



Half-Year Financial Report
as of June 30, 2023

Key financials (IFRS)

in € thousand	H1 2023	H1 2022	Δ in %	Q2 2023	Q2 2022	Δ in %
Revenue	853,517	792,179	7.7	422,278	399,224	5.8
Pharmaceutical Supply	734,146	682,456	7.6	366,002	343,252	6.6
Patient-Specific Therapies	118,948	109,484	8.6	56,012	55,875	0.2
Services	423	238	77.2	265	97	172.3
EBITDA	25,908	26,788	-3.3	12,615	13,501	-6.6
<i>Margin (as % of revenue)</i>	3.0	3.4		3.0	3.4	
EBITDA without extraordinary expenses*	29,007	28,456	1.9	14,055	14,318	-1.8
<i>Margin (as % of revenue)</i>	3.4	3.6		3.3	3.6	
Pharmaceutical Supply	19,885	17,456	13.9	9,760	9,099	7.3
Patient-Specific Therapies	12,520	13,246	-5.5	5,964	6,353	-6.1
Services	-3,397	-2,247	51.2	-1,669	-1,134	47.2
EBIT	15,363	16,093	-4.5	7,346	8,245	-10.9
<i>Margin (as % of revenue)</i>	1.8	2.0		1.7	2.1	
Comprehensive income after tax	9,266	9,972	-7.1	4,437	4,934	-10.1
Earnings per share (in €)						
Undiluted	0.39	0.42	-7.1	0.19	0.21	-9.5
Diluted	0.39	0.42	-7.1	0.19	0.21	-9.5
Capital expenditure (CAPEX)	547	2,864	-80.9	272	721	-62.3
Cash flow from operating activities	-75,170	9,931	-856.8	-49,831	12,459	-500.0
Cash flow from investing activities	-16,350	-84,490	-80.7	899	-3,202	-128.1
Free cash flow	-91,519	-74,559	22.8	-48,932	9,258	-628.6
*Extraordinary expenses	3,099	1,667	85.9	1,441	817	76.3
Expenses for stock options	734	1,375	-46.6	367	688	-46.7
Other M&A expenses	129	292	-55.9	-32	130	-124.8
Performance-related expenses for the acquisition of compounding volumes	2,237	0	n/a	1,106	0	n/a
Employees as of June 30	514	501	2.6			
Employees¹ (average)	513	499	2.8			
	06/30/2023	12/31/2022	Δ in %			
Total assets	628,198	575,958	9.1			
Equity	458,044	448,045	2.2			
<i>Equity ratio (as %)</i>	72.9	77.8	-6.3			

Key performance indicator (KPI): figures used to manage the company's success

¹employees without board members, general managers, and vocational trainees

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Highlights

A good first half year: Continuous growth

- Roughly 8% increase in revenue to €854m; EBITDA pre¹ up almost 2% at €29m, with both operating segments contributing to revenue growth; inorganic of 3.5% and organic growth of 4.2%
- Group profit margin slightly below previous year's figure, primarily due to regulatory price deductions in the Patient-Specific Therapies segment
- Profit margins in the Group almost on par with the previous year despite regulatory price deductions in the Patient-Specific Therapies segment
- Guidance for the 2023 financial year confirmed despite ongoing global uncertainties: further growth with expected revenue of up to €1.8bn and EBITDA pre of up to €63m

Successful growth strategy

- Successful acquisition of Blisterzentrum Baden-Württemberg GmbH ("bbw") and start of AfS production integration into Medios' laboratories
- Sale of Kölsche Blister GmbH and concentration of the blister business on the site of bbw GmbH
- Expansion of indications: start of parenteral nutrition production for premature infants in Q1 2023
- Expansion of the distribution network
- Progress in **internationalization** and preparation for **entry into the future-oriented market for advanced therapies**

Sustainable Corporate Governance

- **Successful Annual General Meeting on June 21, 2023:**
 - Re-election of Supervisory Board members Dr Yann Samson, Joachim Messner, and Klaus J. Buß
 - Approval for 2022 net profit to be carried forward
 - Approval of the remuneration report for the Executive Board
- Further progress on 2025 ESG strategy implementation and expansion of reporting

Group interim management report as of June 30, 2023

Important events in the first half of 2023

Successful completion of the acquisition of bbw

On **January 10, 2023**, Medios successfully completed the acquisition of the pharmaceutical compounding company Blisterzentrum Baden-Württemberg GmbH. As a result, bbw was incorporated into the scope of consolidation of Medios AG as a wholly owned subsidiary. The collaboration with Apotheken für Spezialversorgungen OHG in the area of sterile compounding, which was agreed at the same time as the acquisition, also began in January 2023. As part of this, approx. 70,000 preparations for various indications are to be transferred to Medios' production facilities each year in 2023 and 2024.

Supervisory Board extends contract with CFO Falk Neukirch

On **May 31, 2023**, the Supervisory Board resolved to extend the existing contract of Falk Neukirch as Chief Financial Officer of Medios AG until April 30, 2026. Falk Neukirch has already been appointed as Chief Financial Officer of Medios AG since October 01, 2021.

Medios AG centralizes blister business at one site and sells Kölsche Blister GmbH

Medios AG had signed an agreement to sell all its shares in Kölsche Blister GmbH on **June 15, 2023**. Following the acquisition of Blisterzentrum Baden-Württemberg GmbH in January, Medios AG will centralize its blister business entirely at the bbw site in Magstadt, Baden-Württemberg in the future. The sale has no material effect on Medios' earnings, financial position, or net assets. Sales of Kölsche Blister GmbH amounted to around €12.6m in the 2022 financial year.

Annual General Meeting re-elects Dr. Yann Samson, Joachim Messner and Klaus J. Buß to the Supervisory Board

Medios successfully held its Annual General Meeting as an attendance event on **June 21, 2023**. With one exception, the shareholders approved the resolutions proposed by the Executive Board and Supervisory Board at the Annual General Meeting by a large majority. The new Authorized Capital 2023 proposed jointly by the Executive Board and Supervisory Board was not approved. In total, around 74% of the capital stock voted.

ESG: Medios AG receives M&A Award 2023 and "Employer of the Future" Award

Medios intends to adapt the voluntary reporting within the scope of the non-financial consolidated statement to the new legal regulations (Corporate Sustainability Reporting Directive; "CSRD") already now.

As part of its "M&A Summit" on **July 14, 2023**, the German Association of Mergers & Acquisitions awarded Medios the "M&A Awards 2023 for BEST M&A DIRECTION" for a successful coordination of acquisition and integration.

Also in **July**, Medios was rewarded the award "Best Jobs with a future" in the pharmaceutical industry by focus in cooperation with DEUTSCHLAND TEST for sustainable and economical actions and a pleasant working atmosphere.

Economic Report

Macroeconomic environment

After growing by 3.3% in 2022, global production is expected to grow by just 2.8% in 2023 according to the Institute for the World Economy ("Institut für Weltwirtschaft"; IfW). However, this represents a slight improvement on the forecast from spring 2023, which only predicted growth of 2.5%. The 0.3 percentage point increase in the forecast is attributable to a significant improvement in the key underlying conditions that were the primary reason for the slowdown in the global economy in the previous year. For example, energy prices have fallen sharply again, resulting in a reduction in inflationary pressure; supply bottlenecks are now only a minor hindrance to macroeconomic activities.

On top of that, China has abandoned its zero-COVID policy, which improves its prospects for steady expansion. As a result, global production, seasonally adjusted, increased by 0.8% in the first quarter of 2023. This represents the strongest growth since the end of 2021. According to the experts at the IfW, however, there are no signs of a lasting upswing despite the acceleration at the start of 2023. Global trade in goods is expected to decline by 0.6% in 2023 after growing by 3.0% in 2022. In this context, the extreme tightening of monetary policy is having a dampening effect, resulting in a significant increase in financing costs and thus curbing willingness to spend.

In addition, the global economy's recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing, while divergences between economic sectors and regions are increasing. The experts at the IfW consequently expect only moderate expansion of the global economy in 2023.

Macroeconomic development in Germany

After falling by 0.8% in the winter half-year, economic output was most recently 0.5% below its pre-crisis level. Although the production potential of the economy as a whole has grown in the meantime, companies are indicating in surveys that the overall economy is operating beyond capacity. According to the IfW, this discrepancy indicates that the German economy is still heavily burdened by production-related disruptions. These disruptions are the result of supply bottlenecks and high absenteeism rates in particular and are also reflected in ongoing labor shortages and above-average forward order books. For 2023, the experts at the IfW expect a 0.3% decline in GDP as a result of the weak winter half-year. They are thus revising their spring forecast which continued to expect growth of 0.5%. The aftermath of the energy crisis and the tightening of monetary policy are expected to weigh more heavily on the economy than previously assumed. Nevertheless, the German economy is likely to return to a moderate expansion course as the year progresses.

The experts from the IfW also expect inflation to fall significantly over the course of the year, although consumer prices are expected to rise sharply again in 2023 with an increase of 5.8% (2022: 6.9%). The labor market is particularly burdened by a shrinking supply of labor, which is a result of the current demographic structure of the population.

According to the IfW, the government budget deficit is likely to grow smaller despite the weak overall economy, which is in particular due to the discontinuation of crisis-related expenditure.

Development of the healthcare market

Measured in terms of revenue, the pharmacy market in Germany grew again in the first quarter of 2023. According to IQVIA, sales increased by 2.8% year over year to €11.6bn in the period from the beginning of January to the end of March.

Prescription medicines accounted for the largest share (around 86%), while OTC products accounted for around 14%. Revenue from prescription drugs increased by 2.5%, while revenues from sales of over-the-counter drugs increased by 4.7%.

In terms of sales, the pharmacy market also recorded an increase in the first quarter of 2023. The number of packs increased by 3.0% year over year to 439.7 million units. Sales of prescription drugs increased by 4.7%, while sales of over-the-counter drugs rose by 1.7%.

Launch of e-prescriptions in July 2023

As part of the Greater Safety in Pharmaceutical Supply Act (“Gesetz für mehr Sicherheit in der Arzneimittelversorgung”, GSAV) in Germany, the phased introduction of e-prescriptions began on September 1, 2022. The aim was to establish a transition to a routine procedure to achieve nationwide coverage for e-prescriptions as quickly as possible. With effect from July 1, 2023, “gematik” (“Gesellschaft für Telematikanwendungen der Gesundheitskarte mbH”), the national agency for digital medicine, has begun the nationwide rollout of electronic prescriptions. Since then, the plan has been to progressively enable public insurance members to have e-prescriptions filled at pharmacies using their electronic health insurance card.

However, the process for prescribing cytostatics and the accompanying medication for them will be excluded from the planned mandatory application of e-prescriptions and will be tested as part of a standalone process. The necessary adjustments to the specialist service and to the software systems of doctors, pharmacies, and hospitals are currently being made and subjected to initial checks in a test environment.

Business performance

Medios Group situation

Earnings

The Medios Group's **revenue** increased again in the first half of 2023 compared to the same period of the previous year. Consolidated revenue in the first six months of the financial year amounted to €853.5m, an increase of €61.3m or 7.7% compared to the same period last year (previous year: €792.2m). This positive development is due to continued revenue growth in both operating segments as well as the inclusion of Blisterzentrum Baden-Württemberg GmbH in the Pharmaceutical Supply segment's consolidated financial statements since January 2023.

In the Pharmaceutical Supply segment, external revenue increased by €51.7m, or 7.6%, to €734.1m compared with the same period last year (previous year: €682.5m), with bbw accounting for €23.1m of this increase. The Patient-Specific Therapies segment generated external sales of €118.9m, an increase of 8.6% compared to the previous year (€109.5m). In the Services segment, external revenue increased by €0.2m to €0.4m compared to the same period last year. As in the same period of the previous year, the Group's revenues were generated almost exclusively in Germany.

Gross profit for the reporting period increased once again and amounted to €54.4m (previous year: €53.4m), with a slightly lower gross profit margin of 6.4% (previous year: 6.7%).

Gross profit in the Pharmaceutical Supply segment increased to €27.2m (previous year: €24.2m), which represents an increase of 12.5%. As in the prior-year period, the gross profit margin stood at 3.4%. Gross profit in the Patient-Specific Therapies segment fell to €27.0m (previous year: €29.0m), which corresponds to a change of approximately -7.0%. The gross profit margin amounted to 19.2% compared with 21.7% in the previous year. The decline in the gross profit and gross profit margin in the Patient-Specific Therapies segment is mainly due to regulatory price deductions (auxiliary tax reductions; "Hilfstaxenabschläge") for certain active ingredients since September 2022.

Personnel expenses increased by €1.5m year over year to €17.8m (previous year: €16.3m), with €0.5m of this increase attributable to the acquisition of bbw. The remaining increase in labor expenses resulted primarily from planned increases in wage costs and special, performance-related payments. The average number of employees in the first half of 2023 was 513 (previous year: 499).

The **other operating expenses** amounted to €10.7m in the reporting period (previous year: €10.3m) and increased by €0.5m year over year primarily as a result of higher IT costs, particularly for software licenses.

Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA pre¹) without extraordinary expenses amounted to €29.0m in the first half of 2023 (previous year: €28.5m).

EBITDA pre¹ in the Pharmaceutical Supply segment increased year over year by €2.4m to €19.9m (previous year: €17.5m). The first-time consolidation of bbw's business contributed €1.0m to this growth. EBITDA pre¹ in the Patient-Specific Therapies segment decreased to €12.5m in the first half of 2023 (previous year: €13.2m). The Services segment generated an EBITDA pre¹ of €-3.4m mainly as a result of increased IT and labor expenses (previous year: €-2.2m).

EBITDA pre¹ is adjusted for special items of an amount of €0.7m in personnel expenses for share options (previous year: €1.4m), other expenses due to M&A activities amounting to €0.1m (previous year: €0.3m), and one-off performance-related payments for the takeover of compounding volumes amounting to €2.2m (previous year: €0.0m).

Financial position

Cash flow from operating activities in the first half of 2023 amounted to €-75.2m (previous year: €9.9m) and was negatively impacted by special items. In particular, the strategic build-up of inventories to prepare for expected inflation-related price adjustments in the Pharmaceutical Supply segment, the sales-driven build-up of trade receivables, and the performance-related payments for the acquisition of compounding volumes of an amount of €5.6m as part of the acquisition of bbw had a negative impact on cash flow from operating activities during the reporting period. In addition, trade payables decreased compared with the previous year as a result of the reporting date. Clear countereffects are expected for the second half of 2023, in particular from the planned sale of commodities in the Pharmaceutical Supply segment.

Cash flow from investing activities during the reporting period amounted to €-16.3m (previous year: €-84.5m) and results primarily from the cash component for the acquisition of bbw in the amount of €19.2m, less the acquired liquid assets of €2.4m. The sale of Kölsche Blister GmbH resulted in a total cash inflow of €1.4m, of which €0.9m relates to the sale of company shares and €0.5m to the repayment of a shareholder loan. The sale was offset by the transfer of cash and cash equivalents in the amount of €0.4m, resulting in a net inflow of €0.9m.

The **cash flow from financing activities** of €42.6m results primarily from loan drawings under the syndicated loan agreement for €75m signed in November 2022, which is available as a revolving credit facility until November 2027. During the reporting period, there were loan drawings of €25m and €30m, as well as loan repayments of €10m. The loan drawings were used to finance the cash component for the acquisition of bbw, the strategic build-up of inventories in the Pharmaceutical Supply segment, and the performance-related payments for the acquisition of compounding volumes.

Net asset position

Compared with the 2022 annual financial statements, total assets as of June 30, 2023, had increased by €52.2m to €628.2m (December 31: €576.0m), which is primarily the result of an increase in intangible assets and an increase in current assets.

The first-time consolidation of bbw resulted in a capitalized customer base of €6.1m and capitalized goodwill of €11.6m as of the reporting date. As a result, intangible assets, after accounting for scheduled amortization, increased by €10.7m since the end of the year (December 31, 2022: €284.6m).

Compared with the end of 2022, current assets increased by €44.5m to €294.5m (December 31, 2022: €250.0m). In the first half of 2023, this was primarily due to the strategic build-up of inventories by €49.4m to €99.5m and the sales-driven increase in trade receivables by €36.3m to €143.1m. Cash and cash equivalents decreased by €-48.9m to €30.3m at the end of the reporting period.

Equity amounted to €458.0m as of June 30, 2023, which represents an increase of €10.0m compared with the end of the year (December 31, 2022: €448.0m). The equity ratio stood at 72.9% as of June 30, 2023 (December 31, 2022: 77.8%) and decreased due to the increase in non-current liabilities by €43.3m to €89.2m (December 31, 2022: €45.9m). This development resulted primarily from the use of the syndicated loan to finance the bbw transaction and to finance the strategic inventory build-up.

Risk and opportunities report

War in Ukraine, risks, opportunities

The company has no information that would lead to a change in the statements about the Group's performance for the 2023 financial year made in the Group management report as of December 31, 2022. The statements made in the 2022 annual report regarding the business model's opportunities and risks therefore remain unchanged. This also applies to the statements made in connection with the war in Ukraine.

Medios AG's business activities and thus its net assets, financial position, and results of operations have not been significantly affected by the war in Ukraine. There were still no significant direct effects on Medios AG's procurement and sales markets in the first half of the 2023 financial year. The Executive Board also maintains its expectation that the war in Ukraine will not have a significant impact on the Medios Group's business. Its assessment remains based on the premise that the war will not have any sustained economic impacts on a global scale and will have a more moderate impact on the Medios Group's procurement and sales markets instead. In the event of an extended war with global implications, it cannot continue to be ruled out that there might be risks affecting the Medios Group's business.

Furthermore, the latest simulations and sensitivity analyses show that the current inflation tendencies will not lead to a strong or existential impact on Medios AG's profit. Up to the current point in time, the company has not identified any risks that, either individually or in combination with other risks, could jeopardize the continued existence of Medios AG as a going concern. Additional risks and opportunities of which we are not aware or that we currently consider immaterial could have an adverse effect on the business activities of the Medios Group.

Guidance

Medios AG confirms its earnings guidance for the 2023 financial year.

For the 2023 financial year, Medios AG continues to expect consolidated revenue of between €1.6bn – €1.8bn, which corresponds to an increase of up to 11.8% compared to the previous year. EBITDA pre¹ is expected to lie in the range of €56m – €63m – representing growth of up to 14.8% compared with the previous year. As in the previous year, the special items adjusted for in the EBITDA pre¹ forecast for 2023 include expenses for stock options and M&A activities, as well as one-time performance-related payments for the acquisition of compounding volumes. In the medium term, Medios aims to achieve consolidated revenue of more than €2bn and an EBITDA pre margin in the mid-single-digit range.

Berlin, August 14, 2023

Medios AG

Executive Board

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Group financial interim statement as of June 30, 2023

Consolidated statement of comprehensive income

in € thousand	H1 2023	H1 2022	Δ in %	Q2 2023	Q2 2022	Δ in %
Revenue	853,517	792,179	7.7	422,278	399,224	5.8
Change in stocks of finished goods and work-in-progress	25	42	-39.3	-29	23	-225.0
Work performed and capitalized	0	435	-100.0	0	289	-100.0
Other income	657	992	-33.8	383	603	-36.4
Cost of materials	799,807	740,214	8.1	396,119	372,914	6.2
Labor costs	17,757	16,303	8.9	8,748	8,074	8.4
Other expenses	10,728	10,344	3.7	5,151	5,650	-8.8
Earnings before interest, tax, depreciation, and amortization (EBITDA)	25,908	26,788	-3.3	12,615	13,501	-6.6
Depreciation and amortization	10,545	10,695	-1.4	5,269	5,256	0.3
Earnings before interest and taxes (EBIT)	15,363	16,093	-4.5	7,346	8,245	-10.9
Financial expenses	1,025	609	68.2	573	332	72.5
Financial income	53	36	48.3	42	19	120.0
Consolidated earnings before taxes (EBT)	14,391	15,520	-7.3	6,815	7,932	-14.1
Income Tax	5,125	5,548	-7.6	2,378	2,998	-20.7
Consolidated net income after income taxes	9,266	9,972	-7.1	4,437	4,934	-10.1
Consolidated comprehensive income	9,266	9,972	-7.1	4,437	4,934	-10.1
Undiluted earnings per share (in €)	0.39	0.42	-7.1	0.19	0.21	-9.5
Diluted earnings per share (in €)	0.39	0.42	-7.1	0.19	0.21	-9.5

Consolidated balance sheet

Assets

in € thousand

	06/30/2023	12/31/2022	Δ in %
Non-current assets	333,667	325,945	2.4
Intangible assets	295,273	284,562	3.8
Property, plant and equipment	23,155	24,594	-5.9
Right of use	14,505	16,024	-9.5
Financial assets	734	765	-4.0
Current assets	294,531	250,013	17.8
Inventories	99,474	50,029	98.8
Trade receivables	143,146	106,799	34.0
Other assets	18,395	10,407	76.8
Income tax receivables	3,221	3,564	-9.6
Cash and cash equivalents	30,296	79,213	-61.8
Balance sheet total	628,198	575,958	9.1
Liabilities			
Equity			
Subscribed capital	23,806	23,806	0.0
Capital reserves	377,927	377,194	0.2
Accumulated net income	56,311	47,045	19.7
Attributable to shareholders in the parent company	458,044	448,045	2.2
Liabilities			
Non-current liabilities	89,190	45,856	94.5
Financial liabilities	58,789	15,464	280.2
Other accrued liabilities	4,249	4,217	0.8
Deferred tax liabilities	26,153	26,175	-0.1
Current liabilities	80,964	82,057	-1.3
Other provisions	797	1,276	-37.6
Trade payables	48,494	47,769	1.5
Financial liabilities	5,743	5,769	-0.5
Income tax liabilities	15,748	16,502	-4.6
Other liabilities	10,183	10,741	-5.2
Total liabilities	170,154	127,913	33.0
Balance sheet total	628,198	575,958	9.1

Consolidated cash flow statement

in € thousand	H1 2023	H1 2022	Δ in %	Q2 2023	Q2 2022	Δ in %
Cash flow from operating activities						
Consolidated net income after income taxes	9,266	9,972	-7.1	4,437	4,934	-10.1
Depreciation and amortization	10,545	10,695	-1.4	5,269	5,256	0.3
Decrease/increase in provisions	-489	-212	130.5	-403	0	n/a
Other noncash expenses	734	1,375	-46.6	367	688	-46.7
Increase in inventories, trade receivables and other assets not attributable to investment or financing activities	-92,124	-45,488	102.5	-47,093	-12,831	267.0
Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities	-1,751	35,153	-105.0	-11,369	14,376	-179.1
Financial result	972	573	69.5	531	313	69.6
Income/losses from the disposal of assets	-30	0	n/a	-30	0	n/a
Income tax expense	5,125	5,548	-7.6	2,378	2,998	-20.7
Income tax payments	-7,417	-7,683	-3.5	-3,917	-3,274	19.7
Net cash outflow from operating activities	-75,170	9,931	-856.8	-49,831	12,459	-500.0
Cash flow from investment activities						
Cash outflows for investments in intangible assets	-45	-443	-89.9	0	-224	-100.0
Cash outflows for investments in property, plant and equipment	-502	-2,422	-79.3	-272	-497	-45.2
Cash inflows from disposals of property, plant and equipment	3	5	-40.0	0	0	n/a
Cash inflows from disposals of non-current financial assets	30	57	-47.4	5	35	-85.8
Payments for additions to the scope of consolidation	-16,776	-81,724	-79.5	238	-2,534	-109.4
Cash outflows for additions at consolidation price	887	0	n/a	887	0	n/a
Interests received	53	36	48.3	42	19	120.0
Net cash outflow from investment activities	-16,350	-84,490	-80.7	899	-3,202	-128.1

in € thousand	H1 2023	H1 2022	Δ in %	Q2 2023	Q2 2022	Δ in %
Cash flow from financing activities						
Cash outflows for issuing costs of the equity offering	0	-53	-100.0	0	-4	-100.0
Cash inflows from the assumption of financial liabilities	55,000	0	n/a	30,000	0	n/a
Cash outflows from the repayment of financial liabilities	-10,300	-13,316	-22.7	10,300	-3,500	194.3
Interest paid	-909	-859	5.8	-602	-303	99.0
Repayments of lease liabilities	-1,189	-1,392	-14.6	-596	-652	8.6
Net cash inflow from financing activities	42,602	-15,620	-372.7	18,502	-4,458	-515.0
Net change in cash and cash equivalents	-48,917	-90,179	-45.8	-30,430	4,799	-734.0
Cash and cash equivalents at the beginning of the period	79,213	168,431	-53.0	60,725	73,452	-17.3
Cash and cash equivalents at the end of the period	30,296	78,252	-61.3	30,296	78,252	-61.3

Consolidated statement of changes in equity

	Subscribed capital	Capital reserves	Accumulated total consolidated earnings	Attributable to shareholders in the parent company	Equity
in € thousand					
As of 01/01/2022	22,881	342,567	28,716	394,164	394,164
Consolidated comprehensive income H1 2022	0	0	9,972	9,972	9,972
Share-based payments	0	1,375	0	1,375	1,375
Equity offering	924	31,794	0	32,718	32,718
Transaction costs from equity offering	0	-37	0	-37	-37
As of 06/30/2022	23,806	375,699	38,688	438,193	438,193
As of 01/01/2023	23,806	377,194	47,045	448,045	448,045
Consolidated comprehensive income H1 2023	0	0	9,266	9,266	9,266
Share-based payments	0	733	0	733	733
Capital increase	0	0	0	0	0
Transaction costs from equity offerings	0	0	0	0	0
As of 06/30/2023	23,806	377,927	56,311	458,044	458,044

Selected notes to the consolidated financial statements

based on IFRS for the period from January 1 to June 30, 2023

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 stock is listed in the Regulated Market on the Frankfurt Stock Exchange (Prime Standard). In addition, the stock is approved for over-the-counter trading on the stock exchanges in Düsseldorf and Stuttgart. Medios AG is the parent company of the Medios Group.

The company is registered at the Berlin Charlottenburg local court under number HRB 246626. The company’s registered office is at Heidestraße 9, 10557 Berlin, Germany.

Policies and methods

Medios AG has prepared its consolidated financial statements for the 2022 financial year in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. Accordingly, these consolidated interim financial statements as of June 30, 2023, were also prepared in accordance with IAS 34 (Interim Financial Reporting) and contain a report that is condensed when compared to the consolidated financial statements. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements as of December 31, 2022. The accounting and valuation methods applied in the preparation of these condensed interim consolidated financial statements correspond to the methods applied during the preparation of the last consolidated financial statements as of December 31, 2022.

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

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

Business activity

Medios AG is 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 compounding of patient-specific therapies to blistering (dispensing of individually dosed tablets). The focus lies on providing patients with the best possible care through specialized pharmacies. As a GMP-certified manufacturer, Medios also adheres to high international quality standards. GMP (“Good Manufacturing Practice”) refers to the guidelines for the quality assurance of production processes and the production environment in the manufacture of pharmaceuticals. Medios currently focuses on six areas of indication: Oncology, neurology, auto-immunology, ophthalmology, infectious diseases, and hemophilia.

Generally speaking, specialty pharmaceuticals are high-priced medications for rare and/or chronic diseases. Many of the newly developed therapies for these kinds of diseases are personalized. They include, for example, infusions that are formulated and produced based on individual disease patterns and parameters such as body weight and body surface area.

Segments

The Medios Group consists of two operating divisions (operating segments): Pharmaceutical Supply and Patient-Specific Therapies. The third segment is the internal Services segment.

With its **Pharmaceutical Supply** segment focused on specialty pharma, Medios is the largest provider of specialty pharmaceuticals in Germany in six indication areas. The focus of business activities is primarily on the indications oncology, neurology, autoimmunology, ophthalmology, infectious diseases, and hemophilia.

The **Patient-Specific Therapies** segment encompasses the production of medications on behalf of pharmacies. Patient-specific therapies can be, 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. In compliance with the highest international quality standards, the focus of business activities is primarily on the production of cytostatic infusions, antibody therapies, antiviral and antibiotic preparations, parenteral nutrition solutions, clinical trial drugs, and pain management for various indications.

Medios also operates an internal **Services** business unit. Its role includes acting as the holding company for the Medios Group and developing software and infrastructure solutions for the Medios Group. This includes the digital platform mediosconnect, which connects physicians, health insurance companies, and specialized pharmacies and serves as an ordering and billing portal. Medios AG, the Group's parent company, is Germany's first listed Specialty Pharma company.

Scope of consolidation

In addition to Medios AG, the consolidated financial statements include all significant subsidiaries which Medios AG directly or indirectly controls. This is the case if Medios AG has direct or indirect power of disposal over the potential subsidiary on the basis of voting rights or other rights, participates in variable positive or negative returns from the potential subsidiary, and is able to influence these returns.

A total of 16 companies were consolidated in the Medios Group as of June 30, 2023 (December 31, 2022: 16 companies).

Company	Registered office	Included in scope of consolidation
Pharmaceutical Supply segment		
Medios Pharma GmbH	Berlin	100%
Cranach Pharma GmbH	Hamburg	100%
Logopharma Pharmagroßhandel GmbH	Mannheim	100%
hvd medical GmbH	Friedrichsthal	100%
Blisterzentrum Baden-Württemberg GmbH	Magstadt	100%
Patient-Specific Therapies segment		
Medios Manufaktur GmbH	Berlin	100%
Medios Individual GmbH	Berlin	100%
NewCo Pharma GmbH	Mannheim	100%
Fortuna Herstellung GmbH	Mannheim	100%
cas central compounding baden-württemberg GmbH	Magstadt	100%
Rheinische Compounding GmbH	Bonn	100%
Rhein Main Compounding GmbH	Aschaffenburg	100%
Onko Service GmbH & Co. KG	Osnabrück	100%
Onko Service Beteiligungs GmbH	Osnabrück	100%

Services segment		
Medios AG	Berlin	100%
Medios Digital GmbH	Berlin	100%

Key events in the first half of 2023

Acquisition of Blisterzentrum Baden-Württemberg GmbH

On November 22, 2022, the Medios Group contractually acquired 100% of Blisterzentrum Baden-Württemberg GmbH and agreed on a collaboration in the field of sterile production with Apotheken für Spezialversorgungen OHG. bbw is a pharmaceutical compounding company that manufactures patient-specific blister packages on behalf of pharmacies. In addition to its compounding license, the company holds a wholesale license and distributes finished medicinal products from the specialty pharmaceuticals sector that have been approved in Germany. The acquisition will enable Medios to significantly strengthen its position as a partner to specialized pharmacies in southern Germany and to further increase revenue and profitability.

The German Federal Cartel Office ("Bundeskartellamt") approved the acquisition of bbw on December 1, 2022. The execution of all terms of the purchase agreement and all closing acts took place on January 10, 2023 (acquisition date). Medios therefore gained control of the company on this date. As a result, bbw was included in the consolidated companies of Medios AG as a wholly owned subsidiary and fully consolidated in the current 2023 financial year.

As consideration for the purchase of the shares in bbw, the sellers initially received a provisional purchase price of €19,400 thousand in cash, which was then ultimately reduced by €238 thousand based on the final balance sheet approved for the acquisition date, bringing the price to €19,162 thousand. The consideration does not constitute contingent consideration.

The collaboration with Apotheken für Spezialversorgungen OHG in the field of sterile compounding, which was agreed upon at the same time as the acquisition, has commenced on January 10, 2023, and will run until December 31, 2024.

The acquisition of the shares in bbw meets the requirements to qualify as a business combination pursuant to IFRS 3. The financial statements of bbw as of December 31, 2022, prepared in accordance with German commercial law, formed the basis for determining the assets and liabilities acquired (recognized). The determination of

goodwill in accordance with IFRS 3 was done based on the IFRS net assets as of the time of acquisition.

No valuation allowances have been recognized for the acquired receivables, as defaults have not occurred in line with the experience of previous years. Inventories mainly comprise finished goods at purchase prices, which is why no hidden reserves were identified.

The value of the customer relationships recognized as of their acquisition date was calculated using the residual value method. Customer relationships constitute the only share of the hidden reserves identified and measured.

The goodwill resulting from the difference between the consideration given and the remeasured net assets mainly represents the value of the expected revenue and cost synergies from the acquisition of the business as well as the future business performance over the assumed term of the customer relationships recognized as intangible assets. This goodwill is not tax-deductible.

The following allocation of the purchase price is based on information available to management up until the time of the half-year financial statements. Accordingly, the following assets including goodwill (not deductible for tax purposes) were acquired and liabilities assumed as of the acquisition date:

Blisterzentrum Baden-Württemberg GmbH, reconciliation of IFRS net assets and goodwill on the acquisition date

in thousand €	Carrying amount	Remeasurement assets and liabilities	Carrying amount upon first-time consolidation
Intangible assets and property, plant and equipment	234		234
Customer relationships		6,560	6,560
Inventories	1,276		1,276
Receivables and other assets	1,635		1,635
Cash and cash equivalents	2,386		2,386
Total assets	5,531	6,560	12,091
Deferred tax liabilities		1,968	1,968
Provisions	84		84
Trade payables	2,505		2,505
Total liabilities	2,589	1,968	4,557
Fair value of net assets			7,535
Consideration transferred pursuant to IFRS 3			19,162
Goodwill			11,628

Sale of Kölsche Blister GmbH

The sale of all shares in Kölsche Blister GmbH was completed through an agreement dated June 15, 2023. The total purchase price was €1,411 thousand and is made up of the sale price of €911 thousand for the transfer of all shares and from a sale price of €500 thousand for the buyer's repayment of the existing shareholder loan at nominal value.

Up until the time of the sale, the business of Kölsche Blister GmbH was part of the Patient-Specific Therapies segment and in the current 2023 financial year contributed €7,818 thousand (2022 financial year: €12,582 thousand) to the Patient-Specific Therapies segment revenue. The earnings of Kölsche Blister GmbH in the current financial year to May 31, 2023, was as follows:

in thousand €	01/01 to 05/31/2023
Revenue from contracts with customers	7,818
Cost of materials	6,705
Gross profit	1,131
Personnel expenses	812
Other operating expenses	236
Earnings before interest tax, depreciation and amortization (EBITDA)	83

As of May 31, 2023, the main asset and liability groups of Kölsche Blister GmbH comprised the following:

in thousand €	05/31/2023
Intangible assets	3
Property, plant and equipment	455
Right of use	210
Other non-current assets	77
Inventories	405
Trade receivables	722
Cash and cash equivalents	524
Other current assets	37
Total assets	2,433
Other non-current provisions	30
Non-current lease liabilities	162
Liabilities from a shareholder loan	500
Other non-current liabilities	71
Trade payables	363
Current lease liabilities	57
Other current liabilities	369
Total liabilities	1,552
Net assets disposed	881

The deconsolidation of the assets and liabilities of Kölsche Blister GmbH generated a consolidation gain of €30 thousand.

Selected notes to the interim consolidated financial statements

Revenue and earnings development per segment

	Pharmaceutical Supply		Patient-Specific Therapies		Services		Elimination		Group	
<i>in thousand €</i>	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Revenue – external	734,146	682,456	118,948	109,484	423	238	0	0	853,517	792,179
Revenue – internal	66,600	32,462	21,507	24,148	4,131	3,807	-92,239	-60,417	0	0
Total revenue	800,746	714,919	140,456	133,632	4,554	4,046	-92,239	-60,417	853,517	792,179
Cost of materials	773,600	691,103	113,981	105,209	0	0	-87,774	-56,098	799,807	740,214
Cost of materials (as a % of revenue)	96.6	96.7	81.2	78.7	0.0	0.0	95.2	92.9	93.7	93.4
EBITDA	19,679	17,106	10,198	13,106	-3,969	-3,423	0	0	25,908	26,788
<i>Margin (as a % of revenue)</i>	2.5	2.4	7.3	9.8	-87.2	-84.6	0.0	0.0	3.0	3.4
EBITDA without extraordinary expenses	19,885	17,456	12,520	13,246	-3,397	-2,247	0	0	29,007	28,456
<i>Margin (as a % of revenue)</i>	2.5	2.4	8.9	9.9	-74.6	-55.5	0.0	0.0	3.4	3.6
Depreciation and amortization	4,784	5,442	4,518	3,922	1,243	1,331	0	0	10,545	10,695
Financial result	-799	-1,144	-414	-234	241	804	0	0	-972	-573
EBT	14,096	10,520	5,266	8,950	-4,971	-3,950	0	0	14,391	15,520
<i>Margin (as a % of revenue)</i>	1.8	1.5	3.7	6.7	-109.2	-97.6	0.0	0.0	1.7	2.0
Income tax expense (-) /income (+)	841	-554	-830	-1,881	-5,137	-3,113	0	0	-5,125	-5,548
Earnings after taxes	14,938	9,966	4,436	7,069	-10,108	-7,063	0	0	9,266	9,972

The most important key figures for strategy and decision-making as well as for measuring operating performance continue to be revenue and earnings before depreciation, amortization, and special items (EBITDA without extraordinary expenses).

EBITDA pre is reconciled to EBITDA as follows:

in thousand €	H1 2023	H1 2022
EBITDA without extraordinary expenses	29,007	28,456
Expenses from stock options	-734	-1,375
Other M&A expenses	-129	-292
Performance-related expenses for the acquisition of compounding volumes	-2,237	
Earnings before interest, tax, depreciation and amortization (EBITDA)	25,908	26,788

Earnings per share

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

Calculation of earnings per share	H1 2023	H1 2022
Share of consolidated earnings attributable to shareholders of the parent company (in € thousand)	9,266	9,972
Share of consolidated earnings attributable to shareholders of the parent company (in € thousand)	23,806	23,719
Undiluted earnings per share (in €)	0.39	0.42

Adjustment in the calculation of diluted earnings per share	H1 2023	H1 2022
Weighted average number of common shares (in thousands)	23,806	23,719
Share option programs 2018 and 2022 (number of shares in thousand)	0	109
Weighted average of no-par-value shares used as the denominator in the formula for calculating diluted earnings per share	23,806	23,828
Diluted earnings per share (in €)	0.39	0.42

Intangible assets

in thousand €	06/30/2023	12/31/2022
Goodwill	204,211	192,583
Customer list	86,398	86,655
Other intangible assets	4,663	5,324
Total	295,273	284,562

During the 2023 reporting period, goodwill was recognized at €11,628 thousand from the acquisition of bbw.

As a result of the acquisition of bbw, the recognized customer bases have increased by €6,560 thousand. This is offset by depreciation during the reporting period of €6,816 thousand.

As of the end of the reporting period, there were no new findings that would indicate impairment.

Inventories

in thousand €	06/30/2023	12/31/2022
Raw materials, consumables and supplies	9,633	12,025
Finished goods and goods for resale	87,916	36,078
Advance payments	1,925	1,926
Total	99,474	50,029

No material inventory impairment write-downs or reversals required carrying out in the reporting period.

Trade receivables

in thousand €	06/30/2023	12/31/2022
Receivables and trade accounts receivable	143,626	107,166
Valuation allowances	-481	-367
Total	143,146	106,799

In the period from January 1 to June 30, 2023, earnings were impacted by €114 thousand of impairment of trade receivables.

Non-current financial liabilities

in thousand €	06/30/2023	12/31/2022
Non-current liabilities to banks	45,000	0
Non-current leasing liabilities	13,789	15,164
Other non-current financial liabilities	0	300
Total	58,789	15,464

Non-current liabilities to banks include outstanding liabilities amounting to €45 thousand for drawdowns under the syndicated loan agreement in the 2023 financial year. The syndicated loan agreement signed in November 2022, with a credit volume of €75,000 thousand, is available to the Group as a revolving credit facility until November 2027 and is subject to a variable interest rate.

Financial instruments

During the reporting period, there were no changes to the classification, measurement methods, and measurement hierarchy of financial instruments within the Group compared with December 31, 2022. Except for the current trade receivables, which are subject to a factoring agreement, the carrying amounts of the Group's financial instruments correspond approximately to their fair values and are allocated to the category "amortized costs".

The receivables intended for sale to the factoring bank and still held as of the reporting date remain classified as financial instruments in the FVtPL (Fair Value

through Profit and Loss) category. As of June 30, 2023, the fair value was €9,919 thousand and is based on the expected sale price of the receivables from the factoring company.

Notes to the consolidated cash flow statement

The consolidated statement of cash flows shows how the Medios Group's cash and cash equivalents changed over the course of the reporting year as a result of cash inflows and outflows. In this context, a distinction is made between cash flows from operating activities, investing activities, and financing activities. The cash and cash equivalents disclosed in the consolidated statement of cash flows consist exclusively of liquid funds.

Other information

Contingent liabilities

Public health insurers are currently charged for parenteral preparations containing cytostatics on the basis of remuneration set out in the arbitration settlement. The public health insurers' association ("Verband der gesetzlichen Krankenkassen"; "GKV") has filed an appeal against the arbitration settlement. If the lawsuit brought by the association is successful, there is a risk of a retroactive adjustment of the remuneration and thus a reclaim of the remuneration already received. As of June 30, 2023, the financial risk for Medios in the event of a 100% retroactive adjustment of the remuneration would amount to the original remuneration of approximately €1.8m. The Executive Board currently considers the risk of a retroactive and 100% adjustment of remuneration to the original level to be very low.

The statements in the 2022 annual report also apply to the contingent liabilities item.

Transactions with related parties

A related entity or person, as defined by IAS 24, is an entity or person that has the ability, directly or indirectly, to control or exercise significant influence over the other party. Detailed information on related entities and related parties in key positions is provided in the notes to the consolidated financial statements in the 2022 annual report. Transactions with related parties primarily involve the provision of goods and services as well as management and holding activities.

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

in thousand €	Earnings H1 2023	Expenses H1 2023	Receivables 06/30/2023	Trade payables 06/30/2023
Immobilienverwaltung Claudia Munus de Schilling & Jörg Bernhard	0	38	0	0
Tangaroa GmbH & Co. KG	11	0	11	0
Messner Rechtsanwälte	0	0	0	0
Michelle Gärtner	0	2	0	0
Floriani Pharmacy	861	130,010	201	67
Cranach Pharmacy	2,070	1	475	0
Total	2,942	130,051	687	67

in thousand €	Earnings H1 2022	Expenses H1 2022	Receivables 06/30/2022	Trade payables 06/30/2022
Bernhard Unternehmens- Beratung GmbH, Hamburg	0	594	0	116
Immobilienverwaltung Claudia Munus de Schilling & Jörg Bernhard	0	13	0	0
Tangaroa Management GmbH	0	19	0	0
Tangaroa GmbH & Co. KG	11	16	14	0
Messner Rechtsanwälte	0	0	0	2
Michelle Gärtner	0	6	0	0
Floriani Pharmacy	964	97,776	73	4,668
Cranach Pharmacy	1,544	154	474	40
Total	2,519	98,578	561	4,826

Transactions of particular importance after the reporting period

There were no transactions of particular importance for the Group's net assets, financial position, and results of operations after June 30, 2023.

Responsibility statement of the company's legal representatives

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

Berlin, August 14, 2023

Matthias Gaertner

Chairman of the Executive Board (CEO)

Falk Neukirch

Chief Financial Officer (CFO)

Mi-Young Miehler

Board Member (COO)

Christoph Prußeit

Board Member (CINO)

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Investor Relations

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

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Advice and forward-looking statements

This half-year financial report should be read in conjunction with the annual report for the 2022 financial year. The latter provides a comprehensive presentation of our business activities and explanations of the financial KPIs that are used.

This financial report contains forward-looking statements that are based on current assumptions and assessments made by the management of Medios AG. Forward-looking statements are marked by the usage of words such as expect, intend, plan, predict, assume, believe, assess, and similar formulations. These statements must not be seen as guarantees that the associated expectations will prove to be correct. Future developments and the results achieved by Medios AG are dependent on a range of risks and uncertainties and may therefore vary significantly from the forward-looking statements. A number of these factors cannot be influenced by Medios AG and not be precisely estimated in advance. Such factors include, though are not limited to, the future economic environment and the behaviors of competitors and other market stakeholders. There are no plans to update the forward-looking statements and Medios does not assume any special obligation to do so.

Rounding may mean that some figures in this financial report do not add up exactly to the sum indicated and that the percentages disclosed may not precisely reflect the absolute values that they pertain to.

This is an English translation of the original German financial report. If and to the extent that the different versions vary from each other, the German version of the document will have precedence over the English translation.

For technical reasons, there may be deviations between the data provided in this financial report and the accounting records or documents published based on statutory provisions.

This financial report contains supplementary financial indicators that are not precisely defined in relevant accounting frameworks and that are or could be alternative key performance indicators. For an assessment of the assets, finances, and earnings of Medios AG, these supplementary financial indicators should not be viewed in isolation or as an alternative to the financial indicators that have been calculated in accordance with relevant accounting frameworks and are presented in the consolidated financial statements. Other businesses that present or report on alternative financial indicators of a similar name may calculate these indicators differently.

In the event of any inconsistencies between the German and the English wording, the German wording shall prevail.

