104,836)**	**(357)**	**-**	**(70,303)**	**(208,932)**
Carrying amount as at 1 January 2021	**69,322**	**79,839**	**1,489**	**7,707**	**58,712**	**217,069**
Carrying amount as at 31 December 2021	**79,809**	**99,766**	**2,180**	**15,183**	**76,084**	**273,022**

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 2021	430,540	124,941	13,367	11,646	580,494
as at 31 December 2022	477,379	154,503	14,321	9,765	555,968
Depreciation expense for the period ended					
31 December 2021	(69,563)	(34,614)	(8,372)	(5,086)	(117,635)
31 December 2022	(83,058)	(45,270)	(9,113)	(4,710)	(142,151)

20. INVESTMENTS IN ASSOCIATES

The Group's investments in its associates (equity accounted investees) as at 31 December 2022 was 1.3 M€ (2021: 4.8 M€).

In addition, the Group owned interests of 33% in a local Economic Interest Group (called Consorzio in Italy), which corresponds to entities in which support functions are pooled, working for both the Group's laboratories and other external entities. For those entities, the Group has significant influence but no control of the entities.

In 2022 the Group did not receive any material dividends (2021: 0.3 M€) from its investments in equity accounted investees.

Details of the Group's associates at the end of the reporting period are as follows:

	As at 31 December 2022		
	Equity	Interest/ordinary shares	Gross value
Companies	€000	in %	€000
Bakteriologisches Institut Olten BIO AG	387	30	27
Consorzio per lo Sviluppo della Medicina Occupazionale e Ambientale	112	33	28
Gestora Peruana de Hospitales S.A.	1,166	32	391
CLINICA SAMPEDRO LDA.	35	30	99
Southwest Pathology Services LLP	822	33	380
SPS Facilities LLP	670	33	358
Total	**3,192**		**1,281**

	As at 31 December 2021		
	Equity	Interest/ordinary shares	Gross value
Companies	€000	in %	€000
Bakteriologisches Institut Olten BIO AG	355	30	22
Société d'Exercice Libéral Laboratoire Val de Garonne SELARL	2,901	50	4,164
Consorzio per lo Sviluppo della Medicina Occupazionale e Ambientale	103	33	24
Gestora Peruana de Hospitales S.A.	944	32	350
CLINICA SAMPEDRO LDA.	35	30	99
Southwest Pathology Services LLP	(87)	33	117
SPS Facilities LLP	(153)	33	56
Total	**4,098**		**4,831**

Summarised financial information for the investments in associates is as follows (100% of control):

€000	As at 31 December	
	2022	2021
Non-current assets	478	1,100
Current assets	6,075	6,428
Cash	2,142	2,767
Total assets	**8,695**	**10,295**
Shareholders' equity	3,133	4,063
Financial debt	-	-
Other liabilities and provisions	5,562	6,232
Total liabilities and equity	**8,695**	**10,295**

Income Statement		
Revenue	89,514	73,390
Results from operating activities	2,053	837
Net profit for the period	**1,916**	**433**

21. OTHER NON-CURRENT ASSETS

Other non-current assets include the following:

€000

	As at 31 December	
	2022	2021
Pension surplus asset (IAS 19)	1,399	1,360
Contract costs (IFRS 15)	3,301	3,732
Total other non-current assets	**4,700**	**5,092**

22. OTHER CURRENT ASSETS

Other current assets mainly consist of the following::

€000

	As at 31 December	
	2022	2021
VAT and other tax receivables	78,374	43,557
Prepayments	28,024	20,214
Total other current assets	**106,398**	**63,771**

VAT and other tax receivables consisted of short-term VAT receivables, local tax receivables and corporate income tax receivables 78.3 M€ (2021: 43.5 M€)

Prepayments comprised of deferred social security, deferred rent and lease expenses, deferred consulting and other deferred expenses totaling 28.0 M€ (2021: 20.2 M€).

23. OTHER FINANCIAL ASSETS

Other financial assets include the following:

€000	As at 31 December 2022			
	current		non-current	
	2022	2021	2022	2021
Equity instruments designated as at FVTOCI	-	-	1,639	986
Financial assets measured at FVPL	-	-	33,483	-
Financial instruments measured at amortised costs	47,299	62,272	45,396	41,704
Thereof escrow:	5,890	26,074	15,563	10,566
Thereof rental deposits:	-	-	24,901	24,962
Thereof other:	41,409	36,198	4,932	6,176
Total other financial assets	**47,299**	**62,272**	**80,518**	**42,690**

Other financial assets and loans include escrow accounts related to M&A transactions of 21.5 M€ (2021: 36.6 M€), other loans receivable of 4.9 M€ (2021: 6.2 M€), as well as security deposits of 24.9 M€ (2021: 25.0 M€) and supplier bonus receivables of 14.3 M€ (2021: 12.8 M€). The value of the interest cap that was acquired during 2022 and is measured at FVPL is 33.5 M€ (2021: 0 €).

Entities in which the Group has an ownership below 20% or no significant influence are not consolidated and the investments in those entities have been classified as equity instruments designated as at FVTOCI and, as such, are recognised at fair value. Unrealised gains and losses are taken directly to other comprehensive income.

24. DEFERRED TAX ASSETS AND LIABILITIES

The following are the major deferred tax assets and liabilities recognized by the Group and movements thereon during the current period:

€000

	Deferred tax assets	Deferred tax liabilities			Total
	Tax losses and other deductible temporary differences	Deferred tax on intangible assets	Other deferred tax liabilities	Total deferred tax liabilities	Total net deferred tax
As at 1 January 2022	**41,747**	**(157,562)**	**(27,862)**	**(185,424)**	**(143,677)**
Acquired/disposed through business combination	1,455	(6,136)	(590)	(6,726)	(5,271)
(Charge)/credit to income	7,543	14,309	(10,834)	3,475	11,018
(Charge)/credit to other comprehensive income	(2,907)	-	107	107	(2,800)
Exchange differences	78	(661)	54	(607)	(729)
As at 31 December 2022	**47,916**	**(150,250)**	**(39,125)**	**(189,375)**	**(141,459)**

The only temporary difference which results in a material deferred tax balance relates to intangible assets. Other types of temporary differences have been grouped into single categories of other deferred tax assets and liabilities.

At the end of the financial year, there were loss and interest carryforwards totaling 295.7 M€, of which interest carryforwards amounted to 119.4 M€ (2021: 507.6 M€, of which interest carryforwards amounted to 311.5 M€). The recognition of these assets, and the non-recognition of assets in respect of tax losses and interest carryforwards, is based on the estimate of the Management Board of SYNLAB on the probability of being able to use these items (prior to their expiration), including consideration of current levels of utilization, forecast operating results and the level of deferred tax liabilities recognized in the particular territory / tax grouping. Deferred Tax Assets totaling 13.1 M€ (2021: 2.4 M€) have been recognized on losses. Deferred tax assets have not been recognized in respect of losses of 132.6 M€ (2021: 186.8 M€), which are available for indefinite carry forward. These losses have arisen mainly in the UK, Spain, Germany and France. Whilst there is potential for the losses to be utilized against future taxable profits, no deferred tax asset is recognized on the basis that it is not probable that the entities will generate taxable profits in accordance with IAS 12.

The Group has also previously incurred interest expense in excess of the maximum available to be offset against current profits in a number of territories. An amount of 119.4 M€ (2021: 311.5 M€) is available for indefinite carry forward depending on local regulations, primarily in Spain, and France. The decrease compared to 2021 relates to a change in our assessment on the use of interest carried forward in Germany. Deferred tax assets totaling 1.6 M€ (2021: 1.6 M€) have been recognized on excess interest amounts in companies in France which are forecasting excess interest capacity. Deferred tax assets have not been recognized in respect of excess interest amounts of 113.1 M€ (2021: 305 M€) because excess interest capacity is not currently forecasted for future periods.

At 31 December 2022, the retained earnings of subsidiaries consolidated by the group include undistributed earnings that will be subject to tax if remitted to the shareholder company. Deferred tax liabilities of 0.9 M€ (2021: 4.1 M€) were recognized in 2022 for planned dividend payments by subsidiaries within the foreseeable future. No deferred tax liability has been recognized on undistributed earnings of 10.7 M€.

The following are the major deferred tax assets and liabilities recognized by the Group and movements thereon during the prior year periods:

€000

	Deferred tax assets	Deferred tax liabilities			Total
	Tax losses and other deductible temporary differences	Deferred tax on intangible assets	Other deferred tax liabilities	Total deferred tax liabilities	Total net deferred tax
As at 1 January 2021	**29,017**	**(156,698)**	**(14,940)**	**(171,638)**	**(142,621)**
Acquisition of businesses	3,568	(9,286)		(9,286)	(5,718)
(Charge)/credit to income	9,881	9,910	(14,623)	(4,713)	5,168
(Charge)/credit to other comprehensive income	(1,367)		1,871	1,871	504
Exchange differences	648	(1,488)	(170)	(1,658)	(1,010)
As at 31 December 2021	**41,747**	**(157,562)**	**(27,862)**	**(185,424)**	**(143,677)**

25. TRADE ACCOUNTS RECEIVABLE

Net trade accounts receivable break down into the following Segments:

€000

	As at 31 December 2022		
	Gross	Loss allowance	Net
Germany	107,088	(3,652)	103,436
France	79,593	(10,550)	69,043
North & East	117,806	(8,489)	109,317
South	196,983	(35,690)	161,293
Total	**501,470**	**(58,381)**	**443,089**

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

As a result of the billing processes and billing cycles in the various countries and businesses, there are 99.4 M€ (2021: 150.7 M€) of accrued income not yet billed to customers included in trade accounts receivables.

The ageing of trade accounts receivable at the reporting date was as follows:

€000

	Carrying amount	Gross receivable	Not due	Overdue				
				<3 months	3<6 months	6<12 months	12<24 months	>24 months
2022	443,089	501,470	290,905	80,591	33,478	40,201	31,065	25,230
2021	632,553	676,856	463,425	93,166	41,164	35,446	21,402	22,253

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

€000

	2022	2021
As at 1 January	**(44,304)**	**(32,691)**
Business acquired	(307)	(3,956)
Additions recognised in profit or loss	(40,477)	(26,632)
Foreign currency translation	103	(19)
Utilisation and reversal	26,604	18,994
As at 31 December	**(58,381)**	**(44,304)**

The actual write-off relating to trade receivables as at 31 December 2022 amounts to 3.8 M€ (2021: 3.1 M€). There was no material individual impairment of trade receivables.

The Group has no significant concentration of credit risk due to a large number of private customers and individually non-significance of amounts due. The Group performs continuous credit evaluations of its receivables.

Trade receivables are exposed to a lower default risk, when they are less than 12 months past due. The provision rates vary in this ageing group from 0.1% to 20% in exceptional cases. Trade receivables are considered to be exposed to a higher default risk, when they are more than 12 months past due. The provision rates vary in this ageing group from 60% to 90%.

Allowances for credit losses for trade accounts receivable are disclosed in the operating result. Subsequently incurred credit losses and written-off amounts are recorded in the same income statement line.

26. CASH AND CASH EQUIVALENTS

The purpose is to reconcile cash and cash equivalent in the balance sheet and in the consolidated statement of cash flows in order to avoid any difference resulting from bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

€000

	As at 31 December	
	2022	2021
Euro (EUR)	448,548	325,684
Pound sterling (GBP)	21,389	32,158
Swiss franc (CHF)	11,054	8,887
Czech crown (CZK)	4,202	967
Hungarian forint (HUF)	3,751	5,083
Swedish krona (SEK)	1,349	488
Brazilian real (BRL)	22,483	14,265
Columbian pesos (COP)	3,148	14,886
Chilean pesos (CLP)	583	
USD dollar (USD, Ecuador)	4,488	9,198
Mexican pesos (MXN)	2,977	14,124
Peruvian sol (PEN)	3,194	4,269
Other currencies	8,912	8,126
Cash at bank and deposit	**536,078**	**438,135**
Other cash equivalents	3,041	2,381
Cash on hand	2,565	3,231
Cash and cash equivalents	**541,684**	**443,747**
Bank overdrafts	(94)	(222)
Cash and cash equivalents in the statement of cash flows	**541,590**	**443,525**

27. BORROWINGS AND OTHER FINANCIAL LIABILITIES

€000

	As at 31 December	
	2022	2021
Non-current liabilities		
Bank loans	1,125	294
Term loan	1,406,534	1,398,276
Lease liabilities	557,773	501,888
Derivative financial instruments	3,198	19,065.00
Other financial loans	143	-
Current liabilities		
Accrued interest on term loan	14,093	10,846
Lease liabilities	132,187	113,988
RCF syndicated secured loan	317	416
Other financial loans	897	895
Bank loans	471	194
Bank overdraft	95	222
Total non-current	**1,968,773**	**1,919,323**
Total current	**148,060**	**126,561**
Total	**2,116,833**	**2,045,884**

The Group had following financial instruments on its books at year-end:

735 M€ Term Loan A

Term Loan A, held by SYNLAB AG, is designated at amortised cost. The interest is paid semi-annually.

500 M€ Revolving credit facility

As at 31 December 2022, the facility had not been drawn and the accrued interest for non-utilisation fees amounted to 0.3 M€.

385 M€ Term Loan B4

Term Loan B4, held by SYNLAB Bondco Plc with a nominal amount of 385 M€ is designated at amortised cost. The interest is paid semi-annually.

320 M€ Term Loan B5

Term Loan B5, held by SYNLAB Bondco Plc with a nominal amount of 320M€ is designated at amortised cost. The interest is paid semi-annually.

DERIVATIVE FINANCIAL INSTRUMENTS

All Term Loans exhibit embedded derivatives due to the variable interest part being floored at zero (6-month-EURIBOR floored zero). These embedded derivatives are separated from the host contract and measured at fair value through profit and loss. All fair value changes of the embedded derivatives are recognised either in the interest income or interest expense line item. The fair value of the financial liability resulting out of it as at 31 December 2022 was in total 3.2 M€ (2021: 19.0 M€).

In addition the Group entered into an interest rate hedging contract at the beginning of 2022, with the aim of containing the rise in the 6-month-EURIBOR base reference rate (see Note 33 Financial instruments).

The financial liabilities movement schedule is shown in the following table:

€000

	Floating Senior Secured Notes	Term loan	Accrued interest on term loan	RCF syndicated secured loan	Other financial loans	Derivative financial instruments	Subtotal	Lease liabilities	Total
Amount as 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)
Transfer	-	-	-	-	-	-	-	-	-
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)
As at 31 December 2022	**-**	**1,406,534**	**14,093**	**318**	**2,730**	**3,198**	**1,426,873**	**689,960**	**2,116,833**

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 in principle no cash flow impact, as they are netted with the right of use assets due to the accounting treatment.

€000

	Floating Senior Secured Notes	Term loan	Accrued interest on term loan	RCF syndicated secured loan	Other financial loans	Derivative financial instruments	Subtotal	Lease liabilities	Total
Amount as at 1 January 2021	**836,230**	**1,843,754**	**34,680**	**295**	**2,686**	**-**	**2,717,645**	**421,911**	**3,139,556**
Business acquired	-	-	-	-	1,053	-	1,053	34,970	36,023
Non-cash movements	16,612	20,301	(23,834)	2,825	(402)	(36,389)	(20,887)	27,687	6,800
Transfer	(2,842)	(52,612)	-	-	-	55,454	-	-	-
Proceeds from loans and borrowings	-	730,333	-	(2,704)	2	-	727,631	-	727,631
Lease additions	-	-	-	-	-	-	-	239,935	239,935
Repayments of loans and borrowings	(850,000)	(1,143,500)	-	-	(1,734)	-	(1,995,234)	(108,827)	(2,104,061)
As as at 31 December 2021	**-**	**1,398,276**	**10,846**	**416**	**1,605**	**19,065**	**1,430,208**	**615,676**	**2,045,884**

REVOLVING CREDIT FACILITY (RCF) AND TERM LOAN A COVENANTS

The RCF and 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.

TERM LOAN B COVENANTS

Term Loan B includes certain maintenance covenants as well as some incurrence covenants as defined in the agreements (tranches B4 and B5).

LEASE LIABILITIES

The Group has leases mainly for land and building and technical equipment (refer to Note 19 Right of Use Assets).

28. EMPLOYEE BENEFITS LIABILITIES

Most of the Group's employees are covered by state pension and collective plans managed by third parties if required under local legislation. Those plans are defined contribution plans.

In addition to these statutory pension schemes, a provision for pensions and other post-employment benefits is recorded in the IFRS consolidated statement of financial position as at 31 December 2022, 31 December 2021 based on an actuarial expert opinion for the following obligations:

Obligations in Switzerland

In general, employers in Switzerland must offer a pension plan to their employees in accordance with the Federal Law on Occupational Retirement, Survivors', and Disability Pension Plans (BVG). Employees whose salary exceeds a particular threshold – which is redefined periodically – participate in the pension plan. The BVG requires a minimum plan, the "BVG minimum", which must be covered in any case.

The Group's pension plans in Switzerland are contribution-based plans with a guarantee of a minimum interest credit and fixed conversion rates at retirement. The pension plans also provide benefits in case of disability and death. The Group as a sponsoring employer is affiliated with various collective foundations and fulfils its legal obligation by means of a defined benefit plan. Each collective foundation is responsible for the governance of the plan and the board is composed of an equal number of representatives from the employers and employees chosen from all affiliated companies.

Under the BVG, the pension plan must always be fully funded on a static basis. The Group is exposed to the risk that in the case of a funding deficit, recovery measures must be taken which encompass additional financing through employer or reduction of benefits (or both). Such a risk may occur in cases where the life expectancy of plan participants is higher than expected. Furthermore, the underlying plan assets may develop differently than expected.

The Group pension obligations and ongoing service cost were calculated using the projected unit credit method, applying a discount rate of 2.3% (2021: 0.4%) and a salary increase rate of 1.9% (2021: 1.2%) p.a. Staff turnover assumptions are based on the demographic BVG 2020, (2021: BVG 2020). The individual values range from between 1.7% and 31.0%. Mortality, disability, and withdrawal probabilities were calculated in accordance with the new demographic tables BVG 2020, GMI 1.3%.

Long-services award commitments ("jubilee awards") in Switzerland are based on collective or other agreements granting employees long-term claims depending on their remuneration levels and duration of service. Provisions for long-service awards were calculated applying a discount rate of 2.3% (2021: 0.4%), a salary increase rate of 1.9% (2021: 1.2%), and a staff turnover rate per BVG 2020 of between 1.7% and 31.0%.

Obligations in France

In France, the Group provides retirement benefits, that are based on various collective bargaining agreements. The corresponding plans are mostly fully unfunded. The Group is exposed to the risk that the salary increase could be higher than expected. In France, the life expectancy is less important in terms of risk exposure given that the benefit is paid as a lump sum.

Based on a collective agreement, a payment is granted to staff when they retire depending on their remuneration levels and duration of service. Provisions were calculated based on the following actuarial assumptions: voluntary departure, discount rate amounting to 4.0% (2021: 1.1%), inflation rate of 2.0% (2021: 2.0%), salary increase between 3.0%, holding entities only 2.0% (2021: 2.0%) p.a., age at retirement phased depending on birth date with a maximum of 65 years for employees and 67 years for executives; social charge rate 47.5% (2021: 46.5%) and low staff turnover rate.

Obligations in Italy

Pursuant to statutory regulations (Trattamento di Fine Rapporto, TFR), employees are entitled to a one-time severance payment when they leave the Company. The amounts depend on the employee's term of service and salary level. Provisions were calculated based on following actuarial assumptions: discount rate of 3.9% (2021 1.0%), inflation rate of 2.0% (2021: 1.7%) and a salary increase of 1.5% (2021: 2.0%) p.a.

Other obligations

In certain other countries, there are legal obligations to make a one-time salary-based severance payment to a retiring employee (Austria, Ecuador) or when they leave the Company (United Arab Emirates, Mexico). The Group also assumed pension obligations from defined benefit plans for a few executive staff because of specific agreements in Ecuador, Germany and the UK.

€000

	1 January to 31 December 2022				
	Switzerland	France	Italy	Other	Total
Net present value of defined benefit obligations (DBO) at beginning of period	**91,966**	**15,333**	**13,361**	**10,598**	**131,258**
Acquired through business combinations	5,473	131	529	544	6,677
Service cost	2,619	1,238	879	490	5,226
Interest cost	312	165	129	231	837
Employee contributions	2,534	-	-	-	2,534
Benefits paid	(5,163)	(798)	(1,179)	(404)	(7,544)
Settlement payments from plan assets	(4,565)	-	-	-	(4,565)
Insurance premiums	(699)	-	-	-	(699)
Remeasurements	(16,653)	(4,178)	(2,614)	(3,541)	(26,986)
Exchange rate differences	4,153	-	-	(55)	4,098
Net present value of defined benefit obligations at end of period	**79,977**	**11,891**	**11,105**	**7,863**	**110,836**

€000

	1 January to 31 December 2022				
	Switzerland	France	Italy	Other	Total
Plan assets available measured at market values					
Plan assets at beginning of period	**79,654**	**859**	**-**	**6,822**	**87,335**
Acquired through business combinations	5,118	91	-	-	5,209
Interest income	287	9	-	119	415
Employer contributions	2,733	-	-	30	2,763
Employee contributions	2,534	-	-	-	2,534
Benefits paid	(5,033)	-	-	(53)	(5,086)
Settlement payments from plan assets	(4,565)	-	-	-	(4,565)
Insurance premiums	(699)	-	-	-	(699)
Administrative expenses paid from plan assets	-	-	-	(30)	(30)
Revaluations (income from plan assets, excluding amounts included in interest cost)	(7,468)	(164)	-	(2,488)	(10,120)
Exchange rate differences	3,708	-	-	(271)	3,437
Plan assets at end of period	**76,269**	**795**	**-**	**4,129**	**81,193**
Net present value of defined benefit obligations (DBO) at end of period	79,977	11,891	11,105	7,863	110,836
Net present value of plan assets at end of period	76,269	795	-	4,129	81,193
Balance sheet provisions at year-end	**3,708**	**11,096**	**11,105**	**3,734**	**29.643***
Composition of costs from defined benefit plans and similar obligations and amounts thereof recorded in the statement of income for the period					
Service cost	2,619	1,238	879	490	5,226
Interest expense	25	156	129	111	421
Administrative expenses paid from plan assets	-	-	-	30	30
Revaluation of other long-term obligations	240	-	-	(347)	(107)
Total annual net expense	**2,884**	**1,394**	**1,008**	**284**	**5,570**

* The deviation from the consolidated statement of financial position results from the surplus of plan assets in the United Kingdom in the amount of 1,399 k€

€000

	1 January to 31 December 2022				
	Switzerland	France	Italy	Other	Total
Amounts thereof recorded in other comprehensive income					
Actuarial gains/losses from					
changes of demographic assumptions	-	(1,128)	(133)	(81)	(1,342)
Actuarial gains/losses from changes of financial assumptions	(17,889)	(2,308)	(2,902)	(3,482)	(26,581)
Adjustments based on past experience	996	(743)	421	369	1,043
Income/expenses from plan assets (excluding amounts included in interest cost)	7,468	164	-	2,488	10,120
Total annual amount recorded in other comprehensive income	**(9,425)**	**(4,015)**	**(2,614)**	**(706)**	**(16,760)***

* The difference of (199) k (2021: € (12) k) between the total € 16,760 k (2021: € 8,256 k) presented here and the € 16,561 k (2021: € 8,244k in the consolidated statement of comprehensive income, relates to results from non-controlling interests.

In addition to the items shown above, provisions for other liabilities to employees of 2.6 M€ (2021: 2.1 M€) were included in the total balance of employee benefits liabilities of 41.0 M€ (2021: 45.3 M€).

The fair value of plan assets in France is based on the value of the insurance policies held. The fair value of the plan assets with a quoted market price in the United Kingdom is based on index-based debt securities and corporate bonds amounting to 4.1 M€ (2021: 6.8 M€).

€000

	As at 31 December	
Fair value of plan assets in Switzerland (quoted)	**2022**	**2021**
a. Cash and cash equivalents	857	620
b. Equity instruments	18,590	21,777
c. Debt instruments	29,583	31,775
d. Real estate	21,156	20,305
e. Assets held by insurance company	3,122	2,155
f. Other	2,951	3,022
Total	**76,269**	**79,654**

€000

	1 January to 31 December 2021				
	Switzerland	France	Italy	Other	Total
Net present value of defined benefit obligations (DBO) at beginning of period	**88,811**	**15,191**	**10,153**	**3,871**	**118,026**
Acquired through business combination	-	531	2,477	6,405	9,413
Service cost	3,340	1,077	684	462	5,563
Interest cost	87	151	95	168	501
Employee contributions	2,270	-	-	-	2,270
Benefits paid	480	(988)	(767)	(256)	(1,531)
Insurance premiums	(707)	-	-	-	(707)
Remeasurements	(6,324)	(629)	719	(187)	(6,401)
Exchange rate differences	4,009	-	-	115	4,124
Net present value of defined benefit obligations at end of period	**91,966**	**15,333**	**13,361**	**10,598**	**131,258**

€000

	As at 1 January to 31 December 2021				
	Switzerland	France	Italy	Other	Total
Amounts thereof recorded in other comprehensive income					
Actuarial gains/losses from changes of demographic assumptions	(5,291)	-	-	(27)	(5,318)
Actuarial gains/losses from changes in financial assumptions	(2,805)	1,866	364	(200)	(775)
Adjustments based on past experience	1,861	(2,496)	354	30	(251)
Income/expenses from plan assets (excluding amounts included in interest cost)	(2,034)	(8)	-	130	(1,912)
Total annual amount recorded in other comprehensive income	**(8,269)**	**(638)**	**718**	**(67)**	**(8,256)**

€000

	1 January to 31 December 2021				
	Switzerland	France	Italy	Other	Total
Plan assets available measured at market values					
Plan assets at beginning of period	**69,406**	**814**	**-**	**-**	**70,220**
Acquired through business combination	-	-	-	6,824	6,824
Interest income	69	7	-	94	170
Employer contributions	2,440	30	-	58	2,528
Employee contributions	2,270	-	-	-	2,270
Benefits paid	660	-	-	(59)	601
Insurance premiums	(707)	-	-		(707)
Administrative expenses paid from plan assets	-	-	-	(59)	(59)
Revaluations (income from plan assets, excluding amounts included in interest cost)	2,034	8	-	(131)	1,911
Exchange rate differences	3,482	-	-	95	3,577
Plan assets at end of period	**79,654**	**859**	**-**	**6,822**	**87,335**
Net present value of defined benefit obligations (DBO) at end of period	91,966	15,333	13,361	10,598	131,258
Net present value of plan assets at end of period	79,654	859	-	6,822	87,335
Balance sheet provisions at year-end	**12,312**	**14,474**	**13,361**	**3,776**	**43.923***
Composition of costs from defined benefit plans and similar obligations and amounts thereof recorded in the income statement for the period					
Service cost	3,340	1,077	684	462	5,563
Interest expense	18	144	95	74	331
Administrative expenses paid from plan assets	-	-	-	59	59
Revaluation of other long-term obligations	(89)	-	-	30	(59)
Total annual net expense	**3,269**	**1,221**	**779**	**625**	**5,894**

* The deviation from the consolidated statement of financial positions results from the surplus of plan assets in the United Kingdom in the amount of 1,360 k€

€000

	Changed by	Impact 2022 on DBO amount	Impact 2021 on DBO amount
Salary reductions	(0.50%)	109,038	129,063
Salary increase	0.50%	111,378	132,416
Discount rate	(0.50%)	116,011	139,775
Discount rate	0.50%	104,790	122,700

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation because of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The following defined benefit plan payments are expected to be disbursed in the coming years:

€000

	As at 31 December	
	2022	2021
Within the next 12 months	7,846	6,735
In 2 years	6,026	5,656
In 3 years	6,676	5,485
In 4 years	6,806	6,050
In 5 years	6,107	6,177
In the following 5 years	33,118	28,563

The average duration of all post-employment benefit payments in the countries listed below is as follows:

In years

	Switzerland	France	Italy	Other
As at 31 December 2022	11	9	8	13
As at 31 December 2021	13	11	10	19

29. SHARE-BASED PAYMENT SCHEMES

SYNLAB AG has set up various long-term, share-based payment schemes for the SYNLAB Group starting in the financial year 2021. During the financial year 2022, new tranches under the existing programmes as well as a new program, the employee participation programme (EPP), were granted. The grant dates were as follows:

- LTIP (long-term incentive plan) for the Management Board, grant date: 1 May 2022
- LTIP for senior executives, grant date: 1 May 2022
- Virtual LTIP for employees, grant date: 1 May 2022
- EPP for employees, grant dates: 7 January 2022 and 7 July 2022

According to the terms and conditions of the first three programmes, share-based commitments may in general be settled in cash or in shares of SYNLAB AG (settlement option). However, the Supervisory Board and the Management Board have determined in their respective resolutions that the settlement will be made through shares in SYNLAB AG. Consequently, all three programmes are treated as equity-settled. The EPP program was defined as equity-settled in its plan documentation.

Share-based commitments may be forfeited if the beneficiary's employment ends before the end of the vesting period. The share-based commitments are subject to a vesting period of two to four years and grant an entitlement to compensation which the beneficiaries will receive after the vesting period without making a payment.

During the valuation of the 2022 grants for the two LTIP programmes, it was noted that the definitions of the programmes were not mathematically completely unambiguous. This was finally clarified by the Supervisory Board of SYNLAB AG and resulted in a higher number of performance share units (PSU) for the Management Board and the senior executives in connection with the 2021 grants. However, it did not change the total fair value of the programmes or the expenses recorded in the 2021 financial statements. The changes were as follows:

€000

	Updated calculation prepared in 2022	Original calculation prepared in 2021
Number of PSUs Management Board	147,899	117,420
Number of PSUs senior executives	86,575	68,734
Weighted average fair value of a PSU	€ 13.86	€ 17.46

The prior-year information below was adjusted accordingly where applicable.

LTIP for the Management Board

The awards are granted in the form of PSUs and are linked to performance criteria. For the share awards granted in the past financial year, 40% of the target amount was linked to the development of SYNLAB's share price (total shareholder return, TSR), and 60% of the target amount is linked to SYNLAB's relative share price development compared to the development of the MSCI Europe Health Care Equipment & Services sector index (TSR target). The range of target achievement of the individual performance criteria is from 0% to 300%. The vesting period is two years (2021: three years). The fair value of these entitlements was 2.05 M€ (2021: 2.05 M€) and was determined based on a Monte Carlo valuation model. The weighted average fair value of a PSU was 4.52 € (2021: 13.86 €). An expected volatility of 30.0% (2021: 30.0%) and a price of 14.19 € per SYNLAB share (2021: 19.75 €) were used in this model. The expected volatility was derived from historical volatilities. A risk-free interest rate of 0% to 2.9% (2021: 0.9% to - 0.6%) and an expected dividend yield of 2.4% (2021: 2.0%) were applied. Assumptions on correlations between the SYNLAB share price and the development of the MSCI Index were determined on the basis of historical price developments.

LTIP for senior executives

The awards for senior executives are also linked to performance criteria. Both the determination or allocation of the target amount and the determination of the fair value are identical to the LTIP for the Management Board. However, the vesting period for this plan extends over four years (2021: four years). The fair value of these entitlements was 1.4 M€ (2021: 1.2 M€). The weighted average fair value of a PSU was also 4.52 € (2021: 13.86 €).

Virtual LTIP for employees

In the past financial year, 313,059 virtual share awards (2021: 271,490) were granted to various employees of the SYNLAB Group. These are not linked to performance criteria but include a service criterion. The vesting period is four years (2021: four years). The fair value of these entitlements amounted to 4.1 M€ (2021: 4.5 M€) and was determined on the basis of a valuation model. The weighted average fair value of a virtual share award was 12.94 € (2021: 16.53 €). A price of 14.19 € per SYNLAB share on the grant date (2021: 17.95 €), a risk-free interest rate of 0.6% (2021: - 0.6%) and an expected dividend yield of 2.4% (2021: 2.0%) were used in this model.

EPP for employees

In the past financial year, 10,719 free shares were granted in connection with the first tranche (T1) and 11,729 free shares were granted under the second tranche (T2) of the EPP program to employees of the SYNLAB Group. These are not linked to performance criteria but include a service criterion. Following a modification of the programme during the year, the vesting period is now two years instead of the originally planned three years. The fair value of these entitlements amounted to 0.2 M€ (T1) and 0.2 M€ (T2) respectively and was determined on the basis of a valuation model. The weighted average fair value of a virtual share award was 21 € (T1) and 16.12 € (T2). A price of 21.94 € (T1) and 16.93 € (T2) per SYNLAB share on the grant date, a risk-free interest rate of -0.5% (T1) and 0.9% (T2) and an expected dividend yield of 4.2% (T1) and 6.6% (T2) were used in this model.

The share awards to the Management Board, senior executives and other eligible employees developed as follows:

LTIP Management Board

	2022	2021
Shares outstanding at beginning of period	147,899	-
Granted	453,685	147,899
Forfeited	-	-
Shares outstanding at end of period	601,584	147,899

LTIP senior executives

	2022	2021
Shares outstanding at beginning of period	86,575	-
Granted	313,375	86,575
Forfeited	4,273	-
Shares outstanding at end of period	395,677	86,575

Virtual LTIP

	2022	2021
Shares outstanding at beginning of period	271,490	-
Granted	313,059	271,490
Exercised	1,904	-
Forfeited	27,476	-
Shares outstanding at end of period	555,169	271,490

EPP

	2022	2021
Shares outstanding at beginning of period	-	-
Granted	22,448	-
Exercised	445	-
Forfeited	-	-
Shares outstanding at end of period	22,003	-

The total expense for 2022, which was recorded for those four plans amounted to 3.6 M€ (2021: 1.3 M€).

30. PROVISIONS

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	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

€000

	Provisions for restructuring	Other provisions	Total
As at 1 January 2021	**349**	**8,549**	**8,898**
Business acquired	-	2,086	2,086
Foreign currency translation	-	135	135
Provisions made during the period	380	7,756	8,136
Provisions utilised during the period	(85)	(1,188)	(1,273)
Provisions reversed during the period	-	(4,372)	(4,372)
As at 31 December 2021	**644**	**12,966**	**13,610**
Current at the end of the year	644	10,601	11,245
Non-current at the end of the year	-	2,365	2,365

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.

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.

31. LITIGATIONS AND CONTINGENT LIABILITIES

Group companies are involved in various legal proceedings arising in the ordinary course of business. To a large extent, these concern professional liability and HR related matters, as well as inquiries from public authorities and health insurance carriers regarding, among other things, billing modalities. Other than that, legal disputes of Group companies in particular involve tax, social security, customs, data protection, regulatory, anti-trust and merger control authorities and related topics. For the associated financial risks, provisions are made by the Group companies on a case-by-case basis, if necessary, which are taken into account in the consolidated financial statements.

Additionally, the Group operates in a regulated industry. As such, in the ordinary course of business, the Group is subject to national and local regulatory scrutiny, supervision and controls. There are no contingent liabilities recognised as at the year ended 31 December 2022.

32. TRADE PAYABLES AND OTHER LIABILITIES

€000

	As at 31 December 2022	2021
Trade payables	217,122	269,848
Accruals and other payables	96,571	117,275
Trade payables	**313,693**	**387,123**

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 31 December 2022	2021
Long term contingent purchase price liabilities incl. put options over non-controlling interests	20,658	16,268
Long term deferred purchase price liabilities	37,694	32,505
Other	4,510	3,510
Other non-current liabilities	**62,862**	**52,283**
Liabilities from salaries and social security payments	160,209	198,812
Short term contingent purchase price liabilities incl. put options over non-controlling interests	4,768	15,121
Short term deferred purchase price liabilities	7,471	32,389
Liabilities from VAT and other taxes	27,653	27,761
Liabilities to related parties	78	940
Payables related to fixed assets suppliers	1,743	3,498
Priority dividends payables	433	184
Other	19,773	28,290
Other current liabilities	**222,128**	**306,995**
Total	**284,990**	**359,278**

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

Out of the total amount of 20.7 M€ (2021: 16.2 M€) for long-term contingent purchase price liabilities incl. put options for non-controlling interests, SYNLAB Labor München Zentrum GbR accounted for 7.9 M€ (2021: 7.5 M€). Out of the total amount of 4.8 M€ (2021: 15.1 M€) for short-term contingent purchase price liabilities incl. put options for non-controlling interests, SYNLAB Labor München Zentrum GbR and EMT Medizintechnik GmbH & Co.KG accounted for 2.8 M€ (2021: 4.6 M€).

33. 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.

Overview of financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Management Board of SYNLAB AG has overall responsibility for the oversight of the Group's risk management.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

The Supervisory Board, namely the Group Audit Committee of SYNLAB AG oversees how management monitors compliance with the Group's risk management policies and procedures and monitors the process.

The Group's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, leases, trade payables, purchase contracts and loans granted, as well as accounts receivable, cash and short-term deposits. The main purpose of these financial instruments is to raise funds to finance the Group's operations or they result from its operating activities.

Classes and categories of financial instruments and their fair values

The following table combines information about:

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

€000

Financial assets	Measurement categories according to IFRS 9	31 December 2022 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
		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
		1,032,072	**1,032,072**	**-**	**-**	**1,032,072**
Financial liabilities						
Non-current liabilities						
Interest-bearing loans and 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
		2,031,636	**2,007,780**	**-**	**23,856**	**2,031,636**
Current liabilities						
Interest-bearing loans and 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
		653,805	**649,037**	**-**	**4,768**	**653,805**

€000

Financial assets	Measurement categories according to IFRS 9	31 December 2021 Carrying amount	AC	FVOCI	FVPL	Fair value
Financial assets						
Non-current assets						
Non-current financial assets	AC	41,704	41,704	-	-	41,704
Equity instruments	FVOCI	986	-	986	-	986
Derivative instruments	FVPL	-	-	-	-	-
		42,690	**41,704**	**986**	-	**42,690**
Current assets						
Trade accounts receivable	AC	632,395	632,395	-	-	632,395
Other current financial assets	AC	62,272	62,272	-	-	62,272
Cash and cash equivalents	AC	443,747	443,747	-	-	443,747
		1,138,414	**1,138,414**	-	-	**1,138,414**
Financial liabilities						
Non-current liabilities						
Interest-bearing loans and borrowings	AC	1,398,570	1,398,570	-	-	1,398,570
Lease liabilities	AC	501,688	501,688	-	-	501,688
Other liabilities	FVPL	16,268	-	-	16,268	16,268
Derivative financial instruments	FVPL	19,065	-	-	19,065	19,065
Other liabilities	AC	36,015	36,015	-	-	36,015
		1,971,606	**1,936,273**	-	**35,333**	**1,971,606**
Current liabilities						
Interest-bearing loans and borrowings	AC	12,573	12,573	-	-	12,573
Lease liabilities	AC	113,988	113,988	-	-	113,988
Other liabilities	FVPL	15,121	-	-	15,121	15,121
Other liabilities	AC	257,500	257,500	-	-	257,500
Trade accounts payable	AC	387,123	387,123	-	-	387,123
		786,305	**771,184**	-	**15,121**	**786,305**

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

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, foreign currency risks and credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This planning considers the maturity of both its financial assets, and its projected cash flow from operations.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. In addition, the Group maintains a line of credit (revolving credit facility) under which drawings could be made for financing acquisitions or for general financing purposes. Refer to Note 27 Borrowings and other financial liabilities for details on the maturities of financial indebtedness, as well as for a description of the covenants in place with the RCF agreement. Under these covenants, the Group may be unable to draw on the undrawn facility if it does not respect contractual requirements.

The Group monitors its risk of a shortage of funds using a systematic liquidity planning scheme. This scheme considers the maturity of its financial investments and assets, as well as the projected cash flows from operations.

The prospective liquidity analysis for non-derivative financial liabilities is as follows:

€000

		Cash flow - remaining period			
31 December 2022	Carrying amount	< 1 year	1-5 years	> 5 years	Total
Interest-bearing loans	1,423,675	50,266	2,084,618	-	2,134,884
Lease liabilities	689,960	132,187	384,194	193,579	689,960
Trade payables	313,693	313,693	-	-	313,693
Other financial liabilities	257,336	194,474	62,862	-	257,336
Total	**2,684,664**	**690,620**	**2,511,674**	**193,579**	**3,395,873**

€000

		Cash flow - remaining period			
31 December 2021	Carrying amount	< 1 year	1-5 years	> 5 years	Total
Interest-bearing loans	1,411,143	31,244	1,672,760	394,759	2,098,763
Lease liabilities	615,676	113,988	316,908	184,780	615,676
Trade payables	387,123	387,123	-	-	387,123
Other financial liabilities	331,518	279,235	52,283	-	331,518
Total	**2,745,460**	**811,590**	**2,041,951**	**579,539**	**3,433,080**

Included in the interest-bearing loans, the Revolving Credit Facility amounting to 500 M€ was undrawn as at 31 December 2022. Future cash flow contains commitment fees paid on the undrawn facility with a rate corresponding to 35% of the interest rate of the RCF.

Market risk – interest rate risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Term Loan tranches and to the debt drawn on the Revolving Credit Facility (RCF).

As at the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

€000	As at 31 December	
	2022	2021
Fixed-rate instruments		
Financial liabilities	692,453	617,060
Variable-rate instruments		
Financial assets	541,884	443,747
Financial liabilities	1,421,039	1,409,760

Under the Group's current financing strategy, Term Loans held by SYNLAB Bondco Plc bear floating interest at 6M EURIBOR + 2.50% for a tranche of 320 M€ (TLB5) and 6M EURIBOR + 2.50% for a tranche of 385 M€ (TLB4). The Term Loan held by SYNLAB AG (TLA) bear floating interest at 6M EURIBOR + 1.25% for a nominal amount of 735 M€. The Group does not enter into financial instruments for trading or speculative purposes.

Due to the Group's specific interest rate risk position based currently on a floating-rate funding structure, risk management policies require the monitoring of interest rate changes.

Cash flow sensitivity analysis for variable rate instruments

From a cash perspective, all interest paid by SYNLAB on its financing debt instruments in 2022 was contractually based on a EURIBOR reference rate set at zero. The currently ongoing 6M EURIBOR increase already had an impact on the interest paid in 2022 and will increasingly impact the interest to be paid by SYNLAB in 2023.

On an annual basis, a 6M EURIBOR reference at 1% or an increase by 1% would have led to an overall additional payment of 14.4 M€ on the Term Loans. If the RCF were to be drawn at its maximum amount of 485 M€, exposure to interest risk rate on financial liabilities would amount to a 4.85 M€ for an increase in the variable interest rate of 100 basis points. That exposure to interest rate risk on financial liabilities would be partly compensated for by the positive effect on financial income generated by cash equivalents, which are mostly based on variable-rate instruments. This analysis assumes that all other variables remain constant.

At the beginning of 2022, the Group entered into an interest rate hedging contract with the aim of containing the rise in the EURIBOR base reference rate. In the event of an assumed increase of 6M EURIBOR reference of 1%, the benefit of the hedging contract would have been 4.5 M€, decreasing the calculated additional interest payment from 14.4 M€ to 9.9 M€.

Market risk – foreign currency risk

The Group has been exposed to limited foreign exchange risk, given that the SYNLAB Group is so far mostly present in European countries which are part of the Eurozone, except for the UK operations (which are exposed to foreign exchange risk in respect of the British pound), the Swiss operations (which are exposed to the Swiss franc), certain Northern or Eastern Europe countries, and the Rest of the World cash generating unit. Furthermore, the Group has subsidiaries in Latin America, especially in Brazil, Colombia, Chile and Mexico, and is therefore exposed to foreign exchange risk in respect of the Brazilian real, the Colombian peso, the Chilean peso and the Mexican peso. Non-euro denominated total revenue represented, in aggregate, approximately 28% of the Group's total revenue for the year ended 31 December 2022.

The sensitivity analysis includes only outstanding monetary assets and liabilities denominated in foreign currency by the year-end and adjusts their translation for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and 5% gain in the currency unit against the relevant currency. The following table demonstrates the sensitivity to a change in CLP, BRL and GBP exchange rates with all other variables held constant. The Group's exposure to movements in all other currencies is not material.

	Exchange rate movement	Effect on EBT*
As at 31 December 2022	%	€000
Change in CLP rate	5	(1,528)
Change in CLP rate	(5)	1,545
Change in GBP rate	5	(941)
Change in GBP rate	(5)	1,041
Change in BRL rate	5	(877)
Change in BRL rate	(5)	971

	Exchange rate movement	Effect on EBT*
As at 31 December 2021	%	€000
Change in MXN rate	5	(5,069)
Change in MXN rate	(5)	5,598
Change in CHF rate	5	7,031
Change in CHF rate	(5)	(6,993)
Change in GBP rate	5	(5,774)
Change in GBP rate	(5)	6,383

* Earnings before tax

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from customers and investment securities. Detailed quantitative information on credit risk is provided in Note 25 Trade accounts receivable.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Due to the large numbers of customers and individually immateriality of amounts due, the Group has no significant concentrations of credit risks. The Group has adopted the simplified expected credit loss model for its trade receivables. The Group always measures the loss allowance for trade receivable at an amount equal to lifetime ECL. To measure the expected credit losses, trade accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The computation of expected credit losses is performed by means of a default risk matrix, which is based on the historical default rates grouped by trade receivable class and maturity buckets. Moreover, reasonable and supportable information (if available without undue cost or effort) as at the reporting date about past events, current conditions and forecasts of future economic conditions have been taken into account in the calculations. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Investments and cash and cash equivalents

The Group's exposure to credit risk arises from default of the counterparty. The Group limits its exposure to credit risk by investing mainly in liquid securities with counterparties that have a high credit rating. Management actively monitors its investments and does not expect any counterparty to fail to meet its obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

€000

	As at 31 December	
	2022	2021
Trade accounts receivable	443,089	632,395
Other current assets	47,299	62,272
Cash and cash equivalents	541,684	443,747
Other non-current assets	80,519	44,050
Total	**1,112,591**	**1,182,464**

Fair values

The basis for determining fair values is disclosed in Note 3 Determination of fair values.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. They consist mainly of shares and other securities <20%, call options on non-controlling interests with an agreed price determination formula, and contingent consideration recorded in a business combination (as detailed in Note 32 Trade payables and other liabilities) which are all categorised within level 3 and for which fair values have been usually determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties. Embedded derivatives that were separated from the host contract are categorised within level 2. The Bacheller model is used for the valuation of the embedded derivatives; the main parameters are the nominal amount, the floor, the length of a single floorlet, the risk-free interest rate, the EURIBOR forward rates as well as the volatility of the EURIBOR forward rates.

Reconciliation of Level 2 fair value measurements

The total fair value gains or losses on embedded derivatives are disclosed in Note 12 Net finance costs.

Reconciliation of Level 3 fair value measurements

The total fair value gains or losses on contingent consideration recognised in the statement of income are included in the table below. The fair value of contingent consideration is mainly dependent on the results of the acquired entities in a certain period after the acquisition and will be adjusted based on actual figures and amended projections. A higher result will usually lead to higher contingent consideration, lower results will lead to lower contingent consideration. In many cases, however, a certain bandwidth of possible outcomes is defined in the contracts, which limit the movement of the contingent consideration. The total fair value gains or losses on contingent consideration recognised in the statement of income are included in the specific aggregate acquisition-related expenses detailed in Note 5.

There were no transfers between Level 2 and 3 during the current or prior year.

FINANCIAL INSTRUMENTS MEASURED AS FVTPL

€000

	Financial instruments (level 2)	Financial instruments (level 3)
As at 1 January 2022	**19,064**	**31,389**
Business acquired	-	6,445
Embedded derivative set up	(4,963)	-
Realised during the period	-	(9,810)
Change in fair value	(44,357)	(788)
Other changes (interest/FX impact)	-	(1,811)
As at 31 December 2022	**(30,286)**	**25,425**

€000

	Financial instruments (level 2)	Financial instruments (level 3)
As at 1 January 2021	**-10**	**25,736**
Business acquired	-	7,580
Embedded derivative set up	55,454	-
Realised during the period	-	(11,559)
Change in fair value	36,380	9,632
As at 31 December 2021	**19,064**	**31,389**

The notional amount of financial instruments designated at fair value through profit and loss outstanding at the end of the reporting period was (4.9) M€ (2021: 50.5 M€).

The Group measures derivative financial instruments, a non-controlling interest in a partnership (puts on NCI) and contingent consideration recorded in business combinations at fair value through profit and loss.

The fair value of non-controlling interests in a partnership was measured based on the compensation formula set forth in the partnership agreement and in consideration of the Company's planning and market interest rates. The fair value thus measured is therefore classifiable within level 3. The discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group as a result of the contingent consideration. The fair value arising from liabilities related to business combinations is derived from valuation techniques and includes inputs that are not based on observable market data (level 3).

The following table shows an allocation of the financial assets and liabilities measured at fair value to the three hierarchy levels of fair value:

€000

	Level 1	Level 2	Level 3	Total
As at 31 December 2022				
Financial assets designated as at FVPL				**33,483**
Interest cap		33,483		33,483
Financial liabilities designated as at FVPL				**28,623**
Embedded derivatives		3,198		3,198
Minority interest			10,781	10,781
Contingent consideration			14,644	14,644

€000

	Level 1	Level 2	Level 3	Total
As at 31 December 2021				
Financial assets designated as at FVPL				**-**
Interest cap		-		-
Financial liabilities designated as at FVPL				**50,454**
Embedded derivatives		19,065		19,065
Minority interest			12,129	12,129
Contingent consideration			19,260	19,260

34. NOTES TO THE STATEMENT OF CASH FLOWS

Other non-cash revenues and expenses

Other non-cash revenues and expenses mainly include write-off of trade receivables and other short-term assets amounting to 24.5 M€ (2021: 14.3 M€), share based payments of 3.6 M€ (2021: 2.0 M€) The remaining amounts relate mainly to changes in contingent and deferred purchase price liabilities of -4.0 M€ (2021: 3.2 M€) and disposal costs of 3.9 M€ (2021: - M€).

35. CAPITAL COMMITMENT AND CONTINGENCIES

Off balance sheet commitments given and received

As at 31 December 2022, the Group's off-balance sheet commitments consisted principally of guarantees given in the ordinary course of business. Those correspond mainly to lease guarantees for buildings and equipment. In addition, the Group provides guarantees with regard to its investing and financing activities, mainly in respect of the shares in SYNLAB Bondco.

Under the 2021 RCF Agreement, part of the total available 500 M€ facility is allocated to an ancillary facility, amounting to 15 M€, under which banks may issue bank guarantees to third parties on behalf of Group companies. The ancillary facility was drawn for 5.3 M€ as at 31 December 2022.

36. CAPITAL AND RESERVES

Share capital

Share type

	Number of shares as at 1 January 2022	Value as at 1 January 2022	Change in shares	Number of shares as at 31 December 2022	Value as at 31 December 2022
Ordinary shares	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 €**

Share type

	Number of shares as at 1 January 2021	Value as at 1 January 2021	Change in shares	Number of shares as at 31 December 2021	Value as at 31 December 2021
Ordinary shares	50,000	50,000.00 €	222,172,222	222,222,222	222,222,222.00 €
Total	**50,000**	**50,000.00 €**	**222,172,222**	**222,222,222**	**222,222,222.00 €**

€000

Treasury shares	Number of treasury shares	Total
As at 1 January 2022	**-**	**-**
Acquisition of treasury shares	2,521,213	35,763,269
Issue of shares under the Virtual LTIP	(1,904)	(27,008)
Issue of shares under the EPP	(445)	(6,312)
As at 31 December 2022	**2,518,864**	**35,729,949**

Treasury shares and share buy-back

In May/June 2022, the Company started to purchase ordinary shares in the market in order to satisfy the Company's various share-based payment schemes (Note 29) 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 € 14.19 per share. The total cost of 35.7 M€ is shown as treasury shares within equity.

Capital reserve

The main component of the capital reserve in an amount of 2,933 M€ (2021: 3,789 M€) resulting from the premium following the cash and non-cash capital increases during 2021.

In addition, reserves of 4.9 M€ (2021: 2.0 M€) were recognised in connection with the equity-settled share-based payment programmes.

Accumulated deficit

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

Currency translation reserve

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

Dividends

In May 2022, SYNLAB AG distributed a dividend of € 0.33 per share to its shareholders based on the resolution of the Annual General Meeting. This corresponded to a total amount of € 73,326,601.26. There were no dividends declared but not yet distributed in 2022. For the financial year 2022, a dividend of € 0.33 per share and a total amount of € 72,501,332.97 is proposed.

Capital management

The Company's objective is to maintain a strong equity base in order to maintain the confidence of shareholders, lenders and the market, as well as to strengthen business development going forward. The capital management of the SYNLAB Group ensures that its goals and strategies can be achieved in the interests of shareholders, employees and lenders

37. RELATED PARTY DISCLOSURES

According to IAS 24, related parties include those companies and persons where one person or company has the ability to control the other party or exercise significant influence over its financial and operating policies. Significant influence can be exercised in a number of ways, often through a seat on the management and/or supervisory body, but also through intra-group transactions of significant size or the exchange of management personnel. Significant influence can be established through shareholdings, bylaws or contractual agreements. In the case of share ownership, significant influence is presumed in accordance with the requirements of IAS 28 if the shareholder directly or indirectly holds 20 % or more of the voting rights, unless this presumption can be clearly rebutted. Significant influence is irrefutably presumed if the policy of the company can be influenced, for example, by a corresponding appointment to the supervisory bodies.

Transactions between the Company and its subsidiaries and between subsidiaries have been eliminated on consolidation and are not discussed in this note.

With regard to SYNLAB AG and the SYNLAB Group, Cinven is able to exercise significant influence due to its shareholding (via Cinven Capital Management (V) General Partner Limited and Ephios Luxembourg S.à r.l., Luxembourg, the Company's largest shareholder). Cinven and other significant shareholders are therefore to be classified as a related party.

SYNLAB AG prepares the consolidated financial statements for the largest and the smallest group of companies to which the Company belongs as parent company. These consolidated financial statements are filed with the electronic Federal Gazette.

Transactions with related parties are shown in the following table:

€000	31 December 2022				
	Supervisory Board	Management Board	Cinven	Other shareholders	Non-consolidated companies
Receivables	-	-	-	-	1,763
Liabilities	-	-	-	-	7
Income	-	-	-	-	463
Expenses	-	-	-	-	95
Interest income	-	-	-	-	-
Interest expense	-	-	-	-	2

€000	31 December 2021				
	Supervisory Board	Management Board	Cinven	Other shareholders	Non-consolidated companies
Receivables	-	-	-	-	131
Liabilities	-	-	-	-	4,903
Income	-	-	7,121	9,619	764
Expenses	-	-	394	-	6,670
Interest income	-	-	-	-	-
Interest expense	-	-	-	-	-

The transactions with the related parties mainly concern services and the supply of goods. Members of the Management Board and the Supervisory Board of SYNLAB AG are members of the bodies of other companies with which SYNLAB AG or its Group companies maintain relations in the course of their ordinary business activities.

Remuneration of the Supervisory Board and Management Board of SYNLAB AG

€000	2022	2021
Short-term employee benefits	5,627	13,165
Post-employment benefits	575	443
Share-based payments	1,367	1,196
Total Management Board remuneration	**7,569**	**14,804**

In 2021, short-term employee benefits included special bonuses for the contribution in recent years, especially in the preparation of the IPO, amounting to 7.0 M€.

The remuneration includes the remuneration to be paid to the members of the Supervisory Board in accordance with the Articles of Association of SYNLAB AG totalled 1.1 M€ (2021: 0.9 M€). In addition, the Supervisory Board members received committee remuneration of 0.3 M€ (2021: 0.2 M€) and attendance fees in an amount of 0.3 M€ (2021: 0.2 M€).

38. DECLARATION OF CONFORMITY WITH THE GERMAN CORPORATE GOVERNANCE CODE

On the basis of the recommendations of the Government Commission on the German Corporate Governance Code and the applicable statutory provisions pursuant to Section 161 of the German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of SYNLAB AG issued a declaration of compliance in December 2022 and made it permanently available on the INTERNET.

39. EVENTS AFTER THE REPORTING PERIOD

Partial repayment of term loan B5 tranche due 2026

On February 24th 2023, SYNLAB Bondco Plc partially repaid the existing 320 M€ Term Loan B (TLB5) with a scheduled maturity in July 2026, for a nominal amount of 100 M€, plus accrued interest. After the repayment, the outstanding debt of the Term Loan B5 will amount to 220 M€. There were no other changes with regards to this external debt instrument.

Cinven Limited: non-binding expression of interest

Funds advised by Cinven Limited have submitted a legally non-binding expression of interest to acquire up to 100% of the Company's shares at an indicative offer price of 10.00 Euro per SYNLAB share on 9 March 2023. Cinven already holds approximately 43% of the Company's share capital. The capital market was informed about this in an ad-hoc announcement on 13 March 2023. The Management Board of SYNLAB AG is reviewing this legally non-binding offer in cooperation with external advisors. The Management Board currently sees no direct impact on the net assets, financial position and results of operations of SYNLAB AG.

40. INVESTMENTS IN SUBSIDIARIES

Principal group investments

The Company and the Group have investments in subsidiaries and investees, which principally affected the profits or net assets of the Group as listed in Note 40 Group entities.

41. GROUP ENTITIES

Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
FRANCE								
Alpigène SELAS	Lyon	EUR		32.32	FC	2,677	447	
SYNLAB Nouvelle-Aquitaine SELAS	Blanquefort	EUR		99.72	FC	33,686	13,219	
SYNLAB Lorraine SELAS	Saint-Max	EUR		99.54	FC	28,005	10,311	
SYNLAB Normandie SELAS	Elbeuf	EUR		99.84	FC	24,791	14,610	
SYNLAB Pays de Savoie SELAS	Albertville	EUR		99.53	FC	15,377	7,222	
Biologistes Associés Regroupant des Laboratoires d'Analyses SELAS	Nice	EUR		98.36	FC	4,872	810	
SYNLAB Occitanie SELAS	Revel	EUR		99.60	FC	2,350	174	
SYNLAB Adour SELAS	Aire Sur l'Adour	EUR		99.88	FC	(37)	(380)	
Bioalliance SELAS	Orléans	EUR		99.68	FC	46,770	29,519	
SYNLAB Opale SELAS	Calais	EUR		99.75	FC	3,104	1,815	
SYNLAB Hauts de France SELAS	Lille	EUR		99.97	FC	78,741	34,461	
SYNLAB France SAS	Paris	EUR		100.00	FC	305,035	92,330	
SYNLAB Biofrance SELAS	Avesnelles	EUR		99.99	FC	32,234	11,634	
BIONYVAL SELARL	Valréas	EUR		99.90	FC	2,283	504	
SYNLAB Bourgogne SELAS	Paray Le Monial	EUR		99.97	FC	16,368	6,703	
SYNLAB Biopaj SELAFA	Valenciennes	EUR		99.90	FC	29,643	15,898	
SYNLAB Auvergne SELAS	Cusset	EUR		99.99	FC	2,940	637	
SYNLAB Vallée du Rhône SELAS	Roussillon	EUR		99.91	FC	9,431	3,440	
Laboratoire de Biologie Médicale Carron SELAS	Montceau-les-Mines	EUR		99.88	FC	2,594	2,994	
SYNLAB SYLAB SELAS	Aurillac	EUR		99.52	FC	10,248	3,570	
SCM Cabinet Médical Saint Côme	Claye-Souilly	EUR		45.61	EC	n.a.	n.a.	
Laboratoire de Biologie Médicale Delaporte SELAS	Claye-Souilly	EUR		99.99	FC	27,130	18,616	
SYNLAB Gascogne SELAS	Auch Cedex	EUR		99.86	FC	1,276	542	
SYNLAB Hygiène France SAS	Paris	EUR		100.00	FC	59	28	

continuation of the table

Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
SYNLAB Charentes SELAS	Saintes	EUR		99.99	FC	19,471	10,355	
Laboratoire SYNLAB Biollance SELAS	Rezé	EUR		96.90	FC	9,789	6,955	
SYNLAB Corporate Assistance SAS	Paris	EUR		100.00	FC	751	(568)	
SYNLAB Gestion GIE	Paris	EUR		98.88	FC	(490)	(237)	
SYNLAB Provence SELAS	Marseille	EUR		99.84	FC	77,902	5,773	
SYNLAB Midi SELAS	Montpellier	EUR		99.98	FC	36,030	22,270	
SYNLAB Nord de France SELAS	Saint-Quentin	EUR		99.88	FC	56,572	24,179	
Laboratoire de Biologie Médicale du Val d'Orne SELAS	Argentan	EUR		99.97	FC	8,243	1,616	
SYNLAB Oxabio SELAS	Cambrai	EUR		99.90	FC	64,972	38,492	
Laboratoire d'Analyses de Biologie Médicale Christine Pepin - Philippe Leluan - Patricia Sannier - Didier Guillo SELAS	Fécamp	EUR		99.30	FC	1,515	1,509	
SYNLAB Paris SELAS	Paris	EUR		99.99	FC	3,433	107	
TECHNIPATH SELAS	Limonest	EUR		99.40	FC	(531)	(199)	
SYNLAB Normandie Maine SELAS	Mayenne	EUR		99.85	FC	5,827	1,736	
SCI des Practiciens de Floirac	Bordeaux	EUR		9.27	NC	n.a.	n.a.	
SWEDEN								
SYNLAB Holding Sverige AB	Täby	SEK	11.1218	100.00	FC	1,922	145	
SYNLAB Sverige AB	Täby	SEK	11.1218	100.00	FC	7,404	2,844	
ITALY								
CMT S.r.l.	Bagno a Ripoli	EUR		100.00	FC	699.32	13.02	
SYNLAB SDN S.p.A.	Naples	EUR		100.00	FC	56,652	7,519	
Instituto il Baluardo S.p.A.	Genova	EUR		100.00	FC	18,638	9,698	
Baluardo Servizi Sanitari S.r.l.	Genova	EUR		100.00	FC	375	(238)	
SYNLAB Ecoservice S.r.l.	Monza	EUR		100.00	FC	322	130	
Centro A. Fleming S.r.l.	Verona	EUR		100.00	FC	1,277	1,055	
Clinilab S.r.l.	La Spezia	EUR		100.00	FC	957	160	

continuation of the table

Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
SYNLAB Como S.r.l.	Monza	EUR		100.00	FC	8	(23)	
Consorzio per lo Sviluppo della Medicina Occupazionale e Ambientale	Monza	EUR		33.00	EC	112	9	
Data Medica Padova S.p.A.	Padova	EUR		100.00	FC	9,671	2,957	
SYNLAB Italia S.r.l.	Monza	EUR		100.00	FC	38,654	18,579	
SYNLAB MED S. r. l.	Faenza	EUR		100.00	FC	27,397	3,420	
SYNLAB Lazio S.r.l.	Rome	EUR		100.00	FC	9,251	4,452	1)
SYNLAB Medical S.r.l.	Albignasego	EUR		100.00	FC	10,776	1,450	
M.E.D.A. Lab S.R.L.	Cellole	EUR		100.00	FC	39	31	
SYNLAB Formazione S.r.l.	Firenze	EUR		100.00	FC	49	11	
SYNLAB Holding Italy S.r.l.	Milan	EUR		100.00	FC	110,686	55,895	
Società Biomedica Bioingegneristica Campagnia SCARL	Naples	EUR		7.20	NC	n.a.	n.a.	
Analisi Cliniche Gallieno S.r.l.	Verona	EUR		10.00	NC	n.a.	n.a.	
Mnesys S.c.a r.l.	Genova	EUR		1.00	NC	n.a.	n.a.	
GERMANY								
Apparategemeinschaft i. Albrecht-Dürer-Haus GbR	Nuremberg	EUR		SPE	FC	-	-	10)
SYNLAB International GmbH	Munich	EUR		100.00	FC	693,634	289,246	3) 4)
SYNLAB Ettlingen GmbH & Co. KG (formerly: EMT Medizintechnik GmbH & Co. KG)	Ettlingen	EUR		75.00	FC	(70)	(373)	3)
SYNLAB Ettlingen Verwaltungs GmbH (formerly: EMT Medizintechnik Verwaltungs GmbH)	Ettlingen	EUR		75.00	FC	33	(1)	3)
SYNLAB Foundation GmbH	Munich	EUR		100.00	FC	21	(3)	
SYNLAB Medizinisches Versorgungszentrum Humangenetik Mannheim GmbH	Mannheim	EUR		100.00	FC	4,335	4,396	3)
SYNLAB MVZ Delmenhorst GmbH	Augsburg	EUR		100.00	FC	290	(199)	3)
Vertragsärztliche Laborgemeinschaft Albtal	Ettlingen	EUR		SPE	FC	(12)	(12)	10)
Vertragsärztliche Laborgemeinschaft Allgäu GbR	Kempten	EUR		SPE	FC	(1)	(1)	10)
Laborgemeinschaft Albtal GbR	Ettlingen	EUR		SPE	FC	(6)	(6)	10)
Laborgemeinschaft Bayerischer Ärzte GbR	Munich	EUR		SPE	FC	(0)	-	10)

continuation of the table

Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
Laborgemeinschaft Bayern-Nord GbR	Regensburg	EUR		SPE	FC	-	-	10)
Ärztliche Laborgemeinschaft GbR	Berlin	EUR		SPE	FC	-	-	10)
Laborgemeinschaft an der Beta Klinik	Bonn	EUR		SPE	FC	-	-	10)
Privatärztliche Laborgemeinschaft Bonn/Rhein Sieg	Bonn	EUR		SPE	FC	(0)	(0)	10)
Laborgemeinschaft Bayern-Süd GbR	Augsburg	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Brandenburg-Templin GbR	Templin	EUR		SPE	FC	-	-	10)
KV-LG Eschweiler	Eschweiler	EUR		SPE	FC	-	-	10)
Ärztliche Laborgemeinschaft Region Eschweiler	Eschweiler	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Bayerischer Heilpraktiker GbR	Munich	EUR		SPE	FC	-	-	10)
Ärztliche Laborgemeinschaft Hochsauerland Brilon GbR	Brilon	EUR		SPE	FC	-	-	10)
Privatärztliche Labor- und Apparategemeinschaft Jade GbR	Varel	EUR		SPE	FC	-	-	10)
Vertragsärztliche Labor- und Apparategemeinschaft Jade GbR	Varel	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Kassel GbR	Kassel	EUR		SPE	FC	-	-	10)
KV-LG Köln Kalk	Cologne	EUR		SPE	FC	-	-	10)
Ärztliche Laborgemeinschaft Köln-Kalk	Cologne	EUR		SPE	FC	-	-	10)
Die Privatärztliche Laborgemeinschaft GbR	Kassel	EUR		SPE	FC	-	-	10)
Privatärztliche Laborgemeinschaft Kurpfalz	Eppelheim	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Kurpfalz GbR	Eppelheim	EUR		SPE	FC	(3)	(3)	10)
Laborgemeinschaft Mittelfranken GbR	Nuremberg	EUR		SPE	FC	-	-	10)
Laborgemeinschaft München-Innenstadt GbR	Dachau	EUR		SPE	FC	(1)	(1)	10)
KV-LG Nordeifel	Mechernich	EUR		SPE	FC	-	-	10)
Privatärztliche Laborgemeinschaft Nordeifel	Mechernich	EUR		SPE	FC	-	-	10)
Privataerztliche Laborgemeinschaft LG Nord	Hamburg	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Oberpfälzer Ärzte GbR	Weiden	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Ostbayern-Bavaria GbR	Regensburg	EUR		SPE	FC	(15)	(14)	10)
Laborgemeinschaft-Verbund Rhein-Mosel-Nahe GbR	Trier	EUR		SPE	FC	-	-	10)
Vertragsärztliche Laborgemeinschaft Stockstadt	Stockstadt	EUR		SPE	FC	(6)	(6)	10)

continuation of the table

Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
Laborgemeinschaft Stuttgart-Voralb GbR	Leinfelden-Echterdingen	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Südwest GbR	Ettlingen	EUR		SPE	FC	(7)	(7)	10)
KV-LG Troisdorf	Troisdorf	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Thueringia GbR	Stadtroda	EUR		SPE	FC	-	-	10)
Privatärztliche Laborgemeinschaft Troisdorf	Troisdorf	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Trier GbR	Trier	EUR		SPE	FC	-	-	10)
Privatärztliche Laborgemeinschaft Ulm GbR	Ulm	EUR		SPE	FC	-	-	10)
Privatärztliche Laborgemeinschaft Weinstrasse	Neustadt a. d. Weinstrasse	EUR		SPE	FC	-	-	10)
Laborgemeinschaft Dr. Wimmer GbR	Augsburg	EUR		SPE	FC	0.00	0.00	10)
Vertragsärztliche Laborgemeinschaft Zweibrücken	Zweibrücken	EUR		SPE	FC	(9)	(9)	10)
SYNLAB MVZ Labor München Zentrum GbR	Munich	EUR		100.00	FC	11,399	10,439	3)
SYNLAB Logistics GmbH	Augsburg	EUR		100.00	FC	1,758	1,522	3)
Privamed - privatärztliche Laborgemeinschaft GbR	Munich	EUR		SPE	FC	-	-	10)
SYNLAB Medizinisches Versorgungszentrum Pathologie Hannover GmbH	Hannover	EUR		100.00	FC	155	(335)	3)
SYNLAB Medizinisches Versorgungszentrum Pathologie Mannheim GmbH	Mannheim	EUR		100.00	FC	(1,697)	(2,043)	3)
SYNLAB Holding Deutschland GmbH	Augsburg	EUR		100.00	FC	(27,276)	(33,470)	3) 4)
SYNLAB.vet GmbH	Augsburg	EUR		100.00	FC	2,457	2,348	3)
SYNLAB Medizinisches Versorgungszentrum Augsburg GmbH	Augsburg	EUR		100.00	FC	17,365	8,955	3)
SYNLAB Medizinisches Versorgungszentrum Berlin GmbH	Berlin	EUR		100.00	FC	2,495	(1,821)	3)
Medizinisches Versorgungszentrum SYNLAB Bonn GmbH	Bonn	EUR		100.00	FC	(286)	(289)	3)
SYNLAB MVZ Dachau GmbH	Augsburg	EUR		100.00	FC	3,402	3,161	3)
SYNLAB MVZ Ettlingen GmbH	Ettlingen	EUR		75.00	FC	4,824	2,806	3)
SYNLAB Medizinisches Versorgungszentrum Humangenetik Freiburg GmbH	Freiburg im Breisgau	EUR		100.00	FC	(1,358)	(1,907)	3)
SYNLAB Medizinisches Versorgungszentrum Heidelberg GmbH	Eppelheim	EUR		100.00	FC	6,064	2,594	3)
Medizinisches Versorgungszentrum SYNLAB Hämatologisches Labor Köln Gmb	Cologne	EUR		100.00	FC	(25)	(59)	3)
SYNLAB Labormedizinisches Versorgungszentrum Jade-Weser GmbH	Varel	EUR		100.00	FC	(2,041)	(1,803)	3)
SYNLAB Medizinisches Versorgungszentrum Kassel GmbH	Kassel	EUR		100.00	FC	4,501	(1,636)	3)

continuation of the table

Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
SYNLAB Medizinisches Versorgungszentrum Leinfelden-Echterdingen GmbH	Leinfelden-Echterdingen	EUR		100.00	FC	18,297	14,037	3)
Medizinisches Versorgungszentrum SYNLAB Leverkusen GmbH	Leverkusen	EUR		100.00	FC	6,197	8,146	3)
MVZ fuer Rheumatologie Dr. Martin Welcker GmbH	Planegg	EUR		100.00	FC	430	23	3)
SYNLAB Medizinisches Versorgungszentrum Stuttgart GmbH	Stuttgart	EUR		100.00	FC	(389)	(453)	3)
SYNLAB Medizinisches Versorgungszentrum Trier GmbH	Trier	EUR		100.00	FC	7,821	6,292	3)
SYNLAB Medizinisches Versorgungszentrum Weiden GmbH	Weiden	EUR		100.00	FC	87,396	74,709	3)
SYNLAB Medizinisches Versorgungszentrum Hamburg GmbH	Hamburg	EUR		100.00	FC	215	(2,715)	3)
Steinlach-Klinik GmbH	Augsburg	EUR		100.00	FC	9,322	(1,889)	3) 4)
Stülpnagelstraße GbR	Berlin	EUR		33.00	EC	n.a.	n.a.	
SPAIN & GIBRALTAR								
Brugues Asistencial S.A.U.	Gavà	EUR		100.00	FC	(438)	(199)	
Laboratori d'Analisis Cliniques Analisis Lab, S.L.	Tarragona	EUR		100.00	FC	96	105	6)
Lab Dos Análisis S.L.	Barcelona	EUR		100.00	FC	938	298	
Egara Laboratoris S.L.	Errassa	EUR		45.00	EC	n.a.	n.a.	
UTE GEMU Analisis S.L.	Barcelona	EUR		50.00	EC	n.a.	n.a.	
Imadia 2005 S.A.	Gava Barcelona	EUR		100.00	FC	(248)	(72)	
BioKilab S.L.	Vitoria-Gasteiz	EUR		100.00	FC	1,940	577	
SYNLAB Holding Iberia S.A.	Barcelona	EUR		100.00	FC	(64,792)	3,732	6)
Labco Buildings S.L.	Esplugues de Llobregat	EUR		100.00	FC	(89)	(210)	
SYNLAB Diagnósticos Globales S.A.U.	Esplugues de Llobregat	EUR		100.00	FC	97,493	16,882	
Laboratorios Clínicos Compostela S.L.	Santiago de Compostela	EUR		100.00	FC	552	94	
Laboratorios Clínicos Gallegos Reunidos S.L.	Cleiros	EUR		100.00	FC	1,520	122	
Anàlisis Mèdiques Barcelona SL	Barcelona	EUR		100.00	FC	1,630	218	6)
Centre Sanitari Can Mora S.L.	Sant Cugat del Vallès	EUR		100.00	FC	535	234	6)
SYNLAB Pathology S.L.	Alcobendas	EUR		100.00	FC	6,076	2,290	
Clínica Pinar S.A.	Madrid	EUR		40.00	EC	n.a.	n.a.	

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Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
Roqueta-Esteve-Rimbau S.L.U.	Girona	EUR		100.00	FC	1,626	(278)	
OLOT SALUT S.L.	Girona	EUR		24.00	EC	n.a.	n.a.	
Seaslab S.L.	Oleiros, A Coruña	EUR		100.00	FC	5	29	
Sistemas Genómicos S.L.	Valencia	EUR		100.00	FC	13,562	436	6)
SYNLAB SERVICES S.L.	Barcelona	EUR		100.00	FC	(24,466)	1,204	
General Laboratories & Trials S.L.	Madrid	EUR		75.00	EC	n.a.	n.a.	8)
CIC Análises Clínicas Especiais Ltda.	Gibraltar	GBP	0.89	100.00	FC	360	366	
UTE BCN Patolegs S.L.	Barcelona	EUR		SPE	NC	n.a.	n.a.	8)
C.M. Reus S.A.	Reus	EUR		11.00	NC	n.a.	n.a.	
C.M. Tarragona S.A.	Tarragona	EUR		2.73	NC	n.a.	n.a.	
LATAM								
SYNLAB Gestao e Investimento Brasil Ltda.	São Paulo	BRL	5.64	100.00	FC	(92)	475	
CIC Análises Clínicas Especiais Ltda.	São Paulo	BRL	5.64	100.00	FC	(268)	(17)	
SYNLAB Laboratório do Brasil Ltda.	São Paulo	BRL	5.64	99.00	FC	4,232	3,445	
Centro de Diagnósticos Cardiovascular S.A.	Antofagasta	CLP	910.27	100.00	FC	168	47	
Diagnoneuro S.p.A.	Quilpue	CLP	910.27	100.00	FC	6	(4)	
Servicios Administrativos Integrales Limitada	Calama	CLP	910.27	100.00	FC	(192)	(652)	
Diagnolab S.A.	Antofagasta	CLP	910.27	100.00	FC	131	(7)	
Diagnósticos Médicos por Imágenes S.A.	Ovalle	CLP	910.27	100.00	FC	3,038	1,479	
Diagno Odont S.p.A.	Antofagasta	CLP	910.27	100.00	FC	(45)	(49)	
Diagnosalud S.p.A.	Coquimbo	CLP	910.27	100.00	FC	311	301	
SYNLAB CHILE SpA	Santiago	CLP	910.27	100.00	FC	(1,047)	(557)	
ANALIZAR Laboratorio Clínico Automatizado S.A.S.	Bogotá	COP	5,167.82	100.00	FC	4,641	1,204	
Bioter Diagnóstica S.A.S.	Cali - Valle del Cauca	COP	5,167.82	100.00	FC	(46)	(115)	
Laboratorio Clínico Falab S.A.S.	Barranquilla	COP	5,167.82	100.00	FC	456	(342)	
Laboratorio Clínico Gómez Vesga G V LTDA.	Bogota	COP	5,167.82	100.00	FC	658	462	

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Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
Inversiones Gómez Pardo S.A.S.	Bogota	COP	5,167.82	100.00	FC	16	63	
Laboratorio Clínico Marcela Hoyos Rendón S.A.S.	Manizales	COP	5,167.82	100.00	FC	281	(298)	
Medlab G V S.A.S.	Bogota	COP	5,167.82	100.00	FC	15	63	
SYNLAB Colombia S.A.S.	Medellin - Antioquia	COP	5,167.82	100.00	FC	12,484	(1,122)	
Sociedad Interdisciplinaria para la Salud S.A. – Siplas S.A.	Bogotá	COP	5,167.82	97.50	FC	858	357	
Asmedlab Cía. Ltda.	Quito	USD	19.96	100.00	FC	364	102	
Lab Centro Illingworth LCI S.A.	Guayaquil	USD	19.96	100.00	FC	417	145	
Instituto de Referencia Andino IRA S.A.	Quito	USD	19.96	100.00	FC	8	(8)	
Corporación Multigamma S.A.	Portoviejo	USD	19.96	100.00	FC	369	55	
SYNLAB Sociedad Anónima S.A.	Quito	USD	19.96	100.00	FC	10,979	2,960	
CIC Mexico Análisis Clínicos Especiales S.C.	Mexico City	MXN	20.86	99.99	FC	(705)	(70)	
Laboratorio de Asesoría y Servicio Referido S.A. de C.V.	Mexico City	MXN	20.86	99.98	FC	2,382	1,705	
Laboratorios Clínicos de Puebla Bioequivalencia S.A. de C.V.	Puebla	MXN	20.86	99.98	FC	86	10	
Corporación de Atención Médica, S.A. de C.V.	Mexico City	MXN	20.86	99.98	FC	1,089	498	
Servicios Operativos LMS S.A. de C.V.	Mexico City	MXN	20.86	99.98	FC	214	12	
Laboratorio Médico Polanco S.A. de C.V.	Mexico City	MXN	20.86	99.98	FC	16,233	7,705	
SDHM S.A. de C.V.	Mexico City	MXN	20.86	99.98	FC	20,093	8,999	
Instituto de Referencia Andino S.A.	Panama	USD	19.96	100.00	FC	(22)	14	
Labco Nous Perú S.A.C.	Lima	PEN	4.00	100.00	FC	(191)	21	
Gestora Peruana de Hospitales S.A.	Lima	PEN	4.00	32.00	EC	1,166	122	1)
SYNLAB Perú S.A.C.	Lima	PEN	4.00	100.00	FC	6,190	1,915	
BELGIUM								
SYNLAB Belgium SRL	Heppignies	EUR		100.00	FC	58,706	36,833	
Ellipsys SCA	Heppignies	EUR		100.00	FC	27,086	21,334	
ANAPET SRL	Heppignies	EUR		100.00	FC	410	358	
SYNLAB Flanders SRL	Berchem-Sainte-Agathe	EUR		64.00	FC	1,764	(736)	

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Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
UK								
ALcontrol Group Limited	London	GBP	0.89	100.00	FC	0	-	
SYNLAB Bondco PLC	London	EUR		100.00	FC	1,394,840	38,229	11)
The Christie Pathology Partnership LLP	Manchester	GBP	0.89	50.10	FC	3,992	1,110	12)
CPP Facilities LLP	Manchester	GBP	0.89	50.10	FC	2,723	722	12)
E4Law Limited	Cardiff	GBP	0.89	100.00	FC	4,436	4,286	11)
Facilities First LLP	London	GBP	0.89	49.00	EC	n.a.	n.a.	
Genelus Laboratories Limited	London	GBP	0.89	100.00	FC	0	-	
SYNLAB Unsecured Bondco PLC	London	EUR		100.00	FC	1,379,172	(451)	11)
SYNLAB Holdco Limited	London	EUR		100.00	FC	1,397,598	(38)	11)
IPP Analytics Limited	London	GBP	0.89	100.00	FC	(23,228)	(650)	11)
IPP Facilities Limited	London	GBP	0.89	100.00	FC	(5,477)	492	11)
Integrated Pathology Partnerships Limited	London	GBP	0.89	100.00	FC	6,127	6,357	11)
Labco Diagnostics UK Limited	London	GBP	0.89	100.00	FC	278	288	11)
SYNLAB LiveSmart Holdings Ltd.	London	GBP	0.89	90.00	FC	0	-	
Labco UK Group Limited	London	GBP	0.89	100.00	FC	11,719	84,978	11)
Pathology First LLP	London	GBP	0.89	49.00	EC	n.a.	n.a.	
PTDS Limited	London	GBP	0.89	100.00	FC	1	-	
SYNLAB Laboratory Services Limited	London	GBP	0.89	100.00	FC	1,802	(1,642)	11)
SPS Facilities LLP	London	GBP	0.89	33.30	EC	670	821	1)
Southwest Pathology Services LLP	London	GBP	0.89	33.30	EC	822	938	1)
SYNLAB Health for You Limited	London	GBP	0.89	100.00	FC	(4,497)	(4,666)	11)
SYNLAB UK Limited	London	GBP	0.89	100.00	FC	(3,790)	(13)	11)
SYNLAB Limited	London	EUR		100.00	FC	1,357,140	(1,396)	11)
Synnovis Analytics LLP (formerly: Viapath Analytics LLP)	London	GBP	0.89	100.00	FC	8,479	1,106	

continuation of the table
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Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
Synnovis Group LLP (formerly: Viapath Group LLP)	London	GBP	0.89	100.00	FC	8,527	992	
Synnovis Services LLP (formerly: Viapath Services LLP)	London	GBP	0.89	100.00	FC	10,723	5,103	
PORTUGAL								
Laboratorio der Anlises Clinicas Doutir Aires Raposo & Doutora Teresin	Ponta Delgada	EUR		100.00	FC	2,580	200	
SYNLABHEALTH NORTE - ANATOMIA PATOLÓGICA, S.A.	Porto	EUR		100.00	FC	(286)	(396)	
SYNLABHEALTH MADEIRA, S.A.	Madeira	EUR		100.00	FC	3,190	977	
SYNLABHEALTH GENÉTICA MÉDICA, S.A.	Porto	EUR		100.00	FC	957	552	
GENOMED – DIAGNOSTICOS DE MEDICINA MOLECULAR, S.A.	Lisboa	EUR		100.00	FC	461	112	
SYNLABHEALTH ALGARVE, S.A.	Faro	EUR		100.00	FC	3,930	1,255	
SYNLABHEALTH ALENTEJO, S.A.	Évora	EUR		100.00	FC	2,570	972	
SYNLABHEALTH PORTO S.A.	Porto	EUR		100.00	FC	10,189	2,249	
SYNLABhealth Portugal, S.A.	Lisboa	EUR		100.00	FC	(24,846)	(6,452)	
LABORATÓRIO DE ANÁLISES CLÍNICAS SÃO JOSÉ LDA.	Coimbra	EUR		100.00	FC	1,201	375	
CLINICA SAMPEDRO LDA.	Odivelas	EUR		29.73	EC	35	(4)	2)
SYNLABhealth II, S.A.	Lissabon	EUR		100.00	FC	51,665	6,517	7)
SSCP - Serviços De Saúde Curativos e Preventivos LDA.	Pontinha	EUR		100.00	FC	122	59	
T.G.T. - Centro Médico LDA.	Parede	EUR		100.00	FC	(62)	(16)	
SYNLABHEALTH TORRES NOVAS, UNIPESSOAL, LDA.	Torres Novas	EUR		100.00	FC	908	175	
SWITZERLAND								
Institut Arnaboldi AG	Winterthur	CHF	0.98	100.00	FC	253	20	
Bakteriologisches Institut Olten BIO AG	Olten	CHF	0.98	30.00	EC	387	24	1)
CLINICAL REFERENCE LABORATORIES HOLDING SA	Kriens	CHF	0.98	100.00	FC	0	(245)	
SYNLAB Suisse SA	Lucerne	CHF	0.98	100.00	FC	30,756	19,935	
one-provide ag	Kriens	CHF	0.98	100.00	FC	639	206	

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Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
AUSTRIA								
SYNLAB Logistic Austria GmbH	Vienna	EUR		100.00	FC	593	560	
SYNLAB Holding Austria GmbH	Vienna	EUR		100.00	FC	26,957	176,900	5)
Institut für medizinische und chemische Labordiagnostik Gesellschaft mbH	Vienna	EUR		100.00	FC	12,586	10,993	
CZECH REPUBLIK & SLOVAKIA								
SYNLAB cytologie s.r.o.	České Budějovice	CZK	24.12	100.00	FC	28	182	
SYNLAB czech s.r.o.	Praha	CZK	24.12	100.00	FC	19,705	12,580	
SYNLAB slovakia s.r.o.	Bratislava	EUR		100.00	FC	8,946	1,847	
Poliklinika Moravské Budějovice s.r.o.	Moravské Budejovice	CZK	24.12	4.00	NC	n.a.	n.a.	
ESTONIA & LITHUANIA								
SYNLAB Eesti OÜ	Tallinn	EUR		100.00	FC	28,163	18,856	
SYNLAB Lietuva UAB	Vilnius	EUR		100.00	FC	(855)	(1,139)	
DENMARK								
SYNLAB Medical Digital Services A/S	Odense	DKK	7.44	100.00	FC	19,836	5,061	
SYNLAB Holding Denmark ApS	Odense	DKK	7.44	100.00	FC	3,915	(825)	
FINLAND								
SYNLAB Suomi Oy	Helsinki	EUR		100.00	FC	21,384	167	
SYNLAB Holding Finland Oy	Helsinki	EUR		100.00	FC	24,505	16,915	
HUNGARY								
SYNLAB Hungary Kft.	Budapest	HUF	400.87	100.00	FC	456	52	
EMERGING MARKETS								
Freiburg Medical Laboratory Middle East LLC	Dubai	AED	3.92	70.00	FC	4,184	1,776	
SYNLAB-EML Foreign Unitary Enterprise	Minsk	BYN	2.69	100.00	FC	324	(569)	
SYNLAB Cyprus LTD	Nicosia	EUR		100.00	FC	4,355	506	
SYNLAB Ghana Ltd.	Accra	GHS	10.78	100.00	FC	(402)	(721)	

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Parent company: SYNLAB AG

As at 31 December 2022

Designated entities	City	Currency	Exchange Rate (1 Euro =)	% of control (add)	Method of Consolidation	Equity in €000	Net income in €000	Footnote
SYNLAB HRVATSKA-POLIKLINIKA ZA MEDICINSKO LABORATORIJSKU DIJAGNOSTIKU	Zagreb	HRK	7.54	100.00	FC	3,877	684	
MEDVEN Africa Limited	Douglas	USD	19.96	75.00	FC	721	-	
Private Health Institution SYNLAB Skopje	Skopje	MKD	61.03	98.00	FC	1,734	(3)	
SYNLAB Nigeria Limited	Lagos	NGN	477.46	51.00	FC	2,527	251	
STATPATH LIMITED	Lagos	NGN	477.46	60.00	NC	n.a.	n.a.	8)
SYNLAB Polska Sp. z.o.o.	Warsaw	PLN	4.68	100.00	FC	(2,536)	(345)	
S.C. Laboratoarele SYNLAB S.R.L.	Bucharest	RON	4.95	99.95	FC	831	21	
CMI Dr. Marinescu Dana Mihaela S.R.L.	Bucharest	RON	4.95	99.95	FC	(247)	(4)	
CMI Dr. Iacobescu C Anca S.R.L.	Bucharest	RON	4.95	99.95	FC	(212)	(18)	
Medsense Servicii Medicale S.R.L.	Pitesti	RON	4.95	99.95	FC	(468)	(99)	
Zostalab S.R.L.	Bucharest	RON	4.95	99.95	FC	(75)	86	
SYNLAB WEST S.R.L.	Bucharest	RON	4.95	99.95	FC	(4,194)	(112)	
ADRIA LAB Laboratorijska diagnostika d.o.o.	Ljubljana	EUR		100.00	FC	4,556	1,828	
Referans M-B Sağlık Laboratuar Hizmetleri Sanayi ve Ticaret Anonim Şirketi	Ankara	TRY	19.96	SPE	FC	635	144	10)
SYNLAB Turk Sağlik Hizmetleri Sanayii ve Ticaret Anonim Sirketi	Ankara	TRY	19.96	100.00	FC	925	676	
Limited Liability Company "SYNLAB-UKRAINE"	Kyiv	UAH	19.96	100.00	FC	449	(588)	

FC: Fully consolidated
EC: Equity Method
NC: Not consolidated
SPE: Special Purpose Entity (0% shareholding)

1) Values according to the latest available local GAAP financial statements; underlying fiscal year 01.01.2021 - 31.12.2021
2) Values according to the latest available local GAAP financial statements; underlying fiscal year 01.01.2019 - 31.12.2019
3) Exemption according to § 264 Abs. 3 HGB
4) Exemption according to § 291 HGB
5) Exemption according to § 245 Abs. 1 UGB
6) Exemption according to Real Decreto 1159/2010 del 17 de Setiembre que modifica el Plan General de Contabilidad aprobado por Real Decreto 1514/2007 de 16 de Noviembre
7) Exemption according to N°3 do artigo 7° do Decreto-Lei n°158/2009, de 13 de Julho, republicado a través do Decreto-Lei n°98/2015 de 2 de Junho
8) No control due to contractual arrangements or legal circumstances
9) No significant influence due to contractual arrangements or legal circumstances
10) Control due to contractual arrangements or legal circumstances
11) Exemption according to FRS 101
12) Exemption according to FRS 102
n.a.: not available

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Changes in consolidation scope

Designated entities	City	Currency	Exchange Rate (1 Euro =)	Footnote
FRANCE				
Biosynthèse SELAS	Fleury-les-Aubrais	EUR		MERGER
Société d'Exercice Libéral Laboratoire Val de Garonne SELARL	Langon	EUR		MERGER
SYNLAB Holding France SA	Paris	EUR		MERGER
SOGESSER	Orléans	EUR		MERGER
ITALY				
Centro Diagnostico"Cavour S.r.l.	Bologna	EUR		MERGER
Chiropratic S.r.l.	Bologna	EUR		MERGER
Centro di Terapia San Biagio S.r.l.	Casalecchio di Reno	EUR		MERGER
CENTRO POLISPECIALISTICO LECCHESE S.R.L.	Lecco	EUR		MERGER
Centro Azzarita di Riabilitazione Sportiva S.r.l.	Bologna	EUR		MERGER
ANALISI CLINICHE O' BIOS S.R.L.	Roma	EUR		MERGER
Chiropratic S.r.l.	Bologna	EUR		MERGER
Diagnosys S.r.l.	Prato	EUR		MERGER
Fitness Terapic Center S.r.l.	Firenze	EUR		MERGER
Centro di Terapia"Ionoforetica S.r.l.	Bologna	EUR		MERGER
Laboratorio Analisi Cavour S.r.l.	Bologna	EUR		MERGER
SYNLAB FVG S.r.l.	Trieste	EUR		MERGER
Laboratorio Analisi La Salute S.r.l.	Anzola dell Emilia	EUR		MERGER
CAM Sport S.r.l.	Monza	EUR		MERGER
MULTIMEDICA LAB S.R.L.	Vazzola (TV)	EUR		MERGER
Poliambulatorio Parco dei Cedri S.r.l.	Bologna	EUR		MERGER
Centro San Petronio S.r.l.	Bologna	EUR		MERGER
Poliambulatorio Centro Diagnostico Cavour S.r.l.	Bologna	EUR		MERGER
Proda S.r.l.	Roma	EUR		MERGER
Centro di Terapia San Biagio S.r.l.	Casalecchio di Reno	EUR		MERGER
Centro Medico San Michele S.r.l.	San Lazzaro di Savena	EUR		MERGER

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Changes in consolidation scope

Designated entities	City	Currency	Exchange Rate (1 Euro =)	Footnote
LATAM				
Laboratorios Médica Sur S.A. de C.V.	Mexico City	MXN	20.86	MERGER
UK & IRELAND				
VLSI Limited	Cork	EUR		SOLD
Bridge Pathology Limited	London	GBP	0.89	LIQUIDATION
Genon Laboratories Limited	London	GBP	0.89	LIQUIDATION
Integrated Path Services Limited	London	GBP	0.89	LIQUIDATION
VETERINARY PATHOLOGY GROUP LIMITED (formerly: SYNLAB VPG Limited)	Clyst Honiton	GBP	0.89	SOLD
SW Path Services LLP	London	GBP	0.89	LIQUIDATION
TDDS 2015 Limited	London	GBP	0.89	LIQUIDATION
PORTUGAL				
Laboratório De Análises Clínicas Da Covilhã, S.A.	Covilhã	EUR		MERGER
SYNLABHEALTH LEIRIA, UNIPESSOAL LDA	Leiria	EUR		MERGER
SWITZERLAND				
Cyto Obwegeser AG	Schwerzenbach	CHF	0.98	MERGER
ARGOT Lab SA	Lausanne	CHF	0.98	MERGER

AFFIRMATION OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements for the period from 1 January to 31 December 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the 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.

Munich, 13 March 2023

SYNLAB AG

The Management Board

MATHIEU FLOREANI
Chief Executive Officer

SAMI BADARANI
Chief Financial Officer

FINANCIAL CALENDER

Financial Calender

10 MAY 23
Q1 2023

17 MAY 23
AGM 2023

9 AUG 23
Q2/H1 2023

8 NOV 23
Q3 2023

SYNLAB AG
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