

Matthias Gaertner, CFO

25 August 2020



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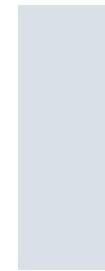
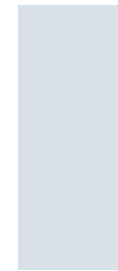
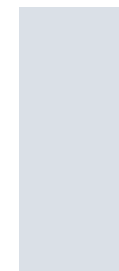
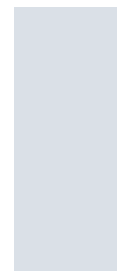
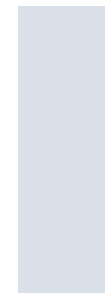
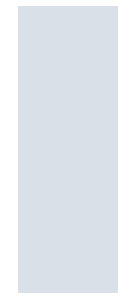
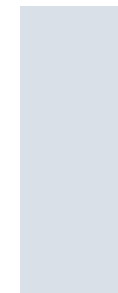
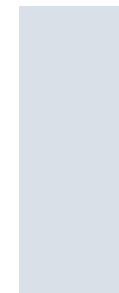
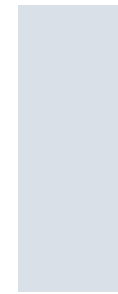
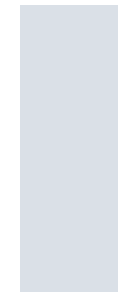
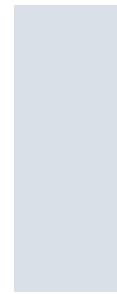
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Highlights first months 2020 – Growth strategy on track

OPERATIONS

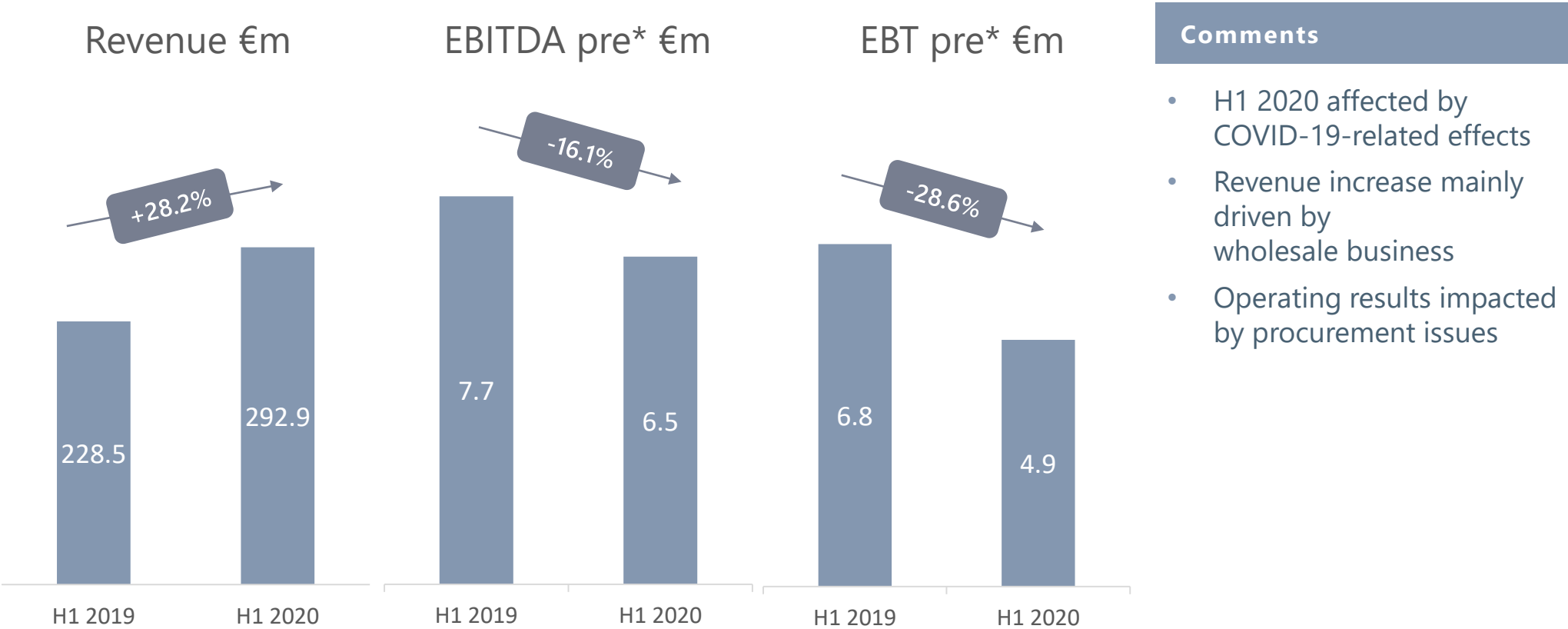
Growth strategy on track

- Pharmaceutical Supply:
 - continues to be a clear growth driver
 - however, growth weakened at lower margins as a result of the COVID-19 pandemic
- Patient-specific Therapies:
 - performance on track
 - acquisition of Kölsche Blister GmbH - attractive new service “blistering”, driver of additional new customers > 300
 - new building rented in Berlin: manufacturing capacity can be tripled
- Administrative units consolidated at new premises in Berlin-Mitte
- Uplisting from General Standard to Prime Standard

FINANCIALS

- Strong revenue growth; results lower vs. H1 2019 due to COVID-19 effects
- Solid liquidity: various capital measures to finance organic and inorganic growth
- Guidance 2020 adjusted at beginning of August as a result of the ongoing COVID-19 effects

H1 2020: Overview Key Figures



Comments

- H1 2020 affected by COVID-19-related effects
- Revenue increase mainly driven by wholesale business
- Operating results impacted by procurement issues

* EBITDA and EBT without extraordinary expenses: adjusted for extraordinary expenses for stock options and amortization of the customer base

COVID-19 pandemic–related special effects led to supply bottlenecks and weaker margins

Previous assumptions (communicated in May)	Current assumptions (communicated in Aug)
Corona-related effects limited to Q1 20	Corona-related effects will persist in H2
<ul style="list-style-type: none">• March: implementation of a quota directive for certain drugs by the German Federal Institute for Drugs and Medical Products*<ul style="list-style-type: none">• Medios management expected restrictions only to be short-term• Increased inventory level at higher procurement prices in Q1 – lower than planned margins• First supply bottlenecks could be seen	<ul style="list-style-type: none">• Q2 onwards: Continued quota allocation – pharmaceutical manufacturers limited supply quota to the average level of previous year<ul style="list-style-type: none">• Cancellation or reductions of larger order volumes• High uncertainty for all market participants• Procurement issues• Purchase from third parties – lower margins• Effects intensified by disturbed flow of goods from Asia to Germany• Increasing competition between EU countries as a result of feared supply bottlenecks

* Bundesinstitut für Arzneimittel und Medizinprodukte 'BfArM'

Business model intact: Proven growth strategy in place with growth prospects

VERTICAL GROWTH DRIVER



Grow customer base and partner network

- **Currently** >300 pharmacies covered
- Cover ~500 pharmacies **mid-term**
- Cover ~1,000 pharmacies **long-term**



HORIZONTAL GROWTH DRIVER



Extend product range and expand to further indication areas

- **Currently** >650 specialty pharma drugs offered
- **Extend** offering to ~1,000 specialty pharma drugs
- Increase of manufacturing capacities



PROFITABILITY DRIVER



Leverage economies of scale

- Margin expansion from increased utilization of existing capacities
- **Shift** from wholesale to compounding business by increasing the share of **blistered** products



Disciplined buy & build approach to accelerate growth strategy

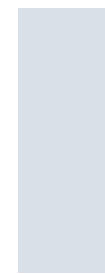
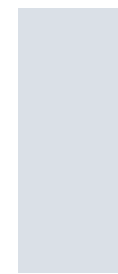
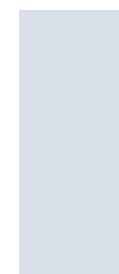
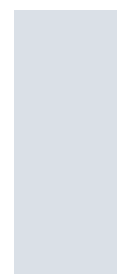
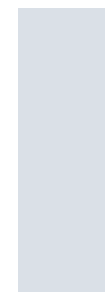
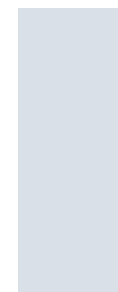
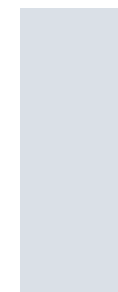
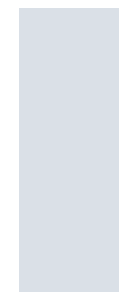
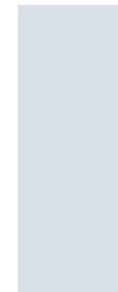
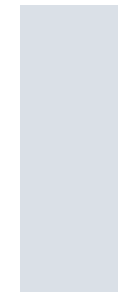
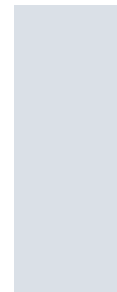
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H1 2020: Financials

In € million	H1 2020	H1 2019	Δ%	Comments
Revenue	292.9	228.5	28.2	<ul style="list-style-type: none"> Strong revenue growth, Pharmaceutical Supply key contributor (for the first time Kölsche Blister included with €1.9m revenue) Growth investments: prepare new indication 'hemophilia' and introduction of e-prescription significantly reflected in personnel expenses Other expenses including one-off special effects: for M&A (€0.8m), e.g. Kölsche Blister, Earnings decrease as a result of COVID-19 pandemic: <ul style="list-style-type: none"> higher purchase prices due to quota order and limited availability of drugs Increase of cash & cash equivalents resulting from capital increase and short-term utilization of syndicated loan
COGS* <i>ratio in % of revenue</i>	275.4 94.0%	214.0 93.6%	28.7	
Personnel expenses	6.8	4.9	40.2	
Other expenses	4.7	3.3	45.5	
EBITDA pre**	6.5	7.7	-16.0	
EBT pre**	4.9	6.8	-28.6	
EPS (€)	0.21	0.27	-22.2	
CF from operating activities	6.9	1.1	>100	
CF from financing activities	70.1	-0.3	n/a	
In € million	30 Jun 2020	31 Dec 2019	Δ%	
Inventories	20.3	16.1	26.8	
Cash & cash equivalents	86.3	15.6	>100	
Equity <i>ratio in %</i>	138.7 68.6%	81.6 70.0%	69.9	

* COGS Costs of goods sold | ** EBITDA and EBT without extraordinary expenses: adjusted for extraordinary expenses for stock options and amortization of the customer base

Segments – Growth driven by wholesale business

In € million	Pharmaceutical Supply		Patient-specific Therapies		Internal Services and IFRS consolidation		Group	
	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019	H1 2020	H1 2019
Revenue (external) Delta (y-o-y in %)	262.1 28.3%	204.3	30.6 26.7%	24.2	0.2 >100%	0.1	292.9 28.2%	228.5
COGS* ratio (% of revenues)	97.3%	96.3%	70.8%	76.3%	0.0%	5.1%	94.0%	93.6%
EBITDA pre* margin (of revenue)	4.1 1.6%	5.4 2.6%	2.9 9.6%	2.8 11,6%	-0.6 <-100%	-0.4 <-100%	6.5 2.2%	7.7 3.4%
EBT pre* margin (% of net sales)	3.5 1.3%	5.1 2.5%	2.4 7.8%	2.3 9.6%	-1.0 <-100%	-0.6 <-100%	4.9 1.7%	6.8 3.0%

Comments







- Initially planned **COGS ratio** for the **Pharmaceutical Supply** segment for 2020 at 96.3%; for the first half of the year actual ratio at 97.3% => 1 percentage point worse reflecting a decline in earnings of €2.6m in H1 2020
- Weaker EBITDA pre* margin for the **Patient-specific Therapies** due to internal cost allocation of investments for future growth (M&A, personnel expenses)
 - Excluding these mentioned internal costs EBITDA pre* margin increased from 14.6% for H1 2019 to 16.1% for H1 2020

* EBITDA and EBT without extraordinary expenses: adjusted for extraordinary expenses for stock options and amortization of the customer base

Financing Power – Strong financial position to invest in future growth

As of 21 Aug	In € million	Comments
Syndicated loan	62.5	Organic growth <ul style="list-style-type: none"> High single-digit million € range to be invested in own labs
Thereof called/drawn	-1.5	
Liquidity	60.0	External growth <ul style="list-style-type: none"> M&A strategy: focus on compounding business
Total liquidity	ca. 121.5	

Medios is playing an active role in the ongoing consolidation process

TYPES OF POTENTIAL TARGET COMPANIES			RECENT M&A TRACK RECORD
 <p>1 Premium patient-specific manufacturers</p>	 <p>2 Premium pharmaceutical suppliers</p>	 <p>3 Innovation / process optimization</p>	<p>Acquisition of Kölsche Blister in April 2020</p> <ul style="list-style-type: none">  Headquartered in Cologne, Germany with activities across Germany  Well established GMP* blister operation**  100 customers nationwide: specialized pharmacies, involved in home care, HIV/ hepatitis, and in individual cases in oncology <p>Rationale for acquisition</p> <ul style="list-style-type: none"> • Immediate market entry into structurally growing blistering business • Expansion of partner-network of specialized pharmacies • Coverage of a further component in the value chain • Realize synergy effects e.g. in purchasing, sales and logistics
<p>Rationale</p> <ul style="list-style-type: none"> • Play an active role in the consolidation of the market for patient-specific preparations • Increase capacities for enhanced production of individualized preparations and additional indications 	<p>Rationale</p> <ul style="list-style-type: none"> • Increase scale to become one of the leading provider of specialty pharma solutions in Germany • Expand partner network to capitalize on cross-selling opportunities 	<p>Rationale</p> <ul style="list-style-type: none"> • Increase value creation potential through vertical integration • Invest in process innovation (e.g. digitalization, analytics) 	



* GMP: Good Manufacturing Practice **blister operation: In this process, a patient's medication is put together and packaged in individual portions according to the dosage prescribed by the doctor

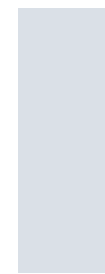
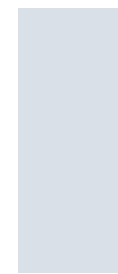
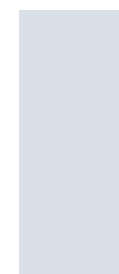
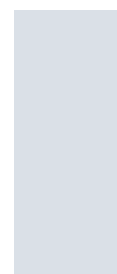
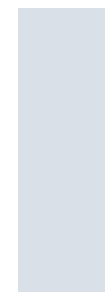
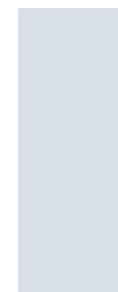
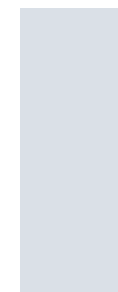
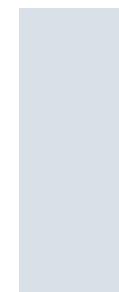
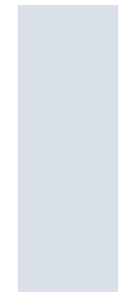
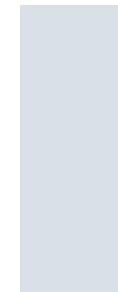
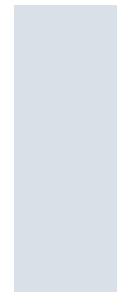
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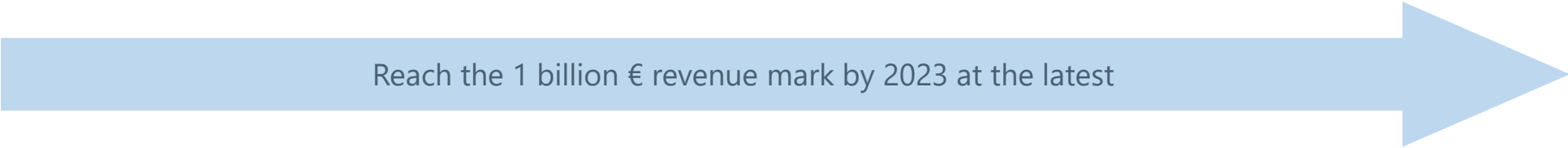
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Updated guidance for 2020 as a result of ongoing COVID-19-related effects

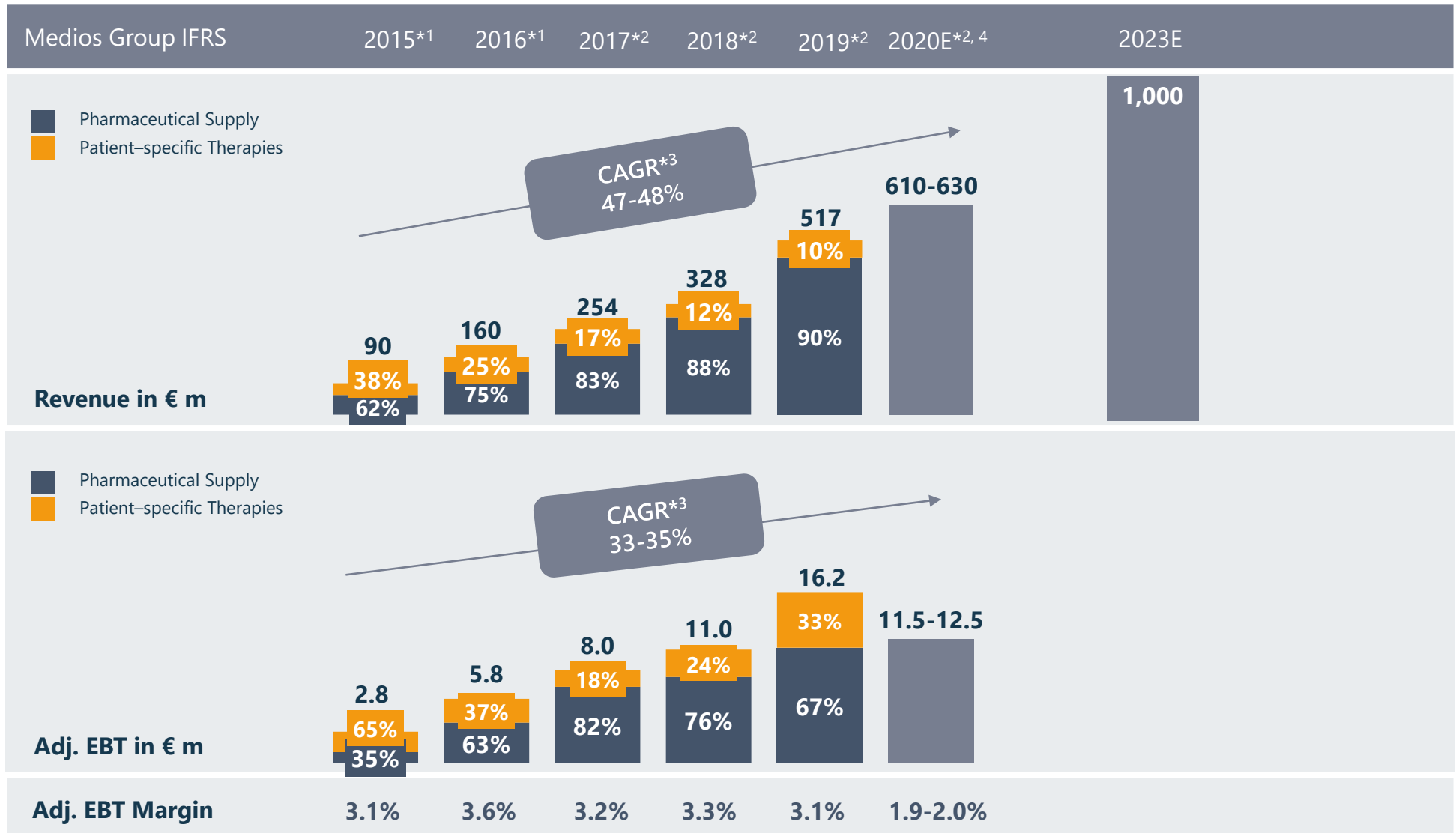
In € million	Outlook as at Feb 2020	Outlook as at Aug 2020
Group revenue	610–670	610–630
Adj. EBITDA*	19.5–22.5	14.0–15.0
Adj. EBT*	17.5–20.5	11.5–12.5
Adj. EBT* margin (in %)	2.9%–3.1%	1.9%–2.0%

Reach the 1 billion € revenue mark by 2023 at the latest



* EBITDA and EBT without extraordinary expenses: adjusted for extraordinary expenses for stock options and amortization of the customer base

Proven financial track with strong profitable growth



*1 2015 and 2016 pro-forma; *2 Adjusted for extraordinary expenses for stock options and amortization of the customer base; *3CAGR = Compound Annual Growth Rate;

*4 Adjusted at 5 Aug 2020



Consolidated statement of comprehensive income H1 2020 impacted by COVID-19 pandemic and additional one-time effects

In € thousand	01/01-30/06/2020	01/01-30/06/2019	01/04-30/06/2020	01/04-30/06/2019
Revenue	292,884	228,506	130,050	121,496
Change in stocks of finished goods and work-in-progress	13	21	-17	-47
Work performed and capitalized	17	423	17	252
Other income	186	230	94	117
Cost of materials	275,440	213,977	121,636	114,029
Personnel expenses	6,846	4,883	3,688	2,543
Other expenses	4,730	3,250	2,801	1,462
Earnings before interest, taxes, depreciation and amortization (EBITDA)	6,085	7,070	2,019	3,784
Depreciation and amortization	1,622	1,104	995	606
Earnings before interest and taxes (EBIT)	4,463	5,966	1,024	3,178
Financial expenses	303	70	230	34
Financial income	14	5	8	3
Consolidated earnings before taxes (EBT)	4,174	5,901	801	3,146
Taxes	1,005	1,929	-57	1,067
Consolidated earnings after taxes	3,169	3,971	859	2,079
Total consolidated earnings	3,169	3,971	859	2,079

Consolidated Balance Sheets H1 2020

ASSETS		
In € thousand	30/06/2020	31/12/2019
Non-current assets	45,594	37,136
Intangible assets	34,122	31,260
Property, plant and equipment	4,758	2,549
Right of use	6,473	3,045
Financial assets	241	283
Current assets	156,552	79,431
Inventories	20,347	16,053
Trade receivables	46,410	42,805
Other assets	3,168	4,787
Income tax receivables	317	165
Cash and cash equivalents	86,310	15,622
Balance sheet total	202,146	116,567

LIABILITIES		
In € thousand	30/06/2020	31/12/2019
Equity		
Subscribed capital	16,085	14,564
Capital reserves	103,652	51,273
Accumulated Group Result	18,958	15,789
Attrib. to shareholders in the parent company	138,695	81,627
Liabilities		
Non-current liabilities	12,110	6,253
Financial Liabilities	6,934	2,577
Other provisions	965	0
Deferred tax liabilities	4,211	3,676
Current liabilities	51,341	26,688
Other provisions	393	501
Trade payables	20,720	12,882
Financial liabilities	18,850	3,664
Income tax liabilities	8,683	7,577
Other liabilities	2,695	4,064
Total liabilities	63,451	34,941
Balance sheet total	202,146	116,567

Consolidated cash flow statement H1 2020

In € thousand	01/01-30/06/2020	01/01-30/06/2019	01/04-30/06/2020	01/04-30/06/2019
Cash flow from operating activities				
Net income for the year	3,169	3,971	859	2,079
Depreciation and amortization on non-current assets	1,622	1,104	995	606
Decrease/increase in provisions	-108	-131	52	53
Other non-cash expenses	390	642	195	358
Increase in inventories, trade receivables and other assets not attributable to investment or financing activities	-4,804	-11,751	21,661	-8,574
Decrease/increase in trade payables and other liabilities not attributable to investment or financing activities	5,345	4,832	-6,556	4,995
Financial result	289	65	230	23
Income/expenses from the disposal of assets	-1	0	-1	0
Income tax expense	1,005	2,350	-64	1,488
Income tax payments	13	0	13	0
Net cash inflow/outflow from operating activities	6,919	1,083	17,383	1,028
Cash flow from investment activities				
Payments made for investments in intangible assets	-671	-115	-435	-50
Payments made for investments in property, plant and equipment	-1,544	-914	-747	-91
Payments from disposals of tangible fixed assets	12	0	12	0
Payments from disposals of non-current financial assets	41	0	21	0
Payments for additions to the consolidated group	-1,163	0	0	0
Interest received	14	5	8	1
Net cash outflow from investment activities	-3,311	-1,024	-1,142	-140
Cash flow from financing activities				
Proceeds from equity injections	52,010	0	52,010	0
Proceeds from financial liabilities	19,000	0	19,000	0
Outflows from the repayment of financial liabilities	0	0	400	0
Interest paid	-427	-70	-70	-23
Repayments of the leasing liabilities	-526	-262	-354	-149
Net cash inflow from financing activities	70,057	-331	70,987	-172
Net change in cash and cash equivalents	73,665	-273	87,227	715
Cash and cash equivalents at the beginning of the period	12,645	11,772	-917	10,784
Cash and cash equivalents at the end of the period	86,310	11,499	86,310	11,499

Financial calendar

Date	Event
25 August 2020	H1 2020 Reporting
26 October 2020	Annual General Meeting
12 November 2020	Q3/9M 2020 Reporting

Matthias Gaertner, CFO

25 August 2020

