PharmaSGP with strong revenue and EBIT growth and increased profitability in the first half of 2020

- **Group revenues rise significantly by 7.2% to € 33.8 million, adjusted EBIT increases disproportionately by 17.7% to € 10.6 million**
- **Strong revenue development driven mainly by foreign markets and Health Brands**
- **Consistent expansion of the product portfolio and advancing internationalization key drivers of the positive development**
- **Forecast for 2020: Management Board expects revenue growth and adjusted EBIT margin to increase further compared to the first half of 2020**

Gräfelfing, Germany, September 10, 2020 – PharmaSGP Holding SE continued on its successful course in the first half of 2020 despite a market environment strongly influenced by the corona pandemic. On the basis of preliminary figures, PharmaSGP increased its revenue by around 7%, driven by developments in foreign markets and the strong performance of the product category "Health Brands". EBIT adjusted for non-recurring expenses in connection with the preparations for the IPO increased disproportionately and resulted in an EBIT margin of 31.5%.

On a regional level, the 7.2% increase in Group revenue to € 33.8 million (H1 2019: € 31.6 million) was based on the growth rate in Germany that clearly outperformed the market, as well as to a great extent on the further expansion of international activities.

In the first half of 2020, PharmaSGP developed its product range very successfully via line extensions, entry into new indication areas and the further expansion of international markets. With a total of seven product launches, PharmaSGP exceeded the originally planned number of new products. The product range of the RubaXX brand was successfully expanded in Germany, for example, and the number of indication areas was increased by the drug Meliston, a natural aid against anxiety and dizziness. PharmaSGP strengthened the Austrian market in the first half of 2020 by expanding the RubaXX brand family and launching the Restaxil gel against nerve pain.

Group revenue in Germany increased in the first half of 2020 at a growth rate of 4.9% to € 24.6 million, which is significantly above the market average; this equates to a 72.7% share of sales (H1 2019: € 23.4 million or 74.2%). The successful regional expansion course in the first half of 2020 contributed even more to the overall growth. Sales revenues in foreign markets increased by 13.8% to € 9.2 million or a share of 27.3% of total revenue (H1 2019: € 8.1 million or 25.8%).

The consistent implementation of the strategy is also reflected in the significant increase in sales in the product category "Health Brands," which rose by € 5.1 million to € 28.6 million in the first half of the year. In the German-speaking countries, this product category, which is the main focus of PharmaSGP's product strategy, grew by 20.3%, in the rest of

Europe by 29.9%. As expected, the product category "Beauty Brands" decreased by € 2.4 million to a revenue of € 5.2 million (H1 2019: € 7.6 million).

As a result of the overall quite positive development of the business in Germany and abroad, earnings before interest and taxes (EBIT), adjusted for non-recurring expenses[1] in connection with the preparation of the IPO, increased disproportionately to sales by 17.7% to € 10.6 million (H1 2019: € 9.0 million). The adjusted EBIT margin as a percentage of sales thus increased to 31.5% (H1 2019: 28.7%). Unadjusted EBIT amounted to € 9.5 million, which equates to an EBIT margin of 28.2%.

"We have a clear competitive advantage as a pure-play consumer health company with a clear focus on end consumers, a flexible D2C marketing approach and a very dynamic portfolio development. The positive development of revenue and earnings in the first half of the year confirms once again that we have the right strategy. We will consistently pursue this course in the second half of the year and beyond. We are convinced that with our superior business model, we are very well positioned for the future to be able to exploit the attractive market potential ahead of us," said Natalie Weigand, CEO of PharmaSGP.

In the opinion of the strategy consultants Sempora Consulting, the strengths of the PharmaSGP business model became particularly evident during the market changes caused by the corona pandemic in the first half of 2020. In a performance comparison between close to 50 competitors on how they developed during the first half of the year, PharmaSGP ranked first by far.

In view of the good market positioning, the large number of further product launches planned and, in particular, the imminent launch of the first PharmaSGP drugs in the French market, the Management Board is optimistic. For the full year 2020 the Management Board expects to be able to increase the revenue growth rate of the first half of 2020 as well as to improve the EBIT margin of the first half of the year. These expectations are based on the assumption that there will not be another comprehensive lockdown in the second half of 2020 in connection with the corona pandemic in PharmaSGP's target markets and that product launches proceed as planned.

PharmaSGP will publish the full report for the first half of 2020 on September 30, 2020, at ir.sgp-pharma.com in the "Publications" section.

[1] The one-time costs amounted to EUR 1.1 million and include costs such as the setup of organizational and legal structures of the PharmaSGP Group.

OVERVIEW OF PRELIMINARY H1 FIGURES YEAR-ON-YEAR

Group figures (in € million)	H1 2019	H1 2020	CAGR
Revenues	31.6	33.8	7.2%
Adjusted EBIT	9.0	10.6	17.7%
Unadjusted EBIT	9.0	9.5	5.3%
Adjusted EBIT margin	28.7%	31.5%	
Unadjusted EBIT margin	28.7%	28.2%	

Revenue by region (in € million)	H1 2019	H1 2020	CAGR
Revenue in Germany	23.4	24.6	4.9%
Revenue in Italy	3.4	4.1	21.1%
Revenue in other European countries	4.7	5.1	8.5%

Share of revenue by region	H1 2019	H1 2020
Revenue in Germany	74.2%	72.7%
Revenue in Italy	10.8%	12.1%
Revenue in other European countries	15.0%	15.2%

Revenue by product category (in € million)	H1 2019	H1 2020	CAGR
Health Brands	23.6	28.6	21.5%
Beauty Brands	7.6	5.2	-31.8%

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ABOUT PHARMASGP HOLDING SE

PharmaSGP is a pure-play consumer health company with a broad portfolio of leading chemical-free non-prescription pharmaceuticals sold over the counter (“OTC”) and other healthcare products. PharmaSGP’s products are sold exclusively through pharmacies. Its products are based on natural active pharmaceutical ingredients with documented efficacy and fewer known side effects than most chemical-based pharmaceuticals.

The Company’s core brands cover chronic indications, including pain and other age-related ailments. In Germany, PharmaSGP is the market leader for systemic chemical-free pain remedies with its brand families RUBAXX® for rheumatic pain and Restaxil® for neuralgic pain. Furthermore, PharmaSGP has introduced leading products against sexual weakness and vertigo symptoms.

Since introducing the first product from its current product portfolio in 2012, PharmaSGP has successfully exported its business model to other European countries, including

Austria, Italy, France, Belgium and Spain, and it recently obtained marketing authorizations for three of its best-selling products in France.

PharmaSGP generated revenues of €62.6 million at an EBIT margin of 35.8% in 2019. In order to further expand its competitive position, PharmaSGP plans to increase the number of indications covered by PharmaSGP's product offering, leverage established brand families to introduce new chemical-free OTC and other healthcare products, increase PharmaSGP's European footprint, and accelerate its growth strategy by capitalizing on selected M&A opportunities.