

HEALTHCARE THAT FITS INTO YOUR LIFE



**WE DELIVER HEALTH.
EACH AND EVERY DAY.
ACROSS EUROPE.**

In pharmacy retail, the PHOENIX group operates more than 2,700 of its own pharmacies in 14 countries – of which around 1,500 operate under the corporate brand BENU. In addition to Norway, the United Kingdom, the Netherlands, and Switzerland, the company is also strongly represented in Hungary, the Czech Republic, Slovakia, Serbia, Montenegro, Romania, and the Baltic markets. More than 20,000 pharmacy employees have around 160 million customer contacts each year. They dispense approximately 375 million medicine packages to patients and advise them on matters concerning pharmaceuticals and general health.

The PHOENIX group is a leading healthcare provider in Europe, reliably supplying people with medicines and health products every day. The PHOENIX group originated from the merger of five regional pharmaceutical wholesale businesses in Germany in 1994. Today, with more than 39,000 employees, the company offers unique geographical coverage throughout Europe, making a vital contribution to comprehensive healthcare. The PHOENIX group's vision is to be the best integrated healthcare provider – wherever it is active. This means providing each customer group with the best possible products and services along the entire pharmaceutical supply chain.

Under the service brand **"All-in-One"**, the PHOENIX group offers services for the pharmaceutical industry across the entire supply chain. The services range from logistics solutions in "Healthcare Logistics" with hubs across Europe to awareness- and digital B2C-campaigns via the pharmacy channel. The PHOENIX group analyses demand together with its industry partners and develops tailor-made solutions – at a local or regional level or Europe-wide.

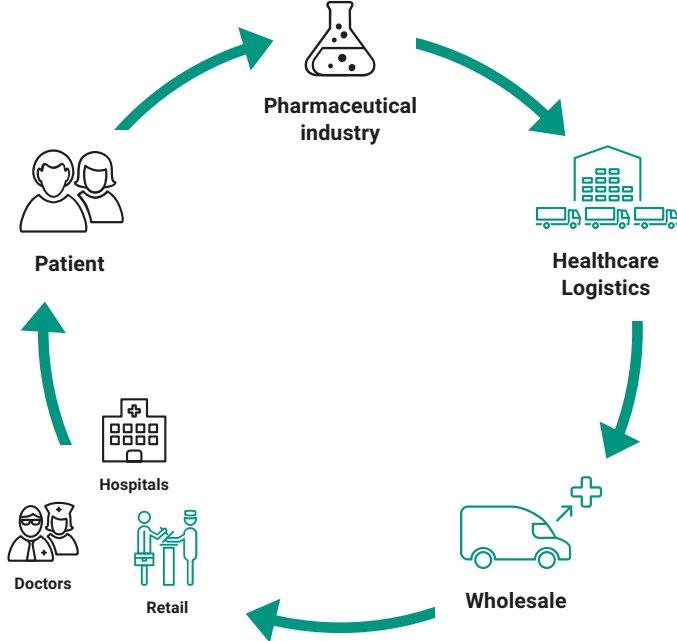
In pharmaceutical wholesale, the PHOENIX group has 161 distribution centres in 27 European countries from which it supplies medicines and other health products to pharmacies and medical institutions. Numerous other products and services for pharmacy customers complete the portfolio. They range from assistance in advising patients to modern goods management services and pharmacy cooperation programmes. With more than 13,500 independent pharmacies in the company's cooperation and partner programmes, the PHOENIX group's pharmacy network is the largest of its kind in Europe. The PHOENIX Pharmacy Partnership acts as the Europe-wide umbrella for the PHOENIX group's 13 pharmacy cooperation programmes in 16 countries.

People are becoming more health aware. In response, we are expanding our range of services for pharmacies, wholesale, and pharmaceutical manufacturers. For personal healthcare that fits into your life.

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LINK BETWEEN MANUFACTURER AND PATIENT



— 2 —

WHOLESALE

> As a wholesaler, the PHOENIX group ensures that the medicines and health products of pharmaceutical manufacturers are delivered to pharmacies and medical institutions both quickly and reliably. The PHOENIX group also supports independent pharmacies in Europe, offering various services to increase customer retention.

“ALL-IN-ONE”

> PHOENIX group’s “All-in-One” service brand offers a wide range of services along the entire pharmaceutical supply chain. The “All-in-One” service portfolio benefits manufacturers, pharmacies, and patients alike. It ranges from logistics solutions in “Healthcare Logistics” with hubs across Europe to awareness- and digital B2C-campaigns via the pharmacy channel.

RETAIL

> In pharmacy retail, the PHOENIX group is responsible for directly supplying the general public with medicines and health products. The comprehensive and professional advice provided by the pharmacy staff is of the highest quality and accompanied by the best possible customer service.

THE FIRST HALF-YEAR AT A GLANCE

- Increase in total operating performance and revenue as a result of the coronavirus pandemic
- Profit after tax higher than in previous year
- Further reduction in net debt compared to the first half-year 2019/20

Key figures of the PHOENIX group		1st half-year 2019/20	1st half-year 2020/21
Total operating performance	in EUR m	16,939.4	17,761.9
Revenue	in EUR m	13,323.2	13,972.5
Total income	in EUR m	1,433.6	1,506.4
Adjusted EBITDA	in EUR m	294.7	329.1
EBITDA	in EUR m	289.3	323.6
EBIT	in EUR m	161.6	188.5
Profit before tax	in EUR m	127.4	157.8
Profit after tax	in EUR m	93.0	113.0

		31 July 2019	31 January 2020	31 July 2020
Equity	in EUR m	2,857.3	2,832.4	2,875.8
Equity ratio	in %	30.3	29.9	30.6
Net debt	in EUR m	2,650.6	2,294.9	2,391.5

INTERIM GROUP MANAGEMENT REPORT

BUSINESS AND ECONOMIC ENVIRONMENT

Development of the market

The European economy dropped substantially in the second quarter of 2020, which was still shaped by COVID-19 containment measures. In the eurozone, seasonally adjusted GDP decreased by 15.0% in the second quarter of 2020 compared to the prior year's second quarter. Also, in Germany, the seasonally and calendar adjusted GDP decreased significantly by 11.7% compared to the second quarter of 2019 due to the impact of the coronavirus pandemic.

Overall, the European pharmaceutical markets continued their moderate growth trend in the first half-year of 2020. The German pharmaceutical market also showed growth. The total turnover of the German wholesale pharmaceutical market grew by 5.2% from January to July 2020 compared to the same period of the prior year. The increase was mainly due to higher prescription pharmaceuticals revenues. Market growth were also noted in various foreign markets of the PHOENIX group.

In total, the PHOENIX group continued its positive development in the European market environment.

Acquisitions

In the first half-year of 2020/21, business combinations led to a cash outflow of EUR 12.4m (comparative period: EUR 23.1m). The acquisitions mainly pertained to pharmacies in several countries.

Results of operations

The coronavirus pandemic led to an increased demand for medicines in March 2020. As a result, total operating performance, which comprises revenue and handled volume not recognised as revenue but instead charged as a service fee, increased by 4.9% to EUR 17,761.9m in the first half-year of 2020/21. Adjusted for foreign exchange rate effects, total operating performance grew by 5.8%. Revenue grew by EUR 649.3m (4.9%) to EUR 13,972.5m (comparative period: EUR 13,323.2m). Adjusted for foreign exchange rate effects, revenue grew by 5.8%. After declining sales in April and May, revenue in June and July was higher again than in the corresponding periods.

Gross profit increased by EUR 127.4m to EUR 1,490.4m. The gross profit margin came to 10.7% (comparative period: 10.2%).

Personnel expenses increased by 4.1% to EUR 771.7m (comparative period: EUR 741.3m). This is mainly due to the impact of collective salary increases, acquisitions, and growth in business.

Other expenses rose by EUR 8.3m to EUR 411.5m, mainly due to increased transport costs, IT expenses, and maintenance costs. In relation to revenue, other expenses came to 2.9% (comparative period: 3.0%).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by EUR 34.3m to EUR 323.6m.

An EBITDA figure adjusted for interest from customers, expenses related to ABS, and factoring, and other non-recurring effects (adjusted EBITDA) came to EUR 329.1m and is calculated as follows:

EUR k	1st half-year 2019/20	1st half-year 2020/21	Change	Change in %
EBITDA	289,315	323,598	34,283	11.8
Interest from customers	4,381	4,626	245	5.6
Factoring fees	753	862	109	14.5
Other non-recurring effects	245	0	-245	-100.0
Adjusted EBITDA	294,694	329,086	34,392	11.7

Depreciation and amortisation came to EUR 135.1m and were slightly above the prior year's level.

The financial result increased by EUR 3.6m from EUR –34.2m in the comparative period to EUR –30.6m.

The effective tax rate in the first half-year of 2020/21 came to 28.4% and was 27.0% in the comparative period.

Profit after tax was EUR 113.0m (comparative period: EUR 93.0m) and increased by 21.6% versus the comparative period.

Net assets

The group's total assets decreased by 0.9% to EUR 9,398.0m compared to 31 January 2020. The currency translation difference on the total assets, which is presented in the statement of changes in equity, amounts to EUR –128.9m (31 January 2020: EUR –97.1m).

Non-current assets came to EUR 3,726.5m and were nearly unchanged compared to EUR 3,756.1m as of 31 January 2020. The intangible assets contain goodwill in the amount of EUR 1,411.3m (31 January 2020: EUR 1,411.4m).

Inventories increased compared to 31 January 2020 by EUR 171.3m to EUR 2,733.1m. The increase is mainly due to seasonal fluctuation.

Trade receivables decreased by 3.4% to EUR 2,535.5m. As of 31 July 2020, receivables of EUR 285.6m (31 January 2020: EUR 302.4m) had been sold under ABS and factoring programmes that are not accounted for in the statement of financial position. Under ABS and factoring programmes that are accounted for only to the extent of the continuing involvement, receivables of EUR 172.9m had been sold as of 31 July 2020 (31 January 2020: EUR 175.3m). The group's continuing involvement came to EUR 7.9m (31 January 2020: EUR 8.1m).

Other current financial assets decreased from EUR 121.7m as of 31 January 2020 to EUR 114.0m and mainly include loans granted to customers of EUR 23.8m (31 January 2020: EUR 27.4m), as well as receivables from factoring and ABS transactions of EUR 47.6m (31 January 2020: EUR 50.7m).

Other current assets increased from EUR 134.3m as of 31 January 2020 to EUR 156.8m, among others, due to higher prepayments.

The change in cash and cash equivalents is presented in the statement of cash flows.

Financial position

Equity increased by EUR 43.4m compared to 31 January 2020. The equity ratio as of 31 July 2020 came to 30.6% (31 January 2020: 29.9%).

Cash flow from operating activities came to EUR 27.6m (comparative period: EUR –284.1m) which was largely affected by a lower increase of EUR 263.2m in working capital versus the comparative period and a EUR 20.0m higher profit after tax. Cash flow from investing activities came to EUR –88.3m and was EUR –97.5m in the comparative period. Cash flow from financing activities includes the repayment of a EUR 300.0m bond made by the end of May 2020.

Non-current financial liabilities came to EUR 998.1m (31 January 2020: EUR 1,229.1m). This item includes lease liabilities according to IFRS 16 of EUR 621.3m (31 January 2020: EUR 647.4m). Beyond that, non-current financial liabilities contain, among others, promissory notes of EUR 370.0m (31 January 2020: EUR 370.0m).

Current financial liabilities came to EUR 1,092.4m (31 January 2020: EUR 899.2m) and include lease liabilities according to IFRS 16 of EUR 116.0m (31 January 2020: EUR 114.3m). Beyond that, current financial liabilities contain, among others, bonds of EUR 199.5m (31 January 2020: EUR 299.7m), liabilities to banks of EUR 470.0m (31 January 2020: EUR 142.7m), liabilities from ABS and factoring agreements in the amount of EUR 163.1m (31 January 2020: EUR 186.2m), as well as other loans amounting to EUR 123.1m (31 January 2020: EUR 109.6m).

According to the calculation below, net debt increased by EUR 96.6m compared to 31 January 2020 to EUR 2,391.5m.

EUR k	31 Jan 2020	31 July 2020	Change	Change in %
+ Financial liabilities (non-current)	1,229,148	998,123	- 231,025	- 18.8
- Derivative financial instruments (non-current)	- 145	- 113	32	- 22.1
+ Financial liabilities (current)	899,181	1,092,384	193,203	21.5
- Derivative financial instruments (current)	- 5,324	- 4,072	1,252	- 23.5
- Cash and cash equivalents	- 246,846	- 97,699	149,147	- 60.4
+ Receivables sold in the course of factoring and ABS transactions	469,553	450,525	- 19,028	- 4.1
- Factoring receivables	- 24,681	- 24,302	379	- 1.5
- Receivables from ABS programmes	- 26,007	- 23,339	2,668	- 10.3
Net debt	2,294,879	2,391,507	96,628	4.2

Trade payables decreased by EUR 125.1m to EUR 3,643.9m.

Overall, the PHOENIX group was able to underline its position in the first half-year of 2020/21 as a leading healthcare provider in Europe.

RISKS AND OPPORTUNITIES

The PHOENIX group has comprehensive planning, approval and reporting structures, as well as an early warning system, which we use to identify, assess, and monitor our opportunities and risks. The opportunities and risks of significance to us are presented extensively in our annual report for fiscal year 2019/20. www.phoenixgroup.eu/en/investor-relations/annual-report-2019-20

The risks and opportunities presented in that report are still essentially relevant.

FORECAST

For fiscal year 2020/21, the PHOENIX group expects to further expand its market position in Europe through organic growth and acquisitions and thereby increase revenue slightly above the level of growth in the European pharmaceutical markets.

For fiscal year 2020/21, we expect profit before tax to be above the level seen in 2019/20.

We also expect a slight increase in the equity ratio.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

for the first half-year of 2020/21

EUR k	2nd quarter 2019/20	2nd quarter 2020/21	1st half-year 2019/20	1st half-year 2020/21
Revenue	6,765,108	6,728,321	13,323,181	13,972,534
Cost of purchased goods and services	-6,073,313	-6,004,423	-11,960,260	-12,482,173
Gross profit	691,795	723,898	1,362,921	1,490,361
Other operating income	33,802	9,575	70,666	16,004
Personnel expenses	-372,946	-379,055	-741,324	-771,690
Other operating expenses	-204,748	-199,878	-403,168	-411,466
Result from associates and joint ventures	263	87	162	263
Results from other investments	0	89	58	126
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	148,166	154,716	289,315	323,598
Amortisation of intangible assets and depreciation of property, plant and equipment	-64,444	-67,467	-127,746	-135,140
Earnings before interest and taxes (EBIT)	83,722	87,249	161,569	188,458
Interest income	2,970	2,717	6,113	6,107
Interest expense	-19,990	-16,480	-38,421	-34,311
Other financial result	-339	1,719	-1,901	-2,413
Financial result	-17,359	-12,044	-34,209	-30,617
Profit before income tax	66,363	75,205	127,360	157,841
Income tax	-17,918	-20,945	-34,387	-44,827
Profit for the period	48,445	54,260	92,973	113,014
thereof attributable to non-controlling interests	9,898	8,239	18,222	16,807
thereof attributable to equity holders of the parent company	38,547	46,021	74,751	96,207

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the first half-year of 2020/21

EUR k	2nd quarter 2019/20	2nd quarter 2020/21	1st half-year 2019/20	1st half-year 2020/21
Profit after tax	48,445	54,260	92,973	113,014
Items not reclassified to the income statement				
Remeasurement of defined benefit plans	-7,242	-1,651	-12,913	-20,226
Items that may subsequently be reclassified to the income statement				
Currency translation differences	-14,109	4,145	-12,444	-32,010
Other comprehensive income, net of taxes	-21,351	2,494	-25,357	-52,236
Total comprehensive income	27,094	56,754	67,616	60,778
thereof attributable to non-controlling interests	9,750	8,345	17,974	16,553
thereof attributable to owners of the parent company	17,344	48,409	49,642	44,225

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of 31 July 2020

ASSETS

EUR k	31 Jan 2020	31 July 2020
Non-current assets		
Intangible assets	1,813,605	1,816,185
Property, plant and equipment	1,733,419	1,696,415
Investment property	11,744	10,832
Investments in associates and joint ventures	6,272	5,999
Trade receivables	589	339
Other financial assets	113,074	111,867
Deferred tax assets	77,382	84,837
	3,756,085	3,726,474
Current assets		
Inventories	2,561,829	2,733,139
Trade receivables	2,624,818	2,535,133
Income tax receivables	21,359	23,036
Other financial assets	121,728	113,951
Other assets	134,285	156,760
Cash and cash equivalents	246,846	97,699
	5,710,865	5,659,718
Non-current assets held for sale	19,786	11,795
Total assets	9,486,736	9,397,987

EQUITY AND LIABILITIES

EUR k	31 Jan 2020	31 July 2020
Equity		
Issued capital	2,786	2,786
Capital reserves	961,106	961,106
Revenue reserves	1,832,009	1,927,503
Accumulated other comprehensive income	-243,456	-295,438
Equity attributable to the shareholders of the parent company	2,552,445	2,595,957
Non-controlling interests	279,979	279,860
	2,832,424	2,875,817
Non-current liabilities		
Financial liabilities	1,229,148	998,123
Trade payables	435	302
Provisions for pensions and similar obligations	224,320	241,850
Other non-current provisions	3,556	3,580
Deferred tax liabilities	125,921	130,748
Other non-current liabilities	1,142	1,525
	1,584,522	1,376,128
Current liabilities		
Financial liabilities	899,181	1,092,384
Trade payables	3,768,529	3,643,584
Other provisions	48,465	42,311
Income tax liabilities	35,371	38,327
Other liabilities	318,244	329,436
	5,069,790	5,146,042
Liabilities directly associated with assets held for sale	0	0
Total equity and liabilities	9,486,736	9,397,987

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the first half-year of 2020/21

	Issued capital	Capital reserves	Revenue reserves	Currency translation differences	Remeasurement of defined benefit plans	Equity attributable to shareholders of the parent	Non-controlling interests	Total equity
EUR k								
1 February 2019	2,786	961,106	1,837,523	-100,617	-159,367	2,541,431	265,119	2,806,550
Initial application of IFRS 16			1,426			1,426	-408	1,018
1 February 2019 adjusted	2,786	961,106	1,838,949	-100,617	-159,367	2,542,857	264,711	2,807,568
Profit after tax			74,751			74,751	18,222	92,973
Accumulated other comprehensive income				-12,196	-12,913	-25,109	-248	-25,357
Total comprehensive income, net of tax			74,751	-12,196	-12,913	49,642	17,974	67,616
Changes in the interest of consolidated companies			-445			-445	-855	-1,300
Dividends						0	-18,266	-18,266
Other changes in equity			431			431	1,221	1,652
31 July 2019	2,786	961,106	1,913,686	-112,813	-172,280	2,592,485	264,785	2,857,270
1 February 2020	2,786	961,106	1,832,009	-97,137	-146,319	2,552,445	279,979	2,832,424
Profit after tax			96,207			96,207	16,807	113,014
Accumulated other comprehensive income				-31,756	-20,226	-51,982	-254	-52,236
Total comprehensive income, net of tax			96,207	-31,756	-20,226	44,225	16,553	60,778
Changes in the basis of consolidation			-701			-701	432	-269
Changes in the interest of consolidated companies			38			38	-396	-358
Dividends						0	-16,732	-16,732
Other changes in equity			-50			-50	24	-26
31 July 2020	2,786	961,106	1,927,503	-128,893	-166,545	2,595,957	279,860	2,875,817

CONSOLIDATED STATEMENT OF CASH FLOWS

for the first half-year of 2020/21

EUR k	31 July 2019	31 July 2020
Profit after tax	92,973	113,014
Income taxes	34,387	44,827
Profit before income taxes	127,360	157,841
Adjustments for:		
Interest expenses and interest income	32,308	28,204
Amortisation/depreciation/impairment/write-ups of intangible assets, property, plant and equipment and investment property	127,746	135,140
Result from associates and other investments	-220	-389
Net result from the disposal of assets related to investing activities	-1,840	70
Other non-cash expense and income	51,058	57,880
	336,412	378,746
Interest paid	-39,923	-38,068
Interest received	5,638	6,021
Income taxes paid	-35,819	-32,525
Dividends received	183	200
Result before change in assets and liabilities	266,491	314,374
Changes in assets and liabilities, net of effects of changes in the scope of consolidation and other non-cash transactions:		
Change in non-current provisions	-16,559	-15,928
Result before change in operating assets and liabilities	249,932	298,446
Change in inventories	-294,972	-195,961
Change in trade receivables	-77,161	54,616
Change in trade payables	-47,192	-97,025
	-419,325	-238,370
Change in other assets and liabilities not related to investing or financing activities	-114,680	-32,473
Change in operating assets and liabilities	-534,005	-270,843
Cash flow from operating activities	-284,073	27,603
Acquisition of consolidated companies and business units, net of cash acquired	-23,079	-12,391
Capital expenditures for intangible assets, property, plant and equipment, and investment property	-86,002	-82,236
Investment in other financial assets and non-current assets	-2,500	-298
Cash outflows for investments	-111,581	-94,925

EUR k	31 July 2019	31 July 2020
Cash received from the sale of consolidated companies and business units, net of cash disposed	2,278	587
Cash received from disposal of intangible assets, property, plant and equipment and investment property	8,551	5,126
Proceeds from other financial assets and non-current assets	3,263	867
Cash inflows from realised investments and divestments	14,092	6,580
Cash flow from investing activities	-97,489	-88,345
Cash available for financing activities	-381,562	-60,742
Capital contribution from/repayment to non-controlling interests	642	0
Acquisition of additional shares in already consolidated subsidiaries	-1,252	-366
Proceeds from disposal of interests in subsidiaries without loss of control	324	0
Dividends paid to non-controlling interests	-15,239	-14,027
Proceeds from bond issuance and bank loans	382,958	26,461
Repayment of bonds and bank loans	-41,917	-331,028
Change in bank loans which have a maturity period of 3 months or less	65,482	331,798
Repayment of loans from shareholders in the parent company	-19,874	0
Proceeds from the issue of loans from related parties	103,130	0
Repayment of loans from related parties	-100,220	0
Change in ABS/Factoring	-2,879	-17,056
Change in finance lease	-59,989	-61,226
Change in other financial liabilities	-264	-21,701
Cash flow from financing activities	310,902	-87,145
Changes in cash and cash equivalents	-70,660	-147,887
Effect of exchange rate changes on cash and cash equivalents	572	-1,260
Cash and cash equivalents at the beginning of the period	153,309	246,846
Cash and cash equivalents at the end of the period	83,221	97,699
Cash and cash equivalents presented in the balance sheet at the end of the period	83,221	97,699

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

as of 31 July 2020

The company

PHOENIX Pharmahandel SE, Mannheim, ("PHOENIX group") is a European healthcare provider and pharmaceuticals distribution group. The PHOENIX group has business activities in 27 European countries. In several countries, the PHOENIX group also operates its own pharmacy chains. The registered office is located in Mannheim, Germany.

Basis of presentation

The interim condensed consolidated financial statements of the PHOENIX group as of 31 July 2020 are prepared on the basis of IAS 34 "Interim Financial Reporting", observing all International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, and mandatory in the EU as of 31 July 2020, as well as all mandatory interpretations of the International Financial Reporting Standards Interpretation Committee (IFRIC).

The interim condensed consolidated financial statements as of 31 July 2020 of the PHOENIX group were released for publication by the Executive Board of PHOENIX Pharma SE on 9 September 2020.

Significant accounting policies

The accounting policies used to prepare the interim condensed consolidated financial statements are – except where financial reporting standards have been applied for the first time in 2020/21 – essentially consistent with those used in the consolidated financial statements as of 31 January 2020. Standards and interpretations that have been applicable since 1 February 2020 for the first time had the following impacts on the interim financial statements:

The amendments to References to the Conceptual Framework in IFRS Standards update references to and quotes from the Conceptual Framework. The main changes primarily relate to the definition, recognition and measurement of assets and liabilities, as well as the differentiation between income and expense and other comprehensive income. There is no effect on the PHOENIX group's consolidated financial statements.

The amendments to IAS 1 and IAS 8: Definition of Material relate to the standardisation of the definition of "materiality" in all IFRSs and the framework. Furthermore, the definition of "obscuring" information was newly added. They have no effect on the reporting of the PHOENIX group.

The amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform led in particular to the continuation of certain hedging relationships, which would have otherwise had to be terminated because of the uncertainty stemming from the IBOR reform. The amendments had no impact on the consolidated financial statements of the PHOENIX group.

The amendments to IFRS 3 Business Combinations clarify that a business is a set of activities and assets with at least one input and one substantive process that together significantly contribute to the ability to create outputs. Outputs are defined as the provision of goods and services to customers. The existing reference to cost reduction was removed. In addition, the new provisions also contain an optional concentration test designed to simplify identification of a business. The amendments have no material effect on the PHOENIX group's consolidated financial statements.

Business combinations

The business combinations carried out in the first six months of 2020/21 are explained below. Purchase accounting is performed in accordance with the acquisition method pursuant to IFRS 3 "Business Combinations".

In fiscal year 2020/21, the cumulative profit after tax of the acquirees came to EUR –40k and revenue to EUR 5,495k. Assuming that the acquisition date coincides with the beginning of the reporting period for all business combinations, accumulated revenue for the period came to EUR 11,915k. Assuming that the acquisition date coincides with the beginning of the reporting period for all business combinations, the accumulated profit after tax came to EUR 100k.

The table below shows a summary of the fair values of acquisitions:

Fair value recognised upon acquisition

EUR k	Other
Cash and cash equivalents	9,627
Equity instruments	0
Acquisition-date fair value of previously held equity interest	0
Total cost	9,627
Intangible assets	4,249
Other non-current assets	666
Inventories	3,155
Trade receivables	2,448
Cash and cash equivalents	227
Other current assets	121
Non-current liabilities	5,589
Current liabilities	4,137
Net assets	1,140
Non-controlling interests	0
Net assets acquired	1,140
Bargain purchase	0
Goodwill	8,487

Other business combinations

In the first six months of 2020/21, the group acquired further pharmacies that are individually immaterial.

The goodwill arising on those acquisitions was allocated to the cash-generating units Romania (EUR 4,456k), Slovakia (EUR 1,627k), Austria (EUR 1,131k), Czech Republic (EUR 773k) and the Netherlands (EUR 500k) and is managed in the local functional currencies (RON, EUR and CZK).

Other business combinations include contingent consideration of EUR 749k (maximum amount expected).

Non-controlling interests were recognised at the proportionate identifiable net assets in the acquirees.

The purchase price allocation takes into account all the information about facts and circumstances as of the acquisition date that was available until the preparation of these financial statements. If further facts or circumstances become known within the 12-month measurement period in accordance with IFRS 3, the purchase price allocation is adjusted accordingly.

Revenue

The table below shows a breakdown of revenue according to IFRS 15 based on the type of goods and services:

1st half-year 2020/21	Trade revenue	Revenue from commissions	Distribution fees and consignment warehouse fees	Other logistic services	Other services	Other revenue	Total revenue according to IFRS 15
EUR k							
Gross revenue	14,140,312	57,467	48,696	23,821	212,214	119,766	14,602,276
Sales deductions	- 638,874	0	- 11	0	0	- 5	- 638,890
Revenue	13,501,438	57,467	48,685	23,821	212,214	119,761	13,963,386
thereof: Satisfaction of performance obligation at a point in time	13,501,438	53,736	44,184	22,948	201,272	87,226	13,910,804
thereof: Satisfaction of performance obligation over time	0	3,731	4,501	873	10,942	32,535	52,582

Total revenue for the first six months 2020/21 amounts to EUR 13,972,534k and includes revenue from leasing business according to IFRS 16 of EUR 9,148k.

1st half-year 2019/20	Trade revenue	Revenue from commissions	Distribution fees and consignment warehouse fees	Other logistic services	Other services	Other revenue	Total revenue according to IFRS 15
EUR k							
Gross revenue	13,768,847	50,207	40,333	17,954	64,214	62,797	14,004,352
Sales deductions	- 690,439	0	- 9	0	0	- 6	- 690,454
Revenue	13,078,408	50,207	40,324	17,954	64,214	62,791	13,313,898
thereof: Satisfaction of performance obligation at a point in time	13,078,408	46,608	35,725	16,609	64,214	46,192	13,287,756
thereof: Satisfaction of performance obligation over time	0	3,599	4,599	1,345	0	16,599	26,142

Other operating expenses

Other operating expenses contain expenses in connection with ABS and factoring programmes of EUR 862k (comparative period: EUR 753k).

Financial result

EUR k	1st half-year 2019/20	1st half-year 2020/21
Interest income	6,113	6,107
Interest expenses	-38,421	-34,311
Other financial result	-1,901	-2,413
Financial result	-34,209	-30,617

Interest income includes interest from customers of EUR 4,626k (comparative period: EUR 4,381k).

The other financial result includes exchange rate gains of EUR 14,881k (comparative period: EUR 20,733k) and exchange rate losses of EUR 20,603k (comparative period: EUR 26,248k). Changes in the market value of derivatives gave rise to income of EUR 58,369k (comparative period: EUR 33,471k) and expenses of EUR 55,447k (comparative period: EUR 30,027k).

Other assets and other liabilities

EUR k	31 Jan 2020	31 July 2020
Prepayments	58,256	76,179
Tax claims – VAT and other taxes	54,406	53,647
Sundry other assets	21,623	26,934
Other assets	134,285	156,760

EUR k	31 Jan 2020	31 July 2020
VAT and other tax liabilities	97,505	108,528
Personnel liabilities	155,796	149,483
Liabilities relating to social security/similar charges	36,453	38,665
Contract Liabilities (IFRS 15)	19,566	17,841
Sundry other liabilities	8,924	14,919
Other liabilities	318,244	329,436

Other financial assets and other financial liabilities

The table below presents the non-current financial assets:

EUR k	31 Jan 2020	31 July 2020
Trade receivables	589	339
Other financial assets		
Equity and debt instruments	52,423	51,213
Other loans	26,449	27,136
Lease receivables	33,852	33,161
Other financial assets	350	357
	113,074	111,867

The table below presents the current financial assets:

EUR k	31 Jan 2020	31 July 2020
Trade receivables	2,624,818	2,535,133
Other financial assets		
Loans to and receivables from associates	643	114
Other loans	38,605	31,391
Derivative financial instruments	1,092	399
Lease receivables	9,078	9,952
Other current financial assets	72,310	72,095
	121,728	113,951

The receivables from factoring and ABS transactions as of 31 July 2020 are presented below:

EUR k	31 Jan 2020	31 July 2020
Transferred but only partly derecognised receivables		
Receivables not derecognised in accordance with IFRS 9		
Volume of receivables	214,387	207,890
Financial liabilities	177,651	155,168
Continuing involvement		
Volume of receivables	175,314	172,853
Continuing involvement	8,119	7,944
Financial liabilities	8,505	7,955
Transferred and fully derecognised receivables		
Volume of receivables	302,358	285,616
Retentions of title	50,688	47,641

At the reporting date, financial liabilities were divided into non-current and current liabilities as follows:

EUR k	31 Jan 2020	31 July 2020
Financial liabilities (non-current)		
Liabilities to banks	149,955	149,993
Bonds	199,296	0
Loans	110	99
Liabilities to related parties	220,000	220,000
Lease liabilities	647,431	621,354
Other financial liabilities	12,356	6,677
	1,229,148	998,123

EUR k	31 Jan 2020	31 July 2020
Financial liabilities (current)		
Liabilities to banks	142,668	470,045
Bonds	299,696	199,510
Loans	109,585	123,053
Liabilities to associates	0	32
ABS and factoring liabilities	186,156	163,123
Lease liabilities	114,419	116,094
Other financial liabilities	46,657	20,527
	899,181	1,092,384

In connection with the loan agreements, it was agreed to comply with certain financial covenants, all of which were met in the first six months of 2020/21.

The corporate bond issued in May 2013 with a volume of EUR 300m was repaid.

Other financial liabilities (non-current) contain non-current derivative financial instruments of EUR 113k (31 January 2020: EUR 145k).

Other financial liabilities (current) contain current derivative financial instruments of EUR 4,072k (31 January 2020: EUR 5,324k).

Information on financial instruments

The items in the statement of financial position for financial instruments are assigned to classes and categories.

The carrying amounts for each category and class of financial assets, and the fair values for each class are presented in the following table:

31 July 2020	Category pursuant to IFRS 9					
	At amortised costs	At fair value through profit and loss	No category according to IFRS 9	Outside the scope of IFRS 7	Carrying amount	Fair value
EUR k						
Assets						
Equity and debt instruments	0	51,213	0	0	51,213	51,213
Trade receivables	2,327,582	207,890	0	0	2,535,472	2,535,472
Loans to and receivables from associates	114	0	0	0	114	114
Other loans	58,527	0	0	0	58,527	59,352
Derivative financial assets without hedge accounting	0	399	0	0	399	399
Other financial assets	72,452	0	0	0	72,452	72,452
Lease receivables	0	0	43,113	0	43,113	43,113
Cash and cash equivalents	97,699	0	0	0	97,699	97,699

31 January 2020	Category pursuant to IFRS 9					
	At amortised costs	At fair value through profit and loss	No category according to IFRS 9	Outside the scope of IFRS 7	Carrying amount	Fair value
EUR k						
Assets						
Equity and debt instruments	0	52,423	0	0	52,423	52,423
Trade receivables	2,411,020	214,387	0	0	2,625,407	2,625,407
Loans to and receivables from associates	643	0	0	0	643	643
Other loans	65,054	0	0	0	65,054	65,980
Derivative financial assets without hedge accounting	0	1,092	0	0	1,092	1,092
Other financial assets	72,660	0	0	0	72,660	72,660
Lease receivables	0	0	42,930	0	42,930	42,930
Cash and cash equivalents	246,846	0	0	0	246,846	246,846

Equity and debt instruments primarily contain shares in unlisted entities and participations in limited partnerships. Shares in listed entities are measured at the quoted price determined as of the reporting date. For other equity and debt instruments, the fair value is determined using a multiplier method (revenue multiple, level 3). This method uses individually derived multipliers between 0.54 and 1.34 (31 January 2020: between 0.54 and 1.34). A 10% increase in the multipliers would increase the value by EUR 6,305k (31 January 2020: EUR 6,305k); a 10%

decrease in the multipliers would decrease the value by EUR 6,302k (31 January 2020: EUR 6,302k).

Derivatives are recognised at their fair values (level 2).

Due to the short-term maturities of cash and cash equivalents, trade receivables, and other current financial assets, their carrying amounts generally approximate the fair values at the reporting date (level 2).

The fair value of loans to and receivables from associates, other loans, held-to-maturity financial assets and other non-current financial assets due after more than one year correspond to the net present value of the payments related to the assets based on the current interest rate parameters and yield curves (level 2).

The carrying amounts for each category and class of financial liabilities and the fair values for each class are presented in the following table:

31 July 2020	Category pursuant to IFRS 9					
	At amortised costs	At fair value through profit and loss	No category according to IFRS 9	Outside the scope of IFRS 7	Carrying amount	Fair value
EUR k						
Financial liabilities						
Liabilities to banks	620,038	0	0	0	620,038	620,121
Bonds	199,510	0	0	0	199,510	202,012
Loans	123,152	0	0	0	123,152	123,152
Trade payables	3,643,886	0	0	0	3,643,886	3,643,886
Liabilities to associates and related parties	220,032	0	0	0	220,032	220,032
ABS and factoring liabilities	163,123	0	0	0	163,123	163,123
Other financial liabilities at cost	18,411	0	0	0	18,411	18,411
Other financial liabilities at fair value	0	4,608	0	0	4,608	4,608
Lease liabilities	0	0	737,448	0	737,448	n/a
Derivative financial liabilities without hedge accounting	0	4,185	0	0	4,185	4,185

31 January 2020	Category pursuant to IFRS 9					
	At amortised costs	At fair value through profit and loss	No category according to IFRS 9	Outside the scope of IFRS 7	Carrying amount	Fair value
EUR k						
Financial liabilities						
Liabilities to banks	292,623	0	0	0	292,623	292,748
Bonds	498,992	0	0	0	498,992	516,924
Loans	109,695	0	0	0	109,695	109,695
Trade payables	3,768,964	0	0	0	3,768,964	3,768,964
Liabilities to related parties	220,000	0	0	0	220,000	220,000
ABS and factoring liabilities	186,156	0	0	0	186,156	186,156
Other financial liabilities at cost	49,430	0	0	0	49,430	49,430
Other financial liabilities at fair value	0	4,114	0	0	4,114	4,114
Lease liabilities	0	0	761,850	0	761,850	n/a
Derivative financial liabilities without hedge accounting	0	5,469	0	0	5,469	5,469

The fair value of the bonds is the nominal value multiplied by the quoted price as of the reporting date (level 1).

Derivatives are recognised at their fair values (level 2).

Due to the short-term maturities of trade payables and other current financial liabilities, their carrying amounts generally approximate the fair values at the reporting date (level 2).

Fair value hierarchy of financial instruments

The PHOENIX group applies the following fair value hierarchy to define and present its financial instruments measured at fair value:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Techniques that use inputs that are not based on observable market data.

EUR k	Financial instruments measured at fair value			
	Level 1	Level 2	Level 3	Total
31 July 2020				
Equity and debt instruments	0	0	51,213	51,213
Derivative financial assets without hedge accounting	0	399	0	399
Derivative financial liabilities without hedge accounting	0	4,185	0	4,185
Other financial liabilities	0	0	4,608	4,608

EUR k	Financial instruments measured at fair value			
	Level 1	Level 2	Level 3	Total
31 January 2020				
Equity and debt instruments	0	0	52,423	52,423
Derivative financial assets without hedge accounting	0	1,092	0	1,092
Derivative financial liabilities without hedge accounting	0	5,469	0	5,469
Other financial liabilities	0	0	4,114	4,114

The following table shows the reconciliation of the fair value based on level 3:

EUR k	Equity and debt instruments	Other financial liabilities
1 February 2020	52,423	4,114
Purchase	308	0
Sale of shares	0	0
New measurements (through profit or loss)	0	0
Issues	0	0
Acquisitions	0	749
Remeasurement of contingent purchase price obligations (through profit or loss)	0	0
Payments due to acquisitions	0	- 255
Other	- 1,518	0
31 July 2020	51,213	4,608

Notes to the statement of cash flows

EUR k	31 Jan 2020	31 July 2020
Restricted cash		
Cash and cash equivalents at the end of the period	246,846	97,699
thereof restricted		
due to security deposits	7,876	3,039
due to restrictions placed upon foreign subsidiaries	28,441	32,092

Related party disclosures

In connection with the bond issued in 2013, related parties held bond certificates with a nominal volume of EUR 30,200k. To the extent that these bond certificates were still held, they were repaid during the reporting period.

Furthermore, the business relationships with related parties presented in the consolidated financial statements as of 31 January 2020 remained essentially unchanged in the first half-year of 2020/21.

Subsequent events

In August 2020, the PHOENIX group issued a corporate bond with a volume of EUR 400m, a term of five years, and an interest coupon of 2.375%.

Mr Frank Große-Natrop, member of the Executive Board of PHOENIX Pharma SE retired with effect of 31 August 2020. As of 1 September 2020, Mr Stephen Anderson succeeded Mr Große-Natrop as member of the Executive Board of PHOENIX Pharma SE responsible for operations and logistics.

Mannheim, 9 September 2020

The Executive Board of PHOENIX Pharma SE

FINANCIAL CALENDAR 2020

Please consult our calendar for the most important announcement dates:

17 December Quarterly statement February to October 2020

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