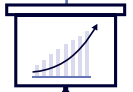


# **Annual Report**

## 2021

# Highlights

## Dynamic growth with significant increases in revenue and earnings



- **Revenue more than doubled** (+117%): inorganic and organic growth
- **Sharp** rise in EBITDA pre (+155%)
- **Forecast** for revenue exceeded slightly, and met for EBITDA pre
- **Ascent to market leader** and significant expansion of the Pharmaceutical Supply business segment through the acquisition of Cranach Pharma GmbH (January 2021)
- **Significant strengthening of the Patient-Specific Therapies segment** through the acquisition of NewCo Pharma GmbH (January 2022)
- Successful **capital measures to fund growth**: capital increase against cash contributions (December 2021) and capital increase against contributions in kind as part of the NewCo acquisition (January 2022)

## Significant progress in strategic implementation – Key routes to future growth defined



### Exploitation of attractive growth and synergy potential through acquisitions:

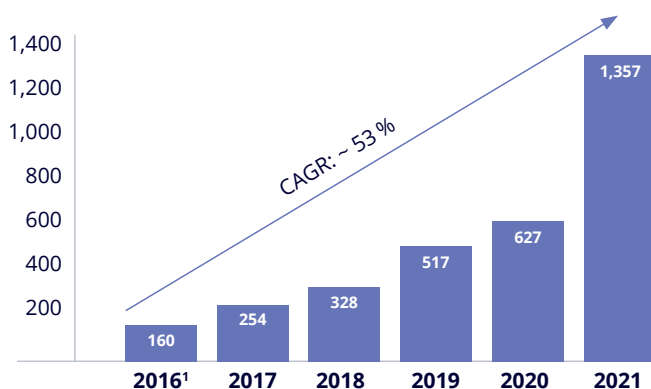
- NewCo Pharma GmbH – specialized pharmaceutical manufacturer with national network of five regional manufacturing facilities
- Cranach Pharma GmbH – specialized pharmaceutical wholesaler
- **Expansion of the network** from around 550 (December 2021) to more than 600 specialized partner pharmacies (January 2022): various cross-selling opportunities
- Significant **expansion of the product and indication portfolio** through acquisitions in particular: leading provider in the new indication of hemophilia; additional manufacturing permits: ophthalmics, broader study permit and controlled substances permit
- **Significant expansion of manufacturing** through the acquisition of NewCo Pharma and additional enlargement of manufacturing capacities through the **construction of new GMP-certified laboratories** that will go into operation in 2022
- Digital ordering and billing platform **mediosconnect** rolled out further: platform currently operational in four German federal states and three indications

## Major steps forward in corporate governance and sustainability

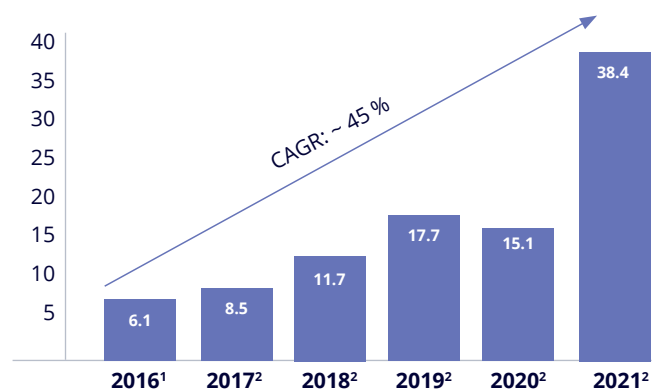


- Expansion of the Executive Board to four members and the **appointment of Falk Neukirch as Chief Financial Officer**
- **Supervisory Board expanded** from three to four members
- Formation of an **Audit Committee** and a **Compensation and Nomination Committee**
- Publication of the pioneering **2025 Sustainability Strategy**

**Group revenue 2016 – 2020**  
in € million



**Group EBITDA pre<sup>2</sup> 2016 – 2021**  
in € million



CAGR = Compound Annual Growth Rate; <sup>1</sup> pro forma; <sup>2</sup> adjusted for extraordinary expenses

## Key financials (IFRS)

| in € thousand                                         | 2021             | 2020 <sup>3</sup> | Δ in %       |
|-------------------------------------------------------|------------------|-------------------|--------------|
| <b>Revenue</b>                                        | <b>1,357,408</b> | <b>626,543</b>    | <b>116.7</b> |
| Pharmaceutical Supply                                 | 1,294,531        | 564,252           | 129.4        |
| Patient-Specific Therapies                            | 62,230           | 61,883            | 0.6          |
| Services                                              | 648              | 408               | 58.8         |
| <b>EBITDA</b>                                         | <b>34,635</b>    | <b>13,093</b>     | <b>164.5</b> |
| Margin (in % of Revenue)                              | 2.6              | 2.1               |              |
| <b>EBITDA without extraordinary expenses*</b>         | <b>38,435</b>    | <b>15,054</b>     | <b>155.3</b> |
| Margin (in % of Revenue)                              | 2.8              | 2.4               |              |
| Pharmaceutical Supply                                 | 33,673           | 9,641             | 249.3        |
| Patient-Specific Therapies                            | 7,928            | 5,938             | 33.5         |
| Services                                              | -3,166           | -525              | 503.0        |
| <b>EBT</b>                                            | <b>13,576</b>    | <b>8,901</b>      | <b>52.5</b>  |
| Margin (in % of Revenue)                              | 1.0              | 1.4               |              |
| <b>EBT without extraordinary expenses*</b>            | <b>32,317</b>    | <b>11,985</b>     | <b>169.7</b> |
| Margin (in % of Revenue)                              | 2.4              | 1.9               |              |
| Pharmaceutical Supply                                 | 30,499           | 8,183             | 272.7        |
| Patient-Specific Therapies                            | 6,788            | 4,745             | 43.1         |
| Services                                              | -4,970           | -943              | 427.0        |
| <b>Comprehensive income before minority interests</b> | <b>7,402</b>     | <b>5,525</b>      | <b>34.0</b>  |
| <b>Earnings per share (in €)</b>                      |                  |                   |              |
| Undiluted                                             | 0.37             | 0.36              | 2.8          |
| Diluted                                               | 0.37             | 0.35              | 5.7          |
| <b>Investments (CAPEX)</b>                            | <b>12,821</b>    | <b>4,862</b>      | <b>163.7</b> |
| Cash flow from operating activities                   | 61,520           | -38,115           | -261.4       |
| Cash flow from investment activities                  | 17,364           | -5,879            | -395.4       |
| Free Cash Flow                                        | 78,884           | -43,994           | -279.3       |
| <b>*Extraordinary expenses</b>                        | <b>18,741</b>    | <b>3,084</b>      | <b>507.7</b> |
| Expenses from stock options <sup>1</sup>              | 2,996            | 1,158             | 158.7        |
| Other M&A expenses <sup>1</sup>                       | 805              | 802               | 0.4          |
| Amortization of customer base <sup>1,2</sup>          | 11,851           | 653               | >1.000.0     |
| Financial expenses M&A <sup>1,2</sup>                 | 1,472            | 471               | 212.5        |
| Write-off goodwill <sup>2</sup>                       | 1,617            | 0                 | n/a          |
| <b>Full-time employees (average)</b>                  | <b>301</b>       | <b>279</b>        | <b>7.9</b>   |
| <b>Balance sheet total</b>                            | <b>524,142</b>   | <b>194,537</b>    | <b>169.4</b> |
| Equity (as of December 31)                            | 394,164          | 142,425           | 176.8        |
| Equity ratio (as of December 31)                      | 75.2             | 73.2              |              |

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

1) related to EBITDA; 2) related to EBT; 3) Adjusted, see note 17



# Annual Report 2021

## The company

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In this annual report, the masculine form is used for all statements relating to groups of persons. This is done solely for the sake of better readability. Of course, all statements refer to genders of any kind.

## Founding idea

Millions of people suffer worldwide from rare or complex diseases such as cancer, HIV or hepatitis.

The high demand for therapies tailoring to individual patient needs is a major challenge for healthcare systems. Treatment with individualized medicine is typically lengthy and cost-intensive.

The segment has seen an enormous rise in costs, which are difficult to regulate. It is crucial that the supply of specialty pharmaceuticals to specialized pharmacies, doctors and their seriously ill patients is highly competent, fast and cost-efficient all over Germany.

## Mission

Medios sets up regional supply networks and increases the cost-efficiency of complex therapies.

We are dedicated to being the Specialty Pharma partner for specialized pharmacies and physicians.

Together we are Specialty Pharma.

## Vision

**To manage complex diseases more simply.**

## Profile

Medios AG is the leading provider of Specialty Pharma solutions in Germany. As a competence partner and expert, Medios covers all relevant aspects of the supply chain in this field: from pharmaceutical supply and the manufacture of patient-specific therapies to drug safety, including blistering (dispensing of individually dosed tablets). The focus is on providing patients with optimum care via specialized pharmacies.

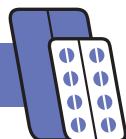
Specialty Pharmaceuticals are generally high-priced drugs for rare and chronic diseases. Many of the newly developed therapies for these disease patterns are individualized. These include infusions, for example, each of which is compiled and produced on the basis of parameters such as body weight and body surface. Demand for these therapies is steadily increasing.

Patient-specific treatment requires a great deal of expertise. Specialty Pharma will continue to transform the future of the healthcare system in a big way.

Medios offers its partners a platform to connect and benefit from each other. As an open supply network, Medios currently cooperates with around 600 of a total of around 1,000 independent Specialty Pharmacies nationwide. The aim of Medios is to ensure the best comprehensive care for patients through partnership and exchange between the various market participants, thus contributing to a sustainable and transparent pharmaceutical supply.

**Medios operates in the following fields in particular:**

### PHARMACEUTICAL SUPPLY



#### Focus of business activities:

pharmaceutical wholesale with finished Specialty Pharma medications

#### Indications:

- Oncology
- Neurology
- Autoimmunology
- Ophthalmology
- Infectiology
- Hemophilia: 24-hour on-call service for hemophilia

### PATIENT-SPECIFIC THERAPIES



#### Focus of business activities:

pharmaceutical manufacturing of patient-specific preparations

#### Product spectrum for a variety of indications:

- Cytostatic infusions
- Antibody therapies
- Virostatic and antibiotic medications
- Parenteral nutrition solutions
- Investigational medicinal products

Compliance with the **highest international quality standards** (GMP: Good Manufacturing Practice)

In addition, Medios operates the internal **Services** business unit. This comprises, among other things, the Medios Group holding activities as well as the development of software and infrastructure solutions for the Medios Group. These include, among other things, the digital platform medios-connect, which connects doctors, health insurers and specialized partner pharmacies and serves as an ordering and billing portal.

Medios AG is Germany's first listed Specialty Pharma. The shares (ISIN: DE000A1MMCC8) are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard).

## To our shareholders

### Letter of the executive board



**Matthias Gärtner**

Executive Board

Chief Executive Officer | CEO



**Falk Neukirch**

Executive Board

Chief Financial Officer | CFO



**Mi-Young Miehler**

Executive Board

Chief Operating Officer | COO



**Christoph Prußeit**

Executive Board

Chief Innovation Officer | CINO

Dear Shareholders,  
Ladies and Gentlemen,

**2021 was another record year for us. With consolidated revenue of over €1.3 billion, we very clearly exceeded the billion mark and also achieved new record earnings. Thanks to the consistent implementation of our strategy, we achieved strong organic and inorganic growth. We have also strengthened our management team: We are pleased to once again be responsible for the Medios Group's business as a four-member Executive Board. The position of Chief Financial Officer (CFO), previously held by Matthias Gaertner as CEO and CFO of Medios AG, was taken over by Falk Neukirch on October 1.**

The past financial year was particularly characterized by our M&A successes. In January, we completed the acquisition of Cranach Pharma, thus significantly expanding our Pharmaceutical Supply business unit. Since then, Medios has become the leading Specialty Pharma provider in Germany. At the end of November, this was followed by the acquisition of the NewCo Pharma Group which has now been completed. This merger enables us to also substantially strengthen the attractive business unit Patient-specific Therapies and thus considerably and sustainably increase the profit margins of the entire Medios Group as well. Last but not least, we published a comprehensive sustainability program in December – thereby establishing our high standards of sustainable business and making them measurable.

Our consolidated revenue more than doubled in 2021 with growth of 117% compared to the previous year, benefiting strongly from our successful M&A activities. However, our organic growth also made a tangible contribution to overall growth. Our earnings even increased disproportionately compared to revenues. Less pleasing was the delisting of Medios from the SDAX in September. However, in particular the increase in our free float as a result of the capital measures implemented in 2021 makes us confident that we will soon return to the Deutsche Börse selection index.

Revenue growth in 2021 was mainly driven by the Pharmaceutical Supply business unit. This area benefited especially from an expanded product portfolio and the supply of new customers who joined our partner network with the acquisition of Cranach Pharma. By contrast, revenue of our Patient-specific Therapies segment was roughly at the previous year's level. This is due to strategic reasons: here, we focus on higher-margin products. These often have lower prices. We will continue to offer our customers – the specialized pharmacies – the broadest possible range of patient-specific therapies.

At the beginning of 2021, we started building up further GMP-certified laboratories (GMP: Good Manufacturing Practice) in Berlin – our largest investment project to date. Commissioning is expected to take place in the summer of 2022. This will substantially increase our manufacturing capacities. Already the acquisition of NewCo Pharma will almost triple our business in patient-specific infusion solutions for the treatment of rare and chronic diseases. Thus, the Patient-

specific Therapies segment will also contribute significantly to the revenue growth of the Medios Group in 2022.

In the area of digitalization, we also successfully implemented our growth strategy in 2021. Our innovative digital platform for individualized medicines, mediosconnect, is now online in four federal states. We have thus notably accelerated the roll-out. Our goal is to further drive the regional expansion of mediosconnect and open up additional indication areas for mediosconnect. Actively helping to shape the digitalization of healthcare through our software solutions will enable us and our partners to achieve additional growth together.

**Acquisition of the  
NewCo Pharma  
Group**

In the future, we also want to achieve growth through the internationalization of the Medios Group in the Specialty Pharma segment. Now that we are already very well positioned in Germany, our next goal is to achieve a leading position in Europe. We also envisage offering additional products and services and thus further diversify by establishing new business areas.

It remains crucial that our actions are always in line with the strategy, values and corporate culture of the Medios Group. Our new sustainability program, which is to be implemented by 2025, also plays an important role here. Progress in implementation is measured regularly by means of defined sustainability figures, so-called key performance indicators, and presented annually as part of our nonfinancial consolidated statement. One of our primary goals is to become climate-neutral at our own sites by 2023. In addition to implementing various efficiency measures, we plan to compensate unavoidable emissions.

In the fall of 2021, we established a Sustainability Committee under the leadership of our CEO to anchor the topic of sustainability in our corporate organization, monitor the implementation of the program and define the focal points of the strategy. This includes increasing responsibility with regard to corporate governance – which is taken into account, among other things, by the Supervisory Board, which was expanded in June 2021 to include Dr. Anke Nestler, and its two newly formed committees, as well as by the Executive Board, which once again has four members.

We are very well equipped for the further implementation of our strategy and the associated measures, in particular due to the capital measure carried out last year, a solid balance sheet structure and positive cash flow combined with high liquidity. In addition, credit lines are available to us if required.

For the financial year 2022, we expect a further increase in consolidated revenue to between €1.45 billion and €1.60 billion and EBITDA pre in the range of €52.0 million to €58.0 million. This also means a significant increase in earnings margins.

We would like to express our special thanks to you, our shareholders, for your trust. Furthermore, we sincerely thank our employees who, as always, performed outstandingly in the 2021 financial year in a challenging environment characterized not only by Corona. Finally, our thanks also go to the members of the Supervisory Board for their trusting and constructive cooperation.

We would be pleased if you, dear shareholders, would continue to place your trust in us and accompany us on our further growth course.

Best regards

**Matthias Gärtner**  
(CEO)

**Falk Neukirch**  
(CFO)

**Mi-Young Miehler**  
(COO)

**Christoph Pruß**  
(CINO)



## The Medios share

Despite considerable volatility, the German stock market grew strongly in 2021. The DAX ended the year at 15,884.86 points on the last day of trading, which represents an increase of 15.8% compared to the 2020 closing price (13,718.78 points). The annual high was 16,251.13 points on November 17, 2021, whereas the annual low of 13,432.87 points was recorded on January 29, 2021.

Developments on the capital markets were chiefly influenced by the course of the coronavirus pandemic and its impacts on the macroeconomic situation. In the first half of 2021, the DAX rose sharply on account of falling infection rates and the economic recovery, surpassing the 15,000 point mark for the first time at the end of March. This increase was also driven by the ongoing low-interest-rate policy of the European Central Bank (ECB) and the passing of a \$1,900bn economic stimulus package in the US.

In the second half of the year, the DAX largely hovered between 15,000 and 16,000 points. During this period, several significant falls were also witnessed, in particular due to rising inflation, which, in turn, was mainly attributable to high raw material and energy prices as well as one-off effects such as the increase in VAT in Germany. Moreover, the stock exchanges were adversely affected by delivery shortages and the spread of the Omicron variant of COVID-19 starting November. In the final two trading weeks of the year, the DAX posted a renewed increase, once again climbing above the 16,000 point mark.

The Medios share was highly volatile in 2021. It ended the year at €38.85 on the last day of trading, which represents an increase of 3.9% compared to the 2020 closing price (€37.40). The SDAX rose by 11.2% in the same period. The Medios share's annual high of €40.95 – which also represented the all-time high on a closing-price basis – was achieved on August 31, 2021. The share's annual low of €32.15 was recorded on June 24, 2021. The Medios share exhibited some sharp declines in 2021, especially after having exceeded the €40 mark in January, August, and November. In addition, the shares were diluted by capital increases. These declines were offset by some substantial increases, particularly following the upward adjustment of the revenue forecast in August, the publication of the Q3 figures, and the announcement of the takeover of the NewCo Pharma Group in November. The average daily trading volume of the Medios share in XETRA trading stood at 14,230 shares in 2021, which was down on the comparable prior-year figure of 22,397 shares.

Annual high  
of the Medios share  
**€40.95**

Furthermore, Medios AG was regularly covered by analysts from Berenberg, Deutsche Bank, Jefferies, Kepler Cheuvreux, Metzler Capital Markets and Warburg research in 2021. Bryan, Garnier & Co also started covering the company in February 2022.

Indexed performance of Medios shares from January 1, 2021 until February 28, 2022



## Share figures (ISIN DE000A1MMCC8), Prime Standard

| XETRA (Closing price)                          | 2021       | 2020       |
|------------------------------------------------|------------|------------|
| Number of shares issued as of 12/31            | 22,881,490 | 16,084,991 |
| Market capitalisation as of 12/31 (€ millions) | 888.95     | 601.58     |
| First trading day (€)                          | 38.50      | 25.40      |
| Last trading day (€)                           | 38.85      | 37.40      |
| Highest price (€)                              | 40.95      | 40.60      |
| Lowest price (€)                               | 32.15      | 22.60      |
| Average daily trading (units)                  | 14,230     | 22,397     |

As of the end of the year under review, the share capital of Medios AG amounted to €22,881,490 up on the prior-year figure (December 31, 2020: €16,084,991). This rise was due to a capital increase against contributions in kind as part of the takeover of Cranach Pharma GmbH in January 2021 and a capital increase against cash contributions as part of the takeover of the NewCo Pharma Group, with the subsequent placement of an upsize option, in December 2021. The market capitalization of Medios AG stood at some €888.95m as of the end of the year under review. As such, the company managed to increase its stock market value by almost half year over year (December 31, 2020: €601.58m) in spite of the dilution of shares.

As of the end of 2021, the free float of Medios AG came in at 57.5%, a drop of 8.1 percentage points compared to the balance sheet date of the previous year (December 31, 2020: 65.6%). This decline is chiefly attributable to the capital increase against contributions in kind. The share held by Martin Hesse stood at 23.2% at year-end 2021. The share held by Medios founder Manfred Schneider stood at 19.4% at year-end 2021.

As part of the takeover of the NewCo Pharma Group, Medios AG also carried out a capital increase against contributions in kind from authorized capital in January 2022. Consequently, a total of 924,233 new Medios shares were created and issued as consideration for the acquisition of the NewCo Pharma Group. The share capital of Medios AG therefore increased to €23,805,723.

In the 2021 financial year, Medios also attracted numerous international institutional investors, particularly in the US. The overriding aims of Medios are to broaden this investor base, further increase the company's market capitalization, and raise the trading volume of the Medios share.

### Exit from the SDAX

Along with five other companies, Medios exited the SDAX effective on September 20, 2021 and is therefore no longer

listed in any of the DAX selection indexes. This decision was taken by Deutsche Börse as part of its regular review of the DAX selection indexes on September 3, 2021. Medios remains in the segment of the Regulated Market with additional admission follow-up duties (Prime Standard) on the Frankfurt Stock Exchange. Medios aims to be reaccepted to the SDAX in the near future.

### Intensive dialogue with the capital market

In the 2021 financial year, Medios AG once again maintained an intensive dialogue with the capital market, providing comprehensive updates on the company's course of business on a regular basis. Alongside mandatory notifications, the company also published press releases in order to communicate its course of business and activities in an ongoing and transparent manner. Moreover, the company also held virtual roadshows and attended numerous virtual national and international conferences in order to explain the business model, the company's growth strategy, and the current course of business to investors, analysts, and media representatives – including during the coronavirus pandemic.

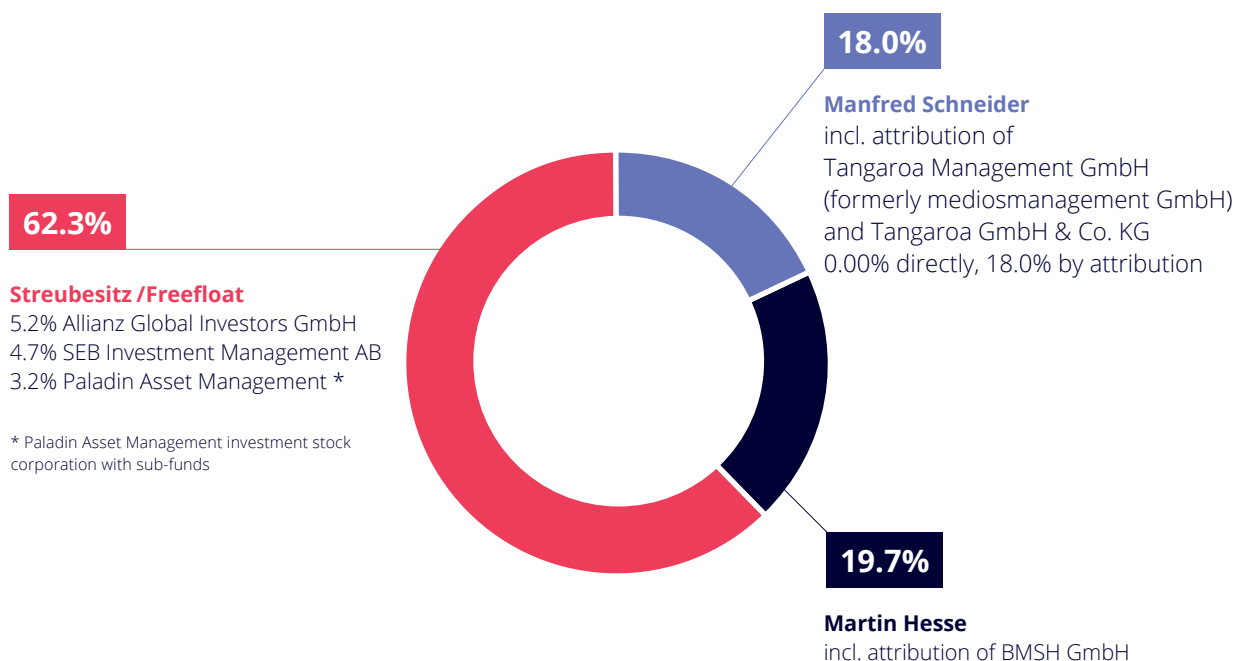


The Annual General Meeting of Medios AG was held on June 10, 2021, and was also a virtual event. At the meeting, all resolutions on the agenda items put to a vote were passed with a significant majority.

In 2021, Medios dedicated further attention to the topic of sustainability. As part of the 2020 Annual Report, the company published a nonfinancial consolidated statement voluntarily and for the first time. The company's first sustainability strategy, published in December 2021, includes a comprehensive sustainability program that is scheduled for full implementation by 2025 and that is set out in the 2021 Nonfinancial Consolidated Statement (see the chapter "Nonfinancial Consolidated Statement").

## Shareholder structure February 2022

All figures according to voting rights notifications of the notifying parties



# Nonfinancial consolidated statement for the 2021 financial year

## 1. Sustainability at Medios

This report marks the second time that Medios AG is publishing a nonfinancial consolidated statement (hereinafter referred to as the “nonfinancial statement”) within the meaning of the German Commercial Code (HGB). Thus far, we have not been required to comply with the German CSR Directive Implementation Act<sup>1</sup> (CSR-RUG; CSR = corporate social responsibility), as the number of individuals employed by our company stood at 301 as of December 31, 2021, which lies below the minimum threshold above which the requirements stipulated within the CRS Directive Implementation Act would be binding. The reporting period corresponds to the 2021 calendar year.

Medios AG (hereinafter also referred to as “Medios” or the “Medios Group”) is the leading company for all aspects of pharmaceutical supply in the multilayered specialty-pharma sector in Germany. Specialty pharmaceuticals have an extraordinary role in the treatment of complex and oversight-intensive diseases such as cancer, HIV, and hemophilia. Drugs that are personally tailored to the individual patient are increasingly being used to optimally target treatment to the specific pathology at hand. We have been an expert in pharmaceutical supply and in manufacturing patient-specific therapies for many years, including in blistering, which means that we cover all the significant points of the supply chain in this special segment.

Our mission is to ensure that patients have the most comprehensive access to specialty pharmaceutical products possible through cooperative collaboration and the exchange of information with the various market participants. We not only have a positive impact on people's lives, however, but also reduce the negative consequences for the environment and society through sustainable day-to-day business practices – and are guided in this regard by the ten principles of the UN Global Compact. We aim to generate sustainable shareholder value by integrating good corporate governance, social responsibility, and a commitment to protecting the environment into our core business activities. For a detailed description of our business model, please refer to the 2021 Medios Annual Report (see the Management Report).

In addition to generally applicable laws, rules, and standards, the business activities and corporate culture of the Medios Group are characterized by our corporate values of trust, respect, integrity, and responsibility.

## 1.1 Sustainable development goals

In connection with the sustainability ethos embraced at Medios, the Sustainable Development Goals (SDGs) also play a major role. The 17 SDGs of the United Nations reflect the 2030 Agenda, passed by the global community, and seek to promote sustainable value creation. They include, for example, goals that are about ending poverty and hunger, preserving biodiversity, preventing climate change, and eliminating war and corruption. The 17 SDGs are fleshed out through 169 targets and more than 200 indicators.

They were developed with the active involvement of numerous social actors and are designed to include the full spectrum of relevant groups: from nations and municipalities through to NGOs and companies. Our aim is to support attainment of the SDGs through the business operations of Medios. With this in mind, we strive to make a recognizable contribution to the 2030 Agenda while simultaneously minimizing our negative impacts on the SDGs. To this end, we prioritized a set of SDGs and targets at the start of 2022.

Our analysis identified significant influences from current and planned corporate activities on the following six SDGs.

1) Act to strengthen non-financial reporting by companies in their management reports and group management reports, [https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger\\_BGBI&start=//\\*\\*%5B@attr\\_id=%27bgbl117s0802.pdf%27%5D#\\_bgbl\\_%2F%2F\\*\\*%5B%40attr\\_id%3D%27bgbl117s0802.pdf%27%5D\\_\\_1645547119086](https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBI&start=//**%5B@attr_id=%27bgbl117s0802.pdf%27%5D#_bgbl_%2F%2F**%5B%40attr_id%3D%27bgbl117s0802.pdf%27%5D__1645547119086)

Our analysis identified significant influences from current and planned corporate activities on the following six SDGs.

| SDG                                                                                                                                  | SDG targets                                                                                                                                                           | Measures at Medios                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>3</b> GOOD HEALTH AND WELL-BEING                | 3.3: combat AIDS and other communicable diseases                                                                                                                      | Drug supply of specialized pharmacies                                                                                                                                                                                         |
|                                                                                                                                      | 3.4: reduce premature mortality due to noncommunicable diseases and promote patients' mental health and well-being                                                    | Drug supply and production of patient-specific therapies                                                                                                                                                                      |
|                                                                                                                                      | 3.8: achieve universal health coverage, access to health-care services and safe, high-quality medicines                                                               | Drug supply and production of patient-specific therapies<br>Expansion and strengthening of the network of specialized on-site pharmacies<br>Offer health measures for employees                                               |
|  <b>5</b> GENDER EQUALITY                           | 5.5: women's participation and equal opportunities for leadership positions                                                                                           | Establish support and mentoring programs<br>Annual analyses of gender pay parity<br>Introduce authorized representative(s) for diversity and inclusion                                                                        |
|  <b>8</b> DECENT WORK AND ECONOMIC GROWTH           | 8.4: improve resource efficiency                                                                                                                                      | Reusable transport boxes<br>Optimization of logistics through central warehouse, among other things<br>Checking shipping materials for reusability and environmental compatibility<br>Washable laboratory protective clothing |
|                                                                                                                                      | 8.5: full and productive employment, decent work, and equal pay for work of equal value                                                                               | Annual analyses of gender pay parity<br>In-house Code of Conduct                                                                                                                                                              |
|                                                                                                                                      | 8.7: measures to eradicate all forms of modern slavery and human trafficking                                                                                          | Supplier Code of Conduct<br>Supplier Assessment                                                                                                                                                                               |
|                                                                                                                                      | 8.8: protect labor rights and create a safe and secure working environment                                                                                            | In-house Code of Conduct<br>Whistleblowing System<br>Introduction of occupational health and safety management system (HSE: Health Safety Environment)                                                                        |
|                                                                                                                                      | 9.4: upgrade infrastructure and make it more sustainable and resource-efficient through the adoption of clean technologies                                            | New location for manufacturing with modern laboratories; optimization of energy use<br>Expansion of the innovative and digital platform mediosconnect                                                                         |
|  <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION | 12.2: use natural resources efficiently                                                                                                                               | Installation of digital electricity meters to derive efficiency measures<br>Logistics optimization<br>Checking shipping materials for reusability and environmental compatibility                                             |
|                                                                                                                                      | 12.4: environmentally sound management of chemicals and waste through their life cycle in order to minimize their adverse impacts on human health and the environment | Training in the handling of hazardous substances<br>Separate disposal of cytotoxic waste<br>Personal protection of manufacturers through state-of-the-art clean rooms with safety workbenches                                 |
|                                                                                                                                      | 12.5: reduce waste generation through prevention, recycling and reuse                                                                                                 | Checking shipping materials for reusability and environmental compatibility<br>Washable laboratory protective clothing<br>Reusable transport boxes                                                                            |
|  <b>13</b> CLIMATE ACTION                         | 13.2: integrate climate protection measures into strategies and planning                                                                                              | Establishment of a sustainability committee<br>Green power purchase<br>Offsetting emissions                                                                                                                                   |

## 1.2 Material topics

During the 2020 financial year, Medios AG conducted a materiality assessment to define various sustainability-related topics that would serve as a basis for sustainability management and strategy. The materiality assessment was carried out based on the provisions of Germany's CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz; CSR-RUG; CSR: corporate social responsibility)<sup>2</sup>. The individual topics are also aligned with the reporting standards of the Global Reporting Initiative (GRI Standards)<sup>3</sup>: stakeholder inclusiveness, sustainability context, materiality, and completeness.

As part of the materiality assessment, the first step was to develop a catalog of potential topics that correspond with statutory specifications, generally applicable frameworks, best practices in our peer group, and the requirements of various stakeholders. This was followed by the preselection and clustering of relevant topics. These were prioritized at a workshop attended by the Executive Board as well as various heads of area and stakeholders. This workshop focused on the impacts of Medios' business on the individual topics and their relevance for the company's long-term success. The first materiality assessment identified 14 material topics in five different areas of action/clusters.

The Sustainability Committee reviews the materiality assessment once per year to check that it is up to date or reenforce it if the conditions remain the same, doing so most recently in January 2022. Insofar as there are no reasons to do otherwise, the materiality analysis is carried out every three years.

## 1.3 Sustainability strategy 2025

Medios has worked through an extensive process, which also involved external specialists, to develop a detailed sustainability strategy which will be implemented over the period from now until 2025.

The strategy is oriented toward the material topics and areas of action, with an overarching and general cluster aim defined for each topic and broken down into a range of individual goals. All goals and aims are realized using a comprehensive catalog of measures, while the degree to which they have been fulfilled is measured using various key performance indicators (KPIs). Each measure also comes with a corresponding time period in which the measure is planned to be implemented.

Medios AG has defined a total of 34 aims and goals that are being realized through 65 measures and tracked using 57 different KPIs. There also exist further internal goals and measures.

### Material topics pursuant to the CSR directive implementation Act (CSR-RUG)

| Nonfinancial matters             | Nonfinancial matters                                                                                                  |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Employee affairs                 | Employee satisfaction<br>Diversity and equal opportunities<br>Occupational health<br>Vocational and advanced training |
| Employee affairs                 | Energy and emissions<br>Waste and recycling                                                                           |
| Combating corruption and bribery | Compliance                                                                                                            |
| Respect for human rights         | Business ethics<br>Responsible procurement                                                                            |
| Social affairs                   | Patient health and protection<br>Civic engagement<br>Stakeholder dialog                                               |
| Additional nonfinancial matters  | Data security and data protection<br>Innovative procedures and processes                                              |

2) Act to strengthen non-financial reporting by companies in their management reports and group management reports, [https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger\\_BGBl&start=//%5B@attr\\_id=%27bgbl117s0802.pdf%27%5D#\\_bgbl\\_\\_%2F%2F%5B%40attr\\_id%3D%27bgbl117s0802.pdf%27%5D\\_1645547119086](https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&start=//%5B@attr_id=%27bgbl117s0802.pdf%27%5D#_bgbl__%2F%2F%5B%40attr_id%3D%27bgbl117s0802.pdf%27%5D_1645547119086)

3) <https://www.globalreporting.org/standards/>

| Area of action        | Material topic                      | Cluster aim                                                                                               |
|-----------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Governance            | Compliance                          | Maintain zero compliance breaches.                                                                        |
|                       | Data security and data protection   | Protect and secure our customers' data as far as possible.                                                |
|                       | Business ethics                     | Formalize our values and align our entrepreneurial activities with these values.                          |
|                       | Responsible procurement             | Significantly increase the volume of our products procured from suppliers rated according to ESG aspects. |
| Products and services | Patient health and protection       | Ensure that patients have the most-comprehensive access to Specialty Pharma drugs possible.               |
|                       | Innovative procedures and processes | Improve patient care further with digitization and innovative processes.                                  |
| Employees             | Vocational and advanced training    | An overarching training policy for all our employees to develop further.                                  |
|                       | Diversity and equal opportunities   | Prevent discrimination and promote equal opportunities actively.                                          |
|                       | Occupational health                 | Preserve our employees' health and achieve zero occupational accidents per year.                          |
|                       | Employee satisfaction               | Further improve our employees' satisfaction with their workplace and employer.                            |
| Environment           | Energy and emissions                | Be climate-neutral at our sites by 2023.                                                                  |
|                       | Waste and recycling                 | Conserve resources and recycle and reuse wherever possible.                                               |
| Social responsibility | Civic engagement                    | Support social projects.                                                                                  |
|                       | Stakeholder dialog                  | Promote and expand dialog with all stakeholders.                                                          |

To ensure that they remain up to date, Medios reviews all aims, goals, and measures at regular intervals and, if necessary, adjusts them in line with the current circumstances. Progress is presented in annual nonfinancial consolidated reporting. The sustainability strategy not only encompasses goals relating to the material topics, but also overarching sustainability management goals.

## Sustainability management

| Goals                               | Measures                                                                        | Timing  |
|-------------------------------------|---------------------------------------------------------------------------------|---------|
| Increase in external transparency   | Establishment of an ESG structure within the company (Sustainability Committee) | 2021    |
|                                     | Identification and evaluation of ESG risks                                      | 2022    |
| Constant improvement of ESG ratings | Improvement of ESG ratings (Target: ISS ESG Prime)                              | Ongoing |

### KPIs for measuring success:

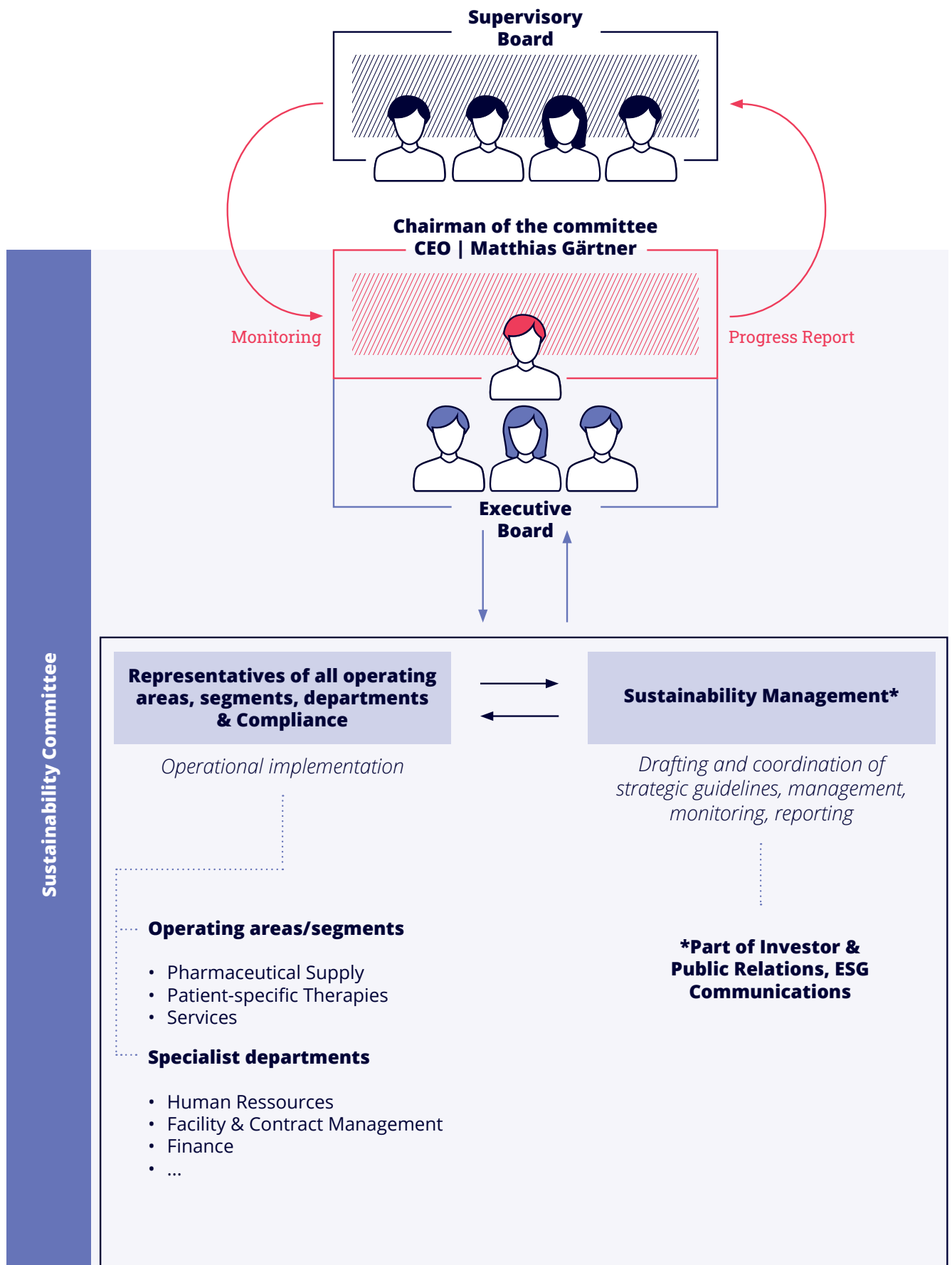
- ESG Rating

## 2. Good corporate governance

In 2021, the increasing responsibility in respect of good corporate governance was met, among other things, by enlarging the Supervisory Board with the appointment of Dr. Anke Nestler as the fourth Member and by setting up an Audit Committee as well as a Compensation and Nomination Committee. Based on the Supervisory Board's assessment, all of its current Members were impartial in accordance with the German Corporate Governance Code (DCGK) in the reporting period.

The leadership capability of the Executive Board was also strengthened. Since October 1, the business operations of the Medios Group have once again been managed by a four-strong Executive Board. The position of Chief Financial Officer (CFO), previously exercised by CEO Matthias Gaertner, has been assumed by Falk Neukirch. In respect of the specific remuneration structure, the setting of individual remuneration levels, the selection of key performance indicators, and the structuring of payout and allocation conditions, ESG (environmental, social, and governance) criteria were, among other factors, added to promote the sustainable development of the Medios Group. The remuneration system for Executive Board Members was approved by the Annual General Meeting of Medios AG on June 10, 2021, with a majority of 90.8% of share capital represented.

We established a Sustainability Committee during the 2021 financial year in order to embed sustainability within our company's organizational structure. The Committee is comprised of the Members of the Medios AG Executive Board, representatives from all departments, and representatives from the company's operational areas. Further points of contact are designated based on the relevant topic and necessity. In particular, the Sustainability Committee's duties include defining the focus points of the sustainability strategy and monitoring the implementation of the sustainability program.



The topic of good corporate governance is reflected in the “Governance” area of action within our sustainability strategy. This area of action contains four material topics: compliance, data security and data protection, business ethics, and responsible procurement.

## 2.1 Compliant conduct

### Compliance

Cluster Aim: We want to keep achieving zero compliance breaches.

| Goals                              | Measures                                                 | Timing                |
|------------------------------------|----------------------------------------------------------|-----------------------|
| Expansion of compliance training   | Expansion to all employees                               | No later than Q1 2022 |
|                                    | Introduction of special corruption and bribery training  | No later than Q1 2023 |
|                                    | Introduction of special anticompetitive-conduct training | No later than Q1 2024 |
| Expansion of compliance management | Implementation of a complaint-management system          | 2022                  |
|                                    | Implementation of internal audit                         | Q2 2022               |

#### KPIs for measuring success:

- Proportion of employees who have received training on compliance topics

In addition to generally applicable laws, rules, and standards, the business activities and corporate culture of the Medios Group are characterized by our corporate values. Adhering to these values is a matter of course at our company and is also enshrined in Medios AG's Code of Conduct as part of our compliance activities. This Code of Conduct is published on our website (<https://medios.ag/en/sustainability>). Compliance training is planned for all employees in the 2022 financial year.

Our Compliance Officer is responsible for coordinating and managing compliance-related topics. In the future, an external service provider will be commissioned for this purpose. The compliance organization's range of activities includes addressing operational compliance issues as well as risk management. The Compliance department's main tasks include the implementation of the Group-wide Medios compliance program as well as the assessment of risks and opportunities, including conducting a review of the internal control system on an annual basis.

The Compliance Officer reports directly to the Chief Executive Officer of Medios, who regularly informs the Supervisory Board regarding current developments and issues. Further reporting is carried out on an ad hoc basis.

For the purpose of preventing and clarifying possible violations, employees of the Medios Group and external third parties have the ability to confidentially contact the Compliance department at any time. A central whistleblowing hotline to anonymously report suspected cases was set up for this purpose in the 2019 financial year. During the course of 2022, we also intend to establish a complaints management system. Our employees are required to report possi-

ble compliance violations immediately. Medios thoroughly investigates every single report. With the exception of false, misleading, or fraudulent reports, we ensure that the whistleblower does not suffer any negative consequences as a result of providing us with information. There were no reports of compliance violations in the 2021 financial year.

In addition to our Code of Conduct, further requirements are in place at Medios in the form of comprehensive compliance guidelines, which we introduced throughout the Group in 2019. In this context, we apply standards that go above and beyond the applicable legal requirements. The Medios compliance guidelines govern, among other aspects of compliance, privacy and data protection, IT security, and how to handle gifts, donations, and conflicts of interest.

To ensure that we adhere to our values on the one hand and our procedural guidelines on the other, we train our employees on a regular basis. When they join the Medios Group, employees receive various onboarding training sessions on topics including the Code of Conduct, data security, occupational safety, and accident prevention, which are planned to be repeated on a regular basis in the future as soon as the training platform has been released.

In the 2022 financial year, we will further expand the training program, both in terms of the area of application and the content. The training modules will be rolled out to include all employees, including those at our new sites.

The training modules focus on the following areas: Germany's General Act on Equal Treatment for employees and managers, the Code of Conduct, prevention of corruption, hygiene in the workplace, and data security in the context of remote work.

Medios strictly rejects any and all forms of corruption and bribery. We take every suspected case seriously and investigate it thoroughly. If a suspected case is confirmed, disciplinary measures are initiated by the Executive Board of Medios AG. No cases of corruption were discovered in the 2021 financial year, nor were any suspected cases of cor-

ruption reported. Similarly, we are not aware of any pending legal proceedings due to anticompetitive behavior nor of any fines or nonmonetary sanctions imposed as a result of noncompliance with laws and regulations. In addition, the introduction of an internal audit is planned.

## 2.2 Ethical conduct

### Business ethics

Cluster Aim: We want to formalize our values and align our entrepreneurial activities with these values.

| Goals                                       | Measures                                                                                                                       | Timing        |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------|
| Practical implementation of Code of Conduct | Holding of Code of Conduct training                                                                                            | By late 2022  |
| Joining of global alliances                 | Evaluation of relevant guidelines alongside the UN Global Compact (e.g. International Labour Organization and Paris Agreement) | Starting 2021 |

### KPIs for measuring success:

- Proportion of employees who have received training on the Code of Conduct

As a Group conscious of sustainability, it is our aim to reconcile environmental, social, and economic aspects – thereby generating long-term value for us as a company, for our stakeholders, and for society at large. Achievement of this goal falls within our corporate responsibility. It is reflected in all our business relations and contracts of employment.

By signing the UN Global Compact, Medios supports the world's largest alliance for values in enterprise. We champion the principles of the UN Global Compact in the fields of human rights, labor, the environment, and combating corruption. We are committed to reporting regularly on these

topics and our continual development by taking appropriate measures. In keeping with this endeavor, we also see ourselves as committed to the core labor standards of the International Labour Organization (ILO) and the UN's Guiding Principles on Business and Human Rights. Adhering to these fundamental values is a matter of course at our company and is also enshrined in the Medios Group's Code of Conduct as part of our compliance activities. The corporate engagement of Medios is based on a sense of responsibility toward each and every employee, with overall responsibility held by the Executive Board.

## 2.3 Responsible procurement

### Responsible procurement

Cluster Aim: We want to significantly increase the volume of our products procured from suppliers rated according to ESG aspects.

| Goals                                                         | Measures                                                | Timing                       |
|---------------------------------------------------------------|---------------------------------------------------------|------------------------------|
| Safeguards for compliance with defined supply-chain standards | Implementation of Supplier Code of Conduct              | By late 2023 (prospectively) |
|                                                               | Development of a supplier assessment in relation to ESG | 2023                         |
|                                                               | Expansion of the whistle-blowing system to suppliers    | 2022                         |

#### KPIs for measuring success:

- Proportion of suppliers (category A) that have accepted the Supplier Code of Conduct or whose code of conduct corresponds with the Supplier Code of Conduct
- Percentage of suppliers that have been assessed
- Percentage of procurement volume from checked suppliers

In order to live up to the principles of responsible procurement, both our own conduct and that of our suppliers play a key role.

Medios is predominantly supplied by various European pharmaceutical companies that transparently report on their working conditions, their production processes, which are as environmentally friendly as possible, and other sustainability issues. This implies that our partners operate in a responsible manner with regard to their employees, the environment, and human rights.

During procurement activities, we take a variety of criteria into account, including price, quality, area of application, a supplier's ability to deliver, and, in some cases, feedback from our customers if they have special requirements with respect to how deliveries are packaged.

When purchasing office supplies in 2021, we have paid increasing attention to environmentally friendly products and reduced our number of small orders. As part of our office materials supplier's participation in the Easy on the Planet program, 31 trees were planted with our support.

Compliance with standards within the supply chain is extremely important to us. To ensure compliance with these standards, the Quality Assurance department monitors not only occupational safety, but also quality. In this way, we continuously assess whether our suppliers are qualified in accordance with legal requirements.

Our collaboration with partners is cooperative and based on a dialog. This approach enables us to exert influence in terms of ensuring that our high manufacturing standards – e.g., the GPD guidelines (GDP: Good Distribution Practice) – are also observed by our business partners. The same applies for the observance of various statutory requirements.

## 2.4 Securing and protecting data

### Data security and Protection

Cluster Aim: We want to protect our and our customers' data as far as possible.

| Goals                                       | Measures                                                              | Timing             |
|---------------------------------------------|-----------------------------------------------------------------------|--------------------|
| Safeguards for data protection and security | Expansion of employee training on data protection                     | Starting 2021      |
|                                             | Implementation of a package of measures for improving data protection | Starting late 2021 |

### KPIs for measuring success:

- Number of employees who have received data protection training

The field in which the Medios Group operates requires absolute confidentiality. Our core business activity is supplying people suffering from serious illnesses with pharmaceuticals and patient-specific therapies in the best possible way. In this context, protecting the personal rights of these people is a top priority.

To ensure that the data in our possession remains secure, we have appointed external data protection officers who fulfill this task together with the central data protection coordination team of Medios AG. Medios has also named two further Data Protection Coordinators at each individual subsidiary.

To enable us to continue meeting our high data protection standard, we also conduct an audit every two years. In the 2021 financial year, we did not identify any data breaches. Various quality assurance measures were instituted, including the appointment of a central Data Protection Coordinator and the development of a data protection concept. We are also working to implement a data protection management system (DPMS) with additional standard operating procedures (SOPs) in respect of data protection emergencies, etc.

Medios communicates the individual aspects of data protection to new employees via a mandatory training session. One of the most important documents in this context is our Data Protection Agreement in accordance with the GDPR (General Data Protection Regulation). In addition, every Medios employee is required to participate in a corresponding refresher seminar with an externally appointed data protection officer once a year. In 2021, 70% of Medios employees attended a data protection seminar.

## 3. Products and services

The well-being of patients with serious illnesses is at the heart of our business operations. The Medios Group offers products and services that help to deliver optimum care for these patients. With our **Pharmaceutical Supply** segment, we supply specialized pharmacies throughout Germany with patient-specific therapies and finished medicinal products. Our mission is to achieve the safest, best possible, and cost-optimized supply of specialty-pharma medications to patients. By virtue of our open partner network, we consolidate the expertise of all parties and put valuable synergy effects at the disposal of all.

In compliance with exceptionally stringent GMP guidelines (GMP: Good Manufacturing Practice) and drawing on many years of experience, we – as a **pharmaceutical manufacturer** pursuant to sec. 13 of the German Medicinal Products Act (AMG) – also prepare patient-specific infusion solutions and other parenterals using approved finished medicinal products. On account of continuous process optimizations at our manufacturing companies, we are able to ensure reliable manufacturing at all times and can respond flexibly to changes in treatment made at short notice.

With our broad-based logistics and distribution system, we are also able to ensure that our high-quality products are delivered to pharmacies in a fast, secure, and reliable manner.

We also proactively monitor market developments, allowing us to keep our portfolio of products and services up to date at all times. In the reporting year, we made progress in the area of digitalization, for example, by further enhancing our mediosconnect platform, among other things, thereby making our business model even more future-proof.

The “products and services” area of action includes two topics: the “patient health and protection” cluster and the “innovative procedures and processes” cluster.

### 3.1 Protecting the health of our patients

#### Patient health and protection

Cluster Aim: We want to ensure that patients have the most-comprehensive access to Specialty Pharma drugs possible.

| Goals                                                                     | Measures                                                                    | Timing                    |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------|
| Safeguards for quality                                                    | Compliance with Good Manufacturing Practice (GMP guidelines)                | Ongoing                   |
|                                                                           | Compliance with Good Distribution Practice (GDP guidelines)                 |                           |
|                                                                           | Supplier selection based on high quality standards                          | Ongoing                   |
|                                                                           | Regular inspections by authorities for quality management<br>Internal audit | Ongoing                   |
| Further increase of customer satisfaction                                 | Regular customer-satisfaction survey                                        | Every two years from 2022 |
| Reduction and best-possible resolution of customer complaints             | Implementation of complaint management for customers                        | 2022                      |
|                                                                           | Annual analysis of complaints                                               | 2022                      |
| Training of employees on GMP/GDP and quality management (every two weeks) | Regular training on quality                                                 | Ongoing                   |
| Expansion of partnerships with local pharmacies                           | Discussions with suitable pharmacies                                        | Quarterly                 |

#### KPIs for measuring success:

- Self-inspection (according to manufacturing license), product-quality review (PQR)
- Number of internal audits
- Customer-satisfaction index
- Number of customer complaints
- Number of complaints vs. total deliveries

The health and protection of patients is our highest priority. Within the scope of our business activities, we stockpile pharmaceuticals that are ordered on a recurring basis. We respond to pharmacy inquiries within one hour, and offer overnight delivery whenever possible. In this context, we work with the pharmacies as partners.

Stringent quality management procedures based on compliance with various guidelines and standards are necessary to ensure the safety of our pharmaceuticals. The GDP guidelines follow the basic principle of protecting the safety of pharmaceuticals as comprehensively as possible – both during storage and transport. On the one hand, this is achieved by preventing potential errors through the risk management system, in which appropriate measures can be taken

by continuously identifying potential risks of error. On the other hand, medication safety is safeguarded by means of the CAPA system (CAPA: corrective and preventive action), which also forms part of GMP-compliant working practice. It facilitates the reporting of errors by employees to their superiors and to the responsible individual in the wholesale trade as defined in sec. 52a para. 2 sent. 3 no. 3 of Germany's Medicinal Products Act (AMG). The latter investigates the reasons for the deviation together with those responsible in the respective departments in order to then optimize the processes to the greatest extent possible. Within the context of such optimization, changes are made to individual SOPs, for instance, and training/instructions provided to employees. In the reporting year, the training modules were fully overhauled. Using specific audiovisual examples,

the necessities and practical procedures are communicated to employees. Newly implemented or overhauled processes, as well as corresponding forms, are communicated to employees for the purpose of training/acknowledgment via the online training portal of the Medios Group.

In addition to the GDP guidelines, we also comply with the internationally recognized GMP (Good Manufacturing Practice) guidelines, which standardize good pharmaceutical manufacturing practices and ensure that patients always receive the pharmaceuticals they need in uncompromisingly high quality.

Our quality assurance measures already begin with the selection of suppliers and the documented inspection of incoming goods. A transparent supply chain and quality inspections of the raw materials are intended to identify counterfeits and thus play a key role in ensuring patient safety.

Customers are able to express complaints and suggested improvements, which are then recorded in deviation logs. These logs are completed by employees and sent to the person responsible in each case. Complaints are then processed and resolved by customer advisors according to topic and degree of severity. Medios plans to further expand complaints management in the 2022 financial year.

Quality assurance in manufacturing according to GMP covers all production processes as well as the production environment. Aseptic manufacturing of drugs is carried out in stringent compliance with all regulatory requirements. These relate to the way clean rooms, hygiene, and clothing are handled, as well as the qualifications of the manufacturing personnel and the quality inspections of the manufactured products. In addition, quality assurance ensures that further rules and regulations governing the processing, packaging, and storage of pharmaceuticals are fulfilled. Clear rules apply to all Medios employees in order to meet these requirements. To guarantee product quality and occupational safety, the Medios hygiene policy stipulates, among other requirements, that all employees wear personal protective clothing, a face mask, and gloves throughout the manufacturing process. It must also be possible to fully trace the raw materials used and their batches back to their source. In the annual training plan, job-specific training, general training

on topics such as GMP and GDP, industrial hygiene, compliance, etc., and annual briefings are scheduled in advance for each employee. They form the basis for training employees before they begin their jobs and serve to ensure that they are continuously upskilled on an ongoing basis.

Compliance with standards and processes is monitored by means of regular inspections by the authorities. In addition, annual internal inspections are carried out in all areas of the Medios Group's companies subject to GMP and GDP in order to determine the extent to which their operations comply with the principles of the quality management system, GMP and GDP guidelines, occupational health and safety, and other legal requirements. This enables the group to verify compliance with the GxP (Good x Practice, where the "x" stands for various fields of activity) guidelines in all areas and to improve the quality of internal processes and systems.

## 3.2 Innovative design of procedures and processes

### Innovative procedures and processes

Cluster Aim: We want to improve patient care further with digitization and innovative processes.

| Goals                                                                        | Measures                                                                                                                                                                                    | Timing                                                                   |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Driving of digitization in the Specialty Pharma sector to improve efficiency | Roll-out of mediosconnect                                                                                                                                                                   | Already in four federal states, then further German states progressively |
| Improvement of patient care with digitization and innovative processes       | Implementation of a platform with e-prescription compatibility for doctors, health insurers, specialized partner pharmacies, and patients (only for the Patient-specific Therapies segment) | 2022                                                                     |

#### KPIs for measuring success:

- Number of federal states where mediosconnect is available
- Number of transactions

To ensure that our products and services are always of the highest quality and up to date, we continuously review the products and services and the underlying processes with a view to identifying opportunities to innovate or improve efficiency. Primary responsibility for all innovation-related topics is held by the Chief Innovation Officer (CINO), as a Member of the Executive Board. New topics are spearheaded by means of corresponding working groups. Operation responsibility in this regard is borne by the heads of the specialist departments involved.

We continuously drive the development of new products and services as well as various process innovations to the benefit of patients and our partner pharmacies. To this end, we continuously analyze current trends and developments in the market. One trend that is currently of particular relevance is the digitization of the health-care sector. Medios wants to play an active role in shaping this trend and has developed mediosconnect, a digital trading platform for personalized drugs that connects doctors, health insurance companies, and specialized partner pharmacies. The aim of the platform is to simplify ordering and billing processes and thus make the health-care system more cost-effective. We have already launched mediosconnect in four German federal states for three indications and plan to press ahead with the rollout, the aim being to make the platform accessible to a greater number of users. Electronic prescriptions, which are still being planned, will create new opportunities for the Medios Group.

## 4. Employees

Our business success is largely determined by the quality of our products and the reliability of our services. That is why highly qualified employees are of tremendous importance to the continuation of our company's success.

The Group-wide Human Resources department falls under the responsibility of the Chief Operating Officer. At the disciplinary level, HR decisions are made by the executive boards of the respective subsidiaries. We support the individual companies of the Medios Group within the framework of our HR business partner concept, taking into account their respective specifics. We have appointed appropriate specialists to expand our HR systems and processes and to support the team responsible for recruiting.

We are convinced that the conduct of our managers is reflected in the conduct of our workforce. Our daily activities are guided by our corporate values and our shared vision. During the reporting period, the Medios leadership guidelines and corporate values were established on a broader footing, formalized, and communicated in a workshop.

In the field of human resources, we face the challenge of ensuring that positions are filled quickly under difficult conditions such as the COVID 19 pandemic, the lack of qualified specialists, and competition from other pharmaceutical companies. As part of the recruiting process, we also rely on the services of HR consulting firms in individual cases. In addition, we have implemented an "Employees Recruit Employees" program to find new employees, which has been very successful. We also plan to establish collaborations with colleges and universities, as well as with other training institutions, in order to establish contact with graduates that we can potentially recruit.

| HR data as of December 31                                   | 2021 | 2020 |
|-------------------------------------------------------------|------|------|
| Total number of employees (Active/excluding parental leave) | 301  | 279  |
| Full-time employees                                         | 214  | 187  |
| Part-time employees                                         | 87   | 92   |
| With a temporary employment contract                        | 14   | 15   |
| With a permanent employment contract                        | 287  | 264  |
| Women                                                       | 153  | 142  |
| Men                                                         | 147  | 137  |
| Under 30 years of age                                       | 72   | 68   |
| Between 30 and 50 years old                                 | 185  | 167  |
| Over 50 years of age                                        | 44   | 44   |
| Employees on parental leave                                 | 11   | 7    |

## 4.1 Boosting employee satisfaction

### Employee satisfaction

Cluster Aim: We want to further improve our employees' satisfaction with their workplace and employer.

| Goals                             | Measures                                 | Timing                   |
|-----------------------------------|------------------------------------------|--------------------------|
| Regular employee surveys          | Performance of an annual employee survey | Ongoing, every two years |
| Increase of employee satisfaction | Expansion of remote-work offering        | Late 2021                |
|                                   | "Family & Friends" events                | 2023                     |

### KPIs for measuring success:

- Fluctuation rate
- Percentage of total workforce working from home at least once per week

Successful business performance requires extremely well-trained employees, and we consider long-term employment relationships to be of the utmost importance. To ensure that employees remain with the company for as long as possible, we create numerous incentives in the form of various employee benefits and strive to achieve the greatest possible level of transparency. We achieve the latter through an ongoing dialog in which we discuss personal goals and satisfaction, among other things, as well as our own ideas regarding the respective business areas.

We want to reward our employees' outstanding performance and compete for qualified specialists. Fair compensation plays an important factor in this regard. Compensation within the Medios Group is based on the requirements of the respective position as well as the individual employee's performance. For this purpose, we utilize the Korn Ferry/Hay job evaluation system and, when measuring salaries, are guided by the annual Korn Ferry remuneration data (general market data for Germany). This enables us to ensure that the salaries of our employees correspond to standard industry rates.

In addition to salaries, we offer attractive perks and social benefits. Employee benefits include employer contributions to company pension plans and health insurance as well as the provision of individual workplace glasses, fruit baskets, free flu shots, and full reimbursement of the cost of public transportation tickets. Moreover, all Medios employees are granted 30 days of annual leave as standard.

The topic of home working has become increasingly important during the COVID-19 pandemic. In this regard, the Medios Group has adopted a corresponding guideline.

During the reporting year, we conducted a company-wide employee survey for the second time to measure employee satisfaction. We also document the average length of service with the company, which can also serve as an indication of employee satisfaction. In the reporting year, the average length of service stood at 3.2 years (previous year: 2.9 years), with the employee turnover rate of the Medios Group coming in at 18.2%.

## 4.2 Equal opportunities at work and promoting diversity

### Diversity and equal opportunities

Cluster Aim: We want to prevent discrimination and promote equal opportunities actively.

| Goals                                                           | Measures                                                 | Timing  |
|-----------------------------------------------------------------|----------------------------------------------------------|---------|
| Retention of a high proportion of women in leadership positions | Development of a mentoring program for women             | 2023    |
|                                                                 | Establishment of initiative or awareness day             | 2023    |
| Active support for equal opportunities                          | Implementation of diversity and inclusion representative | 2024    |
| Safeguards for fair pay for women                               | Annual analysis of gender pay parity                     | Ongoing |

#### KPIs for measuring success:

- Employees in leadership positions, by gender
- Proportion of women to employees
- Gender pay parity ratio

Diversity and equal opportunities are a matter of course throughout the Medios Group. We have also enshrined the corresponding guidelines in our Code of Conduct. We expect each of our employees to fully adhere to our corporate values. Accordingly, we prohibit any discrimination on the basis of skin color, sex and gender, sexual orientation, class, origin, physical or mental condition, ideology or religion. If employees nevertheless identify cases of discrimination, we encourage them to

report these cases through our whistleblowing system, to which they have unrestricted access. To date, no suspected cases of this kind have been reported. To ensure that this remains true in 2022, we raise awareness among our employees throughout the Group by means of appropriate training seminars.

## 4.3 Promoting occupational health

### Occupational health

Cluster Aim: We want to preserve our employees' health and achieve zero occupational accidents per year.

| Goals                                                                       | Measures                                                                        | Timing    |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------|
| Effective support for healthy lifestyles and occupational safety and health | Offer of check-ups and vaccinations (company doctor)                            | Late 2022 |
|                                                                             | Promotion of sport, stress-management course, subsidy for office glasses        | 2023      |
|                                                                             | Expansion of consistent health management group-wide                            | Ongoing   |
| Full prevention of work-related accidents                                   | Expansion of single occupational safety strategy group-wide, including training | Late 2022 |
|                                                                             | Implementation of management system for health, safety, and environment (HSE)   | 2025      |
| Work-life balance at Medios                                                 | Comprehensive offering of flexible working-hour models                          | Ongoing   |

#### KPIs for measuring success:

- Number of employees who have participated in health programs
- Percentage of employees covered by health management
- Number of work-related accidents
- Percentage of employees covered by HSE-management system
- Number of flexible working-hour models utilized in relation to the total workforce

As an employer, we have a duty to maintain and promote the health and safety of our employees. There are several sensitive working areas at Medios where our employees are potentially exposed to hazards. We are aware of this fact and we take appropriate precautions to prevent adverse effects and harm.

Responsibility for this lies with the Group's Executive Board and the respective company executives. At every Medios company, occupational safety matters are identified, addressed, and followed up on in terms of implementation within the framework of the Occupational Safety Committee (abbreviated ASA in German). This ASA consists of the company or site management, an internal safety officer, an external occupational physician, and an external occupational safety specialist. In 2021, several meetings were held for the various companies.

Warehouse or shipping operations can involve physically demanding work when carrying and lifting inventory, for example, which can affect back and joint health. We reduce

this risk through various work instructions, e.g. relating to occupational medicine, fire prevention, and first aid, as well as through organizational measures and the provision of technical equipment such as ramps or trolleys.

For the second year in a row, the COVID-19 pandemic posed us with an extraordinary challenge. In order to contribute to containment of the virus and to protect our employees against coronavirus infection in the most effective way possible, we implemented a raft of measures. For example, we provide our employees with free protective masks and antigen tests. In addition, we shortened cleaning cycles at workplaces, provided large quantities of disinfectant, and developed a hygiene concept at all sites.

Each Medios company also has a company medical service that supports internal health management. This service carries out workplace-specific mandatory and optional employee examinations. At the beginning of 2022, for example, regular screenings were performed for Medios AG employees who work with computer screens.

We document both the number and type of occupational accidents that occur. During the reporting year, a total of eight occupational accidents occurred, mainly resulting in minor injuries, e.g. cuts or needlestick injuries. As such, the number of accidents fell sharply compared to the previous year, when 19 occupational accidents were recorded. The number of sickness days due to accidents totaled 39, meaning that, on average, an occupational accident led to 4.9 sickness days.

With a view to maintaining and promoting employee health, we not only focus on employees' physical condition, but also aim to prevent mental pressure caused by stress and overwork wherever possible. Should our employees nevertheless experience such symptoms, we work with them to develop individual solutions. We take our cue in this regard from the Hamburg model, which provides for talks and a reintegration period following long-term illness. As part of the 2022 employee survey, we will ask about both adverse physical and psychological factors.

At the beginning of the COVID-19 pandemic, we drew up appropriate plans containing measures (e.g., standard operating procedures) specifically tailored to the Medios company in question. They relate, for example, to protective equipment, workplace occupancy and hygiene, and the ability to trace contacts through visitor documentation. The "3G"<sup>4</sup> rule and the "AHA"<sup>5</sup> method remained mandatory in the second year of the pandemic. In addition, the pandemic plans include a work-from-home provision that is systematically implemented. The implementation of these measures is both monitored and documented. We also provided our employees with protective masks and disinfectant for personal use. Going beyond the statutory obligation to provide each employee with two antigen tests per week, we give our employees the opportunity to have a free daily test.

#### 4.4 Extensive vocational and advanced training

##### Vocational and advanced training

Cluster Aim: We want for all our employees to develop further through an overarching training policy.

| Goals                                                                                  | Measures                                           | Timing    |
|----------------------------------------------------------------------------------------|----------------------------------------------------|-----------|
| Identification and further development of our employees' potential with clear concepts | Employee review held with every employee each year | Late 2021 |
| Increased number of trainee positions                                                  | Filling of existing trainee positions              | 2023      |
|                                                                                        | Offering of new trainee occupations                | 2023      |
| Support for junior employees and managers                                              | Development of support and mentoring program       | By 2024   |
|                                                                                        | Manager training                                   | Ongoing   |

##### KPIs for measuring success:

- Number of trainee positions
- Number of participants in support and mentoring programs

4) 3G: vaccinated, recovered, tested (translated from German: "geimpft, genesen, getestet").

Source: <https://www.bundesregierung.de/breg-de/aktuelles/bund-laender-beratung-corona-1949606>, accessed on 02/23/2022

5) AHA: distance, hygiene, daily life with masks (translated from German: "Abstand, Hygiene, Alltag mit Maske").

Source: <https://www.zusammengeencorona.de/informieren/sich-und-andere-schuetzen/die-aha-formel/>, accessed on 02/23/2022.

As a company that offers vocational training, we want to promote vocational and advanced training in our field of business in order to meet our current and future need for qualified specialists. As such, we offer vocational training programs in wholesale and international trade management as well as warehouse logistics. We also plan to offer a further training program in the field of IT in the future. In the 2021 financial year, a total of two apprentices were employed at Medios.

In addition, we offer our employees various HR development opportunities to support their personal and professional development. In the 2021 financial year, approx. 17% of the Medios Group workforce attended advanced training courses and coaching sessions for character development. The workshops on the topics of the Medios Group's mission statement, values, and management guidelines planned for the 2021 financial year were carried out successfully. For 2022, management workshops are planned on the topics of employer branding<sup>6</sup> and the decentralized leadership of virtual teams. Moreover, regular training sessions are held in the field of pharmaceutical production. For more information, please refer to chapter 4.3 "Occupational Health."

In the 2022 financial year, Medios will establish an employee and executive development program on the basis of leadership guidelines and skills – and using management diagnostics and various development measures. To this end, additional tools – such as 360-degree feedback and the recording of employee performance potential – will be used starting January 2022. Employee and executive development will be made more systematic via a training catalog; this too will correspond with the leadership guidelines and contain off-the-job, along-the-job, and on-the-job measures.

Due to the multifaceted restrictions in place as a result of the COVID-19 pandemic, we used digital options in the 2021 reporting year to carry out the training measures, seminars, and advanced training sessions. Our seminars on data protection and occupational safety, for example, were held virtually.

We place a special focus on new employee onboarding and initiation in order to convey the values and organizational structures of Medios across the company on the one hand, and to ensure that employees are fully familiarized with their new jobs and workplaces on the other. The scope and type of onboarding are defined in corresponding plans, which are used as the basis for training the employee for his or her job profile. Certain profiles require training periods of up to nine months, e.g. for laboratory activities.

## 5. Environment

Dealing with climate change and its consequences is one of the greatest tasks facing future generations. This challenge affects all members of society. As such, Medios will also do its part and respond accordingly. Sustainable use of the resources we need for our business activities plays an essential role in this respect. In addition to the efficient use of energy and reducing emissions, we also feel responsible for reducing the quantity of waste produced and disposing of it properly.

To this end, Medios has issued general codes of conduct and SOPs that outline these issues and, in part, stipulate a responsible approach to energy, waste disposal, packaging materials and their recycling, paper, etc.

Responsibility for observance is held by the senior management teams of Medios companies. The Compliance Officer holds primary responsibility in the specific case of compliance with environmental law. We also rely on our employees' individual sense of responsibility, who are encouraged to act in the most energy-efficient manner possible in their day-to-day lives.

In the field of facility management, we implement concrete measures to save energy. In the 2021 financial year, various production and manufacturing measures were implemented during the expansion of our new site (garden house). Digital electricity meters were installed to record and evaluate energy consumption. These make it possible to identify specific energy-saving measures at a later date.

Moreover, we have instituted various measures to improve energy efficiency at our "garden house" site. We have replaced the radiator thermostats and switched all the lighting to LED. These optimization measures, which relate to the Wholesale, Manufacturing, and Administration departments based at the garden house, will probably start to bear fruit in summer 2022.

We intend to continuously improve our environmental management system. We have set a number of different goals for ourselves in this regard, for example with regard to the energy efficiency of newly acquired equipment or the insulation of cold storage units. In order to manage our environmental performance even more effectively, we also plan to systematically expand our current level of environmental data collection.

<sup>6</sup> The term "employer branding" describes the development and maintenance of companies in terms of an employer brand. Source: <https://wirtschaftslexikon.gabler.de/definition/employer-branding-53538>, accessed on 2/23/2022.

## 5.1 Coordinating energy and emissions

### Energy and emissions

Cluster Aim: We want to be climate-neutral at our sites by 2023.

| Goals                                                                                                 | Measures                                                                   | Timing                     |
|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------|
| Systematic recording of emissions data                                                                | Implementation of ESG software and expansion of digital electricity meters | 2022                       |
|                                                                                                       | Analysis of relevant scope 3 emissions (transport, etc.)                   | By mid-2023                |
|                                                                                                       | Evaluation of Science-based Targets Initiative                             | 2023                       |
| Lowering of energy consumption through efficiency and prevention                                      | Implementation of various energy-efficiency measures                       | Ongoing                    |
|                                                                                                       | Implementation of ISO 50001 energy-management system                       | 2023                       |
|                                                                                                       | Determination of energy-efficiency criterion in procurement criteria       | Starting 2022              |
| 50% reduction of scope 2 emissions and achievement of climate neutrality at own sites (using offsets) | Step-by-step transition to 100% green power                                | Evaluation starting 2021   |
|                                                                                                       | Evaluation and implementation of offset models                             | Climate neutrality in 2023 |
|                                                                                                       | Implementation of ISO 14001 environmental-management system                | Starting 2023              |
|                                                                                                       | Payment for public-transit ticket                                          | Ongoing                    |

#### KPIs for measuring success:

- Energy-efficiency level
- Reduction of emissions compared to reference year
- Metric tons of carbon equivalent per €m of revenue
- Share of green power in electricity consumed
- Scope 2 emissions compared to reference year (e.g. own electricity consumption, heating, cooling)
- Emissions at own sites
- Share of business with ISO certification
- Emissions offset

Medios does not generate the electricity required for its business operations itself. How we obtain and use our energy largely determines the extent of our emissions. We cool our products and materials in large refrigerators or cold storage units that are powered by electricity. We obtain heat from the respective landlord of our sites in the form of natural gas and heating oil. The kilowatt hours (kWh) of electricity consumed in the reporting year can be broken down as follows:

| Power consumption (in kWh) <sup>7</sup>              | 2021               | 2020           |
|------------------------------------------------------|--------------------|----------------|
| <b>Total power consumption</b>                       | <b>513,466</b>     | <b>583,200</b> |
| Thereof volume of purchased electricity <sup>8</sup> | 513,466            | 583,200        |
| Thereof self-generated electricity <sup>9</sup>      | 0                  | 0              |
| <b>Total heat use in kWh<sup>10</sup></b>            | <b>1,699,373.0</b> | <b>0</b>       |
| Thereof purchased heat                               | 209,364.0          | 0              |
| Thereof self-generated heat                          | 1,490,009.0        | 0              |
| Therefor used natural gas                            | 1,197,599.7        | 0              |
| Therefor used fuel oil                               | 292,409.3          | 0              |
| <b>Total cooling<sup>11</sup></b>                    | <b>0</b>           | <b>0</b>       |

We see the greatest savings potential in the improved insulation of the new cold storage units that we have been using since the 2020 reporting year. We will also reduce our energy consumption and our emissions by having relocated our corporate headquarters to an energy-efficient new building that is DGNB (German Sustainable Building Council)-certified and meets the latest standards. We will also reduce our energy consumption in the 2022 financial year by accommodating two departments at a shared site. As such, the emissions will no longer be generated that are currently caused by transportation between the two sites, which are currently at separate locations. Furthermore, we have purchased state-of-the-art, energy-saving machinery and devices for the new site.

Another way to operate in a more environmentally friendly manner while using the same amount of energy is to purchase green power. We also evaluated a switch to electricity from renewable energy sources in the 2021 financial year. As a consequence, we completely switched the energy supply to our headquarters to green electricity. Further switches are planned for the 2022 financial year.

In addition, we offer each of our employees the free use of a ticket for the BVG (Berlin's public transit system) in order to minimize emissions from their commute to work.

7) Excluding the new sites NewCo Pharma and „Gartenhaus“, which were not yet fully consolidated in the reporting year.

8) Includes cooling generated via electricity.

9) Medios does not generate electricity itself.

10) Except for Medios AG, only estimates of heat consumption based on square meters, energy efficiency of buildings, insulation and activity can be reported.

11) Cooling is generated via purchased electricity and cannot currently be measured separately.

| Emissions Medios Group (in t CO <sub>2</sub> e) <sup>12</sup> | 2021         | 2020  |
|---------------------------------------------------------------|--------------|-------|
| <b>Scope 1</b>                                                | <b>307.4</b> |       |
| Self-generated electricity                                    | 0            | 0     |
| Self-generated heat                                           | 307.4        |       |
| Self-generated cooling                                        | 0            | 0     |
| <b>Scope 2</b>                                                | <b>188.5</b> |       |
| Electricity purchase market-based                             | 152.7        | 166.8 |
| Electricity purchase location-based                           | 179.7        |       |
| Purchased heat                                                | 35.7         |       |
| Purchased cooling <sup>13</sup>                               | 0            | 0     |
| <b>Scope 3</b>                                                | <b>237.5</b> |       |
| Business trips <sup>14</sup>                                  | 103.1        |       |
| <i>Airplane<sup>15</sup></i>                                  | 5.0          | 3.0   |
| <i>Rental Car</i>                                             | 95.7         |       |
| <i>Train</i>                                                  | 2.4          |       |
| Waste                                                         | 18.8         |       |
| Energy related emissions <sup>16</sup>                        | 115.6        |       |
| <b>Total</b>                                                  | <b>733.4</b> |       |

Our already low number of business trips was further reduced by the impact of the COVID-19 pandemic in the reporting year. We want to maintain and expand the trend toward virtual meetings that has been spurred on by the pandemic. With this in mind, we have continuously improved and expanded the internal IT infrastructure and digital capabilities. As such, we are paving the way in terms of minimizing travel in the future.

Since travel by Medios employees is low overall anyway, company cars are also used to an acceptable extent. In addition, employees who use a Medios AG company car are increasingly choosing sustainable vehicle alternatives. As such, when selecting new company cars, the majority of employees selected hybrid vehicles and only rarely diesel-powered vehicles.

In the 2021 financial year, we leased corresponding parking spaces for electric vehicles, each one featuring a suitable charging station for charging during working hours. Where these possibilities are used and where employees refrain from using vehicles with combustion engines, this has a positive impact on the emissions generated through our employees' commutes.

12) Calculated according to GHG Protocol; where no supplier factors are available, estimated factors are used (DEFRA 2021, IEA 2020 and AIB 2020).

13) Includes cooling generated via electricity.

14) All business travel including emissions generated from generation and transportation of energy sources.

15) Includes radiative forcing from indirect effects other than greenhouse gases.

16) Emissions from production and transport of all energy sources, electricity and district heating.

## 5.2 Strengthening recycling

### Waste and recycling

Cluster Aim: We want to conserve resources and recycle and reuse wherever possible.

| Goals                                                              | Measures                                                                               | Timing        |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------|
| Increase of the share of waste recycled or reused                  | Reusability or recyclability of suits, gloves, etc. defined as a procurement criterion | Starting 2022 |
| Significant increase in usage of recyclable and reusable packaging | Usage of recycled/reused packaging                                                     | Starting 2022 |
|                                                                    | Reusability or recyclability of packaging defined as a procurement criterion           | 2022 / 2023   |
| Sensitization to issue of recycling                                | Recycling-awareness campaign among employees (e.g. opening of garden house)            | Starting 2022 |

#### KPIs for measuring success:

- Waste volumes in metric tons
- Hazardous waste in metric tons
- Proportion of recycled or reused waste in percent
- Proportion of recycled or reused packaging in percent

Medios works with a variety of substances, including hazardous substances that are recorded in a hazardous substances register. This register forms the basis of the standard operating procedures that define how to handle these substances and the corresponding disposal process. Our employees receive training on our standard operating procedures at least once a year through our occupational safety training program. As soon as new hazardous substances are employed during production, a corresponding updated seminar is held.

A special disposal procedure is required for cytotoxic waste, which is produced during the manufacture of pharmaceuticals. It is collected separately in a cytostatic waste container and disposed of properly by specialized companies in accordance with the waste code. In the case of hazardous waste of this type, we completely eliminate the possibility of access by unauthorized persons and/or contamination of the environment.

With the exception of masks and gloves, the protective equipment of employees working in the clean room (laboratory), e.g. coveralls or undergarments, are reconditioned in a controlled process so that they can be used again. Our goal is to further increase the share of recycled and reconditioned waste, especially with regard to thermal recycling. In the 2021 financial year, we switched our office materials to sustainable alternatives for this purpose. For example, a guideline was introduced to collect employee requests, thereby minimizing the frequency of orders. This guidelines also stipulates the selection of sustainable products.

When transporting our products, the use of special transport containers and cold packs is necessary to preserve the quality of the pharmaceutical products. The selection of the required shipping materials is not only based on specification conformity, but also on aspects of reusability.

In order to reduce the quantity of waste produced, we intend to further expand our cooperation with a specialized transport service provider. The company offers temperature-controlled transport, allowing us to eliminate the use of cold packs.

## 6. Social responsibility

As one of our four corporate values, the topic of responsibility defines our entire corporate culture and therefore everything we do and don't do. Our responsibility extends to society

as a whole: with our corporate conduct, we aim to make a positive contribution to society and create sustainable value for society. Two clusters fall within the "social responsibility" area of action: "civic engagement" and "stakeholder dialog."

### 6.1 Civic engagement

#### Civic engagement

Cluster Aim: We want to support social projects.

| Goals                                                                   | Measures                                                                 | Timing        |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------|---------------|
| Even greater expansion of social and civic engagement in our local area | Support for employees with paid days off for day-to-day civic engagement | 2023          |
|                                                                         | Participation in charitable events                                       | Starting 2022 |

#### KPIs for measuring success:

- Number of charitable events participated in

Like every company, Medios is a part of its surrounding environment. As such, our goal is to be a good neighbor at our sites in the spirit of good corporate citizenship. But beyond that, we also bear a social responsibility to operate in a sustainable and ethical manner. We are convinced that we create added value for society through our business model and our products. In addition, we promote our employees'

civic engagement and donate to various charitable organizations. The Executive Board decides which projects Medios will support financially. In the reporting year, for instance, we donated 100,000 masks with a total value of approx. €15,000, 2,700 lateral-flow tests with a total value of approx. €15,000, and €1,000 in cash to charitable organizations.

### 6.2 Maintaining transparent dialog

#### Stakeholder-dialog

Cluster Aim: We want to promote and expand dialog with all stakeholders.

| Goals                                  | Measures                                                                            | Timing        |
|----------------------------------------|-------------------------------------------------------------------------------------|---------------|
| Consideration of stakeholder interests | Establishment of stakeholder management                                             | Starting 2021 |
|                                        | Evaluation of relevant stakeholder groups                                           |               |
|                                        | Performance of stakeholder survey (dialog format and for verifying material topics) | By 2023       |
|                                        | Expansion of stakeholder dialog with all relevant stakeholders                      | By 2025       |
|                                        | Medios Specialty Pharma Day / Specialty Pharma Meet-Up / Network Conference Call    | Ongoing       |

#### KPIs for measuring success:

- Establishment of specific KPIs depending on projects and topics

We interact with different stakeholders as we conduct our day-to-day business, and they place different demands on us. In particular, we stand in close contact with the two stakeholder groups of suppliers and partner pharmacies via various means of communication. We also engage in dialog with our partner pharmacies through networking events and regular conference calls.

As part of our brand development efforts, we conducted a survey of our partner pharmacies in the 2019 financial year – and will do so again in 2022 as part of the customer journey.<sup>17</sup> In addition, we have also been offering our network partners virtual information events on different topics since 2021. This allows us to maintain communication and dialog in times where face-to-face events are not possible due to the pandemic.

We continue to hold regular status reviews with our suppliers at least once a year. With around 40 participants, the “Medios Specialty Pharma Day” – which we held for the first time in the 2020 financial year – represented a new level of dialog with our partners. The goal of the event was to promote networking among pharmacists as well as with us. Previously, Medios had already held smaller events of this kind. We are planning the next Medios Specialty Pharma Day in the 2022 financial year.

Also planned for 2022 is a “Capital Market Day” for investors and analysts.

## 7. Nonfinancial Key Performance Indicators (KPIs)

The Medios sustainability strategy is based on five material topics: governance, products and services, employees, the environment, and corporate social responsibility. A total of **34 aims and goals**, which are being realized through **65 measures** and tracked using **57 different Key Performance Indicators (KPIs)**, have been implemented for these topics. The implementation of the strategy extends from now until 2025, with some of the measures being implemented and measured in the future. Currently, 25 of the total 57 internal and external KPIs are recorded.

<sup>17)</sup> The customer journey describes the entire purchase process. This includes the pre-purchase phase, the purchase phase, and the post-purchase phase. Source: <https://wirtschaftslexikon.gabler.de/definition/customer-journey-prozess-100259>, accessed on 2/23/2022.

| Area of Action                  | KPI                                                                                                                                                         | 2021 Value                                                         |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Governance                      | Proportion of employees who have received training on compliance topics                                                                                     | n/a (not recorded until the 2022 financial year)                   |
|                                 | Proportion of employees who have received data protection training                                                                                          | 70%                                                                |
|                                 | Proportion of employees who have received training on the Code of Conduct                                                                                   | 94%                                                                |
|                                 | Proportion of suppliers (category A) that have accepted the Supplier Code of Conduct or whose code of conduct corresponds with the Supplier Code of Conduct | n/a (not recorded until the 2022 financial year)                   |
|                                 | Percentage of suppliers audited by assessment                                                                                                               | n/a (not recorded until the 2023 financial year)                   |
|                                 | Percentage purchase volume from assessed suppliers                                                                                                          | n/a (not recorded until the 2023 financial year)                   |
| Products/Services               | Number of internal audits                                                                                                                                   | 5                                                                  |
|                                 | Customer-satisfaction index                                                                                                                                 | n/a (not recorded until the 2022 financial year)                   |
|                                 | Number of customer complaints                                                                                                                               | 103                                                                |
|                                 | Number of complaints vs total deliveries/output                                                                                                             | 0.02%                                                              |
|                                 | Number of states where mediosconnect is available                                                                                                           | 4                                                                  |
|                                 | Number of transactions                                                                                                                                      | 230,000                                                            |
| Employees                       | Number of trainee positions offered                                                                                                                         | 2                                                                  |
|                                 | Number of trainee positions occupied                                                                                                                        | 2                                                                  |
|                                 | Number of participants in support and mentoring programs                                                                                                    | n/a (not recorded until the 2022 financial year)                   |
|                                 | Employees in leadership positions, by gender                                                                                                                | 39% or 11 woman<br>60% or 17 men<br>(head of department and above) |
|                                 | Proportion of women to employees                                                                                                                            | 51%                                                                |
|                                 | Number of employees who have participated in health programs                                                                                                | n/a (not recorded until the 2022 financial year)                   |
|                                 | Percentage of employees covered by health management                                                                                                        | n/a (not recorded until the 2023 financial year)                   |
|                                 | Number of work-related accidents                                                                                                                            | 8                                                                  |
|                                 | Percentage of employees covered by HSE* management system                                                                                                   | n/a (not recorded until the 2025 financial year)                   |
|                                 | Number of flexible working-hour models utilized in relation to the total workforce                                                                          | 24%                                                                |
|                                 | Turnover rate                                                                                                                                               | 18.2%                                                              |
| Environment                     | Proportion of total workforce who work from home at least once per week                                                                                     | 24%                                                                |
|                                 | Energy-efficiency level                                                                                                                                     | 1.63 MWh per €m of revenue                                         |
|                                 | Reduction of emissions compared to reference year                                                                                                           | n/a (not recorded until the 2022 financial year)                   |
|                                 | Metric tons of carbon equivalents per €m of revenue                                                                                                         | 0.54 metric tons CO <sub>2</sub> e                                 |
|                                 | Anteil von Grünstrombezug am Strombezug                                                                                                                     | 8,2%                                                               |
|                                 | Scope 2 Emissions compared to the base year (e.g., internal energy consumption, heating, cooling)                                                           | n/a (not recorded until the 2022 financial year)                   |
|                                 | Emissions at own sites                                                                                                                                      | 495.9 metric tons CO <sub>2</sub> e                                |
|                                 | Share of business with ISO certification                                                                                                                    | 0%                                                                 |
|                                 | Emissions offset                                                                                                                                            | 0                                                                  |
|                                 | Waste volumes                                                                                                                                               | 801.7 metric tons                                                  |
|                                 | Hazardous waste                                                                                                                                             | 6.7 metric tons                                                    |
|                                 | Proportion of recycled or reused waste in percent                                                                                                           | 11.5%                                                              |
| Corporate Social Responsibility | Proportion of recycled or reused packaging in percent                                                                                                       | n/a (not recorded until the 2022 financial year)                   |
|                                 | Number of charitable events participated in                                                                                                                 | 0                                                                  |

\*HSE - Health Safety Environment

## 8. About this report

This nonfinancial statement voluntarily covers the requirements of Sections 289b to 289e of the German Commercial Code (HGB) in conjunction with Sections 315b and 315c of the German Commercial Code (HGB) resulting from the CSR-RUG and contains the information required by law within the meaning of Section 289c, Paragraph 2 of the German Commercial Code (HGB) with regard to the following aspects:

- Environmental affairs
- Employee affairs
- Social affairs
- Respect for human rights
- Combating corruption and bribery

We have identified our material nonfinancial issues within the scope of a materiality assessment and in this report disclose the concepts we are pursuing in this regard – for each of the aforementioned aspect within the meaning of Section 289c, Paragraph 2 of the German Commercial Code (HGB).

For the 2021 financial year, we have prepared this report on the basis of the GRI standards for the first time. It also serves as the first progress report in relation to the ten principles of the UN Global Compact.

In accordance with Section 289c, Paragraph 3, Nos. 3 and 4 of the German Commercial Code (HGB), the law requires us to report on significant nonfinancial risks. During a net assessment of risks within the framework of our risk management activities and in accordance with the requirements of the CSR-RUG, we have not identified any risks that are highly likely to have, or are likely to have, a serious negative impact on one or more of the aforementioned aspects. More information is contained in the risk report of the management report.

Within the context of strategic development, the governance-related nonfinancial key performance indicators pursuant to Section 289c, Paragraph 3, No. 5 of the German Commercial Code (HGB) have been defined, with each one listed in the relevant chapters on material topics.

In respect of statements about employees, customers, and other groups of individuals, this nonfinancial statement uses the male, female, or neutral form of address. This is solely for the purpose of improved readability. All disclosures relate, of course, to all genders.

## 9. GRI content index

For the first time, Medios is reporting on the basis of the international standards of the Global Reporting Initiative (GRI). The GRI is a nongovernmental organization that develops standards (GRI guidelines) for the preparation of sustainability reports in a dialog-oriented manner. The aim of the organization is to foster the transparency and comparability of such reports.<sup>18</sup>

This report also serves as a progress report that Medios is obligated to prepare by virtue of having signed the UN Global Compact.

18) Source: <https://wirtschaftslexikon.gabler.de/definition/global-reporting-initiative-51608>, accessed on 2/23/2022.

## GRI content index: GRI 101: Foundation 2016

### General disclosures

| Standard                      | Disclosures                                                                   | Page                          | Comment                                                                                                 | UN Global Compact Principles |
|-------------------------------|-------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------|------------------------------|
| GRI 102                       | General Disclosures 2016                                                      |                               |                                                                                                         |                              |
| <b>Organizational Profile</b> |                                                                               |                               |                                                                                                         |                              |
| GRI 102-1                     | Name of organization                                                          | p. 84-85                      |                                                                                                         |                              |
| GRI 102-2                     | Activities, brands, products, and services                                    | p. 15 and pp. 84-85           |                                                                                                         |                              |
| GRI 102-3                     | Location of headquarters                                                      |                               | Hamburg, Germany                                                                                        |                              |
| GRI 102-4                     | Location of operations                                                        | pp. 84-85                     |                                                                                                         |                              |
| GRI 102-5                     | Ownership and legal form                                                      | p. 14 and p. 84               |                                                                                                         |                              |
| GRI 102-6                     | Markets served                                                                | pp. 84-85                     |                                                                                                         |                              |
| GRI 102-7                     | Scale of the organization                                                     | p. 93 and pp. 108-109         |                                                                                                         |                              |
| GRI 102-8                     | Information on employees and other workers                                    | p. 3 and p. 28                |                                                                                                         | 6                            |
| GRI 102-9                     | Supply chain                                                                  | p. 23                         |                                                                                                         |                              |
| GRI 102-10                    | Significant changes to the organization and its supply chain                  | pp. 85-86                     |                                                                                                         |                              |
| GRI 102-11                    | Precautionary principle or approach                                           | pp. 97-101                    |                                                                                                         | 7                            |
| GRI 102-12                    | External initiatives                                                          | p. 39                         |                                                                                                         |                              |
| GRI 102-13                    | Membership of associations                                                    |                               | Medios AG did not identify any relevant memberships for 2021.                                           |                              |
| <b>Strategy</b>               |                                                                               |                               |                                                                                                         |                              |
| GRI 102-14                    | Statement from senior decision-maker                                          | pp. 9-10 and p. 51            |                                                                                                         |                              |
| <b>Ethics and Integrity</b>   |                                                                               |                               |                                                                                                         |                              |
| GRI 102-16                    | Values, principles, standards, and norms of behavior                          | p. 19 and pp. 22-23           |                                                                                                         | 1-7, 10                      |
| <b>Governance</b>             |                                                                               |                               |                                                                                                         |                              |
| GRI 102-18                    | Governance structure                                                          | pp. 19-20, p. 47 and p. 51-56 |                                                                                                         | 1-7, 10                      |
| GRI 102-20                    | Executive-level responsibility for economic, environmental, and social topics | pp. 19-20                     | Further information is presented separately in the relevant management approaches.                      |                              |
| <b>Stakeholder Engagement</b> |                                                                               |                               |                                                                                                         |                              |
| GRI 102-40                    | List of stakeholder groups                                                    | p. 39                         |                                                                                                         |                              |
| GRI 102-41                    | Collective bargaining agreements                                              | p. 127                        |                                                                                                         |                              |
| GRI 102-42                    | Identifying and selecting stakeholders                                        | pp. 38-39                     |                                                                                                         |                              |
| GRI 102-43                    | Approach to stakeholder engagement                                            | pp. 38-39                     |                                                                                                         |                              |
| GRI 102-44                    | Key topics and concerns raised                                                | p. 39                         |                                                                                                         |                              |
| <b>Reporting practice</b>     |                                                                               |                               |                                                                                                         |                              |
| GRI 102-45                    | Entities included in the consolidated financial statements                    | pp. 84-86                     |                                                                                                         |                              |
| GRI 102-46                    | Defining report content and topic boundaries                                  | p. 17                         |                                                                                                         |                              |
| GRI 102-47                    | List of material topics                                                       |                               |                                                                                                         |                              |
| GRI 102-48                    | Restatements of information                                                   |                               | All relevant changes are outlined in the relevant places.                                               |                              |
| GRI 102-49                    | Changes in reporting                                                          |                               | All relevant changes beyond this are outlined in the relevant places.                                   |                              |
| GRI 102-50                    | Reporting period                                                              | p. 41                         | January 1, 2021 to December 31, 2021. Deviations from this period are noted in the respective sections. |                              |
| GRI 102-51                    | Date of most recent report                                                    |                               | March 31, 2020                                                                                          |                              |
| GRI 102-52                    | Reporting cycle                                                               |                               | Yearly                                                                                                  |                              |
| GRI 102-53                    | Contact point for questions regarding the report                              |                               | Imprint                                                                                                 |                              |
| GRI 102-54                    | Claims of reporting in accordance with the GRI standards                      | p. 41                         |                                                                                                         |                              |
| GRI 102-55                    | GRI content index                                                             | pp. 42-43                     |                                                                                                         |                              |
| GRI 102-56                    | External assurance                                                            |                               | No external assurance was conducted.                                                                    |                              |

## Material topics

| Standard       | Disclosures                                                                                   | Page                | Comment                                                                                                            | UN Global Compact Principles |
|----------------|-----------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------|------------------------------|
| <b>GRI 205</b> | <b>Anti-Corruption 2016</b>                                                                   |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 21               |                                                                                                                    | 10                           |
| GRI 205-3      | Communication and training about anti-corruption policies and procedures                      | p. 21               |                                                                                                                    | 10                           |
| <b>GRI 206</b> | <b>Anti-Competitive Behavior 2016</b>                                                         |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 21               |                                                                                                                    | 10                           |
| GRI 206-1      | Legal actions for anti-competitive behavior, antitrust, and monopoly practices                | p. 22               | In 2021, there were no pending legal proceedings due to anti-competitive behavior or antitrust/monopoly practices. | 10                           |
| <b>GRI 302</b> | <b>Energy 2016</b>                                                                            |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 33               |                                                                                                                    | 7-9                          |
| GRI 302-3      | Energy consumption within the organization                                                    | p. 40               |                                                                                                                    | 7-8                          |
| GRI 302-4      | Reduction of energy consumption                                                               | p. 33 and p. 35     |                                                                                                                    | 7-8                          |
| <b>GRI 305</b> | <b>Emissions 2016</b>                                                                         |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | pp. 33-34           |                                                                                                                    | 7-9                          |
| GRI 305-1      | Direct (Scope 1) GHG emissions                                                                | p. 36               |                                                                                                                    | 7-8                          |
| GRI 305-2      | Energy indirect (Scope 2) GHG emissions                                                       | p. 36               |                                                                                                                    | 7-8                          |
| GRI 305-3      | Other indirect (Scope 3) GHG emissions                                                        | p. 36               |                                                                                                                    | 7-8                          |
| GRI 305-3      | GHG emissions intensity                                                                       | p. 40               |                                                                                                                    | 8                            |
| <b>GRI 306</b> | <b>Waste 2020</b>                                                                             |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 33 and p. 37     |                                                                                                                    | 8                            |
| GRI 306-3      | Waste generated                                                                               | p. 40               |                                                                                                                    | 8                            |
| <b>GRI 401</b> | <b>Employment 2016</b>                                                                        |                     |                                                                                                                    |                              |
| GRI 103        | Managementansatz (inklusive GRI 103-1, 103-2, 103-3)                                          | p. 28               |                                                                                                                    | 6                            |
| GRI 401-1      | Neu eingestellte Angestellte und Angestelltenfluktuation                                      | p. 40               |                                                                                                                    | 6                            |
| <b>GRI 403</b> | <b>Occupational Health and Safety 2018</b>                                                    |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 28 and p. 31     |                                                                                                                    | 1                            |
| GRI 403-6      | Promotion of worker health                                                                    | pp. 31-32           |                                                                                                                    | 1                            |
| GRI 403-9      | Work-related injuries                                                                         | pp. 31-32 and p. 40 |                                                                                                                    |                              |
| GRI 403-10     | Work-related ill health                                                                       | pp. 31-32 and p. 40 |                                                                                                                    |                              |
| <b>GRI 404</b> | <b>Training and Education 2016</b>                                                            |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 28 and p. 30     |                                                                                                                    | 6                            |
| GRI 404-2      | Programs for upgrading employee skills and transition assistance programs                     | p. 28 and p. 40     |                                                                                                                    |                              |
| <b>GRI 405</b> | <b>Diversity and Equal Opportunity 2016</b>                                                   |                     |                                                                                                                    |                              |
| GRI 103        | Management Approach including GRI 103-1, 103-2, 103-3)                                        | p. 28 and p. 30     |                                                                                                                    | 1, 6                         |
| GRI 405-1      | Diversity of governance bodies and employees                                                  | p. 40               |                                                                                                                    | 6                            |
| <b>GRI 406</b> | <b>Non-Discrimination 2016</b>                                                                |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 28 and p. 30     |                                                                                                                    | 6                            |
| GRI 406-1      | Incidents of discrimination and corrective action taken                                       | p. 30               |                                                                                                                    | 6                            |
| <b>GRI 412</b> | <b>Human Rights Assessment 2016</b>                                                           |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | pp. 19-20 and p. 23 |                                                                                                                    | 1, 2                         |
| GRI 412-1      | Operations that have been subject to human rights reviews or impact assessments               |                     | Corresponding reviews are still being developed at Medios.                                                         | 2                            |
| <b>GRI 416</b> | <b>Customer Health and Safety 2016</b>                                                        |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | pp. 24-26           |                                                                                                                    |                              |
| GRI 416-2      | Incidents of non-compliance concerning the health and safety impacts of products and services | p. 26               | In 2021, we were aware of no breaches in this area.                                                                |                              |
| <b>GRI 418</b> | <b>Customer Privacy 2016</b>                                                                  |                     |                                                                                                                    |                              |
| GRI 103        | Management approach (including GRI 103-1, 103-2, 103-3)                                       | p. 24               |                                                                                                                    |                              |
| GRI 418-1      | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | p. 24               |                                                                                                                    |                              |





## Report of the Supervisory Board



**Dr. Yann Samson**

Chairman of the Supervisory Board

Lawyer



**Dr. Anke Nestler**

Member of the Supervisory Board

Economist



**Joachim Messner**

Deputy Chairman of the Supervisory Board

Lawyer



**Klaus Buß**

Member of the Supervisory Board

Economist

Dear Shareholders,

The Supervisory Board discharged its duties in accordance with the law, Articles of Association and rules of procedure with great care, oversaw the management in detail on an ongoing basis, and advised the Executive Board on the governance and ongoing development of the company. The Supervisory Board also opened itself up to scrutiny as part of an external self-evaluation. Once the 2021 Annual General Meeting had approved an enlargement of the Supervisory Board and elected Dr. Nestler as its fourth member, two committees were formed in the reporting period.

**Establishment of  
two new  
Committees**

The SARS-Cov-2 pandemic exerted much less influence on business operations; all things considered, 2021 can be deemed a very good year – not least because revenue exceeded the €1 billion mark for the first time. The Supervisory Board reports on the year as follows.

### Monitoring, information and advice

The growth strategy and the Executive Board's management of other business were flawless in respect of legality, expediency, propriety and efficiency. In particular, the Executive Board directly involved the Supervisory Board in all decisions of fundamental importance for the company at an early stage and reported regularly and promptly (in both written and spoken form), with the focus on the following topics as in the previous year (with differences seen merely in terms of emphasis):

- Corporate strategy, especially growth
- Planning, especially the development of Group business
- Risk situation, especially risk management and compliance
- Key aspects of innovation
- Deviations from planned business development
- Course of business and transactions of particular significance
- Investments, especially making them

The Supervisory Board scrutinized, critically evaluated, and assessed the plausibility of the reports and other information provided by the Executive Board. Also, inquiries outside of the Executive Board were made, including with senior executives and external consultants, in order to broaden the base of information and gain impressions of the development of the company. Furthermore, the members of the Executive Board outlined the current situation of the company in the meetings of the Supervisory Board.

### Topics and attendance at Supervisory Board meetings

Four ordinary meetings were held in the 2021 financial year; due to the SARS-Cov-2 pandemic, these meetings sometimes took the form of videoconferences. As the rate of attendance by members of the Supervisory Board at these meetings was 100%, it is not necessary to list the attendees at the individual meetings. The members of the Executive Board participated in the Supervisory Board meetings unless the Chairman of the Supervisory Board determined otherwise. In addition to the regular reported issues (see above), the following matters and projects were discussed:

- **March 24, 2021** – Meeting to approve the 2020 financial statements (including further topics such as sale of Medios Analytics GmbH and mediosconnect business model)
- **June 10, 2021** – Personnel (onboarding of Dr. Nestler and new CFO); setting up of committees (Audit Committee, Compensation and Nomination Committee)
- **October 12, 2021** – Integration of Cranach Pharma; setting up of Group audit; business distribution plan
- **December 16, 2021** – Status quo ERP system, status quo integration of Cranach Pharma; 2022 budget and medium-term planning; M&A

In addition, the members of the Supervisory Board maintained regular contact and communicated by phone or in writing, both with each other and with the Executive Board.

### The work of the Supervisory Board Committees

Two committees were set up in June 2021. In the reporting period, each of these committees met in full once (in each case the inaugural meeting), with further consultation taking place via commonly used means of communication. No resolutions were passed, as the rules of procedure do not grant any such authority to the committees. Therefore, the committees prepared resolutions and topics to be discussed in the full sessions of the Supervisory Board. The Audit Committee focused first and foremost on the preparation of the audit of the 2021 annual financial statements; it also monitored the 2021 half-year report and the quarterly report for the period to September 30, 2021. In connection with the preparation of the audit of the annual financial statements, the Audit Committee regularly communicated with the auditors without the presence of the Executive Board, discussing focal points of the audit among other things. The work of the Compensation and Nomination Committee centered around the appointment of the new CFO. The committee chairs reported on the work of the committees to the Supervisory Board at the subsequent meetings. All Supervisory Board members attended training events together.

## Strategy

In close consultation with the Supervisory Board, the Executive Board once again steered the company's strategic direction toward dynamic growth and M&A in 2021. After examining them thoroughly and consulting on them, the Supervisory Board approved the proposed resolutions of the Executive Board. Additionally, the Chairman of the Supervisory Board was in regular contact with the Executive Board, especially the Chairman of the Executive Board, and was briefed on current business developments and key transactions.

## Personnel

Following the departure of Manfred Schneider from the Executive Board, Matthias Gaertner initially carried out the duties of CEO and CFO. Falk Neukirch was appointed CFO in August 2021; since then, Matthias Gaertner has been concentrating on the role of CEO. At the same time, the tenures of Mi-Young Miehler and Christoph Prußeit were extended early. At the current time, the members of the company's Executive Board are Mr. Matthias Gaertner, Mr. Falk Neukirch, Ms. Mi-Young Miehler and Mr. Christoph Prußeit.

Pursuant to Section 8 Para. 1 of the Articles of Association of Medios AG, the Supervisory Board now consists of four members. Currently, the members of the Supervisory Board are Dr. Yann Samson (Chairman), Joachim Messner (Deputy Chairman), Dr. Anke Nestler and Klaus Buß. This enabled the formation of committees within the meaning of Sect. 107 (3) of the German Stock Corporation Act (AktG) (Audit Committee; Nomination and Compensation Committee).

## Rules of procedure

Upon their formation, the newly constituted Audit Committee and the newly constituted Nomination and Compensation Committee set their own rules of procedure; these are so-called non-decision-making committees.

## Self-evaluation

In 2021, the Supervisory Board contracted an external consultant to carry out a self-evaluation. This came to the conclusion that the Supervisory Board performs its duties in an efficient manner; where the standardization of individual processes was suggested (training), this is currently being implemented.

## Conflicts of interest

The member of the Supervisory Board Joachim Messner holds 6,142 shares in Medios AG and serves as a legal counsel to the Medios Group. Therefore, conflicts of interest between his duties as a Supervisory Board member and his interests as a shareholder and advisor to the company cannot be ruled out. Nevertheless, the Supervisory Board considers itself to have always had an appropriate number of impartial members in the reporting period in the sense of the German Corporate Governance Code.

## Audit of the annual and consolidated financial statements 2021

The auditor issued an unqualified opinion for the annual financial statements, consolidated financial statements, condensed management report of Medios AG and the Medios Group, as well as the report on the relations of the company with affiliated enterprises (all for the 2021 financial year). Furthermore, the auditor determined that the Executive Board has set up an adequate information and monitoring system, the structure and administration of which are a suitable means of identifying developments that might jeopardize the continued existence of the company in good time. Following a thorough internal inspection, the Supervisory Board unanimously agreed to the outcome of the audit by the auditor. No exceptions were taken; this also applies to the Corporate Governance Statement, even in so far as it is not set to be examined by the auditor. The annual financial statements of Medios AG were then adopted, and the consolidated financial statements approved.

## Auditor

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft with registered office in Düsseldorf ("BakerTilly") has been the auditor for Medios AG and the Medios Group since the 2013 financial year. The auditors Klaus Biersack (since the 2013 financial year) and Andreas Weissinger (since the 2020 financial year) sign their names as auditors. The auditors were appointed in line with the vote by the annual general meeting and in accordance with the statutory regulations, in which regard the Supervisory Board sets detailed specifications with regard to the particularities of the audit of the annual financial statements, the focal points of the audit, and the collaboration between the auditors and the company.

## Submitted documents

The Executive Board of the company punctually submitted to the Supervisory Board the annual financial statements which had been prepared in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG), the consolidated financial statements which had been prepared in accordance with the International Financial Reporting Standards (IFRS), including the condensed management report of the Medios Group and of Medios AG, as well as the proposed appropriation of net retained profit (retained earnings brought forward) for the 2021 financial

year. The audit reports were also submitted in good time by BakerTilly with unqualified audit opinions added. As a result, Medios AG is considered to have adhered to the rules of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and the International Financial Reporting Standards, respectively, as adopted by the European Union.

### Report on relations with affiliated enterprises

Medios AG was not required to prepare a report on relations with affiliated enterprises for the financial year 2021 in accordance with Section 312 of the German Stock Corporation Act (AktG).

### Monitoring system

Additionally, the auditor conducted a thorough audit of the early risk detection system set up by the Executive Board in accordance with Section 91 Para. 2 AktG and confirmed that the system meets its requirements.

### Extensive discussion, accounts review meeting, and adoption of the annual financial statements

The documents of the annual financial statements, including the report on relations with affiliated enterprises and the audit reports, were first discussed in detail by the Supervisory Board and then in the presence of the auditor in the accounts review meeting held by the Supervisory Board on March 28, 2022. As the necessary documents were submitted in good time prior to these meetings, it was possible to examine and audit the aforementioned documents thoroughly. At the accounts review meeting, the auditor reported on the scope, nature, focal points, and key outcomes of the audit in particular, addressing the key audit matters and the audit procedures undertaken in particular detail. No reports were submitted regarding key weaknesses of the internal control system and of the risk management system. The auditor then took questions from the Supervisory Board in order to provide supplementary information. This was followed by a conclusive, thorough discussion of the annual financial statements, the consolidated financial statements, and the condensed management report. The Supervisory Board had no objections. The Supervisory Board then agreed to the outcome of the audit conducted by the auditor, as no exceptions were raised following completion of its own review. Likewise, the Supervisory Board also agrees with the Executive Board's evaluation of the position of the company and of the Group (as presented in the condensed management report) and has approved that report too. The Supervisory Board then adopted the annual financial statements of Medios AG and approved the consolidated financial statements.

### Retained earnings brought forward

The Supervisory Board accepted the proposal of the Executive Board to carry forward the net retained profit (retained earnings brought forward). The Supervisory Board expressly

agrees with the dividend policy of the Executive Board to continue investing in dynamic growth and not pay a dividend.

### Compliance and corporate governance

The Executive and Supervisory Boards firmly believe that complete compliance and excellent corporate governance are the key pillars of sustainable economic success. The Supervisory Board complies with the applicable compliance regulations and ensures that the members of the Executive Board also fulfill their compliance duties. The Supervisory Board also welcomes the fact that the Executive Board has gone beyond its legal obligations and set further internal standards which are guided by trust, respect, integrity, and responsibility. For more information on corporate governance, please refer to the relevant section in the Corporate Governance Statement (<https://medios.ag/en/investor-relations/corporate-governance>) as well as the declaration regarding the recommendations of the German Corporate Governance Code as required by Section 161 AktG and adopted by the Supervisory Board and Executive Board most recently in March 2022, which is also presented in the Corporate Governance Statement. The Medios AG Code of Conduct has been published on the company's website (<https://medios.ag/en/investor-relations/corporate-governance>).

### Compliance and risk management

As compliance and risk management are continuously adapted based on the dynamic growth of the Medios Group, the Executive Board and Supervisory Board established more compliance and risk management processes in 2021.

### Annual general meeting

The annual general meeting took place on June 10, 2021. In this meeting, the actions of all the members of the Supervisory Board and Executive Board were officially approved by the annual general meeting.

### Dedications

The employees' willingness to excel, coupled with their passion for the company, formed the basis for the fact that excellent performance was once again witnessed at all levels in 2021. The Supervisory Board thanks all employees for their dedication and hard work. Equal thanks go to the members of the Executive Board for the constructive working relationship, their tireless dedication and their first-rate work. Finally, the Supervisory Board thanks the shareholders of the Medios Group, especially for the trust placed in the company.

March 28, 2022

For the Supervisory Board

**Dr. Yann Samson**

Chairman of the Supervisory Board

## Corporate Governance

|                                                                                                                                                                              |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) of Medios AG, Hamburg (unaudited* part of the Group management report) | 51 |
| Explanatory report pursuant to sections 289a and 315a of the German Commercial Code (HGB)                                                                                    | 57 |
| Remuneration report                                                                                                                                                          | 61 |

# Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB) of Medios AG, Hamburg (unaudited\* part of the Group management report)

In accordance with Principle 22 of the German Corporate Governance Code (DCGK), Medios AG views the annual Corporate Governance Statement pursuant to Section 289f Para. 1 Sent. 2 and Section 315d HGB as the primary instrument of corporate governance reporting. It is therefore condensed with the Corporate Governance Report and submitted for Medios AG and the Group. The Executive Board and Supervisory Board submit the Corporate Governance Statement together and are each responsible for the sections of the report that apply to them. The full Corporate Governance Statement is also available on the company's website at <https://medios.ag/en/investor-relations/corporate-governance>. Pursuant to Section 317 Para. 2 Sent. 6 HGB, the auditor's review of the statements pursuant to Section 289f Para. 2 and 5 and Section 315d HGB is limited to determining whether such statements have been provided.

## Compliance Statement

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Executive and Supervisory Boards of Medios AG ("the company") declare the following:

"Since the previous Compliance Statement, issued in March 2021, Medios AG has complied with all recommendations of the Government Commission on the German Corporate Governance Code in the version dated December 16, 2019 ("DCGK 2019") – as published in the official section of the German Federal Gazette by the Federal Ministry of Justice and Consumer Protection on March 20, 2020 – with the following exceptions:

**Recommendation B.5 of the Code: An age limit shall be specified for members of the Executive Board and disclosed in the Corporate Governance Statement.**

The Executive and Supervisory Boards take the view that a general age limit for Members of the Executive and Supervisory Boards does not represent an objective criterion in terms of searching for/excluding members of these bodies. Instead, the selection criteria are the necessary expertise/skills and specialist experience. A more detailed explanation and a disclosure in the Corporate Governance Statement may therefore be dispensed with.

**Recommendation C.1 of the Code: The Supervisory Board shall determine specific objectives regarding its composition, and shall prepare a profile of skills and ex-**

**pertise for the entire Board while taking the principle of diversity into account. Proposals by the Supervisory Board to the General Meeting shall take these objectives into account, while simultaneously aiming at fulfilling the overall profile of required skills and expertise of the Supervisory Board. The implementation status shall be published in the Corporate Governance Statement. This statement shall also provide information about what the shareholder representatives on the Supervisory Board regard as the appropriate number of independent Supervisory Board members representing shareholders, and the names of these members.**

**Recommendation C.2 of the Code: An age limit shall be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement.**

In order to properly perform its statutory duties, the Supervisory Board will continue to be guided chiefly by the expertise, skills and, experience of potential candidates in respect of its nominations for election. In particular, the company is of the opinion that reaching an age limit will not allow conclusions to be drawn on the expertise of a Member of the Supervisory Board. Nevertheless, the Supervisory Board pays due attention to diversity. However, the Supervisory Board regards the prior setting of a target quota of women on the Supervisory Board that goes beyond the statutory quota pursuant to Section 111 (5) AktG in the form of specific targets or quotas as neither necessary nor appropriate, as this would reduce the overall selection of suitable candidates for a Supervisory Board comprising just four members. As a consequence, the Corporate Governance Statement does not include a report on the setting of any such targets. Currently, women account for 25% of the Supervisory Board.

Berlin, March 25, 2022

**Medios AG**

*Executive and Supervisory Boards"*

\* The sections marked with the word „unaudited“ were not reviewed by the auditor.

## Additional information on corporate governance

### Corporate governance practices

Medios AG management and control bodies subscribe to the principles of good and responsible corporate governance. Firmly anchored in the Group-wide management and monitoring structures, the compliance program is part of our management culture.

### Partnership intelligence (guiding principle)

Our business management and operations are based on a whole host of laws and regulations. For us, compliance with legal, social, and environmental regulations and standards is a matter of course. To ensure this throughout the company, our employees regularly undergo training on all important compliance issues. In addition to compliance with the aforementioned regulations and standards, entrepreneurship at the Medios Group is also shaped by values that go far beyond them, including commitment, trust, speed, and tolerance. Medios employees treat each other and third parties fairly, transparently, and reliably.

### Code of Conduct and UN Global Compact

The ethos of Medios AG is firmly embedded within compliance in the form of a Code of Conduct. From the Executive and Supervisory Boards to the management and employees, the entire Group is subject to this Code of Conduct. Furthermore, it also sets out requirements for suppliers. After all, we expect our business partners to observe applicable laws, regulations, industry guidelines, and contractual terms, respect human rights, and maintain high sustainability standards. On the basis of this belief, the Medios Group is also committed to the corporate responsibility initiative of the UN Global Compact and its principles in the areas of human rights, labor, the environment, and the fight against corruption.

### Compliance and risk management

Responsible management of business risks is one of the principles of good corporate governance. The Executive Board regularly informs the Supervisory Board of existing risks and their development. The company maintains appropriate risk management and control. More information on risk management at Medios AG is available in the annual report (management report) under the items "Risk, opportunity and forecast report" and "Risk reporting on the use of financial instruments."

The annual financial statement and management report are prepared by the Executive Board, reviewed by the auditor, and adopted by the Supervisory Board. In the upstream process, an integrated approach to risk management, inspired by the two lines of defense, is pursued.

- **Level 1** – Risks initially occur in the operating units. Various forms of support (e.g., work instructions and internal guidelines) and controls are in place to prevent risks from materializing here. Compliance officers are also appointed at all Group levels. The Medios compliance management system pursues the methodical approach of "Prevent – Detect – Respond." Compliance risk assessments are regularly conducted in the units to identify compliance risks and continuously improve the Group-wide compliance management system.
- **Level 2** – Risk monitoring is carried out within the corresponding departments in which risks may be detected. All employees undergo training to ensure that every circumstance relevant to accounting is fully and correctly documented and passed on. The accounts and associated documents must also fully and accurately reflect all business transactions, just as the balance sheet items must correspond to the generally accepted accounting principles and thus be correct.

Corporate governance, compliance management, and risk management all work closely together. The entire compliance program is continuously assessed to identify any areas requiring adjustment in line with current legal and social developments, and is optimized and further developed accordingly. Any violations of applicable laws or internal guidelines are appropriately sanctioned. If necessary, the corresponding corrective and preventive measures are taken to avoid similar incidents in the future.

### Training

Training is part of the Medios compliance program. A new e-learning concept was developed in 2021. This will be rolled out in 2022, starting with the modules "Compliance in General," "Code of Conduct," and "Gifts and Invitations."

### Whistleblowing system

To ensure compliance with laws and ethical standards, both our employees and external persons have the opportunity to share any concerns they may have about unlawful behavior of any kind at the company or behavior that violates internationally recognized conventions.

## Avoiding conflicts of interest

Members of the Executive Board and Supervisory Board are also obliged to disclose any conflicts of interest to the Supervisory Board without delay. Significant transactions between the company and Members of the Executive Board or related parties require the approval of the Supervisory Board. Consultant agreements and other service or work agreements between the company and Members of the Supervisory Board also require the approval of the Supervisory Board. The Supervisory Board reports to the annual general meeting on any conflicts of interest and how they are being addressed. In the reporting year, there were no conflicts of interest for Members of the Executive Board or Supervisory Board.

## Ban on insider trading

Medios AG is subject to a system for compliance with the ban on insider trading ("Article 14 of the Market Abuse Regulation [MAR]"). All employees are informed of the rules governing compliance with laws on insider trading and the rules on avoiding conflicts of interest. Furthermore, there is a communication and ad hoc committee that examines the ad hoc and insider relevance of information, thereby ensuring legal compliance. In addition to this highly specialized MAR team, there is also a general compliance management system at all levels, which is described above along with the whistleblowing system. An Insider Compliance Officer has also been appointed.

## Transparency

Through its investor relations work, Medios informs capital market participants and the general public about the company's economic situation, business developments, finances and earnings, and new information on a quarterly basis in accordance with legal provisions. Medios also publishes notifications pursuant to the German Securities Trading Act (WpHG) and the Market Abuse Regulation (MAR), analyst presentations, press releases, and the annual financial calendar on the investor relations website. The annual financial report and separate financial statement pursuant to HGB, the midyear financial report, and quarterly reports are published within the prescribed periods and publicly announced in advance. Notifications regarding Medios AG voting rights are also reported in the 2021 Annual Report. Medios AG maintains insider lists in accordance with Article 18 MAR. The persons concerned are informed of their legal obligations and sanctions. Information for shareholders that goes beyond statutory publication obligations can be found on the company's website ([www.medios.ag](http://www.medios.ag)).

## Corporate governance

Medios AG regularly verifies compliance with the recommendations and suggestions of the German Corporate Governance Code. Consistent compliance with legal, social, and environmental laws and standards as well as ethical principles also forms the foundation of the Medios Group's corporate culture. Internal business ethics guide decision-making processes and all actions at every level of the company. This includes treating customers, suppliers, and employees with respect, actively avoiding conflicts of interest, preventing and actively sanctioning corruption, handling information and personal data with care, exercising discretion when it comes to company and business information, rejecting all forms of discrimination, and promoting eco-friendly operations.

## Multiple-eyes principle

Medios promotes a strong sense of personal responsibility among its employees and relies on the principle of multiple eyes. When it comes to high-risk decisions, employees need to assess whether it is appropriate to involve other employees. This mix of competencies minimizes the risk of mistakes and potential abuse. For many constellations, internal guidelines also call for decisions of considerable legal, economic, or actual significance to be made by at least two people.

## Sustainability

Medios AG and its subsidiaries assume corporate social responsibility, which applies to work safety, employee satisfaction, energy efficiency, and minimum standards in the supply chain. Responsibility toward all stakeholders is the cornerstone of Medios AG's corporate philosophy. The purpose of the company itself is to promote the well-being of people by means of high-quality, widespread pharmaceutical care. In its operations, the company uses energy and resources such as water and natural raw materials as sparingly as possible. Whenever and wherever there is the potential to do so, resource-saving procedures are optimized. The voluntary sustainability report, which is included with the 2021 Annual Report as part of the "2021 Nonfinancial Consolidated Statement," contains further information on the topic of sustainability.

The company also voluntarily prepares a "nonfinancial consolidated statement" within the meaning of the German Commercial Code (HGB) in order to comply with the German Corporate Social Responsibility (CSR) Guideline Implementation Act. In this statement, Medios reports on sustainability-related issues. The company also aims to generate sustainable shareholder value by integrating good corporate governance, social responsibility, and a commitment to protecting the environment into the core business activities of the Medios Group.

## Executive and Supervisory Boards

The German dual management system serves as a foundation for how our company's Executive Board and Supervisory Board operate. The Executive Board manages the company under its own responsibility, with the Members of the Executive Board sharing responsibility for company management; the Chairman of the Executive Board coordinates the work of the Members of the Executive Board. The Supervisory Board appoints, monitors, and advises the Executive Board – and is directly involved when decisions of fundamental significance for the company need to be taken. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board. Another (third) company body is the annual general meeting consisting of shareholders (i.e., company owners).

## Shareholders and annual general meeting

Shareholders exercise their rights at the company's annual general meeting, which usually takes place in the first eight months of the financial year. If required for the welfare of the company, extra meetings can be convened. The Chairman of the Supervisory Board or another Member of the Supervisory Board usually chairs the annual general meeting. The annual general meeting decides on all activities assigned by law. Every share represents one voice in the annual general meeting.

All of the documents essential for exercising shareholder rights as well as resolution subjects and documentation are made available to the shareholders in good time and are easily accessible on our website. A proxy representative is appointed for shareholders for the annual general meeting and can be commissioned by shareholders to exercise the voting right, subject to instruction. The presentation on the report of the Chairman of the Executive Board to the annual general meeting is published online at the same time. After the annual general meeting, the list of attendees and the voting results of individual items on the agenda are published on our website.

## Supervisory Board

The Supervisory Board consists of four Members who are elected by the annual general meeting; at the annual general meeting on June 10, 2021, Dr. Anke Nestler was elected as an additional Member of the Supervisory Board. The Chairman of the Supervisory Board is elected by the Members. In addition to appointing Members of the Executive Board, the Supervisory Board also supervises the Executive Board and offers advice on company management. Significant decisions made by the Executive Board require the approval of the Supervisory Board. The Supervisory Board convenes on a regular basis and reports on the scope of its work in a report to the annual general meeting. Other key duties of the Supervisory Board include:

- Reviewing and approving the annual and consolidated financial statements, including the (consolidated) management report

- Reviewing the proposal for the appropriation of net profit
- Submitting proposed resolutions on all items of the agenda (annual general meeting)
- Reviewing the “nonfinancial consolidated statement” (the CSR statement)

All of the Members of the Supervisory Board are familiar with the sector in which the company operates. All four members possess expertise in the field of accounting; Dr. Samson, Mr. Buß, and Dr. Nestler also possess expertise in the area of auditing. Dr. Nestler is also the Chair of the Audit Committee.

## Committees

The Supervisory Board has formed two so-called non-resolutions committees (the Audit Committee and the Compensation and Nomination Committee). The members of the Audit Committee are Dr. Anke Nestler and Mr. Klaus J. Buß; Chair of the Audit Committee is Dr. Nestler. The members of the Compensation and Nomination Committee are Dr. Yann Samson and Joachim Messner; the Chairman of the Committee is Dr. Samson.

- The **Audit Committee** focuses on auditing the company accounts and monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the annual financial statements, and compliance.
- The **Compensation and Nomination Committee** nominates suitable candidates to the Supervisory Board to be put forward at the annual general meeting for election to the Supervisory Board. It also submits to the Supervisory Board proposals on the setting of compensation for individual Executive Board Members, on the compensation system (including the provisions of Sect. 87 Para. 2 AktG), and on the regular review thereof so that these proposals can be put to the vote. The Compensation and Nomination Committee also prepares personnel decisions taken by the Supervisory Board; in particular, it submits proposals on the appointment of Executive Board Members and the termination of their tenures.

The Supervisory Board does not form resolution-issuing committees due to the company's size. The two committees may only issue recommendations.

## Executive Board

The Executive Board manages the company under its own responsibility. The company's Executive Board comprised four Members as of December 31, 2021, with Mr. Falk Neukirch appointed as CFO during the reporting period. The Executive Board regularly and comprehensively informs the Supervisory Board of all relevant matters related to company development, planning, financing, strategy, and the business situation in good time. Further information on the composition of Members and distribution of activities of the bodies can be found in the notes to the 2021 Annual Report under number 38.

## Working practices/collaboration between the Executive Board and Supervisory Board

At Medios AG, the Executive Board and Supervisory Board work closely together for the welfare of the company. With the support of the Supervisory Board, the Executive Board also coordinates the company's strategic focus and, at regular intervals, determines the status of strategy implementation. For more specifically defined transactions of great significance, the Supervisory Board has the right of veto in the Executive Board's rules of procedure. Even between Supervisory Board meetings, the Chairman of the Supervisory Board maintains regular contact with the Executive Board and, in particular, the Chairman of the Executive Board, and discusses with him issues related to strategy, planning, business development, the risk situation, risk management, and company compliance. The Chairman of the Executive Board immediately informs the Chairman of the Supervisory Board of key events that are important for assessing the situation and developments and managing the company.

## Impartiality, diversity concept, and age and term limits for the Supervisory Board

The aim of the Supervisory Board is to have at least two Members who are impartial. Based on the Supervisory Board's assessment, all of its current Members are impartial in accordance with the German Corporate Governance Code (DCGK). Concrete targets for the composition of the Supervisory Board have not yet been defined. However, there is an expertise profile, as the Supervisory Board is of the opinion that its statutory duties can only be properly performed if election proposals are based primarily on the knowledge, skills, and experience of potential candidates. Nonetheless, the Supervisory Board will pay closer attention to diversity in the future. The company is therefore of the opinion that reaching a term or age limit will not allow conclusions to be drawn on the expertise of a Member of the Supervisory Board. The length of time each Member of the Supervisory Board has served is published on the company's website at <https://medios.ag/en/investor-relations/corporate-governance>.

## Supervisory Board expertise profile

The expertise profile of the Medios AG Supervisory Board requires that all Members of the Supervisory Board are familiar with the sector in which the company operates and that the following knowledge, skills, and specialized experience be represented by at least one Member of the Supervisory Board, so that it covers all the necessary areas of expertise as a full board:

- Industry, management, and board expertise
- HR expertise
- Regulatory expertise
- Accounting expertise.

## Self-assessment of the Supervisory Board

In the second half of 2021, the Supervisory Board carried out a so-called self-assessment pursuant to the transparency recommendations of the German Corporate Governance Code (CCGK). The self-assessment, carried out by an external consultant, came to the conclusion that sessions are organized and held efficiently and that information flows seamlessly between the Executive and Supervisory Boards. In a questionnaire and one-on-one interviews, all Members of the Supervisory Board described collaboration with each other and with the Executive Board as professional, constructive, and based on a high degree of trust and openness. The conclusion was also reached that there is no need for fundamental change. Thus far, the Supervisory Board has largely participated in training and professional development individually and based on circumstances (changes to the law, onboarding, etc.). During the self-assessment itself, additional regular training and development programs were introduced; analysis of the self-assessment has identified that certain internal processes, such as "long-term review of own decisions," should be further standardized.

## Diversity concept for the composition of the Executive Board and long-term succession planning

At its meeting on June 27, 2017, the Supervisory Board appointed Ms. Mi-Young Miehler to the Executive Board and as Chief Operating Officer (COO). A decision was made at the same meeting that at least one woman must be represented on the Executive Board in the future. This target has been consistently met ever since.

The Supervisory Board strives for continuity in the Executive Board and, as part of its HR and succession planning, maintains close contact with the Executive Board. In respect of new appointments in Executive Board matters, the long-standing practice is to keep a list of internal solutions and update this list on an ongoing basis, with external candidates considered additionally. The Executive Board is responsible for succession planning for executives below Executive Board level. Close cooperation is maintained on HR matters, including emergency, medium-term, and long-term scenarios. A requirements profile has been developed for internal and external candidates, with a focus on different criteria:

- Personal suitability
- Integrity
- Impressive management qualities
- Special qualifications for the department in question
- Past achievements
- Knowledge of the company.

## Remuneration

Remuneration of the Members of the Executive Board and Supervisory Board is set out in the remuneration report available at <https://medios.ag/en/investor-relations/corporate-governance>, as well as in the 2021 Annual Report "Remuneration Report" in the Corporate Governance chapter.

## Additional information pursuant to Section 289f Para. 2 HGB

### Diversity concept below the Executive Board and Supervisory Board

The Medios AG diversity concept is based on two key factors. The company operates in an industry that is traditionally characterized by a high proportion of women at most levels. Women therefore enjoy above-average representation at Medios AG, too, compared with many other industries, meaning that our diversity concept already goes beyond statutory regulations. Moreover, it is worth mentioning that Medios operates in a highly specialized industry and strives to retain the best employees at all levels over the long term. For this reason, the Supervisory Board elects Members of the Executive Board solely on the basis of their qualifications, education, and professional experience – disregarding gender, nationality, and age. The Executive Board fills the two lower management levels based on those same principles. Members of the Medios AG Supervisory Board were also elected solely on the basis of their qualifications, impartiality, education, and professional experience – disregarding gender, nationality, and age.

The focus of the diversity concept is therefore the proportion of women on the Executive Board and in the two lower management levels, as well as education and professional experience. At Medios AG, the criterion of "professional experience" includes special knowledge of the markets that are important to Medios. The Supervisory Board will consider other diversity criteria if it deems them to be appropriate and expedient. In the 2021 financial year, the Supervisory Board met the aforementioned criteria with the exception of the quota of women for the supervisory body. More information on the proportion of women can be found in the next section.

### Target women's quotas for both management levels below the Executive Board

On August 28, 2017, the Executive Board made the decision that the proportion of women at both management levels below the Executive Board should not fall below 30% in the future. This target has also been met consistently since then.

Berlin, March 25, 2022

#### signed on behalf of the Executive Board:

**Matthias Gaertner**

Chairman of the Executive Board

#### signed on behalf of the Supervisory Board:

**Dr. Yann Samson**

Chairman of the Supervisory Board

# Explanatory report pursuant to sections 289a and 315a of the German Commercial Code (HGB)

## 1. Composition of subscribed capital

As of December 31, 2021, the subscribed capital stood at €22,881,490.00, divided into 22,881,490 no-par-value bearer shares with a nominal value of €1.00 per share. The shares are fully paid in. All shares carry the same rights and obligations. In particular, shareholders' rights and obligations are based on the provisions of the German Stock Corporation Act (AktG), especially Sections 12, 53a et seq., 118 et seq., and 186 AktG.

## 2. Restrictions relating to voting rights or the transfer of shares

Each share represents one vote in the annual general meeting and determines the shareholders' share of company profits. This does not apply to treasury shares held by the company, which do not entitle the company to any rights. In the circumstances governed by Section 136 AktG, the voting rights arising from the shares concerned are excluded by law. 924,233 new shares arising from an equity offering for contributions in kind entered into the commercial register on January 18, 2022, are subject to a lock-up period of either 12 months (50%) or 24 months (50%), but are already included in full in trading on the stock exchange. As part of an equity offering for cash contributions successfully conducted in December 2021, a further 590,000 shares were placed by means of an upsize option. These 590,000 new shares were created from the company's 2017 Conditional Capital and formed part of the 2017 Share Option Plan, which allowed Executive Board Members and other executives to exercise subscription rights during specific and limited time frames. The Executive Board Members and another executive who exercised the option also agreed, however, to a lock-up period of 360 days with standard market exceptions. The Executive Board of Medios AG is not aware of any other restrictions relating to voting rights or the transfer of shares.

## 3. 10 % der Stimmrechte überschreitende 10% of voting rights

### Mandatory disclosures (direct and indirect equity holdings > 10%)

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), Manfred Schneider informed Medios AG on December 7, 2021 (notification published on December 8, 2021), that his share of voting rights in Medios AG totaled 19.40% (4,325,454 voting rights) on December 6, 2021. Of these voting rights, 19.40% (4,325,454 voting rights) is attributable to him pursuant to Section 34 WpHG. Names of shareholders with 3% or more of voting rights from which voting rights are attributed to the party obliged to notify pur-

suant to Sect. 34 WpHG: Tangaroa GmbH & Co. KG, Tangaroa Management GmbH.

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), Martin Hesse informed Medios AG on January 21, 2021 (notification published on January 22, 2021), that his share of voting rights in Medios AG totaled 23.16% (4,693,000 voting rights) on January 21, 2021. This notification also applied in respect of BMSH GmbH. Of these voting rights, 20.63% (4,180,000 voting rights) is attributable to him pursuant to Section 34 WpHG. Names of shareholders with 3% or more of voting rights from which voting rights are attributed to the party obliged to notify pursuant to Sect. 34 (1) WpHG: BMSH GmbH.

As of the balance sheet date, Medios AG was not notified of, nor was aware of, any other direct or indirect equity holdings exceeding 10% of voting rights or any changes to the holdings stated above.

### Further disclosures (direct and indirect equity holdings of 3% to 10%)

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), Allianz SE informed Medios AG on December 7, 2021 (notification published on December 8, 2021), that its share of voting rights in Medios AG stood at 3.32% (740,241 voting rights) on December 6, 2021. Of these voting rights, 3.32% (740,241 voting rights) is attributable to it pursuant to Section 34 WpHG. Names of shareholders with 3% or more of voting rights from which voting rights are attributed to the party obliged to notify pursuant to Sect. 34 (1) WpHG: Allianz Lebensversicherungs-Aktiengesellschaft. Other information: all shareholdings included in this notification are managed by Allianz Global Investors GmbH. The shareholdings of Allianz Global Investors GmbH that are subject to mandatory notification are based on a voting rights notification published on July 16, 2020, that remains unaffected by this voting rights notification.

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), Allianz Global Investors GmbH informed Medios AG on July 16, 2020 (notification published on July 17, 2020), that its share of voting rights in Medios AG stood at 5.20% (836,736 voting rights) on July 15, 2020.

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), SEB Investment Management AB informed Medios AG on December 7, 2021 (notification published on December 8, 2021), that its share of voting rights in Medios AG stood at 4.74% (1,056,848 voting rights) on December 6, 2021.

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), Marcel Jo Maschmeyer informed Medios AG on

July 1, 2021 (notification published on July 2, 2021), that his share of voting rights in Medios AG stood at 3.20% (647,700 voting rights) on June 30, 2021. Of these voting rights, 3.14% (635,700 voting rights) is attributable to him pursuant to Section 34 WpHG. Names of shareholders with 3% or more of voting rights from which voting rights are attributed to the party obliged to notify pursuant to Sect. 34 (1) WpHG: Paladin Asset Management Investmentaktiengesellschaft mit Teilgesellschaftsvermögen.

#### Equity holdings notified after the balance sheet date

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), Martin Hesse informed Medios AG on January 19, 2022 (notification published on January 19, 2022), that his share of voting rights in Medios AG totaled 19.71% (4,693,000 voting rights) on January 18, 2022. This notification also applied in respect of BMSH GmbH. Of these voting rights, 19.66% (4,180,000 voting rights) is attributable to him pursuant to Section 34 WpHG. Names of shareholders with 3% or more of voting rights from which voting rights are attributed to the party obliged to notify pursuant to Sect. 34 (1) WpHG: BMSH GmbH.

Pursuant to Section 33 (1) of the German Securities Trading Act (WpHG), Manfred Schneider informed Medios AG on January 18, 2022 (notification published on January 19, 2022), by means of a voluntary notification due to the reaching of a threshold by a subsidiary, that his share of voting rights in Medios AG totaled 18.02% (4,288,734 voting rights) on January 18, 2022. This notification also applied in respect of Tangaroa GmbH & Co. KG and Tangaroa Management GmbH. Of these voting rights, 18.02% (4,288,734 voting rights) is attributable to him pursuant to Section 34 WpHG. Names of shareholders with 3% or more of voting rights from which voting rights are attributed to the party

#### 4. Holders of shares with special rights that confer powers of control

There are still no shares with special rights that confer powers of control.

#### 5. Nature of voting rights control when employees have an equity holding and do not exercise their rights of control directly

There are no employees with an equity holding who do not exercise their rights of control directly. Where Medios AG issues shares as part of an employee stock option program or in the form of share-based employee remuneration, the shares are transferred to the employees directly. Just like other shareholders, the employees to whom shares are credited can exercise their control rights arising from the employee shares in accordance with the law and the provisions of the Articles of Association.

#### 6. Appointment and recall of Executive Board Members, amendments to the articles of association

The applicable legal requirements and provisions of the Articles of Association for the appointment and recall of Members of the Executive Board are Sections 84 and 85 AktG and Section 6 of the Articles of Association. Sections 133 and 179 AktG and Section 19 of the Articles of Association are authoritative in respect of amendments to the Articles of Association.

#### 7. Powers of the Executive Board to issue or repurchase shares

##### Powers of the Executive Board to issue shares

**Authorized capital 2021** – Pursuant to Section 4 (3) of the Articles of Association, the Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the company by up to €8,105,996.00 by June 9, 2026, by issuing up to 8,105,996 new bearer shares without nominal value (no-par-value shares) with a pro rata amount of the share capital of €1.00 per share, in exchange for cash or noncash contributions (Authorized Capital 2021). In the following instances, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the shareholders' subscription right: equity offerings in exchange for contributions in kind; settlement of fractional amounts; Section 186 (3) Sentence 4 AktG; insofar as necessary to grant holders of mandatory convertible bonds, convertible participation rights or option rights a subscription right equivalent to that to which they would be entitled as shareholders following the exercise of their conversion/option right; to grant shares to Members of the Executive Board, corporate governance bodies or employees of the company and/or affiliated companies as part of employee stock option programs; to fulfill a so-called greenshoe option.

**Conditional capital/Share option plan 2017** – Pursuant to Section 4 (4) of the Articles of Association, the share capital of the company is conditionally increased by €10,000 by the issuing of up to 10,000 no-par-value bearer shares (Conditional Capital 2017). The conditional capital increase serves solely to fulfill subscription rights that are granted on the basis of the authorization of the annual general meeting of August 28, 2017, in accordance with agenda item 8. The conditional capital increase will only be carried out insofar as the holders of subscription rights issued as part of the "2017 Share Option Plan" exercise their right to subscribe to shares in the company and insofar as the company does not supply treasury shares to fulfill the options. The new shares shall be entitled to dividends from the start of the financial year for which no resolution on the appropriation of profit has been passed at the time of their issue.

Thus far, Conditional Capital 2017 has been utilized in the amount of 590,000 shares. A further 10,000 options from the 2017 Share Option Plan expired following the departure of the executives concerned and can no longer be exercised.

**Conditional capital/Share option plan 2018** – Pursuant to Section 4 (5) of the Articles of Association, the share capital of the company is conditionally increased by € 300,000.00 by the issuing of up to 300,000 no-par-value bearer shares (Conditional Capital 2018). The conditional capital increase serves solely to fulfill subscription rights that are granted on the basis of the authorization of the annual general meeting of July 13, 2018, in accordance with agenda item 7. The conditional capital increase will only be carried out insofar as the holders of subscription rights issued as part of the “2018 Share Option Plan” exercise their right to subscribe to shares in the company and insofar as the company does not supply treasury shares to fulfill the options. The new shares shall be entitled to dividends from the start of the financial year for which no resolution on the appropriation of profit has been passed at the time of their issue.

Thus far, Conditional Capital 2018 has not been utilized. As of the end of the 2021 financial year, a total 283,000 options can still be exercised from the 2018 Share Option Plan, which was issued in the 2018 and 2019 financial years. Conditional Capital/authorization to issue convertible and option bonds and to exclude the 2019 subscription right – Pursuant to Section 4 (6) of the Articles of Association, the share capital of the company is conditionally increased by €5,825,607.00 by the issuing of up to 5,825,607 no-par-value bearer shares (Conditional Capital 2019). The conditional capital increase will only be carried out by issuing up to 5,825,607 no-par-value bearer shares with a dividend entitlement from the start of the financial year of their issue insofar as the holders/creditors of convertible bonds or warrant options from option bonds issued by Medios AG or a Group company by July 9, 2024, on the basis of the authorization of the Executive Board of the annual general meeting of July 10, 2019, exercise their conversion/option right, satisfy their conversion/option obligation, or shares are tendered and insofar as the rights/obligations are not served in any other way. The new shares shall be issued at conversion/option prices to be determined at the bond/option conditions pursuant to the provisions of the aforementioned authorization resolution. The Executive Board is authorized, with the consent of the Supervisory Board, to set further details of the capital increase and its execution. Thus far, Conditional Capital 2019 has not been utilized.

**Conditional Capital/Share Option Plan 2020** – Pursuant to Section 4 (8) of the Articles of Association, the share capital of the company is conditionally increased by €700,000.00 by the issuing of up to 700,000 no-par-value bearer shares (Conditional Capital 2020/I). The conditional capital increase serves solely to fulfill subscription rights that are granted on the basis of the authorization of the annual general meeting of October 26, 2020, in accordance with agenda item 8. The conditional capital increase will only be carried out insofar as the holders of subscription rights issued as part of the

“2020 Share Option Plan” exercise their right to subscribe to shares in the company and insofar as the company does not supply treasury shares to fulfill the options. The new shares shall be entitled to dividends from the start of the financial year for which no resolution on the appropriation of profit has been passed at the time of their issue. The Supervisory Board is authorized to amend Section 4 of the Articles of Association accordingly to reflect the issue of new shares. This also applies if and insofar as the share options can no longer be served.

Thus far, Conditional Capital 2020 has not been utilized. As of the end of the 2021 financial year, no options have been exercised as part of the 2020 Share Option Plan.

### Powers of the Executive Board to recall shares

The company may only recall treasury shares with the prior authorization of the annual general meeting or in the few cases expressly stipulated in the German Stock Corporation Act (AktG).

**Ordinary annual general meeting 2018** – On July 13, 2018, the annual general meeting authorized the Executive Board to purchase treasury shares in the amount of up to 10% of the share capital at the time the resolution becomes effective or – if the following value is lower – at the time of utilization of the authorization. Together with any other treasury shares acquired by the company, which are held by the company or attributable to it pursuant to Section 71a et seq. AktG, the acquired shares may not exceed 10% of the company's share capital at any time. The acquisition authorization applies until July 12, 2023. At the discretion of the Executive Board, the shares may be acquired via the stock exchange, by means of a public purchase offer aimed at all shareholders, by means of a public offer to treat aimed at the shareholders of the company, or by means of the issue of tender rights to shareholders.

The Executive Board was further authorized to sell treasury shares acquired on the basis of this or a prior authorization, either via the stock exchange or through an offer to all shareholders. In the event of an offer to all shareholders, the subscription right is excluded for any fractional amounts. The Executive Board was further authorized to use treasury shares acquired on the basis of this or a prior authorization for all legally permissible purposes. For example, these include: sale in exchange for noncash contributions, in particular as (partial) consideration in the context of business combinations or to acquire companies, interests in companies or parts thereof, or to acquire other assets (with the shareholders' subscription right excluded in each case); issuance to employees, selected employees in leadership and/or key positions at the company, and to Members of the Executive Board (with the shareholders' subscription right excluded in each case); sale in a form other than via the stock exchange or an offer to the shareholders if, in exchange for cash payment, the shares are sold at a price that is not significantly below the stock market price of the company's shares (insofar as the shareholders' subscription

right is excluded); withdrawal of shares. Where the subscription right is excluded, the use of shares is subject to percentage restrictions. The authorization may be exercised once or multiple times, whether in whole or in part, and individually or collectively as well as by independent companies or companies with a majority holding in the company and on their account or on the account of third parties acting on the account of the company.

Thus far, the Executive Board has not made use of this authorization.

The details of the authorizations, in particular the limits of the option to exclude subscription rights and the conditions for crediting shares, are based on the authorization resolution concerned and Section 4 of the Articles of Association.

#### **8. Material agreements of the company subject to the condition of a change of control following a takeover offer**

No material agreements of the company subject to the condition of a change of control following a takeover offer were entered into.

#### **9. Compensation agreements of the company concluded with Executive Board members or other employees for the event of a takeover offer**

No compensation agreements of the company were concluded with Executive Board Members or other employees for the event of a takeover offer.

# Remuneration report

## I. Remuneration report for the 2021 financial year

This remuneration report outlines the remuneration individually granted and due to serving and former Members of the Executive and Supervisory Boards of Medios AG in the 2021 financial year, i.e., in the period from January 1, 2021 to December 31, 2021. In the process, the report provides a detailed and personalized breakdown of the structure and amount of the individual components of Executive and Supervisory Board remuneration. The remuneration report was prepared jointly by the Executive and Supervisory Boards and is based on the requirements of the German Stock Corporation Act (Sect. 162 AktG) and complies with the recommendations of the German Corporate Governance Code (GCGC 2020). Clear, comprehensive and transparent reporting matters to both the Executive and Supervisory Boards.

This remuneration report will be submitted to the 2022 Medios AG Annual General Meeting for approval.

## II. Executive and Supervisory Board remuneration

### 1. New remuneration system passed by the annual general meeting

Pursuant to Sect. 120 para. 3 of the German Stock Corporation Act (AktG), in the version valid since January 1, 2020 following implementation of the second Shareholder Rights Directive of December 12, 2019, the Annual General meeting of a listed company decides on the approval of the remuneration system for Executive Board Members, as submitted by the Supervisory Board, following each significant change to the system, but at least every four years. It was required that the first resolution be passed by the end of the first Annual General Meeting following December 31, 2020.

With this in mind, the Supervisory Board of Medios AG decided on a remuneration system for Executive Board Members that meets the requirements of ARUG II and – insofar as no exemption was declared pursuant to Sect. 161 AktG – that is based on the recommendations of the 2020 GCGC.

The corporate strategy of the Medios Group is geared toward profitable operations in the specialty-pharma segment and the gain of further market share without generating an excess need for additional working capital. In this regard, considerable importance is attached to responsible corporate governance while simultaneously seizing business opportunities. In respect of the concrete structuring of remuneration, the setting of individual remuneration levels, the selection of key performance indicators and the structuring of payout and allocation conditions, the following principles are pursued/observed:

- Fostering of the long-term and sustainable corporate development of the Medios Group and support for the corporate strategy;
- Compliance with the German Stock Corporation Act and the German Corporate Governance Code;
- Due regard to shareholder interests and the needs of relevant stakeholders;
- Extension to include environmental, social and governance (ESG) criteria in order to foster the sustainable development of the Medios Group;
- Transparent communication of Executive Board remuneration, both internally and externally;
- Synchronization and consistency of internal company goals to level the incentive effect for the Executive Board and top tier of management;
- Inclusion of modern elements and mechanisms in line with the market.

On June 10, 2021, the remuneration system for Executive Board Members was approved by the Annual General Meeting with a majority of 90.97% of represented share capital.

The Supervisory Board will apply this remuneration system, in accordance with statutory requirements, on employment contracts of the company's Executive Board members that have been newly concluded, amended or renewed after two months following initial approval of the remuneration system by the Annual General Meeting (Sec. 87a para. 2 sent. 1 of the German Stock Corporation Act [AktG], sec. 26j, para. 1 sent. 2 of the Introductory Act to the German Stock Corporation Act [EGAktG]).

More detailed information on the new remuneration system can be found on the company's website at <https://medios.ag/investor-relations/corporate-governance>.

### 2. Composition of the Executive Board

In 2021, the Executive Board initially comprised three members and then four members:

- (1) Matthias Gärtner (CEO, Member since 9/14/2015);
- (2) Mi-Young Miehler (COO, Member since 07/01/2017);
- (3) Christoph Prußbeit (CINO, Member since 01/01/2019);
- (4) Falk Neukirch<sup>1</sup> (CFO, Member since 10/01/2021).

<sup>1</sup> Mr. Falk Neukirch was appointed to the Executive Board of Medios AG, effective as of October 1, 2021. The company and Mr. Neukirch concluded a corresponding Executive Board employment contract on July 20, 2021.

### 3. Key remuneration system for serving Executive Board members in the 2021 financial year

The Executive Board employment contracts with the company's serving Executive Board Members were amended and renewed or – in the case of Mr. Neukirch – newly concluded prior to the expiry of the twomonth period following initial approval of the remuneration system by the Annual General Meeting. Therefore, the new remuneration system for Executive Board Members, submitted to the Annual General Meeting for approval of June 10, 2021, is therefore not yet applicable to the Executive Board employment contracts in place in the 2021 financial year.

Insofar as the remuneration report pursuant to Sec. 162 AktG makes reference to the applied and key Executive Board remuneration system, the remuneration system is relevant that applied at the time of conclusion of the Executive Board employment contracts in place in the 2021 financial year (hereinafter referred to as **"the key remuneration system"**).

To simplify understanding, what follows is a brief outline of the key remuneration system in the 2021 financial year. The key remuneration system was implemented in the 2021 financial year pursuant to the terms of each individual Executive Board employment contract.

#### 3.1 Key remuneration system until June 30, 2021

The Executive Board employment contracts with the Executive Board members Mr. Matthias Gärtner, Mr. Christoph Prußeit and Ms. Mi-Young Miehler were amended in the 2021 financial year, effective as of July 1, 2021.

Until June 30, 2021, the remuneration of Executive Board Members comprised the following components:

- (1) Fixed remuneration
- (2) Profit sharing
- (3) Long-term incentive program
- (4) Fringe benefits

#### Fixed remuneration until June 30, 2021

Fixed remuneration constitutes the contractually stipulated basic remuneration. The fixed remuneration of each Executive Board Member is paid in twelve equal installments, with each installment paid by the 28th of each month. If the employment contract is terminated, the fixed remuneration will be paid in full for the month of termination.

#### Aim and relation to corporate strategy

Together with the other remuneration components, fixed remuneration forms the basis for the company's ability to

recruit and maintain the highly qualified Executive Board personnel necessary to develop and implement the corporate strategy. The Executive Board remuneration system is a key element of the direction of the Medios Group and plays a significant role in fostering the business strategy and boosting operational performance, with fixed remuneration supporting sustainable corporate governance. In this regard, fixed remuneration needs to reflect the skills, experience and responsibilities of each individual Executive Board Member.

#### Profit sharing until June 30, 2021

The Executive Board Members Mr. Matthias Gärtner, Ms. Mi-Young Miehler, and Mr. Christoph Prußeit received performance-related (variable) remuneration on the basis of average adjusted EBT ("EBT")<sup>2</sup> under the terms of the employment contracts in place until June 30, 2021.

Each Executive Board Member receives a share of the profit sharing for the entire Executive Board. Profit sharing for the entire Executive Board stands at 20% of the share of EBT that exceeds an EBT margin of 3% of annual revenue. The calculation is to be based on the average of the EBT approved by the Supervisory Board in the annual financial statements of the past three years, with years prior to 2019 not included.

Variable remuneration in the form of profit sharing is limited to 150% of the contractually agreed gross fixed remuneration of each Executive Board Member. The payout amount in each case is due for payment by the last day of the month following the adoption of the annual financial statements for the previous year.

#### Aim and relation to corporate strategy

Profit sharing is intended to motivate the Executive Board Members to achieve demanding and challenging financial, operational and strategic targets during any given financial year. The targets reflect the corporate strategy and are designed to increase the value of the company. The link to EBT means that annual variable remuneration is tied to the achievement of targets for a key performance indicator for the Group in the financial year concerned.

#### Stock options as part of the long-term Incentive Program

The long-term incentive program (LTIP) is a stock option program that provides for the issue of stock options subject to a four-year vesting period.

Within the scope of the stock option plan, Executive Board Members are entitled to options on share in Medios AG. Under the terms of contractual agreements with each Executive Board Member, the Executive Board Member is granted the right to acquire an individually agreed number of no-

<sup>2</sup>) Where reference is made to EBT below, this means EBT adjusted for extraordinary expenses. Extraordinary expenses relate to the items shown in the respective consolidated financial report that are used to reconcile EBT before extraordinary expenses to EBT. For EBT (earnings before taxes) and the annual revenue stated therein, as well as for the term "annual financial statements" chosen, the consolidated financial statements of the Medios Group, prepared and audited in accordance with IFRS, are binding. Definitive are the items "revenue" (= annual revenue) and "earnings before taxes" (EBT) shown in the consolidated statement of total comprehensive income.

parvalue bearer shares in Medios AG at an exercise price set in the respective stock option program following expiry of the relevant vesting period and in the event of attainment of the performance target subject to the provisions of the subscription right agreement. The performance target requires an increase in the share price of the Medios share above its price at the time the options are granted.

The stock options can be granted annually by the Supervisory Board in single or multiple tranches. The stock options may be exercised within an exercise period of seven years, which begins at the end of the vesting period. Exercise of the stock options is contingent on the performance target being met in a period of thirty trading days prior to the end of the vesting period. The performance target is deemed to be met if the closing price of the company's share reaches or exceeds an amount defined in the stock option program on thirty consecutive trading days in XETRA trading (or a comparable successor system on the Frankfurt Stock Exchange).

At the end of each year following the granting of the stock options, 25% of the total options granted to an Executive Board Member will become vested.

Within the scope of the key remuneration system until June 30, 2021, Medios AG had introduced a total of three stock options plans – stock option plans 2017, 2018 and 2019 – with differing criteria for the granting and exercise of the stock options.

- Stock option plan 2017: The exercise price per stock option is €7.00 per share. The performance target for exercising the stock options is a share price of at least €12.00.
- Stock option plan 2018: The exercise price is €7.00 per share. The performance target for exercising the stock options is a share price of at least €23.00.
- Stock option plan 2020: The exercise price per stock option is €29.00. The performance target for exercising the stock options is a share price of at least €50.00.

#### Aim and relation to corporate strategy

The company aims to increase the value of the company and shareholder value on a long-term basis by setting ambitious targets that are closely linked to share price development. By establishing a link to the development of the share price, a correlation is created between Executive Board remuneration and the interests and expectations of shareholders. The four-year vesting period helps to ensure that Executive Board actions in the ongoing financial year are also geared toward the long-term development of the company. It is ensured that variable remuneration under the LTIP – which is based on the achievement of long-term targets – exceeds the share attributable to short-term targets, meaning that the remuneration structure as a whole is geared toward sustainable long-term development. The combination of fixed and variable performance-related remuneration ele-

ments enables sustainable corporate governance while simultaneously promoting a performance culture.

#### Fringe benefits until June 30, 2021

Alongside fixed remuneration and profit sharing, the Executive Board Members also receive the following fringe benefits:

- Reimbursement of travel costs and other reasonable expenses according to the company's applicable guidelines in this area;
- An appropriate company car or, alternatively, a financial settlement according to the company's applicable guidelines in this area;
- A cell phone and
- D&O insurance

All Executive Board Members are ensured against the risk of being sued for financial losses as part of their work through a D&O insurance policy, with the statutory deductible pursuant to the terms of the German Stock Corporation Act (AktG), taken out at the expense of Medios AG. The D&O insurance policy contains a deductible of 10% of the losses up to the amount of one-and-a-half times of the fixed annual remuneration.

#### Aim and relation to corporate strategy

The company aims to create an attractive working environment for the Executive Board Members in order to ensure performance-oriented corporate governance.

### 3.2 Key remuneration system starting July 1, 2021 respectively August 1, 2021

Through amendments to the Executive Board employment contracts already in place in the 2021 financial year for the Executive Board Members Mr. Matthias Gärtner (as of July 1, 2021), Mr. Christoph Prußeit and Ms. Mi-Young Miehler (both as of August 1, 2021), a minor adjustment to the applied remuneration system was performed. For the sake of clarity, it was once again pointed out that the key remuneration system applied did not correspond to the Executive Board remuneration system presented to the Annual General Meeting for approval on June 10, 2021. The new remuneration system will, in accordance with statutory requirements, be applied on employment contracts of the company's Executive Board members that have been newly concluded, amended or renewed after two months following initial approval of the remuneration system by the Annual General Meeting (Sec. 87a para. 2 sent. 1 of the German Stock Corporation Act [AktG], sec. 26j, para. 1 sent. 2 of the Introductory Act to the German Stock Corporation Act [EGAktG]).

The remuneration of Falk Neukirch<sup>3</sup>, the Executive Board Member newly appointed in the 2021 financial year, was, in the 2021 financial year, therefore based solely on the newly applicable key remuneration system starting July 1, 2021.

Since July 1, 2021, the remuneration of the Executive Board Members has comprised the following components:

- (1) Fixed remuneration;
- (2) Remuneration based on annual performance (STI);
- (3) Share options under the LT;
- (4) Performance-related bonus (ESG) and
- (5) Fringe benefits.

### Fixed remuneration

The principles underpinning fixed remuneration did not change in the 2021 financial year. For the purpose of explaining the fixed remuneration component, please refer to the description above.

### Performance based on annual performance (short-term incentive [STI]) since July 1, 2021

As part of the short-term incentive program (STI), the Executive Board Members are eligible for the payment of a bonus if certain ambitious targets, set by the Supervisory Board, are met.

Depending on the extent to which the targets set are achieved, each Executive Board Member can receive an STI amount up to 100% of the fixed remuneration agreed in each case.

| Financial figures                    |                                      |                                     |                                  |
|--------------------------------------|--------------------------------------|-------------------------------------|----------------------------------|
| Inorganic growth                     | Revenue growth                       | EBITDA growth                       | EBITDA margin                    |
| target requirements M&A transactions | percentage increase in group revenue | percentage increase in group EBITDA | target requirements group margin |
| Weighting: 40%                       | Weighting: 20%                       | Weighting: 20%                      | Weighting: 40%                   |

The target attainment criteria are stipulated in the Executive Board employment contract for each Executive Board member.

The specific targets and their calculated share of STI are structured as follows:

- (I) **Inorganic growth:** up to 40% of STI can be achieved in connection with the successful execution of M&A transactions insofar as these meet specific requirements in respect of the ratio of purchase price to EBT and the profitability of the target company.
- (II) **Revenue growth:** a further 20% of STI can be achieved if Group revenue grows year over year by an ambitious percentage rate set by the Supervisory Board.
- (III) **EBITDA growth:** a further 20% of STI can be achieved if Group EBITDA (before extraordinary expenses) grows year over year by an ambitious percentage rate set by the Supervisory Board.

- (IV) **EBITDA margin:** a further 20% of STI can be achieved if the Group EBITDA margin (before extraordinary expenses) grows year over year by an ambitious margin set by the Supervisory Board.

### Aim and Relation to Corporate Strategy

The variable remuneration for Executive Board Members seeks to set the right incentives for the Executive Board to act in accordance with the corporate strategy and stakeholder interests and to sustainably achieve long-term goals.

STI is intended to motivate the Executive Board Members to achieve demanding and challenging financial, operational and strategic targets during any given financial year. The targets reflect the corporate strategy and are designed to increase the value of the company. In particular, the link to EBITDA and revenue growth means that annual variable remuneration is tied to the achievement of targets for key performance indicators for the Group in the financial year concerned.

3) The company and Mr. Falk Neukirch concluded a corresponding Executive Board employment contract on July 20, 2021.

### Stock options as part of the long-term incentive program

The fundamentals of LTIP remuneration did not change over the course of the entire 2021 financial year. Therefore, please refer to the LTIP information above.

### Variable ESG bonus since July 1, 2021

The ESG bonus represents short-term variable (performance-related) remuneration in the form of a bonus with a one-year assessment basis.

Before the start of any given financial year, the Supervisory Board, in consultation with the Executive Board, sets two to four consistent ESG goals for each Executive Board Member. For each of the defined ESG targets, the Supervisory Board sets a target value, a demanding threshold value and an appropriate maximum value.

When setting the ESG targets, the Supervisory Board considers nonfinancial targets from the areas of climate and the environment, social aspects and corporate governance, and technology and innovation. These include, for instance, contributions to global climate protection (CO<sub>2</sub> reduction/ carbon neutrality), recycling, renewable energies, the fostering of diversity and employee satisfaction and occupational health and safety.

When setting ESG targets, the Supervisory Board also determines the weighting between the ESG targets for total target attainment, as well as criteria and methods for assessing attainment of each ESG target. At the same time, a specific amount in euros is set for each Executive Board Member for a total attainment level of 100% of the ESG targets set.

An identical target amount is agreed upon in the employment contract of each Executive Board Member.

After the end of the financial year, the Supervisory Board determines the level of target attainment of each defined ESG target as a percentage for each Executive Board Member. Values between the threshold, target and maximum values are interpolated on a linear basis, and using the target attainment levels for each of the ESG targets, the Supervisory Board then calculates the total target attainment level as an average. Attainment of a defined ESG target under a threshold value of 80% is entered into the calculation with a factor of zero. The payout amount is then calculated by multiplying the target amount by the total target attainment level.

The payout amount of the ESG bonus is capped at 100% of the target amount. As there is no guaranteed minimum target attainment, it may be the case that no amount whatsoever is paid out.

The ESG bonus becomes payable in cash four months after the end of the financial year concerned.

If the employment contract/governing body position only applied for a portion of any given financial year, the total attainment level will be calculated on a pro rata basis, with the ESG bonus also only paid out on a pro rata basis.

### Aim and relation to corporate strategy

Sustainable activities form an integral component of the strategy of both Medios AG and the Medios Group.

The ESG bonus focuses on the contribution made to Medios AG toward achieving stable economic, social and environmental conditions for the generations of today and tomorrow. As a company with a leading position in the area of specialty-pharma, the Medios Group aims to implement an innovative sustainability strategy that matches the innovativeness of its products and services. A remuneration component in the form of an ESG bonus, geared solely towards nonfinancial sustainability targets, helps to ensure that Medios AG lives up to its responsibility as part of society.

### Fringe benefits since July 1, 2021

Alongside fixed remuneration and profit sharing, the Executive Board Members have also received the following fringe benefits since July 1, 2021:

- Reimbursement of travel costs and other reasonable expenses according to the company's applicable guidelines in this area
- An appropriate company car or, alternatively, a financial settlement according to the company's applicable guidelines in this area
- A cell phone
- D&O insurance
- Subsidy toward statutory or private health and care insurance

All Executive Board Members are ensured against the risk of being sued for financial losses as part of their work through a D&O insurance policy, with the statutory deductible pursuant to the terms of the German Stock Corporation Act (AktG), taken out at the expense of Medios AG. The D&O insurance policy contains a deductible of 10% of the losses up to the amount of one-and-a-half times of the fixed annual remuneration.

### Aim and relation to corporate strategy

The company aims to create an attractive working environment for the Executive Board Members in order to ensure performance-oriented corporate governance.

#### 4. Application of the key remuneration system

The key remuneration system was implemented and applied in full in the context of Executive Board remuneration in the 2021 financial year. For the sake of clarity, please note that only the key remuneration system starting July 1, 2021, is applicable to Mr. Falk Neukirch, as Mr. Neukirch was only appointed to the Executive Board of Medios AG as of October 1, 2021.

In particular, no advance payments, loans, sureties, pension commitments or similar payments or benefits were made to Executive Board Members that were not in accordance with the key remuneration system.

#### 5. Individual Executive Board remuneration in 2021 pursuant to Sec. 162 AktG and the application of the performance criteria

##### 5.1 Individually granted remuneration (pursuant to Sec. 314 para. 1 no. 6a of the German Commercial Code [HGB])

The following table shows the fixed and variable remuneration components (and fringe benefits) by relative share according to Sec. 162 AktG that

- have been granted (i.e. actually paid) and
- are owed (i.e. all legally accrued remuneration that became payable in 2021 but that has not yet been paid)

to the current and former Executive Board Members in the 2021 financial year.

For the Executive Board Members Matthias Gärtner, Mi-Young Miehler and Christoph Prußzeit, the remuneration granted and owed in the 2021 financial year comprised the fixed basic remuneration and fringe benefits, as well as variable remuneration in the form of profit sharing and the granting of stock options under LTIP.

| in € (gross)               | Fixed remuneration |         |                 | Variable remuneration |                |
|----------------------------|--------------------|---------|-----------------|-----------------------|----------------|
|                            | Basic salary       | Bonuses | Fringe benefits | One year              | Multiple years |
| Matthias Gärtner           | 280,000            | 4,945   | 10,950          | 0                     | 0              |
| Mi-Young Miehler           | 260,000            | 5,471   | 16,224          | 0                     | 0              |
| Christoph Prußzeit         | 224,842            | 5,514   | 13,327          | 0                     | 0              |
| Falk Neukirch <sup>4</sup> | 240,000            | 5,558   | 12,030          | 0                     | 0              |

4) Mr. Falk Neukirch has been a Member of the Executive Board of Medios AG since October 1, 2021. The remuneration listed for Mr. Neukirch was therefore granted on a pro rata basis for the 2021 financial year.

The amounts that were paid out in the 2021 financial as part of profit sharing are attributable to the 2020 financial year, as the payout amount concerned is due for payment by the last day of the month following adoption of the annual financial statements for the previous year. This means that the existence of a payout entitlement under profit sharing for the 2020 financial year is not verified until the adoption of the annual financial statements for the 2020 financial year at the beginning of 2021.

For the Executive Board Member Mr. Falk Neukirch, who was newly appointed during the course of the 2021 financial year, the remuneration granted and owed in the 2021 financial year comprised the fixed basic remuneration and fringe benefits, as well as variable remuneration through the granting of stock options under LTIP.

In the 2021 financial year, variable remuneration under STI and the ESG bonus was neither granted nor owed to any Executive Board Member. A decision on attainment of targets and performance criteria for the STI and ESG bonus for the 2021 financial year, newly introduced on July 1, 2021, will be taken in conjunction with the adoption of the annual financial statements for the period ending December 31, 2021. This means that any payout amounts under STI and the ESG bonus will not become due and eligible for payment before 2022.

In addition, the relative shares of all fixed and variable remuneration components in total remuneration must be disclosed pursuant to Sec. 162 para. 1 sent. 2 no. 1 AktG. The relative shares disclosed in the following table relate to the remuneration components granted and owed in the financial year concerned pursuant to Sec. 162 para. 1 sent. 1 AktG.

| One-off payments | Pension expenses | Total remuneration | Ratio of fixed to variable remuneration |
|------------------|------------------|--------------------|-----------------------------------------|
| 0                | 0                | 295,895            | Fixed remuneration only                 |
| 0                | 0                | 281,695            | Fixed remuneration only                 |
| 0                | 0                | 243,684            | Fixed remuneration only                 |
| 0                | 0                | 257,588            | Fixed remuneration only                 |

## 5.2 Variable remuneration, target attainment and application of the performance criteria

The performance-related variable remuneration under profit sharing becomes due for payment by the last day of the month following adoption of the annual financial statements for the previous year (see also the explanation above).

Therefore, the following table shows the fulfillment level of the performance criteria agreed for the 2020 financial year in respect of the variable remuneration component “profit sharing” for the 2020 financial year, with the remuneration actually paid out (“granted” within the meaning of sec. 162 AktG) in the 2021 financial year.

| Executive Board  | Performance criteria      | Relative weighting of the performance criterion in % | Information about the performance target |                                                        | a) Target attainment |
|------------------|---------------------------|------------------------------------------------------|------------------------------------------|--------------------------------------------------------|----------------------|
|                  |                           |                                                      | a) Minimum target                        | a) Maximum target                                      | b) Payout amount     |
|                  |                           |                                                      | b) Corresponding remuneration            | b) Corresponding remuneration                          |                      |
| Matthias Gärtner | 3% increase in EBT margin | 100                                                  | a) 3% EBT margin<br>b) €0                | a) Capped at 150% of fixed remuneration<br>b) €360,000 | a) no<br>b) €0       |
| Mi-Young Miehler | 3% increase in EBT margin | 100                                                  | a) 3% EBT margin<br>b) €0                | a) Capped at 150% of fixed remuneration<br>b) €360,000 | a) no<br>b) €0       |
| Christoph Pruß   | 3% increase in EBT margin | 100                                                  | a) 3% EBT margin<br>b) €0                | a) Capped at 150% of fixed remuneration<br>b) €180,000 | a) no<br>b) €0       |
| Falk Neukirch    | n/a                       | n/a                                                  | n/a                                      | n/a                                                    | n/a                  |



The following pages contain a description of how the agreed performance criteria and the targets for the remuneration components “profit sharing,” “short-term incentive,” and “ESG bonus” were applied.

### 5.2.1 Profit sharing

The Executive Board Members Mr. Matthias Gärtner, Ms. Mi-Young Miehler, and Mr. Christoph Prußheit received performance-related (variable) remuneration on the basis of average EBT under the terms of the employment contracts in place until June 30, 2021.

Each Executive Board Member receives a share of the profit sharing for the entire Executive Board. Profit sharing for the entire Executive Board stands at 20% of the share of EBT that exceeds an EBT margin of 3% of annual revenue. The calculation is to be based on the average of the EBT approved by the Supervisory Board in the annual financial statements of the past three years, with years prior to 2019 not included.

Variable remuneration in the form of profit sharing is limited to 150% of the contractually agreed gross fixed remuneration of each Executive Board Member. The payout amount in each case is due for payment by the last day of the month following the adoption of the annual financial statements for the previous year.

In respect of profit sharing for 2020, the years 2020 and 2019 are therefore definitive.

### 5.2.2 Short-term incentive

Depending on the extent to which the targets set are achieved, each Executive Board Member can receive an STI amount up to 100% of the fixed remuneration agreed in each case. In respect of revenue growth, Group EBITDA growth and the Group EBITDA margin, the consolidated statements of the Medios Group, prepared and audited in accordance with IFRS, are definitive. Prior to the start of the relevant financial year, the Supervisory Board sets the four targets/percentages and margins for the STI target areas annually, following consultation with each Executive Board Member, and informs the Executive Board Members accordingly.

The STI payout amount in each case is due for payment by the last day of the month following the adoption of the annual financial statements for the previous year ended. In the 2021 financial year, the Executive Board Members Matthias Gärtner, Mi-Young Miehler, Christoph Prußheit and Falk Neukirch were therefore neither granted nor owed any variable remuneration under STI.

### 5.2.3 ESG bonus

Before the start of any given financial year, the Supervisory Board, in consultation with the Executive Board, sets two to four consistent ESG goals for each Executive Board Member. When setting ESG targets, the Supervisory Board also determines the weighting between the ESG targets for total target attainment, as well as criteria and methods for assessing attainment of each ESG target. At the same time, a specific amount in euros is set for each Executive Board Member for a total attainment level of 100% of the ESG targets set.

### Key conditions for exercising the stock options

| Executive Board    | Stock option plan (SOP) | Term    | Grant date | Vesting date |
|--------------------|-------------------------|---------|------------|--------------|
| Matthias Gärtner   | SOP 2020                | 4 years | 10/31/2021 | 12/31/2024   |
| Mi-Young Miehler   | SOP 2020                | 4 years | 10/31/2021 | 12/31/2024   |
| Christoph Prußheit | SOP 2020                | 4 years | 10/31/2021 | 12/31/2024   |
| Falk Neukirch      | SOP 2020                | 4 years | 10/31/2021 | 12/31/2024   |

The ESG bonus for the 2021 financial year will become payable in cash four months after the end of the 2021 financial year, i.e., in the 2022 financial year. In the 2021 financial year, variable remuneration under the ESG bonus was neither granted nor owed to any of the Executive Board Members.

#### 5.2.4 Variable remuneration under LTI

In the 2021 financial year, the Executive Board Members were granted options to purchase shares in Medios AG under LTIP.

The share options granted in 2021 stem from the first tranche of the 2020 stock option plan. Under the terms of contractual agreements with each Executive Board Member, the Executive Board Member was granted, pursuant to the stock option plan, the right to acquire an individually agreed number of no-par-value bearer shares in Medios AG at an exercise price of €29.00 following expiry of the four-year vesting period and in the event of attainment of the performance target subject to the provisions of the stock option plan.

The stock options may be exercised within an exercise period of seven years, which begins at the end of the vesting period. Exercise of the stock options is contingent on the performance target being met in a period of 30 trading days prior to the end of the vesting period.

The performance target is deemed to be met if the closing price of the company's share reaches or exceeds an amount of €50.00 on 30 consecutive trading days in XETRA trading (or a comparable successor system on the Frankfurt Stock Exchange).

In the 2021 financial year, the Executive Board members were "granted" stock options within the meaning of sec. 162 para. 1 sent. 1 AktG under LTIP, as shown in the following table:

| End of vesting period | Exercise period | Exercise price;<br>performance target<br>in € | No. of stock options |
|-----------------------|-----------------|-----------------------------------------------|----------------------|
| 10/31/2025            | 10/31/2032      | 29 / 50                                       | 40,000               |
| 10/31/2025            | 10/31/2032      | 29 / 50                                       | 40,000               |
| 10/31/2025            | 10/31/2032      | 29 / 50                                       | 40,000               |
| 10/31/2025            | 10/31/2032      | 29 / 50                                       | 40,000               |

### 5.2.5 Stock options in existence in the 2021 financial year

On November 10, 2017, the Executive Board Members Mi-Young Miehler and Matthias Gärtner received 100,000 options each for the subscription of Medios AG shares (purchase options) as part of the stock option plan 2017, approved by the 2017 Annual General Meeting. As part of the stock option program 2017, Christoph Prußheit also received 50,000 options for the subscription of Medios AG shares (purchase options) on November 10, 2017. The exercise price of these options is €7.00. The option rights may be exercised following a vesting period of four years from the date of issue. The performance target is deemed to be met

if the closing price of the company's share reaches or exceeds an amount of €12.00 on 30 consecutive trading days in XETRA trading (or a comparable successor system on the Frankfurt Stock Exchange) prior to the exercise of the rights concerned.

The vesting period for the share options granted therefore expired on November 10, 2021, meaning that the options became exercisable.

The following summary shows the development of additions and disposals to/from the initial stock options in the 2021 financial year:

#### Disclosures on stock options for Medios AG shares pursuant to sec. 162 para. 1 no. 3 AktG

| Executive Board    | Stock options and term | Opening balance<br>as of Jan 1, 2021      | In the 2021 financial year                   |
|--------------------|------------------------|-------------------------------------------|----------------------------------------------|
|                    |                        | No. of share options<br>as of Jan 1, 2021 | granted and pledged<br>(forfeitable) options |
| Matthias Gärtner   | SOP 2017               | 100,000                                   | 0                                            |
|                    | SOP 2018               | 0                                         | 0                                            |
|                    | SOP 2020               | 0                                         | 40,000                                       |
| Mi-Young Miehler   | SOP 2017               | 100,000                                   | 0                                            |
|                    | SOP 2018               | 0                                         | 0                                            |
|                    | SOP 2020               | 0                                         | 40,000                                       |
| Christoph Prußheit | SOP 2017               | 50,000                                    | 0                                            |
|                    | SOP 2018               | 5,000                                     | 0                                            |
|                    | SOP 2020               | 0                                         | 40,000                                       |
| Falk Neukirch      | SOP 2017               | 0                                         | 0                                            |
|                    | SOP 2018               | 0                                         | 0                                            |
|                    | SOP 2020               | 0                                         | 40,000                                       |

| In the 2021 financial year |                   | Closing balance as of Dec 31, 2021 |                                            |
|----------------------------|-------------------|------------------------------------|--------------------------------------------|
| non-forfeitable options    | exercised options | forfeited options                  | No. of share options<br>as of Dec 31, 2021 |
| 100,000                    | 100,000           | 0                                  | 0                                          |
| 0                          | 0                 | 0                                  | 0                                          |
| 10,000                     | 0                 | 0                                  | 40,000                                     |
| 100,000                    | 100,000           | 0                                  | 0                                          |
| 0                          | 0                 | 0                                  | 0                                          |
| 10,000                     | 0                 | 0                                  | 40,000                                     |
| 50,000                     | 50,000            | 0                                  | 0                                          |
| 0                          | 0                 | 0                                  | 0                                          |
| 10,000                     | 0                 | 0                                  | 40,000                                     |
| 0                          | 0                 | 0                                  | 0                                          |
| 0                          | 0                 | 0                                  | 0                                          |
| 10,000                     | 0                 | 0                                  | 40,000                                     |

## 6. Benefits in the 2021 financial year pursuant to the 2017 GCGC

Pursuant to Item 4.2.5, Appendix tables 1 and 2, of the German Corporate Governance Code (GCGC) in the version dated February 7, 2017 ("2017 GCGC"), the following tables shows the "benefits granted" by Medios AG within the meaning of the 2017 GCGC. The recommendations underpinning the disclosure of such tables for the "benefits granted" within the meaning of the 2017 GCGC stopped being applicable with the enactment of the revised GCGC on March 20, 2020.

There is also no obligation under the German Stock Corporation Act in the applicable version of ARUG II (Shareholder Rights Directive) to continue including such information in the remuneration report. In order to provide our shareholders with an improved comparison against information from prior years, however, and to maintain the previously achieved level of transparency, the Executive and Supervisory Boards have decided to voluntarily include the information on "benefits granted" within the meaning of the former version of the GCGC in the remuneration report for the 2021 financial year.

The "benefits granted" within the meaning of the 2017 GCGC are not the same as the "granted and owed remuneration" within the meaning of sec. 162 para. 1 sent. AktG, as described above:

- "Benefits granted" within the meaning of the former version of the GCGC are – irrespective of the date of payment – all remuneration components that have been pledged in principle to an Executive Board Member in the financial year and whose (future) amount can at least be estimated.
- "Granted and owed remuneration" within the meaning of sec. 162 para. 1 sent. 1 AktG, on the other hand, only constitutes remuneration that has factually been paid out in the financial year or remuneration that, as shown in the draft resolution (BT-Drs. 19/9737, page 111), is "due subject to legal categories, but that has not (yet) been paid out."

### 6.1 Granted benefits pursuant to the 2017 GCGC

The table of "granted benefits" pursuant to the 2017 GCGC shows the amounts allocated in the financial year. The stock options granted under LTIP are shown at their fair value at the grant date per date of grant. Pursuant to sec. 162 para. 1 sent. 1, sent. 2, no. 2 AktG, all fixed and variable remuneration components are to be disclosed that were "granted and owed" to individual Executive Board Members in the 2021 financial year. These disclosures mostly correspond to the disclosures reportable as "benefits received" within the meaning of the 2017 GCGC.

| Benefits granted 2021            | Matthias Gärtner |            |            | Mi-Young Miehler |            |            | Christoph Pruß |            |            | Falk Neukirch |           |            |
|----------------------------------|------------------|------------|------------|------------------|------------|------------|----------------|------------|------------|---------------|-----------|------------|
|                                  | 2021             | min        | max        | 2021             | min        | max        | 2021           | min        | max        | 2021          | min       | max        |
| In thousand €                    |                  |            |            |                  |            |            |                |            |            |               |           |            |
| Fixed remuneration               | 280              | 280        | 280        | 260              | 260        | 260        | 225            | 225        | 225        | 60            | 60        | 60         |
| Fringe benefits                  | 11               | 11         | 11         | 16               | 16         | 16         | 13             | 13         | 13         | 3             | 3         | 3          |
| <b>Total</b>                     | <b>291</b>       | <b>291</b> | <b>291</b> | <b>276</b>       | <b>276</b> | <b>276</b> | <b>238</b>     | <b>238</b> | <b>238</b> | <b>63</b>     | <b>63</b> | <b>63</b>  |
| Short-term variable remuneration | 138              | 0          | 170        | 102              | 0          | 125        | 102            | 0          | 125        | 53            | 0         | 65         |
| Long-term variable remuneration  | 0                | 0          | 0          | 0                | 0          | 0          | 0              | 0          | 0          | 0             | 0         | 0          |
| Plan ID (plan term)              | 0                | 0          | 0          | 0                | 0          | 0          | 0              | 0          | 0          | 0             | 0         | 0          |
| <b>Total</b>                     | <b>429</b>       | <b>291</b> | <b>461</b> | <b>378</b>       | <b>276</b> | <b>401</b> | <b>340</b>     | <b>238</b> | <b>363</b> | <b>116</b>    | <b>63</b> | <b>128</b> |
| Service cost                     | 5                | 5          | 5          | 5                | 5          | 5          | 5              | 5          | 5          | 1             | 1         | 1          |
| Total remuneration               | 434              | 296        | 466        | 383              | 281        | 406        | 345            | 243        | 368        | 117           | 64        | 129        |

## 7. Disclosures pursuant to Sec. 162 para. 1 No. 4 AktG and benefits for the event of premature termination of Executive Board employment within the meaning of Sec. 162 para. 2 AktG

### 7.1 Penalties and clawbacks

Under the key remuneration system since July 1, 2021, penalty and clawback provisions have been implemented with the employment contracts of Executive Board Members. This enables the recovery/reduction of already disbursed or not yet disbursed variable remuneration components in certain circumstances. This recovery/reduction option covers all variable remuneration components of Executive Board remuneration, i.e., payments under the ESG bonus as well as under the long-term incentive program and the short-term incentive program.

In the event of a serious and intentional breach of obligation or compliance on the part of an Executive Board Member, the company is entitled to cancel/withhold, whether in full or in part, variable remuneration under the ESG bonus, under the short-term incentive and under the long-term incentive ("penalty") and to impose a forfeit on or demand repayment of variable remuneration components already granted ("claw-back").

(Variable) remuneration under LTIP, STI and the ESG bonus is subject to a penalty/clawback clause applicable in financial years starting on or after January 1, 2022. In the 2021 financial year, no use was made of the option to demand the repayment of variable remuneration components.

### 7.2 Contractual termination and remuneration

In the event of a withdrawal of an appointment, the resignation of an Executive Board Member or other termination of the Executive Board position, the Executive Board employment contract ends at the end of the relevant period stipulated in sec. 622 of the German Civil Code (BGB). In this instance, Medios AG is entitled to put the Executive Board Member concerned on garden leave, relieving them of any further duties, for the remaining term of their employment contract. Contractually agreed payments will continue during garden leave.

In the event of the death of an Executive Board Member prior to the end of their employment contract, the Executive Board Member's spouse or dependent children are entitled to the granting of the non-performance-related fixed basic remuneration (i.e., the gross monthly salary pursuant to the Executive Board employment contract concerned) for the month of the Executive Board Member's death and the following three months.

### 7.3 Severance clauses

The Executive Board employment contracts in place in the 2021 financial year contain severance clauses that comply with the recommendations of the German Corporate Governance Code. If the employment contract with an Executive Board Member ends due to resignation or mutually agreed compromise agreement, the Executive Board Member will be entitled to a severance payment. This does not, however, apply in the event of termination of the employment contract for cause by the company pursuant to sec. 626 of the German Commercial Code (BGB), where the Executive Board Member bears the responsibility. The severance payment may not exceed the amount of two total annual remunerations and is capped at the level of remuneration for the remaining term of the employment contract.

### 7.4 Change of control

In the event of a change of control, the Executive Board employment contracts set out the following special regulations under the key remuneration system since July 1, 2021, but do not provide for any additional severance payment:

In the event of a change of control, the Executive Board Member may resign from their position subject to a three-month notice period. The employment contract ends at this point. A change of control is present if

- the shares in the company are removed from stock market trading on a regular market (delisting);
- the appointment of an Executive Board Member ends due to a change to the company's legal form or due to a merger of the company with another entity unless the Executive Board Member is offered a position on the Executive Board of the new company at conditions economically similar to those previously offered;
- a company agreement is concluded with Medios AG as a dependent company pursuant to sec. 291 et seq. AktG or the company is incorporated pursuant to sec. 319 et seq. AktG.

### 7.5 Non-compete clause

Under the key remuneration system since July 1, 2021, all Executive Board employment contracts contain a non-compete clause for up to two years after the end of the contract. During the term of the non-compete clause, each Executive Board Member is entitled to compensation in the amount of 50% of their most recent contractual payments. During the term of the non-compete clause, any other employment income earned will be offset against the compensation if the compensation plus the other employment income would exceed the most recently received contractual payments. Furthermore, any other contractual severance payments made to an Executive Board Member are offset against the compensation.

No compensation payments whatsoever were granted or owed in the 2021 financial year.

## 8. Further mandatory disclosures pursuant to Sec. 162 para. 1 and para. 2 AktG

It was not necessary to consider a resolution of the Annual General Meeting pursuant to sec. 120 para. 5 AktG or a discussion pursuant to sec. 120a para. 4 AktG when setting Executive Board remuneration.

The Executive Board Member was not pledged or granted any benefits by third parties in relation to their Executive Board activities in the 2021 financial year.

Beyond the stated differences between individual Executive Board contracts, no deviation was made from the key remuneration system. As a precautionary measure, we wish to point out that the Executive Board employment contracts in place in the 2021 financial year do/did not correspond to the remuneration system submitted to the previous year's Annual General Meeting for approval.

The key remuneration system does not contain any determinations on maximum remuneration where it would be necessary to report on compliance with such determinations.

## III. Comparison of annual changes in the remuneration of the Executive Board with earnings development and with the average remuneration of employees of Medios AG pursuant to Sec. 162 para. 1. no. 2 AktG

The following comparison presents the annual change in granted and owed remuneration of current Executive Board Members against the earnings development of the company and the remuneration of employees on a full-time-equivalent basis pursuant to sec. 162 AktG.

|                                             | Granted and owed remuneration | Change in 2021 against 2020 |      |
|---------------------------------------------|-------------------------------|-----------------------------|------|
|                                             | In thousand €                 | In thousand €               | in % |
| <b>Executive Board Members</b>              |                               |                             |      |
| Matthias Gärtner                            | 296                           | 40                          | 15.7 |
| Mi-Young Miehler                            | 282                           | 20                          | 7.7  |
| Christoph Prußzeit                          | 244                           | 103                         | 73.6 |
| Falk Neukirch                               | 64                            |                             |      |
| <b>Employees</b>                            |                               |                             |      |
| Average of Medios Group employees           | 49.2                          | 3.1                         | 6.8  |
| <b>Medios AG earnings development</b>       |                               |                             |      |
| Annual net profit of the Medios Group (€ m) | 7.4                           | 1.9                         | 34.0 |
| Annual net profit of Medios AG (€ m)        | 8.2                           | 1.7                         | 26.0 |

The remuneration of the Executive Board Members shown in the table represents the amounts granted in the financial year concerned. Where Executive Board Members only received pro rata remuneration in a specific financial year – e.g., due to being appointed partway through the year – the remuneration for the financial year in question has been extrapolated to that of a full year for the sake of comparability.

The average remuneration of the Medios Group workforce is used for the comparison with the development of average employee remuneration. The remuneration of all employees – excluding executive staff within the meaning of sec. 5 para. 3 of the German Works Constitution Act (BetrVG) – was included for this purpose. In cases where employees also receive remuneration as Members of the Supervisory Board of Medios AG, this remuneration was not included. For the sake of comparability, the remuneration of part-time employees was extrapolated to that of full-time equivalents.

The earnings development is shown on the basis of the development of the annual net profit of Medios AG pursuant to sec. 275 no. 17 of the German Commercial Code (HGB).

#### IV. Review of the appropriateness of Executive Board remuneration

After the end of the 2021 financial year, the Supervisory Board conducted the annual review of Executive Board remuneration for the 2021 financial year. It came to the conclusion that the level of Executive Board remuneration and retirement pay is appropriate from a legal perspective within the meaning of sec. 87 para. 1 AktG.

When evaluating the appropriateness of Executive Board remuneration, the Supervisory Board also regularly seeks external advice. Firstly, the ratio of the amount and structure of Executive Board remuneration to the remuneration of the upper management tier and the workforce as a whole is evaluated from an external perspective (vertical comparison). Alongside a status quo assessment, the vertical comparison also looks at the development of remuneration ratios over time. Secondly, the remuneration level and structure are also evaluated on the basis of Medios AG's position in a comparative market (horizontal comparison). The comparative market consists of a combination of DAX and SIX/Euronext companies that fall within the scope of the German Stock Corporation Act or comparable European standards, that belong to comparable sectors and/or exhibit similar key characteristics and that are of a similar size as of the cutoff date of the analysis. The horizontal comparison not only includes fixed remuneration, but also the short- and long-term remuneration components and the amount of occupational pensions.

#### Comparative companies for the assessment of appropriateness of Executive Board remuneration

| Company                  | Stock market segment |
|--------------------------|----------------------|
| Fresenius SE & Co. KG aA | DAX                  |
| Zur Rose Group AG        | Six                  |
| Galenica AG              | Six                  |
| Fagron N.V.              | Euronext             |

## V. Supervisory Board and Supervisory Board remuneration

The remuneration system for Supervisory Board Members is based on statutory provisions and pays due regard to the applied regulations and suggestions of the German Corporate Governance Code. The Supervisory Board advises and oversees the Management Board and, in this regard, is closely involved in operational and strategic corporate governance topics. Supervisory Board remuneration is also vital to ensure the effectiveness of the Supervisory Board. This remuneration is commensurate with the duties of the Supervisory Board members and the position of the company. Appropriate Supervisory Board remuneration in line with the market supports the corporate strategy and the long-term development of Medios AG.

Pursuant to sec. 13 of the company's Articles of Association, the Annual General Meeting sets the level of Supervisory Board remuneration. The remuneration system for the Supervisory Board sets out both the abstract and specific parameters for Supervisory Board remuneration.

This ensures that the remuneration of Supervisory Board Members corresponds to the remuneration system passed by the Annual General Meeting at all times.

Pursuant to the revised version of sec. 113 para. 3 sent. 1 and 2 of the German Stock Corporation Act (AktG), effective as of January 1, 2020, the Annual General Meeting of a listed company must pass a resolution of Supervisory Board remuneration every four years, with a resolution confirming the remuneration also permissible. Pursuant to the transition regulation pursuant to sec. 26j para. 1 sent. 1 of the Introductory Act to AktG, the first resolution had to be passed in the Annual General Meeting following December 31, 2020. This resolution was passed on June 10, 2021.

In light of this, the remuneration of the Supervisory Board Members pursuant to sec. 13 of the Articles of Association was most recently amended by the Annual General Meeting of June 10, 2021, with (retroactive) application for the entire 2021 financial year.

More detailed information on the remuneration system for Supervisory Board Members can be found on the company's website at <https://medios.ag/en/investor-relations/corporate-governance>.

In the 2021 financial year, the Supervisory Board of Medios AG comprised three/four members pursuant to the Articles of Association.

The serving Members of the Supervisory Board in the 2021 financial year were Dr. Yann Samson (Chairman of the Supervisory Board), Mr. Klaus J. Buß and Joachim Messner (Deputy Chairman of the Supervisory Board). The Annual General Meeting on June 10, 2021, also passed a resolution to increase the

Supervisory Board from three to four Members and elected Dr. Anke Nestler as an additional Supervisory Board Member as of the time at which the enlargement became effective.

### 1. Structure of the remuneration system for Supervisory Board members

The currently applicable remuneration system for Supervisory Board Members, passed by the Annual General Meeting, applies since the start of the 2021 financial year and can be summarized as follows:

Each Supervisory Board Member receives fixed basic remuneration of €20,000 per annum (in words: twenty thousand euros), payable after the end of the financial year. The Chair of the Supervisory Board receives double the basic remuneration stated in sentence 1.

In addition to the basic remuneration, each ordinary Member of a Supervisory Board committee receives annual remuneration of €5,000 per annum (in words: five thousand euros) for their committee membership, payable after the end of the financial year. The Chair of a Supervisory Board committee receives double this remuneration; the Chair of the Audit Committee receives four times this remuneration pursuant to sentence 1 above.

Supervisory Board members who only serve on the Supervisory Board or a Supervisory Board committee, or who only chair the Supervisory Board or a Supervisory Board committee, for part of a financial year will receive corresponding pro rata remuneration.

The company reimburses each Supervisory Board Member for their incurred expenses and for the VAT incurred on their remuneration insofar as the Supervisory Board Members are entitled to bill the company for VAT separately and insofar as they exercise this right.

The insurance premium for D&O insurance that the company needs to take out for Supervisory Board Members is paid by the company.

In the 2021 financial year, the Supervisory Board remuneration system was applied in all aspects as passed by resolution of the Annual General Meeting.

In the 2021 financial year, Joachim Messner, via his law firm Messner Rechtsanwälte, provided the Medios Group with legal advisory services in a total amount of €37,756.50. Beyond this, the Members of the Supervisory Board did not receive any further remuneration/benefits in the financial year for personally rendered services, in particular advisory and brokerage services. Furthermore, no loans or advances were granted to Supervisory Board Members, nor were any liability obligations entered into in their favor.

As the remuneration of Supervisory Board Members does not include any variable components, but instead solely comprises fixed components, there is no need to set a maximum total remuneration level for Supervisory Board Members. This also applies pursuant to the new provisions of the German Stock Corporation Act in the ARUG II (Shareholder Rights Directive) version. These new provisions only expressly require the setting of a maximum remuneration level for Executive Board Members, but not for Supervisory Board Members.

## 2. Remuneration granted and owed in 2021 within the meaning of Sec. 162 para. 1 sent. 1 AktG

The following table shows the fixed remuneration components granted and owed to serving Supervisory Board Members in the 2021 financial year, including the relative shares pursuant to sec. 162 AktG.

According to the resolution of the Annual General Meeting, the Supervisory Board remuneration is payable pro rata after the end of each financial year. Therefore, the valid remuneration system in place for the 2020 financial year still applies to the remuneration paid in 2021.

The following table, which shows remuneration for the 2021 financial year, therefore presents the remuneration paid out for the work carried out by the Members of the Supervisory Board in the 2020 financial year. The remuneration for the 2021 financial year does not become due until 2022 and is not listed as owed remuneration within the meaning of AktG for the 2021 financial year.

Please note that a different remuneration system still applied in respect of amounts paid to Supervisory Board Members for the 2020 financial year. The most recent resolution on Supervisory Board remuneration had been passed on October 26, 2020. The previous remuneration system for Members of the Medios AG Supervisory Board, still in place for the 2020 financial year, was as follows:

Each Supervisory Board Member receives fixed remuneration of €20,000 per annum (in words: twenty thousand euros), payable after the end of the financial year. The Chair of the Supervisory Board receives double the remuneration stated in sentence 1. Supervisory Board members who only serve on the Supervisory Board, or who only chair the Supervisory Board, for part of a financial year will receive corresponding pro rata remuneration.

The company reimburses each Supervisory Board Member for their incurred expenses and for the VAT incurred on their remuneration insofar as the Supervisory Board Members are entitled to bill the company for VAT separately and insofar as they exercise this right.

The insurance premium for D&O insurance that the company needs to take out for Supervisory Board Members is paid by the company.

Please note that the Supervisory Board of Medios AG, on account of comprising just three members, had not yet formed any committees in the 2020 financial year.

| Supervisory Board | Fixed remuneration<br>in € | Committee remuneration | Attendance fee | Fringe benefits <sup>5</sup><br>in € | Total<br>in € |
|-------------------|----------------------------|------------------------|----------------|--------------------------------------|---------------|
| Dr. Yann Samson   | 40,000                     | n/a                    | n/a            | 0                                    | 40,000        |
| Klaus J. Buß      | 20,000                     | n/a                    | n/a            | 0                                    | 20,000        |
| Joachim Messner   | 15,000                     | n/a                    | n/a            | 0                                    | 15,000        |
| Dr. Anke Nestler  | 0                          | n/a                    | n/a            | n/a                                  | 0             |

5) In the interests of the company, the company includes the Members of the Supervisory Board in coverage under a pecuniary loss liability policy held in an appropriate amount, insofar as such a policy is held. The company pays the premiums for this policy. The fringe benefits relate to the D&O insurance contributions paid (pro rata) for each Supervisory Board Member.

## VI. Comparison of annual changes in the remuneration of the Supervisory Board with earnings development and with the average remuneration of employees of Medios AG pursuant to Sec. 162 para. 1. no. 2 AktG

The following table compares the percentage changes in the remuneration of Supervisory Board Members with the earnings development of Medios AG and with the average remuneration of full-time equivalent employees compared to the previous year. The remuneration of the Supervisory Board Members shown in the table represents the amounts actually paid out in the financial year concerned. Where Supervisory Board Members only received pro rata remuneration in a specific financial year – e.g., due to being appointed partway through the year – the remuneration for the financial year in question has been extrapolated to that of a full year for the sake of comparability. Where Supervisory Board Members previously sat on the Executive Board of Medios AG and received remuneration for doing so, this remuneration is not included in the comparison.

The earnings development is shown on the basis of the development of the annual net profit of the Medios Group. As the remuneration of the Supervisory Board Members is also significantly dependent on the development of Group key performance indicators, the development of the adjusted EBITDA of the Medios Group, as reported in the consolidated financial statements, is also shown.

The average remuneration of the Medios Group workforce is used for the comparison with the development of average employee remuneration. The remuneration of all employees – excluding executive staff within the meaning of sec. 5 para. 3 of the German Works Constitution Act (Be-trVG) – was included for this purpose. For the sake of comparability, the remuneration of part-time employees was extrapolated to that of full-time equivalents.

|                                             | Granted and owed remuneration | Change in 2021 against 2020 |      |
|---------------------------------------------|-------------------------------|-----------------------------|------|
|                                             | In thousand €                 | In thousand €               | in % |
| <b>Supervisory Board</b>                    |                               |                             |      |
| Dr. Yann Samson                             | 40                            | 20                          | 100  |
| Klaus J. Buß                                | 20                            | 10                          | 100  |
| Joachim Messner                             | 15                            | 10                          | 50   |
| Dr. Anke Nestler                            | n/a                           | n/a                         | n/a  |
| <b>Employees</b>                            |                               |                             |      |
| Average of Medios Group employees           | 49.2                          | 3.1                         | 6.8  |
| <b>Medios AG earnings development</b>       |                               |                             |      |
| Annual net profit of the Medios Group (€ m) | 7.4                           | 1.9                         | 34.0 |
| Annual net profit of Medios AG (€ m)        | 8.2                           | 1.7                         | 26.0 |

# Independent auditor's assurance report on the examination of the remuneration report by Sec. 162 para. 3 AktG

To Medios AG, Hamburg

## Opinion

We have examined the attached remuneration report of Medios AG, Hamburg, for the financial year from January 1 to December 31, 2021 which was prepared in accordance with the requirements of Section 162 AktG [German Stock Corporations Act]. The examination of the content of the remuneration report described in this audit report includes the formal examination of the remuneration report required by Section 162 paragraph 3 AktG, including the issuance of a report on this audit.

In our opinion based on our audit findings, the remuneration report for the financial year from January 1 to December 31, 2021 complies, in all material respects, with the disclosure requirements pursuant to Section 162 AktG.

## Basis for the opinion

We conducted our audit of the remuneration report in accordance with Section 162 paragraph 3 AktG and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities" section of our auditor's report. We are independent of the group entities 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.

## Responsibilities of the legal representatives and the Supervisory Board

The legal representatives and the Supervisory Board of Medios AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The legal representatives and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities

Our objective is to obtain reasonable assurance as to whether the disclosures in accordance with Section 162 paragraph 1 and 2 AktG have been made in the remuneration report in all material respects including the issuance of a report on this audit.

We planned and performed our audit so as to give reasonable assurance on the formal completeness of the remuneration report by comparing the information provided in the remuneration report with the information required in Section 162 paragraph 1 and 2 AktG. In accordance with Section 162 paragraph 3 AktG we have not audited the accuracy of the information, the completeness of the individual information or the appropriate presentation of the remuneration report.

## Consideration of misrepresentations

In connection with our audit, our responsibility is to read the remuneration report taking into account the knowledge obtained from the audit of the financial statements and, in so doing, remain alert for indications of whether the remuneration report contains misrepresentations in relation to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures or the appropriate presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Munich, March 28, 2022

Baker Tilly GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
(Düsseldorf)

**Gloth**  
German CPA

**Weissinger**  
German CPA



## Combined management report of the Medios Group and Medios AG as of December 31, 2021

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# Combined management report of the Medios Group and Medios AG as of December 31, 2021

## General information

The combined management report encompasses both the Medios Group (hereinafter "Medios Group" or "Medios") and the parent company Medios AG, which is legally based in Hamburg and has its business address in Berlin, Germany. The report has been prepared in accordance with the provisions of the German Commercial Code (HGB) and using German Accounting Standard (GAS) 20.

Medios AG prepares its annual financial statements in accordance with the accounting principles of the German Commercial Code (HGB) and the consolidated financial statements in accordance with the accounting principles of the International Financial Reporting Standards (IFRS). The management report and the consolidated management report are combined. The asset, financial and earnings position are each presented separately.

## I. Basic information on the Group

### 1. Business model of the Group

Medios AG is the leading provider of Specialty Pharma solutions in Germany. As a competence partner and expert, Medios covers all relevant aspects of the supply chain in this field: from pharmaceutical supply and the manufacture of patient-specific therapies to blistering (dispensing of individually dosed tablets). Our focus is on providing patients with the best possible care through specialized pharmacies. As a GMP-certified manufacturer (Good Manufacturing Practice), Medios also complies with high international quality standards.

Medios currently focuses on six areas of indication: oncology, neurology, autoimmunology, ophthalmology, infectiology and hemophilia.

Generally speaking, Specialty Pharmaceuticals are high-priced medications for rare and/or chronic conditions. Many of the newly developed for therapies for these kinds of conditions are personalized. They include, for example, infusions that are formulated and produced on the basis of individual disease patterns and parameters such as body weight and body surface area. Demand for these therapies is rising all the time. Patient-specific treatment requires considerable expertise. Specialty Pharma will continue to significantly change the future of the health care system.

Medios offers its partners a platform, enabling them to connect and learn from each other. As an open supply network, Medios currently cooperates with some 600 (year-end 2021: some 550) of the 1,000 independent Specialty Pharma pharmacies in Germany. The increase to the current level of 600 is attributable to organic growth and the acquisitions of

Cranach Pharma GmbH in January 2021 and NewCo Pharma GmbH in January 2022.

The aim of Medios is to ensure the best-possible comprehensive patient provision through partnerships and communication between the various market actors, thereby contributing to the sustainable and transparent supply of pharmaceuticals.

## 1.1. Subsidiaries of the Medios Group

### a.) Subsidiaries prior to January 1, 2021

**Medios Pharma GmbH**, Berlin is the partner for Specialty Pharma medications in Germany and interacts with market actors specializing in the provision of patients with chronic and/or severe illnesses. A pharmaceutical wholesale permit pursuant to Sec. 52 of the German Medicinal Products (AMG) enables a market- and needs-oriented supply of Specialty Pharmaceuticals. The customers are usually specialist pharmacies with a greater need for Specialty Pharmaceuticals. Medios Pharma GmbH is a wholly owned subsidiary of Medios AG.

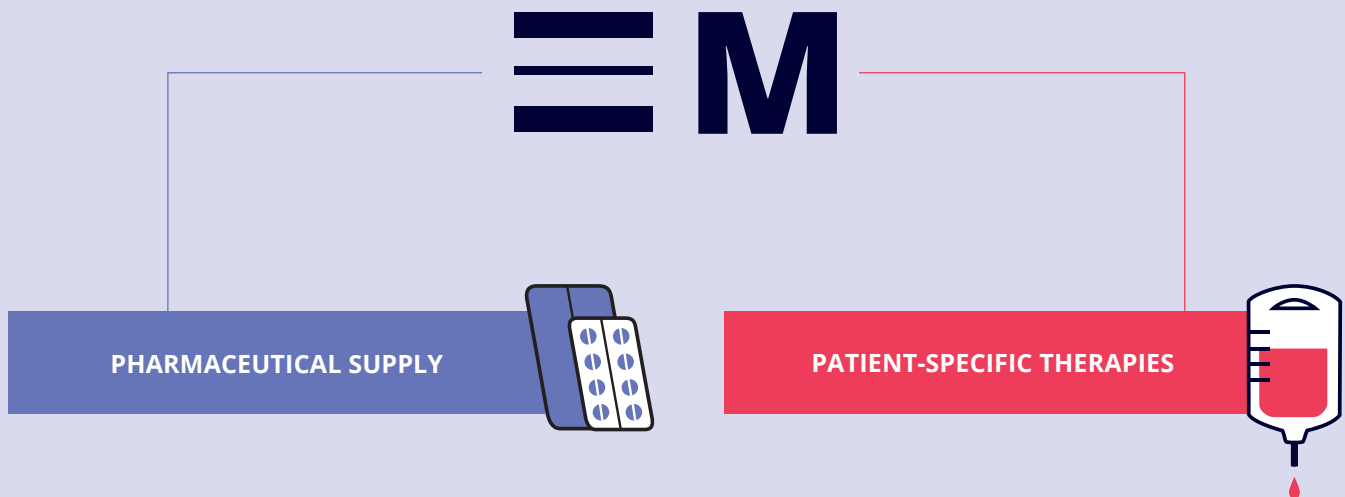
**Medios Manufaktur GmbH** and **Medios Individual GmbH**, both of Berlin, manufacture patient-specific medications on behalf of pharmacies. The highest standards of quality (GMP) are applied during the preparation process. Both Medios Manufaktur GmbH and Medios Individual GmbH are fully owned subsidiaries of Medios AG.

**Medios Digital GmbH**, Berlin, was established in 2017 as a wholly owned subsidiary of Medios AG, since which time it has been developing software and infrastructure solutions as an internal system supplier of the Medios Group. Medios Digital is responsible for the implementation of digitalization projects within the Group. In particular, this includes the innovative digital platform mediosconnect.

The wholly owned subsidiary **Kölsche Blister GmbH**, Cologne, 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.

### b.) New Events in the 2021 financial Year

Since January 21, 2021, the specialist pharmaceutical wholesaler **Cranach Pharma GmbH**, Hamburg (Cranach Pharma), also became a wholly owned subsidiary. With the acquisition of Cranach Pharma, Medios became the leading Specialty Pharma provider in Germany.



**The leading Specialty Pharma provider in Germany**  
**Specialty Pharma: Individualized medicine, treatment of chronic and/or rare diseases, usually time- and cost-intensive**

With the sale of **Medios Analytics GmbH**, Medios has outsourced the development project in the field of analytics to a partner pharmacy in Berlin for strategic reasons. Medios Analytics GmbH was sold to Anike Oleski, owner of Medios-Apotheke, 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 the innovative NIR-spectroscopic analysis process (NIR: near infrared) can, to a certain extent, be further utilized and developed within Medios-Apotheke. Contractual agreements are in place to ensure that the Medios Group continues to have access to this innovative technology.

#### c.) New Events in the 2022 financial year

On January 10, 2022, the specialist pharmaceutical manufacturer **NewCo Pharma GmbH** ("NewCo Pharma"), Mannheim, also became a wholly owned subsidiary (see also "Events after the Balance Sheet Date" and Item 5 in the Notes). NewCo Pharma GmbH (holding company) includes the following eight wholly owned subsidiaries:

- cas central compounding Baden-Württemberg GmbH (manufacturer)
- Rhein Main Compounding GmbH (manufacturer)
- Rheinische Compounding GmbH (manufacturer)
- Onko Service GmbH & Co KG (manufacturer)
- Onko Service Beteiligungs GmbH (manufacturer)
- Logopharma Pharmagroßhandel GmbH (wholesaler)
- hvd medical GmbH (parallel import)
- Fortuna Herstellung GmbH (manufacturer/wholesaler)

The acquisition of NewCo Pharma enables Medios to significantly strengthen the Patient-Specific Therapies segment in particular, therefore also considerably and sustainability boosting the profit margins of the entire Medios Group; as such, Medios Group revenue will rise sharply year-over-year in the 2022 financial year, which is also reflected in the forecast (see the chapter "Forecast"). As a result of the merger with NewCo, Medios' partner network has grown from approximately 550 specialized pharmacies at the end of 2021 to more than 600 currently. The vendors of NewCo Pharma GmbH are two private individuals, one of whom remains in the management of the company. The sale price was partly paid in the form of 924,233 new Medios shares, which were created by means of a capital increase against contributions in kind from conditional capital. This equated to approx. 3.9% of the share capital of Medios following completion of the capital increase. As a result, Medios AG's capital stock increased from €22,881,490 to €23,805,723. The new shares are subject to staggered lock-out periods of up to 24 hours. The purchase price was also settled with a cash contribution in the amount of €85.2m, which was chiefly paid through a capital increase against cash contributions on December 3, 2021.

As of December 31, 2021, the Medios Group, including Medios AG, therefore consisted of seven companies and, since January 10, 2022, 16 companies.

## 1.2. Business areas of the Medios Group

The Medios Group comprised two operational business units (operating segments) – **Pharmaceutical Supply** and **Patient-Specific Therapies** – in 2021, including the new service of blistering since 2020, as well as the internal business unit **Services** as a third segment. This encompasses, for instance, the Digitalization segment with the innovative digital platform mediosconnect.

**Pharmaceutical Supply**, which focuses on Specialty Pharmaceuticals, is broken down into Cranach Pharma GmbH and Medios Pharma GmbH in terms of company law. With the acquisition of Cranach Pharma and the ongoing systematic development within six indication areas, Medios is therefore the largest supplier in the Specialty Pharma segment in Germany. This focus on Specialty Pharmaceuticals means that it nearly exclusively distributes drugs for chronic and/or rare diseases that are high-priced. This represents approximately 1,000 out of 100,000 different pharmaceutical products available in Germany. The Medios competence center comprises the key fields of application such as oncology, neurology, gastroenterology, and autoimmune diseases. Further focus indications include hemophilia, HIV, and ophthalmology. Medios also offers supplementary infusion solutions for parenteral nutrition and pain therapy, which are used in myriad fields. With this systematic and clear focus, Medios clearly differentiates itself from full-range pharmaceutical wholesalers.

In the field of hemophilia, Medios is now the largest individual supplier in Germany. As a consequence of the new legal regulation that came into effect on September 1, 2020, the company successfully incorporated distribution in the indication area of hemophilia, which was previously inaccessible to Medios. Relevant therapies must be administered to patients on a lifelong basis and are some of the most expensive worldwide.

**Patient-Specific Therapies** comprises the manufacture of medication on behalf of pharmacies and is represented by the companies Medios Manufaktur GmbH and Medios Individual GmbH as well as 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.

The manufacturing facilities of Medios Manufaktur GmbH and Medios Individual GmbH are regularly inspected by the competent state authority LaGeSo (State Health and Social Affairs Office). The manufacturing permit issued in connection with the regular inspection pursuant to Sect. 13 of the German Medicinal Products Act (AMG) authorizes the company to manufacture patient-specific infusion solutions in accordance with GMP standards. GMP (Good Manufacturing Practice) refers to the quality assurance guidelines for

the production processes and the production environment in the manufacture of medications.

The officially granted manufacturing permits issued to Medios Manufaktur and Medios Individual give rise to the following portfolio: The manufacture of patient-specific medications for parenteral use currently focuses on the areas of oncology, immunology and neurology. Antiviral and antibiotic preparations are also used for the purpose of anti-infection therapy, parenteral nutrition solutions and clinical IMPs. The entire manufacturing process is equally validated at both manufacturing companies in order to ensure the very highest quality standards. Furthermore, an extensive microbiological monitoring system is in place in all production areas, meaning that all critical process steps can be recorded and evaluated during production. In addition, the clean rooms are monitored by production managers in respect of specific criteria. Deviations from the norm are evaluated and taken into consideration during batch approval.

Preparations are produced solely by trained and qualified staff. The training sessions are carried out on a regular basis pursuant to the training plan. Compliance with outstanding hygiene standards on the part of employees also plays a crucial role in the quality of the IV solutions produced. All manufacturing input materials are sourced solely from qualified suppliers and inspected pursuant to their specifications prior to use. As such, the input materials are fully traceable. Only finished medicinal products approved in Germany are used.

Kölsche Blister GmbH (KB), acquired in spring 2020, is fully integrated within the Group with its patient-specific manufacturing and Blistering divisions; as such, the main administrative departments such as Finance, Human Resources and IT were thereby linked to the Group. Greater emphasis was also placed on topics such as ESG at KB. Continuous dialog within the Medios management team ensures the ongoing coordination of strategic planning and implementation.

In September of the year under review, the municipal authorities in Cologne conducted a successful audit, leading to renewal of the GMP certificate. Production at KB also takes place in accordance with the highest international quality standards. The strategic objective of distributing finished medicinal products in the form of patient-specific doses through blistering remains in place. With the acquisition of the NewCo companies at the end of 2021, however, further possibilities have opened up in this regard at the Medios Group. As a result, the measurement of the technologies and customer lists originally acquired as part of the Kölsche Blister takeover needed to be reassessed and revised.

The following services are consolidated within the internal **Services** segment:

The wholly owned subsidiary Medios Digital GmbH is responsible for the digital transformation of all Group companies and drives momentum in the area of digital innovation. This includes the digital platform mediosconnect, which

connects doctors, health insurers and specialist pharmacies and which fully digitalizes ordering and invoicing processes for complex, patient-specific medicinal products, thereby streamlining such processes to a considerable extent.

Medios AG also provides services for all Group companies, including in the areas of finance, human resources, IT and facility/contract management.

## 2. Objectives and strategy

Millions of people worldwide suffer from rare and/or chronic diseases such as cancer, HIV, or hepatitis. Many of the newly developed therapies for such conditions – which are becoming increasingly effective with fewer side effects – are patient-specific. Due to continuous increases in life expectancy, such conditions are becoming increasingly frequent.

As a consequence, we are witnessing rising demand for therapies that are tailored to suit the needs of individual patients. However, treatment with patient-specific medicine is often resource-intensive, time-consuming and costly – and requires considerable expertise. This poses significant challenges in terms of health care. Medios is specialized in solving these health care challenges and offers its partners a platform via which they can connect and benefit from each other. The aim of Medios is to ensure the best comprehensive patient provision through partnerships and communication between the various market actors, thereby contributing to the sustainable and transparent supply of medication.

In the context of this overarching objective, Medios intends to continue the pursuit of its successful growth trajectory and benefit from the ongoing market consolidation in Specialty Pharma. It is intended that future growth will also be driven by the internationalization of the Medios Group in Specialty Pharma. Now that Medios is already extremely well placed in Germany, the Group is striving for a leading market position in Europe. Medios also plans to offer additional products and services, thereby building up new business segments, which, in turn, will drive further diversification of the business model. As a result, the company has geared corresponding measures toward organic and external growth.

In particular, it plans to continue its expansion of the higher-margin segment Patient-Specific Therapies. During the course of the year under review, Medios made headway with the conversion and development of additional laboratories at the additional building leased in 2020 at an existing site in Berlin. Before the new laboratories go into operation, which is scheduled for summer 2022, approval must be granted by the relevant authorities. Following completion of these state-of-the-art laboratories in Germany, which will then be GMP-inspected (GMP: Good Manufacturing Practice), it will be possible to increase production capacities threefold at the Berlin site. Moreover, the NewCo Pharma Group – acquired at the start of 2022 – will make a significant contribution to the expansion of the Patient-Specific Therapies segment with its national network comprising five regional manufacturing firms.

A further key element in terms of accelerating organic growth is the future realization of synergies, which are opened up in particular through the acquisition of the NewCo Pharma Group (January 2022): the network of currently approx. 600 specialized partner pharmacies enables myriad cross-selling opportunities. With the acquisition of the NewCo Pharma Group, the Medios portfolio has been supplemented with the following manufacturing licenses: ophthalmics, a broader study license and the controlled substances license. This means that, on the one hand, existing partner pharmacies (existing customers) can be supplied more extensively and, on the other, new partner pharmacies (new customers) can be specialized in the broader portfolio. It also gives rise to further potential synergies in procurement and logistics.

Medios also focuses on the digitalization of health care as part of its growth strategy. This includes mediosconnect, the digital trading platform for patient-specific medicinal products implemented by Medios that already connects physicians, health insurance companies, and specialized partner pharmacies and serves as an ordering and billing portal. The platform, which is currently available in four German federal states, is earmarked for rollout to further federal states.

Alongside its growth targets, Medios attaches considerable importance to sustainable conduct in its activities. In the reporting year, for example, the company developed a comprehensive 2025 sustainability strategy on the basis of the “Nonfinancial consolidated statement” (see the chapter “The Company” in the Annual Report 2021). This sets out environmental, social and legal aspects with regard to Medios’ activities. One of the overriding goals is to become climate-neutral at our own sites by 2023. In fall 2021, a Sustainability Committee chaired by the CEO was set up in order to embed the topic of sustainability accordingly within the company’s organizational structure, monitor the implementation of the program and set strategic areas of focus. This also encompasses increasing responsibility in respect of good corporate governance. By voluntarily signing up to the United Nations Global Compact in March 2021, Medios has committed to upholding the ten universal principles and meeting the sustainability targets of the world’s largest good corporate governance initiative.

### 3. Management system

#### 3.1 Key performance indicators

##### Financial KPIs of the Medios Group

The economic planning and managing of Medios AG, along with all business segments, is carried out in accordance with the framework conditions passed by the Executive Board, which are further developed as part of an ongoing strategy process. These conditions are translated into concrete and measurable targets during the annual operational budget planning. The course of business is monitored on an ongoing basis by means of continuous review of the financial KPIs, with regular updated estimates of significant governance and performance indicators. Implementation of the strategic goals is implemented in this context. Furthermore, countermeasures are initiated promptly in the event of significant divergence from forecasts.

Medios employs a streamlined system of KPIs to manage business success. In the 2021 financial year, the major financial KPIs for strategic development and decision-making, as well as for the measurement of operational business success, were as follows:

- Revenue
- Earnings before taxes (EBT)
- Earnings before taxes and extraordinary expenses (EBT before extraordinary expenses) for the purpose of improved comparability
- Earnings before interest, taxes, depreciation and amortization (EBITDA) before extraordinary expenses (EBITDA before extraordinary expenses)

In the future, the Executive Board of Medios AG will focus on what it regards as the key performance indicators for managing the company. These include revenue as well as earnings before interest, taxes, depreciation and amortization (EBITDA before extraordinary expenses, EBITDA pre for short).

In addition to their suitability for managing and measuring operational business success, these indicators also satisfy the needs and interests of the capital market in terms of the communication of suitable financial KPIs and are reflected in the Executive Board remuneration system. The other indicators used to date – i.e., earnings before taxes (EBT) and earnings before taxes before extraordinary expenses (EBT before extraordinary expenses) – will no longer be applied as control and measurement indicators for the management of business success.

All relevant key performance indicators are generated and analyzed monthly. They serve as a decision-making basis for the Executive Board of Medios AG and the management teams of subsidiaries, especially in relation to strategic decisions concerning the structuring of the product portfolio (Pharmaceutical Supply) and the planning of capacity utilization and, where necessary, the expansion of manufacturing capacities (Patient-Specific Therapies).

Ongoing monitoring and adjustment of the guidelines ensure that the Medios management systems are continuously improved and adapted to reflect the specific requirements in each case.

##### Nonfinancial key performance indicators

Nonfinancial key performance indicators are analyzed alongside financial KPIs:

The Medios Group strives for continuous improvement of relations with its employees. As an attractive and responsible employer, Medios aims to generate long-term company loyalty among expert and dedicated employees. To this end, it offers its employees a modern and attractive working environment with flexible working hours and the scope to develop. The fluctuation rate was 18% as of December 31, 2021; Medios intends to continuously reduce this rate.

A further key nonfinancial factor for the company is the Medios brand image. The aim is to establish Medios as a synonym for reliability, expertise and quality in the Specialty Pharma segment in Germany. A budget is defined annually for marketing activities, and its implementation is reviewed on a monthly basis.

### 4. Research and development (R&D)

The digital trading platform for individualized medicines mediosconnect used by Medios is now being utilized in four German states and is to be expanded further. Ongoing development of the digital platform is based on demand and indications, so that no significant R&D activities were carried out beyond this. With the sale of Medios Analytics GmbH (Drug Safety segment), development activities at Medios were also discontinued.

## II. Business report

### 1. Macroeconomic situation

Following a decline in the previous year, the global economy grew again in 2021. According to figures from the International Monetary Fund (IMF), global gross domestic product (GDP) rose by 5.9% on the previous year. The Kiel Institute for the World Economy (IfW) estimated an increase of 5.7%.

The global economy recovered significantly in the first few months of 2021. This was primarily due to a decline in coronavirus infections, which, in turn, led to an easing of pandemic-related restrictions and therefore a revival of severely impacted service sectors. This trend was bolstered by most countries' decision not to introduce further containment measures, as well as the ongoing expansionary monetary policy of central banks.

The second half of 2021 was dominated by a renewed rise in coronavirus infections, supply bottlenecks that adversely impacted global trade and industrial production, growth problems in China, a sharp rise in inflation in advanced economies and substantial increases in energy prices. As a consequence, the recovery of the global economy slowed down in the second half of the year.

#### 1.1 Macroeconomic development in Germany

According to preliminary calculations of the German Federal Statistical Office (Destatis), gross domestic product (GDP) was up by 2.7% on the previous year in 2021. As a result, the German economy recovered following the declines of 2020, despite the ongoing pandemic and supply bottlenecks. However, GDP in 2021 was down by 2.0% compared to 2019, the last year before the outbreak of the pandemic.

According to Destatis, economic output recovered in almost all sectors. In the majority of cases, however, it was not possible to return to the precrisis level. In the processing industry, economic output rose by 4.4% year over year in 2021, with the majority of service sectors also posting increases. The business services sector grew by 5.4%. In the area of trade, transport and hospitality, growth was slightly lower at 3.0% on account of ongoing pandemic-related restrictions. The combined areas of information and communication (3.3%) as well as public services, education and health care (3.2%) and other services (0.6%) also witnessed increases in economic output. A decline was only recorded in construction (0.4%).

Private consumer spending stabilized at the low level of the previous year in 2021 and therefore remained well below its precrisis levels. Government spending climbed by 3.4%, particularly due to the procurement of rapid antigen tests and coronavirus vaccines, as well as the operation of testing and vaccination centers. Gross fixed capital formation rose by 1.3%.

Exports increased by 9.4% in 2021, whereas imports climbed by 8.6%. As a result, foreign trade recovered from the sharp declines of the previous year, more or less returning to the level of 2019.

The average number of people in employment in Germany stood at 44.9m in 2021, more or less on a par with the previous year's level. The government budget ended 2021 with a deficit of €153.9bn. This represents a government deficit ratio of 4.3% of nominal GDP according to Destatis.

#### 1.2 Development of the health care market

The effects of the corona pandemic on the health care market were once again noticeable in 2021. According to forecasts issued by US company IQVIA, revenue growth for medications in industrial countries was up significantly on the previous year at 5.6% (2020: 3.8%) and even up slightly on the precrisis level (2019: 5.5%). However, the number of units sold fell, as in the previous year. This is partly attributable to the lockdown restrictions imposed in some countries. The higher prices are, among other things, due to the trend toward more expensive chronic therapies.

Overall, pharmacies in Germany sold approximately 1.8bn packages, 1.6% more than in 2020. According to IQVIA, this was due to prescription-only preparations. Taking the number of countable units sold, sales declined by 0.1% to 99.3bn. The largest segment was OTC medications and other groups (patient care, personal hygiene, nutrition), which accounted for 56% of packages sold. Prescription-only medications made up a share of 44%. The highest growth rate in sales (+15.7%) was recorded in the medical supplies segment, which includes products such as test kits, medical aids, and face coverings. Prescription-only medications grew by 3.1%. OTC medications recorded a decline of 2.1%.

Pharmacy revenues in Germany increased by 8.6% year over year to €67.7bn in 2021. The main growth driver was prescription drugs, which recorded a revenue rise of 9.6%, with a revenue share of 82.2%. OTC drugs exhibited a rise in revenue of 0.8%, with a revenue share of 10.9%. The revenue attributable to medical supplies increased by 15.1%, with a revenue share of 4.4%.

In particular, the trend toward Specialty Pharmaceuticals is continuing in industrialized nations. According to IQVIA, they reached a share of 48% of total expenditure for medication in 2021, which equates to a near doubling over the past ten years (2011: 26%). It is expected that this share will climb to 58% by 2026. Growth is chiefly driven by new therapies, particularly in the fields of oncology and auto-immunology. According to "Arzneimittel-Kompass 2021," these kinds of medications often cost far more than previous therapeutic alternatives – and are becoming more expensive all the time. Indeed, the average package price increased more than fourfold in the period from January 2019 to December 2020.

Many new medications are treatments for rare diseases. In 2020, these orphan drugs accounted for more than 40% of newly introduced active agents in Germany. In the same year, net costs for orphan drugs rose by 22.4% to €5.4bn. As such, they were the fastest-growing segment in 2020. At the same time, they achieved a considerable share of 11.8% of total net costs in the medication market.

### Quota system for critical medications during the corona pandemic

The directive to ration essential medications remained in force in 2021. It was introduced in March 2020 by the German Federal Institute for Drugs and Medical Devices (BfArM) following a sharp rise in stocking up and prevents pharmaceutical wholesalers from supplying drugs beyond normal requirements. The directive concerns "critical" drugs and, once in force, led to an easing of the order and delivery situation. According to the BfArM, the directive will remain in place until the end of the coronavirus pandemic. Since the fourth quarter of 2021, Medios AG has been working on the assumption that the rationing system will have no further impacts on the company's revenue and earnings position.

### Launch of electronic prescription

The introduction of the electronic prescription requirement, which was scheduled for January 1, 2022, was postponed indefinitely in December 2021. According to the German Federal Ministry of Health, the technology required is not yet available across the board. The test phase, initiated in December 2021, continues.

Electronic prescriptions were mandated in 2019 as part of the "Greater Security for Pharmaceutical Supply Act" (GSAV). Based on this law, doctor's prescriptions were generally only to be issued electronically starting from January 1, 2022. This means that patients will then receive their prescriptions in a cell phone application, select a pharmacy through this application, and send their prescription directly to the pharmacy of their choice. The German Telematic Health Care Card Applications Organization (Gematik) has been contracted to develop and operate the corresponding telematics infrastructure, which will be used to send e-prescriptions securely.

Electronic prescriptions, which are still being planned, will also create new opportunities for the Medios Group (for more information, see the report on risks and opportunities).

## 2. Business performance

Despite the ongoing yet less severe challenges of the COVID-19 pandemic, Medios' course of business was positive in 2021. The number of partner pharmacies has now been increased to approximately 600 – partly due to the successful acquisitions of Cranach Pharma GmbH as well as NewCo Pharma GmbH on January 10, 2022 – and business relations have been strengthened with virtually all existing pharmacies. The product range was also expanded, particularly in the Pharmaceutical Supply segment.

As such, the Medios Group is currently focusing on six areas of indication, including oncology, neurology, hemophilia and ophthalmology. The percentage share of non-oncological manufacturing was further increased as planned, therefore further spearheading diversification within the Patient-Specific Therapies segment. The underlying macroeconomic conditions and the development of the pharmaceutical industry were challenging in 2021 – and still overshadowed by the COVID-19 pandemic; in particular, the second half of 2021 was dominated by a renewed rise in coronavirus infections, supply bottlenecks that adversely impacted global trade and industrial production, growth problems in China, a sharp rise in inflation in advanced economies and substantial increases in energy prices. As a consequence, the recovery of the global economy – which prevailed in the first few months of 2021 – slowed down in the second half of the year.

However, the underlying conditions remained positive in terms of growth in the Specialty Pharma market in Germany (see the chapter entitled "Economic Report"). The trend toward customized medicine continues, which is attributable to a rising number of newly developed therapies across a variety of indication areas. The Medios Group more than doubled its revenue, particularly on account of inorganic growth through the successful acquisition of Cranach Pharma GmbH in January 2021. Earnings climbed by virtue of more favorable cost structures and were no longer negatively impacted by coronavirus to the same extent as in 2020. The Executive Board assumes that coronavirus will no longer have any further impacts on the revenue and earnings position.

The liquidity of the Medios Group increased steadily during the reporting period. As of December 31, 2021, there were no notable non-current liabilities, coupled with a still extremely high equity ratio of 75.2% (previous year: 73.2%). Therefore, Medios is in a strong economic position. As of the end of the 2021 financial year, Medios employed 301 people (December 31, 2020: 279).

In particular, the 2021 financial year was shaped by the following events:

On **January 21, 2021**, the specialist pharmaceutical wholesaler Cranach Pharma GmbH, Hamburg, became a wholly owned subsidiary. As a result, Medios is now the leading Specialty Pharma provider in Germany. By virtue of the business combination, the Medios partner network has grown

1) Adjusted, see note 17

by some 200 specialized pharmacies. The integration of the company is proceeding according to plan.

As part of the implementation of its strategy, particularly 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**. When these state-of-the-art and GMP-certified laboratories (GMP: Good Manufacturing Practice) go into operation, which is expected in summer 2022, it will allow the company to increase manufacturing capacities up to threefold.

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.

On **April 19, 2021**, Deutsche Bank began covering Medios AG.

On **September 20, 2021**, Medios exited the SDAX and is now no longer listed in any of the DAX selection indices. As part of its regular review of the DAX selection indices (DAX, MDAX, SDAX, TecDAX) on September 3, 2021, Deutsche Börse, among other things, decided to change the composition of the SDAX.

The digitalization of healthcare is one focus of Medios' growth strategy. This also includes mediosconnect, the digital platform implemented by Medios that already successfully connects physicians, health insurance companies, and specialized partner pharmacies and serves as an ordering and billing portal. This platform was launched in a fourth German federal state in 2021. As such, the company has significantly accelerated the rollout of this innovative ordering and billing platform for patient-specific medications. Alongside the expansion of mediosconnect in further German federal states, additional indication areas have also been integrated.

On **August 2, 2021**, Medios increased the revenue guidance issued for the 2021 financial year in spring 2021 following extremely strong revenue growth in the first half of 2021, confirming this increase most recently on November 9, 2021. The company's earnings guidance remained unchanged, however, due to increased expenses in future growth. The company recorded a 116.7% increase in consolidated revenue and an earnings increase of 155.3% (EBITDA pre) and 169.7% (EBT pre), thereby coming in slightly above the range for revenue and EBT pre and within the range of the increased forecast for EBITDA pre.

Effective as of **October 1, 2021**, Falk Neukirch was appointed to the Executive Board as Chief Financial Officer (CFO), since which time he has been responsible for the Finance as well as the Facility & Contract Management executive departments. As Chief Executive Officer, Matthias Gaertner is responsible for the executive departments Investor & Public Relations, ESG Communications and Mergers & Acquisitions

and focuses in particular on corporate strategy and the continued growth of the Medios Group. Together with the other serving Executive Board Members, the Executive Board has therefore once again comprised a four-person team since October 1, 2021.

On **November 25, 2021**, Medios concluded an agreement concerning the acquisition of NewCo Pharma GmbH ("NewCo"), Mannheim. With the acquisition of NewCo, completed in January 2022, Medios is able to significantly expand its business operations in the Patient-Specific Therapies segment throughout Germany. As a result, the consolidated revenue and profit margins of Medios will rise considerably year over year in the 2022 financial year, as reflected in the forecast (see the chapter entitled "Forecast").

Medios attained gross issue proceeds of approximately €72m as part of a capital increase against cash contributions that took place in early **December 2021**. The Authorized Capital from 2021 was in part utilized for the placement while the shareholders' subscription right was barred, which led to the stock capital increasing by just under 10% to about €22.3m. The company had approved a lock-up period of 180 days, with standard market exemptions, for further capital measures. The funds generated by the aforementioned capital measure were used to finance the lion's share of the cash components for the acquisition of the NewCo Pharma Group.

Beyond this capital increase against cash contributions, the upsize option to place up to 590,000 additional new shares in the event of significant demand was also approved. On account of strong demand among investors, the upsize option was used and placed in full. These 590,000 additional new shares were created from the company's 2017 Conditional Capital and formed part of the 2017 stock option plan, which allowed Executive Board Members and other executives to exercise subscription rights at an exercise price of €7.00 during specific and limited time frames. The Executive Board Members and another executive who exercised the option also agreed to a lock-up period of 360 days with standard market exceptions for further share transactions.

As a result, a total of 2,616,499 new shares were placed from 2021 Authorized Capital and 2017 Conditional Capital at a price of €35.50 per share. As such, the share capital climbed to a total of €22,881,490.00.

Moreover, a further 924,233 Medios shares were created through a cash increase against contributions in kind from authorized capital in **January 2022** as part of the acquisition of NewCo Pharma GmbH. These shares are subject to a staggered lock-up period of 12 months (50%) and 24 months (50%). The purchase price for NewCo was settled partially in the form of these new shares and partially in cash. As such, the share capital increased to a total of €23,805,723.00.

The Group's net income under IFRS amounted to €7.4m (previous year: €5.5m) and that of Medios AG under HGB to €8.2m (previous year: €6.5m). All in all, the Executive Board

is extremely satisfied with the course of business in the 2021 reporting period. Revenue once again increased significantly and important projects (e.g., the acquisition of Cranach Pharma GmbH and the initiated acquisition of NewCo Pharma GmbH, a capital increase against cash contributions, etc.) were either successfully concluded or progressed. The company's market position was further strengthened by means of the acquisitions, which led to a course of business better than that of the sector as a whole. The revenue guidance for the 2020 financial year, as published in the condensed management report for the 2021 financial year, was increased on August 2, 2021, following excellent revenue growth in the first half of 2021. The company's earnings guidance remained unchanged, however, due to increased expenses in future growth. The company recorded a 116.6% increase in consolidated revenue and an earnings increase of 155.3% (EBITDA pre) and 169.7% (EBT pre), thereby coming in slightly above the range for revenue and EBT pre and within the range of the increased forecast for EBITDA pre.

On **February 11, 2022**, the international investment bank Bryan, Garnier & Co, headquartered in London, began covering Medios AG. As a result, Medios is currently covered by seven analysts: alongside Bryan, Garnier & Co, Medios is still covered by Berenberg, Deutsche Bank, Jeffries, Kepler Cheuvreux, Metzler Capital Markets and Warburg.

### 3. Medios Group situation

#### 3a.1 Results of operations of the Medios Group (IFRS)

In the 2021 financial year, revenue once again increased significantly to €1,357.4m (previous year: €626.5m), exceeding the 2021 revenue guidance of €1,300m. The rise in Group revenue to €1,357.4m in 2021 (previous year: €626.5 m) is, in particular, attributable to the acquisition of Cranach Pharma GmbH, whose business operations were included in the consolidated financial statements of Medios AG for an entire 12-month period.

Moreover, the company attracted further independent highly specialized pharmacies as customers, thereby continuing the expansion of the partner network. The product range within the indication area of hemophilia contributed to revenue volumes for 12 months for the first time. The sale of Medios Analytics did not result in any notable change on the revenue side compared to the previous year.

External revenue in the Pharmaceutical Supply business segment amounted to €1,295m in the 2021 financial year (previous year: €564m). Cranach Pharma GmbH, acquired in 2021, contributed €720.6m to this revenue (previous year: €0.0m). Earnings before interest, taxes, depreciation and amortization (EBITDA) before extraordinary expenses rose to €33.7m, compared to €9.6m in the prior-year period.

In the Patient-Specific Therapies business segment, external revenue was generated in the amount of €62.2m (previous year: €61.9m). Earnings before interest, taxes, depreciation and amortization before extraordinary expenses (EBITDA pre) rose to €7.9m, compared to €5.9m in the prior-year period.

The internal business segment Services generated external revenue of €0.6m in the reporting period (previous year: €0.4m). All revenues were generated almost exclusively within the Federal Republic of Germany.

Activities in the business segment of Pharmaceutical Safety were discontinued with the sale of Medios Analytics GmbH, although the Medios Group still retains access to the innovative technology by virtue of contractual agreements.

Material expenses amounted to €1,290.0m in the 2021 financial year (previous year: €589.3m). The absolute increase in material expenses reflects the rise in revenue. Gross proceeds increased by €32.0m to €70.1m (previous year: €38.0m), or 5.2% (previous year: 6.1%) of revenue. As such, the gross proceeds margin declined by 0.9 percentage points. The reduction in the margin is chiefly based on a structural effect, as the Pharmaceutical Supply – which exhibits a smaller relative margin – grew disproportionately compared to the Patient-Specific Therapies segment due to the acquisition of Cranach Pharma. Taken individually, both operating segments increased both their relative and absolute margins.

The Group's personnel expenses amounted to €22.1m (previous year: €15.3m), or 1.6% (previous year: 2.4%) of revenue. Non-liquidity-effective expenses for the stock option program amounted to €3.0m (previous year: €1.2m). The rise in personnel costs reflects the increase in head count, creation of new group structures and the development of the Executive Board compensation. Share-based compensation increased sharply as a result of the issue of further stock options to the Executive Board and employees.

Other expenses totaled €13.4m (previous year: €9.7m). Sales costs climbed by €1.0m to €2.3m (previous year: €1.3m). Legal and consultancy costs amounted to €2.0m (previous year: €1.9m), of which €0.8m, as in the previous year, was disbursed in connection with M&A activities, some of which were not pursued further. Costs for premises came in at €1.3m, compared to €0.9m in the previous year; the increase was caused, first and foremost, by ancillary rental costs already incurred for the new site. Marketing and distribution expenses rose by €1.1m to €1.9m (previous year: €0.7m), with the increase chiefly attributable to expenses for revenue-related higher commission fees contained within this item.

Of the two operational business units, Pharmaceutical Supply contributed €33.7m (previous year: €9.6m) and Patient-Specific Therapies contributed €7.9m (previous year: €5.9m) to earnings before interest, taxes, depreciation and amortization (EBITDA) before extraordinary expenses in the amount of €38.4m (previous year: €15.1m). EBITDA before extraordinary expenses of the Medios Group therefore falls within the guidance range for the 2021 financial year of

€38m to €39m.

Amortization and depreciation rose by €15.8m to €19.4m (previous year: €3.6m). This increase resulted mostly due to the depreciation of customer lists and competition prohibitions in the amount of €10.1m relating to Cranach Pharma GmbH, which has only been included in the scope of consolidation since 2021. Furthermore, write-downs of €2.9m were performed on software projects, goodwill and customer lists of Kölsche Blister GmbH. The strategic objective of distributing finished medicinal products in the form of patient-specific doses through blistering remains in place. With the acquisition of the NewCo companies at the end of 2021, however, further possibilities have opened up in this regard at the Medios Group. As a result, the measurement of the technologies and customer lists originally acquired as part of the Kölsche Blister takeover needed to be reassessed and revised.

The financial result amounted to €-1.7m in the 2021 financial year (previous year: -0.6m). Of this figure, -0.3m relates to a bridge loan (previous year: €0.0m), which was granted in connection with the acquisition of NewCo Pharma. Custodian fees and surplus liquidity charges came to €-0.3m (previous year: €-0.1m). Costs for the syndicated loan amounted to €-0.6m (previous year: €-0.4m). €0.3m (previous year: €0.1m) was incurred in connection with IFRS adjustments (leases, provisions, etc.). Interest paid to former shareholders of Cranach Pharma totaled €0.2m (previous year: €0.0m).

Earnings before taxes (EBT) before extraordinary expenses increased also increased substantially to €32.3m (previous year: €12.0m). As a result, Medios remained slightly above the range of its annual guidance of €31 to 32m for earnings before taxes (EBT) for extraordinary expenses.

Earnings before interest, taxes, depreciation and amortization (EBITDA) and consolidated earnings before taxes (EBT) are reconciled as follows with EBITDA before extraordinary expenses and EBT before extraordinary expenses:

| In € thousands                                                 | 2021          | 2020          |
|----------------------------------------------------------------|---------------|---------------|
| <b>EBITDA</b>                                                  | <b>34,635</b> | <b>13,903</b> |
| Expenses from share option programmes                          | 2,996         | 1,158         |
| Other expenses M&A                                             | 805           | 802           |
| <b>EBITDA adjusted for extraordinary expenses (EBITDA pre)</b> | <b>38,435</b> | <b>15,054</b> |

| In € thousands                                           | 2021          | 2020          |
|----------------------------------------------------------|---------------|---------------|
| <b>EBT</b>                                               | <b>13,576</b> | <b>8,901</b>  |
| Expenses from share option programmes                    | 2,996         | 1,158         |
| Other expenses M&A                                       | 805           | 802           |
| Depreciation of the customer base                        | 11,851        | 653           |
| Write-off Goodwill                                       | 1,617         | 0             |
| M&A-related financial expenses                           | 1,472         | 471           |
| <b>EBT adjusted for extraordinary expenses (EBT pre)</b> | <b>32,317</b> | <b>11,985</b> |

In the 2017, 2018 and 2020 financial years, stock option programs were set up in which Executive Board Members and selected employees of the Medios Group were granted options to purchase shares as compensation for work performed and to foster long-term loyalty to the company. No discretionary cash settlement right was granted. These expenses do not effect liquidity.

Depreciation of the customer base relates to the line of business acquired in 2018 resulting from the former BerlinApot-heke, as well as the company Kölsche Blister GmbH, acquired in 2020, and the company Cranach Pharma GmbH acquired in 2021, and relates to the intangible assets "customer base" capitalized in connection with these transactions.

| In € thousands                                                                               | 2021          | 2020       |
|----------------------------------------------------------------------------------------------|---------------|------------|
| Depreciation on customer lists in connection with BerlinApot-heke                            | 608           | 608        |
| Depreciation on customer lists and non-competition clause in connection with Cranach Pharma  | 10,075        | 0          |
| Depreciation on customer lists and non-competition clause in connection with Kölsche Blister | 61            | 46         |
| <b>Write-downs</b> on customer lists in connection with Kölsche Blister                      | 1,107         | 0          |
| <b>Total</b>                                                                                 | <b>11,851</b> | <b>653</b> |

The tax expense is €6.2m. The Group tax ratio therefore stands at 45.48%.

Consolidated net income for the 2021 financial year amounts to €7.4 million, compared with €5.5 m<sup>1</sup> in the previous year.

### 3a.2 Financial position of the Medios Group (IFRS)

Cash and cash equivalents amounted to €168.4m as of December 31, 2021 (previous year: €19.8m) and mainly comprised bank balances.

The increase in cash and cash equivalents resulted, on the one hand, from the cash inflow arising from a cash capital increase in the amount of €73.3m in December 2021 and, on the other hand, from a positive net cash flow from operating activities and investment activities in the amount of €78.9m in the 2021 financial year (previous year: €-44.0m). This item includes liquid funds of Cranach Pharma GmbH in the amount of €30.0m, which were added through inclusion in the scope of consolidation as part of the acquisition of the company.

Significant investments in the 2021 financial year were the acquisition of Cranach Pharma GmbH and the construction of a new manufacturing site in Berlin for the Patient-Specific Therapies segment, which is scheduled to go fully into operation by mid 2022.

Advance payments for software developments – chiefly for the mediosconnect project and an enterprise resource planning (ERP system) – totaled €2.9m. The cash outflow for investments in property, plant and equipment amounted to €9.9m, with €8.9m attributable to the new manufacturing site in Berlin.

From financing activities, €73.3m in liquid funds was collected through additional equity. The syndicated loan was partially utilized in the amount of €30.0m in order to repay a shareholder loan to former owners. Interest payments in the amount of €1.3m (previous year: €0.8m) were incurred in the financial year. €2.1m (previous year: €1.2m) was disbursed for the repayment of lease liabilities.

The companies of the Medios Group have access to unutilized operating credit in the amount of €17.5m, which can be used to finance working capital. There are no other available credit lines. There is a credit facility of €31.5m for acquisitions that has been utilized in full and for which repayments of €6.3m have already been made as of the balance sheet date.

For the acquisition of NewCo Pharma GmbH, a cash outflow of €82.5m – as the cash component of the purchase price payment – was recorded immediately after the balance sheet date in January 2022.

The Executive Board has no plans for dividend payments in the medium term, but instead intends to invest in continued growth. The Specialty Pharma market remains in a consolidation and restructuring phase, from which Medios wishes to benefit in the greatest possible extent. However, a dividend payment is not ruled out in the long term.

### 3a.3 Net asset position of the Medios Group (IFRS)

In the 2021 financial year, the consolidation of Cranach Pharma GmbH on the one hand, and the execution of two capital increases on the other, resulted in a significant increase in almost all balance sheet items and therefore the balance sheet total. The first-time consolidation of Cranach Pharma GmbH resulted in much higher intangible assets and in higher trade receivables, as well as an increase in inventories.

Non-current assets of €223.5m (previous year: €58.2m) as of December 31, 2021, chiefly comprised intangible assets in the amount of €192.9m (previous year: €35.2m) and usage rights as a lessee in the amount of €16.2m (previous year: 17.3m). The significant change to non-current assets arose, on the one hand, from first-time consolidation of Cranach Pharma GmbH with the respective price allocation as a result of which customer lists were recognized at €58.8m and goodwill at €103.8m, as well as depreciation on customer lists. Customer lists (previous year: €1.2m) and goodwill (previous year: €1.6m) of Kölsche Blister were written down to zero in the reporting period, as already outlined above.

1) Adjusted, see note 17

Current assets totaled €300.7m as of the end of the 2021 financial year (previous year: €136.3m). This item primarily consists of cash and cash equivalents of €168.4m (previous year: €19.8m), trade receivables in the amount of €87.8m (previous year: €74.8m) and inventories in the amount of €36.5m (previous year: €35.3m). Despite the sharp rise in interest, chiefly due to the acquisition of Cranach Pharma, trade receivables and inventories remained more or less on a par with the previous year. Therefore, the key indicators "days sales outstanding" and "days inventory outstanding" also improved in the 2021 financial year. DSO (days sales outstanding) came in at 23.3 days (previous year: 43.0 days) and DIO (days inventory outstanding) came in at 10.2 days (previous year: 21.6 days).

Equity amounted to €394.2m as of December 31, 2021 (previous year: €142.4m), which equates to an equity ratio of 75.2%. As such, the equity ratio increased slightly against the previous year (73.2%). The Group's balance sheet total rose to €524.1m as of December 31, 2021 (previous year: €194.5m). These represents a year-over-year increase of 169.4%.

As of the balance sheet date of December 31, 2021, the Group's non-current liabilities stood at €36.2m (previous year: €21.5m). This item includes non-current liabilities as a lessee of €15.3m (previous year: €15.7m) and deferred tax liabilities of €19.9m (previous year: €3.8m). There were no longer any non-current liabilities to banks (previous year: €0.9m).

Current liabilities rose to €93.8m as of year-end (previous year: €30.6m). As a result of the integration of Cranach Pharma, trade payables, in particular, climbed from €22.4m in the previous year to €32.3m as of December 31, 2021. Current financial liabilities amounted to €32.3m as of December 31, 2021 (previous year: €0.6m). The existing syndicated loan was used in connection with the acquisition of Cranach Pharma. Income tax liabilities rose to €10.9m (previous year: €2.6m). The increase in tax liabilities excluding income tax results from payroll tax liabilities payable by the exercising parties in connection with the exercise of share options and not passed on by the companies employing them until January 2022. Within personnel costs, liabilities for Executive Board bonuses were recognized in the amount of €0.4m, and variable employee remuneration in the amount of approx. €0.6m (previous year: €0.0m).

### 3a.4 Overall assertion of the Executive Board on the results of operations, financial position, and net asset position (IFRS)

The original forecast published for the 2021 financial year was revised upward in respect of revenue during the course of 2021, rising from €1.15 to 1.20bn to €1.2 to €1.3bn (August 2, 2021), as sales markets, in particular, grew strongly. The forecasts for EBITDA pre (€38 go €39m) and EBT pre (€31 go 32m) were confirmed during the course of the year and were either met or exceeded slightly as of year-end.

### 3b.1 Results of operations of Medios AG (HGB)

In the 2021 financial year, Medios AG generated revenue of €8.5m (previous year: €8.0m), of which €8.1m constituted external revenue, with remaining revenue resulting chiefly from reallocations within the Medios Group. Annual net profit amounted to €8.2m in the 2021 financial year (previous year: €6.5m), which represents a rise of €1.7m against the prior-year period. This change results, on the one hand, from rising personnel costs (€+2.6m) and other operating expenses (€+2.4m) as part of growth at the Group. On the other hand, impairments on the fair values of investments and loans in connection with Kölsche Blister GmbH depressed earnings in the amount of €5.5m. This was compensated by increased gains from profit-transfer agreements with, and dividend payments of, subsidiaries contributed €22.3m (previous year: €13.2m) to earnings.

The 2021 financial year was dominated by further structural expansion at Medios AG in order to provide all existing and new subsidiaries with an extensive range of services and in order to pave the way for continued further growth at the Medios Group. In particular, structural expansion took place in the Finance, Human Resources, IT and Facility/Contract Management divisions. The total number of employees at Medios AG rose to 74 as of December 31, 2021 (previous year: 59).

In 2021, revenue was increased by expanding the range of services for subsidiaries; it came in at €8.5m and was therefore within the forecast range of €8 to 9m. In addition to the aforementioned services, subsidiaries were also granted loans for the purpose of financing and expanding their business operations. These loans totaled €100.4m as of December 31, 2021 (previous year: €72.3m). Interest income generated from these loans amounted to €2.3m within the reporting year (previous year: €0.8m).

On the cost side, personnel expenses amounted to €6.5m (previous year: €3.9m). This item includes liabilities for Executive Board bonuses and variable employee remuneration in the amount of €0.6m. Depreciation and amortization totaled €6.2m (previous year: 0.5m. €), with €5.5m coming from impairments in connection with Kölsche Blister GmbH, as outlined above. Other costs amounted to €10.3m (previous year: €7.9m) and largely comprise internal offsetting (€1.3m, previous year: €2.2), costs related to capital increases (€2.8m, previous year: €1.8m) and legal and consultancy costs (€1.3m, previous year: €1.2m). In the course of 2021, the costs of premises rose by €0.6m to €1.7m, as Medios AG is already the main tenant in terms of floor space during the refurbishment of a new production site in Berlin. For the year under review, this led to EBITDA of €-8.0m (previous year: €-3.7m). EBT amounted to €9.4m (previous year: €9.1m) and net annual profit stood at €8.2m (previous year: €6.5m). On account of the expenses for the capital increase against cash contributions and the acquisition of NewCo Pharma, which were not included in the forecast, the EBITDA range of €-4 to -5m and the EBT range of €11 to 12m were not reached.

### 3b.2 Financial position of Medios AG (HGB)

Liquid funds amounted to €88.4m as of December 31, 2021 (previous year: €7.4m) and mainly comprised bank balances.

Equity amounted to €402.3m as of December 31, 2021 (previous year: €150.9 m). A balance sheet total of €439.9m (previous year €158.5m) gives rise to an equity rate of 91.5% (previous year: 95.2%).

Provisions totaled €3.2m (previous year: €2.4m) and mainly comprised tax provisions. Tax provisions developed in line with earnings growth in 2021.

In total, liabilities held by Medios AG stood at €33.8m as of December 31, 2021 (previous year: €5.2m), with the largest item being liabilities to banks in the amount of €25.5m (previous year: €1.5m). In 2020, a syndicated loan agreement worth €62.5m was concluded with a banking consortium. The stated liabilities to banks as of December 31, 2021, result from the utilization of this loan. Unutilized credit lines of €17.5m are available for future financing requirements; in the 2021 financial year, €30m was used in connection with the acquisition of Cranach Pharma GmbH. Liabilities to associates amount to €2.8m (previous year: €2.3m) and other liabilities to €4.3m (previous year: 0.3m), with €3.7m attributable to payroll and church taxes transferred in connection with the exercise of stock option rights. They were paid out in January 2022.

Medios AG invested €3.7m in property, plant and equipment in the 2021 financial year, with the majority of these investments connected with the new production site in Berlin.

### 3b.3 Net asset position of Medios AG (HGB)

Non-current assets amounted to €322.1m in the 2021 financial year, which represents a 150% increased on the previous year (€128.8m). The largest positions within non-current assets were shares in affiliated companies in the amount of €216.5m (previous year: €52.6m) and loans to affiliated companies in the amount of €100.4m (previous year: €72.3m).

Of the loans, €59.0m relates to a bullet loan granted to Medios Pharma GmbH (previous year: €70m) and €30m to a bullet loan granted to Cranach Pharma GmbH (previous year: €0.0m, each with a term running until 3/31/2024 and an interest rate of 2.5% p.a.

Current assets amounted to €117.7m as of December 31, 2021 (previous year: €29.7m) and mainly comprised bank balances in the amount of €88.4m (previous year: €7.4m) and receivables from affiliated companies in the amount of €26.5m (previous year: €21.5m). The increase in bank balances reflects the net issue proceeds from a capital increase against cash contributions of €73.3m in December 2021. A cash outflow of €85.2m was recorded at the start of 2022 as part of the purchase price payment for the acquisition of NewCo Pharma.

### 3b.4 Overall assertion of the Executive Board on the results of operations, financial position, and net asset position (HGB)

The economic position of Medios AG therefore remains strong. In the 2021 financial year, Medios AG dealt with COVID-19 related challenges effectively. Important company projects were successfully completed. The acquisition of Cranach Pharma GmbH, for example, was executed and the acquisition of NewCo Pharma GmbH initiated. A clear annual net profit of €8.2m was posted. Consequently, Medios is satisfied with the development of the asset, financial and earnings position pursuant to IFRS under these unique conditions.

### III. Events after the balance sheet date

In respect of business transactions occurring after December 31, 2021, please refer to the notes under item 44 "Events after the Reporting Period" and Item 9 "Transactions of Particular Importance" in the Notes to the annual financial statements.

## V. Risks, opportunities and forecast report

### 1. Accounting-related internal control system

The purpose of the accounting-related internal control system is to ensure the propriety and reliability of accounting, financial reporting and the management report of the Medios Group in compliance with statutory requirements, and to uphold the relevant accounting requirements, through the implementation of suitable principles, processes and controls. The extent and focus of the internal control system established was developed by the Executive Board on the basis of Group-specific requirements.

The internal control system is embedded within the risk management system. Accounting-related reporting and consolidation are performed with the help of IT systems that are appropriate to the size of the Group. The preparation of the consolidated annual financial statements and accounting for individual companies are handled centrally, enabling consistent and continuous application of accounting within a harmonized preparation process for financial statements. Once the financial statements have been prepared, the consolidated financial statements are submitted to the Supervisory Board for approval along with the condensed management report.

## 2. Risk report

As of the balance sheet date, the overall risk situation remains largely unchanged against the previous year.

### 2.1 Risk management

In order to be able to guarantee the quality of Medios Group services while simultaneously generating continuous improvement, Medios has established a comprehensive risk management system for the corporate group.

Gap analysis: in order to minimize risk, potential gaps in the system are identified and described; moreover, measures are defined that prevent or mitigate potential errors in advance. Risk analysis is performed using the qualitative criteria of possible harm, likelihood of occurrence and discovery of the error.

In this process, the following points system is used:

#### Possible harm:

- No harm, €0 million → 0 points
- Very low harm, €0 – €0.1 million → 1 point
- Low harm, €0.1 – €1 million → 2 points
- Moderate harm, €1 – €5 million → 3 points
- Significant harm, €5 – €10 million → 4 points
- Highly significant harm, €10 – €25 million → 5 points
- Critical harm, >€50 million → 6 points

#### Likelihood of occurrence:

- Very low likelihood, 0% → 0 points
- Low likelihood, 0 – 10% → 1 point
- Moderate likelihood, 10 – 25% → 2 points
- High likelihood, 25 – 50% → 3 points
- High probability, 50 – 75% → 4 points
- Very high likelihood, 75 – 95 % → 5 points
- To be definitely expected, 95 – 100 % → 6 points

#### Discovery of error:

- Will definitely be discovered, 95 – 100% → 0 points
- Very high likelihood, 75 – 95% → 1 points
- High likelihood, 50 – 75% → 2 points
- Moderate likelihood, 25 – 50% → 3 points
- Low likelihood, 10 – 25%, → 4 points
- Very low likelihood, 0 – 10% → 5 points
- Will probably not be discovered, 0% → 6 points

The points for each of the three criteria are added up to produce the corresponding risk value. This subsequently leads to the risks being categorized in the following classes:

- Category 1 (0 – 5): No to low risk,
- Category 2 (6 – 10): Low to moderate risk,
- Category 3 (11 – 15): Moderate to high risk and
- Category 4 (16 – 18): Significant risk.

Gap analyses are performed on a regular basis in order to be able to respond as quickly as possible to risks and potential errors. The senior management of the subsidiary concerned, along with the departmental head at Medios AG in conjunction with the Executive Board, is responsible for compiling these gap analyses.

Standard operating procedure (SOP): In order to be able to properly comply with statutory requirements applicable to Medios AG subsidiaries and to ensure a consistent quality level, clear and understandable statutory operating procedures are devised – and observed by senior management and the workforce. These SOPs outline process steps that have to be continuously adapted to changing circumstances and situations within the everyday working routine. The main aim of the risk management system is to prevent financial losses through failures and/or faults and to immediately initiate suitable countermeasures. Within this system, the Executive Board, management and Supervisory Board are informed of risks at an early stage.

In addition to continuous monitoring of liquidity and earnings, a key early-warning mechanism is the oversight of all risks associated with the production and distribution of pharmaceutical drugs. Determining deviations from planning is also the responsibility of Controlling. Where necessary, the relevant departmental heads decide, in conjunction with the Executive Board, on a suitable strategy and risk management measures. Meetings are held regularly for this purpose, with regular communication by telephone and email between meetings.

For the purpose of ongoing control, both the senior management of the relevant subsidiaries and the Executive Board Members of Medios AG receive all operationally relevant evaluations, as well as management, controlling and sales reports, on a monthly basis. In order to facilitate even more rapid responses to potential deviations, the senior management and Executive Board Members also receive daily updated sales and revenue indicators from the Pharmaceutical Supply business segment. The Supervisory Board of Medios AG is informed monthly in the form of condensed management reports and explanatory management analyses.

Unless otherwise stated, the following presentation of risks relates to all segments with a duty to report.

## 2.2 Industry-specific risks

The pharmaceutical drugs market in Germany and the European Union (EU) is governed by a raft of regulations. Potential changes to legislation may have a direct impact on the business operations of the Medios Group.

Cost increases in the health care system, caused by demographic change, as well as increasingly costly treatment and therapeutic methods linked to advances in medical innovations are pushing health care systems to the limits of their financial viability. A deteriorating economic trend, including the ongoing uncertainties associated with the coronavirus pandemic, and the consequences of the United Kingdom's exit from the European Union – which still cannot be conclusively evaluated – could further compound this financing situation. Therefore, national governments may continue to seek to reduce expenses for health care services by means of legislative interventions.

The underlying legal conditions affecting the business operations of the Medios Group were subject to fundamental changes in the past and will remain so for the foreseeable future. At the same time, the company's business operations are dominated to a considerable extent by government regulations and oversight. Fundamental changes to the existing regulatory and other underlying conditions, or other legal changes affecting the company's business operations, especially changes to the law governing pharmaceutical drugs, may have an adverse effect on the business operations of the Medios Group; the same also applies for changes in the way the authorities apply existing legal regulations.

In its risk analysis, the company has assigned these risks to categories 1 and 2.

## 2.3 Regulatory risks

The Medios Group is reliant on public authorities, health insurers and other health care institutions at least partially bearing and/or refunding the costs of treatment with drugs, medicinal products and other services offered and sold by the Medios Group. Reimbursement benefits for drugs and medical services, however, are increasingly being reduced. Moreover, the number of patients entitled to reimbursement of medical costs is being limited, or the amount covered/reimbursed reduced. If reimbursement for the costs of medications distributed by the Medios Group cannot be ensured or not ensured to a sufficient extent, this may have lasting impacts on the drugs, medicinal products and other services offered and distributed by the Medios Group, as well as on the revenue and earnings that can be generated with such products and services.

Furthermore, the company is unable to estimate which additional legal provisions or requirements will be passed to reduce costs in the health care sector, which amendments to existing laws or guidelines will be passed and what impacts any such amendments will have on the reimburse-

ment/coverage by third parties for treatment with drugs, medicinal products, and other services – and therefore on the business operations of the Medios Group. Government regulatory measures such as fixed contributions, co-payment exemptions, discount limits and discount agreements between manufacturers and health insurers may restrict growth in the pharmaceutical drugs market and have direct impacts on the earnings of the Pharmaceutical Supply segment. If manufacturers or government bodies reduce the price of medications, this may put more pressure on the margins of pharmaceutical wholesalers. The wholesale price ranges are also subject, both directly and indirectly, to relatively frequent legislative changes.

All this may adversely affect the company's net asset position, finance position, and results of operations.

The company has assigned these risks to categories 1 and 2.

## 2.4 Business-related risks

The following material business-related risks have been identified:

### a) Technical risks

The risk that technical equipment is not used properly is countered by regular maintenance and repair work and the option of outsourcing production to partner companies. Furthermore, the acquisition of Medios Individual GmbH in 2017 created a fallback option within the Medios Group in the event of technical problems. Medios AG also possesses a fault and maintenance management system in order to be able to tackle and eliminate any faults in a timely fashion.

The IT and process landscape may constitute a risk, particularly in light of the growth of the Medios Group. Increasing size and complexity, as well as increasing regulatory requirements, necessitate continuous adaptation and further development of the systems. In the event that processes and systems are not successfully adapted to reflect regulatory requirements, this may result in regulatory requirements not being met or in incorrect decisions being taken on the basis of missing or inaccurate information.

The company has mainly assigned these risks to categories 1 and 2. There are also individual risks in category 3. The likelihood of occurrence of the risks in category 3 is no higher than 4 of 6 possible points, and the level of harm no higher than 5 of 6 possible points.

## b) Personnel risks

A further risk lies in the loss of qualified personnel, as well as personnel in key functions. Targeted personnel development, training and professional development opportunities and the expansion of social benefits reduce the probability of losing personnel and boost the attractiveness of the workplace. An additional risk lies in the recruitment of sufficient personnel to manage the desired growth. The situation on the employment market remains challenging and it will probably remain difficult to find sufficient qualified personnel for the foreseeable future. However, Medios AG benefits from its location in Berlin, as Berlin is currently regarded as an extremely attractive environment, especially among younger employees. The pharma industry also represents a positive factor, as it continues to be perceived as an attractive and secure sector. Thanks to the listing of Medios AG on the stock exchange, the company is also able to further motivate employees through stock options.

The company has mainly assigned these risks to categories 1 and 2. One risk is in category 3. The likelihood of occurrence of this risk in category 3 is no higher than 4 of 6 possible points, and the level of harm no higher than 4 of 6 possible points.

## c) Risks from unforeseeable events

Unforeseeable external events, such as extreme weather or power failures, could temporarily interrupt production in the Patient-Specific Therapies segment and impair storage (chilled goods) and logistics in the Pharmaceutical Supply segment. This could lead to lost revenues and earnings. However, the risk from unforeseeable events is generally assessed as being low.

If, contrary to expectations, such an event was to transpire, the insurance policies taken out by the Medios Group (especially business liability and interruption insurance) could possibly cover or reduce any financial losses incurred. Insurance coverage is reviewed annually and modified accordingly. All material risks from unforeseeable events are covered by insurance to the greatest possible extent.

At the current time, no additional material business impairments due to the coronavirus (COVID-19) are foreseeable for Medios in the 2022 financial year. Further impairments on the procurement market beyond the current level are currently not expected. As the situation continues to change, however, the company's senior management continuously monitors developments, especially in relation to

- the availability of qualified employees at manufacturing companies and in the logistics center
- suppliers' ability to deliver
- potential legal rationing of individual active agents and the supply chains that are important in this regard

Should there be any significant changes, an amendment to the risk assessment is not ruled out.

Due to the continued existence of the corona pandemic, macroeconomic risks may arise that could adversely affect economic growth in individual countries, but also globally. The further spread of the coronavirus and the potential impacts on Medios are monitored on an ongoing basis. At the time of publication of this report, Medios is not aware of any direct material impacts on its course of business. Comprehensive emergency plans are already in place at Medios for such events, particularly at GMP-certified manufacturers (GMP: Good Manufacturing Practice). Additionally, the company has defined further measures to cushion or eliminate potential impacts from identified risks.

Currently, the Executive Board assumes that the Ukraine conflict will not have a significant impact on the business of the Medios Group. An initial risk assessment shows that neither procurement nor sales markets of the Medios Group are directly affected by the conflict. This assessment is based on the premise that the conflict will not have a lasting global economic impact, but rather a moderate impact on the Medios Group's procurement and sales markets. In the event of a prolonged conflict with global impact, risks to the Medios Group's business cannot be ruled out.

In its risk analysis, the company has assigned the risks to categories 2 and 3. One of these risks is assigned to category 3; its likelihood of occurrence stands at 2 points from a possible 6, whereas the level of harm is at 5 points from a possible 6.

## 2.5 Earnings-related risks

Medios assesses the earnings-related risks in the Pharmaceutical Supply business segment as low, as the margin policy can be flexibly managed as a trading company with limited inventories and due to partially predictable demand as a result of chronic conditions.

The pharmaceutical sector – particularly in the area of prescription medication and therefore Specialty Pharma drugs – is relatively independent of overall economic trends and therefore only subject to minor economic fluctuations. The price and margin structure of pharmaceutical trade in Germany is legally regulated to a huge extent and therefore relatively independent of further external factors. In principle, this also applies in the current event of higher inflation expectations and higher energy prices, as these are expected to result in only moderate cost increases for Medios AG at the moment. These market risks are assigned to categories 1 and 2. One risk is in category 3. The likelihood of occurrence of this risk in category 3 is no higher than 5 of 6 possible points, and the level of harm no higher than 4 of 6 possible points.

Alongside an organic growth strategy, Medios also has a proven inorganic growth strategy. The strong organic growth witnessed in recent years necessitates further investment in the structures needed to integrate the acquisitions and in strengthening the governance capability of the much larger Group. This will require the expansion of capacities for personnel and IT structures, including for the ongoing improvement of governance capability and administration.

## 2.6 Financial risks

As the Medios Group handles almost all revenue in euros, there were no foreign exchange risks as of the balance sheet date. Furthermore, there were hardly any non-current liabilities as of December 31, 2021. Therefore, there is no notable interest rate risk at the Medios Group.

In its business operations, the Medios Group is faced with the risk of payment default on the part of its customers. The customer base is nuanced and the majority of receivables items exhibit no existential threat. Customers' creditworthiness is high and the majority of customers are liable with their private assets. Payment defaults have not transpired in the past. However, payment defaults cannot be ruled out for the future – and these could result in significant earnings losses if related to major customers. In the 2021 financial year, bad debt allowances of €1.0m were formed on receivables.

The Medios strategy, which is geared toward growth, will go hand in hand with an increase in working capital and greater investment activity. Increased business will also result in an increased workforce. In this context, investments in the IT structure, logistics and administration will be necessary.

According to Medios' planning, the expected financing need will be met to a large extent by operating cash flow and through available liquid assets of the Medios Group, as well as through a contractually agreed syndicated loan. It is intended that recognizable additional financing needs due to revenue expansion in the following financial years will be met by taking out additional credit lines with banks. If necessary, additional capital increases against cash contributions are not ruled out. In the future, ESG-compliant procedures and reporting will grow in importance in this area. If Medios is unable to generate a positive image on the financial market, this could have negative consequences in terms of the availability of additional capital and/or the conditions that need to be met in order to access this capital. If there are future difficulties in procuring equity due to overall developments on the world's stock exchanges, this could dampen growth at the Medios Group. The senior management strives to gear potential expansion to the available financial resources.

The company has mainly assigned these risks to categories 1 and 2. There are also a handful of individual risks in category 3. The likelihood of occurrence of the risks in category 3 is no higher than 6 of 6 possible points, and the level of harm no higher than 3 of 6 possible points, but no single risk is evaluated as having both a high level of harm and a high likelihood of occurrence.

## 2.7 Research and development risks

For strategic reasons, the company has outsourced current development projects to a partner pharmacy in the short term through the sale of Medios Analytics GmbH.

Medios Analytics GmbH was sold to Anike Oleski, owner of MediosApotheke, effective as of March 1, 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.

Therefore, the Group does not see any risks in this area.

## Overall assessment of the risk position

Medios focuses on Specialty Pharma and therefore belongs to a pharmaceutical sector that is relatively independent of overall economic developments. Therefore, Medios regards economic risks as relatively low.

Overall, it can therefore be stated that financial risks, regulatory risks and the risks associated with unforeseeable events (corona pandemic) continue to present the greatest uncertainty for the Medios Group. In the extensive professional experience of the management teams of Medios companies, there have been very many regulatory changes to the health care market in Germany – some of which have been severe. However, the company has always succeeded in adapting to these changes extremely rapidly, often using

them to its own advantage. Medios believes that it is in a strong position as regards ESG-related changes. Medios is there working on the assumption that the company will still be able to successfully deal with future regulatory changes. The overall assessment of the risk position is that no risks are currently identifiable that seriously threaten the continued existence of the company. Overall, the risks facing the Medios Group are limited and containable.

### 3. Opportunities report

Just like risk management, opportunities management represents a central component of corporate governance. As against the previous year, the overall opportunities situation remains promising, including as a result of the acquisition of Cranach Pharma GmbH, completed in January 2021, and the takeover of the NewCo Pharma Group, initiated in November 2021 and completed in January 2022. The individual opportunity areas are identified, analyzed and prioritized at regular strategy meetings and, where applicable, incorporated within the Group strategy.

Directors, sales personnel and field/office representatives from various Medios companies are regularly included within this process. In this way, it is identified at an early stage whether market and competitor developments or internal Group events necessitate a reassessment of individual opportunity areas.

The Specialty Pharma market continues to offer Medios considerable growth potential across all business segments. In particular, this is attributable to the following opportunities:

#### Opportunities resulting from market growth

The global pharma market is growing. The Specialty Pharma market, as a significant component thereof, can also benefit from this trend. According to IQVIA, global expenses for drugs will rise to the equivalent of some €1,562bn between 2022 and 2026. This equates to average annual growth of approx. 4.5%, as well as an overall rise of approx. 24% compared with 2021 (€1,260bn). Between 2022 and 2026, it is expected that the German pharma market will grow by some 6% per annum and achieve a volume equivalent to some €76.1bn. This would represent a rise of roughly 33% compared to 2021 (€57.2bn).

In industrial nations, in particular, Specialty Pharma drugs are growing in importance. According to IQVIA, they will reach a share of 58% of total drugs expenditure by 2026. As such, their share would more than double compared to 2011 (26%). In 2021, they accounted for 48%, in 2016 38%. According to IQVIA estimates and Medios calculations, Specialty Pharma expenses in Germany could rise to €28.7bn by 2026, growth of some 61% compared to 2011 (€17.8bn); this equates to annual growth of some 10%. In 2022, expenditure is expected to climb by 10% to €19.6bn.

Growth in the Specialty Pharma market is generated to a considerable extent by drugs that have been manufactured and distributed by Medios on a patient-specific basis. In particular, these include medications in the therapeutic areas of oncology, autoimmunology, infectiology and neurology. According to IQVIA, global expenditure for these medications will once again rise further in the years ahead. For oncological therapies alone, annual average growth of 9 to 12% is expected for the period from 2022 to 2026. According to the "Arzneimittel-Kompass 2021", the collective share of costs attributable to cancer, immunotherapy, neurological conditions and infectious diseases accounted for almost 66% of total medication expenditure of the entire statutory health insurance system in Germany in 2020.

#### Opportunities resulting from long-term trends

In particular, growth in the Specialty Pharma market is driven by long-term trends. First and foremost, this includes the development of new active agents focusing on rare, chronic and genetic diseases. Moreover, the shift toward more expensive drugs is growing in significance. This effect is particularly evident in relation to oncological medications (antineoplastic drugs), immunosuppressants and antithrombotic agents.

Patient-specific drugs also represent a further growth factor for the Specialty Pharma market. Progress in genetics is enabling increasing individualization of diagnoses and therapies, which in turn improves the chances of effective treatment.

Moreover, demographic change is driving growth on the Specialty Pharma market. According to figures published by the Organisation for Economic Co-operation and Development (OECD), the average life expectancy for newborns in OECD countries stood at 81 years in 2019 – an increase of more than 10 years since 1970. At the same time, susceptibility to chronic diseases is increasing with an aging population. In an average of OECD countries in 2019, more than a third of people aged 16 or over were suffering from a long-term condition. According to the OECD, health care systems must increasingly prepare to be able to offer high-quality treatment of chronic illnesses in order to meet the needs of an aging population. With its focus on Specialty Pharma and its broad base in the fields of pharmaceutical supply and the manufacture of patient-specific therapies, Medios is in an excellent position to serve this demand.

### Opportunities resulting from Medios' positioning as a Specialty Pharma provider

Medios positioned itself on the market as a Specialty Pharma provider at an early stage and has built up a nationwide network of some 600 specialized partner pharmacies. As a pharmaceutical wholesaler and manufacturer, Medios also boasts a broadly diversified portfolio of indications, products and services. As such, Medios is able to cover all relevant areas of the supply chain in this field and generate above-average growth. Medios is also in a position to benefit from structural changes, such as market consolidation or increasing competition.

The pace of market consolidation will continue to increase. Among other things, this is due to rising margin pressure in individual indication areas. Furthermore, regulatory requirements on manufacturers and manufacturing pharmacies in the area of personalized medicine are increasing. Many laboratories and manufacturing pharmacies, especially smaller ones, will, in the future, no longer be able to cover their costs or make a profit when producing patient-specific prescription medications themselves. Medios expanded its product portfolio in a timely fashion to include further areas of indication, such as neurology, ophthalmology, infectiousology and hemophilia. This broad base enables Medios to continue manufacturing in a profitable way and thus play an active role in market consolidation.

The introduction of new biosimilars is intensifying competition between the manufacturers of original drugs and imitation products. In particular, this may have a positive impact on the Pharmaceutical Supply business segment of the Medios Group. According to the AOK Research Institute (WIdO), biosimilars – as generally less costly alternatives that are similar in terms of efficacy and safety – have been available in Europe since 2006, during which time they have grown in importance in pharmaceutical therapies.

Medios has a clearly defined focus on Specialty Pharma drugs. These are usually high-priced medications for chronic and/or rare conditions whose therapy is generally extremely costly and time-consuming. Medios has identified approx. 1,000 of the more than 100,000 pharmaceutical products available in Germany as having potential, i.e., a mere 1% of all products offered. Medios distributes these products to customers all over Germany from two central warehouses, one in Berlin and one in Hamburg. These will be joined by a third warehouse in Mannheim via the NewCo Pharma Group. As the majority of therapies are predictable and/or relate to chronic illnesses, Medios is able to anticipate demand with extremely high accuracy. As such, Medios keeps relatively low warehouse inventories and little tied-up capital. Structurally, this clearly sets Medios apart from full-range wholesalers and gives the company an opportunity to operate profitably with high-price products and gain additional market share without generating an excess additional working capital requirement.

### Opportunities resulting from organic growth

The Medios strategy encompasses both organic and inorganic growth. In particular, it is intended that organic growth will be accelerated through the expansion of manufacturing capacity. To this end, Medios leased a further building at an existing site in Berlin in the 2021 financial year, where it began building an additional GMP-inspected laboratory in early 2022. When this laboratory goes into operation, which is scheduled for summer 2022, it will be possible to significantly increase manufacturing capacity. Additionally, logistics will be further optimized and the majority of Medios' operating activities are planned to be concentrated at the location. The aim is to further boost the operational efficiency of the Medios Group and harness synergy effects. Potential synergies also arise from the integration of Cranach Pharma GmbH and the NewCo Pharma Group.

In addition, Medios intends to establish business operations with the blistering of high-priced finished medicinal products and further expand its partner network. The latter currently consists of some 600 of a total of 1,000 potential specialist pharmacies in Germany. The company also aims to spearhead the diversification of indication areas.

### Opportunities resulting from digitalization

In particular, the digitalization of health care offers growth opportunities in the medium and long term. Medios wants to play an active role in shaping this trend and has already developed mediosconnect, a digital trading platform for personalized drugs that connects doctors, health insurance companies, and specialized partner pharmacies. The aim of the platform is to simplify ordering and billing processes and therefore make the health care system more cost-effective. mediosconnect was rolled out to a fourth German federal state in the 2021 financial year. User numbers and transaction volumes are increasing all the time. In the current financial year, it is planned to roll out mediosconnect to other German federal states.

### Opportunities resulting from inorganic growth

Medios is well equipped to continue playing an active role in consolidation of the pharmaceutical market in Germany. To this end, the Group has access to sufficient available liquidity and can draw on credit lines that have thus far only been partially utilized. In addition, the company's own shares can be used as "currency" for acquisitions. Conditional capital is already available for this purpose. This gives Medios the capability to also accelerate its growth through further takeovers. With the acquisition of specialist pharmaceutical wholesaler Cranach Pharma GmbH, which was completed in January 2021, Medios has significantly expanded its Pharmaceutical Supply business segment. With the conclusion of the takeover of the NewCo Pharma Group in January 2022, the Patient-Specific Therapies business segment was ultimately also considerably strengthened. This is in harmony with the strategy of increasing the Group's profitability. It is

intended that future acquisitions will enable Medios to harness further growth opportunities and synergy effects.

#### Opportunities resulting from internationalization and the establishment of a new business segment

It is intended that further growth will also be achieved by the internationalization of the Medios Group in Specialty Pharma. Now that the company is in an extremely strong position in Germany, Medios also intends to carve out a leading market position in Europe. There are also plans to offer additional products and services, thereby building up new business segments, which, in turn, would go hand in hand with further diversification of the business model. Strategies are currently being developed and markets analyzed to this end.

#### Opportunities resulting from an attractive working environment

On account of strong growth over recent years, Medios has attracted expert employees, built up a service structure and supplied all subsidiaries with professional services in the areas of IT, human resources, facilities management and marketing/distribution. As an attractive and responsible employer, Medios aims to generate long-term company loyalty among expert and dedicated employees.

With this in mind, the company offers its employees a modern and attractive working environment, coupled with additional benefits. Among other things, Medios Group employees are offered a ticket for the use of public transportation in Berlin and private supplementary health insurance, with Medios bearing the cost of these benefits as the employer.

#### Overall assessment of the opportunities position

The overall assessment of the opportunities position is that there are myriad opportunities/chances that enable the Medios Group to continue utilizing the aforementioned strong growth potential for all business segments in the Specialty Pharma market and to grow considerably, including in the current financial year. With the acquisition of NewCo Pharma, Medios has significantly expanded its market position as the leading provider of Specialty Pharma solutions in Germany and will be able to significantly increase Group revenue in the 2022 financial year compared to the previous year.

### 4. Forecast report

The following future-oriented statements and information are based on the expectations and estimates of the company when preparing the consolidated management report. Therefore, they are subject to a range of risks and uncertainties. Numerous factors, many of which are outside the sphere of influence of the Medios Group, affect the business activities of the Group and their results, as well as the results development of Medios AG.

The actual course of business may, among other things, diverge from the forecasts of Medios AG, partly due to the aforementioned opportunities and risks. The course of business is, among other things, dependent on the regulatory and sector-specific environment and may be negatively influenced by increasing uncertainties, such as the impacts of coronavirus, or a deterioration in the underlying economic and regulatory conditions.

The Executive Board anticipates sustained growth at the Medios Group in the 2022 financial year. Medios focuses on the Specialty Pharma segment, where it is the market leader in Germany.

In its forecast, the senior management was guided by the following market data: Specialty Pharma is a segment within the pharmaceutical market that, in Germany, has already reached a volume of €17.8bn according to IQVIA estimates and Medios calculations (IQVIA study: The Global Use of Medicines 2022: Outlook to 2026). These are usually high-cost drugs for chronic, complex, or rare conditions, such as those sold and/or further processed by Medios. For 2022, IQVIA expects a rise in volume of some 10% to €19.6bn.

In addition, the IMF forecasts that the global economy will grow by 4.4% in 2022, whereas the Kiel Institute for the World Economy (IfW) anticipates growth of 4.5%. Experts believe that the German economy will continue to recover in 2022. The IMF expects growth of 3.8%. The Kiel Institute forecasts a rise of 4.0%.

The market situation outlined in the opportunities report will lead to further changes and consolidations in the entire pharmaceutical market. As a leading company in the Specialty Pharma market, Medios assumes that it will be able to use this consolidation to its own advantage in order to gain further market share.

As of December 31, 2021, the number of partner pharmacies stood at approx. 550. Due to the business combination with NewCo Pharma GmbH, completed in January 2022, the Medios partner network now comprises some 600 specialist pharmacies. Medios has identified approx. 1,000 specialist pharmacies of the approx. 18,500 available pharmacies in Germany as the scope of potential. In the long term, it is intended that the majority of specialist pharmacies will be recruited as partners. Specialist physicians and infusion centers are supplied by the specialist pharmacies. This means that growth can be generated through the recruitment of further physicians and infusion centers, including within the existing partner network.

In the Pharmaceutical Supply segment, total potential in Germany amounts to approx. 1,000 products – the majority of which are already covered by the Medios Group. As the trend toward personalized therapies is expected to continue in the future, the overall potential of Specialty Pharma products will increase continuously.

The Medios Group currently focuses on six indication areas: oncology, neurology, autoimmune diseases, ophthalmology, hemophilia and infectiology. On account of the business combination with Cranach Pharma GmbH, Medios is already the market leader in the hemophilia indication in Germany and is striving for a leading position in Germany in the other indications. Therefore, Medios intends to continue expanding its market position through further organic growth, as well as external growth, in 2022.

The entire pharmaceutical market in Germany is currently undergoing a phase of marked consolidation. Due to certain systematic and strategic changes, such as electronic prescriptions and online pharmacies, along with increasing regulatory requirements and provisions, the pharmacy market will undergo further consolidation. Therefore, the number of pharmacies has fallen sharply in recent years. The same applies to the number of pharmacies with the own laboratories, allowing them to produce personalized medicine themselves. As a result, the manufacture of personalized medicine is outsourced to external GMP laboratories, such as those operated by the Medios Group. Medios will also be able to benefit from this trend.

Medios has established an extensive internal administrative structure in order to manage the strong growth of recent years (average annual revenue growth of 53%). This encompasses finance, HR, IT and facilities management services made available to all companies within the Medios Group. The setting up of these structures was largely completed in 2020 with the establishment of an M&A (mergers and acquisitions) department. Since then, Medios has been even better placed to handle inorganic growth alongside organic growth. Therefore, Medios intends to continue playing an active role on the M&A market, which offers additional growth potential for the company.

Currently, the Management Board assumes that the Ukraine conflict will not have a significant impact on the business of the Medios Group. An initial risk assessment shows that neither procurement nor sales markets of the Medios Group are directly affected by the conflict. This assessment is based on the premise that the conflict will not have a lasting global economic impact, but rather a moderate impact on the Medios Group's procurement and sales markets. In the event of a prolonged conflict with global impact, risks to the Medios Group's business cannot be ruled out.

As a result of these assumptions and the acquisition of the NewCo Pharma Group, completed in January 2022 (see "Events after the Reporting Period"), as well as the substantial expansion of manufacturing capacity, the management anticipates revenue in the amount of approx. €1.45bn to €1.6bn and EBITDA pre of €52.0m to €58.0m for the Medios Group in the 2022 financial year. Compared to the previous year, this represents a rise in revenue of approx. 6.8% to 17.9% and an increase in EBITDA pre of approx. 35.3% to 50.9%. Should there be any significant changes in the assumptions made, an adjustment of the forecast given here cannot be ruled out.

Medios aims to strengthen its position as the leading competence partner for Specialty Pharma solutions and therefore boost the appeal of Medios to partner pharmacies, employees and investors. Activities will continue to focus on the implementation of the growth strategy (see the chapter entitled "Goals and Strategy"). This includes the harnessing of potential synergies, which, in particular, are opened up through the acquisitions of NewCo Pharma GmbH and Cranach Pharma GmbH.

Medios AG (single entity) generated revenue in 2021 from cost transfers and investment gains connected with dividend payments. It is anticipated that costs and therefore revenue/earnings will increase slightly at Medios AG in 2022. Investment gains will increase due to a profit-transfer agreement with Cranach Pharma GmbH, effective starting 2022.

Medios continues to slightly reduce the employee turnover rate. Furthermore, the company continuously monitors the development of marketing activities as well as budget compliance. For 2022, a sales and marketing budget of €1.6m is planned.

## V. Risk reporting on the use of financial instruments

The financial instruments in existence at the company mainly include receivables, liabilities, bank balances and a syndicated loan.

The company has a solvent customer base. As the pharmacies are partnerships with personally liable pharmacists, payment behavior is generally excellent and the risk of payment defaults relatively low. Liabilities are usually paid within the agreed periods. In 2021, the Medios Group financed itself through equity and supplier loans, as well as via operating cash flow and the utilization of a credit line in the amount of €25.2m. In the event of short-term increases in the need for working capital, the company can also draw on credit lines and/or a bilateral operating credit line in the amount of €17.5m.

The aim of the company's finance and risk management is to safeguard the company's success against financial risks of all kinds. The company pursues a conservative risk policy in terms of the management of financial items.

The company has appropriate debtor management to minimize default risks.

## VI. Report on branches

The company does not operate any branches.

### Further components of the consolidated management report

The consolidated management report also contains the following components:

- "Corporate Governance Declaration pursuant to Sect. 289f and 315d of the German Commercial Code (HGB)"; this is published on the company website [www.medios.ag](https://www.medios.ag) in the Investor Relations/Corporate Governance section (<https://www.medios.ag/en/investor-relations/corporate-governance>)
- "Report pursuant to Sect. 289a and 315a of the German Commercial Code (HGB)".

## VII. Final declaration pursuant to Sect. 312 (3) Paragraph 3 of the German Stock Corporation Act (AktG)

Pursuant to Sect. 312 AktG, the Executive Board has prepared a report on related-party transactions, which contains the following financial declaration:

"The company has received appropriate consideration for each legal transaction conducted. Appropriateness was assessed in accordance with the circumstances of which the Executive Board was aware at the time the legal transaction was carried out. Pursuant hereto, the company is not at any disadvantage."

Berlin, March 28, 2022

**Matthias Gaertner**  
Chief Executive Officer (CEO)

**Falk Neukirch**  
Chief Financial Officer (CFO)

**Mi-Young Miehler**  
Board Member (COO)

**Christoph Pruß**  
Board Member (CINO)



# Group financial statement IFRS

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## Consolidated statement of comprehensive income

| in thousand €                                                                | Notes         | 2021             | 2020 <sup>1</sup> |
|------------------------------------------------------------------------------|---------------|------------------|-------------------|
| <b>Revenue</b>                                                               | <b>9</b>      | <b>1,357,408</b> | <b>626,543</b>    |
| Change in stocks of finished goods and work-in-progress                      | 10            | -19              | -7                |
| Work performed and capitalised                                               | 11            | 1,117            | 352               |
| Other income                                                                 | 12            | 1,616            | 468               |
| Cost of materials                                                            | 13            | 1,290,028        | 589,309           |
| Personnel expenses                                                           | 14            | 22,055           | 15,295            |
| Other expenses                                                               | 15            | 13,405           | 9,660             |
| <b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b> | <b>18, 19</b> | <b>34,635</b>    | <b>13,093</b>     |
| Depreciation and amortisation                                                |               | 19,374           | 3,551             |
| <b>Operating profit/loss (EBIT)</b>                                          |               | <b>15,261</b>    | <b>9,542</b>      |
| Financial expenses                                                           | 16            | 1,727            | 671               |
| Financial income                                                             | 16            | 43               | 30                |
| <b>Consolidated earnings before tax (EBT)</b>                                |               | <b>13,576</b>    | <b>8,901</b>      |
| Tax                                                                          | 17            | 6,174            | 3,376             |
| <b>Consolidated earnings after tax</b>                                       |               | <b>7,402</b>     | <b>5,525</b>      |
| <b>Total consolidated earnings</b>                                           |               | <b>7,402</b>     | <b>5,525</b>      |
| Undiluted earnings per share (in €)                                          | 40            | 0,37             | 0,36              |
| Diluted earnings per share (in €)                                            | 40            | 0,37             | 0,35              |

<sup>1</sup> Adjusted, see note 17

## Consolidated balance sheet

### Assets

| in thousand €                 | Notes | 12/31/2021     | 12/31/2020 <sup>1</sup> |
|-------------------------------|-------|----------------|-------------------------|
| <b>Non-current assets</b>     |       | <b>223,473</b> | <b>58,232</b>           |
| Intangible assets             | 18    | 192,861        | 35,237                  |
| Property, plant and equipment | 19    | 13,713         | 5,337                   |
| Right of use                  | 33    | 16,209         | 17,269                  |
| Financial assets              | 20    | 690            | 390                     |
| <b>Current assets</b>         |       | <b>300,669</b> | <b>136,305</b>          |
| Inventories                   | 21    | 36,471         | 35,310                  |
| Trade receivables             | 22    | 87,770         | 74,789                  |
| Other assets                  | 23    | 5,852          | 6,394                   |
| Income tax receivables        | 17    | 2,144          | 24                      |
| Cash and cash equivalents     | 24    | 168,431        | 19,788                  |
| <b>Balance sheet total</b>    |       | <b>524,142</b> | <b>194,537</b>          |

### Liabilities

|                                                           |    |                |                |
|-----------------------------------------------------------|----|----------------|----------------|
| <b>Equity</b>                                             | 25 |                |                |
| Subscribed capital                                        |    | 22,881         | 16,085         |
| Capital reserves                                          | 37 | 342,567        | 105,026        |
| Accumulated Group's net income                            |    | 28,716         | 21,314         |
| <b>Attributable to shareholders in the parent company</b> |    | <b>394,164</b> | <b>142,425</b> |

### Liabilities

|                                |    |                |                |
|--------------------------------|----|----------------|----------------|
| <b>Non-current liabilities</b> |    | <b>36,212</b>  | <b>21,484</b>  |
| Financial liabilities          | 26 | 15,290         | 16,647         |
| Other accrued liabilities      | 17 | 1,040          | 1,039          |
| Deferred tax liabilities       |    | 19,882         | 3,798          |
| <b>Current liabilities</b>     |    | <b>93,766</b>  | <b>30,628</b>  |
| Other provisions               | 27 | 687            | 512            |
| Trade payables                 | 28 | 32,321         | 22,398         |
| Financial liabilities          | 26 | 34,420         | 2,587          |
| Income tax liabilities         | 17 | 10,900         | 2,613          |
| Other liabilities              | 29 | 15,438         | 2,517          |
| <b>Total liabilities</b>       |    | <b>129,978</b> | <b>52,112</b>  |
| <b>Balance sheet total</b>     |    | <b>524,142</b> | <b>194,537</b> |

<sup>1</sup> Adjusted, see note 17

## Consolidated cash flow statement

| in € thousands                                                                                                     | Notes        | 2021           | 2020 <sup>1</sup> |
|--------------------------------------------------------------------------------------------------------------------|--------------|----------------|-------------------|
| <b>Cash flow from operating activities</b>                                                                         |              |                |                   |
| Net income for the year                                                                                            |              | 7,402          | 5,525             |
| Depreciation and amortisation                                                                                      | 18, 19       | 19,374         | 3,551             |
| Decrease/increase in provisions                                                                                    | 27           | -937           | 11                |
| Other non-cash expenses                                                                                            | 14, 37       | 2,996          | 1,158             |
| Increase in inventories, trade receivables and other assets not attributable to investment or financing activities | 21, 22<br>23 | 34,759         | -51,428           |
| Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities   | 28, 29       | -4,260         | 6,846             |
| Financial result                                                                                                   | 16           | 1,684          | 641               |
| Income/expenses from the disposal of assets                                                                        | 12, 15       | -23            | -1                |
| Income tax expense                                                                                                 | 17           | 6,174          | 3,376             |
| Income tax payments                                                                                                | 17           | -5,649         | -7,794            |
| <b>Net cash inflow/outflow from operating activities</b>                                                           |              | <b>61,520</b>  | <b>-38,115</b>    |
| <b>Cash flow from investment activities</b>                                                                        |              |                |                   |
| Payments made for investments in intangible assets                                                                 | 18           | -2,922         | -2,142            |
| Proceeds from disposals of intangible assets                                                                       |              | 250            | 0                 |
| Payments made for investments in property, plant and equipment                                                     | 19           | -9,899         | -2,720            |
| Proceeds from disposals of tangible fixed assets                                                                   | 12, 19       | 42             | 15                |
| Proceeds from finance lease                                                                                        | 33           | 102            | 101               |
| Payments for disposals from the scope of consolidation                                                             | 16           | -224           | 0                 |
| Proceeds from additions to the scope of consolidation                                                              | 16           | 29,972         | 0                 |
| Payments made for additions to the scope of consolidation                                                          | 16           | 0              | -1,163            |
| Interest received                                                                                                  |              | 43             | 30                |
| <b>Net cash outflow from investment activities</b>                                                                 |              | <b>17,364</b>  | <b>-5,879</b>     |
| <b>Cash flow from financing activities</b>                                                                         |              |                |                   |
| Proceeds from equity injections                                                                                    |              | 76,071         | 53,450            |
| Payments for issuing costs for the capital increase                                                                |              | -2,763         | -1,787            |
| Proceeds from financial liabilities                                                                                |              | 30,000         | 19,000            |
| Cash outflows from the repayment of financial liabilities                                                          |              | -30,141        | -17,500           |
| Interest paid                                                                                                      | 16           | -1,329         | -847              |
| Repayments of lease liabilities                                                                                    | 33           | -2,079         | -1,179            |
| <b>Net cash inflow from financing activities</b>                                                                   |              | <b>69,759</b>  | <b>51,137</b>     |
| Net change in cash and cash equivalents                                                                            |              | 148,643        | 7,143             |
| Cash and cash equivalents at the beginning of the financial year                                                   |              | 19,788         | 12,645            |
| <b>Cash and cash equivalents at the end of the financial year</b>                                                  | 24           | <b>168,431</b> | <b>19,788</b>     |

## Consolidated statement of changes in equity

| in € thousands                                                   | Notes | Subscribed capital | Capital reserves | Accumulated total consolidated earnings | Attributable to shareholders in the parent company | Equity         |
|------------------------------------------------------------------|-------|--------------------|------------------|-----------------------------------------|----------------------------------------------------|----------------|
| <b>As at 01/01/2020</b>                                          |       | <b>14,564</b>      | <b>51,273</b>    | <b>15,789</b>                           | <b>81,627</b>                                      | <b>81,627</b>  |
| Net profit for 2020 <sup>1</sup>                                 | 25    | 0                  | 0                | 5,525                                   | 5,525                                              | 5,525          |
| Share-based payments                                             | 37    | 0                  | 1,158            | 0                                       | 1,158                                              | 1,158          |
| Capital increase                                                 |       | 1,521              | 53,842           | 0                                       | 55,363                                             | 55,363         |
| Transaction costs and tax from the capital increase <sup>1</sup> |       | 0                  | -1,247           | 0                                       | -1,247                                             | -1,247         |
| <b>As at 12/31/2020<sup>1</sup></b>                              |       | <b>16,085</b>      | <b>105,026</b>   | <b>21,314</b>                           | <b>142,425</b>                                     | <b>142,425</b> |
| <b>As at 01/01/2021</b>                                          |       | <b>16,085</b>      | <b>105,026</b>   | <b>21,314</b>                           | <b>142,425</b>                                     | <b>142,425</b> |
| Net profit for 2021                                              | 25    | 0                  | 0                | 7,402                                   | 7,402                                              | 7,402          |
| Share-based payments                                             | 37    | 0                  | 2,996            | 0                                       | 2,996                                              | 2,996          |
| Capital increase                                                 |       | 6,796              | 236,474          | 0                                       | 243,270                                            | 243,270        |
| Transaction costs and tax from the capital increase              |       | 0                  | -1,929           | 0                                       | -1,929                                             | -1,929         |
| <b>As at 12/31/2021</b>                                          |       | <b>22,881</b>      | <b>342,567</b>   | <b>28,716</b>                           | <b>394,164</b>                                     | <b>394,164</b> |

<sup>1</sup> Adjusted, see note 17



## Notes to the consolidated financial statements for the 2020 financial year

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# Notes to the consolidated financial statements for the 2021 financial year

## 1. 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 (General Standard). Furthermore, the shares are admitted to the open market on the Düsseldorf and Stuttgart stock exchanges.

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

The consolidated financial statements are presented in euros (€), the reporting Company's functional currency. Figures are reported in thousands of euros (€ thousand) unless otherwise. Please be aware that differences may appear when using rounded amounts and percentages, even within individual tables, due to the nature of the commercial rounding method. This also applies to the totals and subtotals presented in the consolidated financial statements.

The consolidated income statement is compiled using the total cost (nature of expense) method. The financial year used by Medios AG and the subsidiaries included in the consolidated financial statements is equivalent to the calendar year; the Company and its subsidiaries have existed as a Group since August 31, 2016.

## 2. Business operations

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.

Medios Pharma GmbH, a wholly owned subsidiary, is a wholesaler pharmaceutical company licensed under Sect. 52a 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 of experience.

Medios Manufaktur GmbH, a wholly owned subsidiary, is a manufacturer of Specialty Pharma drugs in Germany. 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 patient-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 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.

The wholly-owned subsidiary Cranach Pharma GmbH, which has been fully consolidated since January 1, 2021, is a pharmaceutical wholesaler licensed under Section 52a of the German Drug Act (AMG) and, like Medios Pharma GmbH, provides Medios partners with specialty pharmaceutical products in line with market and demand requirements. Its specializations include oncology, rheumatology, neurology, autoimmunology, hemophilia, and endocrinology in particular. Cranach Pharma is an expert with market relevance, an extensive network, and many years of experience.

## 3. Basis of preparation the financial statements

The consolidated financial statements of Medios AG for the period to December 31, 2021, were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), and the applicable supplementary provisions of Sect. 315e (1) of the German Commercial Code (HGB).

The Medios AG Group, as the reporting entity, was established in August 2016 by means of a reverse takeover.

Reporting for the 2021 financial year is in accordance with the mandatory applicable accounting principles and provides a true and fair view of the Group's assets and financial and earnings position. These consolidated financial statements were approved for publication by the Executive Board of Medios AG on March 28, 2022.

#### 4. Newly applicable and amended and applicable standards and interpretations

In the year under review, the following new or revised standards and interpretations were applied:

|                                                                   | Standards/Interpretations                                                                             | Date of mandatory application | Date of EU Endorsement |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------|------------------------|
| Amendments to IFRS 9/<br>IAS 39/<br>IFRS 7/<br>IFRS 4/<br>IFRS 16 | IBOR-Reform (Phase 2)                                                                                 | 01/01/2021                    | 01/2021                |
| IFRS 4                                                            | Amendments to IFRS 4: Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 | 01/01/2021                    | 12/2020                |

The application of the new accounting standards as of January 1, 2021, has no material impacts on the Medios consolidated financial statements. Standards and interpretations that have already been published but not yet applied:

|         | Standards / Interpretation                                                                                               | Date of mandatory application | Date of EU Endorsement |
|---------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------|
| IAS 16  | Amendment to IAS 16: Property, Plant and Equipment – Proceeds before Intended Use                                        | 1/1/2022                      | 7/2/2021               |
| IAS 37  | Amendment to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract                                                   | 1/1/2022                      | 7/2/2021               |
| IFRS 3  | Amendment to IFRS 3: Reference to the Conceptual Framework                                                               | 6/1/2020                      | 7/2/2021               |
| Various | Annual Improvements to IFRSs 2018–2020 Cycle                                                                             | 1/1/2022                      | TBD                    |
| IFRS 17 | Insurance Contracts                                                                                                      | 1/1/2023                      | 11/19/2021             |
| IAS 1   | Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current      | 1/1/2023                      | TBD                    |
| IAS 1   | Amendments to IAS 1: Presentation of Financial Statements – Disclosure of Accounting Policies                            | 1/1/2023                      | TBD                    |
| IAS 8   | Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of accounting estimate | 1/1/2023                      | TBD                    |

Likewise, none of the new or amended IFRSs applicable after December 31, 2021, will have a material effect on the Medios consolidated financial statements. In respect of the standards not yet endorsed by the EU, it is assumed that the initial date of first-time application set by the IASB will be the date of first-time application.

## 5. Scope of consolidation

The consolidated financial statements as at December 31, 2021, incorporate the following subsidiaries as at December 31, 2021, alongside Medios AG:

- 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

Until March 31, 2021

- the scope of consolidation included 100% in Medios Analytics GmbH, Berlin. The deconsolidation of Medios Analytics GmbH had no effect on earnings.

## Acquisition of Cranach Pharma GmbH

As of November 26, 2020, the Medios Group signed an agreement with BMSH GmbH, Hamburg, governing the sale and transfer of 100% of the shares in CRANACH-PHARMA GmbH to Medios AG. With the acquisition of CRANACH-PHARMA GmbH, Medios AG intends, in particular, to expand its existing product portfolio in order to position itself more strongly in the field of specialty pharma while enlarging its own client network.

As consideration, the seller will receive 4,180,000 new shares from Medios AG by way of an equity offering for contributions in kind.

The Federal Cartel Office issued its approval under merger control law on December 21, 2020. The transaction was then completed on January 21, 2021, with the entry of completion of the equity offering for contributions in kind in the commercial register, at which time control of the company was gained. Cranach Pharma GmbH's share of total Group sales amounted to €720,557 thousand and its share of consolidated earnings after income taxes amounted to

| Main groups of reported assets and liabilities      | Carrying amount | Revaluation Assets and debt | Carrying amount at first-time consolidation |
|-----------------------------------------------------|-----------------|-----------------------------|---------------------------------------------|
| <b>in thousand €</b>                                |                 |                             |                                             |
| Intangible assets and property, plant and equipment | 2,515           | 1,693                       | 4,208                                       |
| Customer relationships                              | 3,698           | 58,832                      | 62,530                                      |
| Inventories                                         | 13,200          |                             | 13,200                                      |
| Receivables and other assets                        | 34,957          |                             | 34,957                                      |
| Cash                                                | 29,972          |                             | 29,972                                      |
| <b>Total assets</b>                                 | <b>84,342</b>   | <b>60,525</b>               | <b>144,867</b>                              |
| Deferred tax liabilities                            | 0               | 19,534                      | 19,534                                      |
| Provisions                                          | 1,104           |                             | 1,104                                       |
| Liabilities                                         | 60,858          |                             | 60,858                                      |
| <b>Total liabilities</b>                            | <b>61,962</b>   | <b>19,534</b>               | <b>81,496</b>                               |
| <b>Fair value of net assets</b>                     |                 |                             | <b>63,371</b>                               |
| Consideration transferred under IFRS 3              |                 |                             | 167,200                                     |
| <b>Goodwill</b>                                     |                 |                             | <b>103,829</b>                              |

There were minor valuation allowances for the acquired receivables, which were carried forward at the time of acquisition. 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.

€8,703 thousand. For reasons of materiality, consolidation was not performed on a pro rata temporis basis.

The following carrying amounts and fair values therefore do not refer to the acquisition date but to December 31, 2020.

The date of initial consolidation is January 21, 2021.

### Acquisition of NewCo Pharma GmbH

On November 25, 2021, the Medios Group contractually acquired 100% of shares in NewCo Pharma GmbH and 49% of shares in Fortuna Herstellung GmbH ("the NewCo Pharma Group"). With the acquisition of the entire NewCo Pharma Group, Medios AG intends to strengthen its market position in the area of pharmaceutical manufacturing, in particular by expanding its business activities in the Patient-Specific Therapies segment throughout Germany, as well as by significantly improving profit margins.

The Federal Cartel Office granted its approval for the planned takeover of the NewCo Pharma Group on December 14, 2021. With the completion of all closing conditions and actions stipulated in the purchase agreement, January 10, 2022, was set as the acquisition cutoff date.

As consideration, the seller received 924,233 new shares from Medios AG by way of a capital increase against contributions in kind (equivalent value: €32.7m) and a cash component in the provisional amount of €85.2m. This is not a conditional consideration.

The basis for determining the acquired (reported) assets and liabilities was the provisional consolidated financial statements of the NewCo Pharma Group, including the 49% stake in Fortuna Herstellung GmbH, as of December 31, 2021, prepared in accordance with the German Commercial Code (HGB). As financial statements pursuant to IFRS have not yet been finalized, an indicative determination of IFRS net assets was used to identify goodwill pursuant to IFRS 3.

### NewCo Pharma Group, indicative derivation IFRS net assets and goodwill as at 12/31/2021

| Main groups of reported assets and liabilities      | Carrying amount | Revaluation Assets and debt | Carrying amount at first-time consolidation |
|-----------------------------------------------------|-----------------|-----------------------------|---------------------------------------------|
| <b>in thousand €</b>                                |                 |                             |                                             |
| Intangible assets and property, plant and equipment | 5,241           | 1,486                       | 6,727                                       |
| Customer relationships                              |                 | 34,939                      | 34,939                                      |
| Inventories                                         | 8,447           |                             | 8,447                                       |
| Receivables and other assets                        | 18,323          |                             | 18,323                                      |
| Cash                                                | 6,038           |                             | 6,038                                       |
| Deferred taxes                                      | 1,117           |                             | 1,117                                       |
| <b>Total assets</b>                                 | <b>39,167</b>   | <b>36,425</b>               | <b>75,592</b>                               |
| Deferred tax liabilities                            |                 | 11,097                      | 11,097                                      |
| Provisions                                          | 4,760           |                             | 4,760                                       |
| Liabilities                                         | 9,832           | 950                         | 10,782                                      |
| <b>Total liabilities</b>                            | <b>14,592</b>   | <b>12,047</b>               | <b>26,639</b>                               |
| <b>Fair value of net assets</b>                     |                 |                             | <b>48,953</b>                               |
| Consideration transferred under IFRS 3              |                 |                             | 117,945                                     |
| <b>Goodwill</b>                                     |                 |                             | <b>68,992</b>                               |

No valuation allowances have been recognized to date for the acquired receivables, as there were no defaults in line with the experience of previous years.

The customer relationships recognized at the acquisition date were measured using the residual value method. The customer relationships constitute by far the largest part of the hidden reserves that were identified and measured.

In addition, a contingent liability of €0.95 million was recognized as part of the revaluation of liabilities. This relates to the residual purchase price from the purchase of the oncology business of a pharmacy from March 2021, which was agreed as an earn-out component subject to conditions precedent. According to the contract, this is to be paid in three installments (2022: €0.35 million, 2023: €0.3 million and 2024: €0.3 million). As the due date of the purchase price payment is contractually linked to the continuation of the business relationship with Fortuna Apotheke and there are no indications for an intended termination or cancellation, the earn-out was fully recognized as a contingent liability.

The goodwill arising from the difference between the consideration given and the revalued net assets mainly represents the value of the expected revenue and cost synergies from the acquisition of the business and the management's industry expertise. The goodwill is not deductible for tax purposes.

## 6. Accounting policies

The accounting policies used in the consolidated financial statements are outlined below. The following explanations contain information in individual items of the consolidated statement of comprehensive income and the consolidated balance sheet, as well as corresponding figures. The consolidated financial statements are prepared in accordance with the "going concern" principle and using the historical cost method.

### Revenue realization and recognition

Revenue contains all proceeds from the transfer of goods and services to customers resulting from the Group's ordinary business operations. Earnings from the sale of property, plant and equipment or intangible assets do not constitute revenue. Medios recognizes the gains or losses from such transactions in other operating income or other operating expenses.

Revenue is recognized excluding VAT. Revenue is always realized at the time at which the products or goods (pharmaceutical products or medications) are supplied/at the time services or rendered and the power of disposal passes to the customer. This is the case when the customer takes possession of the products. Revenue is recognized less deductions. Furthermore, revenue is measured on the basis of a consideration stipulated in a contract with the customer concerned.

Agreements with customers mainly set a payment term of 30 days upon receipt of the invoice, although this payment term may differ if market circumstances dictate.

Sales of the Medios Group may occasionally give rise to customer claims for reimbursement, known as "recalculations." The term "recalculation" describes, for example, a situation in which a health insurer refuses to reimburse the costs of the pharmacy for medications that have already been issued to patients. Pharmacies pass on such recalculations to the Medios Group as the manufacturer. In respect of the realization of revenue, the Medios Group estimates expected refunds to pharmacies using the expected-value method.

With this method, the expected proceeds are calculated as a probability-weighted amount for each order, paying due regard to the empirical risk of recalculation.

The estimate amount of recalculation is initially not included in revenue. The amounts are shown in revenue once there is no uncertainty about whether the health insurer will reimburse. A refund liability is recorded in other current liabilities for any expected recalculations.

### Other own capitalized work

Other own capitalized work relates to intangible non-current assets. The Group capitalizes the directly attributable costs of the further development or new construction of production facilities and of programming software for the development of new business areas. In the case of these internally generated intangible assets, expenditure on the development phase is capitalized if the relevant requirements are met and amortized over the useful life of the asset. Research expenditure is recognized as an expense when incurred. Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services. In this context, development takes place before the start of commercial production or use. Development activities include, but are not limited to, the design, construction and testing of prototypes and models prior to the commencement of actual production or use using new technologies. The development phase is considered complete when the IT department formally documents that the capitalized asset is ready for use and can be used in the manner intended by management.

## Realization of interest income

Interest income is recognized using the effective interest rate method.

## Expenses

Outgoings are recognized as expenses at the time the service is utilized or at the time the outgoing is caused. Interest recognized as an expense using the effective interest rate method.

## Goodwill/intangible assets with an indefinite life

Goodwill is recognized as an asset in a business combination at the acquisition date. On initial recognition, it is measured at cost being the excess of the consideration transferred over the fair value of the net assets of the business entity acquired.

Goodwill is not depreciated on a straight-line basis, but is reviewed for impairments at the level of cash-generating units once a year – and more frequently if there are any indications of impairment. New goodwill is allocated to the cash-generating units that are expected to benefit from the business combination.

In order to calculate a potential impairment, the recoverable amount of a cash-generating unit is compared with its carrying amount. The recoverable amount is the higher of value in use or fair value, less sale costs. An impairment is only recognized if the recoverable amount is lower than the carrying amount.

If the reasons for an impairment recognized in previous financial years cease to apply, no subsequent reversal is performed.

Goodwill includes an amount of €6,804 thousand from the business combination with Medios Manufaktur GmbH in the 2016 fiscal year and an amount of €436 thousand from the business combination with Medios Individual GmbH in 2017. Further goodwill in the amount of €9,497 thousand results from the amalgamation of a manufacturer of non-cytostatic products within Medios Individual GmbH in 2018. This goodwill is allocated to the reporting segment "Patient-Specific Therapies." €1,617 thousand of recognized goodwill was attributable to Kölsche Blister GmbH, which was acquired in 2020, and allocated to the reporting segment "Patient-Specific Therapies." With the the initial consolidation of the NewCo companies at the beginning of 2022, however, further opportunities have opened up within the Medios Group for high-priced ready-made medications in blister form for patient-specific dosing. As a result, the valuation of the technology originally acquired as part of the Kölsche Blister takeover had to be revised and impaired to €0. €103,829 thousand of recognized goodwill was attributable to Cranach Pharma GmbH, which was first consolidated in 2021, and allocated to the reporting segment "Pharmaceutical Supply."

## Medios Manufaktur

The recoverable amount, which was higher than the carrying amount, was determined during an impairment test. The applied value in use is based on anticipated cash flows derived from planning for the next three years approved by the management. The planned cash flows are based on expectations and assumptions from internal and external sources such as customer surveys, taking into account previous experience. In the medium term, the management plans revenue growth of 3% per annum. The discount rate stood at 8.064% before tax (previous year: 7.875%) and at 6.195% after tax (previous year: 6.050%) for the detailed planning phase and at 5.195% for the distant planning phase, reflecting the specific risks of this cash-generating unit. A perpetual growth rate of 1% (previous year: 0.0%) was assumed. The discount rate was calculated in accordance with the WACC model and on the basis of current market data and estimates. As of the balance sheet date, the impairment test did not identify any need for impairment.

Medios Individual

## Medios Individual

The recoverable amount, which was higher than the carrying amount, was determined during an impairment test. The applied value in use is based on anticipated cash flows derived from planning for the next three years approved by the management. The planned cash flows are based on expectations and assumptions from internal and external sources such as customer surveys, taking into account previous experience. In the medium term, the management plans revenue growth of 3% per annum. The discount rate stood at 8.064% before tax (previous year: 7.875%) and at 6.195% after tax (previous year: 6.050%) for the detailed planning phase and at 5.195% for the distant planning phase, reflecting the specific risks of this cash-generating unit. A perpetual growth rate of 1% (previous year: 0.0%) was assumed. The discount rate was calculated in accordance with the WACC model and on the basis of current market data and estimates. As of the balance sheet date, the impairment test did not identify any need for impairment.

## Cranach Pharma

The recoverable amount, which was higher than the carrying amount, was determined during an impairment test. The applied value in use is based on anticipated cash flows derived from planning for the next three years approved by the management. The planned cash flows are based on expectations and assumptions from internal and external sources such as customer surveys, taking into account previous experience. In the medium term, the management plans revenue growth of 3% per annum. The discount rate stood at 8.040% before tax (previous year: n/a) and at 6.079% after tax (previous year: n/a) for the detailed planning phase and at 5.079% for the distant planning phase, reflecting the specific risks of this cash-generating unit. A perpetual growth rate of 1% (previous year: n/a) was assumed. The discount rate was calculated in accordance with the WACC model and on the basis of current market data and estimates. As of the balance sheet date, the impairment test did not identify any need for impairment.

As part of the annual impairment tests, sensitivity calculations were also performed for the companies Medios Manufaktur, Medios Individual and Cranach Pharma to indicate whether there was a need for impairment due to a change in key parameters (here: cash flows).

As the uncertainty surrounding economic development makes the measurement of future cash flows more difficult, the expected cash flow model was used for the sensitivity calculations. Whereas the most probable cash flow is the only value budgeted in the traditional approach, the expected cash flow model involves weighting various scenarios by likelihood of occurrence. Both a decrease in cash flows of at least 10% and an increase in cash flows of a minimum of 10% were expected.

The sensitivity analysis did not result in any impairments.

## Kölsche Blister

In the impairment test, the recoverable amount of the cash-generating units was determined to be less than the carrying amount. The value in use applied is based on projected cash flows derived from a management-approved plan for the next 3 years. The projected cash flows are based on expectations and assumptions from internal and external sources such as customer surveys, taking into account past experience. Management is planning for revenue growth of 3% p.a. in the medium term. The discount rate was 8.038% before tax (previous year: 7.710%) and 6.069% after tax (previous year: 5.821%) for the detailed planning phase and 5.069% for the distant planning phase, reflecting the specific risks of this cash-generating unit. A growth rate of 1% was taken into account in the perpetual annuity (previous year: 0.0%). The discount rate was determined using the WACC model on the basis of current market data and estimates. The impairment test resulted in an impairment loss of €1,617 thousand on the total goodwill as of the reporting date. In addition, the customer lists recognized in connection with Kölsche Blister

and the non-competition clause in 2021 were fully written down in the amount of €1,192 thousand.

## Other intangible assets

Internally generated immaterial assets are recognized in the form of software and patents. As of December 31, 2021, they are recognized at a residual carrying amount of €626 thousand (previous year: €998 thousand). Internally generated intangible assets are capitalized with the directly attributable expenses incurred during the development phase. In particular, these include personnel expenses and manufacturing-related overheads. Development expenses are only capitalized if the development costs can be reliably measured, if the product or process is technically and commercially suitable, if a future economic benefit is likely and if the Group intends to complete development and use or sell the asset and has sufficient resources to do so.

Where incurred, expenses for research activities are recognized in profit or loss. Furthermore, a brand with an indefinite life is recognized within the Services segment under intangible assets. The useful life has been classified as indefinite because it is not possible to anticipate the time at which the brand will generate an economic benefit. The carrying amount of €29 thousand (previous year: €29 thousand) and its recoverability are tested annually for impairment.

Other intangible assets are measured at historical cost, less straight-line amortization and depreciation. Intangible assets are amortized on a straight-line basis over their estimated useful lives. Amortization is recognized under profit or loss. The company uses the following amortization methods and useful lives:

| Intangible assets                 | Amortisation method        | Useful life    |
|-----------------------------------|----------------------------|----------------|
| Software                          | Straight-line amortization | 3 – 5 years    |
| Customer relationships            | Straight-line amortization | 5 and 20 years |
| Brands                            | No amortisation            | —              |
| Other purchased intangible assets | Straight-line amortization | 10 – 20 years  |

Amortization methods, useful lives and residual values are reviewed as of each balance sheet date and modified where necessary.

Amortization on intangible assets are combined with depreciation on property, plant and equipment and recognized under depreciation and amortization in the statement of comprehensive income.

### Property, plant and equipment

Property, plant and equipment is measured at historical cost less straight-line depreciation and impairment. Disposals are recognized both at historical cost and at cumulative depreciation. Any gain or loss from the disposal of property, plant and equipment is recognized in profit or loss.

Amortization is calculated in order to amortize the historical cost of property, plant and equipment, less their residual value, on a straight-line basis over their extended useful lives. Amortization is recognized under profit or loss. Land is not amortized.

The company uses the following amortization methods and useful lives:

| Property, plant and equipment    | Amortisation method        | Useful life  |
|----------------------------------|----------------------------|--------------|
| Buildings                        | Straight-line amortization | 3 – 15 years |
| Technical equipment and machines | Straight-line amortization | 4 – 15 years |
| Operating and office equipment   | Straight-line amortization | 3 – 15 years |

Amortization methods, useful lives and residual values are reviewed as of each balance sheet date and modified where necessary.

## Impairments of other intangible assets and property, plant and equipment

An impairment test is carried out on intangible assets with a definite useful life and on property, plant and equipment where there are specific indications of impairment. Any impairment is then recognized in profit or loss commensurate to the extent by which the carrying amount exceeds the recoverable amount. The recoverable amount is calculated for each asset individually. Where this is not possible, the recoverable amount is calculated on the basis of a group of assets that largely generate independent cash flows. A cash-generating unit represents the smallest group of assets that generate cash flows from continued use that are largely independent from the cash flows of other assets or other cash-generating units. The recoverable amount is the fair value less sale costs or the value in use, whichever is higher. Any impairment is recorded in profit or loss. If the reasons for an impairment recognized in previous years cease to apply, the impairment will be reversed up to a maximum of amortized cost.

## Advance payments made

Advance payments made on an item of property, plant and equipment are also reported under this item if they are advance payments on an item that is classified as non-current.

## Inventories

Inventories are recognized at amortized either at historical/amortized cost or at net disposal value, whichever is lower. Alongside directly attributable costs, manufacturing costs include manufacturing and material overheads and pro rata production-related general administrative expenses.

Fixed overheads are accounted for on the basis of the production facilities' normal capacity utilization. Financing costs do not form part of historical or manufacturing costs. Costs for unused production capacity (idle capacity costs) are recognized directly in profit or loss.

Impairments are performed on inventories insofar as the historical or manufacturing costs exceed the expected net disposal proceeds. FIFO is used consistently through the Medios Group as the sequence-of-use procedure.

## Provisions

Provisions are formed insofar as it is overwhelmingly likely that, as of the balance sheet date, a current legal or actual obligation has arisen toward a third party that will probably result in a future outflow of resources and where the corresponding amount can reliably be estimated. Provisions are recognized at their expected fulfillment amount. Provisions that are based on a large number of similar events are recognized at their expected value.

Contingencies that are not recognized and that are disclosed in the Notes are potential obligations or assets resulting from events in the past and whose existence is contingent on the occurrence or absence of one or more uncertain future events that are not fully under the control of the Group. Contingent liabilities also include current liabilities where there is not expected to be a likely outflow of economic resources or where the amount of the liabilities cannot be reliably estimated.

## Income taxes (current and deferred taxes)

Income tax expenses represent the sum total of current (actual) tax expenses and deferred taxes. Actual and deferred taxes are mostly recognized in profit or loss.

Actual tax expenses are calculated on the basis of the taxable income for the year. The Group's liability for the actual tax expense is calculated on the basis of the tax rates applicable on the balance sheet date or in the near future. The amount of the expected tax payable or receivable reflects the best estimate, taking into account tax-related uncertainties.

Wherever possible, tax claim and receivables are netted.

Deferred taxes are recognized using the liability method. This means, subject to an express reporting prohibition, deferred taxes must be accrued for all temporary differences between the recognized values of assets and liabilities on the IFRS balance sheet and their tax values. This applies irrespective of the date on which the temporary differences are eliminated.

Deferred tax assets and liabilities are measured using the tax rates (and tax provisions) that are expected to apply in the periods in which the temporary differences are expected to be eliminated. In this regard, the regulations applicable on the balance sheet date shall be definitive, insofar as these have not already been amended with future effect.

Deferred tax assets are accrued against tax loss carryforwards insofar as it is probable that they will be able to be realized.

Deferred tax assets are reviewed on each balance sheet date and reduces to the extent to which it is no longer probable that the associated tax benefit will be able to be realized; write-ups are performed if it becomes more probable

that there will be future taxable profits that can be used against expenses arising from the reversal of temporary differences or against losses.

Unreported deferred tax assets are remeasured as of each balance sheet date and recognized to the extent to which it is probable that future taxable profit will enable realization.

Deferred tax assets and deferred tax liabilities are netted if specific requirements are met.

## Financial instruments

A financial instrument is a contract that simultaneously results in a financial asset at one entity and in a financial liability or equity instrument at another entity. Financial instruments recognized as financial assets and those recognized as financial liabilities are always reported separately. Financial instruments are recognized as soon as Medios becomes a contractual party to agreements relating to the financial instrument. In the event of purchases or sales at standard market conditions, Medios selects the trading date for both first-time balance sheet recognition as well as balance sheet disposal.

Financial instruments are not reclassified following first-time recognition unless the Group changes its business model for the management of financial assets. In this instance, all affected financial assets will be reclassified on the first day of the reporting period following the change to the business model.

Financial assets measured at amortized cost are non-derivative financial assets with contractual payments solely comprising interest and principal repayments on the outstanding nominal amount and that are held for the purpose of collecting the contractually agreed payment flows. Generally speaking, these include trade receivables as well as cash and cash equivalents.

The classification of financial instruments is based on the business model under which the instruments are held, as well as the composition of the contractual payment flows.

At Medios, only the category "amortized cost" is used to measure financial assets.

First-time recognition of financial instruments is at fair value, with the exception of trade receivables without significant financing components. These are measured at the transaction price. In respect of subsequent measurement, the financial instruments are assigned to one of the measurement categories stipulated in IFRS 9 "Financial Instruments."

Following first-time recognition, these financial assets are measured at amortized costs using the effective interest rate method, less impairments. Profit and loss is recognized in the income statement if the receivables have been impaired or derecognized.

When calculating impairments due to credit defaults expected of the balance sheet date, the following circumstances are taken into account:

- The impairment need is calculated taking into account industry-specific default probabilities.
- Only in the Pharmaceutical Supply segment, two individual cases were identified where value adjustments were required. In the opinion of the company, these constitute exceptional cases that are not representative of the risk classification of the customer and receivables structure of Medios AG and that, in this form, represent a historical and systematic one-off. A divergent decision to impair due to expected credit losses was therefore not reached.

Financial liabilities include, in particular, trade payables, liabilities to banks, leasing liabilities and other liabilities – and are measured at fair value at first-time recognition. Following first-time recognition, financial liabilities are measured at amortized cost using the effective interest rate method.

Financial assets and financial liabilities are netted, and the net amount reported in the consolidated balance sheet, insofar as there is an enforceable legal claim to offset the amounts against each other and insofar as it is intended to bring about settlement on a net basis or to simultaneously clear the related financial liability upon collection of the corresponding asset.

## Leases as the lessee

At the start of the contract, the Medios Group assesses whether the contract establishes or includes a lease. This is the case if the contract authorizes the control of an identified asset in exchange for payment of a fee for a specified period. In order to assess whether a contract includes the right to control an identified asset, the Medios Group applies the definition of a lease pursuant to IFRS 16.

On the date of provision or in the event of an amendment to a contract containing lease components, the Medios Group breaks down the contractually agreed fee on the basis of the relative stand-alone selling prices.

In respect of real estate lease agreements, however, the Group has decided not to separate non-lease components and, instead, recognize lease and non-lease components as a single lease component.

On the date of provision, the Medios Group recognizes an asset in respect of the usage right granted, as well as a lease liability. The usage right is initially measured at amortized cost, which corresponds to the first-time measurement of the lease liability, adjusted for payments made on or before the date of provision plus any initial direct costs as well as the anticipated costs for disassembly or removal of the underlying asset or to restore the underlying asset and/or the location at which this asset is situated.

The usage right is subsequently amortized on a straight-line basis from the date of provision until the end of the lease period. Additionally, the usage right is continuously measured with any necessary impairments.

Lease liabilities are initially discounted at the present value of payments not yet made as of the provision date using the incremental borrowing rate, as it was not possible to readily determine an internal interest rate. Starting 2020, the Medios Group has been discounting using an incremental borrowing rate geared towards the syndicated loan.

The lease payments included in the measurement of the lease liability include lease payments, amounts due to residual value guarantees, purchase options and renewal options insofar as there is sufficient certainty that these will be exercised.

The lease liability is measured at its amortized carrying amount, using the effective interest rate method. It is re-measured if the future lease payments change due to an indexing change, if the Medios Group adjusts its estimate of the anticipated payments in connection with a residual value guarantee or if the Medios Group changes its estimate regarding the exercise of a purchase, renewal or termination option. In the event of such a remeasurement of the lease liability, the carrying amount of the usage right is adjusted, with this adjustment carried out in profit or loss if the carrying amount of the usage right has fallen to zero.

The Medios Group does not recognize usage rights and lease liabilities for leases whose underlying assets are of low value (threshold: €5 thousand) or have a term of less than one year. The Medios Group recognizes the lease payments in connection with these leases as expenses on a straight-line basis over the term of the leases concerned.

### As the lessor

At the start of the contract or in the event of an amendment to a contract containing lease components, the Group breaks down the contractually agreed fee on the basis of the relative stand-alone selling prices.

Where the Medios Group acts as the lessor, it classifies each lease as either a financing lease or an operating lease at the start of the contract.

For the purpose of classifying the lease, the Medios Group has carried out an overall assessment as to whether the lease transfers all significant risks and opportunities connected with ownership of the underlying asset. If this is the case, the lease is classified as a financing lease; otherwise, it is an operating lease. When carrying out this assessment, the Group considers specific indicators, e.g., whether the lease comprises the overwhelming share of the useful economic life of the asset.

The Medios Group recognizes the main lease and the sublease separately if it acts as an intermediate lessor. It classifies the sublease on the basis of its usage right arising from the main lease and not on the basis of the underlying asset. If the main lease is a short-term lease in respect of which the Group applies the aforementioned exemption, it classifies the sublease as an operating lease. In the 2021 fiscal year, all subleases were classified as financing leases.

The Group applies the derecognition and impairment provisions of IFRS 9 to net investments in the lease. The Group regularly reviews the estimated and non-guaranteed residual values applied in the calculation of gross investment in the lease.

The accounting methods to be applied by the Group as the lessor in accordance with IFRS 16 have not fundamentally changed from those used in the prior-year period. Exempt from this are leases concluded in the current reporting period and classified as financing leases.

### Share-based remuneration

The Medios Group has granted stock options (share-based remuneration transactions) settled using equity instruments. The fair value of the liability is recognized as a personnel expense during the vesting period, with the simultaneous formation of a capital reserve. The expense is recognized proportionally during the vesting period. This is the period during which the recipient of share-based remuneration must fulfill the agreed vesting condition. The options issued are measured using a binomial model.

## 7. Consolidation principles

Business combinations are recognized using the acquisition method if the Medios Group gains control. Control is gained if the Medios Group has power of disposal over the associated enterprise, if there is a burden of risk through fluctuating returns or rights to these returns and, moreover, the Group has the ability to use its power of disposal in such a way that it can influence the level of returns from the associated enterprise. The individual identifiable assets and liabilities acquired as part of the acquisition of the enterprise are recognized at their fair values as of the date of acquisition.

If the remeasured net assets of the acquired business entity exceed the fair value of the consideration tendered, goodwill is recognized in the amount of the difference. If the opposite is the case, the resulting difference must be collected immediately as an acquisition gain through profit or loss. Transaction costs are recognized immediately in expenses. Any resulting goodwill is reviewed annually for impairment.

Revenue, expenses and earnings, as well as receivables and payables, between the consolidated companies are eliminated. Intermediate results are eliminated where significant.

## 8. Use of estimates and assumptions

When preparing the consolidated financial statements, the Executive Board is required to make estimates and assumptions that influence the items of the consolidated financial statements and the notes to the consolidated financial statements. Actual developments may differ from the estimates and assumptions made. Due to the COVID-19 pandemic, an increased level of uncertainty applies. Medios reviews on an ongoing basis the impacts of the COVID-19 pandemic on business operations and the resulting effects on Group accounting. There are no indications of a need to diverge from the going concern principle. Material estimation uncertainties and assumptions are outlined in more detail below.

### Goodwill and other intangible assets

Assumptions and estimates are necessary in respect of goodwill and other intangible assets, especially in relation to impairment tests. In particular, these concern estimates regarding future cash flows, the cash-generating unit and the determination of discounting rates. The current estimates and experiences relating to the impacts of the COVID-19 pandemic on Medios' course of business were factored into the planning underpinning the impairment tests. With the exception of Kölsche Blister GmbH, this did not give rise to any need for impairments.

## Recalculations (refund liabilities)

The determination of refund liabilities is, to a large extent, subject to estimates and assumptions. Recalculation involves the refusal of a health insurer to refund the cost of medication that has already been sold to patients by a pharmacy. Pharmacies pass on these recalculations to Medios as the manufacturer. Therefore, Medios estimates the extent of the costs passed on.

The Group forms a refund liability, particularly for recalculation risks of €660 thousand (previous year: €1,023 thousand). As such, the level of necessary recalculations cannot be evaluated with certainty and is subject to empirical estimates.

## Income taxes

To enable the formation of tax provisions, assumptions must be made about future tax rates and the tax assessment basis. There is also a need to determine whether impairment or derecognition is required in respect of deferred tax assets. The Group needs to assess the probability that deferred tax assets arising from temporal differences and loss carryforwards can be offset against future taxable income. There are uncertainties regarding the interpretation of complex tax regulations and the level and time of future taxable income.

## Share-based remuneration

The regulations of the 2018 and 2020 stock option programs stipulate that the share options be vested to beneficiaries after a waiting period of four years. However, some of the claims become non-forfeitable before the end of this four-year period. In light of this fact, it is necessary to carry out a separate estimate of the accrual of expenses covering the work performance up to the balance date compared to the total work incumbent on the beneficiary beyond the relevant vesting period. As certain share is already vested for subsequent installments in the first year, a degressive accrual of expenses is assumed. The Group continues to assume that it is highly probable that the share options will be exercised immediately after the end of the waiting period. For more information on the conditions and assumptions, please refer to the notes on subsection 37.



## Notes to the consolidated statement of comprehensive income

### 9. Revenue

The as yet unbilled credit notes for recalculations depressed income by €63 thousand (previous year: €191 thousand). The expected value method was used to calculate the value of recalculations. The expected recalculations were measured per customer and delivery. The expected value is based on empirical values. For more information on the breakdown of revenue, please refer to subsection 31.

### 10. Change in stocks of finished goods

The changes in inventories relate to the finished goods in the "Patient-Specific Therapies" segment.

### 11. Work performed by the entity and capitalized

Capitalized work performed by the entity amounted to €1,117 thousand in the reporting year (previous year: €352 thousand) and related to software under development in the amount of €467 thousand (previous year: €352 thousand) and the expansion of operating premises in the amount of €650 thousand (previous year: €0 thousand).

### 12. Other income

Other income breaks down as follows:

| in € thousand                                          | 2021         | 2020       |
|--------------------------------------------------------|--------------|------------|
| Income from the sale of property, plant and equipment  | 34           | 1          |
| Income from refunds under the Expense Compensation Act | 145          | 147        |
| Income from the reversal of provisions                 | 1,028        | 98         |
| Other                                                  | 409          | 222        |
| <b>Total</b>                                           | <b>1,616</b> | <b>468</b> |

### 13. Material expenses

Material expenses comprise the purchase of goods and raw, auxiliary and operating materials, as well as the consumption of purchased services.

| in € thousand                          | 2021             | 2020           |
|----------------------------------------|------------------|----------------|
| Goods                                  | 1,272,215        | 574,849        |
| Raw, auxiliary and operating materials | 17,813           | 14,460         |
| <b>Total</b>                           | <b>1,290,028</b> | <b>589,309</b> |

In the 2021 financial year, material expenses amounted to €1,290,028 thousand (previous year: €589,309 thousand), or 95.2% of revenue (previous year: 94.1%), and rose by 0.9 percentage points.

The decline in margin is mainly due to a structural effect, as the Pharmaceutical Supply segment, which has a lower relative margin than the Patient-Specific Therapies segment, grew disproportionately as a result of the acquisition of Crnach Pharma. Both operating segments individually increased their relative and absolute margins.

### 14. Personnel expenses

Personnel expenses are broken down as follows:

| in € thousand                                             | 2021          | 2020          |
|-----------------------------------------------------------|---------------|---------------|
| Wages and salaries                                        | 16,290        | 11,904        |
| Social security contributions                             | 1,567         | 1,292         |
| Pensions                                                  | 1,202         | 941           |
| Share-based remuneration settled using equity instruments | 2,996         | 1,158         |
| <b>Total</b>                                              | <b>22,055</b> | <b>15,295</b> |

The increase in wages, salaries and social security contributions reflects the increase in the head count, the creation of new group structures and the development of Executive Board compensation. Due to the issue of further stock options to Executive Board Members and other employees, share-based remuneration rose sharply.

## 15. Other expenses

Other expenses are broken down as follows:

| in Tsd. €                           | 2021          | 2020         |
|-------------------------------------|---------------|--------------|
| Costs of delivery of goods          | 2,307         | 1,272        |
| Legal and consulting fees           | 2,047         | 1,949        |
| Marketing and sales                 | 1,866         | 745          |
| Costs of premises                   | 1,289         | 938          |
| Specific valuation allowances       | 968           | 0            |
| IT, telecommunications              | 902           | 586          |
| Financial statement and audit costs | 785           | 625          |
| Miscellaneous operating costs       | 666           | 887          |
| Operating supplies and workwear     | 529           | 429          |
| Insurance, contributions and levies | 332           | 276          |
| Investor relations                  | 331           | 286          |
| Repairs and maintenance             | 237           | 194          |
| Training costs                      | 179           | 133          |
| Supervisory Board                   | 115           | 82           |
| Travel expenses                     | 86            | 84           |
| Vehicle costs                       | 76            | 48           |
| Miscellaneous operating costs       | 692           | 1,127        |
| <b>Total</b>                        | <b>13,405</b> | <b>9,660</b> |

Legal and consulting fees include expenses (€805 thousand, previous year: €802 thousand) that are shown as "other M&A expenses" as a special effect. These are expenses in connection with completed or discontinued M&A projects.

## 16. Financial result

The financial result encompasses:

| in € thousand      | 2021          | 2020        |
|--------------------|---------------|-------------|
| Financial expenses | -1,727        | -671        |
| Financial income   | 43            | 30          |
| <b>Total</b>       | <b>-1,684</b> | <b>-641</b> |

Financial expenses include €204 thousand (previous year €86 thousand) from the discounting of lease liabilities. Financial earnings include €10 thousand (previous year €4 thousand) from the discounting of lease liabilities.

## 17. Income taxes

The companies included in the consolidated financial statements are subject to German corporation tax (including the solidarity surcharge) and trade tax. The amount of income taxes is measured in the calculated taxable income or the calculated trade income. Deferred taxes were calculated on the basis of temporary differences between the tax value of assets and liabilities and the recognized value in the IFRS balance sheets. Insofar as realization of the arithmetic tax benefits from deferred tax assets is not probable, these are impaired.

Deferred taxes and actual expenses for income taxes are broken down as follows for the past two financial years:

| in € thousand             | 2021         | 2020*        |
|---------------------------|--------------|--------------|
| Actual tax expenses       | 8,757        | 3,663        |
| Deferred tax income       | 2,583        | 287          |
| <b>Total income taxes</b> | <b>6,174</b> | <b>3,376</b> |

\* Adjusted, see explanations below

Medios has subsequently increased the actual tax expense recognized in the consolidated statement of comprehensive income for the 2020 financial year by €-539 thousand from €-3,124 thousand to €-3,663 thousand. In return, the capital reserve has been increased accordingly. The adjustment corrects the reclassification of the income tax benefit from the reduction in the tax base in the previous year by the costs of equity procurement recognized directly in equity in the consolidated financial statements. The adjustment had no effect on the carrying amounts of assets and liabilities or on consolidated earnings before taxes (EBT).

Deferred tax assets (not netted) in the amount of €5,517 thousand (previous year: €5,711 thousand) include €5,256 thousand related to the recognition of lease liabilities and €191 thousand on non-current provisions.

Deferred tax liabilities (not netted) in the amount of €25,399 thousand (previous year: €9,509 thousand) include €3,009 thousand arising from first-time consolidation from the recognition of intangible assets as part of the first-time consolidation of the Patient-Specific Manufacture of Non-Cytostatic Products business segment, €16,888 thousand from the recognition of intangible assets in connection with the first-time consolidation of Cranach Pharma and €4,907 thousand from the recognition of usage rights and from financial leases pursuant to IFRS 16.

In calculating deferred taxes, a tax rate of 30.175% (previous year: 30.175%) was applied, depending on the company's residence, which results for the Berlin location. This rate is composed of the tax rate for corporate income taxes and the tax base as well as the assessment rate of the municipalities.

| Companies                                                                                                   | Tax rate |
|-------------------------------------------------------------------------------------------------------------|----------|
| Medios AG, Medios Pharma GmbH,<br>Medios Individual GmbH,<br>Medios Digital GmbH,<br>Medios Manufaktur GmbH | 30.175%  |
| Kölsche Blister GmbH                                                                                        | 32.45%   |
| Cranach Pharma GmbH                                                                                         | 32.275%  |

Deferred tax assets and liabilities relate to the following significant balance sheet items and tax loss carryforwards:

| in € thousand                        | Deferred tax assets as of 12/31/2020 | Deferred tax liabilities as of 12/31/2020 | Net total as of 1/1/2021 |
|--------------------------------------|--------------------------------------|-------------------------------------------|--------------------------|
| <b>Non-current assets</b>            |                                      |                                           |                          |
| Property, plant and equipment        | 33                                   | 354                                       | -321                     |
| Other intangible assets              | 25                                   | 3,788                                     | -3,763                   |
| Usage rights                         | 0                                    | 5,216                                     | -5,216                   |
| <b>Current assets</b>                |                                      |                                           |                          |
| Inventories                          | 0                                    | 0                                         | 0                        |
| Receivables from financial leases    | 0                                    | 87                                        | -87                      |
| Other assets                         | 0                                    | 63                                        | -63                      |
| <b>Current liabilities</b>           |                                      |                                           |                          |
| Payables                             | 0                                    | 0                                         | 0                        |
| Short-term provisions                | 0                                    | 0                                         | 0                        |
| <b>Non-current liabilities</b>       |                                      |                                           |                          |
| Liabilities as lessor                | 5,349                                | 0                                         | 5,349                    |
| Non-current provisions               | 303                                  | 0                                         | 303                      |
| <b>Tax claims (liabilities)</b>      | <b>5,711</b>                         | <b>9,509</b>                              | <b>-3,798</b>            |
| <b>Netting</b>                       | <b>-5,711</b>                        | <b>-5,711</b>                             | <b>0</b>                 |
| <b>Tax claims (liabilities), net</b> | <b>0</b>                             | <b>3,798</b>                              | <b>-3,798</b>            |

| in € thousand                        | Deferred tax assets as of 12/31/2019 | Deferred tax liabilities as of 12/31/2019 | Net total as of 1/1/2020 |
|--------------------------------------|--------------------------------------|-------------------------------------------|--------------------------|
| <b>Non-current assets</b>            |                                      |                                           |                          |
| Property, plant and equipment        | 26                                   | 157                                       | -131                     |
| Other intangible assets              | 34                                   | 3,620                                     | -3,586                   |
| Usage rights                         | 0                                    | 919                                       | -919                     |
| <b>Current assets</b>                |                                      |                                           |                          |
| Inventories                          | 3                                    | 0                                         | 0                        |
| Receivables from financial leases    | 0                                    | 55                                        | -55                      |
| Other assets                         | 0                                    | 0                                         | 0                        |
| <b>Current liabilities</b>           |                                      |                                           |                          |
| Payables                             | 30                                   | 0                                         | 30                       |
| <b>Non-current liabilities</b>       |                                      |                                           |                          |
| Liabilities as lessor                | 985                                  | 0                                         | 985                      |
| Non-current provisions               | 0                                    | 0                                         | 0                        |
| <b>Tax claims (liabilities)</b>      | <b>1,075</b>                         | <b>4,750</b>                              | <b>-3,675</b>            |
| <b>Netting</b>                       | <b>-1,075</b>                        | <b>-1,075</b>                             | <b>0</b>                 |
| <b>Tax claims (liabilities), net</b> | <b>0</b>                             | <b>3,675</b>                              | <b>-3,675</b>            |

| Recognized in profit or loss | Acquired through business combinations | Recognized directly in equity | Net total as of 12/31/2021 | Deferred tax assets 12/31/2021 | Deferred tax liabilities 12/31/2021 |
|------------------------------|----------------------------------------|-------------------------------|----------------------------|--------------------------------|-------------------------------------|
| 76                           | 0                                      | -8                            | 32                         | 33                             | 286                                 |
| 3,318                        | -19,534                                | 0                             | -3,586                     | 18                             | 19,997                              |
| 727                          | -143                                   | -275                          | -919                       | 0                              | 4,907                               |

|    |   |      |      |   |     |
|----|---|------|------|---|-----|
| 0  | 0 | 0    | 0    | 0 | 0   |
| 30 | 0 | -121 | -178 | 0 | 178 |
| 33 | 0 | 0    | -30  | 0 | 30  |

|    |   |   |    |    |   |
|----|---|---|----|----|---|
| 0  | 0 | 0 | 0  | 0  | 0 |
| 18 | 0 | 0 | 18 | 18 | 0 |

|      |     |     |       |       |   |
|------|-----|-----|-------|-------|---|
| -670 | 141 | 436 | 5,256 | 5,256 | 0 |
| -115 | 3   | 0   | 191   | 191   | 0 |

|       |         |    |         |        |        |
|-------|---------|----|---------|--------|--------|
| 3,417 | -19,533 | 32 | -19,882 | 5,516  | 25,398 |
|       |         |    |         | -5,516 | -5,516 |
|       |         |    | -19,882 | 0      | 19,882 |

| Recognized in profit or loss | Acquired through business combinations | Recognized directly in equity | Net total as of 12/31/2020 | Deferred tax assets 12/31/2020 | Deferred tax liabilities 12/31/2020 |
|------------------------------|----------------------------------------|-------------------------------|----------------------------|--------------------------------|-------------------------------------|
| 110                          | 0                                      | -300                          | -321                       | 33                             | 354                                 |
| 232                          | -409                                   | 0                             | -3,763                     | 25                             | 3,788                               |
| 334                          | 0                                      | -4,631                        | -5,216                     | 0                              | 5,216                               |
| 0                            | 0                                      | 0                             | 0                          | 0                              | 0                                   |
| 31                           | -63                                    | 0                             | -87                        | 0                              | 87                                  |
| -63                          | 0                                      | 0                             | -63                        | 0                              | 63                                  |
| -30                          | 0                                      | 0                             | 0                          | 0                              | 0                                   |
| -329                         | 0                                      | 4,694                         | 5,349                      | 5,349                          | 0                                   |
| 3                            | 0                                      | 300                           | 303                        | 303                            | 0                                   |
| 287                          | -409                                   | 0                             | -3,798                     | 5,711                          | 9,509                               |
|                              |                                        |                               | 0                          | -5,711                         | -5,711                              |
|                              |                                        |                               | -3,798                     | 0                              | 3,798                               |

Receivables and liabilities from actual taxes in the consolidated balance sheet are broken down as follows:

| <b>in € thousand</b>   | <b>2021</b> | <b>2020*</b> |
|------------------------|-------------|--------------|
| Income tax receivables | 2,144       | 24           |
| Income tax liabilities | 10,900      | 2,613        |

Actual income tax liabilities relate to trade tax in the amount of €6,034 thousand (previous year: €1,286 thousand) and corporation tax in the amount of €4,865 thousand (previous year: €1,327 thousand). Actual income tax receivables relate to trade tax in the amount of €1,468 thousand (previous year: €0 thousand) and corporation tax and solidarity surcharge in the amount of €676 thousand (previous year: €24 thousand). The following table shows the tax reconciliation calculation of the expected income tax expenses in the financial year under review compared to the tax expenses actually reported. To calculate the expected tax expense, the income tax rate applicable to Medios AG in the 2021 financial year of 30.175% (previous year: 30.175%) was multiplied by the earnings before taxes.

| <b>Tax reconciliation</b>                         | <b>2021</b>   | <b>2020*</b>  |
|---------------------------------------------------|---------------|---------------|
| <b>in € thousand</b>                              |               |               |
| Consolidated earnings before income taxes         | 13,576        | 8,901         |
| Tax rate (%)                                      | 30.175        | 30.175        |
| <b>Expected tax expense</b>                       | <b>4,097</b>  | <b>2,686</b>  |
| Non-tax-deductible expenses                       | 510           | 30            |
| Non-tax-recognized losses                         | 272           | 208           |
| Tax rate differences                              | 258           | 0             |
| Tax income relating to other periods              | -51           | 0             |
| Deferred taxes on issue costs of capital increase | 834           | 539           |
| Other differences                                 | 254           | 87            |
| <b>Actual tax expenses</b>                        | <b>6,174</b>  | <b>3,376</b>  |
| <i>Effective tax burden (%)</i>                   | <i>45.477</i> | <i>37.928</i> |

The total amount of non-recognized taxable temporary differences related to interests in subsidiaries amounts to €108,509 thousand (previous year: €17,985 thousand). The sale of joint-stock enterprises would result in a disposal gain, 95% of which is not considered for tax purposes. Medios does not anticipate any reversal of temporary differences, and therefore no corresponding tax burdens, in the foreseeable future.

\* Adjusted, see note 17.



## Remarks on the consolidated balance sheet

### 18. Intangible assets

|                                                    | Goodwill | Customer base | Intellectual property rights and similar assets generated by the entity | Advance payments made and intangible assets under development | Other  | Total   |
|----------------------------------------------------|----------|---------------|-------------------------------------------------------------------------|---------------------------------------------------------------|--------|---------|
| <b>in € thousand</b>                               |          |               |                                                                         |                                                               |        |         |
| <b>Historical cost</b>                             |          |               |                                                                         |                                                               |        |         |
| As of 1/1/2021                                     | 18,354   | 13,845        | 1,309                                                                   | 3,340                                                         | 1,113  | 37,961  |
| Additions                                          | 0        | 0             | 0                                                                       | 2,587                                                         | 335    | 2,922   |
| Disposals                                          | 0        | 0             | -306                                                                    | 0                                                             | 0      | -306    |
| Additions from company acquisitions                | 103,829  | 66,803        | 0                                                                       | 0                                                             | 1,693  | 172,325 |
| Disposals from the group of consolidated companies | 0        | 0             | 0                                                                       | 0                                                             | -27    | -27     |
| Reclassification                                   | 0        | -2,396        | 0                                                                       | -2,117                                                        | 4,513  | 0       |
| As of 12/31/2021                                   | 122,183  | 78,252        | 1,003                                                                   | 3,810                                                         | 7,627  | 212,875 |
| <b>Depreciation, amortization and impairments</b>  |          |               |                                                                         |                                                               |        |         |
| As of 1/1/2021                                     | 0        | -2,015        | -311                                                                    | 0                                                             | -399   | -2,725  |
| Additions                                          | -1,617   | -9,836        | -125                                                                    | 0                                                             | -3,903 | -15,481 |
| Disposals                                          | 0        | 0             | 59                                                                      | 0                                                             | 0      | 59      |
| Additions to the group of consolidated companies   | 0        | -1,877        | 0                                                                       | 0                                                             | 0      | -1,877  |
| Disposals from the group of consolidated companies | 0        | 0             | 0                                                                       | 0                                                             | 10     | 10      |
| As of 12/31/2021                                   | -1,617   | -13,728       | -377                                                                    | 0                                                             | -4,292 | -20,014 |
| Net carrying amount as of 12/31/2021               | 120,566  | 64,524        | 626                                                                     | 3,810                                                         | 3,335  | 192,861 |
| Net carrying amount as of 1/1/2021                 | 18,354   | 11,830        | 998                                                                     | 3,340                                                         | 714    | 35,237  |
| <b>in € thousand</b>                               |          |               |                                                                         |                                                               |        |         |
| <b>Historical cost</b>                             |          |               |                                                                         |                                                               |        |         |
| As of 1/1/2020                                     | 16,737   | 12,631        | 1,287                                                                   | 1,565                                                         | 760    | 32,980  |
| Additions                                          | 0        | 0             | 22                                                                      | 1,807                                                         | 313    | 2,142   |
| Disposals                                          | 0        | 0             | 0                                                                       | 0                                                             | -61    | -61     |
| Additions from business acquisitions               | 1,617    | 1,213         | 0                                                                       | 0                                                             | 71     | 2,901   |
| Reclassification                                   |          |               |                                                                         | -31                                                           | 31     | 0       |
| As of 12/31/2020                                   | 18,354   | 13,845        | 1,309                                                                   | 3,340                                                         | 1,113  | 37,961  |
| <b>Depreciation, amortization and impairments</b>  |          |               |                                                                         |                                                               |        |         |
| As of 1/1/2020                                     | 0        | 1,265         | 144                                                                     | 0                                                             | 312    | 1,720   |
| Additions                                          | 0        | 749           | 168                                                                     | 0                                                             | 149    | 1,066   |
| Disposals                                          | 0        | 0             | 0                                                                       | 0                                                             | -61    | -61     |
| As of 12/31/2020                                   | 0        | 2,015         | 311                                                                     | 0                                                             | 399    | 2,724   |
| Net carrying amount as of 12/31/2020               | 18,354   | 11,830        | 998                                                                     | 3,340                                                         | 714    | 35,237  |
| Net carrying amount as of 1/1/2020                 | 16,737   | 11,366        | 1,144                                                                   | 1,565                                                         | 448    | 31,260  |

There are no disposal or ownership restrictions in respect of the recognized property, plant and equipment.

## 19. Property, plant and equipment

|                                                    | Land<br>including buildings<br>on third-party land | Technical<br>equipment<br>and<br>machinery | Other property,<br>plant and<br>equipment<br>operating<br>and office<br>equipment | Advance<br>payments<br>made | Total         |
|----------------------------------------------------|----------------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------|---------------|
| <b>in € thousand</b>                               |                                                    |                                            |                                                                                   |                             |               |
| <b>Historical cost</b>                             |                                                    |                                            |                                                                                   |                             |               |
| As of 1/1/2021                                     | 2,431                                              | 2,958                                      | 4,755                                                                             | 222                         | 10,366        |
| Additions                                          | 78                                                 | 13                                         | 700                                                                               | 9,131                       | 9,923         |
| Disposals                                          | 0                                                  | 0                                          | -100                                                                              | 0                           | -100          |
| Additions from company acquisitions                | 52                                                 | 0                                          | 80                                                                                | 0                           | 132           |
| Disposals from the group of consolidated companies | -14                                                | -155                                       | -31                                                                               | 0                           | -200          |
| Reclassification                                   | 0                                                  | 42                                         | 0                                                                                 | -42                         | 0             |
| As of 12/31/2021                                   | 2,548                                              | 2,859                                      | 5,404                                                                             | 9,311                       | 20,122        |
| <b>Depreciation, amortization and impairments</b>  |                                                    |                                            |                                                                                   |                             |               |
| As of 1/1/2021                                     | -742                                               | -1,543                                     | -2,745                                                                            | 0                           | -5,030        |
| Additions                                          | -618                                               | -156                                       | -720                                                                              | 0                           | -1,494        |
| Disposals                                          | 0                                                  | 0                                          | 77                                                                                | 0                           | 77            |
| Additions to the group of consolidated companies   | -8                                                 | 0                                          | -5                                                                                | 0                           | -12           |
| Disposals from the group of consolidated companies | 14                                                 | 24                                         | 13                                                                                | 0                           | 51            |
| As of 12/31/2021                                   | -1,354                                             | -1,676                                     | -3,379                                                                            | 0                           | -6,409        |
| <b>Net carrying amount as of 12/31/2021</b>        | <b>1,194</b>                                       | <b>1,183</b>                               | <b>2,025</b>                                                                      | <b>9,311</b>                | <b>13,713</b> |
| <b>Net carrying amount as of 1/1/2021</b>          | <b>1,689</b>                                       | <b>1,415</b>                               | <b>2,011</b>                                                                      | <b>222</b>                  | <b>5,337</b>  |
| <b>Historical cost</b>                             |                                                    |                                            |                                                                                   |                             |               |
| As of 1/1/2020                                     | 700                                                | 2,633                                      | 1,949                                                                             | 0                           | 5,282         |
| Additions                                          | 1,731                                              | 174                                        | 1,621                                                                             | 222                         | 3,748         |
| Disposals                                          | 0                                                  | 0                                          | -66                                                                               | 0                           | -66           |
| Additions from company acquisitions                | 0                                                  | 151                                        | 1,251                                                                             | 0                           | 1,402         |
| As of 12/31/2020                                   | 2,431                                              | 2,958                                      | 4,755                                                                             | 222                         | 10,366        |
| <b>Depreciation and amortization</b>               |                                                    |                                            |                                                                                   |                             |               |
| As of 1/1/2020                                     | 176                                                | 1,368                                      | 1,189                                                                             | 0                           | 2,732         |
| Additions                                          | 566                                                | 176                                        | 1,607                                                                             | 0                           | 2,349         |
| Disposals                                          | 0                                                  | 0                                          | -51                                                                               | 0                           | -51           |
| As of 12/31/2020                                   | 742                                                | 1,543                                      | 2,745                                                                             | 0                           | 5,030         |
| <b>Net carrying amount as of 12/31/2020</b>        | <b>1,689</b>                                       | <b>1,415</b>                               | <b>2,011</b>                                                                      | <b>222</b>                  | <b>5,337</b>  |
| <b>Net carrying amount as of 1/1/2020</b>          | <b>524</b>                                         | <b>1,265</b>                               | <b>760</b>                                                                        | <b>0</b>                    | <b>2,549</b>  |

There are no property and disposal restrictions for the intangible assets reported.

## 20. Financial assets

Financial assets in the amount of €690 thousand (previous year: €390 thousand) relate to a loan granted in the amount of €100 thousand (previous year: €100 thousand), as well as receivables from financial leases as the lessor in the amount of €590 thousand (previous year: €290 thousand). The increase in finance leases results from term-related revaluations of existing contractual relationships. Gross investment and the present value of the leasing receivable are shown in the following table:

| in € thousand | Gross investment | Interest component | Lease receivable as of 12/31/2021 |
|---------------|------------------|--------------------|-----------------------------------|
| Maturity      |                  |                    |                                   |
| 2022          | 110              | 13                 | 97                                |
| 2023          | 110              | 10                 | 100                               |
| 2024          | 110              | 8                  | 102                               |
| 2025          | 110              | 5                  | 105                               |
| 2026          | 110              | 2                  | 108                               |
| 2027          | 37               | 1                  | 36                                |
| 2028          | 21               | 1                  | 21                                |
| 2029          | 21               | 1                  | 19                                |
| 2030          | 1                | 0                  | 1                                 |
| <b>Total</b>  | <b>630</b>       | <b>41</b>          | <b>590</b>                        |

| in € thousand | Gross investment | Interest component | Lease receivable as of 12/31/2020 |
|---------------|------------------|--------------------|-----------------------------------|
| Maturity      |                  |                    |                                   |
| 2021          | 112              | 4                  | 108                               |
| 2022          | 38               | 2                  | 36                                |
| 2023          | 22               | 1                  | 20                                |
| 2024          | 21               | 1                  | 20                                |
| 2025          | 21               | 1                  | 20                                |
| 2026          | 21               | 1                  | 20                                |
| 2027          | 21               | 1                  | 20                                |
| 2028          | 21               | 1                  | 20                                |
| 2029          | 21               | 1                  | 19                                |
| 2030          | 6                | 0                  | 6                                 |
| <b>Total</b>  | <b>304</b>       | <b>13</b>          | <b>290</b>                        |

## 21. Inventories

Inventories in the amount of €36,471 thousand (previous year: €35,310 thousand) relate to raw, auxiliary and operating materials, finished products and goods and advance payments made by Medios Pharma GmbH, Medios Manufaktur GmbH, Medios Individual GmbH, Kölsche Blister GmbH and Cranach Pharma GmbH. The breakdown of inventories is shown in the following table:

| in € thousand                          | 12/31/2021    | 12/31/2020    |
|----------------------------------------|---------------|---------------|
| Raw, auxiliary and operating materials | 2,648         | 2,257         |
| Finished products and goods            | 31,899        | 31,977        |
| Advance payments                       | 1,924         | 1,075         |
| <b>Total</b>                           | <b>36,471</b> | <b>35,310</b> |

## 22. Trade receivables

| in € thousand                    | 12/31/2021    | 12/31/2020    |
|----------------------------------|---------------|---------------|
| Gross value of trade receivables | 88,159        | 74,859        |
| Impairments                      | -388          | -69           |
| <b>Total</b>                     | <b>87,770</b> | <b>74,789</b> |

The increase in receivables is attributable to the rise in revenue. Impairments on trade receivables developed as follows:

| in € thousand      | 12/31/2021  | 12/31/2020 |
|--------------------|-------------|------------|
| As of 01/01        | -69         | -69        |
| Allocation         | -319        | 0          |
| Reversal           | 0           | 0          |
| <b>As of 12/31</b> | <b>-388</b> | <b>-69</b> |

The age structure of trade receivables is as follows:

#### As of 12/31/2021

| in € thousand                |                 |                      |                              | Of which overdue and not impaired |                |                 |            |
|------------------------------|-----------------|----------------------|------------------------------|-----------------------------------|----------------|-----------------|------------|
| Analysis of non-impaired ... | Carrying amount | Impaired receivables | Neither impaired nor overdue | < 90 days                         | 90 to 180 days | 180 to 360 days | > 360 days |
| Trade receivables            | 87,770          | 1,388                | 78,133                       | 7,319                             | 1,309          | 193             | 182        |

The receivables overdue and not impaired as of 12/31/2021 have since either been received or classified as non-impaired.

#### As of 12/31/2020

| in € thousand                |                 |                      |                              | Of which overdue and not impaired |                |                 |            |
|------------------------------|-----------------|----------------------|------------------------------|-----------------------------------|----------------|-----------------|------------|
| Analysis of non-impaired ... | Carrying amount | Impaired receivables | Neither impaired nor overdue | < 90 days                         | 90 to 180 days | 180 to 360 days | > 360 days |
| Trade receivables            | 74,789          | 69                   | 66,304                       | 7,813                             | 468            | 163             | 110        |

Receivables are chiefly held against long-standing customers. On account of the extremely low insolvency rate of pharmacies and customers in the pharmaceutical sector, a low default risks is assumed for receivables.

For some long-standing customers, payment terms are in place with payment deadlines of more than 30 days. There have been no defaults among these existing customers in the past.

Receivables that are more than 360 days overdue are held against two customers. These receivables are not impaired or doubtful. It is expected that these receivables will be settled in full in the 2021 financial year.

As of December 31, 2021, trade receivables related to blanket assignments in respect of the syndicated loan contract are pledged as securities. This relates to the trade receivables of Medios Manufaktur, Medios Individual, Medios Pharma and Cranach Pharma from third parties, which amount to €87,316 Tsd thousand as of December 31, 2021.

## 23. Other assets

Other assets are broken down as follows:

| in € thousand                 | 12/31/2021   | 12/31/2020   |
|-------------------------------|--------------|--------------|
| Discount limits               | 3,907        | 4,994        |
| Deposits                      | 576          | 515          |
| Creditors with debit balances | 342          | 224          |
| Current tax claims            | 28           | 337          |
| Other                         | 999          | 324          |
| <b>Total other assets</b>     | <b>5,852</b> | <b>6,394</b> |

The discount limits were reduced due to shorter invoicing cycles.

The item "Other" includes an impairment loss of €814 thousand (excluding value-added tax) relating to receivables from a pharmacy where the insolvency of a customer of this pharmacy in the wholesale sector resulted in payment difficulties for the pharmacy. The previous estimates did not see any reason for a valuation allowance. However, against the background of the change in the general conditions in the course of the 2021 financial year (risk of recovery from insolvency proceedings against customers of the pharmacy), the receivables from the pharmacy that are not additionally secured as of December 31, 2021, are subject to a specific valuation allowance of 100%.

## 24. Cash and cash equivalents

| in € thousand                    | 12/31/2021     | 12/31/2020    |
|----------------------------------|----------------|---------------|
| Bank balances                    | 168,430        | 19,786        |
| Cash in hand                     | 1              | 2             |
| <b>Cash and cash equivalents</b> | <b>168,431</b> | <b>19,788</b> |

Cash consists of bank balances and cash in hand.

As of the balance sheet date, the Group was able to freely dispose of all liquid assets.

## 25. Equity

The share capital of Medios AG stands at €22,881 thousand as of December 31, 2021 (previous year: €16,085 thousand). It is divided into 22,881,490 (previous year 16,084,991) fully paid-in no-par-value shares.

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the company, with the approval of the Supervisory Board, once or several times, on or before July 12, 2023, by up to €5,932 thousand by issuing up to 5,932,009 new no-par-value bearer shares, each representing a share of €1.00 of the share capital, in exchange for cash or non-cash contributions (2018/1 Authorized Capital).

The share capital of the company is conditionally increased by €600 thousand through the issue of 600,000 no-par-value bearer shares (2017 Conditional Capital). The conditional capital increase serves solely to fulfill subscription rights that are granted on the basis of the authorization of the annual general meeting of Monday, August 28, 2017. Thus far, Conditional Capital 2017 has been utilized in the amount of 590,000 shares. A further 10,000 options from the 2017 stock option program expired following the departure of the executives concerned and can no longer be exercised.

The share capital of the company is conditionally increased by €300 thousand through the issue of 300,000 no-par-value bearer shares (2018 Conditional Capital). The conditional capital increase serves solely to fulfill subscription rights that are granted on the basis of the authorization of the Annual General Meeting of Friday, July 13, 2018.

The share capital of the company is conditionally increased by €5,825 thousand through the issue of 5,825,607 no-par-value bearer shares (2019 Conditional Capital). The conditional capital increase serves solely to fulfill subscription rights that are granted on the basis of the authorization of the annual general meeting of July 10, 2019.

The share capital of the company is conditionally increased by €700 thousand through the issue of 700,000 no-par-value bearer shares (2020 Conditional Capital). The conditional capital increase serves solely to fulfill subscription rights that are granted on the basis of the authorization of the annual general meeting of Monday, October 26, 2020.

The capital reserve mainly includes premiums from capital increases in cash and in kind as well as effects from the granting of stock options to selected employees.

The capital reserve of €342,567 thousand (previous year: €105,026\* thousand) includes a provision of €14,857 thousand (previous year: €11,861 thousand) for employee benefits arising from the employee stock option program to be met through equity.

\* Adjusted, see note 17.

The number of no-par-value shares issued by Medios AG developed as follows:

| in € thousand                                | 2021   | 2020   |
|----------------------------------------------|--------|--------|
| Issued as of January 1                       | 16,085 | 14,564 |
| Equity offering for contributions in kind    | 4,180  | 65     |
| Equity offering for cash contributions       | 2,616  | 1,456  |
| Issued as of December 31                     | 22,881 | 16,085 |
| Fully paid-in no-par-value shares of €1 each | 22,881 | 16,085 |

For further equity-related disclosures, we refer to the statement of changes in equity. On January 18, 2022, 924,233 new shares were created as part of a capital increase against contributions in kind, which are subject to a contractually agreed lock-up period of 12 and 24 months.

## 26. Financial liabilities

Financial liabilities are broken down as follows:

| in € thousand                      | 12/31/2021    | 12/31/2020    |
|------------------------------------|---------------|---------------|
| Lease liabilities                  | 17,369        | 17,711        |
| Loans                              | 32,342        | 1,515         |
| <b>Total financial liabilities</b> | <b>49,711</b> | <b>19,226</b> |

Of the loans, €25,200 thousand relate to the syndicated loan from Medios AG and €6,841 thousand to a shareholder loan from Cranach Pharma GmbH. The loan was taken out by Medios AG. Other guarantors are Medios Pharma GmbH, Medios Manufaktur GmbH and Medios Individual GmbH, all of whom provide trade receivables as security as part of a blanket assignment.

The due dates of financial liabilities are broken down as follows:

| 12/31/2021        | Up to 1 year  | 1 to 5 years | Greater than 5 years | Carrying amount |
|-------------------|---------------|--------------|----------------------|-----------------|
| in € thousand     |               |              |                      |                 |
| Lease liabilities | 2,078         | 8,057        | 7,234                | 17,369          |
| Loans             | 32,342        | 0            | 0                    | 32,342          |
| <b>Total</b>      | <b>34,420</b> | <b>8,057</b> | <b>7,234</b>         | <b>49,711</b>   |

| 12/31/2020        | Up to 1 year | 1 to 5 years | Greater than 5 years | Carrying amount |
|-------------------|--------------|--------------|----------------------|-----------------|
| in € thousand     |              |              |                      |                 |
| Lease liabilities | 1,964        | 7,120        | 8,627                | 17,711          |
| Loans             | 615          | 900          | 0                    | 1,515           |
| <b>Total</b>      | <b>2,579</b> | <b>8,020</b> | <b>8,627</b>         | <b>19,226</b>   |

## 27. Provisions

Current and non-current provisions developed as follows:

| in € thousand          | Carrying amount as of 1/1/2021 | Addition to the group of consolidated companies | Use | Reversal | Allocation | Disposal from the group of consolidated companies | Carrying amount as of 12/31/2021 |
|------------------------|--------------------------------|-------------------------------------------------|-----|----------|------------|---------------------------------------------------|----------------------------------|
| Non-current provisions | 1,039                          | 1,000                                           | 0   | 1,019    | 34         | 14                                                | 1,040                            |
| Current provisions     | 512                            | 103                                             | 397 | 9        | 489        | 11                                                | 687                              |

Non-current provisions contain demolition obligations relating to demolition costs for buildings. The demolition obligations are associated with leases, meaning that the value in use was taken into account. Current provisions contain obligations for financial statement and audit costs as well as obligations related to the statutory retention obligation of commercial accounting books, with the amount and timing of these obligations uncertain at the time of use. The majority of cash outflows is expected for the upcoming financial year. Interest accrued in the amount of €10 thousand is included in the additions to non-current provisions. The reversal of €1,000 thousand results from a guarantee provision of Cranach Pharma, which was added to the scope of consolidation upon initial consolidation. The reason for this provision no longer applies.

| in € thousand          | Carrying amount 01/01/2020 | Consumption | Release | Allocation | Carrying amount 12/31/2020 |
|------------------------|----------------------------|-------------|---------|------------|----------------------------|
| Non-current provisions | 0                          | 0           | 0       | 1,039      | 1,039                      |
| Current provisions     | 501                        | 246         | 98      | 355        | 512                        |

## 28. Trade payables

Trade payables are due within one year and stand at €32,321 thousand as of the balance sheet date (previous year: €22,398 thousand).

## 29. Other liabilities

Other liabilities are due within one year and relate to the following items:

| in € thousand                           | 12/31/2021    | 12/31/2020   |
|-----------------------------------------|---------------|--------------|
| Repayment obligations to customers      | 660           | 1,023        |
| Outstanding invoices                    | 938           | 534          |
| Personnel expenses                      | 1,753         | 485          |
| Liabilities from other taxes and levies | 11,233        | 206          |
| Debtors with a credit balance           | 320           | 6            |
| Other                                   | 534           | 263          |
| <b>Total other liabilities</b>          | <b>15,438</b> | <b>2,517</b> |

The estimated cash outflows due to recalculations (see subsection 6 for notes) are dependent on the assertion of claims by the pharmacies concerned, meaning that the amounts and times are uncertain. The majority of cash outflows is expected for the upcoming financial year.

### 30. Notes on the consolidated statement of cash flows

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 include freely disposable cash, as well as overdraft facilities as a central component of cash management (see subsection 24).

Cash and cash equivalents include, in particular, cash in hand and demand deposits at banks with an original term of up to three months that are only subject to minor value fluctuations.

Medios recognizes:

- Payments for the repayment of lease obligations within cash flow for financing activities
- Interest payments within cash flow for financing activities
- Payments for current leases and leases relating to low-value assets within cash flow for operating activities

The reconciliation of debt movements with cash flows from financing activities can be broken down as follows:

| in € thousand                               | 12/31/2020 | Non-cash changes | Cash-effective cash flows due to interest | Cash flows from borrowing | Cash-effective cash flows due to repayments | 12/31/2021 |
|---------------------------------------------|------------|------------------|-------------------------------------------|---------------------------|---------------------------------------------|------------|
| Current and non-current leasing liabilities | 17,711     | 1,941            | -204                                      | 0                         | -2,079                                      | 17,369     |
| Current and non-current loans payable       | 1,523      | 31,892           | -932                                      | 30,000                    | -30,141                                     | 32,342     |
| Current and non-current liabilities – total | 19,234     | 33,833           | -1,136                                    | 30,000                    | -32,220                                     | 49,710     |

| in € thousand                               | 12/31/2019 | Non-cash changes | Cash-effective cash flows due to interest | Cash flows from borrowing | Cash-effective cash flows due to repayments | 12/31/2020 |
|---------------------------------------------|------------|------------------|-------------------------------------------|---------------------------|---------------------------------------------|------------|
| Current and non-current leasing liabilities | 3,264      | 15,711           | -86                                       | 0                         | -1,179                                      | 17,711     |
| Current and non-current loans payable       | 0          | 23               | -332                                      | 1,500                     | 0                                           | 1,523      |
| Current and non-current liabilities – total | 3,264      | 15,734           | -418                                      | 1,500                     | -1,179                                      | 19,234     |

### 31. 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 and Supervisory Board.

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

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 activities of the Medios Group extend solely to Germany, although minor revenues are generated with customers in other EU countries. The business activities of the segments can be summarized as follows:

- From a legal perspective, the **pharmaceutical supply** business, with its focus on specialty pharmaceuticals, is consolidated in Medios Pharma GmbH and 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.

Earnings by segment can be broken down as follows for the 2021 financial year:

|                                                   | Pharmaceutical Supply |                | Patient-Specific Therapies |               |
|---------------------------------------------------|-----------------------|----------------|----------------------------|---------------|
| in € thousand                                     | 2021                  | 2020           | 2021                       | 2020          |
| Revenues – external                               | 1,294,531             | 564,252        | 62,230                     | 61,883        |
| Revenues – internal                               | 31,540                | 32,646         | 12,343                     | 4,372         |
| <b>Revenues – total</b>                           | <b>1,326,071</b>      | <b>596,897</b> | <b>74,573</b>              | <b>66,256</b> |
| Material expenses                                 | 1,281,196             | 579,249        | 52,649                     | 47,076        |
| <i>Material expenses<br/>(as a % of revenues)</i> | 96.6                  | 97.0           | 70.6                       | 71.1          |
| EBITDA                                            | 32,890                | 9,392          | 7,650                      | 5,705         |
| <i>Margin (as a % of revenues)</i>                | 2.5                   | 1.6            | 10.3                       | 8.6           |
| <b>EBITDA before extraordinary expenses</b>       | <b>33,673</b>         | <b>9,641</b>   | <b>7,928</b>               | <b>5,938</b>  |
| <i>Margin (as a % of revenues)</i>                | 2.5                   | 1.6            | 10.6                       | 9.0           |
| Depreciation and amortization                     | 11,023                | 703            | 2,818                      | 1,718         |
| Financial result                                  | -2,557                | -755           | -139                       | -128          |
| EBT                                               | 19,310                | 7,934          | 4,693                      | 3,859         |
| <i>Margin (as a % of revenues)</i>                | 1.5                   | 1.3            | 6.3                        | 5.8           |
| <b>EBT before extraordinary expenses</b>          | <b>30,499</b>         | <b>8,183</b>   | <b>6,788</b>               | <b>4,745</b>  |
| <i>Margin (as a % of revenues)</i>                | 2.3                   | 1.4            | 9.1                        | 7.2           |
| Income tax expenses (-) / income (+)              | -4,404                | 30             | -13                        | -269          |
| Earnings after taxes                              | 14,906                | 7,965          | 4,679                      | 3,590         |

The key performance indicators for strategy and decision-making, as well as for measuring operational business results, were, in the 2021 financial year, revenue, earnings before taxes (EBT), earnings before taxes before extraordinary expenses (EBT before extraordinary expenses), and earnings before interest, taxes, depreciation and amortization before extraordinary expenses (EBITDA before extraordinary expenses).

- The **Patient-Specific Therapies** segment encompasses the production 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. In the case of blistering, prescribed medications are packaged in individual blisters. Production/blistering takes place under the highest possible quality standards – usually GMP (Good Manufacturing Practice).
- **Services** encompasses all other Group activities, including the Medios Group's holding activities in the Finance and Accounting Division, Investor Relations and Marketing/Distribution. In addition, the Medios Group is pushing ahead with the development of software and infrastructure solutions here.

| Services      |              | Elimination    |                | Group            |                |
|---------------|--------------|----------------|----------------|------------------|----------------|
| 2021          | 2020*        | 2021           | 2020           | 2021             | 2020*          |
| 648           | 408          | 0              | 0              | 1,357,408        | 626,543        |
| 7,703         | 7,433        | -51,586        | -44,451        | 0                | 0              |
| <b>8,350</b>  | <b>7,841</b> | <b>-51,586</b> | <b>-44,451</b> | <b>1,357,408</b> | <b>626,543</b> |
| 4             | 4            | -43,821        | -37,020        | 1,290,028        | 589,309        |
| 0.0           | 0.1          | 84.9           | 83.3           | 95.0             | 94.1           |
| -5,906        | -2,005       | 0              | 0              | 34,635           | 13,093         |
| -70.7         | -25.6        | 0.0            | 0.0            | 2.6              | 2.1            |
| <b>-3,166</b> | <b>-525</b>  | <b>0</b>       | <b>0</b>       | <b>38,435</b>    | <b>15,054</b>  |
| -37.9         | -6.7         | 0.0            | 0.0            | 2.8              | 2.4            |
| 3,916         | 1,130        | 1,617          | 0              | 19,374           | 3,551          |
| 1,013         | 242          | 0              | 0              | -1,684           | -641           |
| -8,809        | -2,893       | -1,617         | 0              | 13,576           | 8,901          |
| -105.5        | -36.9        | 3.1            | 0.0            | 1.0              | 1.4            |
| <b>-4,970</b> | <b>-943</b>  | <b>0</b>       | <b>0</b>       | <b>32,317</b>    | <b>11,985</b>  |
| -59.5         | -12.0        | 0.0            | 0.0            | 2.4              | 1.9            |
| -1,757        | 3,138        | 0              | 0              | -6,174           | -3,376         |
| -10,556       | 6,031        | -1,617         | 0              | 7,402            | 5,525          |

\* Adjusted, see note 17.

EBITDA before extraordinary expenses is reconciled to earnings before depreciation and amortization as follows:

| in € thousand                                                 | 2021          | 2020          |
|---------------------------------------------------------------|---------------|---------------|
| EBITDA before extraordinary expenses                          | 38,435        | 15,054        |
| Expenses from stock option programs                           | -2,996        | -1,158        |
| Other M&A expenses                                            | -805          | -802          |
| <b>Earnings before depreciation and amortization (EBITDA)</b> | <b>34,635</b> | <b>13,093</b> |

EBT before extraordinary expenses is reconciled to earnings before income taxes as follows:

| in € thousand                                                | 2021          | 2020         |
|--------------------------------------------------------------|---------------|--------------|
| EBT before extraordinary expenses                            | 32,317        | 11,985       |
| Expenses from stock option programs                          | -2,996        | -1,158       |
| Amortization of the customer base and non-competition clause | -11,851       | -653         |
| Other M&A expenses                                           | -805          | -802         |
| Financial M&A expenses                                       | -1,472        | -471         |
| Amortization on Kölsche Blister goodwill                     | -1,617        | 0            |
| <b>Earnings before taxes (EBT)</b>                           | <b>13,576</b> | <b>8,901</b> |

In 2021, Medios revenues were divided between numerous end customers, with no revenue per customer accounting for more than 10% of total revenue.

| in € thousand                                | 2021       | 2020          |
|----------------------------------------------|------------|---------------|
| <b>Customer 1</b>                            | <b>0</b>   | <b>77,590</b> |
| of which segment: Pharmaceutical Supply      | n/a (<10%) | 51,543        |
| of which segment: Patient-Specific Therapies | n/a (<10%) | 25,773        |
| of which segment: Services                   | n/a (<10%) | 274           |
| <b>Customer 2</b>                            | <b>0</b>   | <b>85,029</b> |
| of which segment: Pharmaceutical Supply      | n/a (<10%) | 85,029        |

## Other disclosures

### 32. Contingent liabilities

Until 3/27/2020, Medios Pharma GmbH (MP) maintained business relations with a pharmacy, which, in turn, maintained business relations with a wholesaler.

On 12/1/2020, insolvency proceedings were opened against the assets of the wholesaler, gradually leading to failure of the business relations and financial difficulties at the pharmacy. As of 12/31/2021, receivables against the pharmacy in the amount of €1.0m were still outstanding against goods supplied. A repayment schedule until 9/30/2026 has been agreed in respect of this receivable and has thus far been satisfied.

During the course of 2021, the insolvency administrator of the wholesaler, from the standpoint of an appeal, requested that the pharmacy make a significant repayment, which could, in turn, prompt insolvency proceedings of its own and impact Medios. In the event of insolvency of the pharmacy, there would be a maximum recovery risk against Medios Pharma under insolvency law of €7.3 m. To avert consequential insolvency and therefore further losses, Medios AG has decided to grant the pharmacy a secured bridging loan in the amount of €1 m, which the pharmacy may use to fund a settlement with the insolvency administrator of the wholesaler. At the time of preparation of the financial statements, negotiations on the bridging loan were well advanced, but not yet finalized and the amount had not yet been paid out.

In light of the change to the underlying conditions in the 2021 financial year, the existing and not additionally secured receivables against the pharmacy as of 12/31/2021 are written down 100%. Other accounting precautions were not deemed necessary by the Executive Board at the time of preparation, as not regarded as probable.

### 33. Leasing disclosures

#### The Group as the lessee

For details of the accounting methods used, please refer to subsection 6 of the notes.

In particular, the Medios Group leases real estate and vehicles. The term of leases is usually three years for cars, and more than 10 years for real estate. The additions to usage rights chiefly relate to amendments of pre-existing contracts and to the addition of the lease agreement of Cranach Pharma GmbH in the course of initial consolidation.

The Medios Group leases IT equipment with contractual terms of between one year and three years. These lease agreements are either short-term and/or relate to low-value items. The Group has taken the decision to recognize neither usage rights nor lease obligations in respect of these leasing agreements. Medios recognizes lease payments arising from these agreements as ongoing expenses.

Some real estate leasing agreements contain renewal options that can be exercised by the Medios Group up to one year before expiry of the non-terminable contractual terms. Wherever possible, the Medios Group strives to incorporate renewal options – in order to maintain operational flexibility – when concluding new leasing agreements. The renewal options can only be exercised by the Medios Group, and not by the lessor.

On the date of provision, the Medios Group assesses whether the exercise of renewal options is sufficiently certain. Upon the occurrence of a significant event or a significant change in circumstances within its control, the Medios Group re-assesses whether the exercise of a renewal option is sufficiently certain.

The following tables contain information about leases in which the Medios Group is the lessee.

| Usage rights recognized in the balance sheet<br>(in € thousand) | Land, including<br>buildings on third-<br>party land | Land, including<br>buildings on<br>third-party land | Total         |
|-----------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|---------------|
| <b>As of 1/1/2021</b>                                           | <b>17,182</b>                                        | <b>87</b>                                           | <b>17,269</b> |
| Amortization amount for the financial year                      | -2,219                                               | -69                                                 | -2,288        |
| Additions to usage rights                                       | 662                                                  | 172                                                 | 834           |
| Disposals of usage rights                                       | -302                                                 | -23                                                 | -325          |
| Remeasurement of usage rights                                   | 719                                                  | 0                                                   | 719           |
| <b>As of 12/31/2021</b>                                         | <b>16,041</b>                                        | <b>167</b>                                          | <b>16,209</b> |
| <b>As of 1/1/2020</b>                                           | <b>2,991</b>                                         | <b>54</b>                                           | <b>3,045</b>  |
| Amortization amount for the financial year                      | -1,080                                               | -22                                                 | -1,102        |
| Additions to usage rights                                       | 15,487                                               | 104                                                 | 15,591        |
| Disposals of usage rights                                       | -62                                                  | -29                                                 | -91           |
| Remeasurement of usage rights                                   | -154                                                 | -19                                                 | -173          |
| <b>As of 12/31/2020</b>                                         | <b>17,182</b>                                        | <b>87</b>                                           | <b>17,269</b> |

## Interest and principal repayments from leases

The following table indicates the (undiscounted) interest and principal repayments from leases:

| Maturity             | Lease installment |               | Interest component |            | Repayment     |               |
|----------------------|-------------------|---------------|--------------------|------------|---------------|---------------|
|                      | 2021              | 2020          | 2021               | 2020       | 12/31/2021    | 12/31/2020    |
| <b>in € thousand</b> |                   |               |                    |            |               |               |
| Up to 1 year         | 2,268             | 2,157         | 190                | 193        | 2,078         | 1,964         |
| 1 to 5 years         | 8,548             | 7,635         | 491                | 515        | 8,057         | 7,120         |
| Greater than 5 years | 7,375             | 8,839         | 139                | 212        | 7,236         | 8,627         |
| <b>Total</b>         | <b>18,190</b>     | <b>18,632</b> | <b>821</b>         | <b>921</b> | <b>17,369</b> | <b>17,711</b> |

|                                                                                                                                      |             |             |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>in € thousand</b>                                                                                                                 | <b>2021</b> | <b>2020</b> |
| Interest expenses on lease liabilities                                                                                               | 204         | 86          |
| Expenses for leasing agreements relating to a low-value asset, excluding short-term leasing agreements relating to a low-value asset | 101         | 46          |

### Amounts recognized in the statement of cash flows

|                                |             |             |
|--------------------------------|-------------|-------------|
| <b>in € thousand</b>           | <b>2021</b> | <b>2020</b> |
| Total cash outflows for leases | 2,281       | 1,265       |

## The Group as the Lessor

In 2021, the Group sublet sections of buildings. These subletting agreements were classified as financial leases. As of the balance sheet date, the receivable stands at €590 thousand (previous year: €290 thousand).

In 2021, the Group recognized interest income on lease receivables of €10 thousand (previous year: €4 thousand).

There is no particular risk associated with the company's activities as a lessor, as the volume of these business activities is relatively minor. There are no plans to conclude further subletting agreements.

The following table provides a due-date analysis of lease receivables and shows the undiscounted leasing payments receivable after the balance sheet date.

|                                                       |             |             |
|-------------------------------------------------------|-------------|-------------|
| <b>in € thousand</b>                                  | <b>2021</b> | <b>2020</b> |
| Up to 1 year                                          | 110         | 112         |
| 1 to 5 years                                          | 440         | 102         |
| Greater than 5 years                                  | 80          | 90          |
| <b>Total amount of undiscounted lease receivables</b> | <b>630</b>  | <b>304</b>  |
| Unrealized financial income                           | 40          | 14          |
| <b>Net investment in the lease</b>                    | <b>590</b>  | <b>290</b>  |

### 34. Additional disclosures on financial instruments

#### Recognized values, fair values by measurement category

With the exception of noncurrent financial assets and non-current financial liabilities, all financial instruments have short remaining terms or are available in the form of cash and cash equivalents as of 12/31/2021 and 12/31/2020. As a result, their carrying values as of the balance sheet date correspond at least approximately to their respective fair values. Likewise, all financial instruments fall into the category "AC" (amortized cost).

Non-current financial assets with a carrying amount of €100 thousand (previous year: €100 thousand) relate to loans granted. Other non-current financial assets in the amount of €590 thousand (previous year: €290 thousand) relate to receivables from financial leases. The fair values of the loans and financial lease receivables equate approximately to the carrying amount in each case.

### 35. Net earnings from financial instruments

Net earnings per measurement category are as follows:

| 2021                                         |               | From subsequent measurement |               |               |
|----------------------------------------------|---------------|-----------------------------|---------------|---------------|
| in € thousand                                | from interest | impairment                  | from disposal | net earnings  |
| Loans and receivables (AC)                   | 43            | -968                        | 0             | -925          |
| Financial liabilities at amortized cost (AC) | -1,727        | 0                           | 0             | -1,727        |
| <b>Total</b>                                 | <b>-1,684</b> | <b>-968</b>                 | <b>0</b>      | <b>-2,652</b> |

| 2020                                         |               | From subsequent measurement |               |              |
|----------------------------------------------|---------------|-----------------------------|---------------|--------------|
| in € thousand                                | from interest | impairment                  | from disposal | net earnings |
| Loans and receivables (AC)                   | 30            | 0                           | 0             | 30           |
| Financial liabilities at amortized cost (AC) | -671          | 0                           | 0             | -671         |
| <b>Total</b>                                 | <b>-641</b>   | <b>0</b>                    | <b>0</b>      | <b>-641</b>  |

### 36. Group risk management

The risk management system of the Medios Group is an integral component of its business practice and comprises the individual organizational processes at various levels, as well as all risk types. The significant components of the system are business planning and controlling processes. Risk identification and assessment tasks are performed by each organizational unit. Similar risk types are consolidated into risk groups, e.g., "regulatory risks." These are then communicated to the decision-makers responsible, who then perform risk management. More information on the management of financial risks can be found in the risks and opportunities report in the condensed management report.

#### Macroeconomic risks, financial risk management

The Group is exposed to various financial risks, arising from the Group's operational and financial activities. The most significant financial risks for the Group result from the creditworthiness and solvency of the Group's counterparties, as well as the liquidity risk. The underlying principles of financial policy are set by the Executive Board and monitored by the Supervisory Board. Group Controlling is responsible for implementation of the financial policy and ongoing risk management. Specific transactions require the prior approval of the Executive Board and/or Supervisory Board, with these governing bodies regularly informed of the extent and amount of current risk.

#### Credit risk (default risk)

Credit risks are derived from the possibility that counterparties (customers and other debtors) of a transaction are not in a position to meet their obligations, resulting in the Group sustaining financial damage. Excluding any offsetting agreements and excluding any additional securities or other credit improvements, the maximum credit risk (default risk) corresponds to the carrying amount of the Group's financial assets. Trade receivables represent by far the largest item within financial assets. Potential risk concentration is analyzed on a regular basis. To this end, reliable maximum thresholds for outstanding receivables of individual customers were set and reviewed on a daily basis. The Group reflects the credit risk by forming corresponding impairments.

The credit risk is mitigated by means of diversification, which is achieved through numerous debtors. Furthermore, the credit risk is lowered by the collection of advance payments of buyers. IFRS 9 contains an impairment model based on the expected credit loss model. This model is to be applied to all financial assets measured at amortized cost. The simplified procedure is used to calculate impairments on trade receivables. Here, the expected credit losses are determined over the entire term of the financial instruments. From the analysis of historical bad debts, the estimation of expected future bad debts is extrapolated.

The non-current financial assets include, among other items, a loan granted. The default risks are individually estimated annually through access to the company's revenue planning. In our view, there are currently no significant default risks. There are also non-current receivables from financial leases. In our view, there are currently no significant default risks here either.

Other current assets are measured at amortized cost. The Medios Group regularly monitors creditworthiness and reviews whether there are any objective indications, e.g., difficulties on the part of the debtor. As of the balance sheet date, specific bad debt allowances (€968 thousand) were recognized in relation to two customers in the Pharmaceutical Supply segment. From the Company's point of view, these are special cases that are not representative of the risk classification of Medios AG's customer and receivables structure and represent individual cases in this form, both historically and systematically. Therefore, this does not result in a different assessment of impairment due to expected credit defaults. There were no further indications of impairment.

Cash and cash equivalents are bank balances. On account of the short terms (due daily) and the creditworthiness of our contractual counterparties, no impairments were performed.

#### Liquidity risks

Liquidity risks emerge when the financial assets due in the short term exceed the financial assets available in the short term. The liquidity risk is managed by means of Group-wide financial planning instruments, taking into account existing credit lines, and is monitored on an ongoing basis.

In 2022, all current financial liabilities will lead to a liquidity outflow in the amount of the carrying amount as of the balance sheet date December 31, 2021.

As of December 31, 2021, the Medios Group holds unused overdraft facilities in the amount of €17.5 million (previous year: €17.5 million).

## Market risk (interest rate risks)

The interest rate risk is the risk that the present value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rate.

As the Medios Group does not hold any significant non-current financial instruments, present value changes are only of minor importance.

Had the interest rate been 100 basis points higher, the financial result would have been €772 thousand (previous year: €303 thousand) higher. Had the interest rate been 100 basis points lower, the financial result would have been €644 thousand (previous year: €464 thousand) lower.

## Capital

For the purpose of financing, Medios uses, first and foremost, available liquidity, capital increases and leases. In the 2020 financial year, Medios took out a syndicated loan with a banking consortium in the amount of €62,500 thousand, with an option to increase the amount by €25,000 thousand. As of December 31, 2021, Medios held unused credit lines in the amount of €17,500 thousand. The contract has a term of just under three years to 12/30/2022, with two renewal options of one year each. Pursuant to the terms of the syndicated loan agreement, Medios is obligated to comply with a defined financial covenant:

net gearing = net debt/EBITDA

A net gearing ratio of 3.0 may not be exceeded, and the Group's financial planning does not indicate any infringement of the agreed covenant.

As a joint-stock corporation, the company is subject to the minimum capital requirements of German company law. Dividends were not paid in the financial year under review and are not envisaged for the following year either.

The Group defines managed capital as Group equity. The aims of capital management are:

- To safeguard the company as a going concern in order to be able to continue offering the Group's products to customers.
- To provide the financial resources to enable the Group to make further investments.

Capital is monitored using the equity ratio. This is determined as follows:

| in € thousand           | 2021        | 2020        |
|-------------------------|-------------|-------------|
| Equity                  | 394,164     | 142,425     |
| Balance sheet total     | 524,142     | 194,537     |
| <b>Equity ratio (%)</b> | <b>75.2</b> | <b>73.2</b> |

## 37. Share-based remuneration

The Medios Group has granted stock options (share-based remuneration transactions) settled using equity instruments. The fair value of the liability is recognized as a personnel expense during the vesting period, with the simultaneous formation of a capital reserve. The expense is recognized proportionally during the vesting period. This is the period during which the recipient of share-based remuneration must fulfill the agreed vesting condition. The options issued are measured using a binomial model.

## Use of estimates and assumptions

The regulations of the 2020, 2018, 2017 and 2016 stock option programs stipulate that the share options be vested to beneficiaries after a waiting period of four years. However, some of the claims become non-forfeitable before the end of this four-year period. In light of this fact, it is necessary to carry out a separate estimate of the accrual of expenses covering the work performance up to the balance date compared to the total work incumbent on the beneficiary beyond the relevant vesting period. As certain share is already vested for subsequent installments in the first year, a degressive accrual of expenses is assumed. The Group continues to assume that it is highly probable that the share options will be exercised immediately after the end of the waiting period. For more information on the conditions and assumptions, please refer to the notes on subsection 37.

## Share-based remuneration

Expenses in the amount of €2,996 thousand (previous year: €1,158 thousand) were recognized for share-based remuneration commitments as of the balance sheet date. These expenses relate to share-based remuneration commitments settled through equity in the amount of €2,996 thousand (previous year: €1,158 thousand). There are currently six share-based remuneration models for employees and executives in the Medios Group.

There is no cash settlement for any of the plans.

### Share-based remuneration program 2020 (a) and (b)

In the 2021 financial year, a stock option program was set up in which selected members of the senior management of the company, as well as other employees and executives, were granted options to purchase shares by Medios AG as remuneration for work performed. There is no discretionary right to opt for a cash settlement [stock option program 2020 (a) and (b)].

The beneficiary receives the right to acquire a number of no-par-value bearer shares ("common shares") that is determined individually in the respective subscription rights agreement. Each option relates to one share in the company and has an exercise price of €29.00.

The options can be exercised after the end of a vesting period. This period runs for four years from the exercise cutoff dates on October 1, 2021, November 1, 2021, and January 1, 2022.

The option rights may only be exercised in the seven years following expiry of the vesting period. If the contract of employment is terminated, the options shall expire if the vesting period concerned has not ended.

Exempted from this rule are

- 25% of the option rights granted, insofar as termination takes place after December 31, 2021
- 50% of the option rights granted, insofar as termination takes place after December 31, 2022
- 75% of the option rights granted, insofar as termination takes place after December 31, 2023
- If the contract is terminated after December 31, 2024, all option rights granted shall be exempt from the expiry rule.

The exercising of option rights is contingent on the closing price of the company's share reaching or exceeding the amount of €50.00 on thirty consecutive trading days in XETRA trading (or a comparable successor system on the Frankfurt Stock Exchange).

When measuring the share options, it was taken as highly probable that the options would be exercised one year after expiry of the vesting period. The outstanding share options from the stock option program 2020 have a dilutive effect on the calculation of earnings per share.

### Share-based remuneration program 2018 (a), (c) and (d)

In the 2018 financial year, a stock option program was set up in which selected employees were granted options to purchase shares by Medios AG as remuneration for work performed. There is no discretionary right to opt for a cash settlement [stock option program 2018 (a)].

As a supplement to the 2018 stock option program, share-based remuneration in the form of equity instruments (a "transaction settled with equity instruments") was granted by Medios AG [stock option program 2018 (c)]. for work performed in the 2019 financial year to further selected employees of the Group.

As a further supplement to the 2018 stock option program, share-based remuneration in the form of equity instruments (a "transaction settled with equity instruments") was granted by Medios AG [stock option program 2018 (d)]. for work performed in the 2020 financial year to further selected employees of the Group.

The beneficiary receives the right to acquire a number of no-par-value bearer shares ("common shares") that is determined individually in the respective subscription rights agreement. Each option relates to one share in the company and has an exercise price of €15.00.

The options can only be exercised after the end of a vesting period; this runs for four years from the exercise cutoff dates of December 1, 2018, and February 1, 2019 [stock option program 2018 (a)], October 1, 2019 and December 1, 2019 [stock option program 2018 (c)] and October 1, 2020 and January 1, 2021 [stock option program 2018 (d)]

The option rights may only be exercised in the seven years following expiry of the vesting period. If the contract of employment is terminated, the options shall expire if the vesting period concerned has not ended.

Exempted from this rule are

#### Stock option program 2018 (a)

- 25% of the option rights granted, insofar as termination takes place after December 31, 2018
- 50% of the option rights granted, insofar as termination takes place after December 31, 2019
- 75% of the option rights granted, insofar as termination takes place after December 31, 2020
- If the contract is terminated after Friday, December 31, 2021, all option rights granted shall be exempt from the expiry rule.

**Stock option program 2018 (c)**

- 25 % of the option rights granted, insofar as termination takes place after December 31, 2019
- 50 % of the option rights granted, insofar as termination takes place after December 31, 2020
- 75% of the option rights granted, insofar as termination takes place after December 31, 2021
- If the contract is terminated after December 31, 2022, all option rights granted shall be exempt from the expiry rule.

**Stock option program 2018 (d)**

- 25 % of the option rights granted, insofar as termination takes place after December 31, 2020
- 50% of the option rights granted, insofar as termination takes place after December 31, 2021
- 75% of the option rights granted, insofar as termination takes place after December 31, 2022
- If the contract is terminated after December 31, 2023, all option rights granted shall be exempt from the expiry rule.

The exercising of option rights is contingent on the closing price of the company's share reaching or exceeding the amount of €23.00 on thirty consecutive trading days in XETRA trading (or a comparable successor system on the Frankfurt Stock Exchange).

When measuring the share options, it was taken as highly probable that the options would be exercised immediately after expiry of the vesting period. The outstanding share options from the stock option program 2018 (a), (c) and (d) have a dilutive effect on the calculation of earnings per share.

**Stock option program 2018 (b)**

As a supplement to the 2016 stock option program, share-based remuneration in the form of equity instruments (a "transaction settled with equity instruments") was granted by Tangaroa Management GmbH [stock option program 2018 (c)]. for work performed in the 2018 financial year to employees of the Group. As of the date on which the options were granted – June 10, 2018 – a total of 5,000 option rights to acquire no-par-value bearer shares in Medios AG has been offered as part of the stock option program 2018. The beneficiary receives the right to acquire a number of no-par-value bearer shares ("common shares") that is determined individually in the respective subscription rights agreement. Each option relates to one share in the company and has an exercise price of €0. Consequently, the share price as of the relevant granting date determines the value of the option.

The options granted may be exercised in full in the period from July 1, 2018, to December 31, 2020. Exercising the option is contingent on the beneficiary not having terminated their contract of employment at Medios AG or an entity affiliated with the company as of the exercise date. All options were exercised by December 31, 2020.

**Stock option program 2017**

In the 2017 financial year, a further stock option program was set up in which the Executive Board Members and selected executives were granted options to purchase shares by Medios AG as remuneration for work performed. There is no discretionary right to opt for a cash settlement. The beneficiary receives the right to acquire a number of no-par-value bearer shares ("common shares") that is determined individually in the respective subscription rights agreement. Each option relates to one share in the company and has an exercise price of €7.00.

The options can only be exercised after the end of a vesting period. This runs for four years from the allocation date of December 1, 2017. The option rights may only be exercised in the seven years following expiry of the vesting period. If the contract of employment is terminated, the options shall expire if the vesting period concerned has not ended.

Exempted from this rule are

- 25 % of the option rights granted, insofar as termination takes place after December 31, 2017
- 50% of the option rights granted, insofar as termination takes place after December 31, 2018
- 75% of the option rights granted, insofar as termination takes place after December 31, 2019
- If the contract is terminated after December 31, 2020, all option rights granted shall be exempt from the expiry rule.

The exercising of option rights is contingent on the closing price of the company's share reaching or exceeding the amount of €12.00 on thirty consecutive trading days in XETRA trading (or a comparable successor system on the Frankfurt Stock Exchange). When measuring the share options, it was taken as highly probable that the options would be exercised immediately after expiry of the vesting period. The outstanding share options from the stock option program 2017 have a dilutive effect on the calculation of earnings per share.

## Stock option program 2016

As remuneration for work performed, certain executives, employees and a share of the Executive Board of Medios AG were granted share-based remuneration in the 2016 financial year in the form of equity instruments (transactions with settlement via equity instruments) by Tangaroa Management GmbH and third parties. There is no discretionary right to opt for a cash settlement. The beneficiary receives the right to acquire a number of no-par-value bearer shares that is determined individually in the respective subscription rights agreement. Each option relates to one share in the company and has an exercise price of €0.00. Consequently, the share price as of the relevant granting date determines the value of the option. No subsequent remeasurements were performed.

The outstanding share options could be exercised by December 31, 2020 and have no effects on the calculation of earnings per share as additional dilution, as the share options were granted directly by Tangaroa Management GmbH and third parties and not by the company, meaning that no additional shares came into circulation. Volatility was estimated on the basis of historical data for all stock option programs. To this end, the rolling annualized 90-day standard deviation of returns was calculated for each program since the initial listing of Medios AG on November 22, 2016, and the average of standard deviations taken as a basis.

On December 16, 2020, it was agreed that the exercise period be extended until February 28, 2021, insofar as it is not possible to exercise options at the end of the exercise period due to the existence of a circumstance that represents insider information

| 2020                              | SOP 2020<br>(Tranche I 2021)<br>No | Weighted average<br>exercise price<br>in € | SOP 2020<br>(Tranche II 2021)<br>No | Weighted average<br>exercise price<br>in € | SOP 2018 (a)<br>No | Weighted average<br>exercise price<br>in € |
|-----------------------------------|------------------------------------|--------------------------------------------|-------------------------------------|--------------------------------------------|--------------------|--------------------------------------------|
| Outstanding as of 1/1/2020        |                                    |                                            |                                     |                                            | 98,750             | 15.00                                      |
| Granted in the reporting period   |                                    |                                            |                                     |                                            | 0                  | 15.00                                      |
| Forfeited in the reporting period |                                    |                                            |                                     |                                            | 0                  | 0                                          |
| Exercised in the reporting period |                                    |                                            |                                     |                                            | 0                  | 0                                          |
| Expired in the reporting period   |                                    |                                            |                                     |                                            | 15,500             | 15.00                                      |
| Outstanding as of 12/31/2020      |                                    |                                            |                                     |                                            | 83,250             | 15.00                                      |
| Exercisable by 12/31/2020         |                                    |                                            |                                     |                                            | 0                  | 0                                          |

| 2021                              | SOP 2020<br>(Tranche I 2021)<br>No | Weighted average<br>exercise price<br>in € | SOP 2020<br>(Tranche II 2021)<br>No | Weighted average<br>exercise price<br>in € | SOP 2018 (a)<br>No | Weighted average<br>exercise price<br>in € |
|-----------------------------------|------------------------------------|--------------------------------------------|-------------------------------------|--------------------------------------------|--------------------|--------------------------------------------|
| Outstanding as of 1/1/2021        | 0                                  | 0                                          | 0                                   | 0                                          | 83,250             | 15.00                                      |
| Granted in the reporting period   | 346,500                            | 29.00                                      | 88,000                              | 29.00                                      | 3,750              | 0                                          |
| Forfeited in the reporting period | 0                                  | 0                                          | 0                                   | 0                                          | 0                  | 0                                          |
| Exercised in the reporting period | 0                                  | 0                                          | 0                                   | 0                                          | 0                  | 0                                          |
| Expired in the reporting period   | 0                                  | 0                                          | 0                                   | 0                                          | 1,250              | 15.00                                      |
| Outstanding as of 12/31/2021      | 346,500                            | 29.00                                      | 88,000                              | 29.00                                      | 85,750             | 15.00                                      |
| Exercisable by 12/31/2021         | 0                                  | 0                                          | 0                                   | 0                                          | 0                  | 0                                          |

| SOP<br>2018 (b)<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2018 (c)<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2018 (d)<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2017<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2016<br>No | Weighted average<br>exercise price<br>in € |
|-----------------------|--------------------------------------------|-----------------------|--------------------------------------------|-----------------------|--------------------------------------------|-------------------|--------------------------------------------|-------------------|--------------------------------------------|
| 4,000                 | 0                                          | 100,000               | 0                                          | 98,500                | 15,00                                      | 590,000           | 7.00                                       | 451,857           | 0                                          |
| 0                     | 0                                          | 0                     | 0                                          | 0                     | 0                                          | 0                 | 0                                          | 0                 | 0                                          |
| 0                     | 0                                          | 0                     | 0                                          | 0                     | 0                                          | 0                 | 0                                          | 0                 | 0                                          |
| 4,000                 | 0                                          | 0                     | 0                                          | 0                     | 0                                          | 0                 | 0                                          | 309,140           | 0                                          |
| 0                     | 0                                          | 7,500                 | 15,00                                      | 0                     | 0                                          | 0                 | 0                                          | 0                 | 0                                          |
| 0                     | 0                                          | 92,500                | 15,00                                      | 98,500                | 15,00                                      | 590,000           | 7.00                                       | 142,717           | 0                                          |
| 0                     | 0                                          | 0                     | 0                                          | 0                     | 0                                          | 0                 | 0                                          | 142,717           | 0                                          |

| SOP<br>2018 (b)<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2018 (c)<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2018 (d)<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2017<br>No | Weighted average<br>exercise price<br>in € | SOP<br>2016<br>No | Weighted average<br>exercise price<br>in € |
|-----------------------|--------------------------------------------|-----------------------|--------------------------------------------|-----------------------|--------------------------------------------|-------------------|--------------------------------------------|-------------------|--------------------------------------------|
| 0                     | 0                                          | 92,500                | 15,00                                      | 98,500                | 15,00                                      | 590,000           | 7.00                                       | 142,717           | 0                                          |
| 0                     | 0                                          | 20,000                | 0                                          | 0                     | 0                                          | 0                 | 0                                          | 0                 | 0                                          |
| 0                     | 0                                          | 0                     | 0                                          | 0                     | 0                                          | 0                 | 0                                          | 0                 | 0                                          |
| 0                     | 0                                          | 0                     | 0                                          | 0                     | 0                                          | 590,000           | 0                                          | 142,717           | 0                                          |
| 0                     | 0                                          | 20,000                | 15,00                                      | 0                     | 0                                          | 0                 | 0                                          | 0                 | 0                                          |
| 0                     | 0                                          | 92,500                | 15,00                                      | 98,500                | 15,00                                      | 0                 | 7.00                                       | 0                 | 0                                          |
| 0                     | 0                                          | 0                     | 0                                          | 0                     | 0                                          | 0                 | 0                                          | 0                 | 0                                          |

**Measurement parameters 2020**

|                                                                           | SOP 2020 Tranche I | SOP 2020 Tranche II |
|---------------------------------------------------------------------------|--------------------|---------------------|
| Option price model                                                        | —                  | —                   |
| Vesting period after issue date                                           | —                  | —                   |
| End date of the options                                                   | —                  | —                   |
| Exercise period after end of vesting period                               | —                  | —                   |
| Residual term until 12/31/2020                                            | —                  | —                   |
| Exercise price (in €)                                                     | —                  | —                   |
| Date of granting                                                          | —                  | —                   |
| Share price at time of granting (in €)                                    | —                  | —                   |
| Term-equivalent risk-free interest rate (in %)                            | —                  | —                   |
| Expected volatility (in %)                                                | —                  | —                   |
| Expected dividends (in %)                                                 | —                  | —                   |
| DAverage fair value of the options at acceptance (in €)                   | —                  | —                   |
| Fair value of options granted at time of granting (in €)                  | —                  | —                   |
| Weighted average share price of exercised options in the reporting period | —                  | —                   |
| Expenses for share-based remuneration in the reporting period (in €)      | —                  | —                   |

**Measurement parameters 2021**

|                                                                           | SOP 2020 Tranche I                      | SOP 2020 Tranche II |
|---------------------------------------------------------------------------|-----------------------------------------|---------------------|
| Option price model                                                        | Bionomial                               | Bionomial           |
| Vesting period after issue date                                           | 4 years                                 | 4 years             |
| End date of the options                                                   | 10/1/2032/<br>11/1/2032/<br>1/1/2033    | 1/1/2033            |
| Exercise period after end of vesting period                               | 7 years                                 | 7 years             |
| Residual term until 12/31/2020                                            | 11 years                                | 11 years            |
| Exercise price (in €)                                                     | 29.00                                   | 29.00               |
| Date of granting                                                          | 9/10/2021/<br>10/31/2021/<br>12/15/2021 | 12/15/2021          |
| Share price at time of granting (in €)                                    | 38.00 / 36.50 / 35.50                   | 35.50               |
| Term-equivalent risk-free interest rate (in %)                            | -0.69 / -0.65 / -0.58                   | -0.58               |
| Expected volatility (in %)                                                | 40.6 / 40.2 / 40.0                      | 40.00               |
| Expected dividends (in %)                                                 | Up to 2.0                               | Up to 2.0           |
| DAverage fair value of the options at acceptance (in €)                   | 14.45                                   | 13.12               |
| Fair value of options granted at time of granting (in €)                  | 5,006,565                               | 1,154,444           |
| Weighted average share price of exercised options in the reporting period | N/A                                     | N/A                 |
| Expenses for share-based remuneration in the reporting period (in €)      | 1,627,107                               | 307,560             |

| SOP 2018 (a)             | SOP 2018 (b) | SOP 2018 (c)                            | SOP 2018 (d)             | SOP 2017   | SOP 2016                                             |
|--------------------------|--------------|-----------------------------------------|--------------------------|------------|------------------------------------------------------|
| Bionomial                | Bionomial    | Binomial                                | Binomial                 | Bionomial  | Bionomial                                            |
| 4 years                  | N/A          | 4 years                                 | 4 years                  | 4 years    | N/A                                                  |
| 12/1/2029/<br>2/1/2030   | 12/31/2020   | 5/1/2030/<br>10/1/2030/<br>12/1/2030    | 10/1/2031/<br>1/1/2032   | 12/1/2028  | Originally<br>12/31/2020 extended<br>until 2/28/2021 |
| 7 years                  | 2,5 years    | 7 years                                 | 7 years                  | 7 years    | 4 years                                              |
| 9 years /<br>10 years    | N/A          | 10 years                                | 11 years /<br>12 years   | 8 years    | 1 year                                               |
| 15.00                    | 0.00         | 15.00                                   | 15.00                    | 7.00       | 0.00                                                 |
| 11/30/2018/<br>1/31/2019 | 6/10/2018    | 14/10/2019/<br>9/30/2019/<br>11/30/2019 | 9/30/2020/<br>12/21/2020 | 11/10/2017 | 10/10/2016/<br>11/10/2016/<br>12/22/2016             |
| 14.50 / 16.90            | 22.30        | 15.15 / 19.05 / 24.40                   | 30.10 / 36.60            | 14.47      | 7.44 to 7.54                                         |
| -0.16 / -0.27            | -0.16        | -0.37 / -0.79 / -0.70                   | -0.7 / -0.78             | -0.34      | N/A                                                  |
| 39.7 / 40.5              | 39.70        | 40.4 / 38.9 / 38.2                      | 40.2 / 41.6              | 37.70      | N/A                                                  |
| Up to 2.0                | Up to 2.0    | Up to 2.0                               | Up to 2.0                | Up to 2.0  | N/A                                                  |
| 4.40                     | 22.40        | 8.03                                    | 19.45                    | 8.36       | 7.48                                                 |
| 399,069                  | 112,000      | 787,796                                 | 1,624,416                | 5,020,000  | 5,518,000                                            |
| N/A                      | 32           | N/A                                     | N/A                      | N/A        | 32.46                                                |
| 22.686                   | 0            | 268.135                                 | 480.103                  | 387.047    | 0                                                    |

| SOP 2018 (a)             | SOP 2018 (b) | SOP 2018 (c)                           | SOP 2018 (d)             | SOP 2017   | SOP 2016                                                 |
|--------------------------|--------------|----------------------------------------|--------------------------|------------|----------------------------------------------------------|
| Bionomial                | Bionomial    | Bionomial                              | Bionomial                | Bionomial  | Bionomial                                                |
| 4 years                  | N/A          | 4 years                                | 4 years                  | 4 years    | N/A                                                      |
| 12/1/2029/<br>2/1/2030   | 12/31/2020   | 5/1/2030/<br>10/1/2030/<br>12/1/2030   | 10/1/2031/<br>1/1/2032   | 12/1/2028  | Originally<br>12/31/2020,<br>extended until<br>2/28/2021 |
| 7 years                  | 2,5 years    | 7 years                                | 7 years                  | 7 years    | 4 years                                                  |
| 8 years/<br>9 years      | 0 years      | 9 years                                | 10 years /<br>11 years   | 7 years    | 0 years                                                  |
| 15.00                    | 0.00         | 15.00                                  | 15.00                    | 7.00       | 0.00                                                     |
| 11/30/2018/<br>1/31/2019 | 6/10/2018    | 4/10/2019/<br>9/30/2019/<br>11/30/2019 | 9/30/2020/<br>12/21/2020 | 11/10/2017 | 10/10/2016/<br>11/10/2016/<br>12/22/2016                 |
| 14.50 / 16.90            | 22.30        | 15.15 / 19.05 / 24.40                  | 30.10 / 36.60            | 14.47      | 7.44 to 7.54                                             |
| -0.16/-0.27              | -0.16        | -0.37 / -0.79 / -0.7                   | -0.7 / -0.78             | -0.34      | N/A                                                      |
| 39.7 / 40.5              | 39.70        | 40.4 / 38.9 / 38.2                     | 40.2 / 41.6              | 37.70      | N/A                                                      |
| Up to 2.0                | Up to 2.0    | Up to 2.0                              | Up to 2.0                | Up to 2.0  | N/A                                                      |
| 4.40                     | 22.40        | 8.03                                   | 19.91                    | 8.36       | 7.48                                                     |
| 399,069                  | 112,000      | 787,796                                | 1,960,892                | 5,020,000  | 5,518,000                                                |
| N/A                      | N/A          | N/A                                    | N/A                      | 7,00       | 32,46                                                    |
| 37,246                   | 0            | 120,554                                | 903,435                  | 0          | 0                                                        |

## 38. Related party transactions

### Related parties in key positions

Related parties in key positions are the Members of the Executive Board, the Supervisory Board and the senior management of the parent company, who are shown below for the 2021 financial year:

| <b>Executive Board</b> |      |
|------------------------|------|
| Matthias Gaertner      | CEO  |
| Falk Neukirch          | CFO  |
| Mi-Young Miehler       | COO  |
| Christoph Pruß         | CINO |

From January 1 to September 30, the Chief Executive Officer (CEO) Matthias Gaertner also held the role of CFO. With the appointment of Falk Neukirch as the new CFO as of October 1, the Executive Board once again comprises a four-person team with the other serving Executive Board Members.

The total remuneration of the members of the Executive Board in the reporting period amounted to €1,279 thousand, of which €434 thousand was paid to Mr. Matthias Gaertner (CEO), €383 thousand to Ms. Mi-Young Miehler (COO), €117 thousand to Mr. Falk Neukirch (CFO), and €345 thousand to Christoph Pruß (COO). The other charges for the Executive Board in the reporting period amount to €16 thousand. Ms. Miehler, Mr. Pruß, and Mr. Neukirch also have a company car at their disposal.

| <b>Supervisory Board</b> |                                 |
|--------------------------|---------------------------------|
| Dr. Yann Samson          | Chairman                        |
| Joachim Messner          | Deputy Chairman                 |
| Dr. Anke Nestler         | Member of the Supervisory Board |
| Klaus Buß                | Member of the Supervisory Board |

In the financial year under review, no Executive Board Member sat on a statutory supervisory board or similar governing body.

The Supervisory Board Members sat on the following statutory supervisory boards or similar governing bodies:

|                      |                                                                 |
|----------------------|-----------------------------------------------------------------|
| Herr Dr. Yann Samson | Palgon AG<br>(Chairman of the Supervisory Board)                |
| Herr Joachim Messner | No other further memberships of governing bodies                |
| Dr. Anke Nestler     | Transoflex Express GmbH & Co. KGaA<br>(Supervisory Board)       |
| Herr Klaus Buß       | TUBS GmbH TU Berlin<br>Science Marketing<br>(Supervisory Board) |

Supervisory Board activities were remunerated at €114,132.

The following table shows the transactions with related parties in the reporting period:

| <b>in € thousand</b>                                                            | <b>Income<br/>01/01–12/31/2021</b> | <b>Expenses<br/>01/01–12/31/2021</b> | <b>Receivables<br/>12/31/2021</b> | <b>Payables<br/>12/31/2021</b> |
|---------------------------------------------------------------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|
| Tangaroa Management GmbH                                                        | 0                                  | 21                                   | 0                                 | 0                              |
| Tangaroa GmbH & Co. KG<br>(previously Spezial Pharma<br>Manfred Schneider e.K.) | 22                                 | 116                                  | 3                                 | 0                              |
| Messner Rechtsanwälte                                                           | 0                                  | 38                                   | 0                                 | 2                              |
| Michelle Gärtner                                                                | 0                                  | 4                                    | 0                                 | 0                              |
| Floriani Apotheke                                                               | 2,479                              | 137,626                              | 514                               | 0                              |
| Cranach Apotheke                                                                | 5,473                              | 1,574                                | 574                               | 0                              |
| <b>Total</b>                                                                    | <b>7,974</b>                       | <b>139,379</b>                       | <b>1,091</b>                      | <b>2</b>                       |

| <b>in € thousand</b>                                                            | <b>Income<br/>01/01–12/31/2020</b> | <b>Expenses<br/>01/01–12/31/2020</b> | <b>Receivables<br/>12/31/2020</b> | <b>Payables<br/>12/31/2020</b> |
|---------------------------------------------------------------------------------|------------------------------------|--------------------------------------|-----------------------------------|--------------------------------|
| Tangaroa Management GmbH                                                        | 0                                  | 35                                   | 0                                 | 0                              |
| Tangaroa GmbH & Co. KG<br>(previously Spezial Pharma<br>Manfred Schneider e.K.) | 14                                 | 157                                  | 3                                 | 30                             |
| Messner Rechtsanwälte                                                           | 0                                  | 69                                   | 0                                 | 22                             |
| <b>Total</b>                                                                    | <b>14</b>                          | <b>261</b>                           | <b>3</b>                          | <b>52</b>                      |

Due to the shareholdings of Tangaroa Management GmbH and Tangaroa GmbH & Co. KG, there was a significant influence on Medios AG in the reporting year. The services exchanged between Tangaroa Management GmbH and Tangaroa GmbH & Co. KG and the Medios Group are mutual subleases and services received in the administrative area.

Mr. Messner serves as a member of the Supervisory Board of Medios AG and is a partner at Messner Rechtsanwälte. Messner Rechtsanwälte provided legal consulting services.

Ms. Michelle Gaertner is a close family relative of Mr. Matthias Gaertner, Chairman of the Executive Board of Medios AG, and worked for the Medios Group as a student trainee.

Floriani Apotheke and Cranach Apotheke are owned by Mr. Martin Hesse, who had a significant influence on Medios AG in the reporting year, directly and indirectly via BMSH GmbH. There were reciprocal deliveries of goods between Floriani Apotheke and Cranach Apotheke and the Medios Group.

### 39. Personnel

302 employees (previous year: 249) were employed on average in the 2021 financial year:

|                                  | 2021       | 2020       |
|----------------------------------|------------|------------|
| Commercial                       | 143        | 107        |
| Production and quality assurance | 137        | 127        |
| Warehouse                        | 22         | 15         |
| <b>Total</b>                     | <b>302</b> | <b>249</b> |

### 40. Earnings per share

Earnings per share is calculated by dividing the consolidated comprehensive income attributable to the shareholders of Medios AG by the weighted average number of no-par-value shares outstanding in the reporting period.

| Calculation of earnings per share                                                                 | 2021        | 2020*       |
|---------------------------------------------------------------------------------------------------|-------------|-------------|
| Share of consolidated earnings attributable to shareholders of the parent company (in € thousand) | 7,402       | 5,525       |
| Weighted average number of no-par-value shares (in thousands)                                     | 20,037      | 15,451      |
| <b>Undiluted earnings per share (in €)</b>                                                        | <b>0.37</b> | <b>0.36</b> |

| Adjustment made in calculating the diluted earnings per share                                                |             |             |
|--------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Weighted average number of no-par-value shares (in thousands)                                                | 20,037      | 15,451      |
| 2018 and 2020 stock option programs (no. of shares in thousands)                                             | 125         | 556         |
| Weighted average of no-par-value shares used as a denominator for calculating the diluted earnings per share | 20,161      | 16,007      |
| <b>Diluted earnings per share (in €)</b>                                                                     | <b>0.37</b> | <b>0.35</b> |

\* Adjusted, see note 17

#### 41. Exemption pursuant to Sect. 264 (III) of the German Commercial Code (hgb)

The following subsidiaries apply the exemption pursuant to Sect. 264 (3) of the German Commercial Code (HGB) for the 2021 financial year:

- Medios Pharma GmbH, Berlin
- Medios Manufaktur GmbH, Berlin
- Medios Digital GmbH, Berlin
- Medios Individual GmbH, Berlin
- Cranach Pharma GmbH, Mannheim

#### 42. Auditor's fees

The auditor for the 2021 financial year – Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Düsseldorf, Munich branch – charged fees totaling €424 thousand (previous year: €284 thousand). Of this amount, €324 thousand (previous year: €227 thousand) related to audit services for the audit of the annual and consolidated financial statements, and €100 thousand (previous year: €57 thousand) related to other advisory services.

All fees and expenses stated are net amounts excluding statutory VAT of 19%.

#### 43. Events after the end of the reporting period

On January 10, 2022, Medios successfully completed the takeover of NewCo Pharma GmbH, Hamburg. With the registration of the equity offering for contributions in kind in the commercial register, all closing conditions were met, resulting in closure of the acquisition. The Bundeskartellamt had already granted approval on December 14, 2021.

#### 44. Corporate governance statement

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 at: <https://medios.ag/en/investor-relations/corporate-governance>.

Berlin, March 28, 2022

**Matthias Gaertner**

Chief Executive Officer (CEO)

**Falk Neukirch**

Chief Financial Officer (CFO)

**Mi-Young Miehler**

Chief Operating Officer (COO)

**Christoph Pruß**

Chief Innovation Officer (CINO)

## Statement by the legal representatives (unaudited\*)

We make assurances to the best of our knowledge that in line with the applicable accounting principles the consolidated financial statements present a true and fair view of the Group's net assets, financial position and results of operations in compliance with the generally accepted accounting principles and that the Group's consolidated management report accurately reflects the Group's net assets, financial position and results of operations, as well as the key opportunities and risks of the Group's future development.

Berlin, March 28, 2022

**Matthias Gaertner**

Chief Executive Officer (CEO)

**Falk Neukirch**

Chief Financial Officer (CFO)

**Mi-Young Miehler**

Chief Operating Officer (COO)

**Christoph Prußeit**

Chief Innovation Officer (CINO)

\* The section marked with the word „unaudited“ was not reviewed by the auditor.

# Independent auditor's report

To Medios AG, Hamburg

**Report on the audit of the consolidated financial statements and of the consolidated management report**

## Audit opinions

We have audited the consolidated financial statements of Medios AG and its subsidiaries (the Group) – comprising the consolidated balance sheet as of December 31, 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year from January 1, 2021 through December 31, 2021 as well as the notes to the consolidated financial statements, including a summary of significant accounting methods. Furthermore, we have audited Medios AG's consolidated management report for the fiscal year from January 1, 2021 through December 31, 2021. In accordance with German legal requirements, we have not audited the statement on corporate governance and the declaration of conformity with the German Corporate Governance Code contained in the consolidated management report's section "Corporate Governance".

According to our assessment based on our audit's findings,

- the attached 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 Art. 315e Sec. 1 HGB (Handelsgesetzbuch: German Commercial Code) and provides, in compliance with these requirements, a true and fair view of the Group's assets, liabilities, and financial position as of December 31, 2021, and of its profit situation for the fiscal year from January 1, 2021 through December 31, 2021; and
- the attached consolidated management report as a whole provides a true and fair view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development. Our audit opinion on the group management report does not cover the content of the aforementioned statement on corporate governance and the declaration of conformity with the German Corporate Governance Code.

Pursuant to Art. 322 Sec. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the consolidated financial statements' and the consolidated management report's legal compliance.

## Basis for the audit opinions

We have conducted our audit of the consolidated financial statements and of the consolidated management report in accordance with Art. 317 HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for the Audit of Financial Statements issued by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer "IDW").

Our responsibilities under these requirements and principles are further described in our audit certificate's section "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Consolidated Management Report". We are independent of the Group companies in accordance with the requirements pursuant to European law as well as 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 Sec. 2 lit. f) of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 Sec. 1 of the EU Audit Regulation. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions on the consolidated financial statements and on the consolidated management report.

## Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1, 2021 through December 31, 2021. These matters have been taken into account in connection with our audit of the consolidated financial statements as a whole, and in forming our audit opinion related herewith; we do not express a separate audit opinion on these matters.

From our perspective, the following matter was of most significance during our audit:

- Goodwill's intrinsic value

We have structured our presentation of these key audit matter as follows:

- 1.) Facts and problems
- 2.) Audit approach and findings
- 3.) Reference to further information

In the following, we will present these key audit matter:

### Goodwill's intrinsic value

1. In Medios AG's consolidated financial statements, goodwill in the amount of EUR 120.6 million was reported under the balance sheet item "intangible assets" which therefore represents ca. 23.0% of total assets. Goodwill is subjected by the Company to an impairment test every year as of the balance sheet date or as requested. For such test, the calculated use values are generally compared with the book values of the corresponding group of cash generating units. Such valuations are generally based upon the future cash flows' cash value of the cash generating unit attributable to the corresponding goodwill. The valuations are based upon the individual cash generating units' plan calculations which are based on the budgeting approved by the management. Discounting is made according to the respective cash generating unit's weighted average capital costs. Such valuation's result largely depends on Company's legal representatives' estimate of future cash flows and the applied discounting interest rate and is as such subject to material uncertainty; therefore, we believe this matter is of particular importance within the scope of our audit.
2. In order to appropriately examine such risk, we critically questioned the management's assumptions and estimates by performing, inter alia, the following audit procedures:

We traced the methodical approach for the impairment test's performance and assessed the calculation of weighted average capital costs.

We convinced ourselves that the valuations' underlying future cash flows and the applied discounting interest rates as a whole provide an appropriate basis for the individual cash generating units' impairment tests.

In connection with our assessment, we relied, inter alia, upon a comparison with general and industry-specific market expectations as well as the management's comprehensive explanations on the planning's significant value drivers and a comparison of this information with the current budgets from the planning approved by the supervisory board.

Based on the knowledge that even relatively small changes of the discounting interest rate can significantly affect the amount of the correspondingly determined use value, we investigated the parameters used for the applied discounting interest rate's determination and traced the Company's calculation scheme.

By taking into account the available information, the calculation parameters and assumptions applied by the legal representatives are, in our opinion, appropriate in order to examine the goodwill's intrinsic value.

3. The Company's statements on goodwill are contained in section "6. Accounting and valuation methods (under: goodwill/intangible assets with indeterminable useful lives) and application of estimates and assumptions (under: Goodwill and other intangible assets)" as well as "Intangible assets".

### Other information

The legal representatives and the Supervisory Board are responsible for other information. Other information comprises:

- the chapter "The Company" of the Annual Report 2021, and
- the chapter "Corporate Governance" of the Annual Report 2021 with the following sections contained therein:
  - Declaration on the German Corporate Governance Code pursuant to Art. 161 AktG (German Stock Corporation Act),
  - Declaration on Corporate Management pursuant to Art. 315d HGB, and,
  - Compensation Report pursuant to Art. 162 AktG.

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

In connection with our audit, our responsibility is

- is materially inconsistent with the consolidated financial statements, with the consolidated management report or our knowledge obtained during the audit; or
- otherwise seems to have been materially misstated.

## **Legal representatives' and the Supervisory Boards responsibilities for the consolidated financial statements and the consolidated management report**

The legal representatives 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 Art. 315e Sec. 1 HGB and that the consolidated financial statements, in compliance with these requirements, provide a true and fair view of the Group's net assets, liabilities, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have deemed necessary in order to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the going concern principle. Furthermore, they are responsible for financial reporting on a going concern basis unless they intend to liquidate the Group or to discontinue business operations or in case there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the consolidated management report that, as a whole, provides a true and fair 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. Furthermore, the legal representatives are responsible for such precautions and measures (systems) they have deemed necessary in order to enable the preparation of a consolidated management report in accordance with the applicable German legal requirements and in order to be able to provide sufficient appropriate evidence for the statements made in the consolidated management report.

The Supervisory Board is responsible for monitoring the Group's financial reporting process for the preparation of the consolidated financial statements and the consolidated management report.

## **Auditor's responsibilities for the audit of the consolidated financial statements and the consolidated management report**

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

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

We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material misstatements in the consolidated financial statements and the consolidated management report, whether due to fraud or error, plan 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 any material misstatements resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of the internal control system relevant for the audit of the consolidated financial statements and of precautions and measures relevant for the audit of the consolidated management report, in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures.
- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate to the related disclosures in the consolidated financial statements and in the consolidated management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Group to cease 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, in compliance with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Art. 315e Sec. 1 HGB, provide a true and fair view of the Group's net assets, financial position and profit situation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express audit opinions on the consolidated financial statements and on the consolidated 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 consolidated management report's consistency with the consolidated financial statements, its conformity with German law, and its presentation of the Group's position.
- perform audit procedures on the prospective information presented by the legal representatives in the consolidated management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives 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 also provide the supervisors with a statement that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be expected to affect our independence and, where applicable, the applied safeguards.

From the matters discussed with the supervisors, we determine those matters that were of most importance in the audit of the current reporting period's consolidated financial statements and are therefore the key audit matters. We describe these matters in our audit certificate unless the matter's public disclosure should be precluded by any law or other regulation.

## Other legal and regulatory requirements

### **Note on the audit of the electronic reproductions of the consolidated financial statements and the consolidated management report prepared for the purposes of disclosure pursuant to Art. 317 Sec. 3a HGB**

#### **Audit opinion**

Pursuant to Art. 317 Sec. 3a HGB, we have performed an audit in order to determine with reasonable assurance whether the reproductions of the consolidated financial statements and the consolidated management report (hereinafter also referred to as the "ESEF documents") contained in the attached file 391200Z7Z09IHDBT2L23-2021-12-31-de(1).zip (A01BFFC2D8C376BAF1C8961A82C2EA512009D98A5ED7A5EEEF4A4787824866C5) and prepared for disclosure purposes comply in all material respects with the requirements pursuant to Art. 328 Sec. 1 HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, such audit extends only to the conversion of the information contained in the consolidated financial statements and the consolidated management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

According to our assessment, the reproductions of the consolidated financial statements and the consolidated management report contained in the aforementioned attached file and prepared for disclosure purposes comply, in all material respects, with the electronic reporting format requirements pursuant to Art. 328 Sec. 1 HGB. We do not express an audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond the scope of this audit certificate and our audit opinions on the attached consolidated financial statements and the attached consolidated management report for the fiscal year from January 1, 2021 to December 31, 2021 contained in the preceding "Report on the audit of the consolidated financial statements and the consolidated management report".

### Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the consolidated management report contained in the above-mentioned attached file in accordance with Art. 317 Sec. 3a HGB and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Art. 317 Sec. 3a HGB (IDW EPS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance with such standards is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice complies with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements to Quality Assurance in Auditing Practice (IDW QS 1).

### Legal representatives' and Supervisory Board's responsibilities for the ESEF documents

The Company's legal representatives are responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the consolidated management report in accordance with Art. 328 Sec. 1 sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with Art. 328 Sec. 1 sentence 4 no. 2 HGB.

Furthermore, the legal representatives are responsible for such internal controls they have deemed necessary in order to enable the preparation of the ESEF documents that are free from any material non-compliance, whether due to fraud or error, with the provisions pursuant to Art. 328 Sec. 1 HGB regarding the electronic reporting format.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the reporting process.

### Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from any material non-compliance, whether due to fraud or error, with the requirements pursuant to Art. 328 Sec. 1 HGB. We exercise professional judgment and maintain professional skepticism throughout the entire audit.

We also:

- identify and assess the risks of material non-compliance with the requirements pursuant to Art. 328 Sec. 1 HGB, whether due to fraud or error, plan 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 the internal controls relevant for the audit of the ESEF documents in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls;
- assess the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815 as amended at the reporting date regarding the technical specification for this file;
- assess whether the ESEF documents allow a consistent XHTML reproduction of the audited consolidated financial statements and the audited consolidated management report;
- assess whether the markup of ESEF documents with inline XBRL technology (iXBRL) in accordance with Art. 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended at the reporting date, enables an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

### Other information pursuant to Article 10 EU Audit Regulation

We were elected as group auditors by the Annual General Meeting on June 10, 2021. We were engaged by the Supervisory Board on November 22, 2021. We have served as Medios AG, Hamburg's group auditors without interruption since the fiscal year 2016.

We declare that the audit opinions contained in this audit certificate are consistent with the additional report to the audit committee pursuant to Article 11 EU Audit Regulation (audit report).

**Other facts – use of the audit report**

Our audit certificate should always be read in conjunction with the audited consolidated financial statements and the audited consolidated management report as well as the audited ESEF documents. The consolidated financial statements and consolidated management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions of the audited consolidated financial statements and audited consolidated management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

**German public auditor responsible for the engagement**

The auditor responsible for the audit is Andreas Weissinger.

Munich, March 28, 2022

Baker Tilly GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
(Düsseldorf)

**Gloth**  
German CPA

**Weissinger**  
German CPA



Ch-B 69184-2

Deklaration der Inhaltsstoffe

|                  |           |
|------------------|-----------|
| Glucose          | 18 g      |
| Alanin           | 1,1 g     |
| Arginin          | 0,880 g   |
| Cystein          | 0,0014 g  |
| Glycin           | 0,49 g    |
| Insulin          | 0,560 g   |
| Leucin           | 0,884 g   |
| Lysin            | 1,63 g    |
| Methionin        | 1 g       |
| Phenylalanin     | 0,360 g   |
| Prolin           | 0,443 g   |
| Serin            | 1,15 g    |
| Threonin         | 0,905 g   |
| Tryptophan       | 0,519 g   |
| Tyrosin          | 0,237 g   |
| Valin            | 0,480 g   |
| Fructose         | 1,06 g    |
| MCT-Fett         | 2,7 g     |
| Oleicoll         | 4,9 g     |
| Squalol          | 4,5 g     |
| Ca <sup>++</sup> | 5,4 g     |
| Cl <sup>-</sup>  | 3,01 mmol |
| K <sup>+</sup>   | 54,8 mmol |
| L-Asparaginsäure | 4,6 mmol  |
| Mg <sup>++</sup> | 0,308 g   |
| Na <sup>+</sup>  | 3,6 mmol  |
| Taurin           | 50 mmol   |
|                  | 0,0472 g  |

Verschreibungspflichtige Lösung zur parenteralen Anwendung  
Für Kinder unzugänglich aufbewahren!  
Innerhalb der Verwendbarkeit zur Applikation 1 Tag bei  
Raumtemperatur (15-25°C) stabil.

# Financial calendar 2021



**May 11** Quarterly Statement as of March 31, 2022

**June 21** Ordinary Annual General Meeting 2022

**August 11** Half-Year Financial Report

**November 10** Quarterly Statement

**This annual report  
is available at [www.medios.ag](http://www.medios.ag).**



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## Concept

Medios AG

### Notes and forward-looking statements

- 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 supplementary financial measures – not precisely defined in the relevant accounting framework -- that are or may be so-called alternative performance measures. When assessing the net asset situation, financial position and earnings 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.





