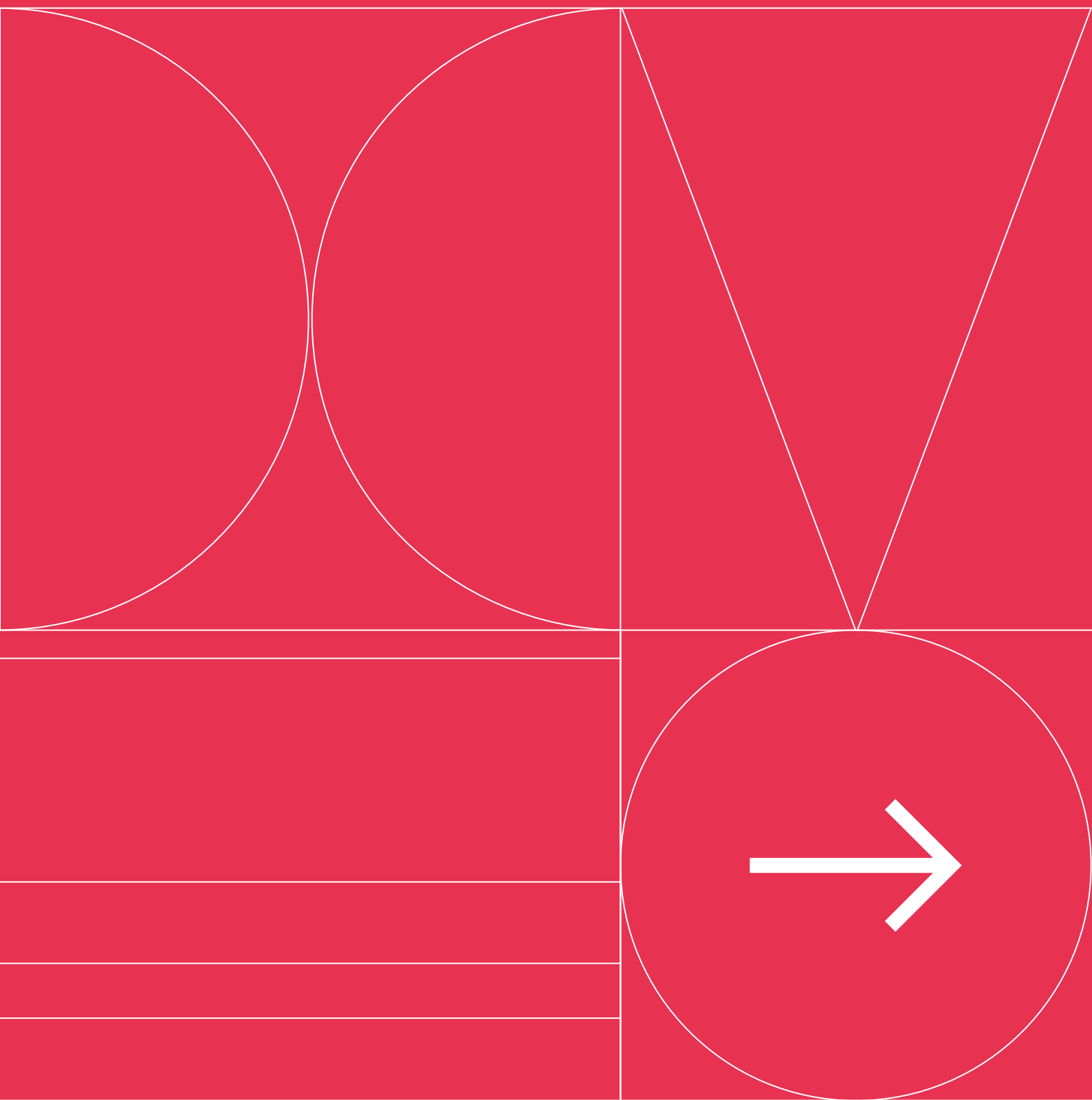


Medios AG Individual Financial Statements (HGB)

2023



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

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.

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

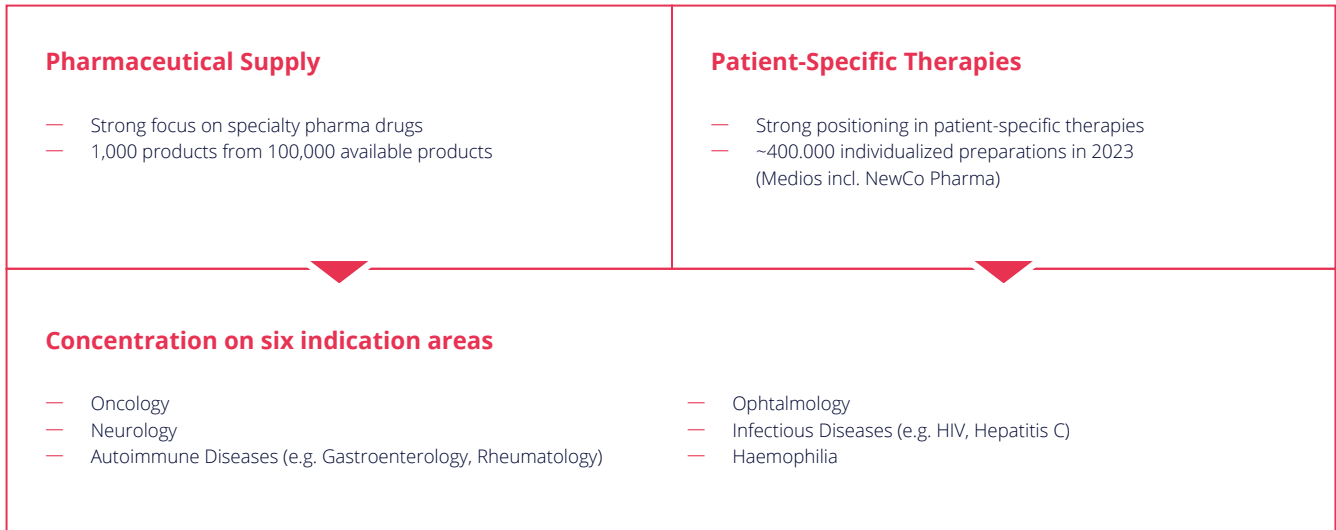
Medios AG is one of the leading providers of Specialty Pharma Solutions in Germany. As a competence partner, Medios covers all relevant aspects of the supply chain in this area: from pharmaceutical supply and the compounding of patient-specific therapies to blistering, i.e. the dispensing of individually 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

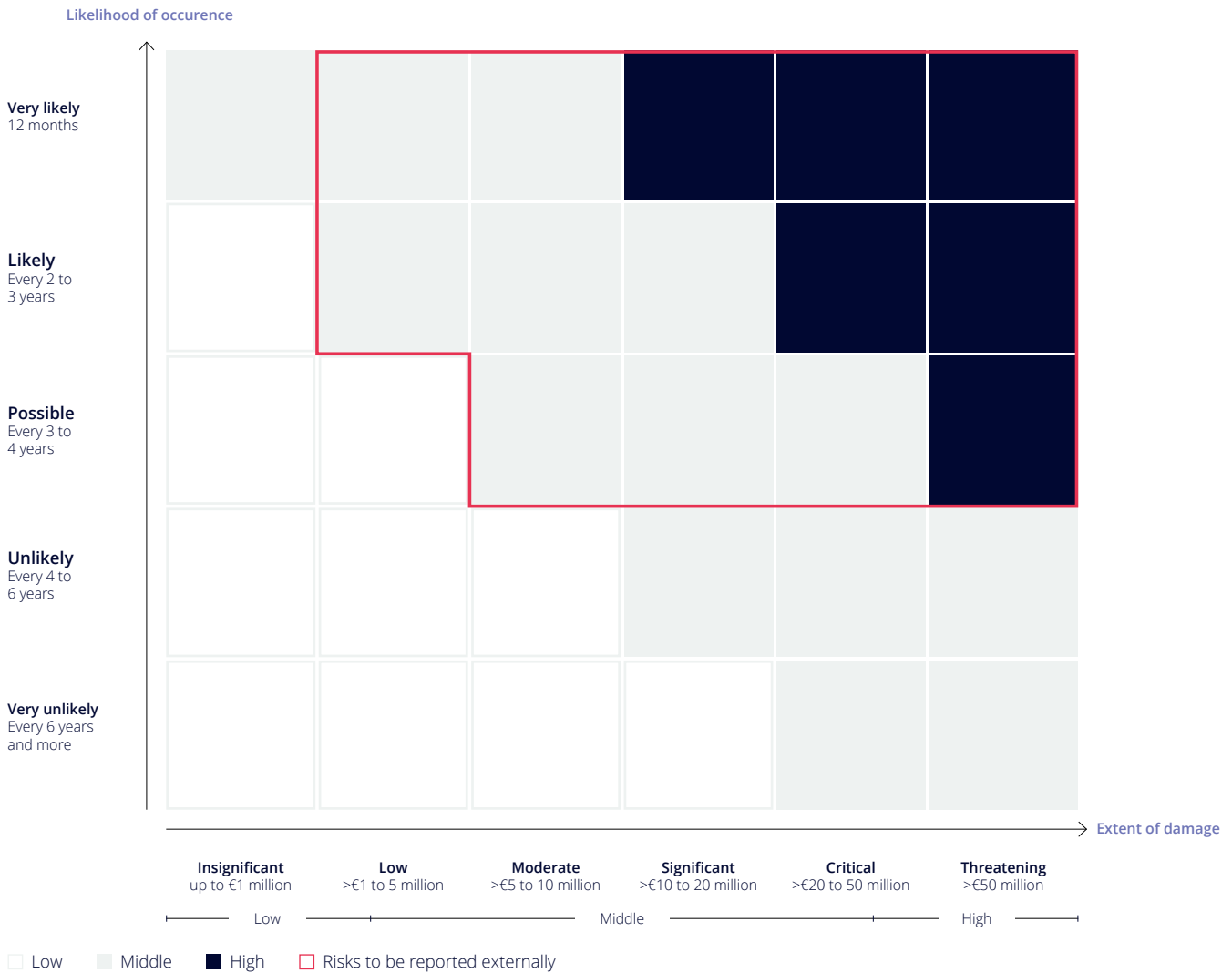
In addition to this system, the Executive Board has established an early risk detection system to ensure the early identification and prevention of risks that could jeopardize the company's continued existence. The operating business units of the respective segments are responsible for the continuous 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)

Balance sheet

as of 12/31/2023, Medios AG, Berlin

Assets

in €	2023	2022
A. Fixed assets		
I. Intangible assets		
1. Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licenses to such rights and assets	56,142.44	292,422.44
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	3,045,839.00	3,397,141.00
2. Other equipment furniture and office equipment	1,642,950.00	1,812,848.00
	4,688,789.00	5,209,989.00
III. Financial assets		
1. Shares in affiliated companies	347,680,254.82	337,196,798.00
2. Loans to affiliated companies	60,177,859.55	78,392,354.17
3. Other loans	100,000.00	100,000.00
	407,958,114.37	415,689,152.17
Total fixed assets	412,703,045.81	421,191,563.61
B. Current assets		
I. Inventories		
1. Finished products and goods	9,363.71	0.00
II. Receivables and other assets		
1. Trade receivables	43,915.18	49,817.09
2. Receivables from affiliated companies	50,731,511.02	37,080,761.39
3. Other assets	2,392,788.33	2,750,387.73
of which with a remaining term of more than one year EUR 366,907.42 (EUR 456,218.53)		
	53,168,214.53	39,880,966.21
III. Cash on hand, Bundesbank balances, bank balances and checks	48,585,977.97	2,344,660.48
Total current assets	101,763,556.21	42,225,626.69
C. Accruals and deferred income	1,168,531.30	678,178.08
	515,635,133.32	464,095,368.38

Balance sheet

as of 12/31/2023, Medios AG, Berlin

Equity and liabilities

in €	2023	2022
A. Equity		
I. Subscribed capital	23,805,723.00	23,805,723.00
II. Capital reserves	380,724,459.01	380,724,459.01
III Retained profit	66,151,406.83	50,008,082.72
thereof profit carried forward EUR 50,008,082.72 (EUR 30,552,428.17)		
Total equity	470,681,588.84	454,538,264.73
B. Provisions		
1. Tax provisions	11,163,634.93	4,636,870.29
2. Other provisions	2,590,446.90	2,566,944.83
Total provisions	13,754,081.83	7,203,815.12
C. Liabilities		
1. Liabilities to banks	198,312.50	82,619.79
of which with a remaining term of up to one year EUR 198,312.50 (EUR 82,619.79)		
2. Trade accounts receivable	1,228,073.86	749,053.92
of which with a remaining term of up to one year EUR 1,228,073.86 (EUR 749,053.92)		
3. Liabilities to affiliated companies	29,247,101.67	298,172.73
of which with a remaining term of up to one year EUR 29,247,101.67 (EUR 298,172.73)		
4. Other liabilities	525,974.62	1,223,442.09
thereof from taxes EUR 217,493.01 (EUR 931,022.73)		
thereof in the context of social security EUR 30,868.60 (EUR 19,278.91)		
of which with a remaining term of up to one year EUR 520,024.62 (EUR 1,217,492.09)		
of which with a remaining term of more than one year EUR 5,950.00 (EUR 5,950.00)		
Total liabilities	31,199,462.65	2,353,288.53
	515,635,133.32	464,095,368.38

Income statement

from 01/01/2023 to 12/31/2023, Medios AG, Berlin

in €	2023	2022
1. Revenue	9,526,292.78	8,708,835.69
2. Other work performed and capitalized	0.00	69,527.60
3. Other income	1,549,624.70	2,474,487.26
4. Cost of materials		
a) Cost for raw materials, consumables and supplies and for purchased goods	-489.19	-488.68
5. Personnel expenses		
a) Wages and salaries	9,159,204.09	6,852,489.04
b) Social security contributions and expenses for pensions and other benefits	1,191,772.52	923,542.98
thereof for pensions EUR 6,020.62 (EUR 3,142.84)		
	10,350,976.61	7,776,032.02
6. Depreciation and amortization		
a) Intangible fixed assets and property, plant and equipment	1,283,695.78	1,430,836.34
of which unscheduled depreciation and amortization EUR 0.00 (EUR 101,550.00)		
7. Other operating expenses	10,167,489.87	10,210,195.13
of which expenses from currency translation EUR 45.15 (EUR 45.80)		
8. Profits received on the basis of a profit pooling, profit or partial profit transfer agreement	46,194,046.21	36,308,987.50
9. Other interest and similar income	2,279,418.62	2,219,463.13
thereof from affiliated companies EUR 1,942,762.77 (EUR 2,190,669.23)		
10. Depreciation and amortization of financial assets and marketable securities	8,850,176.89	2,300,000.00
thereof unscheduled depreciation and amortization of financial assets EUR 8,850,176.89 (EUR 2,300,000.00)		
11. Interest and similar expenses	2,029,225.50	629,438.37
thereof to affiliated companies EUR 732,701.81 (EUR 0.00)		
of which interest expenses from the discounting of provisions EUR 213.39 (EUR 77.30)		
12. Expenses from loss transfers (parent company)	58,931.58	162,583.66
13. Taxes on income and earnings	10,660,069.16	7,815,176.79
of which income from the addition to and reversal of deferred taxes EUR 0.00 (EUR 137,222.32)		
14. Profit after tax	16,149,306.11	19,457,527.55
15. Other taxes	5,982.00	1,873.00
16. Net income	16,143,324.11	19,455,654.55
17. Accumulated profit	50,008,082.72	30,552,428.17
18. Net retained profits	66,151,406.83	50,008,082.72

Notes

as of 12/31/2023

GENERAL INFORMATION ON THE ANNUAL FINANCIAL STATEMENTS

As a capital market-oriented company, the Company is considered a large corporation pursuant to Section 267 Para. 3 sentence 2 in conjunction with Section 264d of the German Commercial Code. The annual financial statements of Medios AG, Berlin, were prepared in accordance with the provisions of commercial law and the supplementary provisions of the German Stock Corporation Act.

The balance sheet has been structured in accordance with the commercial law classification scheme pursuant to Section 266 HGB, while the income statement has been prepared in accordance with the nature of expense method pursuant to Section 275 Para. 2 HGB.

Information on the identification of the company according to the register court

Company name according to the register court:	Medios AG
Registered office according to the register court:	Berlin
Register entry:	Commercial register
Register court: Berlin	Local Court (Charlottenburg)
Register no.:	HRB 246626

A. Disclosures on accounting and valuation methods

ACCOUNTING AND VALUATION PRINCIPLES

Intangible assets

Acquired intangible assets were recognized at acquisition or production cost and, if subject to wear and tear, reduced by scheduled depreciation and amortization (3–5 years). This also applies to advance payments for the acquisition of intangible assets.

Property, plant and equipment

Property, plant and equipment were recognized at acquisition or production cost and, where depreciable, reduced by scheduled straight-line depreciation and amortization.

Scheduled depreciation and amortization was carried out on a straight-line basis over 3–15 years according to the expected useful life of the assets (pro rata temporis in the year of acquisition).

Low-value assets were fully depreciated and amortized in the year of acquisition.

Financial assets

In the case of financial assets, shares in affiliated companies and investments are generally recognized at acquisition cost (including incidental acquisition costs) and loans at nominal value. In the event of expected permanent impairment, financial assets are written down to their expected fair value.

Receivables and other assets

Receivables and other assets were measured at nominal value, considering all identifiable risks.

Cash on hand and bank balances

Cash on hand and bank balances were recognized at nominal value.

Prepaid expenses and deferred charges

Prepaid expenses relate to expenses prior to the balance sheet date that represent expenses for a certain period after this date.

Equity

The share capital was recorded at nominal value and is fully paid up. The additional payments exceeding the nominal value of the issued share capital were transferred to the capital reserve in accordance with Section 272 Para. 2 No. 1 HGB.

Provisions

Tax provisions mainly include taxes relating to the financial year and the previous year that have not yet been assessed.

Other provisions were recognized for all other uncertain liabilities. All recognizable risks were taken into account. They are recognized at the settlement amount required according to prudent business judgment (i.e. including future cost and price increases). Provisions with a remaining term of more than one year were discounted.

Liabilities

Liabilities were recognized at the settlement amount.

ACCOUNTING AND VALUATION METHODS THAT DIFFER FROM THE PREVIOUS YEAR

The accounting and valuation methods applied to date were largely retained in the annual financial statements.

There was no fundamental change in accounting and valuation methods compared to the previous year.

B. Notes to the balance sheet and income statement

I. NOTES TO THE BALANCE SHEET

Fixed assets

The development of fixed assets and accumulated depreciation and amortization are shown in the appendix to the notes.

Extraordinary impairment losses of €0.00 (previous year: €101,550.00) were recognized on intangible fixed assets in the financial year.

Disclosure of shareholdings in financial assets

Medios AG holds a direct interest of at least 20% in the following companies. Investments in which Medios AG holds more than 5% of the voting rights are also reported:

Company name/registered office	Share amount	Net income 2023 in €	Equity as of 12/31/2023 in €
1. Medios Manufaktur GmbH, Berlin	100%	0.00	6,068,566.47
2. Medios Pharma GmbH, Berlin	100%	0.00	9,251,884.42
3. Medios Digital GmbH, Berlin	100%	0.00	109,894.81
4. Medios Individual GmbH, Berlin	100%	0.00	1,054,999.67
5. CRANACH-PHARMA GmbH, Hamburg	100%	0.00	27,024,579.80
6. Blisterzentrum Baden-Württemberg GmbH, Magstadt	100%	720,813.33	3,663,393.12
7. NewCo Pharma GmbH, Mannheim	100%	-104,491.07	11,788,119.10
8. Logopharma Pharmagroßhandel GmbH, Mannheim	100%	-301,723.52	876,554.56
9. hvd medical GmbH, Saarlouis	100%	774,955.43	4,739,125.04
10. Onko Service Beteiligungs GmbH, Osnabrück	100%	3,251.54	34,124.05
11. cas central compounding baden-württemberg GmbH, Magstadt	100%	406,639.09	12,630,106.99
12. Rhein Main Compounding GmbH, Aschaffenburg	100%	818,829.22	295,513.97
13. Rheinische Compounding GmbH, Bonn	100%	1,881,981.37	12,973,362.05
14. Onko Service GmbH & Co. KG, Osnabrück	100%	0.00	260,699.00
15. Fortuna Herstellung GmbH, Mannheim	100%	1,384,755.19	9,891,434.06

Profit and loss transfer agreements were concluded with Medios AG for the subsidiaries under 1 to 5 (entry in the commercial register in August/September 2018; for Cranach Pharma GmbH on January 6, 2022). Due to the profit and loss transfer obligation for the entire financial year, the respective annual result of the subsidiaries amounts to €0.00. The shareholdings in companies 8 to 14 result 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.

Letters of comfort were concluded with the companies under 6. to 15. and published in the company register on 01/10/2024 (no. 6) and 01/05/2024 (nos. 7 to 15). The exemptions under Sections 264 Para. 3 and 291 HGB are utilized for all companies with concluded and registered profit and loss transfer agreements as well as for those with concluded and registered letters of comfort.

Receivables and other assets

The total amount of receivables from affiliated companies of €50,731,511.02 (previous year: €37,080,761.39) is mainly attributable to receivables from profit and loss transfer agreements (€46,194,046.21; previous year: €36,308,987.50) and trade receivables (€3,787,464.81; previous year: €708,601.93). As in the previous year, all receivables are current and have a term of up to one year. Other assets

consist mainly of trade and corporation tax refund claims, receivables from subsidiaries and security deposits. Other assets include €366,907.42 in asset claims with a remaining term of more than one year.

Information on the class of shares

The share capital of €23,805,723.00 (previous year: €23,805,723.00) is divided into:

Share capital in €	2023	2022
23,805,723 ordinary shares at a nominal value of €1 each	23,805,723.00	23,805,723.00
of which from conditional capital increase	1,490,000.00	1,490,000.00
thereof from authorized capital increase	22,315,723.00	22,315,723.00

The shares are bearer shares.

Information on authorized capital

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; Section 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 the conversion right or option right; to grant shares to members of the Executive Board, management bodies or to employees of the company and/or affiliated companies as part of employee participation programs; to fulfill a so-called greenshoe option; to grant shares to employees of the company and/or affiliated companies as part of employee participation programs.

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 based on 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 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 2018 has not yet been utilized. At the end of the 2023 financial year, no options from the 2018 Stock Option Plan had been exercised.

Conditional capital 2019/authorization to issue convertible bonds/warrant bonds and to exclude subscription rights 2019

– 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 implemented 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 warrants from warrant bonds issued by Medios AG or by 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, satisfy their conversion/option obligations or tender shares and insofar as no other forms of fulfillment are used for servicing. The new shares will 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 based on 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 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 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 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 insofar as the share options can no longer be serviced.

The conditional capital 2020 has not yet been utilized. 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 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 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 insofar as 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 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 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 insofar as 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.

Capital reserve

In the financial year €0.00 (previous year: €31,793,615.00) was transferred to the capital reserve.

Provisions

Other provisions include the following not insignificant types of provisions:

in €	2023	2022
Provision for personnel expenses	1,172,044.85	1,162,947.82
Outstanding invoices	915,699.82	523,250.00
Provisions for financial statements and audit	319,654.00	513,725.00
Archiving provisions	50,000.00	50,000.00
Miscellaneous	133,048.23	317,022.01
Total	2,590,446.90	2,566,944.83

Liabilities

Liabilities with a remaining term of up to one year amount to €31,193,512.65 (previous year: €2,347,338.53) and are mainly attributable to liabilities to affiliated companies in the amount of €29,247,101.67 (previous year: €298,172.73). This results in particular from liabilities due to a cash pooling agreement concluded in the 2023 financial year. In the 2023 financial year, Medios AG concluded a cash pooling agreement with Cranach Pharma GmbH, Medios Pharma GmbH, Medios Manufaktur GmbH and Medios Individual GmbH in order to be able to pool free liquidity at Medios AG.

The amount of liabilities with a remaining term of between 1 and 5 years is €5,950.00, as in the previous year.

As in the previous year, there are no liabilities with a remaining term of more than 5 years.

All liabilities are unsecured.

As in the previous year, liabilities to banks are all current and amount to €198,312.50 (previous year: €82,619.79).

As of December 31, 2023, Medios AG had unused credit lines of €75 million from the existing syndicated loan facility. Under the existing syndicated loan agreement, Medios AG is obliged to comply with a defined financial ratio (net leverage ratio = net debt/EBITDA). The maximum permitted net gearing ratio is 3.0. This requirement was met as at the balance sheet date and at the time of publication of the report.

In December 2023, Medios AG also secured bridge financing of €200 million for a potential acquisition project, which can be used for this acquisition if required.

Deferred taxes

As of December 31, 2023, due to the profit and loss transfer agreements concluded in 2018 et seq., deferred taxes must be recognized in the annual financial statements of the parent company Medios AG for temporary differences in tax group companies for the expected term of the tax group.

The profit and loss transfer agreements are automatically extended indefinitely after the five-year minimum term has expired. As in the previous year, the deferred taxes existing

on the reporting date were allocated to Medios AG as the parent company. This does not include the pro rata amounts attributable to the atypical silent partnership in Medios Individual GmbH.

Due to the option to capitalize deferred taxes in accordance with Section 274 Para. 1 sentence 2 HGB, they are not shown in the balance sheet; they are shown in the notes in accordance with Section 285 No. 29 HGB.

Deferred tax assets are based on the following differences:

in €	12/31/2023	thereof controlling company	thereof controlled company
Intangible fixed assets	-80,077.83	0.00	-80,077.83
Dismantling obligations	27,441.41	5,121.82	22,319.59
Personnel provisions	83,402.94	8,383.82	75,019.12
Vacation commitments	20,968.30	12,906.72	8,061.58
Retention provisions	15,737.25	0.00	15,737.25
Restructuring provisions	4,255.61	0.00	4,255.61
Tax provisions	1,207.00	0.00	1,207.00
Status 12/31/2023 (active)	72,934.68	26,412.36	46,522.32

in €	12/31/2022	thereof controlling company	thereof controlled company
Intangible fixed assets	-50.770,73	0,00	-50.770,73
Dismantling obligations	20.220,64	3.425,34	16.795,30
Vacation commitments	18.164,70	8.541,44	9.623,26
Retention provisions	14.002,19	0,00	14.002,19
Restructuring provisions	27.278,20	0,00	27.278,20
Status 12/31/2023 (active)	28.895,00	11.966,78	16.928,22

Deferred taxes are generally measured using a tax rate of 30.175% (previous year: 30.175%).

The balance of deferred tax assets at the end of the financial year amounted to €72,934.68 (previous year: €28,895.00).

Supplementary tax information

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%.

II. NOTES TO THE INCOME STATEMENT

Breakdown of revenue

Revenue is broken down as follows in accordance with Section 285 No. 4 HGB:

Field of activity in €	2023 Revenue	2022 Revenue
Service management services/brand licenses	8,308,910.80	7,543,057.49
Income from renting and leasing	1,217,381.98	1,165,778.20
Total	9,526,292.78	8,708,835.69

Income from service management services/brand licenses and income from rental and leasing was generated entirely in Germany and resulted in the amount of €9,210,413.68 (previous year: €8,473,696.42) from services provided to the companies in the Medios AG Group.

Other operating income

Other operating income includes prior-period income from the reversal of provisions in the amount of €474,626.38 (previous year: €55,809.82). It also includes extraordinary income from the sale of shares in Kölsche Blister GmbH in the amount of €911,262.00.

Depreciation and amortization of financial assets

In the 2023 financial year, the shares in Blisterzentrum Baden-Württemberg GmbH were extraordinary written down by €8,850,176.89 to €10,483,456.82. 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.

Profits received on the basis of a profit pooling, profit transfer or partial profit transfer agreement

The item "Profits received on the basis of a profit pooling, profit or partial profit transfer agreement" includes €42,853,857.08 in transferred profits on the basis of existing profit and loss transfer agreements and €3,340,189.13 (previous year: €4,619,818.74), the profit share of the atypical silent partnership, which was contributed to Medios AG on November 15, 2018 by means of a capital increase in kind.

III. OTHER INFORMATION

Average number of employees during the financial year

The following employee groups were employed by the Company during the financial year:

Employee groups	Number
Employees	86
Senior executives	4
Working students/part-time employees	0
The total average number of employees thus amounts to	90 (PY: 76)

Names of the members of the Executive Board and Supervisory Board

The following persons were members of the Executive Board during the past financial year:

Executive Board	Profession practiced
Matthias Gärtner	Chief Executive Officer (CEO)
Mi-Young Miehlner	Member of the Executive Board (COO)
Christoph Prußeit	Member of the Executive Board (CINO)
Falk Neukirch	Chief Financial Officer (CFO)

The Supervisory Board consisted of the following members:

Supervisory Board	Profession practiced
Dr. Yann Samson, München (Chairman of the Supervisory Board)	Lawyer
Joachim Messner, Mainz	Lawyer
Klaus J. Buß, Berlin	Managing Director Calliope gGmbH
Dr. Anke Nestler, Frankfurt (Deputy Chairwoman)	Senior Managing Director at FTI Consulting Deutschland GmbH

Memberships of Supervisory Boards and supervisory bodies:

Supervisory Board	Profession practiced
Dr. Yann Samson	Avemio AG, Düsseldorf (Deputy Chairman of the Supervisory Board)
Joachim Messner	No memberships in other Supervisory Boards
Klaus J. Buß	TU Berlin Science Marketing, Berlin (Member 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)

The total remuneration of the members of the Executive Board in the reporting year amounted to €1,828 thousand. Of this, Mr. Matthias Gärtner (CEO) received €514 thousand, Ms. Mi-Young Miehlner (COO) €433 thousand, Mr. Falk Neukirch (CFO) €450 thousand and Christoph Prußeit (CINO) €431 thousand. Other duties for the Executive Board in the reporting period amounted to €16 thousand. Ms. Miehlner, Mr. Prußeit and Mr. Neukirch also have a company car at their disposal. The remuneration of the individual Members of the Executive Board is as follows:

Remuneration of the members of the Executive Board

GRANTS AWARDED IN 2023

In € thousand	Matthias Gärtner Executive Board			Mi-Young Miehler Executive Board			Christoph Prußeit Executive Board			Falk Neukirch Executive Board		
	2023	2023 (min.)	2023 (max.)	2023	2023 (min.)	2023 (max.)	2023	2023 (min.)	2023 (max.)	2023	2023 (min.)	2023 (max.)
Fixed remuneration	342	342	342	280	280	280	280	280	280	300	300	300
Fringe benefits	17	17	17	15	15	15	13	13	13	12	12	12
Total	359	359	359	295	295	295	293	293	293	312	312	312
Short-term variable remuneration	155	0	362	130	0	300	130	0	300	138	0	320
Long-term variable remuneration	0	0	0	0	0	0	0	0	0	0	0	0
Plan designation (plan term)	0	0	0	0	0	0	0	0	0	0	0	0
Total	514	359	721	425	295	595	423	293	593	450	312	632
Pension expenses	0	0	0	8	8	8	8	8	8	0	0	0
Total remuneration	514	359	721	433	303	603	431	301	601	450	312	632

In € thousand	Matthias Gärtner Executive Board			Mi-Young Miehler Executive Board			Christoph Prußeit Executive Board			Falk Neukirch Executive Board		
	2022	2022 (min.)	2022 (max.)	2022	2022 (min.)	2022 (max.)	2022	2022 (min.)	2022 (max.)	2022	2022 (min.)	2022 (max.)
Fixed remuneration	320	320	320	280	280	280	280	280	280	240	240	240
Fringe benefits	11	11	11	19	19	19	13	13	13	12	12	12
Total	331	331	331	299	299	299	293	293	293	252	252	252
Short-term variable remuneration	259	0	259	229	0	229	229	0	229	198	0	198
Long-term variable remuneration	0	0	0	0	0	0	0	0	0	0	0	0
Plan designation (plan term)	0	0	0	0	0	0	0	0	0	0	0	0
Total	590	331	590	528	299	528	522	293	522	450	252	450
Pension expenses	5	5	5	5	5	5	5	5	5	5	5	5
Total remuneration	595	336	595	533	304	533	527	298	527	455	257	455

INFLOW 2023

In € thousand	Matthias Gärtner Executive Board		Mi-Young Miehler Executive Board		Christoph Prußeit Executive Board		Falk Neukirch Executive Board	
	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
One-year variable remuneration	259	138	229	102	229	102	198	53
Multi-year variable remuneration	0	0	0	0	0	0	0	0
Total	618	469	524	401	522	395	510	305
Pension expenses	0	5	8	5	8	5	0	5
Total remuneration	618	474	532	406	530	400	510	310

Remuneration of the members of the Supervisory Board

The Supervisory Board activities were remunerated with €240,000.00.

Transactions with related parties and persons

Related parties are shareholders with a significant influence on Medios AG, shareholdings and affiliated companies, as well as persons who exercise a significant influence on the financial and business policy of the company. The latter include all persons in key positions and their close family members. These are the members of the Executive Board and Supervisory Board of the parent company. There were no non-arm's length transactions with related parties in the 2023 financial year.

Notifications pursuant to Section 33 Para. 1 WpHG

The following shareholders hold shares in the company as of the reporting date, December 31, 2023, as shown below and have notified the company of the voting rights stated below.

COMPOSITION OF THE 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 nominal value of €1.00 per share. The shares are fully paid up. 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 Sections 12, 53a ff., 118 ff. and 186 AktG.

RESTRICTIONS AFFECTING VOTING RIGHTS OR THE TRANSFER OF SHARES

Each share grants 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 Section 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 the pharmaceutical supply on the stock exchange. 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 INVESTMENTS EXCEEDING 10% OF THE VOTING RIGHTS

Martin Hesse notified Medios AG on January 19, 2022 (published on January 19, 2022) in accordance with Section 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 Section 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 Section 34 Para. 1 WpHG: BMSH GmbH.

Manfred Schneider notified Medios AG on January 18, 2022 (published on January 19, 2022) in accordance with Section 33 Para. 1 WpHG as part of a voluntary group notification due to a subsidiary's threshold being exceeded, simultaneously for Tangaroa GmbH & Co. KG and Tangaroa Management GmbH, that his share of voting rights in Medios AG amounted to a total of 18.02% (4,288,734 voting rights) on January 18, 2022. According to the voting rights notification, 18.02% (4,288,734 voting rights) were attributable to him at this time in accordance with Section 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 Section 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 INFORMATION (DIRECT AND INDIRECT EQUITY INVESTMENTS 3%–10%)

SEB Investment Management AB notified Medios AG on December 7, 2021 (published on December 8, 2021) pursuant to Section 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) pursuant to Section 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 Section 34 WpHG.

Marcel Jo Maschmeyer notified Medios AG on December 21, 2023 (published on December 21, 2023) in accordance with Section 33 Para. 1 WpHG on behalf of Paladin Asset Management Investmentaktiengesellschaft mit veränderlichem Kapital und Teilgesellschaftsvermögen that his share of 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 Section 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 Section 34 Para. 1 WpHG: Paladin Asset Management Investmentaktiengesellschaft mit veränderlichem Kapital und Teilgesellschaftsvermögen.

Contingent liabilities and other financial obligations

The total amount of other financial obligations is €12,605,514.78 (previous year: €13,915,185.36):

in €	2024	2025	2026	2027	2028	2029 and later	Total
Real estate	1,574,363.51	1,624,766.31	1,676,681.18	1,730,153.59	1,785,230.12	3,409,370.82	11,800,565.53
Parking lots	81,487.38	82,970.85	84,498.78	86,072.55	87,693.51	141,178.95	563,902.02
Vehicles	119,509.10	87,629.07	33,909.06	0.00	0.00	0.00	241,047.23
Total	1,775,359.99	1,795,366.23	1,795,089.02	1,816,226.14	1,872,923.63	3,550,549.77	12,605,514.78

Inclusion in the consolidated financial statements

Medios AG, Berlin, prepares the consolidated financial statements for the smallest and largest group of consolidated companies. The consolidated financial statements of Medios AG, Berlin, are prepared in accordance with the International Financial Reporting Standards as applicable in the EU (Section 315e HGB). They are published in the electronic Federal Gazette and on the company's Investor Relations website.

For all companies with concluded and registered profit and loss transfer agreements as well as for those with concluded and registered letters of comfort, the exemptions pursuant to Sections 264 Para. 3 and 291 HGB are utilized.

Auditor's fee

Please refer to the disclosures in the consolidated financial statements for information on the auditor's fee.

Declaration on the German Corporate Governance Code

The Executive Board and Supervisory Board report annually on the Company's corporate governance in accordance with the requirements of the Government Commission on the German Corporate Governance Code. The Executive Board reports on the company's management, leadership and corporate governance in the corporate governance declaration in accordance with Section 289a Para. 1 of the German Commercial Code (HGB) and Section 3.10 of the German Corporate Governance Code – also for the Supervisory Board. The declaration is available on the company website www.medios.ag in the Investor Relations/ Corporate Governance section.

Significant events after the 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.

PROPOSED APPROPRIATION OF PROFITS

The Executive Board resolves to propose to the shareholders of Medios AG at the 2024 Annual General Meeting that the net retained profits reported in the company's annual financial statements as of December 31, 2023 be appropriated as follows for the 2023 financial year:

“The net retained profits of Medios AG from the past financial year 2023 in the amount of € 66,151,406.83 will be carried forward in full to new account.”

Signature of the Executive

Berlin, March 26, 2024

Matthias Gärtner

CEO

Falk Neukirch

CFO

Mi-Young Miehler

COO

Christoph Prußeit

CINO

Statement of changes in non-current assets

as of 12/31/2023, Medios AG, Berlin

in €	Acquisition and production costs 01/01/23	Additions	Disposals	Transfers	Acquisition and production costs 12/31/23	Accumulated depreciation and amortization 01/01/23	Depreciation and amortization Financial year	Disposals	Transfers	Accumulated depreciation and amortization 12/31/23	Attributable Financial year	Carrying amount 12/31/23	Carrying amount 12/31/22
A. Fixed assets													
I. Intangible assets													
1. Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licenses to such rights and assets	1,146,439				1,146,439	854,017	236,280			1,090,297		56,142	292,422
2. Advance payments	101,550.00				101,550.00	101,550.00				101,550.00		0	0
Total intangible assets	1,247,989	0	0	0	1,247,989	955,567	236,280	0	0	1,191,847	0	56,142	292,422
II. Property, plant and equipment													
1. Land, land rights and buildings, including buildings on third-party land	3,720,855	131,791			3,852,645	323,714	483,093			806,806		3,045,839	3,397,141
2. Other equipment, furniture and office equipment	3,521,478	394,425			3,915,903	1,708,630	564,323			2,272,953		1,642,950	1,812,848
Total Property, plant and equipment	7,242,333	526,216	0	0	7,768,549	2,032,344	1,047,416	0	0	3,079,760	0	4,688,789	5,209,989
III. Financial assets													
1. Shares in affiliated companies	342,730,785	19,333,634	-5,533,987		356,530,432	5,533,987	8,850,177	5,533,987		8,850,177		347,680,255	337,196,798
2. Loans to affiliated companies	80,692,354	2,277,860	-20,492,354		62,477,860	2,300,000				2,300,000		60,177,860	78,392,354
3. Other loans	100,000				100,000	0				0		100,000	100,000
Total financial assets	423,523,139	21,611,493	-26,026,341	0	419,108,291	7,833,987	8,850,177	5,533,987	0	11,150,177	0	407,958,114	415,689,152
Total fixed assets	432,013,461	22,137,709	-26,026,341	0	428,124,829	10,821,897	10,133,873	5,533,987	0	15,421,783	0	412,703,046	421,191,564

Responsibility statement (unaudited)

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities and financial position and profit or loss of the company, and the combined management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Berlin, March 26, 2024

Matthias Gärtner
CEO

Falk Neukirch
CFO

Mi-Young Miehler
COO

Christoph Prußeit
CINO

Independent auditor's report

To Medios AG, Berlin

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the annual financial statements of Medios AG which comprise the statement of financial position as at 31 December 2023, and the statement of profit and loss for the financial year from 1 January 2023 to 31 December 2023, as well as the notes to the financial statements, including the presentation of the recognition and measurement 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 annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 January 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual 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 annual financial statements and of the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual 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 annual financial statements and of the combined management report" section of our auditor's report. We are independent of the Company 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 annual financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual 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 annual 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 participations in and loans to affiliated companies

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 PARTICIPATIONS IN AND LOANS TO AFFILIATED COMPANIES

1. In the annual financial statements of Medios AG, under the balance sheet item "Financial assets", participations in affiliated companies of EUR 347.7 million and loans to affiliated companies of EUR 60.2 million are shown, which together represent approximately 79% of total assets. The significant participations in affiliated companies are subjected to an impairment test by the Company annually on the balance sheet date or on an ad hoc basis. These valuations are usually based on the present value of future cash flows of the respective affiliated company. The valuations are based on the planning calculations of the individual affiliates, which are based on the financial plans approved by management. Discounting is based on the weighted average cost of capital of the respective company. Discounting is based on the weighted average cost of capital of the respective company. 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 companies.

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 carried out our own sensitivity analyses for selected companies in order to be able to assess a possible impairment risk in the event of a change in a key assumption of the valuation that is thought possible. The selection of assumptions was based on qualitative aspects and the extent to which the respective carrying amount was covered by the value in use. We consider the valuation method and the assumptions and parameters used therein to be an appropriate and sufficient basis for verifying the impairment of the participations in affiliated companies and other loans recognised in the balance sheet.

3. The Company's disclosures on the participations in and loans to affiliated companies are contained in the notes to the annual financial statements in the section "Recognition and measurement policies".

OTHER INFORMATION

The executive directors and the Supervisory Board are responsible for the other information. The other information comprises the following matters:

- 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 annual 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 annual 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 ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of annual 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 annual financial statements, the executive directors are responsible for assessing the Company’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.

Furthermore, the executive directors are responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual 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 determined 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 Company’s financial reporting process for the preparation of the annual financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual 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 Company's position and, in all material respects, is consistent with the annual 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 annual 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 annual 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 annual 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 annual 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 Company'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 annual 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 Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company'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 annual 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 ANNUAL 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 annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached electronic file "JA.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 annual 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 annual financial statements and the combined management report contained in the above-mentioned 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 annual 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 annual 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 annual financial statements and the combined management report contained in the above-mentioned 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 "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 annual financial statements and the combined management report in accordance with § 328 (1) sentence 4 no. 1 HGB and for the tagging of the annual financial statements in accordance with § 328 (1) sentence 4 no. 2 HGB.

Furthermore, the Company's executive directors are responsible for such internal controls as they have considered 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.

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 controls 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 these controls.
- 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 annual financial statements and the audited combined management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as 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 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 of the remuneration report, which was not disclosed in the 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 annual financial statements and audited combined management report as well as the audited ESEF documents. The annual 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 annual 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

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

