



Interim Statement
Q1 2022



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 indication areas, such as rheumatic and neuralgic pain or sexual weakness. 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. Thus, the indication "pain relief" is further strengthened, and the portfolio is successfully extended by "sleep disorders", one of the largest therapeutic areas in pharmacies.

Over the past nine 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

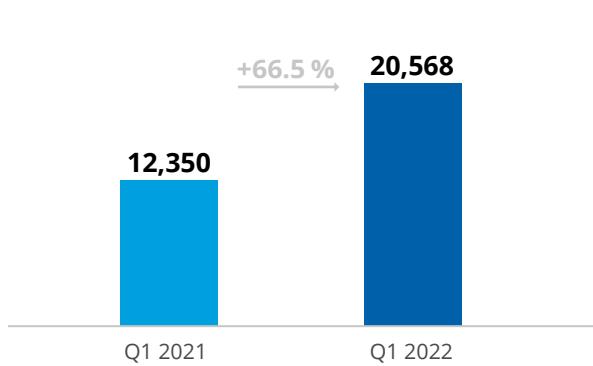
- A strong and specialized Direct-to-Consumer (D2C) marketing strategy
- A wide target group media reach of more than 130 million contacts per month

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.

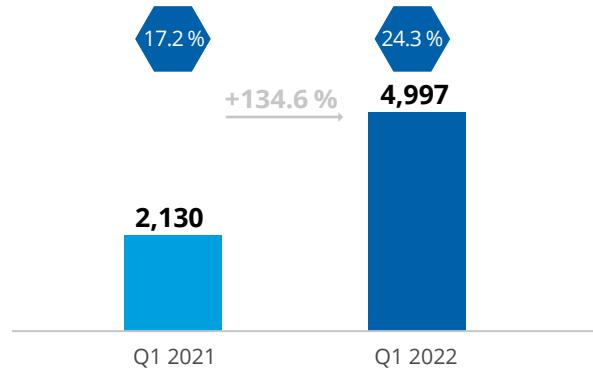
Since the launch of the first product from the current product portfolio in 2012, PharmaSGP has successfully transferred its business model to Austria, Italy, Belgium, France and Spain. Since September 2021, the Group has expanded its operations to Switzerland and Eastern European EU countries.

Overview of Performance Indicators

Revenues
in € thousand



Adjusted EBITDA
in € thousand

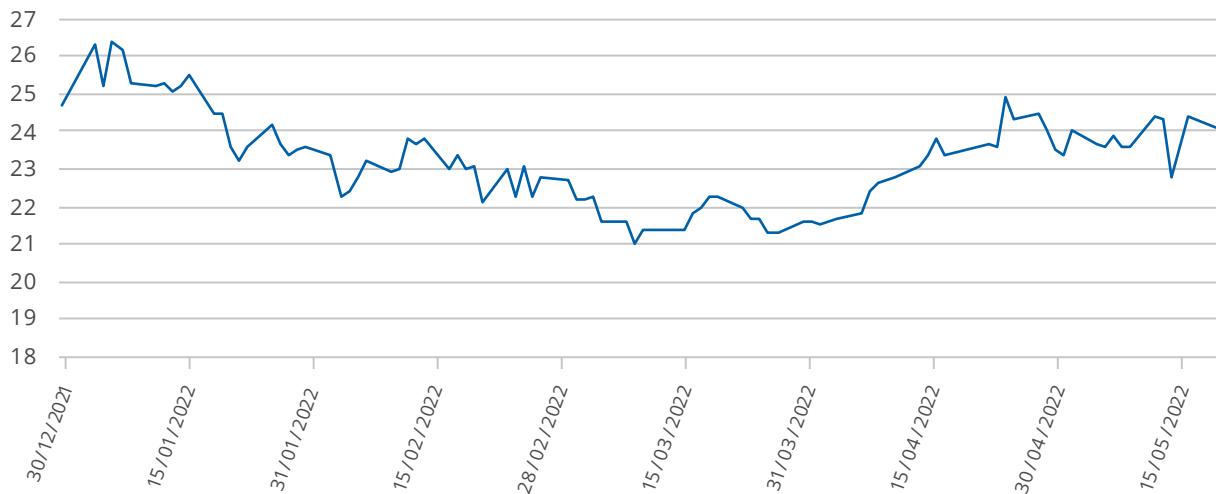


PharmaSGP on the Capital Market

After the share of PharmaSGP had recorded a strong upward jump at the turn of the year 2021/2022, it started the financial year 2022 at a price of € 24.70. As of 16 May 2022, the share closed at a price of € 24.10, which corresponds to a market capitalization of € 289.2 million and a share price performance of -2.4 % in this period. In the first quarter of 2022, uncertainties on the stock markets due to the war in Ukraine also impacted the share price of PharmaSGP. After a low point on 8 March 2022 with € 21.00, the share price has largely recovered and closed mid of May 2022 at € 24.10.

Share Price*

in €



* based on Xetra closing prices of Deutsche Börse AG

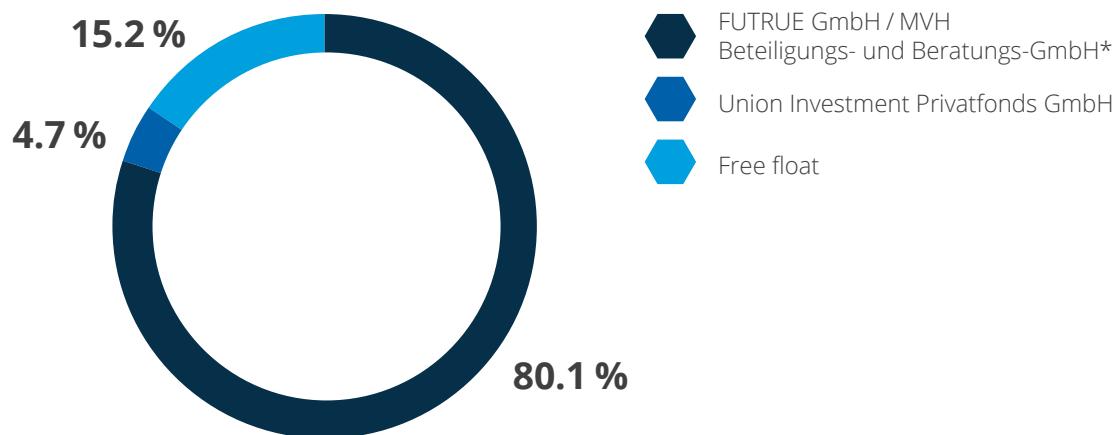
Master Data of the Share*

| | |
|--------------------------------------|--|
| 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* (16 May 2022) | € 24.10 |
| High/low* | € 26.45 / € 21.00 |
| Market capitalization (16 May 2022) | € 289.2 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 (as of May 2022)



* 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

Since the annual growth of 2.7 % in 2021 could not fully offset the losses in German gross domestic product (GDP) caused by the Covid-19-pandemic, the Kiel Institute for the World Economy (IfW) projected in winter 2021 a significant acceleration in German GDP growth to 4 % in 2022.^{1,2} However, as a result of the war in Ukraine and continuing effects of the Covid-19-pandemic, GDP in Germany decreased by 0.9 % in the first quarter of 2022 compared to the prior year. For the full year 2022, the IfW now expects a GDP increase by 2.1 %.³

In the long-term perspective, the pharmaceutical and healthcare market relevant to PharmaSGP will be driven by major, fundamental consumer trends. These include – among other factors – an ongoing aging of society and a continuously increasing health awareness as well as trends towards natural pharmaceuticals and increased self-medication. Sales of OTC pharmaceuticals are estimated to achieve annual growth rates from 2022 to 2025 of 2.4 % in Germany and 3.4 % in Europe.⁴

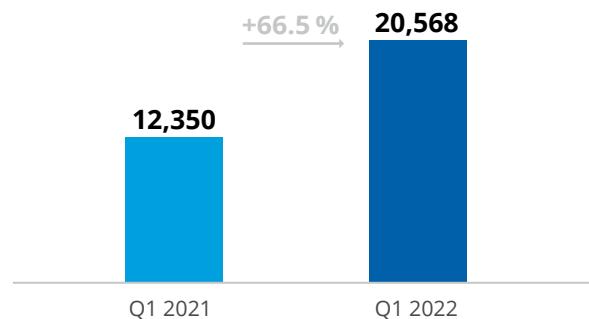
In the first quarter of 2022, the German pharmacy market could recover and recorded a growth rate of 7.1 %, the OTC market even grew by 14.5 % in the same period.⁵

In the first quarter of 2022, PharmaSGP could increase its revenues compared to the prior year by 66.5 % to € 20,568 thousand (Q1 2021: € 12,350 thousand). This growth excels the OTC market, that has increased by 14.5 % in the same period. The increase is both attributable to the existing product portfolio as well as the newly acquired product brands Baldriparan®, Formigran®, Spalt® and Kamol®. The integration of the new brands has been completed as planned in the first quarter of 2022, and also the development and launch of line extensions is proceeding according to plan. After the comparative period Q1 2021 was still impacted by the restrictions caused by the Covid-19-pandemic, PharmaSGP could fully exploit the benefits of its platform strategy in the first quarter of 2022, and with the asset light business model significantly improve its profitability. Adjusted EBITDA could be increased from € 2,130 thousand in the prior year

period to € 4,997 thousand in the first quarter of 2022. After 17.2 % in the prior year, the adjusted EBITDA margin now stands at 24.3 %.

Revenues Development

Revenues in € thousand



- Significant revenue increase from the existing portfolio and acquired product brands Baldriparan®, Formigran®, Spalt® and Kamol®.
- Comparative period Q1 2021 was still burdened by the restrictions of the Covid-19-pandemic.
- Also compared to the previous quarter Q4 2021, revenues could be increased by 7.2 %.

¹ Statistisches Bundesamt (2022), Bruttoinlandsprodukt im Jahr 2021 um 2,7 % gestiegen

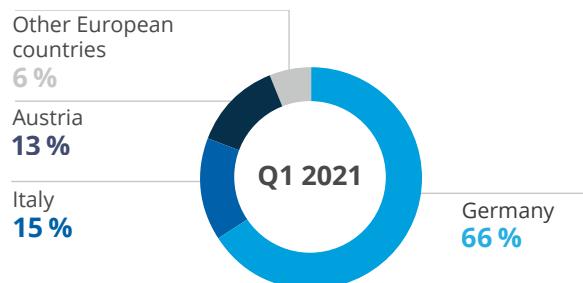
² Institut für Weltwirtschaft (2022), Kieler Konjunkturberichte, Deutsche Wirtschaft im Frühjahr 2022, p. 3–4

³ Ibid., p. 3–4

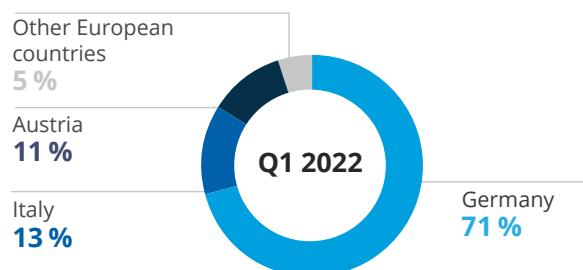
⁴ <https://www.statista.com/outlook/cmo/otc-pharmaceuticals/europe/>; <https://www.statista.com/outlook/cmo/otc-pharmaceuticals/germany/>

⁵ IQVIA Marktbericht Classic, Entwicklung des deutschen Pharmamarktes im 1. Quartal 2022

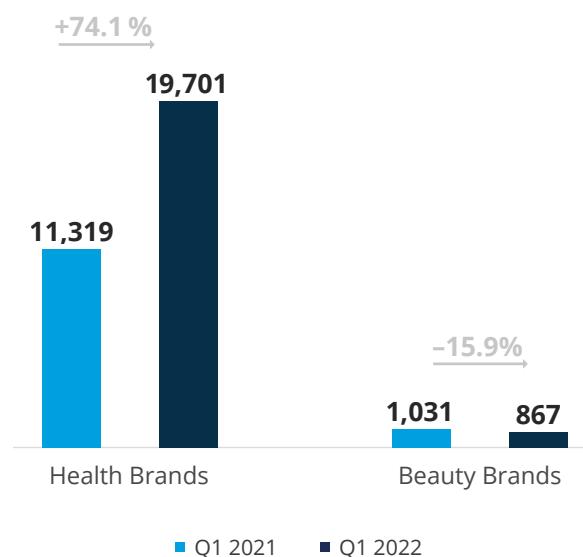
Revenues by Region



- Further internationalization of PharmaSGP's existing product portfolio.
- The acquisition of the product brands Baldriparan® and Kamol® expands the number of European markets, whereas Germany remains the key market.



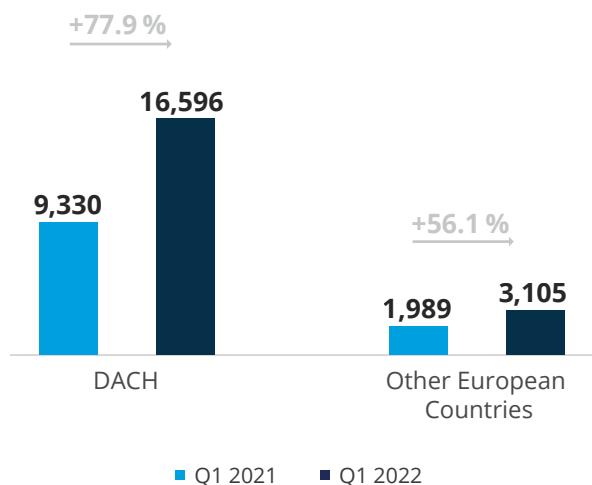
Revenues by Category in € thousand



- Both existing product portfolio and acquired product brands contribute to the Health Brands growth.
- Decrease of Beauty Brands as expected.

Revenues Health Brands

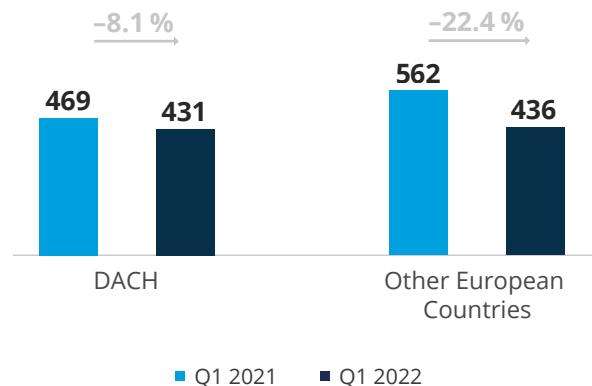
in € thousand



- Health Brands remain main focus.
- International growth is driven by the current product portfolio as well as product brands acquired in 2021.
- Acquired product brands with strong presence in the DACH region lead to above-average growth.

Revenues Beauty Brands

in € thousand



- Decrease of Beauty Brands as expected in all markets due to market developments and therefore significantly reduced marketing spendings.

Earnings Development

In the first quarter of 2022, PharmaSGP could generate an adjusted EBITDA of € 4,997 thousand which corresponds to an adjusted EBITDA margin of 24.3 %. Compared to the prior year period, the adjusted EBITDA margin has improved by 7.1 percentage points, which is mainly attributable to lower Covid-19-restrictions and the revenue and earnings contribution of the acquired product brands Baldriparan®, Formigran®, Spalt® and Kamol®.

| in € thousand | Q1 2022 | Q1 2021 | Change |
|--------------------------|---------|---------|---------|
| adjusted EBITDA | 4,997 | 2,130 | 134.6 % |
| adjusted EBITDA margin | 24.3 % | 17.2 % | |
| One-time effects | 91 | 397 | |
| unadjusted EBITDA | 4,906 | 1,733 | 183.1 % |
| unadjusted EBITDA margin | 23.9 % | 14.0 % | |

As planned, the Group's gross margin has decreased from 91.2 % in the first quarter of 2021 to 88.3 % in the first quarter of 2022, which mainly stems from manufacturing conditions of the newly acquired products. The marketing quota is 51 % in the first quarter of 2022 as expected (Q1 2021: 56 %).

In the first quarter of 2022, the one-time costs and special effects amount to € 91 thousand and comprise – as in the prior year – expenses incurred in connection with acquisitions and the long-term compensation of the Management Board.

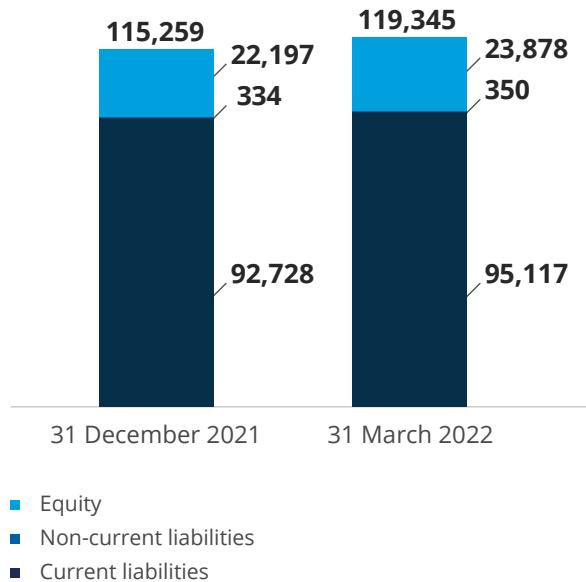
Asset Position

Assets in € thousand



Non-current assets mainly comprise the carrying amounts of the product brands acquired in 2021, the decrease of that position as of 31 March 2022 compared to the prior year balance sheet date mainly results from regular amortization. Cash and cash equivalents have further increased due to the positive earnings position and the positive net cash inflows from operating activities. The increase in other current assets mainly stems from increased inventories and trade receivables.

Equity and liabilities in € thousand



The change in equity solely stems from the profit of the period of € 1,681 thousand. Non-current liabilities mainly comprise deferred taxes. Bank loans recognized within current liabilities stand unchanged at € 85,000 thousand. The increase in current liabilities compared to the last year's balance sheet date mainly results from increased trade payables.

Financial Position

PharmaSGP's financial position has further improved in the first quarter of 2022.

| in € thousand | Q1 2022 | Q1 2021 |
|--|---------------|---------------|
| Net cash flows from operating activities | 2,496 | 2,461 |
| Net cash flows used in investing activities | -399 | -348 |
| Net cash flows used in financing activities | -465 | -83 |
| Net increase in cash and cash equivalents | 1,632 | 2,030 |
| Cash and cash equivalents as of 1 January | 20,824 | 8,001 |
| Cash and cash equivalents as of 31 March | 22,456 | 10,031 |

In the first quarter of 2022, PharmaSGP could generate net cash flows from operating activities in the amount of € 2,496 thousand. Despite an increase in earnings (EBITDA) of € 3,173 thousand compared to the prior year quarter, the operating cash flow is basically unchanged to the prior year quarter, which is mainly attributable to the change in working capital. While the working capital was significantly reduced in Q1 2021 due to the difficult market environment, working capital was increased in Q1 2022 due to the increase in sales.

In the first quarter of 2022, net cash flows used in investing activities mainly relate to incidental acquisition costs from the purchase of the four product brands Baldriparan®, Formigran®, Spalt® und Kamol®, that were due for payment only in 2022.

The increase in net cash flows used in financing activities mainly stems from interest payments arising from the bank financing.

Report on Expected Developments

Due to the positive development in revenues and profitability in the first quarter of 2022, the Management Board confirms its outlook for the full year 2022 and expects revenues in a range between € 78 and € 82 million. Regarding profitability, the Management Board still expects a further increase in profitability, with an adjusted EBITDA margin of between 30 and 33 %.

Condensed Interim Consolidated Financial Statements as of 31 March 2022

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

| in € thousand | Q1 2022 | Q1 2021 |
|--|--------------|--------------|
| Revenues | 20,568 | 12,350 |
| Other operating income | 42 | 36 |
| Raw materials, consumables and finished goods | -2,413 | -1,085 |
| Personnel expenses | -1,368 | -1,256 |
| Other operating expenses | -11,923 | -8,312 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 4,906 | 1,733 |
| Depreciation and amortization | -2,266 | -164 |
| Earnings before interest and taxes (EBIT) | 2,640 | 1,569 |
| Finance expenses | -400 | -15 |
| Profit before taxes | 2,240 | 1,554 |
| Income tax expense | -559 | -376 |
| Profit for the period | 1,681 | 1,178 |
| of which attributable to shareholders of PharmaSGP Holding SE | 1,681 | 1,178 |
| Other comprehensive income | - | - |
| Total comprehensive income | 1,681 | 1,178 |
| of which attributable to shareholders of PharmaSGP Holding SE | 1,681 | 1,178 |
| Basic and diluted earnings per share (€) | 0.14 | 0.10 |

Condensed Consolidated Statements of Financial Position

| in € thousand | 31 March 2022 | 31 December 2021 |
|---|----------------------|-------------------------|
| Assets | | |
| Non-current assets | | |
| Intangible assets | 80,147 | 82,188 |
| Property, plant and equipment (PPE) | 323 | 350 |
| Right-of-use assets | 111 | 191 |
| Total non-current assets | 80,581 | 82,729 |
| Current assets | | |
| Inventories | 5,868 | 4,185 |
| Trade and other receivables | 8,926 | 6,579 |
| Other assets | 598 | 291 |
| Income tax assets | 916 | 651 |
| Cash and cash equivalents | 22,456 | 20,824 |
| Total current assets | 38,764 | 32,530 |
| Total assets | 119,345 | 115,259 |
| | | |
| in € thousand | 31 March 2022 | 31 December 2021 |
| Shareholders' equity and liabilities | | |
| Shareholders' equity | | |
| Share capital | 12,000 | 12,000 |
| Capital reserve | 38,120 | 38,120 |
| Retained earnings | -26,242 | -27,923 |
| Total shareholders' equity | 23,878 | 22,197 |
| Non-current liabilities | | |
| Provisions | 71 | 62 |
| Lease liabilities | - | 1 |
| Deferred tax liabilities | 279 | 271 |
| Total non-current liabilities | 350 | 334 |
| Current liabilities | | |
| Provisions | 1,067 | 1,008 |
| Financial liabilities | 85,000 | 85,000 |
| Trade payables | 7,194 | 4,519 |
| Other liabilities | 788 | 1,098 |
| Other financial liabilities | 769 | 724 |
| Lease liabilities | 113 | 193 |
| Income tax liabilities | 186 | 186 |
| Total current liabilities | 95,117 | 92,728 |
| Total shareholders' equity and liabilities | 119,345 | 115,259 |

Condensed Consolidated Statements of Cash Flows

| in € thousand | Q1 2022 | Q1 2021 |
|---|---------------|---------------|
| Profit for the period | 1,681 | 1,178 |
| Depreciation and amortization of intangible assets, PPE and right-of-use assets | 2,266 | 164 |
| (Increase)/decrease in inventories | -1,683 | -267 |
| (Increase)/decrease in trade and other receivables | -2,347 | 2,838 |
| (Increase)/decrease in other assets | -307 | -396 |
| Increase/(decrease) in trade payables | 2,956 | -383 |
| Increase/(decrease) in other (financial) liabilities | -265 | 25 |
| Increase/(decrease) in provisions | 67 | 27 |
| Interest (income) and expense | 384 | 9 |
| Income tax expense | 559 | 376 |
| Income tax payments | -815 | -1,110 |
| Net cash flows from operating activities | 2,496 | 2,461 |
| Payments for investments in intangible assets | -396 | -326 |
| Payments for investments in PPE | -3 | -22 |
| Net cash flows used in investing activities | -399 | -348 |
| Repayment of lease liabilities | -81 | -75 |
| Interest paid | -384 | -8 |
| Net cash flows used in financing activities | -465 | -83 |
| Net increase in cash and cash equivalents | 1,632 | 2,030 |
| Cash and cash equivalents as of 1 January | 20,824 | 8,001 |
| Cash and cash equivalents as of 31 March | 22,456 | 10,031 |

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Disclaimer

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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