



Half-Year Financial Report

as of 30 June 2021

Key financials (IFRS)

in € thousand	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Revenue	634,927	292,884	116.8	319,019	130,050	145.3
Pharmaceutical Supply	603,560	262,074	130.3	303,932	113,857	166.9
Patient-Specific Therapies	31,047	30,604	1.4	14,912	16,063	-7.2
Services	320	206	55.3	175	130	34.6
EBITDA	17,587	6,085	189.0	9,112	2,019	351.3
<i>Margin (in % of Revenue)</i>	2.8	2.1		2.9	1.6	
EBITDA without extraordinary expenses¹	18,255	6,474	182.0	9,457	2,213	327.3
<i>Margin (in % of Revenue)</i>	2.9	2.2		3.0	1.7	
Pharmaceutical Supply	15,248	4,129	269.3	8,252	1,811	355.7
Patient-Specific Therapies	3,953	2,928	35.0	1,733	1,081	60.3
Services	-946	-582	62.5	-528	-679	-22.2
EBT	9,341	4,174	123.8	4,967	794	525.6
<i>Margin (in % of Revenue)</i>	1.5	1.4		1.6	0.6	
EBT without extraordinary expenses^{1, 2}	15,738	4,891	221.8	8,645	1,164	642.7
<i>Margin (in % of Revenue)</i>	2.5	1.7		2.7	0.9	
Pharmaceutical Supply	13,565	3,475	290.4	7,851	1,456	439.2
Patient-Specific Therapies	3,414	2,399	42.3	1,474	765	92.7
Services	-1,242	-982	26.5	-680	-1,057	-35.7
Comprehensive income after tax	6,273	3,169	97.9	3,432	858	300.0
Earnings per share (in €)						
Undiluted	0.32	0.21	52.4	0.17	0.06	183.3
Diluted	0.31	0.21	47.6	0.17	0.05	240.0
Investments (CAPEX)	5,760	2,215	160.0	3,131	1,274	145.8
Cash flow from operating activities	29,654	6,919	328.6	8,254	17,383	-52.5
Extraordinary expenses	6,397	717	792.2	3,678	370	894.1
^{1,2} Expenses from stock options	586	390	50.3	264	195	35.4
^{1,2} Other M&A expenses	82	0		82	0	
² Amortization of customer base	5,372	327	> 1,000	3,155	175	> 1,000
² Financial expenses M&A	357	0		178	0	
	06/30/2021	12/31/2020	Δ in %			
Headcount	302	279	8.2			
Balance sheet total	448,496	194,537	130.5			
Equity	316,282	142,425	122.1			
<i>Equity ratio (in %)</i>	70.5	73.2				

Key Performance Indicator (KPI): Figures used to manage the company's success

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Highlights

Strong and profitable growth led to record-breaking six months

- Record-setting half-year result despite still being slightly impacted by effects of the pandemic
- Revenue more than doubled – strong inorganic growth and continued double-digit organic growth rate
- Steady improvement in quarterly margins since Q2 2020, which was impacted by coronavirus pandemic

Growth strategy on track

Attractive growth potential

- Consolidation of **Cranach Pharma GmbH** – specialized pharmaceutical wholesaler – since January 2021
- Establishment of additional **GMP laboratories** for the production of Patient-Specific Therapies well on its way, resulting in optimization potential for logistics as well
- Continued enhancement of the **mediosconnect** digital platform and measures to establish a platform capable of handling e-prescriptions
- Growth financing secured through creation of new **Authorized Capital 2021** as part of the Annual General Meeting 2021
- Further acquisitions targeted, particularly in the fields of compounding and digitalization

Governance adapted to growth

- Supervisory Board expanded from three to four members
- Formation of an Audit Committee as well as a Compensation and Nomination Committee
- Groundbreaking ESG strategy being finalized – some measures already being implemented

Group interim management report as of June 30, 2021

Important events in the first half of 2021

Acquisition of Cranach Pharma GmbH

Cranach Pharma GmbH has been another wholly owned subsidiary since January 21, 2021, making Medios the leading provider of Specialty Pharmaceuticals in Germany. As a result of the merger, Medios' partner network has grown from approximately 330 specialized pharmacies at the end of 2020 to more than 530. The integration of the company is proceeding according to plan.

Establishment of additional audited GMP laboratories

As part of the implementation of its strategy, particularly in order to expand the higher-margin Patient-Specific Therapies segment, Medios began setting up additional laboratories in a newly leased building at an existing site in Berlin at the beginning of the reporting year. Completion of these state-of-the-art and GMP-certified laboratories (GMP: Good Manufacturing Practice) at the end of 2021 will allow the company to increase manufacturing capacities up to threefold.

Successful development of mediosconnect

The digitalization of healthcare is one focus of Medios' growth strategy. This includes mediosconnect, the digital platform implemented by Medios that already connects physicians, health insurance companies, and specialized partner pharmacies and serves as an ordering and billing portal. During the reporting period, additional specialized pharmacies in and around Berlin were acquired to the platform, resulting in the launch of a new indication. In line with its growth strategy, Medios also made significant progress in establishing a platform capable of processing e-prescriptions. In this way, Medios is ensuring that it is fully prepared for the legally mandated introduction of e-prescriptions in Germany on January 1, 2022.

Joining the United Nations Global Compact

On March 8, 2021, Medios became a member of the United Nations Global Compact, the world's largest initiative for responsible Corporate Governance. By joining, Medios has voluntarily committed to complying with the network's ten universal principles and sustainability goals.

Initiation of coverage by Deutsche Bank

On April 19, 2021, Deutsche Bank began covering Medios AG rated the company's stock a "Buy" In addition to Deutsche Bank, Medios continues to be covered by Berenberg, Jefferies, Kepler Cheuvreux, Metzler Capital Markets, and Warburg.

Successful Annual General Meeting

Medios successfully held its virtual Annual General Meeting 2021 on June 10. All of the resolutions on the agenda items were adopted by a clear majority. In total, around 74% of the company's share capital was represented. The agenda items included Corporate Governance issues such as increasing the size of the Supervisory Board from three to four members and approving the future remuneration systems for the Executive Board and Supervisory Board. In addition, the Annual General Meeting approved the creation of new Authorized Capital 2021.

Following the Annual General Meeting, the Supervisory Board established an Audit Committee and a Compensation and Nomination Committee from among its members during its first meeting as a four-member body. These are both two-member committees without the power to adopt resolutions.

Economic Report

Macroeconomic environment

According to the Kiel Institute for the World Economy (IfW), the global economy remained on an upward trajectory in the first few months of 2021, despite renewed pandemic-related setbacks. The impact of the pandemic was largely confined to the service sectors, while industrial output and global trade continued to expand strongly until spring. Their upswing, however, has recently been slowed down by supply bottlenecks and logistical issues. The tensions in the global economic environment were evident in a number of ways, not least in sharp price increases for raw materials, intermediate goods, and transportation services, which had already contributed to a noticeable rise in consumer prices.

For 2021, IfW is forecasting an increase in global output of 6.7% (measured on the basis of purchasing power parities). According to the Institute, the global economy will continue to be bolstered by a highly expansionary monetary policy and considerable boosts resulting from the fiscal policy of the United States and the eurozone. In light of the highly dynamic economic environment and the increased risk of inflation, IfW expects the United States' Federal Reserve to begin tightening monetary policy earlier than previously expected. This entails the risk that financing conditions on the international capital markets will already begin to deteriorate significantly during the forecast period.

Macroeconomic development in Germany

According to IfW, the German economy is once again picking up speed. After the resurgence of the coronavirus pandemic stalled the economic recovery during the winter months, overall economic output is expected to expand at a rapid pace later in

the year and exceed its precrisis level again. As pandemic-related restrictions are lifted, activity is expected to rebound rapidly, especially in those segments that had been most severely impacted. As such, the retail sector and services that require a high degree of face-to-face and close physical interaction are likely to particularly benefit from the rapid recovery in consumer spending by private households. In contrast, the recovery in the industrial sector will be delayed for the time being. The strong global recovery has brought with it complex supply bottlenecks that are noticeably impacting many companies' manufacturing activities. Despite the strong order situation, production in the manufacturing sector is therefore likely to only gradually begin rebounding in the second half of the year, provided that the supply bottlenecks are progressively overcome by then. As a result of the friction on the production side, the pressure on prices has also increased, especially since the worldwide economic situation remains highly dynamic. The prices of raw materials, intermediate goods, and transportation services, for example, have recently been trending upwards across the board.

IfW expects Germany's gross domestic product to increase by 3.9% in 2021. This implicates that consumer prices are likely to rise at a significantly faster rate of 2.6% this year, especially as the VAT increase and the climate package will also drive prices up.

Development of the healthcare market

Measured in terms of revenue, the pharmacy market in Germany grew in the first half of 2021. According to IQVIA, revenue increased by 5.7% to €31.2 billion in the period from the beginning of January to the end of June 2021 compared to the same period last year. Of this total, 82.4% of revenues were generated with prescription drugs, followed by OTC drugs (10.6%), medical supplies (4.4%), which includes tests, assistive devices, and face masks, as well as cosmetics & body care (1.8%), and nutrition (0.4%). Revenue generated with prescription drugs increased by 8.2%, while revenue from OTC drugs declined by 11.4%.

In terms of sales, the pharmacy market posted a decline in the first half of 2021. Compared to the same period last year, the number of units sold fell by 7.2% to 812 million. While prescription drugs recorded a 0.4% increase in sales, sales of OTC drugs declined by 17.8%. Sales of medical supplies increased by 7.7%. The cosmetics & body care and nutrition segments recorded declines of 5.4% and 3.3%, respectively.

The quota system for critical drugs imposed by Germany's Federal Institute for Drugs and Medical Devices (abbreviated BfArM in German) in March 2020 due to the surge in drug purchases remained in effect for the first half of 2021 and beyond. This meant that pharmaceutical wholesalers were still obligated not to supply drugs in quantities

exceeding normal requirements. According to BfArM, the quota system will be lifted at the end of the pandemic.

Introduction of e-prescriptions starting in 2022

The Greater Safety in Pharmaceutical Supply Act (abbreviated GSAV in German) includes a provision for the introduction of electronic prescriptions, or e-prescriptions for short, to the German healthcare system for prescription drugs. Under the new law, doctors' prescriptions are, in principle, only to be issued in the form of e-prescriptions starting on January 1, 2022.

Business performance

Impact of the coronavirus pandemic

For information on the impact of the coronavirus pandemic, please refer to the statements made in the Group Management Report and Notes to the Consolidated Financial Statements as of December 31, 2020.

Medios Group situation

Earnings

The Medios Group's revenue increased significantly in the first half of 2021 compared to the same period of the previous year. The Medios Group generated revenues of €634.9 million, an increase of €342.0 million, or 117%, compared to the same period last year (previous year: €292.9 million). The integration of Cranach Pharma GmbH into the Pharmaceutical Supply segment was the biggest growth driver. In this segment, revenue increased by €341.5 million, or 130%, to €603.6 million compared with the same period last year (previous year: €262.1 million). The Patient-Specific Therapies segment also continued to grow compared to the same period last year. In this segment, revenue grew by €0.4 million to €31.0 million (previous year: €30.6 million). This corresponds to growth of 1.4%. Of this increase, €1.1 million is attributable to the inclusion of the revenue generated by Kölsche Blister GmbH. In the Services segment, revenue increased slightly by €0.1 million to €0.3 million. This segment generated external revenue by providing IT services for partner pharmacies. All of the group's revenues were generated almost exclusively within the Federal Republic of Germany. In line with the group's revenue growth, the number of pharmacies supplied rose to more than 530.

The cost of goods totaled €603.0 million in the first half of 2021 (previous year: €275.4 million), or 95.0% of revenue (previous year: 94.0%). Within each of the segments, the cost of goods sold ratio decreased (Pharmaceutical Supply: 96.7% compared to 97.2% in the previous year and Patient-Specific Therapies: 68.5% compared to 70.7% in the

previous year). Yet the Group's cost of goods sold ratio did increase, resulting from a weighting effect. Which can be explained by the significantly higher growth in the Pharmaceutical Supply segment in absolute figures (due to the consolidation of Cranach Pharma GmbH) and its higher cost of goods sold ratio.

Personnel expenses increased by €2.4 million to €9.3 million (first half of 2020: €6.8 million) due to the company's growth. This includes non-cash extraordinary expenses from stock options totaling €0.6 million, compared with €0.4 million in the same period last year. The increase in the number of employees to 302 as of June 30, 2021 (279 employees as of December 31, 2020) is primarily attributable to the acquisition of Cranach Pharma GmbH and the addition of appropriately qualified personnel in preparation for the mandatory introduction of e-prescriptions in January 2022. The company did not apply for nor receive short-time work allowances at any time, particularly not in connection with the coronavirus pandemic.

Other expenses totaled €5.6 million, compared with €4.7 million in the first half of 2020. Due to the continued growth of the Medios Group, delivery expenses (packaging and shipping costs) accounted for a significant share of the increase. Higher costs associated with the new locations in Cologne and Hamburg as a result of the acquisitions will also lead to permanent increases. Legal and consultancy costs in the first half of 2021 declined by around €0.5 million compared with the same period in the previous year. Costs for commission-like third-party services increased by around €0.3 million due to an increase in volume.

Consolidated earnings before interest, taxes, depreciation, and amortization adjusted for extraordinary expenses (EBITDA before extraordinary items; also referred to as EBITDA pre) totaled €18.3 million in the first half of 2021, compared with €6.5 million in the same period last year.

Financial expenses increased from €0.3 million in the first half of 2020 to €0.6 million in the reporting period, as the syndicated financing in 2021 was in place for the entire first half of the year and the group utilized it more than in the same period last year.

Consolidated earnings before taxes adjusted for extraordinary expenses (EBT before extraordinary items; also referred to as EBT pre) amounted to €15.7 million, compared with €4.9 million in the previous year.

The total tax burden stood at 32.8% of income before taxes.

EBITDA before extraordinary items in the Pharmaceutical Supply segment increased from €4.1 million in the first half of 2020 to €15.2 million in the first half of 2021, primarily due to the integration of Cranach Pharma GmbH. EBITDA before

extraordinary items in the Patient-Specific Therapies segment increased to €4.0 million, compared with €2.9 million in the previous year. As a result of increased expenses on the company's future expansion, the Services segment generated EBITDA before extraordinary items of €-0.9 million. This compares with €-0.6 million in the same period last year.

Extraordinary expenses resulted from share options in the amount of €0.6 million (previous year: €0.4 million), other expenses resulting from M&A activities totaling €0.1 million (previous year: €0.0 million), amortization of capitalized customer lists in the amount of €5.4 million (previous year: €0.3 million) – of which €5.0 million related to Cranach Pharma GmbH – and financial expenses resulting from M&A activities in the amount of €0.4 million (previous year: €0.0 million).

Financial position

The group generated a positive cash flow from operating activities of €29.7 million, a significant increase of €22.7 million compared to the same period last year. This essentially corresponds to the EBITDA of €17.6 million generated in the first half of 2021 and the improvement in working capital.

Cash flow from investing activities changed from €-3.3 million (in 2020) to €+24.3 million (in 2021), with €+30.0 million resulting from the addition of cash and cash equivalents to the scope of consolidation (Cranach Pharma GmbH). Investments in intangible assets and property, plant and equipment resulted in an outflow of €5.8 million, which was largely driven by the new laboratories in a newly rented building at an existing site in Berlin.

Cash flow from financing activities for the first half of 2021 was almost balanced with €1.3 million, compared with €70.1 million in the previous year, which was heavily influenced by a capital increase and the short-term utilization of syndicated financing.

Net asset situation

Total assets as of June 30, 2021 increased by €254.0 million compared with the annual financial statements for 2020 and now stand at €448.5 million (previous year: €194.5 million). The increase in total assets is primarily due to the consolidation of Cranach Pharma GmbH and the further expansion of business operations.

Intangible assets increased particularly as a result of the acquisition of Cranach Pharma. The corresponding customer list and goodwill have been recognized in the amount of €162.7 million. The increase in property, plant and equipment was driven by the establishment of new laboratories in newly leased buildings at an existing site in Berlin. The expansion of business activities due to the integration of Cranach

Pharma GmbH led to an increase in inventories from €35.3 million as of December 31, 2020 to €45.1 million as of June 30, 2021. The value of accounts receivable increased accordingly, growing from €74.8 million to €97.6 million. An analysis adjusted for the acquisition would show, however, that particularly the corresponding items in the Pharmaceutical Supply segment's core business prior to the acquisition decreased compared with the end of the previous financial year. Cranach Pharma contributed €37.0 million to the increase in cash and cash equivalents from €19.8 million to €75.1 million. Furthermore, the aforementioned reductions in inventories and receivables, particularly in the Pharmaceutical Supply segment's core business prior to the acquisition, had a positive effect on cash and cash equivalents.

Equity increased by €167.6 million as a result of the capital increase in connection with the acquisition of Cranach Pharma GmbH and by a further €6.3 million in line with the net profit for the period. As such, the equity ratio changed slightly from 73.2% to 70.5% as of June 30, 2021. Noncurrent financial liabilities increased by €52.8 million. This resulted from an increase in the utilization of syndicated financing totaling €30.0 million for the purpose of paying off liabilities to former shareholders of Cranach Pharma GmbH. Another reason was the recognition of deferred taxes regarding the capitalization of customer relationships in connection with the initial consolidation of Cranach Pharma GmbH in the amount of €17.9 million. In line with the change in inventories and accounts receivable, the expansion in business activities resulting from the acquisition of Cranach Pharma GmbH also led to an increase in accounts payable. The increase in income tax liabilities reflects the overall growth in earnings.

Supplementary report

Project grant from IBB

The Medios Group has received confirmation from Investitionsbank Berlin (IBB) that it will receive a project-funding grant of just under €0.7 million. The funds will be used to establish additional laboratories in a newly rented building at an existing site in Berlin and can be drawn upon in three different installments until December 31, 2023. IBB is currently reviewing an additional grant application from another group company.

No impact from the flood disaster

The Medios Group was not affected by the catastrophic flooding that occurred in the German states of Rhineland-Palatinate and North Rhine-Westphalia in July 2021.

Risk and opportunities report

Coronavirus pandemic, risks, opportunities

The company does not have knowledge of anything that would result in a change to the statements regarding the group's performance in the 2021 financial year as made in the last group management report. The statements made in the 2020 annual report regarding the business model's opportunities and risks remain unchanged for the remainder of the 2021 financial year. This also applies to the statements made in connection with the coronavirus pandemic.

The company has not currently identified any risks that, either individually or in combination with other risks, could jeopardize the continued existence of Medios AG as a going concern. Additional risks and opportunities of which we are not aware or that we currently consider immaterial could also have an adverse effect on the business activities of the Medios Group.

Outlook

Medios expects to see strong growth in the 2021 financial year despite a market environment that remains challenging. Following a very good revenue performance in the first half of the year, Medios increased its revenue guidance for the 2021 financial year in August 2021. The company now expects to generate consolidated revenues of €1.20 billion to €1.30 billion (previously €1.15 billion to €1.20 billion). The company's earnings guidance remains unchanged, however, due to increased investments in future growth. As a result, Medios continues to expect EBITDA pre¹ of €38 to €39 million and EBT pre¹ of €31 to €32 million. This corresponds to revenue growth of between 92% and 107% and an even more significant increase in EBITDA pre¹ of approx. 152% to 159% and an increase in EBT pre¹ of approx. 158% to 166%. In this context, Medios expects that the pandemic-related special effects negatively impacting earnings will continue to weaken over the course of 2021.

¹ EBITDA is defined as net earnings before interest, income taxes, depreciation and amortization. EBT is defined as net earnings before income taxes. EBITDA pre and EBT pre are each adjusted for extraordinary expenses for stock options, M&A activities and amortization of the customer base.

Berlin, August 12, 2021

Medios AG

Executive Board

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Group financial interim statement as of June 30, 2021

Statement of comprehensive income

in thousand €	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Revenue	634,927	292,884	116.8	319,019	130,050	145.3
Change in stocks of finished goods and work-in-progress	31	13	138.5	-53	-17	211.8
Work performed and capitalized	269	17	> 1,000	206	17	> 1,000
Other income	235	186	26.3	96	94	2,1
Cost of materials	603,042	275,440	118.9	302,669	121,636	148.8
Personnel expenses	9,262	6,846	35.3	4,654	3,688	26.2
Other expenses	5,570	4,730	17.8	2,832	2,801	1.1
Earnings before interest, tax, depreciation and amortization (EBITDA)	17,587	6,085	189.0	9,112	2,019	351.3
Depreciation and amortization	7,673	1,622	373.1	3,838	995	285.7
Operating profit/loss (EBIT)	9,914	4,463	122.1	5,273	1,024	414.9
Financial expenses	581	303	91.7	312	230	35.7
Financial income	7	14	-50.0	6	8	-25.0
Consolidated earnings before tax (EBT)	9,341	4,174	123.8	4,967	801	520.1
Tax	3,068	1,005	205.3	1,535	-57	< -1,000
Consolidated earnings after tax	6,273	3,169	97.9	3,432	859	299.5
Total consolidated earnings						
Basic earnings per share (in €)	0.32	0.21	52.4	0.17	0.06	183.3
Diluted earnings per share (in €)	0.31	0.21	47.6	0.17	0.05	240.0

Consolidated balance sheet

Assets

in thousand €

	06/30/2021	12/31/2020	Δ in %
Non-current assets	227,558	58,232	290.8
Intangible assets	200,659	35,237	469.5
Property, plant and equipment	9,353	5,337	75.2
Right of use	17,209	17,269	-0.3
Financial assets	338	390	-13.3
Current assets	220,938	136,305	62.1
Inventories	45,054	35,310	27.6
Trade receivables	97,567	74,789	30.5
Other assets	3,155	6,394	-50.7
Income tax receivables	89	24	270.8
Cash and cash equivalents	75,073	19,788	279.4
Balance sheet total	448,496	194,537	130.5

Liabilities

Equity

Subscribed capital	20,265	16,085	26.0
Capital reserves	267,892	104,487	156.4
Accumulated Group's net income	28,126	21,853	28.7
Attributable to shareholders in the parent company	316,282	142,425	122.1

Liabilities

Non-current liabilities	74,270	21,484	245.7
Financial liabilities	50,553	16,647	203.7
Other accrued liabilities	2,053	1,039	97.6
Deferred tax liabilities	21,663	3,798	470.4
Current liabilities	57,945	30,628	89.2
Other provisions	661	512	29.1
Trade payables	44,285	22,398	97.7
Financial liabilities	2,524	2,587	-2.4
Income tax liabilities	7,645	2,613	192.6
Other liabilities	2,830	2,517	12.4
Total liabilities	132,215	52,112	153.7
Balance sheet total	448,496	194,537	130.5

Consolidated cash flow statement

in thousand €	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Cash flow from operating activities						
Net income for the period	6,273	3,169	97.9	3,432	859	299.5
Depreciation and amortization on non-current assets	7,673	1,622	373.1	3,838	995	285.7
Decrease/increase in provisions	55	-108	-150.9	110	52	111.5
Other non-cash expenses	586	390	50.3	264	195	35.4
Increase in inventories, trade receivables and other assets not attributable to investment or financing activities	19,132	-4,804	-498.3	6,303	21,661	-70.9
Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities	-4,904	5,345	-191.7	-6,079	-6,556	-7.3
Financial result	573	289	98.3	306	230	33.0
Income/expenses from the disposal of assets	-6	-1	500.0	0	-1	-100.0
Income tax expense	3,068	1,005	205.3	1,535	-64	< -1,000
Income tax payments	-2,796	13	< -1,000	-1,456	13	< -1,000
Net cash inflow/outflow from operating activities	29,654	6,919	328.6	8,254	17,383	-52.5
Cash flow from investment activities						
Payments made for investments in intangible assets	-1,003	-671	49.5	-563	-435	29.4
Payments from disposals of intangible assets	250	0		0	0	
Payments made for investments in property, plant and equipment	-4,757	-1,544	208.1	-2,567	-747	243.6
Payments from disposals of tangible fixed assets	16	12	33.3	0	12	-100.0
Payments from the disposal of long-term financial items	52	41	26.8	26	21	23.8
Payments for additions to the scope of consolidation	29,972	-1,163	< -1,000	0	0	
Payments from disposals from the scope of consolidation	-224	0		0	0	
Interest received	7	14	-50.0	6	8	-25.0
Net cash outflow from investment activities	24,313	-3,311	-834.3	-3,099	-1,142	171.4

in thousand €	H1 2021	H1 2020	Δ in %	Q2 2021	Q2 2020	Δ in %
Cash flow from financing activities						
Proceeds from equity injections	0	53,450	-100.0	0	53,450	-100.0
Payments for issuing costs for the capital increase	-202	-1,440	-86.0	-183	-1,440	-87.3
Proceeds from financial liabilities	30,000	19,000	57.9	0	19,400	0.0
Cash outflows from the repayment of financial liabilities	-26,991	0		-3,150	0	
Interest paid	-542	-427	26.9	-377	-70	438.6
Repayments of lease liabilities	-947	-526	80.0	-558	-354	57.6
Net cash inflow from financing activities	1,318	70,057	-98.1	-4,268	70,987	-106.0
Net change in cash and cash equivalents	55,285	73,665	-25.0	887	87,227	-99.0
Cash and cash equivalents at the beginning of the period	19,788	12,645	56.5	74,186	-917	< -1,000
Cash and cash equivalents at the end of the period	75,073	86,310	-13.0	75,073	86,310	-13.0

Consolidated statement of changes in equity

in thousand €	Subscribed capital	Capital reserves	Accumulated total consolidated earnings	Attributable to shareholders in the parent company	Equity
As at 01/01/2020	14,564	51,273	15,789	81,627	81,627
Net profit for H1 2020			3,169	3,169	3,169
Share-based payments		390		390	390
Capital increase	1,521	53,429		54,950	54,950
Transaction costs and tax from the capital increase		-1,440		-1,440	-1,440
As at 06/30/2020	16,085	103,652	18,958	138,695	138,695
As at 01/01/2021	16,085	104,487	21,853	142,425	142,425
Net profit for H1 2021			6,273	6,273	6,273
Share-based payments		586		586	586
Capital increase	4,180	163,020		167,200	167,200
Transaction costs and tax from the capital increase		-202		-202	-202
As at 06/30/2021	20,265	267,892	28,126	316,282	316,282

Selected notes to the consolidated financial statements

based on IFRS for the period from January 1 to June 30, 2021

General

Medios AG (hereinafter also the “Company”, “Medios”, or, in connection with its subsidiaries, the “Medios Group”) is a joint-stock company under German law. The Company’s shares are listed in the Regulated Market on the Frankfurt Stock Exchange (Prime Standard). Furthermore, the shares are admitted to the open market on the Düsseldorf and Stuttgart stock exchanges. Medios AG is the parent company of the Medios Group and is registered at the Hamburg district court under the number HRB 70680.

The Company is legally based in Hamburg; its business address is Heidestrasse 9, 10557 Berlin, Germany.

The consolidated interim financial statements are presented in € (€), the reporting Company’s functional currency. Figures are presented in thousands of € (€ thousand) unless otherwise stated. Readers should be aware that the use of rounded amounts and percentages may result in discrepancies within individual tables due to the nature of the commercial rounding method. This also applies to the totals and subtotals presented in the interim consolidated financial statements.

The Consolidated Statement of Comprehensive Income is prepared according to the total cost method of accounting. The first half of the financial year used by Medios AG and the consolidated subsidiaries included in the interim consolidated financial statements is equivalent to the first half of the calendar year; the Company and its subsidiaries have existed as a Group since August 31, 2016.

Business Activity

Medios AG is a holding company with management and service-provision functions, exercising centralized leadership over the Medios Group. It directs the Group’s business activity, performs tasks such as establishing the corporate planning for the Group, and monitors compliance with it.

The wholly owned subsidiary **Medios Pharma GmbH** is a wholesaler pharmaceutical company licensed under section 52a of the German Drugs Act (AMG) that realizes the market-oriented and needs-based supply of Specialty Pharma drugs to Medios partners. Its specializations particularly include oncology, autoimmunology, and infectiology, as well as hemophilia since September 2020. Medios Pharma is an expert with market relevance, an extensive network, and many years’ experience.

The wholly owned subsidiary **Medios Manufaktur GmbH** is a German manufacturer of Specialty Pharma drugs. By manufacturing and performing complementary services for pharmacies, it covers the most important elements of the supply chain. Personalized medicines are prepared based on the highest international quality standards (GMP). Its specializations include infusion solutions for oncology.

The wholly owned subsidiary **Medios Individual GmbH** is specialized in the manufacturing of patent-specific antiviral and antibiotic solutions, the production of parenteral-nutrition solutions, and the manufacturing of noncytostatic medicines. In addition, Medios Individual offers complementary services for pharmacies. The drugs and solutions are manufactured in compliance with the highest international quality standards (GMP).

Medios Digital GmbH, a wholly owned subsidiary, is the internal system-services provider for the Medios Group and develops software and infrastructure solutions. They include logistics processes such as procurement, storage, and distribution as well as optimized trade processes with integrated interfaces to our customers. The focus of the subsidiary's work is on developing and implementing software solutions for its sister company Medios Digital GmbH.

The wholly owned subsidiary **Kölsche Blister GmbH**, acquired in March 2020, specializes in blistering, a new service for Medios. This refers to the repackaging and personalization of finished pharmaceutical products on the basis of individual requests for specific patients. The highest standards of quality (GMP) are also applied during the blistering process.

Cranach Pharma GmbH has been another wholly owned subsidiary since January 21, 2021, making Medios the leading provider of Specialty Pharmaceuticals in Germany. As a result of the merger, Medios' partner network has grown from approximately 330 specialized pharmacies at the end of 2020 to more than 530. The integration of the company is proceeding according to plan.

All of the group's research and development activities in the field of NIR (near-infrared spectroscopy) analytics are carried out by its wholly owned subsidiary **Medios Analytics GmbH**. Medios Analytics GmbH was sold to Anike Oleski, owner of MediosApotheke, by means of a notarized agreement dated March 18, 2021. As a result, the development and research results achieved to date in the field of NIR can, to a certain extent, be further utilized and developed within MediosApotheke. Contractual agreements are in place to ensure that the Medios Group continues to have access to this innovative technology.

As of June 30, 2021, the Medios Group, including Medios AG, therefore consisted of seven companies.

Basis for the preparation of the financial statements

The condensed interim consolidated financial statements for the period from January 1 to June 30, 2021 were prepared in accordance with IAS 34 "Interim Financial Reporting." These condensed interim consolidated financial statements do not include all the information required for end-of-financial-year financial statements and should be read in connection with the consolidated financial statements for the period ending on December 31, 2020. These interim consolidated financial statements have neither been audited nor reviewed by an auditor. The accounting and valuation methods applied in the preparation of these condensed interim consolidated financial statements correspond to the methods applied during the preparation of the last consolidated financial statements as of December 31, 2020. The interim consolidated financial statements as of June 30, 2021 have been prepared in accordance with IFRS as adopted by the EU. In this process, all mandatory standards were adopted. The Group declined to voluntarily adopt standards prior to their implementation date.

The amended standards that must be adopted for the first time starting in 2021 have, at most, an immaterial effect on the interim consolidated financial statements of Medios AG.

Scope of consolidation

In addition to Medios AG, the consolidated financial statements as of June 30, 2021 included the following subsidiaries:

- 100% in Medios Pharma GmbH, Berlin
- 100% in Medios Manufaktur GmbH, Berlin
- 100% in Medios Digital GmbH, Berlin
- 100% in Medios Individual GmbH, Berlin
- 100% in Kölsche Blister GmbH, Cologne
- 100% in Cranach Pharma GmbH, Hamburg

All subsidiaries controlled by Medios AG were fully consolidated.

Significant events in the first half of 2021

Acquisition of Cranach Pharma GmbH

Cranach Pharma GmbH is a wholly owned subsidiary since January 21, 2021, making Medios the leading provider of Specialty Pharmaceuticals in Germany. As a result of the merger, Medios' partner network has grown from approximately 330 specialized pharmacies at the end of 2020 to more than 530. The integration of the company is proceeding according to plan.

At the end of the 2020 financial year, the Medios Group signed an agreement with BSMH GmbH governing the sale and transfer of 100% of the GmbH shares in Cranach Pharma GmbH to Medios AG. As consideration, the seller received 4,180,000 new shares from Medios AG by way of an equity offering for contributions in kind. The fair value of the new shares transferred as consideration totaled €167.2 million.

The following carrying amounts and fair values do not refer to the acquisition date but to January 1, 2021 and are provisional in nature.

in thousand €	Carrying amount	Revaluation Assets and debt	Carrying amount at first-time consolidation
Intangible assets and property, plant and equipment	6,213	1,693	7,906
Customer relationships		58,832	58,832
Inventories	13,200		13,200
Receivables and other assets	34,957		34,957
Cash	29,972		29,972
Total assets	84,342	60,525	144,867
Deferred tax liabilities	0	19,534	19,534
Provisions	1,104		1,104
Liabilities	60,858		60,858
Total liabilities	61,962	19,534	81,496
Fair value of net assets			63,371
Consideration transferred under IFRS 3			167,200
Goodwill			103,829

The value of the customer relationships recognized as of their acquisition date was calculated using a residual value method. The goodwill resulting from the difference between the consideration given and the revalued net assets primarily represents the value of the expected revenue and cost synergies from the acquisition of the business

and the industry expertise of the management team. This goodwill is not tax-deductible.

For reasons of simplification, Cranach Pharma GmbH is included in the consolidated financial statements as if the acquisition had taken place on January 1, 2021. The difference that would result from consolidation as of the actual change-of-control date (January 21, 2021) instead of January 1, 2021 is immaterial.

Further material events are presented in the Interim Group Management Report.

Impact of the coronavirus pandemic

For information on the impact of the coronavirus pandemic, please refer to the statements made in the Group Management Report and Notes to the Consolidated Financial Statements as of December 31, 2020.

Remarks on the consolidated balance sheet

In connection with the acquisition of Cranach Pharma GmbH, the new shares to be issued were created from authorized capital as part of an equity offering for contributions in kind that excluded subscription rights. As a result, Medios AG's share capital increased from €16,084,991 to €20,264,991.

Remarks on the consolidated cash flow statement

The Consolidated Statement of Cash Flows shows how the Medios Group's cash and cash equivalents changed over the course of the reporting year as a result of cash inflows and outflows. In this context, a distinction is made between cash flows from operating activities, investing activities, and financing activities. The cash and cash equivalents disclosed in the Consolidated Statement of Cash Flows consist exclusively of liquid funds. The Medios Group provided 4,180,000 new shares with a fair value of €167.2 million as consideration for the acquisition of Cranach Pharma GmbH by way of an equity offering for contributions in kind. As a result, the transaction is not reflected in the company's cash flows.

Segment reporting

At the Medios Group, segment reporting results from the management of business activities. The division of the company's business segments corresponds to the internal organizational structure and reporting to the Executive Board.

At the Medios Group, segment performance is measured on the basis of revenues, EBITDA before extraordinary items, and EBT before extraordinary items.

The Medios Group is divided into the “Pharmaceutical Supply” segment, the “Patient-Specific Therapies” segment, and a miscellaneous segment, “Services”. The segments differ in terms of their business activities. Transactions between segments are accounted for in accordance with IFRS accounting principles. No operating segments have been aggregated.

The Medios Group conducts its activities exclusively in Germany and other EU countries. The business activities of the segments can be summarized as followed:

- From a legal perspective, the **Pharmaceutical Supply** division, with its focus on Specialty Pharmaceuticals, is consolidated in Medios Pharma GmbH and, as of this financial year, in Cranach Pharma GmbH. This focus on Specialty Pharmaceuticals means that it nearly exclusively distributes drugs for chronic and/or rare diseases that are usually high-priced. This represents approximately 1,000 out of 100,000 different pharmaceutical products available in Germany. With this systematic and clear focus, Medios clearly differentiates itself from full-range pharmaceutical wholesalers.
- The **Patient-Specific Therapies** segment encompasses the manufacturing of medications on behalf of pharmacies, and from a legal perspective, operates as part of the companies Medios Manufaktur GmbH, Medios Individual GmbH, and Kölsche Blister GmbH. Patient-specific therapies include, for example, infusions that are formulated and produced on the basis of individual disease patterns and individual parameters such as body weight and body surface area. This means that the batch size per produced formulation is always exactly one. Manufacturing takes place under the highest possible quality standards – usually GMP (Good Manufacturing Practice).
- **Services** encompasses all of the group’s other activities, including the Medios Group’s holding activities, in particular activities relevant to the capital markets. In addition, the Medios Group is pushing ahead with the development of software and infrastructure solutions. This includes the digital platform mediosconnect, which connects physicians, health insurance companies, and specialized partner pharmacies and serves as an ordering and billing portal.

Revenue and segment results for the first half of 2021 are broken down as follows:

	Pharmaceutical Supply		Patient-Specific Therapies	
<i>in thousand €</i>	H1 2021	H1 2020	H1 2021	H1 2020
Revenue - external	603,560	262,074	31,047	30,604
Revenue - internal	15,682	16,071	3,843	1,970
Total segment revenue	619,242	278,145	34,889	32,574
Cost of materials	598,555	270,431	23,895	23,033
<i>Cost of materials (in % of Revenue)</i>	96.7	97.2	68.5	70.7
EBITDA	15,117	4,086	3,885	2,792
<i>Margin (in % of Revenue)</i>	2.4	1.5	11.1	8.6
EBITDA before special items	15,248	4,129	3,953	2,928
<i>Margin (in % of Revenue)</i>	2.5	1.5	11.3	9.0
Depreciation and amortization	5,473	345	819	811
Financial result	-1,247	-309	-53	-46
EBT	8,397	3,432	3,012	1,935
<i>Margin (in % of Revenue)</i>	1.4	1.2	8.6	5.9
EBT before special items	13,565	3,475	3,414	2,399
<i>Margin (in % of Revenue)</i>	2.2	1.2	9.8	7.4
Income tax expense (-) / income (+)	-1,870	14	209	165
Earnings after taxes	6,526	3,447	3,221	2,100

in thousand €	Services		Elimination		Group	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Revenue - external	320	206			634,927	292,884
Revenue - internal	3,724	3,709	-23,249	-21,750		
Total segment revenue	4,044	3,915	-23,249	-21,750	634,927	292,884
Cost of materials	2	1	-19,409	-18,026	603,042	275,440
<i>Cost of materials (in % of Revenue)</i>	0.0	0.0	83.5	82.88	95.0	94.04
EBITDA	-1,414	-793			17,587	6,085
<i>Margin (in % of Revenue)</i>	-35.0	-20.3			2.8	2.1
EBITDA before special items	-946	-582			18,255	6,474
<i>Margin (in % of Revenue)</i>	-23.4	-14.9			2.9	2.2
Depreciation and amortization	1,380	466			7,673	1,622
Financial result	727	66			-574	-289
EBT	-2,068	-1,193			9,341	4,174
<i>Margin (in % of Revenue)</i>	-51.1	-30.5			1.5	1.4
EBT before special items	-1,242	-982			15,738	4,891
<i>Margin (in % of Revenue)</i>	-30.7	-25.1			2.5	1.7
Income tax expense (-) / income (+)	-1,407	-1,185			-3,068	-1,005
Earnings after taxes	-3,474	-2,378			6,273	3,169

EBT before special items is reconciled to earnings before income taxes as follows:

in € thousand	H1 2021	H1 2020
EBT before special items	15,738	4,891
Expenses from stock options	586	390
Other M&A expenses	82	0
Amortization of customer base	5,372	327
Financial expenses M&A	357	0
Consolidated earnings before tax	9,341	4,174

Other information

Contingent liabilities

The company did not have any contingent liabilities on the books as of June 30, 2021.

Financial instruments

With the exception of noncurrent financial assets, all financial instruments have short remaining terms or are available in the form of cash and cash equivalents. As a result, their carrying values correspond at least approximately to their respective fair values. Likewise, all financial instruments fall into the category "AC" (amortized cost).

Transactions with related companies and persons

A related party or entity as defined by IAS 24 is a party or entity that has the ability, directly or indirectly, to control or exercise significant influence over the other party. Detailed information on related entities and related parties in key positions is provided in the Notes to the Consolidated Financial Statements for 2020. Transactions with related parties primarily involve the provision of goods and services as well as management and holding activities.

The following tables show the material transactions with related parties in the reporting period:

in thousand €	Income H1 2021	Expenditure H1 2021	Receivables 06/30/2021	Liabilities 06/30/2021
Messner Rechtsanwälte	0	38	0	0
Total	0	38	0	0

in thousand €	Income H1 2020	Expenditure H1 2020	Receivables 06/30/2020	Liabilities 06/30/2020
Tangaroa Management GmbH	0	25	0	0
Tangaroa GmbH & Co. KG (vormals Spezial Pharma Manfred Schneider e.K)	4	105	5	14
Messner Rechtsanwälte	2	24	0	0
Total	6	154	5	14

Tangaroa Management GmbH and Tangaroa GmbH & Co. KG have no longer been controlling companies since the 2021 financial year.

Earnings per share

Earnings per share is calculated by dividing the consolidated net income attributable to the shareholders of Medios AG by the weighted average number of shares outstanding in the reporting period.

Calculation of earnings per share	H1 2021	H1 2020
Share in consolidated profit attributable to the shareholders of the parent company (in thousand €)	6,273	3,169
Weighted average number of ordinary shares (in thousands of units)	19,803	14,811
Undiluted earnings per share (in €)	0.32	0.21
Diluted earnings per share (in €)	0.31	0.21

Events after the balance sheet date

Events after the end of the reporting period are presented in the "Supplementary Report" section of the Interim Group Management Report.

Declaration on the German Corporate Governance Code

The Executive Board and Supervisory Board of Medios AG have both issued a declaration of compliance with the German Corporate Governance Code as required by Section 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders on the Medios AG website in the Investor Relations section <https://medios.ag/en/investor-relations/corporate-governance>.

Responsibility statement of the company's legal representatives

We hereby declare that to the best of our knowledge, a true and fair view of the net assets, financial position and results of operations of the Group is provided in accordance with the applicable accounting standards for half-yearly financial reporting in the consolidated interim financial statements and in the interim Group management report and that business performance including the business results and the situation of the Group are presented in a way that gives a true and fair view of the actual opportunities and risks of the expected performance of the Group during the remainder of the financial year.

Berlin, August 12, 2021

Matthias Gaertner

Chairman of the Executive Board (CEO/CFO)

Mi-Young Miehler

Executive Board (COO)

Christoph Prußeit

Executive Board (CINO)

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Investor Relations

The financial reports of the Medios Group can be downloaded from the company's website in German and English.

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Concept

Kirchhoff Consult AG

Notes and forward-looking statements

The Half-Year Financial Report should be read in conjunction with the Annual Report for the 2020 financial year, which contains a comprehensive presentation of our business activities as well as explanations of the financial indicators used.

The financial report contains forward-looking statements, which are based on the current assumptions and assessments of Medios AG's company management. Forward-looking statements are marked by the use of terms such as expect, intend, plan, assume, believe, estimate and other similar expressions. These statements should not be taken as guarantees that these expectations will prove to be correct. The future development and the results achieved by Medios AG depend on a number of risks and uncertainties and can therefore differ substantially from the forward-looking statements. Several of these factors are beyond the control of Medios AG and cannot be accurately predicted, such as the future economic environment and the behaviour of competitors and other market participants. There are no plans to update the forward-looking statements nor does Medios undertake any separate obligation to do so.

Due to rounding, it is possible that individual figures in the financial report do not add up exactly to the specified sum and that indicated percentages do not accurately reflect the absolute values to which they relate.

The financial report is also translated into English; in the event of deviations, the German authoritative version of the document shall take precedence over the English

translation. • For technical reasons, there may be deviations between the accounting documents and other documents published in the financial report and those provided for under statutory provisions.

The financial report contains – in an appropriate accounting framework that is not specifically defined – additional financial figures that are or can be so-called alternative performance indicators. When assessing the net assets, financial position and results of operations of Medios AG, these additional financial figures should not be isolated or used as an alternative to the financial figures that are presented in the consolidated financial statements and determined in accordance with the applicable accounting framework. Other companies that present or report alternative performance indicators with a similar designation may calculate these differently.

