



HALF-YEAR REPORT 2021



The Single Pill Company

VISION OF APONTIS PHARMA

Our Future:

We build bridges between
successful research
and our patients.

For a better life.

Together. Every day.



ABOUT APONTIS PHARMA

APONTIS PHARMA AG is a leading pharmaceutical company specializing in Single Pills in Germany. Single Pills combine two to three patent-free active ingredients in a single dosage form. APONTIS PHARMA develops, promotes and sells a broad portfolio of Single Pills and other pharmaceutical products, with a special focus on cardiovascular diseases as well as diabetes and respiratory diseases. Since 2013, APONTIS successfully launched several Single Pill products alone for cardiovascular indications such as hypertension, hyperlipidemia and secondary prevention. Driven by the more effective therapeutic success demonstrated in the START study, APONTIS PHARMA's focus has been on Single Pills since October 2020. With its headquarters in Monheim am Rhein, APONTIS PHARMA is located in one of Europe's leading pharmaceutical and chemical regions. From here, the company maintains a broad network with re-search-based pharmaceutical companies and a customer target group of approx. 23,000 physicians in Germany. For additional information about APONTIS PHARMA, please visit www.apontis-pharma.de.

WE HELP PEOPLE WITH CHRONIC DISEASES. THROUGH INNOVATIVE MEDICINES.

Our innovative products include, in particular, Single Pills for the treatment of chronically ill patients with cardiovascular diseases.

Cardiovascular diseases are the leading cause of death in Germany, ahead of cancer. Over time, untreated, constantly elevated blood pressure can lead to organ damage and also increases the risk of arteriosclerosis and thus the risk of heart attack and stroke.

To prevent a cardiovascular event, a "well-controlled" blood pressure is essential for patients. In addition to lifestyle changes, drug approaches are also part of the treatment. Often, several antihypertensive agents must be taken to achieve the desired target value and effectively reduce subsequent risks. Likewise, in patients after a cardiovascular event, multiple agents are needed to prevent a further event.

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DEAR SHAREHOLDERS,

APONTIS PHARMA AG has achieved a great deal with its focus on Single Pills and significantly expanded both its strong position and its profitability in the first half of 2021. Unimpressed by the general market environment, our Single Pills proved to be impressive growth drivers, despite the fact that the development of the pharmaceutical industry was influenced strongly by an undersupply of chronically ill patients as a result of the COVID-19-related lockdowns and the high volumes of vaccinations. The financial results in the first half of 2021 underscore that going public in the spring of 2021 was the right move to further strengthen and expand our position as “The Single Pill Company” in the best possible way with the proceeds from the issue of new shares.

SIGNIFICANT INCREASE IN SINGLE PILL REVENUES

APONTIS PHARMA achieved revenues growth of 36% to EUR 24.0 million in the first half of 2021. Growth accelerated over the six-month period, in particular due to the strong demand for Single Pills, including our proprietary Single Pills Atorimib® (cholesterol-lowering drug) and Tonotec® HCT (antihypertensive drug). Single Pills revenues increased significantly by 83% to EUR 14.0 million and accounted for 58% of total revenues (H1 2020: 43%). Earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA), which were mainly adjusted for IPO costs, increased by EUR 4.3 million to EUR 2.8 million at Group level. With an improved adjusted EBITDA margin of 11.8%, APONTIS PHARMA is in line with the forecast for the current financial year communicated in connection with the IPO. We have thus also laid the foundation for our medium-term target of 30%.

HIGH FINANCIAL FLEXIBILITY IN A DYNAMIC GROWTH INDUSTRY

Through the IPO, APONTIS PHARMA has received new funds primarily for targeted investments in the further growth of the company. These include the development of new Single Pills, the strengthening of licensing activities and the expansion of marketing and sales activities to gain further market share, as well as possible product acquisitions. With liquid assets of EUR 30.5 million and an equity ratio of 72.2% as of 30 June 2021, APONTIS PHARMA has a high degree of financial flexibility in a dynamic growth industry.

Megatrends such as demographic change and increasing life expectancy will be defining issues globally in the future. People are continuously reaching a higher age. According to the Federal Statistical Office (Destatis), the average age of men in Germany is currently around 79 years and of women just under 83 years. In 2060, life



Karlheinz Gast
CEO



Thomas Milz
CPO

expectancy could rise to up to 87 years for men and over 89 years for women, according to Destatis forecasts. At the same time, in connection with rising life expectancy, an increase in chronically ill patients can be observed as a result of the age-related accumulation of cardiovascular and diabetic diseases.

SINGLE PILLS: PROVEN TO BE MORE EFFECTIVE

The impressive development of life expectancy is also a great credit to health companies. Nevertheless, cardiovascular diseases are still the most common cause of death in Germany. Germany alone has around 22 million diagnosed adult hypertensives, i.e. patients suffering from high blood pressure.

At APONTIS PHARMA, we make an important contribution to the treatment of these diseases by offering and continuously improving more effective drugs and therapies in the field of civilisation diseases such as cardiovascular indications and diabetes. In doing so, we clearly focus our activities on the needs of this large group of patients and offer them a demonstrably more effective therapy through Single Pills. The therapeutic success of Single Pills is proven by the “Effect of **S**ingle pill combinations on **T**reatment **A**dherence and persistence as well as on clinical and pharmaco-economic outcomes in the **R**real-world **T**reatment of hypertension, coronary heart disease, hyperlipidemia and in secondary prevention of cardiovascular events” study, or START for short, conducted in 2019.

The results showed that the administration of cardiovascular Single Pill therapy was associated with lower event rates in German health care practice. For example, Single Pill therapy reduced strokes by up to 46% and heart attacks by up to 38% compared to conventional treatment. As a result, hospital admissions also fell by up to 55% and mortality by up to 49%. Total treatment costs with Single Pills promise

savings of up to 34%. Consequently, there was also tailwind from AXA Krankenversicherung, which supported our cause for wider use of Single Pills in the treatment of high blood pressure in a letter to its policyholders. The growing awareness and attention for our products confirm us in our strategy.

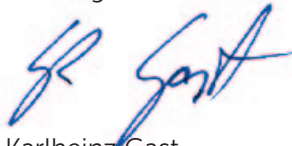
CLEAR MISSION: INNOVATION AND SUSTAINABILITY

As 'The Single Pill Company,' we derive a clear mission and goal for ourselves from the START study, in short and inextricably linked: Innovation and Sustainability. We develop innovative Single Pills to noticeably improve the quality of life of people with cardiovascular and diabetes diseases. At the same time, we set ourselves ambitious goals for sustainable company growth. Specifically, we want to further expand the Single Pills business and achieve a leading position in other chronic indications. Continuing on this path, we have four more preparations in the short-term pipeline, and we want to bring nine more Single Pills to market in the medium term. For financial year 2021, we continue to expect revenues of EUR 48.5 million and adjusted EBITDA of EUR 5.5 million.

We would like to take this opportunity to expressly thank our employees once again. In challenging times, they have contributed to a great team success through their passionate commitment.

We also owe our thanks to you, our shareholders, for the trust you have placed in us since our stock market debut. Please continue to accompany us as a listed healthcare company in creating sustainable value: both with pioneering Single Pill products for effective and gentle therapy and in the form of healthy company growth.

Kind regards,



Karlheinz Gast
Chief Executive Officer (CEO)



Thomas Milz
Chief Product Officer (CPO)

APONTIS PHARMA AG ON THE CAPITAL MARKET

SUCCESSFUL INITIAL PUBLIC OFFERING

On 11 May 2021, APONTIS PHARMA AG started with trading of its shares in the European SME growth segment "Scale" of the Frankfurt Stock Exchange at an issue price of EUR 19.00. The proceeds from the IPO of EUR 38 million will be used primarily for selected investments in the expansion of the Single Pills business. Investments will be made mainly in the development of new proprietary Single Pills and in the in-licensing of Single Pills already developed in the European market. Furthermore, the proceeds from the issue will also be used to expand marketing and sales activities to gain further market share as well as for product acquisitions. The market capitalisation of APONTIS PHARMA AG at the time of the IPO was around EUR 162 million.

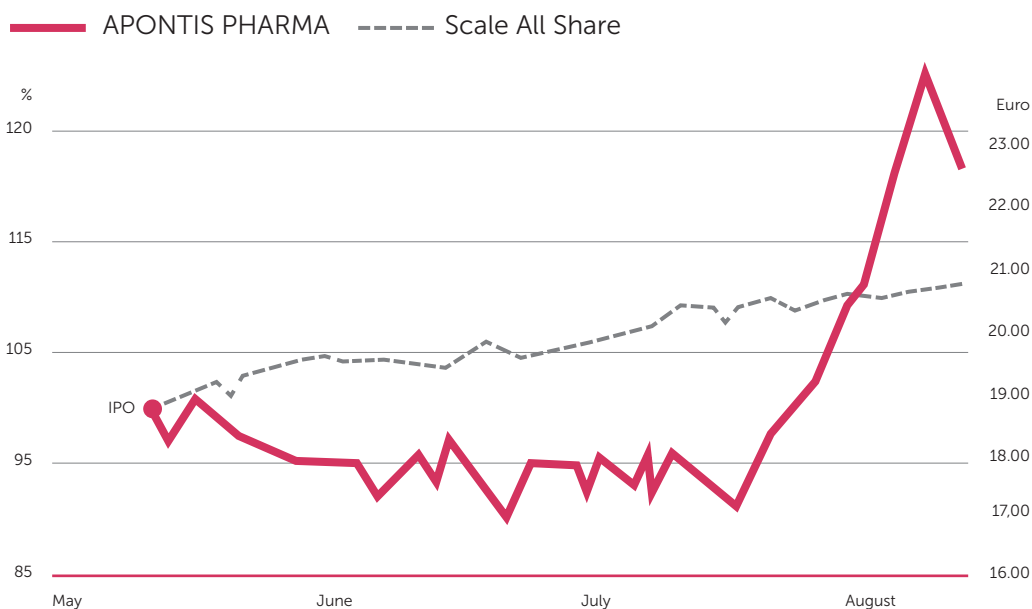
APONTIS PHARMA SHARE INFORMATION

Ticker symbol	APPH
WKN (German Securities Identification Number)	A3CMGM
ISIN (International Securities Identification Number)	DE000A3CMGM5
Stock Exchange and Trading Venue	Xetra, Frankfurt, Berlin, Düsseldorf, Gettex, Munich, Quotrix, Stuttgart, Tradegate
Trading Segment	Regulated unofficial market in Frankfurt "Scale" (Open Market)
Total Number of Shares	8,500,000
Type of Share	Ordinary bearer shares without nominal value (no-par shares)
Designated Sponsor	Hauck & Aufhäuser Privatbankiers AG

CHALLENGING CAPITAL MARKET ENVIRONMENT FOR IPOs

Strong fluctuations on the stock markets as a result of inflation concerns and speculation regarding interest rate hikes by central banks caused challenges in the second quarter of 2021 with regard to the start of trading and the price development after IPOs. Overall, market participants focused on the good economy and the related prospects for company and share price profits.

SHARE: PRICE PERFORMANCE (EURO) AND TRADING VOLUME (%)



Following the successful IPO, the price of the APONTIS PHARMA share was unable to keep pace with the performance of the market as a whole, despite a dynamic course of business. After an initial listing of EUR 18.90 on 11 May, the share price reached its high for the first half of 2021 of EUR 19.25 on the following trading day. APONTIS PHARMA AG shares recorded their low on 4 June 2021 at a price of EUR 16.60 and ended the reporting period at a closing price of EUR 17.95. Overall, the APONTIS PHARMA AG share price recorded a decline of 5.5% in the first half of 2021 compared to the initial listing at the time of the IPO. After the end of the reporting period, the APONTIS PHARMA share convinced with good corporate news on the distribution of Single Pills as well as the preliminary half-year figures and recorded a successful trend reversal with rising prices. In the further course, the APONTIS PHARMA AG share price marked its highest closing price since the IPO on 3 August with an increase of 25.9% to EUR 23.60.

SHARE PRICE PERFORMANCE

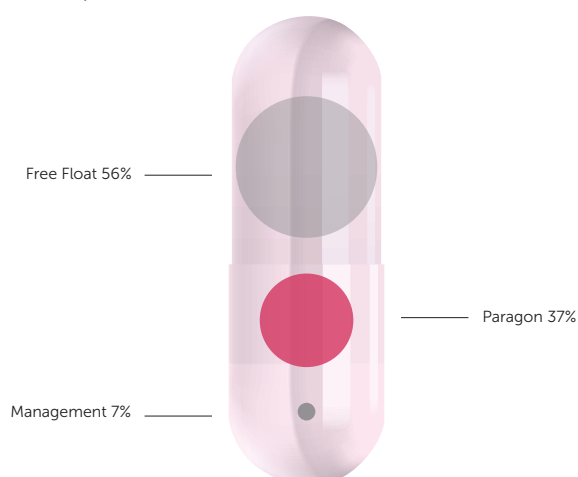
Issue Price	11 May 2021	EUR 19.00
Low	4 June 2021	EUR 16.60
High	12 May 2021	EUR 19.25
Closing Price	30 June 2021	EUR 17.95
Performance		-5.5%
Market Capitalisation		EUR 152.6 million

The average daily trading volume in APONTIS PHARMA shares amounted to 33,642 shares on all German trading venues in the period from the initial listing on 11 May to the end of the first half-year on 30 June 2021.

Hauck & Aufhäuser Privatbankiers AG acted as designated sponsor and continuously supported the tradability of the APONTIS PHARMA AG share through binding bid and ask prices.

SHAREHOLDER STRUCTURE

As of 30 June 2021, APONTIS PHARMA AG is aware of the shares in the voting share capital that are required to be disclosed to the company pursuant to § 20 (5) of the German Stock Corporation Act (AktG), have been disclosed voluntarily or are subject to lock-up periods after the IPO. According to the definition of Deutsche Börse AG, free float includes all shares that are not held by major shareholders (share in the share capital of more than 5%).



With a balanced ratio of free float and institutional investors, APONTIS PHARMA AG has a liquid tradability of shares and a stable structure of anchor shareholders to pursue the company’s strategy in a targeted manner. With around 37%, the current shareholder The Paragon Fund II GmbH & Co. KG (Paragon) holds the majority of the outstanding shares as of 30 June 2021. The management of APONTIS PHARMA AG holds 7% of the shares entitled to voting rights. 56% of the shares are in free float.

ANALYST RECOMMENDATIONS

With Hauck & Aufhäuser Privatbankiers, Warburg Research and Edison Investment Research, the APONTIS PHARMA AG share has been analysed and evaluated by renowned investment banks and research firms since the IPO.

In their studies, the analysts recommend buying the APONTIS PHARMA share with price targets of up to EUR 41.00 and emphasise the expansion of the profitable Single Pills business, the scalability of the business model and the high market entry barriers for potential competition to APONTIS PHARMA as unique selling points. The analysts’ recommendations to buy the APONTIS PHARMA share correspond to a price potential of up to 128 % compared to the closing price on 30 June 2021.

OVERVIEW OF ANALYST RECOMMENDATIONS

Latest Update	Institution	Analyst	Recommendation	Price Target
17 June 2021	Warburg Research	Dr. Christian Ehmann	BUY (Initiation)	41.00
16 June 2021	Hauck & Aufhäuser	Aliaksandr Halitsa	BUY (Initiation)	31.00
11 May 2021	Edison Investment Research	Dr. Sean Conroy, Dr. Jonas Peculius	*	*

*) Edison Investment Research's qualitative analysis reports for scale issuers were prepared on behalf of Deutsche Börse without a price target or recommendation.

INVESTOR RELATIONS ACTIVITIES

The APONTIS PHARMA AG share is listed on the EU-registered SME growth market "Scale" (open market) of the Frankfurt Stock Exchange. The company informs its shareholders and capital market participants without delay about important business events or events of significance to the share price development by means of ad hoc announcements or corporate news.

The Management Board of APONTIS PHARMA maintains a continuous close dialogue with investors and analysts as well as the financial and business press and held a number of one-on-one meetings in the first half of 2021.

FINANCIAL CALENDAR 2021

February 2021	Annual Report 2020
April 2021	Annual General Meeting 2021
August 2021	Half-yearly financial statements 2021
August 2021	Warburg Roadshow
26 August 2021	Hamburger Investoren Tag, Hamburg
6 – 7 September 2021	Fall Conference, Frankfurt / Main
November 2021	Warburg "Meet the Future"-Conference, Berlin
22 – 24 November 2021	German Equity Forum, Frankfurt / Main

The Investor Relations section of the APONTIS PHARMA AG website provides a comprehensive insight into business developments, upcoming events, financial reports and presentations at ir.apontis-pharma.de.

MACROECONOMIC AND INDUSTRY-RELATED GENERAL CONDITIONS

MACROECONOMIC TREND

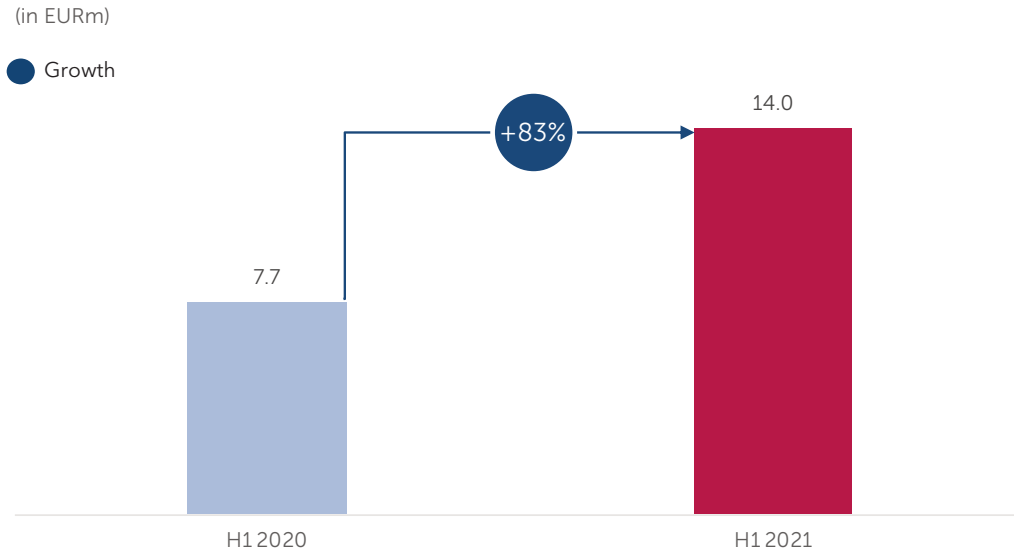
According to the Kiel Institute for the World Economy (IfW), economic development in Germany picked up again from the second quarter of 2021 on. Prior to this, the resurgence of the corona pandemic in the winter half-year had stalled the economic recovery. This means that trade and contact-intensive services in particular are expected to benefit from catch-up effects from pent-up consumer spending by private households. The economic recovery is also helping to overcome the corona-related decline in employment. From the second half of the year on, a dynamic increase in employment should bring the unemployment rate back down to nearly its pre-crisis level. According to the IfW, overall economic output in Germany will grow rapidly in 2021 and, at 3.9%, will again be at the level seen before the outbreak of the pandemic; inflation as a result of the VAT increase and the climate package will be around 2%.

INDUSTRY DEVELOPMENT

Pharmaceutical sales in the German pharmaceutical market for pharmacies and clinics in the first quarter of 2021 were 0.3% lower at EUR 12.8 billion and thus nearly at the level of the prior-year period. The hospital market was the growth driver, fueled by catch-up effects and the use of fewer but more cost-intensive drugs, with sales up 4.9%. According to the market research company IQVIA, the decline in pharmacy sales of around 1% was due to the containment measures of the COVID-19 pandemic and the related lower frequency of consultations with physicians and pharmacists. Prescription drugs, which are important for APONTIS PHARMA, recorded sales growth of 3.2% to EUR 9.3 billion. As a result of mandatory manufacturer discounts and rebates from reimbursement amounts, the savings of the statutory health insurance (SHI) increased by around 9% to EUR 1.5 billion in the first quarter of 2021. Private health insurers, however, saw a decrease of around 5% to EUR 207 million. Overall, SHI drug spending increased by around 1% to EUR 11.5 billion due to the pandemic. Business expectations in the pharmaceutical industry were again above the pre-crisis level in March 2021. The ifo Institute expects a positive turnaround in the sales development of the pharmaceutical industry in Germany for the full year 2021.

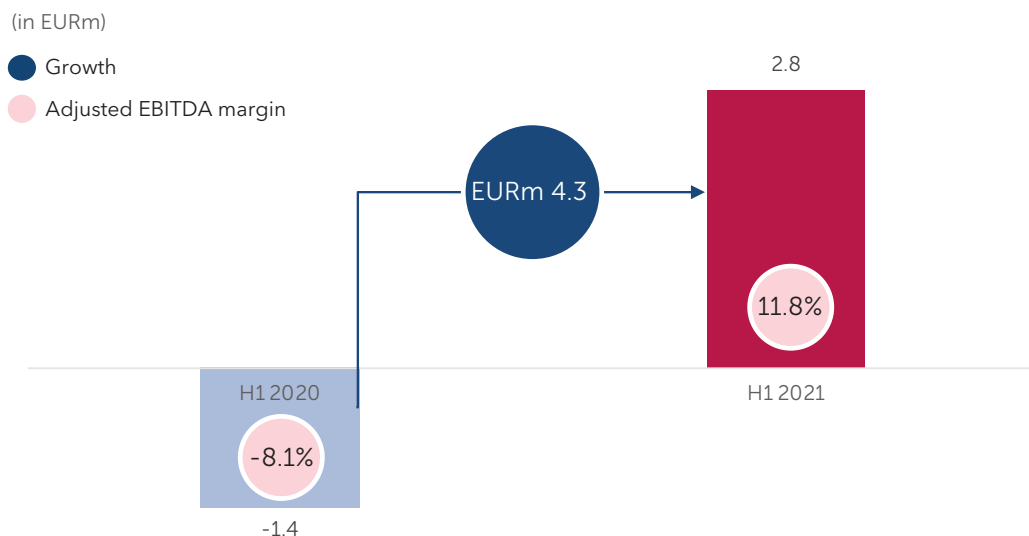
BUSINESS DEVELOPMENT

SINGLE PILL REVENUE: HIGH DEMAND FOR NEW DEVELOPMENTS



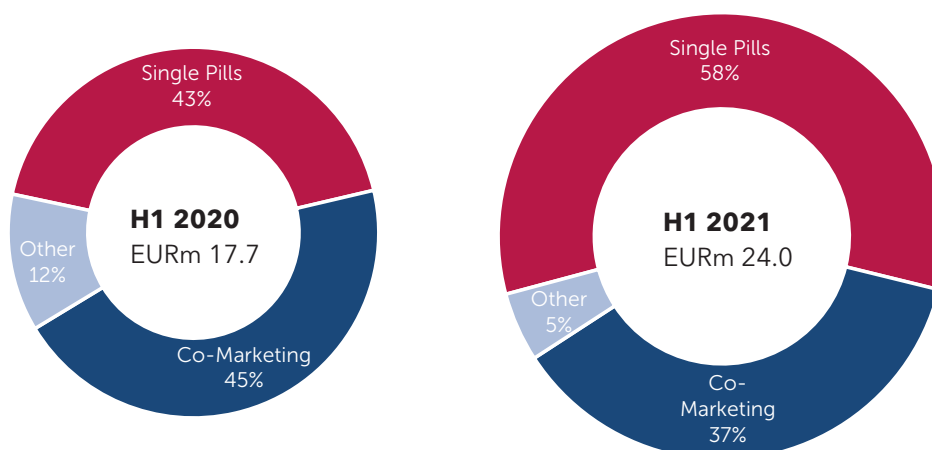
In a successful first half of 2021, the APONTIS PHARMA Group significantly increased both its revenue and its profitability compared to the same period of the previous year. APONTIS PHARMA's business development was unaffected by the general market environment in the pharmaceutical industry, which in the six-month period of 2021 was determined by an undersupply of chronically ill patients as a result of the COVID 19-related lockdowns and the high volume of vaccinations. The progress made in marketing its own product portfolio was all the more pleasing for APONTIS PHARMA as 'The Single Pill Company.' Tailwind also came from AXA Health Insurance, which supported APONTIS PHARMA's cause of achieving broader use of Single Pills in the treatment of high blood pressure by writing a letter to its policyholders. The growth in revenue and in the share of Single Pills both exceeded management's expectations. **Single Pill revenue** increased significantly by 83.2% to EURk 14,037 in the six-month period ended 30 September 2021 (H1 2020: EURk 7,661). The **Single Pill revenue share** increased to 58.4% (H1 2020: 43.3%) for APONTIS PHARMA. Overall, APONTIS PHARMA Group revenues growth accelerated by 35.9% to EURk 24,012 (H1 2020: EURk 17,666), in particular driven by the strong demand for Single Pills, including the stand-alone new developments Atorimib® (cholesterol-lowering agent) and Tonotec® HCT (antihypertensive agent).

ADJUSTED GROUP EBITDA: IMPROVEMENT IN LINE WITH THE FORECAST



The operating result before interest, taxes, depreciation and amortisation (adjusted EBITDA), which was mainly adjusted for IPO costs, increased by EURk 4,272 to EURk 2,834 (H1 2020: EURk -1,438). The adjusted EBITDA margin of 11.8% represents a significant improvement in line with the forecast for the current financial year communicated in connection with the IPO (H1 2020: -8.1%).

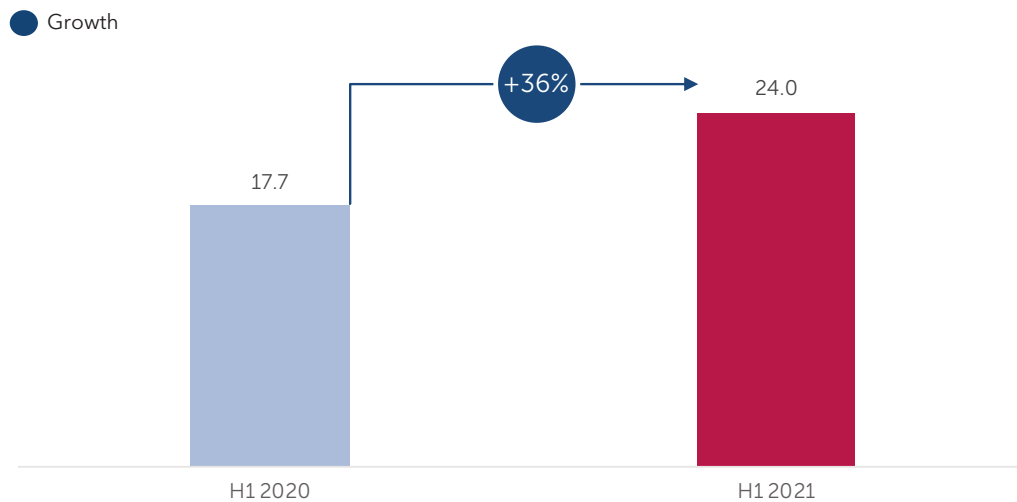
SINGLE PILL SHARE: GROWTH EXPECTATIONS EXCEEDED



EARNINGS, NET ASSETS AND FINANCIAL POSITION EARNINGS SITUATION

GROUP REVENUE: STRONG GROWTH COMPARED TO THE GENERAL MARKET TREND

(in EURm)



The APONTIS PHARMA Group achieved strong **revenue growth** of 35.9% to EURk 4,012 (H1 2020: EURk 17,666) in the first half of 2021 compared to the general development in the pharmaceutical market. Growth was driven in particular by Single Pill therapies for the treatment of cardiovascular diseases, including hypertension. The increase in **other operating income** to EURk 2,973 (H1 2020: EURk 507) was mainly due to the recharging of equity procurement costs. At 34.5%, cost of materials increased more slowly than the volume of business to EURk 8,508 (H1 2020: EURk 6,327), so that the **cost of materials** ratio improved to 35.4% (H1 2020: 35.8%). The 30.0% increase in **personnel expenses** to EURk 10,943 (H1 2020: EURk 8,416) includes employee-related equity procurement costs (the IPO bonus). Adjusted for the IPO bonus, personnel expenses were virtually at the previous year's level, while the reported ratio of personnel expenses to revenue even improved to 45.6% (H1 2020: 47.6%). **Other operating expenses** increased to EURk 8,200 (H1 2020: EURk 4,844), mainly as a result of the equity capital procurement costs included as well as in the context of the increasing business activity. Adjusted for equity costs, other operating expenses rose at a lower rate than revenue, by 9.2%.

EARNINGS PERFORMANCE

OPERATING RESULT: STRONG INCREASE IN REVENUES WITH DISPROPORTIONATELY LOW COST DEVELOPMENT

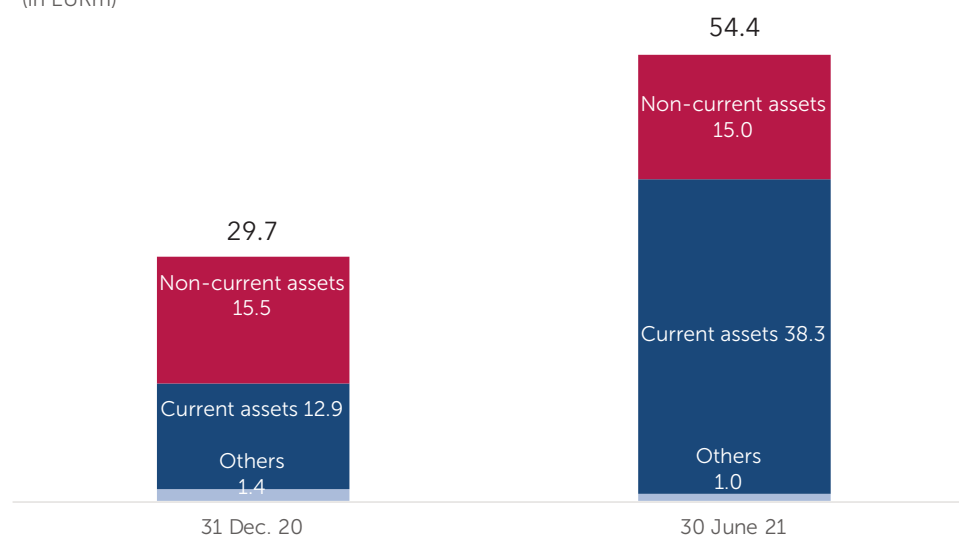
in EURm	H1 21	H1 20	Δ
Adjusted EBITDA	2.8	-1.4	4.3
Adjusted EBITDA margin (in %)	11.8%	-8.1%	n/a
IPO costs	3.5	-	n/a
EBITDA reported	-0.7	-1.4	52.4%
EBITDA margin reported (in %)	-2.9	-12.5%	76.8%

In the first half of 2021, the APONTIS PHARMA Group achieved a significant improvement in the operating result before interest, taxes, depreciation and amortisation (**adjusted EBITDA**), which was essentially adjusted for the costs of the IPO, by posting an increase of EURk 4,272 to EURk 2,834 (H1 2020: EURk -1,438). Earnings were driven by a disproportionately low development of costs in the face of a strong increase in revenues. The **adjusted EBITDA margin** of 11.8 % represents a noticeable improvement in line with the forecast for the current financial year communicated in the context of the IPO (H1 2020: -8.1 %). Adjusted EBIT improved to a positive figure of EURk 2,072 (H1 2020: EURk -2,206), so that the adjusted EBIT margin increased to 8.6% (H1 2020: -12.5%). The reported EBIT margin improved to -6.0% (H1 2020: -12.5%) and reported EBIT to EURk -1,446 (H1 2020: EURk -2,206).

ASSET POSITION

CURRENT ASSETS: INCREASE IN LINE WITH INCREASING BUSINESS ACTIVITY

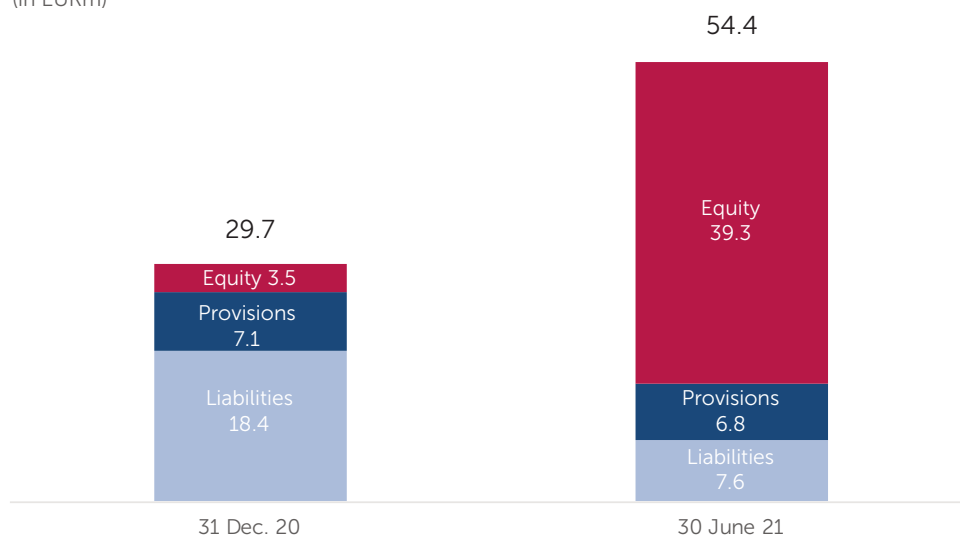
(in EURm)



The **total assets** of the APONTIS PHARMA Group increased to EURk 54,379 as of 30 June 2021 (31 December 2020: EURk 26,691), mainly in connection with the IPO and the increasing business activity. The decrease in **non-current assets** by 2.8 % to EURk 15,025 (31 December 2020: EURk 15,457) is mainly due to the scheduled amortization-related reduction of concessions within intangible assets, while at the same time advance payments made on milestones were capitalised. **Current assets** rose to EURk 38,328 (31 December 2020: EURk 12,878) in line with the increasing business activity. In this context, inventories increased by 15.5% to EURk 3,377 (31 December 2020: EURk 2,923), while trade receivables more than tripled to EURk 3,723 (31 December 2020: EURk 1,228).

EQUITY: INCREASE WITH REPAYMENT OF LIABILITIES

(in EURm)

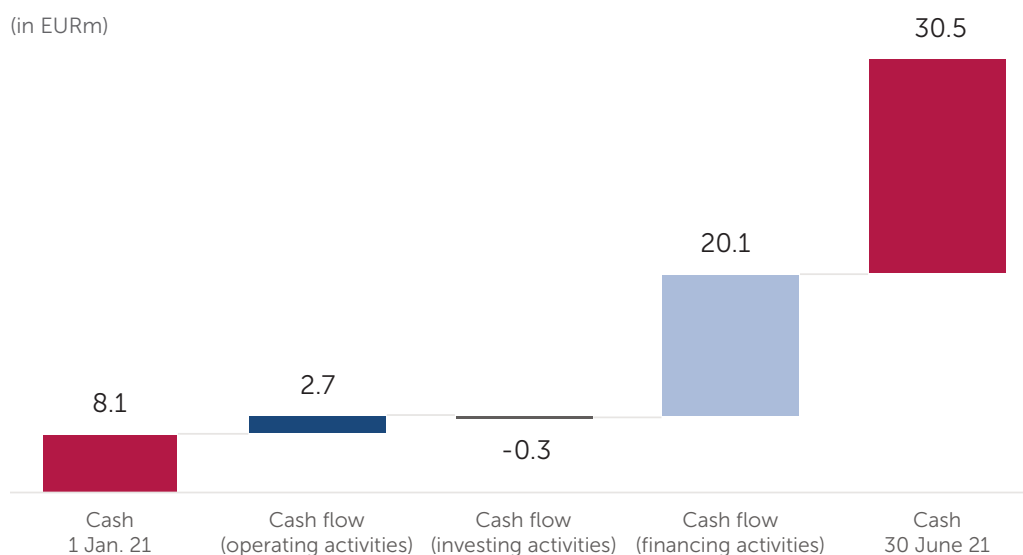


The APONTIS PHARMA Group increased its **equity** to EURk 39,261 as of 30 June 2021 (31 December 2020: EURk 3,458), as a result of the IPO in particular. The equity ratio improved significantly to 72.2% (31 December 2020: 11.6%). **Provisions** decreased by 4.9% to EURk 6,759 (31 December 2020: EURk 7,104), mainly due to the decrease in other provisions. The Long-Term Incentive (LTI) programme in place before the IPO and other personnel provisions were reversed. **Liabilities** decreased by more than half to EURk 7,625 (31 December 2020: EURk 18,361). In particular, liabilities to shareholders were completely reduced (31 December 2020: EURk 14,011). In contrast, trade payables increased by 65.1% to EURk 5,382 (31 December 2020: EURk 3,259) driven by volume-related factors.

FINANCIAL POSITION

CASH FLOW: IPO-RELATED INCREASE IN CASH AND CASH EQUIVALENTS

(in EURm)



Cash flow from operating activities improved significantly in the first half of 2021 to a cash inflow of EURk 2,661 (H1 2020: cash outflow of EURk 2,244), mainly due to a net result for the period adjusted for equity procurement costs.

Cash flow from investing activities amounted to a cash outflow of EURk 328 (H1 2020: cash outflow of EURk 459). As in the same period of the previous year, investments were made mainly for milestone payments for the new development of Single Pills for the treatment of cardiovascular diseases.

With a cash inflow of EURk 20,120, **cash flow from financing activities** primarily reflects the issue of new shares through a capital increase of EURk 38,000 in connection with the IPO (H1 2020: Nil). At the same time, shareholder liabilities of EURk 14,361 were repaid.

Cash and cash equivalents increased to EURk 30,512 as of 30 June 2021 (31 December 2020: EURk 8,059).

OVERALL STATEMENT ON THE ECONOMIC DEVELOPMENT

The APONTIS PHARMA Group significantly improved its key performance indicators (adjusted for equity procurement costs) compared to the previous year. By posting a 35.9% increase in revenue to EURk 24,012k (H1 2020: EURk 17,666), APONTIS PHARMA grew against the general market trend. Revenues of Single Pills were the main growth driver in the six-month period of 2021 by posting a significant increase of 83.2% to EURk 14,037 (H1 2020: EURk 7,661) and increased the share of Single Pills in total revenue to 58.4% (H1 2020: 43.3%). Cost of materials increased significantly slower than the volume of revenues. As a result, APONTIS PHARMA significantly improved its operating result before interest, taxes, depreciation and amortisation (adjusted EBITDA), which was mainly adjusted for IPO costs, by EURk 4,272 to EURk 2,834 (H1 2020: EURk -1,438). The adjusted EBITDA margin rose to 11.8% for the current financial year (H1 2020: -8.1%), in line with the forecast communicated in connection with the IPO. The proceeds from the issuance of new shares in the course of the IPO on 11 May provide APONTIS PHARMA with sufficient funds to make certain investments. These include the development of new Single Pills, the acceleration of the development and licensing of the current short-term product pipeline and the expansion of marketing and sales activities to gain further market share as well as product acquisitions. With an equity ratio of 72.2%, APONTIS PHARMA has a solid asset and financial position with liquid assets of EURk 30,512 and liabilities of EURk 7,625.

OPPORTUNITIES AND RISKS REPORT

The main opportunities and risks for the APONTIS PHARMA Group have not changed since the publication of the Annual Report 2020, see p. 8 et seq. There are no known risks that could jeopardize the continued existence of the company.

FORECAST REPORT

The APONTIS PHARMA Group managed to expand its unique positioning, revenues growth and market leadership in the area of Single Pills in a successful first half of 2021 and is thus directly on course to achieve the forecast for the current financial year communicated in connection with the IPO. The Management Board is convinced that the upcoming market launches of innovative Single Pills from the short-term development pipeline will already contribute to our targets. As the market leader for Single Pills with a focus on cardiovascular diseases, APONTIS PHARMA expects the momentum of increasing demand for Single Pill therapies to accelerate in the second half of 2021 due to the return to normal and thus better access to medical care. Following the repayment of liabilities that has already taken place, the APONTIS PHARMA Management Board intends to use further proceeds generated by the IPO for targeted investments in the second half of 2021, in particular in the development of new Single Pills, the acceleration of the development and licensing of the existing short-term product pipeline and the expansion of marketing and sales activities to gain further market share. In view of the industry and seasonal market dynamics in the second half of the year, the Management Board confirms the forecast for 2021 as a whole. For financial year 2021, the Management Board continues to expect sales revenues of EUR 48.5 million and adjusted EBITDA of EUR 5.5 million.

CONDENSED CONSOLIDATED BALANCE SHEET

EUR thousand	30 June 21	30 June 20
Intangible assets	14,310,570	14,755,483
Property, plant and equipment	29,370	41,124
Financial assets	685,552	660,888
Fixed assets	15,025,491	15,457,495
Inventories	3,376,959	2,922,511
Trade accounts receivable	3,722,661	1,228,423
Other assets	716,372	668,303
Cash on hand, cash at banks	30,512,289	8,058,801
Current assets	38,328,281	12,878,038
Accrued income	555,429	608,065
Deferred tax assets	470,000	747,000
Assets	54,379,201	29,690,599
Subscribed capital	8,500,000	25,000
Capital reserve	36,278,000	6,753,000
Profit/loss carried forward	-3,319,759	-2,136,844
Consolidated net income/loss	-2,197,021	-1,182,915
Equity	39,261,219	3,458,241
Difference from capital consolidation	733,488	766,689
Provisions for pensions and similar obligations	2,333,857	2,264,679
Tax provisions	93,647	0
Other provisions	4,331,531	4,839,657
Provisions	6,759,035	7,104,336
Trade accounts payable	5,381,548	3,259,296
Accounts payable to shareholders	0	14,010,724
Other liabilities	2,243,911	1,091,314
Liabilities	7,625,458	18,361,333
Liabilities	54,379,201	29,690,599

CONDENSED CONSOLIDATED INCOME STATEMENT

EUR thousand	H1 21	H1 20
Sales revenue	24,012,286	17,665,607
Other operating income	2,973,755	507,193
Cost of materials	8,508,351	6,326,679
Personnel expenses	10,943,420	8,415,799
Amortisation	760,940	767,103
Other operating expenses	8,200,205	4,844,463
Other interest and similar income	150	250
Interest and similar income	381,661	400,565
Income tax	93,647	0
Deferred taxes	277,000	-651,000
Earnings after taxes	-2,179,032	-1,930,558
Other taxes	17,989	24,101
Consolidated loss for the period	-2,197,021	-1,954,659

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	H1 21	H1 20
Result of the period	-2,197	-1,955
Amortisation / appreciation of fixed assets	761	767
Increase / decrease in provisions	-470	-210
Other non-cash expenses / income	244	-684
Increase / decrease in inventories, trade accounts receivables and other assets not allocable to investment and financing activities	-2,945	-799
Increase / decrease in trade accounts payable and other liabilities not allocable to investment and financing activities	3,275	347
Interest expenses / interest income	381	400
Expenses/income from extraordinary items	3,518	0
Income tax expense	94	0
Income tax payments	0	-109
Cash flow from operating activities	2,661	-2,244
Payments made for investments in intangible fixed assets	-300	-419
Payments made for investments in prop., plant and equipment	-4	-1
Payments made for investments in financial assets	-24	-40
Interest received	0	0
Cash flow from investment activities	-328	-460
Equity contributions from shareholders	38,000	0
Equity procurement	-3,518	0
Proceeds from recharging of IPO costs	1,893	0
Payments from IPO costs	-5,411	0
Repayment of bonds and loans	-12,250	0
Interest paid	-2,111	0
Cash flow from financing activities	20,120	0
Cash-effective changes in cash and cash equivalents	22,453	-2,702
Cash and cash equivalents at the beginning of the period	8,059	7,387
Cash and cash equivalents at the end of the period	30,512	4,684

CONDENSED CONSOLIDATED NOTES

of APONTIS PHARMA AG, Monheim am Rhein (
formerly: PP Pharma HoldCo GmbH, Munich), as of 30 June 2021

1. INFORMATION AND EXPLANATIONS ON COMPONENTS OF THE FORM, THE STRUCTURE OF THE INTERIM FINANCIAL STATEMENTS IN PARTICULAR

APONTIS PHARMA AG has its registered office in Monheim and is entered in the Commercial Register of the Düsseldorf District Court under the number HRB 9316.

The condensed interim financial statements as of 30 June 2021 were prepared taking into account the classification regulations of § 266 HGB (German Commercial Code) and the supplementary regulations of the AktG (German Stock Corporation Act).

The profit and loss account was prepared according to the total cost method in accordance with § 275 para. 2 HGB.

In accordance with DRS 16 (German Accounting Standard 16) on interim financial reporting, the comparative figures for the previous period in the Consolidated Statement of Financial Position relate to the figures as of 31 December 2020 and the profit and loss account to the first half of financial year 2020 (01 January 2020 – 30 June 2020).

2. VALUATION AND ACCOUNTING DISCLOSURES

The interim financial statements are prepared in EUR thousand.

The valuation of the assets and liabilities of the fully consolidated companies is carried out in accordance with the valuation regulations under commercial law, taking into account the principles of proper bookkeeping and accounting.

Acquired intangible assets are reported at acquisition cost and, if they are subject to wear and tear, are reduced by scheduled depreciation (straight-line method) in accordance with their normal useful life. Incidental acquisition costs and reductions in acquisition costs are taken into account when determining the acquisition costs. In addition, unscheduled write-downs to the lower fair value are made where necessary.

Payments on account are stated at nominal value and intangible assets under development are stated at acquisition cost.

Property, plant and equipment is carried at cost and, if subject to wear and tear, depreciated over its useful life. In addition, unscheduled depreciation to the lower fair value is made where necessary.

Movable fixed assets are depreciated on a straight-line basis.

Low-value assets with a net individual value of EUR 250.00 are recognised as expenses in the year of acquisition; their immediate disposal was assumed. For fixed assets with a net individual value of more than EUR 250.00 and up to EUR 800.00, as in the previous year, accounting as a low-value asset with immediate depreciation was chosen. For fixed assets already existing before 2019 with a net individual value of more than EUR 250.00 to EUR 1,000.00, the annual collective item to be created for tax purposes was transferred to the commercial balance sheet for reasons of simplification. Of the annual compound item, the total amount of which is of minor significance, 20% p.a. is depreciated in each of the four subsequent years in accordance with the tax regulations. Depreciation on additions to property, plant and equipment is otherwise carried out on a pro rata temporis basis.

The loan to a shareholder is stated at nominal value.

Securities held as fixed assets are stated at acquisition cost.

Inventories are stated at the lower of cost or market value.

Receivables and other assets are stated at nominal value. All risk-bearing items are taken into account by means of flat-rate discounts.

Cash and cash equivalents are valued at nominal value.

Payments made before the balance sheet date are recognised as prepaid expenses if they represent expenses for a certain period after this date.

The subscribed capital of the parent company, APONTIS PHARMA AG, is fully paid in and carried at nominal value.

Provisions are recognised at the settlement amount deemed necessary in accordance with prudent business judgement.

Liabilities were valued at the respective settlement amounts.

3. CAPITAL DISCLOSURES

3.1 THE SHARE CAPITAL AMOUNTS TO EUR 8,500 THOUSAND.

3.2 THE REVENUE RESERVE AMOUNTS TO EUR 36,278 THOUSAND.

3.3 THE ACCUMULATED DEFICIT DEVELOPED AS FOLLOWS:

Accumulated loss as of 31 December 2020	EUR - 3,320 thousand
+/- Net profit/loss for the year	EUR - 2,197 thousand
Accumulated loss as of 30 June 2021	EUR - 5,517 thousand

3.4 PROVISIONS

Provisions mainly include provisions for discounts of EUR 1,443 thousand, for outstanding invoices of EUR 1,007 thousand and employee bonuses/awards of EUR 1,797 thousand.

3.5 LIABILITIES

Die Verbindlichkeiten bestehen im Wesentlichen aus Lieferungen und Leistungen.

4. PROFIT AND LOSS

4.1 TURNOVER ACCORDING TO AREAS OF ACTIVITY AND APPLICATION

	H1 21		H1 20	
	EUR thousand	%	EUR thousand	%
Hypertonia =				
Single Pills	14,037	58.5	7,535	42.7
Vascular	10	0.0	17	0.1
Gynaecology	329	1.4	371	2.1
Other	794	3.3	1,723	9.8
Own brands (excluding Single Pills)	1,133	4.7	2,111	12.0
COPD (Respiratory diseases)	5,050	21.0	4,771	27.0
Diabetes	3,793	15.8	3,121	17.7
Co-Marketing	8,842	36.8	7,893	44.7
Dafiro	0	0.0	126	0.7
	24,012	100.0	17,666	100.0

As in the previous year, all sales were generated in Germany.

4.2 OTHER OPERATING INCOME

Other operating income amounts to EUR 2,973 thousand (H1 2020: EUR 507 thousand) and mainly includes income from shareholders of EUR 1,892 thousand, income from the provision of vehicles in kind of EUR 297 thousand (H1 2020: EUR 362 thousand) and income relating to other periods from the reversal of provisions of EUR 552 thousand (H1 2020: EUR 2 thousand).

4.3 PERSONNEL EXPENSES

Personnel expenses amount to EUR 10,943 thousand (H1 2020: EUR 8,415 thousand).

4.4 AMORTISATION OF INTANGIBLE FIXED ASSETS AND DEPRECIATION OF TANGIBLE FIXED ASSETS

Depreciation and amortisation amounted to EUR 761 thousand (H1 2020: EUR 767 thousand).

4.5 OTHER OPERATING EXPENSES

Other operating expenses amount to EUR 8,200 thousand (H1 2020: EUR 4,844 thousand) and consist mainly of expenses for equity procurement of EUR 2,911 thousand (H1 2020: EUR 0 thousand), expenses for warehousing and shipping costs of EUR 404 thousand (H1 2020: EUR 326 thousand), expenses for temporary workers of EUR 613 thousand (H1 2020: EUR 416 thousand), vehicle costs of EUR 841 thousand (H1 2020: EUR 1,007 thousand), marketing expenses of EUR 999 thousand (H1 2020: EUR 771 thousand) and IT costs of EUR 292 thousand (H1 2020: EUR 299 thousand).

4.6 TAXES ON INCOME AND EARNINGS

EUR 57 thousand (H1 2020: EUR 0 thousand) of the income taxes relate to corporate income tax and the solidarity surcharge and EUR 37 thousand (H1 2020: EUR 0 thousand) to trade tax. Deferred taxes amount to EUR 277 thousand (H1 2020: EUR -651 thousand).

5. OTHER INFORMATION

5.1 INFORMATION ON THE CORPORATE BODIES

Management Board:	Karlheinz Gast, Chairman of the Management Board
	Thomas Miltz, Deputy Chairman
Supervisory Board:	Dr. Edin Hadzic (Chairman)
	Dr. Matthias Wiedenfels (Deputy Chairman)
	Christian Bettinger
	Dr. Christopher Friedel
	Olaf Elbracht

5.2 SCOPE OF CONSOLIDATION

In addition to APONTIS PHARMA AG (formerly: PP Pharma HoldCo GmbH, Munich, HRB 93162 at the Local Court of Düsseldorf), three affiliated companies were included in the interim financial statements as part of full consolidation.

As of 30 June 2021, the scope of consolidation is as follows:

1. PP Apontis Pharma GmbH, Monheim am Rhein, HRB 85556 at the Local Court of Düsseldorf
2. PP Primary Care GmbH, Monheim am Rhein, HRB 73436 at the Local Court of Düsseldorf
3. APONTIS PHARMA Deutschland GmbH & Co. KG, Monheim am Rhein (formerly: APONTIS PHARMA GmbH & Co. KG), HRA 23282 at the Local Court of Düsseldorf

Monheim am Rhein, 21 July 2021

The Management Board

LEGAL DISCLAIMER

This document contains forward-looking statements. These statements reflect the current view, expectations and assumptions of the management of APONTIS PHARMA AG and are based upon information currently available to the Management of APONTIS PHARMA AG. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results and developments to differ materially from the expectations and assumptions described in this document. These factors include, in particular, changes to the overall economic framework conditions and the general competitive environment. Besides, developments on the financial markets and changes of currency exchange rates as well as changes in national and international legislation, in particular tax legislation, and other factors have influence on the future results and developments of the Company. APONTIS PHARMA AG assumes no kind of responsibility, liability or obligations for the accuracy of the forward-looking statements and their underlying assumptions in this document. APONTIS PHARMA AG does not assume any obligation to update the statements contained in this document.

This Annual Report has been translated into English. It is available for download in both languages at ir.apontis-pharma.de. If there are variances, the German version has priority over the English translation.

IMPRINT

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