

Interim Statement
Q3 2023



PHARMA
SGP

PharmaSGP at a Glance

PharmaSGP is a consumer health company with a diversified portfolio of leading over-the-counter (OTC) pharmaceuticals and other healthcare products.

PharmaSGP's OTC products cover highly relevant and chronic indications. In a structurally growing market, it has thereby been able to establish market-leading positions in many important areas, such as rheumatic and neuralgic pain, sleep disorders or men's and women's health. In Germany for example, PharmaSGP is the market leader for systemic chemical-free OTC pain remedies with its brand families RubaXX® for rheumatic pain and Restaxil® for neuralgic pain (nerve pain).

With the acquisition of the established OTC brands Baldriparan®, Formigran®, Spalt® and Kamol® in September 2021, PharmaSGP has expanded its portfolio through further market leaders in their categories. For example, Baldriparan® is the No. 1 herbal sleep aid in pharmacies, and Formigran® is the leading OTC pharmaceutical against migraine.

Over the past eleven years, PharmaSGP has created a platform to successfully integrate and grow brands in all its European markets. Five key factors are the basis for the ongoing success:

- A proven, scalable asset-light business model combined with established processes
- A highly diversified European supply chain
- Broad and long-standing regulatory expertise
- A strong and specialized Direct-to-Consumer (D2C) marketing strategy

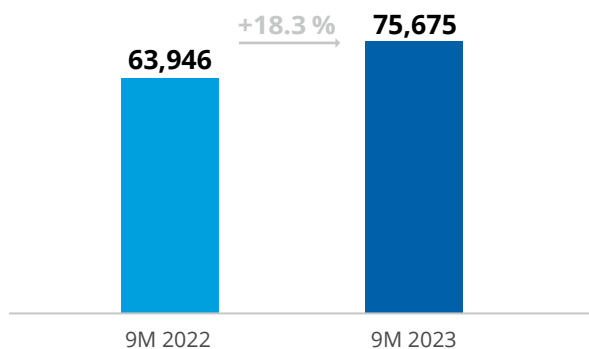
- A wide target group media reach of more than 165 million contacts per month

In order to focus on its success drivers, PharmaSGP has deliberately established a scalable, asset-light business model which can also be transferred quickly and efficiently to other target markets. The entire manufacturing process is handled by a diversified network of third-party manufacturers in Europe. In Germany and in foreign markets, individual local logistics providers supply wholesalers and to a lesser extent pharmacies directly. Combined with many years of experience of approval processes for new OTC pharmaceuticals in Germany and abroad, as well as regulatory requirements for other healthcare products, PharmaSGP's platform allows it to quickly and efficiently establish and grow both new and existing brands and to establish its business model in other countries with little investment. PharmaSGP's products are marketed directly to their target group, especially senior citizens, under well-known pharmaceutical brands via a specialized D2C marketing strategy with a wide target group media reach and efficient commercial media conditions.

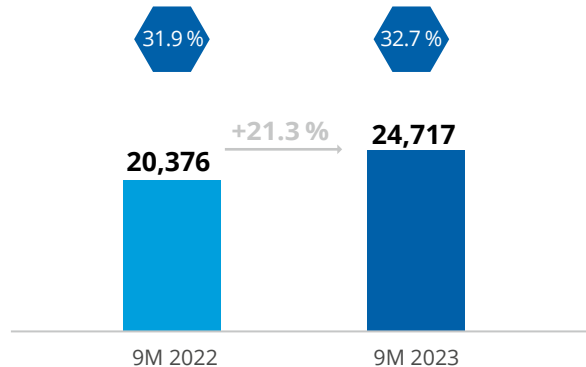
Since the launch of the first product from the current product portfolio in 2012, PharmaSGP has successfully transferred its business model to Austria, Italy, Belgium, France and Spain. Since September 2021, the Group has expanded its operations to Switzerland and Eastern European EU countries.

Overview of Performance Indicators

Revenues
in € thousand



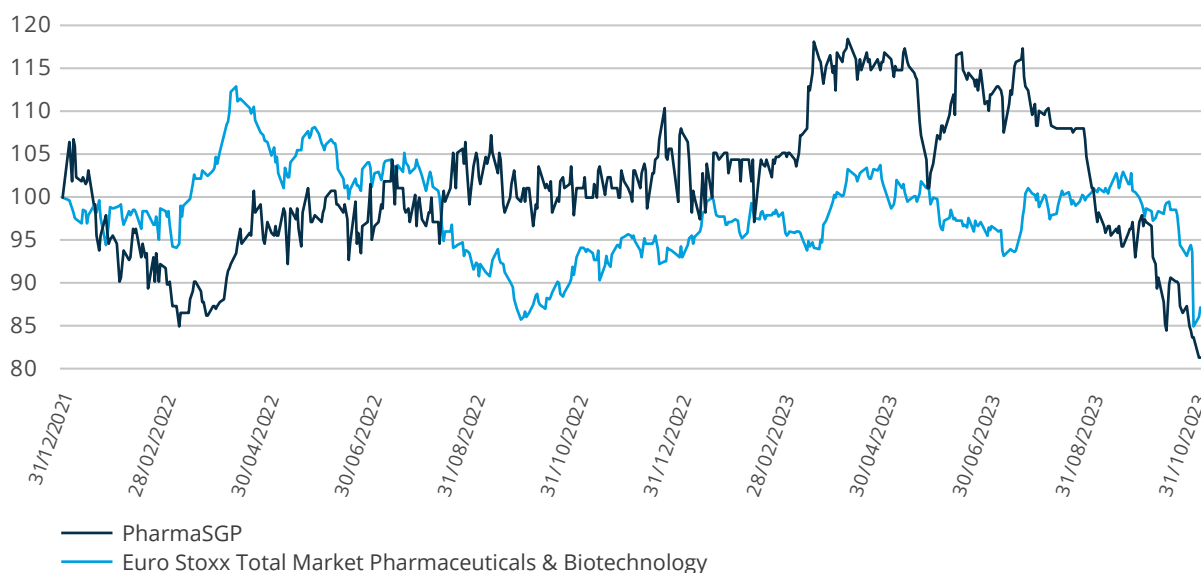
Adjusted EBITDA
in € thousand



PharmaSGP on the Capital Market

After the PharmaSGP share had briefly declined in the first quarter of 2022 due to uncertainties on the stock markets in connection with the war in Ukraine, the share price has continuously developed positively since March 2022. Since March 2023, the share price has experienced a surge, reaching a high of € 29.30 on 6 April 2023 for the period under review from January 2022 to October 2023. On 31 October 2023, the share price closed at € 20.10, corresponding to a market capitalization of € 241.2 million or a share price performance of -18.6% over this period. The benchmark index Euro Stoxx Total Market Pharmaceuticals & Biotechnology achieved a performance of -12.7 % in the same period.

Share Price*



* based on Xetra closing prices of Deutsche Börse AG
31 December 2021 = 100

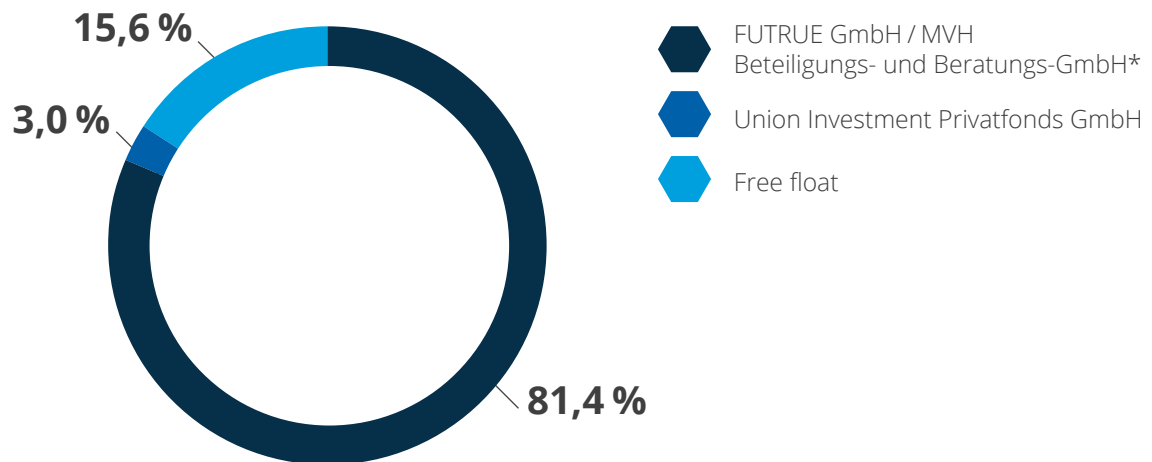
Master Data of the Share*

Security Identification Number (WKN)	A2P4LJ
ISIN	DE000A2P4LJ5
Ticker symbol	PSG
Type of shares	Ordinary bearer shares with no par value (no-par value shares)
Initial listing	19 June 2020
Number of shares	12.0 million
Closing price* (31 October 2023)	€ 20.10
High / low*	€ 29.30 / € 20.10
Market capitalization (31 October 2023)	€ 241.2 million
Stock exchange / segment	Frankfurt Stock Exchange / Prime Standard
Designated sponsor	Joh. Berenberg, Gossler & Co. KG

* based on Xetra closing prices of Deutsche Börse AG

Shareholder Structure

Information based on the voting rights notifications received pursuant to the German Securities Trading Act, WpHG and other disclosed information (as of October 2023)



* Based on a voting agreement between FUTURE GmbH and MVH Beteiligungs- und Beratungs-GmbH, there is a mutual attribution of voting rights between FUTURE GmbH and MVH Beteiligungs- und Beratungs-GmbH with regard to all shares held by them in PharmaSGP Holding SE.

Economic Report

Course of Business of PharmaSGP

In Germany, PharmaSGP's core market, the economy in the first nine months of the year was impacted by high energy prices resulting from the Russian war against Ukraine, the tightening of monetary policy and the global economic slowdown. Against this backdrop and, in particular, a reluctance to consume, the German economy was only able to develop little momentum in the third quarter of 2023¹, resulting in a gross domestic product (GDP) decrease of 0.3 % compared to the previous quarter, according to projections by the Kiel Institute for the World Economy (IfW). In the second quarter, GDP in Germany showed zero quarter-on-quarter growth, after a slight decrease by 0.1 % in the first quarter of 2023.²

Due to the gloomy outlook for the German economy, the economic researchers forecast a decline in GDP of 0.5 % for the full year 2023 in their publication from the beginning of September 2023, after a smaller decline of just 0.3 % was forecast in the summer.³ For the following year, however, the IfW expects macroeconomic production to pick up again and German GDP to grow by 1.4 %. Although the Kiel-based economic researchers also expect GDP in the Eurozone to stagnate in 2023, positive growth of 0.6 % is forecast. Eurozone GDP is then expected to increase by 1.4 % in 2024, in line with Germany.⁴

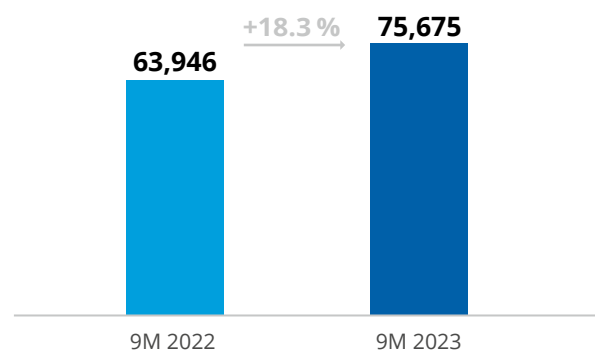
Global drivers such as a growing world population or increasing life expectancy are ensuring that companies in the pharmaceutical and healthcare market worldwide enjoy growth that is comparatively independent of economic cycles. Pharmaceutical companies were also less affected by the current easing of the inflation crisis compared to the rest of the industry, as consumers prefer not to save on their health. This is also reflected in the positive outlook for the OTC market. From 2023 to 2028, an annual growth of 3.1 % is expected in Germany and 4.4 % in Europe.^{5,6}

Compared to the prior-year period, the German pharmacy market recorded slight revenue growth of 1.9 % in the first nine months of 2023.⁷ The OTC market recorded revenue growth of 9.6 % in the same period.⁸

Against this backdrop, PharmaSGP also managed to exceed the already high revenue level of the previous quarter once again in the third quarter at € 25,966 thousand. Accumulated revenues for the first nine months of 2023 amounted to € 75,675 thousand, an increase of 18.3 % compared to the previous year. PharmaSGP is therefore once again outperforming the comparable market. PharmaSGP also made significant progress in terms of profitability. In the third quarter of 2023, adjusted EBITDA of € 9,379 thousand or 36.1 % of revenues was achieved. For the nine-month period, adjusted EBITDA amounted to € 24,717 thousand or 32.7 % of revenues.

Revenues Development

Revenues
in € thousand



- Steady revenue growth continues in the third quarter of 2023.
- Growth is achieved in almost all indication areas of the Health Brands category and also in the Beauty Brands category.

1 Institut für Weltwirtschaft (2023), Kieler Konjunkturberichte, Deutsche Wirtschaft im Frühjahr 2023, p. 3

2 Ibid., p. 4

3 Ibid., p. 3

4 Institut für Weltwirtschaft (2023), Kieler Konjunkturberichte, Weltwirtschaft im Herbst 2023, p. 22

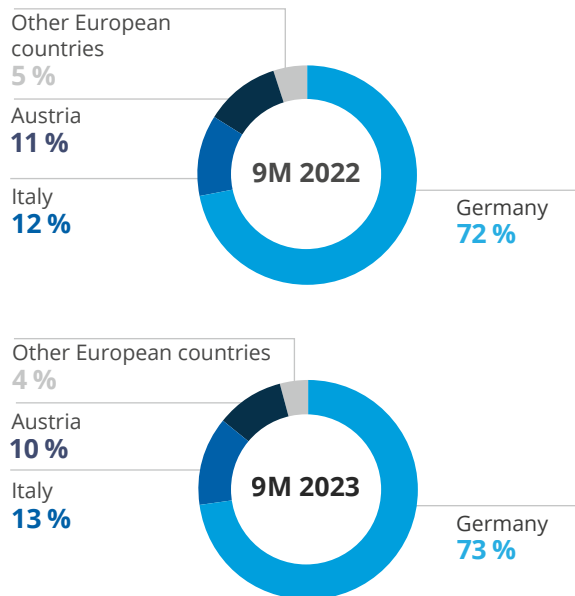
5 <https://de.statista.com/outlook/cmo/otc-pharma/deutschland>

6 <https://de.statista.com/outlook/cmo/otc-pharma/europa#:~:text=Laut%20Prognose%20>

7 IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 3. Quartal 2023, p. 4

8 IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 3. Quartal 2023, p. 25

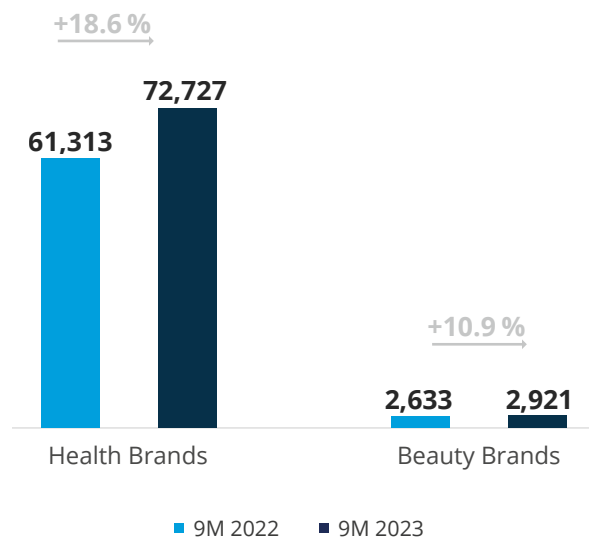
Revenues by Region



- Main growth contributors in the nine-month period were the German (+20.6%) and Italian (+23.6%) markets.
- Germany remains the key market by volume.

Revenues by Category

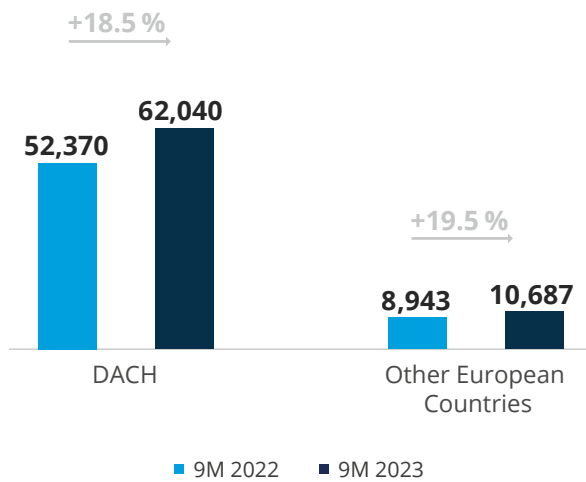
in € thousand



- Growth is driven by almost all indication areas of the Health Brands (+18.6%), the main focus in PharmaSGP's portfolio strategy.
- Beauty Brands develop as expected on a solid level, especially in the DACH region.

Revenues Health Brands

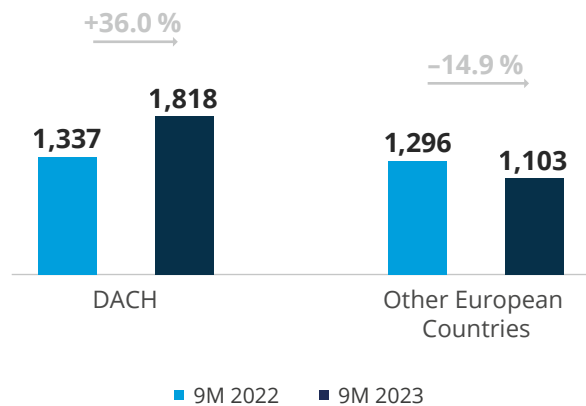
in € thousand



- The main growth markets are Germany and Italy, which grew by 62.1 % year-on-year in the third quarter of 2023 alone.
- Thus, internationalization is progressing as planned.

Revenues Beauty Brands

in € thousand



- Growth in DACH region results from increased demand in skincare products in Germany.
- In other European countries, Beauty Brands remain on a solid level.

Earnings Development

In the nine-month period of 2023, PharmaSGP achieved an adjusted EBITDA of € 24,717 thousand, which corresponds to a margin of 32.7 %. Compared to the prior year period, adjusted EBITDA has significantly improved by € 4,341 thousand or 21.3 %. The adjusted EBITDA margin has improved by 0.8 percentage points.

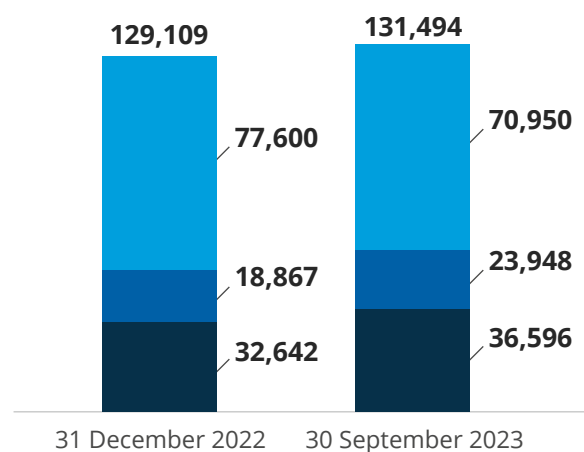
in € thousand	9M 2023	9M 2022	Change
adjusted EBITDA	24,717	20,376	21.3 %
adjusted EBITDA margin	32.7 %	31.9 %	
One-time effects	-40	535	
unadjusted EBITDA	24,757	19,841	24.8 %
unadjusted EBITDA margin	32.7 %	31.0 %	

The increase in adjusted EBITDA margin results from improvements in COGS and administrative expenses. The COGS quota decreased from 10.8 % in the previous year to 9.2 %. The marketing quota of 44.4 % remains on the prior year level (44.1 %). Other operating expenses could be reduced from 7.7 % in relation to revenues to 6.8 % in the current reporting period.

In the nine months of 2023, one-time costs and special effects mainly comprise expenses for the long-term compensation of the Management Board and planned acquisitions. The calculation of the adjustment items is applied steadily, resulting in a negative adjustment amount in the nine-month period of 2023.

Asset Position

Assets in € thousand



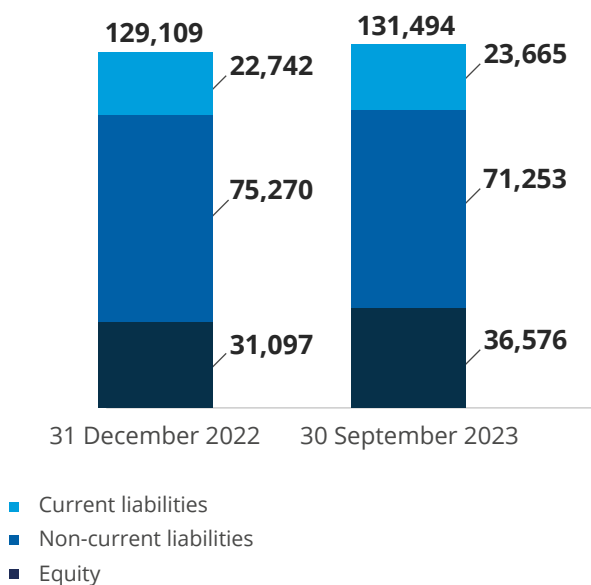
- Non-current assets
- Other current assets
- Cash and cash equivalents

Compared to last year's balance sheet date, **non-current** assets have decrease by 8.6 % to € 70,950 thousand as of 30 September 2023. This mainly results from regular depreciation and amortization of intangible assets, property, plant and equipment (PPE) and capitalized right-of-use assets, and from the decrease in the non-current portion of the fair value of interest rate hedges.

Cash and cash equivalents have increased by € 3,954 thousand or 12.1 % due to the positive earnings position and the resulting positive net cash inflows from operating activities. The increase in **other current assets** by € 5,081 thousand mainly stems from increased inventories and trade receivables.

Equity and liabilities

in € thousand



Since the last balance sheet date, the **equity position** has increased by 17.6 % to € 36,576 thousand as of 30 September 2023. This change results from the profit of the period of € 11,648 thousand, a dividend payment of € 5,875 thousand, a reduction of the cash flow hedge reserve of € 8 thousand, and the purchase of treasury shares in the amount of € 286 thousand, that are recognized as a reduction in equity. The cash flow hedge reserve was presented in the item "Accumulated other comprehensive income" as of 31 December 2022; as of 30 September 2023, this position is subsumed in the item "Other reserves" together with treasury shares.

The Management Board of PharmaSGP Holding SE has decided on 3 January 2023, with the approval of the Supervisory Board, utilizing the authorization of the General Meeting of 28 May 2020, to buy-back up to a maximum of 60,000 shares of the Company at a total maximum aggregate purchase price without ancillary costs of up to € 1.5 million. The buy-back program started on 4 January 2023 and was terminated in the first half of 2023. Overall, 9,787 shares were purchased at an amount of € 286 thousand.

Non-current liabilities have decreased by € 4,017 thousand since the last balance sheet date, mainly due to regular redemption of the syndicate financing. **Current liabilities**, however, have increased by € 923 or 4.1 %, mainly from increased trade payables.

Financial Position

in € thousand	9M 2023	9M 2022
Net cash flows from operating activities	17,412	16,005
Net cash flows used in investing activities	-645	-716
Net cash flows used in financing activities	-12,813	-7,746
Net increase in cash and cash equivalents	3,954	7,543
Cash and cash equivalents as of 1 January	32,642	20,824
Cash and cash equivalents as of 30 September	36,596	28,367

Compared to the prior year period, cash flows from **operating activities** have increased by 8.8 %. The improvement results from the increased operating result (unadjusted EBITDA +24.8 %). This improvement is altered by an increase in working capital and higher income tax prepayments.

Cash flows used in **investing activities** were mainly incurred for PharmaSGP's marketing authorizations.

A total of € 12,813 thousand was spent for **financing activities**, mainly for the regular redemption of the syndicate financing, the corresponding interest payments and the annual dividend payment. On 28 June 2023, the Annual General Meeting decided to distribute dividends of € 5,875 thousand, that were paid out since 3 July 2023.

Condensed Interim Consolidated Financial Statements as of 30 September 2023

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

in € thousand	9M 2023	9M 2022
Revenues	75,675	63,946
Other operating income	126	175
Raw materials, consumables and finished goods	-6,999	-6,875
Personnel expenses	-5,326	-4,262
Marketing expenses	-33,562	-28,232
Other operating expenses	-5,157	-4,911
Earnings before interest, taxes, depreciation and amortization (EBITDA)	24,757	19,841
Depreciation and amortization	-7,009	-6,886
Earnings before interest and taxes (EBIT)	17,748	12,955
Finance income	1,389	-
Finance expenses	-3,561	-1,495
Profit before taxes	15,576	11,460
Income tax expense	-3,928	-2,849
Profit for the period	11,648	8,611
of which attributable to shareholders of PharmaSGP Holding SE	11,648	8,611
Basic and diluted earnings per share (€)	0.97	0.72

Condensed Consolidated Statements of Other Comprehensive Income

in € thousand	9M 2023	9M 2022
Profit for the period	11,648	8,611
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Gains and losses from cash flow hedges	-10	2,853
Attributable income taxes	2	-701
Items that will not get reclassified to profit or loss:		
---	-	-
Other comprehensive income, net of taxes	-8	2,152
Total comprehensive income	11,640	10,763
of which attributable to shareholders of PharmaSGP Holding SE	11,640	10,763

Condensed Consolidated Statements of Financial Position

in € thousand	30 September 2023	31 December 2022
Assets		
Non-current assets		
Intangible assets	67,872	73,943
Property, plant and equipment (PPE)	322	365
Right-of-use assets	987	1,208
Other non-current financial assets	1,769	2,084
Total non-current assets	70,950	77,600
Current assets		
Inventories	9,640	7,002
Trade and other receivables	10,104	7,799
Other assets	2,442	2,521
Other financial assets	1,454	1,240
Income tax assets	308	305
Cash and cash equivalents	36,596	32,642
Total current assets	60,544	51,509
Total assets	131,494	129,109
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	12,000	12,000
Capital reserve	38,120	38,120
Retained earnings	-15,596	-21,369
Other reserves	2,052	2,346
Total shareholders' equity	36,576	31,097
Non-current liabilities		
Provisions	74	166
Financial liabilities	69,306	73,059
Lease liabilities	563	816
Deferred tax liabilities	1,310	1,229
Total non-current liabilities	71,253	75,270
Current liabilities		
Provisions	2,921	3,024
Financial liabilities	7,716	7,659
Trade payables	10,024	8,786
Other liabilities	1,077	1,181
Other financial liabilities	643	1,688
Lease liabilities	444	404
Income tax liabilities	840	-
Total current liabilities	23,665	22,742
Total shareholders' equity and liabilities	131,494	129,109

Condensed Consolidated Statements of Cash Flows

in € thousand	9M 2023	9M 2022
Profit for the period	11,648	8,611
Depreciation and amortization of intangible assets, PPE and right-of-use assets	7,009	6,886
(Increase) / decrease in inventories	-2,638	-2,134
(Increase) / decrease in trade and other receivables	-2,305	-2,918
(Increase) / decrease in other assets	-427	-258
Increase / (decrease) in trade payables	1,326	3,480
Increase / (decrease) in other (financial) liabilities	-1,149	333
Increase / (decrease) in provisions	-196	84
Interest (income) and expense	3,036	1,387
Income tax expense	3,928	2,849
Income tax payments	-3,007	-2,315
Interest paid	-2	-
Interest received	189	-
Net cash flows from operating activities	17,412	16,005
Payments for investments in intangible assets	-597	-614
Payments for investments in PPE	-48	-102
Net cash flows used in investing activities	-645	-716
Dividends paid	-5,875	-5,400
Purchase of treasury shares	-286	-
Proceeds from derivatives	634	-
Payments from the settlement of derivatives	-37	-
Proceeds from financial liabilities, net of other financing expenses	-	83,838
Repayment of financial liabilities and other financing expenses	-4,029	-85,000
Repayment of lease liabilities	-329	-318
Interest paid	-2,891	-866
Net cash flows used in financing activities	-12,813	-7,746
Net increase in cash and cash equivalents	3,954	7,543
Cash and cash equivalents as of 1 January	32,642	20,824
Cash and cash equivalents as of 30 September	36,596	28,367

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This interim statement is also available in German and can be downloaded in both languages from the Internet at <https://ir.pharmasgp.com>. In the event of deviations, the German version takes precedence over the English translation.

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