

Press Release

Medios significantly expands its market position in manufacturing with the acquisition of NewCo Pharma Group and taps new growth potentials

- Significant strengthening of the segment of patient-specific therapies
- Expansion of the network for the nationwide supply of specialized pharmacies

Berlin, November 25, 2021 – Medios AG (“Medios”), the leading provider of Specialty Pharma Solutions in Germany, has today entered into a purchase agreement to acquire the specialized pharmaceutical manufacturer NewCo Pharma GmbH (“NewCo Pharma”), Mannheim. The acquisition of NewCo Pharma enables Medios to significantly strengthen in particular the segment of patient-specific therapies and thus also to significantly and sustainably increase the profit margins of the entire Medios Group.

Matthias Gaertner, CEO of Medios AG: “The acquisition of NewCo Pharma is a major milestone in Medios' sustainable growth strategy. Our attractive business with patient-specific infusion solutions for the treatment of rare and chronic diseases will thus almost triple. In addition, we will be able to tap new growth potential in the Pharmaceutical Supply segment. Together with NewCo Pharma, we aim to exceed the 1.5-billion-euro revenue mark in 2022 and significantly increase our EBITDA pre¹ margin to over 3%. In addition, together we will be able to position ourselves even better as a close partner to local specialized pharmacies throughout Germany and further increase the number of our partner pharmacies. This will also benefit patients with rare and chronic diseases.”

With the addition of NewCo Pharma's five regional manufacturing facilities, Medios continues to expand its nationwide presence. The newly created network of manufacturing plants will enable pharmacies throughout Germany to be supplied with patient-specific infusion solutions within a very short time. The network of specialized partner pharmacies is also expanding as a result of the merger with NewCo Pharma. The production of specially customized infusion solutions and other parenterals will almost triple as a result of the integration of NewCo Pharma's capacities and is expected to expand to over 300,000 preparations in the 2022 financial year. Furthermore, the acquisition will enable additional synergies in purchasing as well as in clinical trials and study medication.

The management of NewCo Pharma sees great growth opportunities in the integration into Medios AG and will continue to support the joint group of companies in the future.

Joerg Bernhard, Chairman of Board of Directors of NewCo Pharma GmbH:

“NewCo Pharma and Medios complement each other perfectly – both in terms of the business model and the regional positioning. We already have a long-standing business relationship with Medios. Together, we can make an important contribution to further improving healthcare for patients with complex diseases.”

NewCo Pharma Group is a national network with five regional compounding facilities and wholesale with focus on northern, western and southern Germany. The successful group has eight subsidiaries and second-tier subsidiaries. It focuses on the manufacture of patient-specific infusion solutions on behalf of specialized pharmacies. It also wholesales Specialty Pharma products. The focus in the area of manufacturing is on oncological cytostatics and other parenterals. The consolidated revenue of the NewCo Pharma Group grew from around €91 million in 2016 to around €153 million in 2020. Patient-specific therapies contributed over 75% of revenue in 2020. The Group's EBITDA margin was 8.6%. For the 2021 financial year, NewCo Pharma expects a further increase in revenue and earnings. Medios Group intends to provide its concrete outlook for 2022 when it publishes its figures for the 2021 financial year in the first quarter of 2022.

NewCo Pharma and Medios have a very similar strategic approach to customer relationships: Both companies see pharmacies as partners in the supply of Specialty Pharma. In addition to significantly expanding the segment of patient-specific therapies, the acquisition opens up growth potential for Medios in the area of wholesale. Medios will thus be able to tap into NewCo Pharma's customer base for finished pharmaceuticals as well as new market segments.

The purchase price for NewCo Pharma will be paid in part in the form of new shares to be issued, which are subject to a lock-up period of 12 months (50%) and 24 months (50%), respectively. The new Medios shares to be issued will be created from authorized capital in a capital increase against contributions in kind. The remaining purchase price portion will be provided by Medios from existing cash and a committed credit facility.

However, Medios is considering raising alternative financing if market conditions are favorable and generating the funds for the cash purchase price component, if necessary, through a short-term private placement of new shares from authorized capital excluding shareholders' subscription rights. Medios is in exchange with banks on this.

The implementation of the acquisition is subject to approval by the German Federal Cartel Office. The closing of the transaction is planned for the first quarter of 2022.

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

About Medios AG

Medios AG is the leading provider of Specialty Pharma solutions in Germany. As a competence partner and expert, Medios covers all relevant aspects of the supply chain in this field: from pharmaceutical supply to the manufacture of patient-specific therapies including blistering. The focus is on optimal patient care via specialized pharmacies.

Medios AG is Germany's first listed Specialty Pharma company. The shares (ISIN: DE000A1MMCC8) are listed on the Regulated Market of the Frankfurt Stock Exchange (Prime Standard).

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