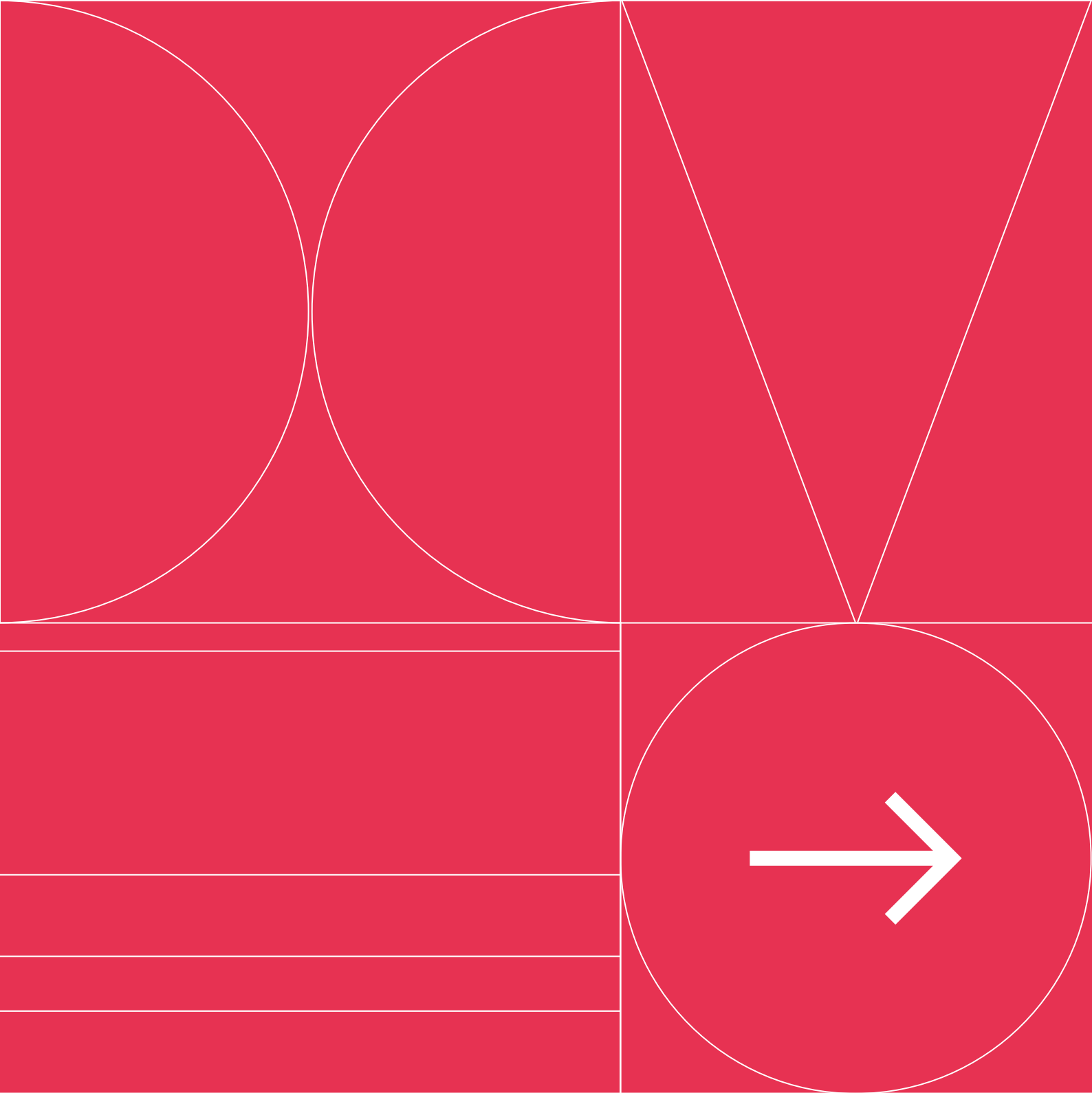


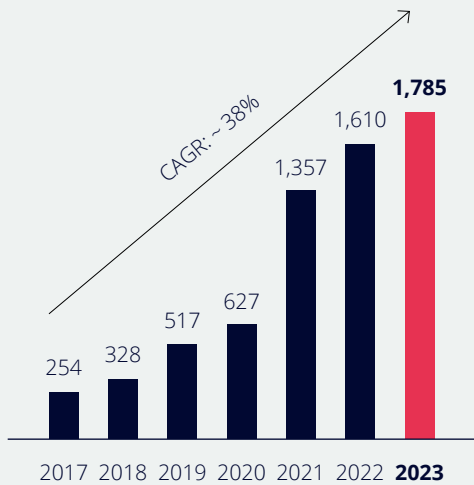
Annual Report

2023



Highlights 2023

Group Revenue 2017 – 2023
in € million



Revenue (+10.8 percent)

~ **1.8** bn €

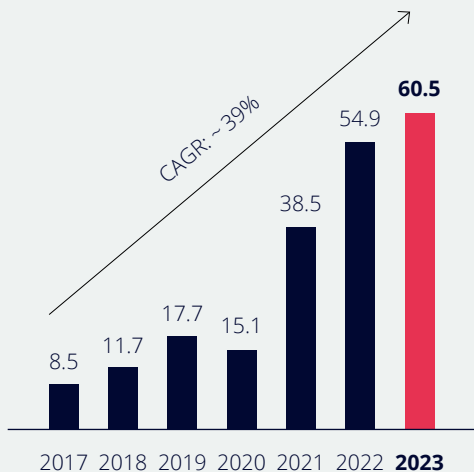
EBITDA pre (+10.3 percent)

60.5 mio €

EBITDA pre margin (0 percentage points)

3.4%

Group EBITDA pre 2017 – 2023
in € million



Partner pharmacies in 2023 (+14.3 percent)

~ **800**

Preparations (+21.2 percent)

~ **400,000**

Key financials (IFRS)

		2023	2022	Δ in %
Revenue	€ thousand	1,784,703	1,610,777	10.8
Pharmaceutical Supply	€ thousand	1,558,148	1,390,296	12.1
Patient-Specific Therapies	€ thousand	225,964	219,962	2.7
Services	€ thousand	591	518	14.1
EBITDA	€ thousand	52,411	51,214	2.3
Margin (in % of Revenue)	%	2.9	3.2	-9.4
EBITDA without extraordinary expenses¹	€ thousand	60,514	54,875	10.3
Margin (in % of Revenue)	%	3.4	3.4	0.0
Pharmaceutical Supply	€ thousand	46,669	38,011	22.8
Patient-Specific-Therapies	€ thousand	21,826	23,665	-7.8
Services	€ thousand	-7,982	-6,801	17.4
EBIT	€ thousand	31,371	28,966	8.3
Margin (in % of Revenue)	%	1.8	1.8	0.0
Comprehensive income after tax	€ thousand	18,810	18,329	2.6
Earnings per share (in €)				
Undiluted	€	0.79	0.77	2.6
Diluted	€	0.79	0.77	2.6
Investments (CAPEX)				
Cash flow from operating activities	€ thousand	16,406	37,123	-55.8
Free Cashflow (before M&A) ²	€ thousand	15,144	32,059	-52.8
Cash flow from investment activities	€ thousand	-16,567	-86,541	-80.9
Employees as of December 31				
	Number	515	531	-3.0
Employees³ (average)				
	Number	512	497	3.0
Balance sheet total				
Equity (as of December 31)	€ thousand	468,807	448,045	4.6
Equity ratio (as of December 31)	%	78.8	77.8	1.3
1 Extraordinary expenses				
	€ thousand	8,102	3,661	<-100.0
Expenses from stock options	€ thousand	1,953	2,870	-32.0
Other M&A expenses	€ thousand	970	790	22.7
Performance-related payments for the acquisition of compounding volumes	€ thousand	5,180	0	n/a

2 Calculated from cash flow from operating activities less investments (CAPEX)

3 Employees excluding Executive Board, managing directors and trainees

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Notes and forward-looking statements

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.

The financial report contains forward-looking statements that are based on the current assumptions and assessments of the management of Medios AG. Forward-looking statements are characterized by the use of words such as "expect", "intend", "plan", "anticipate", "assume", "believe", "estimate" and similar formulations. These statements are not to be understood as guarantees that these expectations will prove to be correct. Future developments and the results achieved by Medios AG are dependent on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Various of these factors are beyond the control of Medios AG and cannot be accurately predicted, such as the future economic environment and the behavior of competitors and other market participants. Medios does not plan to update the forward-looking statements, nor does it assume any separate obligation to do so.

Due to rounding, numbers presented throughout the financial report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures to which they relate.

This financial report has been translated from German; in the event of discrepancies, the German version of the document takes precedence over the English translation.

For technical reasons, there may be differences between the accounting records or documents contained in the financial report and those published in accordance with legal requirements.

The financial report contains supplementary financial indicators – not precisely defined in the relevant accounting framework – which are or may be so-called alternative performance indicators. For the assessment of the net assets, financial position and results of operations of Medios AG, these supplementary financial indicators should not be used in isolation or as an alternative to the financial indicators presented in the consolidated financial statements and determined in accordance with relevant accounting frameworks. Other companies that present or report alternative performance measures with a similar designation may calculate them differently.



The Company

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MISSION

We create a global platform to bring the most innovative Pharmacotherapies to where they are needed.

VISION

Enabling the most innovative tailored therapies for everybody.

Strategy and goals

We are developing the leading European Specialty Pharma platform to optimally treat diseases with individualized medicine.

MEGATRENDS DRIVE GROWTH FOR SPECIALTY PHARMA

Millions of people around the world suffer from rare and/or chronic diseases such as cancer, HIV or hepatitis. Many of the newly developed therapies for such diseases, which are becoming increasingly effective and often have fewer side effects, are individualized. In addition, a number of treatment methods have evolved over the years into so-called personalized therapies. These include, in particular, complex and innovative therapeutics based on RNA, gene and cell therapies. The global market volume for these advanced therapeutics is expected to increase to around €30 billion by 2026, which corresponds to annual growth of around 23%.

Due to the steady increase in life expectancy, the number of complex diseases continues to rise. This also increases the demand for therapies that are individually tailored to patients. However, treatment with individualized and, above all, personalized medicine is usually complex, lengthy and cost-intensive and requires a great deal of expertise. This poses major challenges for healthcare. Medios has specialized in meeting precisely these challenges in healthcare. The aim of Medios is to ensure the best comprehensive care for patients through partnership-based cooperation and exchange between the various market participants, thus contributing to a sustainable and transparent pharmaceutical supply.

GROWTH STRATEGY – BUILDING THE LEADING EUROPEAN SPECIALTY PHARMA PLATFORM

As part of this overarching objective, Medios intends to continue on its successful growth path. In future, growth is also to be achieved through the internationalization of the Medios Group in the Specialty Pharma segment. Now that Medios is already very well positioned in Germany, the Group is also aiming for a leading market position in Europe in the Patient-Specific Therapies segment. Medios is also planning to offer additional products and services in the area of personalized therapies and thus establish new business

BENEFITTING FROM THE MEGATRENDS



areas, which should contribute to further diversification of the business model. Expansion into other European countries and entry into the pioneering market for personalized medicine are the next logical steps on Medios' growth path.

However, by implementing this growth strategy, Medios intends not only to tap into margin improvement potential, but also to further strengthen its market position while diversifying its customer groups and becoming less dependent on German healthcare regulation.

In implementing these objectives, sustainable behavior is of great importance to Medios. The **Sustainability Strategy 2025** is an integral part of the Company's actions and describes environmental, social and legal aspects with regard to Medios' activities.

Based on its market leadership and the associated great expertise in the Specialty Pharma segment, Medios is well positioned for further growth: by further strengthening its core business in Germany, but also through the planned internationalization and further diversification.

Medios' growth strategy is based on three pillars. By implementing the strategy, Medios plans to further increase its market share in Germany in particular, expand the Patient-Specific Therapies segment into other European countries and enter into the compounding of personalized medicine. Medios' mid-term targets include revenue of €2 billion and an EBITDA pre margin that is at least in the mid-single-digit range.

GROWTH STRATEGY



1 adjusted for extraordinary expenses

1. Strengthening the core business in Germany

Medios is the market leader in Specialty Pharma in its home market of Germany and has a nationwide network of specialized partner pharmacies and GMP laboratories for the production of individualized therapies.

Medios has already implemented numerous growth measures in recent years to strengthen its core business in Germany. In addition, Medios intends to expand the higher-margin Patient-Specific Therapies segment in particular. For example, the Company significantly expanded its compounding capacity to up to 600,000 preparations per year through various acquisitions and the new GMP laboratory in Berlin, which opened in November 2022. For this purpose, the NewCo Pharma Group and its national network of five regional production facilities were acquired at the beginning of 2022. The acquisition of Blisterzentrum Baden-Württemberg GmbH and the agreement on a cooperation in the area of sterile compounding with Apotheken für Spezialversorgungen OHG were also successfully concluded at the beginning of 2023.

With its unique Germany-wide network of specialized partner pharmacies and its own compounding laboratories, Medios has a strong basis for further expanding its leading market position in Germany. Accordingly, further laboratories could be established or acquired to optimize the geographical coverage throughout Germany, e.g. in the south-east (Bavaria) or in the north of Germany.

Another key element in maintaining the above-average organic growth is the continuous realization of synergies, which are offered in particular by the integration of the acquired companies: The resulting expanded network of currently over 800 specialized partner pharmacies opens up a wide range of cross-selling opportunities. Medios also

benefits from additional manufacturing licenses that were taken over with the acquisition of the NewCo Pharma Group, e.g. a broader study permit, a “BTM” (“Betäubungsmittel”; narcotics) permit and compounding licenses in the ophthalmics sector. There is also additional synergy potential in purchasing and logistics. Further diversification into new indication areas is also planned.

OUTSTANDING GEOGRAPHICAL COVERAGE THANKS TO A STRONG NATIONWIDE NETWORK OF PARTNERS AND OWN LABORATORIES



● Patient-specific therapies (GMP compounding facilities) ● Warehouse ■ Specialized partner pharmacies

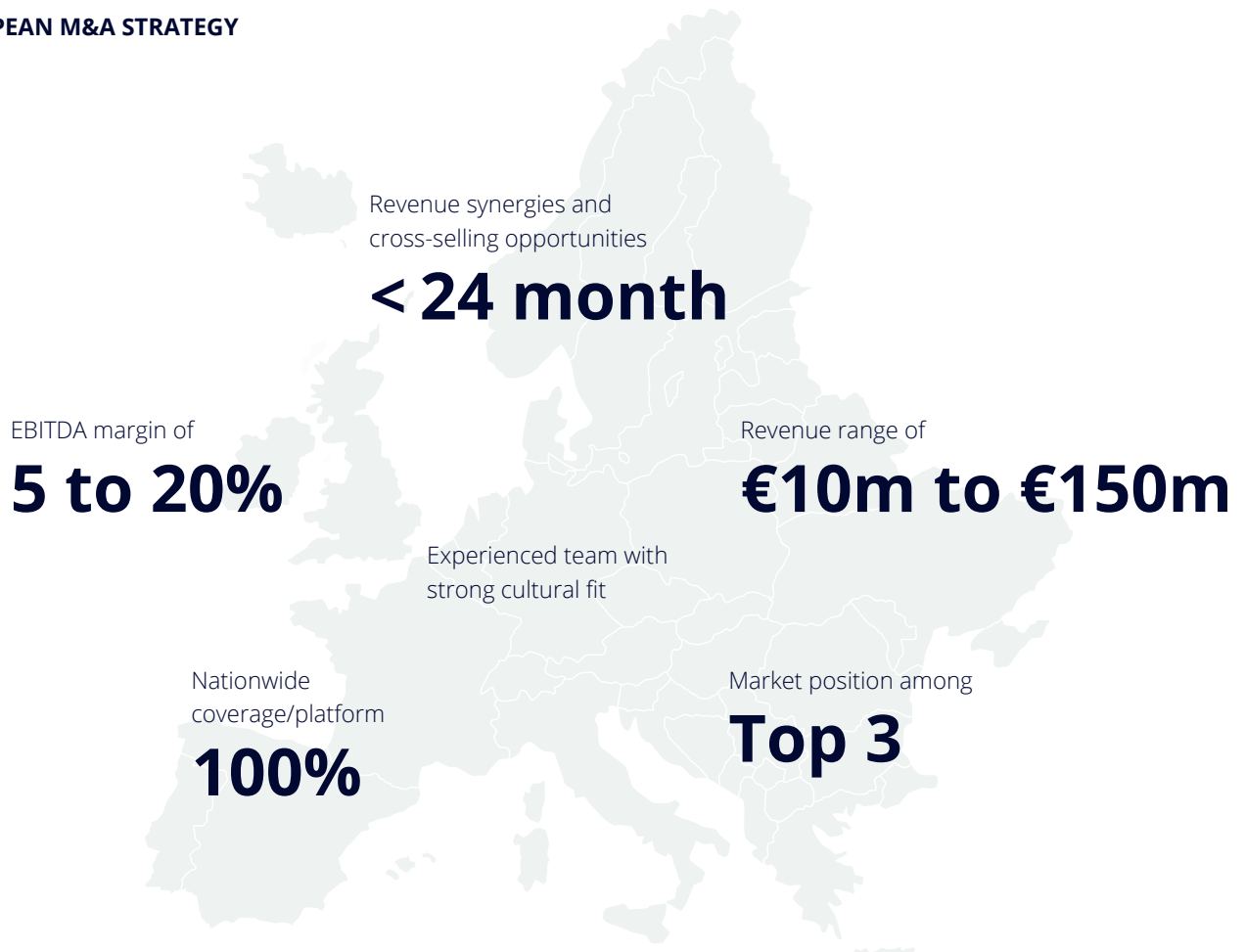
2. Internationalization – expansion of the compounding business into other European countries

Medios plans to expand into other European countries in the future to exploit further growth opportunities in attractive markets and create a European Specialty Pharma platform. The Company is aiming to acquire GMP laboratories in selected countries in order to compound and distribute patient-specific therapies there as well. Medios has already proven that it can successfully operate and integrate sterile GMP laboratories on the basis of its comprehensive expertise. The strategy is in line with Medios' mission to build regional supply networks for achieving the best nationwide patient care.

The M&A strategy focuses on tapping into stable markets with favorable regulatory conditions that allow, for example, import/export and a broad product range. Acquisition targets include companies with a top 3 market position in their market, revenue of between €10 million and €150 million and an EBITDA margin of between 5% and 20%. Medios' aim is to realize sales synergies and cross-selling opportunities within a short period of 24 months.

By implementing this growth strategy, Medios intends not only to tap into margin improvement potential, but also to further strengthen its market position while diversifying its customer groups and becoming less dependent on German healthcare regulation.

EUROPEAN M&A STRATEGY



3. Entry into the pioneering market for personalized medicine (including RNA, gene and cell therapies)

Medios also plans to exploit growth opportunities along the pharmaceutical value chain, building on its extensive expertise in the Specialty Pharma market. The Group intends to expand its product range in the Patient-Specific Therapies segment by adding personalized medicine to the compounding of individualized medicine. This pioneering product group includes innovative RNA, gene and cell therapies in particular. According to estimates, the global market for personalized therapies is expected to be worth €13 billion worldwide by 2022; the market volume is set to more than double by 2025.

The production of drugs for personalized therapies represents a highly attractive market opportunity for Medios that is in line with the Company's strengths: Medios already has significant expertise in the compounding of patient-specific therapies and can ensure optimal, rapid and comprehensive care for patients thanks to its large – as yet purely German – network of GMP laboratories. This is particularly important in the provision of drugs for personalized therapies, as personalized therapies often require prompt and local administration. Medios also has great expertise in producing on a small scale with batch 1, which is particularly necessary for the compounding of personalized therapies.

Due to the increasing number of small and medium-sized pharmaceutical companies and the simultaneously increasing number of products in the commercial stage, a higher degree of outsourcing of production is expected. Medios can meet this challenge. In addition, there are already widespread capacity shortages in the compounding of advanced therapies; market experts assume that capacities will continue to fall short of demand in the future.



All of these trends support Medios' strategy of expanding the production of patient-specific therapies with the compounding of personalized therapies: the logical further development of Medios' growth strategy.

The company can achieve these objectives both through organic growth, i.e. the adaptation and use of existing laboratories for the production of personalized therapies, and through the acquisition of companies.

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 area: from pharmaceutical supply to the compounding of patient-specific therapies, including blistering (dispensing of individually dosed tablets). The focus is on optimal patient care via specialized pharmacies.

Specialty Pharma generally involves high-priced drugs for rare and chronic diseases. Many of the newly developed therapies for these diseases are individualized. They include, for example, infusions that are formulated and produced on the basis of parameters such as body weight and body surface area. The demand for these therapies is constantly increasing, with patient-specific therapies requiring a great deal of expertise. Specialty Pharma will continue to have a major impact on the future of the healthcare system.

In order to meet the increasing demand for Specialty Pharma drugs, Medios has once again significantly expanded its Patient-Specific Therapies segment by acquiring Blisterzentrum Baden-Württemberg GmbH and entering into a cooperation with Apotheken für Spezialversorgungen OHG in January 2023.

At the end of 2023, the Medios Group's compounding capacity was around 600,000 preparations per year.

As an open supply network, Medios currently cooperates with more than 800 of a total of around 1,000 independent Specialty Pharma pharmacies nationwide. The aim of Medios is to ensure the best possible nationwide care for patients by working in partnership with the various market participants, thus contributing to a sustainable and transparent pharmaceutical supply. In line with this, the Company's growth strategy comprises three strands: in addition to strengthening its core business in Germany, Medios intends to expand into other European countries in the Patient-Specific Therapies segment. In addition, Medios plans to enter into the compounding of personalized medicine to further diversify its business model.

In addition to the two operating segments, Medios operates the internal Services segment. Among other things, it comprises the Medios Group's central functions and is responsible for developing software and infrastructure solutions for the Medios Group and its partners. This includes the digital platform **mediosconnect**, which connects doctors, health insurance companies and specialized partner pharmacies and serves as an ordering and billing portal.

Medios AG is Germany's first listed Specialty Pharma Company. The shares (ISIN: D000A1 MMCC8) are listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard).

MEDIOS IS PARTICULARLY ACTIVE IN THE FOLLOWING AREAS

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 compounding 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)

Interview with the Executive Board



CHRISTOPH PRUSSEIT
Executive Board
Chief Innovation Officer

FALK NEUKIRCH
Executive Board
Chief Financial Officer

MI-YOUNG MIEHLER
Executive Board
Chief Operating Officer

MATTHIAS GÄRTNER
Executive Board
Chief Executive Officer

The Medios Group has once again achieved record figures this year. What do you see as the major factors influencing this development?

MATTHIAS GÄRTNER 2023 was the best year in our young company history so far. Our more than 500 colleagues have made every effort to achieve the new record figures in the 2023 financial year; my sincere thanks go to them.

Our unique strength lies in recognizing the constant changes in the healthcare market at an early stage, deriving meaningful ideas and strategies and then implementing them consistently. Added to this is our broad positioning as a one-stop shop for Specialty Pharma with an integrated nationwide platform of GMP- and GDP-certified operations

that guarantee the highest quality standards. Last but not least, we are ideally positioned as the market leader in Specialty Pharma and can benefit from the ongoing market consolidation thanks to our solid balance sheet structure.

As the market leader, Medios is constantly confronted with regulatory changes in the Specialty Pharma industry. How do you deal with this and do you also see opportunities from this development alongside all the limitations?

GÄRTNER Exactly these dynamics in our industry have made Medios what it is today: a solid, very successful growth company that has increased both revenue and earnings tenfold in just a few years, making it the market leader in the



“Our strength is to identify changes in the healthcare market and derive appropriate strategies.”

— MATTHIAS GÄRTNER, Executive Board (CEO)

industry in Germany. This only works in a dynamic market that is subject to constant change and therefore always offers great opportunities. We know how to take advantage of these opportunities.

A new regulation of the haemophilia market in Germany in 2020, for example, brought us more than €200 million in revenue per year within the shortest possible time and made us the relevant market player in this indication. In some cases, however, regulation can also have a negative impact in the short-term. For example, changes to the so-called auxiliary tax (“Hilfsteuer”) came into force in 2022, which worsened purchasing conditions and labor prices for some cytostatics compoundings. Nevertheless, as the market leader, we will benefit from the changing regulatory environment in the Specialty Pharma segment in the medium and long term.

Let us get back to the numbers: Medios has recorded a strong performance in terms of both revenue and earnings. Are you satisfied with this?

FALK NEUKIRCH We were able to increase our revenue in the 2023 financial year by just under 11% to approx. €1.8 billion, and we increased EBITDA pre by around 10.4% to €60.5 million. Revenue thus reached the upper end of our expectations, while EBITDA pre was roughly in the middle of our forecast corridor. Overall, we are very satisfied with this, as we once again managed to increase the group’s EBITDA pre in line with revenue growth despite regulatory price discounts in the Patient-Specific Therapies segment.

This was primarily possible due to the strong performance of the Pharmaceutical Supply segment, where inflation-driven regulatory price adjustments were used in a deliberate manner.

Unfortunately, we were unable to achieve the targeted level of operating cash flow this year. This motivates us all the more to significantly increase this key performance indicator for the company’s success in the future. The figures show that our strategy is working and that we are moving into the next growth phase with a tailwind. With the planned expansion into other European countries in particular, we want to further increase Medios’ revenue and, above all, its profitability.

After the Medios Pharma Group was expanded to include NewCo Pharma GmbH in 2022, you acquired Blisterzentrum Baden-Württemberg GmbH (“bbw”) at the beginning of 2023 and at the same time reached an agreement on cooperation with Apotheken für Spezialversorgungen OHG. How did the integration go and how did the manufacturing capacities change as a result of these measures?

MI-YOUNG MIEHLER It was important to us to optimally merge NewCo Pharma GmbH and bbw with Medios. With nine legal entities and 230 employees, NewCo Pharma was a fairly large integration project and we expected the implementation to take two years from the outset. After completing the project at the end of 2023, we can say that it was a complete success.

“Within eight years, we have developed from a Berlin start-up to the German market leader.”

— MI-YOUNG MIEHLER, Executive Board (COO)



The individual companies are now operationally stable and integrated in their respective segments, and we have already been able to realize synergies in Purchasing and Sales. The integration of bbw is not quite as complex as with NewCo Pharma, but it is just as important. Here, too, we have already been able to realize synergies in Sales in the first few months. The integration team did a great job on both projects – in addition to the normal day-to-day business. The award for “Best M&A Direction” (“Beste M&A Regie”) from the German Mergers & Acquisitions Association (“Bundesverband Mergers & Acquisitions”) confirms our integration success and makes us really proud.

As a result of the acquisitions, we have become a larger Medios team that is jointly pursuing the goal of making the nationwide care of seriously ill patients even safer and strengthening local care on a decentralized basis. The cooperation with Apotheken für Spezialversorgungen OHG has significantly expanded our network, particularly in southern Germany, and further increased our compounding capacities. Both contribute significantly to achieving our goal.

In June 2023, you sold a company for the first time, namely Kölsche Blister GmbH. What considerations led to this?

GÄRTNER With the acquisition of bbw, which also includes a blister business, and the takeover of the compounding volumes of “Apotheken für Spezialversorgungen” at the end of 2022, we then had an additional blister business in the Medios Apotheke pharmacies Group next to Kölsche

Blister GmbH. However, one blister center is sufficient for the implementation of our expanded growth strategy, which is why in 2023 we sold Kölsche Blister GmbH to a strategic investor, who has continued to run the company since then.

This will allow us to concentrate on one blister center and continue to consistently work on implementing our ideas and goals there. The sale of Kölsche Blister GmbH was therefore a strategic decision that will help to further strengthen our core business in Germany. In the medium term, we will thus achieve efficiency gains in the area of patient-specific blistering.

Medios covers all relevant aspects of the supply of Specialty Pharma drugs. Could Medios now be considered a kind of Specialty Pharma platform?

GÄRTNER We have indeed managed to establish the leading German platform for individualized medicine within the last few years. With our six GMP clean room laboratories distributed throughout Germany and through cooperation with our more than 800 specialized partner pharmacies, we are able to ensure a comprehensive supply of individualized therapies to almost all specialists and hospitals. Our self-developed **mediosconnect** software solution connects all market participants and greatly facilitates communication and processing. We intend to internationalize this model, which has been so successful in Germany, and roll it out in other European countries in the future. Our medium-term goal is to establish a European Specialty Pharma platform.



“The revenue increase of nearly 11 percent reached the upper end of our expectations.”

— FALK NEUKIRCH, Executive Board (CFO)

Looking ahead to the 2023 financial year, what developments are you particularly proud of in the Patient-Specific Therapies segment and what plans do you have for the coming years?

CHRISTOPH PRUSSEIT We look back on the first few months of the year with great pride. We have contributed to the security of supply for a special patient group by adding parenteral nutrition solutions as infusions for premature babies to our compounding portfolio. We now offer these infusions at several locations. In the 2023 financial year, we also continued to implement our strategy of working in close cooperation with our partner pharmacies. Efficient collaboration between the two parties – whether in compounding at the highest quality level or in terms of local patient care – offers advantages in all indication areas.

What progress did you make in 2023 in your second operating segment, Pharmaceutical Supply, and what measures are planned for its further development?

MIEHLER We can look back on a very successful year in the area of pharmaceutical supply. In fact, it is the best year ever since Medios AG was founded – with record revenue and record earnings. This really is an extraordinarily good result that we have achieved as a team and for which I would like to take this opportunity to thank all my colleagues once

again. Thanks to our strong market positioning and our good reputation in the market, we are receiving more and more inquiries from pharmacies. We will continue our course of growth and success in 2024.

In 2023, we also continuously expanded the cooperation with our suppliers and thus improved our purchasing conditions. This not only benefits customers in the Pharmaceutical Supply segment – our compounding facilities also benefit considerably from this. Our focus in 2023 continued to be on security of supply, as supply bottlenecks have unfortunately not diminished. Specialty Pharma drugs, especially generics, are also affected by this. However, we were still able to optimally serve our compounding facilities and partner pharmacies, as we have the supply situation very well under control thanks to our far-sighted planning and many years of good cooperation with our suppliers.

The number of our partner pharmacies that value our expertise and service is constantly increasing. This positive development is based on a high level of customer satisfaction, which was also confirmed by the customer satisfaction study conducted by Focus magazine in 2023. In this broad-based analysis of 12,000 companies in the pharmaceutical sector, we came sixth with 91.4 out of 100 points, on a par with Roche Pharma! This of course continues to motivate us and makes me very optimistic about our future development.

“We are an important partner in the implementation of new active ingredient technologies for patient care.”

— **CHRISTOPH PRUSSEIT**, Executive Board (CINO)



How well are you positioned in the area of ESG (Environmental, Social and Governance)? How do you assess progress in the 2023 financial year?

GÄRTNER We are already very well positioned in the area of ESG. Not only because our business model with our vision "Enabling the most innovative tailored therapies for everybody" generates added value for society per se, but also due to the fact that we have been taking sustainability very seriously for years, have developed a clear strategy and have been reporting on it extensively on a voluntary basis since 2021. Already today, Medios performs above average in most leading ESG ratings. We want to further expand this position and continuously improve. Our ESG committee, which I chair myself, is working very passionately on this.

What sustainability goals have you set yourself as a group of companies and by when do you want to achieve them?

MIEHLER In our **ESG strategy** published in 2021, we have defined a total of 34 targets that we want to achieve by 2025. The measures range from expanding compliance training for employees to the introduction of a uniform group-wide health management system and measures to reduce electricity consumption. Milestones included the Supplier Code of Conduct published in 2023 and the ESG software introduced in 2022, which enables us to record ESG data

more easily across the group. Based on this data, we plan to further develop our climate and environmental targets in 2024.

In October 2023, Medios was named "Employer of the Future"¹ by the business magazine "DUP UNTERNEHMER" and the German Innovation Institute for Sustainability and Digitization². What were the criteria for this and what do you think makes Medios a particularly sustainable employer?

MIEHLER The renowned employer award honours employers of the future who have undergone multi-stage analysis processes. The decisive criteria include modern leadership, innovative strength, status of digital transformation, employee friendliness and recruiting strategies. Particularly company and leadership culture and employee development have been very important to us at Medios from the very beginning. In the 2023 financial year, we even implemented a group-wide leadership development program: **"Medios – The Way We Lead"**.

Our aim is to firmly establish our leadership guidelines in all areas of the company. Outstanding leadership must be holistic. For us, this means leading ourselves, leading the team and leading Medios into the future. In my view, this is particularly crucial in a highly dynamic company like ours. In

just eight years, we have managed to develop from a small Berlin start-up into the market leader in Germany with revenue of €1.8 billion and a bottom line in the black.

It is no exaggeration to say that transformation is part of Medios' DNA. We have defined a clear strategy for our further development, which we are pursuing consistently. Important factors here are our customer focus and our quality standards. Our commitment to ESG also makes us a modern and attractive employer. According to a renowned ESG rating agency, we are also one of the top performers in terms of sustainability.

A willingness to change, leadership skills, environmental awareness and genuine customer and employee friendliness – all of these factors add up to our most important potential for the future. It is now common for new employees to introduce themselves to us on recommendation. This motivates us greatly and makes us optimistic about our future as an employer.

You also have big plans for Medios going forward. Your extended growth strategy includes the expansion into other European countries. Which target companies are you looking for?

GÄRTNER As part of our M&A strategy, we are concentrating on stable European markets with a favorable regulatory framework. These are markets that, for example, allow the import and export of Specialty Pharma drugs and enable a broad product range. Our acquisition targets include companies with a top 3 market position in their respective national market, with a revenue of between €10 million and €150 million and an EBITDA margin of between five and 20%. It is also very important to us that we can realize revenue synergies and cross-selling opportunities within a maximum period of 24 months.

Another strategic goal of the Medios Group is to enter the "Advanced Therapies" market, which comprises pioneering therapeutic approaches, for example in the areas of gene and cell therapies and mRNA therapy. What are the prerequisites for a successful market entry and how do you think Medios is positioned for this?

PRUSSEIT New drug technologies are always associated with the hope of further or first-time treatment options for diseases. Thanks to our expertise in patient-specific supply with small batches and complex on-demand processes in production, we are an important partner in the implementation of new active ingredient technologies in future patient care. Our decentralized compounding infrastructure in Germany is an advantage that we can offer in both outpatient and inpatient care. We are very close to the point of care.

Medios is also ambitious in terms of its financial targets: In the medium term, you are aiming for revenue of more than €2 billion and an earnings margin at least in the mid-single-digit range. What measures do you intend to take to achieve these targets?

NEUKIRCH This target definition is based on the strategy mentioned by my colleagues. To summarize, in addition to strengthening our core business in Germany, this strategy provides for expansion into other European countries and entry into the Advanced Therapies market. We therefore want to keep growing organically by continuously increasing the number of our partner pharmacies and the number of compoundings per year.

We have also expanded our growth targets to include entering new markets. For our expansion in Europe, we are focusing on the acquisition of compounding specialists who are among the top 3 in their respective national markets. Our margin will benefit from the increase in the share of high-margin compounding business in total revenue. We also expect positive developments from economies of scale and synergy effects as well as from substituting high-priced products with high-margin products. We are very confident that we will once again achieve our targets.

The Medios Share

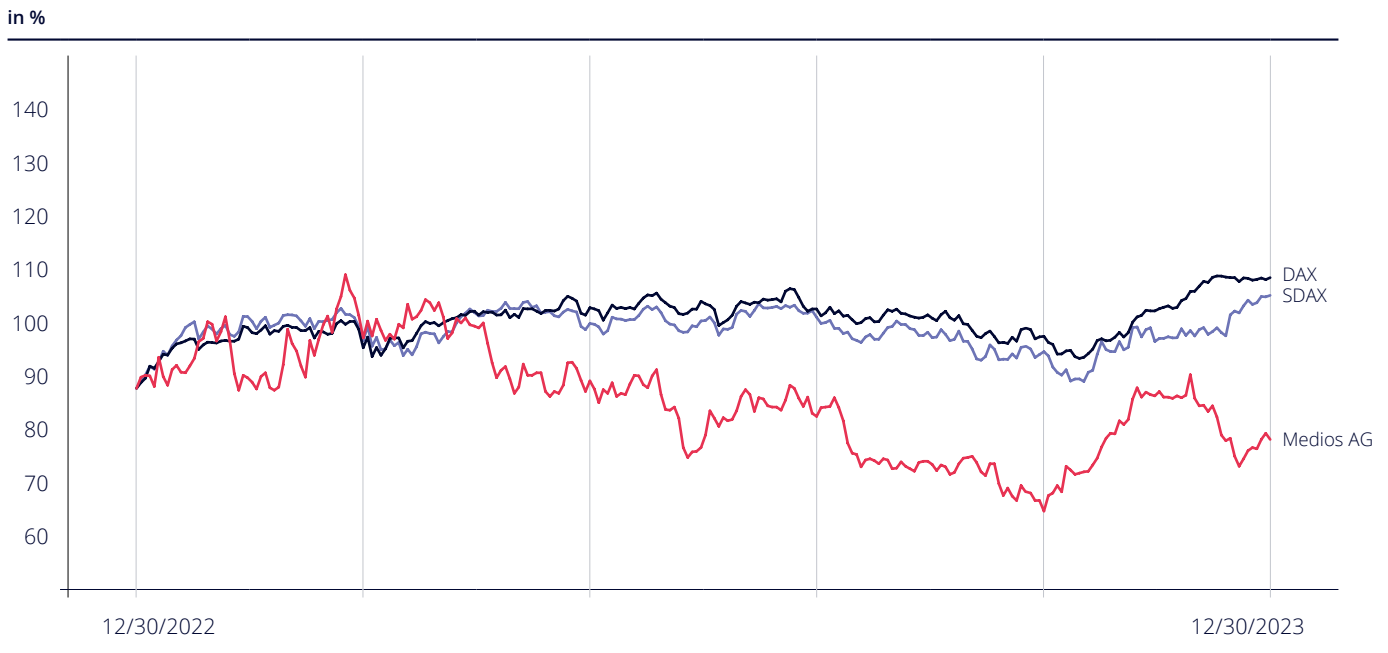
The German stock market was once again very volatile in 2023. On the last trading day of the year, the DAX closed at 16,752 (December 31, 2023) points. This corresponds to an increase of 20.3% compared to the closing price at the end of 2022 (13,924 points). The high for the year on a closing price basis was reached on December 11, 2023 at 16,794 points; the low for the year was 13,993 points on January 2, 2023.

In the first half of the year, the DAX reached new record highs despite fears of a recession – followed by a significant downward trend with a fall of over 10% in the second half of the year to the end of October (14,717 points). This development was primarily influenced by renewed uncertainty about future inflation trends and interest rate policy. At the end of the year, the DAX once again achieved a strong turnaround and reached new highs after a year-end rally. The main reason for this was the hope of interest rate cuts in 2024.

In line with the market situation, Medios shares were also very volatile in the 2023 financial year. Overall, however, the positive business performance in 2023 was not reflected in the share price. The Medios share closed at €15.86 on the last trading day of 2023, which corresponds to a loss of 9.4% compared to the end of 2022 (€17.50). The SDAX rose by 17.1% in the same period. The Medios share reached its high for the year of €21.15 on March 7, 2023. The low for the year was recorded on October 17, 2023 at €13.56. At the end of the year, the share recovered in line with the strong performance of the market as a whole. With an average daily turnover of 24,061 shares, the trading volume of Medios shares in XETRA trading in 2023 was higher than the previous year's figure of 19,140 shares.

In 2023, Medios AG continued to be covered via ongoing research by Berenberg, Bryan Garnier & Co, Deutsche Bank, Jefferies, Kepler Cheuvreux, Metzler Capital Markets, and Warburg Research .

Performance of Medios shares 2023 (indexed)



Share figures (ISIN DE000A1MMCC8), Prime Standard

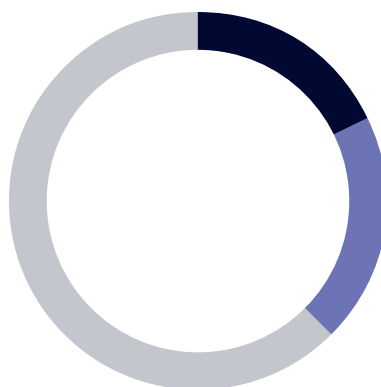
XETRA (Closing price)		2023	2022
Number of the shares issued 12/31		23,805,723	23,805,723
Market capitalization as of 12/31	€ million	377.56	416.60
First trading day	€	17.86	38.20
Last trading day	€	15.86	17.50
Highest price	€	21.15	38.20
Lowest price	€	13.56	16.96
Average daily trading	units	24,061	19,140

Shareholder structure (Status: 02/29/2024)

free float

4.9% Paladin Asset Management
(Paladin Asset Management Investment
stock corporation with variable capital
and sub-funds)
4.7% SEB Investment Management AB

62.3%



Manfred Schneider

incl. attribution of
Tangaroa Management GmbH
(formerly mediosmanagement GmbH)
and Tangaroa GmbH & Co. KG
0.00% directly, 18.0% by attribution

18.0%

Martin Hesse

incl. attribution of BMSH GmbH

19.7%

All figures according to voting rights notifications of the notifying parties

The share capital of Medios AG amounted to €23,805,723 at the end of the reporting year and thus remained constant compared to the previous year (December 31, 2023: €23,805,723). The free float of Medios AG amounted to 62.3% at the end of 2023, which is also the same as the previous year's figure (December 31, 2022: 62.3%).

Medios AG's market capitalization amounted to around €377.6 million at the end of the reporting year. This means that the Company's market capitalization decreased by 9.4% compared to the previous year (December 31, 2022: €416.6 million).

INTENSIVE DIALOG WITH THE CAPITAL MARKET

In the 2023 financial year, Medios once again engaged in intensive dialog with the capital market and provided regular and comprehensive information on the Company's current business development. In addition to mandatory announcements, Medios also published press releases. The

Company also held roadshows again in 2023 – both virtually and in person – and took part in numerous national and international conferences to explain the Company's business model, growth strategy and current business development to investors, analysts and representatives of the press.

The Annual General Meeting of Medios AG took place on June 21, 2023 as an in-person event in Berlin. Around 74% of the share capital took part in the vote and approved the resolutions proposed by the Executive Board and Supervisory Board by a large majority, with one exception. The proposal for the new Authorized Capital 2023 did not receive approval. In his speech, the Executive Board explained, among other things, the progress and further development of the adjusted growth strategy and expressed satisfaction with the results achieved to date.

In the 2023 financial year, Medios continued to focus intensively on the topic of sustainability and is once again voluntarily publishing a non-financial Group statement as part of this annual report (see section "Non-financial Group statement").

Report of the Supervisory Board



Dear Shareholders,

The Supervisory Board has fulfilled the duties incumbent upon it in accordance with the law, Articles of Association and rules of procedure with great care and has continuously and thoroughly monitored the management of the Company, dealt with succession planning for the Executive Board and advised the Executive Board on the management and further development of the Company. It dealt intensively with the Company's growth strategy, with a particular focus on internationalization. Another focus was the Group's **sustainability strategy**. The Supervisory Board continues to report on its work as follows.

MONITORING, INFORMATION AND ADVICE

The Executive Board's management of the business was impeccable in terms of legality, expediency, regularity and economic efficiency. In particular, the Executive Board involved the Supervisory Board directly and at an early stage in all decisions of fundamental importance to the Company and reported regularly and promptly (verbally and in writing).

ANNUALLY RECURRING TOPICS IN THE FULL SUPERVISORY BOARD (OVERVIEW)

The Supervisory Board deals with the following topics each year with varying degrees of emphasis:

— Corporate strategy

The further implementation of the Company's growth strategy was once again of particular importance to the Supervisory Board's activities. While the focus in 2022 was still more on national growth, in the reporting period, the Supervisory Board dealt in particular with the Executive Board's strategy for internationalization.

— Business development and budget planning

The Chairman of the Supervisory Board was in regular contact with the Executive Board and in particular the Chairman of the Executive Board and, in addition to the regular reports, kept himself informed about the current development of the business situation and significant business transactions. As an internal management measure, the determination of the annual budget planning is subject to approval by the Supervisory Board. The budget was approved and compliance with it was monitored.

— Significant business transactions

In the reporting period, the Supervisory Board was presented with, carefully examined and approved all legal transactions requiring approval, including the sale of Kölsche Blister GmbH, which has been completed in the meantime. Following the acquisition of Blisterzentrum Baden-Württemberg GmbH (bbw) in January 2023, the blister business will in future be fully concentrated at the bbw site in Magstadt, Baden-Württemberg.

— Compliance management system (CMS) and risk management systems (RMS)

The Supervisory Board is regularly informed about the risk situation and compliance, including through regular reports from the CFO, the compliance officer and the ombudsman for whistleblowers, as well as through targeted inquiries. The structures of the compliance and risk management systems are continuously adapted to the dynamic growth of the Medios Group. Accordingly, the Executive Board and the external compliance officer have established additional compliance and risk

management processes. The Supervisory Board receives regular reports on the optimization of these systems and from the external compliance officer.

— Sustainability (ESG)

In addition to the work of the Chairman of the company's Sustainability Committee, the Supervisory Board discussed with the Executive Board both the **risks and opportunities** for the Company associated with social and environmental factors and the ecological and social impact of the Company's activities. In this context, the Supervisory Board regularly informed itself about the status quo of the EPR (extended producer responsibility). The Supervisory Board also dealt with the **non-financial Group declaration 2023**.

— Annual General Meeting

In accordance with the allocation of responsibilities under stock corporation law, the Supervisory Board, together with the Executive Board, adopted the agenda for the Annual General Meeting for the 2022 financial year (held on June 21, 2023). At this Annual General Meeting, the actions of all members of the Supervisory Board and the Executive Board were approved by the Annual General Meeting. In addition, the Stock Option Plan 2022 was adjusted, among other things.

— Submission of the Declaration of Conformity (GCGC)

After reviewing the recommendations and suggestions of the German Corporate Governance Code (GCGC), the Supervisory Board resolved to submit and publish the Declaration of Conformity. The current Declaration of Conformity issued in March 2024 is available on the website (www.medios.ag/investor-relations/corporate-governance).

The Supervisory Board reviewed the reports and other information provided by the Executive Board for plausibility, critically assessed and scrutinized them. In order to broaden the information base and gain its own impressions of the company's development, it also obtained information from parties outside the Executive Board, including senior executives and external consultants. In addition, the Executive Board members provided detailed information on the current situation of the company at Supervisory Board meetings.

COMMITTEES

In order to perform its duties efficiently, the Supervisory Board has formed two committees that can prepare the deliberations and resolutions of the full Supervisory Board. The composition of the committees can be found in the corporate governance statement (<https://medios.ag/en/investor-relations/corporate-governance>).

Dates of the Supervisory Board meetings (full Supervisory Board)

A total of four ordinary meetings were held in the 2023 financial year, as listed below

- March 29, 2023
(Accounts review meeting 2022 financial statements)
- June 21, 2023
- October 17, 2023
- December 14, 2023

The members of the Executive Board attended the Supervisory Board meetings, unless otherwise specified by the Chairman of the Supervisory Board. In addition, the members of the full Supervisory Board maintained regular contact and communicated by telephone or in writing both with each other and with the Executive Board.

Other topics discussed by the full Supervisory Board

In addition to the regular reporting topics described above, the Supervisory Board dealt with the following matters, among others, during and outside the meetings:

- **Short-term incentive (STI)**
The STIs for 2023 were developed together with the Executive Board
- **Integration of the new Group companies (PMI)**
focus on NewCo, bbw.
- **Enterprise resource planning (ERP) selection process**
The Supervisory Board received a report on the ERP software selection process.

The company supports the members of the Supervisory Board in the performance of their duties and in the training and further education measures that they are responsible for. In particular, the business areas of Medios AG are comprehensively presented to the members of the Supervisory Board.

Dates of the Supervisory Board committee meetings

The two committees met on the following days during the reporting period.

Audit Committee

- January 31, 2023
- February 23, 2023
- March 22, 2023
- December 6, 2023

Remuneration and Nomination Committee

- January 13, 2023
- January 23, 2023
- March 09, 2023
- May 24, 2023
- October 19, 2023
- November 15, 2023
- November 20, 2023

In addition, the members of the committees maintained regular contact and communicated by telephone or in writing both with each other and with the Executive Board. The members of the Executive Board did not attend the meetings of the Remuneration and Nomination Committee

Topics discussed in the Supervisory Board committees

The **Audit Committee** dealt with the following matters, among others, during and outside of its meetings:

- **Enterprise resource planning (ERP)**
Prior to its introduction, the committee dealt with the accounting treatment of the ERP software. Other selected accounting and reporting issues were also discussed.
- **Internal control system (ICS)**
The Committee received memos from the ICS audit; overall, there were no issues requiring discussion.

— **Other topics**

The committee's activities also focused on the accounting requirements of the Corporate Governance Code and enforcement, as well as the initial consolidation of the bbw acquisition, ESEF reporting and the results of the impairment test. As part of the preparation of the annual and consolidated financial statements for the 2023 financial year, the Audit Committee continued to deal with the initial and subsequent consolidation of the acquisition of the NewCo Group.

The **Remuneration and Nomination Committee** dealt with the following matters, among others, during and outside the meetings:

— **Nomination**

Following the extension of Falk Neukirch's contract, including the adjustment of his remuneration, the extension of Mi-Young Miehler's and Christoph Prußeit's contracts in 2023 were on the agenda. The committee is striving for continuity in the Executive Board and is preparing the corresponding resolutions.

— **Remuneration**

At the beginning of the year, preparations were made to determine the amount of bonus payments for Executive Board members (STI and ESG components). For the future, the criteria for bonus payments for Executive Board members were adjusted with regard to ESG targets. The corresponding draft resolution was prepared in the committee for approval by the Supervisory Board.

No resolutions were passed, as the rules of procedure do not grant the committees any decision-making authority. Accordingly, the committees prepared resolutions and topics to be discussed by the full Supervisory Board. The committee chairmen reported to the Supervisory Board on the committee work at the following meeting. All Supervisory Board members regularly attended training events.

Attendance and individualized disclosure of meeting attendance

The attendance rate of members at meetings of the Supervisory Board and its committees was 100%. The meetings of the full Supervisory Board were all held as face-to-face meetings, while the majority of committee meetings were held as virtual meetings via video conference. No meeting was held as a conference call. The participation of the members of the Supervisory Board in the meetings of the Supervisory Board and the committees is disclosed in individualized form in the table below.

Disclosure of Meeting Attendance by Member

Attendance	Body as a whole		Remuneration and Nomination Committee		Audit Committee	
	No.	%	No.	%	No.	%
Dr. Yann Samson (Chair)	4/4	100	7/7	100	n/a	n/a
Dr. Anke Nestler (Deputy Chair)	4/4	100	n/a	n/a	4/4	100
Joachim Messner	4/4	100	7/7	100	n/a	n/a
Klaus J. Buß	4/4	100	n/a	n/a	4/4	100
In person	4/4	100	0/7	0	1/4	25
Audio/Video	0/4	0	7/7	100	3/4	75

PERSONNEL

In March 2023, the contract with CFO Falk Neukirch was extended. Falk Neukirch has been a member of the Executive Board since October 1, 2021 and is responsible for the finance department.

In accordance with Article 8 Para. 1 of the Articles of Association of Medios AG, the Supervisory Board has four members: Dr. Yann Samson (Chairman), Dr. Anke Nestler (Deputy Chairman), Joachim Messner and Klaus J. Buß. This enabled the formation of committees within the meaning of Section 107 Para. 3 AktG (Audit Committee, Nomination and Remuneration Committee). At the Annual General Meeting, Dr. Yann Samson, Klaus J. Buß and Joachim Messner were re-elected to the Supervisory Board until the end of the Annual General Meeting that resolves on the discharge for the 2025 financial year. Dr. Anke Nestler is due to be re-elected at the Annual General Meeting that resolves on the discharge for the 2023 financial year.

SELF-EVALUATION

The second self-evaluation was carried out in 2023, again under the guidance of external consultants. The results confirmed that the suggestions made in 2021 have been implemented in full and that tasks are being performed measurably more efficiently. As part of the self-evaluation, the Supervisory Board was asked around 100 questions, which were evaluated on a weighted basis. A number of minor suggestions for improvement were derived from this, which the Supervisory Board addressed in the first quarter of 2024. The next self-evaluation is scheduled for 2025. The Supervisory Board also reports on the self-evaluation with further details on its implementation in the Corporate Governance Statement (<https://medios.ag/en/investor-relations/corporate-governance>).

CONFLICTS OF INTEREST

In the opinion of the Supervisory Board, all of its current members are to be regarded as independent within the meaning of the German Corporate Governance Code (GCGC) in the reporting period. Supervisory Board member Joachim Messner holds 6,142 shares in Medios AG and acts as an advisor to the Medios Group as a lawyer. This is disclosed here purely as a precaution in the interests of absolute transparency.

AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2023

The auditor issued an unqualified audit opinion on the annual financial statements, the consolidated financial statements and the combined management report of Medios AG and the Medios Group. Furthermore, the auditor determined that the audit of the accounting-related internal control system and the risk early warning system did not reveal any facts that would indicate that they were not effective. Following its own extensive review, the Supervisory Board unanimously approved the results of the audit by the auditor. There were no objections to be raised; this also applies to the corporate governance statement, even if it is not to be audited by the auditor. The annual financial statements of Medios AG were adopted and the consolidated financial statements approved.

AUDITOR

Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft based in Düsseldorf ("BakerTilly") has been the auditor for Medios AG and the Medios Group since the 2016 financial year. The auditors Thomas Gloth and Andreas Weissinger sign as auditors. The auditors were commissioned in accordance with the vote of the Annual General Meeting and in compliance with the statutory requirements, with the Supervisory Board providing detailed specifications regarding the details of the audit of the annual financial statements, the focal points of the audit and the cooperation. The Audit Committee remained in constant contact with the auditor from the time the audit was commissioned until it was approved.

SUBMITTED DOCUMENTS

The Executive Board of the company submitted the annual financial statements, prepared in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG), the **consolidated financial statements**, prepared in accordance with the International Financial Reporting Standards (IFRS), including the **combined management report** of the Medios Group and Medios AG, and the proposal for the appropriation of profits (profit carried forward) for the 2023 financial year to the Supervisory Board in a timely manner. The audit reports from BakerTilly, which were issued with unqualified audit opinions, were also submitted on time. As a result, Medios AG is considered to have adhered to the provisions of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and the International Financial Reporting Standards as applicable in the EU.

MONITORING SYSTEM

In addition, the auditor examined the monitoring system set up by the Executive Board in accordance with Section 91 (2) AktG for the early detection of risks and confirmed that it fulfills its tasks.

EXTENSIVE DISCUSSION, ACCOUNTS REVIEW MEETING, AND ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS 2023

The documents relating to the annual financial statements and the audit reports were discussed in detail in advance by the Audit Committee, the Supervisory Board and, finally, in the presence of the auditor at the Supervisory Board's accounts review meeting on March 26, 2024. The necessary documents were distributed in good time prior to these meetings so that the aforementioned documents could be viewed and examined in detail. At the accounts review meeting, the auditor reported in particular on the scope, nature, focus and key findings of its audit, focusing in particular on the key audit matters and the audit procedures performed. No significant weaknesses in the internal control system or the risk management system were reported. The auditor was then available to provide the Supervisory Board with additional information. This was followed by a final comprehensive discussion of the annual financial statements, the consolidated financial statements and the **combined management report**. The Supervisory Board then adopted the annual financial statements of Medios AG and approved the **consolidated financial statements**.

RETAINED EARNINGS CARRIED FORWARD

The Supervisory Board approved the Executive Board's proposal to carry forward the net retained profit (retained earnings brought forward). The Supervisory Board expressly agrees with the Executive Board's dividend policy of continuing to invest in dynamic growth and not distributing a dividend.

COMPLIANCE AND CORPORATE GOVERNANCE

The guiding values of Medios' corporate culture are trust, respect, integrity and responsibility. These values are upheld both internally and externally and serve as a guide for management and employees, a standard of conduct and a basis for decision-making. The Executive Board and Supervisory Board firmly believe that unrestricted compliance and excellent corporate governance are further indispensable foundations for sustainable economic success. The Supervisory Board complies with the law and the applicable internal compliance regulations and ensures that the Members of the Executive Board are also compliant.

For further information on corporate governance, compliance and compliance management systems (CMS), please refer to the corresponding sections in the **corporate governance statement** and the declaration pursuant to Section 161 AktG on the recommendations of the German Corporate Governance Code. The Medios AG Code of Conduct and the Medios AG Supplier Code of Conduct as part of the Group-wide CMS are also published on the company website. In addition, there is a comprehensive set of internal compliance rules (guidelines and procedures), of which the anti-discrimination guideline has also been published. The documents mentioned in this paragraph can be found here <https://medios.ag/en/investor-relations/corporate-governance>.

DEDICATIONS

On behalf of the Supervisory Board, the Chairman of the Supervisory Board would like to thank the members of the Executive Board and the employees of Medios AG and all Group companies for their dynamic and determined commitment as well as their constructive cooperation in the past financial year. Our thanks also go to the shareholders, in particular for the trust they have placed in the Group..

March 26, 2024

For the Supervisory Board
Dr. Yann Samson
Chairman of the Supervisory Board

Non-financial Group statement

SUSTAINABILITY AT MEDIOS

With this report, Medios AG is publishing its fourth non-financial Group statement (hereinafter: “non-financial statement”) within the meaning of the German Commercial Code (HGB). The reporting period corresponds to the calendar year 2023. The information in this report generally relates to the entire Medios Group, including all its locations and companies. In places where only parts of the Medios Group are meant or covered, this has been indicated accordingly in connection with the respective key figures and statements.

In the 2023 financial year, we exceeded the average number of employees of 500 for the first time. However, as this has not been the case for two consecutive years, we are still not obliged to provide non-financial reporting in accordance with the CSR Directive Implementation Act (CSR-RUG; CSR: Corporate Social Responsibility).

Although we are not yet legally obliged to do so, we take the importance of corporate social responsibility seriously and are actively committed to sustainable and ethical business practices. The promotion of environmental protection, social justice and ethical conduct is an integral part of our corporate philosophy and we work continuously to maximize our positive impact on the environment and society.

From next year, the reporting requirements of the CSRD (Corporate Sustainability Reporting Directive) and thus the publication of a sustainability statement in accordance with ESRS (European Sustainability Reporting Standards) in the management report will in all likelihood become legally binding for us. As part of the Sustainable Finance Action Plan, the EU Taxonomy Regulation was adopted by the European Commission in 2020 with the aim, among other things, of channeling capital flows in the economy into environmentally sustainable activities. In connection with the CSRD, reporting on the EU Taxonomy will also become mandatory for Medios. In order to meet the corresponding requirements, we have already initiated a process for ESRS-compliant materiality analysis and determined the taxonomy-eligible and compliant shares of our **revenue**, capital expenditure (**CAPEX**) and operating expenditure (**OPEX**) for the 2023 financial year.

Medios is one of the leading companies in Germany for all aspects of pharmaceutical supply in the multi-faceted area of Specialty Pharma. Specialty Pharma plays a prominent role in the treatment of complex and consultation-intensive diseases such as cancer, HIV or hemophilia. In order to optimally adapt the therapy to the specific clinical picture, drugs tailored to the individual patient are increasingly being used. We are experts with many years of experience in pharmaceutical supply and the compounding of patient-specific therapies, including blistering. This enables us to cover all essential elements of the supply chain in this special segment. Our goal is to ensure the best possible care for our patients with Specialty Pharma drugs nationwide through cooperative collaboration and exchange with all market participants. A comprehensive description of our business model can be found in the 2023 Annual Report (**Management Report**).

By making our day-to-day business sustainable, we not only create added social value with our products, but also reduce negative impact on the environment and society. We are guided by the ten principles of the UN Global Compact. Ultimately, we want to create sustainable economic value by making good corporate governance, social responsibility and environmental commitment an integral part of our core business. In addition to the generally applicable laws, rules and standards, our corporate values of trust, respect, integrity and responsibility also shape the business activities and corporate culture of the entire Medios Group.



Sustainable Development Goals

The United Nations’ Sustainable Development Goals (SDGs) also play an important role in our sustainability. The 17 SDGs are an expression of the 2030 Agenda adopted by the international community and are aimed at sustainable value creation. They include goals to end poverty and hunger, preserve biodiversity, prevent climate change and eliminate war and corruption. A total of 169 sub-goals and over 200 indicators substantiate the 17 SDGs.

Our goal is to support the achievement of the SDGs through Medios' business activities. With this in mind, we want to make a recognizable contribution to the 2030 Agenda and minimize the negative impact of our business activities on the SDGs. We therefore prioritized the SDGs and their sub-goals for us as early as 2022.

Our analysis showed that our current and planned corporate activities have a significant impact on the following six SDGs:

SDG	SDG sub-targets	Measures at Medios
	Health and well-being	
	3.3: Combating AIDS and other communicable diseases	<ul style="list-style-type: none"> • Pharmaceutical supply for specialized pharmacies
	3.4: Reduce premature mortality from non-communicable diseases and promote patient well-being	<ul style="list-style-type: none"> • Pharmaceutical supply and compounding of patient-specific therapies
	3.8: Promote universal health coverage, access to health services and safe and quality drugs	<ul style="list-style-type: none"> • Pharmaceutical supply and compounding of patient-specific therapies. • Expansion and strengthening of the network of specialized local pharmacies • Offer health measures for employees
	Gender equality	
	5.5: Ensure the participation of women and equal opportunities in management positions	<ul style="list-style-type: none"> • 56% Women in total workforce • 46% Women in management positions • Active succession planning and management seminars • Annual analyses on gender pay parity • Introduce authorized representative for diversity and inclusion
	Decent work and economic growth	
	8.4: Improve resource efficiency	<ul style="list-style-type: none"> • Permanent optimization of reusable transport boxes • Optimization of logistics through central warehouse, among other things • Checking shipping materials for reusability and environmental compatibility • Washable laboratory protective clothing
	8.5: Full and productive employment and decent work with equal pay for work of equal value	<ul style="list-style-type: none"> • Annual analyses on gender pay parity • Internal Code of Conduct
	8.7: Take action against all forms of modern slavery and human trafficking	<ul style="list-style-type: none"> • Member of the UN Global Compact and commitment to the UN Guiding Principles on Business and Human Rights • Code of Conduct for Suppliers • Supplier assessment
	8.8: Protect labor rights and create a safe working environment	<ul style="list-style-type: none"> • Member of the UN Global Compact and commitment to ILO core labor standards (ILO: International Labor Organization) • Internal Code of Conduct Whistleblower system • Introduction of management system for occupational health and safety (HSE-Health Safety Environment)
	Industry, innovation and infrastructure	
	9.4: Modernize infrastructure and make it more sustainable and resource-efficient through the use of clean technologies	<ul style="list-style-type: none"> • New compounding site with modern laboratories and state-of-the-art cold storage cells as well as 100% green electricity • Optimization of energy use • Expansion of the innovative and digital platform mediosconnect

SDG	SDG sub-targets	Measures at Medios
	Sustainable consumption and production 12.2: Efficient use of natural resources	<ul style="list-style-type: none"> • Installation of digital electricity meters to derive efficiency measures • Optimization of logistics and short delivery routes thanks to Germany-wide locations with strategically located warehouses • Checking shipping materials for reusability and environmental compatibility
	12.4: Environmentally sound management of chemicals and wastes throughout their life cycle to limit adverse impacts on people and the environment	<ul style="list-style-type: none"> • Training on handling hazardous substances • Separate disposal of cytotoxic waste by certified waste disposal companies • Health protection for compounding companies thanks to state-of-the-art clean rooms with safety workbenches
	12.5: Reduce waste generation through prevention, recycling and reuse	<ul style="list-style-type: none"> • Checking shipping materials for reusability and environmental compatibility • Washable laboratory protective clothing • Reusable transport boxes
	Climate protection measures 13.2: Incorporate climate protection measures into strategies and planning	<ul style="list-style-type: none"> • ESG management established: Sustainability Committee, ESG strategy • Adoption of climate strategy with CO₂ e reduction targets planned • Expand green electricity procurement • Compensation of emissions

Key topics

In the 2020 financial year, Medios AG identified various sustainability-relevant topics as part of a materiality analysis, which serve as the basis for its sustainability management and sustainability strategy. This materiality analysis was based on the provisions of the CSR-RUG. The individual topics were also based on the Global Reporting Initiative standards for reporting (GRI standards): Stakeholder Engagement, Sustainability Context, Materiality and Completeness. In the course of this materiality analysis, we first drew up a catalog of possible topics that corresponded to the legal requirements, the generally applicable frameworks, best practice in the peer group and the requirements of the various stakeholders.

We then made a pre-selection and clustered the relevant topics. To this end, we organized a workshop involving the Executive Board as well as various specialist managers and stakeholders. The focus here was on the impact of our business on the individual topics and their relevance for the long-term success of the company. In this first materiality analysis, we identified 14 material topics in five fields of

action or clusters. The Sustainability Committee reviews the relevance of the material topics annually and confirms them, provided there are no significant changes in connection with the business activities or a need for a new focus. This was last done in September 2023.

In order to comply with the future regulatory requirements of the CSRD, we also initiated a new materiality analysis in the third quarter of the 2023 financial year in accordance with the European ESRS published by the European Financial Reporting Advisory Group (EFRAG) in July 2023. In a multi-stage process, we identify and evaluate the ESG issues (ESG: environmental, social, government) most relevant to Medios in terms of dual materiality with the support of various stakeholders. Both the impact of the Company's business activities on the environment and society (impact materiality) and the financial opportunities and risks (financial materiality) are taken into account. The materiality analysis process initiated in accordance with ESRS will be completed in the current 2024 financial year. The results will consequently be presented in detail in the next Annual Report.

Sustainability strategy 2025

In 2021, Medios developed a sustainability strategy in a comprehensive process together with external specialists, which we intend to implement by 2025. It defined five strategic areas of action: good corporate governance, products and services, employees, the environment and social responsibility.

Our sustainability strategy is based on the key topics and fields of action. Each topic is assigned an overarching and general cluster target, which consists of various individual targets. We implement all targets with the help of a comprehensive catalog of measures. We measure target achievement using various KPIs (key performance indicators). We have set time frames for all measures within which we want to implement them.

Medios AG has defined a total of 34 targets, which are implemented through 65 measures and measured using 60 different KPIs. There are also further internal targets and measures.

KEY TOPICS ACCORDING TO THE CSR DIRECTIVE IMPLEMENTATION ACT (CSR-RUG)

Non-financial matters	Key topics
Employee interests	<ul style="list-style-type: none"> • Employee satisfaction • Diversity and equal opportunities • Occupational health • Vocational and advanced training
Environmental issues	<ul style="list-style-type: none"> • Energy and emissions • Waste and recycling
Combating corruption and bribery	<ul style="list-style-type: none"> • Compliance
Respect for human rights	<ul style="list-style-type: none"> • Business ethics • Responsible procurement
Social issues	<ul style="list-style-type: none"> • Patient health and protection • Social commitment • Stakeholder dialog
Additional non-financial matters	<ul style="list-style-type: none"> • Data security and data protection • Innovative procedures and processes

Field of action	Key topics	Cluster target
Governance	Compliance	Continue to achieve zero compliance violations
	Data security and data protection	100% compliant - compliance with the law, integrity, honesty and business ethics
	Business ethics	Formalize values and align corporate actions with these values
	Responsible procurement	Significantly increase purchasing volume from suppliers that have been assessed with regard to ESG
Products and services	Patient health and protection	Ensuring the best possible care for patients with Specialty Pharma drugs across the board
	Innovative procedures and processes	Further improving patient care through digitalization and innovative processes
Employees	Vocational and advanced training	Continuous development of all employees as part of an overall concept
	Diversity and equal opportunities	Preventing discrimination and actively promoting equal opportunities
	Occupational health	Maintaining the health of our employees and achieving zero accidents at work per year
	Employee satisfaction	Further increase employee satisfaction with their workplace and employer
Environment	Energy and emissions	Establishing effective climate management in line with the United Nations' 1.5° degree target
	Waste and recycling	Conserve resources and use recycling and reuse wherever possible
Social responsibility	Social commitment	Supporting social projects
	Stakeholder dialog	Promote and expand dialog with all stakeholders

Medios reviews all targets and measures once a quarter to ensure they are up to date and adjusts them if necessary. We present our progress annually in our non-financial Group statement. Our sustainability strategy contains both targets for the material topics and overarching targets for sustainability management.

Strategy program – ESG achievements

Achieved	New	Nearly finalized/ ongoing	In implementation	In preparation

Sustainability management

Goals	Measures	Timing	Progress	Explanation
Increasing external transparency	Establishment of an ESG organization within the Company (Sustainability Committee)	2021		<ul style="list-style-type: none"> Successful work of the Sustainability Committee since 2021 Various responsibilities defined: including Supervisory Board in the Sustainability Committee
	Sustainability Committee in the Supervisory Board	2024		<ul style="list-style-type: none"> New formation to fulfill ESG supervisory duties on the Supervisory Board
	Identifying and assessing ESG risks	2024		<ul style="list-style-type: none"> Initial identification of the most relevant ESG risks has taken place Further evaluation pending
Continuously improve ESG ratings	Continuous improvement of the key ESG ratings	Ongoing		<ul style="list-style-type: none"> Ongoing improvement of the key ESG ratings (see chart below)

KPIs for measuring success:
• ESG Ratings

The importance of ESG factors in company valuation has increased significantly in recent years, particularly from the perspective of investors, analysts and other external stakeholders. Medios has been assessed in terms of sustainability, corporate responsibility and the corresponding

ESG risks by six different ESG ratings. In addition, Medios was assessed directly by individual investors with regard to ESG criteria. The corresponding rating results help us to identify the most important potential for improvement and initiate appropriate measures.

AVERAGE TO ABOVE-AVERAGE EVALUATIONS IN ESG-RATINGS

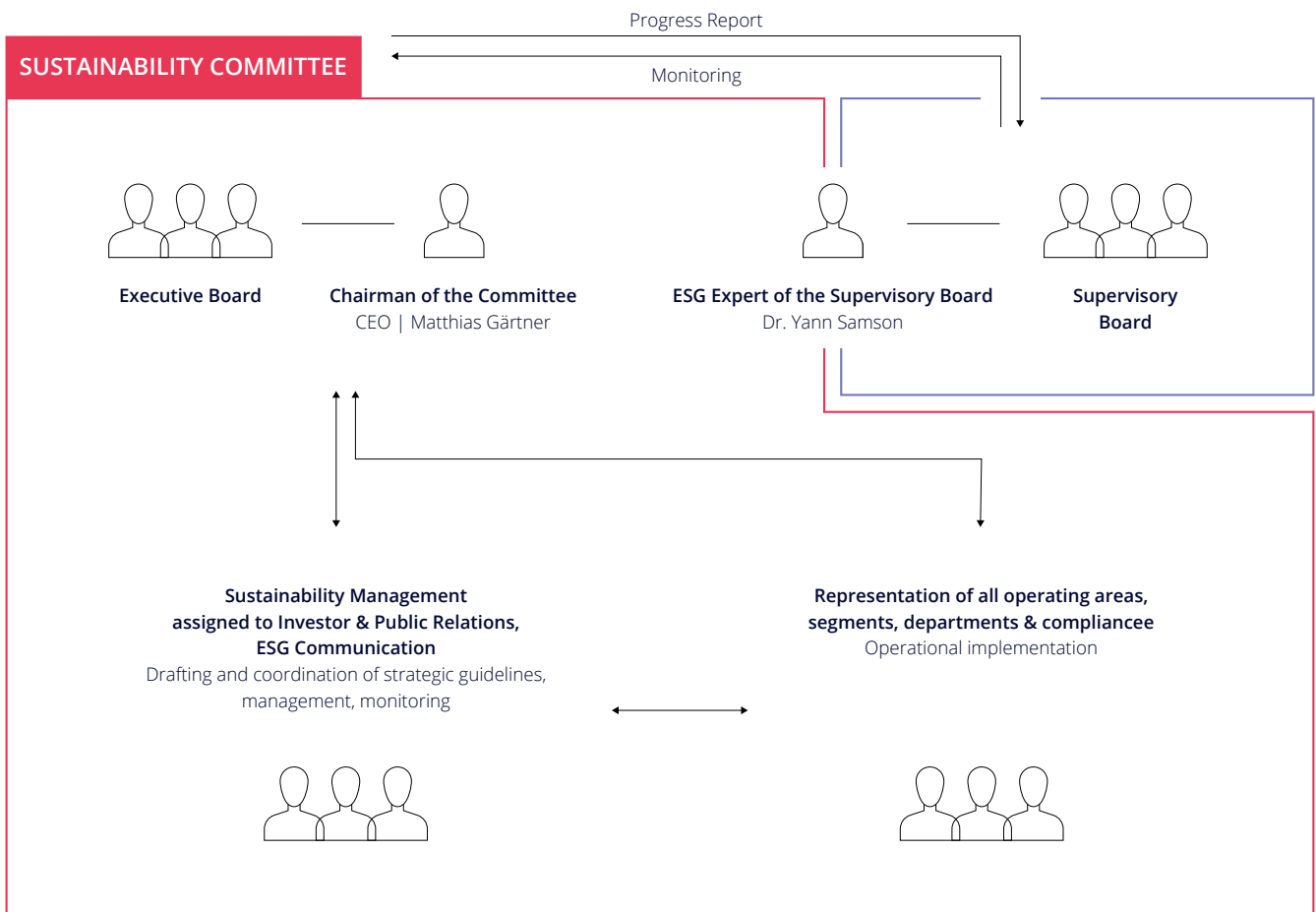
EthFinance	0	57	100
	Outperforming the industry benchmark of 42		
ISS ESG	D-	C-	A+
	Top 15% in the industry		
MSCI	CCC	AA	AAA
	Top 30% in the industry		
Moody's	0	34	100
	Top 50% in the universe		
S&P Global	0	30	100
	Top 20% in the industry		
Sustainalytics	100	13.0	0
	Top 5% in the industry (Low Risk)		

GOOD CORPORATE GOVERNANCE

Since the addition of Dr. Anke Nestler to the Supervisory Board in 2021, the Supervisory Board has had four members. Dr. Yann Samson, Joachim Messner and Klaus J. Buß were confirmed in office on the Supervisory Board for another three years at the 2023 Annual General Meeting. The Audit Committee and the Remuneration and Nomination Committee remained in place in 2023. Since the beginning of 2022, the Chairman of the Supervisory Board, Dr. Yann Samson, has been the Sustainability Officer on the Supervisory Board and is responsible for monitoring and advising the Executive Board on sustainability issues. As the person responsible for sustainability on the Executive Board of financial.com AG, Dr. Samson has proven expertise in the area of ESG strategies, the collection of ESG data and its further analysis. Among other things, financial.com AG itself develops tools/interfaces for the evaluation of ESG data. In the opinion of the Supervisory Board, all of its members were considered independent within the meaning of the German Corporate Governance Code (“Deutscher Corporate Governance Kodex”; “DCGK”) during the reporting period.

The Executive Board has also had four members since 2021. When structuring their remuneration, determining individual remuneration, selecting the relevant performance indicators and structuring payment and allocation modalities, we take ESG criteria into account, among other things, in order to promote the sustainable development of the Medios Group (see [Remuneration Report](#)).

The topic of sustainability is firmly anchored in the company’s organization through the Sustainability Committee, which was founded in 2021 and is chaired by CEO Matthias Gärtner. The committee also consists of the Supervisory Board’s Sustainability Officer, the Members of the Executive Board of Medios AG and representatives of all specialist departments and operational areas. Depending on the topic and relevance, there are additional contact persons. The Sustainability Committee meets four times a year, determines the focal points of the sustainability strategy and monitors the implementation of the corresponding measures. In order to take account of the growing responsibility for good corporate governance, Medios is also planning to establish a sustainability committee at Supervisory Board level.



Compliant conduct

COMPLIANCE

Cluster target: 100% compliant – compliance with the law, integrity, honesty and business ethics.

Goals	Measures	Timing	Progress	Explanation
Expansion of compliance training	Comprehensive and target group-specific training courses	Ongoing		<ul style="list-style-type: none"> Expansion of training to all companies 57% of employees have completed the compliance training
	Introduction of special training courses against corruption and bribery	Ongoing		<ul style="list-style-type: none"> Previously part of compliance training Separate training course planned for 2024
	Introduction of special training courses against competition law infringements and other relevant modules	Ongoing		<ul style="list-style-type: none"> Previously part of compliance training Separate training course planned for 2024
Putting the Code of Conduct into practice	Conduct training on the Code of Conduct	Ongoing		
Expand compliance management	Introduction of a new whistleblower system for employees	2022		<ul style="list-style-type: none"> Whistleblower hotline has existed since 2021 Has been running via a new online tool since 2022
	Introduce internal auditing	Q2 2022		<ul style="list-style-type: none"> Implementation started across the Group in 2022 Ongoing

KPIs for measuring success:

- Percentage of employees trained in compliance topics

In addition to generally applicable laws, rules and standards, the values of trust, respect, integrity and responsibility also shape our business activities and corporate culture. Respecting these values is a matter of course for us and is anchored in the Medios AG Code of Conduct. You can find this on our website (<https://medios.ag/en/sustainability>).

Since 2022, we have had an external Compliance Officer with primary responsibility and an internal deputy who, under the leadership of the CEO, are responsible for coordinating and managing compliance issues and the Compliance Management System (CMS). The main pillars of the Medios AG CMS include a Group-wide internal set of rules as well as regular training and compliance risk analyses.

The Compliance Officer reports directly to the Chairman of the Executive Board on a quarterly basis, who in turn regularly informs the Supervisory Board about current developments and issues. Further reports are submitted on an ad hoc basis.

To prevent and clarify possible compliance violations, in 2022 we set up a whistleblower system in line with EU law, including an external ombudsman for reporting violations and suspected cases anonymously (if desired).

Our employees are obliged to report possible compliance violations immediately. In addition, the whistleblower system can be used to report offenses such as discrimination and harassment in the workplace that contradict our internal Code of Conduct.

Medios investigates all reports in accordance with the Whistleblower Policy without restriction. Except in the event of misuse of the whistleblower system, we guarantee that the whistleblower will not suffer any disadvantages.

This includes protective measures, e.g. against

- Disclosure of identity
- Suspension, dismissal/termination or equivalent measures of the employment relationship
- assignment of tasks, transfer, reduction in salary, change in working hours
- Discrimination, disadvantageous or unfair treatment
- Non-renewal or premature termination of a temporary employment contract
- Early termination or cancellation of a contract for goods or services
- Civil, criminal and administrative liability

Relatives, colleagues and caregivers are also protected by whistleblower protection laws and the Medios Whistleblower Policy. However, no violations of the compliance and conduct guidelines or corresponding suspected cases were reported via the whistleblower system in the 2023 financial year. There are plans to open up the whistleblower system to suppliers in the 2024 financial year.

In addition to our Code of Conduct, there are other requirements at Medios that we brought together in a comprehensive Group-wide compliance guideline in 2019. This goes beyond what is required by law. The guideline, which regulates data protection, IT security and the handling of benefits, donations and conflicts of interest, among other things, is updated on an ongoing basis. We have also created a comprehensive compliance manual.

We regularly train our employees to implement our values and procedural principles. During the reporting period, the compliance regulations and associated training courses were bundled in an internal training and administration platform. In addition to onboarding training, all employees receive training on topics including the Code of Conduct, data protection and data security, occupational safety and accident prevention, dealing with conflicts of interest, the General Equal Treatment Act for employees and managers, anti-corruption and antitrust guidelines, corruption prevention and hygiene in the workplace.

Medios strictly rejects any form of corruption and bribery. We take every suspicion seriously and investigate it in accordance with standardized procedures. If it is confirmed, the Executive Board of Medios AG initiates disciplinary measures. Once again, no cases of corruption or suspected corruption were reported in the 2023 financial year. We are still not aware of any pending legal proceedings for anti-competitive behavior or fines and non-monetary sanctions imposed for non-compliance with laws and regulations.

In addition to compliance, Medios has established a comprehensive risk management system in the Group under the leadership of the CFO. This identifies and describes potential gaps in the system and defines measures to prevent potential errors in advance and contain risks. Risks are identified according to quantitative and/or qualitative criteria based on the probability of occurrence and the potential extent of damage with an impact on the Medios Group. The assessment is carried out on a net basis, i.e. taking into account established risk control measures that have a mitigating effect on the possible extent of damage and/or the probability of occurrence of the risk. The risk situation is queried and reviewed every six months. However, significant risks that arise unexpectedly must be reported immediately to Group Risk Management. Further information can be found in the **Risk and Opportunity Report** of the Management Report.

Our Company acts as a responsible taxpayer with regard to the following objectives:

- Ensuring the timely and proper fulfillment of tax obligations;
- Ensuring the material correctness of the tax positions defined in the annual financial statements and tax returns;
- Ensuring effective tax risk management and tax monitoring;
- Avoidance of inappropriate structuring that leads to benefits that are not intended for tax purposes.

In general, the Chief Financial Officer is responsible for tax matters. The companies included in the consolidated financial statements operate exclusively in Germany and are subject to corporation tax (including the solidarity surcharge) and trade tax there. Further information on income taxes can be found in the notes to the consolidated **financial statements at of the Annual Report**.

Ethical conduct

BUSINESS ETHICS

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

Goals	Measures	Timing	Progress	Explanation
Joining global alliances	Evaluation of relevant guidelines in addition to the UN Global Compact (e.g. International Labor Organization and Paris Agreement)	From 2021		<ul style="list-style-type: none"> Member of the UN Global Compact since 2021 Compliance with ILO core labor standards, UN Guiding Principles on Business and Human Rights

KPIs for measuring success:

- Percentage of employees trained on the Code of Conduct

Our goal as a sustainability-conscious Group is to harmonize economic, social and ecological aspects. In doing so, we want to create long-term value for our Company, our stakeholders and society as a whole. We see this as our corporate obligation and it is reflected in all our business relationships and working conditions.

Since signing the UN Global Compact 2021, Medios has supported the world's largest corporate alliance of values. We are committed to the principles of the UN Global Compact in the areas of human rights, labor, environment

and anti-corruption. We are committed to reporting regularly on these topics and to continuously developing ourselves through appropriate measures. In this context, we are committed to the core labor standards of the International Labor Organization (ILO) and the UN Guiding Principles on Business and Human Rights. It goes without saying that we adhere to these fundamental values and anchor them in the Medios Group's Code of Conduct as part of our compliance. Medios' commitment to corporate ethics relies on the sense of responsibility of each individual employee and is the responsibility of the Executive Board as a whole.

Responsible procurement

RESPONSIBLE PROCUREMENT

Cluster objective: We want to significantly increase our purchasing volume from audited suppliers.

Goals	Measures	Timing	Progress	Explanation
Ensuring compliance with defined standards in the supply chain	Introduce a Code of Conduct for Suppliers	2023		<ul style="list-style-type: none"> Publication in November 2023
	Development of a supplier assessment/audit with regard to ESG	2024		<ul style="list-style-type: none"> Supplier assessments according to GMP specifications established since 2016 Website for digital signing of the Supplier Code of Conduct in implementation
	Extension of the whistleblower system to suppliers (whistleblowing hotline)	2024		<ul style="list-style-type: none"> In implementation

KPIs for measuring success:

- Proportion of suppliers (A suppliers) who have recognized our Supplier Code of Conduct or have formulated their own comparable Code of Conduct
- Percentage of suppliers audited by Assessment
- Percentage of purchasing volume from verified suppliers

In addition to our own conduct, the conduct of our suppliers is also of great importance. Medios is still not subject to the new Supply Chain Sustainability Act (LkSG), which has affected companies with more than 1,000 employees in Germany since 2024 (previously: 3,000). Nevertheless, we are already taking numerous measures to meet the requirements of responsible procurement. As part of the GMP (Good Manufacturing Practice) and GDP (Good Distribution Practice) guidelines, suppliers are checked for their positive reputation, competence, creditworthiness and reliability for every new contract and at regular intervals for all manufacturing and trading companies. As part of the review, references are obtained from business partners, among other things. In addition, the existence and content of an ESG concept is assessed, the portfolio of pharmaceutical products is reviewed and the supply chain is checked for the likelihood of counterfeiting and availability. In this way, appropriate working and production conditions, compliance with environmental standards and respect for human rights in the supply chain are checked, among other things. This procedure was converted into a formal guideline at Medios in the 2023 reporting year, which applies to the entire Group. The new Code of Conduct for Suppliers can be found on the Medios website. In the coming year, we also plan to launch

a separate website for suppliers where they can accept our General Terms and Conditions and the Code of Conduct for Suppliers online.

We only trade in drugs that are approved in Germany or the EU and are supplied exclusively by pharmaceutical companies with headquarters or branches in Germany and the EU. The latter are already subject to high standards in connection with human and labor rights, which significantly reduces the risk of corresponding violations in the direct supply chain.

We always work with our partners in a cooperative and dialogical manner. This allows us to exert influence to ensure that they also adhere to high standards. We regularly check whether our suppliers are qualified in accordance with the legal requirements and EU guidelines on good distribution practice for medicinal products for human use (GDP guidelines).

We also take into account criteria such as price, quality, area of application and availability and, in some cases, feedback from our customers (e.g. in the case of special packaging requirements for deliveries).

Securing and protecting data

DATA SECURITY AND DATA PROTECTION

Cluster Aim: We want to protect our data and our customers' data in the best possible way.

Goals	Measures	Timing	Progress	Explanation
Ensuring data security and data protection	Expansion of employee training on data security and data protection	Ongoing	○	<ul style="list-style-type: none"> • Data protection training via external data protection officers • Data security training for the first time in 2023
	Introduction of a package of measures to improve data security Data protection	2022	☑	<ul style="list-style-type: none"> • Comprehensive data protection concept published in June 2022 and further IT security guidelines, accessible via the media library of the HR employee platform
	Introduce a central organization for coordination of data protection	2023	☑	<ul style="list-style-type: none"> • Definition of fixed contact persons in subsidiaries and ambassadors in the special departments of Medios AG • Meeting of data protection coordinators once a quarter • Meeting of Medios AG ambassadors every six months

KPIs for measuring success:
 • Percentage of employees who have received data protection training

The field in which the Medios Group operates requires absolute confidentiality. The core of our business activities is the optimal care of people suffering from serious illnesses with drugs and patient-specific therapies. The protection of the personal rights of these people has the highest priority in this context.

We have appointed external data protection officers to ensure the security of the data available to us. They perform their tasks together with the central data protection coordinator at Medios AG. In addition, Medios has appointed two internal data protection coordinators in each subsidiary.

We carry out an audit every two years to ensure our data protection standards. Such an audit was also carried out in the 2023 financial year, during which no reportable data protection violations were identified. This resulted in measures that are communicated to the relevant specialist departments. Various quality assurance measures were taken, including the appointment of a central data protection coordinator and the creation of the data protection concept. We are also currently working on implementing a data protection management system (DSMS) with additional standard operating procedures (SOPs) in relation to data protection emergencies, etc.

New employees at Medios receive binding training on the various aspects of data protection. One of the most important documents here is our data protection agreement in accordance with the GDPR (General Data Protection Regulation). All Medios employees must attend refresher training once a year with one of our external data protection officers. In 2023, 85% of Medios employees received data protection training. Training in the newly acquired companies is not yet comprehensively recorded. The training documents for data protection in the Group as a whole were created in the reporting year and will be rolled out at the start of 2024.

A staff position was created for IT security in 2020. Since then, it has developed into an independent department and in 2023, all NewCo sites and Cranach Pharma GmbH were connected to the Medios Group's shared network. To this end, new firewalls were installed at these sites, which are managed and monitored centrally. This means that all previous Medios Group sites are now part of a single network and network security is subject to joint management.

Various measures have already been implemented in the areas of intrusion prevention and intrusion detection, which were further developed in the reporting period and extended to the newly connected locations. These include the installation of end-point security software, the complete overhaul of the firewalls and the establishment of dedicated network monitoring using SIEM (Security Incident and Event Management) software. Network traffic can be examined for IOCs (Indicator of Compromises), allowing threats to be automatically detected and eliminated.

In addition, a mail security solution was established that regulates both incoming and outgoing e-mail traffic. We are currently working on strengthening security and monitoring for corresponding cloud applications.

In 2023, the information security management system (ISMS) was expanded with a focus on user and authorization management. In addition, the development of authorization role concepts was started, which will continue throughout the reporting period. In addition, the Medios Group has appointed an internal information security officer.

Employee training is also an important aspect of the Medios Group's IT security concept. Special security awareness training courses are held for all employees. The training courses are generally to be expanded with the help of a new company-wide training platform. In addition, internal and external pentests and vulnerability scans are carried out regularly. The results of the external pentests, which are intended to further secure the systems, have not yet revealed any vulnerabilities. Automated phishing tests are currently being planned and will be carried out in the course of 2024.

In order to further increase quality in the IT area, work began in 2023 on developing a Group-wide CSV framework (computer system validation), which is nearing completion. The aim is to standardize individual existing frameworks and replace them in the medium term. This will lead to more effective quality management throughout the Medios Group.

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 provide these patients with optimal care. Our pharmaceutical supply division supplies specialist pharmacies throughout Germany with finished medicinal products, while the Patient-Specific Therapies division supplies pharmacies with patient-specific therapies. Our aim is to provide patients with the best possible, safest and most cost-optimized supply of special medications. In our partner network, we pool the expertise of all those involved and make valuable synergy effects available to everyone.

As a pharmaceutical manufacturer in accordance with Section 13 of the German Medicines Act (AMG), we prepare patient-specific infusion solutions and other parenterals from

approved finished medicinal products in accordance with the strictest GMP guidelines and with many years of experience. Our compounding facilities are constantly optimizing their processes. This enables us to guarantee reliable manufacturing at all times and react flexibly to changes in therapy at short notice.

With our broad-based logistics and distribution system, we ensure that our high-quality products reach pharmacies quickly, safely and reliably. At the same time, we actively monitor market developments in order to keep our product range up to date. In the reporting year, for example, we made progress in the area of digitalization and further developed our **mediosconnect** platform.

The “Products and services” field of action includes two clusters: “Patient health and protection” and “Innovative procedures and processes”.

PATIENT HEALTH AND PROTECTION

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

Goals	Measures	Timing	Progress	Explanation
Ensuring quality	Compliance with Good Manufacturing Practice (GMP guidelines)	Ongoing		• Obligation as a pharmaceutical compounding company
	Compliance with Good Distribution Practice (GDP guidelines)			
	Selection of suppliers according to high quality standards	Ongoing		• According to GMP/GDP regulations
	Regular quality management inspections by the authorities	Ongoing		• According to regulations • 2023: 8 GMP/GDP audits
	Internal auditing			
Further increase customer satisfaction	Regular customer satisfaction survey	Every two years since 2023		• Customer and supplier survey conducted in 2023
Reduce customer complaints and resolve them in the best possible way	Annual evaluation of complaints	2022		• Complaint rate 2023: 0.2%
Training of employees on GMP/GDP and quality management	Regular GMP/GDP training courses	Ongoing		• Obligation as a pharmaceutical compounding company
Expansion of cooperation with local pharmacies	Discussions with suitable pharmacies	Quarterly		• Dec 2023: Network of partner pharmacies increased to ~ 800 (2022: ~ 700)

KPIs for measuring success:
 • Self-inspection (as part of the manufacturer's authorization), PQR (Product Quality Review)
 • Number of internal audits
 • Customer satisfaction survey
 • Number of customer complaints
 • Share of complaints vs. total deliveries

The health and protection of our patients is our top priority. As part of our business activities, we stock drugs that are repeatedly ordered. We respond to inquiries from pharmacies within an hour and – in most cases – deliver overnight. We work in partnership with the pharmacies. To ensure that our drugs are always safe, we operate a strict quality management system and adhere to various guidelines and standards, including the internationally recognized GMP/GDP guidelines.

Our quality assurance starts with the selection of our suppliers and the (video)-documented inspection of our incoming and outgoing goods. Our transparent supply chain and checks on the quality of our raw materials prevent counterfeiting and thus make a significant contribution to the safety of our patients. All raw materials and their batches are fully traceable using QR codes.

Quality assurance in compounding according to GMP also covers all production processes and the production environment. Particularly strict regulatory requirements apply to the aseptic compounding of drugs. These relate to the handling of clean rooms, hygiene and clothing, the qualifications of the manufacturing personnel and the testing of the quality of the compounded products. We also ensure that the processing, packaging and storage of our drugs comply with all national and European regulations. At Medios, clear rules apply to all employees to ensure that they comply with these requirements. With regard to product quality and occupational health and safety, our own hygiene guidelines stipulate, among other things, that personal protective clothing, face masks and gloves must be worn throughout the entire manufacturing process.

Quality assurance also includes a comprehensive deviation and CAPA (Corrective and Preventive Action) system to deal with any errors that occur. As part of the CAPA system, specific measures are defined with the aim of preventing errors and improving processes. This can mean changing standard operating procedures or training and instructing employees. In the reporting year, we carried out this training regularly and incorporated it into our Group-wide system.

Our annual training plan sets out job-related training, general training on topics such as GMP and GDP, industrial hygiene and compliance as well as annual instructions for all employees. They are a prerequisite for employees to be allowed to take up their work and serve to safeguard their qualifications. Employees can find newly implemented or revised processes and the relevant forms in the Medios Group's online training portal.

Customers can make complaints or requests for improvements, which our employees record in deviation logs and send to the responsible persons. Complaints are handled and documented by the "Qualified Person" or the respective stage plan officer in accordance with GMP regulations. As in the previous year, the complaint rate in 2023 was negligible at 0.2%.



The responsible regional authorities regularly check that we comply with all standards and processes. In addition, we carry out annual self-inspections in all areas of the GMP- and GDP-regulated companies in the Medios Group. In doing so, we compare our working methods with the principles of the quality management system, GMP and GDP regulations, occupational health and safety and other legal requirements. This enables us to check that we comply with the regulations and also improve the quality of our internal processes and systems.

As we produce individually tailored medications from finished medicinal products and are not involved in drug research, animal testing can be ruled out at Medios.

Designing innovative procedures and processes

INNOVATIVE PROCEDURES AND PROCESSES

Cluster objective: We want to further improve patient care through digitalization and innovative processes.

Goals	Measures	Timing	Progress	Explanation
Driving digitalization in the Specialty Pharma industry to increase efficiency	Roll-out of mediosconnect	Ongoing		<ul style="list-style-type: none"> • Already in seven federal states, successively more federal states • 2023: Transactions via mediosconnect increased by 22% and 28 medical practices added as users
Improving patient care through digitalization and innovative processes	Introduction of an e-prescription-enabled platform for doctors, health insurance companies, specialized partner pharmacies and patients	2024		<ul style="list-style-type: none"> • E-prescription in 2024 also for special areas such as cytostatics

KPIs for measuring success:

- Number of federal states in which **mediosconnect** is available
- Number of transactions
- Number of new practices

We continuously analyze current trends and developments in the market. On this basis, we develop new products and services as well as process innovations.

The Chief Innovation Officer (CINO), as a member of the Executive Board, bears the main responsibility for all innovation-related topics. New topics are currently being driven forward as part of the IT Board and quarterly IT strategy workshops between the IT Board and the full Executive Board. Responsibility for the development and processing of each topic lies with one of the Board members. The newly created position of Innovation Portfolio Manager, who reports directly to the CINO, is intended to bundle, evaluate and pursue further innovative topics.

The digitalization of the healthcare sector in particular is currently emerging as an ongoing trend. Medios wants to play an active role in shaping this development. That is why we have developed **mediosconnect**, a digital platform for individualized drugs that connects doctors, health insurance companies and specialized partner pharmacies. The platform simplifies ordering and billing processes and thus makes the healthcare system more economical. We have now introduced **mediosconnect** in seven federal states. 28 practices were added as users and orders placed via the platform increased by around 22%. The trading platform is to be rolled out continuously in 2024. The planned introduction of e-prescriptions will also create new opportunities for the Medios Group.

EMPLOYEES

Highly qualified and committed employees are fundamental to our company's success.

The Human Resources department is assigned to the Chief Operating Officer and has Group-wide responsibility. At a disciplinary level, the management teams of the subsidiaries make their own personnel decisions. As part of our HR business partner concept (HR: Human Resources), we support the individual companies of the Medios Group and take their special features into account. We have appointed internal specialists for the expansion of HR systems and processes as well as for the area of recruiting.

All employee data also relates to the reporting date. For this reason, they differ from the employee data in the 2023 Annual Report, which are average values.

Our daily actions are guided by our corporate values and our shared vision. We are convinced that the behavior of our managers is reflected in the behavior of our employees.

	As at December 31, 2023	As at December 31, 2022
Total number of employees (active / without parental leave)	515	531
Thereof full-time employees	333	333
Thereof part-time employees	182	198
Of which with fixed-term employment contract	20	14
Of which with permanent employment contract	495	517
Thereof women	298	317
Thereof men	217	214
Of which under 30 years old	74	84
Of which between 30 and 50 years old	324	332
Of which over 50 years old	117	115
Employees on parental leave	26	13

Calculation basis for the following KPIs. All employee data shown here is based on the reporting date. The other employee data shown in the Annual Report are average values that exclude Executive Board members, managing directors and trainees.

Increase employee satisfaction

EMPLOYEE SATISFACTION

Cluster objective: We want to further increase employee satisfaction with their workplace and employer.

Goals	Measures	Timing	Progress	Explanation
Regular survey of employees	Regular implementation of an employee survey	Ongoing		• Carried out in October 2023
Increase in employee satisfaction	Assurance of mobile work offers	Ongoing		• Formal regulation since 10/2021, previously as part of Corona

KPIs for measuring success:

- Fluctuation rate
- Proportion of the total workforce that works from home at least once a week

To ensure that our employees remain part of the Company for as long as possible, we specifically try to conclude only permanent employment contracts. Although the absolute number of fixed-term employment contracts in the 2023 financial year was slightly higher than in the previous year, the proportion of permanent contracts remains very high at just under 98%. In addition, there must always be objective reasons for a temporary employment contract. These include the employment contracts of Executive Board members, parental leave replacements, trainees, working students and interns. With these measures, Medios is committed to reducing precarious employment relationships, which is why temporary work must be reduced to a minimum. No temporary workers were employed at Medios in 2023. In

addition, we create incentives in the form of employee offers and hold regular discussions. In these meetings, we discuss topics such as personal goals, satisfaction with the working environment and own ideas for the business area.

We reward the performance of our employees and want to compete for qualified specialists. Appropriate remuneration is an important factor in this. Within the Medios Group, it is based on the requirements of the specific position and the employee's performance and is intended to prevent any discrimination based on gender or other criteria. We use the Korn Ferry/Hay job evaluation system to assess salaries and use the annual Korn Ferry remuneration data for the German market as a benchmark. Medios is not organized

in any employers' association and is therefore not bound by collective bargaining agreements. Every employee is free to join a trade union.

The feasibility of flexible or mobile working models depends heavily on both operational requirements and local conditions. Flexitime models and mobile working models have been further developed or introduced in recent years, particularly for employees in administrative areas. A total of 55% of employees make use of flexible and/or mobile working time offers.

In the reporting year, we once again used a company-wide employee survey to determine employee satisfaction, which included a questionnaire on mental health for the first time.

A total of 60% of participating employees stated that they were satisfied with Medios. The diversity in the workplace, the trusting and respectful treatment by superiors and the integrity of cooperation with customers and suppliers were cited as extremely positive. There is room for improvement in the area of reducing bureaucracy as well as time pressure and workload. We take our employees' criticisms and suggestions seriously and take them into account as far as possible in the planning and direction of our corporate activities.

In Germany, employees have the right to establish a works council under the Works Constitution Act. We also regard the fact that Medios employees have not yet made use of this right as a sign of satisfaction.

Working with equal opportunities and promoting diversity

DIVERSITY AND EQUAL OPPORTUNITIES

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

Goals	Measures	Timing	Progress	Explanation
Maintaining a high proportion of women in management positions	Internal succession planning Establishing a mentoring program for women	2023		• 2023: 46% women in management positions
Active promotion of equal opportunities	Introduce action plan for diversity and inclusion	2024		
Ensuring fair pay for women	Conduct annual analyses on gender pay parity	Since 2022		• 2023 implemented

KPIs for measuring success:

- Employees in management positions by gender
- Share of women in the workforce
- Gender pay-parity quota

Diversity and equal opportunities are a matter of course throughout the Medios Group. Our Code of Conduct contains corresponding guidelines. We expect each of our employees to adhere to our corporate values without reservation. We prohibit any discrimination based on skin color, sex or gender, sexual orientation, class, origin, physical or mental condition, ideology or religion.

Should employees nevertheless become aware of cases of discrimination, we encourage them to report them via our whistleblower system, to which all employees have unrestricted access. No suspected cases were reported in the 2023 reporting year either. To ensure that this remains the case, we rolled out Group-wide training on compliance issues and anti-discrimination in 2023. The Code of Conduct was signed by all employees in 2023.

Unadjusted gender pay gap

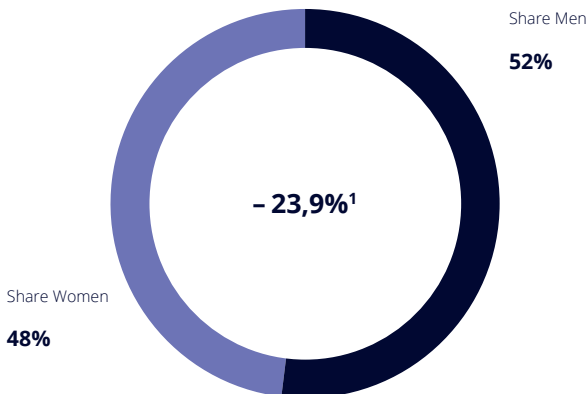
The gender pay gap describes the difference between the average gross salary of women and men. This gap is expressed as a percentage of the average gross hourly earnings of men. On average, women at Medios earned 26% less than men in the 2023 financial year (previous year: 17%). The calculation takes into account the salaries of all employees regardless of salary-determining factors such as level of education, profession, qualifications or work experience. For this reason, the unadjusted gender pay gap is usually higher than the adjusted gender pay gap, in which differences in earnings due to occupation, qualifications, etc. are eliminated. We do not calculate the latter due to a lack of data.

In order to be able to classify the deviation of 26%, we formed quartiles across all salaries. The unadjusted gender pay gap and the distribution of women and men were then determined within the quartiles (see figure).

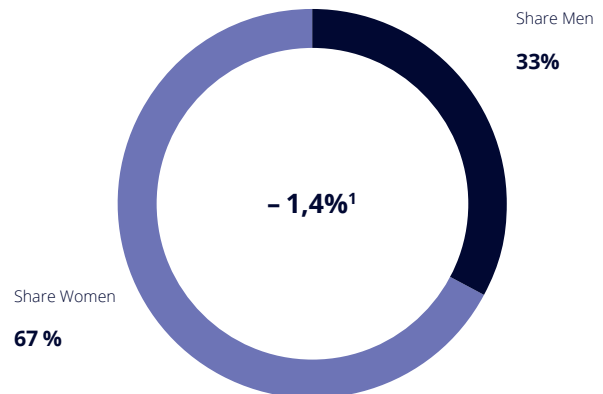
The pay gap is greatest in the upper quartile in particular, which includes the highest salaries including the salaries of the Executive Board. This is mainly due to the salaries of the four Members of the Executive Board and the predominantly male managing directors and site managers of the NewCo Pharma companies, who were included in the 2023 gender pay gap calculation for the first time. Women earn more than men in the lower quartiles.

Gender pay gap within salary quartiles

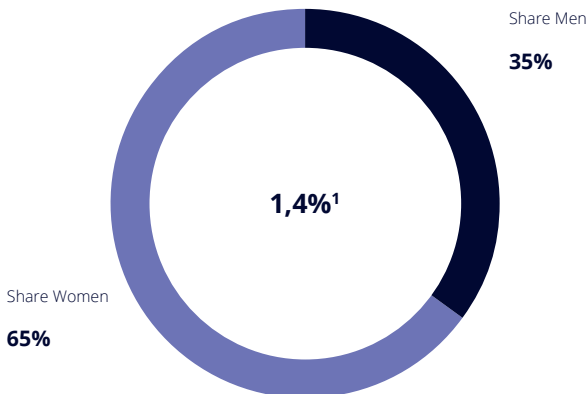
SALARIES: UPPER QUARTILE



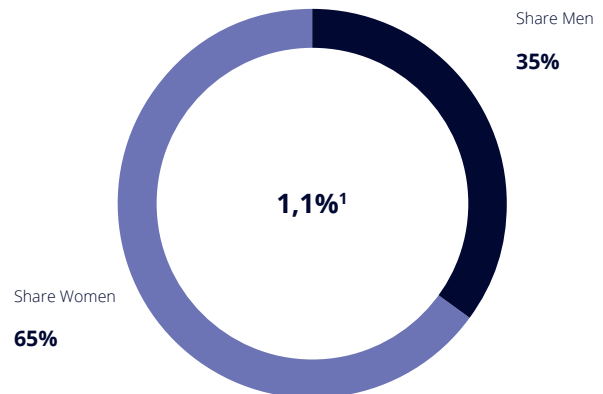
SALARIES: UPPER MIDDLE QUARTILE



SALARIES: LOWER MIDDLE QUARTILE



SALARIES: LOWER QUARTILE



¹ Unadjusted gender pay gap within the quartile.

Promoting Occupational health

OCCUPATIONAL HEALTH

Cluster objective: We want to maintain the health of our employees and achieve zero accidents at work per year.

Goals	Measures	Timing	Progress	Explanation
Effective support for a healthy lifestyle and occupational safety	Offer preventive medical check-ups and vaccinations (company doctor)	End of 2022		<ul style="list-style-type: none"> Preventive medical check-ups by the company doctor take place in all companies Voluntary offer of flu vaccination
	Health management: sports promotion, stress reduction course, workplace glasses subsidy	2023		<ul style="list-style-type: none"> Workplace glasses are already subsidized Sports funding planned for 2024
Complete prevention of work-related accidents	Further development of occupational safety strategies including training	End of 2022		<ul style="list-style-type: none"> Occupational safety training courses are held regularly Further development of site-specific occupational safety strategies in quarterly occupational safety meetings
	Further development of the Health Safety Environment System (HSE management system)	Ongoing		<ul style="list-style-type: none"> Fulfillment of legal HSE compliance regulations, e.g. within the framework of the GMP and GDP guidelines and beyond
Work-life balance at Medios	Offer flexible working time models across the board	Ongoing		<ul style="list-style-type: none"> Available to every employee Home office offer available

KPIs for measuring success:

- Number of employees who have participated in health programs
- Coverage of employees through health management in percent
- Number of work-related accidents
- Coverage of employees by HSE management system in percent
- Number of flexible working time offers taken up in relation to the total workforce

As an employer, we have a duty to maintain and promote the health and safety of our employees. At Medios, there are various sensitive work areas in which our employees could be exposed to hazards. We are aware of this fact and take precautions to prevent impairment and damage. For example, we carry out annual safety briefings and fire drills and train first aiders and fire safety assistants.

The Executive Board has delegated its responsibility for occupational health to the management. Medios identifies and deals with occupational safety issues in occupational safety committees (ASA) and ensures that they are implemented. Each ASA consists of the management or the employer representative, an internal safety officer, an external occupational physician and an external occupational safety specialist and met quarterly in 2023. They reviewed

and revised occupational safety instructions and advised on organizational measures and technical aids. In addition, the ASA carried out the workplace-specific offer and mandatory examinations for all employees, e.g. the annual preventive examinations for employees with VDU workstations at the beginning of 2023.

If accidents at work occur, we document both the number and the type. In the reporting year, there were 20 accidents at work, mainly minor cuts or needlestick injuries. In six cases, injuries with serious consequences occurred, i.e. the employee concerned was on sick leave for at least three days after the accident. This corresponds to a general accident rate of 4.8% per 100 employees (previous year: 6.4%) and a rate of work-related injuries with serious consequences of 1.4% (previous year: 2.2%) per 100 employees.

In order to maintain and promote the health of our employees, we not only pay attention to their physical condition. In 2023, as part of our employee survey, we also recorded variables relating to psychological pressure caused by stress and overwork for the first time. The results of the survey were presented to the relevant Occupational Safety Committee and possible improvement measures were derived. If our employees develop symptoms of mental stress or illness, we work with them to develop individual solutions. We also follow the Hamburg model, which provides for targeted discussion formats and an integration period after long-term illnesses.

Extensive vocational and advanced training

VOCATIONAL AND ADVANCED TRAINING

Cluster objective: We want to further develop all employees as part of an overall concept.

Goals	Measures	Timing	Progress	Explanation
Identifying and developing the potential of our employees through clear concepts	Conduct annual feedback and development meetings with all employees	End of 2021	○	• Available to every employee
Increase in the number of apprenticeships	Fill available training places	2023	☑	• available training places are filled
	Offering new training occupations	2024	☑	• From 2024 IT specialist for system integration
Promotion of junior staff and managers	Management training	Ongoing	☑	
	Establish support and mentoring program	Until 2024	○	• Support and mentoring program established • Annual management seminars
Securing the next generation	Hiring working students	Ongoing	☑	• Working students at Medios
	Attracting dual students	Since 2023	☑	• One dual student at Medios since the beginning of 2023

KPIs for measuring success:
 • Number of training places
 • Number of participants in support and mentoring programs

As a training company, we promote training and further education in our business area in order to meet our current and future demand for qualified specialists. We therefore offer apprenticeships in wholesale and foreign trade management, office management and warehouse logistics. In the 2023 financial year, five trainees were employed at Medios. We are also planning to train IT specialists for system integration from 2024. Since the beginning of 2023, we have also been offering dual students the opportunity to complete their practical phases at Medios. We currently have one dual student specializing in business administration.

In addition, regular training courses were held in the area of pharmaceutical production. For more information, see [Chapter “Promoting Occupational health”](#).

In 2022, Medios introduced new employee and management development offerings based on our management guidelines and competencies, which include management diagnostics and various development measures. In addition, we support our employees in their personal and professional development through various personnel development measures. We use additional tools such as 360-degree

feedback and performance potential assessment for employees. We systematize employee and management development via a training catalog that is also aligned with the management guidelines and includes off-the-job, along-the-job and on-the-job measures.

A total of 1,657 hours of further training were reported, i.e. just under 3.3 hours per employee in the reporting year. As part of the development of a standardized reporting process, it can be assumed that the total number of training hours is significantly higher. Regular mandatory training courses are also held in the area of pharmaceutical production. More information on this can be found at [Chapter "Promoting Occupational health"](#).

ENVIRONMENT

Medios AG's business model has a comparatively low environmental impact. Nevertheless, the sustainable use of the resources we need for our business activities is essential. We feel responsible not only for the efficient use of energy and the reduction of emissions, but also for the reduction and proper disposal of waste.

The acquisitions of the NewCo Pharma Group in 2022 and Blisterzentrum Baden-Württemberg GmbH (bbw) in 2023 have significantly expanded the Medios Group, which also has a significant impact on consumption figures. bbw has already been successfully integrated into the software introduced in the previous year for recording ESG data. Since then, the software has enabled us to collect detailed and structured data across the Group - both in terms of breadth and depth. We have therefore decided to choose 2022 as the base year for reporting energy, emissions and environmental indicators.

In principle, we want to continuously improve our environmental management. To this end, we set ourselves specific targets, for example with regard to the energy efficiency of newly acquired appliances or the improved insulation of cold storage cells.

Managing energy and emissions

ENERGY AND EMISSIONS

Cluster objective: Establishment of effective climate management in line with the United Nations' 1.5°C target.

Goals	Measures	Timing	Progress	Explanation
Systematically record emissions data	Introduction of ESG software and expansion of digital electricity meters	2022		<ul style="list-style-type: none"> Implementation completed in December 2022 Digital electricity meters retrofitted at two locations
	Analysis of relevant Scope 3 emissions (transportation, etc.)	2024		<ul style="list-style-type: none"> Trips with own fleet, business trips, waste already recorded Expansion postponed to 2024
Development of a climate strategy to reduce CO ₂ -e emissions ₂	Formulation of concrete reduction targets in line with the United Nations' 1.5-degree target	2026/2027		<ul style="list-style-type: none"> Participation in the six-month UN Global Compact Climate Accelerator Program Program offers help in formulating science-based reduction targets
	Development of an action plan to achieve the set reduction targets	2026/2027		<ul style="list-style-type: none"> Concrete reduction measures along the entire value chain are still being developed
Reduce CO ₂ -e emissions ₂	Implementation of various energy efficiency measures	Ongoing		<ul style="list-style-type: none"> Conversion to LED at all locations Automated setback operation of ventilation and heating systems, where possible in accordance with GMP
	Determine criterion for energy efficiency in purchasing criteria	Since 2022		<ul style="list-style-type: none"> Criterion for new purchases of hardware, electronic devices and commissioning of data centers
	Gradual switch to 100% green electricity	Evaluation from 2021		<ul style="list-style-type: none"> Green electricity procurement increased to just under 41%
	Offset unavoidable Scope-1- and Scope-2-emissions	Ongoing		<ul style="list-style-type: none"> For 2022
	Mobility allowance for local public transport	Ongoing		<ul style="list-style-type: none"> Already applies to all employees

KPIs for measuring success:

- Energy efficiency ratio
- Emission reduction in relation to the base year
- Tons of CO₂ equivalent per € million in revenue
- Proportion of electricity purchased from green sources
- Scope 2 emissions compared to the base year (e.g. own electricity consumption, heating, cooling)
- Emissions at our own locations
- Share of business with ISO certification
- Compensated emissions

We have implemented the ESG software in line with our previous goal of establishing reliable ESG data management throughout the Group. Based on the available data, we want to manage our environmental performance in a targeted manner and formulate targets that will be incorporated into a climate strategy.

The primary goal of climate management is to avoid and reduce greenhouse gas emissions. We offset the unavoidable Scope 1 and Scope 2 emissions attributable to the 2022 financial year by means of reforestation projects for resilient mixed forests in Germany. When selecting the offsetting provider and the project, we paid attention to transparency, regional projects and certifications, among other things. The reforestation areas are FSC-, Naturland- or PEFC-certified and are maintained by foresters. In addition, these areas may not be cut down and must be reforested in the event of a fire.

We intend to carry out our own materiality analysis of our Scope 3 emissions so that we can then reduce them more effectively. Our logistics service providers and deliveries to pharmacies already represent an important reduction lever. Among other things, we are working on making route planning even more efficient. We have been participating in the UN Global Compact Climate Ambition Accelerator program since October 2023. The six-month program supports Medios in setting science-based, ambitious and realistic climate and environmental targets that are in line with the 1.5-degree target of the Paris Climate Agreement.

In addition, Medios has issued general behavioral guidelines and Standard Operating Procedures (SOPs), which, among other things, specifically define the responsible use of energy and the use of resources such as paper and packaging materials in the sense of the circular economy. The respective management teams of the Medios companies are responsible for compliance with these guidelines. We also rely on the individual sense of responsibility of our employees, who are encouraged to use energy and resources as sparingly as possible in their day-to-day work.

We are also actively reducing energy consumption in the area of facility management. In addition to digital electricity meters, we have already installed thermostat controls on the radiators, LED lights and motion detectors for the lights at numerous locations and installed sun protection film on the windows. Other starting points are the workbenches in the clean rooms and the ventilation systems in the laboratories

of the production facilities. While it is not possible to switch off the ventilation systems completely due to hygiene regulations, they can run at least partially in energy-saving setback mode when not in use. Finally, we cool our products and materials in large refrigerators or cold rooms that are powered by electricity. The cold rooms are also equipped with state-of-the-art equipment and designed to be energy-efficient.

By relocating our company headquarters in 2020 to an energy-efficient, modernized and newly built commercial property, we have sustainably reduced our energy consumption and emissions. The new building meets the latest standards and has been certified by the DGNB (German Sustainable Building Council). We have also purchased energy-saving, state-of-the-art machinery and equipment for the new central warehouse location in Berlin and the laboratories there. While we could operate in a more environmentally friendly manner by purchasing green electricity with stable energy consumption, absolute consumption and emissions have increased due to the addition of new companies.

Medios does not generate the electricity for its own business activities itself. However, how and which energy we procure and use determines the level of emissions for which we are responsible. We generally obtain heat from the landlords of our locations in the form of district heating, natural gas and heating oil. Our energy consumption in the reporting year was as follows:

ENERGY CONSUMPTION MEDIOS GROUP (IN MWH)

	2023 ¹	2022 ¹	2021 ¹
Total electricity consumption	2,963.8	3,482.9	513.4
Thereof electricity purchase	2,963.8	3,392.4	513.4
Of which self-generated electricity	0	0	0
Total heat utilization	2,005.9	2,056.7	1,699.4
Of which heat procurement	2,005.9	2,056.7	1,699.4
Of which self-generated heat	0	0	0
Total cooling utilization	227.1	185.6	-
Of which refrigeration	227.1	185.6	-
Of which self-generated cold	0	0	-
Total energy consumption	5,196.9	5,725.2	2,212.8

¹ Partly based on consumption from the previous year due to a lack of utility bills. Where no data was available, conservative estimates were made on the basis of average consumption per square meter. For 2022, some subsequent adjustments based on more accurate data.

EMISSIONS MEDIOS GROUP (IN T CO₂e)

	2023	2022	2021
Scope 1	105.6	153.0	0
Self-generated electricity	n/a	n/a	n/a
Self-generated heat	n/a	n/a	n/a
Self-generated cooling	n/a	n/a	n/a
Own vehicle fleet/company car	105.7	153.0	n/a
Scope 2	1,141.4	1,952.6	188.5
Market-based electricity procurement	745.4	1,569.8	152.7
Electricity purchase based on location	611.1	604.1	179.7
Heat supply	356.9	351.1	35.7
Cold supply	39.1	31.7	n/a
Scope 3	37,619.5	27,501.8	237.5
Business trips	37,088.1	26,752.5	103.1
Airplane	30,030.8	18,332.1	5.0
Rental car	6,009.6	7,722.0	95.7
Railroad	1,047.8	698.5	2.4
Waste	123.3 ¹	310.4 ¹	18.8
Energy-related emissions	408.0	438.8	115.6
Total emissions	38,866.5	29,607.4	733.4

1 For 2022, some subsequent adjustments based on more accurate data.

The number of business trips increased again in the reporting year after falling significantly due to the COVID-19 pandemic. In the 2023 financial year, we were able to continue the trend towards virtual meetings, which the pandemic has increasingly driven forward. To this end, we further improved and expanded our internal IT infrastructure and digital options in the reporting year and published a new travel policy that explicitly recommends the use of sustainable means of travel.

Company cars are used by sales representatives and managers. In addition, medicines are delivered partly by the company's own fleet of vehicles and partly by logistics service providers. When choosing a company car, sustainable vehicle alternatives such as electric vehicles should be explicitly prioritized.



Since 2021, we have rented parking spaces for electric vehicles in order to expand the charging options during working hours. The more employees take advantage of this offer and do without vehicles with combustion engines, the more positive the impact on the emission load of our employees' commuting. In the 2023 financial year, more than half of the newly registered company cars were leased with electric drives.

We also offer employees a free ticket for local public transport or a company bike to make their commute to work as sustainable and emission-saving as possible.

Strengthening recycling

WASTE AND RECYCLING

Cluster objective: We want to conserve resources and use recycling and reuse wherever possible.

Goals	Measures	Timing	Progress	Explanation
Increase the proportion of recycled or reused waste	Reusability or recyclability of suits etc.	2023		<ul style="list-style-type: none"> • Since 2021: washable protective suits in all companies • Saving on shoe covers by using sterile shoes in the lowest hygiene area of the laboratories
Significantly increase the use of recyclable and reusable packaging	Increase the proportion of reusable and/or recyclable packaging	2023		<ul style="list-style-type: none"> • Conversion of the bubble wrap to 50% recycled material

KPIs for measuring success:

- Waste volumes in tons
- Hazardous waste in tons
- Percentage of recycled or reused waste
- Percentage of recycled or reused packaging

We record all hazardous substances that we work with in a hazardous substances register. This forms the basis for all operating instructions relating to the handling of hazardous substances and their disposal process. We train our employees on these operating instructions at least once a year as part of our occupational safety training. As soon as new hazardous substances are used in the compounding of our products, we update the operating instructions and train our employees again.

Special disposal regulations apply to cytotoxic waste generated during the compounding of drugs. We collect this separately in a cytostatics garbage can and have it professionally disposed of in accordance with the waste code by specialized companies that are certified as specialized disposal companies under the German Closed Substance Cycle Waste Management Act. This enables us to prevent unauthorized access and contamination of the environment. In this way, we prevent negative effects on ecosystems and biodiversity, among other things.

For the disposal of hardware, we work with a non-profit IT company that specializes in extending the life of used IT and mobile devices through professional data destruction, refurbishment and remarketing. In the reporting year, this partnership created a job for a person with a disability and saved 2280 hectoliters of water and over 32 tons of CO₂. These savings were achieved by collecting 178 IT and mobile devices with a total weight of approximately 900 kg. Almost 80% of the devices could be remarketed after data destruction, hardware testing, spare parts procurement, repair, upgrading and cleaning. Valuable raw materials such as gold, silver, copper, palladium and platinum can be recovered from non-reusable devices in the course of recycling processes.

With the exception of masks and gloves, the protective equipment of our employees who work in the cleanroom (laboratory), e.g. overalls and undergarments, is reprocessed in a controlled manner and reused. The aim is to further increase the proportion of recycled and reprocessed waste, particularly with regard to thermal recycling.

We have also systematically expanded the use of sustainable office materials. In 2023, we switched to a digital accounting system, which further reduced our consumption of copy paper. We also switched to 100% recycled copy paper. In 2022, a self-pressing container was set up at the new Gartenhaus site in Berlin, which was used to recycle more than twelve tons of waste paper in the reporting year.

In order to guarantee the quality of our pharmaceutical products, we require special transport containers and continuous cooling for their transportation. Tests on various reusable packaging materials were launched last year and are still ongoing in order to further increase the proportion of recyclable packaging. The majority of transport boxes are already reusable.

The filling material is also reused wherever possible. Only for deliveries in Berlin, saves this around 4,000 cardboard boxes and disposable refrigerated packaging per year. We also collect 60% to 70% of the packaging materials used from our customers and reuse them. A large proportion of the remaining material is used by the pharmacies for shipping.

By working with a specialist transport service provider that offers temperature-controlled deliveries, we can largely dispense with cool packs and thus reduce the corresponding quantities of waste. Where we deliver ourselves, we use reusable cool packs. In 2023, we also began producing nutritional solutions in light-protected infusion bags so that an additional light-protective cover is no longer required. We have achieved further packaging optimization by dispensing of aluminium in the outer packaging of syringes for vitreous body injections.

Water management

The demand for water is increasing worldwide due to population growth, economic development and changing consumption patterns. At Medios, we take special care to keep our water consumption as low as possible. None of our production facilities require water for production. At all locations, 100% of the drinking water used exclusively for sanitary purposes comes from the public supply. Waste water is disposed of at all sites via the public disposal company.

	2023	2022
Total water consumption in m³	3,229.21	4,061.1
Drinking water	3,229.21	4,061.1
Groundwater	0	0
Surface water	0	0
Rainwater	0	0

SOCIAL RESPONSIBILITY

As one of our four corporate values, the topic of responsibility determines our entire corporate culture and therefore our actions. Our responsibility also extends to society as a whole: we want our business activities to make a positive contribution and create sustainable value. The “Social responsibility” field of action includes the two cluster topics “Social commitment” and “Stakeholder dialog” in particular.

Social commitment

SOCIAL COMMITMENT

Cluster objective: We want to support social projects.

Goals	Measures	Timing	Progress	Explanation
Expanding our commitment in our environment even further	Participate in charitable events and organize charitable activities	Ongoing		Among others: <ul style="list-style-type: none"> • Charity sporting events • Teddy consultation for children • Sewing campaign for breast cancer patients

KPIs for measuring success:
 • Number of participations in charitable events

As a responsible Company, we want to be a good neighbor at our locations in the spirit of good corporate citizenship. We are convinced that we create added value for society through our business model and our products. We are also committed to improving people’s access to health by using our experience in the healthcare sector.

For example, numerous employees took part in a charity bike race for the Children’s Cancer Foundation and a charity run for the Oberlin Foundation, or sewed special pillows for women to relieve the pain and tension after breast cancer surgery. The latter were then distributed to breast cancer centers. For the young patients, Medios donated items for the teddy consultation, where children can bring their cuddly toys to be examined and treated. The aim of the campaign is to take away the children’s fear of visiting the doctor.

We also make regular donations to various charitable organizations. The Executive Board decides which projects Medios will support financially. It does so in accordance with our compliance guideline, which stipulates targeted donations for “healthcare purposes”. In 2023, a total of €62,629 was donated to Kontinent Sieben Stiftung gGmbH, ForTomorrow gGmbH and the Oberlin foundation.

Engaging in transparent dialog

STAKEHOLDER DIALOG

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

Goals	Measures	Timing	Progress	Explanation
Considering the interests of stakeholders	Establish stakeholder management	From 2021		• Evaluation of the most relevant stakeholder groups has taken place
	Evaluation of the relevant stakeholder groups			
	Conduct stakeholder survey (dialog format and to validate the key topics)			• Stakeholder survey as part of the preparation of the materiality analysis in accordance with the Corporate Sustainability Reporting Directive (CSRD)
	Expand stakeholder dialog with all relevant stakeholder	Ongoing		Among others: • Annual Specialty Pharma Day • Regular Capital Markets Day

KPIs for measuring success:

- Formulation of specific KPIs depending on projects and topics
- Customer satisfaction survey

In our day-to-day business, we interact with various stakeholders who place different demands on us. In particular, we are in close contact with our suppliers, partner pharmacies and investors via various communication media. In September 2023, we conducted another customer and supplier survey. As a result, our customers and suppliers appreciate the partnership-based cooperation as well as the flexibility and expertise within the key indications offered by Medios: oncology, neurology, gastroenterology, autoimmune diseases, haemophilia and ophthalmology. We are taking on board the suggestions regarding greater transparency of the corporate structure and corresponding contact persons to improve our customer and supplier service. We hold a status meeting with our suppliers at least once a year.

We maintain dialog with our partner pharmacies primarily at networking events and in regular conference calls. In March 2023, the “Medios Specialty Pharma Day” took place in Berlin with 60 participants. This annual event offers pharmacies the opportunity to interact with each other and helps us to better understand the needs of our pharmacy customers.

As a listed company, communication with our investors is very important to us. In addition to the mandatory announcements, we also publish press releases and are always available for personal queries in order to communicate our business development and activities continuously and

transparently. We are also represented at many national and international conferences throughout the year. In addition, we organize Medios site visits or are planning a perception study for 2024, in which we ask various investors and analysts about their perception of Medios. These insights help investors to better understand management decisions and business activities.

In order to keep abreast of the latest professional and political developments, we are members of various interest groups whose networking events we attend. Here is a list of the associations and institutions of which we are a member:

- BVDK e.V. – Federal Association of German Pharmacy Cooperatives
- Federal Association of Compounding Facilities e. V.
- DIRK – German Investor Relations Association
- Berlin Chamber of Industry and Commerce
- UN Global Compact

In the area of political engagement, we fulfill our transparency obligations via the publicly accessible lobby register of the German Bundestag. We do not employ anyone ourselves to represent our interests, but have commissioned external third parties to inform us about current political projects and decisions. This incurs annual expenses of between €10,000 and €20,000. In 2023, we did not receive any grants or subsidies from the public sector or third parties.

Cluster	KPI	Value in 2023	Value in 2022
Compliance	Governance Proportion of employees who have received training on compliance topics	57	97 %
	Proportion of Supervisory Board members who have received training on compliance topics	100	100 %
	Proportion of employees who have received training on the Code of Conduct	100	100 %
	Proportion of Supervisory Board members who have received training on the Code of Conduct	100	100 %
	Proportion of suppliers (A-suppliers) that have recognized the Supplier Code of Conduct or whose Code of Conduct corresponds to the Supplier Code of Conduct	n/a	n/a %
	Proportion of suppliers audited by Assessment	n/a	n/a %
	Proportion of purchasing volume from audited suppliers	n/a	n/a %
	Proportion of employees who have received training on data protection	85	81 %
	Number of suspected compliance cases or violations	0	0 #
	Number of reportable data protection incidents	0	0 #
Products and services	Total number of discrimination incidents	0	0 #
	Number of self-inspections	30	38 #
	Number of internal audits	8	13 #
	Proportion of complaints vs. total deliveries/preparations	0.2	0.3 %
	Number of partner pharmacies	800	700 #
Employees	Number of states where mediosconnect is available	7	5 #
	Proportion of women in leadership position	46	50 %
	Proportion of women in employment	58	53 %
	Gender Pay Parity Quote (unadjusted)	-25.9	-17.0 %
	Number of occupied trainee positions	5	3 Headcount
	Proportion of employees covered by health management program	100	100 %
	Proportion of flexible working-hour models utilized in relation to the total workforce	55	41 %
	Fluctuation rate	23.6	20.2 %
	Proportion of the total workforce (excluding production facilities) working from home at least once per week	47	n/a %
	Rate of work-related accidents (per 100 employees)	4.8	6.4 %
Environment	Rate of work-related deaths	0	0 %
	Rate of work-related injuries with serious consequences	1.4	2.2 %
	Energy efficiency ratio	2.9	3.6 Mwh per million € turnover
	Total energy consumption	5,196.9	5,725.2 Mwh
	Energy from renewable sources	1,745.7	1,218.3 Mwh
	Proportion of green electricity	41.1	39.9 %
	Total emissions Medios Group	38,866.5	29,607.4 tons CO ₂ e
	Total Scope 1 emissions	105.7	153.0 tons CO ₂ e
	Total Scope 2 emissions	1,141.4	1,952.6 tons CO ₂ e
	Total Scope 3 emissions	37,619.5	27,501.8 tons CO ₂ e
Social responsibility	CO ₂ e emissions	21.7	18.4 tons CO ₂ e per million € turnover
	Total waste	213.5	620.5 tons
	Total hazardous waste	41.4	45.8 tons
	Recycled or reused waste	48.0	55.7 %
	Non-hazardous waste	172.1	574.7 tons
	Compensated emissions	1430	n/a tons CO ₂ e
	Total water consumption	3,229.0	4061.7 m ³
	Number of charitable events participated in	4	2

Further qualitative KPIs explained in the text.

EU TAXONOMY

Ecologically sustainable management is one of the key issues of our time. As part of the European Green Deal, the European Union has placed issues such as climate and environmental protection at the center of the political agenda. The EU taxonomy (Regulation (EU) 2020/852 and related delegated acts) is an important building block for channeling continental capital flows into investments that support sustainable development. This is an instrument designed to support investors, project promoters and companies in the transition to a low-carbon, resource-efficient and resilient future.

Background and goals

The EU taxonomy uses a standardized classification system to define which economic activities can be declared as environmentally sustainable and distinguishes between taxonomy eligibility and taxonomy conformity. An economic activity is considered taxonomy-eligible if it can potentially contribute to achieving at least one of the following six environmental goals:

- Climate protection
- Adaptation to climate change
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Prevention and reduction of environmental pollution
- Protection and restoration of biodiversity and ecosystems

However, according to the Taxonomy Regulation, an economic activity is only considered environmentally sustainable and taxonomy-compliant (“aligned”) if the following three conditions are met:

- Making a substantial contribution to one of the six environmental objectives (“substantial contribution”)
- Compliance with the “do no significant harm” (DNSH) criteria, which are intended to prevent significant impairment of one or more other environmental objectives
- Compliance with the minimum safeguards set out in Article 18 of Regulation (EU) 2020/852

Reportable key figures

From next year on, reporting on the EU Taxonomy will become mandatory for Medios. In order to meet the corresponding requirements, we have already determined the taxonomy-eligible and compliant shares of our revenue, capital expenditure (CAPEX) and operating expenditure (OPEX) for the 2023 financial year.

The ratio of taxonomy-eligible or taxonomy-compliant revenue relates two revenue figures to each other: the numerator is the portion of net revenue from goods or services (including intangible goods) associated with taxonomy-eligible or taxonomy-compliant economic activities. The denominator in each case is net revenue, which comprises the total revenue reported in accordance with International Accounting Standard IAS 1.82 (a).

For CAPEX and OPEX, the additions to property, plant and equipment and intangible assets during the financial year before depreciation, amortization and any revaluations are to be considered in each case that

- a) relate to assets or processes associated with taxonomy-compliant economic activities,
- (b) are part of a plan to expand taxonomy-compliant economic activities or to convert taxonomy-compliant economic activities into taxonomy-compliant economic activities; or
- c) relate to the acquisition of production from taxonomy-compliant economic activities and individual measures through which target activities are carried out in a low-carbon manner or greenhouse gas emissions are reduced or relate to individual building refurbishment measures within the meaning of OPEX.

In terms of taxonomy-eligible or taxonomy-compliant investment and operating expenses, we report the proportion of expenses and expenditure incurred in connection with the operation and expansion of our facilities in order to compound taxonomy-eligible or taxonomy-compliant products for the 2023 financial year. All economic activities we have reviewed are assigned to category a) – i.e. assets or processes associated with taxonomy-compliant economic activities.

Methodology

Economic activities that are generally taxonomy-eligible and taxonomy-compliant were determined in four steps:

- As a first step, all activities within the six environmental objectives were checked for consistency with our business activities and their taxonomy capability in a cross-departmental workshop using the descriptions from Delegated Regulation (EU) 2021/2139.
- The amount of sales, CAPEX and OPEX was then determined on the basis of account and investment plans for the activities identified as taxonomy-eligible. The amounts used to calculate the key figures are based on the figures reported in the consolidated financial statements. In principle, all fully consolidated Group companies were included in this analysis. If the respective key figure comprises several economic activities, an appropriate breakdown was made, which was generally based on the direct costs incurred for the economic activity.
- The materiality threshold was set at 5% in accordance with common practice. It can be assumed that economic activities that do not account for more than 5% of revenue, CAPEX or OPEX in total do not have a material impact on reporting and therefore no information deficit arises. Accordingly, only information on material activities is provided below.
- All activities identified as material were subjected to a compliance review. To this end, compliance with the respective technical assessment criteria was determined at the outset by means of queries to the respective Group companies, central functions within the Company and service providers. If it was not possible to check compliance with the technical evaluation criteria due to a lack of data or evidence, no further investigation was carried out and the economic activity was assessed as not compliant with the taxonomy. The results of the review are described in the following sections on revenue, investments and operating expenses.

- As none of the economic activities identified as material could be classified as taxonomy-compliant following a review of the technical assessment standards, a further review of the DNSH and minimum protection criteria was not necessary.

Medios is publishing information on the taxonomy KPIs voluntarily for the first time, which is why comparisons with the previous year are not possible.

PERFORMANCE INDICATORS IN ACCORDANCE WITH THE EU TAXONOMY REGULATION:

In connection with the environmental objectives defined in the EU taxonomy, we were able to identify the following economic activities of Medios as taxonomy-eligible:

Revenue

With the publication of the delegated acts, parts of our revenue¹ are covered by technical evaluation criteria of the taxonomy. This applies in particular to the compounding and blistering of medicinal products with finished medicinal products as part of our core business. Specifically, we have identified the activity “compounding of drugs” from the environmental objective “prevention and control of pollution” as relevant (see category 1.2 Annex III of Delegated Regulation (EU) 2023/2486 of June 27, 2023).

The proportion of taxonomy-compliant sales was calculated as the portion of net sales derived from compounding in the sense of the compounding of drugs (numerator) divided by the net sales of Medios AG (denominator) and corresponds to 12% for the reporting year (see [Table 1](#)). A taxonomy conformity check is not required in the first year of reporting on the environmental objective “Pollution prevention and control” (see Art. 10 para. 6 Delegated Regulation (EU) 2021/2178).

¹ Revenue was calculated in accordance with the taxonomy definition and the applicable accounting principles.

Table 1: revenue

Economic Activities	Year		Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2022 in %	Category enabling activity E	Category transitional activity T
	Code	Turnover	Proportion of Turnover, 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards			
	in thous. EUR	in %	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	J; N	Y; N	Y; N	Y; N	Y; N				
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
		-	-	%	%	%	%	%	%										
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Compounding of drugs	PPC 1.2	219,997	12%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
		219,997	12%	-	-	-	12%	-	-										
A. Turnover of Taxonomy eligible activities (A.1+A.2)																			
		219,997	12%	-	-	-	12%	-	-										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities																			
		1,564,706	88%																
Total																			
		1,784,703	100%																

Codes:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL – Taxonomy eligible activity for the relevant objective

Template according to footnote (c) of Environmental DA Annex V

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	12%
BIO	0%	0%

CAPEX

Capital expenditure (CAPEX)¹ is based on additions to property, plant and equipment and intangible assets during the financial year under review before depreciation and amortization and any revaluations for the financial year in question. They also include additions to property, plant and equipment and intangible assets resulting from business combinations (application of IFRS [IAS 16, 38, 40, 41, IFRS 16] and national accounting policies). Acquired goodwill is not taken into account.

In the area of our CAPEX, we identified both the “compounding of drugs” from the environmental objective “pollution prevention and control” and the “acquisition and ownership of buildings” (see category 7.7 Annex I of Delegated Regulation (EU) 2021/2139 of June 4, 2021) from the environmental objective “climate action” (transition activity) as material taxonomy-eligible economic activities. The latter was specifically considered in connection with the purchase of land, including the buildings on it. **Table 2** shows that a total of 16% of our capital expenditure in the 2023 financial year is classified as taxonomy-eligible.

However, as it was not possible to verify compliance with the technical assessment criteria due to a lack of data or evidence, none of the economic activities identified as material in the CAPEX were classified as taxonomy-compliant.

¹ Capital expenditure was determined in accordance with the taxonomy definition and the applicable accounting policies and is consistent with the amounts in the consolidated financial statements.

Table 2: CAPEX

Economic Activities	Code	Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CAPEX, year 2022 in %	Category enabling activity E	Category transitional activity T		
		CAPEX in thous. EUR	Proportion of CAPEX, 2023 in %	Climate Change Mitigation Y; N; N/EL	Climate Change Adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular Economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate Change Mitigation Y/N	Climate Change Adaptation Y/N	Water Y/N	Pollution Y/N	Circular Economy Y/N	Biodiversity Y/N				Minimum Safeguards Y/N	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	%	%	%	%	%	%											
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which Transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Compounding of drugs		PPC 1.2	499	5%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Acquisition and ownership of buildings		CCM 7.7	1,001	11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,500	16%	11%	-	-	5%	-	-											
A. CAPEX of Taxonomy eligible activities (A.1+A.2)		1,500	16%	11%	-	-	5%	-	-											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CAPEX of Taxonomy-non-eligible activities		7,921	84%																	
Total		9,421	100%																	

Codes:
Y - Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N - No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL - not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL - Taxonomy eligible activity for the relevant objective

Template according to footnote (c) of Environmental DA Annex V

	Proportion of CAPEX Total CAPEX	
	Taxonomy-eligible per objective	Taxonomy-eligible per objective
CCM	0%	11%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	5%
BIO	0%	0%

OPEX

The basis for operating expenses (OPEX¹) is the direct, non-capitalized costs for research and development, building renovation measures, short-term leases, maintenance and repair as well as for all other direct expenses for the ongoing maintenance of property, plant and equipment by the Company or third parties that are necessary to ensure the continued and effective functioning of these assets.

We were also able to identify a taxonomy-compliant economic activity at Medios in connection with our OPEX. In the area of our core business, namely the “compounding of drugs”, operating expenses amounted to €879 thousand in the 2023 financial year. This means that taxonomy-eligible OPEX accounts for 30% of our total operating expenses (**Table 3**).

Compliance with the technical assessment criteria could not be finally verified in connection with the OPEX either, which is why taxonomy conformity also cannot be reported.

¹ Operating expenses were determined in accordance with the taxonomy definition and therefore differ from the amounts in the annual financial statements.

Table 3: OPEX

Economic Activities	Year		Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OPEX, year 2022 in %	Category enabling activity E	Category transitional activity T
	Code	OPEX	Proportion of OPEX, 2023 in %	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards			
	in thous. EUR			Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N			
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
		-	-	%	%	%	%	%	%										
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Compounding of drugs	PPC 1.2	879	30%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
		879	30%	-	-	-	30%	-	-										
A. OPEX of Taxonomy eligible activities (A.1+A.2)																			
		879	30%	-	-	-	30%	-	-										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities																			
		2,028	70%																
Total																			
		2,907	100%																

Codes:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL – Taxonomy eligible activity for the relevant objective

Template according to footnote (c) of Environmental DA Annex V

	Proportion of OPEX/Total OPEX	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	30%
BIO	0%	0%

ABOUT THE REPORT

This non-financial statement voluntarily covers the requirements of Sections 289b to 289e HGB in conjunction with Sections 315b and 315c HGB resulting from the CSR-RUG and contains the information required by law with regard to the following aspects within the meaning of Section 289c Para. 2 HGB:

- Environmental issues,
- Employee interests,
- Social issues,
- Respect for human rights and
- Combating corruption and bribery.

We have identified our material non-financial topics in the course of a materiality analysis and disclose in this report which concepts we pursue in this regard – for each aspect mentioned above within the meaning of Section 289c Para. of the German Commercial Code (HGB).

This report was prepared in accordance with the GRI Standards. It also serves as a progress report on the ten principles of the UN Global Compact.

In accordance with Section 289c Para. 3 Nos. 3 and 4 HGB, the legislator requires reporting on material non-financial risks. In a net assessment of the risks as part of our risk management and in accordance with the requirements of the CSR-RUG, we have not identified any risks that are very likely to have or are likely to have a serious negative impact on one or more of the above-mentioned aspects. Further information can be found in the **Risk Report** of the Management Report.

As part of the strategy development process, non-financial performance indicators were defined in accordance with Section 289c Para. 3 No. 5 of the German Commercial Code (HGB), which are listed in the chapters on the material topics. When referring to employees, customers or other groups of people, the masculine, feminine or neutral form is used in this non-financial report. This is done solely to improve readability. Of course, all information refers to all genders.

GRI-Index

Standard	Disclosures	Page	Comment	UN-Global-Compact-Principles
General Disclosures				
GRI 2	General Disclosures 2021			
Organizational profile				
2-1	Organizational profile	12, 112	Headquarter: Berlin, Germany	
2-2	Entities that are considered in the organization's sustainability reporting	112		
2-3	Reporting period, reporting frequency and contact	27, 63, 194	Reporting period: January 1, 2023 to December 31, 2023. Deviations from this period are noted in the respective sections. Reporting cycle: yearly	
2-4	Correction or restatement of information		All relevant changes are outlined in the relevant places.	
2-5	External assurance		No external assurance was conducted.	
Activities and employees				
2-6	Activities, value chain and other business relationships	27, 40, 112		
2-7	Employees	17 f, 42 f, 121, 154		6
2-8	Employees without direct employment		not relevant	
Corporate Governance				
2-9	Management structure and composition	13 ff, 21 ff, 33		10
2-10	Nomination and selection procedure of the highest supervisory body	72 ff		
2-11	Chairman of the highest supervisory body	21 ff		
2-12	Role of the highest governance body in overseeing the management of impacts	33		
2-13	Delegation of responsibility for the management of impacts	72 ff	Further information is presented separately in the relevant management approaches.	
2-14	Role of the highest governance body in sustainability reporting	33, 72 ff		
2-15	Conflicts of interest	25, 35, 71		
2-16	Communication of critical concerns	71		
2-17	Collective expertise of the highest control body	75		
2-18	Performance evaluation of the highest governance body	76		
2-19	Remuneration policy	82 ff		
2-20	Procedure for determining the remuneration	82 ff		
2-21	Ratio of total annual remuneration	82 ff		

Standard	Disclosures	Page	Comment	UN-Global-Compact-Principles
Strategy, policies and practices				
2-22	Declaration of application for the sustainable development strategy	29 f, 70		
2-23	Declaration of commitment to principles and courses of action	13 ff, 33, 34 ff, 69 ff		1 – 7, 10
2-24	Inclusion of political commitments	69 ff		
2-25	Procedure for the elimination of negative effects	29 ff		1 – 7, 10
2-26	Procedures for obtaining advice and reporting concerns	13 ff, 34, 69 ff		
2-27	Compliance with laws and regulations	13 ff, 26, 34, 69 ff		
2-28	Membership of associations	54		
Stakeholder engagement				
2-29	Stakeholder engagement approach	54		
Disclosure on material topics				
3-1	Procedure for determining the content of the report and the delimitation of topics	29 f		
3-1	List of material topics	30 f		
3-1	Management of material topics	29 f		
GRI 205 Anti-corruption 2016				
GRI 3-3	Management of material topics	34 f		10
205-1	Operating sites audited for corruption risks	34 f		10
205-2	Communication and training on anti-corruption policies and procedures	35		10
205-3	Confirmed incidents of corruption and measures taken	35 f		10
GRI 206 Anti-competitive behaviour 2016				
GRI 3-3	Management of material topics	34 f		10
206-1	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	35		10
GRI 302 Energy 2016				
GRI 3-3	Management of material topics	48 f		7 – 9
302-1	Energy consumption within the organization	49		7 – 8
302-3	Energy intensity	55		8
302-4	Reduction of energy consumption	48 ff		7 – 9
302-5	Reduction of energy requirements for products and services	48 ff		7 – 9

Standard	Disclosures	Page	Comment	UN-Global-Compact-Principles
GRI 305 Emissions 2016				
GRI 3-3	Management of material topics	48 ff		7 – 9
305-1	Direct GHG emissions (Scope 1)	50		7 – 8
305-2	Indirect energy-related GHG emissions (Scope 2)	50		7 – 8
305-3	Other indirect GHG emissions (Scope 3)	50		7 – 8
305-4	GHG emissions intensity	55		
305-5	Reduction of GHG emissions	48 ff		7 – 9
GRI 306 Waste 2020				
GRI 3-3	Management of material topics	47, 51 f		7 – 9
306-1	Waste generated and significant waste-related impacts	55		7 – 9
306-2	Management of significant waste-related impacts	51 f		7 – 9
306-3	Waste generated	55		7 – 9
GRI 401 Employment 2016				
GRI 3-3	Management of material topics	42 ff		6
401-1	Newly hired employees and employee turnover	42, 55		6
401-2	Operational services	42 ff		6
401-3	Parental leave	42		6
GRI 403 Occupational health and safety 2018				
GRI 3-3	Management of material topics	42 ff, 45 f		
403-1	Management system for occupational safety and health protection	45 f		
403-2	Risk identification, risk assessment, and incident investigation	45 f		
403-3	Occupational health services	45		
403-4	Employee participation, consultation and communication on occupational safety and health protection	45		
403-6	Promoting employee health	45 f		
403-7	Avoidance and minimization of occupational health and safety impacts directly related to business relationships	37		
403-8	Employees covered by an occupational health and safety management system	55		
403-9	Work related injuries	45, 55		
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Corporate Governance

- 68** Corporate Governance Statement pursuant to Secs. 289f and 315d of the German Commercial Code (“HGB”) of Medios AG, Berlin (unaudited part of the Group Management Report)
- 77** Explanatory report pursuant to Secs. 289a and 315a of the German Commercial Code (“HGB”) (audited part of the Group Management Report)
- 82** Remuneration Report

Corporate Governance Statement pursuant to Secs. 289f and 315d of the German Commercial Code (“HGB”) of Medios AG, Berlin (unaudited part of the Group Management Report)¹

In accordance with Secs. 289 f Para. 1 Sentence 2 and 315d HGB and Principle 23 of the German Corporate Governance Code (“Deutscher Corporate Governance Kodex; DCGK”), the Executive Board and Supervisory Board report in this section in combined form for Medios AG and the Group on the Corporate Governance of the company in the reporting period. The Executive Board and Supervisory Board issue the Corporate Governance Statement jointly and are each responsible for the parts of the report that relate to them. Further information on Corporate Governance – including the rules of procedure for the Supervisory Board and its committees and the Corporate Governance statements for previous financial years – is available on the company website at <https://medios.ag/en/investor-relations/corporate-governance>.

DECLARATION OF COMPLIANCE

The Executive Board and Supervisory Board of Medios AG (“company”) declare in accordance with Sec. 161 of the German Stock Corporation Act (“AktG”) on the recommendations of the DCGK:

“Since the last declaration of compliance issued in March 2023, Medios AG has complied and will continue to comply with all recommendations of the Government Commission on the German Corporate Governance Code (‘Regierungskommission Deutscher Corporate Governance Kodex’) in the version dated April 28, 2022 (‘DCGK 2022’) published by the Federal Ministry of Justice and Consumer Protection in the official Sec. of the Federal Gazette on June 27, 2022, with the following exceptions:

Recommendation B.5 of the Code: An age limit should be set for members of the Executive Board and stated in the declaration on Corporate Governance.

The Executive Board and Supervisory Board are of the opinion that a general age limit for members of the Executive Board and Supervisory Board is not an appropriate criterion for the search for or exclusion of members of these bodies. Rather, the selection criteria are the necessary knowledge, skills and professional experience. Any further explanation and information in the declaration on Corporate Governance is therefore unnecessary.

Recommendation C.1 of the Code: The Supervisory Board should specify concrete objectives regarding its composition and develop a profile of skills and expertise for the entire board. In doing so, the Supervisory Board should pay attention to diversity. The competence profile of the Supervisory Board should also include expertise on sustainability issues of importance to the company. Proposals by the Supervisory Board to the Annual General Meeting should take these objectives into account and at the same time strive to fill out the skills profile for the entire board. The status of implementation should be disclosed in the form of a skills matrix in the declaration on Corporate Governance. This should also provide information on what the shareholder representatives consider to be an appropriate number of independent shareholder representatives on the Supervisory Board and the names of these members.

¹ In accordance with Sec. 317 Para. 2 sentence 6 HGB, the audit of the disclosures by the auditor pursuant to Secs. 289 f. Para. 2 and 5 and 315d HGB is limited to whether the disclosures have been made.

Recommendation C.2 of the Code: An age limit should be set for Supervisory Board members and stated in the Corporate Governance declaration.

In order to ensure that it performs its statutory duties in accordance with its obligations, the Supervisory Board will continue to be guided in its election proposals primarily by the knowledge, skills and experience of the candidates under consideration. The Supervisory Board has published a general skills profile and a skills matrix in the declaration on Corporate Governance. Beyond this, the company is of the opinion that reaching an age limit in particular does not allow any conclusions to be drawn about the competence of a Supervisory Board member. While the Supervisory Board pays attention to diversity, the board does not consider it necessary or appropriate to set specific targets or quotas in advance that go beyond the legally required target quota for women on the Supervisory Board in accordance with Sec. 111 Para. 5 AktG, as this would generally restrict the selection of suitable candidates with a Supervisory Board consisting of only four members. Accordingly, the declaration on Corporate Governance does not include any reporting on objectives in this regard. The proportion of women on the Supervisory Board currently stands at 25%, in line with the target quota for women (Sec. 111 Para. 5 AktG).

Berlin, March 26, 2024

Medios AG
Executive and Supervisory Boards

SUGGESTIONS OF THE CODE

Medios AG also voluntarily complies with the suggestions of the Code, without deviation.

KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

Consistent compliance with legal, social and ecological rules and standards as well as ethical principles is the basis of the Medios Group's corporate culture. Internal business ethics principles guide decision-making processes and all actions at all levels of the company.

UN Global Compact – The Medios Group has joined the Corporate Responsibility Initiative of the UN Global Compact and is committed to its principles in the areas of human rights, labor, environment and anti-corruption.

Internal rules and regulations

The management and control bodies of Medios AG are committed to the principles of good and responsible Corporate Governance, which have been incorporated into an internal set of rules as part of the group-wide management and monitoring structures. These codes, guidelines and procedures contain the basic principles, rules and rules of conduct for behavior within the Medios Group and in relation to external partners and the public. In order to ensure compliance with legal, social and environmental rules and standards throughout the company, Medios employees receive regular training on all important compliance issues. Beyond compliance with legal regulations and our own standards, entrepreneurship in the Medios Group is characterized by the guideline "Partnership Intelligence". This mission statement bundles the values of Medios AG; further information on this can be found on the company website <https://medios.ag/en/careers/leadership-principles>. In addition, there is a code of conduct for suppliers, who are also expected to comply with the applicable laws, regulations, industry guidelines, contractual conditions and respect human rights as well as high sustainability standards.

Sustainability

The voluntary sustainability report with the **“Nonfinancial Consolidated Statement”** integrated in the 2023 Annual Report in accordance with CSR-RUG contains information on the topic of sustainability. Medios reports on sustainability issues in this statement. The aim is to generate sustainable economic value by integrating good Corporate Governance, social responsibility and environmental commitment into the Medios Group's core business. The Medios Group defines sustainability as all aspects of sustainable business (“Corporate Social Responsibility”), including occupational safety, employee satisfaction, energy efficiency and minimum standards in the supply chain. Reliability towards all stakeholders is at the heart of Medios AG's corporate philosophy. The very purpose of the company is to promote the well-being of people by providing a high-quality and comprehensive pharmaceutical supply. In the operational business, energy and resources such as water and natural raw materials are used as sparingly as possible. Processes to conserve resources are optimized whenever and wherever there is potential to do so.

Further corporate values

Other values include treating customers, suppliers and employees with respect, actively avoiding conflicts of interest, preventing and actively punishing corruption, handling information and personal data with care, observing the duty of confidentiality with regard to company and business data and zero tolerance of discrimination of any kind.

Multiple-eyes principle

Medios particularly promotes the personal responsibility of employees and at the same time relies on the principle of dual control. As part of their personal responsibility, employees should critically examine whether it is appropriate to involve other employees in risky decisions. This mix of competencies reduces the risk of wrong decisions as well as opportunities for abuse to a minimum. In addition, it is internally stipulated for numerous constellations that decisions of significant legal, economic or factual importance are made by at least two people.

Risk Management System

The responsible handling of business risks is one of the principles of good Corporate Governance. The Executive Board regularly informs the Supervisory Board about existing risks and their development. There is an appropriate risk management and risk controlling system in the company; details on risk management at Medios AG are presented in the Annual Report (Management Report) under **“Risk, opportunities and forecast report”** and **“Risk reporting on the use of financial instruments”**.

Compliance Management System

The entire Compliance Management System (CMS) is continuously reviewed for the need to adapt to current legal and social developments and is improved and developed accordingly. Violations of applicable law and internal guidelines are sanctioned appropriately. If necessary, appropriate corrective and preventive measures are taken to avoid similar incidents in the future. Key components of the CMS are described below.

- **External group compliance officer** – The external compliance officer, who is responsible for the CMS, reports to the CEO of Medios AG.
- **Compliance regulations** – In addition to the codes of conduct for employees and suppliers (see above), there are guidelines (anti-corruption, anti-discrimination, conflicts of interest, antitrust law, etc.) that clearly define the risks and how to deal with them, as well as procedures that bring the guidelines to life, if necessary, through rules for action.
- **Training** – Training is part of Medios compliance. Special compliance software makes it possible to deliver all guidelines to employees in a qualified manner and link them to training courses.
- **Compliance risk analyses** – The external compliance officer carries out regular risk analyses for the purpose of recording and evaluating risks and defining strategies and measures through to the ongoing review of the risk landscape.

- **Whistleblower system** – In order to comply with laws and ethical standards, employees and external persons have the opportunity to report any concerns regarding any kind of illegal behavior in the company or behavior that violates internationally recognized conventions via an EU law-compliant whistleblower system.
- **Conflicts of interest** – The members of the Executive Board and Supervisory Board are 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. Consultancy and other service and work contracts 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 handled. No conflicts of interest arose among members of the Executive Board or Supervisory Board in the reporting year.
- **Ban on insider trading** – Medios AG maintains a system for compliance with the prohibition of insider trading (“Article 14 Market Abuse Regulation – MAR”) and keeps insider lists in accordance with Article 18 MAR. The persons concerned are each informed of the legal obligations and sanctions. All employees have been and are informed about the rules for complying with insider trading laws and avoiding conflicts of interest. In addition, there is a communications and ad hoc committee that examines the ad hoc and insider relevance of information and ensures that it is handled in accordance with the law.
- **Share transactions by Board members** – Members of the Executive Board and Supervisory Board are legally obliged under Article 19 MAR to disclose their own transactions in shares or debt instruments of Medios AG or related derivatives or other related financial instruments if the total amount of transactions carried out by the member or related parties within a calendar year reaches or exceeds the sum of €20,000. The transactions reported to Medios AG in the past financial year were duly published and are available on the company’s website at <https://medios.ag/en/investor-relations/corporate-governance/managers-transactions>.
- **Transparency** – As part of its Investor Relations work, Medios informs capital market participants and interested members of the public on a quarterly basis about the company’s economic situation, business performance, financial position and results of operations as well as new information in accordance with legal requirements. The Investor Relations website also provides information in accordance with the German Securities Trading Act (“WpHG”) and the Market Abuse Regulation (MAR), analyst presentations, press releases and the annual financial calendar. The Annual Financial Report and the individual financial statements in accordance with the German Commercial Code (“HGB”), the half-year financial report and the quarterly statements are published within the specified deadlines and announced to the public in advance by means of a notice. Voting rights notifications relating to Medios AG are also mentioned in the “Corporate Governance” section of the 2023 Annual Report and are published immediately in accordance with the statutory requirements. In addition to the statutory disclosure requirements, information is provided for shareholders on the company’s website (www.medios.ag/en/).

Executive Board and Supervisory Board

The three main bodies of a stock corporation under German law are the Executive Board, the Supervisory Board and the Annual General Meeting, as described in more detail below.

- **Executive Board** – The Executive Board manages the company under its own responsibility and, as such, is bound to the interests of the company and committed to increasing the sustainable value of the company. The members of the Executive Board are jointly responsible for the overall management of the company and decide on fundamental issues of business policy and corporate strategy, including the sustainability strategy, as well as annual and multi-year planning; however, each individual member of the Executive Board is responsible for the Executive Board department assigned to them in accordance with the rules of procedure and schedule of responsibilities. As at December 31, 2023, the company's Executive Board consisted of four members. The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about all relevant issues relating to business development, planning, financing, strategy and the business situation. Further information on the composition and allocation of responsibilities of the executive bodies can be found in the notes to the 2023 Annual Report under item 38.
- **Supervisory Board** – The Supervisory Board consists of four members who are elected by the Annual General Meeting. The Chairman of the Supervisory Board is elected by the members. The Supervisory Board appoints the members of the Executive Board. It monitors and advises the Executive Board on the management of the company. Significant decisions by the Executive Board require the approval of the Supervisory Board. The Supervisory Board consults regularly. The Supervisory Board also reports on the scope of its work in its report to the Annual General Meeting. The Supervisory Board's other core tasks include reviewing and approving the annual and consolidated financial statements, including the (Group) Management Report, reviewing the proposal for the appropriation of retained earnings, submitting proposals for resolutions on all agenda items (Annual General Meeting) and reviewing the "Nonfinancial Consolidated Statement" (so-called CSR-RUG statement).
- **Committees** – The Supervisory Board has formed two so-called non-resolving committees (Audit Committee and Remuneration and Nomination Committee). Due to the size of the company, no resolving committees were formed; both committees can only make recommendations. The Supervisory Board has not set up a separate Sustainability Committee, as the Supervisory Board classifies sustainability as a focus or cross-cutting topic of its work and this topic is therefore discussed regularly and in detail at the plenary meetings of the Supervisory Board.
- **Audit Committee** – Dr. Anke Nestler and Klaus J. Buß have been appointed as members of the Audit Committee, which is chaired by Dr. Nestler. The Audit Committee deals in particular with the audit of the accounting, the monitoring of the accounting process, the effectiveness of the Internal Control System, the Risk Management System and the Internal Audit System as well as the audit of the financial statements and compliance.
- **Remuneration and Nomination Committee** – Dr. Yann Samson and Joachim Messner have been appointed as members of the Remuneration and Nomination Committee; Dr. Samson is Chairman of the Committee. The Remuneration and Nomination Committee nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members. It also submits proposals to the Supervisory Board for resolutions on determining the remuneration of individual members of the Executive Board, the remuneration system including the requirements of Sec. 87 Para. 2 AktG and its regular review. The Remuneration and Nomination Committee also prepares the Supervisory Board's personnel decisions; in particular, it makes proposals for the appointment and termination of the appointment of members of the Executive Board.

- **Dual management system** – The working methods of the Executive Board and Supervisory Board of Medios AG are characterized by the German dual management system. The Executive Board manages the company under its own responsibility. The Supervisory Board appoints, monitors and advises the Executive Board. If decisions of fundamental importance to the company are pending, the Supervisory Board is directly involved. Another (third) body of the company is the Annual General Meeting, which brings together the shareholders (i.e. the owners of the company).

Membership of statutory Supervisory Boards and comparable domestic or foreign governing bodies of commercial enterprises

The members of the Executive Board are currently no members of any such Supervisory Board or controlling body. The following information are to be provided for the Supervisory Board.

- **Dr. Yann Samson** – Chairman of the Supervisory Board of Medios AG, Berlin; Deputy Chairman of the Supervisory Board of Avemio AG, Düsseldorf
- **Dr. Anke Nestler** – Deputy Chairwoman of the Supervisory Board of Medios AG, Berlin; Deputy Chairwoman of the Supervisory Board of GK Software SE, Schöneck/Vogt
- **Klaus J. Buß** – Member of the Supervisory Board of Medios AG, Berlin; Member of the Supervisory Board of TU Berlin Science Marketing GmbH, Berlin
- **Joachim Messner** – Member of the Supervisory Board of Medios AG, Berlin

There are no other memberships to be disclosed in accordance with Sec. 285 No. 10 HGB.

Working methods/cooperation between the Executive Board and Supervisory Board

At Medios AG, the Executive Board and Supervisory Board work closely together for the benefit of the company. To this end, the Executive Board coordinates the strategic direction of the company with the Supervisory Board and discusses the status of strategy implementation with it at regular intervals. The Supervisory Board has stipulated reservations of approval in the Executive Board's rules of procedure for more precisely defined transactions of material importance. The Chairman of the Supervisory Board also maintains regular contact with the Executive Board, in particular with the Chairman of the Executive Board, between Supervisory Board meetings and discusses issues relating to the company's strategy, planning, business development, risk situation, risk management and compliance. The Chairman of the Supervisory Board is informed immediately by the Chairman of the Executive Board about important events that are of key significance for the assessment of the situation and development as well as for the management of the company.

Remuneration report/remuneration system

The publication of the remuneration report and the auditor's report pursuant to Sec. 162 AktG, the remuneration system for the members of the Executive Board pursuant to Sec. 87a Para. 1 and 2 Sentence 1 AktG and the resolution of the Annual General Meeting pursuant to Sec. 113 Para. 3 AktG on the remuneration of the members of the Supervisory Board can be found at <https://medios.ag/en/investor-relations/corporate-governance>. The remuneration report pursuant to Sec. 162 AktG for the 2023 financial year is also printed in the chapter of the same name in this Annual Report.

Diversity concept for the composition of the Executive Board

At its meeting on June 27, 2017, the Supervisory Board appointed Ms. Mi-Young Miehler to the Executive Board and appointed her as Chief Operating Officer (COO). At the same meeting, it was decided that there should always be at least one woman on the Executive Board in future. This target has been consistently met since then.

Long-term succession planning for the Executive Board

The Supervisory Board strives for continuity in the Executive Board and is in close contact with the Executive Board as part of personnel and succession planning. There is traditionally a list of internal solutions for necessary new appointments to the Executive Board, which is updated on an ongoing basis; external candidates are also discussed at the same time. Succession planning for managers below Executive Board level is the responsibility of the Executive Board. There is a close exchange on personnel matters, including emergency, medium-term and long-term scenarios. A requirements profile has been drawn up for internal and external candidates based on various criteria:

- Personal suitability
- Integrity
- Convincing leadership qualities
- Professional qualifications for the respective department
- Previous achievements
- Knowledge of the company

Independence, skills profile, diversity concept, age limit and length of membership for the Supervisory Board

The Supervisory Board aims to have at least two members who are independent. The Supervisory Board considers all of its current members to be independent within the meaning of the German Corporate Governance Code. Specific targets for the composition of the Supervisory Board have not yet been defined, but there is a general profile of skills and expertise. This is because the Supervisory Board is of the opinion that the proper performance of its statutory duties can only be guaranteed if election proposals are primarily based on the knowledge, skills and experience of the candidates under consideration. However, the Supervisory Board has set the proportion of women at 25%, currently corresponding to one woman. The company is also of the opinion that neither a standard period of membership nor reaching an age limit allow conclusions to be drawn about the competence of a Supervisory Board member. The length of service on the Supervisory Board is disclosed for each member on the company's website at <https://medios.ag/en/investor-relations/corporate-governance>.

The skills profile of the Supervisory Board of Medios AG stipulates that the members as a whole are familiar with the sector in which the company operates and that at least one member of the Supervisory Board has the following knowledge, skills and professional experience so that the Supervisory Board as a whole covers all the necessary areas of expertise:

- Industry, management and committee expertise
- HR expertise
- Regulatory expertise
- Accounting expertise
- Expertise on sustainability matters

Implementation of the objectives for the composition of the Supervisory Board, including the skills profile and diversity concept, in the past financial year

In the opinion of the Supervisory Board, its current composition meets the composition targets and fulfills the competence profile and diversity concept. The members of the Supervisory Board as a whole are familiar with the sector in which the company operates. All four members have expertise in the field of accounting; Dr. Nestler, Dr. Samson and Mr. Buß have expertise in the field of auditing. Dr. Nestler is also Chairwoman of the Audit Committee. Dr. Samson has particular expertise on sustainability matters, is the Supervisory Board's ESG Officer and therefore also a member of the Sustainability Committee. More detailed information on the members of the Supervisory Board and their CVs are published on the company's website at <https://medios.ag/en/investor-relations/corporate-governance/supervisory-board> and updated annually. The status of implementation of the skills profile is disclosed below together with other qualifications in the form of a skills matrix.

Qualification matrix Supervisory Board Medios AG

	Dr. Yann Samson	Dr. Anke Nestler	Joachim Messner	Klaus J. Buß
Duration of affiliation				
Member since	Termination AGM ¹ 2015	Termination AGM ¹ 2021	Termination AGM ¹ 2016	Termination AGM ¹ 2016
Personal suitability				
Independence ²	#	#	#	#
No overboarding ²	#	#	#	#
Diversity				
Date of birth	1973	1969	1961	1962
Gender	male	female	male	male
International experience				
Nationality	German	German	German	German
Europe	#	#	#	#
America	#	#		
Professional suitability				
Leader experience	#	#	#	#
Technology	#			#
Sustainability	#	#		
Purchasing/Sales	#		#	#
Production/R & D				#
Finance		#		#
Financial expert ³	#	#		#
Risk Management	#	o		
Law/Compliance	#	o	#	o
Personal	#	o	#	#
Business field/Sector familiarity	#	o	#	o

1 AMG: Annual General Meeting

2 within the meaning of the German Corporate Governance Code (DCKG);

3 within the meaning of Sec. 100 (5) AktG and Recommendation D.3 DCKG

Core competence

o Secondary competence

Note: The classification of competencies is based on a self-assessment and is derived, among other things, from existing qualifications, the knowledge and experience acquired in the course of work as a Supervisory Board member or the training measures regularly attended by all Supervisory Board members. Competence is defined as the ability to at least understand the relevant issues and make informed decisions.

Self-assessment of the Supervisory Board

At the end of 2022, the Supervisory Board decided to have a “major self-assessment” carried out by external consultants every two years in accordance with the transparency recommendations of the DCGK. In addition, the Supervisory Board itself regularly reviews during the year how effectively the Supervisory Board as a whole and its committees fulfill their duties. In the reporting period, the second major self-assessment was carried out as scheduled, the results and recommendations of which were discussed by the Supervisory Board in the first quarter of 2024. As part of the self-evaluation, the Supervisory Board was asked around 100 questions, which were evaluated on a weighted basis.

The results of the assessment confirm that cooperation within the Supervisory Board and with the Executive Board is professional, constructive and characterized by a high degree of trust and openness. The results also confirm the efficient organization and conduct of meetings and the appropriate provision of information. The composition and structure of the Supervisory Board, including the committees, are rated as effective and efficient. There was no fundamental need for change. Individual suggestions will also be taken up and implemented in 2024.

Diversity concept below the Executive Board and Supervisory Board

Medios AG’s diversity concept is decisively shaped by two factors. The company operates in an industry that is traditionally characterized by a high proportion of women at almost all levels of a group. Women are therefore also disproportionately represented at Medios AG – compared to many other industries – so that a diversity concept already exists beyond the legal requirements. It should also be noted that Medios operates in a highly specialized industry and strives to always retain the best personalities at all levels in the long term. For this reason, the Supervisory Board selects the members of the Executive Board, regardless of gender, nationality or age, solely on the basis of qualifications and educational and professional background. The Executive Board appoints the two subsequent management levels according to the same principles. The members of the Supervisory Board of Medios AG were also selected solely on the basis of qualifications, independence and educational and professional background, regardless of gender, nationality or age.

The diversity concept therefore focuses on the proportion of women on the Executive Board and the two downstream management levels as well as educational and professional backgrounds. At Medios AG, the “professional background” criterion includes special knowledge of the markets important to Medios. The Supervisory Board will consider additional diversity criteria if it deems them appropriate and expedient. In the 2023 financial year, the Supervisory Board met the aforementioned criteria for the supervisory body; for further information on the proportion of women, please refer to the Sec. below.

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

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

Berlin, March 26, 2024

Signed on behalf of the Executive Board: Matthias Gärtner
 Chairman of the Executive Board

Signed on behalf of the Supervisory Board: Dr. Yann Samson
 Chairman of the Supervisory Board

Explanatory report pursuant to Secs. 289a and 315a of the German Commercial Code ("HGB") (audited part of the Group Management Report)

COMPOSITION OF SUBSCRIBED CAPITAL

As of December 31, 2023, the share capital amounted to €23,805,723.00 and was divided into 23,805,723 no-par value bearer shares with a notional value of €1.00 per share. The shares are fully paid in. All shares carry the same rights and obligations. The rights and obligations of the shareholders are set out in detail in the provisions of the German Stock Corporation Act (AktG), in particular Secs. 12, 53a et. seq., 118 et. seq. and 186 AktG.

RESTRICTIONS RELATING TO VOTING RIGHTS OR THE TRANSFER OF SHARES

Every share represents one vote at the Annual General Meeting and is decisive for the shareholders' share in the company's profits. This does not apply to treasury shares held by the company, which do not entitle the company to any rights. In the cases of Sec. 136 AktG, voting rights from the shares concerned are excluded by law. 924,233 new shares from a non-cash capital increase entered in the commercial register on January 18, 2022 are subject to a lock-up of twelve months (50%) or 24 months (50%), but are already fully included in stock exchange trading. The Executive Board of Medios AG is not aware of any other restrictions relating to voting rights or the transfer of shares.

DIRECT AND INDIRECT EQUITY HOLDINGS EXCEEDING 10% OF THE VOTING RIGHTS

Mandatory disclosures (direct and indirect shareholdings >10%)

Martin Hesse notified Medios AG on January 19, 2022 (published on January 19, 2022) in accordance with Sec. 33 Para. 1 WpHG also on behalf of BMSH GmbH that his share of voting rights in Medios AG amounted to a total of 19.71% (4,693,000 voting rights) on January 18, 2022. Of these, 19.66% (4,680,000 voting rights) are attributable to him in accordance with Sec. 34 WpHG. Names of shareholders holding 3% or more of the voting rights, of which voting rights are attributable to the notifying party in accordance with Sec. 34 Para. 1 WpHG: BMSH GmbH.

Manfred Schneider notified Medios AG on January 18, 2022 (published on January 19, 2022) in accordance with Sec. 33 Para. 1 WpHG as part of a voluntary group notification due to the threshold being reached by a subsidiary simultaneously for Tangaroa GmbH & Co. KG and Tangaroa Management GmbH that his share of voting rights in Medios AG on January 18, 2022 amounted to a total of 18.02% (4,288,734 voting rights). According to the voting rights notification, 18.02% (4,288,734 voting rights) were attributable to him at this time in accordance with Sec. 34 WpHG. Names of shareholders holding 3% or more of the voting rights, of which voting rights are attributable to the notifying party in accordance with Sec. 34 WpHG: Tangaroa GmbH & Co. KG, Tangaroa Management GmbH.

Medios AG was neither notified nor aware of any other existing direct or indirect shareholdings in the company's capital that exceed 10% of the voting rights or changes to the aforementioned shareholdings as at the balance sheet date.

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

SEB Investment Management AB notified Medios AG on December 7, 2021 (published on December 8, 2021) pursuant to Sec. 33 Para. 1 WpHG that its share of voting rights in Medios AG amounted to 4.74% (1,056,848 voting rights) on December 6, 2021.

Allianz Global Investors GmbH notified Medios AG on July 12, 2023 (published on July 14, 2023) in accordance with Sec. 33 Para. 1 WpHG that its share of voting rights in Medios AG amounted to 4.99% (1,188,757 voting rights) on July 11, 2023. Of these, 4.99% (1,188,757 voting rights) are attributable to it in accordance with Sec. 34 WpHG.

On December 21, 2023 (published on December 21, 2023), Marcel Jo Maschmeyer notified Medios AG in accordance with Sec. 33 Para. 1 WpHG on behalf of “Paladin Asset Management Investmentaktiengesellschaft mit veränderlichem Kapital und Teilgesellschaftsvermögen” that his share of the voting rights in Medios AG amounted to 5.29% (1,258,945 voting rights) on December 19, 2023. Of these, 5.08% (1,208,945 voting rights) are attributable to him in accordance with Sec. 34 WpHG. Names of shareholders holding 3% or more of the voting rights, of which voting rights are attributable to the notifying party in accordance with Sec. 34 Para. 1 WpHG: “Paladin Asset Management Investmentaktiengesellschaft mit veränderlichem Kapital und Teilgesellschaftsvermögen”.

HOLDERS OF SHARES WITH SPECIAL RIGHTS THAT CONFER POWERS OF CONTROL

There were and are no shares with special rights conferring powers of control.

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 control rights directly. Insofar as Medios AG issues shares to employees as part of its employee share program or as share-based remuneration, the shares are transferred directly to the employees. The beneficiary employees can exercise the control rights to which they are entitled from the employee shares directly like other shareholders in accordance with the statutory provisions and the provisions of the Articles of Association.

APPOINTMENT AND RECALL OF EXECUTIVE BOARD MEMBERS, AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The relevant statutory provisions and the provisions of the Articles of Association for the appointment and dismissal of members of the Executive Board are Secs. 84, 85 AktG and Sec. 6 of the Articles of Association. Secs. 133, 179 AktG and Article 19 of the Articles of Association apply to amendments to the Articles of Association.

POWERS OF THE EXECUTIVE BOARD TO ISSUE OR REPURCHASE SHARES

Powers of the Executive Board to issue shares

Authorized capital 2021 – In accordance with Article 4 Para. 3 of the Articles of Association, the Executive Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to €7,181,763.00 by issuing up to 7,181,763 new no-par value bearer shares with a pro rata amount of the share capital of €1.00 each in return for cash or non-cash contributions (authorized capital 2021) on one or more occasions until June 9, 2026. The Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the following cases: capital increases against contributions in kind; compensation for fractional amounts;

Sec. 186 Para. 3 sentence 4 AktG; to the extent necessary to grant holders of convertible bonds, convertible profit participation rights or option rights a subscription right to the extent to which they would be entitled as shareholders after exercising their conversion or option rights; to grant shares to members of the Executive Board, management bodies or employees of the company and/or affiliated companies as part of employee participation programs; to fulfill a so-called greenshoe option.

Conditional Capital 2018/Stock Option Plan 2018 – In accordance with Article 4 Para. 5 of the Articles of Association, the company's share capital is conditionally increased by €300,000.00 through the issue of up to 300,000 no-par value bearer shares (Conditional Capital 2018). The conditional capital increase serves exclusively to fulfil subscription rights granted on the basis of the authorization of the Annual General Meeting on July 13, 2018 in accordance with agenda item 7. The conditional capital increase will only be carried out to the extent that the holders of the subscription rights issued as part of the "Stock Option Plan 2018" exercise their right to subscribe to shares in the company and the company does not deliver treasury shares to fulfill the options. The new shares shall be entitled to dividends from the beginning of the financial year for which there is no resolution on the appropriation of profit at the time of issue.

The Conditional Capital 2018 has not yet been utilized. As at the end of the 2023 financial year, no options from the 2018 Stock Option Plan had yet been exercised.

Conditional Capital 2019/authorization to issue convertible and option bonds and to exclude the 2019 subscription right – In accordance with Article 4 Para. 6 of the Articles of Association, the company's share capital is conditionally increased by €5,825,607.00 by issuing up to 5,825,607 no-par value bearer shares (Conditional Capital 2019). The conditional capital increase will be carried out by issuing up to 5,825,607 no-par value bearer shares with dividend rights from the beginning of the financial year in which they are issued only to the extent that the holders or creditors of convertible bonds or options from option bonds issued by Medios AG or through a subsidiary until July 9, 2024 on the basis of the authorization of the Executive Board by the Annual General Meeting on July 10, 2019 exercise

their conversion/option rights, meet their conversion/option obligations or shares are tendered and insofar as no other forms of fulfillment are used for servicing. The new shares shall be issued at the conversion/option prices to be determined in the bond or option conditions in accordance with the aforementioned authorization resolution. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation. The Conditional Capital 2019 has not yet been utilized.

Conditional Capital 2020/Stock Option Plan 2020 – In accordance with Article 4 Para. 8 of the Articles of Association, the company's share capital is conditionally increased by €477,500.00 by issuing up to 477,500 no-par value bearer shares (Conditional Capital 2020/I). The conditional capital increase serves exclusively to fulfil subscription rights granted on the basis of the authorization of the Annual General Meeting on October 26, 2020 in accordance with agenda item 8, amended by resolution of the Annual General Meeting on June 21, 2022 in accordance with agenda item 13. The conditional capital increase will only be carried out to the extent that the holders of the subscription rights issued as part of the "Stock Option Plan 2020" exercise their right to subscribe to shares in the company and the company does not deliver any treasury shares to fulfill the options. The new shares shall be entitled to dividends from the beginning of the financial year for which there is no resolution on the appropriation of profits at the time of their issue. The Supervisory Board is authorized to amend the wording of Article 4 of the Articles of Association in accordance with the issue of subscription shares. The same applies if and to the extent that the share options can no longer be serviced.

The Conditional Capital 2020 has not been utilized to date. At the end of the 2023 financial year, no options from the Stock Option Plan 2020 had been exercised.

Conditional Capital 2022/Stock Option Plan 2022 – The company's share capital is conditionally increased by €160,500.00 through the issue of up to 160,500 no-par value bearer shares (Conditional Capital 2022/II). The conditional capital increase serves exclusively to fulfil subscription rights granted on the basis of the authorization of the Annual General Meeting on June 21, 2022 in accordance

with agenda item 13, amended by resolution of the Annual General Meeting on June 21, 2023 under agenda item 10. The conditional capital increase will only be carried out to the extent that the holders of the subscription rights issued as part of the “Stock Option Plan 2022” exercise their right to subscribe to shares in the company and the company does not deliver any treasury shares to fulfill the options. The new shares shall be entitled to dividends from the beginning of the financial year for which there is no resolution on the appropriation of profits at the time of their issue. The Supervisory Board is authorized to amend the wording of Article 4 of the Articles of Association in accordance with the issue of subscription shares. The same applies if and to the extent that the share options can no longer be serviced.

The Conditional Capital 2022 has not yet been utilized. At the end of the 2023 financial year, no options from the Stock Option Plan 2022 had been exercised.

Conditional Capital 2023/Stock Option Plan 2023 –

The company's share capital is conditionally increased by €1,439,500.00 through the issue of up to 1,439,500 no-par value bearer shares (Conditional Capital 2023/I). The conditional capital increase serves exclusively to fulfil subscription rights granted on the basis of the authorization of the Annual General Meeting on June 21, 2023 in accordance with agenda item 10. The conditional capital increase will only be carried out to the extent that the holders of the subscription rights issued as part of the “Stock Option Plan 2023” exercise their right to subscribe to shares in the company and the company does not deliver any treasury shares to fulfill the options. The new shares shall be entitled to dividends from the beginning of the financial year for which there is no resolution on the appropriation of profits at the time of their issue. The Supervisory Board is authorized to amend the wording of Article 4 of the Articles of Association in accordance with the issue of subscription shares. The same applies if and to the extent that the share options can no longer be serviced.

The Conditional Capital 2023 has not yet been utilized. At the end of the 2023 financial year, no options from the Stock Option Plan 2023 had been exercised.

Powers of the Executive Board to recall shares

The company may only repurchase treasury shares with the prior authorization of the Annual General Meeting or in the few cases expressly regulated in the German Stock Corporation Act.

Annual General Meeting 2023 – On June 21, 2023, the Annual General Meeting authorized the Executive Board to acquire treasury shares in the amount of up to 10% of the share capital at the time the resolution takes effect or – if the subsequent value is lower – at the time the authorization is exercised. The acquired shares, together with any treasury shares acquired for other reasons that are held by the company or are attributable to it in accordance with Secs. 71a et seq. AktG, may not exceed 10% of the company's share capital at any time. The purchase authorization is valid until June 20, 2028 and may be acquired, at the Executive Board's discretion, via the stock exchange or by means of a public purchase offer addressed to all shareholders or a public invitation to the company's shareholders to submit offers to sell or by issuing tender rights to shareholders.

The Executive Board was also authorized to sell the treasury shares acquired on the basis of this or an earlier authorization via the stock exchange or via an offer to all shareholders. In the case of an offer to all shareholders, subscription rights for any fractional amounts are excluded. The Executive Board was also authorized to use the treasury shares acquired on the basis of this or an earlier authorization for all legally permissible purposes. These include, among others sale for non-cash consideration, in particular as (partial) consideration in the context of business combinations or to acquire companies, equity interests in companies or parts of companies or to acquire other assets (in each case excluding shareholders' subscription rights); issue to persons in an employment relationship with the company and members of the company's executive bodies, to holders of acquisition rights, in particular from call options issued, to holders of virtual options as well as performance shares, phantom stocks, restricted stock units issued by the company (in each case excluding shareholders' subscription rights); sale by means other than via the stock exchange or

by means of an offer to shareholders if the shares are sold for cash at a price that is not significantly lower than the stock exchange price of the company's shares (to the exclusion of shareholders' subscription rights); redemption of shares. The use of shares with the exclusion of subscription rights is subject to percentage restrictions. The authorization may be used once or several times, in whole or in part, individually or jointly, as well as by dependent companies or companies in which the company holds a majority interest or by third parties acting for their account or for 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 Sec. 4 of the Articles of Association.

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.

COMPENSATION AGREEMENTS OF THE COMPANY CONCLUDED WITH EXECUTIVE BOARD MEMBERS OR OTHER EMPLOYEES FOR THE EVENT OF A TAKEOVER OFFER

There are no compensation agreements between the company and Members of the Executive Board or employees in the event of a takeover bid.

Remuneration Report

REMUNERATION REPORT FOR THE 2023 FINANCIAL YEAR

This Remuneration Report outlines the remuneration individually granted and due to serving and former Members of the Executive Board and Supervisory Board of Medios AG in the 2023 financial year, i.e. in the period from January 1, 2023 to December 31, 2023. The report explains in detail and individually the structure and amount of the individual components of the Executive Board and Supervisory Board remuneration. The Remuneration Report was prepared jointly by the Executive Board and Supervisory Board and is based on the requirements of the German Stock Corporation Act (Sec. 162 AktG ["Aktiengesetz"]) and complies with the applicable recommendations of the German Corporate Governance Code ("Deutscher Corporate Governance Kodex"; "DCGK") 2022. Clear, comprehensible and transparent reporting is important to both the Executive Board and the Supervisory Board.

This Remuneration Report will be submitted to the 2024 Medios AG Annual General Meeting for approval.

The Remuneration Report prepared by Medios in accordance with the requirements of Sec. 162 AktG on the remuneration granted and owed to the current and former Members of the Executive Board and Supervisory Board of Medios AG in the previous 2022 financial year was approved by the Annual General Meeting on June 21, 2023 with a majority of 87.66% of the share capital represented in accordance with Sec. 120a Para. 4 AktG. The Executive Board and Supervisory Board see this vote as confirmation of the format applied since the Remuneration Report 2021. It will therefore also be retained in principle for this Remuneration Report 2023.

EXECUTIVE AND SUPERVISORY BOARD REMUNERATION

Remuneration systems adopted by the Annual General Meeting of Medios AG

In accordance with Sec. 120a Para. 1 AktG in the version valid since January 1, 2020 following the Act Implementing the Second Shareholders' Rights Directive ("ARUG II" ["Gesetz zur Umsetzung der Aktionärsrechterichtlinie II"]) of December 12, 2019, the Annual General Meeting of a listed company shall resolve on the approval of the remuneration system for the Members of the Executive Board presented by the Supervisory Board whenever a material change is made to the system, but at least every four years. The first resolution had to be passed by the end of the first Annual General Meeting following December 31, 2020.

Against this background, the Supervisory Board of Medios AG adopted a remuneration system for Members of the Executive Board that complied with the requirements of ARUG II and – unless a deviation was declared in accordance with Sec. 161 AktG – was based on the recommendations of the DCGK 2020. Based on this remuneration system, the Supervisory Board adopted a new remuneration system for the Members of the Executive Board in the 2022 financial year. This remuneration system also complies with the current applicable recommendations of the German Corporate Governance Code 2022.

The Medios Group's corporate strategy is geared towards operating profitably in the Specialty Pharma segment and gaining further market share without generating excessive additional capital requirements (working capital). Responsible Corporate Governance and the simultaneous exploitation

of entrepreneurial opportunities are of great importance. The following principles are essentially followed and taken into account when structuring remuneration, determining individual remuneration, selecting key performance indicators and structuring payment and allocation modalities:

- 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;
- Inclusion of ESG (Environmental, Social and Governance) criteria to promote 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; and
- Inclusion of modern elements and mechanisms in line with the market.

The first approval of a remuneration system for the Members of the Executive Board by the Annual General Meeting of Medios AG took place on June 10, 2021. In accordance with the statutory requirements, this remuneration system was to be applied to employment contracts with Members of the Executive Board of the company that were newly concluded, amended or extended after two months following the first approval of the remuneration system by the Annual General Meeting (Sec. 87a Para. 2 Sentence 1 AktG, Sec. 26j Para. 1 Sentence 2 EGAktG).

The remuneration system for the Members of the Executive Board presented to the Annual General Meeting of Medios AG in the 2022 financial year was approved on June 21, 2022 with a majority of 88.50% of the share capital represented and has since been applied to newly concluded, amended or extended employment contracts with Members of the Executive Board.

Detailed information on the new remuneration system can be found on the company's website at www.medios.ag/en/investor-relations/corporate-governance.

Composition of the Executive Board

In the 2023 financial year, the Executive Board consisted of four members, as in the previous year:

- (1) Matthias Gärtner (CEO; member since September 14, 2015);
- (2) Mi-Young Miehler (COO, member since July 1, 2017);
- (3) Christoph Prußeit (CINO, member since January 1, 2019) and
- (4) Falk Neukirch (CFO, member since October 1, 2021).

Mr. Neukirch was also appointed as an additional managing director of NewCo Pharma GmbH, whose sole shareholder is Medios AG, by shareholder resolution dated January 19, 2023. Mr. Neukirch assumes this task in addition to his activities as a Member of the Executive Board without receiving separate remuneration for this.

Key remuneration systems in the 2023 financial year

The following overview shows the remuneration systems ("RS") of Medios AG and the key remuneration systems (marked with an "X") of the respective member of the Executive Board that were applied in the 2023 financial year:

The Executive Board employment contracts with the company's Executive Board Members in office in the 2023 financial year were amended and extended in 2021 before the expiry of two months (i.e. before August 10, 2021) following the first approval of the remuneration system by the Annual General Meeting or, in the case of Mr. Neukirch, newly concluded. The Executive Board employment contract with Matthias Gärtner was amended on July 29, 2022 following approval of the remuneration system newly adopted in 2022. The employment contract with Falk Neukirch was extended on May 25, 2023.

Against this backdrop, the remuneration system for the Members of the Executive Board approved by the Annual General Meeting on June 10, 2021 is not applicable to the Executive Board employment contracts existing in the 2023 financial year. The remuneration system for the Members of the Executive Board submitted to the Annual General Meeting for approval on June 21, 2022 is only relevant for Matthias Gärtner and, with effect from May 1, 2023, for Falk Neukirch.

Insofar as the Remuneration Report pursuant to Sec. 162 AktG refers to the applied and relevant Executive Board remuneration system, the relevant remuneration system for contracts concluded from June 30, 2021, which applied when the Executive Board employment contracts existing in the 2021 financial year were concluded, is generally relevant for the Executive Board Members Mi-Young Miebler, Christoph Prußeit and Falk Neukirch (until April 30, 2023).

Executive Board	Contract extension/ amendment	Contractual start date	Remuneration systems of Medios AG			
			RS for contracts concluded by June 30, 2021 (Basis: Executive Board employment contract) (RS 1)	RS for contracts concluded by June 30, 2021 (Basis: Executive Board employment contract) (RS 2)	RS for contracts concluded by August 10, 2021 (Basis: Executive Board employment contract) (RS 3)	RS for contracts concluded by June 21, 2022 (Basis: Executive Board employment contract) (RS 4)
Matthias Gärtner (CEO)	July 29, 2022 (amendment)	August 1, 2022				X
Mi-Young Miebler (COO)	July 30, 2021 (extension)	August 1, 2021		X		
Christoph Prußeit (CINO)	July 30, 2021 (extension)	August 1, 2021		X		
Falk Neukirch (CFO)	July 20, 2021 (new conclusion)	October 1, 2021		X		X
	May 25, 2023 (extension)	Retroactive to May 1, 2023		(until April 30, 2023)		(since May 1, 2023)

As already explained, the relevant remuneration system for contracts concluded from June 21, 2022 is applicable to the Members of the Executive Board Matthias Gärtner and Falk Neukirch (since May 1, 2023).

For a better understanding, a brief description of the relevant remuneration systems of Medios AG is provided below:

KEY REMUNERATION SYSTEM UNTIL JUNE 30, 2021 (RS 1)

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

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

The remuneration system is described below.

Fixed remuneration until June 30, 2021

The fixed remuneration is the contractually agreed basic remuneration. The fixed remuneration of each Member of the Executive Board is paid in twelve equal installments on the 28th of each month. If the employment contract ends, the fixed remuneration for the month of termination is paid in full.

Aim and relation to corporate strategy

Together with the other remuneration components, the fixed remuneration forms the basis for attracting and retaining the highly qualified Members of the Executive Board required for the development and implementation of the corporate strategy. The Executive Board remuneration system is an important element of the Medios Group's orientation and makes a significant contribution to promoting the business strategy and increasing operating performance and thus to the long-term success of the Medios Group by supporting sustainable Corporate Governance. The fixed remuneration should correspond to the skills, experience and tasks of the individual Member of the Executive Board.

Profit sharing until June 30, 2021

The Members of the Executive Board receive performance-related (variable) remuneration based on average adjusted EBT ("EBT")¹.

Each Member of the Executive Board receives a share of the profit share of the entire Executive Board. The profit share for the Executive Board as a whole amounts to 20% of the share of EBT that exceeds an EBT margin of 3% of annual revenue. This is based on the average EBT approved by the Supervisory Board in the previous three years as part of the annual financial statements, excluding years prior to 2019.

The variable remuneration in the form of profit sharing is limited to 150% of the respective contractually agreed gross fixed remuneration. The respective payment amount is due for payment by the last day of the month following the approval of the annual financial statements for the previous year.

Aim and relation to corporate strategy

The profit-sharing scheme is intended to motivate the Members of the Executive Board to achieve ambitious and challenging financial, operational and strategic targets during a financial year. The targets reflect the corporate strategy and are aimed at increasing the value of the company. Through the link to EBT, the annual variable remuneration is linked to the achievement of a key Group performance indicator in the respective financial year.

Stock options as part of the long-term incentive program

The long-term incentive program ("LTIP") represents variable remuneration based on Stock Option Plans, which provide for the issue of stock options with a vesting period of four years.

Under the Stock Option Plan, Members of the Executive Board are entitled to options on shares in Medios AG. By contractual agreement with each Member of the Executive Board, the Executive Board Member receives the right to acquire an individually agreed number of no-par value bearer shares in Medios AG at an exercise price specified in the applicable Stock Option Plan after expiry of the respective

vesting period and if the performance target is met in accordance with the provisions of the subscription rights agreement. The performance target generally provides for an increase in the share price of the Medios share above its price at the time the options are granted.

The Supervisory Board may issue stock options annually in single or multiple tranches. The stock options can be exercised within an exercise period of seven years, which begins at the end of the vesting period. The prerequisite for exercising the stock options is that the performance target has been achieved within a period of thirty stock exchange trading days prior to the expiry of the vesting period. The performance target is achieved if the closing price of the company's shares in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds an amount defined in the respective Stock Option Plan on thirty consecutive stock exchange trading days.

At the end of each year since the stock options were granted, 25% of the total options granted to a Member of the Executive Board will become vested.

As part of the relevant remuneration system until June 30, 2021, Medios AG had introduced a total of three Stock Option Plans, the 2017, 2018 and 2020 Stock Option Plans, with different parameters for granting and exercising 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 €15.00 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 value and the value for shareholders (shareholder value) are to be increased in the long term by setting ambitious targets that are closely linked to the share price performance. The link to the development of the share price creates a congruence between the interests and expectations of shareholders and the remuneration of the Executive Board. The vesting period of four years helps to ensure that the actions of the Executive Board in the current financial year are also geared towards the long-term development of the company. It is ensured that the variable remuneration under the LTIP, which results from the achievement of long-term targets, exceeds the proportion of

¹ Where EBT is referred to below, EBT means EBT adjusted for extraordinary expenses. The special effects relate to the items listed in the respective Consolidated Financial Report, which are used to reconcile EBT before special effects to earnings before income taxes. The consolidated financial statements prepared and audited in accordance with IFRS are binding for the Medios Group for EBT (earnings before taxes) and the annual revenue stated therein as well as for the selected term "annual financial statements". The items "Revenue" (=annual revenue) and "Earnings before taxes" (EBT) reported in the consolidated statement of comprehensive income are decisive.

short-term targets and that the remuneration structure as a whole is therefore geared towards sustainable and long-term development. The combination of fixed and variable performance-related remuneration elements enables sustainable corporate management while at the same time promoting the idea of performance.

Fringe benefits until June 30, 2021

In addition to fixed remuneration and profit sharing, the members of the Executive Board receive reimbursement of travel expenses and other reasonable expenses in accordance with the company's applicable guidelines.

All Members of the Executive Board are insured against the risk of claims being made against them for financial losses in the performance of their duties via a D&O insurance policy taken out at the expense of Medios AG with the statutory deductible in accordance with the provisions of the German Stock Corporation Act. A deductible of 10% of the loss up to one and a half times the fixed annual remuneration applies to the D&O insurance.

Aim and relation to corporate strategy

An attractive working environment should be created for the Members of the Executive Board so that success-oriented corporate management can be guaranteed.

KEY REMUNERATION SYSTEM FROM JULY 1, 2021 RESPECTIVELY AUGUST 1, 2021 UNTIL APRIL 30, 2023 RESPECTIVELY DECEMBER 31, 2023 (RS 2)

Amendments to the Executive Board employment contracts for Executive Board Members Mr. Matthias Gärtner (as of July 1, 2021), Mr. Christoph Prußeit and Mrs. Mi-Young Miehler (both as of August 1, 2021) in place in 2021, and the newly concluded Executive Board employment contract for Mr. Falk Neukirch¹ (as of October 1, 2021) resulted in a minor adjustment to the remuneration system applied. For clarification, it is again pointed out that that the applicable

remuneration system does not correspond to the Executive Board remuneration system submitted to the Annual General Meeting on June 10, 2021 for approval. In accordance with the statutory requirements, this remuneration system was applied to employment contracts with Members of the Executive Board of the company that were newly concluded, amended or extended after two months following the first approval of the remuneration system by the Annual General Meeting (Sec. 87a Para. 2 Sentence 1 AktG, Sec. 26j Para. 1 Sentence 2 EGAktG).

In the 2023 financial year, the remuneration of the Members of the Executive Board Mi-Young Miehler and Christoph Prußeit was generally based on the relevant remuneration system in force since July 1, 2021.

This remuneration system was only relevant for Member of the Executive Board Falk Neukirch until April 30, 2023 due to the amended Executive Board employment contract in 2023.

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

- (5) Fixed remuneration;
- (6) Remuneration based on annual performance („STI“);
- (7) Stock options under the LTIP;
- (8) A performance-related bonus („ESG“) and
- (9) Fringe benefits.

The remuneration system is described below.

Fixed remuneration

The basic features of the fixed remuneration have not changed in the 2023 financial year. In this respect, please refer to the description above for an explanation of the fixed remuneration.

¹ The company and Mr. Falk Neukirch concluded a corresponding Executive Board employment contract on 20 July 2021, which has since been extended on May 25, 2023.

Remuneration based on annual performance (short-term incentive, "STI") since July 1, 2021

The short-term incentive (STI) provides for a bonus payment to the members of the Executive Board if certain ambitious targets set by the Supervisory Board are achieved.

Financial figures

Inorganic growth	Revenue growth	EBITDA growth	EBITDA margin
Target requirements M&A transactions	Percentage increase in consolidated revenue	Percentage increase in group EBITDA	Target requirements group EBITDA margin
Weighting: 40%	Weighting: 20%	Weighting: 20%	Weighting: 20%

Depending on the achievement of the defined targets, each Member of the Executive Board can receive an amount of up to 100% of the agreed fixed remuneration as STI.

The respective target achievement criteria for the Members of the Executive Board are agreed in the Executive Board employment contract.

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

- (I) **Inorganic growth:** Up to 40% of the STI can be achieved in connection with the successful execution of M&A transactions, provided that these meet certain requirements with regard to the ratio of the purchase price¹ to EBITDA and the profitability of the target company.
- (II) **Revenue growth:** A further 20% of the STI can be achieved if consolidated revenue grows year over year by an ambitious percentage set by the Supervisory Board.
- (III) **EBITDA growth:** A further 20% of the STI can be achieved if the consolidated EBITDA (before special effects) grows year over year by an ambitious percentage rate set by the Supervisory Board.
- (IV) **EBITDA margin:** A further 20% of the STI can be achieved if the consolidated EBITDA margin (before special items) grows year over year to an ambitious margin set by the Supervisory Board.

¹ The purchase price is defined in IFRS 3 and is explained in more detail for the respective transaction in the notes to the consolidated financial statements of Medios AG.

Aim and relation to corporate strategy

The variable remuneration of the Members of the Executive Board is intended to provide the right incentives for the Executive Board to act in line with the corporate strategy and stakeholders and to achieve long-term targets on a sustainable basis.

The STI is intended to motivate members of the Executive Board to achieve ambitious and challenging financial, operational and strategic targets during a financial year. The targets reflect the corporate strategy and are aimed at increasing the value of the company. The annual variable remuneration is linked to the achievement of key Group performance indicators in the respective financial year, particularly through the link to EBITDA and revenue performance.

Stock options as part of the long-term incentive (LTIP) program

The fundamentals of LTIP remuneration did not change over the course of the entire 2021, 2022 and 2023 financial years. Therefore, please refer to the LTIP information above.

Variable ESG bonus since July 1, 2021

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

Before the start of each financial year, the Supervisory Board, in consultation with the Executive Board, determines ESG targets from various areas (such as climate and environment) for all Members of the Executive Board. For each of the defined ESG targets, the Supervisory Board sets a target value, an ambitious threshold value and an appropriate maximum value.

When setting ESG targets, the Supervisory Board takes into account non-financial targets from the areas of climate and environment, employees, social issues and governance as well as technology and innovation. Relevant topics include, for example, contributions to global climate protection (CO₂ reduction or CO₂ neutrality), recycling, renewable energies, the promotion of diversity and employee satisfaction as well as health in the workplace.

When defining the ESG targets, the Supervisory Board also determines the weighting among the defined ESG targets for the overall target achievement and criteria and methods for assessing the achievement of the respective ESG targets. At the same time, a specific target amount in euros is set for each Member of the Executive Board for achieving an overall target achievement level of 100% for the defined ESG targets.

An identical target amount is agreed in the employment contract for each member of the Executive Board.

After the end of the financial year, the Supervisory Board determines the degree of target achievement for each of the defined ESG targets as a percentage for the respective Member of the Executive Board. Values between the threshold, target and maximum values are interpolated on a linear basis. The Supervisory Board then calculates the overall target achievement level as an average from the target achievement levels for each of the ESG targets. Target achievement below the threshold value of 80% for a defined ESG target is included in the calculation with a factor of zero. Finally, the payout amount is calculated by multiplying the target amount by the overall target achievement level.

The payout amount of the ESG bonus is limited to 100% of the target amount. There is no guaranteed minimum target achievement and the payout can therefore be waived completely.

The ESG bonus is due for payment in cash four months after the end of the financial year in question.

If the employment contract or the position on a governing body only existed pro rata temporis during a financial year, the overall target achievement level is also calculated on a proportional basis and the ESG bonus is only paid pro rata temporis.

Aim and relation to corporate strategy

Sustainable action forms an integral part of the strategy of Medios AG and the Medios Group.

The ESG bonus focuses on Medios AG's contribution to creating stable economic, social and environmental conditions for current and future generations. As a company with a leading position in the Specialty Pharma sector, the Medios Group aims to implement an equally innovative sustainability strategy with its innovative services and products. A remuneration component in the form of an ESG bonus based exclusively on non-financial sustainability targets encourages Medios AG to live up to its responsibility as part of society.

Fringe benefits since July 1, 2021

In addition to the fixed remuneration and profit sharing, the Members of the Executive Board have received the following fringe benefits since July 1, 2021:

- An appropriate company car or, alternatively, compensation in accordance with the company's applicable guidelines and
- an allowance for statutory or private health and long-term care insurance.

All Members of the Executive Board are insured against the risk of being held liable for financial losses in the performance of their duties via a D&O insurance policy taken out at the expense of Medios AG with the statutory deductible in accordance with the provisions of the German Stock Corporation Act. A deductible of 10% of the loss up to one and a half times the fixed annual remuneration applies to the D&O insurance.

Aim and relation to corporate strategy

To create an attractive working environment for the Members of the Executive Board so that success-oriented corporate management can be guaranteed.

REMUNERATION SYSTEM OF JUNE 10, 2021 (RS 3) – NOT APPLIED

Remuneration System 3 was approved by the Annual General Meeting of Medios AG on June 10, 2021 and, in accordance with the statutory requirements, was to be applied to employment contracts with Members of the Executive Board of the company that were newly concluded, amended or extended after the expiry of two months after approval of the remuneration system by the Annual General Meeting (Sec. 87a Para. 2 Sentence 1 AktG, Sec. 26j Para. 1 Sentence 2 EGAktG).

The remuneration system was not applied as the contracts of the Members of the Executive Board were newly concluded, amended or extended before the expiry of two months after the approval of the remuneration system by the Annual General Meeting – i.e. before August 10, 2021.

In principle, this remuneration system will also not be applied to new, amended or extended Executive Board employment contracts concluded in the future, as the relevant remuneration system 4 of June 21, 2022, which is set out below, is already applied to Matthias Gärtner's Executive Board employment contract, which was amended in 2022, and Falk Neukirch's Executive Board employment contract, which was extended in 2023.

RELEVANT REMUNERATION SYSTEM AS OF AUGUST 1, 2022 (RS 4)

The Executive Board remuneration system approved by the Annual General Meeting on June 21, 2022 has been applied to newly concluded, amended or extended employment contracts with Members of the Executive Board since this date. This remuneration system was applied for the first time with the amendment of Mr. Matthias Gärtner's existing Executive Board employment contract in the 2022 financial year (as of 1 August 2022). In the 2023 financial year, this remuneration system will also be applied to Mr. Falk Neukirch's Executive Board employment contract, as he extended his Executive Board employment contract with effect from 1 May 2023. For reasons of clarification, it should be noted that the remuneration system 2 applicable from July 1, 2021 will continue to apply to the Members of the Executive Board Mr. Christoph Prußeit, Mrs. Mi-Young Miehler and Mr. Falk Neukirch (until April 30, 2023) in the 2023 financial year.

As part of the adjustment of the Executive Board remuneration system in connection with the long-term incentive program, particularly the determination of the performance target and the exercise price was made more flexible so that these parameters can in future be determined in line with current developments.

As part of the authoritative remuneration system from August 1, 2022, Medios AG introduced the Stock Option Plan 2022. The exercise price per stock option was €27.00. The performance target for exercising the stock options was a share price of at least €40.00.

In the course of the Annual General Meeting on June 21, 2023, the volume of the Stock Option Plan 2022 was limited to the volume of subscription rights previously issued under the Stock Option Plan 2022, as the Stock Option Plan 2022 will be replaced by a new Stock Option Plan 2023 and no further shares are to be issued under the Stock Option Plan 2022.

In this context, Medios AG adopted the Stock Option Plan 2023, also in the course of the Annual General Meeting on June 21, 2023 and as part of the authoritative remuneration system from August 1, 2022. The exercise price per stock option is €24.00. The performance target for exercising the stock options is a share price of at least €28.00.

The basic features of the remuneration system and the remuneration components did not change in the 2022 financial year as a result of the adjustment and will continue to apply in the 2023 financial year. In this respect, please refer to the descriptions above for an explanation of the remuneration components.

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 2023 financial year.

In particular, no advances, loans, security payments, pension commitments or similar payments or benefits were granted to the Members of the Executive Board that were not in line with the applicable remuneration system.

Individual Executive Board remuneration in the 2023 financial year pursuant to Sec. 162 AktG and the application of the performance criteria

INDIVIDUAL GRANTED REMUNERATION (PURSUANT TO SEC. 314 PARA. 1 NO. 6A OF THE GERMAN COMMERCIAL CODE ("HGB" ["HANDELSGESETZBUCH"]))

The following table presents the fixed and variable remuneration components (and fringe benefits) granted (i.e. actually paid out) and owed (i.e. all legally accrued, not yet received but due in 2023) to the current and former Members of the Executive Board in the 2023 financial year, including the respective relative share in accordance with Sec. 162 AktG.

For the Members of the Executive Board Matthias Gärtner, Mi-Young Miehler, Christoph Prußeit and Falk Neukirch, the remuneration granted and owed in the 2023 financial year consisted of the fixed basic remuneration, fringe benefits, the variable remuneration in the form of the STI and the ESG bonus and, in the case of Falk Neukirch, additionally the granting of stock options under the LTIP. In addition, Falk Neukirch received a one-off payment of € 20,000 due to his contract extension in 2023, which is reflected in his basic salary for 2023.

in € (gross)	Matthias Gärtner	Mi-Young Miebler	Christoph Prußeit	Falk Neukirch
Fixed remuneration				
Basic salary	342,400	280,000	280,000	300,000
in %	55.4	53.5	53.7	58.8
Fringe benefits ¹	16,611	15,393	13,214	12,365
in %	2.7	2.9	2.5	2.4
Variable remuneration				
One year	259,200	228,800	228,800	198,400
in %	41.9	43.6	43.8	38.8
Multiple	0	0	0	0
Extraordinary payments	0	0	0	0
Pension expenses	0	0	0	0
Total remuneration	618,211	524,193	522,014	510,765
in %	100	100	100	100

¹ The members of the Executive Board are included in a financial loss liability insurance policy maintained by the company at an appropriate level in the interests of the company, insofar as such a policy exists. The premiums for this are paid by the company.

The sums paid out in the 2023 financial year as part of the variable remuneration in the form of the STI and the ESG bonus are to be allocated to 2022.

The respective payment amount under the variable remuneration in the form of the STI is due for payment by the last day of the month following the adoption of the annual financial statements for the previous year. This means that the existence of a payment entitlement under the variable remuneration in the form of the STI for the 2022 financial year will only be reviewed once the annual financial statements for the 2022 financial year are adopted at the beginning of 2023.

Under the ESG bonus, the respective payment amount is due for payment in cash four months after the end of the financial year in question. This means that the payment entitlement will only be determined at the beginning of 2023 after the Supervisory Board has reviewed the target achievement after the end of the 2022 financial year.

For the 2023 financial year, no variable remuneration below the STI and the ESG bonus was granted or owed to any Member of the Executive Board in the 2023 financial year. The Supervisory Board will decide whether the targets and performance criteria of the STI and ESG bonus for the 2023 financial year have been met when the annual financial statements for the financial year ending December 31, 2023

are adopted or at the beginning of the 2024 financial year. This means that any payout amounts under the STI and ESG bonus for the 2023 financial year are due and can be paid out in 2024 at the earliest.

In addition, the relative shares of all fixed and variable remuneration components in the total remuneration must be disclosed in accordance with Sec. 162 Para. 1 Sentence 2 No. 1 AktG. The relative shares shown in the table below relate to the remuneration components granted and owed in the respective financial year in accordance with Sec. 162 Para. 1 Sentence 1 AktG.

VARIABLE REMUNERATION, TARGET ATTAINMENT AND APPLICATION OF THE PERFORMANCE CRITERIA

The performance-related variable remuneration under the STI or the ESG bonus is due for payment by the last day of the month following the adoption of the annual financial statements for the previous year or four months after the end of the relevant financial year following review by the Supervisory Board (see also explanations above).

In this respect, the following tables show the fulfillment of the performance criteria agreed for the 2022 financial year for the variable remuneration components that were actually paid out ("granted" within the meaning of Sec. 162 AktG) in the 2023 financial year.

Short-term Incentive

Executive Board	Performance criteria	Relative weighting of the performance criterion	Information about the performance target		a) Target attainment	b) Amount paid out		
			a) Minimum target and b) corresponding remuneration	a) Maximum target and b) corresponding remuneration				
Matthias Gärtner	Inorganic growth	40%	a) Revenue of the acquired target or assets less than €20 million; Purchase price more than 10 times the EBITDA of the target/assets in Germany or more than 12 times the EBITDA of the target/assets abroad; EBITDA of up to €2 million	a) The sum of all revenues of all acquired targets or assets amounts to at least €40 million; The maximum purchase price is 10 times the EBITDA of the target or the assets in Germany, or a maximum of 12 times the EBITDA of the target or the assets abroad; Total EBITDA of all acquired targets or all acquired assets exceeds €4 million				
			b)	€0	b) €128,000	Yes/100%	€128,000	
			Revenue growth	20%	a) Consolidated revenue of the Medios Group <€1.45 billion	a) Consolidated revenue of the Medios Group >€1.6 billion		
			b)	€0	b) €64,000	Yes/100%	€64,000	
			EBITDA growth	20%	a) EBITDA of the Medios Group <€52 million	a) EBITDA of the Medios Group >€58 million		
b)	€0	b) €64,000	Yes/100%	€51,200				
EBITDA margin	20%	a) EBITDA margin 2022 <3.5%	a) EBITDA margin 2022 at least 3.6%					
b)	€0	b) €64,000	No/0%	€0				
Total STI payout						€243,200		

Executive Board	Performance criteria	Relative weighting of the performance criterion	Information about the performance target		a) Target attainment	b) Amount paid out		
			a) Minimum target and b) corresponding remuneration	a) Maximum target and b) corresponding remuneration				
Mi-Young Miehler	Inorganic growth	40%	a) Revenue of the acquired target or assets less than €20 million; Purchase price more than 10 times the EBITDA of the target/assets in Germany or more than 12 times the EBITDA of the target/assets abroad; EBITDA of up to €2 million	a) The sum of all revenues of all acquired targets or assets amounts to at least €40 million; The maximum purchase price is 10 times the EBITDA of the target or the assets in Germany, or a maximum of 12 times the EBITDA of the target or the assets abroad; Total EBITDA of all acquired targets or all acquired assets exceeds €4 million				
			b) €0	b) €112,000	Yes/100%	€112,000		
			Revenue growth	20%	a) Consolidated revenue of the Medios Group <€1.45 billion	a) Consolidated revenue of the Medios Group >€1.6 billion		
			EBITDA growth	20%	a) EBITDA of the Medios Group <€52 million	a) EBITDA of the Medios Group >€58 million		
			EBITDA margin	20%	a) EBITDA margin 2022 <3.5%	a) EBITDA margin 2022 at least 3.6%		
			b) €0	b) €56,000	No/0%	€0		
Total STI payout						€212,800		

Executive Board	Performance criteria	Relative weighting of the performance criterion	Information about the performance target		a) Target attainment	b) Amount paid out	
			a) Minimum target and b) corresponding remuneration	a) Maximum target and b) corresponding remuneration			
Christoph Prußeit	Inorganic growth	40%	a) Revenue of the acquired target or assets less than €20 million; Purchase price more than 10 times the EBITDA of the target/assets in Germany or more than 12 times the EBITDA of the target/assets abroad; EBITDA of up to €2 million	a) The sum of all revenues of all acquired targets or assets amounts to at least €40 million; The maximum purchase price is 10 times the EBITDA of the target or the assets in Germany, or a maximum of 12 times the EBITDA of the target or the assets abroad; Total EBITDA of all acquired targets or all acquired assets exceeds €4 million			
			b) €0	b) €112,000	Yes/100%	€112,000	
			Revenue growth 20%	a) Consolidated revenue of the Medios Group <€1.45 billion	a) Consolidated revenue of the Medios Group >€1.6 billion		
			b) €0	b) €56,000	Yes/100%	€56,000	
			EBITDA growth 20%	a) EBITDA of the Medios Group <€52 million	a) EBITDA of the Medios Group >€58 million		
b) €0	b) €56,000	Yes/100%	€44,800				
EBITDA margin 20%	a) EBITDA margin 2022 <3.5%	a) EBITDA margin 2022 at least 3.6%					
	b) €0	b) €56,000	No/0%	€0			
Total STI payout						€212,800	

Executive Board	Performance criteria	Relative weighting of the performance criterion	Information about the performance target		a) Target attainment	b) Amount paid out	
			a) Minimum target and b) corresponding remuneration	a) Maximum target and b) corresponding remuneration			
Falk Neukirch	Inorganic growth	40%	a) Revenue of the acquired target or assets less than €20 million; Purchase price more than 10 times the EBITDA of the target/assets in Germany or more than 12 times the EBITDA of the target/assets abroad; EBITDA of up to €2 million	a) The sum of all revenues of all acquired targets or assets amounts to at least €40 million; The maximum purchase price is 10 times the EBITDA of the target or the assets in Germany, or a maximum of 12 times the EBITDA of the target or the assets abroad; Total EBITDA of all acquired targets or all acquired assets exceeds €4 million			
			b) €0	b) €96,000	Yes/100%	€96,000	
			Revenue growth 20%	a) Consolidated revenue of the Medios Group <€1.45 billion	a) Consolidated revenue of the Medios Group >€1.6 billion		
			b) €0	b) €48,000	Yes/100%	€48,000	
			EBITDA growth 20%	a) EBITDA of the Medios Group <€52 million	a) EBITDA of the Medios Group >€58 million		
b) €0	b) €48,000	Yes/100%	€38,400				
EBITDA margin 20%	a) EBITDA margin 2022 <3.5%	a) EBITDA margin 2022 at least 3.6%					
b) €0	b) €48,000	No/0%	€0				
Total STI payout						€182,400	

ESG bonus

The following table on the fulfillment of the agreed performance criteria as part of the ESG bonus applies equally to the Members of the Executive Board Mr. Matthias Gärtner, Mrs. Mi-Young Miehler, Mr. Christoph Prußeit and Mr. Falk Neukirch.

Performance criteria	Relative weighting of the performance criterion	Information about the performance target		a) Target attainment	b) Amount paid out
		a) Minimum target and b) corresponding remuneration	a) Maximum target and b) corresponding remuneration		
Identify and assess ESG risks	4.35%	a) Implementation or initiation of less than 17 performance criteria	a) Implementation or initiation of at least 20 performance criteria	80%	€16,000
Compliance training for all employees	4.35%				
Introduction of a complaints management system for all employees	4.35%	b) €0	b) €20,000		
Introduction of an internal audit	4.35%				
Introduction of a package of measures to improve data protection	4.35%				
Code of Conduct training for all employees	4.35%				
Extension of the whistleblower system to suppliers	4.35%				
Regular implementation of customer satisfaction surveys	4.35%				
Introduction of a complaint management system for customers	4.35%				
Evaluation of customer complaints	4.35%				
Introduction of an e-prescription platform for doctors, health insurance companies and specialized partner pharmacies	4.35%				
Conduct annual feedback and development meetings with employees	4.35%				
Create new training opportunities	4.35%				
Annual analyses on gender pay parity	4.35%				
Offer preventive medical check-ups and vaccinations	4.35%				
Introduction of uniform Group-wide occupational safety strategies including training	4.35%				
Introduction of ESG software and expansion of digital electricity meters	4.35%				
Determine criteria for energy efficiency in purchasing criteria	4.35%				
Gradual switch to 100% green electricity	4.35%				
Define reusability or recyclability of suits, gloves, etc. as a purchasing criterion	4.35%				
Use recycled and reusable packaging	4.35%				
Carry out a recycling awareness campaign	4.35%				
Medios Specialty Pharma Day	4.35%				

The following describes how the agreed performance criteria and the targets for the variable remuneration components short-term Incentive, ESG Bonus and LTIP were applied for the 2023 financial year.

SHORT-TERM INCENTIVE

Depending on the achievement of the defined targets, each Member of the Executive Board can receive an amount of up to 100% of the agreed fixed remuneration as STI. For revenue growth, Group EBITDA growth and the Group EBITDA margin, the audited consolidated financial statements prepared in accordance with IFRS are binding for the Medios Group. The Supervisory Board determines the four targets or percentages and margins of the STI targets annually before the start of the relevant financial year after consultation with the respective Member of the Executive Board and communicates them to him.

EBITDA within the meaning of the STI agreements is EBITDA pre before Executive Board bonus, i.e. EBITDA before M&A expenses, before expenses for Stock Option Programs and before payments for the acquisition of compounding volumes recognized as expenses and before taking Executive Board bonuses into account.

The following targets have been set for 2023:

Inorganic growth (40% weighting)

20% bonus on completion of a transaction by December 31, 2023, if

- the purchase price is a maximum of 10 times the EBITDA of the target or the assets in Germany, or a maximum of 12 times the EBITDA of the target or the assets abroad, and
- the EBITDA is more than €2 million;
- the acquisition of compounding volumes from pharmacy laboratories is included in the consideration.

40% bonus on completion of a transaction by December 31, 2023, if

- the purchase price is a maximum of 10 times the EBITDA of the target or the assets in Germany, or a maximum of 12 times the EBITDA of the target or the assets abroad, and
- the sum of all EBITDA of all acquired targets or all acquired assets is more than €4 million;

- if several transactions are necessary to achieve these targets, at least one of the transactions must be related to internationalization or diversification into new segments of the Medios Group;
- the acquisition of compounding volumes from pharmacy laboratories is included in the analysis.

Revenue growth (20% weighting)

- 60% of this component if the consolidated revenue of the Medios Group amounts to at least €1.65 billion in 2023,
- 80% of this component if the consolidated revenue of the Medios Group amounts to at least €1.725 billion in 2023,
- 100% of this component if the consolidated revenue of the Medios Group amounts to at least €1.8 billion in 2023.

EBITDA growth (20% weighting)

- 60% of this component if the EBITDA before special effects of the Medios Group amounts to at least €56 million in 2023,
- 80% of this component if the EBITDA before special effects of the Medios Group amounts to at least €59.5 million in 2023,
- 100% of this component if the EBITDA before special effects of the Medios Group amounts to at least €63 million in 2023.

EBITDA margin (20% weighting)

- 40% of this component if the EBITDA margin before special effects of the Medios Group is at least 3.4% in 2023,
- 60% of this component if the EBITDA margin before special effects of the Medios Group is at least 3.5% in 2023,
- 80% of this component if the EBITDA margin before special effects of the Medios Group is at least 3.6% in 2023,
- 100% of this component if the EBITDA margin before special effects of the Medios Group is at least 3.7% in 2023.

The respective payout amount under the STI is due for payment by the last day of the month following the adoption of the annual financial statements for the past financial year. The payout amount of the aforementioned STI targets for the 2023 financial year will therefore not be paid out until the 2024 financial year, depending on target achievement.

ESG BONUS

Before the start of each financial year, the Supervisory Board, in consultation with the Executive Board, determines ESG targets from various areas (such as climate and environment) uniformly for all Executive Board Members. When defining the ESG targets, the Supervisory Board also determines the weighting among the defined ESG targets for the overall target achievement and criteria and methods for assessing the achievement of the respective ESG targets. At the same time, a specific target amount in euros is set for each Member of the Executive Board for achieving an overall target achievement level of 100% for the defined ESG targets.

The target amount for the ESG bonus for the 2023 financial year is €20 thousand ("target amount"). Ten of the sixteen measures set out below should have been implemented or at least started to be implemented by the end of 2023 or their values should have improved in accordance with the respective target achievement criterion. If

- at least 8 of these targets are achieved (80% target achievement), the Executive Board receives a bonus of €16 thousand.
- each additional target is achieved, this amount increases by €2 thousand up to a maximum of €20 thousand if ten targets are achieved (100% target achievement).

The specific measures agreed to achieve the ESG targets for the 2023 financial year can be found in the table below.

	ESG target/measure	Target achievement criteria (performance measurement)
1.	Expansion of data protection training to all employees	Proportion of employees greater than or equal to 85
2.	Introduction of special training on corruption and bribery	Proportion of employees greater than or equal to 80%
3.	Avoid or reduce complaints	Share of complaints in total deliveries less than or equal to 0.3
4.	Introduce a Code of Conduct for suppliers	At least 50% of suppliers have recognized the Supplier Code of Conduct (CoC)
5.	Increase purchasing volume from ESG-rated suppliers	Proportion of purchasing volume from audited suppliers greater than or equal to 30%
6.	Maintain a high proportion of women in the workforce and management positions	Women in the workforce between at least 55% – 60%. Women in management positions at least 50%
7.	Reduce fluctuation rate	Fluctuation rate less than or equal to 20%
8.	Reduce the rate of work-related accidents	Accident rate per 100 employees less than or equal to 6%
9.	Increase the number of apprenticeships	Number of apprenticeships filled greater than or equal to 4
10.	Annual evaluation of gender pay parity, ensuring fair pay for women and reducing the gender pay gap	Gender pay gap less than or equal to 17% in at least one evaluation per year
11.	Significantly increase employee feedback and development meetings	Percentage of employees who have received a feedback and development meeting greater than or equal to 50%
12.	Increase share of green electricity	Proportion of green electricity greater than or equal to 44
13.	Embed ESG in purchasing guidelines	Implementation of ESG in purchasing guidelines
14.	Climate neutrality at own locations through offsetting	Offset Scope 1 and Scope 2 emissions
15.	Participation in charitable events	Number of participations greater than or equal to 3
16.	Support employees in their day-to-day commitment with a paid day off	Number of days off taken at least 650

The ESG bonus for the 2023 financial year is due for payment in cash four months after the end of the 2023 financial year, i.e. in the 2024 financial year. The payout amount for the aforementioned ESG bonus targets for the 2023 financial

year will therefore only be paid out in the 2024 financial year, depending on target achievement. The Executive Board expects a target achievement of 90% for the 2023 financial year.

VARIABLE REMUNERATION UNDER THE LTIP

In the 2023 financial year, the Member of the Executive Board Mr. Falk Neukirch was granted options on shares in Medios AG under the LTIP.

These granted stock options originate from the 2023 tranche of the Stock Option Plan 2023. By contractual agreement, Mr. Falk Neukirch received the right under the Stock Option Plan 2023 to acquire an agreed number of 60,000 bearer shares in Medios AG at an exercise price of €24.00 after expiry of the four-year vesting period and if the performance target of €28.00 is met in accordance with the provisions of the Stock Option Plan.

The stock options can be exercised within an exercise period of three years, which begins at the end of the vesting period. The prerequisite for exercising the stock options is that the performance target has been achieved within a period of 30 trading days before the end of the vesting period.

The performance target is achieved if the closing price of the company's shares in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds the amount of €28.00 on 30 consecutive trading days.

In the 2023 financial year, the Member of the Executive Board Mr. Falk Neukirch was "granted" stock options under the LTIP within the meaning of Sec. 162 Para. 1 Sentence 1 AktG, as shown in the table below:

Key conditions for exercising the options:

Stock Option Plan	SOP 2023
Vesting period	4 years
Grant date	11/20/2023
Vesting date	03/31/2026
End of vesting period	12/01/2027
End of exercise period	12/01/2030
Exercise price/success target (in €)	24/28
Number of stock options	60,000

PORTFOLIO OF STOCK OPTIONS IN THE 2023 FINANCIAL YEAR

On October 31, 2021, the Members of the Executive Board Matthias Gärtner, Mi-Young Miehler, Christoph Prusseit and Falk Neukirch each received 40,000 options to purchase Medios AG shares (call option) as part of the Stock Option Plan 2020. The exercise price of these options amounts to €29.00. The option rights can be exercised after a vesting period of four years from the issue date. The performance target is defined as the closing price of the company's shares in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) must reach or exceed €50.00 on 30 consecutive trading days prior to the respective exercise.

The vesting period for the stock options granted expires on October 31, 2025, meaning that the options can generally be exercised from this date.

On October 28, 2022, the Member of the Executive Board Matthias Gärtner received 60,000 options to purchase Medios AG shares (call option) as part of the Stock Option Plan 2022. The exercise price of these options is €27.00. The option rights can be exercised after a vesting period of four years from the issue date. The performance target is defined as the closing price of the company's shares in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) must reach or exceed €40.00 on 30 consecutive trading days prior to the respective exercise.

The vesting period for the stock options granted expires on October 31, 2026, meaning that the options can generally be exercised from this date.

The following overview shows the development of the opening balance, additions and disposals of stock options in the 2023 financial year. As of December 31, 2023, there are no outstanding stock options for Members of the Executive Board from the 2017 and 2018 Stock Option Plans:

**Information on share options on Medios AG shares
 pursuant to Sect. 162 Para. 1 No. 3 AktG**

Executive Board	Stock option plan (SOP) and term	Opening balance as of January 1, 2023	In the 2023 financial year			Closing balance as of December 31, 2023	
		Number of stock options as of January 1, 2023	Granted and pledged (forfeitable) options	non-forfeitable options	exercised options	forfeited options	Number of stock options as of December 31, 2023
Matthias Gärtner	SOP 2020	40,000	0	30,000	0	0	40,000
	SOP 2022	60,000	0	40,000	0	0	60,000
	SOP 2023	0	0	0	0	0	0
Mi-Young Miehlner	SOP 2020	40,000	0	30,000	0	0	40,000
	SOP 2022	0	0	0	0	0	0
	SOP 2023	0	0	0	0	0	0
Christoph Prußeit	SOP 2020	40,000	0	30,000	0	0	40,000
	SOP 2022	0	0	0	0	0	0
	SOP 2023	0	0	0	0	0	0
Falk Neukirch	SOP 2020	40,000	0	30,000	0	0	40,000
	SOP 2022	0	0	0	0	0	0
	SOP 2023	0	60,000	15,000	0	0	60,000

Benefits in the 2023 financial year pursuant to the 2017 DCGK

The following table shows in accordance with Sec. 4.2.5 Appendix Tables 1 and 2 DCGK in the version dated February 7, 2017 ("DCGK 2017") the "benefits granted" by Medios AG within the meaning of DCGK 2017. The underlying recommendations for the disclosure of such tables on "benefits granted" within the meaning of the DCGK 2017 ceased to apply when the revised DCGK came into force on March 20, 2020.

The German Stock Corporation Act in the current version of ARUG II also does not require the continued inclusion of such disclosures in the Remuneration Report. In order to enable our shareholders to make a better comparison with the information provided in previous years and to maintain the level of transparency achieved to date, the Executive Board and Supervisory Board have decided to voluntarily include information on "benefits granted" as defined by the DCGK (old version) in the Remuneration Report for the 2023 financial year.

The "benefits granted" within the meaning of the DCGK 2017 are not synonymous with the "remuneration granted and owed" within the meaning of Sec. 162 Para. 1 Sentence 1 AktG as described above:

- „Benefits granted" within the meaning of the DCGK 2017 are – regardless of the time of payment – all remuneration components that were promised to a Member of the Executive Board in the financial year, at least in principle, and whose (future) amount can at least be estimated.
- „Remuneration granted and owed" within the meaning of Sec. 162 Para. 1 Sentence 1 AktG, by contrast, is only remuneration that has factually been paid out in the financial year or remuneration that, according to the draft explanatory memorandum (BT-Drs. 19/9739, page 111), is "due according to legal categories but has not (yet) been paid out".

BENEFITS GRANTED PURSUANT TO THE 2017 DCGK

The table of "granted benefits" in accordance with DCGK 2017 shows the amount granted in each financial year. The stock options granted under the LTIP are recognized at fair value at the grant date. The future amount of the resulting benefits cannot be reliably estimated, which is why no figure-based disclosures have been made in the table. In accordance with Sec. 162 Para. 1 Sentence 1, Sentence 2 No. 1 AktG, all fixed and variable remuneration components "granted and owed" to the individual Members of the Executive Board in the 2023 financial year must be disclosed. This information essentially corresponds to the information previously disclosed as "benefits received" (see "benefits" table) in accordance with the DCGK 2017.

BENEFITS GRANTED 2023 ACCORDING TO DCGK 2017

in € thousand	Matthias Gärtner			Mi-Young Miehler		
	2023	min	max	2023	min	max
Fixed remuneration	342	342	342	280	280	280
Fringe benefits	17	17	17	15	15	15
Total	359	359	359	295	295	295
Short-term variable remuneration	155	0	362	130	0	300
Long-term variable remuneration	0	0	0	0	0	0
Plan ID (plan term)	0	0	0	0	0	0
Total	514	359	721	425	295	595
Service cost ¹	0	0	0	8	8	8
Total remuneration	514	359	721	433	303	603

in € thousand	Christoph Prußeit			Falk Neukirch		
	2023	min	max	2023	min	max
Fixed remuneration	280	280	280	300	300	300
Fringe benefits	13	13	13	12	12	12
Total	293	293	293	312	312	312
Short-term variable remuneration	130	0	300	138	0	320
Long-term variable remuneration	0	0	0	0	0	0
Plan ID (plan term)	0	0	0	0	0	0
Total	423	293	595	450	312	632
Service cost	8	8	8	0	0	0
Total remuneration	431	301	601	450	312	632

INFLOW 2023 ACCORDING TO DCGK 2017

in € thousand	Matthias Gärtner		Mi-Young Miehler		Christoph Prußeit		Falk Neukirch	
	2023	2022	2023	2022	2023	2022	2023	2022
Fixed remuneration	342	320	280	280	280	280	300	240
Fringe benefits	17	11	15	19	13	14	12	13
Total	359	331	295	299	293	294	312	252
Short-term variable remuneration	259	138	229	102	229	102	198	53
Long-term variable remuneration	0	0	0	0	0	0	0	0
Plan ID (plan term)	0	0	0	0	0	0	0	0
Total	618	469	524	401	522	395	510	305
Service cost ¹	0	5	8	5	8	5	0	5
Total remuneration	618	474	532	406	521	400	510	310

1 The pension expense corresponds to the service cost in accordance with IAS 19 from commitments for pensions and other benefits (amounts correspond to amounts in the "Benefits granted" table); this does not represent an inflow in the financial year.

Relationship between remuneration and work performance in 2023 (“Pay for Performance”)

In order to illustrate the connection between remuneration and work performance for the current financial year 2023, the following table shows both the remuneration components received in 2023 and – regardless of the date of payment – all remuneration components that were promised to a Member of the Executive Board in the 2023 financial year, at least in principle, and whose (future) amount can at least be estimated:

in € (gross)	Fixed remuneration	Variable (STI)				Total	Variable (LTIP)
	Fixed remuneration	Maximum possible STI bonus 100%	STI bonus (estimated) 40%	Maximum possible ESG bonus 100%	ESG bonus (estimated) 80%		Granted stock options (number)
Matthias Gärtner	342,400	342,400	136,960	20,000	18,000	154,960	0
Mi-Young Miebler	280,000	280,000	112,000	20,000	18,000	130,000	0
Christoph Prußeit	280,000	280,000	112,000	20,000	18,000	130,000	0
Falk Neukirch	300,000	300,000	120,000	20,000	18,000	138,000	60,000
Total	1,202,400	1,202,400	480,960	80,000	72,000	552,960	60,000

The STI bonus is divided between the individual components as follows:

in € (gross)	Inorganic growth 40%	Revenue grow 20%	EBITDA growth 20%	EBITDA margin 20%	Total STI
Target achievement	0%	80%	80%	40%	40%
Matthias Gärtner	0	54,784	54,784	27,392	136,960
Mi-Young Miebler	0	44,800	44,800	22,400	112,000
Christoph Prußeit	0	44,800	44,800	22,400	112,000
Falk Neukirch	0	48,000	48,000	24,000	120,000
Total	0	192,384	192,384	96,192	480,960

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, Paragraph 2 AktG

MALUS AND CLAWBACK

Since July 1, 2021, malus and clawback provisions have been implemented in the Executive Board employment contracts under the relevant remuneration systems. These allow variable remuneration components already paid or not yet paid to be reclaimed or reduced under certain conditions. This clawback or reduction option applies to all variable components of Executive Board remuneration, i.e. remuneration under the ESG bonus, the long-term incentive program and the short-term incentive.

In the event of a serious and intentional breach of duty or compliance by a Member of the Executive Board, the company may cancel or withhold some or all of the variable remuneration under the ESG bonus, the short-term incentive and the long-term incentive program ("malus") and forfeit or reclaim variable remuneration components already granted ("clawback").

(Variable) remuneration under the LTIP, STI and ESG bonus granted is subject to a malus or clawback for the first time for financial years from January 1, 2022 onwards. In the 2023 financial year, no use was made of the option to reclaim variable remuneration components.

TERMINATION OF CONTRACT AND REMUNERATION

In the event of revocation of the appointment, resignation from office by the Member of the Executive Board or other termination of the position on the executive body, the Executive Board employment contract shall end upon expiry of the relevant period under Sec. 622 BGB (Bürgerliches Gesetzbuch). In this case, Medios AG is entitled to release the Member of the Executive Board from any further activity for the company for the remaining term of the employment contract. The release shall take place with continued payment of the contractually agreed remuneration.

In the event of the death of a Member of the Executive Board before the end of the term of the employment contract, the respective spouse or dependent children of the deceased Member of the Executive Board are entitled to receive the non-performance-related fixed basic remuneration (i.e. gross monthly salary in accordance with the respective Executive Board employment contract) for the month of death and the following three months.

SEVERANCE CLAUSES

Severance clauses that comply with the recommendations of the German Corporate Governance Code have been agreed in the Executive Board employment contracts existing in the 2023 financial year. If the employment relationship with a Member of the Executive Board ends due to resignation or a mutual termination agreement, the Executive Board members are entitled to a severance payment. However, this does not apply if the employment contract is terminated by the company for good cause for which the Member of the Executive Board is responsible in accordance with Sec. 626 of the German Civil Code ("BGB"). The severance payment may not exceed the amount of two years' total remuneration and may not exceed the remuneration for the remaining term of the contract.

CHANGE OF CONTROL

In the event of a change of control, the Executive Board employment contracts under the relevant remuneration systems provide for the following special provisions, but no additional severance pay, since July 1, 2021.

In the event of a change of control, the Member of the Executive Board has the right to resign from office with three months' notice. The employment contract also ends at this time. A change of control occurs if:

- the company's shares are withdrawn from trading on a regulated market (delisting);
- the appointment of the Member of the Executive Board ends due to a change of legal form of the company or due to a merger of the company with another company, unless the Member of the Executive Board is offered an appointment as a Member of the Executive Board in the new company on the same economic terms as before;
- 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.

POST-CONTRACTUAL NON-COMPETE CLAUSE

The Executive Board employment contracts under the relevant remuneration systems since July 1, 2021 provide for a post-contractual non-compete clause for all Members of the Executive Board for up to two years. For the duration of the non-competition clause, the respective Member of the Executive Board is to be paid compensation amounting to 50% of the last contractual remuneration received. Any other income received during the period of the non-competition clause will be offset against the compensation if the compensation would exceed the last

contractual remuneration received when the other income is added. In addition, other contractual severance payments to a Member of the Executive Board are offset against the compensation for non-competition.

No compensation was granted or owed in the 2023 financial year.

Further mandatory disclosures pursuant to Sec. 162 Para. 1 and Para. 2 AktG

The Remuneration Report for the 2022 financial year prepared by Medios in accordance with the requirements of Sec. 162 AktG was approved by the Annual General Meeting on June 21, 2023.

There were no deviations from the relevant remuneration systems. As a precautionary measure, it should be noted that the current Executive Board remuneration system 4 submitted to the Annual General Meeting for approval in 2022 has not yet been applied for Mrs. Mi-Young Miebler, Mr. Christoph Prußeit and Mr. Falk Neukirch (until April 30, 2023), even though the content of the corresponding Executive Board employment contracts generally corresponds to this system.

The maximum remuneration of €2.5 million (Chairman of the Executive Board) and 2.0 million (Members of the Executive Board) specified in the relevant remuneration systems applied was complied with in the 2023 financial year, as this is higher than the remuneration granted and owed to Mr. Gärtner (€618 thousand), Mrs. Miebler (€525 thousand), Mr. Prußeit (€521 thousand) and Mr. Neukirch (€517 thousand).

COMPARATIVE PRESENTATION OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD WITH THE DEVELOPMENT OF EARNINGS AND THE AVERAGE REMUNERATION OF EMPLOYEES OF MEDIOS AG IN ACCORDANCE WITH SEC. 162 PARA. 1 NO. 2 AKTG

The following comparative presentation shows the annual change in the remuneration granted and owed to the current Members of the Executive Board of the company's earnings performance and the remuneration of employees on a full-time equivalent basis in accordance with Sec. 162 AktG.

	Remuneration 2023 (Sec. 162 AktG)	Change 2023 vs. 2022	Remuneration 2022 (Sec. 162 AktG)	Change 2022 vs. 2021	Remuneration 2021 (Sec. 162 AktG)	Change 2021 vs. 2020	Remuneration 2020 (Sec. 162 AktG)
	in € thousand	in € thousand	in € thousand	in %	in € thousand	in %	in € thousand
Executive Board							
Matthias Gärtner	618	31.9	469	58.4	296	15.7	256
Mi-Young Miebler	524	30.7	401	42.4	282	7.7	262
Christoph Prußeit	522	32.1	395	62.2	244	73.6	141
Falk Neukirch	510	67.5	305	18.4	258 ¹	n/a	n/a
Employees							
Average of Medios Group employees	53.9	10.8	48.7	(1.2)	49.2	6.8	46.1
Earnings development of Medios AG							
Net profit for the year of the Medios Group (in €m)	18.8	2.6	18.3	147.6	7.4	34.0	5.5
Net profit for the year of Medios AG (in €m)	15.3	(21.2)	19.5	137.4	8.2	26.0	6.5

¹ The remuneration granted and owed to Mr. Neukirch for the 2021 financial year (from October 1, 2021 to December 31, 2021) was granted pro rata temporis and extrapolated on a simplified straight-line basis in order to ensure meaningful comparability with the 2022 financial year.

The remuneration of the Members of the Executive Board included in the table reflects the amounts granted in the respective financial year. Insofar as Members of the Executive Board were only remunerated on a pro rata basis in individual financial years, for example due to joining during the year, the remuneration for this financial year was extrapolated to a full year in order to ensure comparability.

The comparison with the development of the average remuneration of employees is based on the average remuneration of the Medios Group's workforce. The remuneration of all employees, excluding executives within the meaning of Sec. 5 Para. 3 BetrVG ("Betriebsverfassungsgesetz"), was taken into account. If employees also receive remuneration as a Member of the Supervisory Board of Medios AG, this remuneration was not taken into account. To ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

The development of earnings is generally presented on the basis of the development of Medios AG's net profit for the year in accordance with Sec. 275 No. 17 HGB.

REVIEW OF THE APPROPRIATENESS OF EXECUTIVE BOARD REMUNERATION

In the 2023 financial year, the Supervisory Board also carried out the annual review of the Executive Board remuneration for the 2023 financial year, which was taken into account in particular when setting the targets for the short-term variable remuneration components. In its review, it came to the conclusion that, from a legal perspective, no adjustments are necessary with regard to the amount of Executive Board remuneration.

When the Executive Board employment contract with Member of the Executive Board Falk Neukirch was extended, his remuneration was also adjusted. The Supervisory Board also used external advice to assess the appropriateness of the Executive Board's remuneration. On the one hand, the relationship between the amount and structure of Executive Board remuneration and the remuneration of senior management and the workforce as a whole was assessed from a company-external perspective (vertical comparison). In addition to a status quo analysis, the vertical comparison also takes into account the development of remuneration ratios over time. On the other hand, the level and structure of remuneration were assessed on the basis of Medios AG's positioning 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, belong to related industries or have comparable core characteristics and are similar in terms of company size as at the reporting date. In addition to the fixed remuneration, the horizontal comparison also includes the short-term and long-term remuneration components as well as the amount of the company pension scheme.

To assess the appropriateness and customary nature of the specific total remuneration of the Members of the Executive Board in comparison to other companies (horizontal comparison), the Supervisory Board used a suitable peer group when preparing the remuneration system. The market position of the companies compared to Medios AG is relevant for this peer group comparison. With effect from September 21, 2020, Medios AG was included in the Deutsche Börse SDAX selection index. Medios AG has since left the SDAX. Despite this, Medios AG considers itself to be in competition with the companies in the SDAX, particularly with regard to the upper management level and the Executive Board.

For the horizontal comparison, the Supervisory Board therefore used the remuneration data for the fixed, variable and total direct remuneration of the male and female Executive Board Members in the DAX indices 2013-2021 in accordance with the "Mixed Compensation Barometer 2022" study by the auditing firm Ernst & Young from November 2022.

To assess the remuneration, the Supervisory Board used both the values of the total Executive Board remuneration and the values of the individual remuneration elements of the SDAX companies and compared them with the Executive Board remuneration it was considering. To assess the appropriateness of Executive Board remuneration within the Medios Group, the Supervisory Board based its remuneration system on the upper management level below the Executive Board within the Medios Group, for the workforce as a whole and on the average remuneration of Medios Group employees in Germany. Both the current ratio and the change in the ratio over time were taken into account.

SUPERVISORY BOARD AND SUPERVISORY BOARD REMUNERATION

The remuneration system for Supervisory Board Members is based on the legal requirements and takes into account the recommendations and suggestions of the German Corporate Governance Code. The Supervisory Board advises and monitors the Executive Board and is closely involved in important operational and strategic corporate management

issues. The Supervisory Board's remuneration is also decisive for its effective action. This is commensurate with the tasks of the Supervisory Board Members and the situation of the company. Appropriate Supervisory Board remuneration in line with the market thus promotes the business strategy and long-term development of Medios AG.

In accordance with Article 13 of the Articles of Association, the Annual General Meeting determines the amount of remuneration for Supervisory Board Members. The remuneration system for the Supervisory Board provides both the abstract and the concrete framework for the remuneration of Supervisory Board Members.

This ensures that the remuneration of Supervisory Board Members always corresponds to the remuneration system approved by the Annual General Meeting.

In accordance with Sec. 113 Para. 3 Sentences 1 and 2 AktG, which was revised on January 1, 2020, the Annual General Meeting of listed companies must pass a resolution on the remuneration of Supervisory Board Members at least every four years, whereby a resolution confirming the remuneration is permissible. According to the transitional provision pursuant to Sec. 26j Para. 1 Sentence 1 of the Introductory Act to the German Stock Corporation Act, the first resolution had to be passed at the Annual General Meeting following December 31, 2020. This resolution was passed on June 10, 2021.

The remuneration of Supervisory Board Members in accordance with Article 13 of the Articles of Association was last amended by the Annual General Meeting on June 21, 2022 with (retroactive) effect for the entire 2022 financial year.

Detailed information on the remuneration system for the Members of the Supervisory Board can be found on the company's website at www.medios.ag/en/investor-relations/corporate-governance. In accordance with the Articles of Association, the Supervisory Board of Medios AG consisted of four Members in the 2023 financial year.

The members in office in the 2023 financial year include Dr. Yann Samson (Chairman of the Supervisory Board), Mr. Klaus J. Buß, Mr. Joachim Messner (Deputy Chairman of the Supervisory Board) and Dr. Anke Nestler.

The term of office of the current Supervisory Board Members Dr. Yann Samson, Mr. Klaus J. Buß and Mr. Joachim Messner ended at the end of the 2023 Annual General Meeting.

At the Annual General Meeting on June 21, 2023, the aforementioned Supervisory Board Members were re-elected to the Supervisory Board of Medios AG for a period until the end of the Annual General Meeting that resolves on the discharge for the 2025 financial year.

Structure of the remuneration system for the Members of the Supervisory Board

The current remuneration system for the Members of the Supervisory Board, which was approved by the Annual General Meeting, has been in place since the beginning of the 2022 financial year and can be summarized as follows:

Each Member of the Supervisory Board receives a fixed basic remuneration of €30,000 (in words: thirty thousand euros) per year, payable at the end of the financial year. The Chairman of the Supervisory Board receives double the basic remuneration.

In addition to the basic remuneration, each ordinary Member of a Supervisory Board committee receives a fixed annual remuneration of €10,000 (in words: ten thousand euros) for committee membership, payable after the end of the financial year. The Chairman of a Supervisory Board committee receives double this remuneration, while the Chairman of the Audit Committee receives four times this amount.

In addition to the basic remuneration and the committee remuneration, the ESG Officer receives a fixed annual remuneration of €10,000 (in words: ten thousand euros) payable after the end of the financial year.

Supervisory Board Members who only belong to the Supervisory Board or a committee of the Supervisory Board for part of a financial year or who hold the office of Chairman of the Supervisory Board or a committee receive a corresponding pro rata remuneration.

The company reimburses each Member of the Supervisory Board for expenses incurred as well as the value added tax payable on their remuneration, insofar as they are entitled to invoice the company separately for value added tax and exercise this right.

The insurance premium for a D&O insurance policy to be taken out by the company for the Members of the Supervisory Board is borne by the company.

In the 2023 financial year, the remuneration system for the Supervisory Board was applied in all aspects as regulated by resolution of the Annual General Meeting.

The Members of the Supervisory Board did not receive any further remuneration or benefits for services provided personally, in particular consulting and agency services, in the reporting year. Furthermore, no loans or advances were granted to the Members of the Supervisory Board, nor were any contingent liabilities entered into in their favor.

As the remuneration of the Members of the Supervisory Board is not made up of variable but exclusively fixed components, there is no need to set a maximum total remuneration for the Members of the Supervisory Board. This also applies in accordance with the new requirements of the German Stock Corporation Act in the version of ARUG II. These new requirements expressly provide for the determination of a maximum remuneration only for the Members of the Executive Board, but not for the Members of the Supervisory Board.

Remuneration granted and owed in 2023 within the Meaning of Sec. 162 Para. 1 Sentence 1 AktG

The following table shows the fixed remuneration components granted and owed to the Supervisory Board Members in office in the 2023 financial year, including the respective relative share in accordance with Sec. 162 AktG.

In accordance with the resolution of the Annual General Meeting of Medios AG, the Supervisory Board remuneration is payable pro rata temporis after the end of each financial year.

The following table showing the remuneration for the 2023 financial year therefore relates to the remuneration paid out for the 2022 financial year for activities as a Member of the Supervisory Board. The remuneration for the 2023 financial year is not due until 2024 and is not listed as remuneration owed for the 2023 financial year.

Supervisory Board

in €	Fixed remuneration	Committee remuneration	ESG remuneration	Attendance fee	Fringe benefits ¹	Total
Dr. Yann Samson	60,000	20,000	10,000	0	0	90,000
Joachim Messner	30,000	10,000	0	0	0	40,000
Dr. Anke Nestler	30,000	40,000	0	0	0	70,000
Klaus J. Buß	30,000	10,000	0	0	0	40,000

¹ The members of the Supervisory Board are included in a financial loss liability insurance policy maintained by the company in the interests of the company in an appropriate amount, insofar as such a policy exists. The premiums for this are paid by the company.

COMPARISON OF ANNUAL CHANGES IN THE REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD WITH THE DEVELOPMENT OF EARNINGS AND THE AVERAGE REMUNERATION OF EMPLOYEES OF MEDIOS AG IN ACCORDANCE WITH SEC. 162 PARA. 1 NO. 2 AKTG

The following table shows a comparison of the percentage change in the remuneration of the Members of the Supervisory Board with the earnings performance of Medios AG and with the average remuneration of employees on a full-time equivalent basis compared to the previous year. The remuneration of the Members of the Supervisory Board included in the table reflects the amounts actually received in the respective financial year. Where Members of the Supervisory Board were only remunerated pro rata in individual financial years, for example due to joining during the year, the remuneration for this financial year was extrapolated to a full year in order to ensure comparability.

If Members of the Supervisory Board previously belonged to the Executive Board of Medios AG and received remuneration for this, this is not taken into account in the comparative presentation.

The development of earnings is generally presented on the basis of the development of the annual result. As the remuneration of the Members of the Supervisory Board is also largely dependent on the development of Group key figures, the development of the (adjusted) annual result of the Medios Group reported in the consolidated financial statements is also shown.

The comparison with the development of average employee remuneration is based on the average remuneration of the Medios Group's workforce. The remuneration of all employees excluding executives within the meaning of Sec. 5 Para. 3 BetrVG was taken into account. To ensure comparability, the remuneration of part-time employees was extrapolated to full-time equivalents.

	Remuneration 2023 (Sec. 162 AktG)	Change 2023 vs. 2022	Remuneration 2022 (Sec. 162 AktG)	Change 2022 vs. 2021	Remuneration 2021 (Sec. 162 AktG)	Change 2021 vs. 2020	Remuneration 2020 (Sec. 162 AktG)
	in € thousand	in € thousand	in € thousand	in %	in € thousand	in %	in € thousand
Supervisory Board							
Dr. Yann Samson	90	82.2	49	23.5	40	100	20
Klaus J. Buß	40	75.4	23	14.0	20	100	10
Joachim Messner	40	75.4	23	52.1	15	50	10
Dr. Anke Nestler	70	161.5	27 ¹	n/a	n/a	n/a	n/a
Employees							
Average of Medios Group employees	53.9	10.8	48.7	(1.2)	49.2	6.8	46.1
Earnings development of Medios AG							
Net profit for the year of the Medios Group (in €m)	18.8	2.6	18.3	147.6	7.4	34.0	5.5
Net profit for the year of Medios AG (in €m)	15.3	(21.2)	19.5	137.4	8.2	26.0	6.5

1 By resolution of the Annual General Meeting on June 10, 2021, the Supervisory Board was increased from three to four members with the addition of Dr. Anke Nestler. The Supervisory Board remuneration for Dr. Anke Nestler for the 2022 financial year shown in the table is the remuneration paid for the 2021 financial year for her work as a member of the Supervisory Board, which was granted pro rata temporis for seven months.

Independent Auditor's Report

To Medios AG, Berlin

We have audited the accompanying Remuneration Report of Medios AG for the financial year from 1 January 2023 to 31 December 2023, including the related disclosures, which was prepared in order to comply with § 162 of the German Stock Corporation Act (AktG).

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The executive directors and the Supervisory Board are responsible for the preparation of the Remuneration report, including the related disclosures, which complies with the requirements of § 162 of the German Stock Corporation Act (AktG). The executive directors and the Supervisory Board are also responsible for the internal controls they have determined necessary to enable the preparation of a remuneration report, including related disclosures, that is free from material misstatements, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

AUDITOR'S RESPONSIBILITIES

Our objective is to issue an opinion on this remuneration report including the related disclosures. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer ("IDW", German Institute of Public Auditors). Thereafter, we have to comply with our professional duties and plan and perform the audit in such a way as to obtain reasonable assurance as to whether the remuneration report, including the related information, is free from material misstatement, whether due to fraud or error.

An audit involves performing audit procedures to obtain audit evidence about the valuations including the related disclosures in the remuneration report. The procedures

selected depend on the auditor's judgement. This includes the assessment of the risks of material misstatement of the remuneration report, whether due to fraud or error, including the related disclosures. In making those risk assessments, the auditor considers the internal control system relevant to the preparation of the remuneration report and related disclosures. The objective is to design and perform audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control system. An audit also includes assessing the applied accounting principles and the reasonableness of accounting estimates made by the executive directors and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT OPINION

In our opinion, on the basis of the findings of the audit, the remuneration report for the financial year from 1 January 2023 to 31 December 2023, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

OTHER MATTERS – FORMAL AUDIT OF THE REMUNERATION REPORT

The substantive review of the remuneration report described in this audit report includes the formal review of the remuneration report required by § 162 (3) AktG, and the issuance of an auditor's report on this audit. Since we give an unqualified audit opinion on the content-based review of the remuneration report, this opinion includes that the disclosures pursuant to § 162 (1) and (2) AktG have been provided in the remuneration report in all material respects.

LIMITATION OF LIABILITY NOTICE

The engagement, in the performance of which we provided the above-mentioned services for the Management Board and the Supervisory Board of Medios AG, Berlin, was based on the General Engagement Terms for Public Auditors and Public Auditing Firms in the version dated 1 January 2017. By acknowledging and using the information contained in this report, each recipient confirms that he has taken note of the regulations made therein and acknowledges their validity in relation to us.

Munich, 26 March 2024

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

Gloth

Wirtschaftsprüfer
German Public Auditor

Weissinger

Wirtschaftsprüfer
German Public Auditor

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Combined Management Report of the Medios Group and Medios AG as of December 31, 2023

General information

The combined Management Report presents the position of the Medios Group (hereinafter “Medios Group” or “Medios”) as well as the parent company, Medios AG, based in Berlin, Germany. It has been prepared in accordance with the provisions of the German Commercial Code (HGB) and German Accounting Standard (DRS) No. 20.

Medios AG prepares its separate 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), as applicable in the European Union (EU). The Management Report and the Group Management Report are combined. The net assets, financial position and results of operations are each presented separately.

GROUP FUNDAMENTALS

Business model of the Group

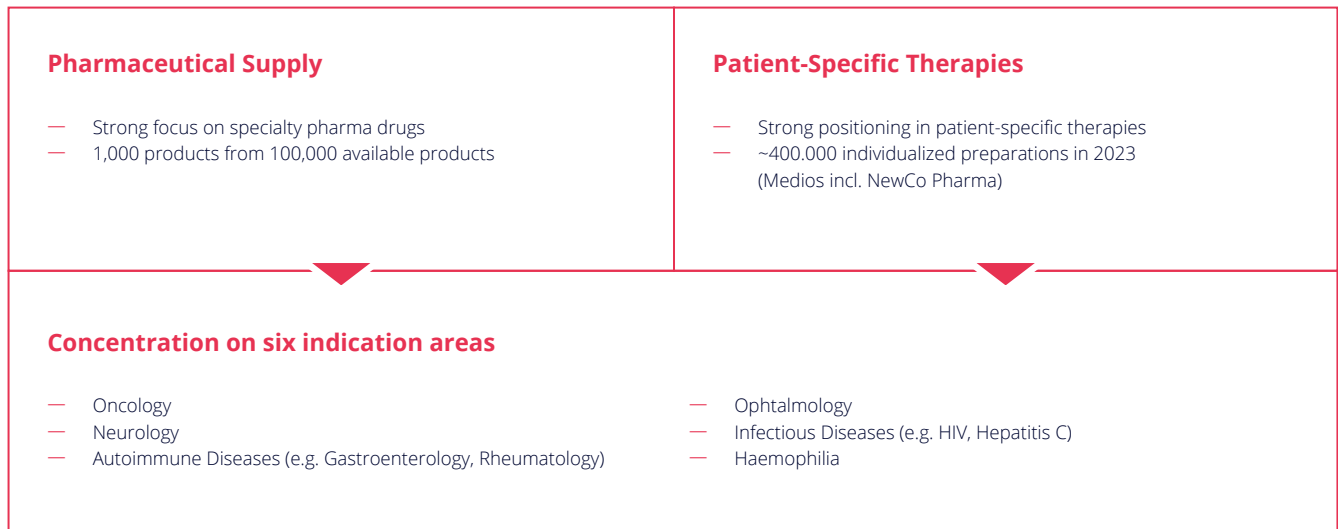
Medios AG is one of the leading providers of Specialty Pharma Solutions in Germany. As a competence partner, Medios covers all relevant aspects of the supply chain in this area: from pharmaceutical supply and the compounding of patient-specific therapies to blistering, i.e. the dispensing of individually dosed tablets. The focus is on optimal patient care via specialized pharmacies. As a GMP-certified manufacturer (GMP: Good Manufacturing Practice), Medios adheres to high international quality standards. The company currently focuses on six indication areas: oncology, neurology, autoimmunology, ophthalmology, infectiology and haemophilia.

Specialty Pharma drugs are generally high-priced drugs for rare and/or chronic diseases. Many of the newly developed therapies for such diseases are individualized. These include infusions, for example, which are formulated and produced on the basis of individual clinical pictures and parameters such as body weight and body surface area. The demand for these therapies is constantly increasing. Patient-specific treatment requires a great deal of expertise. Specialty Pharma will continue to have a major impact on the future of the healthcare system.

Medios offers its partners a platform to connect and benefit from each other. As an open supply network, Medios currently cooperates with approx. 800 (previous year: approx. 700) of a total of around 1,100 independent Specialty Pharma pharmacies in Germany. The expansion of supply is attributable to organic and inorganic growth.

Medios' goal is to ensure the best possible nationwide care for patients by working in partnership with the various market participants, thus contributing to a sustainable and transparent pharmaceutical supply. To this end, Medios is pursuing a growth strategy that comprises three growth strands: In addition to strengthening its core business in Germany, Medios intends to expand into other European countries in the Patient-Specific Therapies segment. In addition, Medios is planning to enter into the compounding of personalized medicine to further diversify its business model.

FOCUS ON SIX INDICATION AREAS



BUSINESS SEGMENTS OF THE MEDIOS GROUP

In the 2023 financial year, the Medios Group consisted of the two operating segments (“operating segments”) Pharmaceutical Supply segment and Patient-Specific Therapies segment. The Services segment comprises the central functions and the digitization activities, including the digital platform **mediosconnect**.

With its focus on Specialty Pharma drugs and consistent further development in six indication areas, Medios is the largest supplier of Specialty Pharma drugs in Germany. The company’s range of expertise covers the most important areas of application such as oncology, neurology, gastroenterology and autoimmune diseases. Haemophilia, HIV and ophthalmology are also among the Medios Group’s key indications. In addition, Medios offers infusion solutions for parenteral nutrition and pain therapy, which are used in a wide range of areas. With this consistent and clear focus, the company clearly differentiates itself from full-range pharmaceutical wholesalers.

Medios is one of the largest single providers of haemophilia treatment in Germany. The corresponding therapies must be administered to affected patients for the rest of their lives and are among the most expensive in the world.

The Patient-Specific Therapies segment comprises the compounding of medications on behalf of pharmacies. Patient-specific therapies include infusions, for example, which are compiled and produced on the basis of individual clinical pictures and parameters such as body weight and body surface area. The batch for each formulation produced is therefore always exactly one.

All Medios manufacturing facilities are regularly inspected by the responsible state authorities. The manufacturing permit issued in accordance with Section 13 of the German Medicines Act (AMG), which is associated with the so-called regular inspection, authorizes the compounding of patient-specific infusion solutions in compliance with GMP requirements. GMP refers to the guidelines for quality assurance of production processes and the production environment in the compounding of drugs.

The following portfolio results from the respective manufacturing licenses granted by the authorities: The compounding of patient-specific drugs for parenteral use currently focuses on the areas of oncology, autoimmune diseases, ophthalmology and neurology. In addition, pain therapies, antiviral and antibiotic preparations for anti-infective therapy as well as parenteral nutrition solutions and clinical trial preparations are manufactured. The entire compounding process is equally validated in all production facilities to ensure the highest possible quality standards. In addition, a comprehensive microbiological monitoring system is in place in all production areas so that all critical process steps can be recorded and evaluated during production. The clean rooms are also monitored by the production managers with regard to certain criteria.

Deviations from the standard are evaluated and taken into account during batch release. The preparations are compounded exclusively by trained and qualified personnel; training is carried out continuously and regularly on the basis of a training plan. Compliance with the highest hygiene standards by employees also contributes significantly to the quality of the infusion solutions produced. All raw materials used in compounding are sourced exclusively from qualified suppliers and tested according to their specifications before use. This means that the raw materials used can be fully traced. Only finished medicinal products approved in Germany are used for compounding.

The following services are combined in the internal Services segment:

- Medios AG provides services for all Group companies, including the areas of Finance, Human Resources, IT and Facility and Contract Management.
- The wholly owned subsidiary Medios Digital GmbH provides digital services in the area of sales and billing for selected pharmaceutical customer segments. In particular, this includes the digital platform **medios-connect**, which connects doctors, health insurance companies and specialized pharmacies and completely digitizes and thus greatly simplifies ordering and billing processes for complex and individualized drugs.

SCOPE OF CONSOLIDATION AND SEGMENT ALLOCATION

The scope of consolidation of the Medios Group as of December 31, 2023 is as follows:

	Included in the scope of consolidation
Pharmaceutical Supply segment	
Medios Pharma GmbH, Berlin	100%
Cranach Pharma GmbH, Hamburg	100%
Logopharma Pharmagroßhandel GmbH, Mannheim	100%
hvd medical GmbH, Saarlouis	100%
Blister Center Baden-Württemberg, Magstadt	100%
Patient-Specific Therapies segment	
Medios Manufaktur GmbH, Berlin	100%
Medios Individual GmbH, Berlin	100%
NewCo Pharma GmbH, Mannheim	100%
Fortuna compounding 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%

Thus, the Medios Group, including Medios AG, consisted of 16 companies as of December 31, 2023 (previous year: 16 companies).

SIGNIFICANT CHANGES IN THE AREA OF INVESTMENTS

Upon completion of the takeover on January 10, 2023, Medios AG acquired 100% of the shares in Blisterzentrum Baden-Württemberg GmbH, Magstadt. bbw is a pharmaceutical production facility that manufactures patient-specific blister packs on behalf of pharmacies. In addition to the manufacturing license, the company also holds a wholesale license and distributes finished medicinal products from the Specialty Pharma sector approved in Germany. The consideration for the acquisition of all shares in bbw amounted to €19.3 million, which was paid in cash. The cooperation with Apotheken für Spezialversorgungen OHG in the area of sterile compounding, which was agreed at the same time as the acquisition, began on January 10, 2023 and runs until December 31, 2024.

The sale of all shares in Kölsche Blister GmbH was completed with the contract dated June 15, 2023. The total purchase price amounted to €1.4 million and consisted of the sale price of €0.9 million for the transfer of all shares and a sale price of €0.5 million for the redemption of the existing shareholder loan at nominal value by the purchaser. The Kölsche Blister GmbH business was part of the Patient-Specific Therapies segment. Following the sale, the Medios Group's blister business was concentrated at the bbw site in Magstadt, Baden-Württemberg.

Governance system

KEY PERFORMANCE INDICATORS

Financial performance indicators of the Medios Group

The economic planning and governance of Medios AG and all business units is carried out using a uniform Group-wide planning and reporting process. This includes budget planning for the following calendar year, supplemented by medium-term planning for the following two calendar years on the basis of strategic guidelines adopted by the Executive Board. Budget compliance is continuously monitored on the basis of monthly reporting using key financial indicators. In order to improve the ability to manage the current budget year, quarterly forecasts for the remainder of the budget year are prepared in addition to the budget planning. This system ensures the ongoing monitoring of business development and makes potential deviations from the budget quickly visible, which enables countermeasures to be initiated at an early stage and thus guarantees very good management capability.

Medios uses a lean system of key figures to manage business success. The most important financial performance indicators for strategy and decision-making and for measuring operational business success were as follows in the 2023 financial year:

- Revenue
- Earnings before interest, tax depreciation and amortization (EBITDA before special items, EBITDA pre for short)

In addition to their suitability for managing and measuring operational business success, these key indicators also meet the needs and interests of the capital market for the communication of suitable financial key figures and are reflected in the remuneration system for the Executive Board.

All relevant performance indicators are generated and analyzed monthly. They serve the Executive Board of Medios AG as a basis for decision-making - in particular for strategic decisions with regard to the design of the product portfolio (Pharmaceutical Supply) and for planning capacity utilization and, if necessary, the expansion of compounding capacities (Patient-Specific Therapies).

Ongoing review and adaptation of the specifications ensures that Medios' management systems are continuously improved and adapted to the respective specific requirements.

Medios is managed by controlling the operating segments Patient-Specific Therapies and Pharmaceutical Supply segments as well as the Services segment, to which the parent company Medios AG is also allocated. As part of this structure, the Executive Board also monitors the development of the parent company, as this is directly dependent on the development of the operating segments.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

In addition to the financial key performance indicators, non-financial key performance indicators are also considered: The Medios Group pursues continuous improvement in its relationship with its employees. As an attractive and responsible employer, Medios aims to retain competent and committed employees at the company in the long term. To this end, it offers its employees a modern and attractive working environment with flexible working hours and room to realize their own ideas. The employee turnover rate in 2023 was 17.5% (previous year: 20.2%).

Research and development (R&D)

As a pharmaceutical supply company and compounding company for patient-specific therapies, Medios does not conduct any research and development. Nevertheless, Medios has developed the digital trading platform for individualized drugs **mediosconnect**. This is already being used in seven federal states; there are plans to introduce it in other federal states. The digital platform will be further developed in line with demand and indications.

ECONOMIC REPORT

Macroeconomic environment

The global economy slowed again in 2023 in almost all key economic areas. According to the International Monetary Fund (IMF), global gross domestic product (GDP) rose by just 3.1% compared to the previous year, while in 2022 it had risen by 3.5%. The Kiel Institute for the World Economy (IfW) also estimates growth of 3.1% in 2023 (2022: 3.3%).

The global economic recovery from the COVID-19 pandemic, Russia's invasion of Ukraine and the cost of living crisis is proving surprisingly resilient. Inflation, meanwhile, fell faster than expected from its peak in 2022; its negative impact on employment and economic activity was also lower than expected. This was also reflected in the favorable developments on the supply side and the tightening of interest rate policy by central banks, which had previously kept inflation expectations at a fixed level. The global inflation rate fell to 6.8% in 2023 as a whole, down from 8.7% in 2022.

MACROECONOMIC DEVELOPMENT IN GERMANY

According to preliminary figures from the Federal Statistical Office (Destatis), price-adjusted gross domestic product in 2023 was 0.3% lower than in the previous year (2022: +1.8%). The recovery of the German economy from the pandemic-related slump in 2020 therefore did not continue. Strong inflation and unfavorable financing conditions due to higher interest rates in an economic environment already characterized by crises have brought the German economy to falter.

The individual economic sectors are affected by the challenges to varying degrees. Manufacturing, which accounts for almost 85% of the industry (excluding construction), recorded a decline of 0.4% in 2023, while the entire manufacturing sector actually recorded a decline of 2.0% due to significantly lower production in the energy supply sector. The majority of service sectors developed positively in 2023. The information and communication sector grew by 2.6%. The public services, education and health and business services sectors also achieved positive developments with slight increases of 1.0% and 0.3% respectively. The pharmaceutical supply, transport and hospitality sector remained 1.0% below the previous year's figure in terms of gross value added.

The sharp rise in consumer prices had a negative impact on household final consumption expenditure last year. The latter fell by 0.8% compared to the previous year. Spending on durable goods in particular, such as furnishings and household appliances, fell significantly by 6.2%. Price-adjusted consumer spending by the state also fell by 1.7%.

The German labor market remained stable in 2023. The average number of people in employment increased by 0.7% to 45.9 million. The government budget deficit was reduced by €14 billion to a deficit of €82.7 billion. According to Destatis, the deficit ratio as a percentage of nominal GDP was 2.0% (2022: 2.5%).

According to IMF experts, the German economy will record slight growth of 0.5% in 2024. The IfW expects an increase of 0.9%.

DEVELOPMENT OF THE HEALTHCARE MARKET

The healthcare market once again developed positively in 2023. According to forecasts by the US company IQVIA, spending on drugs in the industrialized countries¹ was up 11.4% on the previous year at around €996.4 billion (2022: €894.6 billion).

According to IQVIA, pharmacies in Germany sold a total of around 1.2 billion packs in the first nine months of 2023, 2.7% less than in the same period of the previous year. The largest segment was OTC preparations with a 52.8% share of packs sold. Prescription drugs accounted for 47.2%. Sales of OTC drugs fell by 6.4% compared to the same period of the previous year, while prescription drugs increased by 1.9%.

¹ The "industrialized countries" mentioned in this annual report refer to the "10 Developed Countries" as defined by IQVIA: the ten industrialized countries ("10 Developed Countries") are the ten largest high-income countries (USA, Japan, Germany, France, Italy, Spain, UK, Canada, Australia, South Korea). Source: IQVIA, Global Use of Medicines 2024, Outlook to 2028.

Pharmacy sales in Germany, calculated on the basis of the selling price of pharmaceutical companies, increased by 1.9% to €35.1 billion in the first nine months of 2023 compared to the same period of the previous year. Due to their high sales share of 87.2%, prescription drugs were the main growth driver with an increase in sales of 2.4%. With a 12.8% share of total pharmacy sales, OTC drugs recorded a 1.0% decline in sales.

In industrialized countries, the trend towards Specialty Pharma drugs has continued. According to IQVIA estimates, they will account for 50% of total expenditure on medicines in 2023. This corresponds to an almost doubling in the past ten years (2013: 29%).

According to IQVIA, expenditure on drugs in Europe reached a value of around €208.2 billion in 2023. This represents an increase of around 49% in the last six years (2017: €139.4 billion). Growth was driven in particular by new and existing brands as well as generics, including biosimilars.

Business performance

With consolidated revenue of approx. €1.8 billion, EBITDA before special items (EBITDA pre) of €60.5 million and consolidated net income of €18.8 million, Medios once again recorded very good business development in the 2023 financial year despite macroeconomic and regulatory challenges.

The number of partner pharmacies rose to approx. 800 in the reporting year and cooperation with existing partner pharmacies was significantly expanded. The product range, particularly in the Pharmaceutical Supply segment, was expanded.

Medios is currently focusing on six indication areas, in particular oncology, neurology, haemophilia and ophthalmology. In addition, the neonatology indication area is being further developed by expanding the compounding portfolio. The share of non-oncological compounding was further increased in the reporting year, thus continuing the diversification of the Patient-Specific Therapies segment. A particular focus here was on increasing compounding in the ophthalmology area.

The general conditions remained positive with regard to the growth of the Specialty Pharma market in Germany (see [chapter „Economic report“](#)). The trend towards individualized medicine continues unabated, which is also manifested in an increasing number of new developments of individualized therapies in various indication areas. Positive impetus for Medios resulted, among other things, from inflation-driven price adjustments in the area of pharmaceutical supply. Revenue increased significantly - in particular as a result of organic growth in the Pharmaceutical Supply segment and the acquisition of Blisterzentrum Baden-Württemberg GmbH (bbw) in January 2023. External revenue in the Patient-Specific Therapies segment also increased further, although growth here was more moderate due to regulatory price deductions for individual active ingredients. Group EBITDA before special items (EBITDA pre) increased at a slightly lower rate than revenue, primarily due to regulatory price deductions (auxiliary tax deductions) for some active ingredients in the Patient-Specific Therapies segment, which had a negative impact on gross profit in this segment. It is therefore all the more pleasing that the development of the Pharmaceutical Supply segment more than compensated for the negative effects on earnings and once again significantly increased the company's profitability.

As of **December 31, 2023**, the equity ratio of 78.8% (previous year: 77.8%) was once again higher than in the previous year and thus remained at a very high level. The Medios Group's liquidity amounted to €71.0 million at the end of the reporting period and was therefore slightly below the previous year's level (€79.2 million). As of December 31, 2023, the company had a syndicated loan of € 75 million and additional bridge financing of €200 million for a potential acquisition project. Neither line had been utilized as at the reporting date. The Medios Group employed an average of 512 people in the 2023 financial year (2022: 497).

THE 2023 FINANCIAL YEAR WAS PARTICULARLY MARKED BY THE FOLLOWING EVENTS:

On **January 10, 2023**, Medios successfully completed the acquisition of the pharmaceutical production facilities Blisterzentrum Baden-Württemberg GmbH (bbw) and thus included bbw in the scope of consolidation as a wholly owned subsidiary. The collaboration with Apotheken für Spezialversorgungen OHG (AfS) 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 collaboration, approx. 62.1 thousand preparations for various indications were transferred to Medios production facilities in the 2023 financial year.

Medios successfully expanded its product and customer portfolio by offering parenteral nutrition for premature babies in the indication areas of neonatology throughout Germany at the **beginning of 2023**.

On **May 31, 2023**, the Supervisory Board resolved to extend Falk Neukirch's existing contract as Chief Financial Officer of Medios AG until April 30, 2026. Falk Neukirch has been Chief Financial Officer of Medios AG since October 1, 2021.

On **June 15, 2023**, Medios AG signed an agreement to sell all shares in Kölsche Blister GmbH. Following the acquisition of bbw in January 2023, Medios has concentrated its blister business at the bbw site in Magstadt, Baden-Württemberg. The sale had no material effect on Medios' results of operations, financial position and net assets. The revenue of Kölsche Blister GmbH amounted to around €12.6 million in the 2022 financial year.

On **June 21, 2023**, Medios AG successfully held its Annual General Meeting as an in-person event. With one exception, the shareholders approved the resolutions proposed by the Executive Board and Supervisory Board by a large majority. The new Authorized Capital 2023 proposed jointly by the Executive Board and Supervisory Board did not receive approval. In total, around 74% of the share capital voted at the Annual General Meeting.

As part of its expanded growth strategy, Medios intends in particular to expand the geographical scope of its compounding of patient-specific therapies in the Specialty Pharma segment into other European countries. To this end, the company has again specified the list of potential European M&A targets and continues to hold talks with selected companies that are among the top 3 providers in their home markets and have an attractive regulatory environment. Medios is also holding talks with regard to potential strategic partnerships in the field of personalized and advanced therapies.

In **October 2023**, Medios was named "Employer of the Future" by the business magazine DUP UNTERNEHMER and the German Innovation Institute for Sustainability and Digitization. Medios had already received a similar award from Focus magazine in its "DEUTSCHLAND TEST" in **July 2023**. In addition, the Federal Association of Mergers & Acquisitions presented Medios with the "M&A Awards 2023 for BEST M&A DIRECTION" as part of its "M&A Summit".

Position of the Medios Group

EARNINGS POSITION OF THE MEDIOS GROUP (IFRS)

The Medios Group's revenue increased significantly by €173.9 million or 10.8% in the 2023 financial year and, at €1,784.7 million (previous year: €1,610.8 million), was only slightly below the upper end of the revenue guidance for the 2023 financial year of €1,600 to 1,800 million. Revenue was generated almost exclusively within the Federal Republic of Germany.

The Pharmaceutical Supply segment generated external revenue of €1,558.1 million in the 2023 financial year, which corresponds to an increase of €167.9 million or 12.1% compared to the same period of the previous year (previous year: €1,390.3 million). This increase was mainly due to the continuous expansion of the partner network and the inclusion of bbw in the consolidated financial statements of Medios AG. bbw contributed €43.4 million in external revenue to this increase in the reporting period. External revenue in the Patient-Specific Therapies segment grew by €6.0 million or 2.7% year-on-year to €226.0 million (previous year: €220.0 million). In the Services segment, external revenue increased from €0.5 million to €0.6 million.

The Group's gross profit amounted to €112.0 million in the reporting period after €108.9 million in the same period of the previous year, which corresponds to an increase of €3.1 million or 2.8% and a gross profit margin of 6.3% (previous year: 6.8%).

In the Pharmaceutical Supply segment, gross profit rose by €9.5 million to €61.7 million (previous year: €52.2 million), which corresponds to a significant increase of 18.2%. The gross profit margin remained unchanged from the previous year at 3.6%. In the Patient-Specific Therapies segment, gross profit fell by €6.9 million to €49.7 million (previous year: €56.6 million), which corresponds to a decrease of 12.2%. The gross profit margin amounted to 19.4% compared to 21.2% in the previous year. The decline in gross profit and the gross profit margin compared to the same period of the previous year is primarily due to regulatory price deductions (auxiliary tax deductions) for some active ingredients since September 2022 as well as performance-related expenses

for the transfer of compounding volumes in the amount of €5.2 million.

The Group's personnel costs rose by a total of €2.9 million or 8.6% to €36.6 million (previous year: €33.7 million), with €1.2 million of this increase being attributable to the acquisition of bbw. The remaining increase in personnel costs is mainly due to performance-related special payments and scheduled wage cost increases in all segments, as well as the establishment of central functions in the Services segment. The non-cash expenses for Stock Option Programs included in personnel costs amounted to €2.0 million in the financial year (previous year: €2.9 million). The Stock Option Programs were granted to employees of the Medios Group as remuneration for work performed and longer-term commitment and result from the 2017, 2018, 2020, 2022 and 2023 financial years. There is no option for cash settlement.

The Group's other operating expenses amounted to €23.0 million in the financial year and fell by €1.0 million or 4.2% compared to the previous year (previous year: €24.0 million). This development is mainly due to the €1.4 million decrease in legal and consulting costs to €2.6 million and the €0.6 million decrease in ancillary rental costs to €1.0 million, which more than compensated for the increase in expenses for marketing (+€0.4 million), IT & telecommunications (+€0.5 million) and cost of goods sold (+€0.2 million).

The Group's earnings before interest, taxes, depreciation and amortization (EBITDA) increased by €1.2 million or 2.4% compared to the previous year and are reconciled as follows to the consolidated earnings before interest, taxes, depreciation and amortization adjusted for special items (EBITDA pre).

in € thousand	2023	2022
EBITDA	52,411	51,214
Expenses from Stock Option Programs	1,953	2,870
Other M&A expenses	970	790
Performance-based payments for the transfer of compounding volumes	5,180	0
EBITDA pre¹	60,514	54,875

1 adjusted for special items

The Medios Group's EBITDA pre increased by €5.6 million or 10.3% compared to the same period of the previous year and was thus within the forecast for the 2023 financial year of €56 million to €63 million. The Group's EBITDA pre margin remained unchanged at 3.4% in the 2023 financial year (previous year: 3.4%).

The Pharmaceutical Supply operating segment contributed EBITDA pre of €46.7 million to Group EBITDA pre and achieved an increase in earnings of €8.7 million or 22.9% compared to the previous year (previous year: €38.0 million). This development was mainly due to the increase in gross profit in the 2023 financial year. EBITDA pre of the Patient-Specific Therapies operating segment, adjusted for special items decreased by €1.8 million or 8.0% year on year to €21.8 million (previous year: €23.7 million), which is mainly due to a decrease in gross profit. EBITDA pre of the internal Services segment decreased to €-8.0 million compared to €-6.8 million in the same period of the previous year and is mainly due to the increase in personnel costs for the establishment of central functions.

Depreciation and amortization within the Medios Group fell by €1.2 million to €21.0 million in the 2023 financial year (previous year: €22.2 million). The decrease in depreciation and amortization is mainly due to the last scheduled amortization of some intangible assets in the Pharmaceutical Supply operating segment in the 2022 financial year, which therefore no longer had to be carried out in the 2023 financial year.

The Medios Group's financial result decreased by €0.9 million to €-2.0 million in the 2023 financial year (previous year: €-1.1 million) and mainly includes interest expenses of €1.2 million for drawn tranches of the existing syndicated loan. The syndicated loan of €75 million and a term of five years is available to the Group as required to finance growth and as a working capital line.

The Group's tax expense amounted to €10.6 million in the 2023 financial year (previous year: €9.5 million). The Group tax rate therefore amounts to 36.0% (previous year: 34.1%).

Consolidated net income for the 2023 financial year amounted to €18.8 million, compared to €18.3 million in the previous year.

FINANCIAL POSITION OF THE MEDIOS GROUP (IFRS)

The Medios Group was always in a position to meet all of its financial obligations. Outstanding credit lines and those drawn down during the financial year were repaid in full as at the balance sheet date. The existing syndicated credit line is available to Medios AG and the Medios Group in full (€75 million) if required and can be increased by a further €50 million subject to approval. In December 2023, Medios AG also secured bridge financing of €200 million for a potential acquisition project, which can be drawn on if required.

Cash and cash equivalents amounted to €71.0 million as of December 31, 2023 (previous year: €79.2 million) and mainly consisted of freely available bank balances. The change in cash and cash equivalents compared to the previous year is attributable to the following significant cash flows:

Cash flow from operating activities amounted to €16.4 million in the 2023 reporting period (previous year: €37.1 million) and was impacted in particular by a reporting date and growth-driven increase in trade receivables of €17.2 million and an increase in inventories of €8.4 million. The €3.9 million increase in income tax payments to €16.4 million (previous year: €12.5 million) and the performance-based payments for the transfer of compounding volumes in the amount of €5.7 million (previous year: €0.0 million) also had a negative impact on operating cash flow.

Cash flow from investing activities amounted to €-16.6 million in the 2023 reporting period (previous year: €-86.5 million) and mainly resulted from acquisitions and disposals in the area of investments. A cash component of €19.2 million less the acquired cash and cash equivalents of €2.4 million was paid for the acquisition of the shares in bbw. In contrast, the sale of Kölsche Blister GmbH resulted in a total net cash inflow of €0.9 million.

Cash flow from financing activities amounted to €-8.0 million in the 2023 reporting period (previous year: €-39.8 million) and mainly resulted from the repayment of a short-term working capital credit line in the amount of €3.0 million, interest paid on loan liabilities in the amount of €2.3 million and repayments of financial liabilities from rental agreements in the amount of €2.4 million.

ASSET POSITION OF THE MEDIOS GROUP (IFRS)

The Group's balance sheet total as of December 31, 2023 increased by €18.8 million compared to December 31, 2022 to €594.8 million (December 31, 2022: €576.0 million), which is mainly due to an increase in current assets.

Intangible assets increased by a total of €3.2 million as at the reporting date compared to the previous year. The first-time consolidation of bbw resulted in additions to goodwill amounting to €11.6 million and to customer bases amounting to €6.6 million. This was offset by scheduled depreciation and amortization of customer bases and other intangible assets in the financial year amounting to €15.0 million.

Property, plant and equipment and capitalized right-of-use assets from leases decreased by €3.4 million compared to the previous year's reporting date of 2022, mainly due to scheduled depreciation and amortization.

Current assets increased by €19.2 million to €269.2 million compared to the end of 2022 (December 31, 2022: €250.0 million). As at the reporting date, this was mainly due to a growth and reporting date-related increase in inventories of €9.3 million to €59.3 million (December 31, 2022: €50.0 million) and an increase in trade receivables of €18.0 million to €124.8 million (December 31, 2022: €106.8 million). Cash and cash equivalents decreased by €8.2 million to €71.0 million as at the reporting date compared to December 31, 2022.

Equity amounted to €468.8 million as of December 31, 2023, which corresponds to an increase of €20.8 million compared to the end of 2022 (December 31, 2022: €448.0 million). The equity ratio was 78.8% as of December 31, 2023 (December 31, 2022: 77.8%) and increased in particular due to the decrease in non-current liabilities by €3.1 million to €42.7 million (December 31, 2022: €45.9 million). This was mainly due to the €2.0 million decrease in deferred tax liabilities and the €0.5 million decrease in non-current leasing liabilities.

OVERALL STATEMENT OF THE EXECUTIVE BOARD ON THE GROUP'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

In light of the political and economic developments in 2023, the Executive Board of Medios AG considers the business performance and economic situation to be positive overall. Consolidated revenue increased by 10.8% compared to the previous year and, at €1.78 billion, was at the upper end of the forecast guidance of €1.6 - 1.8 billion. The operating result before special items (EBITDA pre) also increased by 10.3% and, at €60.5 million, was within the forecast range of €56 million to €63 million.

EARNINGS POSITION OF MEDIOS AG (HGB)

In the 2023 financial year, Medios AG generated revenue of €9.5 million (previous year: €8.7 million); the revenue resulted primarily from allocations for services provided within the Medios Group. Net income for 2023 amounted to €16.1 million (previous year: €19.5 million), which corresponds to a decrease of €3.3 million compared to the same period of the previous year. The decline is due to a one-off effect from the impairment of the carrying amount of the investment in bbw in the amount of €8.9 million on the one hand and a simultaneous increase in income from investments compared to the previous year on the other. Excluding the impairment effect, the forecast for the 2023 financial year is therefore met.

The €0.8 million increase in revenue is mainly due to the growth-related expansion of services for companies within the Group. Other operating income of €1.5 million (previous year: €2.5 million) mainly includes income of €0.9 million from the sale of shares in Kölsche Blister GmbH.

Compared to the previous year, personal expenses increased by €2.6 million to €10.4 million (previous year €7.8 million). In addition to scheduled increases in wage costs, this was due in particular to the continued expansion of the central functions of Medios AG. The total number of employees at Medios AG increased to 93 as of December 31, 2023 (previous year: 76).

At €10.2 million, other operating expenses remained unchanged at the previous year's level (previous year: €10.2 million) and mainly include expenses for legal and consulting costs of €3.1 million (previous year: €2.6 million), expenses for rental costs of €2.2 million (previous year: €2.3 million) and expenses for licenses of €1.0 million (previous year: €0.4 million).

Income from existing profit and loss transfer agreements increased by €9.9 million to €46.2 million compared to the previous year (previous year: €36.3 million), in particular due to increased annual results at Cranach Pharma GmbH and Medios Pharma GmbH.

As in the previous year, scheduled depreciation and amortization of €1.3 million (previous year: €1.4 million) was mainly recognized on property, plant and equipment. In addition, an impairment loss of €8.9 million was recognized on the value of the investment in bbw as at the balance sheet date. The reasons for this include a lack of trading revenue in the parenteral nutrition segment and a reduction in margins due to regulatory price adjustments. bbw was integrated into the Pharmaceutical Supply segment of the Medios Group in the 2023 financial year. From a segment and Group perspective, there was no need for impairment.

The financial result decreased by €1.3 million to €0.3 million compared to the previous year due to higher interest expenses (previous year: €1.6 million). This was due to drawdowns from the existing syndicated credit line during the year and the establishment of a cash pool with some subsidiaries of Medios AG to improve liquidity management within the Group.

EBT amounted to €26.8 million (previous year: €27.3 million) and net income for the year amounted to €16.1 million (previous year: €19.5 million). Tax expenses amounted to €10.7 million in 2023 (previous year: €7.8 million).

FINANCIAL POSITION OF MEDIOS AG (HGB)

Medios AG was always in a position to meet all of its financial obligations. Outstanding credit lines and those drawn down during the financial year were repaid in full as at the balance sheet date. The existing syndicated credit line is available to Medios AG in full (€75 million) if required and can be increased by a further €50 million subject to approval. In November 2023, Medios AG also secured bridge financing of €200 million for a potential acquisition project, which can be used for this acquisition if required.

Cash and cash equivalents amounted to €48.6 million as of December 31, 2023 (previous year: €2.3 million) and mainly consisted of bank balances. The change in cash and cash equivalents is mainly attributable to the following cash inflows and outflows:

Medios AG made cash income tax payments of €3.7 million in the financial year (previous year: €5.4 million).

Acquisitions and disposals of investments resulted in a cash outflow of €18.4 million, which resulted from the cash component of €19.3 million paid for the acquisition of the shares in bbw and the sale of the shares in Kölsche Blister GmbH amounting to €0.9 million.

The repayment of the intercompany loans from Cranach Pharma GmbH and NewCo Pharma GmbH to Medios AG resulted in a cash inflow of €20.0 million in the 2023 financial year. In contrast, Medios AG issued two new loans to affiliated companies, which led to a cash outflow totaling €2.3 million in the 2023 financial year. Medios AG received cash inflows totaling €2.3 million from interest income received. Medios AG also recorded cash inflows of €36.3 million in the 2023 financial year from profit transfers from the 2022 financial year by the respective subsidiaries.

In the 2023 financial year, Medios AG concluded a cash pool agreement with Cranach Pharma GmbH, Medios Pharma GmbH, Medios Manufaktur GmbH and Medios Individual GmbH in order to pool free liquidity at Medios AG. The resulting cash balance pooled at Medios AG amounted to €27.2 million (previous year: €0.0 million) as at the balance sheet date.

Interest paid resulted in a cash outflow of €2.1 million.

ASSET POSITION OF MEDIOS AG (HGB)

The fixed assets of Medios AG amounted to €412.7 million at the end of the 2023 reporting date (previous year: €421.2 million) and mainly include the shares held in affiliated companies in the amount of €347.7 million (previous year: €337.2 million) and long-term loans to affiliated companies in the amount of €60.2 million (€78.4 million). Shares in affiliated companies increased by €10.5 million in the 2023 financial year due to the acquisition of all shares in bbw. Loans to affiliated companies decreased in particular as a result of loan repayments by Cranach Pharma GmbH in the amount of €17.0 million. Of the existing loans, €46.0 million (previous year: €46.0 million) is attributable to a bullet loan granted to Medios Pharma GmbH. The term of this loan ends on December 31, 2026.

As of December 31, 2023, Medios AG's current assets amounted to €101.8 million (previous year: €42.2 million) and mainly consisted of bank balances of €48.6 million (previous year: €2.3 million) and receivables from affiliated companies of €50.7 million (previous year: €37.1 million).

Medios AG's equity amounted to €470.7 million as of December 31, 2023 (previous year: €454.5 million). The equity ratio amounted to 91.3% (previous year: 98.0%).

Medios AG's provisions amounted to €13.7 million (previous year: €7.2 million) and, as in the previous year, mainly comprised tax provisions. The tax provisions of €11.2 million (previous year: €4.6 million) increased as a result of the earnings development in 2023.

The liabilities of Medios AG amounted to €31.2 million as of December 31, 2023 (previous year: €2.4 million) and mainly include current liabilities to affiliated companies in the amount of €29.2 million (previous year: €0.3 million). The increase is mainly due to the introduction of a cash pool in the 2023 financial year and the resulting balances of €27.3 million with the cash pool participants.

OVERALL STATEMENT OF THE EXECUTIVE BOARD ON THE NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS OF MEDIOS AG (HGB)

In light of the political and economic developments in 2023, the Executive Board of Medios AG considers the business performance and economic situation to be positive overall, as it does for the Group.

RISK, OPPORTUNITIES AND FORECAST REPORT

The Medios Group is exposed to a variety of risks that are associated with the business activities of Medios AG and its subsidiaries or arise from external influences. The company defines risk as the danger that events, developments or actions will prevent the Group or one of its segments from achieving its objectives. This includes monetary and non-monetary risks.

Risk management is an integral part of our corporate management. We define an opportunity as a positive deviation from a planned or target value of possible future developments and a risk as a negative deviation.

Risk Management System

The Medios Group has a Risk Management System (RMS) that serves to identify, inventory and manage risks. The Medios Group strives to continuously develop its Risk Management System and methodically adapted the Risk Management System in the 2023 financial year to take into account the inorganic growth of recent years and segment-based management. The objectives of the Risk Management System are risk transparency, which also includes early risk detection, support for risk-based (management) decisions and compliance with legal regulations.

The Executive Board is responsible for the development of the corporate strategy and the derivation of corresponding corporate goals and, in coordination with the Supervisory Board, ensures their implementation as part of corporate planning and management. The Executive Board of Medios AG regularly reviews the strategic orientation and the growth opportunities defined therein. This is done on an ongoing basis as part of the planning and control process, in which current company development is compared with corporate planning. The strategic direction is also reviewed in regular strategy meetings. The management members of the operating segments and the managing directors of the operating companies are involved in this process. In this way, it is recognized promptly whether market and competitive developments or internal Group events require a reassessment of individual risk and opportunity areas. As part of the planning process, risks and opportunities are recorded with an observation horizon of up to three years.

EARLY RISK DETECTION SYSTEM

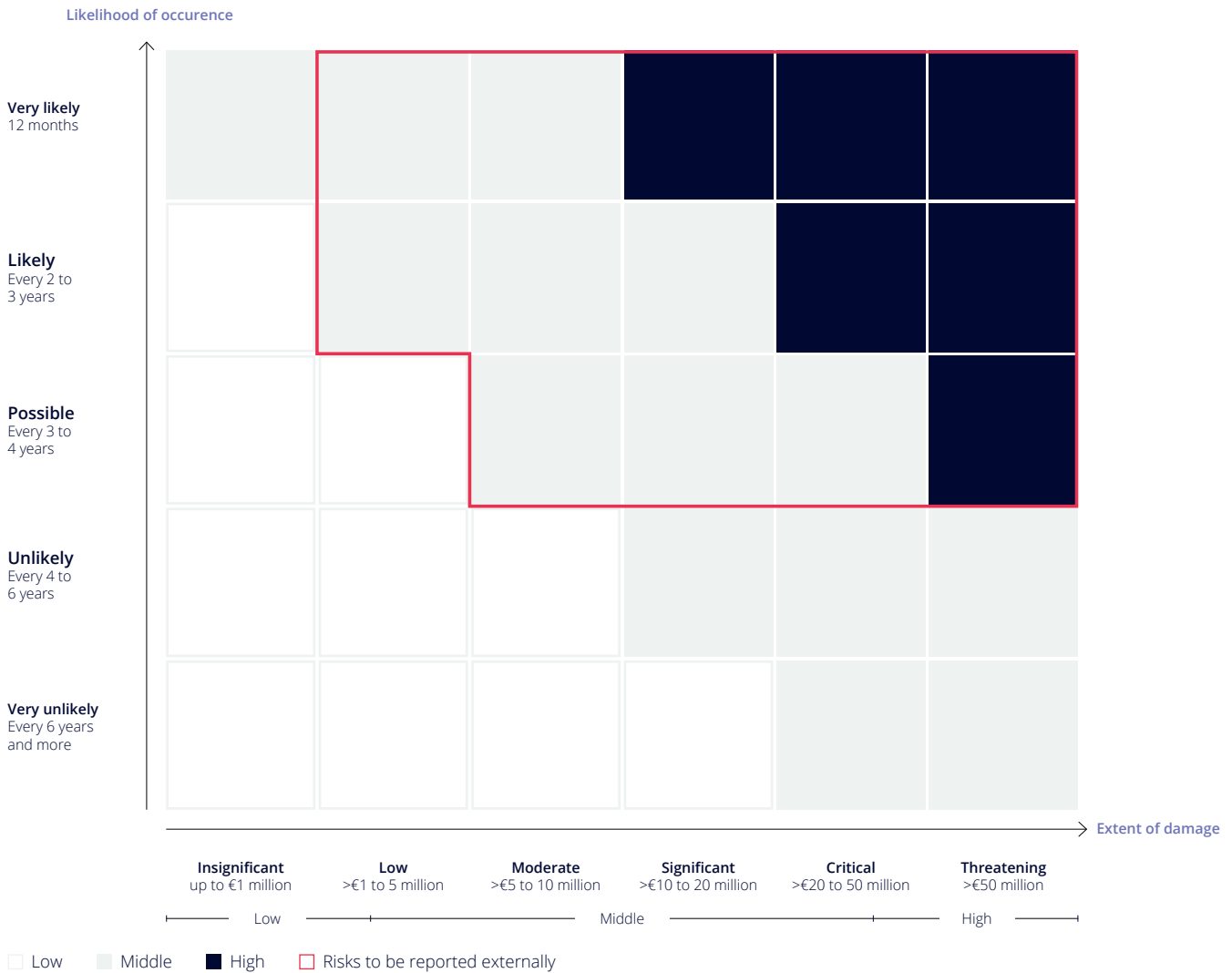
In addition to this system, the Executive Board has established an early risk detection system to ensure the early identification and prevention of risks that could jeopardize the company's continued existence. The operating business units of the respective segments are responsible for the continuous identification, assessment, management and communication of risks.

Information on the segments is passed on to Group Risk Management in a structured form every six months for reporting to the Executive Board. However, any significant risks that arise unexpectedly must be reported immediately. Group Controlling is responsible for identifying deviations from the plan at an early stage. At monthly reporting meetings, the respective segment managers decide on the appropriate strategy and risk management measures together with the Executive Board. The Supervisory Board is informed by the Executive Board on a monthly basis about business performance in the segments. The Executive Board also submits a risk report to the Supervisory Board every six months.

Risks are recorded in accordance with the following matrix based on the probability of occurrence and the possible extent with an impact on the Medios Group. The assessment is made on a net basis, i.e. taking into account established risk management measures that have a mitigating effect on the possible extent of damage and/or the probability of occurrence of the risk. In the assessment of materiality in the overall risk portfolio, risks are classified as high, medium or low.

The extent of damage is assessed quantitatively and/or qualitatively. The quantitative assessment reflects a possible negative impact on cash flow. A qualitative assessment of the damage is carried out using criteria such as strategic impact, influence on our reputation or the potential loss of trust among stakeholder groups. The expected value is calculated by multiplying the probability of occurrence and possible extent. The higher rating – qualitative or quantitative – determines the overall assessment. The probability of occurrence is determined on the basis of a maximum period of six years.

RISK ASSESSMENT MATRIX



The Group's risks are classified as high, medium or low and are based on the extent of damage caused by financial and non-financial risks, taking into account the established risk management measures (net risk). Unless otherwise indicated, the assessment and reporting of the level of risk is considered in relation to EBITDA pre. The scope of consolidation for risk management generally corresponds to the scope of consolidation of the consolidated financial statements. The reporting of risks in this report generally relates to one year.

Internal Control System

GENERAL INTERNAL CONTROL SYSTEM (UNAUDITED)

The Medios Group's Internal Control System is embedded in the Risk Management System and, in addition to the accounting-related Internal Control System, also includes controls for other business processes. Guidelines, standard operating procedures (SOPs for short) and controls are in place to ensure the quality of production processes in the compounding of drugs and to guarantee drug safety.

Furthermore, Medios AG has implemented a Group-wide compliance management system with the aim of promoting compliant behavior within the company. Further information on the Medios Group's compliance management system can be found in the **"Non-financial statement"** section.

Internal Control System in relation to the (Group) accounting process (REPORT IN ACCORDANCE WITH SECTIONS 289 PARA. 4, 315 PARA. 4 HGB)

The aim of our Internal Control System is to ensure proper and effective accounting and (Group) financial reporting in accordance with the relevant accounting principles. The control system comprises principles, procedural instructions, preventive and detective controls and is to be continuously developed. The preparation of the individual and consolidated financial statements in the financial year was carried out exclusively by a central unit within Medios AG, which ensures consistent and continuous application of accounting in a uniform financial statement preparation process. In addition, the accounting of the individual companies of the NewCo Pharma Group and bbw was integrated centrally into the financial department of Medios AG during the year. Binding standards, such as manual reconciliation processes and the separation of functions, are specified here. Accounting-related reporting and consolidation are carried out using IT systems that are appropriate to the size of the Group.

The accounting-related processes and controls were also evaluated by an external auditor in the 2023 financial year and the Executive Board, Audit Committee and Supervisory Board were informed of potential control weaknesses and the controls in place.

OVERALL STATEMENT ON THE RISK MANAGEMENT SYSTEM AND THE INTERNAL CONTROL SYSTEM (UNAUDITED)

As at the reporting date, there were no indications in any material respects that the Internal Control and Risk Management System was inappropriate or ineffective as a whole.

Risk report

In principle, all financial and non-financial risks classified as high and medium and classified as at least significant in terms of the extent of damage are reported below as material risks to be reported, taking into account the established risk

management measures (net risk). In accordance with the Medios Group's internal scoring model, these are located within the markings in the risk assessment matrix listed above. The individual risks in the "externally reportable risks" section of the risk matrix are described below. The Medios Group is managed in segments, which is why risk reporting is segment-based. The risks of the segments in which significant risks have been identified are listed below. In principle, however, other segments may also be affected to a lesser extent. In the case of material risks reported by the Group's central segments (Services segment), the Group is shown. The order in which the risks are presented does not imply any significance or ranking.

SECTOR-SPECIFIC AND REGULATORY RISKS (MEDIUM: PS & PST)

Risks arising from changes in the healthcare market are of significant importance to the Medios Group. These relate primarily to the financing of healthcare systems, the corresponding reimbursement systems and the development of new products and therapies. The pharmaceutical market in Germany and the European Union (EU) is governed by many legal regulations. Possible changes in legislation can have a direct impact on the Medios Group's business.

Cost increases in the healthcare system due to demographic change and increasingly complex forms of treatment and therapy as a result of advancing medical innovations continue to push healthcare systems to the limits of their financial viability. Deteriorating economic development and the threat of recession, including the ongoing uncertainties caused by the war in Ukraine, could further exacerbate this (financing) situation. National governments could therefore continue to seek to reduce healthcare expenditure through legislative intervention.

The legal framework for the Medios Group's business operations has been subject to fundamental changes in the past and is likely to remain so in the future. At the same time, the company's business operations are particularly affected by government regulation and control. The Medios Group is therefore dependent on government authorities, health insurers and other healthcare institutions assuming or reimbursing at least part of the costs of treatment with drugs, medical products and other services offered by the Medios Group.

Fundamental changes to the existing regulatory and other framework conditions or other legal changes affecting the company's business operations, in particular changes to pharmaceutical law and regulatory price adjustments, could have a negative impact on the Medios Group's business operations, as could a change in the practice of the authorities in the handling of existing legal regulations.

Furthermore, the prices of traded drugs are largely regulated on both the purchasing and sales side. However, regulated prices and reimbursements for drugs are increasingly being reduced. In addition, the number of patients entitled to reimbursement of medical costs is being restricted or the reimbursement rate is being reduced. This may have an impact on achievable revenues and earnings in the future. Furthermore, the company cannot estimate what additional legal provisions or regulations will be enacted to reduce costs in the healthcare sector and what impact such changes would have on the Medios Group's revenue and earnings. Government regulatory measures such as reference prices, co-payment exemptions, discount limits and discount agreements between manufacturers and health insurance funds may restrict growth in the pharmaceutical market and have a direct impact on the Medios Group's revenue and earnings.

BUSINESS-RELATED RISKS

The following were identified as significant business-related risks:

a) Technical risks (Medium: Group)

As a continuously growing Group, the information technology (IT) used and therefore IT security is becoming increasingly important. Risks exist here with regard to the three protection goals of confidentiality, integrity and availability and include, in particular, unauthorized access, modification and the removal of sensitive electronic company and customer data, as well as a lack of system availability as a result of malfunctions and/or criminal acts (cyber attacks). Medios AG counters the risk of unauthorized access, modification and theft of company and patient data with the use of IT security technologies, for example modern security systems for the detection of malware and malicious behaviour. Another focus is the continuous development of Group-wide security measures for the detection, defense and treatment of cyber threats. The technical measures are supplemented by awareness-raising measures for employees that create and raise awareness of information security.

The further development and Group-wide use of IT governance processes, in particular the further standardization of the risk management process for IT and information security, also help to identify weaknesses at an early stage and effectively reduce or avoid risks.

b) Personnel risks (Medium: Group)

Qualified and committed employees are a crucial prerequisite for a company's success. Difficulties in recruiting, hiring and retaining (regionally) urgently needed specialists, including with regard to competition between employers and the further development of employees, can have a significant negative impact on the future development of the company. In addition, organizational changes may reduce employee engagement or increase staff turnover if they are not implemented transparently or do not bring the expected benefits.

Medios AG is endeavoring to drive forward appropriate measures for personnel recruitment and development in order to counteract these risks. In particular, this includes defining requirement criteria for key positions, increasing investment in employer branding measures and identifying and preparing junior managers.

RISKS FROM ACQUISITIONS AND AN INORGANIC GROWTH STRATEGY (HIGH: GROUP; LOW: PS, PST)

In addition to its organic growth strategy, the Medios Group continues to pursue an inorganic growth strategy. This exposes the Group to legal, tax, financial and operational risks from company acquisitions that could have a negative impact on the net assets, financial position and results of operations of the Medios Group. Risks have been reported that are not considered likely to occur, but would result in potentially significant (high) damage if they were to occur. The risks are explained below.

The Executive Board is pursuing growth through internationalization as one of the company's strategic directions. This is to be achieved primarily through acquisitions of companies specializing in compounding in strategically interesting European target markets. There is a risk that material risks could be acquired in the course of these acquisitions that could jeopardize or impair the continued existence of Medios AG. This could have a significant impact on the Group's net assets, financial position and results of operations, particularly in view of the complexity and size of the potential targets and the planned investment volume.

Medios AG counters this risk through thorough due diligence checks, particularly in the areas of commercial, regulatory, legal, IT, finance, tax and HR. To assess the appropriateness of the acquisition price, the Executive Board regularly prepares assessments of the fairness of the transaction (fairness opinion) with the support of consulting firms specializing in company valuation. Medios AG also operates a central Mergers & Acquisitions department that reports directly to the Chairman of the Executive Board. In addition, external consultants with specialized knowledge are also involved in the purchase process. Acquisition projects are therefore thoroughly analyzed and reviewed before they are approved by the entire Executive Board. Moreover, these acquisitions are subject to approval by the Supervisory Board, which is informed about the opportunities and risks of the acquisitions on the basis of the Executive Board's reports and the available due diligence reports and fairness opinions and decides on this basis. Overall, taking into account the measures taken, the probability of a high loss occurring is therefore considered unlikely.

The structures of an acquired company must be integrated, legal and contractual issues resolved and logistical processes standardized. There is also the risk of losing key managers. Business operations and business relationships with customers and/or employees could also be affected as part of the integration process. Inadequate or insufficient integration as part of post-merger integration (PMI) can lead to the acquired company falling short of expectations and earnings expectations not being realized within the planned timeframe. This could also lead to losses in value due to necessary write-downs of the acquired assets and the acquired goodwill. Due to the size of potential targets in international target markets, a deviation of just 10% from the underlying EBITDA planning (acquisition planning) can lead to a loss in value (impairment) of up to €30 million. This risk is also countered by extensive analyses of corporate planning (commercial due diligence) and sensitivity scenarios as part of the assessment of the fairness of the purchase price.

To counter the integration risk, a central PMI team was set up within the Group to coordinate, monitor and manage the PMI project. Furthermore, a PMI Group manual was developed in the 2023 financial year to channel the experience of past acquisition and integration projects and standardize the process.

We determine the recoverability of the goodwill included in the consolidated statement of financial position and other intangible assets with indefinite useful lives in annual impairment tests. In the 2023 financial year, there was sufficient headroom in the operating segments so that there was no need for impairment as at the reporting date. Further information on this can be found at [Group notes Note 6A](#).

The ongoing inorganic growth will continue to require additional investment in structures to integrate the acquisitions and expand the management capability of the rapidly growing Group. This will require effective resource planning and the expansion of capacities for personnel and IT structures, including for the further improvement of management capability and administration. Otherwise, there is a risk that poorly equipped integrations will result in significant efficiency losses and increased costs.

FINANCIAL RISKS

Credit risks (Medium: Pharmaceutical Supply, Low: Patient-Specific Therapies)

The recoverability of receivables and other financial assets of the Medios Group may be impaired if transaction partners fail to meet their payment or other settlement obligations. Due to its business activities and high transaction volume, the PS segment in particular is exposed to the risk of payment default. The customer base is diverse and, particularly in the case of customers who are not liable with their private assets, the risk of default or a negative impact on earnings is classified as significant and cannot be completely ruled out. The management of credit risks from trade receivables is the responsibility of the managers of the operating companies, who regularly analyze the creditworthiness of customers. Credit limits are set for all customers. Credit limits of more than €500 thousand must be assessed and approved centrally by the Executive Board (Chief Financial Officer and Divisional Board Member); if the credit limit exceeds €2,000 thousand, the full Executive Board must decide on the credit limit. Significant outstanding receivables from existing customers are monitored and the default risk of the receivables is assessed. Furthermore, the risk is countered by securing credit limits for key customers in the PS segment with appropriate trade credit insurance. In the current financial year 2023, new specific valuation allowances on receivables in the amount of €0.4 million have been recognized to date.

Liquidity risk (Low: Group)

Liquidity risk is the potential inability of the Medios Group to meet existing or future payment obligations. This is constantly determined and managed centrally by the Group's finance department as part of same-day and medium-term liquidity planning in order to meet all planned payment obligations across the Group when they fall due. According to Medios' planning, it will be possible to cover the expected financing requirements to a large extent from the operating cash flow and with the Medios Group's available cash and cash equivalents and, if necessary, via contractually agreed syndicated financing. In view of the strategic orientation of Medios AG to continue to grow inorganically in the international area in the future, it may also be necessary to finance this acquisition with high volumes of borrowed capital. Should the earnings risks already outlined in the acquisition risks section occur, a potential liquidity risk may also arise. The company endeavors to maintain sufficient free credit lines for such cases and to secure alternative sources of financing (equity increases) via the Annual General Meeting.

Debt (Low: Group)

Among other things, the debt could impair the implementation of the business strategy or the ability to refinance financial liabilities. Should the credit rating of the Medios Group or Medios AG or the conditions on the relevant financial markets deteriorate significantly, this could also result in financing risks for the Group. The syndicated loan financing concluded contains covenants that oblige the Group to comply with certain key financial figures, particularly in relation to net debt. In the 2023 financial year, the Medios Group was able to comply with these key figures at all times and had an equity ratio of approx. 79% at the end of 2023. In view of the strategic orientation of Medios AG to grow inorganically in the international area in the future, this risk may increase in the event of financing with high volumes of borrowed capital.

OVERALL ASSESSMENT OF THE RISK POSITION

The Executive Board's overall assessment of the risk position shows that there are currently no risks that seriously jeopardize the existence of the company or that are potentially identifiable. From the Executive Board's perspective, the Group's risk situation has not increased

significantly compared to the previous year and is still considered to be limited and manageable. In addition to regulatory risks, financial risks and acquisition risks continue to represent the greatest uncertainty for the Medios Group. The Medios Group has focused on the Specialty Pharma segment and is therefore part of the pharmaceutical industry, which is relatively independent of economic cycles. Medios therefore continues to assess the economic risks as relatively low. Growing geopolitical risks such as the Russia-Ukraine war and the Middle East conflict have also had no significant impact on the Medios Group's business to date. Neither the Medios Group's procurement nor sales markets have been directly affected to date. Medios also believes it is well positioned to meet ESG-related requirements. Medios therefore assumes that the company will also be able to successfully meet future regulatory challenges. The strategic focus on future international inorganic growth may increase the acquisition and financial risks.

Opportunities report

Opportunity management, like risk management, is a central component of corporate management. The overall opportunity situation as at the balance sheet date remains good compared to the previous year. Medios has positioned itself very well in its core market of Germany thanks to the acquisition of the NewCo Pharma Group and the takeover of bbw GmbH completed in January 2023, including the compounding volumes gained. The company plans to grow further in the coming years in line with its communicated growth strategy. In addition to strengthening its core business in Germany, Medios intends to expand into other European countries in the Patient-Specific Therapies business segment. In addition, Medios plans to enter into the compounding of personalized medicine to further diversify its business model.

The Executive Board of Medios AG regularly reviews the company's strategic orientation and the growth opportunities defined therein. This takes place as part of the planning and control process, in which current company development is compared with corporate planning. The management of the business units and individual managing directors of operating companies are involved in this process. In this way, it is recognized promptly whether market and competitive developments or internal Group events require a reassessment of individual areas of opportunity.

The Specialty Pharma market continues to offer Medios high growth potential for all segments. This is due in particular to the following opportunities:

Opportunities through market growth

The global pharmaceutical market continues to enjoy stable growth. As a key component of the overall market, the Specialty Pharma market focused on by Medios can also benefit from this. According to IQVIA, global spending on drugs will increase to the equivalent of €2,063 billion by 2028. The pharmaceutical market in the industrialized countries is expected to grow by an average of 7.0% per year from 2023 to 2028. The total volume of pharmaceutical expenditure in industrialized countries would therefore increase to around €1,400 billion by 2028 and grow by around 41% compared to 2023 (€996 billion).

Specialty Pharma drugs are becoming increasingly important in industrialized countries. The share of Specialty Pharma drugs in total drug expenditure will rise to 55% by 2028. It is estimated that Specialty Pharma expenditure will rise to around €770 billion by 2028, an increase of around 55% compared to 2023 (around €498 billion). This would correspond to average annual growth of 9.1%. Expenditure in the Specialty Pharma sector is expected to reach approx. €543 billion in 2024.

The growth of the Specialty Pharma market is due in particular to drugs that are compounded and distributed on a patient-specific basis – for example by Medios. Most of these drugs are used in the therapeutic areas of oncology, autoimmunology, infectiology and neurology. Average annual growth of 14% to 17% is expected for oncology therapies alone in the period from 2024 to 2028.

Opportunities through long-term trends

Growth in the Specialty Pharma market is driven in particular by long-term trends. The focus here is on the development of new active ingredients, with an emphasis on rare, chronic or genetic diseases. In addition, the trend towards newer and more expensive drugs and therapeutic methods has been driving sales growth for years.

Patient-specific drugs are another growth factor for the Specialty Pharma market. As advances in the field of genetics are enabling the increasing individualization of diagnoses and therapies, the chances of effective treatment are also increasing.

A long-term driver of the pharmaceutical market – and thus also the Specialty Pharma market – is demographic change. According to the Organization for Economic Cooperation and Development (OECD), life expectancy has increased in all OECD countries over the last 50 years. However, in the decade before the COVID-19 pandemic, this progress came to a standstill and many countries experienced a slight decline in life expectancy during the pandemic. In 2021, for example, life expectancy in OECD countries was 80.3 years, around one year below the average life expectancy in 2019. On average across the 24 OECD countries, more than a third of people aged 16 and over reported living with a long-term illness or health problem in 2021. As the population ages, the prevalence of chronic diseases – including multimorbidity – is increasing. Healthcare systems must therefore be increasingly prepared to provide high quality chronic disease management to meet the needs of the ageing population. With its focus on Specialty Pharma, its broad positioning in pharmaceutical supply and the compounding of patient-specific therapies, Medios is very well positioned to meet this demand.

Opportunities through positioning as a Specialty Pharma supplier

Opportunities through positioning as a Specialty Pharma supplier Medios established itself on the market as a Specialty Pharma supplier at an early stage and has built up a nationwide distribution network of around 800 specialized partner pharmacies. As a pharmaceutical wholesaler and compounding company, Medios has a broadly diversified portfolio of indications, products and services. This puts the company in a position to cover all relevant parts of the supply chain in this area and to achieve above-average growth. Medios can also benefit from structural changes such as market consolidation and increasing competition.

The consolidation of the market will continue to accelerate due to the increasing pressure on margins in individual indication areas and the growing regulatory requirements for production facilities and manufacturing pharmacies in the field of individualized medicine. In order to meet these challenges, Medios has expanded its product portfolio in good time to include additional indication areas such as neurology, ophthalmology, infectiology and haemophilia. This will enable the company to continue manufacturing profitably in the future and thus continue to actively participate in market consolidation.

The introduction of new biosimilars – i.e. therapeutic alternatives that are comparable in terms of efficacy and safety and are usually less expensive – is further increasing competition between the compounding companies of original preparations and generic products. Within the Medios Group, this can have a positive impact on the Pharmaceutical Supply segment in particular. According to the Scientific Institute of the AOK (WiDO), biosimilars have been available in Europe since 2006 and have since become increasingly important for drug therapy.

Medios has a clearly defined focus on Specialty Pharma drugs. These are usually high-priced medications for chronic and/or rare diseases that are generally very time-consuming and expensive to treat. Medios has identified approx. 1,000 of the more than 100,000 pharmaceutical products available in Germany as having potential – and thus only 1% of all products on offer. Medios distributes these to customers throughout Germany from a total of two central warehouses in Berlin and Hamburg. A third warehouse in Mannheim was added at the beginning of 2022 following the integration of the NewCo Pharma Group. As most therapies can be planned and/or involve chronic diseases, Medios can anticipate demand very accurately. As a result, the company has a relatively low inventory level and a manageable capital commitment, which sets Medios apart from the structure of full-range wholesalers.

Opportunities through organic growth

Medios' growth strategy provides for both organic and inorganic growth. Organic growth can be accelerated primarily through expanded manufacturing capacities. In Berlin, Medios has built new GMP-approved laboratories at an existing site and received the manufacturing license for them in October 2022. This has significantly expanded manufacturing capacities in the high-margin business with patient-specific therapies.

In addition, Medios has strengthened its regional presence with compounding laboratories in particular through acquisitions in the 2022 and 2023 financial years. This is intended to support regional sales activities in strategically relevant indication areas in the Patient-Specific Therapies segment and thus opens up opportunities for further organic growth.

In addition, operational efficiency is to be increased in future and profitability further enhanced.

Medios intends to further establish the Blistering of high-priced finished medicinal products and expand its partner network. In addition, the diversification of indication areas is to be driven forward. Organic growth is also to be achieved by expanding the compounding business into other European countries and entering new business segments.

Opportunities through digitization

In the medium and long term, the digitization of the healthcare system in particular offers growth opportunities. Medios wants to play an active role in shaping this change and has already developed **mediosconnect**, a digital trading platform for individualized 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 healthcare system more efficient. The roll-out of **mediosconnect** continued in the 2023 financial year, meaning that the platform is now available in seven federal states. Twenty-eight practices were added as users and the number of pharmacies doubled. Orders placed via the platform increased by over 22%. The trading platform is also to be rolled out continuously in 2024.

Opportunities through inorganic growth

Medios is well positioned to continue to actively participate in the consolidation of the pharmaceutical market in Germany. The Medios Group has sufficient liquidity and only partially utilized credit lines to date. In addition, treasury shares could be used in a targeted manner and – if strategically appropriate – as an “acquisition currency”, for which authorized capital is already available if required. This gives Medios the opportunity to accelerate growth through further acquisitions. With the acquisition of the specialized pharmaceutical wholesaler Cranach Pharma, which was completed in January 2021, Medios has significantly expanded its Pharmaceutical Supply business. With the completion of the acquisition of the NewCo Pharma Group in January 2022 and the acquisition of bbw, as well as the collaboration with AfS that began in January 2023, the Patient-Specific Therapies segment was also significantly strengthened. This is also in line with the strategy of increasing the Group's profitability.

Future acquisitions should enable Medios to exploit further growth opportunities and synergy effects.

Opportunities through internationalization and the establishment of a new business segment

The Executive Board is pursuing growth through internationalization as one of the company's strategic directions. This is to be achieved primarily through acquisitions of companies specializing in compounding in strategically interesting European target markets. As the company is already very well positioned in Germany, Medios also intends to achieve a leading position in Europe. To this end, Medios plans to acquire compounding facilities in selected countries. Priority will be given to growing markets with good margins and an attractive regulatory environment. There are also plans to offer additional products and services and thus establish new segments in order to further diversify the business model. For example, the Patient-Specific Therapies segment is to be expanded by entering into the compounding of personalized medicine (among others RNA, gene and cell therapies).

Opportunities through an attractive working environment

The above-average growth in recent years – to become the leading provider of Specialty Pharma Solutions in Germany – has helped Medios to attract competent employees on the labor market. By establishing a service structure and providing all subsidiaries with professional services in the areas of IT, Human Resources, Accounting, Facility Management and Marketing/Sales, Medios has been able to professionalize the work processes within the company.

As an attractive and responsible employer, Medios wants to retain competent and committed employees in the company in the long term. To this end, Medios offers a modern and attractive working environment as well as various additional benefits.

OVERALL ASSESSMENT OF THE OPPORTUNITIES

The overall assessment of the opportunities shows that there are numerous opportunities that will enable the Medios Group to continue to exploit the high growth potential in the Specialty Pharma market described above and to continue to grow significantly. This will enable the company to increase consolidated revenue again in the 2024 financial year. In the medium term, the market share in the Patient-Specific Therapies segment in particular is to be further expanded, thereby increasing the profitability of the Medios Group as a whole. In the medium term, Medios is aiming for consolidated revenue of more than €2 billion and an EBITDA pre-margin at least in the mid-single-digit range.

Forecast report

The forward-looking statements and information described below are based on the expectations and estimates of the company at the time the Group Management Report was prepared. They therefore involve a number of risks and uncertainties. Numerous factors, many of which are beyond the control of the Medios Group, affect the business activities of the Group and its results as well as the earnings performance of Medios AG.

Actual business development may deviate from Medios AG's forecasts due to the opportunities and risks described above, among other things. The development depends in particular on the regulatory and industry-related environment and can be negatively influenced by increasing uncertainties, such as a deterioration in the economic and regulatory framework conditions.

The Executive Board expects the Medios Group to continue to grow in the 2024 financial year. Medios focuses on the Specialty Pharma segment and is the market leader in this area in Germany.

The Management has based its forecast on the following market data: Specialty Pharma is a segment within the pharmaceutical market which, according to estimates by IQVIA and calculations by Medios, will already have reached a volume of around €498 billion in industrialized countries in 2023 (IQVIA, The Global Use of Medicines 2024, Outlook to 2028). Specialty Pharma generally comprises high-priced drugs for chronic, complex or rare diseases, such as those distributed or processed by Medios. IQVIA expects Specialty Pharma expenditure in industrialized countries to increase by around 9.1% to around €543 billion in 2024.

In addition, the IMF expects the global economy to grow by 3.1% in 2024; the IfW expects an increase of 2.9%. By contrast, experts believe that the German economy will only record slight growth in 2024. The IMF expects an increase of 0.5%, while the IfW anticipates growth of 0.9%.

The market situation described in the opportunities report will lead to further changes and consolidation in the pharmaceutical market as a whole. As a leading company in the Specialty Pharma market, Medios expects to be able to take advantage of this consolidation to gain further market share.

Medios has identified specialized pharmacies (pharmacies with an annual turnover of more than €7 million) from the approx. 18,000 pharmacies available in Germany as a customer segment. The number of specialized pharmacies supplied is currently around 800 (December 31, 2022: around 700). The company estimates the number of specialized pharmacies in Germany at approx. 1,100. Medios has thus already achieved a high level of market coverage in Germany. In the long term, further specialized pharmacies are to be acquired as partners. Specialist doctors and infusion centers are supplied by the specialist partner pharmacies. By gaining additional doctors and infusion centers, growth can also be generated within the existing partner network.

In the Pharmaceutical Supply segment, the total potential in Germany amounts to approx. 1,000 products – of which the Medios Group already covers a large proportion. As the trend towards individualized therapies is likely to continue in the future, the total potential for Specialty Pharma products will continue to increase.

The Medios Group currently focuses on the six indication areas of oncology, neurology, autoimmune diseases, ophthalmology, haemophilia and infectiology. As a result of the merger with Cranach Pharma, Medios is already the market leader in the haemophilia indication in Germany and is aiming for a leading position in the other indications in Germany. Medios therefore intends to expand its market position in 2024 through further organic and inorganic growth.

The entire pharmaceutical market in Germany is still in a consolidation phase. The pharmacy market will continue to consolidate resulting from a number of systematic and strategic changes, such as electronic prescriptions and online pharmacies on the one hand and increasing regulatory requirements and regulations on the other. The number of pharmacies has fallen sharply in recent years – as has the number of pharmacies that operate their own laboratories to compound their own individualized medicines. As a result of this development, the compounding of individualized medicine is increasingly being outsourced to external GMP laboratories such as those of the Medios Group. Medios will also continue to benefit from this trend.

Medios has built up an extensive internal administrative structure in order to cope with the strong growth of the last three years. This includes services in areas such as Finance, Human Resources, IT and Facility Management, which are made available to all Medios Group companies. The internal M&A department enables Medios to better manage inorganic

growth in addition to organic growth. Medios therefore intends to continue to actively participate in the M&A market in the future, which offers additional growth potential for the company.

The Russia-Ukraine war and the conflict in the Middle East have not yet had any significant impact on the Medios Group's business. As in the previous year, the risk assessment showed that neither procurement nor sales markets of the Medios Group are directly affected. This assessment is based on the premise that both events will continue to have no lasting global economic impact and will have a rather moderate effect on the Medios Group's procurement and sales markets. In the event of a prolonged war with global repercussions, risks for the Medios Group's business cannot be ruled out.

The Executive Board expects sales of €1.9 billion to €2.1 billion and an EBITDA pre of €82 million to €91 million for 2024. This expectation is based on the assumption that the acquisition of Ceban Pharmaceuticals BV will be completed by the beginning of May 2024 and that the Group will be fully consolidated from this date. The forecast is based on a number of assumptions about the future. If key assumptions do not materialise, an adjustment of the forecast cannot be ruled out. The extraordinary expenses adjusted in the EBITDA pre forecast for 2024 include expenses for share options and for M&A, expenses for the introduction of an ERP system and one-off performance-related payments for the transfer of compounding volumes in 2024 totalling €5.7 million.

In the medium term, the market share in the area of Patient-Specific Therapies in particular is to be further expanded, thereby increasing the profitability of the entire Medios Group. Accordingly, Medios is aiming for consolidated revenue of more than €2 billion and an EBITDA pre-margin at least in the mid-single-digit range in the medium term.

Medios AG (individual company) provides services for all Group companies. As a holding company, it is therefore economically dependent on the economic development of its subsidiaries, in which it participates via profit and loss transfer agreements. For the 2024 financial year, Medios AG expects income from investments in the amount of €49 to 51 million.

Medios still intends to slightly reduce the employee turnover rate.

Risk reporting on the use of financial instruments

The aim of the Group's financial and risk management is to safeguard the company's success against financial risks of any kind. The company pursues a conservative risk policy when managing its financial positions. Derivative instruments are only used when necessary and in marketable and over-the-counter form to hedge underlying transactions and not for pharmaceutical supply or speculative purposes. Decisions on the use of derivative financial instruments are only made in close consultation with the Executive Board.

The financial instruments held by the company mainly include receivables, liabilities and bank balances. Due to its business activities, the Medios Group was not exposed to any significant interest rate or currency risks in the past financial year, which also impair the value of the capitalized assets and, in particular goodwill. The Group's transactions were conducted almost exclusively in euros and the business continued to be financed mainly by means of equity, cash flows generated from current business and the use of credit lines, which could be repaid at short notice. There was therefore no need to limit any risks by means of derivative financial instruments. Furthermore, the Group continues to have a solvent customer base with good payment practices. In order to limit the risk of payment delays or defaults, the Group continued to use factoring in the 2023 financial year.

Report on branch offices

The company does not maintain branch offices.

Further components of the Group Management Report

The Group Management Report also contains the following components:

- **“Corporate Governance Statement in accordance with Sections 289f, 315d HGB”**; this is published on the company website www.medios.ag/en in the Investor Relations/Corporate Governance section (<https://medios.ag/en/investor-relations/corporate-governance>),
- **“Reporting in accordance with Sections 289a and 315a HGB”**.

Berlin, March 26, 2024

Matthias Gärtner

Chief Executive Officer (CEO)

Falk Neukirch

Chief Financial Officer (CFO)

Mi-Young Miehler

Executive Board (COO)

Christoph Prußeit

Executive Board (CINO)

Consolidated financial statements as of December 31, 2023

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Consolidated statement of comprehensive income

in € thousand	Notes	2023	2022	Δ in %
Revenue	8	1,784,703	1,610,777	10.8
Change in stocks of finished goods and work in progress	9	12	-35	<-100.0
Work performed and capitalized	10	0	1,251	-100.0
Other income	11	2,468	2,122	16.3
Cost of materials	12	1,675,136	1,505,178	11.3
Personnel expenses	13	36,600	33,704	8.6
Other expenses	14	23,035	24,018	-4.1
Earnings before interest, tax, depreciation and amortization (EBITDA)		52,411	51,214	2.3
Depreciation and amortization	17, 18, 32	21,040	22,248	-5.4
Operating profit/loss (EBIT)		31,371	28,966	8.3
Financial expenses		2,407	1,257	91.5
Financial income		406	113	>100.0
Financial result	15	-2,001	-1,144	74.9
Consolidated earnings before tax (EBT)		29,369	27,821	5.6
Income tax	16	10,560	9,492	11.3
Consolidated earnings after tax		18,810	18,329	2.6
Total consolidated earnings				
Undiluted earnings per share (in €)	39	0.79	0.77	2.6
Diluted earnings per share (in €)	39	0.79	0.77	2.6

Consolidated balance sheet

Assets

in € thousand	Notes	12/31/2023	12/31/2022	Δ in %
Non-current assets		325,560	325,945	-0.1
Intangible assets	17	287,800	284,562	1.1
Property, plant and equipment	18	21,686	24,594	-11.8
Rights of use as lessee	32	15,427	16,024	-3.7
Financial assets	19	647	765	-15.3
Current assets		269,193	250,013	7.7
Inventories	20	59,325	50,029	18.6
Trade receivables	21	124,759	106,799	16.8
Other assets	22	11,604	10,407	11.5
Income tax receivables	16	2,465	3,564	-30.8
Cash and cash equivalents	23	71,040	79,213	-10.3
Total assets		594,753	575,958	3.3

Liabilities

Equity	24			
Subscribed capital		23,806	23,806	0.0
Capital reserves	36	379,146	377,194	0.5
Accumulated consolidated net income		65,855	47,045	40.0
Attributable to shareholders in the parent company		468,807	448,045	4.6
Liabilities				
Non-current liabilities		42,715	45,856	-6.9
Financial liabilities	25	14,655	15,464	-5.2
Other accrued liabilities	26	3,848	4,217	-8.8
Deferred tax liabilities	16	24,212	26,175	-7.5
Current liabilities		83,230	82,057	1.4
Other provisions	26	965	1,276	-24.3
Trade payables	27	52,839	47,769	10.6
Financial liabilities	25	2,794	5,769	-51.6
Income tax liabilities	16	13,367	16,502	-19.0
Other liabilities	28	11,615	10,741	8.1
Advance payments received		1,649	0	n/a
Total liabilities		125,946	127,913	-1.5
Total assets		594,753	575,958	3.3

Consolidated Statement of cash flows

in € thousand	Notes	2023	2022	Δ in %
Cash flow from operating activities				
Net income for the year		18,810	18,329	2.6
Depreciation and amortization	17, 18	21,040	22,248	-5.4
Decrease (-)/increase (+) in provisions	26	-365	-37	>100.0
Other non-cash expenses	13, 36	1,953	2,870	-32.0
Increase (-)/decrease (+) in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	20, 21, 22	-26,841	-8,547	>100.0
Increase (+)/decrease (-) in Liabilities from trade payables and other liabilities that are not Investment or financing activities	27, 28	5,677	4,092	38.7
Financial result	15	2,001	1,144	74.9
Income/losses from the disposal of assets	11, 14	-12	79	<-100.0
Income tax expense	16	10,560	9,492	11.3
Income tax payments	16	-16,417	-12,548	30.8
Net cash inflow from operating activities		16,406	37,123	-55.8
Cash flow from investing activities				
Payments made for investments in intangible assets	17	-55	-630	-91.2
Payments made for investments in property, plant and equipment	18	-1,207	-4,434	-72.8
Proceeds from the disposal of tangible fixed assets	11, 18	37	6	>100.0
Proceeds from finance lease	32	141	127	10.7
Payments for additions to the scope of consolidation	7	-16,776	-81,724	-79.5
Proceeds from disposals from the scope of consolidation	7	887	0	n/a
Interest received	15	406	113	>100.0
Net cash outflow from investing activities		-16,567	-86,541	-80.9
Cash flow from financing activities				
Payments for issuing costs for the capital increase		0	-53	-100.0
Proceeds from financial liabilities		65,000	500	>100.0
Cash outflows from the repayment of financial liabilities		-68,300	-35,866	90.4
Interest paid	15	-2,266	-1,647	37.6
Repayments of lease liabilities	32	-2,446	-2,734	-10.5
Net cash outflow from financing activities		-8,012	-39,799	-79.9
Net change in cash and cash equivalents	23	-8,173	-89,218	-90.8
Cash and cash equivalents at the beginning of the financial year	23	79,213	168,431	-53.0
Cash and cash equivalents at the end of the financial year		71,040	79,213	-10.3

Consolidated statement of changes in equity

in € thousand	Notes	Subscribed capital	Capital reserve	Accumulated total consolidated earnings	Attributable to shareholders in the parent company	Equity
Status as of 01/01/2022		22,881	342,567	28,716	394,164	394,164
Net profit for 2022	24	0	0	18,329	18,329	18,329
Share-based payments	36	0	2,870	0	2,870	2,870
Capital increase		924	31,794	0	32,718	32,718
Transaction costs from capital increase		0	-37	0	-37	-37
Status as of 12/31/2022		23,806	377,194	47,045	448,045	448,045
Status as of 01/01/2023		23,806	377,194	47,045	448,045	448,045
Net profit for 2023	24	0	0	18,810	18,810	18,810
Share-based payments	36	0	1,953	0	1,953	1,953
Capital increase		0	0	0	0	0
Transaction costs from capital increase		0	0	0	0	0
Status as of 12/31/2023		23,806	379,146	65,855	468,807	468,807

Notes to the consolidated financial statement for the 2023 financial year

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Notes to the consolidated financial statements for the 2023 financial year

1. General information

Medios AG (hereinafter also referred to as the “company”, “Medios” or, in connection with its subsidiaries, the “Medios Group”) is a stock corporation under German law. The company’s shares are listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard). The shares are also admitted for over-the-counter trading on the stock exchanges in Düsseldorf and Stuttgart.

The company’s registered office is in Berlin (HRB 246626, Berlin Charlottenburg Local Court). The business address is Heidestraße 9, 10557 Berlin, Germany.

The consolidated financial statements are presented in euros (€), the functional currency of the reporting company. Unless otherwise stated, the figures are shown in thousands of euros (€ thousand). Please note that the use of rounded amounts and percentages may result in differences within individual tables due to commercial rounding. This also applies to the totals and subtotals presented in the consolidated financial statements.

The consolidated statement of comprehensive income is prepared using the nature of expense method. The financial year of Medios AG and its subsidiaries included in the consolidated financial statements corresponds to the calendar year; a Group relationship has existed since August 31, 2016.

2. Business activity

Medios AG is one of the leading providers of Specialty Pharma Solutions in Germany. As a competence partner and expert, Medios covers all relevant aspects of the supply chain in this area: from pharmaceutical supply and the compounding of patient-specific therapies to blistering, i.e. the dispensing of individually dosed tablets. The focus is on optimal patient care via specialized pharmacies. As a GMP-certified manufacturer, Medios adheres to high international quality standards. The company currently focuses on six indication areas: oncology, neurology, autoimmunology, ophthalmology, infectiology and haemophilia.

Specialty Pharma drugs are generally high-priced drugs for rare and/or chronic diseases. Many of the newly developed therapies for such diseases are individualized. These include infusions, for example, which are formulated and produced based on individual clinical pictures and parameters such as body weight and body surface area. The demand for these therapies is constantly increasing. Patient-specific treatment requires a great deal of expertise. Specialty Pharma will continue to have a major impact on the future of the healthcare system.

In the 2023 financial year, the Medios Group consisted of the two operating divisions (“operating segments”) Pharmaceutical Supply segment and Patient-Specific Therapies segment. The other “Services” segment comprises the central functions and the digitalization area, including the digital platform **mediosconnect**.

With its focus on Specialty Pharma drugs and consistent further development in six indication areas, Medios is the largest supplier of Specialty Pharma drugs in Germany in the **Pharmaceutical Supply** segment.

The **Patient-Specific Therapies** segment comprises the compounding of medications on behalf of pharmacies. Patient-specific therapies include infusions, for example, which are formulated and produced based on individual clinical pictures and individual parameters such as body weight and body surface area.

3. Basis of preparation of the financial statements

The consolidated financial statements of Medios AG as of December 31, 2023 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the additional requirements of German commercial law pursuant to Section 315e Para. 1 of the German Commercial Code (HGB). This Medios AG Group as a reporting company was established in August 2016 through a reverse acquisition.

The company prepares the consolidated financial statements based on the going concern assumption.

Reporting for the 2023 financial year is based on the mandatory accounting standards and provides a true and fair view of the Group's net assets, financial position and results of operations. These consolidated financial statements were prepared and approved by the Executive Board of Medios AG on March 26, 2024. The value adjustment period ends on this date.

4. New, amended and applicable standards and interpretations

The following new or revised standards and interpretations were applied in the financial year:

	Standards/Interpretation	Mandatory effective date	Date of EU endorsement
IFRS 17	Insurance contracts	01/01/2023	11/19/2021
IAS 1	Amendment to IAS 1 and IFRS PS 2: Disclosure of accounting policies	01/01/2023	03/02/2022
IAS 8	Amendment to IAS 8: Definition of accounting estimates	01/01/2023	03/02/2022
IAS 12	Amendments to IAS 12: Deferred taxes on assets and liabilities arising from a single transaction	01/01/2023	08/11/2022
IAS 12	Amendments to IAS 12: International Tax Reform Pillar 2 Model Rules	with immediate effect or 01/01/2023	11/08/2023
IFRS 17	Amendments to IFRS 17: First-time application of IFRS 17 and IFRS 9—Comparative information	01/01/2023	09/08/2022

The application of the new accounting standards as of January 1, 2023, has no material impact on the consolidated financial statements of Medios.

Standards and interpretations already published but not yet applied:

	Standards/Interpretation	Mandatory effective date	Date of EU endorsement
IFRS 16	Amendment to IFRS 16: Lease liabilities in sale and leaseback transactions	01/01/2024	11/20/2023
IAS 1	Amendments to IAS 1: Presentation of Financial Statements—Classification of liabilities as current or non-current	01/01/2024	12/19/2023
IAS 1	Amendments to IAS 1: Classification of non-current liabilities with covenants	01/01/2024	12/19/2023
IAS 7	Amendments to IAS 7: Financing Arrangements for Suppliers	01/01/2024	open
IAS 21	Amendments to IAS 21: Lack of interchangeability	01/01/2025	open

Similarly, the other new or amended IFRSs to be adopted for the first time after December 31, 2023 will have, at most, an immaterial impact on Medios' consolidated financial statements. With respect to the standards not yet adopted by the EU, the date of first-time adoption provided for by the IASB is initially assumed to be the expected date of first-time adoption.

5. Summary of significant accounting and valuation principles

The most significant accounting policies applied in the consolidated financial statements are presented below. Further information on individual items in the consolidated statement of comprehensive income and the consolidated balance sheet as well as corresponding figures can be found in the following notes. The consolidated financial statements have been prepared in accordance with the going concern principle and applying the historical cost principle.

A) CONSOLIDATION PRINCIPLES

The financial statements of the companies included in the consolidated financial statements are prepared in accordance with uniform accounting and valuation principles. Business combinations are capitalized using the purchase method.

Capital consolidation is carried out by offsetting the carrying amounts of the investments against the pro rata, revalued equity of the subsidiaries at the time of acquisition. The assets and liabilities are recognized at their fair values. All

intragroup revenues, expenses, and income as well as intragroup receivables and liabilities are offset against each other. In addition, other intragroup financial obligations and contingent liabilities are eliminated. Intercompany profits and losses from intragroup deliveries to fixed assets and inventories are also eliminated on consolidation. Deferred tax assets and liabilities are recognized for temporary differences resulting from consolidation procedures.

B) BUSINESS COMBINATIONS

In addition to Medios AG, all material companies over which Medios AG can exercise control are included in the consolidated financial statements in accordance with IFRS 10. Conversely, companies are deconsolidated if the possibility of control is lost. Control arises when there is power over the investee, there is a risk exposure or rights to variable returns and there is also the ability to use power over the investee in such a way as to affect the amount of the investee's returns. The individually identifiable assets and liabilities acquired as part of the business combination are capitalized at their fair values at the acquisition date.

If the fair value of the consideration transferred exceeds the revalued net assets of the acquired business, goodwill is to be recognized in the amount of the difference. In the opposite case, the resulting difference must be recognized immediately in profit or loss as an acquisition gain. Transaction costs are expensed immediately. Any goodwill arising is tested for impairment.

C) SCOPE OF CONSOLIDATION

In addition to Medios AG, the consolidated financial statements as of December 31, 2023, include the following subsidiaries:

1. 100% in Medios Pharma GmbH, Berlin
2. 100% in Medios Manufaktur GmbH, Berlin
3. 100% in Medios Digital GmbH, Berlin
4. 100% in Medios Individual GmbH, Berlin
5. 100% in Blisterzentrum Baden-Württemberg GmbH, Magstadt
6. 100% in Cranach Pharma GmbH, Hamburg
7. 100% in NewCo Pharma GmbH, Mannheim
8. 100% in Logopharma Pharmagroßhandel GmbH, Mannheim
9. 100% in hvd medical GmbH, Friedrichsthal
10. 100% in cas central compounding baden-württemberg GmbH, Magstadt
11. 100% in Rhein Main Compounding GmbH, Aschaffenburg
12. 100% in Rheinische Compounding GmbH, Bonn
13. 100% in Onko Service Beteiligungs GmbH, Osnabrück
14. 100% in Onko Service GmbH & Co. KG, Osnabrück
15. 100% in Fortuna Herstellung GmbH, Mannheim

In the case of companies 8 to 14, the shareholding results from a 100% interest in NewCo Pharma GmbH, which in turn holds 100% of the shares in the respective company. In the case of Fortuna Herstellung GmbH, 49% of the shares are held directly by Medios AG and 51% via NewCo Pharma GmbH. With regard to the changes in the scope of consolidation in the financial year, please refer to [Note 7](#).

EXEMPTION ACCORDING TO SECTION 264 PARA. 3 HGB

The following fully consolidated German subsidiaries will make use of the exemption under Section 264 Para. 3 HGB for the 2023 financial year:

- Medios Pharma GmbH, Berlin
- Medios Manufaktur GmbH, Berlin
- Medios Digital GmbH, Berlin
- Medios Individual GmbH, Berlin
- Cranach Pharma GmbH, Hamburg
- Logopharma Pharmagroßhandel GmbH, Mannheim
- hvd medical GmbH, Friedrichsthal
- NewCo Pharma GmbH, Mannheim
- cas central compounding baden-württemberg GmbH, Magstadt
- Rhein Main Compounding GmbH, Aschaffenburg
- Rheinische Compounding GmbH, Bonn
- Onko Service Beteiligungs GmbH, Osnabrück

- Onko Service GmbH & Co. KG, Osnabrück
- Fortuna Herstellung GmbH, Mannheim
- Blisterzentrum Baden-Württemberg GmbH, Magstadt

D) PRINCIPLES OF REVENUE RECOGNITION AND REVENUE DISCLOSURE

Revenue includes all income from the transfer of goods and services to customers resulting from the Group's ordinary business activities. Income from the sale of property, plant and equipment or intangible assets does not constitute as revenue. Medios recognizes gains or losses from such transactions as other operating income or other expenses.

Revenue is reported without value added tax. Revenue is generally recognized at the time when the products or goods (pharmacy products and medicines) are delivered, or the services are rendered, and control is transferred to the customer. This is generally the case when the customer acquires possession of the products. Payments received for products and goods for which control has not yet been transferred to the customer are not recognized as revenue but as liabilities in the consolidated balance sheet. Revenue is reported net of revenue deductions. In addition, revenue is measured based on the consideration specified in a contract with a customer.

The agreements with customers essentially provide for payment 30 days after receipt of the invoice, although this can also be deviated from in the event of corresponding market conditions.

Sales by the Medios Group occasionally result in refund claims from customers, known as "retaxes". The term "retaxation" refers, among other things, to the refusal by health insurance companies to reimburse pharmacies for medicines that have already been dispensed to patients. The pharmacies pass on such retaxes to the Medios Group as production facilities. When recognizing revenue, the Medios Group estimates the expected reimbursements to pharmacies using the expected value method.

The expected revenue is calculated as a probability-weighted amount for each order, considering the risk of retaxation derived from experience.

The estimated amount of the retax is not initially included in revenue. If the uncertainty of reimbursement from the health insurance funds no longer exists, the amounts are shown in revenue. A refund liability is recognized under other current liabilities for expected retaxes.

E) GOODWILL

Goodwill is recognized as an asset at the time of acquisition as part of a business combination. On initial recognition, goodwill is measured at cost, which is the excess of the consideration transferred over the value of the revalued net assets of the acquired business. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Newly arising goodwill is allocated to the cash-generating units (CGUs) that are expected to benefit from the business combination.

The goodwill reported results in the amount of €6,804 thousand from the business combination with Medios Manufaktur GmbH in the 2016 financial year and in the amount of €436 thousand from the business combination with Medios Individual GmbH in 2017. Further goodwill in the amount of €9,497 thousand resulted from the business combination of a manufacturing plant for non-cytostatic products in Medios Individual GmbH in 2018. This goodwill is allocated to the Patient-Specific Therapies reporting segment.

Cranach Pharma GmbH, which was consolidated for the first time in 2021, accounts for €103,829 thousand of the goodwill reported, which is allocated to the Pharmaceutical Supply reporting segment. The initial consolidation of the NewCo Pharma Group resulted in goodwill of €72,017 thousand, of which €66,625 thousand was allocated to the Patient-Specific Therapies segment and €5,392 thousand to the Pharmaceutical Supply segment. Goodwill of €11,628 thousand was attributable to Blisterzentrum Baden-Württemberg GmbH (bbw), which was consolidated for the first time in the 2023 financial year. This is allocated in full to the Pharmaceutical Supply segment.

The ratio of the relative fair values of the respective companies was used as the basis for the allocation. Goodwill of €83,362 thousand was allocated to the Patient-Specific Therapies segment as of the reporting date. The Pharmaceutical Supply segment accounts for €120,849 thousand.

F) INTANGIBLE ASSETS WITH DETERMINABLE USEFUL LIVES

Internally generated intangible assets in the form of software and patents are capitalized in the Medios Group. These had a total residual carrying amount of €329 thousand as of December 31, 2023 (previous year: €448 thousand). Internally generated intangible assets are capitalized at the directly attributable expenses incurred during the development phase. These include personnel costs and production-related overheads. Development expenses are only capitalized if the development costs can be reliably measured, the product or process is technically and commercially suitable, a future economic benefit is probable and the Group both intends and has sufficient resources to complete the development and use or sell the asset.

Other intangible assets are measured at cost less scheduled depreciation and amortization and impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The following amortization methods and useful lives are applied by the company:

Intangible assets	Depreciation and amortization method	Useful life
Software	Straight-line depreciation and amortization	3 – 5 years
Customer relationships	Straight-line depreciation and amortization	4 – 20 years
Other intangible assets acquired for consideration	Straight-line depreciation and amortization	10 – 20 years

Depreciation and amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary. Depreciation and amortization of intangible assets are reported together with depreciation and amortization of property, plant and equipment under depreciation and amortization in the statement of comprehensive income.

G) PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment are measured at cost less depreciation and amortization. Disposals are reported under both historical cost and accumulated depreciation and amortization. Current maintenance and repair costs are recognized immediately as expenses. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the assets. Land is not depreciated. The following depreciation methods and useful lives are applied by the company:

Property, plant and equipment	Depreciation and amortization method	Useful life
Buildings	Straight-line depreciation and amortization	8 – 33 years
Technical equipment and machinery	Straight-line depreciation and amortization	4 – 15 years
Furniture and office equipment	Straight-line depreciation and amortization	3 – 15 years

H) GOVERNMENT GRANTS

Government grants are recognized if there is reasonable assurance that the grants will be received, and the company will comply with the conditions attached to them. Investment grants or subsidies are offset directly against the cost of the subsidized assets and reduce the carrying amounts of the corresponding assets. An allowance is then recognized in the form of reduced depreciation and amortization over the remaining useful life. The existing conditions have always been fulfilled by the company to date and are expected to continue to be fulfilled by the company. If the conditions are no longer met in the future, repayment obligations could arise that have not yet been recognized as liabilities.

I) RECOVERABILITY AND IMPAIRMENT OF ASSETS WITH INDEFINITE AND DEFINITE USEFUL LIVES

Goodwill is not subject to scheduled depreciation and amortization but is tested for impairment at the CGU level at least once a year—or during the year if there are indications of impairment. To determine any impairment of these assets, the recoverable amounts in the form of the CGUs' values in use are compared with their carrying amounts and fair values less costs to sell. The value in use of the CGUs is determined by applying a discounted cash flow method, considering the specific weighted average cost of capital (WACC).

Intangible assets with finite useful lives, property, plant and equipment and right-of-use assets from leases are tested for impairment if there are specific indications of impairment. Impairment is recognized in profit or loss if the recoverable amount of the asset is less than the carrying amount. The recoverable amount is generally determined individually for each asset. If this is not possible, it is determined based on a group of assets that generate largely independent cash flows. The CGU represents the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or other CGUs. The recoverable amount is the higher of fair value less costs to sell and value in use. Any impairment is recognized immediately in profit or loss. If the reason for an impairment loss recognized in previous years no longer applies, the impairment loss is reversed up to a maximum of the amortized cost.

J) INVENTORIES

Inventories are recognized at the lower of acquisition or production cost and net realizable value. In addition to directly attributable costs, production costs also include production and material overheads and pro rata production-related general administrative costs. Fixed overheads are considered on the basis of normal capacity utilization of the production facilities. Financing costs are not included in acquisition or production costs. Costs of unused production capacity (idle capacity costs) are recognized directly in the income statement. Inventories are written down if the acquisition or production costs exceed the expected net realizable value. The FIFO method is applied uniformly throughout the Medios Group.

K) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognized if it is highly probable that a present legal or constructive obligation to a third party has arisen as of the reporting date that is likely to result in a future outflow of resources and the amount of which can be reliably estimated. Provisions are recognized at their expected settlement amount. Provisions based on a large number of similar events are capitalized at their expected value.

Contingencies, which are not capitalized and disclosed in the notes, are possible obligations or assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent liabilities are also current obligations that are not expected to result in a probable outflow of economic resources or whose amount cannot be reliably estimated.

L) INCOME TAXES (CURRENT AND DEFERRED TAXES)

Current income taxes are calculated on the basis of the current result for the financial year as of the consolidated balance sheet date and the currently applicable tax regulations. Expected and paid additional tax expenses and tax income for previous years are also taken into account. The income tax expense represents the sum of the current (actual) tax expense and deferred taxes. The actual tax expense is calculated on the basis of the taxable income for the year. The Group's liability for current tax expense is calculated on the basis of the tax rates that apply or will soon apply on the reporting date. The amount of the expected tax liability or tax receivable reflects the amount that represents the best estimate, considering tax uncertainties, if any. Actual tax assets and liabilities are netted where possible.

Deferred taxes are recognized in accordance with the liability method. This means that, subject to an express prohibition on recognition, deferred taxes must be recognized for all temporary differences between the carrying amounts of assets and liabilities in the IFRS consolidated balance sheet and their tax base. This applies regardless of when the temporary differences reverse. Deferred tax assets and liabilities are measured using the tax rates (and tax regulations) that are expected to apply in the periods in which the temporary differences are expected to reverse. The regulations valid on the reporting date are used, unless these have already been changed for the future. Deferred tax assets are recognized on tax loss carryforwards if it is probable that they can be realized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; write-ups are made if the probability of future taxable income improves, which can be used to utilize expenses from the reversal of temporary differences or losses.

Deferred tax assets that are not capitalized are reassessed at each reporting date and recognized to the extent that it is probable that future taxable profit will allow their realization.

Deferred tax assets and deferred tax liabilities are netted if certain conditions are met.

M) FINANCIAL INSTRUMENTS

Financial instruments are all contracts that give rise to a financial asset of one company and a financial liability or equity instrument of another company. Purchases or sales of financial assets are recognized or derecognized on the trade date. Financial instruments recognized as financial assets or financial liabilities are always reported separately. Furthermore, the Medios Group does not make use of the option to designate financial liabilities at fair value through profit or loss upon initial recognition (fair value option). Financial instruments are categorized on the basis of the analysis of business model conditions and cash flow conditions provided for in IFRS 9, Financial Instruments.

The following categories were classified as relevant for the Medios Group:

- Financial assets/liabilities measured at amortized cost and
- Financial assets measured at fair value through profit or loss.

Financial assets and liabilities measured at amortized cost

Financial assets measured at amortized cost are held as part of a business model whose objective is to collect contractual cash flows ("hold" business model). The cash flows of these assets relate exclusively to principal and interest payments on the outstanding principal amount. The amortized cost of a financial asset or a financial liability is the amount:

- at which a financial asset or financial liability was measured on initial recognition,
- less any repayments,
- taking into account any risk provisions recognized, depreciation and amortization recognized in profit or loss for impairment and uncollectibility of financial assets, and
- plus or minus the cumulative distribution of any difference between the original amount and the amount repayable at maturity (premium, discount), which is distributed over the term of the financial asset or financial liability using the effective interest method.

The financial liabilities that are capitalized at amortized cost using the effective interest method are liabilities to banks, loans and other liabilities. Financial instruments are initially recognized at fair value, with the exception of trade receivables without a significant financing component. These are measured at their transaction price. Gains or losses from changes in the amortized cost are recognized in profit or loss. For reasons of materiality, current liabilities (residual term up to one year) are not discounted or compounded.

The "Financial assets and liabilities measured at amortized cost" in the Medios consolidated financial statements are as follows:

- Trade receivables and trade payables,
- Other receivables and financial assets and liabilities,
- Financial liabilities and
- Cash and cash equivalents.

Financial assets measured at fair value

Financial assets measured at fair value exist in the Medios Group exclusively for assets that are related to existing factoring agreements. The assets held for sale are classified as financial assets measured at fair value through profit or loss (FVtPL) due to the nature of the "sell" business model and changes in value are recognized in the income statement.

Value adjustments on financial instruments

Financial assets are subject to default risks, which are taken into account by recognizing a risk provision or, if losses have already been incurred, by recognizing an impairment loss. The following circumstances are taken into account when determining impairments based on expected credit losses as of the reporting date:

- The need for impairment is determined taking into account industry-specific probabilities of default.
- Only in the segment Pharmaceutical Supply individual cases were identified for which value adjustments were necessary. From the company's perspective, these are special cases that are not representative of the risk classification of Medios AG's customer and receivables structure and are both historically and systematically individual cases in this form. This does not result in a different assessment of impairment due to expected credit losses.

N) LEASES

As lessee

A lease is an agreement that conveys the right to use an asset for an agreed period of time in exchange for consideration. The Medios Group has decided not to apply the provisions of IFRS 16 to leases with a total term of no more than twelve months (short-term leases) and to leases for low-value assets (value limit: €5 thousand). These leases are exempt from recognition in the consolidated balance sheet and their lease payments are recognized as an expense over the term of the lease. IFRS 16 is still not applied to leases for intangible assets.

Liabilities from leases

Liabilities from leases are recognized at the present value of the subsequent payments:

- fixed lease payments (including de facto fixed payments) less lease incentives to be received,
- variable lease payments that are linked to an index or interest rate,
- expected payments from residual value guarantees,
- exercise price of call options if the exercise was deemed sufficiently certain,
- lease payments in renewal periods if the exercise of renewal options has been assessed as reasonably certain, and
- contractual penalties for terminating the lease if the term of the lease considers that a termination option is exercised.

IFRS 16 requires the Medios Group to make discretionary decisions that affect the measurement of lease liabilities and right-of-use assets from leases. The discretionary decisions include

- determining which contracts fall within the scope of IFRS 16,
- the identification of the contract term and
- the determination of the incremental borrowing rate.

By assessing whether an option is considered “reasonably certain”, the Medios Group determines whether and which future costs based on renewal and/or termination options are included in the leasing liabilities. In the measurement, the Medios Group considers all relevant facts and circumstances that create an economic incentive for the company to exercise or not exercise an option. This includes all expected changes in facts and circumstances (e.g. contract-, property-, company- or market-specific factors) from the inception of the lease to the date on which the option is exercised. In addition, the Medios Group’s historical practice regarding the period in which certain assets are typically used and the economic reasons for this are relevant.

Lease payments are discounted using the interest rate on which the lease is based if this can be determined. Otherwise, they are discounted using the lessee’s incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest method. In addition, lease liabilities are adjusted in the event of remeasurements or changes to leases. The incremental borrowing rate is determined at the inception of the lease or in the event of a corresponding change to an existing lease. The interest rate is determined based on the following components: available reference interest rates, group risk margins, credit risk margins and other risk margins.

On the provision date or when a contract containing a lease component is amended, the Medios Group allocates the contractually agreed consideration on the basis of the relative stand-alone selling prices. For real estate leases, however, the Group has decided not to separate the non-lease components and instead to account for lease and non-lease components as a single lease component.

The lease payments included in the measurement of the lease liability include lease payments, amounts due under residual value guarantees, purchase options and extension options to the extent that it is reasonably certain that these will be exercised.

Right-of-use assets from leases

Right-of-use assets from leases are measured by the Medios Group at cost, which is broken down as follows:

- Liabilities from leases,
- initial direct costs incurred upon conclusion of the contract,
- lease payments made on or before provision, and
- expected payments from restoration obligations,
- less leasing incentives received.

Right-of-use assets from leases are depreciated and amortized on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. In the event of a transfer of ownership at the end of the lease term or a reasonably certain exercise of a purchase option, right-of-use assets from leases are depreciated and amortized on a straight-line basis over the useful life of the underlying asset. In addition, right-of-use assets from leases are reduced by any impairment losses and modified by certain adjustments.

Right-of-use assets from leases are divided into the following classes in accordance with the Group-specific classification of property, plant and equipment:

- Rights of use to land, including buildings on land
- Rights of use to other facilities, operating and office equipment.

Right-of-use assets from leases are reported separately from property, plant and equipment in the consolidated balance sheet. Liabilities from leases are included in the financial liabilities.

As lessor

When a contract containing a lease component commences or is amended, the Group allocates the contractually agreed consideration on the basis of the relative stand-alone selling prices.

If the Medios Group acts as lessor, it classifies each lease as either a finance lease or an operating lease at the inception of the contract.

To classify the lease, the Medios Group has made an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. As part of this assessment, the Group considers certain indicators, such as whether the lease covers the major part of the economic useful life of the asset.

The Medios Group capitalizes the main lease and the sublease separately if it acts as an intermediate lessor. It classifies the sublease on the basis of its right of use from the main lease and not on the basis of the underlying asset. If the main lease is a short-term lease to which the Group applies the exception described above, it classifies the sublease as an operating lease. In the 2023 financial year, all subleases were classified as finance leases.

The Group applies the derecognition and impairment provisions of IFRS 9 to the net investment in the lease. The estimated, non-guaranteed residual values used in the calculation of the gross investment in the lease are regularly reviewed by the Group.

In principle, the accounting policies applicable to the Group as lessor under IFRS 16 did not differ from those in the comparative period.

O) SHARE-BASED COMPENSATION

The Medios Group has granted share options (equity-settled share-based compensation transactions). The fair value of the obligation is recognized over the vesting period as personal expenses and through the simultaneous formation of a capital reserve. The expense is recognized pro rata over the vesting period. This is the period during which the recipients of a share-based compensation must fulfill the agreed service condition. The options issued are measured using a binomial model.

P) REALIZATION OF INTEREST INCOME

Interest income is recognized using the effective interest method.

Q) EXPENDITURE

Expenses are recognized as expenses when the service is used or at the time they are incurred. Interest is recognized as an expense using the effective interest method.

R) EFFECTS OF CLIMATE CHANGE ON ACCOUNTING

The Medios Group continuously analyzes potential sustainability risks in the areas of climate change and water scarcity. The Group has not identified any material risks to its business model in either area. The Medios Group therefore does not currently expect any material impact of sustainability risks on its financial reporting in the 2023 financial year.

6. Use of estimates and assumptions

When preparing the consolidated financial statements, the Executive Board must make estimates and assumptions that have an impact on the items in the consolidated financial statements and the notes to the consolidated financial statements. Actual developments may differ from the estimates and assumptions made. Significant estimation uncertainties and assumptions are explained in more detail below.

A) GOODWILL AND OTHER INTANGIBLE ASSETS

Assumptions and estimates are required in relation to goodwill and other intangible assets, particularly for impairment tests. These relate in particular to the estimation of future cash flows, CGUs and the derivation of discount rates. Since the 2022 financial year, the Executive Board has managed the Group according to the reporting segments Pharmaceutical Supply (PS), Patient-Specific Therapies (PST) and Services (Management View). These segments represent the CGUs relevant for impairment testing.

Cash-generating unit pharmaceutical supply segment

As part of the impairment test, the recoverable amount of the CGUs was determined, which was higher than the carrying amount. The value in use applied is based on forecast cash flows derived from a plan approved by management for the next three years. The planned cash flows are based on expectations and assumptions from internal and external sources such as customer surveys, taking experience into account. Management is planning for revenue growth of 5% p.a. in the medium term. The discount rate before tax was 8.492% (previous year: 8.729%) and after tax 6.523% (previous year: 6.599%) for the detailed planning phase. The discount rates less the growth rate of 1.0% were used for the distant planning phase (previous year: 1.0%) and reflect the specific risks of this CGU. The discount rate was determined using the WACC model on the basis of current market data and estimates. The impairment test did not result in any need for impairment as of the reporting date.

Cash-generating unit patient-specific therapies segment

As part of the impairment test, the recoverable amount of the CGUs was determined, which was higher than the carrying amount. The value in use applied is based on forecast cash flows derived from a plan approved by management for the next three years. The planned cash flows are based on expectations and assumptions from internal and external sources such as customer surveys, taking past experience into account. Management is planning for revenue growth of 5% p.a. in the medium term. The discount rate before tax was 8.492% (previous year: 8.729%) and after tax 6.523% (previous year: 6.599%) for the detailed planning phase. The discount rates less the growth rate of 1.0% were used for the distant planning phase (previous year: 1.0%) and reflect the specific risks of this CGU. The discount rate was determined using the WACC model on the basis of current market data and estimates. The impairment test did not result in any need for impairment as of the reporting date.

Sensitivity

The results of the impairment test for both segments were subjected to a stress test using sensitivity analyses with regard to the planned segment cash flows. As a result, these scenarios did not lead to any need for impairment.

B) RETAXES (REFUND LIABILITIES)

The determination of refund liabilities is to a large extent associated with estimates and assumptions. Retaxation includes the refusal of a health insurance fund to cover the costs of a drug that the pharmacy has already dispensed to the patient. These retaxes continue to burden Medios pharmacies as production facilities. Medios therefore estimates the extent of the recharges. The Group recognizes a refund liability, in particular for risks from retaxes in the amount of €966 thousand (previous year: €957 thousand). The amount of necessary retaxes cannot be assessed with certainty and is subject to estimates based on past experience.

C) DISMANTLING OBLIGATIONS

The determination of restoration obligations involves estimates and assumptions. The restoration obligation comprises the estimated costs for the restoration of the leasehold improvements after the estimated remaining contract term. The Group recognizes provisions for restoration obligations in the amount of €3,848 thousand (previous year: €4,217 thousand).

D) INCOME TAXES

The Medios Group is currently subject to tax audits in Germany and will be in the future. Different interpretations of tax laws can lead to additional tax payments or tax refunds for previous years. For the formation of tax provisions, assumptions must be made about the future amount of tax and the tax assessment amount. To determine income tax liabilities or assets, management makes assumptions based on experience from previous tax audits and the applicable tax laws and their interpretation. Differences between actual results and management's assumptions or future changes to these assumptions may have an impact on future tax payments or tax refunds. The assumptions are reviewed in the period in which there is sufficient evidence to change the existing assumptions.

Furthermore, it must be determined whether a valuation allowance or non-recognition of deferred tax assets is necessary. The probability that deferred tax assets arising from temporary differences and loss carryforwards can be offset against taxable profits in the future must be assessed. There are uncertainties regarding the interpretation of complex tax regulations and the amount and timing of future taxable income.

E) SHARE-BASED COMPENSATION

The regulations of the Stock Option Programs stipulate that the share options granted to the respective beneficiaries are vested over a waiting period of four years. Some of the entitlements vest before the end of the four-year waiting period. Against this background, a separate estimate of the expense periodization must be made, which is based on the work received up to the reporting date compared to the total work to be performed by the beneficiaries over the respective vesting period. As a certain proportion is already earned in the first year for the subsequent installments, a degressive expense pattern is assumed. Furthermore, it is assumed with a high degree of probability that the share options will be exercised within one year of expiry of the vesting period. Further information on the conditions and assumptions is provided in [note 36](#).

7. Acquisitions and divestments in the area of investments

ACQUISITION OF BLISTERZENTRUM BADEN-WÜRTTEMBERG GMBH

On November 22, 2022, the Medios Group contractually acquired 100% of Blisterzentrum Baden-Württemberg GmbH and agreed to cooperate with Apotheken für Spezialversorgungen OHG in sterile compounding. bbw is a pharmaceutical production facility that manufactures patient-specific blisters on behalf of pharmacies. In addition to the manufacturing license, the company also holds a wholesale license and distributes finished medicinal products from the Specialty Pharma sector approved in Germany. With the acquisition, the Medios pharmacies Group intends to significantly strengthen its position as a partner to specialist pharmacies in southern Germany and further increase its revenue.

The Federal Cartel Office approved the takeover of bbw on December 1, 2022, and all conditions of the purchase agreement and the closing of the transaction were completed on January 10, 2023 (acquisition date). Medios thus gained control. As a result, bbw was included in the scope of consolidation of Medios AG as a wholly owned subsidiary. For reasons of simplification and materiality, the company was fully consolidated as of January 1, 2023.

As consideration for the acquisition of the shares in bbw, the sellers initially received a provisional purchase price of €19,400 thousand in cash. This was then reduced by €238 thousand to €19,162 thousand based on the bindingly adopted consolidated balance sheet as of the acquisition date. The consideration is not a contingent consideration.

The cooperation with Apotheken für Spezialversorgungen OHG in the area of sterile compounding agreed at the same time as the acquisition began on January 10, 2023 and runs until December 31, 2024. The acquisition of the shares in bbw meets the requirements for business combinations in accordance with IFRS 3. The basis for determining the acquired (capitalized) assets and liabilities was bbw's financial statements under commercial law as of December 31, 2022. Goodwill in accordance with IFRS 3 was derived based on the IFRS net assets at the time of acquisition.

No valuation allowances were recognized for the acquired receivables, as there were no defaults based on previous years' experience. Inventories mainly comprised finished goods at purchase prices, which is why no hidden reserves were identified.

The value of the customer relationships recognized at the time of acquisition was determined using the residual value method. The customer relationships form the only part of the hidden reserves that were identified and measured. The goodwill resulting from the difference between the consideration transferred and the revalued net assets essentially represents the value of the expected income and cost synergies from the acquisition of the business as well as the future business development over the assumed term of the customer relationships recognized as intangible assets. Goodwill is not deductible for tax purposes. The following breakdown of the purchase price is based on information available to the management. Accordingly, the following assets including goodwill (not deductible for tax purposes) were acquired and liabilities assumed at the time of acquisition:

DERIVATION OF IFRS NET ASSETS AND GOODWILL AT THE TIME OF ACQUISITION

Main groups of recognized assets and liabilities

in € thousand	Carrying amount	Revaluation of 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
Liabilities	2,505		2,505
Total liabilities	2,589	1,968	4,557
Fair value of net assets			7,535
Consideration transferred in accordance with IFRS 3			19,162
Goodwill			11,628

Since the date of acquisition, bbw has contributed €43,358 thousand to the Group's revenue and €237 thousand to the consolidated profit from continuing operations before taxes.

DISPOSAL AND DECONSOLIDATION OF KÖLSCHE BLISTER GMBH

The sale of all shares in Kölsche Blister GmbH was completed with the contract dated June 15, 2023. The total purchase price amounted to €1,411 thousand and consisted of the sale price of €911 thousand for the transfer of all shares and a sale price of €500 thousand for the redemption of the existing shareholder loan at nominal value by the purchaser.

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

in € thousand	Jan 01 until May 31, 2023
Revenue from contracts with customers	7,819
Other operating income	18
Cost of materials	6,705
Gross profit	1,132
Personnel expenses	813
Other operating expenses	236
Earnings before interest, tax, depreciation and amortization (EBITDA)	87

The main groups of assets and liabilities of Kölsche Blister GmbH as of May 31, 2023 are as follows:

in € thousand	May 31, 2023
Intangible assets	3
Property, plant and equipment	455
Rights of use as lessee	210
Other non-current assets	77
Inventories	405
Trade receivables and other receivables	759
Cash and cash equivalents	524
Total assets	2,433
Non-current provisions	30
Non-current leasing liabilities	162
Liabilities from a shareholder loan	500
Deferred tax liabilities	71
Liabilities from deliveries and services	363
Current leasing liabilities	57
Other current liabilities	369
Total liabilities	1,552
Net assets sold	881

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

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

8. Revenue

Revenue is reduced by unbilled credit notes for retaxes and performance-related payments for the takeover of compounding volumes. The unbilled credits for retaxes were recognized as a reduction in revenue in the amount of €432 thousand (previous year: €480 thousand). The expected value method was used to determine the value of retaxes. The expected retaxes were assessed per customer and delivery. The expected value is based on empirical values.

The performance-based payments were incurred as part of the supply relationship with a partner in the Patient-Specific Therapies segment for the purchase of manufactured preparations. In the first of a total of two accounting periods, the payments amounted to €5,180 thousand, which were recognized as a reduction in revenue. For a breakdown of revenue, please refer to [Note 30](#).

9. Change in inventories of finished goods

The changes in inventories relate to finished goods in the Patient-Specific Therapies segment.

10. Own capitalized costs

No own costs were capitalized in the 2023 financial year (previous year: €1,251 thousand).

11. Other income

The composition of other income is as follows:

in € thousand	2023	2022
Income from the sale of assets	31	6
Refunds under the Expense Compensation Act	347	392
Income relating attributable to other periods and income from the reversal of provisions	1,679	1,038
Other	411	687
Total	2,468	2,122

12. Cost of materials

The cost of materials comprises the purchase of goods, raw materials and supplies as well as the consumption of purchased services.

in € thousand	2023	2022
Goods	1,604,909	1,363,576
Raw materials, consumables, and supplies	70,227	141,547
External services	0	55
Total	1,675,136	1,505,178

In the 2023 financial year, the cost of materials amounted to €1,675,136 thousand (previous year: €1,505,178 thousand) or 93.9% (previous year: 93.4%) of revenue, an increase of 0.5 percentage points.

13. Personal expenses

The breakdown of personal expenses is as follows:

in € thousand	2023	2022
Wages and salaries	29,418	25,977
Social security contributions	3,098	2,819
Pensions	2,132	2,036
Equity-settled share-based compensation	1,953	2,870
Total	36,600	33,704

The non-cash expenses for Stock Option Programs included in personnel expenses amounted to €1,953 thousand in the financial year (previous year: €2,870 thousand). The Stock Option Programs were granted to employees of the Medios Group as remuneration for work performed and longer-term commitment and result from the 2020, 2021, 2022 and 2023 financial years. There is no option for cash settlement.

14. Other expenses

Other expenses comprise the following:

in € thousand	2023	2022
Legal and consulting fees	2,600	4,007
Property costs	2,836	3,357
Cost of goods sold	3,043	2,881
IT, Telecommunications	3,031	2,543
Marketing and Sales	1,823	1,389
Financial statement and auditing fees	1,039	1,298
Third-party services	1,441	1,256
Business supplies and work clothes	1,252	1,165
Repair and maintenance	953	990
Insurance, contributions and taxes	756	643
Investor Relations	451	543
HR and recruiting	548	405
Specific valuation allowances	417	289
Training expenses	284	270
Supervisory Board	254	243
Vehicle costs	236	211
Travel expenses	319	176
Miscellaneous operating costs	1,752	2,351
Total	23,035	24,018

Legal and consulting fees include expenses for M&A projects in the amount of €970 thousand (previous year: €790 thousand) and consulting costs in the context of strategy development and integration in the amount of €571 thousand (previous year: €911 thousand). The decrease in legal and consulting costs compared to the previous year is mainly due to lower consulting services within the NewCo Pharma Group.

The decrease in occupancy costs is mainly due to lower energy and ancillary costs.

15. Financial result

The financial result comprises:

in € thousand	2023	2022
Financial expenses	2,407	1,257
Financial income	406	113
Total	-2,001	-1,144

Financial expenses include expenses in the amount of €1,236 thousand (previous year: €227 thousand) resulting from the utilization and provision of the syndicated loan and €558 thousand (previous year: €437 thousand) from the accrued interest on leasing liabilities. Financial income mainly includes interest received on overnight deposits available on demand in the amount of €332 thousand (previous year: €0 thousand) and €15 thousand (previous year: €18 thousand) from the compounding of lease receivables.

16. Income taxes

The companies included in the consolidated financial statements are based exclusively in the Federal Republic of Germany and are subject to corporate tax (including the solidarity surcharge) and trade tax. The amount of income tax is based on the taxable income or trade income calculated in this way.

Deferred taxes were calculated on the basis of temporary differences between the tax base of assets and liabilities and the carrying amount in the IFRS consolidated balance sheet. If it is not probable that future tax benefits from deferred tax assets will be realized, they are written down.

Deferred taxes and actual income tax expenses for the financial years are as follows:

in € thousand	2023	2022
Actual tax expense	14,501	13,610
Deferred tax income	3,942	4,118
Total income taxes	10,560	9,492

Of the deferred tax assets (unnetted) in the amount of €6,278 thousand (previous year: €7,263 thousand), €5,192 thousand (previous year: €5,326 thousand) is attributable to the recognition of leasing liabilities and €908 thousand (previous year: €1,138 thousand) to non-current provisions.

Deferred tax liabilities (not netted) in the amount of €30,490 thousand (previous year: €33,438 thousand) are mainly attributable in the amount of €2,731 thousand to the recognition of intangible assets in the course of the first-time consolidation of the Patient-specific compounding of non-cytostatic products division, to the recognition of intangible assets in the course of the first-time consolidation of Cranach Pharma in the amount of €11,867 thousand, €8,108 thousand to the recognition of intangible assets in the course of the initial consolidation of the NewCo Pharma Group, €1,550 thousand to the recognition of intangible assets in the course of the initial consolidation of Blisterzentrum Baden-Württemberg and €4,680 thousand to the recognition of recognized right-of-use assets and leases in accordance with IFRS 16.

A tax rate of 30.175% (previous year: 30.175%) continues to be used for the measurement of deferred taxes in the German group of consolidated companies.

Deferred tax assets and liabilities are attributable to the following key consolidated balance sheet items:

in € thousand	Deferred tax assets 12/31/2022	Deferred tax liabilities 12/31/2022	Net balance as of 01/01/2023	Recognized in profit or loss	Additions/disposals from the scope of consolidation	not affecting net income	Net total as of 12/31/2023	Deferred tax assets 12/31/2023	Deferred tax liabilities 12/31/2023
Noncurrent assets									
Property, plant and equipment	0	1,703	-1,703	271	-2	127	-1,307	0	1,307
Other intangible assets	41	26,560	-26,519	4,267	-1,968	0	-24,220	36	24,256
Right-of-use assets	0	4,864	-4,864	803	68	-686	-4,680	0	4,680
Current assets									
Inventories	0	0	0	51	0	0	51	51	0
Receivables from finance leases	0	201	-201	35	0	0	-165	0	165
Other assets	0	110	-110	28	0	0	-82	0	82
Current liabilities									
Current provisions	93	0	93	-93	0	0	0	0	0
Financial liabilities	184	0	184	-92	0	0	92	92	0
Non-current liabilities									
Liabilities as lessor	5,326	0	5,326	-749	-71	686	5,192	5,192	0
Non-current provisions	1,138	0	1,138	-97	-6	-127	908	908	0
Loss carryforwards	482	0	482	-482	0	0	0	0	0
Tax assets (liabilities)	7,263	33,438	-26,175	3,942	-1,979	0	-24,212	6,278	30,490
Netting	-7,263	-7,263	0				0	-6,278	-6,278
Net tax assets (liabilities)	0	26,175	-26,175				-24,212	0	24,212

in € thousand	Deferred tax assets 12/31/2021	Deferred tax liabilities 12/31/2021	Net balance as of 01/01/2022	Recognized in profit or loss	Additions/disposals from the scope of consolidation	not affecting net income	Net total as of 12/31/2022	Deferred tax assets 12/31/2022	Deferred tax liabilities 12/31/2022
Non-current assets									
Property, plant and equipment	33	286	-253	273	-680	-1,043	-1,703	0	1,703
Other intangible assets	18	19,997	-19,980	4,121	-10,694	34	-26,519	41	26,560
Right-of-use assets	0	4,907	-4,907	881	0	-839	-4,864	0	4,864
Current assets									
Receivables from finance leases	0	178	-178	38	0	-61	-201	0	201
Other assets	0	30	-30	-80	0	0	-110	0	110
Current liabilities									
Current provisions	18	0	18	75	0	0	93	93	0
Financial liabilities	0	0	0	-107	291	0	184	184	0
Non-current liabilities									
Liabilities as lessee	5,256	0	5,256	-830	0	900	5,326	5,326	0
Non-current provisions	191	0	191	-62	0	1,009	1,138	1,138	0
Loss carryforwards	0	0	0	-175	656	0	482	482	0
Tax assets (liabilities)	5,516	25,398	-19,882	4,134	-10,427	0	-26,175	7,263	33,438
Netting	-5,516	-5,516	0	0	0	0	0	-7,263	-7,263
Net tax assets (liabilities)	0	19,882	-19,882	0	0	0	-26,175	0	26,175

The receivables and liabilities from current taxes in the consolidated balance sheet can be broken down as follows:

in € thousand	2023	2022
Income tax receivables	2,465	3,564
Income tax liabilities	13,367	16,502

Actual income tax liabilities relate to trade tax in the amount of €7,782 thousand (previous year: €11,108 thousand) and corporate tax in the amount of €5,585 thousand (previous year: €5,394 thousand). The actual income tax receivables relate to trade tax in the amount of €1,422 thousand (previous year: €2,999 thousand) and corporate tax and solidarity surcharge in the amount of €1,042 thousand (previous year: €565 thousand). The following table shows the tax reconciliation from the income tax expense expected in the financial year to the tax expense reported.

To determine the expected tax expense, the income tax rate applicable to Medios AG in the 2023 financial year of 30.175% (previous year: 30.175%) is multiplied by earnings before taxes. This is made up of corporate tax (including the solidarity surcharge) and trade tax.

in € thousand	2023	2022
Consolidated earnings before taxes	29,369	27,821
<i>Tax rate (%)</i>	30.175	30.175
Expected tax expense	8,862	8,395
Non-tax-deductible expenses	641	44
Losses not recognized for tax purposes	43	301
Tax rate differences	132	135
Tax expenses attributable to other periods	741	529
Deferred taxes on issue costs of the capital increase	0	16
Other differences	140	72
Actual tax expense	10,560	9,492
<i>Effective tax burden (%)</i>	35.96	34.12

The total amount of unrecognized taxable temporary differences in connection with shares in subsidiaries is €190,424 thousand (previous year: €201,698 thousand). The sale of shares in incorporated companies would result in a capital gain, 95% of which is not taken into account for tax purposes. Medios AG does not expect the temporary differences to reverse in the foreseeable future and therefore does not expect any corresponding tax charges.

SUPPLEMENTARY INFORMATION ON THE INTERNATIONAL TAX REFORM – OECD PILLAR 2 MODEL REGULATIONS

The Medios Group falls within the scope of the OECD pillar 2 model regulations (minimum tax). The pillar 2 legislation was adopted in Germany and will apply for the first time from January 1, 2024. As the pillar 2 legislation was not yet in force at the reporting date, Medios AG is not subject to any tax burden in this respect. In accordance with pillar 2 legislation, Medios AG is obliged to pay an additional tax for the difference between its effective pillar 2 tax rate per tax jurisdiction and the minimum tax rate of 15% (minimum tax). If tax jurisdictions introduce a local minimum tax, Medios AG will – depending on the structure of the local minimum tax regulation – be exempt from paying a minimum tax in this tax jurisdiction. It is not expected that Medios AG will be significantly affected by the effects of the minimum tax, as the company is only domiciled in tax jurisdictions with a minimum tax rate higher than 15%.

NOTES TO THE CONSOLIDATED BALANCE SHEET

17. Intangible assets

in € thousand	Goodwill	Customer list	Internally gener- ated industrial property rights and similar assets	Advance payments and intangible assets under development	Other	Total
Historical costs						
As of 01/01/2023	194,200	113,191	952	236	12,154	320,734
Additions	0	0	0	0	55	55
Disposals	0	0	0	0	0	0
Additions from company acquisitions	11,628	6,560	0	0	2	18,190
Disposals from the scope of consolidation	-1,617	-1,213	0	0	-78	-2,909
Reclassification	0	0	0	-236	236	0
As of 12/31/2023	204,211	118,538	952	0	12,369	336,070
Depreciation, amortization and impairment						
Status as of 01/01/2023	-1,617	-26,536	-503	-236	-7,278	-36,171
Additions	0	-13,633	-119	0	-1,252	-15,004
Additions from the scope of consolidation	0	0	0	0	-1	-1
Disposals	0	0	0	0	0	0
Disposals from the scope of consolidation	1,617	1,213	0	0	75	2,906
Reclassification	0	0	0	236	-236	0
As of 12/31/2023	0	-38,955	-623	0	-8,692	-48,270
Net carrying amount as of 12/31/2023	204,211	79,582	329	0	3,677	287,800
Net carrying amount as of 01/01/2023	192,583	86,655	448	0	4,876	284,562

in € thousand	Goodwill	Customer list	Internally gener- ated industrial property rights and similar assets	Advance payments and intangible assets under development	Other	Total
Historical costs						
As of 01/01/2022	122,183	78,252	1,003	3,810	7,627	212,875
Additions	0	0	7	422	201	630
Disposals	0	0	0	0	-35	-35
Additions from company acquisitions	72,018	34,939	38	0	280	107,275
Reclassification	0	0	-97	-3,996	4,081	-12
Status as of 12/31/2022	194,200	113,191	952	236	12,154	320,734
Depreciation, amortization and impairment						
As of 01/01/2022	-1,617	-13,728	-377	0	-4,292	-20,014
Additions	0	-12,808	-128	-236	-2,897	-16,069
Additions from the scope of consolidation	0	0	1	0	-94	-93
Disposals	0	0	0	0	5	5
As of 12/31/2022	-1,617	-26,536	-503	-236	-7,278	-36,171
Net carrying amount as of 12/31/2022	192,583	86,655	448	0	4,876	284,562
Net carrying amount as of 01/01/2022	120,566	64,524	626	3,810	3,335	192,861

There are no restrictions on ownership or disposal of the reported property, plant and equipment.

18. Property, plant and equipment

in € thousand	Land, including buildings on third-party land	Technical equipment and machinery	Other equipment furniture and office equipment	Advance payments	Total
Historical costs					
As of 01/01/2023	18,404	6,297	9,587	4	34,292
Additions	228	99	673	206	1,207
Disposals	-441	0	-49	-4	-495
Additions from company acquisitions	136	86	49	0	271
Disposals from the scope of consolidation	-29	-300	-1,467	0	-1,796
Reclassification	0	0	63	-63	0
As of 12/31/2023	18,297	6,182	8,856	143	33,478
Depreciation, amortization and impairment					
As of 01/01/2023	-2,459	-2,376	-4,863	0	-9,698
Additions	-1,520	-657	-1,239	0	-3,416
Additions from company acquisitions	-10	-19	-9	0	-38
Disposals	2	0	17	0	19
Disposals from the scope of consolidation	20	83	1,238	0	1,341
As of 12/31/2023	-3,967	-2,969	-4,856	0	-11,792
Net carrying amount as of 12/31/2023	14,330	3,213	4,000	143	21,686
Net carrying amount as of 01/01/2023	15,944	3,921	4,724	4	24,594

in € thousand	Land, including buildings on third-party land	Technical equipment and machinery	Other equipment furniture and office equipment	Advance payments	Total
Historical costs					
As of 01/01/2022	2,548	2,859	5,404	9,311	20,122
Additions	3,977	45	1,924	1,799	7,746
Disposals	-241	0	-182	0	-422
Additions from company acquisitions	2,696	2,185	1,952	0	6,834
Reclassification	9,423	1,208	488	-11,107	12
As of 12/31/2022	18,404	6,297	9,587	4	34,292
Depreciation, amortization and impairment					
As of 01/01/2022	-1,354	-1,676	-3,379	0	-6,409
Additions	-1,212	-584	-1,484	0	-3,280
Additions from company acquisitions	-134	-116	-126	0	-376
Disposals	241	0	126	0	367
As of 12/31/2022	-2,459	-2,376	-4,863	0	-9,698
Net carrying amount as of 12/31/2022	15,944	3,921	4,724	4	24,594
Net carrying amount as of 01/01/2022	1,194	1,183	2,025	9,311	13,713

There are no restrictions on ownership or disposal of the reported property, plant and equipment.

The acquisition and production costs of property, plant and equipment are reduced by a total of €1,108 thousand by the subsidies approved in the 2022 financial year. The subsidies are earmarked public financial assistance to the commercial sector as part of the joint task "Improvement of the regional economic structure", which is granted jointly by the federal and state governments in Germany. The funding approval was linked to the corresponding conditions of maintaining the 50 jobs existing at the Berlin site at the time of application for at least five more years after the end of the funding project and the obligation to create a further 24 permanent jobs. However, if certain conditions for the granting of aid are not met in the future, the funding may be reclaimed in part or in full by the donors in subsequent years. The company continues to assume that it will be able to fulfill all conditions.

In the 2023 financial year, further subsidies in the amount of €76 thousand (previous year: €659 thousand) were received. The outstanding subsidy claim amounted to €373 thousand as of December 31, 2023.

19. Financial assets

The financial assets in the amount of €647 thousand (previous year: €765 thousand) relate to a loan granted in the amount of €100 thousand (previous year: €100 thousand) and receivables from finance leases as lessor in the amount of €547 thousand (previous year: €665 thousand). The decrease in receivables from leases is due to scheduled repayment installments received from the lessee.

The gross investment and the present value of the outstanding lease receivable are shown in the following table.

in € thousand	Gross investment	Interest component	Lease receivable 12/31/2023
Maturity			
2024	161	11	150
2025	155	7	148
2026	159	3	156
2027	44	0	44
2028	21	0	21
2029	21	0	21
2030	7	0	7
Total	570	22	547

in € thousand	Gross investment	Interest component	Lease receivable 12/31/2022
Maturity			
2023	150	15	135
2024	152	11	140
2025	155	7	148
2026	159	3	156
2027	45	1	44
2028	22	0	21
2029	22	0	21
Total	705	37	665

20. Inventories

Inventories in the amount of €59,325 thousand (previous year: €50,029 thousand) relate to raw materials, consumables and supplies, finished products and goods for resale as well as advance payments made by the entire Medios Group. The composition of inventories is shown in the following table:

in € thousand	12/31/2023	12/31/2022
Raw materials, consumables and supplies	11,650	12,025
Finished products and goods for resale	45,746	36,078
Advance payments	1,929	1,926
Total	59,325	50,029

21. Trade receivables

in € thousand	12/31/2023	12/31/2022
Gross value of receivables and trade accounts receivable	125,398	107,166
Valuation allowances	-639	-367
Total	124,759	106,799

Trade receivables increased compared to the previous year due to growth and the reporting date.

The valuation allowances on trade receivables developed as follows:

in € thousand	12/31/2023	12/31/2022
As of 01/01	-367	-388
Addition	-327	-179
Additions/disposals to the scope of consolidation	-17	
Reversal	72	201
As of 12/31	-639	-367

The age structure of trade receivables is as follows:

As of 12/31/2023				Thereof overdue and unimpaired			
in € thousand	Carrying amount	Impaired receivables	Neither impaired nor overdue	< 90 days	90 to 180 days	180 to 360 days	> 360 days
Trade accounts receivable	125,398	455	105,594	19,189	103	30	26

As of 12/31/2022				Thereof overdue and unimpaired			
in € thousand	Carrying amount	Impaired receivables	Neither impaired nor overdue	< 90 days	90 to 180 days	180 to 360 days	> 360 days
Trade accounts receivable	107,166	167	91,461	15,084	393	30	198

The receivables that were overdue and not impaired as of December 31, 2023 have now been received or continue to be classified as recoverable. The receivables are mainly due from long-standing customers. Some customers with a long-standing business relationship have payment terms of more than 30 days. Due to the very low insolvency rate for pharmacies and customers in the pharmaceutical sector, the risk of default on receivables is expected to remain low. The credit default rate on existing receivables is estimated at 0.36% (previous year: 0.15%). Due to the low credit default risk, the receivables are not broken down by age structure.

22. Other assets

Other assets comprise the following:

in € thousand	12/31/2023	12/31/2022
Discount accruals	5,097	3,822
Receivables from suppliers	1,112	400
Receivables from the factoring institution	1,090	2,795
Current tax assets	942	482
Deposits	497	523
Receivables from grant commitments	373	449
Current contractual assets	0	93
Other	2,494	1,842
Total other assets	11,604	10,407

The deposits were mainly provided as security for tenancies.

23. Cash and cash equivalents

in € thousand	12/31/2023	12/31/2022
Bank balances	71,037	79,211
Cash on hand	3	2
Cash and cash equivalents	71,040	79,213

Cash and cash equivalents consist of bank balances and cash in hand. As of the consolidated balance sheet date, the Group could freely dispose of all cash and cash equivalents.

24. Equity

As of December 31, 2023, the share capital of Medios AG remained unchanged at €23,806 thousand (previous year: €23,806 thousand) and is divided into 23,805,723 (previous year: 23,805,723) fully paid-up no-par value shares.

AUTHORIZED CAPITAL

The Executive Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to €7,181,763.00 by issuing up to 7,181,763 new no-par value bearer shares with a pro rata amount of the share capital of €1.00 each against cash or non-cash contributions (**Authorized Capital 2021**) on one or more occasions until June 9, 2026. The Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the following cases: capital increases against contributions in kind; settlement of fractional amounts; Section 186 Para. 3 Sentence 4 AktG; insofar as it is necessary to grant holders of convertible bonds, convertible profit participation rights or option rights a subscription right to the extent to which they would be entitled as shareholders after exercising the conversion right or option right; to grant shares to members of the Executive Board, management 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

The company's share capital has been conditionally increased by €300 thousand through the issue of up to 300,000 no-par value bearer shares (**Conditional Capital 2018**). The conditional capital increase serves exclusively to fulfil subscription rights granted based on the authorization of the Annual General Meeting of July 13, 2018. The Conditional Capital 2018 has not yet been utilized.

The company's share capital has been conditionally increased by €5,825 thousand through the issue of up to 5,825,607 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 Conditional Capital 2019 has not yet been used.

The company's share capital has been conditionally increased by €477.5 thousand through the issue of up to 477,500 no-par value bearer shares **(Conditional Capital 2020/I)**. The conditional capital increase serves exclusively to fulfil subscription rights granted on the basis of the authorization of the Annual General Meeting on 26 October 2020 in accordance with agenda item 8, amended by resolution of the Annual General Meeting of June 21, 2022 in accordance with agenda item 13. The conditional capital increase will only be carried out to the extent that the holders of the subscription rights issued as part of the "Stock Option Plan 2020" exercise their right to subscribe to shares in the company and the company does not deliver any treasury shares to fulfill the options. The new shares will participate in profits from the beginning of the financial year for which there is no resolution on the appropriation of profits at the time of issue. The Conditional Capital 2020 has not yet been utilized.

The company's share capital has been conditionally increased by €160.5 thousand through the issue of up to 160,500 no-par value bearer shares **(Conditional Capital 2022/II)**. The conditional capital increase serves exclusively to fulfil subscription rights granted on the basis of the authorization of the Annual General Meeting of June 21, 2022 in accordance with agenda item 13, amended by resolution of the Annual General Meeting of June 21, 2023 under agenda item 10. The conditional capital increase will only be carried out to the extent that the holders of the subscription rights issued as part of the "Stock Option Plan 2022" exercise their right to subscribe to shares in the company and the company does not deliver any treasury shares to fulfill the options. The new shares will participate in profits from the beginning of the financial year for which there is no resolution on the appropriation of profits at the time of issue. The Conditional Capital 2022 has not yet been utilized.

The company's share capital has been conditionally increased by €1,439.5 thousand through the issue of up to 1,439,500 no-par value bearer shares **(Conditional Capital 2023/I)**. The conditional capital increase serves exclusively to fulfil subscription rights granted on the basis of the authorization of the Annual General Meeting on June 21, 2023 in accordance with agenda item 10. The conditional capital increase will only be carried out to the extent that the holders of the subscription rights issued as part of the "Stock Option

Plan 2023" exercise their right to subscribe to shares in the company and the company does not deliver any treasury shares to fulfill the options. The new shares will participate in profits from the beginning of the financial year for which there is no resolution on the appropriation of profits at the time of issue. The Conditional Capital 2023 has not yet been utilized.

CAPITAL RESERVE

The capital reserve contains the premiums from the issue of shares and the exercise of share options for selected employees. The capital reserve of €379,146 thousand (previous year: 377,194 thousand) includes a reserve of €19,680 thousand (previous year: €17,727 thousand) for employee benefits to be settled in equity from the Stock Option Programs.

The number of ordinary shares issued by Medios AG developed as follows:

in € thousand	2023	2022
Issued on January 1	23,806	22,881
Capital increase in kind	0	924
Issued as of December 31	23,806	23,806
Fully paid-up no-par value shares of €1 each	23,806	23,806

25. Financial liabilities

Financial liabilities break down as follows:

in € thousand	12/31/2023	12/31/2022
Leasing liabilities	17,140	17,550
Earn-out liabilities	300	600
Other current financial liabilities	0	3,000
Interest liabilities	8	83
Total financial liabilities	17,449	21,233

The decrease in other financial liabilities compared to the previous year is mainly due to the full repayment of a working capital loan in the amount of €3,000 thousand.

The maturities of financial liabilities are broken down as follows:

in € thousand	up to 1 year	1 – 5 years	over 5 years	Carrying amount
12/31/2023				
Leasing liabilities	2,485	10,026	4,629	17,140
Earn-out liabilities	300	0	0	300
Loans	8	0	0	8
Total	2,793	10,026	4,629	17,449

in € thousand	up to 1 year	1 – 5 years	over 5 years	Carrying amount
12/31/2022				
Leasing liabilities	2,386	9,657	5,507	17,550
Earn-out liabilities	300	300	0	600
Other current financial liabilities	3,000	0	0	3,000
Loans	83	0	0	83
Total	5,769	9,957	5,507	21,233

26. Provisions

Current and non-current provisions developed as follows:

in € thousand	Carrying amount 01/01/2023	Addition to the scope of consolidation	Consumption	Reversal	Addition	Accrued interest	Disposal from scope of consolidation	Carrying amount 12/31/2023
Current provisions	1,276	47	902	175	747		28	965
Non-current provisions	4,217	-		44	125	-419	30	3,848

in € thousand	Carrying amount 01/01/2022	Addition to the scope of consolidation	Consumption	Reversal	Addition	Accrued interest	Disposal from scope of consolidation	Carrying amount 12/31/2022
Current provisions	687	377	823	39	1,073		0	1,276
Non-current provisions	1,040	3	67	182	3,312	110	0	4,217

Current provisions include obligations for the costs of preparing and auditing the financial statements as well as obligations for the statutory obligation to retain commercial records, the amount and timing of which are also uncertain. A cash outflow is expected for the most part in the coming financial year.

Non-current provisions include restoration obligations for the restoration costs of leasehold improvements. The restoration obligations are related to the leasehold improvements capitalized as fixed assets. The additions to non-current provisions include accrued interest in the amount of €125 thousand (previous year: €109 thousand).

27. Trade payables

Trade payables are due within one year and amounted to €52,839 thousand as of the reporting date (previous year: €47,769 thousand).

28. Other liabilities

Other liabilities are due within one year and relate to the following items:

in € thousand	12/31/2023	12/31/2022
Liabilities from other taxes and duties	3,927	2,965
Outstanding invoices	3,118	3,078
Personnel expenses	2,506	2,399
Reimbursement obligations to customers (retaxes)	966	957
Liabilities to customers	866	129
Other	232	1,213
Total other liabilities	11,615	10,741

The estimated cash outflows due to retaxations (for explanations, see [note 6](#)) depend on the utilization by the respective pharmacies and are therefore uncertain in terms of amount and timing. A majority of the cash outflow is expected in the coming financial year.

29. Notes to the consolidated statement of cash flows

The Statement of Cash Flows shows how the Group's cash and cash equivalents have changed over the course of the reporting year as a result of cash inflows and outflows. A distinction is made between cash flows from operating activities, investing activities and financing activities. In addition to freely available cash and cash equivalents, the cash and cash equivalents in the Statement of Cash Flows include bank overdrafts as an integral part of cash management ([see note 23](#)).

Cash and cash equivalents include, in particular, cash on hand and demand deposits with banks with a short remaining term that are not subject to any significant risk of fluctuations in value.

Medios recorded:

- Payments for the repayments of lease liabilities as part of the cash flow from financing activities,
- payments for interest as part of the cash flow from financing activities,
- payments for short-term leases and for leases of low-value assets as part of the cash flow from operating activities.

The reconciliation of movements from liabilities to cash flows from financing activities is shown below:

in € thousand	12/31/2022	Non-cash changes/ additions to financial liabilities	Cash flows from interest	Cash flows from borrowings	Cash flows from repayments	12/31/2023
Current and non-current financial liabilities	21,151	2,992	-956	0	-5,746	17,441
Current and non-current loan liabilities	83	1,235	-1,310	65,000	-65,000	8
Current and non-current liabilities—total	21,233	4,227	-2,266	65,000	-70,746	17,449

in € thousand	12/31/2021	Non-cash changes	Cash flows from interest	Cash flows from borrowings	Cash flows from repayments	12/31/2022
Current and non-current financial liabilities	17,369	8,107	0	1,734	-6,059	21,151
Current and non-current loan liabilities	32,342	0	-219	0	-32,041	83
Current and non-current liabilities—total	49,710	8,107	-219	1,734	-38,099	21,233

30. Segment report

In the Medios Group, segment reporting results from the management of business activities. The breakdown of the segments corresponds to the internal organizational structure and reporting to the Executive Board and Supervisory Board. Segment success at the Medios Group is measured primarily on the basis of sales revenue and EBITDA before special items. Revenue is generated from contracts with customers.

The Medios Group is divided into the “Pharmaceutical Supply” segment, the “Patient-Specific Therapies” segment and the “Services” segment. The segments differ in their performance profile. Transactions between segments are reported in accordance with IFRS accounting principles. Business segments were not aggregated. The activities of the Medios Group extend exclusively to Germany, although insignificant sales revenues are generated with customers in other EU countries. The business activities of the segments can be summarized as follows:

Pharmaceutical supply with a focus on Specialty Pharma drugs is combined under company law in Medios Pharma GmbH, Cranach Pharma GmbH, Logopharma Pharmagroßhandel GmbH, hvd medical GmbH and Blisterzentrum Baden-Württemberg GmbH. The focus on Specialty Pharma means that almost exclusively high-priced drugs for chronic and/or rare diseases are traded. This consistent and clear focus clearly sets Medios apart from full-range pharmaceutical wholesalers.

Patient-Specific Therapies comprises the compounding of medications on behalf of pharmacies, which under company law is carried out by the companies Medios Manufaktur GmbH, Medios Individual GmbH, Kölsche Blister GmbH (until June 1, 2023), NewCo Pharma GmbH, Fortuna Herstellung GmbH, cas central compounding baden-württemberg GmbH, Rhein Main Compounding GmbH, Rheinische Compounding GmbH, Onko Service Beteiligungs GmbH and Onko Service GmbH & Co. KG. Patient-specific therapies are, for example, infusions that are compounded and produced on the basis

of individual clinical pictures and individual parameters such as body weight and body surface area. The batch for each formulation produced is therefore always exactly one. Blistering involves packaging prescribed medication in individual blisters. Compounding or Blistering is carried out under the highest possible quality standards—usually GMP (Good Manufacturing Practice).

Services comprises all other activities of the Group, including in particular corporate management, central functions such as Finance and Accounting, Marketing and Sales, IT and Non-pharmaceutical Purchasing as well as Investor Relations. In addition, software and infrastructure solutions for the Medios Group are driven forward here.

The segment results in the 2023 financial year break down as follows:

in € thousand	Pharmaceutical supply		Patient-Specific Therapies		Services		Elimination		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue—external	1,558,148	1,390,296	225,964	219,962	591	518	0	0	1,784,703	1,610,777
Revenue—internal	138,196	71,414	30,457	47,288	8,276	7,266	-176,928	-125,967	0	0
Total Revenue	1,696,344	1,461,710	256,420	267,250	8,867	7,784	-176,928	-125,967	1,784,703	1,610,777
Cost of materials	1,635,108	1,410,303	208,189	212,662	0	0	-168,161	-117,786	1,675,136	1,505,178
<i>Cost of materials (as % of revenue)</i>	96.4	96.5	81.2	79.6	0.0	0.0	95.0	93.5	93.9	93.4
EBITDA	46,194	37,221	16,257	23,388	-10,039	-9,395	0	0	52,411	51,214
<i>Margin (as % of revenue)</i>	2.7	2.5	6.3	8.8	-113.2	-120.7	0.0	0.0	2.9	3.2
EBITDA before special items	46,669	38,011	21,826	23,665	-7,982	-6,801	0	0	60,514	54,875
<i>Margin (as % of revenue)</i>	2.8	2.6	8.5	8.9	-90.0	-87.4	0.0	0.0	3.4	3.4
Depreciation and amortization	9,647	10,938	8,912	8,363	2,482	2,948	0	0	21,040	22,248
Financial expenses	1,797	2,209	1,075	848	2,496	676	-2,960	-2,476	2,407	1,257
Financial income	703	177	270	153	2,393	2,259	-2,960	-2,476	406	113
EBT	35,453	24,251	6,541	14,329	-12,625	-10,759	0	0	29,369	27,821
<i>Margin (as % of revenue)</i>	2.1	1.7	2.6	5.4	-142.4	-138.2	0.0	0.0	1.6	1.7
Income tax expense (-)/income (+)	2,010	1,538	-2,002	-3,046	-10,568	-7,984	0	0	-10,560	-9,492
Earnings after taxes	37,463	25,789	4,539	11,283	-23,192	-18,743	0	0	18,810	18,329

The most important key figures for strategy and decision-making and for measuring operating business success in the 2023 financial year were revenue and earnings before interest, taxes, depreciation and amortization (EBITDA pre). EBITDA pre is reconciled to earnings before interest, tax depreciation and amortization as follows:

in € thousand	2023	2022
EBITDA before special items	60,514	54,875
Expenses from Stock Option Programs	1,953	2,870
Other M&A expenses	970	790
Performance-related expenses for the acquisition of manufacturer volumes	5,180	0
Earnings before interest, tax, depreciation and amortization (EBITDA)	52,411	51,214

The Medios Group had a large number of individual customers in the 2023 financial year. However, revenue of €208,671 thousand was generated with one customer, which accounted for more than 10% (previous year: <10%) of total Group revenue. Revenue with this customer was generated exclusively in the PS segment.

OTHER DISCLOSURES

31. Contingent liabilities

RETROACTIVE LABOR PRICE ADJUSTMENT

The invoicing of parenteral preparations containing cytostatic drugs to statutory health insurance funds is currently based on a remuneration determined in an arbitration award. The Association of Statutory Health Insurance Funds (GKV) has filed an appeal against the arbitration award. If the GKV association's lawsuit is successful, there is a risk of retroactive labor price adjustments and thus a reclaim of the remuneration already collected. As of December 31, 2023, the financial risk for Medios in the event of a 100% retroactive adjustment of the remuneration amounts to approx. €3.0 million. The Executive Board currently considers the risk of a retroactive and 100% adjustment of remuneration to the original level to be very low.

RECOVERY RISK UNDER INSOLVENCY LAW

On December 1, 2020, insolvency proceedings were opened over the wholesaler's assets and the gradual breakdown of the business relationship also led to a strained financial situation for the pharmacy. As of December 31, 2021, receivables of €1.0 million were still outstanding from the pharmacy in relation to deliveries of goods by Medios pharmacies. A repayment agreement with a term until September 30, 2026 was agreed and complied with until September 30, 2023. With the addendum dated December 21, 2023, it was now agreed to suspend the repayment installments until September 30, 2026 and to extend the agreement until September 30, 2029. This does not affect the interest claims against the pharmacy, which are still to be paid quarterly.

In the course of 2021, the pharmacy was requested by the wholesaler's insolvency administrator to make a significant repayment under rescission law, which in turn could trigger insolvency proceedings at the pharmacy itself and subsequently also affect Medios pharmacies. In the event of the pharmacy's insolvency, Medios pharmacies would be at risk of having to repay a maximum of €7.3 million under insolvency law by December 31, 2024 at the latest. To avert a subsequent insolvency and thus further damage, Medios AG had originally agreed to provide secured interim financing in the amount of €1 million. 1 million to the pharmacy, which would like to use the funds to finance a settlement with the wholesaler's insolvency administrator. In the meantime, the customer has reached a settlement with the wholesaler's insolvency administrator, meaning that the planned financing by Medios AG is no longer necessary. In view of the already

finalized avoidance settlement, there are no indications of an imminent insolvency of the wholesaler.

Considering all the information available, the existing receivables from the pharmacy remain 100% individually impaired. At the time of preparation, the Executive Board did not consider further accounting precautions to be necessary because they were not classified as probable.

RIGHTS OF USE RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET

in € thousand	Land, including buildings on third-party land	Other equipment, furniture and office equipment	Total
Status as of 01/01/2023	15,926	98	16,024
Amortization amount for the financial year	-2,516	-104	-2,620
Additions to right-of-use assets	1,008	325	1,333
Disposal of right-of-use assets	0	0	0
Disposals from the scope of consolidation	-210	0	-210
Remeasurement of right-of-use assets	916	-17	899
As of 12/31/2023	15,124	303	15,427

in € thousand	Land, including buildings on third-party land	Other equipment, furniture and office equipment	Total
Status as of 01/01/2022	16,041	167	16,209
Amortization amount for the financial year	-2,808	-91	-2,899
Additions to right-of-use assets	3,784	29	3,813
Remeasurement of right-of-use assets	-1,091	-8	-1,099
As of 12/31/2022	15,926	98	16,024

The measurement of right-of-use assets from leases and the associated leasing liabilities is based on a best estimate of the exercise of extension and termination options. This estimate is updated if there are significant changes to the general conditions or the contract. Revaluations were mainly carried out due to changes in the rental index and adjustments to terms.

32. Disclosures on leases

LESSEE ACCOUNTING

The Medios Group mainly acts as a lessee by leasing IT and office equipment, real estate and passenger cars used by the company. The lease agreements are negotiated individually and contain a variety of contractual terms and conditions. Rights of use from leases are included in the consolidated balance sheet items with the following values:

INTEREST AND PRINCIPAL PAYMENTS FROM LEASES

The following table shows the (undiscounted) interest and principal payments of the leasing liabilities:

in € thousand	Lease payment		Interest component		Principal repayment	
	2023	2022	2023	2022	2023	2022
Maturity						
up to 1 year	3,067	2,866	581	480	2,485	2,386
1 – 5 years	11,401	10,851	1,375	1,194	10,026	9,657
over 5 years	4,782	5,737	153	230	4,629	5,507
Total	19,250	19,454	2,109	1,904	17,140	17,550

in € thousand	2023	2022
Interest expenses for lease liabilities	558	437
Expenses for leases of low-value assets, excluding short-term leases of low-value assets	313	477

AMOUNTS RECOGNIZED IN THE STATEMENT OF CASH FLOWS

in € thousand	2023	2022
Total cash outflows for leases	3,004	3,171

LESSOR ACCOUNTING

In 2023, the Medios Group subleased parts of the building. The sublease was classified as a finance lease. As of the reporting date, the receivable amounted to €547 thousand (previous year: €665 thousand). In 2023, the Group recognized interest income on lease receivables in the amount of €15 thousand (previous year: €18 thousand). There is no particular risk from the activity as a lessor, as the volume of this business activity is comparatively low. No further sublease agreements are planned.

The following table presents a maturity analysis of the lease receivables and shows the undiscounted lease payments to be received after the reporting date.

in € thousand	2023	2022
up to 1 year	161	150
1 – 5 years	379	511
over 5 years	28	43
Total amount of undiscounted lease receivables	570	704
Unrealized financial income	23	39
Net investment in the lease	547	665

33. Additional disclosures on financial instruments

TRANSFERS OF FINANCIAL ASSETS

In 2023, the Medios Group terminated an existing factoring agreement for the sale of receivables up to a nominal volume of €7,500 thousand in the PST segment and replaced it with a new factoring agreement for the sale of receivables in the PS segment. Under a forfaiting model, the Group is free to decide whether and to what extent the nominal volume of up to €20,000 thousand is utilized. The risks from the receivables sold that are relevant for the respective risk assessment are the credit risk (default risk) and the risk of late payment (late payment risk), which are transferred in full to the buyer of the receivables in return for payment of a fixed purchase price discount. The receivables sold were derecognized in full after the transfer to the factoring institute and the fixed purchase price discount was recognized in full as an expense. As of the consolidated balance sheet date of December 31, 2023, the Group no longer held any receivables for sale.

VALUATIONS, FAIR VALUES BY MEASUREMENT CATEGORY

With the exception of non-current financial assets and non-current financial liabilities, all financial instruments have short remaining terms or are available as cash and cash equivalents as of December 31, 2023 and December 31, 2022. Their carrying amounts as of the reporting date therefore correspond at least approximately to their respective fair values.

As of the reporting date, there were no receivables earmarked for sale to the factoring institute and still held in the portfolio that are also classified as financial instruments in the "FVtPL" category (previous year: €10,054 thousand).

All remaining financial instruments are allocated to the AC (amortized cost) category. The non-current financial assets with a carrying amount of €100 thousand (previous year: €100 thousand) relate to loans granted. Other non-current financial assets of €547 thousand (previous year: €665 thousand) relate to receivables from finance leases. The fair values of the loans and finance lease receivables approximate the respective carrying amounts.

34. Net results from financial instruments

The net results per measurement category are presented as follows:

2023 FROM SUBSEQUENT MEASUREMENT

in € thousand	From interest	Impairment	From disposal	Net result
Loans and receivables (AC)	74	-417	0	-343
Financial liabilities at amortized cost (AC)	-2,407	0	0	-2,407
Total	-2,333	-417	0	-2,750

2022 FROM SUBSEQUENT MEASUREMENT

in € thousand	From interest	Impairment	From disposal	Net result
Loans and receivables (AC)	113	-289	0	-176
Financial liabilities at amortized cost (AC)	-1,257	0	0	-1,257
Total	-1,144	-289	0	-1,433

35. Risk management of the Group

The Medios Group's risk management system is an integral part of the Medios Group's business practice and encompasses the individual organizational processes at various levels and all types of risk. Key components are the business planning and controlling processes. The tasks of risk identification and assessment are performed by each organizational unit. Risks with similar content are combined into risk groups, for example "regulatory risks". These are then regularly communicated to the responsible decision-makers, who are responsible for risk management. Further information on the management of financial risks can be found in the risk and opportunity report in the combined management report.

MACROECONOMIC RISKS FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks arising from its operating and financial activities. The most significant financial risks for the Group arise from the creditworthiness and solvency of the Group's counterparties and the liquidity risk. The basic principles of financial policy are determined by the Executive Board and monitored by the Supervisory Board. The Executive Board has implemented a risk management system and receives regular reports on the development of financial risks, among other things. The established system of rules of procedure requires the prior approval of the Executive Board and Supervisory Board for certain transactions, which are also regularly informed of the scope and amount of the current risk exposure.

CREDIT RISK (DEFAULT RISK)

Credit risks arise from the possibility that counterparties (customers and other debtors) to a transaction are unable to meet their obligations and that the Group suffers a financial loss as a result. The maximum credit risk (default risk) corresponds to the carrying amount of the Group's financial assets without considering netting agreements and without taking into account any additional collateral or other credit enhancements. Trade receivables are by far the largest item among the financial assets. A possible concentration of risk is analyzed regularly. The development of due and non-due receivables is reported monthly. Where necessary, the Group takes account of the credit risk by recognizing appropriate impairments. In addition, the Group uses factoring for working capital management in individual cases where necessary. This is genuine factoring with assumption of the del credere risk.

The credit risk is reduced through diversification, which is achieved through a large number of debtors. Furthermore, the credit risk is mitigated by obtaining advance payments from buyers, where negotiable. IFRS 9 contains an impairment model based on expected credit losses (expected credit loss model). This model is to be applied to all financial assets measured at amortized cost. The simplified method is used to determine impairments on trade receivables. This involves determining the expected credit losses over the entire term of the financial instruments. The estimate of expected future defaults is extrapolated from the analysis of historical bad debt losses. For further information, please refer to [Note 21](#).

The non-current financial assets include a loan that has been granted. The default risks are assessed individually on an annual basis by inspecting the company's earnings planning. In our opinion, there are currently no significant default risks. There are also long-term receivables from finance leases. In our opinion, there are also no significant default risks at present.

The other current financial assets are measured at amortized cost. The Medios Group regularly monitors creditworthiness and checks whether there are objective indications, such as financial difficulties on the part of the debtor. In the financial year, specific valuation allowances (€334 thousand) were recognized in relation to two customers in the Pharmaceutical Supply segment. From the company's perspective, these are special cases that are not representative of the risk classification of Medios AG's customer and receivables structure and are both historically and systematically individual cases in this form. This does not result in a different assessment of impairment due to expected credit losses. There were no other indications of impairment.

Cash and cash equivalents are bank balances. Due to the short term (available on demand) and the creditworthiness of our contractual partners, no impairment was recognized.

LIQUIDITY RISKS

Liquidity risk is the potential inability of the Medios Group to meet existing or future payment obligations. This is constantly determined and managed centrally by the Group's finance department as part of same-day and medium-term liquidity planning in order to meet all planned payment obligations across the Group when they fall due. According to Medios' planning, it will be possible to cover the expected financing requirements to a large extent from the operating cash flow and with the Medios Group's available cash and cash equivalents and, if necessary, via contractually agreed syndicated financing. As of December 31, 2023, the Medios Group had undrawn credit lines in the amount of €75 million (previous year: €75 million). In November 2023, Medios AG also secured bridge financing of €200 million. of €200 million for a potential acquisition project, which can be drawn on if required.

MARKET RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the market interest rate. Interest rate risk positions usually arise from variable-interest financial instruments. With the exception of the unused credit line, Medios AG only has fixed-interest instruments as of the consolidated balance sheet date and is therefore not exposed to any significant interest rate risk.

CAPITAL MANAGEMENT

Medios primarily uses available liquidity, capital increases, leasing agreements and existing credit lines for financing. As of December 31, 2023, the Medios Group had unused credit lines in the amount of €75,000 thousand. The agreement has a term of five years until November 22, 2027 with two one-year extension options. In accordance with the syndicated loan agreement, Medios is obliged to comply with a defined financial covenant:

Net gearing ratio = net debt/EBITDA

A net gearing ratio of 3.0 may not be exceeded and the Group's financial planning does not show any breach of the agreed financial covenant.

As a stock corporation, the company is subject to the minimum capital requirements of German stock corporation law. No dividends were paid in the past financial year.

The Group defines the managed capital as the Group's equity. The objectives of capital management are

- The ability to continue as a going concern in order to continue to offer the Group's products to customers.
- To keep the financial resources available to enable the Group to make further investments.

Capital is monitored using the equity ratio. This is calculated as follows:

in € thousand	2023	2022
Equity	468,807	448,045
Total assets	594,753	575,958
Equity ratio (%)	78.8	77.8

36. Share-based compensation

The Medios Group has granted share options (equity-settled share-based payment transactions). The fair value of the obligation is recognized over the vesting period as personal expenses and through the simultaneous formation of a capital reserve. The expense is recognized pro rata over the vesting period. This is the period during which the recipients of a share-based payment must fulfill the agreed service condition. The options issued are measured using a binomial model.

The Medios Group currently has four share-based remuneration models for employees and managers:

- Stock Option Program 2023 (a)
- Stock Option Program 2022 (a),
- Stock Option Program 2020 (a), (b) and (c),
- Stock Option Program 2018 (a), (c), (d) and (e).

The regulations of the aforementioned Stock Option Programs stipulate that the share options granted to the respective beneficiaries are vested over a waiting period of four years. Some of the entitlements vest before the end of the four-year waiting period. Against this background, a separate estimate of the expense periodization must be made, which is based on the work received up to the reporting date compared to the total work to be performed by the beneficiaries over the respective vesting period. As a certain proportion is already earned in the first year for the subsequent installments, a degressive expense pattern is assumed. Furthermore, it is assumed with a high degree of probability that the share options will be exercised within one year of the end of the vesting period.

Expenses of €1,953 thousand (previous year: €2,870 thousand) were recognized for Medios' existing share-based payment commitments as of the reporting date. These expenses in the amount of €1,953 thousand (previous year: €2,870 thousand) are attributable to equity-settled share-based payment commitments.

The weighted average of the fair values of the options on the valuation date for the options granted in the reporting period was €4.13 (previous year: €4.88).

Volatility was calculated as the standard deviation of historical share returns for all Stock Option Programs. The mean value of the rolling annualized 90-day standard deviations of the returns was used. With the exception of the three Stock Option Programs 2023 (a), 2022 (a) and 2020 (c), the period under review was the period since the initial listing of Medios AG on November 22, 2016; for the Stock Option Programs 2023 (a), 2022 (a) and 2020 (c), the period was limited to five years retrospectively from the respective grant date.

The exercise prices of the share options outstanding at the end of the reporting period range between €15.00 and €29.00 (previous year: €15.00 to €29.00). The weighted average of the remaining contractual term of the option programs is 7.6 years as of December 31, 2023 (8.8 years as of December 31, 2022). As in the previous year, no share options were exercised in the reporting period.

STOCK OPTION PROGRAM 2023 (A)

In the 2023 financial year, a Stock Option Program was launched in which selected members of the Executive Board, employees, managers and members of the Medios Group management were granted options to purchase shares as remuneration for work performance. There is no option for cash settlement.

The beneficiary receives the right to acquire an individual number of no-par value bearer shares ("no-par value shares") specified in the respective subscription rights agreement. Each option relates to one share in the company and has an exercise price of €24.00. The options can only be exercised after a waiting period has expired. This is four years from the issue date on December 1, 2023.

The option rights can only be exercised in the seven years following the issue date. If the employment or service relationship is terminated, the options expire provided the respective waiting period has not yet expired.

The following are exempt from forfeiture:

- 25% of the option rights granted if the termination takes place after December 31, 2023,
- 50% of the option rights granted if the termination occurs after December 31, 2024 or

- 75% of the option rights granted if the termination takes place after December 31, 2025.
- If the termination takes place after December 31, 2026, all option rights granted are excluded from expiry. In deviation from this provision, all option rights granted to the Member of the Executive Board Falk Neukirch are excluded from expiry if the termination takes place after March 31, 2026.

The prerequisite for exercising the option rights is that the closing price of the company's share in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds the amount of €28.00 on thirty consecutive trading days prior to the respective exercise.

In the valuation of the share options, it is assumed that the options will most likely be exercised within one year of the end of the vesting period. The outstanding share options from the Stock Option Program 2023 have no dilutive effect on the calculation of earnings per share, as the exercise price is above the average share price for 2023 and the performance target associated with the exercise of the share options has not been met as of December 31, 2023.

STOCK OPTION PROGRAM 2022 (A)

In the 2022 financial year, a Stock Option Program was launched in which selected members of the Executive Board, employees, managers and members of the Medios Group management were granted options to purchase shares as remuneration for work performance. There is no option for cash settlement.

The beneficiary receives the right to acquire an individual number of no-par value bearer shares ("no-par value shares") specified in the respective subscription rights agreement. Each option relates to one share in the company and has an exercise price of €27.00.

The options can only be exercised after a vesting period has expired. This is four years from the issue date on November 1, 2022.

The option rights can only be exercised in the seven years following the issue date. If the employment or service relationship is terminated, the options expire provided the respective waiting period has not yet expired.

The following are exempt from forfeiture:

- 25% of the option rights granted if the termination takes place after December 31, 2022,
- 50% of the option rights granted if the termination occurs after December 31, 2023 or
- 75% of the option rights granted if the termination takes place after December 31, 2024.
- If the termination takes place after December 31, 2025, all option rights granted are excluded from expiry.

The prerequisite for exercising the option rights is that the closing price of the company's share in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds the amount of €40.00 on thirty consecutive trading days prior to the respective exercise.

In the valuation of the share options, it is assumed that the options will most likely be exercised within one year of the end of the vesting period. The outstanding share options from the Stock Option Program 2022 have no dilutive effect on the calculation of earnings per share, as the exercise price is above the average share price for 2023 and the performance target associated with the exercise of the share options has not been met as of December 31, 2023.

STOCK OPTION PROGRAM 2020 (A), (B) AND (C)

In the 2021 financial year, a Stock Option Program was launched in which selected members of the company's management, employees and executives were granted options to purchase shares by Medios AG as remuneration for work performance. There is no option for cash settlement [Stock Option Program 2020 (a) and (b)].

In addition to the stock option program from 2021, share-based remuneration in the form of equity instruments (so-called equity-settled transaction) was granted by Medios AG to further selected employees of the Group as remuneration for work performance in the 2022 financial year [Stock Option Program 2020 (c)].

The beneficiary receives the right to acquire an individual number of no-par value bearer shares ("no-par value shares") specified 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 only be exercised after a vesting period has expired. This is four years from the issue date on October 1, 2021, November 1, 2021 [Stock Option Program 2020 (a)], January 1, 2022 [Stock Option Program 2020 (a) and (b)] and June 1, 2022 [Stock Option Program 2020 (c)].

The option rights can only be exercised in the seven years following the expiry of the waiting period. If the employment or service relationship is terminated, the options expire provided the respective waiting period has not yet expired.

The following are exempt from forfeiture:

- 25% of the option rights granted if the termination takes place after December 31, 2021,
- 50% of the option rights granted if the termination occurs after December 31, 2022 or
- 75% of the option rights granted if the termination takes place after December 31, 2023.
- If the termination takes place after December 31, 2024, all option rights granted are excluded from expiry.

The prerequisite for exercising the option rights is that the closing price of the company's share in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds the amount of €50.00 on thirty consecutive trading days prior to the respective exercise.

In the valuation of the share options, it is assumed that the options will most likely be exercised within one year of the end of the vesting period. The outstanding share options from the 2020 Stock Option Program have no dilutive effect on the calculation of earnings per share, as the exercise price is above the average share price for 2023 and the performance target associated with the exercise of the share options has not been met as of December 31, 2023.

STOCK OPTION PROGRAM 2018 (A), (C), (D) AND (E)

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 performance. There is no option for cash settlement [Stock Option Program 2018 (a)].

As a supplement to the 2018 Stock Option Program, Medios AG granted share-based remuneration in the form of equity instruments (so-called equity-settled transaction) to further selected employees of the Group as remuneration for work performance in the 2019 financial year [Stock Option Program 2018 (c)].

As a further addition to the stock option program from 2018, share-based remuneration in the form of equity instruments (so-called equity-settled transaction) was granted by Medios AG to further selected employees of the Group as remuneration for work performance in the 2020 financial year [Stock Option Program 2018 (d)].

As a further addition to the 2018 Stock Option Program, Medios AG granted share-based remuneration in the form of equity instruments (so-called equity-settled transactions) to further selected employees of the Group as remuneration for work performance in the 2021 financial year [Stock Option Program 2018 (e)].

The beneficiary receives the right to acquire an individual number of no-par value bearer shares ("no-par value shares") specified 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 a vesting period of four years from the issue date on December 1, 2018, February 1, 2019 and May 1, 2019 [Stock Option Program 2018 (a)], on October 1, 2019 and December 1, 2019 [Stock Option Program 2018 (c)], on October 1, 2020 and January 1, 2021 [Stock Option Program 2018 (d)] and on March 1, 2021 [Stock Option Program 2018 (e)].

The share options outstanding as of December 31, 2023 from the 2018 Stock Option Programs (a) and (c) are vested and exercisable. The outstanding share options from the 2018 Stock Option Program (d) as of December 31, 2023 have been earned but are not yet exercisable.

The option rights can only be exercised in the seven years following the expiry of the waiting period. If the employment or service relationship is terminated, the options expire provided the respective waiting period has not yet expired.

Excluded from forfeiture are:

for Stock Option Program 2018 (a)

- 25% of the option rights granted if the termination takes place after December 31, 2018,
- 50% of the option rights granted if the termination takes place after December 31, 2019 or
- 75% of the option rights granted if the termination takes place after December 31, 2020.
- If the termination takes place after December 31, 2021, all option rights granted are excluded from expiry.

for Stock Option Program 2018 (c)

- 25% of the option rights granted if the termination takes place after December 31, 2019,
- 50% of the option rights granted if the termination occurs after December 31, 2020 or
- 75% of the option rights granted if the termination takes place after December 31, 2021.
- If the termination takes place after December 31, 2022, all option rights granted are excluded from expiry.

for Stock Option Program 2018 (d)

- 25% of the option rights granted if the termination takes place after December 31, 2020,
- 50% of the option rights granted if the termination occurs after December 31, 2021 or
- 75% of the option rights granted if the termination takes place after December 31, 2022.
- If the termination takes place after December 31, 2023, all option rights granted are excluded from expiry.

for Stock Option Program 2018 (e)

- 25% of the option rights granted if the termination takes place after December 31, 2021,
- 50% of the option rights granted if the termination occurs after December 31, 2022 or
- 75% of the option rights granted if the termination takes place after December 31, 2023.
- If the termination takes place after December 31, 2024, all option rights granted are excluded from expiry.

The prerequisite for exercising the option rights is that the closing price of the company's share in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds the amount of €23.00 on thirty consecutive trading days prior to the respective exercise.

In the valuation of the share options, it is assumed that the options will most likely be exercised within one year of the end of the vesting period. The outstanding stock options from the 2018 Stock Option Program (a), 2018 Stock Option Program (c) and 2018 Stock Option Program (d) have no dilutive effect on the calculation of earnings per share, as the performance target associated with the exercise of the stock options has not been met as of December 31, 2023. The outstanding share options from the 2018 Stock Option Program (e) have no dilutive effect on the calculation of earnings per share, as the exercise price is above the average share price for 2023 and the performance target associated with the exercise of the share options has not been met as of December 31, 2023.

STOCK OPTION PROGRAM 2018 (B)

As a supplement to the Stock Option Program from 2016, share-based remuneration in the form of equity instruments (so-called equity-settled transactions) was granted to Group employees by Tangaroa Management GmbH as remuneration for work performance in the 2018 financial year. On the grant date of the options, June 10, 2018, a total of 5,000 option rights to acquire no-par value bearer shares in Medios AG with an exercise price of €0.00 were offered as part of the 2018 Stock Option Plan.

The options granted could be exercised in full in the period from July 1, 2018 to December 31, 2020. The exercise of the option required that the beneficiary had not terminated their employment with Medios AG or one of the company's affiliated companies at the time of exercise. All options were exercised by December 31, 2020.

2023	Share options in number of shares	Weighted average Exercise price in €
Outstanding as of 01/01/2023	846,125	24.22
Granted in the reporting period	315,000	24.00
Forfeited in the reporting period	0	-
Exercised in the reporting period	0	-
Lapsed in the reporting period	12,250	24.71
Outstanding as of 12/31/2023	1,148,875	24.15
Exercisable as of 12/31/2023	178,250	15.00

2022	Share options in number of shares	Weighted average Exercise price in €
Outstanding as of 01/01/2022	713,750	23.52
Granted in the reporting period	160,500	27.50
Forfeited in the reporting period	0	-
Exercised in the reporting period	0	-
Lapsed in the reporting period	28,125	25.27
Outstanding as of 12/31/2022	846,125	24.22
Exercisable as of 12/31/2022	74,500	15.00

VALUATION PARAMETERS 2023

Option pricing model	AOP 2023 (a)
	Binomial model
Date granted	11/20/2023
Date issued	12/01/2023
Vesting period after issue date	4 years
End of the vesting period	12/01/2027
Term after end of vesting period	1 year
Maturity of the option	12/01/2028
Exercise price (in €)	24.00
Performance target (in €)	28.00
Share price on the grant date (in €)	17.30
Term-equivalent risk-free interest rate (in %)	2.48
Expected volatility (in %)	39.2
Expected dividends (in %)	Up to 2.0

VALUATION PARAMETERS 2022

Option pricing model	AOP 2022 (a)	AOP 2020 (c)
	Binomial model	Binomial model
Date granted	10/14/2022/10/28/2022	05/27/2022
Date issued	11/01/2022	06/01/2022
Vesting period after issue date	4 years	4 years
End of the vesting period	11/01/2026	06/01/2026
Term after end of vesting period	1 year	1 year
Maturity of the option	11/01/2027	06/01/2027
Exercise price (in €)	27.00	29.00
Performance target (in €)	40.00	50.00
Share price on grant date (in €)	17.56/18.62	26.75
Term-equivalent risk-free interest rate (in %)	1.22/1.42	0.38
Expected volatility (in %)	40.1/40.1	40.3
Expected dividends (in %)	Up to 2.0	Up to 2.0

37. Transactions with related parties and persons

Related parties within the meaning of IAS 24 are natural persons and companies that can influence Medios AG, that can exert a significant influence on Medios AG or that are under the influence of another related party of Medios AG.

RELATED PARTIES IN KEY POSITIONS

Related parties in key positions are the members of the Executive Board and Supervisory Board as well as the management of the parent company, which are shown for the 2023 financial year:

Executive Board

Matthias Gärtner	CEO
Falk Neukirch	CFO
Mi-Young Miehler	COO
Christoph Prußeit	CINO

The total remuneration of the members of the Executive Board in the reporting year amounted to €1,828 thousand. Of this amount, €514 thousand is attributable to Mr. Matthias Gärtner (CEO), €433 thousand to Mrs. Mi-Young Miehler (COO), €450 thousand to Mr. Falk Neukirch (CFO) and €431 thousand to Mr. Christoph Prußeit (CINO). Other fees for the Executive Board in the reporting period amounted to €16 thousand. Mrs. Miehler, Mr. Prußeit and Mr. Neukirch also have a company car at their disposal.

Supervisory Board

Dr. Yann Samson	Chairman
Dr. Anke Nestler	Deputy Chairwoman
Joachim Messner	Member of the Supervisory Board
Klaus J. Buß	Member of the Supervisory Board

No Member of the Executive Board was a member of a statutory Supervisory Board or a comparable controlling body in the financial year.

The Supervisory Board members belong to the following statutory supervisory boards or a comparable control medium:

Dr. Yann Samson	Avemio AG, Düsseldorf (Deputy Chairman of the Supervisory Board)
Dr. Anke Nestler	Trans-O-Flex GmbH & Co KGaA, Weinheim (Member of the Supervisory Board until 03/2023) GK Software SE, Schöneck/Vogt (Deputy Chairman of the Supervisory Board from 06/2023)
Joachim Messner	No further memberships in supervisory bodies
Klaus J. Buß	TU Berlin Science Marketing, Berlin (Member of the Supervisory Board)

Remuneration for Supervisory Board activities amounted to €240 thousand in the 2023 financial year (previous year: €242 thousand).

FURTHER RELATED PARTY DISCLOSURES TRANSACTIONS IN ACCORDANCE WITH IAS 24

Furthermore, the daughter of the CEO worked as an employee of Medios AG in the 2023 financial year and received a total salary of €15.4 thousand. There were no other business relationships with related parties in the 2023 financial year.

Tangaroa Management GmbH and Tangaroa GmbH & Co. KG and Martin Hesse, either directly or indirectly via BMSH, did not exercise any significant influence throughout the 2023 financial year and are therefore no longer considered related parties.

Mr. Jörg Bernhardt left his position as Managing Director of NewCo Pharma GmbH in December 2022.

Financial year 2022

in € thousand	Earnings 01/01 – 12/31/2022	Expense 01/01 – 12/31/2022	Receivables 12/31/2022	Liabilities 12/31/2022
Bernhard Unternehmensberatung GmbH, Hamburg	0	1,143	0	92
Immobilienverwaltung Claudia Munus de Schilling & Jörg Bernhard	0	51	0	0
Tangaroa GmbH & Co. KG	22	16	1	0
Messner Rechtsanwälte GmbH	0	23	0	0
Floriani Apotheke	2,115	210,631	416	233
Cranach Apotheke	2,694	198	195	0
Michelle Gärtner	0	8	0	0
Total	4,831	212,070	612	325

38. Personnel

On average, 512 people were employed in the 2023 financial year (previous year: 497):

in € thousand	2023	2022
Administrative	199	172
Production and quality assurance	261	274
Warehousing	52	51
Total	512	497

39. Earnings per share

Earnings per share are calculated as the quotient of the total consolidated earnings attributable to the shareholders of Medios AG and the weighted average number of ordinary shares outstanding in the reporting year.

CALCULATION OF EARNINGS PER SHARE

	2023	2022
Share of consolidated earnings attributable to shareholders of the parent company (in € thousand)	18,810	18,329
Weighted average number of ordinary shares (in thousands)	23,806	23,763
Undiluted earnings per share (in €)	0.79	0.77

	2023	2022
Weighted average number of ordinary shares (in thousands)	23,806	23,763
Stock Option Program 2017 and 2018 (number of shares in thousands)	0	105
Weighted average of ordinary shares used as the denominator for the calculation of diluted earnings per share	23,806	23,868
Diluted earnings per share (in €)	0.79	0.77

40. Auditor's fees

The auditor for the 2023 financial year, Baker Tilly GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft, Düsseldorf, Munich branch, charged fees totaling €559 thousand (of which €35 thousand related to the previous year) in the 2023 financial year (previous year: €456 thousand). The fees of €559 thousand (previous year: €456 thousand) related exclusively to auditing services for the audit of the annual and consolidated financial statements. As in the previous year, there were no other auditing and certification services. All fees and expenses stated relate to net amounts excluding statutory VAT of 19%.

41. Declaration on the German Corporate Governance Code

The declaration of compliance with the German Corporate Governance Code required by Section 161 AktG was issued by the Executive Board and Supervisory Board of Medios AG and is permanently available to shareholders on the Medios AG website in the Investor Relations section at: <https://medios.ag/investor-relations/corporate-governance>.

42. Events after the consolidated balance sheet date

PERSONNEL MATTERS

On 1 February 2024, the Supervisory Board of Medios AG resolved to prematurely extend the existing Executive Board contracts of Mi-Young Miehler (Chief Operating Officer/COO) and Christoph Prußeit (Chief Innovation Officer/CINO) until 31 January 2026 and 31 July 2027 respectively.

ACQUISITION OF CEBAN PHARMACEUTICALS BV

On 18 March 2024, Medios signed an agreement to acquire 100% of the shares in Ceban Pharmaceuticals B.V. The acquired group is a full-service platform in the field of compounding services and is active in the Netherlands, Belgium and Spain. The group generated revenue of around €160 million and normalised EBITDA of around €29 million in 2023. With this transaction, Medios is implementing its

strategic goal of internationalisation through the acquisition of specialised compounders in other European countries.

Obtaining control by Medios is dependent on the receipt of various approvals and the payment of the purchase price and is expected in the second quarter of 2024.

The purchase price of €235.3 million is payable in cash. In addition, Medios AG is granting 1,700,000 treasury shares to the sellers.

At the time of preparing the consolidated financial statements, the fair values of the treasury shares transferred and the net assets acquired could not be reliably determined because the relevant acquisition date for the measurement was after the preparation of the consolidated financial statements.

Berlin, March 26, 2024

Matthias Gärtner

Chief Executive Officer (CEO)

Falk Neukirch

Chief Financial Officer (CFO)

Mi-Young Miehler

Executive Board (COO)

Christoph Prußeit

Executive Board (CINO)

Responsibility statement (unaudited)

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements provide a true and fair view of the Group's net assets, financial position, and results of operations, and the combined Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected future performance of the Group.

Berlin, March 26, 2024

Matthias Gärtner

Chief Executive Officer (CEO)

Falk Neukirch

Chief Financial Officer (CFO)

Mi-Young Miehler

Executive Board (COO)

Christoph Prußeit

Executive Board (CINO)

Independent Auditor's Report

To Medios AG, Berlin

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

AUDIT OPINIONS

We have audited the consolidated financial statements of Medios AG and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash-flows for the financial year from 1 January 2023 to 31 December 2023, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. We have also audited the combined management report of Medios AG for the financial year from 1 January 2023 to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the information contained in the sections "General internal control system (unaudited)" and "Overall statement on the risk management system (unaudited)" as well as the Corporate governance statement according to §§ 289 et seq., 315d HGB contained in the section "Other parts of the Group management report" of the combined management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the information contained in the sections "General internal control system (unaudited)" and "Overall statement on the risk management system (unaudited)" as well as the Corporate governance statement according to §§ 289 et seq., 315d HGB contained in the section "Other parts of the Group management report" of the combined management report.

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

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 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 Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer ("IDW", German Institute of Public Auditors). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the Group entities 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. Furthermore, we declare in accordance with Article 10 Sec. 2 lit. f) of the EU Audit Regulation 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 expressed on the consolidated financial statements and on the combined 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 financial year from 1 January 2023 to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

From our point of view, the following matter was the most significant in our audit:

- Impairment of goodwill

We have structured our presentation of this particularly important audit matter as follows:

- 1.) Facts and problem
- 2.) Audit procedure and findings
- 3.) Reference to further information

In the following, we present this particularly important audit matter:

IMPAIRMENT OF GOODWILL

1. In the consolidated financial statements of Medios AG, goodwill in the amount of EUR 204.2 million is reported under the balance sheet item "Intangible assets", which thus represents around 34.3% of the balance sheet total. Goodwill is subject to an impairment test by the Company on an annual basis at the balance sheet date or on an ad hoc basis. In principle, the determined value in use is compared with the book values of the corresponding group of cash-generating units. These valuations are usually based on the present value of future cash flows of the cash-generating unit, to which the respective goodwill is to be allocated. The valuations are based on the planning calculations of the individual

cash-generating units, which are based on the financial plans approved by management. Discounting is based on the weighted average cost of capital of the respective cash-generating unit. The outcome of this valuation is highly dependent on management's assessment of future cash inflows and the discount rate used and is therefore subject to considerable uncertainty, which is why this matter is of particular importance in the context of our audit.

2. In order to adequately assess this risk, we have critically evaluated management's assumptions and estimates, and, among others, performed the following audit procedures:

We have traced the planning process and reviewed the implemented controls.

Furthermore, we have understood the methodological procedure for carrying out the impairment tests and assessed the determination of the weighted average cost of capital.

We have assured ourselves that the future cash inflows underlying the valuations and the discount rates used as a whole provide an appropriate basis for the impairment tests of the individual cash-generating units.

Our assessment of the planning calculations was based, among others, on a comparison with general and industry-specific market expectations as well as management's detailed explanations on the key value drivers of the plannings and a comparison of this information with the current budgets from the planning approved by the Supervisory Board.

Knowing that even relatively small changes in the discount rate can have a significant impact on the amount of the value in use determined in this way, we looked at the parameters used to determine the discount rate used and traced the Company's calculation scheme. In addition, we have checked mathematically the sensitivity analyses prepared by the Company and verified their content.

Considering the available information, the valuation parameters and assumptions applied by the management are, in our view, generally suitable for an impairment testing of goodwill.

3. The Company's goodwill disclosures are contained in the notes to the consolidated financial statements in "5 b) Business combinations", "5 c) Scope of consolidation", "5 e) Goodwill", "5 i) Value and impairment losses of assets with indefinite and determined useful lives", "6 a) Goodwill and other intangible assets" and "Explanations to the consolidated balance sheet" (under: "17. Intangible assets").

OTHER INFORMATION

The executive directors and the Supervisory Board are responsible for the other information. The other information comprises the following matters of the combined management report:

- The sections "General internal control system (unaudited)" and "Overall statement on the risk management system (unaudited)" contained in the combined management report as well as the Corporate governance statement according to §§ 289 et seq., 315d HGB contained in the section "Other parts of the Group management report" of the combined management report.
- all parts of the annual report, without extensive cross-references to external information, except the Remuneration report, the audited Consolidated financial statements, the audited combined management report and the Auditor's report.

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

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

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

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

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

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

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

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinions.

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

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

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

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

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE AUDIT OF THE ELECTRONIC RENDERINGS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

AUDIT OPINION

In accordance with § 317 (3a) of the German Commercial Code (HGB), we have performed a reasonable assurance audit to determine whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached electronic file "391200Z7Z09IHDBT2L23-2022-12-31-de(1).zip" and prepared for publication purposes complies in all material respects with the requirements pursuant to § 328 (1) HGB concerning the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this rendering nor to any other information contained in the above-mentioned file.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the above-mentioned attached file and prepared for publication purposes complies in all material respects with the electronic reporting format requirements pursuant to § 328 (1) HGB. Beyond this opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January 2023 to 31 December 2023 contained in the above "Report on the audit of the consolidated financial statements and the combined management report", we do not express any opinion on the information contained in these renderings or on any other information contained in the above file.

BASIS FOR THE AUDIT OPINION

We conducted our audit on the rendering of the consolidated financial statements and the combined management report contained in the above-mentioned attached file in accordance with § 317 (3a) HGB and the IDW Auditing Standard: Audit of the electronic rendering of financial statements and management reports prepared for publication purposes in

accordance with § 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility in accordance therewith is further described in the “Group auditor’s responsibility for the audit of the ESEF documents” section. Our audit firm has complied with the requirements of the IDW Quality Management Standard: Requirements for Quality Management in the Audit Firm (IDW QMS 1).

EXECUTIVE DIRECTORS’ AND SUPERVISORY BOARD’S RESPONSIBILITIES FOR THE ESEF DOCUMENTS

The Company’s executive directors are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

Furthermore, the Company’s executive directors 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 § 328 (1) HGB for the electronic reporting format.

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

GROUP AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements pursuant to § 328 (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 § 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of the internal control system relevant for the audit of the ESEF documents in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of this control.

- assess the technical validity of the ESEF documents, i.e. whether the provided file containing the ESEF documents complies with the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the reporting date on the technical specification for this file.
- assess whether the ESEF documents allow for a XHTML rendering with content identical to the audited consolidated financial statements and the audited combined management report.
- assess whether the tagging of ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version in force at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as Group auditor by the annual general meeting on 21 June 2023. We were engaged by the Supervisory Board on 27 September 2023. We have been the Group auditor of Medios AG, Berlin, without interruption since the financial year 2016.

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

We performed the substantive audit, which was not disclosed in the consolidated financial statements or in the combined management report of the audited Company, in addition to the financial statements` audit of the audited Company.

OTHER MATTERS—USE OF THE AUDIT REPORT

Our audit report must always be read in conjunction with the audited consolidated financial statements and audited combined management report as well as the audited ESEF documents. The consolidated financial statements and combined management report converted to ESEF format—including the versions to be published in the Unternehmensregister [German Company Register]—are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein are to be solely used together with the audited ESEF documents made available in electronic format.

**GERMAN PUBLIC AUDITOR RESPONSIBLE FOR
THE ENGAGEMENT**

The German Public Auditor responsible for the audit is
Andreas Weissinger.

München, 26 March 2024

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
(Düsseldorf)

Gloth
Wirtschaftsprüfer
German CPA

Weissinger
Wirtschaftsprüfer
German CPA

A close-up photograph of a human eye with light-colored irises. A thin needle is positioned to the left of the eye, with a single, clear water droplet suspended at its tip. The background is a soft, out-of-focus light color.

Further information

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Financial calendar 2024

May 7	Quarterly Statement (Q1)
June 26	Ordinary Annual General Meeting
August 13	Half-Year Financial Report (Q2 & H1)
November 12	Quarterly Statement (Q3 & 9M)

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