

Interim Statement  
**Q3 2020**

# PharmaSGP at a Glance

PharmaSGP is a pharmaceutical company with a broad portfolio of leading chemical-free, over-the-counter (OTC) pharmaceuticals and other healthcare products.

Our drugs are based on natural active pharmaceutical ingredients with documented efficacy and fewer known side effects. With our products that are exclusively sold through pharmacies, we have trusted brands for many relevant chronic indications that are leaders in their respective categories. For example, PharmaSGP is the market leader in Germany for systemic, chemical-free OTC pain remedies with its brands RubaXX®

for rheumatic pain and Restaxil® for neuralgic pain (nerve pain).

Furthermore, our drugs for the treatment of sexual weakness marketed under the DESEO® and Neradin® brands are the leading chemical-free OTC products in their category in Germany.

Since the launch of the first product from the current portfolio in Germany in 2012, we have successfully exported our business model to other European countries such as Austria, Italy, Belgium, Spain and France.

## Highlights Jan-Sep 2020



Highly profitable growth course continued in Q3 2020



Consistent expansion of product portfolio throughout the reporting period and advancing internationalisation



"Health Brands" product category grows by 18.2% to € 41.7 million (9M 2020)

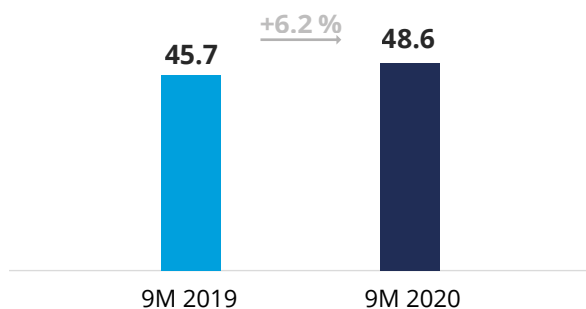


Foreign markets revenues increase by 21.4% to € 15.0 million – share of total revenues rises to 30.8% (9M 2020)

## Overview of Performance Indicators

### Consolidated Revenues

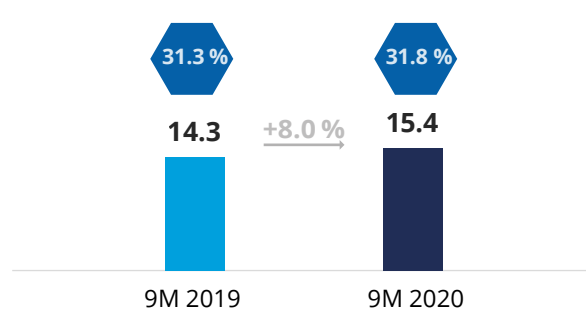
in € million



■ Change

### Adjusted EBIT<sup>1</sup>

in € million



■ Change ■ Adjusted EBIT margin

<sup>1</sup> Adjusted for one-time effects

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# Foreword by the Management Board

**Dear Ladies and Gentlemen,  
Dear Shareholders,**

We continued our highly profitable growth course in the third quarter of the 2020 fiscal year. The positive trend in foreign markets as well as the company's systematic expansion of its portfolio in the "Health Brands" product category represented the key growth drivers in this context. This reflects the successful implementation of our overall strategy: expansion of the product portfolio through new products under existing brands, development of new indication areas, and expansion of our international market presence. The focus was on our pain relief brands RubaXX® and Restaxil®, whose product range was further successfully expanded in Germany, Austria and Italy, among other countries - for example with Rubaxx® Gout, RubaXX® Estratto for joint function, an innovative CBD gel under the Restaxil® brand or a high-quality Restaxil® dietary supplement specifically designed to support nerve health.

In the first nine months of the year, we grew our consolidated group revenues by 6.2% to € 48.6 million. At the same time, the Group's for one-time effects adjusted EBIT increased by 8.0% to € 15.4 million. Our profitability thereby improved year-on-year to reflect an adjusted EBIT margin of 31.8%. We achieved these successes within a challenging environment, which in the third quarter of 2020 was also affected by the global COVID-19 pandemic. According to studies by Sempora Consulting, sales figures in the German OTC market - one of the largest markets in Europe - were still slightly below the previous year's level. The recovery phase that has been evident since mid-June continued in the third quarter, albeit with reduced momentum. With this performance, we - as a consumer health company - have been able to maintain our position in this market environment.

In the first two months of the fourth quarter of 2020, we continued to consistently implement our strategy. For example, we began advertising our new drugs Tipurex (RubaXX®) for rheumatic pain and Lonvect (Neradin®) for sexual weakness in the French market, and launched numerous other new products in Germany and abroad.

With regard to the COVID-19 pandemic, the fourth quarter has so far unfortunately been characterised by rapidly increasing infection figures, which are significantly higher than in spring. As a result, restrictions on public life in our target markets such as Italy, France and Austria have again been significantly extended, in some cases to the point of hard and comprehensive lockdowns.

While the COVID-19 pandemic in early 2020 had only a minor impact on our business performance, this massively aggravated situation in European countries also had a negative impact on our sales performance and distribution in the fourth quarter. In particular for the new products launched from the end of the third quarter, sales figures are not developing as dynamically as usual and are not in line with the planning for the fourth quarter anticipated by the Management Board. This applies in particular to the newly launched products Lonvect® and Tipurex® in France. Quarantine-related staff shortages at logistics partners lead to delayed delivery of our products. In addition, our new products experience a significantly slower distribution set-up due to staff-related delays in booking the products into the wholesalers' catalogues.

Our previous forecast for the full year was based on the assumption that there will be no further comprehensive lockdown in the second half of 2020 in connection with the COVID-19 pandemic in the target markets of PharmaSGP and that product launches will contribute to growth as planned. As a result of the factors described above, we now expect revenue growth and an EBIT margin below the previous forecast. In view of the current situation, which is characterized by the COVID-19 pandemic, it is not yet possible to make a reliable estimate of revenue and earnings development for the fourth quarter and thus also for the concrete business development for the full year 2020.

Despite the current temporary situation, we are convinced that in 2021 we will continue on the highly profitable growth course we have taken so far. The business results of the first nine months confirm our business model with a clear focus on end consumers, a flexible D2C sales approach and a very dynamic portfolio development.

In addition to organic growth, we intend to focus more on growth options through acquisitions. Here we are concentrating on opportunities that enable us to further expand current indications, add new indications and accelerate regional expansion. An acquisition target's potential to add value is always a key criterion for us. This strategy will help to further advance the growth of our Group on its path to becoming the leading European specialist for chemical-free OTC drugs.

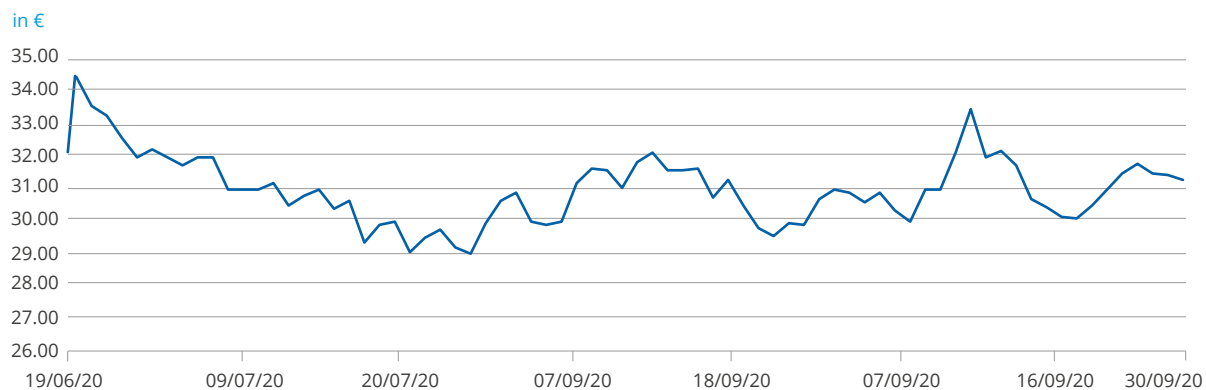
Gräfelfing, November 2020

Natalie Weigand (CEO)

Michael Rudolf (CFO)

# PharmaSGP on the Capital Market

## Share Price\*



\* Based on the opening price of the first trading day on 19 June 2020 and the Xetra closing prices of Deutsche Börse AG until the end of the third quarter.

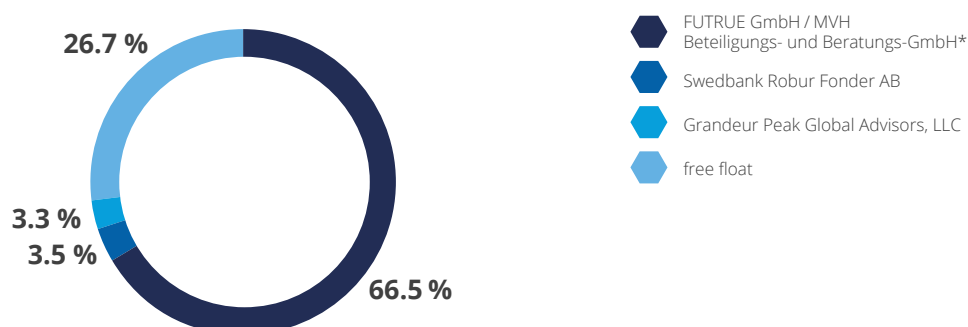
## Master Data on the Share

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 (30 September 2020)	€ 31.30
High / low	€ 34.50 / € 28.65
Share price performance	-2.19 %
Market capitalisation (30 September 2020)	€ 376 million
Stock exchange / segment	Frankfurt Stock Exchange / Prime Standard
Designated sponsor	Joh. Berenberg, Gossler & Co. KG

\* Closing prices on the Xetra trading system of Deutsche Börse AG

## Shareholder Structure

Information based on voting rights notifications according to the German Securities Trading Act, WpHG (as of November 2020).



\* Based on a voting agreement between FUTRUE GmbH and MVH Beteiligungs- und Beratungs-GmbH, a mutual attribution of voting rights taken place between FUTRUE GmbH and MVH Beteiligungs- und Beratungs-GmbH with regard to all shares they hold in PharmaSGP Holding SE.

# Business and Financial Report

## PharmaSGP Business Performance

In the first nine months of 2020, PharmaSGP further increased both its revenues and profitability compared to the previous year. This was achieved in a challenging environment that was also affected by the global COVID-19 pandemic in the third quarter of 2020. In line with the strategy the company has defined, the product portfolio was successfully and systematically developed further by launching new products under existing brands, opening up new indication areas, and expanding the international markets.

In the first half of the year, the product range of the RubaXX® brand was successfully expanded in Germany by including the RubaXX® Cannabis CBD Gel (cosmetic). In Austria, our most important brand families have been systematically expanded by including the drugs RubaXX® Arthro and RubaXX® Plus, and the introduction of the RubaXX® Cannabis CBD Gel. The launch of the Restaxil® nerve pain gel also further strengthened the Austrian market. In addition the number of indication

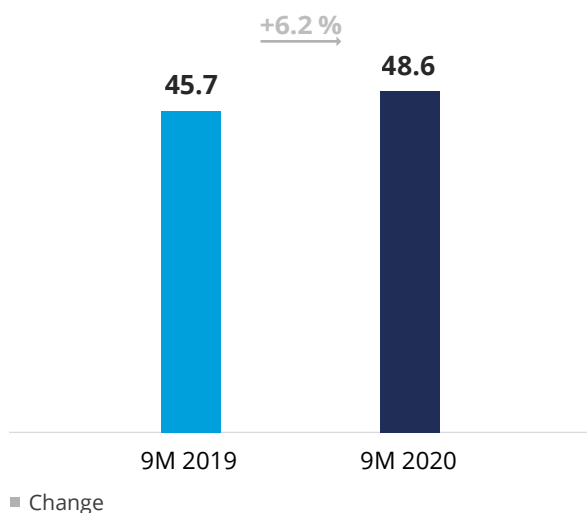
areas for the German market was expanded with the drug MELISTON®, a natural aid against anxiety and dizziness.

We continued to broaden the product portfolio successfully during the course of the third quarter. RubaXX® Gicht, a drug for the treatment of gout and rheumatism, strengthens the RubaXX® portfolio in Germany. An innovative CBD gel was introduced in Germany under the Restaxil® brand. In addition, Restaxil UMP B-Complex, a high-quality dietary supplement specially designed to support nerve health, has been rolled out in Germany and Austria. RubaXX Estratto, a triple phytocomplex for joint function, was added to the RubaXX® brand in Italy. The Mavosten® brand was also further expanded at the end of the third quarter to include Mavosten Forte.

## Revenue Development

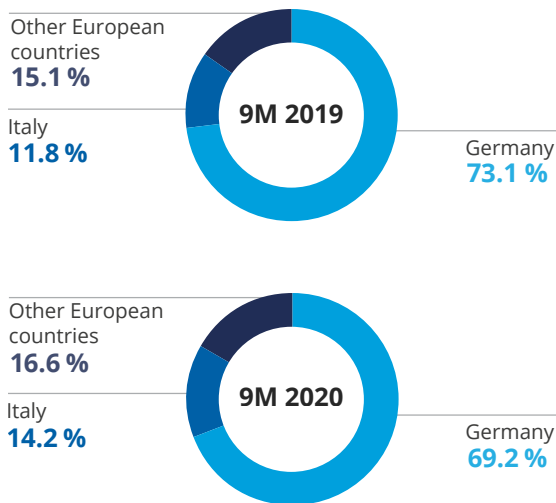
### Consolidated revenues

in € million



- Highly profitable growth course due to consistent implementation of the growth strategy.
- The positive trend in foreign markets as well as the company's systematic expansion of its portfolio in the "Health Brands" product category were the key growth drivers.

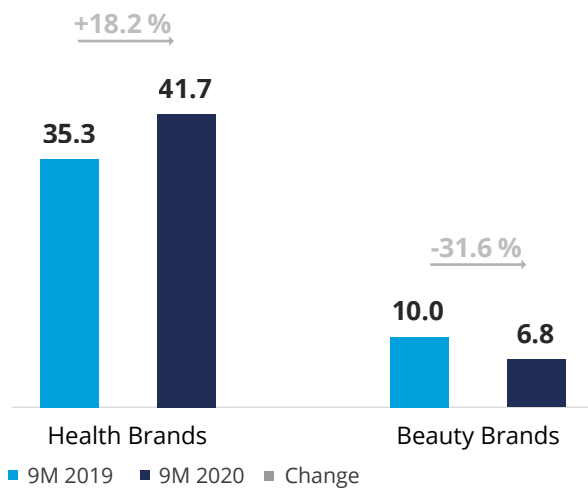
### Revenues by country



- Revenues in Germany reported slight growth to a total of € 33.6 million (9M 2019: € 33.4 million) – despite an OTC market which in Q3 was also below the previous year's level due to the COVID-19 pandemic.
- Above-average revenue growth of 21.4 % in foreign markets.
- Positive business trends in Italy and Austria contributed significantly to growth abroad.
- Total foreign markets revenues increased by € 2.7 million to € 15.0 million (9M 2019: € 12.3 million).

### Revenues by product category

in € million

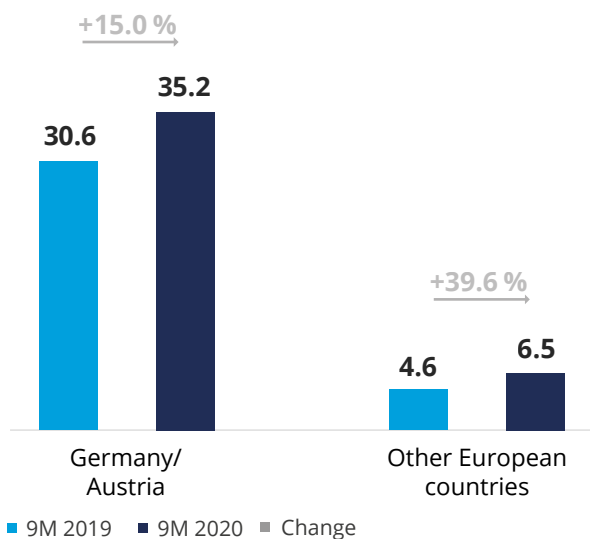


- PharmaSGP's main strategic focus is on the "Health Brands" product category.
- Revenues of the "Health Brands" product category grew significantly by 18.2 % compared to the previous year.
- As expected revenues of the "Beauty Brands" product category decreased.



## Revenue "Health Brands"

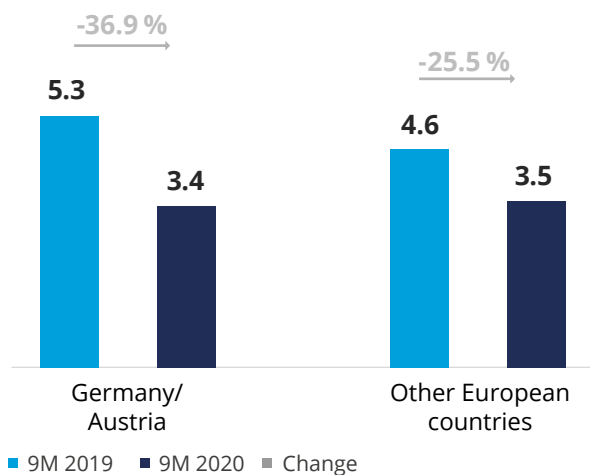
in € million



- In Germany and Austria, revenues increased by 15.0 %; in the rest of Europe, revenues rose by as much as 39.6 %.
- The successful further development of the product portfolio through line extensions and the development of new indication areas represent key factors in this context.
- In particular, the product range of the RubaXX® and Restaxil® brands was successfully strengthened both in the domestic market and abroad.

## Revenue "Beauty Brands"

in € million



- Expected decrease in revenues by 31.6 % to € 6.8 million.
- Decrease in revenues more pronounced in Germany / Austria compared to other EU markets.

## Earnings Development

Thanks to the overall positive business performance in Germany and abroad, earnings before interest and taxes (adjusted EBIT) adjusted for one-time effects increased by 8.0 % to € 15.4 million (prior year: € 14.3 million). The adjusted EBIT margin as a percentage of revenues rose to 31.8 % (prior year: 31.3 %). One-time effects amounted to around € 1.4 million, and include costs for the corporate and organisational structuring of the PharmaSGP Group, among other items. Unadjusted EBIT amounted to € 14.1 million, representing an unadjusted EBIT margin of 28.9 %.

### Earnings development: adjusted EBIT grows faster than revenues

in € thousand	9M 2019	9M 2020	Change
<b>Adjusted EBIT</b>	<b>14,293</b>	<b>15,438</b>	<b>+8.0 %</b>
<b>Adjusted EBIT margin</b>	<b>31.3 %</b>	<b>31.8 %</b>	
One-time effects		1,384	
Unadjusted EBIT	14,293	14,053	-1.7 %
Unadjusted EBIT margin	31.3 %	28.9 %	

## Events after the Reporting Period

With effect from 30 November 2020, the Supervisory Board terminated the contractual relationship with Maria-Johanna Schaecher as CBDO of PharmaSGP, thus complying with her request to resign from the Management Board of PharmaSGP for personal reasons. Both the Supervisory Board and the Management Board regret Maria-Johanna Schaecher's departure and wish her all the best both privately and professionally.

On 27 November 2020 PharmaSGP announced that the forecast for the full year 2020 will be adjusted due to a COVID-19-related weaker expected fourth quarter .

No other events have occurred since the end of of the reporting period, that would have substantial impact on the financial performance or financial position.

## Report on Expected Developments

In the report on expected developments, the Management Board addresses, as far as possible, the expected future development of PharmaSGP and the underlying assumptions in the 2020 fiscal year.

Assuming that there will be no further comprehensive lockdown in the second half of 2020 in connection with the COVID-19 pandemic in the target markets of PharmaSGP and that product launches will contribute to growth as planned, the Management Board had previously forecast a further increase in revenue growth and the adjusted EBIT margin for the full year 2020 compared to the first half of 2020. In the first half of 2020, PharmaSGP Group's revenue growth was 7.2 % year-on-year and the adjusted EBIT margin was 31.5 %.

The hard, partially comprehensive lockdowns in PharmaSGP's target markets as a result of the rapid rise in infection figures in recent weeks, are having a negative impact on sales performance and distribution in the fourth quarter. In particular for the new products launched from the end of the third quarter, sales figures are not developing as dynamically as usual and are not in line with the planning for the fourth quarter anticipated by the Management Board. In addition, quarantine-related staff shortages at logistics partners and wholesalers lead to restrictions in the logistics and distribution process with negative effects on the overall portfolio.

In view of the factors described above, the Management Board now anticipates revenue growth and an adjusted EBIT margin below the previous forecast. In view of the current situation, which is characterized by the COVID-19 pandemic, it is not yet possible to make a reliable estimate of revenue and earnings development for the fourth quarter and thus also for the concrete business development for the full year 2020.

# Interim Consolidated Financial Statements

## Consolidated Statements of Profit or Loss and Other Comprehensive Income for the 9 Months Ended at 30 September 2020 and 30 September 2019

in € thousand	9 months ended at	
	30 September 2020	30 September 2019
Revenues	48,556	45,722
Other operating income	1,691	279
Raw materials, consumables and finished goods	-4,168	-4,385
Personnel expenses	-2,734	-1,738
Depreciation and amortisation	-344	-291
Other operating expenses	-28,947	-25,294
<b>EBIT</b>	<b>14,053</b>	<b>14,293</b>
Finance income	5	19
Finance expenses	-99	-12
<b>Profit before taxes</b>	<b>13,959</b>	<b>14,300</b>
Income tax expense	-3,431	-3,434
<b>Profit for the period</b>	<b>10,528</b>	<b>10,866</b>
of which attributable to shareholders of PharmaSGP Holding SE	10,528	10,866
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>10,528</b>	<b>10,866</b>
of which attributable to shareholders of PharmaSGP Holding SE	10,528	10,866
Basic and diluted earnings per share (EUR):	0.88	0.91

## Consolidated Statement of Financial Position / Assets

in € thousand	30 September 2020	31 December 2019
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	1,587	1,394
Property, plant and equipment	337	-
Rights-of-use assets	421	254
Other non-current financial assets	60	-
Deferred tax assets	-	-
<b>Total non-current assets</b>	<b>2,405</b>	<b>1,648</b>
<b>Current assets</b>		
Inventories	3,494	2,096
Trade and other receivables	10,750	10,885
Other assets	312	102
Income tax assets	1	534
Cash and cash equivalents	6,604	88,476
<b>Total current assets</b>	<b>21,161</b>	<b>102,093</b>
<b>Total assets</b>	<b>23,567</b>	<b>103,741</b>

## Consolidated Statement of Financial Position / Liabilities

in € thousand	30 September 2020	31 December 2019
<b>Shareholders' equity and liabilities</b>		
<b>Shareholders' equity</b>		
Subscribed capital	12,000	-
Reserves attributable to shareholders	-11,133	-
Result of the period	10,528	-
Net assets attributable to shareholders <sup>1)</sup>	-	95,580
<b>Total shareholders' equity</b>	<b>11,394</b>	<b>95,580</b>
<b>Non-current liabilities</b>		
Non-current provisions	54	-
Non-current lease liabilities	191	-
Deferred tax liabilities	244	219
<b>Total non-current liabilities</b>	<b>489</b>	<b>219</b>
<b>Current liabilities</b>		
Provisions	677	738
Trade payables	7,708	811
Other liabilities	1,129	1,780
Financial liabilities	490	441
Lease liabilities	229	254
Income tax liabilities	1,451	3,919
<b>Total current liabilities</b>	<b>11,684</b>	<b>7,942</b>
<b>Total shareholders' equity and liabilities</b>	<b>23,567</b>	<b>103,741</b>

<sup>1)</sup> As of 31 December 2019, PharmaSGP Group was not a legally separable subgroup for which consolidated financial statements had to be prepared according to IFRS 10. For this reason, as of 31 December 2019, combined financial statements were prepared in which net assets attributable to shareholders were presented.

## Consolidated Statements of Cash Flow for the 9 Months Ended at 30 September 2020 and 30 September 2019

in € thousand	9 months ended at	
	30 September 2020	30 September 2019
Profit for the period	10,528	10,866
Depreciation, amortisation and impairment of intangible assets, PPE and right-of-use assets	344	291
(Increase) / decrease in trade and other receivables, inventories and other assets	-1,533	371
Increase / (decrease) in trade and other payables and other (financial) liabilities	6,295	-759
Increase / (decrease) in provisions	-7	-346
Interest expense	99	12
Interest income	-5	-19
Income tax expense	3,431	3,434
Income tax payments	-5,341	-1,195
Interest received	5	19
<b>Net cash flows from operating activities</b>	<b>13,815</b>	<b>12,675</b>
Payments for investments in intangible assets and PPE	-773	-243
<b>Net cash flows from investing activities</b>	<b>-773</b>	<b>-243</b>
Dividends paid	-94,833	-5,500
Repayment of lease liabilities	-101	-186
Interest paid	-99	-12
Payments (to) / from shareholders	120	0
<b>Net cash flows from financing activities</b>	<b>-94,914</b>	<b>-5,698</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>-81,872</b>	<b>6,733</b>
Cash and cash equivalents as of 1 January	88,476	77,008
<b>Cash and cash equivalents as of 30 September</b>	<b>6,604</b>	<b>83,742</b>

# Imprint

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