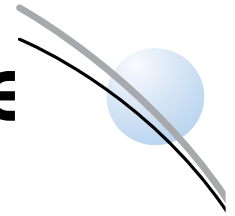


Dermapharm Holding SE



Half-year financial report

2022

DERMAPHARM AT A GLANCE

Group results at a glance

		H1 2022	H1 2021
Revenue	EUR million	471.1	427.8
Adjusted EBITDA*	EUR million	148.7	137.0
Adjusted EBITDA margin*	%	31.6	32.0
Unadjusted EBITDA	EUR million	142.6	134.6
Unadjusted EBITDA margin	%	30.3	31.5
Operating result	EUR million	91.0	112.0
EBT	EUR million	87.2	108.7
Consolidated net profit for the period	EUR million	51.6	75.8
Earnings per share	EUR	0.96	1.41
		30 June 2022	31 December 2021
Total assets	EUR million	1,416.7	1,407.0
Equity	EUR million	455.2	499.8
Equity ratio	%	32.1	35.5
Cash and cash equivalents	EUR million	83.8	161.4
Net debt	EUR million	550.6	419.7

* H1/2022 EBITDA was adjusted for non-recurring expenses amounting to EUR 6.1 million.

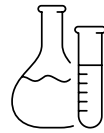
H1/2021 EBITDA was adjusted for non-recurring expenses amounting to EUR 2.4 million.

DERMAPHARM FACTS, FIGURES & DATES



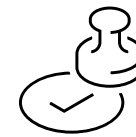
~ 40
development
products

Well-filled development pipeline with four to six new product launches annually



> 380
active pharma-
ceuticals ingredients

The number of active pharmaceutical ingredients used in the production of medicinal products



>1,200
marketing
authorisations

Dermapharm currently has over 1,200 marketing authorisations for medicinal products worldwide



2,573
employees
worldwide

Average number of employees worldwide as at 30 June 2022

Financial calendar 2022

Publication of Q3 Quarterly Report	16 November 2022
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Capital Markets Day	22 November 2022
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Notice:

For reasons of better readability, we refrain as far as possible from using both male and female forms of language in this report; for example, staff members always refer to both male and female persons.



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COMPANY PROFILE

Branded pharmaceuticals for successful treatment plans

Dermapharm is a rapidly growing manufacturer of branded pharmaceuticals for selected therapeutic areas in Germany. The product range covers prescription pharmaceuticals (Rx), over-the-counter (OTC) products, medical devices, food supplements and cosmetics. 70% of the German brand portfolio (by value) consists of original compounds which no longer enjoy patent protection and patent-free compounds for which there are few to no competitors on the market (excluding vaccine production in cooperation with BioNTech SE). Founded in 1991, Dermapharm is based in Grünwald near Munich. The Group operates four of its own development centres and high-capacity production facilities in Europe, primarily in Germany – a clear reflection of its commitment to Germany and the country's reputation as a manufacturing powerhouse. Dermapharm produces more than 90% of its pharmaceuticals at its own facilities. mibe GmbH Arzneimittel is based in Brehna near Leipzig – one of the key manufacturing locations in Germany and the core logistics centre for the Group.

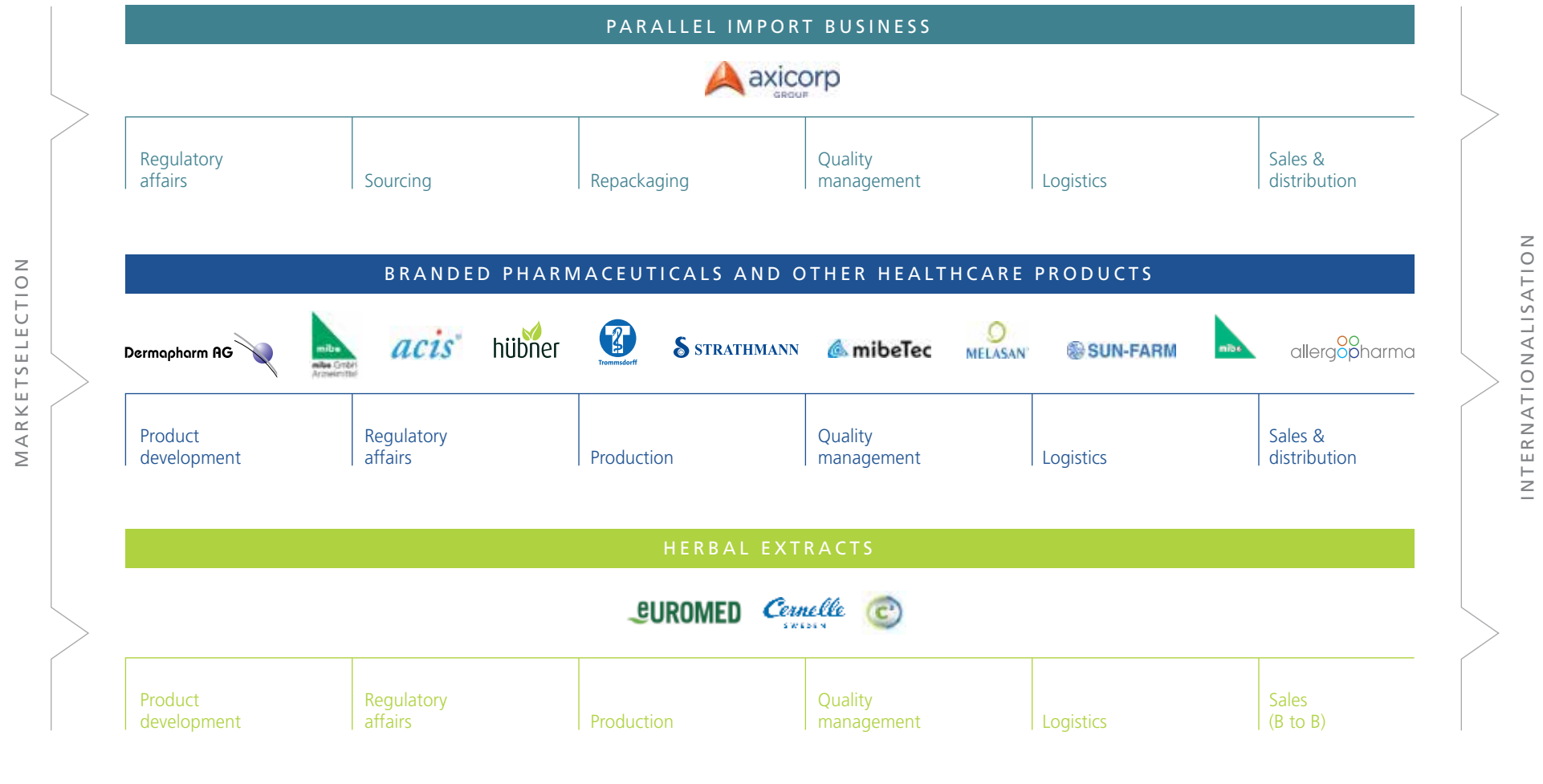
The Group's proven expertise in product development enables it to develop, manufacture and market a wide range of branded pharmaceuticals based on formulations of active pharmaceutical ingredients that are no longer protected by patents. Its portfolio currently comprises more than 380 active pharmaceutical ingredients, with more than 1,200 marketing authorisations resulting. Together with the growing portfolio of other healthcare products such as food supplements, medical devices and cosmetics, the Group offers a broad product range that makes the Company unique and resilient to crises.

One of the Group's key strengths is the in-house product development, in-house production in accordance with the Good Manufacturing Practice (GMP) standard and distribution of pharmaceuticals and other healthcare products for specifically targeted markets by a medical and pharmaceutical sales force. Dermapharm's "Made in Germany" quality seal and an integrated business model have helped it to achieve a strong track record for developing and marketing new pharmaceuticals and other healthcare products. More than 750 national and international marketing authorisations have already been obtained as a result of in-house research and development. By ensuring that entire value chain – from purchasing through production down to logistics and distribution – is covered in-house, Dermapharm streamlines internal processes and, furthermore, creates synergies for the Group. The resulting reduction in manufacturing and logistics costs boosts margins.

The focus also lies on the attractive growth market for herbal pharmaceuticals and healthcare products, in which Euromed has positioned itself as the market leader for the production and development of herbal extracts. The Group reports Euromed's business in the "Herbal extracts" segment alongside the pollen extraction of recent acquisition AB Cernelle. In addition, this segment has been expanded to include C³-Cannabis Compound Company (C³-Group), which was acquired in January 2022. The C³-Group is the market leader for herbal and synthetic dronabinol in Germany and Austria, with a focus on developing, manufacturing and marketing medicinal cannabis.

Dermapharm has also been operating an established parallel import business under the "axicorp" brand since 2012. axicorp imports originator pharmaceuticals from other EU Member States and resell them to pharmaceuticals wholesalers and pharmacies in Germany. This enables axicorp to benefit from the different pricing structures in the individual EU member states. Based on revenue, axicorp was one of the top four parallel importers in Germany in the first half of 2022.

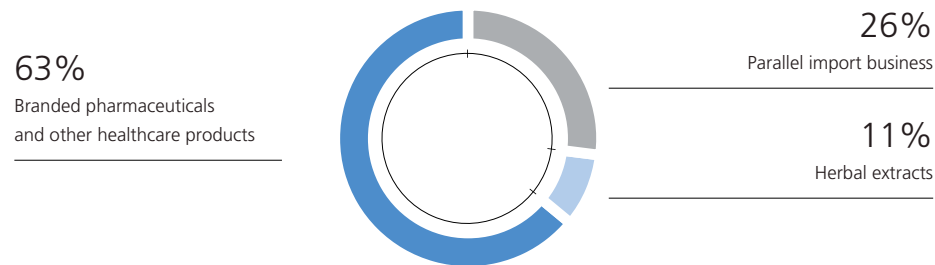
Integrated business model of Dermapharm Holding SE



Attractive product mix

The ever-growing product portfolio, which includes known brands such as Dekristol®, Allergovit®, Keltican® and Tromcardin® primarily covers specialised niche markets. These often feature high barriers to entry and thus fewer competitors. The Dermapharm Group holds a significant market share in all of these markets. With a mix of high-growth products and stable products which doctors and pharmacies use as standard therapies, Dermapharm has a market presence with an attractive and diverse portfolio. This portfolio primarily focuses on vitamins/minerals/food supplements, dermatology, allergology, pain and inflammation, cardiovascular support and gynaecology and urology. The Group has compounds with more than 380 different active pharmaceutical ingredients in varying strengths and dosage forms. This allows the Group to offer doctors and pharmacists different custom solutions for individual medical treatment needs. Dermapharm has also developed an attractive product category within and beyond the pharmacy business with our patented medical devices bite away® and Herpotherm®.

Revenue split



By acquiring Allergopharma in 2020, the Group has expanded its therapeutic areas to include allergology and has gained valuable expertise in specific subcutaneous immunotherapy for allergies. The newly acquired portfolio covers a broad selection of high-dosage, hypoallergenic preparations, known as allergoids, as well as allergens for diagnostic testing. This enables the Group to expand its range of products for treating allergy symptoms to include causal therapies.

Since October 2020, Dermapharm has been working in cooperation with BioNTech SE to produce the Comirnaty® COVID-19 vaccine at its main manufacturing facility in Brehna. These capacities received a significant boost at the end of April 2021 when additional production opportunities were opened up at Allergopharma in Reinbek. Since then, Dermapharm has been in a position to offer the BioNTech/Pfizer network annual production capacities of 500 to 600 million vaccine doses. Further investments at the beginning of 2022 mean that Dermapharm is now able to fill up to an additional 250 million vaccine doses in vials, perform quality assurance and pack them ready for shipment as part of a "fill & finish process".

Looking beyond its home market of Germany, Dermapharm is also systematically pursuing a strategy of internationalisation. For many years, Dermapharm has successfully operated its own branches in Austria, Switzerland, Croatia, Poland and Ukraine. Dermapharm has formed subsidiaries in the United States and Japan for the international distribution of hyperthermic medical devices. By acquiring Allergopharma GmbH & Co. KG in April 2020, Dermapharm gained a Spanish subsidiary and at the same time merged its own distribution activities there with Allergopharma's existing sales force. Dermapharm also formed independent companies in the United Kingdom and Italy. In line with its domestic distribution model, Dermapharm will likewise use the sales force and distribution partnerships to launch and sell products from its portfolio outside Germany.

During the current financial year, Dermapharm will work to market selected products from our existing German product portfolio as well as new product developments in these international markets.

Systematic growth strategy

In-house product development

Dermapharm develops pharmaceuticals and other healthcare products in its core therapeutic areas at four corporate locations. Development and authorisation activities, including the designing and sponsoring of clinical trials, are carried out here by experienced experts. Once authorisation is granted, newly developed products are generally put into production in-house. In total, the Group manufactures about 90% of the pharmaceutical product portfolio itself.

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

Internationalisation

The Group has been operating in Austria, Switzerland, Croatia, Poland and Ukraine for many years now. In order to further expand its business with branded pharmaceuticals and other healthcare products, the Group has formed subsidiaries in the United Kingdom, Italy and Spain. 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. This enables the Group to gradually enlarge its portfolio and the respective sales and distribution structures as it expands into new markets. For instance, Dermapharm is expanding into other countries in Europe, Asia and the Americas with its CE-certified and internationally patented medical devices bite away® and Herpotherm®.

In addition, Dermapharm markets its products via distributors in other European countries, as well as in China, Canada and Australia.

M&A activities

Acquiring individual products, portfolios and companies has always been part of Dermapharm's business strategy and a key success factor for its continued growth. Since its formation in 1991, the Group has steadily expanded its product offering through successful acquisitions in Germany and abroad. This includes, for instance, the acquisition of attractive patented medical devices and pharmaceutical manufacturers, which complement the Group's portfolio ideally and expand its offering in growth markets. Another aim when making these types of acquisitions is to further increase the potential of the newly acquired companies by optimising processes and incorporating the companies in the Group's production and logistics structures. The Group continually reviews specific growth opportunities and pursues promising acquisition options that fit its strategic alignment.



In-house product development

Approximately 40 ongoing development projects; four to six new product launches per year



Internationalisation

Dermapharm is continuously expanding its international presence



M&A activities

Acquisitions are part of Dermapharm's DNA; selective growth opportunities are regularly reviewed

LETTER TO THE SHAREHOLDERS

Dear ladies and gentlemen,

Dear shareholders,

We have made it through the first half of the year. With the COVID-19 pandemic not yet behind us, Russia launched a barbaric war in Ukraine with far-reaching consequences for us all. Skyrocketing energy prices are impacting not only private households but also affecting industry to an increasing degree. On top of this, soaring inflation and fragile supply chains give rise to additional challenges which we as a company must meet with intelligent solutions.

Despite the highly difficult market environment, we are pleased to report a successful first half of 2022. We increased consolidated revenue year on year by 10% to EUR 471 million. Adjusted consolidated EBITDA also rose by 9% to EUR 149 million in the same period.

On 30 July 2022, we submitted a binding offer to acquire Arkopharma. This acquisition will cement our access to the pharmaceuticals markets in western and southern Europe for OTC food supplements. Arkopharma has more than 40 years of experience and is the market leader for food supplements in the pharmacies market in France, as well as being the second-largest supplier in Spain. It also has strong branch operations in Italy, Belgium and Portugal. In total, Arkopharma already distributes its products in more than 30 countries. In the current 2022 financial year, Arkopharma will generate more than EUR 200 million in revenue.

This acquisition will enable us to push forward with our internationalisation efforts in western and southern Europe beginning in 2023, providing us with immediate access to highly efficient structures for marketing Dermapharm products such as bite away® and Herpotherm® that are already approved. On the other hand, Arkopharma will gain access to core Dermapharm markets in the German-speaking countries and in eastern Europe. Since Arkopharma's products are considered food supplements from a regulatory perspective, we also aim to begin marketing them in the near term. The acquisition thus represents a win-win scenario for both companies.

One key revenue driver in the first half of 2022 was our existing business portfolio. Thanks to our broadly diversified product range, we are able to compensate for demand fluctuations within individual product groups. In the first half of 2022, the compounds Ampho-Moronal®, Solacutan®, Tromcardin®, Myditin®, Myopridin®, Keltican® and China-Oel® performed particularly well. At the end of financial year 2021, we had already shifted the strategic focus of our existing portfolio to emphasise high-margin products and increase volume.

Since the beginning of the year, the internal measures to integrate the C³-Group, which was acquired on 31 January 2022, into our Group have also been running according to plan. By acquiring the C³-Group, we have expanded our "Herbal extracts" segment. The C³-Group is the market leader for dronabinol in Germany and Austria. The deal places us in an excellent position on the growing market for medical cannabis. Above all, we anticipate that the upcoming legalisation of cannabis in the current legislative period will have a positive effect on the market volume of cannabis products, which we intend to participate in.

In order to make our business model and production facilities fit for the future, we regularly modernise the technical infrastructure of our companies. In addition to expanding our own production and packaging lines, we aim to gradually invest in photovoltaic installations and renewable energies. In May 2021, the solar roof on our main manufacturing facility in Brehna was successfully connected to the grid, thereby serving as a pilot project for the Group. We intend to gradually expand this project to other production facilities. In total, four additional solar roofs have already been commissioned. One project is being implemented in Poland.

Soaring inflation, rising gas and energy prices, raw materials shortages, disrupted supply chains and, presumably, a resurgence of COVID-19 in the coming autumn are the issues that will likely keep us occupied in the second half of the year. Nevertheless, we remain optimistic about the months to come. Our business model has proven itself to be sound in times of crisis and, particularly during the COVID-19 pandemic, extremely robust. As a medium-sized enterprise,

we are able to react to changing conditions with flexibility and creativity. We are planning a number of highly promising new product launches over the remainder of the year and aim to win even more market share in our existing business.

With that in mind, we would like to thank our colleagues Hilde Neumeyer and Dr Jürgen Ott, who have left the Board of Management, and wish them all the best in their future endeavours.

In light of the successful first half of the year and given our positive outlook for the remainder of the year, we are pleased to confirm our forecast from April which called for consolidated revenue growth of 10% to 13% and Group EBITDA growth of 3% to 7%.

Grünwald, 6 September 2022

The Board of Management

Dr Hans-Georg Feldmeier
Chief Executive Officer

Karin Samusch
Chief Business Development Officer

Dr Andreas Eberhorn
Chief Marketing Officer

SHARE INFORMATION

Dermapharm Holding SE share (Xetra)



General information

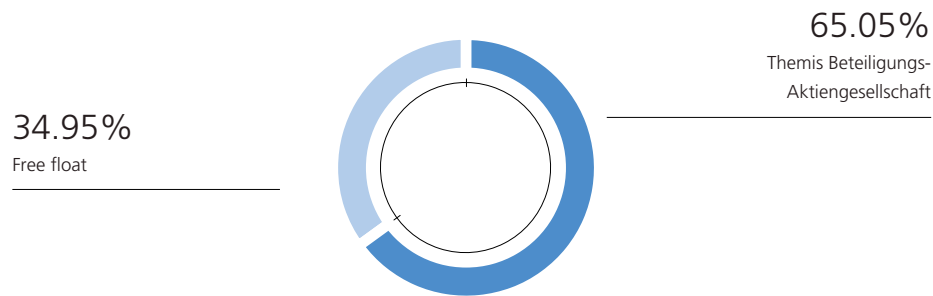
German Securities Code (WKN)	A2GS5D
ISIN	DE000A2GS5D8
Ticker symbol	DMP
Type of shares	No-par value ordinary bearer shares
Initial listing	9 February 2018
Number of shares	53.84 million
Stock exchange	Regulated Market (Prime Standard) of the Frankfurt Stock Exchange
Analysts	Harald Hof, Alster Research Charlotte Friedrichs, Berenberg Alexander Thiel, Jefferies Daniel Wendorff, ODDO BHF Marietta Miemietz, Pareto Securities
Designated Sponsors	Berenberg Mainfirst Bank AG

Key share figures H1 2022

Share information H1 2022

High (3 January 2022)	EUR 89.00
Low (16 June 2022)	EUR 43.02
Closing Price (30 June 2022)	EUR 47.50
Trading volume (1 January 2022 to 30 June 2022, average number of shares)	59,316 shares
Market capitalisation (as at 30 June 2022)	EUR 2,557.4 million

Shareholder structure



Information based on voting rights notifications received pursuant to German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") as at 6 September 2022

2022 Annual General Meeting

On 1 June 2022, Dermapharm Holding SE held its 2022 Annual General Meeting online. 80.43% of the share capital was in attendance. All agenda items were approved with a large majority. At the Annual General Meeting, the Board of Management and the Supervisory Board each gave an overview of the 2021 financial year, which had been exceedingly successful despite the difficult conditions, particularly in the second half of the year. Dermapharm successfully maintained its growth trend as it significantly increased revenue and earnings. Accordingly, the Annual General Meeting ratified the actions of the Board of Management and of the Supervisory Board for financial year 2021 by a large majority. The AGM followed the Board of Management's recommendation to distribute a dividend of EUR 2.17 per no-par value share. Grant Thornton AG Wirtschaftsprüfungsgesellschaft was engaged as the auditor for the 2022 financial year.

The detailed results of the voting for each agenda item are available in the Annual General Meeting section of the Company website <https://ir.dermapharm.de>.

INTERIM GROUP MANAGEMENT REPORT

1. Information about the group

1.1 Business model and strategy

Business model

Dermapharm Holding SE (together with its consolidated subsidiaries referred to as "Dermapharm" or the "Group") is an innovative manufacturer of branded pharmaceuticals for selected therapeutic areas in Germany, with a growing international presence. The Company currently focuses on the three segments "Branded pharmaceuticals and other healthcare products", "Herbal extracts" 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 internationalization 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 and other healthcare products

By pursuing a targeted acquisition strategy together with in-house product development, the Group has built up a broad product portfolio of branded pharmaceuticals and other healthcare products such as medical devices, food supplements and cosmetics, in profitable niche markets. The extensive range of pharmaceuticals and healthcare products comprises more than 380 active pharmaceutical ingredients and more than 1,200 (previous year: approximately 1,300) 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 the Company to offer bespoke therapeutic concepts for individual medical needs. According to the market research firm INSIGHT Health, the Group is Germany's market leader for prescription dermatologics and systemic corticoids (based on the number of prescriptions written by doctors registered there) as well as for prescription vitamins, for instance with the vitamin D compound Dekristol® 20,000 IU. The Group also has brands in other selected therapeutic areas such as vitamins/minerals/food supplements, dermatology, allergology, pain and inflammation, cardiovascular support and gynaecology and urology. According to INSIGHT Health, products such as Keltican®, Tromcardin®, Acicutan® and KetoZolin® are leading brands in their respective therapeutic areas.

Dermapharm is also playing an active role in efforts to contain the COVID-19 pandemic by providing extensive production capacities at its locations in Brehna and Reinbeck to manufacture the Comirnaty® COVID-19 vaccine in cooperation with BioNTech SE.

Herbal extracts

Through Spanish subsidiary Euomed S.A., Dermapharm 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 47 countries. Dermapharm also uses Euomed's expertise for its own products: it is currently developing two new healthcare products using Euomed extracts and carrying out clinical trials on them.

The "Herbal extracts" segment was expanded through the acquisition of Swedish firm AB Cernelle. Cernelle manufactures the only pollen extract with medical approval to treat benign prostate hyperplasia and chronic prostatitis.

The C³-Cannabis Compound Company (C³-Group), acquired in January 2022, is also included in this segment. The C³-Group is the market leader for dronabinol in Germany and Austria, and it develops, produces and distributes natural and synthetic cannabinoids. It has two production

facilities in Germany: one in Neumarkt in der Oberpfalz and one in Höchst (Frankfurt am Main). The C³-Group's compounds are used mainly in pain management and palliative care applications, as well as in the fields of oncology and in neurology, covering a broad range of chronic and severe illnesses.

Parallel import business

The Dermapharm Group operates its "Parallel import business" segment 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 accordance with the requirements of the German market. For sales purposes, the company employs direct marketing activities, particularly its own call centre.

According to INSIGHT Health, axicorp was Germany's fourth-largest parallel importer in terms of gross revenue in the first half of financial year 2022 and it covered the majority of the prescription originator pharmaceuticals available on the German parallel import market.

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 external 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;
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 healthcare products and launch them on the market. Dermapharm's product pipeline currently comprises roughly 40 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 start-up subsidiaries abroad and by acquiring new companies with an international presence. Country-specific portfolios are formed/developed based in each case on a detailed analysis of market conditions. That said, compounds developed and manufactured by the Group in particular are 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 gradually foster their further development. This covers both expanding market position and optimising costs. Beginning with the successful integration of the Dermatology business acquired from Bristol-Meyer Squibb in 2002 and the acquisition Jenapharm's therapeutics unit from Schering in 2004, the Group has maintained its consistent growth trend over the years through various acquisitions. The Group acquired the medical devices bite away® and Herpotharm® in September 2017. In 2018, this was followed by the acquisitions of Strathmann and Trommsdorff with their specialised portfolio of prescription pharmaceuticals and OTC products, which formed the Group's pain and inflammation treatment therapeutic area. Dermapharm expanded its portfolio in the "Herbal extracts" segment by acquiring Euromed in 2019. In 2020, Dermapharm strengthened its position in the allergology therapeutic area by acquiring Allergopharma. In 2021, Dermapharm expanded its "Herbal extracts" segment through the acquisition of AB Cernelle and the C³-Group. In 2022, Dermapharm announced its plans to acquire the France-based Arkopharma, a leading supplier of natural OTC products and food supplements in western Europe. Dermapharm will continue to regularly review growth opportunities and pursue strategic options that fit our corporate strategy.

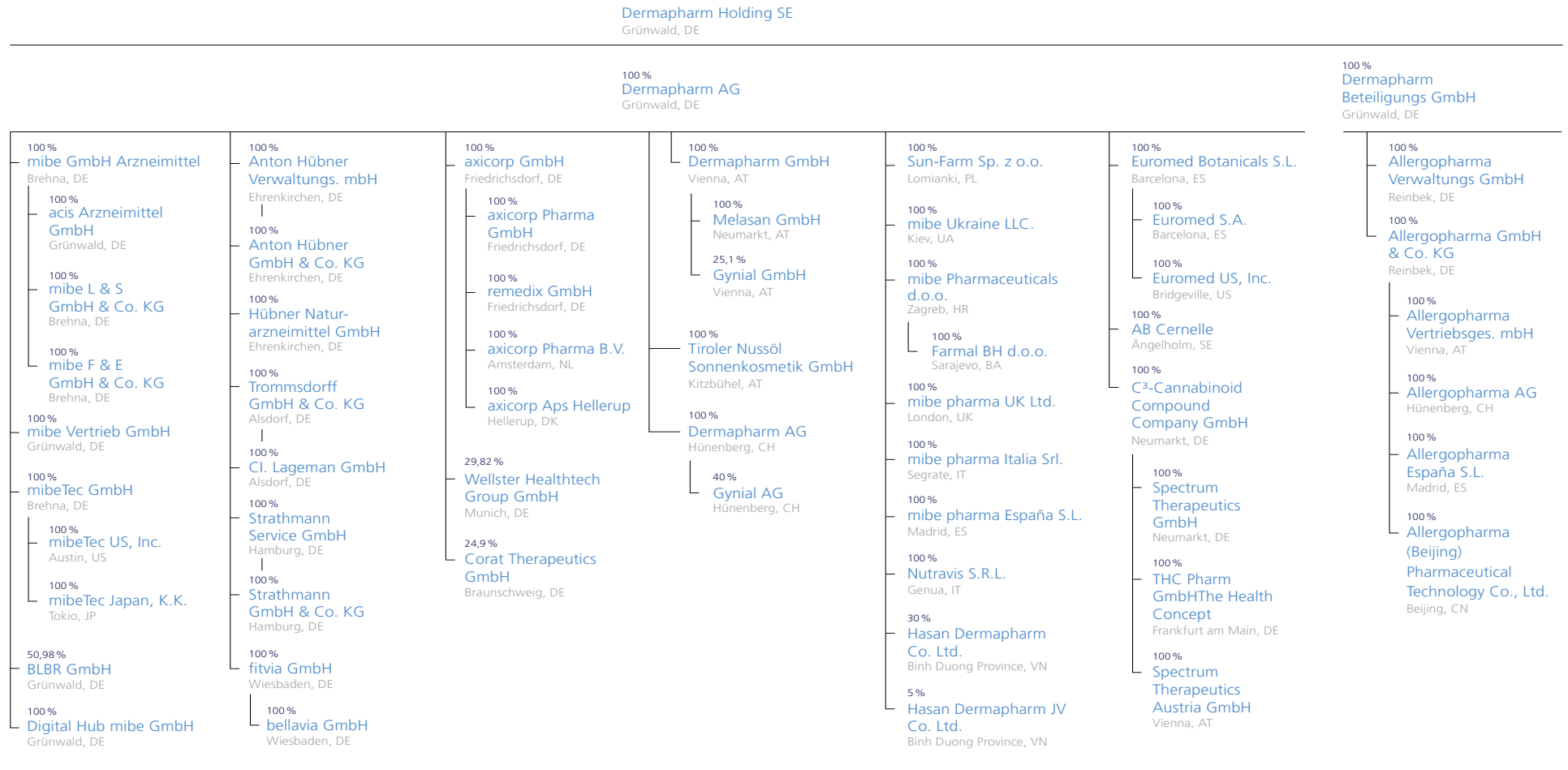
1.2 Group structure and interests

Dermapharm Holding SE holds 100% of the shares in Dermapharm AG and 100% of the shares in Dermapharm Beteiligungs GmbH. The Group's business operations are conducted by Dermapharm AG and by Dermapharm Beteiligungs GmbH and its various subsidiaries.

The group of companies consolidated by Dermapharm Holding SE includes all companies whose financial or business policies are controlled directly or indirectly by the Group. In addition, Dermapharm Holding SE holds interests in companies whose financial and business policies are significantly influenced by the Company.

The following Group structure shows the direct, indirect subsidiaries and associated companies and shares as of 30 June 2022:

Dermapharm Holding SE group organisation chart



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, Italy, Spain, the United Kingdom, Croatia, Bosnia and Herzegovina, Poland, Ukraine, Sweden, the United States, China and Japan.

The majority of all compounds from the "Branded pharmaceuticals and other healthcare products" segment are manufactured at and dispatched from the central production and logistics centre, mibe GmbH Arzneimittel in Brehna. This site is also responsible for centralised purchasing and for product supply to the subsidiaries. The production facilities of acquired companies have also 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 Brehna.

In the "Parallel import business" segment, a new office and operations building was completed for axicorp GmbH at the Friedrichsdorf location in financial year 2021. The move to the new premises took place at the beginning of April 2022.

Euromed, which is allocated to the "Herbal extracts" segment, 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 AB Cernelle manufactures products at its location in Ängelholm. The C³-Group, which was acquired in January 2022, has production facilities in two locations: natural dronabinol is extracted in Neumarkt in der Oberpfalz and synthetic dronabinol is produced in Höchst (Frankfurt am Main).

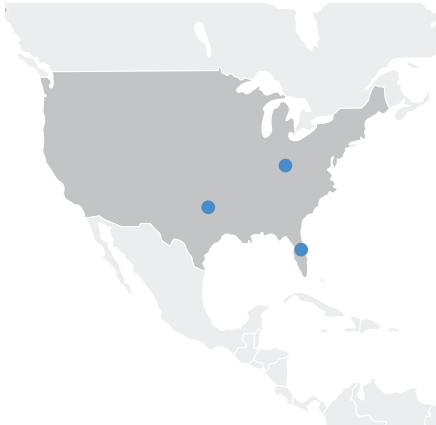
In Germany, Dermapharm's five distinct sales forces visit pharmacies, registered doctors and clinics to promote and distribute "Branded pharmaceuticals and other healthcare products". Depending on the areas of product application, these efforts are conducted very specifically according to the defined customer target groups. Distribution in the "Herbal extracts" segment takes place via a "B2B business model", although the C³-Group deploys a sales force to market and sell its products. 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 2022, an average of 2,573 employees worked for the Group (previous year: 2,363 employees).

Dermapharm locations*

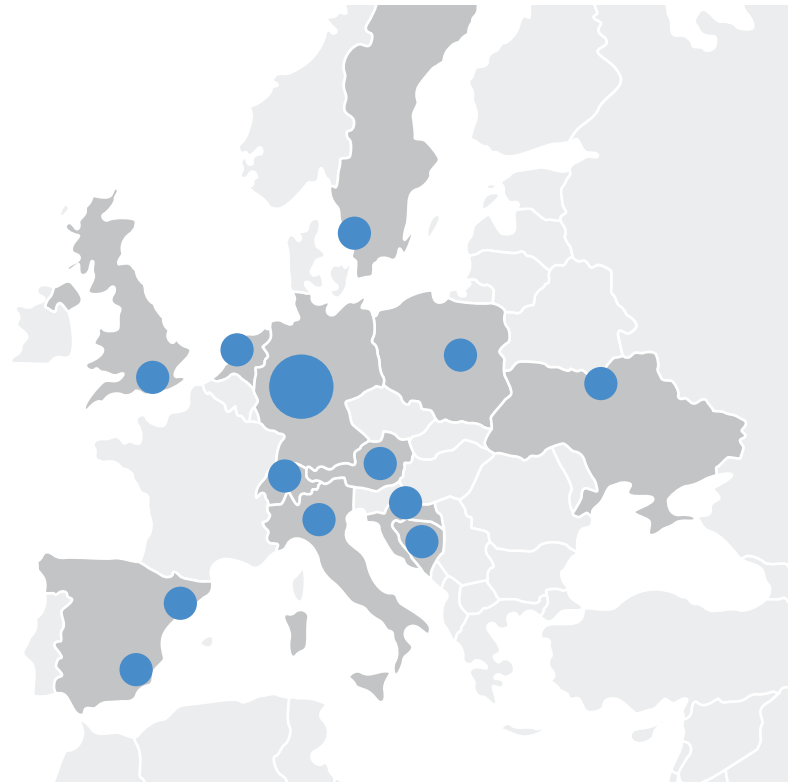
AMERICA

USA



EUROPE

Germany	UK	Netherlands	Poland
Austria	Italy	Sweden	Ukraine
Switzerland	Spain	Croatia	Bosnia-Herzegovina



ASIA

Japan
Vietnam
China



All company locations on the web:
→ <https://ir.dermapharm.de/en/company>

The Group organisation chart → page 16

locations* worldwide
with focus on **Europa**
Head office in **Germany**

* Direct, indirect subsidiaries and associated companies and interests

Dermapharm locations*

AMERICA

North America:

Euromed USA Inc.,
Bridgeville, PA

mibeTec US, Inc.,
Austin, TX

[Euromed US Inc.](#)
[Okeechobee, FL](#)

EUROPE

Germany:

Dermapharm Holding SE, Grünwald

Dermapharm AG, Grünwald

Dermapharm Beteiligungs GmbH, Grünwald

acis Arzneimittel GmbH, Grünwald

[mibe GmbH Arzneimittel, Brehna](#)

mibe L&S GmbH & Co. KG, Brehna

mibe F&E GmbH & Co. KG, Brehna

mibe Vertrieb GmbH, Grünwald

mibeTec GmbH, Brehna

BLBR GmbH, Grünwald

Digital Hub mibe GmbH, Grünwald

Anton Hübner Verwaltungs. mbH, Ehrenkirchen

[Anton Hübner GmbH & Co. KG, Ehrenkirchen](#)

Hübner Naturarzneimittel GmbH, Ehrenkirchen

[Trommsdorff GmbH & Co. KG, Alsdorf](#)

Cl. Lageman GmbH, Alsdorf

Strathmann Service GmbH, Hamburg

[Strathmann GmbH & Co. KG, Hamburg](#)

fitvia GmbH, Wiesbaden

bellavia GmbH, Wiesbaden

[axicorp GmbH, Friedrichsdorf](#)

axicorp Pharma GmbH, Friedrichsdorf

remedix GmbH, Friedrichsdorf

Wellster Healthtech Group GmbH, Munich

CORAT Therapeutics GmbH, Braunschweig

C³-Cannabinoid Compound Company GmbH,
Neumarkt

[Spectrum Therapeutics GmbH, Neumarkt](#)

[THC Pharm GmbH The Health Concept,](#)
[Frankfurt am Main](#)

Allergopharma Verwaltungs GmbH, Reinbek

[Allergopharma GmbH & Co. KG, Reinbek](#)

Austria:

Dermapharm GmbH, Vienna

[Melasan GmbH, Neumarkt](#)

Gynial GmbH, Vienna

Tiroler Nussöl Sonnenkosmetik GmbH, Kitzbühel

Spectrum Therapeutics Austria GmbH, Vienna

Allergopharma Vertriebsges. mbH, Vienna

Switzerland:

Dermapharm AG, Hüneberg

Gynial AG, Hüneberg

Allergopharma AG, Hüneberg

Spain:

Euromed Botanicals S.L., Barcelona

[Euromed S.A., Barcelona](#)

Allergopharma España S.L., Madrid

mibe pharma España S.L., Madrid

UK:

mibe Pharma UK Ltd., London

Netherlands:

axicorp Pharma B.V., Den Haag

Italy:

mibe pharma Italia Srl, Segrate

Nutravis S.R.L., Genua

Croatia:

mibe Pharmaceuticals d.o.o., Zagreb

Poland:

[Sun-Farm Sp. z o.o., Liomianki](#)

Ukraine:

mibe Ukraine LLC., Kiew

Bosnien-Herzegovina:

FARMAL - BH d.o.o. Sarajevo, Sarajevo

Sweden

[AB Cernelle, Ängelholm](#)

ASIA

Japan:

mibeTec Japan K.K.,
Tokio

Vietnam:

[Hasan Dermapharm Co. Ltd.,](#)
[Binh Duong Province](#)

Hasan Dermapharm JV Co.,
Ltd, Binh Duong Province

China:

Allergopharma (Beijing)
Pharmaceutical Technology
Co., Ltd., Beijing

= Administratives sites

= Production sites

* Direct, indirect subsidiaries and associated companies and interests

1.4 Management system and performance indicators

At the Group level, Dermapharm has three segments: "Branded pharmaceuticals and other healthcare products", "Herbal extracts" 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 Group manages its operations 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. Based on this plan to actual comparison, corresponding measures are derived from any deviations from the original revenue and EBITDA targets.

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**

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 internationalisation and organic growth in the DACH region.

The Group 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 increasingly investing in new patented therapies. One example of this is the development of a medical device to treat itchy skin.

In total, the Group operates four development centres: mibe F&E GmbH & Co. KG in Brehna focuses on pharmaceutical and analytical development and marketing authorisation for pharmaceuticals and cosmetics. Moreover, mibe GmbH Arzneimittel is the Group's primary location for the manufacture of investigational medicinal products. Allergopharma GmbH & Co. KG's research and development centre in Reinbek focuses on developing new allergen immunotherapies. Allergopharma is constantly working to improve the existing product range, including clinical indications and application plans. Anton Hübner GmbH & Co. KG in Ehrenkirchen specialises in the development of medical science-based food supplements, substance-based medical devices and cosmetics. These use herbal ingredients in particular – giving rise to synergies with Euromed S.A. Euromed S.A. operates a laboratory and innovation centre in Mollet de Vallès, Spain, that focuses on research and 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 new extracts and indications.

In the first half of financial year 2022, an average of 217 employees worked in product development at the Group (previous year: 161 employees).



Dermapharm has more than 25 years' of experience and proven expertise in developing off-patent pharmaceuticals. Dermapharm has a solid network of development partners. Furthermore, 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

In its most recent publication in July 2022, the International Monetary Fund (IMF) projected global economic output to increase by only 3.2% during the current year. That figure was down by 0.4 percentage points compared to the original outlook published in April 2022. As grounds for this drastic decline, the IMF cited the consequences of the invasion of Ukraine and the lockdown of major cities and ports in China under the country's zero-COVID policy, and the associated economic shocks and implications for the global commodities, trade and financial markets.

The European Economic Area has also suffered the consequences of the war in Ukraine. In its summer outlook in June 2022, the European Commission corrected its growth forecast downwards by 1.3 percentage points to 2.7%. This trend is also emerging for Germany. The European Commission expects GDP to rise by only 1.4% in 2022. Soaring inflation, supply bottlenecks and the war in Ukraine, as well as uncertainties surrounding energy supply, have slowed economic development in Germany.

In light of the fact that the 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 the business performance than the respective regulatory conditions in the individual market regions.

Sector-specific environment

The factors driving growth on the pharmaceutical and healthcare markets include in particular demographic trends such as an increasingly ageing society, global population growth, rising health awareness and self-medication as well as advances in the medical field. Accordingly, the European pharmaceuticals market has grown continuously in recent years. In the initial months of 2022, neither the impacts of the COVID-19 pandemic nor rising prices for raw materials and energy had an adverse effect on the pharmaceuticals and healthcare market. According to

information from the consultancy firm IQVIA (source: OTC VALUE), the entire European pharmaceuticals market generated annual revenue of USD 297.5 billion by the end of the first quarter of 2022, meaning that the market volume increased by 1.5% compared to the same period in the previous year (MAT Q1 2021: USD 293.0 billion). Of that amount, USD 265.3 billion was attributable to prescription pharmaceuticals (MAT Q1 2021: USD 259.9 billion) and USD 32.2 billion to OTC pharmaceuticals (MAT Q1 2021: USD 33.1 billion).

Dermapharm's primary market, Germany, has a highly developed healthcare system with 114,459 registered physicians, 18,461 public pharmacies (2021 figures in each case) and 1,903 hospitals (in 2020). Because of this, Germany spends a larger share of its gross domestic product for healthcare than any other country in the European Union, and it has the highest per capita healthcare spending and the highest share of health spending covered by public funds in the European Union (correct as at 2020). According to IQVIA, the growth trend in the German pharmaceuticals market continued in the previous year as well. At the end of the first quarter of 2022, annual revenue in the German pharmaceuticals market increased by 5.0% to USD 60.5 billion (Q1 2021: USD 57.6 billion). Of that amount, USD 54.2 billion was attributable to prescription pharmaceuticals (MAT Q1 2021: USD 52.3 billion) and USD 6.3 billion to OTC pharmaceuticals (MAT Q1 2021: USD 5.3 billion). In 2021, revenue from off-patent pharmaceuticals without discounts from discount agreements increased in Germany by 26.6% to EUR 10.0 billion (basis: manufacturer selling price) following EUR 7.9 billion in the prior-year period (including biosimilars in each case). However, volume gains are often neutralised due to government intervention in pricing. As a result, a continued downward trend in prices, state-imposed mandatory discounts and steep discounts to health insurance organisations as a result of statutory discount agreement options between manufacturers and health insurance organisations continue to characterise this market.

According to INSIGHT Health, in the first half of financial year 2022, revenue in the parallel imports market amounted to EUR 1.458 billion compared to EUR 1.503 billion in the previous year (basis: Apofusion sell-out). Thus, in the first half of 2022, revenue in the market suitable for imports fell by 3.01%. By contrast, the share of revenue generated with parallel-imported products of total revenue on the German pharmaceutical market declined from 6.6% in the previous year to 5.8% in the first half of 2022.

2.2 Course of business

Despite sharply rising energy prices, fragile supply chains and high price pressure, the first half of 2022 was successful for Dermapharm.

This was due in large part to the "Branded pharmaceuticals and other healthcare products" segment. In addition to the sustained high demand for products such as the high-dose Vitamin D Dekristol® that strengthen the immune system, the compounds Keltican®, Tromcardin®, Myditin®, Myopridin®, Solacutan® and Ampho-Moranal® performed extremely well in the first six months of the 2022 financial year. The Group's broadly diversified product portfolio enabled it to compensate for declining demand in certain product groups. Vaccine production in cooperation with BioNTech SE also contributed greatly to earnings performance.

The "Herbal extracts" segment was back on a stable footing in H1 2022 thanks to the gradual recovery of global demand. Growth in this segment was driven mainly by earnings from AB Cernelle and the C³-Group.

The "Parallel import business" segment managed to put a halt to the downwards trend it had been experiencing in recent months. The overall market began to show new signs of growth for the first time in the second quarter. Although the German Act for More Safety in the Supply of Pharmaceuticals (Gesetz für mehr Sicherheit in der Arzneimittelversorgung, "GSAV") and general price cuts in this segment continued to weigh on earnings, it appears that this trend has reached a plateau. In particular, the cost savings in the wake of axicorp's relocation to its new building already caused margins to improve in the second quarter.

Performance indicators

Consolidated revenue increased by 10.1% to EUR 471.1 million as compared to the prior-year period (H1 2021: EUR 427.8 million).

At the same time, **adjusted EBITDA** increased by 8.5% to EUR 148.7 million (H1 2021: EUR 137.0 million).

The **non-recurring expenses in H1 2022** which were eliminated in the calculation for adjusted EBITDA amounted to EUR 6.1 million and comprised the following:

- Adjustment to ancillary purchase costs for C³-Group and AB Cernelle amounting to EUR 3.2 million,
- Adjustments made in connection with the purchase price allocation (IFRS 3) at AB Cernelle and C³-Group amounting to EUR 2.7 million due to the "step-up" of the carrying amounts, of inventories after fair value measurement and the associated reduction in inventories.
- Restructuring expenses in relation to fitvia and bellavia amounting to EUR 0.2 million.

The **non-recurring expenses in H1 2021** which were eliminated in the calculation for adjusted EBITDA amounted to EUR 2.4 million and comprised the following:

- EUR 1.5 million in adjustments made in connection with the purchase price allocation (IFRS 3) of FYTA due to the carrying amount "step-up" for technologies and licences and the related amortisation charges,
- Acquisition-related expenses of EUR 0.2 million, particularly in connection with the acquisition of Allergopharma,
- Consulting services in connection with further acquisition projects amounting to EUR 0.2 million and
- Restructuring expenses in relation to fitvia and bellavia amounting to EUR 0.5 million.

The **adjusted EBITDA margin** amounted to 31.6% (H1 2021: 32.0%).

Unadjusted EBITDA rose to EUR 142.6 million (H1 2021: EUR 134.6 million). This represented a 5.9% year-on-year increase.

The **unadjusted EBITDA margin** amounted to 30.3% (H1 2021: 31.5%).

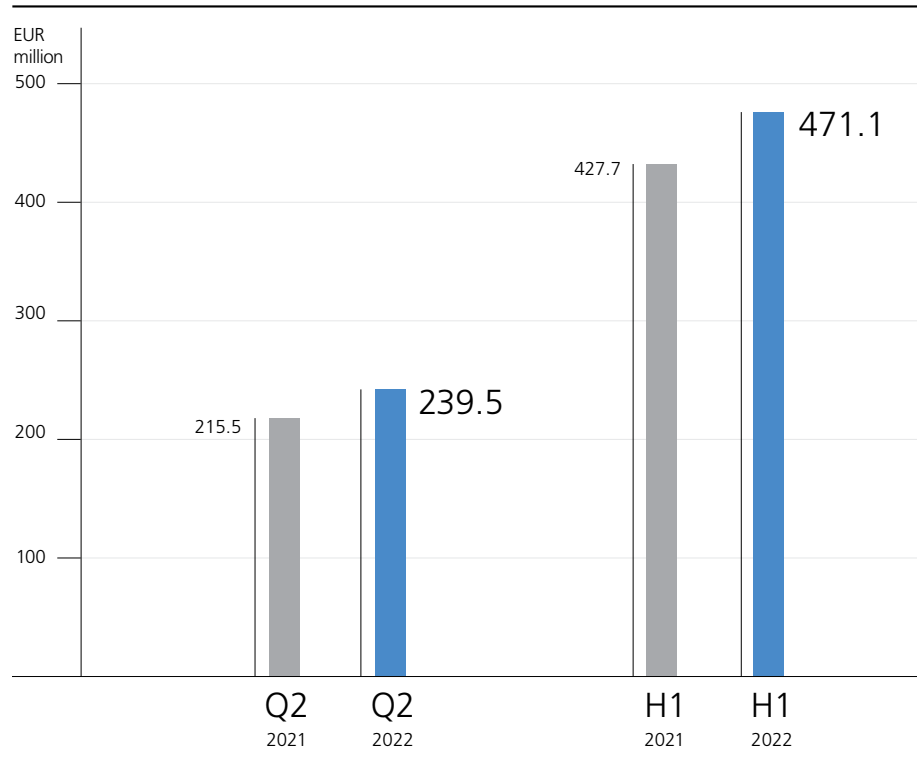
2.3 Financial position, financial performance and cash flows

2.3.1 Financial performance of the Group

Revenue and earnings performance of the Group

Consolidated revenue rose to EUR 471.1 million in the first six months of 2022, representing a 10.1% increase as compared to the same period of the previous year (EUR 427.7 million). This increase was due primarily to the sustained high demand for products to strengthen the immune system as well as the vaccine production in cooperation with BioNTech SE and the additional contributions to revenue from AB Cernelle and C³-Group. In addition, compounds used in nutritional medical treatments performed very well.

Half-yearly and quarterly comparison of revenue trend



The increase in revenue in the first half of 2022 resulted in a higher **cost of materials** in absolute terms of EUR 186.8 million in the period under review (previous year: EUR 172.3 million). The cost of materials ratio, taking into account the change in inventories, (cost of materials and change in inventories in the numerator) rose to 38.2% (previous year: 36.9%). This was due mainly the result of shifts in the product mix within and between the segments as well as the general increase in procurement prices. The Group's own manufacturing activities and the use of internal synergies within the Group had a positive effect, counteracting this trend.

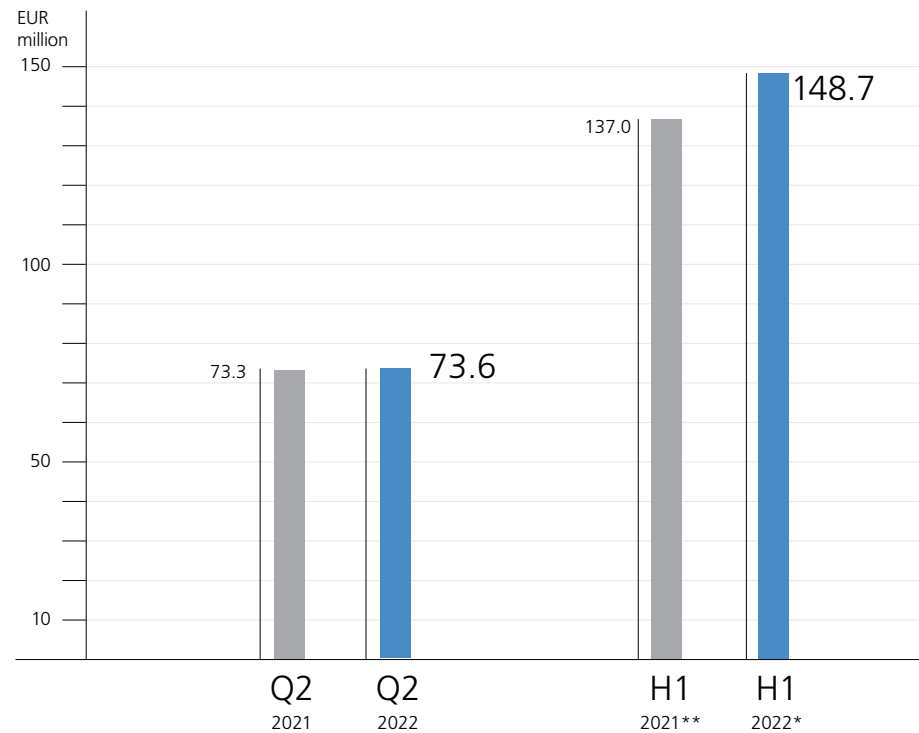
Personnel expenses amounted to EUR 94.6 million in H1 2022 (previous year: EUR 83.1 million). The year-on-year increase was due primarily to new hires, the expansion of the scope of consolidation and an increase in salaries across the board throughout the Group. The ratio of personnel expenses to revenue stood at 20.1% in H1 2022 (previous year: 19.4%).

Depreciation and amortisation amounted to EUR 51.5 million in H1 2022 (previous year: EUR 23.4 million). The year-on-year increase was due in particular to a goodwill impairment recognised for fitvia in the amount of EUR 24.8 million. In addition, depreciation of property, plant and equipment also rose.

Other operating expenses amounted to EUR 68.3 million in H1 2022 (previous year: EUR 64.6 million). This year-on-year increase was due in part to rising legal and advisory costs as well as increased outgoing freight charges. The ratio of other operating expenses to revenue fell to 14.5% in light of the growth in revenue (previous year: 15.1%).

The **adjusted EBITDA** described in 2.2 above rose in H1 2022 by 8.5% from EUR 137.0 million in the previous year to EUR 148.7 million. The adjusted EBITDA margin fell slightly from 32.0% in the previous year to 31.6%. Based on **unadjusted EBITDA** amounting to EUR 142.6 million (previous year: EUR 134.6 million), in the first half of the year, Dermapharm reported an unadjusted EBITDA margin of 30.3%, which was down on the prior-year figure of 31.5%.

Yearly and quarterly comparison of EBITDA trend



* H1/2022 EBITDA was adjusted for non-recurring expenses amounting to EUR 6.1 million.

** H1/2021 EBITDA was adjusted for non-recurring expenses amounting to EUR 2.4 million.

Unadjusted **earnings before taxes** (EBT) amounted to EUR 87.2 million in H1 2022 (previous year: EUR 108.7 million). The EBT margin fell to 18.5% and was thus down compared to the previous year's 25.4%. This decline was due mainly to the EUR 24.8 million goodwill impairment recognised in respect of fitvia.

The unadjusted **profit or loss for the period** in the first six months of the 2022 financial year amounted to EUR 51.6 million (previous year: EUR 75.8 million).

Segment reporting

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

6 months ended 30 June in EUR thousand	Branded pharmaceuticals and other healthcare products		Herbal extracts*		Parallel import business		Reconciliation/ Group holding company		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	298,749	271,885	52,030	39,396	121,557	117,176	-1,217	-707	471,120	427,750
<i>of which intersegment revenue</i>	1,013	636	166	71	37	-	-1,217	-707	-	-
Revenue from external customers	297,736	271,249	51,864	39,325	121,520	117,176	-	-	471,120	427,750
Revenue growth	10%	28%	32%	0%	4%	-8%	-	-	10%	13%
EBITDA	134,795	128,725	9,129	8,390	2,406	916	-3,705	-3,424	142,625	134,607
<i>of which earnings from investments accounted for using the equity method</i>	76	1,148	-	-1,948	-	-	-	-	76	-799
EBITDA margin	45%	47%	18%	21%	2%	1%	-	-	30%	31%

* As from 1 February 2022 with C³-Group; as from 1 December 2021 with AB Cernelle

Revenue and earnings performance in the "Branded pharmaceuticals and other healthcare products" segment

Revenue in the "Branded pharmaceuticals and other healthcare products" segment reported in H1 2022 increased by 9.8% compared to the previous year to EUR 297.7 million (previous year: EUR 271.2 million). This increase was due for the most part to the year-on-year increase in vaccine production in cooperation with BioNTech SE, the continuing high demand for products to strengthen the immune system, as well as further organic growth in this segment.

The segment's **unadjusted EBITDA** reported in H1 2022 rose by 4.7% to EUR 134.8 million (previous year: EUR 128.7 million). At 45.3% (previous year: 47.5%), the segment's **unadjusted EBITDA margin** was down on the same period of the previous year.

Revenue and earnings performance of the "Herbal extracts" segment

Revenue in the "Herbal extracts" segment reported in H1 2022 increased year on year by 32.1% to EUR 51.9 million (previous year: EUR 39.3 million). The increase in revenue was due mainly to the contributions of AB Cernelle and C³-Group. The global rise in demand for herbal extracts continued to have a positive effect in this regard.

The **unadjusted EBITDA** for H1 2022 amounted to EUR 9.1 million (previous year: EUR 8.4 million) and was thus up year on year. This resulted in a 17.6% **unadjusted EBITDA margin** for this segment (previous year: 21.3%).

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

Revenue in the "Parallel import business" segment generated in H1 2022 rose year on year by 3.7% to EUR 121.5 million (previous year: EUR 117.2 million). This increase was for the most part due to the optimisation of operating processes and a year-on-year rise in demand for OTC products. It was offset by a continued decline in the overall market for reimports as well as to higher discounts to health insurance organisations in connection with the German Act for More Safety in the Supply of Pharmaceuticals (*Gesetz für mehr Sicherheit in der Arzneimittelversorgung*, "GSAV").

The **unadjusted EBITDA** in the segment rose year on year by 166.7% to EUR 2.4 million in H1 2022 (previous year: EUR 0.9 million). The segment's **EBITDA margin** was 2.0%, which was up as compared to the prior-year level of 0.8%.

2.3.2 Financial position of the Group

The financial position of the Group developed as shown below as at 30 June 2022:

The **total assets** increased to EUR 1,416.7 million as at 30 June 2022 (31 December 2021: EUR 1,407.0 million).

Non-current assets rose from EUR 887.7 million as at 31 December 2021 to EUR 914.6 million as at 30 June 2022. This increase was caused primarily by the acquisition of C³-Group and the associated recognition of goodwill. The goodwill impairment at fitvia counteracted this development.

Current assets decreased from EUR 519.2 million as at 31 December 2021 to EUR 502.1 million as at 30 June 2022. The EUR 77.6 million reduction in cash played a significant role in this development. By contrast, inventories increased by EUR 29.2 million and trade receivables by EUR 39.7 million due to the newly acquired C³-Group.

Equity amounted to EUR 455.2 million as at 30 June 2022, compared to EUR 499.8 million as at 31 December 2021. The reduction was due primarily to the decrease in retained earnings as a result of the 2021 dividend payment. By contrast, other reserves increased as compared to 31 December 2021. With an **equity ratio** of 32.1% as at 30 June 2022 (31 December 2021: 35.5%), Dermapharm continues to have a strong equity base.

The **non-current liabilities** decreased to EUR 733.5 million as at 30 June 2022 (31 December 2021: EUR 751.5 million). This decrease was due for the most part to pension provisions, which fell as the result of the increase in the discount rate used.

The **current liabilities** increased to EUR 227.9 million as at the reporting date (31 December 2021: EUR 155.6 million). This increase was attributable primarily to current financial liabilities of EUR 58.9 million (31 December 2021: EUR 5.6 million), which rose in connection with a short-term loan of EUR 50.0 million.

2.3.3 Cash flows of the Group

Stable cash flows

Dermapharm's financial position and cash flows remained stable in the reporting period. Accordingly, the Group's liquidity was guaranteed at all times in the current financial year.

The main sources of liquidity were cash inflows from ongoing business activities and borrowings in the short, medium and long term. The profitability of business activities and net working capital impacted the cash inflows received from the ongoing business activities. In addition to the existing financing by means of loans, lines of credit and various promissory note loans, Dermapharm also has access to a cash liquidity reserve in the form of cash and cash equivalents.

Overview of the structure of financial liabilities in the Group as at 30 June 2022

Current residual terms of financial liabilities:

EUR thousand	< 1 year	1-5 year	> 5 year	Total
Promissory note loans	–	83,722	16,000	99,722
Promissory note loans	55,641	461,252	3,918	520,811
Lease liabilities	3,285	5,401	5,018	13,704
Total	58,926	550,375	24,936	634,237

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 72.3 million in H1 2022 (previous year: EUR 74.1 million). This year-on-year decrease, despite increased consolidated earnings before depreciation, amortisation and write-offs, was due primarily to the EUR –11.7 million change in net working capital.

Cash flow from investing activities, which reflects the cash outflows for investments less the inflows from disposals, amounted to EUR –80.6 million in H1 2022 (previous year: EUR -49.0 million). Cash flow from investing activities was affected during the period under review primarily by the C³-Group acquisition.

Free cash flow, i.e., cash flow from ongoing business activities plus cash flow from investing activities, amounted to EUR –8.3 million in the period under review (previous year: EUR 25.1 million).

Cash flow from financing activities amounted to EUR –72.8 million in the period under review (previous year: EUR –44.3 million). This was influenced significantly by the distribution of a dividend for financial year 2021 amounting to EUR 116.8 million in June 2022 (previous year: EUR 47.4 million) in accordance with the resolution by the Annual General Meeting on 1 June 2022. The AGM followed the Board of Management's recommendation to distribute a dividend of EUR 2.17 per share carrying dividend rights. This was offset by EUR 50 million in short-term financial liabilities, which were taken on in order to finance operations.

Thus, Dermapharm Holding SE had cash and cash equivalents of EUR 83.8 million as at 30 June 2022 (30 June 2021: EUR 101.4 million).

3. Report on opportunities and risks

The risks and opportunities of future development at Dermapharm are described in detail in the combined Group management report for the 2021 financial year (see section 3. Report on risks and opportunities).

With the exception of the risks already identified as at the end of 2021 and persisting into the first half of 2022 in relation to the potential disruptions to supply, rising energy and raw materials prices and the war in Ukraine and its consequences, there were no material changes to the risks and opportunities as at 30 June 2022. Last-minute developments – particularly the prospect of the gas supply being cut off – have the potential to negatively impact the markets and hence Dermapharm's business environment. Aside from this, Dermapharm's broadly diversified portfolio has proven robust and sound in times of crisis.

Given the limited volume of business it does in Ukraine, there has been no material impact on Dermapharm's assets, liabilities, financial position and profit or loss. The company has resumed its operations in Ukraine, and has by and large satisfied revenue expectations.

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 2022. 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.

Given the sustained high demand for compounds in the "Branded pharmaceuticals and other healthcare products" segment, as well as the vaccine production in cooperation with BioNTech SE in particular and further growth in the parallel imports market and hence in the "Parallel import business" segment, the Board of Management anticipates that the Group will remain on its successful growth trajectory throughout the remainder of the 2022 financial year. Additional growth momentum will also come from the "Herbal extracts" segment thanks to the addition of the new companies AB Cernelle and C³-Group.

The Board of Management therefore expects the Group to experience continued year-on-year growth in financial year 2022 and is pleased to confirm the outlook published in the 2021 Annual Report, calling for a 10-13% year-on-year increase in revenue and a 3-7% increase in adjusted EBITDA.

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 in equal parts by growth-promoting and growth-inhibiting conditions. These and other factors can result in actual events, the financial position, performance and the profitability of the Company deviating significantly from the estimates stated herein. Moreover, this outlook is subject to a certain degree of uncertainty as to the further course of the COVID-19 pandemic, the consequences of the war in Ukraine and rising energy and gas prices.

Grünwald, 6 September 2022

The Board of Management

Dr Hans-Georg Feldmeier
Chief Executive Officer

Karin Samusch
Chief Business Development Officer

Dr Andreas Eberhorn
Chief Marketing Officer

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Condensed statement of financial position

as at 30 June 2022 and 31 December 2021

The different reporting of the key financial figures in millions of € (EUR million) in the interim management report and in thousands of € (EUR thousand) in the interim consolidated financial statements and in the segment reporting may lead to rounding differences.

Assets EUR thousand	30 June 2022	31 December 2021
Non-current assets		
Intangible assets	310,844	294,842
Goodwill	282,408	264,729
Property, plant and equipment	231,103	222,288
Investments accounted for using the equity method	28,337	28,261
Equity investments	20,116	25,899
Other non-current financial assets	41,778	51,729
Total non-current assets	914,587	887,747
Current assets		
Inventories	272,847	243,601
Trade receivables	112,187	72,517
Other current financial assets	14,883	15,183
Other current assets	18,359	26,169
Tax assets	15	339
Cash and cash equivalents	83,775	161,414
Total current assets	502,066	519,222
Total assets	1,416,653	1,406,969

Equity and liabilities
EUR thousand

	30 June 2022	31 December 2021
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	273,011	337,954
Other reserves	25,353	4,732
Equity attributable to owners of parent	452,994	497,316
Non-controlling interests	2,229	2,518
Total equity	455,224	499,834
Non-current liabilities		
Provisions for employee benefits	90,863	128,878
Non-current financial liabilities	575,312	574,721
Other non-current liabilities	11,205	11,867
Deferred tax liabilities	56,137	36,056
Total non-current liabilities	733,517	751,522
Current liabilities		
Other provisions	20,033	18,684
Current financial liabilities	58,926	5,580
Trade payables	53,150	52,101
Other current financial liabilities	186	822
Other current liabilities	32,927	29,630
Tax liabilities	62,690	48,796
Total current liabilities	227,913	155,613
Total equity and liabilities	1,416,653	1,406,969

Condensed statement of comprehensive income

for the 3- and 6-month periods ended 30 June 2022 and 30 June 2021

EUR thousand	3 months ended		6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Revenue	239,479	215,538	471,120	427,750
Change in inventories	2,697	8,864	6,911	14,711
Own work capitalised	3,405	3,539	7,487	7,033
Other operating income	3,300	3,550	6,673	5,889
Cost of materials	-93,458	-84,197	-186,775	-172,340
Personnel expenses	-50,308	-42,364	-94,598	-83,081
Depreciation, amortisation and reversal of impairment	-38,951	-11,947	-51,520	-23,374
Other operating expenses	-33,222	-32,727	-68,269	-64,556
Operating result	32,942	60,256	91,029	112,033
Share of profit/loss of companies accounted for using the equity method, after tax	-614	-399	76	-799
Financial income	57	2,458	1,142	2,564
Financial expenses	-2,615	-2,609	-5,075	-5,067
Financial result	-3,173	-550	-3,857	-3,303
Earnings before taxes	29,769	59,706	87,171	108,730
Income tax expenses	-15,306	-20,155	-35,571	-32,933
Profit or loss for the period	14,463	39,551	51,601	75,797

EUR thousand	3 months ended		6 months ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<i>Other comprehensive income not reclassified to profit or loss in subsequent periods:</i>				
Actuarial gains/losses from remeasurement of defined benefit pension plans	38,538	14,612	38,538	14,612
Deferred taxes on items that will not be reclassified	-11,637	-3,193	-11,637	-3,193
Profits/losses from remeasurement of equity instruments	-5,820	-	-5,820	-
<i>Other comprehensive income which may be reclassified to profit or loss in subsequent periods:</i>				
Foreign operations - currency translation differences	142	329	-460	376
Other comprehensive income, after tax	21,223	11,748	20,621	11,795
Total comprehensive income for the period	35,686	51,299	72,222	87,592
Profit or loss for the period attributable to				
Owners of the parent	14,519	39,818	51,890	76,129
Non-controlling interests	-55	-267	-289	-333
	14,463	39,551	51,601	75,797
Total comprehensive income for the period attributable to				
Owners of the parent	35,742	51,566	72,511	87,925
Non-controlling interests	-55	-267	-289	-333
	35,686	51,299	72,222	87,592
Earnings per share				
Basic (= diluted) earnings per share (EUR)	0.27	0.74	0.96	1.41

Condensed statement of cash flows

for the 6-month period ended 30 June 2022 and 30 June 2021

EUR thousand	6 months ended	
	30 June 2022	30 June 2021
Earnings before taxes	87,171	108,730
Depreciation, amortisation / (reversal of impairment) of fixed assets	51,452	22,936
(Increase)/decrease in working capital (assets)	-49,975	-42,245
Increase/(decrease) in working capital (liabilities)	1,241	5,256
Increase/(decrease) in provisions for employee benefits	523	675
Other non-cash items	-763	-408
Share of (profit)/loss of companies accounted for using the equity method, after tax	-76	799
(Gain)/loss on disposal of non-current assets	-96	-67
Interest expense/(income)	3,266	1,969
Income tax payments	-20,414	-23,594
Net cash flows from operating activities	72,329	74,051
Proceeds from the disposal of intangible assets and property, plant and equipment	249	87
Proceeds from disposals of financial assets	10,000	-
Business combinations, less cash	-70,549	-
Payments for investments in intangible assets and property, plant and equipment	-20,412	-23,566
Payments for investments in financial assets	-25	-25,501
Interest received	136	-
Cash flows from investing activities	-80,602	-48,980

EUR thousand	6 months ended	
	30 June 2022	30 June 2021
Dividends paid	-116,833	-47,379
Proceeds from borrowings	77,450	10,000
Repayments of borrowings	-28,436	-1,206
Payments of lease liabilities	-2,270	-2,228
Interest paid	-2,740	-3,530
Cash flows from financing activities	-72,829	-44,343
Net increase/decrease in cash, cash equivalents and bank overdrafts	-81,102	-19,273
Cash, cash equivalents and bank overdrafts as at 1 January	161,414	120,300
Effect of exchange rate changes on cash and cash equivalents	490	419
Cash, cash equivalents and bank overdrafts as at 30 June	80,802	101,447
Bank overdrafts as at 1 January	-	0
Bank overdrafts as at 30 June	-2,973	0
Cash and cash equivalents as at 30 June	83,775	101,447

Condensed statement of changes in equity

as at 30 June 2022 and 30 June 2021

EUR thousand	Attributable to owners of the parent					Non-controlling interests	Total equity
	Issued capital	Capital reserves	Retained earnings	Other reserves	Total		
As at 1 January 2021	53,840	100,790	177,082	-9,746	321,966	2,616	324,582
Profit or loss for the period	-	-	76,129	-	76,129	-333	75,797
Other comprehensive income, after tax	-	-	-	11,795	11,795	-	11,795
Total comprehensive income for the period	-	-	76,129	11,795	87,925	-333	87,592
Dividends	-	-	-47,379	-	-47,379	-	-47,379
As at 30 June 2021	53,840	100,790	205,832	2,050	362,511	2,283	364,794
As at 1 January 2022	53,840	100,790	337,954	4,732	497,316	2,518	499,834
Profit or loss for the period	-	-	51,890	-	51,890	-289	51,601
Other comprehensive income, after tax	-	-	-	20,621	20,621	-	20,621
Total comprehensive income for the period	-	-	51,890	20,621	72,511	-289	72,222
Dividends	-	-	-116,833	-	-116,833	-	-116,833
As at 30 June 2022	53,840	100,790	273,011	25,353	452,994	2,229	455,224

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 drugs, non-prescription natural remedies, medical devices, herbal extracts as well as parallel imports of originator preparations, both in Germany and with a growing international presence.

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

The Company is the holding company of the Dermapharm Group, whose subsidiaries operate primarily in Germany. Dermapharm also has subsidiaries in Austria, Switzerland, Italy, Spain, the United States, China and the United Kingdom as well as in eastern Europe (Croatia, Poland and Ukraine), among other countries. The Company's domestic and international subsidiaries concentrate on the development, licensing, manufacture and sale of products using off-patent active pharmaceutical ingredients in the healthcare sector, and in particular in the pharmaceutical industry. Its core products are branded generics, OTC products, non-prescription healthcare products, herbal extracts and parallel-imported originator pharmaceuticals.

Dermapharm's shares are listed on the Regulated Market and the Regulated Market sub-segment (Prime Standard) of the Frankfurt Stock Exchange under German Securities Code (WKN) A2GS5D, International Securities Identification Number (ISIN) DE000A2GS5D8 and ticker symbol DMP. Trading opened on 9 February 2018.

The interim consolidated financial statements were authorised by the Board of Management by resolution dated 6 September 2022.

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. Due to the fact that the global effects of the COVID-19 pandemic and the war in Ukraine remain impossible to forecast, these judgements and estimates by the management are subject to a higher degree of uncertainty than would normally be the case. In this context, Dermapharm is constantly reviewing the impact of the COVID-19 pandemic and the war in Ukraine on the Company's performance and the resulting effects on its accounts. Based on the analysis of the Company's performance to date and management's assessment of the Company's performance in the further course of the 2022 financial year, there are currently no indications of material impairment in respect of goodwill or intangible assets resulting from the COVID-19 pandemic and the war in Ukraine. Meanwhile, the operations of the subsidiary

in Ukraine have been resumed and the expected sales figures are largely being met. At the end of the first half of the year, further declines in revenue at fitvia as the result of the brand's diminished reach indicated an impairment of goodwill. This in turn led to the recognition of a EUR 24,819 thousand impairment within the "Branded pharmaceuticals and other healthcare products" segment. There were no 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 2021. For more information about the Group's accounting policies, please refer to the notes to the consolidated financial statements in the 2021 Annual Report.

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

In the first half of 2022, 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 2022. 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. Dermapharm's business is conducted by Dermapharm AG and its subsidiaries as well as the subsidiaries of Dermapharm Beteiligungs GmbH. 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

C³-Group

Pursuant to the purchase agreement dated 15 December 2021, Dermapharm AG acquired a 100% interest in C³ Cannabinoid Compound Company GmbH, Spectrum Therapeutics GmbH (each having their registered office in Neumark in der Oberpfalz), THC Pharm GmbH The Health Concept, with its registered office in Frankfurt am Main, and Spectrum Therapeutics Austria GmbH, with its registered office in Vienna, Austria (hereinafter also referred to as the "C³-Group"). The acquisition of the C³ Group closed on 31 January 2022.

2.5 Business combinations

During the period from 1 January 2022 to 30 June 2022, the Group concluded the following business combination:

C³-Group

The C³-Group develops, produces and distributes natural and synthetic cannabinoids and is included in Dermapharm's "Herbal extracts" segment. The C³-Group is the market leader for Dronabinol in Germany and Austria. Dronabinol is an active ingredient and a cannabinoid that is primarily used for pain treatment and in palliative care and for oncology and neurology. It is used to treat a wide range of chronic and severe diseases. The acquisition of the C³-Group gives Dermapharm access to the growth market for medical cannabis and also further distribution channels in Europe.

The acquisition constituted a business combination as defined under IFRS 3. As a practical expedient, 1 February 2022 was selected as the date to include the company in the consolidated financial statements for the first time. Factoring in the negotiated and not-yet-final escalation clauses, the purchase price for the C³-Group amounted to EUR 93,698 thousand.

The fair values of the assets and liabilities (in accordance with IFRS 3) of the C³-Group were as follows at the acquisition date, 31 January 2022:

Identified assets and liabilities EUR thousand	Fair value
Intangible assets	21,501
<i>of which identified in purchase price allocation</i>	20,612
Property, plant and equipment	6,455
Inventories	14,572
<i>of which identified in purchase price allocation</i>	2,671
Trade receivables	3,250
Other assets	565
Cash and cash equivalents	13,596
Deferred tax assets	19
Other provisions	-750
Current financial liabilities	-44
Trade payables	-1,331
Other current financial liabilities	-259
Other current liabilities	-193
Tax liabilities	-24
Deferred tax liabilities	-6,251
<i>of which identified in purchase price allocation</i>	-6,251
Recognised goodwill	42,592

Acquired gross contractual amounts receivable amount to EUR 3,250 thousand, none of which were deemed uncollectable as at the acquisition date. The gross amount corresponds to the fair value because the remaining term of the receivables is less than one year.

Comparing the consideration transferred for the interests with the identified fair value of the assets and liabilities resulted in goodwill of EUR 42,592 thousand. Factors giving rise to this goodwill relate to expected synergies and other intangible assets that cannot be identified separately.

The assets measured at fair value for the first time in connection with the purchase price allocation and the key assumptions for the valuation were as follows:

Identified assets and liabilities at the reporting date	Identified hidden reserves (EUR thousand)	Useful life	Cost of capital
Customer relationships	16,945	10 years	11,00%
Technology - natural dronabinol	3,205	10 years	11,00%
Technology - synthetic dronabinol & CBD	462	5 years	10,80%
Inventories	2,671	0.9 years	n.z.

The C³-Group contributed EUR 8,679 thousand to consolidated revenue for the period from 1 February 2022 to 30 June 2022; the adjusted EBITDA contribution amounted to EUR 1,506 thousand over this period.

The recognised goodwill and the fair values of these assets may still change once the final appraisal has been completed.

3. Notes to the consolidated statement of financial position

3.1 Equity

Dividend

The Annual General Meeting on 1 June 2022 resolved to distribute a dividend of EUR 116,833 thousand (EUR 2.17 per share carrying dividend rights) to the shareholders from the net retained profits of Dermapharm Holding SE for 2021. The dividend was distributed on 7 June 2022.

3.2 Provisions for employee benefits

The provisions for employee benefits as at the reporting date break down as follows:

EUR thousand	30 June 2022	31 December 2021
Provisions for pensions	90,390	128,380
Plan assets	-400	-392
Total	89,990	127,988

There were no exchange differences because all provisions for pensions were recognised by German entities. At the reporting date, plan assets included EUR 400 thousand in securities (31 December 2021: EUR 392 thousand). All security funds have quoted prices in active markets.

The principal actuarial assumptions at the reporting date are presented below (expressed as weighted averages):

in %	30 June 2022	31 December 2021
Discount rate	3.3	1.2
Salary trend	1.2	1.2
Pension trend	1.8	1.8

The decline in the Group's pension obligations as reported above in comparison to 31 December of the previous year was primarily attributable to the increase in the discount rate to 3.3% (31 December 2020: 1.2%).

3.3 Financial liabilities

The financial liabilities are as follows:

EUR thousand	30 June 2022	31 December 2021
Bank loans	465,170	466,021
Promissory note loans	99,722	99,687
Lease liabilities	10,419	9,013
Non-current financial liabilities	575,312	574,721
Bank loans	52,669	2,379
Lease liabilities	3,285	3,201
Bank overdrafts	2,973	-
Current financial liabilities	58,926	5,580

4. Notes to the consolidated statement of comprehensive income

4.1 Revenue

Dermapharm generates its revenue primarily through the supply of products.

The primary focus of Dermapharm's business lies on the German market. The consolidated revenue generated in Germany in the reporting period amounted to EUR 385,007 thousand (previous year: EUR 350,637 thousand) and accounted for 82% (previous year: 82%) of total consolidated revenue. Consolidated revenue of EUR 41,730 thousand was generated in the reporting period (previous year: EUR 41,161 thousand) in Spain, corresponding to 9% (previous year: 10%) of consolidated revenue. Revenue generated in Austria and Switzerland, representing approximately 4% (previous year: 5%) of consolidated revenue overall, amounted to EUR 19,847 thousand (previous year: EUR 19,432 thousand). The remaining portion of Dermapharm's consolidated revenue (EUR 24,536 thousand; previous year: EUR 16,520 thousand) is generated in eastern Europe, primarily in Poland, Croatia and Ukraine, and in the United Kingdom, Italy, China, Sweden and the United States. Consolidated revenue is allocated on the basis of where the respective companies are located.

The increase in revenue in the first half of the year was attributable to the production of vaccines in cooperation with BioNTech SE, the additional revenue contribution by C³-Group and AB Cernelle as well as the sustained high demand for products to strengthen the immune system. In addition, compounds used in nutritional medical treatments performed very well.

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:

EUR thousand	6 months ended	
	30 June 2022	30 June 2021
Interest income	1,042	2,463
Income from fair value measurement	94	80
Miscellaneous	7	21
Financial income	1,142	2,564
Interest expense	-4,181	-4,284
Leasing	-136	-148
Expenses from fair value measurement	-	-72
Miscellaneous	-758	-563
Financial expenses	-5,075	-5,067
Share of profit/loss of companies accounted for using the equity method, after tax	76	-799
Financial result	-3,857	-3,303

The decrease in interest income resulted primarily from the change in the margin for the syndicated loan due to the improvement in the net debt ratio thanks to the positive earnings trend during the prior-year period. This resulted in the recognition through profit or loss of a present value adjustment to the syndicated loan in accordance with the effective interest method in the prior-year period.

5. Segment reporting

The measurement approaches for segment reporting correspond to the accounting policies applied in the consolidated financial statements prepared in accordance with IFRS as at 31 December 2021.

6 months ended 30 June in EUR thousand	Branded pharmaceuticals and other healthcare products		Herbal extracts*		Parallel import business		Reconciliation/Group holding company		Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	298,749	271,885	52,030	39,396	121,557	117,176	-1,217	-707	471,120	427,750
<i>of which intersegment revenue</i>	1,013	636	166	71	37	-	-1,217	-707	-	-
Revenue from external customers	297,736	271,249	51,864	39,325	121,520	117,176	-	-	471,120	427,750
Revenue growth	10%	28%	32%	0%	4%	-8%	-	-	10%	13%
EBITDA	134,795	128,725	9,129	8,390	2,406	916	-3,705	-3,424	142,625	134,607
<i>of which earnings from investments accounted for using the equity method</i>	76	1,148	-	-1,948	-	-	-	-	76	-799
EBITDA margin	45%	47%	18%	21%	2%	1%	-	-	30%	31%

* As at 1 February 2022 with C³-Group; as from 1 December 2021 with AB Cernelle

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

EUR thousand	6 months ended	
	30 June 2022	30 June 2021
EBITDA	142,625	134,607
Depreciation, amortisation and reversal of impairment	-51,520	-23,374
Financial income	1,142	2,564
Financial expenses	-5,075	-5,067
Earnings before taxes (EBT)	87,171	108,730
Income tax expenses	-35,571	-32,933
Profit or loss for the period	51,601	75,797

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 2022		Reconciliation of items of the statement of financial position to the measurement categories of IFRS 9					
EUR thousand	Carrying amount as at 30 June 2022	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Measurement in accordance with IFRS 16	Fair value as at 30 June 2022	Fair value level
Financial assets							
Other non-current financial assets	41,778	41,175	603	–	–	41,778	3
Equity investments	20,116	435	–	19,681	–	20,116	3
Trade receivables	112,187	112,187	–	–	–	112,187	–
Other current financial assets	14,883	14,205	677	–	–	14,883	3
Cash and cash equivalents	83,775	83,775	–	–	–	83,775	–
Financial liabilities							
Non-current financial liabilities							
<i>of which bank loans</i>	465,170	465,170	–	–	–	478,136	2
<i>of which promissory note loans</i>	99,722	99,722	–	–	–	101,793	2
<i>of which lease liabilities</i>	10,419	–	–	–	10,419	10,775	2
Current financial liabilities							
<i>of which bank loans</i>	55,641	55,641	–	–	–	55,641	–
<i>of which promissory note loans</i>	–	–	–	–	–	–	–
<i>of which lease liabilities</i>	3,285	–	–	–	3,285	3,285	–
Trade payables	53,150	53,150	–	–	–	53,150	–
Other current financial liabilities	186	168	18	–	–	186	2

31 December 2021

Reconciliation of items of the statement of financial position to the measurement categories of IFRS 9

EUR thousand	Carrying amount as at 31 December 2021	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Measurement in accordance with IFRS 16	Fair value as at 31 December 2021	Fair value level
Financial assets							
Other non-current financial assets	51,729	51,100	629	–	–	51,729	3
Equity investments	25,899	398	–	25,501	–	25,899	3
Trade receivables	72,517	72,517	–	–	–	72,517	–
Other current financial assets	15,183	14,505	677	–	–	15,183	3
Cash and cash equivalents	161,414	161,414	–	–	–	161,414	–
Financial liabilities							
Non-current financial liabilities							
<i>of which bank loans</i>	466,021	466,021	–	–	–	478,136	2
<i>of which promissory note loans</i>	99,687	99,687	–	–	–	101,793	2
<i>of which lease liabilities</i>	9,013	–	–	–	9,013	10,775	2
Current financial liabilities							
<i>of which bank loans</i>	2,379	2,379	–	–	–	2,379	–
<i>of which promissory note loans</i>	–	–	–	–	–	–	–
<i>of which lease liabilities</i>	3,201	–	–	–	3,201	3,201	–
Trade payables	52,101	52,101	–	–	–	52,101	–
Other current financial liabilities	822	710	112	–	–	116	2

Due to the short maturity of the cash and cash equivalents, trade receivables and payables 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	Equity instruments measured at fair value through other comprehensive income
As at 1 January 2022	1,306	25,501
Additions	–	–
Disposals	–	–
Change in fair value recognised through profit or loss	–	–
Change in fair value recognised through other comprehensive income	–26	–5,820
As at 30 June 2022	1,280	19,681

EUR thousand	Financial assets measured at fair value	Equity instruments measured at fair value through other comprehensive income
As at 1 January 2021	863	0
Additions	–	25,501
Disposals	–	–
Change in fair value recognised through profit or loss	–72	–
Change in fair value recognised through other comprehensive income	–	–
As at 30 June 2021	791	25,501

There were no reclassifications within the fair value hierarchy in the first six months of the financial year. The fair value of Wellster Healthtech Group GmbH, Munich, decreased by EUR 5,820 thousand as of June 30, 2022, mainly due to the increase in interest rates and the resulting change in the cost of capital.

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)

EUR thousand	6 months ended	
	30 June 2022	30 June 2021
Marketing and advertising	508	493
Total	508	493

Related party transactions (entities)

EUR thousand	Transactions in the 6 months ended		Open receivables as at		Open liabilities as at	
	30 June 2022	30 June 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Transfer of goods						
Associates	235	531	–	–	–	–
Non-consolidated companies	2,229	2,042	1,071	1,176	–	–
Consulting and services						
Parent (Themis Beteiligungs-AG) of Dermapharm	147	165	–	–	–	–
Associates	–	14	–	–	–	–
Non-consolidated companies	42	107	42	–	–	4
Offsetting of current expenses						
Parent (Themis Beteiligungs-AG) of Dermapharm	–	–	–	–	–	–
Associates	–	–	2,148	2,148	–	–
Miscellaneous						
Associates	–	392	–	97	–	–
Non-consolidated companies	9	–	59	–	–	–
Total	2,662	3,249	3,320	3,421	–	4

The open balances at the end of the financial year are unsecured and fall due in the short term.

There are no guarantees for receivables to or liabilities from related parties.

8. Events after the reporting period

Events after the reporting date with a material or potentially material effect on the Group's financial position, financial performance and cash flows:

Arkopharma Group

On 30 July 2022, Dermapharm AG issued a binding offer to acquire all shares in Apharma TopCo SAS, with its registered office in Carros, France; the company is the holding company of the Arkopharma Group, the market leader for natural OTC products and food supplements in France. The planned transaction represents a next logical step in Dermapharm's growth strategy and its progressive internationalisation. The deal is expected to close in early January 2023.

Board of Management

Ms Hilde Neumeyer and Dr Jürgen Ott left the Board of Management. Dr Andreas Eberhorn succeeded Dr Jürgen Ott as Chief Marketing Officer at Dermapharm on 1 September 2022. Dr Andreas Eberhorn will be responsible for the areas of marketing and sales in his function on the Board of Dermapharm. He has many years of experience in these areas in the pharmaceutical industry.

Grünwald, 6 September 2022

The Board of Management

Dr Hans-Georg Feldmeier
Chief Executive Officer

Karin Samusch
Chief Business Development Officer

Dr Andreas Eberhorn
Chief Marketing Officer

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements for the period from 1 January 2022 to 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the 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, 6 September 2022

The Board of Management

Dr Hans-Georg Feldmeier
Chief Executive Officer

Karin Samusch
Chief Business Development Officer

Dr Andreas Eberhorn
Chief Marketing Officer

REVIEW REPORT

To Dermapharm Holding SE

We have reviewed the condensed interim consolidated financial statements – comprising the condensed statement of financial position, the condensed statement of profit or loss and other comprehensive income for the period, the condensed statement of cash flows, the condensed 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 2022 to 30 June 2022 which form part of the half-year financial reporting in accordance with section 115 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (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 interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of Company employees and analytical assessments 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 statements audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements of Dermapharm Holding SE, Grünwald, for the period from 1 January 2022 to 30 June 2022 have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 6 September 2022

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