# Compensation system of the Executive Board

MEDIOS

--- non-binding convenience translation ---

## Annex to agenda item 7 of the Annual General Meeting on May 27, 2025 - Description of the compensation system for the members of the Management Board ("Management Board Compensation System 2025")

### I. Basic features of the compensation system for members of the Management Board

The strategy of Medios AG and the Medios Group is to further strengthen its leading position in the Specialty Pharma segment and to exploit growth opportunities. Organic and inorganic growth are equally important elements of the strategy. Active and at the same time disciplined use of capital is a high priority for the Group to create sustainable value for all stakeholders. The Supervisory Board and Management Board act in the knowledge that good corporate governance, opportunity management and risk management are key components of corporate management and thus the basis for the company's success. The Medios Group's corporate strategy is also geared towards operating profitably in the Specialty Pharma segment and gaining further market share without generating excessive additional capital requirements (working capital). Responsible corporate governance and the simultaneous exploitation of entrepreneurial opportunities are of great importance. The following principles are followed and considered when structuring compensation, determining individual compensation, selecting key performance indicators and structuring payment and allocation modalities:

- Promoting the long-term and sustainable corporate development of the Medios Group and supporting the corporate strategy
- Conformity with the requirements of the German Stock Corporation Act and the German Corporate Governance Code
- Consideration of shareholder interests and the needs of relevant stakeholders
- Addition of Environmental, Social & Governance (ESG) criteria to promote sustainable development of the Medios Group
- Transparent communication of Management Board compensation internally and externally
- Synchronization and consistency of the company's internal objectives to align the incentive effect for the Management Board and senior management
- Consideration of modern and standard market elements and mechanisms

### II. Procedure for determining, reviewing and implementing the compensation system

The Supervisory Board as a whole is responsible for the structure of the compensation system for members of the Management Board and the determination of individual compensation. The compensation system described here was adopted by the Supervisory Board in accordance with Sections 87 (1) and 87a (1) AktG. In all compensation decisions, the Supervisory Board considers the requirements of the German Stock Corporation Act and is guided by the recommendations of the GCGC.

In the event of significant changes to the compensation system, but at least every four years, the compensation system is submitted to the Annual General Meeting for approval. The compensation system is implemented as part of the Management Board service agreement. If the Annual General Meeting does not approve the compensation system presented for the Management Board, the Supervisory Board will examine the compensation system in detail, considering the market standard and competitiveness of the system as well as the regulatory framework and investor requirements, and present a revised compensation system at the following Annual General Meeting.

In this context, the changes to the compensation system are described in detail and the extent to which the shareholders' comments have been taken on board is also discussed.

All decisions made by the Supervisory Board (and any committees) regarding the compensation system are subject to the general rules for dealing with conflicts of interest. Accordingly, the members of the Supervisory Board are obliged to disclose conflicts of interest to the Chairman of the Supervisory Board without delay. The Supervisory Board provides information on conflicts of interest that have arisen during the financial year and how they were handled in its report to the Annual General Meeting. At the meeting at which decisions are made on matters that may affect the personal interests or the interests of related parties or companies of a member of the Supervisory Board, the Supervisory Board member concerned must abstain from voting on decisions, unless in individual cases participation in the discussion and passing of resolutions must or should also be omitted. In the event of significant and not merely temporary conflicts of interest, this will result in the termination of the Supervisory Board mandate.

The Supervisory Board regularly reviews the appropriateness and customary nature of the compensation of the members of the Management Board and, if necessary, adjusts in order to ensure a compensation package for the members of the Management Board that is both in line with the market and competitive within the regulatory framework. Criteria for the appropriateness of compensation are the tasks of the individual Management Board member, personal performance, the economic situation and prospects of Medios AG as well as the standard market level and structure of Management Board compensation at comparable companies. The tasks and performance of the respective Management Board member and the salary structure within the company are also considered.

The Supervisory Board pays particular attention to ensuring that the compensation of the members of the Management Board and the compensation system are in line with market practice and appropriate. The assessment of the market conformity of compensation is carried out both in comparison with other companies (horizontal comparison) and within Medios AG based on the ratio of Management Board compensation to the compensation of senior management and the workforce (vertical comparison). Selected MDAX and SDAX companies are used for the horizontal comparison. To assess the appropriateness of Management Board compensation within the Medios Group, the upper management level below the Management Board within the Medios Group is taken as a basis, while the average compensation of Medios Group employees in Germany is used for the workforce.

Both the current ratio and the change in the ratio over time are considered.

If necessary, the Supervisory Board can call in external consultants. If the Supervisory Board consults an external compensation expert to develop the compensation system and assess the appropriateness of the compensation, it ensures the expert's independence from the Management Board and the company and takes precautions to avoid conflicts of interest.

In accordance with the compensation system presented, the Supervisory Board determines the specific target total compensation and, for the upcoming financial year, the performance criteria for the variable compensation components for the members of the Management Board provided for in the compensation system. The "target total compensation" is the sum of fixed and variable compensation for each member of the Management Board.

In particularly exceptional cases (such as a severe economic crisis), the Supervisory Board may temporarily deviate from the components of the Management Board compensation system (procedures and regulations on the compensation structure and amount as well as regarding the individual compensation components) if this is necessary in the interests of the long-term well-being of the company. A deviation from the compensation system is only possible with a corresponding resolution by the Supervisory Board and after careful consideration of the necessity. The components of the compensation system that may be deviated from under the circumstances are the procedure, the compensation structure, the individual compensation components and their performance criteria. Furthermore, in this case, the Supervisory Board may temporarily grant additional compensation components or replace individual compensation components with other compensation components, as far as this is necessary to restore the appropriateness of the Management Board compensation in the specific situation.

## III. Overview of the compensation components and the compensation structure

The compensation system described here can be applied to management board service agreements with members of the Management Board of Medios AG with effect from the beginning of January 1, 2025 of the current financial year.

### 1. Compensation components

The compensation system for the Medios AG Management Board comprises the compensation components shown below.

The compensation of the members of the Management Board consists of a non-performance-related (fixed) compensation component and a performance-related (variable) compensation component. A company pension scheme (pension commitments) is expressly not provided for. The fixed compensation components comprise the non-performance-related basic compensation and fringe benefits. The variable compensation consists of an annual short-term variable compensation component ("Short-Term Incentive" or "STI"), a bonus payment for achieving certain ESG criteria ("ESG bonus") and a long-term variable compensation ("Long-Term Incentive" or "LTI").

## 2. Compensation structure

The fixed compensation components account for 28% - 35% of the target total compensation of a Management Board member, while the variable compensation components account for 65% - 72% of the target total compensation (of which around 2% - 3% is attributable to the ESG bonus, 28% - 35% to the STI and 29% - 42% to the LTI).

## IV. Presentation of the compensation components in detail

## 1. Differentiation according to individual requirement profile

In view of the principle of overall responsibility of the Management Board, the Supervisory Board has decided against function-specific differentiations regarding the compensation of individual members of the Management Board. One exception is the higher compensation of the CEO, which is intended to appropriately reflect his greater scope of responsibility and representation and the associated additional workload. For first-time appointments, the Supervisory Board reserves the right to agree a lower target total compensation with lower compensation components.

## 2. Maximum compensation

In accordance with Section 87a para. 1 sentence 2 no. 1 AktG, the Supervisory Board has set a maximum compensation limit that restricts the total amount of compensation actually granted for a specific financial year. Amounts from all fixed and variable compensation components are considered as part of the total amount to be paid.

The maximum compensation for the CEO is EUR 2.5 million and for the ordinary members of the Management Board EUR 2 million.

If the total payments from a financial year exceed this maximum compensation, the last compensation component to be paid out is reduced accordingly.

## 3. Basic compensation independent of performance

The annual basic compensation is contractually agreed with the respective Management Board member and is paid in twelve equal monthly installments. The Management Board member does not receive separate compensation for holding offices or other activities in other companies that are affiliated with the company within the meaning of Sections 15 et seq. AktG, the Management Board member does not receive any separate compensation.

## 4. Ancillary services

In addition to the reimbursement of travel expenses and other official expenses, each member of the Management Board receives a monthly allowance for health and long-term care insurance in accordance with statutory regulations. The company can provide each member of the Management Board with an appropriate company car and a cell phone for private use. In addition, the company provides each member of the

Management Board with accident insurance (in the event of death or disability).

All members of the Management Board are insured against the risk of claims being made against them for financial losses in the performance of their duties via a D&O insurance policy taken out at the expense of Medios AG with the statutory deductible in accordance with the provisions of the German Stock Corporation Act.

## 5. Variable performance-based compensation components

The variable compensation of the members of the Management Board is intended to provide the right incentives for the Management Board to act in line with the corporate strategy and stakeholders and to achieve long-term targets on a sustainable basis. The three performance-based variable compensation components are the ESG bonus and the STI, each with a term of one (financial) year, and the LTI with a term of four years.

If the total payments from a financial year exceed the maximum compensation, the last compensation component to be paid - usually a variable performance-related compensation component - is reduced accordingly.

### a. Short-Term incentive

The Short-Term incentive provides for a bonus payment to the members of the Management Board if certain ambitious targets set by the Supervisory Board are achieved.

### aa. Targets and calculation

Depending on the achievement of the defined targets, each member of the Management Board can receive an amount of up to 100% of the agreed fixed base compensation as STI. The "inorganic growth" target is replaced by the "operating cash flow" target.

As part of the realignment, the weighting of the remaining targets is also to be adjusted to create a balanced incentive system. The new allocation of the targets is shown below:

| Target value | old weighting | new weighting |
|---|---|---|
| ➢ Inorganic Growth | 40% | **not applicable** |
| ➢ Revenue Growth | 20% | **20% (unchanged)** |
| ➢ EBITDApre Growth | 20% | **30% (+10%)** |
| ➢ EBITDApre Margin | 20% | **30% (+10%)** |
| ➢ Operating Cash Flow | --- | **20% (new)** |

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

- Revenue Growth: Up to 20% of the STI can be earned via a growing Group revenue by an ambitious percentage compared to the previous year set by the Supervisory Board;
- EBITDApre Growth: Up to a further 30% of the STI can be achieved by growing Group EBITDApre (i.e., EBITDA before defined special effects) compared to the previous year by an ambitious percentage set by the Supervisory Board;
- EBITDApre Margin: Up to a further 30% of the STI can be achieved by increasing the Group EBITDApre margin (i.e., EBITDA before defined special effects) to an ambitious margin set by the Supervisory Board;
- Operating Cash Flow: Up to a further 20% of the STI can be earned by achieving an Operating Cash Flow defined by the Supervisory Board. The Operating Cash Flow indicates the cash and cash equivalents generated from operating activities in a financial year. Based on the corporate planning for the respective financial year, the Supervisory Board sets ambitious target values for the Operating Cash Flow, which correspond to target achievement of 60%, 80% and 100% respectively. The target achievement with regard to the Operating Cash Flow is determined on a linear interpolated basis from the achievement of the target value for 60% up to the target value of 100%. The target achievement is limited to 100%. If the minimum target value of 60% is not achieved, the target achievement is zero. When determining the target achievement, the Supervisory Board has the option of considering significant extraordinary special effects that were not considered or were taken into account differently in the corporate planning and can make corresponding adjustments. Such a special effect exists, for example, if suppliers do not collect receivables on the due date despite them being due and this results in a partial or complete shift in the outflow of liquidity to the following financial year.

The share of short-term variable compensation under the STI in the target total compensation ranges between 28% and 35%. The amount of the annual payments under the STI for the respective Management Board member is limited to 100% of the non-performance-related base compensation (excluding fringe benefits).

**bb. Key figures and other regulations**

For Revenue Growth, consolidated EBITDApre growth, Group EBITDApre Margin and Operating Cash Flow, the audited consolidated financial statements prepared in accordance with IFRS are binding for the Medios Group.

Payments under the STI are owed *pro rata temporis* in the event of a contract term of a Management Board member beginning or ending during the year. The respective payment amount under the STI is due for payment by the last day of the month following the adoption of the annual financial statements for the past financial year.

The adjustment of the STI component is the result of a structured review process by the Supervisory Board. Current market standards, regulatory requirements, and the strategic orientation of Medios AG were considered. To make a well-founded decision, the Supervisory Board consulted the expertise of an independent, renowned compensation consultant, who worked out and confirmed the plausibility, market conformity and effectiveness of the planned changes.

**b. Long-Term Incentive Program (stock option plan)**

At Medios AG, the variable long-term compensation for members of the Management Board consists of a stock option plan (Long-Term Incentive Program, "LTIP" or "stock option plan"). The share of long-term variable compensation under the LTIP in the target total compensation ranges between 29% and 42%.

Medios AG pursues a compensation policy aligned with the interests of shareholders in line with the "shareholder value principle". The aim is to increase the long-term value of the shareholders' investment, expressed by increasing the value of the company's shares. Both managers and employees should be incentivized towards this goal. The fact that a significant proportion of the target total compensation consists of long-term variable compensation in the form of stock options ensures that the corporate strategy is strongly geared towards sustainable corporate growth, including the creation of added value for shareholders and all stakeholders.

**aa. Granting**

As part of the stock option plan, members of the Management Board are entitled to options on Medios AG shares. By contractual agreement with each member of the Management Board ("subscription rights agreement"), the Management Board member receives the right to acquire an individually agreed number of no-par value bearer shares in Medios AG ("no-par value shares") at an exercise price ("exercise price") determined by the Supervisory Board at its discretion after expiry of the respective waiting period and upon fulfillment of the performance target in accordance with the provisions of the subscription rights agreement ("stock options"). The performance target provides for a significant increase in the Medios share price above the share price at the time the options are granted.

The stock options can be issued annually by the Supervisory Board in single or multiple tranches.

**bb. Exercisability and performance target**

The four-year waiting period ("waiting period") begins on the day the stock options are issued. The respective Management Board member can only exercise the stock options after the waiting period has expired. The stock options may only be exercised in respect of a contractually agreed minimum number.

The stock options can be exercised within an exercise period of three years (previously: seven years), which begins at the end of the waiting period ("exercise period"). If the option rights are not exercised by the beneficiary by the end of the exercise period, the option rights expire without replacement.

The prerequisite for exercising the stock options is that the performance target has been reached in a period of thirty stock exchange trading days before the end of the waiting period. The performance target is achieved if the closing price of the company's shares in XETRA trading (or a comparable successor system of the Frankfurt Stock Exchange) reaches or exceeds an amount determined by the Supervisory Board at its own discretion on thirty consecutive trading days ("performance target").

**cc. Miscellaneous**

Further vesting periods or shareholding periods (such as share ownership guidelines) are not required at Medios AG.

If the employment relationship is terminated by the company or the Management Board member, or if the board or service relationship is otherwise terminated for whatever reason ("termination"), the portion of the stock options for which the respective vesting period has not yet expired by the time of termination is forfeited. The stock option plan provides for a quarter of the stock options allocated to vest at the end of December 31 of each year (vesting).

**c. ESG Bonus**

Sustainable action should form an integral part of the strategy of Medios AG and the Medios Group. The ESG bonus focuses on Medios AG's contribution to creating stable economic, social and environmental conditions for current and future generations. Performance criteria for measuring the ESG bonus are therefore exclusively sustainability targets, primarily from the following areas

- Climate, Energy & Environment,
- Employees, Social & Governance and
- Technology & Innovation.

As a company with a leading position in the Specialty Pharma segment, the Medios Group aims to implement an equally innovative sustainability strategy with its innovative services and products. A compensation component in the form of an ESG bonus based exclusively on non-financial sustainability targets encourages Medios AG to live up to its responsibility as part of society.

The short-term variable compensation under the ESG bonus accounts for 2% to 3% of the target total compensation of the respective Management Board member. The ESG bonus is structured as a target bonus with a one-year assessment period corresponding to the company's financial year and is calculated based on overall target achievement of selected ESG targets determined by the Supervisory Board.

**aa. Objectives and achievement of objectives**

Before the start of each financial year, the Supervisory Board determines two to four ESG targets for all members of the Management Board in consultation with the Management Board. For each of the defined ESG targets, the Supervisory Board sets a target value, an ambitious threshold value and an appropriate maximum value.

When setting ESG targets, the Supervisory Board considers non-financial targets from the areas of climate & environment, employees, social & governance and technology & innovation. These include, for example, contributions to global climate protection ($CO_2$ reduction or $CO_2$ neutrality), recycling, renewable energies, the promotion of diversity and employee satisfaction as well as health in the workplace.

When setting the ESG targets, the Supervisory Board also determines the weighting among the defined ESG targets for the overall target achievement and criteria and methods for assessing the achievement of the respective ESG targets. At the same time, a specific target amount in EUR ("target amount") is set for each Management Board member for achieving an overall target achievement level of 100% for the defined ESG targets.

**bb. Determination of target achievement**

At the end of the financial year, the Supervisory Board determines the degree of target achievement for each of the defined ESG targets as a percentage for the respective member of the Management Board. Values between the threshold, target and maximum values are interpolated linearly and the Supervisory Board then calculates the overall target achievement level as an average from the target achievement levels for each of the ESG targets. Target achievement for a defined ESG target below the threshold value of 80% is included in the calculation with a factor of zero. Finally, the payout amount is calculated by multiplying the target amount by the overall target achievement level.
The payout amount of the ESG bonus is limited to 100% of the target amount. There is no guaranteed minimum target achievement; the payout can therefore be forfeited completely.

The ESG bonus is due for payment in cash four months after the end of the financial year in question. If the management board service agreement or position on a governing body only existed pro rata temporis during a financial year, the overall degree of target achievement is also calculated pro rata temporis and the ESG bonus is only paid *pro rata temporis*.

The compensation report for the past financial year provides transparent information on the specific ESG targets set, the degree of target achievement for each of the ESG targets, the overall degree of target achievement and the target amounts for a financial year.

## 6. Malus and Clawback provisions

Malus and Clawback provisions are also implemented in the Management Board service contracts. These make it possible to reclaim or reduce variable compensation components that have already been paid out or not yet paid out under certain conditions. This clawback or reduction option applies to all variable components of Management Board compensation, i.e., compensation under the ESG bonus, the Long-Term Incentive Program and the Short-Term Incentive.

In the event of a serious and intentional breach of duty or compliance by a member of the Management Board, the Company may cancel or withhold part or all of the variable compensation under the ESG bonus, the Short-Term-Incentive and the Long-Term Incentive-Program (“Malus”) and forfeit or demand the return of variable compensation components already granted without compensation (“Clawback”) if these are variable compensation components agreed upon after the expiry of two months following initial approval of the compensation system by the Annual General Meeting.

Relevant breaches of duty or compliance violations include breaches of due diligence in the management of the company within the meaning of Section 93 AktG, breaches of internal company codes of conduct, criminal offenses and other serious unethical conduct.

The Supervisory Board of the company decides on a Malus or Clawback in each individual case at its due discretion and gives the Management Board member concerned the opportunity to comment on the respective breach of conduct in advance.
In the event of a Clawback, the Management Board member must reimburse 50% of the amount received ("net amount"), limited to a period of up to four years prior to the Clawback.

The possibility of a Malus and Clawback also exists if the position or service relationship with the Management Board member has already ended at the time of the decision.

If variable compensation components that are linked to the achievement of certain targets were wrongly paid out based on incorrect data, the company is entitled to reclaim the difference resulting from the recalculation of the amount of variable compensation on the basis of correct data compared to the payment made ("Strict Clawback"), irrespective of any misconduct on the part of the Management Board member. The company must demonstrate that the data on which the compensation calculation was based was incorrect and that the variable compensation was therefore too high. The Malus and Clawback provisions described above apply accordingly in this case.

Claims for damages and other statutory claims against the Management Board member remain unaffected by the Malus and Clawback provision.

## 7. Compensation-related legal transactions

### a. Terms of the Management Board service contracts

The Supervisory Board observes the statutory requirements and the recommendations of the German Corporate Governance Code when appointing members of the Management Board and determining the term of their contracts. Management Board service agreements are concluded for the duration of the respective appointment. In the case of a first-time appointment as a member of the Management Board, the term of appointment is generally three years, a deviation can be permissible in justified exceptional cases (for example, in the case of the promotion of an employee at the management level of Medios AG to a member of the Management Board). In the event of a reappointment, the maximum term is five years.

If the Management Board member becomes permanently incapacitated for work during the term of the service agreement, the contract ends at the latest at the end of the quarter in which the permanent incapacity for work is established, without the need for termination.

In the event of revocation of the appointment, resignation from office by the Management Board member or other termination of the Management Board mandate, the Management Board service agreement shall end upon expiry of the relevant period under Sec. 622 of the German Civil Code (BGB). In this case, Medios AG shall be entitled to release the Management Board member from any further activity for the Company for the remaining term of the service contract. The release shall be subject to continued payment of the contractually agreed compensation.

This does not affect the right of both parties to terminate the Management Board service agreement without notice for good cause.

### b. Benefits upon termination of the contract

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

Severance payment arrangements that comply with the recommendations of the German Corporate Governance Code can be agreed in the Management Board service contracts. If the employment relationship with a member of the Management Board ends due to resignation or a mutual termination agreement, the members of the Management Board are entitled to a severance payment in this case.

However, this does not apply if the management board service agreement is terminated by the company for good cause for which the Management Board member is responsible in accordance with Section 626 of the German Civil Code (BGB). The severance payment may not exceed the amount of two years' total compensation and may not exceed the compensation for the remaining term of the contract.

### c. Change of control

When concluding new contracts with members of the Management Board (initial appointment) or extending such contracts, the following special provisions can be agreed in the event of a change of control, but no additional severance payment.

In the event of a change of control, the Management Board member has the right to resign from office with three months' notice. The management board service agreement also ends at this time. A change of control is deemed to have occurred if:

- the company's shares are removed from trading on a regulated market (delisting);
- the appointment of the Management Board member ends due to a change in the company's legal form or a merger of the company into another company, unless the Management Board member is offered an appointment as a member of the Management Board in the new company on the same economic terms as before;
- an intercompany agreement has been concluded with Medios AG as a dependent company in accordance with Sections 291 et seq. AktG or the company is integrated in accordance with Section 319 et seq. AktG is integrated.

### d. Entry and exit during the year

In the event of an employee joining or leaving the company during the year, the total compensation is granted pro rata temporis in accordance with the duration of the employment relationship in the relevant financial year.

### e. Post-contractual non-competition clause

The Supervisory Board can stipulate a post-contractual non-competition clause for up to two years in the Management Board service contracts. For the duration of the non-competition clause, compensation amounting to 50% of the last contractually agreed compensation is to be paid to the respective Management Board member. Any other income received during the period of the non-competition clause will be offset against the compensation if the compensation would exceed the last contractual compensation received when the other income is added. In addition, other contractual severance payments to a member of the Management Board are offset against the compensation for non-competition.

The Supervisory Board has the option of agreeing such a clause in future - also in individual cases. If a post-contractual non-competition clause is agreed as part of the termination, it is contractually agreed that any severance payment will be offset against any compensation for non-competition.

### f.Compensation for board activities within the Medios Group

The members of the Management Board of Medios AG do not receive any additional or separate compensation, fixed or variable, for holding offices or other activities in other companies that are affiliated with Medios AG within the meaning of Sections 15 et seq. AktG (German Stock Corporation Act). Any compensation nevertheless received is offset against the contractually agreed compensation under the Management Board service contract.

## V. Consideration of the compensation and employment conditions of employees when determining the compensation system (Section 87a (1) sentence 2 no. 9 AktG)

The Supervisory Board regularly reviews the appropriateness of the compensation of the members of the Management Board based on a comparison with the company's internal compensation structure (vertical comparison), among other things. To assess the appropriateness of Management Board compensation within Medios AG, the upper management level below the Management Board within the Medios Group is used as a basis for the Management Board, while the average compensation of Medios Group employees in Germany is used as a basis for the workforce. Both the current ratio and the change in the ratio over time are considered by comparing the compensation of the Management Board with the compensation of the respective management level below the Management Board and the total workforce.

## VI. Sideline activities of the members of the Management Board

The acceptance of public offices, Supervisory Board, Administrative Board, Advisory Board and comparable mandates as well as appointments to economic or scientific bodies requires the prior approval of the Supervisory Board of Medios AG, unless these are mandates within the Medios Group.

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