Dermapharm Holding SE

HALF-YEAR FINANCIAL REPORT **2024**

DERMAPHARM AT A GLANCE

Group results at a glance

		H1 2024	H1 2023
Revenue	EUR million	578.5	582.1
Adjusted EBITDA*	EUR million	153.0	168.0
Adjusted EBITDA margin*	%	26.4	28.9
Unadjusted EBITDA	EUR million	147.0	137.0
Unadjusted EBITDA margin	%	25.4	23.5
Operating result	EUR million	102.9	94.7
EBT	EUR million	90.7	66.9
Consolidated net profit for the period	EUR million	59.9	39.6
Earnings per share	EUR	1.13	0.75

		30 June 2024	31 December 2023
Total assets	EUR million	2,207.1	2,160.7
Equity	EUR million	556.4	545.0
Equity ratio	%	25.2	25.2
Cash and cash equivalents	EUR million	165.8	158.7
Net debt	EUR million	918.8	936.6

* H1/2024 EBITDA was adjusted for non-recurring expenses amounting to EUR 6.0 million.
H1/2023 EBITDA was adjusted for non-recurring expenses amounting to EUR 31.0 million.

DERMAPHARM: FACTS, FIGURES & DATES

> 60 development projects

Well-filled development pipeline with frequent product launches

> 390 active pharmaceutical ingredients

Number of active pharmaceutical ingredients used to produce pharmaceuticals

> 1,300 marketing authorisations

Dermapharm currently has more than 1,300 marketing authorisations worldwide

3,603 employees worldwide

Average number of employees worldwide in the first half of 2024

2024 financial calendar

Publication of Q3 Quarterly Report	14 November 2024
Participation at German Equity Forum conference	25 November 2024

[Synergy]

Working together. Growing together. **More together.**

Content

INTERIM GROUP MANAGEMENT REPORT

1. Information about the Group

1.1 Business model and strategy

Business model

Dermapharm Holding SE (together with its subsidiaries, associates and equity investments referred to as "Dermapharm" or the "Group") is an innovative and fast-growing manufacturer of branded pharmaceuticals and other healthcare products in Germany and elsewhere in Europe. The Company focuses on the three segments "Branded pharmaceuticals", "Other healthcare products" and "Parallel import business". The Group's strategy is to achieve the deepest-possible integration of its business model as well as dynamic growth centred on the development of new products, increasing internationalisation and targeted M&A activities across selected segments.

To the extent possible, Dermapharm uses its own resources to develop, manufacture and market its products. The Group leverages the reputations of Germany and other European countries as manufacturing powerhouses and the quality associated with products manufactured there.

Branded pharmaceuticals

By pursuing a targeted acquisition strategy together with in-house product development, the Group has built up a broad product portfolio of branded pharmaceuticals in profitable niche markets. The extensive range of pharmaceuticals comprises more than 390 (previous year: 380) active pharmaceutical ingredients and more than 1,300 (previous year: 1,200) national and international marketing authorisations. The majority of these are produced in-house and sold via our distribution organisation.

At the core of our activities, we partner with and advise doctors and pharmacists in the interest of patients – while ensuring compliance at all times. The Group's product portfolio covers a broad spectrum of groups of active ingredients in varying dosage forms and strengths. This allows Dermapharm to offer bespoke therapeutic concepts for the widest variety of medical needs.

According to the market research firm INSIGHT Health, the Group is Germany's market leader by sales for prescription dermatologics as well as for prescription vitamins, for instance with the vitamin D compound Dekristol® 20,000 I.U. In the "Branded pharmaceuticals" segment, Dermapharm also has brands in selected therapeutic areas such as vitamins/minerals/food supplements, dermatology, allergology, pain and inflammation, cardiovascular support and gynaecology and urology. According to INSIGHT Health, Keltican®, Tromcardin® complex and Ketozolin® are leading brands in their respective therapeutic areas.

Dermapharm (in cooperation with BioNTech) also maintains production capacities for vaccine filling at its Sandersdorf-Brehna location in the context of a pandemic preparedness programme in Germany.

Other healthcare products

In addition to herbal extracts, Dermapharm bundles food supplements, herbal pharmaceuticals, cosmetics and medical devices under its "Other healthcare products" segment.

Arkopharma, the market leader for natural OTC products and food supplements in France, is a key part of this segment. Arkopharma gives Dermapharm access to the French market, and in doing so drives forward internationalisation efforts in western and southern Europe via the respective subsidiaries.

Through Spanish subsidiary Euromed, Dermapharm also has access to a leading manufacturer of standardised herbal extracts for the production of pharmaceuticals, cosmetics and food supplements. The herbal raw materials are processed at the company's state-of-the-art production facilities in Spain and the USA using procedures that in some cases are patented. A B2B distribution model is used to market the products in some 50 countries.

Another company in this segment is Cernelle in Sweden, which manufactures the only pollen extract with medical approval to treat benign prostate hyperplasia and chronic prostatitis.

Candoro ethics (formerly C³ Group) is the market leader for dronabinol in Germany and Austria, and it develops, produces and distributes natural and synthetic cannabinoids for this segment. The cannabis compounds are used mainly in pain management and palliative care applications, as well as in the fields of oncology and in neurology, thus covering a broad range of chronic and severe illnesses.

Dermapharm has also been producing and selling food supplements, herbal pharmaceuticals and cosmetics for many years now through Anton Hübner, Hübner Naturarzneimittel and Melasan.

Medical devices such as mibeTec's hyperthermic products bite away® and Herpotherm® round out the portfolio in this segment.

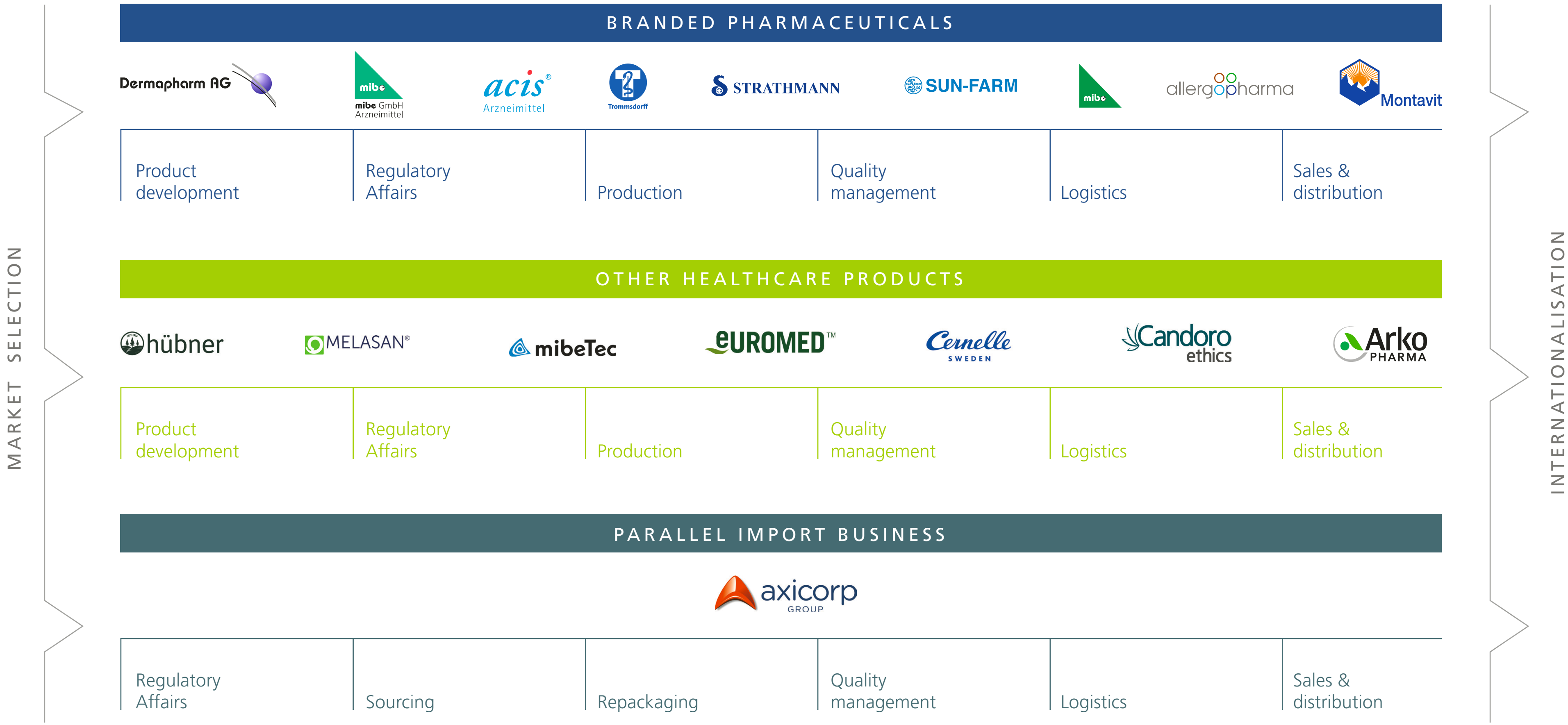
Parallel import business

Dermapharm operates its parallel import business under the "axicorp" brand. The business model is based on legal regulations under the German Social Security Code (*Sozialgesetzbuch*), with price differences within the European Union's internal market for prescription originator pharmaceuticals being exploited in favour of Germany's statutory health insurance system.

axicorp has the specialist expertise needed for procuring these originator pharmaceuticals from other EU Member States. The products are then manufactured in "axicorp's" own production facilities in Friedrichsdorf in accordance with the requirements of the German market. Product sales are driven by direct marketing activities carried out at the company's own call centre.

According to INSIGHT Health, axicorp was Germany's sixth-largest parallel importer in terms of gross revenue in the first half of financial year 2024 and it covered the majority of the prescription originator pharmaceuticals available on the German parallel import market.

Dermapharm Holding SE's integrated business model based on the segment structure as at 30 June 2024 (main companies shown)



Strategy

Dermapharm intends to continue building on its positive performance of recent years and further expand the strong position of the three segments by systematically leveraging organic and inorganic growth opportunities.

The Group's growth strategy is based on three pillars:

1. expanding the product portfolio by bringing to market new, internally developed products;
2. increasing the Group's international presence, including growth at existing companies; and
3. successfully completing further acquisitions of products and businesses.

In order to expand the range of the product portfolio, the Dermapharm Group continually strives to develop additional branded pharmaceuticals and other healthcare products and launch them on the market. Dermapharm's product pipeline currently comprises over 60 ongoing development projects involving new products for the defined niche markets. The focal points of the development work are:

- Expanding the portfolio of off-patent branded pharmaceuticals in dermatology
- Further developing allergy therapy product range
- Developing science-based food supplements
- Developing new phytoextracts
- Further developing the range of medical devices

The Group is expanding its international presence both by forming its own subsidiaries abroad and by acquiring new companies with an international presence. The existing subsidiaries are developed successively. Country-specific portfolios are formed/developed based in each case on a detailed analysis of market conditions, with compounds developed and manufactured by the Group in particular receiving marketing authorisation.

Acquiring new products, portfolios and companies has been part of the Group's business strategy ever since the Company was formed in 1991. Dermapharm's particular strength lies not just in its ability to successfully integrate these acquisitions into the Group structure, but also to continually foster their further development.

Most recently, Dermapharm acquired the France-based Arkopharma, a leading supplier of natural OTC products and food supplements in western and southern Europe, and a significant interest in Montavit, an Austrian company specialising in pharmaceuticals and medical devices for the therapeutic areas of urology, gynaecology and allergology as well as herbal pharmaceuticals for various therapeutic areas.

Dermapharm will continue to regularly review growth opportunities and pursue strategic options that fit our corporate strategy.

1.2 Group structure and interests

Dermapharm Holding SE holds 100% of the shares in Dermapharm AG and Dermapharm Beteiligungs GmbH, which carry out the Group's operating business alongside various subsidiaries.

The group of companies consolidated by Dermapharm Holding SE includes all companies whose financial or business policies the Company controls directly or indirectly. In addition, Dermapharm Holding SE owns shares in associates over whose financial and business policies it exerts significant control.

The following Group structure shows the direct and indirect subsidiaries, as well as associates and equity investments as at 30 June 2024.

Dermapharm Holding SE Group organisational chart

- Dermapharm Holding SE, Grünwald, DE ....
  - 100 % Dermapharm AG, Grünwald, DE ....
    - 100 % mibe GmbH Arzneimittel, Sandersdorf-Brehna, DE
      - 100 % acis Arzneimittel GmbH, Grünwald, DE
      - 100 % mibe L & S GmbH & Co. KG, Sandersdorf-Brehna, DE
      - 100 % mibe F & E GmbH & Co. KG, Sandersdorf-Brehna, DE
    - 100 % mibeTec GmbH, Sandersdorf-Brehna, DE
      - 100 % mibeTec US, Inc., Austin, US
      - 100 % mibeTec Japan, K.K., Tokio, JP
    - 100 % mibe Vertrieb GmbH, Grünwald, DE
    - 50,98 % BLBR GmbH, Grünwald, DE
    - 100 % DHM Digital hub mibe GmbH, Grünwald, DE
    - 100 % Anton Hübner Verwaltungsges. mbH, Ehrenkirchen, DE
      - 100 % Anton Hübner GmbH & Co. KG, Ehrenkirchen, DE
    - 100 % Hübner Naturarzneimittel GmbH, Ehrenkirchen, DE
    - 100 % Trommsdorff GmbH & Co. KG, Alsdorf, DE
      - 100 % Cl. Lageman GmbH, Alsdorf, DE
    - 100 % Strathmann Service GmbH, Hamburg, DE
      - 100 % Strathmann GmbH & Co. KG, Hamburg, DE
    - 100 % fitvia GmbH i.L., Wiesbaden, DE
      - 100 % bellavia GmbH i.L., Wiesbaden, DE
    - 100 % axicorp GmbH, Friedrichsdorf, DE
      - 100 % axicorp Pharma GmbH, Friedrichsdorf, DE
      - 100 % axicorp Pharma B.V., Den Haag, NL
      - 100 % axicorp Aps Hellerup, Hellerup, DK
    - 100 % Dermapharm GmbH, Wien, AT
      - 100 % Melasan GmbH, Neumarkt, AT
    - 69 % Pharmazeutische Fabrik Montavit Gesellschaft m.b.H., Absam, AT
      - 15 % ProFem GmbH, Wien, AT
    - 100 % Tiroler Nussöl Sonnenkosmetik GmbH, Kitzbühel, AT
    - 100 % Dermapharm AG, Hünenberg, CH
    - 100 % Candoro ethics GmbH, Friedrichsdorf, DE
      - 100 % Candoro ethics Austria GmbH, Wien, AT
      - 100 % Candoro ethics AG, Hünenberg, CH

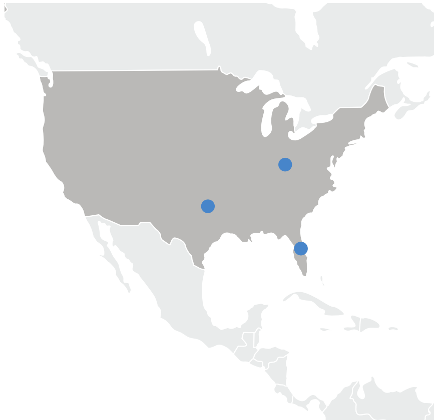
Dermapharm Holding SE Group organisational chart (continued)

- … Dermapharm Holding SE, Grünwald, DE
  - 100 % Dermapharm AG, Grünwald, DE …
    - 100 % Apharma TopCo S.A.S., Carros, FR
      - 100 % Apharma Capital S.A.S.U., Carros, FR
        - 100 % Laboratoires Arkopharma S.A.S., Carros, FR
          - 100 % LHS S.A.S., Carros, FR
          - 100 % Arkopharma Laboratorios S.A., Lissabon, PT
          - 100 % Arkopharma Laboratorios S.A.U., Madrid, ES
          - 100 % Arkopharm Srl., Ventimiglia, IT
          - 100 % Arkopharma Nederland B.V., Almere, NL
          - 100 % Arko Diffusion AG, Hünenberg, CH
          - 100 % Arkopharma Belux S.A., Wavre, BE
          - 100 % Arkopharma Ireland Ltd., Waterford, IE
          - 100 % Nutripharma Ltd., Waterford, IE
          - 55 % Arkopharma Hellas SA, Peania, GR
          - 100 % Cipriani Srl., Ventimiglia, IT
          - 100 % Arkopharma Asia Pvt. Ltd., Hongkong, HK
    - 100 % Sun-Farm Sp. z o.o., Lomianki, PL
    - 100 % mibe Ukraine LLC., Kiew, UA
    - 100 % Mibe Pharmaceuticals d.o.o., Zagreb, HR
    - 100 % mibe pharma UK Ltd., London, UK
    - 100 % mibe pharma Italia Srl., Segrate, IT
    - 100 % mibe pharma España S.L., Madrid, ES
    - 100 % Euromed S.A., Barcelona, ES
      - 100 % Euromed USA, Inc., Bridgeville, US
    - 100 % AB Cernelle, Ängelholm, SE
    - 100 % Nutravis S.R.L., Genua, IT
    - 30 % Hasan Dermapharm Co. Ltd., Binh Duong Province, VN
    - 5 % Hasan Dermapharm JV Co. Ltd., Binh Duong Province, VN
    - 33,86 % Wellster Healthtech Group GmbH, München, DE
  - 100 % Dermapharm Beteiligungs GmbH, Grünwald, DE
    - 100 % Allergopharma Verwaltungs GmbH, Reinbek, DE
      - 100 % Allergopharma GmbH & Co. KG, Reinbek, DE
        - 99 % Allergopharma India Pvt. Ltd., Delhi, IN (1 % held by Allergopharma Verwaltungs GmbH)
        - 100 % Allergopharma Vertriebsges. mbH, Wien, AT
        - 100 % Allergopharma AG, Hünenberg, CH
        - 100 % Allergopharma España S.L., Madrid, ES
        - 100 % Allergopharma (Beijing) Pharmaceutical Technology Co., Ltd., Peking, CN
        - 100 % C&L Research GmbH, Reinbek, DE

Dermapharm locations*

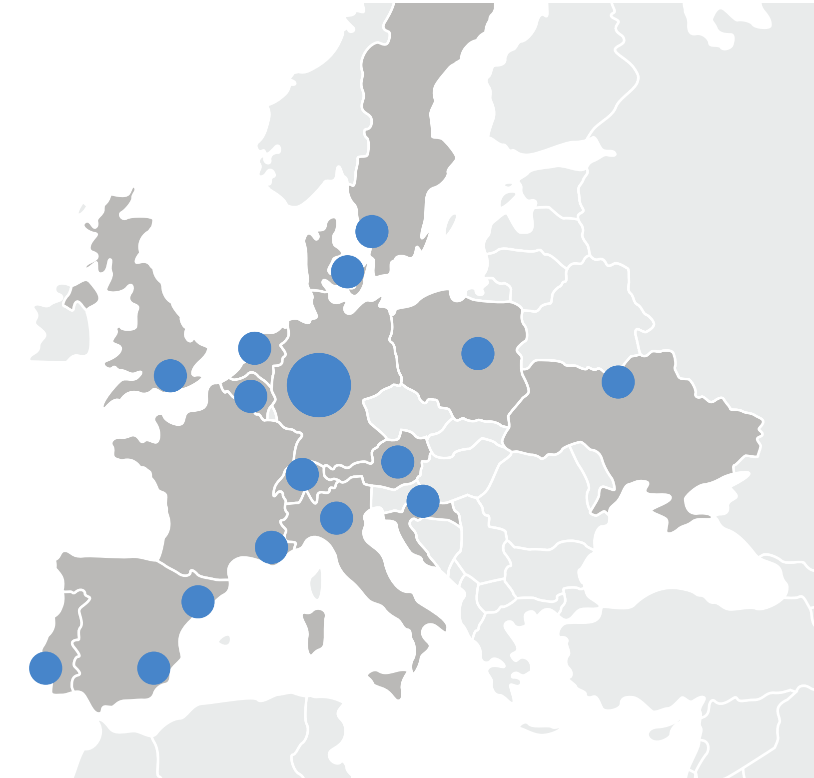
AMERICAS

USA



EUROPE

Germany
Austria
Switzerland
France
United Kingdom
Italy
Spain
Belgium
Netherlands
Sweden
Croatia
Portugal
Poland
Ukraine
Denmark



ASIA

Japan
Vietnam
China
India

All locations online:
→ https://ir.dermapharm.de/en/company/

Group organisational chart → page 9

Locations* worldwide
with a focus on **Europe**
Headquarters in **Germany**

* direct, indirect subsidiaries and associates, equity interests

1.3 Sites and employees

Dermapharm operates development, production, and distribution sites in Germany – its largest sales market – as well as further sites in Austria, Switzerland, France, Italy, Spain, Portugal, the Netherlands, Belgium, Croatia, Poland, Ukraine, Sweden, the United States, China, Japan and India.

The majority of all compounds from the "Branded pharmaceuticals" segment are manufactured at and dispatched from mibe's central production and logistics centre in Sandersdorf-Brehna. mibe is also responsible for centralised purchasing and for product supply to the domestic subsidiaries. The production facilities of acquired companies have become increasingly important in recent years. These facilities have been modernised – in particular their IT, building technology, equipment and fittings, and integrated into the network centred on the logistics centre in Sandersdorf-Brehna.

The "Parallel import business" segment is headquartered at the Friedrichsdorf site.

Arkopharma, which is allocated to the "Other healthcare products" segment, has its production facility in Carros near Nice, France. Euromed has its own production facilities in Molina de Segura, Murcia, Spain, and Mollet del Vallès, Barcelona, Spain, and operates a drying facility in Okeechobee, Florida, United States. The Swedish company Cernelle manufactures its products in Ängelholm. Candoro ethics, which was relocated to Friedrichsdorf, manufactures both natural and synthetic dronabinol.

In Germany, a sales force with specialist pharmaceutical training visits pharmacies, registered doctors and clinics to promote and distribute pharmaceuticals and other healthcare products. Candoro ethics also employs a specially trained sales force to market and distribute its products. Arkopharma likewise distributes its products in pharmacies and parapharmacies via a sales force. Depending on the areas of product application, the sales force is deployed specifically according to the defined customer target groups. Euromed's herbal extracts are sold primarily under a B2B business model. Products in the "Parallel import business" segment are distributed primarily through direct sales from a call centre.

Qualified employees are the basis for Dermapharm's long-term commercial success. In the first half of 2024, an average of 3,603 employees worked for the Group (previous year: 3,404 employees).

1.4 Management system and performance indicators

At the Group level, Dermapharm is divided into three segments: "Branded pharmaceuticals", "Other healthcare products" and "Parallel import business". The Board of Management approves objectives for use in the business planning and management of the segments. Budgetary plans which are prepared annually for a period of three years translate these objectives into specific, measurable targets.

Regular reports to the Board of Management provide details on the performance of the three segments so that any potential unfavourable trends can be countered in a timely manner. In this way, the management system plays a role in ensuring that the Group continues to grow profitably.

The business is managed using selected financial performance indicators that are monitored continuously and integrated into the monthly reporting to the Board of Management. The defined segments continually review the specified plan figures and compare them with the current business performance (plan to actual comparison). If there are deviations from the original revenue and EBITDA targets, corresponding action is taken.

The key management metrics used by the Board of Management to measure the success of business activities are revenue and earnings before interest, taxes, depreciation, amortisation, write-downs and reversals of write-downs (EBITDA). The following shows a reconciliation of EBITDA to Group earnings as presented in the income statement:

Profit or loss for the period
\+ Income tax expenses
= Earnings before taxes (EBT)
\+ Financial expenses
– Financial income
\+ Depreciation, amortisation, and reversals of write-downs
= EBITDA

EBITDA is adjusted for non-recurring items. For more detailed information, please refer to section 2.2.

1.5 Research and development

Dermapharm is convinced that a growth strategy cannot succeed without investing in research and development. New products "Made by Dermapharm" are the key to driving forward the Group's internationalisation and organic growth.

Dermapharm consequently targets its efforts on developing compounds in its core therapeutic areas using active pharmaceutical ingredients that are generally no longer subject to intellectual property rights. However, Dermapharm is also investing in new patented therapies in the field of hyperthermic products.

In total, the Group operates five development centres: mibe F&E GmbH & Co. KG in Sandersdorf-Brehna focuses on pharmaceutical and analytical development and marketing authorisation for pharmaceuticals and cosmetics. mibe serves as the primary location for the manufacture of investigational medicinal products. Allergopharma's research and development centre in Reinbek focuses on further developing allergen immunotherapies. The focus of its efforts is on improving the existing product range, including clinical indications and application plans. Anton Hübner GmbH & Co. KG (Anton Hübner) in Ehrenkirchen specialises in the development of medical science-based food supplements, substance-based medical devices and cosmetics. These also use herbal ingredients – giving rise to synergies with Euromed. The latter company operates a laboratory and innovation centre in Mollet de Vallès, Spain, that focuses on development and the scientific marketing of herbal extracts. As a supplier of medicinally active extracts, Euromed has to ensure that its products keep pace with current developments in science and technology at all times. Furthermore, Euromed concentrates on expanding its portfolio to include the development of new extracts and indications. Arkopharma operates its own research and development activities in Carros (near Nice), France, to manufacture OTC herbal products and food supplements.

In the first half of financial year 2024, an average of 355 employees worked in product development at the Group (previous year: 310 employees).

Dermapharm's more than 30 years' experience provides it with expertise in developing off-patent pharmaceuticals and other healthcare products as well as a powerful network of development partners. Moreover, the Group has the necessary regulatory expertise in house in order to be able to carry out the authorisation process itself in Germany as well as in the EU. These broad capabilities mean that new developments can be launched and marketed in Germany and at the subsidiaries outside Germany.

2. Report on economic position

2.1 Macroeconomic and sector-specific environment

Macroeconomic environment

The International Monetary Fund (IMF) in its most recent publication for the current year projected global growth of 3.2% (correct as at July 2024), which is below average by historical standards. The growth projection is in line with the original figure (also of 3.2%) forecast in April 2024. According to the IMF, this is due to a narrowing of production divergence across economies and persistently high services price inflation. Upside risks to inflation have increased, raising the prospect of higher-for-even-longer interest rates in the context of escalating trade tensions and increased policy uncertainty.

For the European Union, the IMF expects economic output to increase by 1.2% in 2024 (correct as at July 2024), driven by improved services activity.

At 0.2% (correct as at July 2024), the IMF's growth outlook for Germany remains at the low level forecast in April. This is due to Germany's status as an export nation and thus greater dependence on global trade, which is currently weak, as well as persistently high energy prices.

Given that Dermapharm's business model in the healthcare market is aligned with relatively cyclical demand, the global economic environment generally has less of a direct impact on its business performance than the respective regulatory conditions in the individual market regions. One exception are parts of the "Other healthcare products" segment where food supplements and cosmetics are subject to the self-payer business, primarily Arkopharma.

Sector-specific environment

The factors driving growth on the pharmaceuticals and healthcare markets include in particular demographic trends such as an increasingly ageing society, global population growth, rising health awareness and increasing self-medication as well as advances in medicine. Accordingly, the European pharmaceuticals market has grown continuously in recent years.

Dermapharm's primary market, Germany, has a highly developed healthcare system with 110,114 registered physicians (December 2022), 17,571 public pharmacies (end of 2023) and 1,893 hospitals (end of 2022). According to IQVIA, the growth trend seen in the German pharmaceuticals market in recent years continued in the first quarter of 2024. At the end of the first quarter of 2024, the annual revenue in Germany's pharmaceuticals market rose by 6.0% to EUR 62.7 billion, compared with annual revenue of EUR 59.1 billion in the 12 months to the end of March 2023. Of that amount, EUR 54.4 billion was attributable to prescription pharmaceuticals (LTM Q1 2023: EUR 51.0 billion) and EUR 8.3 billion to OTC pharmaceuticals (LTM Q1 2023: EUR 8.1 billion). However, volume gains are increasingly neutralised due to government intervention in pricing. This results in a continued downward trend in prices, state-imposed mandatory discounts and steep discounts to health insurance organisations, the latter as a result of statutory discount agreement options between manufacturers and health insurance organisations.

According to INSIGHT Health, in the first half of financial year 2024, revenue in the parallel imports market increased from EUR 1.6 billion in the previous year to EUR 2.0 billion (basis: Apofusion sell-out). The share of total revenue in the German pharmaceuticals market that is generated with parallel-imported products increased from 6.1% in the prior-year period to 8.2% in the first half of 2024.

2.2 Course of business

Overall, Dermapharm performed as expected in the first half of 2024. In particular, the exceptionally strong organic growth in the existing business largely compensated for the decline in vaccine production in cooperation with BioNTech SE and the lower contribution from Arkopharma.

The "Branded pharmaceuticals" segment accounted for a large share of growth in the first six months of 2024. This segment recorded exceptionally positive growth in the products Allergovit®, Myditin/Myopridin®, Dekristol RX® and Prednisolut® in particular. Furthermore, the revenue and earnings contributions from Montavit were included here for the first time (having only been consolidated from July in the previous year). The further decline in vaccine production had an offsetting effect. Overall, the segment recorded solid revenue, earnings and margin growth.

In the "Other healthcare products" segment, persistent consumer reticence due to the economic situation led to significant declines in revenue and in particular earnings. This was particularly evident in France, the primary sales market for Arkopharma. Firstly, Arkopharma benefited from price increases in the previous year, which caused revenue to be generated early. Furthermore, the annual product launches to support growth mainly took place in the first half of the previous year, while this year they will mainly take place in the second half. Increased competition has added to the pressure. Corrective action has already been taken, including HR measures. Euromed's B2B herbal extracts business recorded a positive performance, which contributed earnings growth but was unable to offset the decline at Arkopharma.

There were signs of a turnaround in the "Parallel import business" segment due to renewed growth in the parallel imports market. While revenue and earnings contributions in Q1 2024 were still down significantly on the prior-year period, revenue at the end of H1 was level year on year. Earnings also improved significantly.

Performance indicators

Consolidated revenue declined by 0.6% to EUR 578.5 million, remaining roughly level year on year (H1 2023: EUR 582.1 million).

Prior to adjustment, EBITDA increased by 7.3% to EUR 147.0 million (H1 2023: EUR 137.0 million). Adjusted by non-recurring items, EBITDA declined by 8.9% to EUR 153.0 million (H1 2023: EUR 168.0 million).

The **non-recurring items in H1 2024** which were eliminated in the calculation for adjusted EBITDA amounted to EUR 6.0 million and comprised the following:

- EUR 1.8 million subsequent purchase price payment in connection with a plot of land at the Arkopharma Group;
- EUR 2.2 million in effects recognised in profit or loss as a result of reducing the Wellster shareholding from 45.00% to 33.86%;
- EUR 1.0 million in expenses from relocating Candoro ethics GmbH NM and THC Pharm GmbH to Candoro ethics GmbH in Friedrichsdorf;
- EUR 0.7 million in expenses resulting from the PPA in connection with the sale of the former Bio-Diät building;
- Total of EUR 0.3 million in other non-recurring expenses from adjusting ancillary purchase costs, reversing the FYTA transaction and merger costs arising at Candoro ethics GmbH.

The non-recurring items in H1 2023 amounted to EUR 31.0 million and comprised the following:

- EUR 8.4 million in advisory and transaction costs in the context of due diligence and carrying out acquisitions and share purchases;
- EUR 8.8 million in adjustments made in connection with the purchase price allocation (IFRS 3) (in particular for the Arkopharma Group) due to the carrying amount "step-up" for inventories on account of the fair value measurement and the decrease in earnings due to realisation;
- EUR 6.6 million impairment on the Corat equity investment;
- Adjustment of deconsolidation expenses in relation to fitvia, bellavia and mibe UK amounting to EUR 7.2 million.

The **adjusted EBITDA margin** amounted to 26.4% (H1 2023: 28.9%). The lower margin was primarily due to the reduction in the high-margin vaccine business in cooperation with BioNTech SE.

The **unadjusted EBITDA margin** rose to 25.4% (H1 2023: 23.5%).

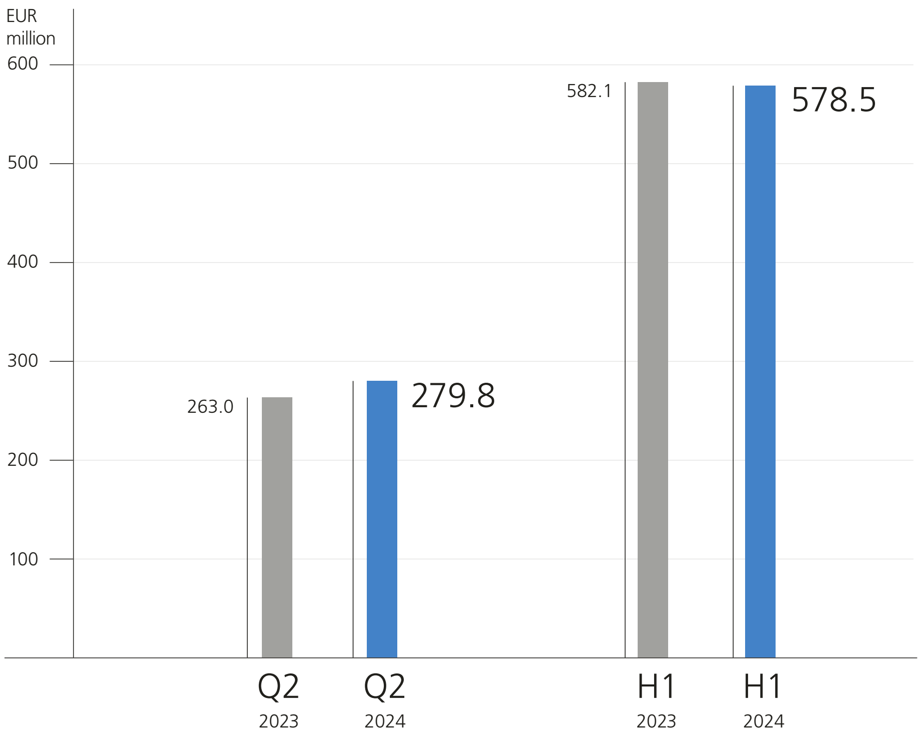
2.3 Financial position, financial performance and cash flows

2.3.1 Financial performance of the Group

Revenue and earnings performance of the Group

Consolidated revenue fell slightly by 0.6% year on year to EUR 578.5 million in the first six months of 2024 (prior-year period: EUR 582.1 million). The decline was due primarily to the drop in revenue from the vaccine business, which the organic growth was unable to offset in full at the Group level. While the last material amounts relating to vaccine production were invoiced in the first half of 2023, the only amounts invoiced in the first half of the current financial year were income relating to Germany's pandemic preparedness programme (maintaining production capacities).

Half-yearly and quarterly comparison of revenue trend



The slight decline in revenue in the first half of 2024 resulted in a lower **cost of materials** in absolute terms of EUR 216.0 million in the period under review (prior-year period: EUR 229.1 million). The cost of materials ratio, taking into account the change in inventories (cost of materials and change in inventories in the numerator) declined to 35.9% (prior-year period: 37.9%), which caused the gross profit margin to improve.

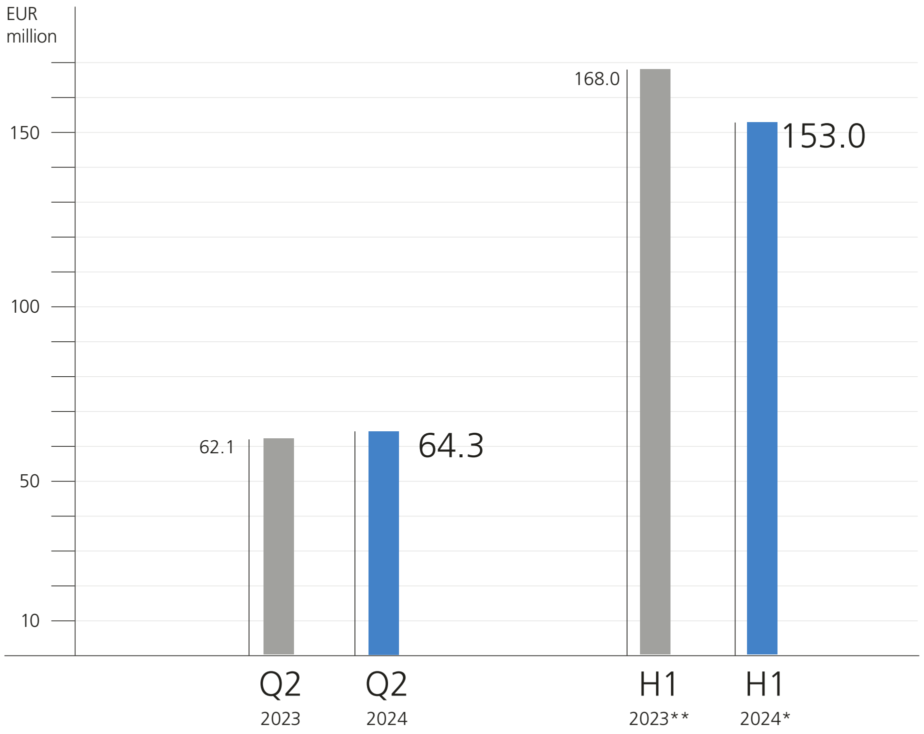
Personnel expenses amounted to EUR 143.2 million in H1 2024 (prior-year period: EUR 132.1 million). The year-on-year increase was due primarily to the first-time inclusion of wages and salaries at Montavit, general increases in wage and salary expenses, and the associated statutory social security expenses. The personnel expense ratio rose by 2.1 percentage points to 24.8% (prior-year period: 22.7%).

Depreciation and amortisation declined to EUR 43.6 million in H1 2024 (prior-year period: EUR 49.3 million). This was due primarily to the customer orders amounting to EUR 8.3 million under the PPA at Arkopharma, which were written off in the prior-year period. The depreciation and amortisation at Montavit was taken into account for the first time (EUR 1.5 million).

Other operating expenses amounted to EUR 105.0 million in H1 2024 (prior-year period: EUR 105.6 million), and thus remained at the same level as in the previous year. The ratio of (unadjusted) other operating expenses to revenue amounted to 18.2% (prior-year period: 18.1%).

Based on **unadjusted EBITDA** of EUR 147.0 million (prior-year period: EUR 137.0 million), the unadjusted EBITDA margin amounted to 25.4% (prior-year period: 23.5%). The **adjusted EBITDA** described in 2.2 above declined in H1 2024 by 8.9% from EUR 168.0 million in the prior-year period to EUR 153.0 million; the adjusted EBITDA margin fell from 28.9% in the prior-year period to 26.4%.

Yearly and quarterly comparison of EBITDA trend



* H1 2024 EBITDA adjusted for non-recurring items amounting to EUR 6.0 million.

** H1 2023 EBITDA adjusted for non-recurring items amounting to EUR 31.0 million.

Unadjusted **earnings before taxes** (EBT) rose to EUR 90.7 million in H1 2024 (prior-year period: EUR 66.9 million). The EBT margin increased to 15.7% (prior-year figure: 11.5%). This increase resulted from the higher (unadjusted) EBITDA of EUR 147.0 million (prior-year period: EUR 137.0 million), reduced depreciation and amortisation of EUR 43.6 million (prior-year period: EUR 49.3 million) and the significantly improved financial result in the current period of EUR -12.3 million (prior-year period: EUR -27.8 million).

Accordingly, the unadjusted **profit for the period** amounted to EUR 59.9 million in the first six months of financial year 2024 (prior-year period: EUR 39.6 million), with only a slight increase in income taxes of EUR 30.7 million (prior-year period: EUR 27.3 million).

Segment reporting

The following table shows the changes in the performance indicators reported internally to Dermapharm's Board of Management by segments.

	Branded pharmaceuticals		Other healthcare products*		Parallel import business		Reconciliation/ Group holding company		Group	
6 months ended 30 June in EUR thousand	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Revenue	278,252	266,956	194,606	210,800	125,692	125,124	–20,055	–20,793	578,494	582,087
of which intersegment revenue	*1,196*	*3,066*	*15,138*	*16,098*	*3,721*	*1,629*	*–20,055*	*–20,793*	-	-
Revenue from external customers	277,056	263,890	179,467	194,701	121,971	123,496	-	-	578,494	582,087
Revenue growth	5%	–5%	–8%	150%	–1%	6%	-	-	–1%	24%
EBITDA (unadjusted)	121,021	105,691	27,410	32,091	1,064	675	–2,538	–1,459	146,957	136,998
of which earnings from investments accounted for using the equity method	*446*	*–7,003*	-	-	-	-	-	-	*446*	*–7,003*
EBITDA margin (unadjusted)	44%	40%	15%	16%	1%	1%	-	-	25%	24%

* As from 5 January 2023 with Arkopharma-Group.

Revenue and earnings performance of the "Branded pharmaceuticals" segment

Revenue in the "Branded pharmaceuticals" segment reported in H1 2024 increased sharply year on year by 5.0% to EUR 277.1 million (prior-year period: EUR 263.9 million). This increase was largely due to organic growth and the revenue contributions from Montavit. The rise in revenue was partly offset by reduced vaccine production in cooperation with BioNTech SE.

The segment's **unadjusted EBITDA** increased disproportionately, rising by 14.5% to EUR 121.0 million in the first half of 2024 (prior-year period: EUR 105.7 million). At 43.7% (prior-year period: 40.1%), the segment's **unadjusted EBITDA margin** was up on the same period of the previous year.

Revenue and earnings performance of the "Other healthcare products" segment

Revenue in the "Other healthcare products" segment reported in H1 2024 decreased year on year by 7.8% to EUR 179.5 million (prior-year period: EUR 194.7 million). For the reasons, please refer to our comments in section 2.2 Course of business.

The **segment's unadjusted EBITDA** amounted to EUR 27.4 million in H1 2024 (prior-year period: EUR 32.1 million). This resulted in a 15.3% **unadjusted EBITDA margin** for this segment (prior-year period: 16.5%).

Revenue and earnings performance of the "Parallel import business" segment

Revenue in the "Parallel import business" segment generated in H1 2024 declined only slightly year on year by 1.2% to EUR 122.0 million (prior-year period: EUR 123.5 million).

The **unadjusted EBITDA** reported in the segment rose year on year by 57.1% to EUR 1.1 million in H1 2024 (prior-year period: EUR 0.7 million). The segment's **EBITDA margin** was 0.9%, which was up somewhat as compared to the prior-year level of 0.6%.

2.3.2 Financial position of the Group

The financial position of the Group was as shown below as at 30 June 2024:

The **total assets** increased to EUR 2,207.0 million as at 30 June 2024 (31 December 2023: EUR 2,160.7 million).

Non-current assets decreased by EUR 18.2 million to EUR 1,512.0 million. The reduction was due primarily to amortisation and depreciation of intangible assets and property, plant and equipment, and the sale of a building in Berlin no longer needed for operational purposes.

The key driver on the assets side was the increase in **current assets** by EUR 64.6 million to EUR 695.1 million. This was primarily attributable to increases in inventories (by EUR 30.0 million) and trade receivables (by EUR 20.9 million). The main reason for the increase in finished goods and raw materials, consumables and supplies was the general price inflation in procurement and production and volume effects to secure delivery capacity. The increase in trade receivables was largely due to reporting date-related effects.

Equity amounted to EUR 556.4 million as at 30 June 2024, compared to EUR 545.0 million as at 31 December 2023. The rise was due primarily to the positive consolidated total comprehensive income. The Dermapharm Group's equity ratio amounted to 25.2% as at the reporting date (31 December 2023: 25.2%).

The **non-current liabilities** decreased to EUR 1,211.1 million as at 30 June 2024 (31 December 2023: EUR 1,221.1 million). The slight reduction was primarily attributable to the decline in other current financial liabilities due to the remeasurement of interest rate swaps.

The **current liabilities** amounted to EUR 439.6 million as at the reporting date (31 December 2023: EUR 394.5 million). This increase primarily resulted from the dividend payment, which unlike in the previous year was not made until July 2024.

2.3.3 Cash flows of the Group

Stable cash flows

Dermapharm's cash flows remained stable during the reporting period, and the Group's solvency was guaranteed at all times during the current financial year.

In December 2022, Dermapharm entered into a syndicated loan agreement, under which EUR 915 thousand had been drawn down on 30 June 2024. The loan comprises two tranches of EUR 650 million (bullet tranche) and EUR 200 million (amortised; current value EUR 175 million), as well as a revolving tranche of EUR 200 million (EUR 90 million drawn down as at the reporting date). Please refer to the 2023 Annual Report for further details.

Overview of the structure of financial liabilities in the Group as at 30 June 2024

Current residual terms of financial liabilities:

EUR thousand	< 1 year	1-5 year	> 5 year	Total
Promissory note loans	38,485	45,384	16,000	99,869
Liabilities to banks	72,735	876,136	11,001	959,872
Lease liabilities	5,340	8,117	5,197	18,654
Total	**116,560**	**929,637**	**32,198**	**1,078,395**

Cash flow analysis

The **net cash flow from operating activities** consists of changes in items not covered by investments, financing and through changes in the scope of consolidation and measurement.

The net cash flow from operating activities decreased to EUR 56.0 million in H1 2024 (prior-year period: EUR 88.1 million). This reduction as against the prior-year period mainly resulted from the cash changes in net working capital of EUR –17.8 million, and higher income tax payments of EUR 9.5 million.

Net cash flow from investing activities, which reflects the cash outflows for investments less the inflows from disposals, amounted to EUR –15.5 million in H1 2024 (prior-year period: EUR –414.1 million). The change in cash flow from investing activities as against the prior-year period was primarily attributable to payments in connection with the acquisition of the Arkopharma Group in the first half of 2023.

Free cash flow, i.e., cash flow from operating activities plus cash flow from investing activities, amounted to EUR 40.5 million in the period under review (prior-year period: EUR –326.0 million).

Cash flow from financing activities amounted to EUR –33.0 million in the period under review (prior-year period: EUR 286.9 million). One key factor influencing this development was the syndicated loan agreement that was entered into in December 2022. Facility A was drawn down in the amount of EUR 650 million in the first half of 2023. The repayment of financial liabilities as part of the acquisition of the Arkopharma Group in the first half of 2023 had an offsetting effect of EUR 216.5 million. In the first half of 2024, cash flow from financing activities mainly resulted from incoming and outgoing payments under the syndicated loan agreement.

Dermapharm Holding SE had consolidated cash and cash equivalents of EUR 165.8 million as at 30 June 2024 (30 June 2023: EUR 110.8 million).

3. Report on Opportunities and Risks

The risks and opportunities of future development at Dermapharm and the Group-wide risk management system, internal control system and compliance management system are described in detail in the combined Group management report for the 2023 financial year (in which see section 3. Report on Risks and Opportunities).

Dermapharm's relevant strategic, operating, financial and compliance risks are assigned to 25 risk categories. In the first half of 2024, no changes were made with regard to the methodology used to identify and assess risks.

The Group-wide risk analysis conducted on 30 June 2024 (period under review: July 2024 – June 2025) revealed that there have been no changes to the risk classification for any risk category as against the most recent risk report. The combined Group management report for the 2023 financial year (in which see section 3.5 Risk Report) individually describes the 25 risk categories, presents the steps taken to minimise risks and classifies the respective risks as either low, medium or high.

4. Report on expected developments

Outlook

In its report on expected developments, the Board of Management discusses, to the extent possible, its expectations with respect to the future development of Dermapharm and the market environment in which the Group operates for financial year 2024. Dermapharm's business model is geared towards markets which offer sustainable growth potential due to general and industry-specific growth mechanisms in the pharmaceuticals and healthcare market, as well as to growth forecasts by independent institutions.

In the "Branded pharmaceuticals" segment, the assumption is that persistently high demand for its products will cause the segment to generate increasing contributions, which will also more than offset the reduced contributions from the cooperation with BioNTech SE in the context of vaccine production and pandemic preparedness. In the "Other healthcare products" segment, it is assumed that the action already taken at Arkopharma and a performance at Euromed in line with projections will ensure a partial recovery in its revenue and earnings contributions. In the "Parallel import business" segment, stable revenue contributions are expected thanks to good product availability and sales conditions. The Board of Management therefore expects the Group to experience continued year-on-year growth in financial year 2024 and confirms the guidance published in the 2023 Annual Report, which forecast consolidated revenue to increase year on year to between EUR 1,170 million and EUR 1,210 million and adjusted EBITDA to rise to between EUR 305 million and EUR 315 million.

Forward-looking statements

This report contains forward-looking statements made on the basis of information that was available as at the date on which this half-yearly financial report was prepared. However, this also entails operating challenges and risks which are determined to a large extent by changing or additional state regulatory measures, such as cost-reduction measures and more cumbersome requirements for authorisations. As a result, the future development of the Group's revenue and earnings will be characterised by growth-promoting as well as growth-inhibiting conditions. These and other factors can result in actual events, the financial position, performance and the profitability of the Group deviating significantly from the estimates stated herein. Moreover, this outlook is subject to uncertainty stemming from the consequences of the still-ongoing Russian war of aggression against Ukraine, rising prices for raw materials and energy, and the escalating conflict in the Middle East.

Grünwald, 23 August 2024

The Board of Management

Dr Hans-Georg Feldmeier
Chief Executive Officer

Christof Dreibholz
Chief Financial Officer
Chief Compliance Officer

Dr Andreas Eberhorn
Chief Marketing Officer

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

as at 30 June 2024 and 31 December 2023

Rounding differences may arise due to the different presentation of figures in EUR million in the interim management report and EUR thousand in the interim consolidated financial statements and segment reporting.

Assets EUR thousand	30 June 2024	31 December 2023
Non-current assets		
Intangible assets	528,083	544,860
Goodwill	578,479	578,521
Property, plant and equipment	322,470	330,770
Investments accounted for using the equity method	20,746	22,498
Equity investments	2,595	1,116
Other non-current financial assets	59,590	52,410
Total non-current assets	**1,511,963**	**1,530,176**
Current assets		
Inventories	350,718	320,758
Trade receivables	111,795	90,935
Other current financial assets	5,979	3,752
Other current assets	59,448	56,179
Tax assets	1,437	148
Cash and cash equivalents	165,762	158,724
Total current assets	**695,139**	**630,496**
Total assets	**2,207,102**	**2,160,673**

Equity and liabilities EUR thousand	30 June 2024	31 December 2023
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	380,731	367,223
Other reserves	16,195	17,354
Equity attributable to owners of parent	**551,556**	**539,207**
Non-controlling interests	4,874	5,841
Total equity	**556,430**	**545,048**
Non-current liabilities		
Provisions for employee benefits	118,217	117,222
Non-current financial liabilities	961,835	963,958
Other non-current financial liabilities	4,502	13,231
Other non-current liabilities	13,583	14,340
Deferred tax liabilities	112,952	112,385
Total non-current liabilities	**1,211,090**	**1,221,136**
Current liabilities		
Other provisions	19,377	27,300
Current financial liabilities	116,561	116,430
Trade payables	93,174	86,641
Dividend liability	47,379	-
Other current financial liabilities	1,639	1,736
Other current liabilities	91,704	80,564
Tax liabilities	69,749	81,818
Total current liabilities	**439,583**	**394,489**
Total equity and liabilities	**2,207,102**	**2,160,673**

Consolidated statement of comprehensive income

for the 3- and 6-month periods ended 30 June 2024 and 30 June 2023

	3 months ended		6 months ended	
EUR thousand	**30 June 2024**	**30 June 2023**	**30 June 2024**	**30 June 2023**
Revenue	279,802	262,969	578,494	582,087
Change in inventories	4,028	–3,420	8,263	8,567
Own work capitalised	4,000	3,437	6,731	7,184
Other operating income	8,789	2,710	17,107	13,019
Cost of materials	–109,514	–106,676	–215,969	–229,147
Personnel expenses	–73,879	–66,050	–143,152	–132,102
Depreciation, amortisation and reversal of impairment	–23,820	–34,318	–43,577	–49,301
Other operating expenses	–52,162	–48,249	–104,963	–105,606
Operating result	**37,245**	**10,403**	**102,935**	**94,700**
Share of profit/loss of companies accounted for using the equity method, after tax	216	–5,703	446	–7,003
Financial income	4,799	6,479	18,229	6,905
Financial expenses	–15,469	–14,094	–30,957	–27,723
Financial result	**–10,455**	**–13,317**	**–12,282**	**–27,822**
Earnings before taxes	**26,790**	**–2,914**	**90,652**	**66,879**
Income tax expenses	–9,946	–6,568	–30,733	–27,262
Profit or loss for the period	**16,844**	**-9.482***	**59,920**	**39,617**

* The net loss in Q2 2023 was due to the PPA effects from the Arkopharma Group acquisition (EUR 25,205 thousand).

	3 months ended		6 months ended	
EUR thousand	**30 June 2024**	**30 June 2023**	**30 June 2024**	**30 June 2023**
Other comprehensive income not reclassified to profit or loss in subsequent periods:				
Actuarial gains/losses from remeasurement of defined benefit pension plans	–75	–141	–112	–171
Deferred taxes on items that will not be reclassified	19	36	29	44
Other comprehensive income which may be reclassified to profit or loss in subsequent periods:				
Foreign operations - currency translation differences	–183	431	–1,075	20
Other comprehensive income, after tax	**–239**	**327**	**–1,158**	**–107**
Total comprehensive income for the period	**16,606**	**-9.155***	**58,761**	**39,510**
Profit or loss for the period attributable to				
Owners of the parent	17,268	–9,187	60,887	40,218
Non-controlling interests	–423	–295	–967	–601
	16,844	**-9.482***	**59,920**	**39,617**
Total comprehensive income for the period attributable to				
Owners of the parent	17,029	–8,860	59,729	40,111
Non-controlling interests	–423	–295	–967	–601
	16,606	**-9.155***	**58,761**	**39,510**
Earnings per share				
Basic (= diluted) earnings per share (EUR)	0.32	–0.17	1.13	0.75

* The negative result in Q2 2023 is due to the PPA effects of the Arkopharma Group acquisition amounting to 25.205 EUR thousand.

Consolidated statement of cash flows

for the 6-month period ended 30 June 2024 and 30 June 2023

	6 months ended	
EUR thousand	**30 June 2024**	**30 June 2023**
Earnings before taxes	90,652	66,879
Depreciation, amortisation / (reversal of impairment) of fixed assets	41,944	48,802
(Increase)/decrease in working capital (assets)	–54,962	–16,260
Increase/(decrease) in working capital (liabilities)	7,016	–13,851
Increase/(decrease) in provisions for employee benefits	883	1,187
Other non-cash items	1,730	7,692
Share of (profit)/loss of companies accounted for using the equity method, after tax	–446	7,003
(Gain)/loss on disposal of non-current assets	854	136
Interest expense/(income)	10,938	19,659
Income tax payments	–42,625	–33,150
Net cash flows from operating activities	**55,984**	**88,096**
Proceeds from the disposal of intangible assets and property, plant and equipment	3,430	101
Business combinations, less cash	-	–391,111
Payments for investments in intangible assets and property, plant and equipment	–18,583	–18,402
Payments for investments in financial assets	–1,414	–5,000
Interest received	1,064	283
Cash flows from investing activities	**–15,503**	**–414,129**

	6 months ended	
EUR thousand	**30 June 2024**	**30 June 2023**
Dividends paid	-	−56,532
Proceeds from borrowings	90,000	715,000
Repayments of borrowings	−92,875	−359,023
Payments of lease liabilities	−3,384	−3,318
Interest paid	−26,757	−9,246
Cash flows from financing activities	**−33,016**	**286,881**
Net increase/decrease in cash, cash equivalents and bank overdrafts	**7,465**	**−39,152**
Cash, cash equivalents and bank overdrafts as at 1 January	158,715	151,019
Effect of exchange rate changes on cash and cash equivalents	−442	−261
Effect on cash funds of changes in the group of consolidated companies	-	−829
Cash, cash equivalents and bank overdrafts as at 30 June	**165,738**	**110,778**
Bank overdrafts as at 1 January	−8	−2
Bank overdrafts as at 30 June	−24	-
Cash and cash equivalents as at 30 June	**165,762**	**110,778**

Consolidated statement of changes in equity

as at 30 June 2024 and 30 June 2023

	Attributable to owners of the parent									
				Other reserves						
EUR thousand	Issued capital	Capital reserves	Retained earnings	Actuarial gains/losses from re-measurement of defined benefit pension plans	Deferred taxes on items that will not be reclassified	Profits/losses from re-measurement of equity instruments	Foreign operations – currency translation differences	Total	Non-controlling interests	Total equity
As at 1 January 2023	**53,840**	**100,790**	**355,357**	**44,690**	**–13,455**	**–8,565**	**–1,065**	**531,592**	**900**	**532,491**
Profit or loss for the period	-	-	40,218	-	-	-	-	40,218	–601	39,617
Other comprehensive income, after tax	-	-	-	–171	44	-	20	–107	-	–107
Total comprehensive income for the period	**-**	**-**	**40,218**	**–171**	**44**	**-**	**20**	**40,111**	**–601**	**39,510**
Dividends	-	-	–56,532	-	-	-	-	–56,532	-	–56,532
Changes to the group of consolidated companies	-	-	6,030	-	-	-	-	6,030	-	6,030
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	–103	–103
As at 30 June 2023	**53,840**	**100,790**	**345,073**	**44,519**	**–13,411**	**–8,565**	**–1,045**	**521,201**	**196**	**521,397**
As at 1 January 2024	**53,840**	**100,790**	**367,223**	**36,009**	**–10,782**	**–8,565**	**691**	**539,207**	**5,841**	**545,048**
Profit or loss for the period	-	-	60,887	-	-	-	-	60,887	–967	59,920
Other comprehensive income, after tax	-	-	-	–112	29	-	–1,075	–1,158	-	–1,158
Total comprehensive income for the period	**-**	**-**	**60,887**	**–112**	**29**	**-**	**–1,075**	**59,729**	**–967**	**58,761**
Dividends	-	-	–47,379	-	-	-	-	–47,379	-	–47,379
As at 30 June 2024	**53,840**	**100,790**	**380,731**	**35,897**	**–10,753**	**–8,565**	**–384**	**551,556**	**4,874**	**556,430**

SELECTED EXPLANATORY NOTES

1. Information about the Company

Dermapharm Holding SE (hereinafter also the "Company") together with its consolidated subsidiaries (hereinafter also referred to as "Dermapharm" or the "Group") is a leading manufacturer of off-patent branded pharmaceuticals for selected therapeutic areas, over-the-counter pharmaceuticals, non-prescription natural remedies, medical devices, herbal extracts, food supplements as well as parallel imports of originator preparations, both in Germany and internationally.

The listed Company has its registered office at Lil-Dagover-Ring 7, Grünwald, Germany, and is entered in the commercial register under number HRB 234575.

The interim consolidated financial statements and interim Group management report were authorised by the Board of Management by resolution dated 23 August 2024.

2. Significant accounting policies and changes

2.1 Basis of preparation

In accordance with the requirements set out in sections 115 *et seq*. of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG"), Dermapharm's half-yearly financial report comprises condensed interim consolidated financial statements and an interim Group management report, as well as the responsibility statement. The condensed interim consolidated financial statements have been prepared on the basis of International Accounting Standard (IAS) 34 (Interim Financial Reporting).

The interim financial statements comply with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The financial statements are presented in EUR (€). Unless otherwise indicated, amounts are shown in thousands of euros (EUR '000). Due to the rounding of figures, it is possible that individual items and percentages do not add up to the totals indicated.

Preparing the condensed interim consolidated financial statements requires the Board of Management to make judgements, estimates and assumptions concerning the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Based on the analysis of the Company's performance to date and management's assessment of the Company's performance over the remainder of the current 2024 financial year, there are currently no indications of material impairment in respect of goodwill or intangible assets. Nor were there any indications of significant impairment of other assets, in particular trade receivables and inventories.

2.2 Changes in accounting policies

The same accounting policies were applied in these condensed interim consolidated financial statements as in the consolidated financial statements for financial year 2023. For more information about the Group's accounting policies, please refer to the notes to the consolidated financial statements in the 2023 Annual Report.

2.3 Standards and Interpretations applicable for the first time during the year under review

In the first half of 2024, Dermapharm has observed and, where relevant, applied the pronouncements and amendments to IASB pronouncements published by the IASB and endorsed by the EU with an initial application date of 1 January 2024. These amendments did not have any material effect on the presentation of Dermapharm's financial position, financial performance and/or cash flows.

Nor is the future application of standards, interpretations and amendments published but not yet applied is expected to have any (material) effect on the consolidated financial statements.

2.4 Consolidation principles and group of consolidated companies

Consolidation principles

Dermapharm Holding SE is the parent company of the Group. The condensed interim consolidated financial statements include all material companies as defined in IFRS 10 whose financial and business policies can be controlled by the Company, either directly or indirectly, and the material equity interests of Dermapharm whose financial and business policies can be influenced by the Company to a significant extent.

Changes to the scope of consolidation

Candoro ethics GmbH NM/THC Pharm GmbH The Health Concept

As at 1 January 2024, Candoro ethics GmbH NM, with its registered office in Neumarkt, and THC Pharm GmbH The Health Concept, with its registered office in Frankfurt am Main, were merged with Candoro ethics GmbH, with its registered office in Friedrichsdorf.

3. Notes to the consolidated statement of financial position

3.1 Equity

Dividend

The Annual General Meeting resolved on 27 June 2024 to distribute a dividend of EUR 47,379 thousand (EUR 0.88 per share carrying dividend rights) to the shareholders from the net retained profits of Dermapharm Holding SE for 2023. The dividend was distributed on 2 July 2024. To ensure clarity in the statement of financial position, the dividend liability was recognised as a separate item as at 30 June 2024.

3.2 Financial liabilities

Financial liabilities changed as follows:

EUR thousand	30 June 2024	31 December 2023
Bank loans	887,137	889,339
Promissory note loans	61,384	61,366
Lease liabilities	13,314	13,253
Non-current financial liabilities	**961,835**	**963,958**
Bank loans	72,711	72,959
Promissory note loans	38,485	38,467
Lease liabilities	5,340	4,996
Bank overdrafts	24	8
Current financial liabilities	**116,561**	**116,430**

The financial liabilities as at 30 June 2024 were due primarily to the syndicated loan agreement entered into in December 2022. At 30 June 2024, EUR 915,000 thousand of the loan had been drawn down. The syndicated loan agreement comprises a bullet tranche of EUR 650,000 thousand and an amortised tranche of EUR 200,000 thousand (current value: EUR 175,000 thousand), of which EUR 50,000 thousand is due in the short term. The loan also comprises a third, revolving tranche of EUR 200,000 thousand, of which only EUR 90,000 thousand had been drawn down as at the reporting date. Please refer to the 2023 Annual Report for further details.

4. Notes to the consolidated statement of comprehensive income

4.1 Revenue

Dermapharm generates its revenue primarily through the supply of products.

EUR thousand	2024	in %	2023	in %
Germany	350,089	61%	372,184	64%
France	68,447	12%	79,258	14%
Spain	63,309	11%	63,050	11%
Austria/Switzerland	45,710	8%	24,604	4%
Others	50,938	9%	42,992	7%
Revenue	**578,494**	**100%**	**582,087**	**100%**

The slight decrease in revenue in the first half of the year as against the prior-year period was due primarily to the lower revenue from the vaccine business, which was almost fully offset by organic growth.

Revenue and (adjusted) EBITDA are the two key performance indicators which the Board of Management of Dermapharm Holding SE uses as the basis for steering the Group. Additional information on the development of revenue during the reporting period is contained in the Segment Reporting section contained in note 5.

4.2 Financial result

The financial result comprises the following:

	6 months ended	
	30 June 2024	**30 June 2023**
Interest income	9,338	6,272
Income from fair value measurement	8,707	-
Miscellaneous	185	633
Financial income	**18,229**	**6,905**
Interest expense	–28,647	–24,608
Leasing	–336	–265
Expenses from fair value measurement	-	–1,060
Miscellaneous	–1,974	–1,790
Financial expenses	**–30,957**	**–27,723**
Share of profit/loss of companies accounted for using the equity method, after tax	**446**	**–7,003**
Financial result	**–12,282**	**–27,822**

The increase in financial income was due primarily to income from forward contracts and from the changing interest rate environment. The rise in financial expenses is attributable mainly to interest expenses on the syndicated loan agreement entered into in December 2022. The improvement in the share of profit/loss of companies accounted for using the equity method was due mainly to the impairment of the Corat investment recognised in the previous year.

5. Segment reporting

The measurement approach for segment reporting corresponds to the accounting policies applied in the consolidated financial statements prepared in accordance with IFRSs as at 31 December 2023.

	Branded pharmaceuticals		Other healthcare products*		Parallel import business		Reconciliation/ Group holding company		Group	
6 months ended 30 June in EUR thousand	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Revenue	278,252	266,956	194,606	210,800	125,692	125,124	–20,055	–20,793	578,494	582,087
of which intersegment revenue	*1,196*	*3,066*	*15,138*	*16,098*	*3,721*	*1,629*	*–20,055*	*–20,793*	-	-
Revenue from external customers	277,056	263,890	179,467	194,701	121,971	123,496	-	-	578,494	582,087
Revenue growth	5%	–5%	–8%	150%	–1%	6%	-	-	–1%	24%
EBITDA (unadjusted)	121,021	105,691	27,410	32,091	1,064	675	–2,538	–1,459	146,957	136,998
of which earnings from investments accounted for using the equity method	*446*	*–7,003*	-	-	-	-	-	-	*446*	*–7,003*
EBITDA margin (unadjusted)	44%	40%	15%	16%	1%	1%	-	-	25%	24%

* As from 5 January 2023 with Arkopharma-Group.

The Group's EBITDA is reconciled to consolidated profit or loss as follows:

	6 months ended	
EUR thousand	**30 June 2024**	**30 June 2023**
EBITDA	**146,957**	**136,998**
Depreciation, amortisation and reversal of impairment	–43,577	–49,301
Financial income	18,229	6,905
Financial expenses	–30,957	–27,723
Earnings before taxes (EBT)	**90,652**	**66,879**
Income tax expenses	–30,733	–27,262
Profit or loss for the period	**59,920**	**39,617**

6. Additional disclosures on financial instruments

The table below shows the carrying amounts of all financial instruments reported in the consolidated statement of financial position and how the assets and liabilities or parts of the totals of each category are classified into the categories in accordance with IFRS 9. It also depicts the fair values of the financial instruments and the IFRS 13 fair value hierarchy level applied to obtain the value.

30 June 2024	**Reconciliation of items of the statement of financial position to the measurement categories of IFRS 9**					
EUR thousand	**Carrying amount as at 30 June 2024**	**Amortised cost**	**Fair value through profit or loss**	**Measurement in accordance with IFRS 16**	**Fair value as at 30 June 2024**	**Fair value level**
Financial assets						
Other non-current financial assets	59,590	59,177	413	-	59,590	3
Equity investments	2,595	2,595	-	-	2,595	-
Trade receivables	111,795	111,795	-	-	111,795	-
Other current financial assets	5,979	5,979	-	-	5,979	-
Cash and cash equivalents	165,762	165,762	-	-	165,762	-
Financial liabilities						
Non-current financial liabilities						
of which bank loans	*887,137*	*887,137*	-	-	*878,561*	*2*
of which promissory note loans	*61,384*	*61,384*	-	-	*56,694*	*2*
of which lease liabilities	*13,314*	-	-	*13,314*	*12,965*	*2*
Other non-current financial liabilities	4,502	29	4,473	-	4,502	2
Current financial liabilities						
of which bank loans	*72,735*	*72,735*	-	-	*72,735*	-
of which promissory note loans	*38,485*	*38,485*	-	-	*38,485*	-
of which lease liabilities	*5,340*	-	-	*5,340*	*5,340*	-
Trade payables	93,174	93,174	-	-	93,174	-
Dividend liability	47,379	47,379	-	-	47,379	-
Other current financial liabilities	1,639	1,639	-	-	1,639	-

31 December 2023	**Reconciliation of items of the statement of financial position to the measurement categories of IFRS 9**					
EUR thousand	**Carrying amount as at 31 December 2023**	**Amortised cost**	**Fair value through profit or loss**	**Measurement in accordance with IFRS 16**	**Fair value as at 31 December 2023**	**Fair value level**
Financial assets						
Other non-current financial assets	52,410	51,989	422	-	52,410	3
Equity investments	1,116	1,116	-	-	1,116	-
Trade receivables	90,935	90,935	-	-	90,935	-
Other current financial assets	3,752	3,752	-	-	3,752	-
Cash and cash equivalents	158,724	158,724	-	-	158,724	-
Financial liabilities						
Non-current financial liabilities						
of which bank loans	*889,339*	*889,339*	-	-	*874,754*	*2*
of which promissory note loans	*61,366*	*61,366*	-	-	*56,687*	*2*
of which lease liabilities	*13,253*	-	-	*13,253*	*13,049*	*2*
Other non-current financial liabilities	13,231	51	13,180	-	13,231	2
Current financial liabilities						
of which bank loans	*72,967*	*72,967*	-	-	*72,967*	-
of which promissory note loans	*38,467*	*38,467*	-	-	*38,467*	-
of which lease liabilities	*4,996*	-	-	*4,996*	*4,996*	-
Trade payables	86,641	86,641	-	-	86,641	-
Other current financial liabilities	1,736	1,736	-	-	1,736	-

Due to the short maturity of the cash and cash equivalents, trade receivables and payables, dividend liabilities as well as other current financial assets and other current financial liabilities, it is assumed that the carrying amounts of these items were reasonable approximations of their fair values.

The fair values of the financial instruments allocated to Level 3 changed as follows:

EUR thousand	Financial assets measured at fair value
As at 1 January 2024	**422**
Additions	-
Disposals	-
Change in fair value recognised through profit or loss	-
Change in fair value recognised through other comprehensive income	–8
As at 30 June 2024	**413**

EUR thousand	Financial assets measured at fair value
As at 1 January 2023	**659**
Additions	-
Disposals	-
Change in fair value recognised through profit or loss	-
Change in fair value recognised through other comprehensive income	–36
As at 30 June 2023	**623**

There were no reclassifications within the fair value hierarchy in the first six months of the financial year. Please refer to the 2023 Annual Report for further details.

7. Related party disclosures

Related party relationships arise in the ordinary course of business between Dermapharm and its Group companies. Related parties within the meaning of IAS 24 are understood as subsidiaries, associates and joint ventures that are directly or indirectly controlled but are not consolidated for reasons of materiality, and entities or persons and their close family members if they have control of the reporting entity or exert significant influence over the Group. In addition, persons are related parties if they are a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Material transactions

Related party transactions (persons)

	6 months ended	
EUR thousand	**30 June 2024**	**30 June 2023**
Marketing and advertising	33	259
Total	**33**	**259**

Related party transactions (entities)

EUR thousand	Transactions in the 6 months ended		Open receivables as at		Open liabilities as at	
	30 June 2024	30 June 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Transfer of goods						
Associates	-	1,056	-	911	-	-
Non-consolidated companies	3,236	2,218	2,438	1,698	-	142
Consulting and services						
Parent of Dermapharm (Themis Beteiligungs-AG)	201	224	31	5	393	182
Associates	-	21	-	-	-	-
Non-consolidated companies	165	4,118	101	36	857	67
Miscellaneous						
Parent of Dermapharm (Themis Beteiligungs-AG)	6,406	-	13,678	7,273	-	-
Associates	-	-	-	281	-	-
Non-consolidated companies	961	10	960	78	-	60
Total	**10,969**	**7,646**	**17,208**	**10,282**	**1,250**	**451**

The open balances at the end of the first half of the year are unsecured and fall due in the short term. The receivable from the parent company amounting to EUR 13,678 thousand falls due in the long term. There are no guarantees for receivables to or liabilities from related parties.

8. Events after the reporting period

There were no events after the reporting date with a material or potentially material effect on the Group's financial position, financial performance and cash flows.

Grünwald, 23 August 2024

The Board of Management

Dr Hans-Georg Feldmeier
Chief Executive Officer

Christof Dreibholz
Chief Financial Officer
Chief Compliance Officer

Dr Andreas Eberhorn
Chief Marketing Officer

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the condensed interim consolidated financial statements for the period from 1 January 2024 to 30 June 2024 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Grünwald, 23 August 2024

The Board of Management

Dr Hans-Georg Feldmeier
Chief Executive Officer

Christof Dreibholz
Chief Financial Officer
Chief Compliance Officer

Dr Andreas Eberhorn
Chief Marketing Officer

REVIEW REPORT

To Dermapharm Holding SE

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity, and selected explanatory notes – and the interim Group management report of Dermapharm Holding SE, Grünwald, for the period from 1 January 2024 to 30 June 2024, which are part of the half-yearly financial report pursuant to section 115 of the German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the IFRSs applicable to the interim financial reporting as adopted by the EU and to the interim Group management report in accordance with the provisions of the WpHG applicable to interim group management reports is the responsibility of the Company's executive directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of Company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements of Dermapharm Holding SE, Grünwald, for the period from 1 January 2024 to 30 June 2024 have not been prepared, in all material respects, in accordance with the IFRSs applicable to interim financial reporting as adopted by the EU nor that the interim Group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Düsseldorf, 23 August 2024

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

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