

## Quarterly Statement as of March 31, 2021

### Medios AG starts the 2021 financial year with a record quarter

- Revenue and earnings nearly doubled in Q1 2021
- First-time consolidation of Cranach Pharma GmbH
- Outlook 2021: Almost doubling of revenue and significant increase in earnings

Medios AG (“Medios”), the leading provider of Specialty Pharma Solutions in Germany, confirms its forecast for the 2021 financial year after a successful first quarter. Revenue in the period from January to March 2021 increased by 94.0% to €315.9 million compared to the same period of the previous year (€162.8 million). EBITDA pre<sup>1</sup> increased by 106.5% to €8.8 million (previous year €4.3 million). EBT pre<sup>1</sup> climbed by 90.7% to €7.1 million (previous year €3.7 million). Thus, both revenue and earnings reached new record levels. Both operating segments contributed to the growth in revenue as well as earnings with improved operating margins.

The specialized pharmaceutical wholesaler Cranach Pharma GmbH, acquired in January 2021, contributed to Medios' growth in the first quarter of 2021 with a revenue of €139.6 million and EBITDA pre<sup>1</sup> of €5.0 million.

### Important events in the reporting period

- **Acquisition of Cranach Pharma GmbH**

Since January 21, 2021, Cranach Pharma GmbH is another 100% subsidiary and Medios is the leading Specialty Pharma provider in Germany. As a result of the merger, Medios' partner network has increased from approximately 330 by the end of 2020 to around 500 specialized pharmacies. The integration of the company is taking place according to plan.

- **Establishment of additional certified GMP laboratories started**

As part of its strategy to expand the higher-margin business segment of Patient-Specific Therapies, Medios began setting up additional laboratories in a newly rented building at an existing site at the beginning of the reporting year. With the completion of the most modern and GMP-certified laboratories at the end of 2021, it will be possible to triple manufacturing capacities.

- **Joining the United Nations Global Compact**

Since March 8, 2021, Medios has been a member of the United Nations Global Compact, the world's largest initiative for responsible corporate leadership. By joining, Medios has committed to upholding the network's ten universal principles and sustainability goals.

## **Significant events after the reporting period**

- **Initiation of coverage by Deutsche Bank**

On April 19, 2021, Deutsche Bank initiated coverage of Medios AG and issued a "Buy" recommendation for the shares. In addition to Deutsche Bank, Medios continues to be covered by Berenberg, Jefferies, Kepler Cheuvreux, Metzler Capital Markets and Warburg.

## **Earnings, financial and asset situation of the Medios Group**

The earnings situation of the Medios Group has improved significantly in the first quarter of 2021 compared to the same period of the previous year. This is due in particular to the inclusion of Cranach Pharma GmbH in the consolidated financial statements since January 2021; the company has been fully consolidated since January 1, 2021, which is reflected accordingly in the financial figures. The Medios Group generated revenue of €315.9 million, an increase of €153.1 million or 94.0% (previous year €107.0 million) – of which 86.6 percentage points are attributable to inorganic growth through Cranach Pharma GmbH and Kölsche Blister GmbH.

The main growth driver was the Pharmaceutical Supply segment, which increased its external revenue by €151.4 million or 102.2% to €299.6 million (previous year €148.2 million) including €139.6 million from Cranach Pharma GmbH. External revenue of the Patient-Specific Therapies segment increased by €1.6 million or 11.0% to €16.1 million (previous year €14.5 million). The Services segment recorded external revenue of €0.1 million (previous year €0.1 million). All revenues were generated almost exclusively in Germany.

Personnel expenses and other expenses rose disproportionately low.

EBITDA pre<sup>1</sup> increased by €4.5 million or 106.5% to €8.8 million (previous year €4.3 million).

The increase in depreciation and amortization from €0.6 million to €3.8 million is mainly due to the first-time amortization of the customer relationships of Cranach Pharma GmbH acquired in January 2021.

EBT pre<sup>1</sup> recorded an increase of €3.4 million or 90.7% to €7.1 million (previous year €3.7 million).

Cash flow from operating activities amounted to €21.4 million (previous year €-10.5 million). Furthermore, the cash inflow in connection with the integration of Cranach Pharma GmbH and the further utilization of the credit line exceeded the cash outflow for the settlement of financial liabilities to the former owner of Cranach Pharma GmbH.

The increase in cash flow from investment activities is mainly resulting from the contribution of cash and cash equivalents as part of the acquisition of Cranach Pharma GmbH.

The balance sheet total as at March 31, 2021 amounted to €453.9 million (December 31, 2020: €194.5 million). The increase of 133.3% is mainly due to the significant organic growth and the acquisition of Cranach Pharma GmbH. Equity amounted to €312.8 million as at March 31, 2021, an increase of €170.3 million or 119.6% (December 31, 2020: €142.4 million). The equity ratio was 68.9% as at March 31, 2021 (December 31, 2020: 73.2%).

## Outlook

Medios expects strong growth in the 2021 financial year despite the still challenging market environment. The company expects revenue of €1.15 to 1.20 billion, EBITDA pre<sup>1</sup> of €38 to 39 million and EBT pre<sup>1</sup> of €31 to 32 million. This corresponds to a revenue growth of around 84 to 92% as well as an even more significant increase in EBITDA pre<sup>1</sup> of around 152 to 159% and an increase in EBT pre<sup>1</sup> of around 158 to 166%. In this context, Medios assumes that the Corona-related special effects burdening earnings will continue to weaken in the course of 2021.

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

## Key figures

in € thousand

	Q1 2021	Q1 2020	Δ in %
<b>Revenue</b>	315,908	162,834	94.0
Pharmaceutical Supply	299,628	148,217	>100.0
Patient-Specific Therapies	16,134	14,541	11.0
Services	145	76	90.9
<b>EBITDA</b>	8,476	4,066	>100.0
<i>Margin (in % of Revenue)</i>	2.7	2.5	
<b>EBITDA without extraordinary expenses*</b>	8,798	4,261	>100.0
<i>Margin (in % of Revenue)</i>	2.8	2.6	
Pharmaceutical Supply	6,996	2,317	>100.0
Patient-Specific Therapies	2,220	1,847	20.2
Services	-418	97	<-100.0
<b>EBT</b>	4,374	3,373	29.7
<i>Margin (in % of Revenue)</i>	1.4	2.1	
<b>EBT without extraordinary expenses*</b>	7,093	3,719	90.7
<i>Margin (in % of Revenue)</i>	2.2	2.3	
Pharmaceutical Supply	5,714	2,019	>100.0
Patient-Specific Therapies	1,940	1,633	18.8
Services	-561	67	<-100.0
<b>Comprehensive income before minority interests</b>	2,841	2,310	23.0
<b>Earnings per share (in €)</b>			
Undiluted	0.15	0.15	0.0
Diluted	0.14	0.15	-6.7
<b>Investments (CAPEX)</b>	2,629	1,033	>100.0
<b>Cash flow from operating activities</b>	21,401	-10,463	<-100.0
<b>Full-time employees (average)</b>	307	191	60.7
<b>*Extraordinary expenses</b>			
Expenses from stock options <sup>1</sup>	322	195	65.5
Other M&A expenses 1	0	0	n/a
Amortization of customer base <sup>1,2</sup>	2,217	152	>100.0
Financial expenses M&A 1,2	180	0	n/a
<b>Extraordinary expenses, total</b>	<b>2,719</b>	<b>347</b>	<b>&gt;100.0</b>
<b>Balance sheet total</b>	453,906	194,537	>100.0
Equity as of March 31 / December 31	312,769	142,425	>100.0
<i>Equity ratio (in %)</i>	68.9	73.2	

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

<sup>1</sup> related to EBITDA; <sup>2</sup> related to EBT

## Consolidated statement of comprehensive income

in thousand €	Q1 2021	Q1 2020	Δ in %
<b>Revenue</b>	315,908	162,834	94.0
Change in stocks of finished goods and work-in-progress	84	31	>100.0
Work performed and capitalised	63	0	n/a
Other income	139	92	51.1
Cost of materials	300,373	153,804	95.3
Personnel expenses	4,608	3,158	45.9
Other expenses	2,738	1,929	41.9
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>	8,476	4,066	>100.0
Depreciation and amortisation	3,835	627	>100.0
<b>Operating profit/loss (EBIT)</b>	4,641	3,439	34.9
Financial expenses	269	72	>100.0
Financial income	2	6	-69.1
<b>Consolidated earnings before tax (EBT)</b>	4,374	3,373	29.7
Tax	1,533	1,062	44.3
<b>Consolidated earnings after tax</b>	2,841	2,310	23.0
<b>Total consolidated earnings</b>	2,841	2,310	23.0
Basic earnings per share (in €)	0.15	0.15	-2.1
Diluted earnings per share (in €)	0.14	0.15	-5.0

## Consolidated balance sheet

### Assets

in thousand €

	03/31/2021	12/31/2020	Δ in %
<b>Non-current assets</b>	227,572	58,232	>100.0
Intangible assets	202,976	35,237	>100.0
Property, plant and equipment	7,123	5,337	33.5
Right of use	17,110	17,269	-0.9
Financial assets	364	390	-6.7
<b>Current assets</b>	226,334	136,305	66.0
Inventories	46,553	35,310	31.8
Trade receivables	103,551	74,789	38.5
Other assets	2,002	6,394	-68.7
Income tax receivables	41	24	71.6
Cash and cash equivalents	74,186	19,788	>100.0
<b>Balance sheet total</b>	453,906	194,537	>100.0

### Liabilities

#### Equity

Subscribed capital	20,265	16,085	26.0
Capital reserves	267,810	104,487	>100.0
Accumulated Group's net income	24,693	21,853	13.0
<b>Attributable to shareholders in the parent company</b>	312,769	142,425	>100.0

#### Liabilities

<b>Non-current liabilities</b>	77,853	21,484	>100.0
Financial liabilities	53,388	16,647	>100.0
Other accrued liabilities	2,027	1,039	95.2
Deferred tax liabilities	22,438	3,798	>100.0
<b>Current liabilities</b>	63,285	30,628	>100.0
Other provisions	551	512	7.6
Trade payables	47,959	22,398	>100.0
Financial liabilities	2,797	2,587	8.1
Income tax liabilities	6,743	2,613	>100.0
Other liabilities	5,235	2,517	>100.0
<b>Total liabilities</b>	141,138	52,112	>100.0
<b>Balance sheet total</b>	453,906	194,537	>100.0

## Consolidated cash flow statement

in thousand €	Q1 2021	Q1 2020	Δ in %
<b>Cash flow from operating activities</b>			
Net income for the year	2,841	2,310	23.0
Depreciation and amortisation on non-current assets	3,835	627	>100.0
Decrease/increase in provisions	-55	-161	-66.0
Other non-cash expenses	322	195	65.5
Increase in inventories, trade receivables and other assets not attributable to investment or financing activities	12,829	-26,465	<-100.0
Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities	1,175	11,902	-90.1
Financial result	267	59	>100.0
Income/expenses from the disposal of assets	-6	0	n/a
Income tax expense	1,533	1,069	43.4
Income tax payments	-1,340	0	n/a
<b>Net cash inflow/outflow from operating activities</b>	<b>21,401</b>	<b>-10,463</b>	<b>&lt;-100.0</b>
<b>Cash flow from investment activities</b>			
Payments made for investments in intangible assets	-440	-236	86.4
Payments from disposals of intangible assets	250	0	n/a
Payments made for investments in property, plant and equipment	-2,189	-796	>100.0
Payments from disposals of tangible fixed assets	16	0	n/a
Payments from the disposal of long-term financial items	26	21	25.7
Payments for additions to the scope of consolidation	29,972	-1,163	<-100.0
Payments from disposals from the scope of consolidation	-224	0	n/a
Interest received	2	6	-69.1
<b>Net cash outflow from investment activities</b>	<b>27,412</b>	<b>-2,169</b>	<b>&lt;-100.0</b>

in thousand €	Q1 2021	Q1 2020	Δ in %
<b>Cash flow from financing activities</b>			
Proceeds from equity injections	0	0	n/a
Payments for issuing costs for the capital increase	-19	0	n/a
Proceeds from financial liabilities	30,000	0	n/a
Cash outflows from the repayment of financial liabilities	-23,841	-400	>100.0
Interest paid	-166	-358	-53.7
Repayments of lease liabilities	-389	-172	>100.0
<b>Net cash inflow from financing activities</b>	<b>5,586</b>	<b>-930</b>	<b>&lt;-100.0</b>
Net change in cash and cash equivalents	54,399	-13,562	<-100.0
Cash and cash equivalents at the beginning of the financial year	19,788	12,645	56.5
<b>Cash and cash equivalents at the end of the financial year</b>	<b>74,186</b>	<b>-917</b>	<b>&lt;-100.0</b>



## Consolidated statement of changes in equity

	Subscribed capital	Capital reserves	Accumulated total consolidated earnings	Attributable to shareholders in the parent company	Equity
<b>in thousand €</b>					
<b>As at 01/01/2020</b>	14,564	51,273	15,789	81,627	81,627
Net profit for Q1 2020	0	0	2,310	2,310	2,310
Share-based payments	0	195	0	195	195
<b>As at 03/31/2020</b>	14,564	51,468	18,099	84,132	84,132
<b>As at 01/01/2021</b>	16,085	104,487	21,853	142,425	142,425
Net profit for Q1 2021	0	0	2,841	2,841	2,841
Share-based payments	0	322	0	322	322
Capital increase	4,180	163,020	0	167,200	167,200
Transaction costs and tax from the capital increase	0	-19	0	-19	-19
<b>As at 03/31/2021</b>	20,265	267,810	24,693	312,769	312,769

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