



BRIEF OVERVIEW OF THE HAEMATO SHARE

In the reporting period HAEMATO AG achieved a turnover of EUR 285.04 million, which is an increase of 19.6% compared to the previous year (EUR 238.33 million). Earnings before interest and taxes (EBIT) totalled EUR 11.16 million (previous year: EUR 1.63 million). At EUR 23.90, the price of the HAEMATO AG share on December 31, 2021 was around 4% higher than on December 31, 2020. At the end of the quarter on March 31, 2022, the shares were trading at EUR 23.60.

KEY FIGURES (IFRS) IN EUR

Consolidated statement of comprehensive income	31.12.2021	31.12.2020
Revenues	285,042,565	238,333,085
EBITDA	12,636,259	3,314,791
EBIT	11,161,909	1,626,908
Net profit for the period	6,533,867	-4,830,798
Consolidated balance sheet	31.12.2021	31.12.2020
Short-term assets	81,069,688	118,977,461
Long-term assets	100,940,181	50,080,736
Equity capital	144,725,954	125,479,913
Liabilities	37,283,915	43,578,284
Balance sheet total	182,009,869	169,058,197
Equity ratio	79.5%	74.2%
Dividend payment per share in EUR*	1.00	0

* per dividend-bearing share for the previous year

XETRA PRICE PERFORMANCE IN THE FISCAL YEAR (XETRA)



CONTENT OF THE ANNUAL REPORT 2021

BRIEF OVERVIEW OF THE HAEMATO SHARE	02	4.3 Forecast Report	25
1. COMPANY PROFILE	06	4.3.1 General Economic Outlook.....	25
1.1 Key Figures of HAEMATO AG	08	4.3.2 Business Outlook.....	27
2. LETTER TO THE SHAREHOLDERS	10	4.4 Risk Report	28
3. REPORT OF THE SUPERVISORY BOARD	12	4.4.1.1 Industry-Specific Risks.....	28
3.1 Supervision of Management and Cooperation with the Executive Board	12	4.4.1.2 Profit-Oriented Risks.....	29
3.2 Meetings, Deliberations and Resolutions.....	12	4.4.1.3 Financial Risks	29
3.3 Annual Financial Statement	13	4.4.1.4 Risk Management System	30
3.4 Dependency Report	13	4.4.2 Opportunities Report	30
3.5 Composition of the Supervisory Board.....	14	4.4.3 General Statement.....	31
3.6 Other	14	4.5 Risk Reporting on the Use of Financial Instruments	31
4. MANAGEMENT REPORT	16	4.6 Report on Branches.....	32
4.2 Economic Report.....	16	4.7 Final Declaration Pursuant to § 312 Paragraph 3 AktG.....	32
4.2.1 Macroeconomic, Industry-Related Framework Conditions	16	5. CONSOLIDATED FINANCIAL STATEMENTS	34
4.2.1.1 General Economic Conditions.....	16	5.1 Consolidated Balance Sheet – Assets.....	34
4.2.1.2 Pharmaceutical Market.....	18	5.2 Consolidated Balance Sheet – Equity & Liabilities.....	35
4.2.2 Business Development.....	19	5.3 Consolidated Statement of Comprehensive Income	36
4.2.3 Business Situation	22	5.4 Consolidated Statement of Changes in Equity ..	37
4.2.3.1 Earnings Situation of the HAEMATO Group (IFRS).....	22	5.5 Consolidated Cash Flow Statement	38
4.2.3.2 Financial Situation of the HAEMATO Group (IFRS).....	23	6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	40
4.2.3.3 Net Assets of the HAEMATO Group (IFRS).....	24	6.1 Basis of Preparation of the Financial Statements	40
4.2.3.4 Earnings Situation of HAEMATO AG (HGB)	24	6.1.1 Reporting Company	40
4.2.3.5 Financial Situation of HAEMATO AG (HGB)	24	6.1.2 Accounting Principles	40
4.2.3.6 Net Assets of HAEMATO AG (HGB).....	25	6.1.3 Functional and Reporting Currency	40
4.2.3.7 Financial Performance Indicators of the HAEMATO Group (IFRS).....	25	6.1.4 Changes in Significant Accounting Policies	40
		6.1.5 Consolidation Scope.....	41



6.1.6	Principles of Consolidation.....	42
6.1.7	Estimates and Assumptions	43

6.2 Notes to the Consolidated Balance Sheet –

Assets	44	
6.2.1	Cash and Cash Equivalents.....	44
6.2.2	Trade Account Receivables	44
6.2.3	Inventories.....	44
6.2.4	Other short-term Financial Assets	45
6.2.5	Other short-term Assets.....	45
6.2.6	Income Tax Receivables.....	45
6.2.7	Intangible Assets.....	45
6.2.8	Tangible Assets.....	46
6.2.9	Other long-term Financial Assets.....	48
6.2.10	Other long-term Assets	48

6.3 Notes to the Consolidated Balance Sheet –

Liabilities & Equity.....	50	
6.3.1	Short-term Accruals.....	50
6.3.2	Income Tax Liabilities.....	50
6.3.3	Trade Account Payables.....	51
6.3.4	Leasing Liabilities.....	51
6.3.5	Other short-term Financial Liabilities	51
6.3.6	Short-term Liabilities.....	51
6.3.7	Contractual and Refund Liabilities.....	52
6.3.8	Long-term Accruals.....	52
6.3.9	Deferred Tax Assets and Deferred Tax Liabilities.....	52
6.3.10	Equity.....	53
6.3.11	Contingent Liabilities	55

6.4 Notes to the Statement of Comprehensive

Income	56	
6.4.1	Sales Revenues.....	57
6.4.2	Other Operating Income.....	57
6.4.3	Cost of Materials.....	57
6.4.4	Personnel Expenses.....	57
6.4.5	Other Operating Expenses	57

6.4.6	Depreciation.....	58
6.4.7	Income from Investments	58
6.4.8	Other Interest and Similar Income	58
6.4.9	Interest and Similar Expenses	58
6.4.10	Valuation of Financial Assets.....	58
6.4.11	Income from the Disposal of Financial Assets.....	58
6.4.12	Taxes on Income and Earnings.....	59
6.4.13	Earnings per Share.....	59

6.5 Notes to the Consolidated Cash Flow

Statement	60
------------------------	-----------

6.6 Other Information

6.6.1	Information on Members of the Corporate Bodies	60
6.6.2	Number of Employees	61
6.6.3	Financial Instruments	61
6.6.4	Management of Financial Risks	63
6.6.5	Auditor's Fees.....	66
6.6.6	Related Persons and Companies.....	66
6.6.7	Events after the Balance Sheet Reporting Date.....	67
6.6.8	Auditor's Report.....	68

7. FURTHER INFORMATION.....

7.1	The Share.....	72
7.2	Financial Calendar	72
7.3	Glossary	73
7.4	Sources	74
7.5	Imprint & Contact.....	75

1. COMPANY PROFILE



HAEMATO AG is a listed group of companies operating in the pharmaceutical sector with headquarters in Berlin. Business operations are mainly performed by three companies: **HAEMATO PHARM GmbH**, **HAEMATO MED GmbH** and **M1 AESTHETICS GmbH**. The HAEMATO group has a commercial and production area of approx. 4,200 m² at Schönefeld and employs 111 people as of December 31, 2020.

HAEMATO PHARM GmbH

Since 2005, HAEMATO PHARM GmbH has been committed to making an active contribution to healthcare costs reduction. Based on the **(parallel-) import and distribution of low-priced EU original medicinal products**, patients can benefit from the latest therapies and treatment concepts, although these are often very expensive. In order to ensure permanently low prices, HAEMATO PHARM profits from the regional price differences between the individual European countries for procurement purposes. The focus is on the cost-intensive therapeutic areas of oncology, HIV/AIDS, neurology, rheumatology and other chronic diseases. The product portfolio of HAEMATO PHARM currently comprises (after portfolio optimisation) around 530 actively approved EU original medicinal products.

HAEMATO MED GmbH

HAEMATO MED GmbH is active in the healthcare sector. The company **develops and markets medical devices and medical technology products for aesthetic surgery and cosmetic dermatology**. The focus is on close cooperation with doctors and customers in the area of aesthetic medicine. The key objective of HAEMATO MED is to consistently include the expectations and needs of both target groups in all development steps combined with the latest technological and scientific knowledge leading to safety, quality and enhanced comfort of aesthetic treatment. As an exclusive partner, HAEMATO PHARM supports the distribution of the products. At the end of 2020, HAEMATO MED passed the first stage of DIN ISO 13485 certification, which is a requirement for the development of own private label brands.



M1 AESTHETICS GmbH

Since 2021, M1 Aesthetics GmbH is also part of the HAEMATO Group. M1 Aesthetics is a healthcare company **specialising in the marketing of pharmaceutical, medical and medical technology products for aesthetic surgery and cosmetic dermatology**. Its main customers include clinics, pharmacies as well as general practitioners and medical care centres in the field of aesthetic medicine and dermatology. The company is also active in the European wholesale of special pharmaceuticals.

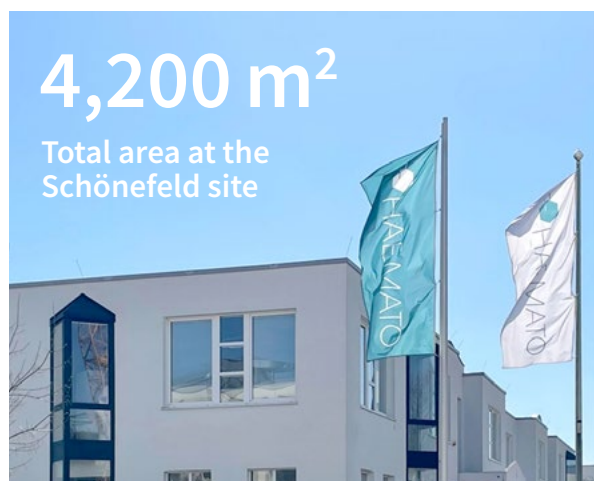


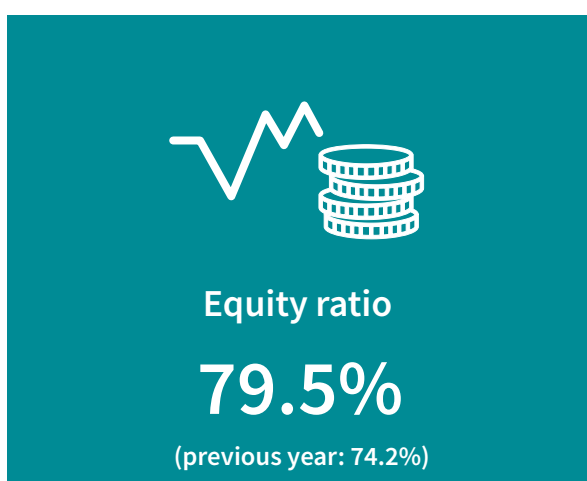
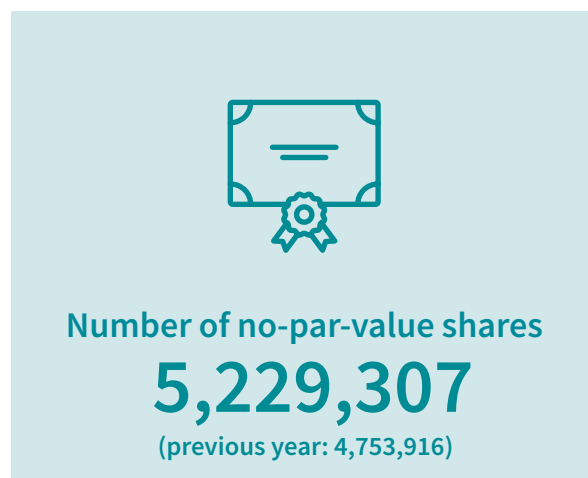
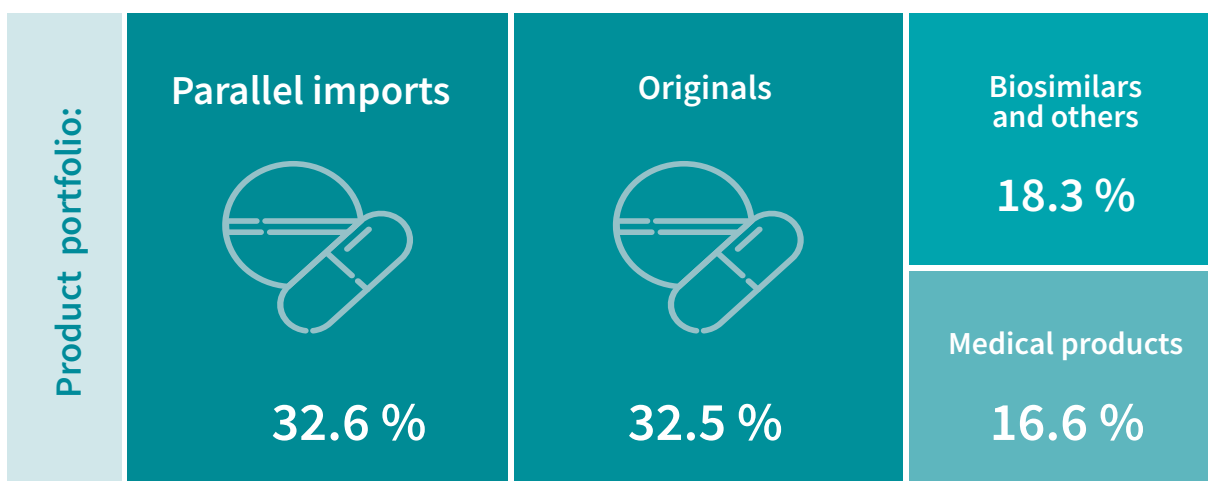
HAEMATO group's focus markets are Germany, Austria and the Netherlands. Customers include pharmacies, wholesalers, doctors, clinics as well as laboratories and corona test centres. The regular customer base includes over 16 wholesalers and more than 6,000 pharmacies.

In the past financial year 2021, the HAEMATO Group expanded its **product portfolio** even further. Due to the Corona pandemic, a high demand for medical products in the field of COVID-19 diagnostics was recorded and serviced (especially rapid antigen tests and PCR test devices and equipment). At the end of 2021, the re-certification for the trade in narcotics was successfully carried out. The trading activities in the narcotics market will be successively expanded. The acceptance of the BtM warehouse by the authorities has already taken place in 2020. The necessary permit for BtM trading was already acquired by HAEMATO in 2019 after the high safety requirements and quality specifications were met. Thus, we want to further expand the versatility of our assortment as a competitive advantage and be in a stable position in the dynamic pharmaceutical market.



1.1 Key Figures of HAEMATO AG





2. LETTER TO THE SHAREHOLDERS



DEAR SHAREHOLDERS,

In the past financial year, the restructuring of the Group towards a more efficient organisational structure and the focus on higher-margin products as part of the portfolio streamlining, which already began at the end of 2019, took full effect for the first time. HAEMATO AG can therefore look back on a very successful year 2021, which allowed the company to continue on its previous growth path and increase its revenue by around 20% once again.

The IFRS consolidated turnover increased by EUR 46.71 million to EUR 285.04 million. At the same time, the operating result (EBIT) increased almost by a factor of seven from EUR 1.63 million to EUR 11.16 million. The pre-tax result increased disproportionately from EUR -4.55 million to EUR 9.36 million. The net profit for the year after taxes was EUR 6.53 million. The previous year's result was influenced by special effects on the balance sheet date and led to a net loss for the year of EUR 4.83 million.

The sales growth in the 2021 financial year was primarily generated by focusing on special pharmaceuticals for chronic diseases and aesthetic medicine products as well as medical products in the field of COVID-19 diagnostics.

The „Specialty Pharma“ segment includes the health insurance-financed trade and import of highly priced prescription drugs in the areas of oncology, rheumatology, neurology, HIV and cardiovascular diseases. The product portfolio is further complemented by cannabis and other narcotics. The „Specialty Pharma“ segment generated a sales volume of EUR 220 million (corresponds to 77%).

The „Lifestyle and Aesthetics“ segment primarily focuses on the lucrative self-pay market offering medicinal products and medical devices. With the acquisition and first-time consolidation of M1 Aesthetics GmbH on January 1, 2021, the product portfolio was expanded by including medicinal products and medical devices for use in aesthetic medicine as well as cosmetic products. As a specialist in the distribution of aesthetic medicine and dermatological active ingredient treatments, M1 Aesthetics GmbH has access to a network of treatment centres and clinics that perform aesthetic procedures. The company sells hyaluronic acid, Botox and cosmetics, among others. In addition to B2B trade, this segment also includes the trade of cosmetic products to end customers. The „Lifestyle and Aesthetics“ segment generated sales of EUR 65 million (corresponds to 23%).

The diagnostics business also contributed to the positive development of the result. In spring 2021, a special approval was obtained for COVID-19 self-tests. HAEMATO was able to utilize the strong demand for these tests in the wake of the Corona pandemic and thus also contributed to the containment of the pandemic situation.

Equity grew by EUR 19.2 million to EUR 144.7 million as of December 31, 2021. The equity ratio correspondingly increased to 79.5% (previous year: 74.2%). Liabilities were reduced again to EUR 37.3 million (previous year: EUR 43.6 million). The liabilities to banks included in this amount fell by EUR 3.6 million (corresponds to around 20%) to EUR 14.5 million as at the balance sheet date of December 31, 2021.

In the past financial year, a high operating cash flow of EUR 13.9 million was generated once again (previous year: EUR 13.8 million). The total cash flow increased from EUR 9.3 million in the previous year to EUR 8.1 million in the 2021 financial year, aided by a capital increase of EUR 14.5 million carried out in March 2021. The capital increase secures the upcoming development and future private label business.

Currently, wholesale and the development of high-margin own brands in the area of „aesthetic medicine“ are being expanded further. In October 2021, the company signed a licensing and supply agreement with its South Korean cooperation partner HUONS Biopharma. This will allow the company to register and distribute a botulinum toxin product under its own name throughout Europe. Preparations are currently in progress to initiate the complex approval procedure with the regulatory authorities alongside clinical trials.

We would like to express our sincere thanks for the outstanding commitment and tireless efforts of our employees and wish everyone involved continued good health.

Schönefeld, April 2022



Patrick Brenske
Management Board



Attila Strauss
Management Board

3. REPORT OF THE SUPERVISORY BOARD

3.1 Supervision of Management and Cooperation with the Executive Board

In fiscal year 2021, the Supervisory Board of HAEMATO AG exercised the duties under the law and the Articles of Association with great care. The Executive Board was monitored by the Supervisory Board and was advised in its activities by the Supervisory Board within the scope of exercising its control rights. The Supervisory Board was involved by the Executive Board in all decisions of fundamental importance to the company. The Executive Board regularly informed the Supervisory Board verbally, by telephone and in writing in a timely manner about significant events in the course of business, the economic situation of the Company and the Group, corporate planning and investment and capital measures measures.

The Supervisory Board was able to satisfy itself of the correctness of the management.

3.2 Meetings, Consultations and Resolutions

The Supervisory Board held five ordinary meetings in the 2021 financial year. All meetings were quorate. The following topics, among others, were the focus of the meetings:

February 9, 2021:

- Explanation of the preliminary results of the 2020 financial year
- Situation of the financing negotiations
- Revocation of the appointment of the Executive Board member Daniel Kracht as of 28.02.2021

May 4, 2021:

- Consultation of the audited annual financial statements 2020 and other submissions pursuant to § 170 AktG
- Resolution on the approval of the annual financial statements 2020
- Consultation and resolution of the proposal to the Annual General Meeting of HAEMATO AG on the distribution of profits for the 2020 financial year
- Consultation on the report of the Executive Board on the relationships with affiliated companies for the 2020 financial year and the auditor's report
- Consultation on and adoption of the report of the Supervisory Board to the General Meeting for the for the 2020 financial year
- Resolution on the agenda for the Annual General Meeting on 13.07.2021
- Resolution on the election to the Supervisory Board
- Proposal for the election of the auditor

July 12, 2021:

- Preparation of the Annual General Meeting on the 13.07.2021

October 19, 2021:

- Outlook for the 2021 financial year and situation of the company
- Current competitive, reorganisation and personnel measures for efficiency increases
- Expansion of own-brand portfolio, contract negotiations Botox approval

December 7, 2021:

- Investor Relations status
- Result Q3/2021 and operational highlights Q1-Q3/2021
- Signing of collaboration agreement and status of preparations for clinical trials in conjunction with Botox approval
- Expansion of the medical products area to include PCR laboratory testing equipment Contribution of the M1 Aesthetics GmbH shares into HAEMATO AG

In addition, current developments, strategic decisions and their operational realisation were discussed in the Supervisory Board meetings. Further informal meetings or telephone conferences were held between the Supervisory Board and the Executive Board to discuss new significant business policy developments.

3.3 Annual Financial Statement

The Supervisory Board satisfied itself of the regularity of the corporate management. The annual financial statements prepared by the Executive Board, the consolidated financial statements and the combined management report of HAEMATO AG and the HAEMATO Group for the financial year ended December 31, 2021, including the bookkeeping, were audited by Dipl.-Kfm. Harry Haseloff, Berlin, who was appointed as auditor by the Annual General Meeting, and have been endorsed with an unqualified audit opinion.

The annual financial statements, the consolidated financial statements, the combined management report of the HAEMATO AG and the Group, the auditor's reports and the proposed appropriation of the balance sheet profit were submitted to each member of the Supervisory Board in good time before the balance sheet meeting on May 3, 2022. At the balance sheet meeting on May 3, 2022, the auditor reported the main results of his audit and was available to answer questions from the members of the Supervisory Board. The Supervisory Board reviewed the annual financial statements and the consolidated financial statements prepared by the Executive Board. On the basis of its own review the Supervisory Board approved the annual financial statements and the consolidated financial statements prepared by the Executive Board at the Supervisory Board meeting on May 3, 2022. The annual financial statements are thus approved.

At the Supervisory Board meeting on May 3, 2022, the Supervisory Board approved the results of the auditor's audit and, after its own review of the annual financial statements, raised no objections. We also reviewed the proposal of the Management Board to use the balance sheet profit for the distribution of a dividend in of EUR 1.10 per share that is entitled to a dividend. We consider this proposal appropriate and therefore support it.

3.4 Dependency Report

HAEMATO AG prepared a dependent company report for the fiscal year ended December 31, 2021 in accordance with § 312 AktG.

The dependent company report was audited by the auditor Harry Haseloff, Berlin, who was appointed as auditor by the Annual General Meeting, in accordance with § 313 (1) AktG. The auditor Harry Haseloff, Berlin, submitted a separate written report on the results of the audit. Since there were no objections to the report of the Executive Board, the audit opinion was issued in accordance with § 313 (3) AktG.

At the balance sheet meeting on May 3, 2022, the auditor reported on the results of his audit and confirmed the correctness of the factual statements made in the dependency report. He also confirmed that according to the legal transactions listed in the statement the company's performance was not unreasonably high or any disadvantages were compensated and that for the measures listed in the report, there are no circumstances that result in a significantly different assessment than the one made by the Executive Board.

The dependent company report and the respected auditor's report were submitted to the Supervisory Board in good time before the balance sheet meeting on May 3, 2022 in accordance with § 314 AktG. At its meeting on May 3, 2022 the Supervisory Board thoroughly examined the dependent company report for completeness and correctness. The Supervisory Board concluded that there were no objections to the declaration of the Executive Board at the end of the report on relations with affiliated companies and approved the dependent company report.

3.5 Composition of the Supervisory Board

In the period from January 1, 2021 to December 31, 2021, the Supervisory Board was composed of Supervisory Board members Andrea Grosse (Chairwoman), Prof. Dr. Dr. Sabine Meck (Deputy Chairwoman), Dr. Marion Braun (Member until February 15, 2021) and Uwe Zimdars (Member as of March 9, 2021).

3.6 Other

The Supervisory Board would like to thank the Executive Board, Mr. Patrick Brenske for the successful management of the HAEMATO Group and the pleasant, constructive and successful cooperation in 2021.

The Supervisory Board would like to thank all employees of the HAEMATO Group for their commitment and achievements in the past fiscal year.

Berlin, May 3, 2022



Andrea Grosse
(Chairwoman of the Supervisory Board)



4. MANAGEMENT REPORT

4.1 Fundamentals of the Company

4.1.1 Business Model

The HAEMATO Group is active in the pharmaceutical sector, particularly in wholesale and manufacturing. The focus of business activities is on the sale of off-patent and patent-protected drugs in the insurance-financed market as well as the sale of medical products. The focus is on growth markets and therapies for cancer, HIV, rheumatology and other chronic diseases. The portfolio is also supplemented by products for the privately financed market for aesthetic treatments. The main customers are pharmacies and wholesalers as well as doctors, clinics and medical laboratories.

Our customers primarily include pharmacies, wholesalers and treatment centres as well as doctors and clinics.

With our product portfolio of off-patent and patent-protected medicines, we contribute towards an efficient supply of medicines. In doing so, we help to reduce costs for health insurance companies and thus also for patients.

4.1.2 Research and Development

We do not carry out any research and development.


4.2 Economic Report

4.2.1 Macroeconomic, Industry-Specific Conditions

4.2.1.1 General Economic Conditions

Following a contraction of 3.1% in 2020 due to the consequences of the „Corona recession“ and prolonged lockdown phases, the global economy was able to grow by 5.9% in 2021.¹ After mid-year, however, the recovery of the global economy lost momentum. In many parts of the world, renewed corona infections slowed economic activity. Supply shortages hampered the recovery in industrial production, and the Chinese economy seems to have lost its stride. There is great uncertainty about the impact of the new Omikron variant of the coronavirus on the economy.²

The recovery of the global economy from the corona-induced slump was slow and inconsistent in 2021. Although world production continued to rise significantly over the course of the year, the overall momentum was only moderate. World output, calculated on a purchasing power parity basis, actually rose quite considerably overall in the third quarter of 2021. This was due to economic activity in India recovering from the effects of a massive lockdown imposed in the spring following a dramatic COVID-19 wave. In the rest of the world, however, economic activity weakened noticeably after mid-year. The waves of infection in the different countries are becoming less and



less synchronised, consequently resulting in different economic effects. Especially in countries with a high vaccination rate, higher incidences are now tolerated without containment measures that strongly dampen the economy. In the summer of 2021, an increased incidence of infection led to significant slowdowns in economic activity, particularly in many Asian countries, while the impact on production in the United States and Europe was for the most part minor. With the outbreak of the new virus variant Omikron, continued supply shortages limiting production of goods and significantly increased inflationary pressures, the outlook for the end of 2021 has dimmed.³

While the incidence in the US and Asia fell again in autumn, Europe is now at such a high level that many countries have taken new containment measures. Consequently, significant economic braking effects are to be expected in the fourth quarter 2021. In developing countries the picture is diverse, but in most cases the increase in production also slowed down in the summer. While the Indian economy recovered from the renewed pandemic-related set-back recorded in the spring, many other developing countries in Asia experienced a major increase in the number of infections with the spread of the delta variant, which led to significant declines in economic activity. In China, where the government has a strict zero-COVID policy, containment measures were taken regionally. In some cases, these were severe and their impact was felt globally at times through international supply chains. In addition, the Chinese economy was slowed down by energy supply problems. In recent months, companies were repeatedly forced to shut down production in order to reduce electricity consumption. Finally, financial difficulties of large companies in the real estate sector weighed on economic sentiment and activity in residential construction. In Latin America, the economy is divided. While the economies of the Andean countries Chile, Peru and Colombia continued to expand strongly, the production in the large countries like Brazil and Mexico - and probably also in Argentina - declined, although only in Mexico was this largely due to the pandemic. In Brazil and Argentina, on the other hand, agricultural production declined as a result of the drought. Private consumption slowed down due to rising prices that reduced purchasing power.⁴

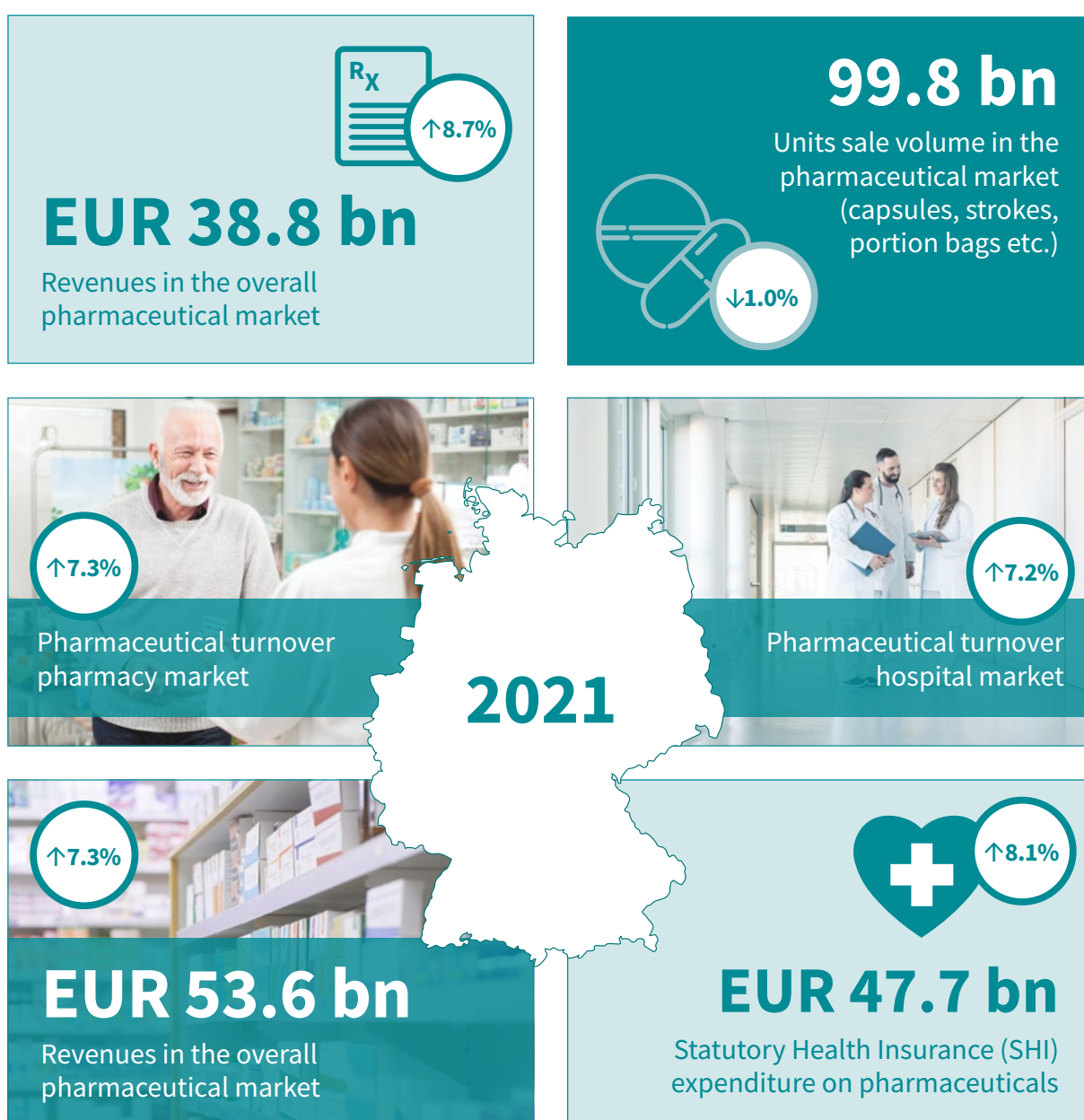
In the course of 2021, inflation has picked up strongly to the point where, in autumn, it is higher in many countries than it has been for several decades. In G7 countries, it was 4.5% in October. Over the past few months, events on the energy markets have been marked by a drastic increase in the price of gas, which was particularly noticeable in Europe. The high gas prices also affected the price of oil, which rose to around 85 dollars per barrel of Brent in November 2021, the highest level since 2014.⁵

In Germany, GDP increased by 2.7% in 2021, after declining by 4.6% a year earlier due to the pandemic. Given pandemic-related necessary restrictions in contact-intensive services and difficulties in industrial production due to persistent supply shortages, the final quarter of 2021 is likely to be weak. However, the situation in the manufacturing sector has stabilised in recent months. After a significant increase in October, industrial production rose once again slightly in November 2021. The number of incoming orders also picked up noticeably again recently. Business sentiment in the manufacturing sector has improved for the first time in six months. Sentiment in manufacturing companies improved for the first time in six months. Sales in the retail sector increased again in November 2021 and significantly exceeded their pre-crisis level of February 2020. According to an estimate by the Federal Statistical Office, the German retail sector as a whole achieved record sales in 2021. However, the outlook for the coming months remains burdened by the pandemic and a high inflation rate. Given the increasing spread of the omicron variant, the overall consumer climate has weakened. The inflation rate in December 2021 was 5.3%, the highest since June 1992. In 2021 as a whole, the inflation rate averaged 3.1%, with a higher level last recorded in 1993.⁶

4.2.1.2 Pharmaceutical Market

The combined chemical and pharmaceutical industry is the third largest industrial sector in Germany following the automotive and mechanical engineering sectors. The pharmaceutical industry is an important part of the chemical industry. Pharmaceuticals account for over 20% of total chemical production. The pharmaceutical industry is one of the most productive and research-intensive economic sectors in Germany. Research expenditures on average amount to more than 10% of revenue.⁷

In 2021, turnover of medicinal products in the entire pharmaceutical market (pharmacy and clinic) rose by 7.3% to EUR 53.6 bn. Growth in the pharmaceutical market (volume: EUR 46.1 bn) and the hospital market (volume: EUR 7.5 bn) is almost identical, at 7.3% and 7.2%, respectively. The sales situation is slightly more differentiated, with an overall decline of 1.0%. While the number of units (capsules, strokes, sachets, etc.) in the pharmaceutical market decreased by only 0.8% compared to the previous year, the decline in the hospital market was 2.5%. However, the situation in hospitals was affected by the availability of bed capacities for COVID patients and the postponement of scheduled procedures due to the pandemic situation.⁸



Source: IQVIA MARKET REPORT: Development of the German pharmaceutical market in 2021

The pharmaceutical market recorded a growth in sales of just under 8% in the year 2021 as a whole. More than 1.6 billion packages (+0.7%) worth over EUR 44 bn (at the pharmaceutical entrepreneur's selling price, incl. vaccines and test diagnostics) were supplied to patients. After a massive drop in sales in the first quarter of 2021, sales in the pharmaceutical market recovered and exceeded those of the previous year. Sales increased again from April and settled in a high single-digit range. With significant increases in the months from the second quarter onwards, there were signs of a return to normality in the health sector. As a result, patients were likely to visit more doctors and pharmacies again. Despite rising incidences with the Omikron variant, which is comparatively moderate in the course of the disease, this trend also continued in the winter months. The market segment of **prescription** drugs grew by just under 9% in terms of sales in 2021 as a whole, corresponding to a market volume of just under EUR 39 bn. Sales of **over-the-counter** medicines sold by pharmacies and via dispatch rose slightly by just under 2% to EUR 5.7 bn. The retail market for over-the-counter medicines and non-prescription drugs grew by almost 11% in terms of value (EUR 2.8 bn) and by just under 8% in terms of volume (241 million packages) in 2021. In particular, the area of medical supplies, including COVID-19 tests and devices, showed the highest growth with almost 27% increase in sales and 11% in volume (with 4% total market share by sales). In general, the pandemic situation has led to an increased use of this distribution channel in all product categories.⁹

As expected, SHI drug sales for the year as a whole are also influenced by COVID-19, as is particularly indicated by the monthly market development. But even here, a growth of the SHI market with an increase in sales is emerging from April onwards after a very weak and negative first quarter of 2021, while sales remained almost unchanged. Expenditure on SHI medicines excluding discounts from manufacturers (§ 130a Para. 1 SGB V) and pharmacies (without taking into account savings from discount agreements) will amount to EUR 47.7 bn in the year 2021 as a whole. The increase in sales is almost unchanged at 0.1%. Savings for the statutory health insurance system from mandatory manufacturer discounts and discounts from reimbursement amounts to EUR 6.5 bn (+13%) in the overall market in 2021. Private health insurers also make savings through mandatory manufacturer discounts and deductions from reimbursement figures. This calculated volume amounts to EUR 931 million (+4%) in the entire market in 2021. In hospitals, mandatory manufacturer discounts and reductions increased by 6% to EUR 214 million.¹⁰

4.2.2 Business Development

As a pharmaceutical manufacturer, the HAEMATO Group distributes its own generic drugs as well as European imported drugs and medical products. As of 01.01.2021, the product portfolio was expanded with the acquisition and first-time consolidation of M1 Aesthetics GmbH to include pharmaceuticals and medical products for use in aesthetic medicine as well as cosmetic products. The focus is particularly on growth markets in the area of special pharmaceuticals, primarily in the high-priced indication areas of oncology and HIV as well as in the areas of rheumatism, neurology and cardiovascular diseases. In addition, pharmaceuticals of other manufacturers licensed in Germany are offered by the HAEMATO Group within the scope of the wholesale licence. In the field of aesthetic medicine, the company is primarily represented in the self-payer market by distributing medical products for surgery and cosmetic dermatology. The largest and most important sales market is the German market.

In 2021, Group sales rose to EUR 285.04 million (previous year: EUR 238.33 million). EUR 285.04 million (previous year: EUR 238.33 million) and thus by 19.6%. Considering the turnover without M1 Aesthetics GmbH, which was consolidated for the first time, the turnover is comparable to 2020 at EUR 251.67 million, which represents an organic growth in turnover of 5.6% compared to the previous year. The diagnostics business was also able to contribute positively to this. In spring 2021, a special approval for self-testing was obtained. HAEMATO was able to exploit the strong demand for these tests in the course of the Corona pandemic. By securing supply reserves, HAEMATO was able to contribute quickly and in a flexible manner to the containment of the pandemic situation. Due to the rapid decline in prices and market oversaturation, further increases of stock were not necessary in the second half of the year. The sales of narcotics, cannabis and biosimilars were increased, but are not yet contributing significantly to HAEMATO's turnover.

HAEMATO's performance in the past business year was marked by the prevailing pandemic. Because of flexible and quick decisions, the situation, which was detrimental and at times also stressful for the population, could be utilised in a positive economic way. Due to restructuring and internal process optimisation, a more efficient and leaner business process was initiated and started to be implemented. This resulted in cost savings in almost all areas of the Group.

In the previous year, considerable restrictions had to be placed with regard to physical contact. The introduction of the shift model in all areas meant that the organisational situation was more manageable in the reporting year. Due to the increasing number of vaccinations and the mutation of the virus strain, it was possible to gradually ease restrictions, which also led to a return to normal business operations at HAEMATO. In the second half of the year, sales staff took advantage of the reduced restrictions and resumed their activities as competent contact partner at the customer's site. There were no delivery delays or failures.

The increased delivery pressure in previous years, combined with continuously rising expenses in terms of health insurance discount contracts, led to some items in the product portfolio being uneconomical. As a result, the excess stocks were reduced and the contracts were terminated or not renewed. This portfolio adjustment already had the positive effect in 2021 by preventing uneconomical transactions and the procurement of goods that lead to inefficient margins. HAEMATO was thus able to stabilise its core business. With the consolidation of M1 Aesthetics GmbH, the expansion of business activities in the area of medical products was driven forward. Furthermore, the product areas of diagnostics and cosmetics have been added, resulting in HAEMATO's business area being divided into two segments:


Specialty Pharma

HAEMATO's core business is the trading and production of pharmaceuticals and drugs in the fields of HIV, oncology, rheumatology, neurology and cardiovascular diseases. In this field, HAEMATO acts as a wholesaler and parallel importer. In addition to the above-mentioned areas, expansions are being built up in the sale of narcotics, cannabis and biosimilars. Specialty pharma products include personalised medicines, which are prepared in accordance to important parameters such as blood values, body size and body weight. The complex development and production process leads to higher prices than for ordinary medicines. However, this individualisation is also associated with higher and, above all, more targeted efficiency. The „Specialty Pharma“ segment will account for EUR 219.9 million of the Group's total revenue in 2021, corresponding to 77.1% of revenue. Around EUR 8.7 million was contributed to the gross profit - a share of 28.5%. Overall, the gross margin in the core business is low compared to the second segment mentioned below; amounting to 4.0%.

In Europe, IMS health market researchers expect annual sales growth of 10% for specialty pharmaceuticals. Likewise, in the USA, this type of medicine is emerging from a niche product to become a megatrend. According to the Drug Channels Institute (DCI), the share of specialty pharma drugs in total drug sales is expected to increase from 27% to 44%.¹¹

Lifestyle and Aesthetics

The „Lifestyle and Aesthetics“ segment emerged from the original single-segment group with the acquisition of M1 Aesthetics GmbH. Until 2020, HAEMATO marketed drugs for aesthetic treatment and surgery in addition to the Specialty Pharma. In addition, HAEMATO also supplied medicinal products for aesthetic treatment and surgery; Botulinum toxin (Botox) should be mentioned here in particular. As a specialist in the distribution of aesthetic medicine and dermatological active ingredients for treatment, M1 Aesthetics GmbH has access to a network of treatment centres and clinics that perform aesthetic treatments, primarily operating in the self-payer market. Here, the company supplies hyaluronic acid and Botox as well as cosmetics. The segment is further complemented by sales opportunities in the field of diagnostics, which emerged in 2020.



In addition to B2B trade, this area also includes the trade of cosmetic products to retail customers („B2C“), which is distributed via an online shop named „M1 Select“. This brand enables the HAEMATO Group to address a young, dynamic target group with consumer behaviour characterised mainly by social media and web-based sales markets. This so-called „Generation Y“ is primarily driven by influencers and an increased advertising effort, which allows for a rapid growth in the reach and marketing of the products. Simultaneously, this level of awareness and the distribution of the M1 Select products in the treatment centres of the parent company M1 Kliniken AG facilitates customer loyalty and increased sales growth in the field of aesthetic treatments.

The share of the „Lifestyle and Aesthetics“ segment is characterised by a more profitable gross margin, amounting to 33.7%. The Group's share of sales in this segment reached EUR 65.1 million in 2021, which represents 22.9% of total Group sales. Here, EUR 21.9 million could be contributed to the gross profit. This corresponds to a share of 71.5%.

No companies were acquired or sold in the past financial year.

The number of employees (excluding apprentices) has decreased from 151 persons (of which 132 are full-time) on December 31, 2020 to 111 persons (of which 95 are full-time) as of December 31, 2021. 11 of these employees (of which 6 are full-time) are part of M1 Aesthetics GmbH, which were not taken into account in the previous year.

In March 2021, the Management Board of HAEMATO AG changed due to the departure of Mr. Daniel Kracht. Since March 1, 2021, Mr Patrick Brenske took over as sole member of the HAEMATO AG Management Board.

The company's business operations are not subject to any particular seasonal influences. In the past financial year, there were no special cases of damage or accidents.

On the financing side, around EUR 3.6 million in bank liabilities were repaid by the reporting date of December 31, 2021. In addition, trade payables were reduced by EUR 0.8 million as of the balance sheet date compared to the previous year. Trade account payables include EUR 4.0 million from the newly added subsidiary of M1 Aesthetics GmbH. After deducting these liabilities and before consolidations, HAEMATO was able to reduce trade account payables by EUR 4.4 million compared to the previous year.

The financial result for 2021 was strongly influenced by balance sheet date-related depreciation on financial assets of EUR -1.9 million (previous year: EUR -5.4 million), which did not affect liquidity. Overall, the financial result for 2021 totalled EUR -1.8 million (previous year: EUR -6.2 million).

In total, a net profit of EUR 6.5 million was achieved in the 2021 financial year (previous year: EUR -4.8 million). M1 Aesthetics GmbH contributed to this result with a net profit of EUR 3.2 million and was able to improve its net profit by EUR 0.8 million compared to the previous year.

The HAEMATO Group and all employees are focused first and foremost on the needs of the customers in their everyday work. Service, quality and reliability are essential elements of our customer orientation and at the same time drivers of further growth.

4.2.3 Business Situation

4.2.3.1 Earnings Situation of the HAEMATO Group (IFRS)

The Group's turnover has increased compared to the previous year. After the first-time consolidation and takeover of M1 Aesthetics GmbH, sales continue to be generated mainly from parallel imports and original medicinal products. However, sales opportunities for further products in the Lifestyle and Aesthetics segments have been added. Since 2021, medicinal products and medical devices can thus be supplied not only to clinics, pharmacies and wholesalers, but also to treatment centres that are operating in the self-payer market.

The trading of medicinal products in the market of insurance-regulated customer groups continues to be characterised by persistent price pressure triggered by health insurance companies and manufacturers. We were able to limit this pressure through an optimised product selection by adapting the portfolio to the prevailing conditions. In the „Specialty Pharma“ segment, sales of EUR 219.9 million were generated in the reporting year. The gross margin in this segment is 4.0% in the 2021 financial year.

The „Lifestyle and Aesthetics“ segment is more profitable due to its customer structure and products. With sales of EUR 65.1 million, a gross margin of 33.7% was generated. This includes products for use in aesthetic surgery and treatments, which are part of the self-payer market, as well as products sold for diagnostic purposes. In 2021, the market for corona prevention and diagnostics was characterised by high demand, which was quickly met by a large number of competitors. This sharp increase in pricing pressure caused HAEMATO to be successful, especially in the first half of 2021, driven by rapid organisational measures. This head start also helped in the second half of the year, in which the company was able to acquire larger orders. However, as competition increased, the gross margins on these orders gradually declined.


According to the industry, a long-term order range and mandatory purchase or delivery quantities are not customary and do not exist.

The cost of materials in relation to the Group's turnover decreased from 92.58% in 2020 to 89.22% in the 2021 financial year. This is due in particular to the new range of products.

Diversification and thus a direct allocation of the individual operating expenses to both segments is not possible due to the Group structure. There is no geographical or task-based separation of employees, facilities and business areas at HAEMATO AG. The following information relates to the entire group.

The personnel cost ratio fell slightly compared to the previous year and reached 2.6% in the 2021 financial year; a reduction of 0.3 percentage points compared to 2020. In nominal terms, personnel costs increased by 9.6% compared to the previous year. This includes personnel costs of M1 Aesthetics GmbH of EUR 441,000. Comparing HAEMATO on an annual basis to the previous year, the increase in nominal personnel costs is only 3.2%. Our employment situation can be described as good.

Other operating expenses amount to EUR 11.1 million and thus increased by EUR 3.1 million compared to the previous year (EUR 8.0 million). The increase is mainly due to the first-time consolidation of M1 Aesthetics GmbH. Compared to the previous year, expenses increased by EUR 2.2 million due to the consolidation of the company. Goods delivery costs for transport and logistics services rose by 65.6% compared to the previous year. This was caused not only by the first-time consolidation effect but also by the increased logistics organisation due to the changed and expanded range of products. The logistics costs for the distribution of diagnostic products are higher compared to the costs arising from the core business with medicinal products. At the same time, advertising costs were reduced by 12.3% despite the fact that M1 Aesthetics GmbH's business is more marketing-intensive. In the financial year, EBIT amounted to EUR 11.2 million (previous year: EUR 1.6 million). EBIT is calculated from the net income for the year before interest and taxes, with income from financial investments being considered as a fixed-interest component of the financial result. Earnings in the 2021 financial year were very satisfactory. The product portfolio was expanded to include a broader range of tradable medicinal products and medical devices, leading to initial successes. The trade in medicinal products is characterised by great



price pressure, triggered by the health insurance funds and manufacturers. However, due to the consistent implementation of product pricing measures, HAEMATO has succeeded in stabilising its core business and returning to a more profitable level. Positive effects were achieved through the trade in preventive medical products in the area of early detection of corona, in continuation of the previous year. The new investment in M1 Aesthetics GmbH also developed positively on the earnings side, making a positive contribution to the overall success with an EBIT of EUR 4.3 million.

4.2.3.2 Financial Situation of HAEMATO Group (IFRS)

Our financial situation has improved compared to the previous year. Our financial management is geared towards always settling liabilities within the payment period and collecting receivables within the payment targets.

Our capital structure is stable. After a capital increase in April 2021, equity increased from EUR 125.5 million to EUR 144.7 million compared to 2020. The cash capital increase, which was subscribed by institutional investors, increased the subscribed capital by 10% respectively 475,391 new voting shares to 5,229,307 shares. The issue price of the new shares was EUR 31.00 per share.

Based on the capital increase, the equity ratio rose to 79.52% in 2021, compared to 74.22% in 2020. At the Annual General Meeting in July 2021, the proposal for a dividend payment of EUR 1.00 per dividend-bearing share was approved.

Liabilities to banks correspond to 8.0% (previous year: 10.7%) of the balance sheet total. There were no changes to the credit line structures in 2021. All liabilities to banks are short-term. HAEMATO is still negotiating additional credit lines in order to further optimise liquidity management and achieve additional sales growth. For the purpose of financing our sales transactions, we utilise the credit lines granted by our banks. On average, we have more credit lines at our disposal than we use.

Trade account payables amount to 6.7% of the balance sheet total (previous year: 7.7%) and were reduced by EUR 0.8 million. This includes trade account payables in the amount of EUR 3.8 million, which relate to M1 Aesthetics GmbH. All liabilities can always be settled within the payment period.

Our investment activities in tangible assets are low. The focus of investment activities continues to be on the acquisition of licences. In addition, we are pushing ahead with investments in new business areas, which we can finance from current cash flow.

Long-term investments are covered by our equity capital. The liquidity situation offers sufficient opportunities to invest further.

Repeatedly, a high operating cash flow of EUR 13.9 million was achieved in 2021, as investment activities continued to be kept low and cash flow from operating activities was high. This includes EUR 7.4 million from the reduction in inventories and advance payments made. As a result of the capital increase, cash flow from financing activities contributed to the repayment of EUR 3.6 million in bank liabilities. In 2021, an additional distribution of EUR 2.8 million was made in accordance with the decision of the Annual General Meeting. An additional EUR 3.0 million in financial liabilities due at any time were reduced at M1 Aesthetics.

Based on the cash flow statement, the financial development of HAEMATO Group in the reporting period with indirect determination of cash flows from operating activities is as follows:

Cash flow from	2021 kEUR	2020 kEUR
Ongoing business activity	14,053.9	14,670.8
Investment activity	-171.6	-844.4
Financing activities	7,158.1	-4,491.6
Changes in the scope of consolidation	-2,977.8	-
Total cash flow	18,062.6	9,334.8

4.2.3.3 Net Assets of the HAEMATO Group (IFRS)

The asset situation of the HAEMATO Group remains very stable with an equity ratio of 79.5% and has improved once again compared to the previous year.

As of the reporting date, HAEMATO had liquid cash funds of EUR 25.6 million compared to EUR 7.5 million in the previous year.

Inventories declined to EUR 34.0 million compared to the previous year's reporting date despite the first-time inclusion of M1 Aesthetics GmbH (previous year: EUR 35.1 million). This contributes EUR 2.6 million to the total inventories.

The ratio of short-term and long-term assets reversed in the reporting year. While 70.4% of the balance sheet total was covered by short-term assets in the previous year, this figure is 44.5% in the 2021 financial year. The reason for this is the first-time consolidation of M1 Aesthetics GmbH. In 2020, the investment in the company was still reported under other short-term assets. After initial consolidation, the goodwill is recognised as a long-term intangible asset at EUR 53.6 million.

Other fixed assets decreased in particular due to the valuation of the financial assets held as fixed assets at the value on the balance sheet date. A temporary impairment had to be recognised in the income statement. Accordingly, fixed assets increased by a total of EUR 50.9 million to EUR 100.9 million. Trade account receivables remained almost identical to the previous year's period at EUR 14.6 million (previous year: EUR 14.2 million). Of this amount, EUR 4.1 million is attributable to M1 Aesthetics GmbH.

Our economic situation can be described as good.

4.2.3.4 Earnings Situation of HAEMATO AG (HGB)

HAEMATO AG generated a net loss of kEUR 269 in the 2021 financial year (previous year: net loss of kEUR 76). As a holding company, HAEMATO AG has no business operations. No sales revenues were generated in 2021 (previous year: EUR 420 thousand). The investment income of the subsidiaries came to kEUR 532 in 2021 (previous year: kEUR 150). In 2021, interest income of kEUR 447 was generated from fixed-interest securities. The sale of these securities resulted in capital gains of kEUR 120.

4.2.3.5 Financial Situation of HAEMATO AG (HGB)

HAEMATO AG is financed almost exclusively by equity in the amount of kEUR 127,630 (previous year: kEUR 115,922). As in the previous year, the equity ratio is 99.9%.

As of December 31, 2021, HAEMATO AG has liquid funds of kEUR 11,297 (previous year: kEUR 65).

As of December 31, 2021 HAEMATO AG's accruals totalled kEUR 48 (previous year: kEUR 53).

4.2.3.6 Net Assets of HAEMATO AG (HGB)

The asset situation is mainly characterised by the consolidation of M1 Aesthetics GmbH. The investment is shown under fixed assets for the first time as of December 31, 2021. The financial assets consequently increased compared to 2020 and amount to kEUR 115,982 as of December 31, 2021.

4.2.3.7 Financial Performance Indicators of the HAEMATO Group (IFRS)

For our internal corporate management, we use the key figures return on equity, EBIT and EBITDA.

The return on equity before taxes was 4.5% in the financial year (previous year: -3.8%).

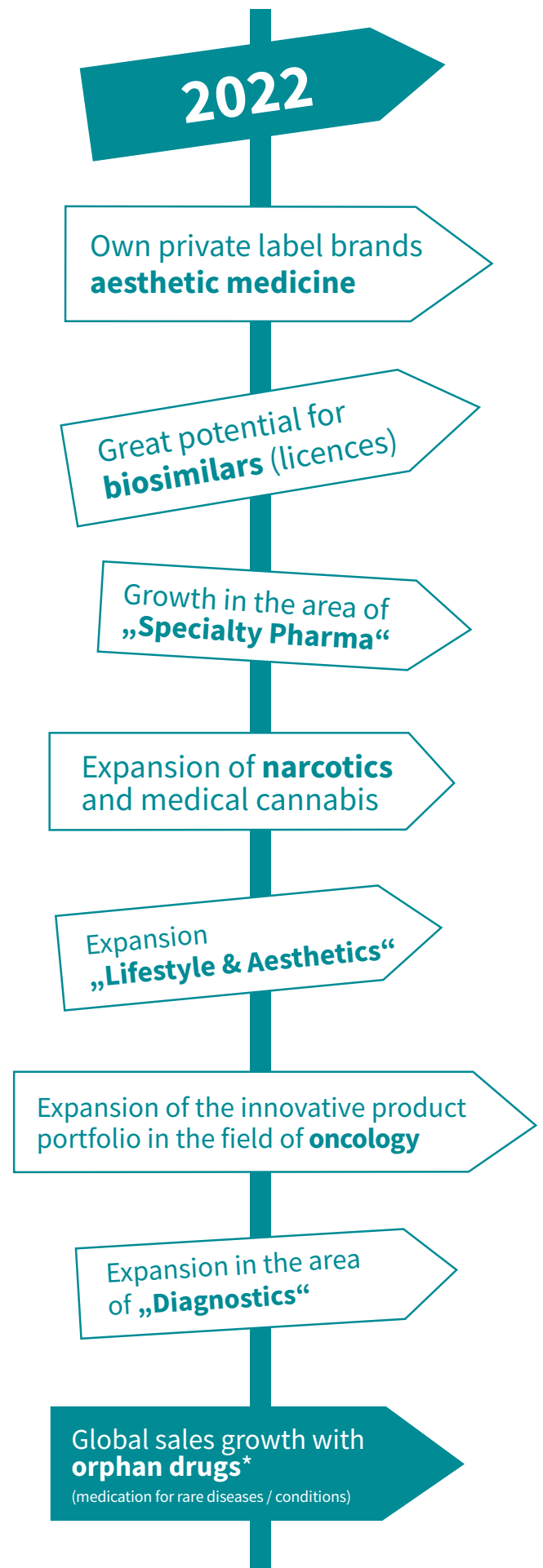
The EBIT amounts to kEUR 11,161.3 (previous year: kEUR 1,626.9), the EBITDA amounts to kEUR 12,635.7 (previous year: kEUR 3,314.8), which corresponds to an increase of about 281%.

HAEMATO Group continues to operate successfully and the overall economic situation can be described as good.

4.3 Forecast Report

4.3.1 General Economic Outlook

In 2021, Germany's gross domestic product rose by 2.7%, after declining by 4.6% a year earlier due to the pandemic. The final quarter of 2021 is likely to have been weak with renewed necessary restrictions in contact-intensive services and production difficulties in industry due to persistent supply shortages. The industry suffered from severe supply shortages of key inputs last year and could not really revive its production - despite having full order books. Some service sectors had to endure pandemic-related restrictions on their economic activities at the beginning and again towards the end of 2021. ¹²



Overall, economic output is likely to have increased in the first quarter of 2022. Economic activity only suffered a setback in March, which is likely to affect the positive overall balance of the winter quarter. Taking into account the uncertainties with regard to the further development of the war, the ifo Institute Munich has considered two scenarios for the forecast. The baseline scenario assumes only a temporary increase in commodity prices, supply shortages and instability. In the alternative scenario, the situation initially worsens before a gradual easing sets in from mid-2022. Under these assumptions, GDP is likely to grow by only 3.1% (baseline scenario) or 2.2% (alternative scenario) this year and therefore noticeably less than previously expected (3.7%). In the coming year 2023, growth is expected to be higher than this year at 3.3% (baseline scenario) and 3.9% (alternative scenario). Consumer prices will increase significantly faster this year (5.1% in the baseline scenario and 6.1% in the alternative scenario) than previously expected (3.3%). In the coming year, the inflation rate will slow down once again, but will still be noticeably higher than in the years before the Corona crisis, at around 2%.¹³

The prospects for the pharmaceutical market in the medium and long term remain positive. The COVID-19 pandemic was one of the most severe global health crises in decades. Thus, the handling of the pandemic, as well as its impact on non-COVID healthcare, is also crucial for the developments in global drug expenditure and drug utilisation. The pre-pandemic drivers were only marginally affected by the immediate impact of COVID-19. They remain a key driver of future trends in global drug expenditure or use. In industrialised countries, the introduction of new treatments, patent expiry of existing therapies and competition from generics and biosimilars will continue to be the main drivers of growth in pharmaceutical expenditure and use. According to a study by IQVIA, the global pharmaceutical market is expected to grow at a 3-6% CAGR by 2025, reaching a total market size of about USD 1.6 trillion by 2025. This excludes spending on COVID-19 vaccines (previous year's estimate of USD 1.14 trillion by 2024). In Europe, spending will increase by USD 35 billion by 2025, with a focus on generics and biosimilars. By 2025, the number of new drug launches also is projected to remain above average, with 54 to 63 per year, overall 290 to 315 for five years to 2025. The impact of exclusivity losses will increase to USD 166 billion over the next 5 years, mainly due to the availability of biosimilars, and the accumulated savings from biosimilars are estimated to reach \$285 billion. The world's two leading therapeutic areas, oncology and immunology, are expected to grow at 9-12% CAGR by 2025, driven by innovative treatments and increased use of treatments.¹⁴

The researching pharmaceutical companies are developing innovations in a wide range of medical fields. Patients with different diseases are to receive new treatment options through new medicines in 2022. Although there has been intensive research and development activities on COVID-19, other therapeutic areas have not been neglected. The German Association of Pharmaceutical Research Companies (vfa) expects more than 45 new drugs with new active ingredients to be launched in Germany in 2022 - a similar number to the 46 new drugs launched in 2021. Numerous people affected by infectious diseases, cancers, rare genetic defects and many other diseases can thus be helped. Research on COVID-19 is also ongoing. For the treatment of infected people, the first orally administered drugs are likely to be available soon, providing an alternative to infusions and injections.¹⁵

The year 2021 was a good year for Germany as a pharmaceutical location: the vfa expects sales to increase by 13%. For 2022, the association also forecasts a positive development with an increase of 8%.¹⁶

Given the demographic changes that lead to an increasing demand for low-cost medicinal products and the efforts of health insurance companies to save money, HAEMATO Group considers itself to have a stable basis for future growth as it focuses on generics, original EU medicinal products and low-cost special medicinal products. Demand for medical products in the field of COVID-19 diagnostics is growing, although it is difficult to predict for how long this trend will continue. In this context, HAEMATO's future focus is expected to shift from generics to speciality pharmaceuticals („Specialty Pharma“). In recent years, this area of pharmaceuticals has developed from a niche product to a megatrend and is growing disproportionately. The HAEMATO Group is already very well positioned in this segment. With our direct access to 4,800 pharmacies in Germany alone, there is still room for us to grow significantly in this segment. On top of this, the company is already developing pharmaceutical, medicinal and medical device products for aesthetic surgery and cosmetic dermatology under HAEMATO MED. In the financial year 2022, the approval of the company's own botulinum toxin for the European market will also be further pursued after a license and supply agreement with the cooperation partner HUONS Biopharma was signed in Seoul, Korea at the end of October 2021. A study synopsis is currently being drafted in preparation for the complex approval procedures with the drug authorities.

4.3.2 Business Outlook

We take a continued positive view of the company's likely development. The pharmaceutical industry offers great growth potential provided that service, price and quality are strictly aligned with customer requirements and potentials within the value chain are consistently exploited. Currently, our core business is the possible expansion of our market share in the parallel import business and the basis for the development of new business areas to promote the growth of the HAEMATO Group. The „Lifestyle and Aesthetics“ segment offers exciting opportunities with high growth rates. In this segment we would like to further expand market shares and optimise margins. We counter the risks of supply shortages by diversifying in the area of purchasing for the majority of products. The implementation of Directive 2011/62/EU provides security in the area of procurement and creates a stable business basis for parallel import. We assume that the core business in Specialty Pharma will not provide much room for higher margins due to the ongoing price pressure from mandatory discounts. Thanks to our experience and the efficient implementation of our purchasing controlling, we are able to shape the product range in such a way that we can trade successfully in this segment. Our goal is to generate a constant and successful cash flow through an increase in turnover, also from the wholesale of original products.

In our opinion, both the „Specialty Pharma“ segment as well as the „Lifestyle and Aesthetics“ segment are not affected by the ongoing global supply shortages caused by the crisis in Ukraine. Our suppliers and customers are not linked to the areas that are currently experiencing an exceptional situation.

2021 proved to be a special year in terms of the pandemic and the regulations put in place by the government for containment and preventative measures in the situations that had never been seen before. We were able to make good use of this situation and due to our existing supplier relationships in the field of diagnostics, we were able to quickly acquire sales and profit from successful business. We assume that this scenario will not be repeated in the coming year. The market is prepared for the demand of testing opportunities and there was a strong increase in the number of competitors in the year under review. Accordingly, we do not expect to be able to repeat the turnover and earnings in this area. However, we believe that the business in connection with testing possibilities for the early detection of viruses and other pathogens will continue. Due to further developments, HAEMATO is in a position to be able to map this early detection to other pathogens automatically and in a short time. With the introduction of „Point of Care“ machines („Medical Devices“) it is possible to diagnose and evaluate viruses and pathogens in humans independent of location and, above all, independent of laboratories. With a specially developed software („HAEMATO.AI“) and a corresponding connection, test results can be transmitted to health services in order to detect and break infection chains at an early stage. In addition to prevention and early detection, the „Lifestyle and Aesthetics“ segment also includes sales of aesthetic medicines and medical products as well as cosmetics. We expect their development to continue to be positive and to grow disproportionately in the coming year. Given the first indications of openings in the public space, towards a „normal life“ assured by regular tests, sales from aesthetic treatments will continue to rise. For the 2022 financial year, we expect revenues to decline slightly in the range of EUR 250 to 280 million and resulting EBIT of EUR 8 to 10 million. The gross profit and EBIT margins, which improved significantly in the current financial year, should be maintained. The continuing price pressure on the distribution side for parallel-imported medicinal products via manufacturers and health insurance companies will persist. Increased inflation, uncertainties regarding the Corona pandemic and the situation in Ukraine do not allow for any definite profit forecasts. Compared to previous years, we anticipate rising expenses in the procurement of goods and for transport services. This effect should be compensated by further consistent portfolio adjustments - towards high-margin products and an additional cost efficiency programme that has been running since the end of 2021. The „Lifestyle and Aesthetics“ segment will be further expanded and thus support the focus on sustained good EBIT margins.

In terms of turnover, the Specialty Pharma segment is the core business of the Group. Because of the regulations in the market, high margins are not achievable and an increase is difficult to generate. Nevertheless, the business is strong, producing revenue for the Group and providing the opportunity to leverage existing customer relationships to bring additional new products to market. By focusing on target products and carefully selected treatment areas, HAEMATO will be able to increase sales in this segment in the medium term. The further expansion within the area of process optimisation will lead to savings, which will also have a positive impact on the operating result in the segment.

We will also be able to meet our payment obligations on time in the future.

4.4 Risk Report


4.4.1.1 Industry-Specific Risks

The business activities of the HAEMATO Group offer a variety of opportunities and are also constantly subject to risks. Opportunities refer to future developments or events that could lead to a positive deviation from the company's targets. Correspondingly, risks refer to future developments or events that could lead to a negative deviation from the forecast or target for the company. The use of opportunities and the early recognition and avoidance of risks are also important for the further development of HAEMATO due to the increased size of the group. In exploiting opportunities, it is essential to ensure that an acceptable risk profile is maintained.

Legal regulatory measures throughout the European Union, strong pressure on margins in the „Specialty Pharma“ segment as well as the permanent change in the parallel import market due to exchange rate risk and price differences in the procurement of medicinal products can have a negative impact on our sales and earnings situation. The original manufacturers continue to try to contingent the individual European markets or to use single-channel distributors to make exports more difficult. Furthermore, the original manufacturers are trying to make exports more difficult by maintaining high list prices and concluding subsequent discount agreements. In addition, there is a fundamental risk that the sales prices in the various EU countries will gradually converge or that export bans will be imposed in individual countries or for individual products.

Legal risks arise primarily from the distribution of our products and especially from trademark and patent issues. As an importer, we are considered a pharmaceutical company under pharmaceutical law. We therefore bear the risk of market withdrawals.

In the 10th calendar week of 2022, once again more than 1 million COVID-19 cases were reported to the RKI. While the number of cases fell slightly in February, there is currently a significant increase in the number of cases submitted yet again. The nationwide 7-day incidence increased by 22% from week 09 to week 10. The number of currently infected people with COVID-19-related acute respiratory illness in the population is estimated at 1.5 to 2.7 million. Overall, despite the very high numbers of infections during the Omicron wave, the increase in severe cases continues to be moderate and much weaker compared to the level of case numbers and new infections than during the first four COVID-19 waves. Omicron-associated deaths also remain at a lower level so far. This is due to the vaccination being very effective against severe courses of the disease. It is also due to the fundamentally lower disease severity of infections caused by the Omikron variant. The Omikron variant is the dominant SARS-CoV-2 variant in Germany. The proportion of all other variants, including Delta, is less than 1%. A further course of the pandemic depends on whether larger parts of the population continue to act responsibly and to what extent possible infection-relevant contacts increase. By March 8, 2022, approx. 77% of the population had been vaccinated at least once while 76% had been fully vaccinated; 58% of the population had already received a booster vaccination. But still, approximately 9 million citizens have not yet been vaccinated. According to the current knowledge, all vaccines that are available in Germany at the moment (when fully vaccinated and especially after booster vaccination) effectively protect the vast majority of vaccinated persons from severe infection.¹⁷



The Russian invasion of Ukraine at the end of February 2022 had caused a tremor on the international financial markets. The DAX lost about 5% during the days following the invasion, facing its biggest weekly loss in almost one and a half years. Political crises are pushing up commodity prices and increasing inflationary pressure. Experts expect year-on-year inflation figures of 5.2 to 5.4% for February.¹⁸

Macroeconomic risks may arise, for example, from newly discovered variants of the coronavirus (i.e. „Deltakron“) and associated new lockdowns and restrictions on public life. They may also arise from a continuation of the war in Ukraine, for which the economic consequences are not yet foreseeable. Western countries are discussing further and severe economic sanctions against Russia. The oil price has risen above the 100-dollar mark as an initial reaction, and the stock markets have fallen worldwide. Developments over the next few weeks will depend upon the course of the war in Ukraine and the immediate impact of the sanctions. The rise in commodity prices and the sanctions will also weigh on the economy in Germany.

However, the vast majority of small and medium-sized enterprises (around 64%) are currently very little concerned about their own economic development. For their business, the Ukraine conflict poses only a low risk or no relevance to their business. Economic research institutes recently revised their growth forecasts for 2022 in a downward trend of up to two percentage points.¹⁹

Risks for the HAEMATO Group could not only affect the development of sales, but could also lead to impairments of production, the purchasing market and the supply chain. However, the HAEMATO Group's economic links to the countries currently affected by the war are extremely small, so that the current risk in this regard is considered to be very low.

4.4.1.2 Profit-Oriented Risks

Competitive risks have increased due to new competitors in the industry, especially in the diagnostic area of COVID-19 screening. We expect to be able to further expand our market share in the medium term due to our strong direct sales. In the diagnostics area, we expect to be able to expand our customer base by broadening the range of products beyond simple rapid tests in order to win over the existing customer base for new offers. However, additional costs or investments may be required in the course of further organisational optimisations. The HAEMATO Group could be negatively impacted by competitors with greater financial or organisational resources. Should the aggressive pricing policy continue to increase through the awarding of discount contracts, this will have a negative impact on the earnings situation or lead to losses in market share.

Negative changes to the import promotion clause anchored in the German Social Law Code are not to be expected. The new federal framework agreement of the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband) and the German Association of Pharmaceutical Companies (DAV) has come into effect in mid-2019 with binding changes to the compulsory dispensing of imported medicinal products.

4.4.1.3 Financial Risks

Due to the stable liquidity and equity situation of our company, liquidity risks are currently not identifiable.

There are no significant monetary risks that could affect the company's assets as well as its financial and profit situation. Supplies of goods from foreign countries are processed within short periods of time.

We make use of credit lines granted by a group of banks for the financing of working capital. These agreements define financial covenants. Non-compliance to these financial covenants can generally lead to the possibility of termination by individual lenders. The credit lines made available are regularly not fully utilised. Through a continuous corporate and financial planning system, we are always in a position to react to changes in the need for financial resources at short notice. In addition, we finance activities through customer factoring. The long-term tranches of the working capital lines are due for refinancing in the coming calendar year. Due to the ongoing Corona pandemic and the war in Ukraine, financial risks for the HAEMATO Group are difficult to predict. In the course of a temporary impairment, the long-term listed investments can lead to a not insignificant influence on the financial result and thus also have a significant impact on the overall result of the Group.

The liquidity situation is satisfactory; no shortages are expected.

4.4.1.4 Risk Management System

HAEMATO Group uses a risk management system to systematically identify significant risks and risks to the company as a going concern in order to assess their impact and develop suitable measures.

The aim of the risk management system is essentially to avoid financial losses, defaults or disruptions or to implement suitable countermeasures without delay. Within the framework of this system, the Management Board and the Supervisory Board are informed about risks at an early stage. Important mechanisms of early detection in this context are the monitoring of liquidity and the development of results. The monitoring of the operational development and the identification of timely deviations from the plan is the task of the controlling department. If necessary, management in the respective departments decide together with the Management Board on the appropriate strategy and measures to be taken in controlling the risks.

4.4.2 Opportunities Report

The healthcare market is and will remain a growth market. Our specialisation in oncology, HIV and other chronic diseases will enable us to participate in the Specialty Pharma segment's growth.

Growth-supporting effects can also be expected through the continuous further development of the new business fields and ongoing optimisation of the product range. This applies in particular to the „Lifestyle and Aesthetics“ segment with its focus on „Medical Devices / COVID-19 Diagnostics“, „Lifestyle / Aesthetics“ and „Narcotics“. In the „Narcotics“ segment, turnover almost tripled in the past business year. Revenue in the Aesthetics segment is also expected to increase in the current financial year. Here we anticipate further expansion of existing customer relationships with treatment centres and clinics for aesthetic treatments leading to growth.

At the end of October 2021, an exclusive licence and supply agreement for a botulinum toxin product was signed with the Korean pharmaceutical company Huons BioPharma Co. („HUONS“), based in Seoul. By marketing a botulinum toxin product under its own brand, HAEMATO is further expanding its „Lifestyle and Aesthetics“ segment. This will also ensure the long-term supply of the parent company M1 Kliniken AG (one of the leading providers of beauty treatments in Europe) with an attractively priced botulinum toxin product. In addition, the product is to be distributed in all European markets. To obtain marketing authorisation in Europe, a European approval procedure including a clinical trial is in the pipeline. In preparation, a GMP pre-audit will take place in South Korea in spring 2022. GMP is short for „Good Manufacturing Practices“ for medicinal products which ensures that patients receive medicinal products of high quality. These quality requirements must be met during the production, processing, packaging and storage of medicinal products.

On the procurement side, we can rely on a wide range of supply options. To minimise business risks, we diversify our sources of supply throughout Europe. We ensure high quality standards through careful supplier qualification and selection as well as active supplier management.

In addition, we continue to see positive sales opportunities in the area of COVID-19 diagnostics, especially with point-of-care PCR devices. Given that a comprehensive containment of the pandemic in Germany is currently not anticipated for the year 2022 and that the occurrence of several „virus mutations“ will further increase the importance of diagnostics that provide results in a timely manner.

We will continue to counter our competitors in the market, especially due to the increasing competition among providers in our segment. We will do so through experience, innovation, reliability and by maintaining a high level of quality. In the future, the HAEMATO Group will concentrate on high-margin products with a focus on parallel and re-imports, original drugs as well as medical products in the field of COVID-19 diagnostics, which also promise high margins. In addition, we will continue on the optimisation of internal processes and business intelligence solutions. For example, optimisations in the IT merchandise management system, internal purchasing and sales controlling as well as optimised supply chain management for more efficient product control and price positioning have been introduced.

4.4.3 General Statement

We continue to see risks for future development in the uncertainty regarding the further course of the corona pandemic, the war in Ukraine, a difficult competitive environment, rising purchase prices and the stagnating sales price level. In addition, regulatory measures may pose risks to development. Given our financial stability, however, we see ourselves well equipped to cope with future risks.

4.5 Risk Reporting on the Use of Financial Instruments

The financial instruments held by the company essentially include securities, receivables, liabilities and bank balances.

The company has a solvent customer base. Bad debt losses are the absolute exception. We also signed a trade credit insurance for potential bad debts.

Liabilities are paid within the agreed payment periods.

In the short-term area, the company is mainly financed by supplier credits and credit lines from various banks.

The company pursues a conservative risk policy in managing its financial positions.

Where default and credit risks are discernible for financial assets, appropriate value adjustments are made. The company has an adequate accounts receivable management system to minimize default risks. There is also a trade credit insurance. Furthermore, we always inform ourselves about the creditworthiness of our customers before entering into a new business relationship.

4.6 Report on Branches

The company does not maintain branches.

4.7 Final Declaration Pursuant to § 312 Paragraph 3 AktG

In accordance with § 312 AktG, the Executive Board has prepared a report on relations with affiliated companies, which contains the following concluding declaration: “According to the circumstances known to us at the time when legal transactions were conducted with the controlling company and other affiliated companies, our company and the subsidiaries received appropriate consideration for each legal transaction.”

Schönefeld, March 23, 2022



HAEMATO AG
Patrick Brenske
Management Board



5. CONSOLIDATED FINANCIAL STATEMENTS

5.1 Consolidated Balance Sheet – Assets

According to IFRS

	Notes	31.12.2021 EUR	31.12.2020 EUR
Cash and cash equivalents	6.2.1	25,604,511	7,541,941
Trade accounts receivable	6.2.2	14,563,107	14,214,310
Inventories	6.2.3	34,013,842	35,119,482
Other short-term financial assets	6.2.4	6,130,666	2,749,552
Other short-term assets	6.2.5	631,847	58,499,540
Income tax receivables	6.2.6	125,716	852,637
Short-term assets		81,069,688	118,977,461
Intangible assets	6.2.7	91,240,769	37,979,135
Tangible assets	6.2.8	1,502,656	2,103,180
Other long-term financial assets	6.2.9	8,052,888	9,863,652
Other long-term assets	6.2.10	143,868	134,768
Long-term assets		100,940,181	50,080,736
Σ TOTAL ASSETS		182,009,869	169,058,197

5.2 Consolidated Balance Sheet – Liabilities

According to IFRS

	Notes	31.12.2021 EUR	31.12.2020 EUR
Short-term accruals	6.3.1	1,047,708	1,535,059
Income tax liabilities	6.3.2	1,916,205	151,673
Trade accounts payable	6.3.3	12,224,178	13,027,575
Short-term leasing liabilities	6.3.4	574,465	539,340
Short-term financial liabilities	6.3.5	14,587,571	18,307,472
Other short-term liabilities	6.3.6	1,211,871	2,382,269
Contractual and refund liabilities	6.3.7	5,526,662	6,981,822
Short-term liabilities		37,088,659	42,925,211
Long-term accruals	6.3.8	59,782	52,554
Long-term leasing liabilities	6.3.4	53,280	540,898
Deferred tax liabilities	6.3.9	82,195	59,621
Long-term liabilities		195,256	653,073
Subscribed capital	6.3.10	5,229,307	4,753,916
Own shares acquired	6.3.10	-1,719	-1,719
Capital reserve	6.3.10	112,582,519	98,573,005
Capital reserve for treasury stock	6.3.10	-101,253	-101,253
Retained earnings	6.3.10	27,017,100	22,255,964
Equity		144,725,954	125,479,913
Σ TOTAL EQUITY AND LIABILITIES		182,009,869	169,058,197

5.3 Consolidated Statement of Comprehensive Income

According to IFRS

Profit and loss statement	Notes	Jan. - Dec. 2021 EUR	Jan. - Dec. 2020 EUR
Revenues	6.4.1	285.042.565	238.333.085
Other operating income	6.4.2	457.738	487.611
Cost of materials	6.4.3	-254.311.487	-220.645.708
Personnel expenses	6.4.4	-7.503.028	-6.844.899
Other operating expenses	6.4.5	-11.050.131	-8.015.298
Result from ordinary business activities EBITDA		12.635.657	3.314.791
Depreciation	6.4.6	-1.474.350	-1.687.883
Operating result EBIT		11.161.307	1.626.908
Income from investments	6.4.7	1.148	646
Other interest and similar income	6.4.8	358.353	4.136
Interest and similar expenses	6.4.9	-422.774	-803.441
Write-ups from the valuation of financial assets	6.4.10	2.392	0
Depreciation from the valuation of financial assets	6.4.10	-1.863.092	-5.383.342
Income from the disposal of financial assets	6.4.11	119.561	0
Financial result		-1.804.411	-6.182.001
Earnings before taxes EBT		9.356.895	-4.555.093
Taxes on income and earnings	6.4.12	-2.823.028	-268.881
Other taxes		0	-6.824
Net profit/loss for the year		6.533.867	-4.830.798

5.4 Consolidated Statement of Changes in Equity

According to IFRS


Statement of changes in equity part I	1. Subscribed capital in EUR	2. Own shares acquired in EUR	3. Capital reserve in EUR
January 1, 2020	22,867,154	-17,201	22,367,791
Net profit for period	0	0	0
Capital increase	2,467,201	0	55,624,799
Capital decrease	-20,580,439	15,482	-20
Allocation to reserves	0	0	20,580,435
December 31, 2020	4,753,916	-1,719	98,573,005
January 1, 2021	4,753,916	-1,719	98,573,005
Net profit for period	0	0	0
Capital increase	475,391	0	14,261,730
Transaction costs equity instruments	0	0	-252,216
Dividends	0	0	0
Change in scope of consolidation	0	0	0
December 31, 2021	5,229,307	-1,719	112,582,519

Statement of changes in equity part II	4. Capital reserve for treasury stock in EUR	5. Retained earnings in EUR	6. Equity capital in EUR
January 1, 2020	-85,799	27,086,762	72,218,707
Net profit for period	0	-4,830,798	-4,830,798
Capital increase	0	0	58,092,000
Capital decrease	-15,454	0	-20,580,431
Allocation to reserves	0	0	20,580,435
December 31, 2020	-101,253	22,255,964	125,479,913
January 1, 2021	-101,253	22,255,964	125,479,913
Net profit for period	0	6,533,867	6,533,867
Capital increase	0	0	14,737,121
Transaction costs equity instruments	0	0	-252,216
Dividends	0	-2,760,387	-2,760,387
Change in scope of consolidation	0	987,656	987,656
December 31, 2021	-101,253	27,017,100	144,725,954

5.5 Consolidated Cash Flow Statement

According to IFRS

	Jan. - Dec. 2021 EUR	Jan. - Dec. 2020 EUR
Cash flow from operating activities	14,053,934	14,670,772
Result for the period	6,533,867	-4,830,798
Depreciation and amortisation of fixed assets	1,430,106	1,687,883
Increase / decrease in long-term provisions	7,228	0
Increase / decrease in short-term provisions	-512,307	178,304
Increase / decrease due to fair value measurement	1,860,700	5,387,341
Increase / decrease in inventories	7,383,461	20,321,396
Increase / decrease in trade receivables and other assets	4,095,920	-3,000,476
Increase / decrease in trade payables and other liabilities	-8,632,499	-5,237,416
Increase / decrease from disposal of fixed assets	-18,172	15,220
Interest expenses / income	251,932	799,305
Other investment income	-1,148	-646
Income tax expense / income	2,823,028	268,881
Income tax payments	-1,168,181	-918,222
Cash flow from investing activities	-171,581	-844,435
Payments for investments in intangible assets	-230,732	-676,272
Proceeds from disposals of fixed assets/ investment properties	33,230	5,496
Payments for investments in fixed assets/ investment properties	-96,015	-177,794
Proceeds from disposals of financial assets	38,750	0
Payments for investments in financial assets	-88,806	0
Interest income	170,843	4,136
Income from investments	1,148	0
Cash flow from financing activities	7,158,046	-4,491,573
Cash inflow from equity contributions	14,484,905	0
Change in liabilities to banks	-3,566,398	-3,163,659
Interest expenses	-396,032	-777,424
Payments to company owners and minority shareholders	-2,760,387	0
Repayment of rights of use	-604,042	-550,490
Changes in cash and cash equivalents due to changes in the scope of consolidation	-2,977,830	0
Net cash flow	18,062,570	9,334,764
Cash and cash equivalents at the beginning of the period	7,541,941	-1,792,823
Liabilities due at any time at the beginning of the period	0	3,893,760
Cash and cash equivalents at the beginning of the period	7,541,941	2,100,938
Cash and cash equivalents at the end of the period	25,604,511	7,541,941
Liabilities due at any time at the end of the period	0	0
Cash and cash equivalents at the end of the period	25,604,511	7,541,941
Change in cash and cash equivalents	18,062,570	5,441,003



Parallel vertrieben und
umverpackt von:
HAEMATO PHARM GmbH
Lilienthalstr. 5c
12529 Schönefeld
Deutschland



HAEMATO

04-708309



6. NOTES

6.1 Basis of Preparation of the Financial Statements

6.1.1 Reporting Company

HAEMATO AG was founded on May 10, 1993. The company is registered in the Commercial Register of the Berlin-Charlottenburg Local Court under HRB 88633 B and has its registered office in Berlin. The business address is located at Lilienthalstr. 5c, 12529 Schönefeld. Its parent company is M1 Kliniken AG. In July 2020, M1 Kliniken AG acquired the shares of HAEMATO AG from MPH Health Care AG, which itself is the parent company of M1 Kliniken AG. The HAEMATO Group operates in the pharmaceutical sector with a focus on the growth markets of high-priced special pharmaceuticals in the indication areas of oncology and HIV as well as in the fields of rheumatism, neurology and cardiovascular diseases. With the acquisition of the subsidiary M1 Aesthetics GmbH, which was fully consolidated for the first time in 2021, an expansion of the product portfolio was made to include pharmaceuticals and medical products in the lifestyle sector.

6.1.2 Accounting Principles

The consolidated financial statements of HAEMATO AG for the period from January 1 to December 31, 2021 were prepared voluntarily in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are to be applied in the European Union. It was approved for publication by the Management Board on March 18, 2022.

The accounting and valuation were carried out under the going concern assumption.

The consolidated financial statements are prepared as of the balance sheet reporting date of the parent company, which is also the reporting date of all consolidated subsidiaries.

The balance sheet of the HAEMATO Group has been prepared according to maturity aspects, whereby assets and liabilities that are expected to be realized or redeemed within twelve months after the reporting date are classified as short-term. Deferred tax assets and deferred tax liabilities are reported in full under long-term assets or long-term liabilities.

The income statement is prepared as part of the statement of comprehensive income using the total cost method.

6.1.3 Functional and Reporting Currency


These consolidated financial statements are presented in euros, the functional currency of the company. All financial information presented in euros has been rounded to the nearest euro unless otherwise indicated.

6.1.4 Changes in Significant Accounting Policies

New standards adopted by the IASB were applied from the date of entry into force.

The following standards and interpretations as well as amendments to existing standards are mandatory for the first time for reporting periods beginning on or after January 1, 2021:

- Reform of Reference Rates - Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7)



In the future, the following standards and interpretations as well as amendments to existing standards are to be applied:

- Onerous contracts - costs of performance IAS 37 - effective from 01.01.2022
- Annual improvements to IFRS standards 2018-2020 - effective from 01.01.2022
- Fixed assets: revenue before planned use (amendments to IAS 16) - effective from 01.01.2022
- References to the framework (amendments to IFRS 3) - effective from 01.01.2022
- Classification of liabilities as short-term and long-term - effective from 01.01.2023
- IFRS 17 insurance contracts and amendments to IFRS 17 insurance contracts - effective from 01.01.2023
- Disclosures of accounting policies (amendments to IAS 1 and IFRS practice statement 2) - effective from 01.01.2023
- Definition of estimates (amendments to IAS 8) - effective from 01.01.2023
- Deferred taxes relating to assets and liabilities arising from a single transaction (amendments to IAS 12) - effective from 01.01.2023
- Dale or contribution of assets between an investor and an associate or joint venture (amendments to IFRS 10 and IAS 28) - pending

6.1.5 Consolidation Scope

The consolidated financial statements include the financial statements of the parent company and its subsidiaries. Subsidiaries are companies controlled by the Group. The Group controls an entity if it is exposed to or entitled to fluctuating returns from its investment in the entity and has the ability to control those returns through its power of control over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidations carried out are as follows:

- HAEMATO PHARM GmbH (from April 1, 2013, date of initial consolidation)
- HAEMATO MED GmbH (from May 22, 2013, date of initial consolidation)
- Sanate GmbH (from September 24, 2013, date of initial consolidation)
- M1 Aesthetics GmbH (from January 1, 2021, date of initial consolidation)

In connection with a capital increase carried out at HAEMATO AG, HAEMATO AG has taken over all shares of the former HAEMATO PHARM AG, which now operates as HAEMATO PHARM GmbH. HAEMATO PHARM GmbH was acquired by the parent company. HAEMATO PHARM GmbH operates in the pharmaceutical sector.

The share capital of HAEMATO PHARM GmbH amounts to EUR 500,000. HAEMATO PHARM GmbH has its own business operations as defined by IFRS 3. After deduction of the identifiable net assets (assets less liabilities), goodwill amounted to kEUR 34,584. The consideration transferred includes benefits from expected synergies, sales growth and future market developments. These advantages, which cannot be accounted for separately from goodwill, add up to the abovementioned goodwill.

HAEMATO MED GmbH was founded on May 22, 2013 by HAEMATO AG. No differences arose in the course of initial consolidation. The share capital amounts to EUR 25,000.

HAEMATO PHARM GmbH founded Sanate GmbH on September 24, 2013. No difference arose in the course of initial consolidation. The share capital amounts to EUR 25,000.

As part of a capital increase in 2020, which was fully subscribed by M1 Kliniken AG, all shares in M1 Aesthetics GmbH were contributed to HAEMATO AG by way of a contribution in kind. The share capital of M1 Aesthetics GmbH amounts to EUR 25,000.00. M1 Aesthetics GmbH has a business operation within the terms of IFRS 3. After deduction of the identified net assets, goodwill totalled kEUR 53,643. The transferred consideration includes, among other things, benefits from expected synergies, revenue and earnings growth and future market developments. These benefits, which cannot be accounted for separately from the goodwill, amount to the total of the above-mentioned goodwill.

For HAEMATO PHARM GmbH and M1 Aesthetics GmbH, the exemption regulations of § 264 (3) of the German Commercial Code (HGB) was applied as of December 31, 2021. Both subsidiaries have published the resolutions of the shareholders' meeting in the Federal Gazette.

The shareholdings of HAEMATO AG in the subsidiaries are as follows on the reporting date December 31, 2021:

Name and registered office of the company	Share in %
HAEMATO PHARM GmbH*, Schönefeld	100,00
HAEMATO MED GmbH*, Schönefeld	100,00
Sanate GmbH**, Schönefeld	100,00
M1 Aesthetics GmbH*, Schönefeld	100,00

* HAEMATO AG holds all shares in the company

** HAEMATO PHARM GmbH holds all shares in Sanate GmbH

6.1.6 Principles of Consolidation

The annual financial statements of all Group companies are prepared on the basis of uniform accounting and valuation methods on the balance sheet reporting date of HAEMATO AG (parent company).

The acquisition of business operations is accounted for using the purchase method if the Group has gained control. The consideration transferred in a business combination and the identifiable net assets acquired are generally measured at fair value. Costs associated with the acquisition were generally recognized in profit or loss as incurred. With the exception of deferred tax assets or deferred tax liabilities, the identifiable assets and liabilities acquired were measured at fair value.

Goodwill represents the excess of the aggregate of the consideration transferred and the net fair value of the identifiable assets acquired and liabilities assumed on the acquisition date.

If the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary and all related non-controlling interests and other components of equity.

Any resultant gain or loss is recognized in the statement of comprehensive income. Any retained interest in the former subsidiary is measured at fair value on the date control is lost.

All intercompany assets, liabilities, equity, income, expenses and cash flows in connection with business transactions between Group companies are eliminated in full during consolidation.

Tax deferrals were made on consolidation transactions affecting income to the extent that the differing tax expense is likely to be offset in later financial years.

6.1.7 Estimates and Assumptions

The preparation of the consolidated financial statements requires estimates and assumptions that may influence the amounts of assets, liabilities and financial obligations as of the reporting date and the income and expenses of the reporting year. The actual amounts may differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recorded prospectively.

The Executive Board takes discretionary decisions in the application of the accounting and valuation methods. In addition, the acquisition of the shares in HAEMATO PHARM GmbH as well as M1 Aesthetics GmbH required an impairment test of the acquired goodwill on the balance sheet reporting date. In order to test goodwill for impairment, it is necessary to determine the value in use of the cash-generating unit to which the goodwill has been allocated. The calculation of the value in use requires an estimate of future cash flows from the cash-generating unit and an appropriate discount rate for the present value calculation.

Some of the Group's accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities. In determining the fair value of an asset or liability, the Group uses observable market data wherever possible. Based on the input factors used in the valuation techniques, the fair values are allocated to different levels in the fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2: Valuation parameters that are not quoted prices included in Level 1, but which are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. as derivatives of prices).

Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

If the inputs used to determine the fair value of an asset or liability can be assigned to different levels of the fair value hierarchy, the fair value measurement is allocated in full to the level of the fair value hierarchy corresponding to the lowest input that is significant to the measurement as a whole.

The Group recognizes reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the amendment occurred.

The principles used by management to assess the appropriateness of the valuation allowances on receivables are the maturity structure of the receivable balances, the creditworthiness of customers and changes in payment terms. In the event of deterioration in the financial situation of customers, the extent of the derecognitions actually to be made may exceed the extent of the expected derecognitions.

The expected actual income tax must be calculated for each taxable entity and the temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the tax accounts must be assessed.

Where temporary differences exist, these differences generally result in the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management must make judgments when calculating actual and deferred taxes. Deferred tax assets are recognized to the extent that it is probable that they can be utilized. The use of deferred tax assets depends on the ability to generate sufficient taxable income within the scope of the respective tax type. Various factors must be taken into account to assess the probability of the future usability of deferred tax assets, such as past earnings, operational planning and tax planning strategies.

If the actual results differ from these estimates or if these estimates have to be adjusted in future periods, this could have an adverse effect on the net assets, financial position and results of operations. If there is a change in the assessment of the recoverability of deferred tax assets, the recognized deferred tax assets must be written down with effect on income.

6.2 Notes to the Consolidated Balance Sheet – Assets

In preparing the financial statements of the associated Group companies, transactions denominated in currencies other than the functional currency (EUR) of the Group are translated at the exchange rates prevailing on the date of the transaction. As of the balance sheet reporting date, all monetary items in foreign currency are translated at the exchange rate applicable on the reporting date. Non-monetary items in foreign currency that are measured at fair value are converted at the exchange rates prevailing at the date of the fair value measurement.

6.2.1 Cash and Cash Equivalents

Cash and cash equivalents are measured at cost. They comprise cash and other short-term highly liquid financial assets with a maximum term of three months at the time of acquisition.

6.2.2 Trade Account Receivables

The trade account receivables, which totalled kEUR 14,563 (previous year: kEUR 14,214) are valued at the transaction price in accordance with IFRS 15. Our trade account receivables do not contain a significant financing component. Impairment losses are recognized if, as a result of one or more events that occurred after the initial recognition of the asset, there is objective evidence that the expected future cash flows have changed adversely. The criteria leading to an impairment of trade account receivables are based on the probability of default of the receivable and the expected creditworthiness of the customers.

6.2.3 Inventories

Inventories are stated at the lower of historical cost or net realizable value. The net realizable value is the expected sales proceeds less costs still to be incurred. The cost of inventories is generally determined using the individual allocation method and includes the cost of acquisition and the costs incurred in bringing the inventories to their present location and condition. In the case of inventories of the same type, which are available in larger quantities and are interchangeable, the cost of acquisition or production is allocated using the average cost method. In the case of internally unfinished and finished goods, production costs also include production-related overheads based on normal capacity utilization.

	31.12.2021 EUR	31.12.2020 EUR
Raw, auxiliary and operating materials	687,609	766,571
Finished products and goods	32,082,061	32,871,341
Claims for return of goods	834,028	1,441,253
Advance payments on inventories	410,144	40,317
Inventories	34,013,842	35,119,482

6.2.4 Other short-term Financial Assets

A financial instrument is a contract that represents a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as HAEMATO becomes a party to the contractual provisions of the financial instrument. In the case of purchases or sales of financial assets at market conditions, HAEMATO determines the trading date for both initial financial recognition and disposal.

Financial instruments are initially recognized at fair value. For subsequent valuation, the financial instruments are allocated to one of the valuation categories listed in IFRS 9 Financial Instruments (financial assets measured at amortized cost, financial assets measured at fair value through profit or loss and financial assets measured at fair value through profit or loss).

Transaction costs which are directly attributable to the acquisition or issue are taken into account in determining the book value if the financial instruments are not measured at fair value through profit or loss.

Other short-term financial assets consist exclusively of loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments and include only principal and interest and are measured at amortized cost.

6.2.5 Other short-term Assets

Other short-term assets include receivables from VAT credits, receivables from personnel, prepaid expenses and creditors with debit balances.

6.2.6 Income Tax Receivables

Income tax receivables include adjustment amounts for any income tax refunds for years not yet finally assessed, but excluding interest refunds. The amount is calculated on the basis of the best possible estimate of the expected tax payment (expected value or most probable value of the tax receivable). Tax receivables from uncertain tax positions are recognized in the balance sheet if it is predominantly probable and therefore sufficiently certain that they can be realized.

6.2.7 Intangible Assets

Intangible assets are measured at acquisition or production cost, less accumulated amortization. If necessary, accumulated impairments are taken into account.

Intangible assets with indefinite useful lives are reviewed annually to determine whether the assessment of indefinite useful life can be maintained. A change from an indefinite to a definite useful life is made prospectively.

Intangible assets with finite useful life are generally amortized on a straight-line basis over their useful life (three to ten years). The amortization period for intangible assets with finite useful life is reviewed at least at the end of each financial year. Changes relating to the expected useful life are treated as changes to estimates. Amortization of intangible assets with finite useful life is included in functional costs.

EUR	Concessions, industrial property rights and similar rights and assets and licenses	Goodwill	Acquired intangible assets	Advance payments on intangible assets	Σ Intangible assets
Acquisition and production costs					
January 1, 2020	7,168,411	34,583,689	9,912,944	1,299,953	52,964,996
Additions	675,080	0	0	1,192	676,272
Disposals	0	0	0	-7,011	-7,011
December 31, 2020	7,843,491	34,583,689	9,912,944	1,301,145	53,641,268
January 1, 2021	7,843,491	34,583,689	9,912,944	1,301,145	53,641,268
Additions	173,011	0	0	57,720	230,732
Disposals	0	0	0	-110	-110
Transfers	761,963	0	0	-761,963	0
Changes in the scope of consolidation	9,451	53,642,738	0	0	53,652,189
December 31, 2021	8,787,916	88,226,426	9,912,944	596,793	107,524,079
Depreciation / write-ups					
January 1, 2020	-5,350,213	0	-9,365,765	0	-14,715,977
Depreciation	-640,969	0	-305,186	0	-946,155
December 31, 2020	-5,991,182	0	-9,670,951	0	-15,662,133
January 1, 2021	-5,991,182	0	-9,670,951	0	-15,662,133
Depreciation	-604,856	0	-7,998	0	-612,854
Changes in the scope of consolidation	-8,323	0	0	0	-8,323
December 31, 2021	-6,604,362	0	-9,678,949	0	-16,283,310
Book values					
December 31, 2020	1,852,309	34,583,689	241,993	1,301,145	37,979,135
December 31, 2021	2,183,555	88,226,426	233,995	596,793	91,240,769

6.2.8 Tangible Assets

Tangible assets are reported at cost less accumulated depreciation. If necessary, accumulated impairments are taken into account. Where relevant, acquisition or production costs include the estimated costs of dismantlement and removal of the asset and restoration of the site.

Scheduled depreciation is applied on a straight-line basis. Depreciation corresponds to the pattern of consumption of future economic benefits. Property, plant and equipment are depreciated on a straight-line basis over various useful lives (3 - 15 years).

If the book value exceeds the estimated recoverable amount, an impairment loss is recognized on that amount. The recoverable amount is determined by the net sales proceeds or – if higher – the present value of the estimated future cash flow from the use of the asset.

EUR	Land, lease-hold and buildings, including buildings on third-party land	Technical equipment and machinery	Other equipment, factory and office equipment	Rights of use	Advance payments and assets under construction	Σ Property, plant and equipment
Acquisition and production costs						
January 1, 2020	47,359	652,061	1,913,733	1,565,801	154,579	4,333,533
Additions	0	101,075	71,255	525,457	5,373	703,160
Disposals	0	0	-48,642	-16,353	0	-64,996
Transfers	0	0	159,952	0	-159,952	0
December 31, 2020	47,359	753,136	2,096,298	2,074,904	0	4,971,697
January 1, 2021	47,359	753,136	2,096,298	2,074,904	0	4,971,697
Additions	0	24,087	71,928	130,157	0	226,172
Disposals	0	0	-73,926	-49,807	0	-123,734
Changes in the scope of consolidation	0	5,223	50,103	10,465	0	65,791
December 31, 2021	47,359	782,446	2,144,403	2,165,718	0	5,139,926
Depreciation / write-ups						
January 1, 2020	-39,865	-266,760	-1,360,172	-500,274	0	-2,167,071
Depreciation	-565	-66,175	-151,902	-527,084	0	-745,727
Write-ups	0	0	0	16,353	0	16,353
Disposals	0	0	27,926	0	0	27,926
December 31, 2020	-40,430	-332,935	-1,484,148	-1,011,004	0	-2,868,518
January 1, 2021	-40,430	-332,935	-1,484,148	-1,011,004	0	-2,868,518
Depreciation	-565	-79,616	-163,482	-573,589	0	-817,252
Disposals	0	0	59,097	42,123	0	42,123
Write-ups	0	0	0	0	0	59,097
Changes in the scope of consolidation	0	-4,697	-39,651	-8,372	0	-52,720
December 31, 2021	-40,995	-417,248	-1,628,184	-1,550,843	0	-3,637,270
Book values						
December 31, 2020	6,929	420,201	612,150	1,063,900	0	2,103,180
December 31, 2021	6,364	365,198	516,219	614,875	0	1,502,656

6.2.9 Other long-term Financial Assets

Equity instruments of listed companies are reported under other long-term financial assets. The shares were allocated to the category “at fair value through profit or loss”. Subsequent measurement of equity instruments is at the market value on the respective reporting date.

	Financial assets EUR
Acquisition and production costs	
January 1, 2020	6,882,048
Additions	0
Disposals	0
December 31, 2020	6,882,048
January 1, 2021	6,882,048
Additions	88,806
Disposals	-11,131
December 31, 2021	6,959,723
Depreciation / write-ups	
January 1, 2020	8,364,946
Depreciation	-5,383,342
December 31, 2020	2,981,604
January 1, 2021	2,981,604
Depreciation	-1,863,092
Write-ups	2,392
Disposals	-27,739
December 31, 2021	1,093,165
Book values	
December 31, 2020	9,863,652
December 31, 2021	8,052,888

6.2.10 Other long-term assets

The other long-term assets are security deposits, which are valued at the nominal value of the deposited amounts.



6.3 Notes to the Consolidated Balance Sheet – Liabilities

6.3.1 Short-term Accruals

Accruals are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the accrual.

The amount recognized as an accrual is the best estimate on the balance sheet reporting date of the expenditure required to settle the present obligation. The risks and uncertainties inherent in the obligation must be taken into account. If an accrual is measured on the basis of the estimated cash flows required to settle the obligation, these cash flows are discounted if the interest effect is material.

The provisions schedule (in kEUR) is as follows:

Accruals in kEUR	01.01.2021	Usage	Liquidation	Supply	First-time consolidation addition	31.12.2021
Audit and annual financial statement costs	54	52	0	52	12	66
Personnel / vacation entitlements	119	104	4	82	13	106
Remunerations to the Supervisory Board	20	20	0	20	0	20
Other	1,342	1,326	15	837	19	855
	1,535					1,047

6.3.2 Income Tax Liabilities

Income taxes are calculated based on the respective national tax results and regulations for the year. In addition, the current taxes reported in the financial year also include adjustments for any tax payments for years not yet finally assessed, but excluding interest payments and penalties for back taxes. Tax accruals are set up in cases where it is probable that amounts recognized in the tax returns cannot be realized (uncertain tax positions). The amount is determined by the best possible estimate of the expected tax payment (expected value or most probable value of the tax uncertainty).

in kEUR	01.01.2021	Usage	Liquidation	Supply	First-time consolidation addition	31.12.2021
Income tax liabilities	152	0	0	1.413	351	1.916

As a result of an ongoing tax audit for the years 2001 to 2005, the tax authorities intended not to recognize the tax loss carryforwards arising up to August 2, 2005, due to a loss of economic identity at that time in accordance with § 8 (4) KStG/ § 10a GewStG. We do not share the legal opinion communicated to us by the tax authorities, and the Federal Fiscal Court has also decided otherwise in a similar case. For this reason, we have not formed any tax accruals for the fiscal years in question. The lawsuit went in our favor. However, the tax office is now attempting to disprove the loss carryforwards for the 2003 assessment year. We are in the process of taking legal action in this regard; if necessary, we would exhaust all legal remedies. As a result of a change in case law, the tax office recognized a portion of the previously unrecognized losses in March 2009. The maximum risk is now kEUR 154.

6.3.3 Trade Account Payables

Trade account payables are recognized at amortized cost using the effective interest method. It is assumed that the fair values correspond to the book values of these financial instruments due to their short maturities.

6.3.4 Leasing Liabilities

According to IFRS 16, the HAEMATO Group capitalizes leasing contracts from operating leasing as rights of use and depreciates them over the term of the contracts. The lease payments constitute liabilities which are classified as short-term or long-term liabilities depending on their term and are discounted.

The rights of use are reported under fixed assets minus accumulated depreciation. The present value of all lease payments is taken as the acquisition cost. Leased assets of low value and short-term duration are not recognised in the balance sheet due to the application of IFRS 16.

	31.12.2021 EUR	31.12.2020 EUR
Right of use	614,875	1,063,900
Deposit	-6,000	-1,500
Deferred expenses	296	116
Σ Assets page	609,171	1,062,515
Liabilities	627,989	1,080,606
Short-term leasing liabilities	574,464	539,340
Long-term leasing liabilities	53,525	541,266
Accrued expenses	-245	-368
Σ Liabilities page	627,744	1,080,238
Depreciation	-573,589	-527,084
Interest expenses	-26,743	-27,279
Σ Profit and loss account	-600,332	-554,363
Leasing expenses	599,542	551,843
Σ Correction of leasing expenses	599,542	551,843

6.3.5 Other short-term Financial Liabilities

Short-term financial liabilities to banks and other financial liabilities are recognized at amortized cost using the effective interest method. Other financial liabilities are mainly short-term liabilities to banks from loans and overdrafts, loans received and accounts receivable with credit balances. The liabilities to banks are secured to the value of kEUR 8,000 through a collateral pool agreement, which is based on the inventory of goods.

6.3.6 Short-term Liabilities

Other short-term liabilities are carried at amortised cost using the effective interest method. These are mainly liabilities from wage tax and VAT as well as liabilities within the scope of social security.

6.3.7 Contractual and Refund Liabilities

Refund liabilities include obligations from sales transactions that constitute financial instruments. A refund liability arises if HAEMATO receives a consideration from a customer and expects that the customer will be refunded this consideration in whole or in part. A refund liability is measured in the amount of the consideration that is not expected to be received by the company and is therefore not included in the transaction price.

A liability for reimbursement is recorded for sales with a right of return.

	31.12.2021 in EUR	31.12.2020 in EUR
Rights of return	920,866	1,563,173
Discount contracts / manufacturer discounts	4,605,797	5,418,649
Contractual and refund liabilities	5,526,662	6,981,822

6.3.8 Long-term Accruals

Long-term accruals relate to retention obligations with a remaining term of more than one year.

6.3.9 Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets and liabilities are calculated on temporary differences between the tax bases of assets and liabilities and their book values in the balance sheet, including differences from consolidation, as well as for yet unused tax loss carryforwards and tax credits.

Measurement is based on the tax rates expected to apply to the period in which an asset is realized or a liability is settled. The tax rates and tax laws used as a basis are those that are enacted or substantively enacted by the balance sheet date. HAEMATO applies impairments on deferred tax assets if it is not probable that future taxable profit will be available in a sufficient amount to offset the deductible temporary differences, tax loss carryforwards and tax credits.

For tax-deductible temporary differences associated with investments in subsidiaries, a deferred tax asset is recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and corresponding taxable income can be expected.

Deferred tax assets and deferred tax liabilities are only offset if a legal right to offset current tax assets and current tax liabilities exists and the deferred tax assets and liabilities relate to income taxes levied by the same authority on the same taxable entity.

No deferred tax assets were reported on the reporting date.

A deferred tax liability is recognized for all taxable temporary differences, unless the deferred tax liability arises from

- goodwill for which amortization is not tax-deductible, or
- the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

However, for taxable temporary differences associated with investments in subsidiaries, a deferred tax liability is recognised unless the timing of the reversal of the temporary difference cannot be controlled by the Company and it is probable that this will not occur in the foreseeable future.

Deferred tax as at December 31, 2021 relates to the following:

Temporary differences in kEUR	31.12.2020	recognized in income	recognized directly in equity	31.12.2021
Valuation of intangible assets	59	-2	0	57
Fair value valuation of financial instruments	1	-1	0	0
Fair value measurement of financial assets	0	0	0	0
Other valuation differences	0	25	0	25
Deferred tax liabilities	60			82

The different statutory valuation methods according to tax law and commercial law as well as under IFRS result in deviations in the calculation of accruals. Together with the valuation of assets and liabilities denominated in foreign currencies at the mean spot exchange rate on the balance sheet date, these different valuations result in deferred tax liabilities of kEUR 25 (previous year: kEUR 0).

The remaining deferred taxes (effective tax rate of 24.225%), which amount to kEUR 57 (previous year: kEUR 59) at the reporting date, result from the first-time consolidation of a subsidiary acquired in 2009 and 2013.

During the initial consolidation, intangible assets were disclosed whose book values as of 31 December 2021 amount to kEUR 234 (previous year: kEUR 242).

6.3.10 Equity

Please refer to the statement of changes in equity for information on the development and composition of the Group.

Subscribed Capital

The Company's share capital of EUR 5,229,307 is divided into 5,229,307 no-par value shares with a nominal value of EUR 1.00 each.

In 2005, a capital increase of EUR 6.75 m was carried out by converting reserves, EUR 2.0m of which came from shareholder contributions (withdrawal from the capital reserve) and EUR 4.75m from the company's previously taxed profits. In the 1st quarter of 2007, 235,066 new shares were issued; in this respect, reference is made to the resolution of the Annual General Meeting of 18 July 2005, in which the Executive Board was authorized to increase the share capital with the approval of the Supervisory Board. The subscription price (for existing shareholders) and the issue price amounted to EUR 6.00 per share. The difference between the subscription or issue price and the nominal value of EUR 5.00 per share was transferred to the capital reserve.

A further capital increase of EUR 4.6m was carried out in 2011 by converting reserves, EUR 1.1m of which came from shareholder contributions (withdrawal from the capital reserve) and EUR 3.5m from the company's already taxed profits (withdrawal from retained earnings). The Executive Board of the company passed a resolution in the 1st quarter of 2013 using the Authorized Capital 2012 and with regard to Article 4 (6) of the Articles of Association, to increase the share capital of the Company by EUR 6,926,299 to EUR 20,778,898 against contribution in kind of EUR 13,852,599.00 by issuing 6,926,299 new ordinary bearer shares as no-par value shares.

In the second quarter of 2017, the share capital was increased to EUR 21,980,000 through the issue of 1,201,102 new shares with a nominal value of EUR 1.00 each. The new shares were issued at a subscription price of EUR 6.20. The premium of EUR 6.25m was transferred in full to capital reserves.

HAEMATO AG has terminated all participation certificates issued by the company (ISIN: DE000A0EQVT2/WKN: A0EQVT) in accordance with § 3 Para. 1 of the terms and conditions for participation certificates in the version of the resolution of the creditors' meeting of December 21, 2009 with effect from December 31, 2017 with publication in the Official Federal Gazette on September 26, 2017.

In accordance with § 3 Para. (2) of the terms and conditions of the profit participation certificates, the company made use of its option to grant the profit participation certificate holders shares in HAEMATO AG instead of the amount repayable. To this end, subscription shares with a nominal value of EUR 887,154 were issued in the 2018 financial year as part of a conditional capital increase on June 9, 2016 (Conditional Capital 2016/I). The share capital now amounted to EUR 22,867,154.

According to the decision made at the Annual General Meeting on 21 July 2020, the share capital was reduced in a ratio of 10:1. The share capital of the company then amounted to EUR 2,286,715 and is divided into 2,286,715 no-par value shares.

In accordance with the approval of the Supervisory Board on December 15, 2020, the share capital of HAEMATO AG was increased by EUR 2,467,201 to EUR 4,753,916. For this purpose, 2,467,201 new no-par value bearer shares with a nominal value of EUR 1.00 were issued. The increase of the share capital is carried out within the framework of a capital increase through contributions in kind. For this purpose, 100% of the shares in M1 Aesthetics GmbH will be transferred with effect from January 1, 2021 in accordance with a notarial share contribution and transfer agreement. In return, M1 Kliniken AG subscribes for the shares issued for the purpose of the acquisition.

Based on the resolution of the Executive Board of March 24, 2021, the share capital of HAEMATO was increased by EUR 475,391 as a result of a cash capital increase of 475,391 new no-par value bearer shares. The new shares were distributed at an issue price of EUR 31.00 per new share and thus at a total issue price of EUR 14,737,121.

Authorized Capital

In accordance with the resolution passed by the Annual General Meeting on July 4, 2018, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions on or before July 3, 2023 by issuing a total of up to 8.047.408 new no-par value bearer shares in return for cash or non-cash contributions, up to a maximum amount of EUR 8.047.408 (Authorized Capital 2018/I).

Conditional Capital

By resolution of the Annual General Meeting on July 13, 2021, the share capital of the Company is conditionally increased by up to EUR 2,614,653 by issuing a total of up to 2.614.653 new no-par value bearer shares (Conditional Capital 2016/I).

Reacquired treasury stock

At the time of repayment in 2018, the company held 1,030 of the terminated profit participation certificates. HAEMATO AG received 17,201 own shares through repayment in the form of shares.

After the capital measure from July 2020, the acquired treasury shares amount to 1,719. Parallel to this, the capital reserve of the treasury shares increases to kEUR 101.3.

Retained Earnings

Retained earnings include the past earnings of the companies included in the consolidated financial statements, to the extent that they were not distributed, as well as income from the sale of treasury shares in the years 2006 to 2007 and 2013, respectively, which were not recognized in the consolidated income statement but directly in equity.

6.3.11 Contingent Liabilities

HAEMATO AG is liable to HYPO NOE Gruppe Bank AG as a joint borrower with MPH Health Care AG in connection with a promissory note loan of EUR 3 m. This loan was paid out to MPH Health Care AG. This loan was fully taken by MPH Health Care AG on the reporting date.

We estimate the claims from contingent liabilities to be low due to the current creditworthiness and previous payment behavior of the beneficiaries. We have no discernible indications that would require a different assessment.

The other financial obligations are within the scope of normal business transactions.

6.4 Notes to the Statement of Comprehensive Income

Principles of Revenue Recognition

Revenue from the sale of pharmaceuticals is recognized when the customer obtains control of the product. This is generally the case when the customer acquires ownership of the products. As a rule, the transfer of power of disposal takes place at the time the goods are handed over to the shipping company.

In principle, payment from the sale of medicinal products is made by the customer when the customer obtains control of the products.

Segment Reporting According to IFRS 8

IFRS 8 requires entities to report financial and descriptive information about its reportable segments. Reportable segments are operating segments that meet certain criteria. Business segments are components of the Group for which separate financial information is available.

Segment reporting must therefore necessarily be based on the company's internal reporting system (management approach). The internal management of the company thus forms the basis for segment reporting.

Following the acquisition of M1 Aesthetics GmbH, the HAEMATO Group for the first time operates in two business segments and primarily within one regional segment (Germany). The business segments are essentially to be separated into the segments Pharmaceuticals and Lifestyle/Medical Products/Diagnostics. The following list contains the consolidated revenues.

Segment	Lifestyle and Aesthetics in kEUR	Specialty Pharma in kEUR
Revenues	65,148	219,895
Gross profit	21,960	8,771
Gross margin	33.7%	4.0%

Products and services

All medicinal products that are not part of the self-payer market and are billed through the health insurance scheme have been assigned to the Specialty Pharma segment. These are prescription drugs and active ingredients that are sold at wholesale and as parallel imports. In addition to the products relevant for the self-payer market for use in beauty treatments, the Lifestyle and Aesthetics segment also includes diagnostic products and services as well as cosmetic products. Products that are used in aesthetic medicine and are paid for by health insurance companies were also allocated to this segment. All allocated costs shown in the profit and loss account are to be assigned to both segments and cannot be separated from each other due to the complexity and the merging of the business areas in the Group. A cost segmentation is economically not reasonable to break down.

Geographical Information

The HAEMATO Group is mainly active in the geographical segment Germany.

Major Customers

There was no external customer that contributed 10% or more to the Group's revenue in the 2021 financial year. With regard to the Lifestyle and Aesthetics segment, sales of kEUR 10,154 were generated with one customer. This corresponds to 16.4% of the external segment revenue.

Profit and Loss Statement

Expenses and income of the financial year are taken into account – irrespective of the time of payment – when they are realized. Proceeds from the sale of assets and proceeds from services are realized when the significant opportunities and risks have been transferred and the amount of the expected consideration can be reliably estimated.

6.4.1 Sales Revenues

The sales revenues are mainly revenues from the sale of medicinal products and medical devices. Sales revenues include sales deductions resulting from manufacturer discounts and contractual discounts with health insurance companies. These sales deductions are recognised as a provision in the course of a reasonable commercial estimate. In 2021, expenses from previous reporting periods totalling kEUR 2,133 are included, which were not taken into account in provisions from previous years.

6.4.2 Other Operating Income

Other operating income totals kEUR 458 (previous year: kEUR 488). They mainly include income from currency translation, the reversal of provisions, insurance compensation and indemnity payments as well as employee benefits in kind.

6.4.3 Cost of Materials

The item cost of materials includes all expenses in connection with the purchase of pharmaceuticals, products for use in beauty treatments and diagnostics as well as cosmetic products.

6.4.4 Personnel Expenses

The personnel expenses included in the income statement for 2021 amount to kEUR 7,503 (previous year: kEUR 6,845). After adjustment for the personnel expenses from M1 Aesthetics GmbH, which was consolidated for the first time on January 1, 2021, the personnel expenses for 2021 totalled kEUR 7,062.

	31.12.2021 in EUR	31.12.2020 in EUR
Wages and salaries	-6,435,610	-5,749,559
Social security contributions and expenses for pensions and for support	-1,067,418	-1,095,340
Personnel expenses	-7,503,028	-6,844,899

6.4.5 Other Operating Expenses

The other operating expenses, which totaled kEUR 11,050 (previous year: kEUR 8,015) include a large number of individual items. These include, in particular, the cost of premises, insurance and contributions, repairs and maintenance, advertising and travel expenses, legal and consulting fees and other miscellaneous operating expenses. M1 Aesthetics GmbH, which was consolidated for the first time as of January 1, 2021, contributes kEUR 2,375 to these costs.

6.4.6 Depreciation

Depreciation and amortization includes scheduled depreciation of tangible assets and amortization of intangible assets in the amount of kEUR 1,474 (previous year: kEUR 1,688). Tangible and intangible assets are depreciated on a straight-line basis over different useful lives (3 to 15 years).

6.4.7 Income from Investments

The income from investments primarily consists of dividends received.

Income from other financial assets in kEUR	2021	2020
Dividend income received	1	1

6.4.8 Other Interest and Similar Income

The interest results from the granting of loans or from the interest income of fixed interest bearer shares.

kEUR	Interest income 2021	Interest income 2020
Income from loans and receivables granted	0	4
Income from interest on fixed-interest bearer shares	358	0

6.4.9 Interest and Similar Expenses

Interest is the cost of interest on loans taken out or the discounting of the rights of use of leasing liabilities. Interest expenses totalled kEUR 423 (previous year: kEUR 803), kEUR 27 (previous year: kEUR 27) is attributable to the discounting of leasing liabilities.

kEUR	2021	2020
Interest from rights of use	-27	-27
Financial liabilities recognized at amortized cost	-396	-776
Net result	-423	-803

6.4.10 Valuation of Financial Assets

The financial investments contained in the financial assets are valued „at fair value through profit or loss“ at the reporting date. Compared to the previous year, these investments were valued lower, at KEUR 1,861. This relates to the unrealised gains / losses from the fair value measurement of the investments as at the reporting date.

6.4.11 Income from the Disposal of Financial Assets

The income from the disposal of financial assets relates to realised gains from the disposal of fixed-interest bearer shares.

6.4.12 Taxes on Income and Earnings

Income taxes comprise both current taxes on income and earnings and deferred taxes. Current income taxes are calculated based on the respective national tax results and regulations for the year. Deferred tax assets and liabilities are calculated on temporary differences between the tax bases of assets and liabilities and their book values in the balance sheet, including differences from consolidation, as well as for yet unused tax loss carryforwards and tax credits. This item can be broken down as follows:

kEUR	2021	2020
Tax expense of the current period	-2,416	-412
Tax expense of the previous period	-304	0
Deferred tax expense from valuation differences	-103	0
Deferred tax income from valuation differences	0	143
	-2.823	-269

Deferred taxes are calculated on a company-by-company basis using the currently applicable effective tax rate of 24.225%.

The effective tax rate shown includes corporation tax and the solidarity surcharge (effective rate: 15.825%) as well as trade tax (effective rate: 8.400%) using the currently valid trade tax assessment rate for the municipality of Schönefeld.

6.4.13 Earnings per Share

Earnings per share are calculated by dividing the net income for the year by the number of shares issued. In accordance with IAS 33.19, the weighted average number of ordinary shares in circulation during the period must be used to calculate the undiluted earnings per share. Dilution effects are not to be taken into account. The weighted average number of ordinary shares outstanding during the period is calculated as follows:

Period	Number of ordinary shares	Weighting	Weighted share
January 1 – July 28, 2020	22,867,154	In accordance with the decision of the Annual General Meeting, the share capital was reduced in a ratio of 10:1	
January 1 – December 16, 2020	2,286,715	351/366	2,192,997
December 17 – December 31, 2020	4,753,916	15/366	194,832
			2,387,829
January 1 – April 13, 2021	4,753,916	103/365	1,341,516
April 14 – December 31, 2021	5,229,307	262/365	3,753,640
			5,095,156

EUR	2021	2020
Equity profit attributable to equity holders of the parent company of net income for period	6,862,241	-4,830,798
Number of shares (weighted average)	5,095,156	2,387,829
Earnings per share	1.35	-2.02

6.5 Notes to the Consolidated Cash Flow Statement

The cash flow statement shows how the HAEMATO Group's cash and cash equivalents have changed in the course of the reporting years due to inflows and outflows of funds. In this cash flow statement, the cash flows are divided into operating, investing and financing activities.

Cash and cash equivalents include short-term available liquid funds amounting to kEUR 25,605 (previous year: kEUR 7,542).

6.6 Other Information

6.6.1 Information on Members of the Corporate Bodies

Management Board

Last name	First name	Power of representation	Profession	Remarks
Kracht	Daniel	Jointly authorized to represent	Merchant	Until 28.02.2021
Brenske	Patrick	Solely authorized to represent	Merchant	

Aufsichtsrat

Last name	First name	Function	Profession	Remarks
Grosse	Andrea	Chairwoman	Lawyer	
Prof. Dr. Dr. Meck	Sabine	Deputy chairwoman	University lecturer and science journalist	
Dr. Braun	Marion	Member	Medical doctor	Until 15.02.2021
Zimdars	Uwe	Member	Business consultant	From 09.03.2021

The total remuneration of the Supervisory Board in the 2021 financial year amounted to kEUR 50 (previous year: kEUR 45)

6.6.2 Number of Employees

The HAEMATO Group employed an average of 150 employees in the reporting period (previous year: 169 employees). This includes 14 employees from the subsidiary M1 Aesthetics GmbH, which was consolidated for the first time as of January 1, 2021.

Industrial employees	Salaried employees	of which are Senior Executives	Total
63	87	14	150

6.6.3 Financial Instruments

The book values correspond to the fair values of financial instruments for the respective classes of the Group's financial instruments as of December 31, 2021 in accordance with IFRS 9.

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement reporting date. In view of the varying influencing factors, the fair values shown can only be regarded as indicators of values that can actually be realized on the market.

The fair values of financial instruments were determined on the basis of the market information available on the balance sheet reporting date. The following methods and premises were used as a basis.

Due to the short maturities of cash and cash equivalents and trade account receivables, it is assumed that the fair values correspond to the book values.

Other short-term financial assets are valued at amortised cost. Due to the predominantly short maturities of these financial instruments, it is assumed that the fair values correspond to the carrying amounts.

The fair value of other long-term financial assets was determined on the basis of quoted, unadjusted prices in active markets for these or identical assets.

Other financial liabilities are measured at amortized cost. Due to the predominantly short maturities of these financial instruments, it is also assumed that the fair values correspond to the book values.

	31.12.2021 EUR	31.12.2021 EUR
Financial instruments	Book value	Measured at fair value
Financial assets	54,194,772	54,194,772
Cash and cash equivalents	25,604,511	25,604,511
Trade account receivables	14,563,107	14,563,107
Other short-term financial assets	5,974,266	5,974,266
Short-term financial assets measured at amortized cost	3,902,514	3,902,514
Other long-term financial assets	8,052,888	8,052,888
Long-term financial assets at fair value through profit or loss	8,052,888	8,052,888
Financial liabilities	-26,811,748	-26,811,748
Trade account payables	-12,224,178	-12,224,178
Other short-term financial liabilities	-14,587,571	-14,587,571
Short-term financial liabilities measured at amortized cost	-14,587,571	-14,587,571

	31.12.2020 EUR	31.12.2020 EUR
Financial instruments	Book value	Measured at fair value
Financial assets	34,369,455	34,369,455
Cash and cash equivalents	7,541,941	7,541,941
Trade account receivables	14,214,310	14,214,310
Other short-term financial assets	2,749,552	2,749,552
Short-term financial assets measured at amortized cost	2,749,552	2,749,552
Other long-term financial assets	9,863,652	9,863,652
Long-term financial assets at fair value through profit or loss	9,863,652	9,863,652
Financial liabilities	-31,335,047	-31,335,047
Trade account payables	-13,027,575	-13,027,575
Other short-term financial liabilities	-18,307,472	-18,307,472
Short-term financial liabilities measured at amortized cost	-18,307,472	-18,307,472

An analysis of net income/loss from financial investments in financial assets, broken down by measurement category, is provided below:

Income category in kEUR	2021	2020
Financial assets measured at amortized cost	479	4
Financial assets at fair value through profit or loss (netted)	-1,861	-5,383
Financial liabilities measured at amortized cost	- 420	- 803

Income from financial assets measured at amortised cost mainly relates to interest received.

The net profits or losses from equity and debt instruments measured at fair value through profit or loss essentially include income or losses from the valuation of these instruments.

The expenses (write-downs) from the valuation of financial assets amounting to (netted) kEUR 1,861 (previous year: kEUR 5,383) result mainly from the reporting date valuation of the shares in M1 Kliniken AG (1,063,547 shares) held by HAEMATO AG. The M1 shares were transferred to HAEMATO AG prior to the IPO of M1 Kliniken AG in 2015 and relate to compensation for the expenses generated when M1 was founded as well as the business value created.

Expenses from liabilities measured at amortised cost relate to interest expenses for short-term and long-term working capital loans.

6.6.4 Management of Financial Risks

The HAEMATO Group is generally exposed to risks resulting from changes in the general conditions caused by legislation or other regulations. As the business activities of the HAEMATO Group are mainly limited to Germany and, in most cases, such changes do not occur suddenly and surprisingly, there is usually enough time to react to changes. In addition, the HAEMATO Group is exposed to market price risks due to changes in exchange rates and interest rates. Risks also arise from investments in financial assets; these may be subject to fluctuations depending on the market prices prevailing on the respective reporting date. The Group is also subject to credit risks, which result primarily from its operating business (trade account receivables).

There are also liquidity risks that are related to credit and market price risks or are associated with a deterioration in the operating business. If these financial risks occur, the Group's earnings, financial and asset position will be negatively influenced. The guidelines underlying the risk management processes for the Group's financial risks are designed to ensure that risks are identified and analyzed throughout the Group. They also aim to limit and control risks appropriately and to monitor these using reliable and modern management and information systems. The guidelines and systems are regularly reviewed and adapted to current market and product developments. This is essentially an early detection system by monitoring liquidity and the development of earnings.

Credit Risk

Credit risk describes the risk of economic loss resulting from a business partner failing to meet its contractual payment obligations. The credit risk comprises both the direct risk of default and the risk of a deterioration in credit worthiness as well as concentration risks.

The maximum risk positions from financial assets that are generally subject to credit risk correspond to their carrying amounts (without taking into account any deposit securities that may be available). In these cases, the maximum risk position corresponds to the expected future payments.

Cash and Cash Equivalents

The Group's liquid funds comprise cash and cash equivalents. Cash and cash equivalents are mainly held at financial institutions with high credit ratings within Germany. The limits and their utilizations are constantly monitored. Liquid funds are therefore not subject to any significant credit risk.

Trade Account Receivables

Trade account receivables result mainly from the sales of pharmaceutical products as well as products for aesthetic treatments and diagnostics. The credit risk includes the risk of default by customers, which include pharmaceutical wholesalers, manufacturers, pharmacies, hospital pharmacies, medical clinics and beauty treatment clinics. To identify credit risks, HAEMATO checks the creditworthiness of customers. In addition, a trade credit insurance policy was taken out to protect against bad debts. The majority of trade account receivables are secured by various forms of collateral. The securities include the retention of title and customer prepayments, for example. The maximum default risk of the financial assets is limited by the amount of the book values.

Liquidity Risk

The liquidity risk describes the risk that a company cannot adequately meet its financial requirements.

The Group manages liquidity risks by constantly monitoring forecast and actual cash flows and reconciling the maturity profiles of financial assets and liabilities. In addition, management is supplemented by maintaining sufficient liquid funds and credit lines with banks.

The following tables show the expected future cash flows of financial liabilities (undiscounted principal repayments) as of December 31, 2021 and December 31, 2020. Interest payments were not taken into account.

Financial liabilities measured at amortized cost	Book value 31.12.2021 kEUR	Cash flow up to 1 year kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Interest-bearing financial liabilities	14,533	14,533	0	0
Non-interest-bearing financial liabilities	12,278	12,278	0	0

Financial liabilities measured at amortized costs	Book value 31.12.2020 kEUR	Cash flow up to 1 year kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Interest-bearing financial liabilities	18,100	18,100	0	0
Non-interest-bearing financial liabilities	13,235	13,235	0	0

Non-interest-bearing financial liabilities of kEUR 12,224 (previous year: kEUR 13,028) are related to trade account payables and kEUR 54 (previous year: kEUR 208) to other short-term financial liabilities.

In the 2021 financial year, interest-bearing financial liabilities include the working capital lines drawn from banks and loans received.

Interest Change Risk

The Group has taken debt capital for the operational implementation of its business model. In 2021, the bank liabilities of the HAEMATO Group amounted to a total of kEUR 14,533 (previous year: kEUR 18,100). Due to the low level of interest rates, there are currently only limited interest change risks.

Short-term liabilities to banks relate to loans which were concluded at the following conditions:

	Utilization in kEUR	Conditions
Loan of kEUR 6,900	6,533	3-month EURIBOR plus 1.50% p.a.
Loan of kEUR 5,000	4,000	2.90% p.a. on EONIA
Loan of kEUR 9,000	4,000	On agreement currently 2.25% p.a. EURIBOR

An increase of interest on the variable-interest bank liabilities of the HAEMATO Group in the total amount of kEUR 14,533 by 1 percentage point leads to an increase of interest expenses of kEUR 145. A reduction of the interest rate of the variable interest-bearing bank liabilities of the HAEMATO Group by 1 percentage point leads to a reduction of the interest expenses of kEUR 145. Nevertheless, the risk of interest rate changes is also reduced with the above-mentioned loans as the loans do not have a fixed term of more than one month and can be redeemed at any time.

The remaining financial liabilities are not subject to any interest rate risk as the conditions are fixed until the end of the term.

Exchange Rate Risk

Exchange rate risks arise on financial instruments denominated in foreign currencies, i.e. in a currency other than the functional currency (EUR). Certain business transactions (purchase of goods) in the Group are denominated in foreign currencies, therefore risks arise from exchange rate fluctuations. The book values of the Group's monetary assets and liabilities denominated in foreign currencies on the reporting date are shown in the table below.

Local currency	Assets		Liabilities	
	31.12.2021 kEUR	31.12.2020 kEUR	31.12.2021 kEUR	31.12.2020 kEUR
Hongkong/China (USD)	0.0	0.0	12,501.7	0.0
Norway (NOK)	0.0	0.2	0.0	193.5
Great Britain (GBP)	1.8	0.4	0.0	772.7
Czech Republic (CZK)	0.0	0.3	0.0	0.0
Poland (PLN)	0.0	0.1	0.0	0.0
Romania (RON)	0.0	0.0	0.0	0.0
Denmark (DKK)	0.1	0.0	0.0	0.0

Other Price Risks

Other price risks may result from rising purchase prices. There are currently no long-term supply contracts or similar measures that could limit these risks. The conclusion of such contracts would have a negative impact on the required flexibility of management in the composition of the drugs to be sold. These are strictly ordered according to actual demand.

6.6.5 Auditor's Fees

The shareholders of HAEMATO AG have elected the auditor Harry Haseloff as auditor at the annual general meeting on July 13, 2021.

The audit services relate to the audit of the consolidated financial statements and the annual financial statements and all services required for the audit of the financial statements, the audit of the accounting-related internal control system and the project-related accounting-related IT and process audits.

The auditor did not provide tax consulting services.

Provisions totaling kEUR 62 were set aside for the anticipated fee of the auditor Harry Haseloff for audits of the financial statements relating to the 2021 financial year and the Group.

6.6.6 Related Persons and Companies

Related parties within the meaning of IAS 24 "Related Party Disclosures" are basically members of the Executive Board and the Supervisory Board, their close family members, subsidiaries that are not fully consolidated and all companies that belong to the investment group of MPH Health Care AG. Please refer to section (6.6.1) regarding the Executive Board and Supervisory Board. These related parties were not involved in any transactions with companies of the HAEMATO Group that were unusual in nature or condition. All transactions between related parties were concluded at arm's length.

If transactions with these companies result in assets or liabilities, these are carried under other assets and other liabilities.

The following transactions were carried out with related parties:

Receivables / liabilities to / from related companies and persons	31.12.2021 kEUR	31.12.2020 kEUR
Payables to related parties	1,875	0
Liabilities to related legal entities	165	2

Transactions with related companies and persons	31.12.2021 kEUR	31.12.2020 kEUR
Goods and services rendered	2,500	1,151
Goods and services received	1,324	9,910
Other operating expenses	0	138

6.6.7 Events after the Balance Sheet Reporting Date

With effect from April 1, 2022, Mr Attila Strauss will be appointed to the Management Board of HAEMATO AG. He has already been Chief Operating Officer at HAEMATO PHARM GmbH since May 1, 2021 and became Managing Director of the company on October 1, 2021.

There were no other significant events after the balance sheet date.

Schönefeld, March 11, 2022



Patrick Brenske
(Management Board)

6.6.8 Auditor's Report

After the final result of his audit, the auditor Harry Haseloff issued the following unqualified audit certificate for the annual financial statement as of December 31, 2021 and the management report 2021 of HAEMATO AG dated April 20, 2022:

„Auditor's Report

to the Supervisory Board of HAEMATO AG, Schönefeld:

Audit Opinions

I have audited the consolidated financial statements of HAEMATO AG – consisting of the consolidated balance sheet as of December 31, 2021, consolidated statement of comprehensive income for the period from January 1, 2021 to December 31, 2021, consolidated cash flow statement for the period from January 1, 2021 to December 31, 2021, consolidated statement of changes in equity for the period from January 1, 2021 to December 31, 2021, notes to the consolidated financial statements, for the period from January 1, 2021 to December 31, 2021 and the Group management report, prepared in accordance with IFRS.

In my opinion, based on the findings of the audit

- the accompanying consolidated financial statements comply in all material respects with IFRS and the German commercial law provisions applicable to corporations and give a true and fair view of the net assets and financial position of the Group as of December 31, 2021 and its results of operations for the fiscal year from January 1, 2021 to December 31, 2021 in accordance with German principles of proper accounting;
- and the accompanying Group management report provides a suitable understanding of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with IFRS and German law and accurately presents the opportunities and risks of future development.
- In accordance with § 322 III 1 HGB, I declare that my audit has not led to any objections to the correctness of the consolidated annual financial statements and the Group management report.

Basis for the Audit Opinions

I conducted my audit of the consolidated financial statements and the Group management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW).

My responsibility under these rules and principles is further described in the section “Responsibility of the auditor for the audit of the Annual Financial Statements and the Management Report” of my audit opinion.

I am independent of the company in accordance with German commercial and professional regulations and have fulfilled my other German professional duties in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the consolidated financial statements and the Group management report.



Management's Responsibility for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and German commercial law in all material respects, and for ensuring that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls they have determined necessary in accordance with German generally accepted accounting principles to enable the preparation of consolidated financial statements that are free from material misstatements, whether intentional or unintentional.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing, where relevant, matters relating to the continuation of the company's activities. In addition, they are responsible for accounting for the continuation of the company's activities on the basis of the accounting principle, unless there are actual or legal circumstances to the contrary.

In addition, the legal representatives are responsible for the preparation of the Group management report, which as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development in accordance with IFRS and German law.

Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a Group management report in accordance with IFRS or the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the Group management report.

Responsibility of the Auditor for the Audit of the Annual Financial Statements and the Management Report

My objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether intended or not, and whether the Group management report as a whole provides a suitable view of the Group's position and suitably presents my audit opinion on the consolidated financial statements and the Group management report in all material respects, is in accordance with German law and suitably presents the opportunities and risks of future development.

Adequate assurance is a high degree of certainty, but no guarantee that an audit conducted in accordance with § 317 HGB and taking into account the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement.

Misstatements may result from infringements or inaccuracies and are considered material if it could reasonably be expected that they will influence the economic decisions of addressees made individually or collectively on the basis of these consolidated financial statements and the group management report.


During the examination I exercise due discretion and maintain my critical attitude.

Beyond that:

- I identify and assess the risks of material misstatements, whether intentional or not, in the consolidated financial statements and management report, plan and perform audit procedures in response to these risks, and obtain audit evidence sufficient and appropriate to support my audit opinion. The risk that material misrepresentations are not detected is higher in the case of violations than in the case of inaccuracies, since violations may involve fraudulent interaction, forgery, intentional incompleteness, misleading representations or the repeal of internal controls.
- I gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of the arrangements and measures relevant to the audit of the Group management report that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's systems.
- I assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- I draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, on the basis of the evidence obtained, whether there is a material uncertainty in connection with events or circumstances that may raise significant doubts about the ability of the company to continue the business. If I come to the conclusion that there is material uncertainty, I am obliged to draw attention to the related information in the consolidated annual financial statements and in the consolidated management report in the audit report or, if this information is inappropriate, to modify my respective audit opinion. I draw my conclusions on the basis of the audit evidence obtained by the date of my audit opinion. However, future events or circumstances may prevent the company from continuing its business activities.
- I assess the overall presentation, structure and content of the consolidated financial statements including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a way that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS and German principles of proper accounting.
- I assess the consistency of the Group management report with the consolidated financial statements, its discussion of the law and the picture it conveys of the Group's position.
- I perform audit procedures on the forward-looking statements made by the legal representatives in the group management report. On the basis of sufficient suitable audit evidence, I particularly verify the significant assumptions underlying the future-oriented statements made by the legal representatives and assess the appropriate derivation of the future-oriented statements from these assumptions. I do not express an independent opinion on these forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements.

I discuss with those responsible for monitoring the planned scope and timing of the audit and significant audit findings, including any shortcomings in the internal control system, which I identify during my audit.

Berlin, April 20, 2022


Dipl.-Kfm. Harry Haseloff
Auditor





7. FURTHER INFORMATION

7.1 The Share

KEY FIGURES OF THE SHARE	as of 31.12.2021	as of 31.12.2020
Class of shares	Bearer shares	Bearer shares
Stock capital	EUR 5,229,307	EUR 4,753,916
Number of shares	5,229,307	4,753,916
WKN / ISIN	A289VV / DE000A289VV1	
Symbol	HAEK	
Trading places	Xetra, Tradegate, Frankfurt, Stuttgart, Hamburg, Berlin, Dusseldorf, Munich	
Listing	Frankfurt Stock Exchange	
First trading day	05.12.2005	
Market segment	Entry Standard (Open Market)	
Designated Sponsor, Listing Partner	ICF Kursmakler AG	
Specialist	ODDO SEYDLER BANK AG	
Coverage	GBC AG, First Berlin Equity Research GmbH, Warburg Research	
Market capitalisation	EUR 125.0 m (as of 31.12.2021 - Xetra)	

7.2 Financial Calendar

April 7, 2022	Preliminary Results 2021
May 17, 2022	Annual Report 2021
May 25, 2022	Q1 - Results 2022
July 12, 2022	Annual General Meeting
August 25, 2022	Interim Report 2022
November 17, 2022	Q3 - Results 2022

7.3 Glossary

AMNOG

German law on the new regulation of the pharmaceutical market, which entered into force on 01/01/2011

Net profit

Balance of net income for the financial year, profit or loss carried forward and appropriation of earnings

Biosimilars

A follow-up product highly similar to a formerly patented biopharmaceutical

BtM

Abbreviation for “Betäubungsmittel” (narcotic drugs)

Cash Flow

An economic measure that says something about a company’s liquidity; represents the inflow of liquid funds during a period

Dividends

The profit per share of a stock corporation that is distributed to the shareholders

EBIT

Earnings before interest and taxes; says something about a company’s operating profit over a certain period of time

EBITDA

Earnings before interest, taxes, depreciation and amortization: Depreciation & amortization are added to earnings before interest and taxes

Earnings per share

Earnings per share are calculated by dividing consolidated net income by the weighted average number of shares. This is calculated in accordance with IAS 33.

SHI

Abbreviation for the Social Health Insurance

GSAV

abbreviation for Gesetz für mehr Sicherheit in der Arzneimittelversorgung (Act for More Safety in the Supply of Pharmaceuticals)

Patent

In application to the pharmaceutical market: Industrial property right for a newly developed active pharmaceutical ingredient; in the EU, market exclusivity is limited to 20 years

Oncology

Science that deals with cancer

Orphan Diseases

A group of diseases that are life-threatening or chronically debilitating and whose low prevalence in the population makes it a severe challenge for patients and healthcare authorities

Licensing

An official authorisation required to offer, distribute or supply an industrially manufactured, ready-to-use medicinal product

7.4 Sources

- 1 Cf. [https:// manager-magazin.de/politik/weltwirtschaft/internationaler-waehrungsfonds-oekonomen-senken-globale-wachstumsprognose-a-8bed9c56-d28a-42ee-b854-137a45c45e88](https://manager-magazin.de/politik/weltwirtschaft/internationaler-waehrungsfonds-oekonomen-senken-globale-wachstumsprognose-a-8bed9c56-d28a-42ee-b854-137a45c45e88)
- 2 Cf. Kieler Konjunkturberichte: Weltwirtschaft im Winter 2021 v. 15.12.2021, S. 2
- 3 Cf. Kieler Konjunkturberichte: Weltwirtschaft im Winter 2021 v. 15.12.2021, S. 2-3
- 4 Cf. Kieler Konjunkturberichte: Weltwirtschaft im Winter 2021 v. 15.12.2021, S. 3-4
- 5 Cf. Kieler Konjunkturberichte: Weltwirtschaft im Winter 2021 v. 15.12.2021, S. 5-6
- 6 Cf. Pressemitteilung BMWI vom 14.01.2022 „Die wirtschaftliche Lage in Deutschland im Januar 2022“
- 7 Cf. bmi.de/Redaktion/DE/Artikel/Branchenfokus/Industrie/branchenfokus-chemie-pharmazie.html
- 8 Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes 2021, S. 4
- 9 Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes 2021, S. 5
- 10 Cf. IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes 2021, S. 6
- 11 Cf. www.boerse-online.de/nachrichten/meinungen/specialty-pharma-vom-nischenprodukt-zum-megatrend-1002139412
- 12 Cf. BMWI Pressemitteilung: Die wirtschaftliche Lage in Deutschland im Januar 2022 vom 14.01.2022
- 13 Cf. ifo Schnelldienst 1/2022: ifo Konjunkturprognose Frühjahr 2022 vom 23. März 2022, S. 1-2
- 14 Cf. IQVIA “Global Medicine Spending and Usage Trends: Outlook to 2025” vom 28. April 2021
- 15 Cf. www.vfa.de/de/arzneimittel-forschung/woran-wir-forschen/45-neue-medikamente-2022-erwartet
- 16 Cf. www.deutsche-apotheker-zeitung.de/news/artikel/2021/12/30/pharmabranche-erwartet-umsatzplus-von-8-prozent
- 17 Cf. Wöchentlicher Lagebericht des RKI zur Coronavirus-Krankheit-2019 vom 17.03.2022, S. 3-4
- 18 Cf. www.boerse-online.de/nachrichten/ressort/maerkte/dax-ausblick-anleger-erwartet-wegen-ukraine-krieg-turbulentes-fruehjahr-1031216685
- 19 Cf. KfW Research Ausgabe 220 von März 2022

7.5 Imprint & Contact



HAEMATO AG

Lilienthalstraße 5c, 12529 Schönefeld

tel.: +49 (0) 30 897 30 86 - 70

fax: +49 (0) 30 897 30 86 - 79

info@haemato.ag

www.haemato.ag

Investor Relations contact

ir@haemato.ag

Management Board

Patrick Brenske

Supervisory Board

Chairwoman: Andrea Grosse

Deputy Chairwoman: Prof. Dr. Dr. Sabine Meck

Member: Uwe Zimdars

Court Registry

Berlin, Amtsgericht Charlottenburg, HRB 88633 B

Concept, design and realisation

HAEMATO AG

Photos

HAEMATO AG, Adobe Stock, Getty images, iStockphoto

HAEMATO has been operating successfully as a pharmaceutical manufacturer and wholesaler since 2005, making an active contribution to reducing costs in the healthcare market so that every patient can continue to benefit from the latest therapies and treatment concepts in the future.

