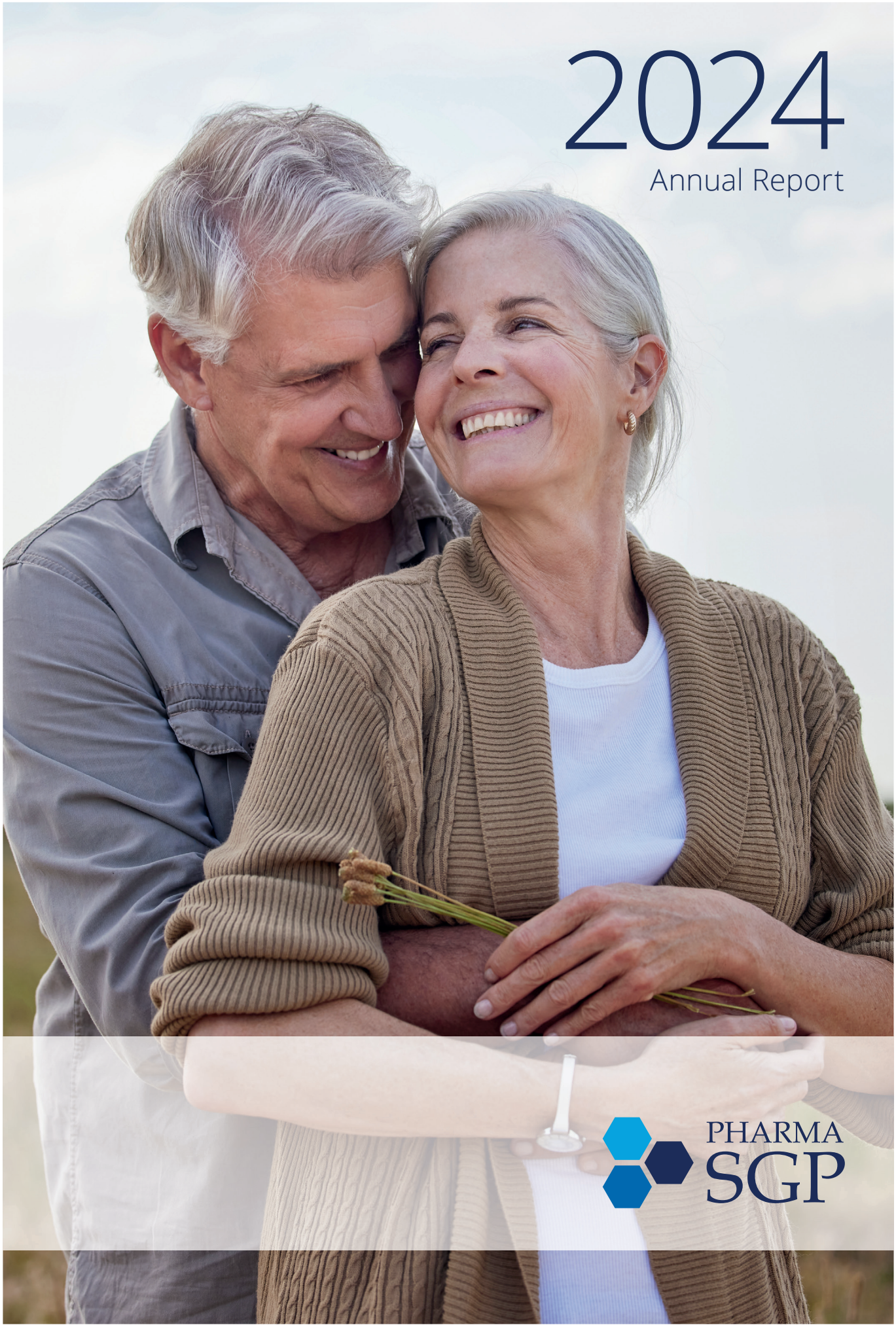
2024

Annual Report



PHARMA SGP

Contents

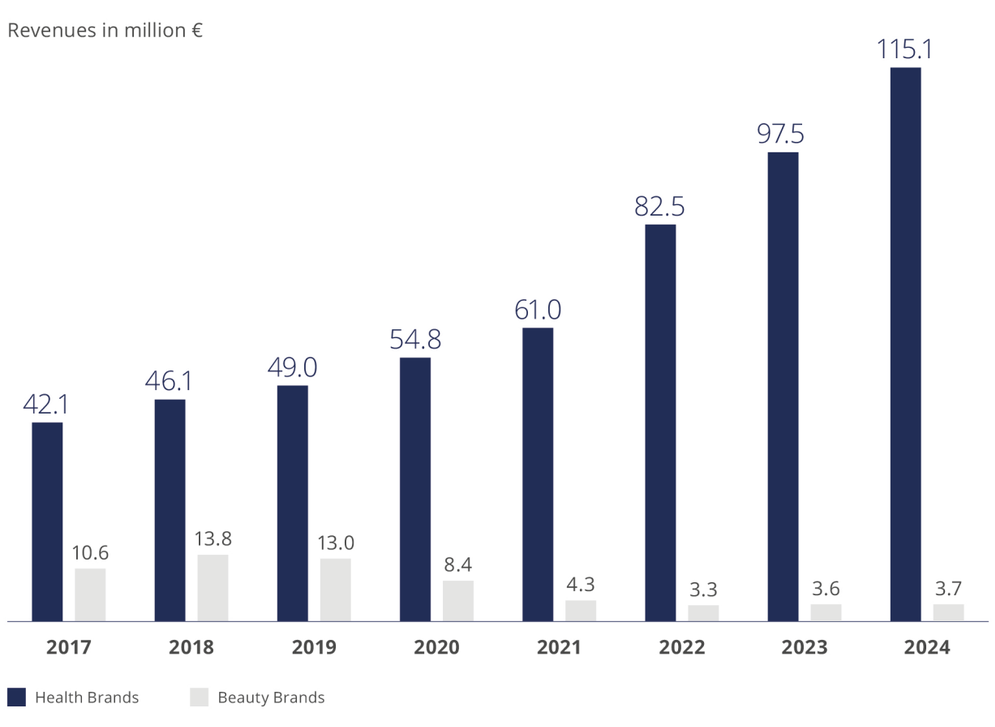
At a glance: PharmaSGP

The continuous growth over the years strengthens our position as a fast-growing OTC consumer health company in Europe

2024 was another outstanding year for us. The continuous growth of our Health brands led to new record sales in the quarters. We were able to further strengthen our market-leading positions in all of our key indication areas, both in Germany and abroad. We have thus achieved important milestones on our path to deliver continuous growth as a leading consumer health company in Europe.

This growth is driven by our scalable pan-European asset-light OTC growth platform and our successful D2C marketing strategy with a multi-channel marketing approach. Thanks to the strong sales growth and our optimized marketing investments, we were also able to further strengthen our excellent financial profile.

Continuously strong growth of our "Health Brands"



Superb financial profile

A special combination of financial strength: strong revenue development with high margins

Revenue development

18 % CAGR
2015–2024 (Health Brands)

17.5 %
Growth 2024

€122-128 Mio.
Forecast 2025

Since its foundation, PharmaSGP has delivered impressive key financials year in, year out, and has now taken its place as one of Germany's leading OTC pharma companies. An average annual revenue growth rate of 16 % over the period from 2015 to 2024 provides impressive proof of our strong business model.

Our Health Brands focus category, that meanwhile accounts for more than 97 % of PharmaSGP's revenues, stands out in particular. Both in our home market of Germany and in our international markets, we were able to increase our Health Brands revenues by an average of 18 % in the period from 2015 to 2024.

This strong growth momentum is also evidenced in particular by the financial year 2024. Overall, PharmaSGP achieved record revenues of € 118.8 million and revenue growth of 17.5 %, with our Health Brands even rising by more than 18 %. We expect this success story to continue in 2025 with a target turnover of between € 122 and € 128 million for the entire Group.

In addition to our dynamic revenue trend, our sustainable and high profitability levels are also particularly noteworthy. Since 2015, we have regularly achieved an EBITDA margin (adjusted) of more than 30 %. In 2024, we achieved 31.3 %, and also for 2025, a margin between 28.9 % and 32.0 % is expected.

PharmaSGP represents steady and strong revenue growth, combined with a high level of structural EBITDA profitability and an asset-light business model that requires only minimum investment in running operations on a highly flexible basis, resulting in a very high cash generation. In the financial year 2024, PharmaSGP could generate € 24.9 million in operating cash flows. Due to these constantly high operating cash inflows, PharmaSGP was capable to distribute € 16.3 million to its shareholders and to provide an additional funding of € 10.4 million for the purchase of treasury shares.

Profitability (adjusted EBITDA margin)

constantly
>30 %
since 2015

31.3 %
2024

28.9-32.0 %
Forecast 2025

Our goal: a life without daily ailments

Interview with the Management Board team Peter Gerckens (CEO) and Michael Rudolf (CFO)

Peter Gerckens has been CEO of PharmaSGP since January 1, 2025. He was previously responsible for international markets, sales and new business as a member of the Executive Board. In this interview, Peter Gerckens gives an insight into his first year at the PharmaSGP Group and, together with CFO Michael Rudolf, he talks about the company's strategic direction and vision.

The Management Board of PharmaSGP: CEO Peter Gerckens (right) and CFO Michael Rudolf (left)

Mr. Gerckens, what was your first impression when you joined PharmaSGP in July 2024?

Peter Gerckens: I was immediately thrilled by the very special energy in the company. PharmaSGP combines the pioneering spirit of a start-up with the classic strengths of an industry-leading German medium-sized company: entrepreneurial courage, innovative strength, diligence and professionalism. I was particularly impressed by the commitment of all employees – everyone contributes passionately to achieving our ambitious goals. The combination of dynamism, innovative spirit and concentrated expertise at PharmaSGP is unique in the industry. Michael Rudolf and my predecessor Natalie Weigand have created an impressive foundation on which we can now build further. I am particularly grateful to Natalie for the excellent handover and induction and am delighted that she will continue to be associated to us as a consultant.

2024 was another successful year for PharmaSGP. Turnover grew by an outstanding 17.5 %. Mr. Gerckens, Mr. Rudolf, how do you on the Management Board assess the company's development, also in comparison to the market as a whole?

Michael Rudolf: We are very satisfied with our strong performance. The sales growth of € 17.7 million to a total of € 118.8 million once again impressively demonstrates that our strategy is sustainably successful – even in a challenging market environment.

Peter Gerckens: Two aspects are particularly noteworthy: Firstly, our growth is well above the industry average and secondly, this is also reflected in significant EBITDA growth. We are particularly pleased that we were able to significantly increase sales for almost all core brands and in all major international markets. This underlines the broad positioning of PharmaSGP and the strengths of our business model.

What are your strategic priorities for the coming years in order to continue on the growth path?

Peter Gerckens: Our clear goal is to continue to grow faster than the OTC market. This potential is based on our platform strategy, with which we are continuously expanding our leading brands in Germany and in international markets. Our asset-light business model enables us to scale our growth quickly and efficiently across markets and countries. We are also continuing to develop our product portfolio organically and are specifically examining the launch of new, innovative products.

Michael Rudolf: Targeted M&A activities are an additional growth driver. Strategic acquisitions allow us to complement our portfolio and expand our brand offering in a meaningful way. At the same time, we attach great importance to sound financial management. We therefore continuously optimize our processes in order to reduce costs and realize efficiency gains. In this way, we create the best conditions for long-term corporate success.

What is your vision for PharmaSGP?

Peter Gerckens: Our long-term goal is clear: "A life without daily ailments". We want to make a contribution to this with our OTC products and continue to see considerable potential in our markets. The trend towards self-medication is growing steadily, increasing the demand for effective, well-tolerated, natural medicines. This development is right at the heart of our brand portfolio, which we will consistently expand.

In 2024, we expanded several brands with new products. We are consistently pursuing this growth path. Driven by our vision and with a strong corporate base, we are convinced that we will continue to write the PharmaSGP success story – for the benefit of our customers, shareholders and employees.

Peter Gerckens

Curriculum Vitae

After studying in St. Gallen and London, Peter Gerckens completed his MBA at Harvard Business School. He started his career in marketing at Procter & Gamble before moving to McKinsey. There he spent eight years advising well-known major clients on strategic and operational issues. Before joining PharmaSGP, Gerckens managed a medium-sized media company with over 100 employees. He succeeds Natalie Weigand as CEO, who has been instrumental in driving the development of the PharmaSGP Group in recent years.

Restaxil Tropfen

As the best-selling drug for nerve pain in German pharmacies*, Restaxil is not only the flagship and sales driver of the Restaxil® brand and thus for PharmaSGP. In fact, it offers those affected by neuralgic pain an effective alternative to relieve their symptoms, away from chemical painkillers with sometimes serious side effects or interactions and without the inconvenience of swallowing pills.

Specially developed for nerve pain and symptoms such as tingling or numbness that often accompany it, Restaxil was the most successful new product launch in the entire OTC market in Germany in 2017. Whether sciatica, shingles or fibromyalgia: When pain is caused by nerves, the market leader's natural multi-target active complex provides effective help – well tolerated and individually dosable.

Enthusiastic users report

„This remedy relieves my nerve pain in both feet and toes. I don't always have the numbness, which only got slightly better, but the very painful nerve twitching/pain has thankfully stopped completely. So a success across the board and highly recommended!"
Online review

„Finally something that helps. We've tried so many things on my wife, who constantly complains of back pain. We are very satisfied and have now ordered a larger bottle. Fast delivery and good price."
Online review

„These drops are taken by my wife, who sometimes suffers from severe pain. After taking the drops, she has almost no pain the next day. A good remedy for nerve pain. My wife can recommend them very highly."
Online review

RESTAXIL. Active ingredients: Gelsemium sempervirens Dil. D2, Spigelia anthelmia Dil. D2, Iris versicolor Dil. D2, Cyclamen purpurascens Dil. D3, Cimicifuga racemosa Dil. D2. Homeopathic medicine for neuralgia (nerve pain). • For information on risks and side effects, read the package insert and ask your doctor or in your pharmacy. • Restaxil GmbH, 82166 Gräfelfing, Germany • *OTC medicines for oral administration for nerve pain, sales by pack, Insight Health MAT 01/2025

Restaxil Magnesium

Magnesium deficiency is often a reason for a disturbed nervous system and a cause of many health problems. With the market launch of the premium food supplement Restaxil Magnesium in 2024, harmaSGP is further expanding its expertise in the field of nerve health. The complex to support normal nerve function is a valuable addition to the successful Restaxil® brand portfolio and a high-quality alternative to conventional magnesium supplements.

Restaxil Magnesium provides users with 300 mg of elemental magnesium per daily dose. The combination of three high-quality, coordinated magnesium compounds (magnesium bisglycinate, trimagnesium dicitrate and magnesium oxide) ensures high bioavailability and optimum tolerability to provide targeted support for nerves, muscles and the immune system – highly dosed, vegan, sugar-free and allergen-free.

Enthusiastic users report

„I am very enthusiastic about the product, better than other magnesium supplements and I also tolerate it very well. I often had stomach problems with other products. I can only recommend it!"
Online review

„I have been using Restaxil Magnesium for a few days now and am therefore happy to share my experiences with you. So far I am super satisfied with Restaxil Magnesium! It has helped me to achieve what I consider to be a much better quality of life. I will definitely continue to use it and buy it again."
Online review

„Very well tolerated, the capsule is easy to take. Highly recommended."
Online review

Rubaxx Arthro

Around 25 million people in Germany alone suffer from joint pain on a daily basis. The cause is usually joint wear (osteoarthritis). Older individuals are particularly affected. This is a serious problem, especially in view of demographic change and the age structure of our society. As one of the top sellers of the RubaXX® brand, the product RubaXX Arthro provides help precisely in this area.

RubaXX Arthro not only represents a highly relevant addition to the category of "chemical-free OTC pain relievers"; the medicinal product is now considered the best-selling medicinal drops for degenerative joint diseases in Germany.* As a natural alternative to chemical painkillers, no severe side effects or interactions are known for RubaXX Arthro. The drop form allows for individual dosing adapted to the intensity of the pain.

Enthusiastic users report

„I had such severe pain (especially in my hip joint) that I could only walk with the help of a stick. My family doctor recommended RubaXX Arthro to me. It helped immediately... I am virtually pain-free."
Online review

„The drops are really helpful. The osteoarthritis in my little finger doesn't go away, of course, but it's pain-free and inflammation-free – I can only recommend them!"
Online review

„I didn't believe it, but it actually helps me. It actually relieves the inflammation in my knee, which is what causes the pain in osteoarthritis. A clear recommendation!"
Online review

RUBAXX ARTHRO. Active ingredient: Viscum album Ø. Homeopathic medication for wear and tear diseases of the joints. • For information on risks and side effects, read the package insert and ask your doctor or in your pharmacy. • PharmaSGP GmbH, 82166 Gräfelfing, Germany • *Medicinal drops for wear and tear diseases of the joints; sales by pack, source: Insight Health, MAT 01/2025

Rubaxx CBD Gel

Scientists have long seen great potential in the non-intoxicating cannabis ingredient CBD (cannabidiol). More and more users are also relying on the hemp extract, for example to care for stressed muscles or for regeneration after sport. No wonder there is now a real boom in CBD preparations in pharmacies and drugstores, especially in the area of ointments, gels and creams.

PharmaSGP is also convinced of the positive effects and marketing potential of hemp extract. With RubaXX Cannabis CBD Gel, the pharmaceutical company launched the first high-dose cannabis CBD gel with approx. 600 mg CBD, menthol and mint oil in 2020 – and received an enthusiastic response. In a product test of users with tense muscles, RubaXX Cannabis CBD Gel achieved a recommendation rate of 98 %. The product satisfaction rate was even 99 %.[1] In Austria, it is now the best-selling CBD gel in pharmacies.[2]

Enthusiastic users report

„I expected a lot from Rubaxx and what can I say: it's wonderful to apply. I feel the relief every day! This Rubaxx Cannabis CBD Gel is simply good for me!"
Online review

„After trying several products, I felt a relatively quick relief with this gel. The gel is pleasantly cooling, absorbs quickly and has a pleasant, non-greasy consistency."
Online review

[1]Source: tested by 250 users on kjero.com, 11/2022, n=219, refers to pack size 120 ml • [2]CBD gels; sales by pack, source: Insight Health, MAT 01/2025, refers to pack size 120 ml

Baldriparan Stark für die Nacht

In Germany alone, one in two people has problems falling asleep. As many as 70 % have difficulty sleeping through the night. The short nights do not just lead to exhaustion and tiredness during the day. Chronic sleep deprivation can also affect concentration and memory, the immune system, the circulatory system and the psyche.

More and more people therefore want to improve the quality of their sleep and are turning to Baldriparan – Stark für die Nacht. The OTC portfolio of the traditional Baldriparan® brand was transferred to the product portfolio of PharmaSGP in 2021 and has been successfully continued since then.

As a natural alternative to chemical sleeping pills, Baldriparan – Stark für die Nacht has been proven to help with sleep disorders without any known side effects or interactions. This has delighted countless regular and new customers for over 70 years and makes the bestseller in the Baldriparan® product family the No. 1* herbal sleep expert in German pharmacies.

Enthusiastic users report

„I have been suffering from insomnia for more than 15 years because I wake up several times during the night. I never believed in such tablets. But I have to be honest, I've been using a tablet every night before going to bed for 3 weeks and I really do sleep through the night again. I usually take them one hour before going to bed."
Online review

„I was also of the opinion that the product didn't help, but after taking it for a week, I could feel an effect and I can now sleep through the night (with the usual interruptions of course WC). What is very important, I fall asleep again relatively quickly after sleep interruptions."
Online review

BALDRIPARAN STARK FÜR DIE NACHT. Active ingredient: Dry extract of valerian root. For the relief of sleep disorders caused by nervousness. Contains sucrose (sugar). • For information on risks and side effects, read the package insert and ask your doctor or in your pharmacy. • PharmaSGP GmbH, 82166 Gräfelfing, Germany • *OTC pharmaceuticals, sales by packs, Insight Health MAT 01/2024

Spalt Forte

For over 88 years, Germany has relied on the Spalt® brand when it comes to pain. Since 2021, Spalt® products have complemented the extensive OTC painkiller portfolio of PharmaSGP and are further expanding their market share.

The anti-inflammatory and analgesic medicine Spalt Forte plays a special role in this: This product has succeeded in encapsulating the well-established active ingredient ibuprofen in fully dissolved form in a special liquid capsule.

In contrast to the tablet form, the liquid active ingredient ibuprofen is freely available much more quickly, which means that the maximum concentration of ibuprofen in the blood plasma is reached twice as quickly as with ibuprofen in tablet form. The result: Spalt Forte works twice as fast* with a long-lasting effect.

In addition, the small, easy-to-swallow liquid capsule is much more convenient for users than swallowing painkillers

Enthusiastic users report

„My sister and I often have weather-related headaches. We have sworn by the soft capsules for years. Ibuprofen is of course also available as tablets, but these capsules work the fastest."
Online review

„Simply great, they work really quickly and last a long time. Spalt Forte is the ideal painkiller for me. Simply first-class."
Online review

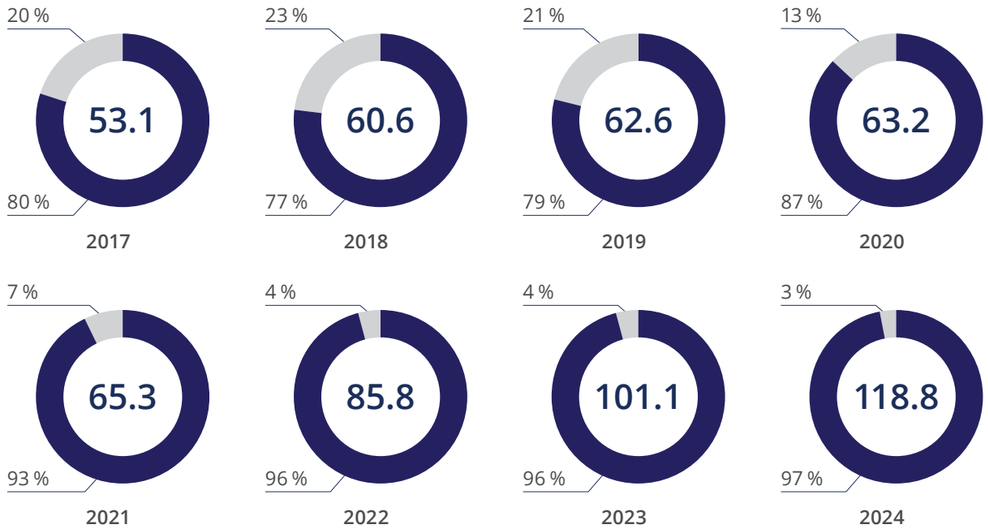
„For me, Spalt Forte is the very best remedy for headaches! The soft capsules are easy to take and work very quickly. They are also well tolerated and the price is also okay. For me there is nothing comparable – absolutely recommendable!"
Online review

„These painkillers work really quickly. And sometimes it should just work faster. It's also good that I didn't experience any side effects."
Online review

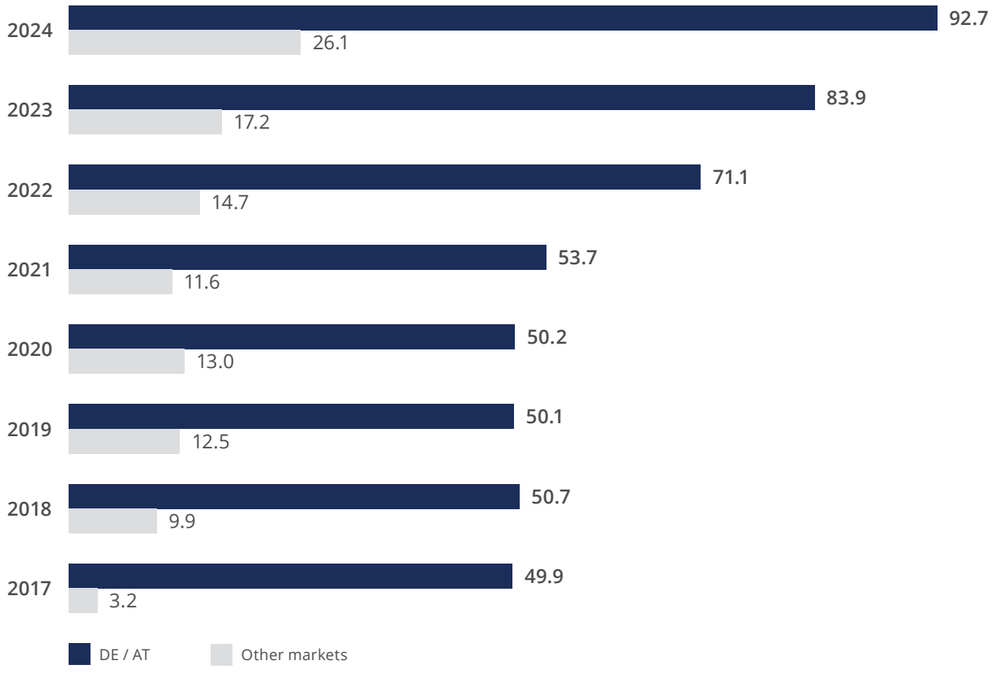
SPALT FORTE. Active ingredient: ibuprofen. For adults for short-term symptomatic treatment of mild to moderate pain such as headache, toothache, period pain; fever. Spalt Forte should not be taken for a long time or in higher doses without medical or dental advice. In case of pain or fever, do not use for longer than specified in the package leaflet without medical advice! • For information on risks and side effects, read the package insert and ask your doctor or in your pharmacy. • PharmaSGP GmbH, 82166 Gräfelfing, Germany • *PharmaSGP GmbH, Information for healthcare professionals for the medicinal product "Spalt Forte" describes the twice as fast absorption of the active ingredient ibuprofen by the human body; information status: January 2022

Key financial indicators

PharmaSGP revenues*



Geographical breakdown of PharmaSGP revenues*



Key figures for the PharmaSGP Group*

	2017	2018	2019	2020	2021	2022	2023	2024
Revenues	53.1	60.6	62.6	63.2	65.3	85.8	101.1	118.8
Adjusted EBITDA	15.7	19.9	22.8	17.0	19.4	28.2	34.1	37.2
Adjusted EBITDA margin	29.7 %	32.9 %	36.5 %	26.9 %	29.7 %	32.9 %	33.7 %	31.3 %
Adjusted EBIT	15.3	19.5	22.4	16.5	15.9	19.0	24.7	27.8
Adjusted EBIT margin	28.9 %	32.3 %	35.8 %	26.1 %	24.3 %	22.1 %	24.4 %	23.4 %
Earnings per share**	0.98	1.23	1.39	0.89	0.89	1.00	1.37	1.65
Operating Cash Flow	14.3	8.4	17.6	15.5	12.2	24.7	26.6	24.9

*all figures in € million, except earnings per share (in €) and margins (in %)
**For the financial years 2017-2020, 12,000,000 shares are the basis for calculating earnings per share.

You can rely on our products and our ethical principles

From social inequalities to climate change, we are facing significant challenges. At PharmaSGP, we are focusing on the most effective ways for us to improve our sustainability efforts and assess the environmental, social, and governance impacts in order to stay aligned with stakeholders, from customers and partners to investors, regulators, and employees.

Our contribution to sustainability

Environment

For a sustainable future for our planet

69 % of our entire product portfolio is solely manufactured in Germany, 31 % partially in Germany or other EU countries. This enables us to minimize long transport distances between production and distribution. In addition, our logistics service providers bundle orders in cooperation with the respective freight forwarders to ensure high capacity utilization of all transports.

95 % of our packaging is made from FSC®-certified cardboard or recycled paper. For new product launches, package inserts are dispensed with as far as possible, where permitted by regulations. Reducing packaging material will remain an important goal for us in the future.

As a pharmaceutical company, we are committed to maintaining high quality standards in production. We therefore ensure that our contract manufacturers produce our products in accordance with EU GMP/GDP and ISO.

Social

Respect people – fairness, diversity and tolerance

PharmaSGP attaches particular importance to equal rights, equal opportunities and the promotion of a diverse workforce. Our employees come from a total of 24 different countries. Our Code of Ethics is the foundation for friendly, respectful and appreciative cooperation. In this respect, PharmaSGP distances itself from any form of discrimination. Tolerance and fairness are essential.

We pay attention to gender equality at all levels within the organization:
Overall female representation: 66 %
Female representation in the Management Board: 33 %
Female representation in the second management level: 66 %
(as of 31 December 2024)

Regular feedback meetings are the basis for exchange and further development. We maintain an open and transparent communication culture.

We promote the health of our employees through, for example, variable workstations or exercise offers such as bike leasing, company runs, bike challenges or organized group sports units.

Governance

Ensuring we always do the right thing

The continuous expansion of our product portfolio is also geared in particular towards the needs of changing socio-demographics. In Germany alone, more than 12 million people suffer from long-term chronic pain. For this reason, this category for instance is a focal point in our product portfolio.

As a pharmaceutical company, it is important to us to comply with all regulatory processes, especially to ensure patient safety. All patient safety cases are reported in compliance with the official deadlines. In 2024, our complaint rate per unit sold was <0.006 %.

To ensure that third parties comply with the requirements of the UN Global Compact with regard to labor standards of the ILO (International Labor Organization), human rights and anti-corruption, our Code of Conduct contains the framework conditions for working with them.

To Our Shareholders

PHARMA SGP

Foreword by the Management Board

Valued Shareholders,
Ladies and Gentlemen,

2024 was a very successful year for PharmaSGP. We managed to seamlessly continue the positive development of the previous years and once again achieve outstanding results. Compared to the previous year, revenue grew by 17.5 % to € 118.8 million. Profitability also remained dynamic, with adjusted EBITDA increasing by 9.2 % to € 37.2 million. The adjusted EBITDA margin came out at 31.3 % (previous year: 33.7 %). This puts us at the upper end of our adjusted EBITDA range and even slightly above our revenue forecast. With this strong performance, we clearly outperformed the OTC pharmacy market, which is relevant for us and grew by 5.0 % in 2024 according to market research institute IQVIA.

The organic expansion of our product portfolio was the main driver of our positive business development in the past year. Our platform enables us to quickly and effectively leverage the potential of our existing portfolio and newly developed products across national borders. This particularly benefits our core markets of Germany, Italy, and Austria with their efficient distribution structures. We recorded significant revenue growth in all three countries in 2024.

We also want our shareholders to participate in our strong operating performance in the form of a dividend and are very pleased to propose a distribution of approximately 30 % of the Group's profit for the period 2024 to the Annual General Meeting.

There was a significant change in the PharmaSGP Management Board at the turn of the year. After more than seven successful years as CEO of PharmaSGP, Natalie Weigand has decided not to renew her contract, which expires at the end of 2024. She will be succeeded as CEO by Peter Gerckens, who has been part of the PharmaSGP Management Board as Chief Commercial Officer (CCO) since 1 July 2024, ensuring a smooth transition. In this new constellation, we believe that the Management Board is ideally positioned to continue PharmaSGP's success story.

We have once again set ambitious goals for 2025: We want to grow faster than the OTC market again and will continue to expand our portfolio with the launch of additional products. In addition, M&A is a key lever of our growth strategy. By acquiring attractive brands, we intend to strategically complement our existing offering and generate additional growth momentum for the coming years.

Overall, we believe PharmaSGP is strategically and financially well positioned to generate high growth rates in the future. However, our outlook for 2025 also reflects the ongoing high level of uncertainty regarding the geopolitical and global economic situation, its potential further developments over the course of the year, and the consequences for Germany and Europe. Against this backdrop, we are forecasting revenues of between € 122.0 million and € 128.0 million for 2025 and an adjusted EBITDA margin of between 28.9 % and 32.0 %.

Achieving consistently positive results in a persistently difficult economic environment cannot be taken for granted. We benefit from our economically robust product portfolio and the strengths of our flexible, asset-light business model. Above all, however, our success is based on the outstanding performance of our employees year after year. We would like to take this opportunity to express our sincere thanks to them. As fellow members of the Management Board, we would also like to thank Natalie Weigand for her excellent and successful collaboration over the past years. As CEO, she has played a decisive role in driving forward the establishment and expansion of PharmaSGP and thus its success story. Last but not least, we would also like to thank our shareholders, business partners, and customers for the trust and loyalty they have placed in us. Please continue to accompany us on our profitable growth course!

Gräfelfing, April 2025

Peter Gerckens
(CEO)

Michael Rudolf
(CFO)

Report of the Supervisory Board for the Financial Year 2024

Activities of the Supervisory Board in the financial year 2024; cooperation between the Management Board and the Supervisory Board
In the financial year 2024, the Company's Supervisory Board conscientiously performed the duties incumbent upon it under the law and the Articles of Association. The Supervisory Board continuously monitored and advised the Management Board on issues of importance to the Company and the PharmaSGP Group.

In the financial year 2024, the Supervisory Board held six meetings in the form of hybrid meetings (participation of members both in person and via video conference). The legally mandated rotation of two meetings per calendar half-year was adhered to. In addition, the Supervisory Board passed several resolutions by circular resolution. All members of the Supervisory Board participated in the meetings of the Supervisory Board during the reporting period.

The Company's Supervisory Board does not form any committees given that – as per the company's Articles of Association – the board consists of only three persons. An increase in work efficiency is therefore not to be expected from the additional formation of committees.

In the financial year 2024, the Company's Management Board reported regularly, promptly and comprehensively to the Supervisory Board, both in regular meetings and when required outside meetings, on the net assets, financial position and results of operations of the Company and the PharmaSGP Group, as well as on issues relating to risk management. As part of this process, the Management Board informed the Supervisory Board about all relevant issues of corporate policy, strategy, operational planning (and the associated risks and opportunities), the economic development of the Company and all relevant business policy transactions. The content of the reports was intensively discussed in the meetings of the Supervisory Board. The Management Board and the Supervisory Board discussed in detail all significant business transactions and major decisions of the 2024 financial year.

The members of the Supervisory Board were also in regular contact with the members of the Management Board outside of the meetings. With regard to measures that were to be submitted to the Supervisory Board by the Management Board for approval, the necessary information for the decision-making of the Supervisory Board was provided by the Management Board.

It was not necessary to inspect any documents beyond the reports and draft resolutions of the Management Board in the reporting year.

Key advisory topics in the financial year 2024
The main topics of the Supervisory Board meetings were primarily the fundamental orientation of the corporate strategy, the ongoing business development and the situation of the Company and the PharmaSGP Group.

The Management Board informed the Supervisory Board regularly about the current business situation, strategic issues and the demand situation in the individual markets. Furthermore, the Supervisory Board addressed potential acquisition opportunities, the further development of the product portfolio as well as marketing measures.

In the reporting period, the focus was on the following topics in particular:

- In February 2024, the Risk Management Report as of 31 December 2023 and the three-year plan for 2024-2026 were presented and explained to the Supervisory Board.
- At the meeting on 18 April 2024, the Supervisory Board discussed and approved the Management Board's dividend proposal.

- At its meeting on 25 April 2024, the Supervisory Board approved the annual and consolidated financial statements for 2023 as prepared by the Management Board and the proposed appropriation of net retained profits.

- At the Supervisory Board meeting in August 2024, the Management Board explained the Risk Management Report as of 30 June 2024, the current Company performance and the key drivers of the Company's results for the first half of 2024.

- At the meeting on 5 November 2024, the Supervisory Board discussed and approved the appointment of Peter Gerckens as the new CEO from 1 January 2025.

- In December, the Management Board explained the Company's current performance and the outlook for the future development of the Company.

Audit of the annual and consolidated financial statements 2024

The annual financial statements prepared by the Management Board in accordance with the provisions of the German Commercial Code (HGB), as well as the consolidated financial statements prepared in accordance with Section 315e HGB on the basis of the International Financial Reporting Standards (IFRS) and the combined management report for the Company and the PharmaSGP Group for the 2024 financial year were each audited by the Company's auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich, and received an unqualified audit opinion.

The aforementioned documents were made available to all members of the Supervisory Board in a timely manner and were discussed in detail at the meeting of the Supervisory Board on 29 April 2025.

The auditor attended this meeting, reported on the main results of the audit and was available for questions and further information during the discussions. The Supervisory Board concurred with the auditor's findings and determined that no objections were to be raised. Moreover, the Supervisory Board examined the Management Board's proposal for the appropriation of the net profit and concurred with this proposal. The Supervisory Board approved the annual financial statements, the consolidated financial statements of the PharmaSGP Group and the combined management report by resolution of 29 April 2025. The annual financial statements of the Company for the 2024 financial year are thereby adopted.

The auditor also examined the report of the Management Board pursuant to Sec. 312 of the German Stock Corporation Act (AktG) on the Company's relationships with affiliated companies. This audit did not result in any objections. The auditor issued the following unqualified audit opinion:

Based on our audit and assessment, which were carried out in accordance with professional standards, we confirm that

1. the factual statements made in the report are correct,

2. the payments made by the Company in connection with transactions detailed in the report were not unreasonably high,

3. there are no circumstances that would require a materially different assessment of the measures listed in the report than that of the Executive Board.

The report of the Management Board on the relationships of the Company with affiliated companies and the associated audit report of the auditor were made available to the members of the Supervisory Board in a timely manner. The Supervisory Board dealt with this in detail at its meeting on 29 April 2025. The auditor attended this meeting, reported on the main results of the audit and was available for questions and further information during the discussions. The Supervisory Board's review of the report on relationships with affiliated companies did not lead to any objections. The Supervisory Board therefore concurred with the results of the auditor's review and raised no objections.

Dealing with conflicts of interest

Insofar as legal transactions with companies controlled by the Supervisory Board members Dr. Fischer and / or Ms. Hohlefelder were to be dealt with in the Supervisory Board in the reporting year, the relevant resolutions of the Supervisory Board were passed without the votes of Dr. Fischer or Ms. Hohlefelder.

Composition of the Management Board and Supervisory Board in the financial year 2024

In the financial year 2023 and the current financial year 2024, there were no personnel changes in the composition of the and Supervisory Board. On 1 July 2024, Mr. Peter Gerckens was appointed as member of the Management Board. Ms. Natalie Weigand resigned from the Management Board effective 31 Dezember 2024.

Thanks and recognition

We would like to thank the Management Board and all employees for their personal commitment and the consistently constructive and trust-based cooperation in 2024. In particular, we would like to thank Natalie Weigand, who has been pivotal in the development of PharmaSGP for many years.

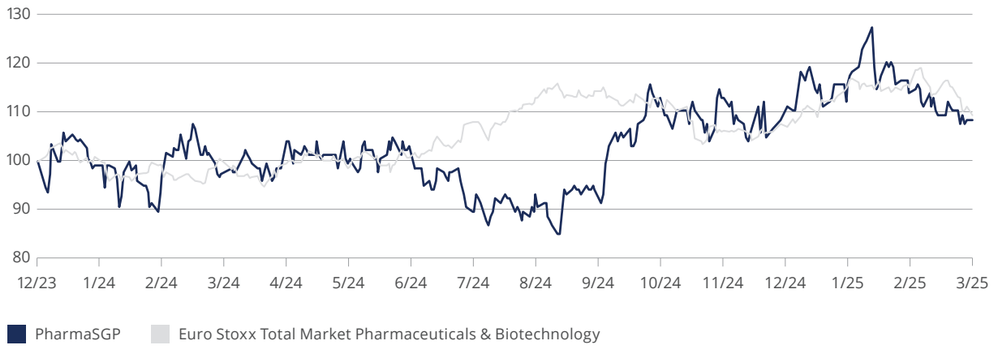
Gräfelfing, April 2025

Dr. Clemens Fischer
(Chairman)

PharmaSGP on the Capital Market

In the period under review from January 2024 to March 2025, the share price of PharmaSGP peaked at € 28.60. On 31 March 2025, the share closed at a price of € 24.40, which corresponds to a market capitalization of € 292.8 million or a share price performance of 8.4 % in this period. The benchmark index Euro Stoxx Total Market Pharmaceuticals & Biotechnology achieved a performance of 9.3 % in the same period.

Share Price*

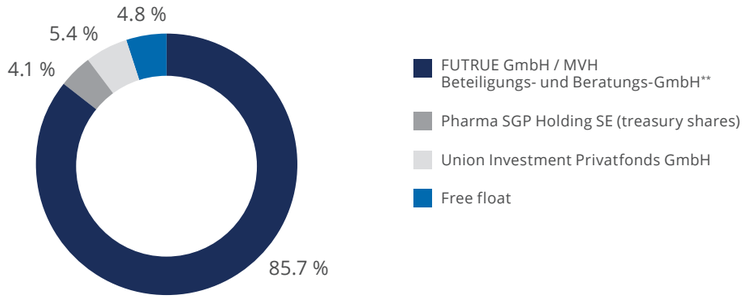


Master Data of the Share*

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 March 2025)	€ 24.40
High / Low*	€ 28.60 / € 19.20
Market capitalization (31 March 2025)	€ 292.8 million
Stock exchange / segment	Frankfurt Stock Exchange / Prime Standard
Designated Sponsor	Joh. Berenberg, Gossler & Co. KG

Shareholder Structure

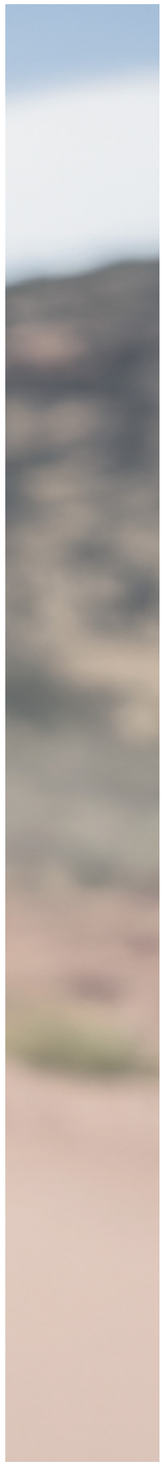
Information based on the voting rights notifications received pursuant to the German Securities Trading Act, WpHG and other disclosed information (as of November 2024)



* based on Xetra closing prices of Deutsche Börse AG
31 December 2023 = 100

** 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 Pharma SGP Holding SE.

Combined Management Report



Combined Management Report for the Financial Year 1 January to 31 December 2024

This report combines the management report of PharmaSGP Holding SE (hereafter also referred to as the "Company" or "SGP SE") and the group management report of PharmaSGP Group ("PharmaSGP" or the "Group") comprising PharmaSGP Holding SE and its subsidiaries PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH.

The combined management report of PharmaSGP Holding SE was prepared in accordance with Sec. 289, 315 and 315a HGB (German Commercial Code) and German accounting standard DRS 20 (Deutsche Rechnungslegungsstandards).

1. Principles of the Group

1.1 1.1. Business Model

PharmaSGP Holding SE (together with its subsidiaries) is a consumer health company with a diversified portfolio of over-the-counter (OTC) pharmaceuticals and other healthcare products that are marketed with the focus on the pharmacy distribution channel.

Over the past twelve years, PharmaSGP has created a platform to successfully integrate and grow brands in all its European markets. Five key factors ensure 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 170 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 new 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 OTC products cover highly relevant and chronic indications 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. 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. The product portfolio is expanded through inhouse developments as well as acquired marketing approvals, brands and product portfolios.

PharmaSGP's core market is Germany, which accounted for 68 % of total revenues in the financial year 2024. As the European OTC market is also expected to grow in the future due to fundamental trends, the Group also continues its drive towards greater internationalization of its brand portfolio. 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.

1.2 Product Portfolio

As of 31 December 2024, the product portfolio currently marketed by PharmaSGP includes approximately 50 OTC pharmaceuticals and other healthcare products. The Group's core brands cover chronic indications, especially pain and sleep disorders, as well as other age-related ailments. The OTC drugs are mostly based on natural active pharmaceutical ingredients with documented efficacy and few known side effects.

In Germany, PharmaSGP is the market leader for chemical-free pain remedies, based on revenues of chemical-free, systemic OTC drugs for nerve and rheumatic pain. The latter are sold under the well-known brand families Restaxil® (nerve pain) and RubaXX® (rheumatic and wear-related pain). PharmaSGP has also established leading brands in their categories for vertigo (TAUMEA®) and sexual weakness (DESEO®, Neradin®).

The development of existing brand families and the expansion of the brand portfolio through inhouse developments and acquired marketing authorizations, brands and product portfolios are essential components of the growth strategy. With the acquisition of the established OTC brands Baldriparan®, Formigran®, Spalt® and Kamol® August 2021, PharmaSGP expanded its portfolio through further market leaders in their categories. In Germany, for example, Baldriparan® is the No. 1 herbal sleep aid in pharmacies, and Formigran® is the leading OTC pharmaceutical against migraine.

1.3 Goals and Strategy

PharmaSGP's goal is to establish a strong portfolio of leading OTC brands in Europe. To achieve this, it has defined a growth strategy focused on the use of its platform in Europe.

In addition to further organic growth and expansion of its existing portfolio, PharmaSGP is focusing also on the acquisition and integration of established brands. Value enhancement potential can be realized by

- increasing revenues through the implementation of the D2C marketing strategy and exploiting the wide target group media reach, and
- increasing profitability through margin optimizations and improvement of the cost structure based on the asset-light business model, among other things.

The Group looks for well-known and established brands with an existing customer base and untapped commercial potential, as well as brands that are under-invested in their current environment which can be further expanded.

The starting point for realizing PharmaSGP's growth potential is the ongoing analysis of its target markets. A fast product launch, a flexible marketing approach and a clear end-consumer focus define the path to sustained market success for PharmaSGP. In addition, further internationalization is a key element of the growth strategy.

1.4 Research and Development

A cost-efficient product development process and a fast integration process for introducing established products to the PharmaSGP platform are key drivers of PharmaSGP's growth. Developing and integrating new products are fundamental to PharmaSGP. Key activities include identifying potentially attractive indications and active pharmaceutical ingredients, developing and perfecting formulations and optimizing and updating existing or acquired marketing authorizations.

PharmaSGP cooperates with specialized contract manufacturers and certified laboratories to create formulation samples. Services such as test productions, analytics or shelf-life studies are bought in as needed with a view to consciously making the development process resource-efficient and cost-efficient. This process keeps PharmaSGP's development costs at a low level and accelerates market access. Acquired authorizations with regards to the specification and manufacturing process are adapted to the relevant requirements of PharmaSGP and to the current catalogue of requirements of regulating authorities.

The Group draws on many years of experience with regard to approval processes for new OTC pharmaceuticals in Germany and abroad. As of 31 December 2024, a total of 85 marketed and non-marketed marketing authorizations (existing or filed) have been granted in Germany and abroad.

Development services are handled by PharmaSGP GmbH and Restaxil GmbH. The Group's capitalization rate in 2024 was 97 %.

PharmaSGP does not conduct research activities.

1.5 Marketing and Sales

Through its specialized D2C marketing strategy, PharmaSGP has established leading consumer brands in important indication areas, such as rheumatic and neuralgic pain or sexual weakness. It focuses its marketing on a direct-to-consumer approach through print media and TV advertising as well as online marketing. By advertising in wide reaching newspapers and magazines and selected TV channels, PharmaSGP currently has an average target group media reach of more than 170 million contacts per month in its target markets.

Besides reliable product quality, the Group's marketing activities create consumer loyalty to PharmaSGP's brands. This is reflected in repeat purchases and in numerous positive testimonials from customers and patients. The fact that its products are available in up to 99 % of German pharmacies also demonstrates PharmaSGP's wide reach.

1.6 Group Structure

The wholly-owned subsidiaries PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH operate under the umbrella of PharmaSGP Holding SE.

PharmaSGP GmbH and Restaxil GmbH distribute the majority of OTC products in the Health Brands category, while Remitan GmbH mainly sells products in the Beauty Brands category.

1.7 Locations and Employees

The registered office of the PharmaSGP companies is in Gräfelfing, Bavaria, Germany. As of 31 December 2024, the Group had a total of 91 employees (full-time equivalents) at this location, thereof 26 employed by SGP SE (31 December 2023: 89 employees, thereof 24 employed by SGP SE).

All relevant departments, including Marketing and Sales, Product Development, Quality Management & Regulatory Affairs, Operations, Controlling & Accounting and other supporting functions are located at the Company's offices in Gräfelfing. The production of OTC drugs and healthcare products generally takes place in Germany and in European countries, in cooperation with selected and certified contract manufacturers. To distribute its products, PharmaSGP cooperates with logistics and distribution partners in the respective countries on a long-term basis.

1.8 Management System and Performance Indicators

The business planning and management of the Group is based on targets set by the Management Board. By means of budget planning, the targets are translated into measurable financial targets.

The operating business is managed based on selected financial ratios. The financial performance indicators are continuously monitored and presented to the Management Board in monthly reports. In particular, planned figures are compared with the results of the current business development (comparison of planned and actual figures). Appropriate measures are defined and implemented if there are deviations from the original targets.

The key performance indicators for the Management Board are revenues and adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) in order to measure the Company's success.

2. Economic Report

2.1 General Economic Environment and Industry-Specific Conditions

2.1.1 General Economic Environment

According to the Kiel Institute for the World Economy (IfW), the global economy showed stable development in 2024, but continued to exhibit only moderate momentum.[1] After a growth of 3.3 % in the previous year, the global economy grew by 3.2 % in 2024.[2] According to the Kiel-based economic researchers, the global economic climate is characterized by uncertainty, not least due to the tariffs announced by the new U.S. administration, some of which have already been introduced. At the same time, inflation decreases only slowly, resulting in an inflation rate of 2.7 % in the group of advanced economies remaining above the target of two percent.[3]

The German economy was unable to break out of stagnation in 2024. According to calculations by the Federal Statistical Office, price-adjusted gross domestic product (GDP) decreased by 0.2 % compared to the previous year. Following a 0.1 % decline in GDP in 2023, Germany thus recorded its second consecutive year of recession. Both economic and structural factors are obstacles for an economic recovery. These include persistently high energy costs, increasing competition for German exports and a persistently high level of interest rates.[4]

Compared to Germany, the Eurozone recorded overall growth in 2024, even if this remained weak at 0.8 %, according to the IfW. The only slight increase compared to the previous year's growth of 0.5 % is due in particular to the continued weakness of the manufacturing sector, the loss of fiscal stimulus and the numerous economic policy uncertainties. The slowdown in growth in 2024 was also evident in other key EU markets such as France and Italy, which only saw moderate growth rates of 1.1 % and 0.5 % respectively.[5]

2.1.2 Industry-Specific Conditions

The industry-specific framework conditions relevant to PharmaSGP differ from the overall economic environment. Rising life expectancy and the population's growing health awareness are long-term developments that are leading to increasing demand for healthcare services. At the same time, companies in the pharmaceutical and healthcare market relevant to PharmaSGP benefit from the fact that consumers prefer not to save on their health, even in economically uncertain times. The trends towards natural medicines and self-medication, which are now a central component of people's healthcare, are also providing additional growth opportunities. In Germany, the OTC pharmacy market recorded year-on-year sales growth of 5.0 % in 2024.[7]

The generally positive trends are also reflected in the positive outlook for the European OTC pharma market. Revenues of approximately € 51.8 billion are forecast for 2025. In the period from 2025 to 2029, annual growth is expected to be 3.7 %.[7]

2.2 Course of Business for PharmaSGP

In the financial year 2024, PharmaSGP could achieve another revenue record with annual revenues of € 118,837 thousand (2023: € 101,099 thousand). Compared to the previous year, revenues have increased by 17.5 %, an above-average growth in the OTC market environment.

In the past financial year, PharmaSGP focused its activities on the Health Brands category with its highly profitable products. Compared to the previous year, gross margin could be increased by 0.3 percentage points to 90.9 % (2023: 90.6 %). Internationalization was also driven forward in the financial year 2024. The most important growth markets are Austria and, above all, Italy, where the Group increased its revenues by 68.9 % compared to the previous year.

In the current environment of increasing interest rates, PharmaSGP further optimized its treasury activities. Thanks to targeted investments in time deposits, money market funds and interest rate hedges, financial income could be increased by 28.4 % compared to the previous year. At the same time, PharmaSGP managed to decrease its interest expenses for the syndicate financing, resulting in an overall decrease of finance expenses by 21.0 %. Overall, both growth in the operating business and the significantly improved financial result led to an increased in the profit for the period to € 19,535 thousand (2023: € 16,397 thousand), this corresponds to an increase of 19.1 % compared to the previous year.

Due to the continued high cash inflows from operating activities, PharmaSGP was able to distribute a dividend in the amount of almost the entire net profit for the financial year 2023 (€ 16,307 thousand) and redeem the syndicate financing as planned (€ 8,000 thousand). Additionally, treasury shares were purchased, leading to another cash outflow of € 10,358 thousand. Despite these cash outflows from financing activities, PharmaSGP has a solid financial position with available cash of € 26,490 thousand as of 31 December 2024.

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[1] Institute for the World Economy (2024), Kieler Konjunkturberichte, Weltwirtschaft im Winter 2024, p. 2

[2] Ibid., p. 9

[3] Ibid., p. 9

[4] https://www.destatis.de/DE/Presse/Pressemitteilungen/2025/01/PD25_019_811.html

[5] Institute for the World Economy (2024), Kieler Konjunkturberichte, Weltwirtschaft im Winter 2024, p. 10 ff.

[6] IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im Jahr 2024, p. 19

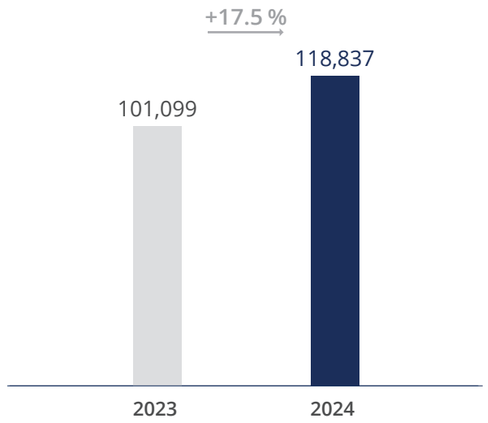
[7] https://de.statista.com/outlook/cmo/otc-pharma/europa

2.3 Earnings, Assets and Financial Position of PharmaSGP

2.3.1 Earnings Position

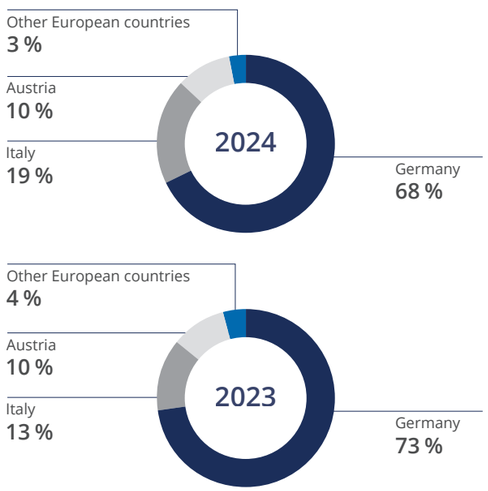
Revenue development:
Significant plus in revenues

Revenues in € thousand



Compared to the prior year, revenues have increased in the financial year 2024 by 17.5 % and achieved € 118,837 thousand (2023: € 101,099 thousand). Growth drivers were mainly the core brands RubaXX®, Restaxil® and Neradin®.

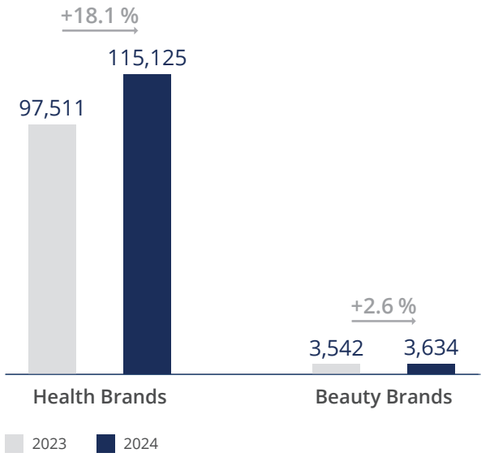
Revenues by region:
Growth in Italy, Germany remains key market



In the financial year 2024, Italy contributes € 22,896 thousand to the Group's revenues. Compared to the previous year, the percentage of the Italian market has increased from 13 % to 19 % of total revenues. With a percentage of 68 % of total revenues of PharmaSGP, Germany remains the key market by volume.

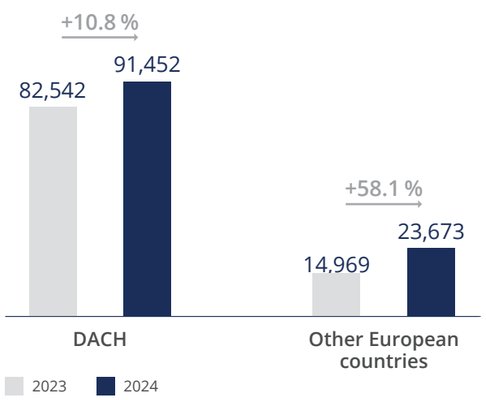
Revenues by category:
Health Brands major growth contributor

Revenues in € thousand



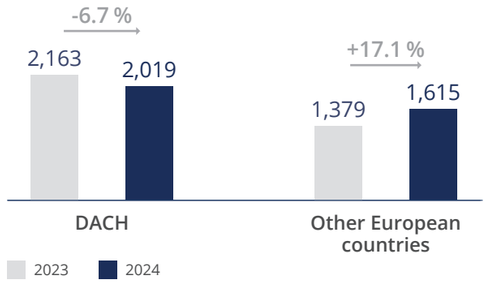
PharmaSGP's revenue growth is driven by its Health Brands category (+18.1 %), the main focus in PharmaSGP's D2C portfolio strategy. Within the Health Brands category, main growth drivers are the indication areas rheumatic pain (represented by the product brand RubaXX®), neuralgic pain (Restaxil®) and men's and women's health (Neradin®). The Beauty Brands category also shows a moderate growth in revenues.

Revenues "Health Brands" in € thousand



The main growth contributor in the DACH region is Austria (+17.4 %). Outside DACH, Italy is the most dynamic market (+68.9 %).

Revenues "Beauty Brands" in € thousand



The products in the Beauty Brands category remain on a solid level in all distribution markets.

Other operating income mainly includes insurance and other compensation from claims for damages as well as reimbursements from the Expense Equalization Act. The financial year 2024 also includes a one-off income from the derecognition of a time-barred liability, leading to an increase of this position by 82.0 % or € 141 thousand to € 313 thousand (2023: € 172 thousand).

Expenses for raw materials, consumables and finished goods have increased in the financial year 2024 and amount to € 10,845 thousand (2023: € 9,462 thousand). Thus, the cost of materials in relation to revenues improved from 9.4 % in 2023 to 9.1 % the current financial year. The reason for this improvement is the strong growth of high-margin products in the financial year 2024.

Personnel expenses amount to € 8,026 thousand in the financial year 2024 (2023: € 7,342 thousand). The increase mainly results from an increase in headcount in connection with the growth of the Group.

Markteting expenses amount to € 53,270 thousand in the financial year 2024 (2023: € 43,381 thousand). The increase of 22.8 % is higher than the increase in revenues, leading to an increase of the marketing quota, i. e. marketing expenses in relation to revenues, to now 44.8 % (2023: 42.9%).

Other operating expenses of € 9,958 thousand have increased significantly compared to the previous year (2023: € 7,077 thousand). Within that line item, logistics expenses have increased along with the revenue development. In addition, one-time expenses such as investments in PharmaSGP's distribution channels and recruiting expenses contribute to the cost increase in other operating expenses.

Earnings before interest, taxes, depreciation and amortization (EBITDA): slight decrease in profitability
As a result of the revenue growth, nominal EBITDA has increased by 8.9 % to € 37,051 thousand in the financial year 2024. However, the cost increases in marketing and other operating expenses were only partially offset by the fixed cost degression in personnel expenses and the improvement in the cost of materials ratio, with the result that EBITDA as a percentage of revenues decreased from 33.6 % in 2023 to 31.2 % in the financial year 2024.

in € thousand	2024	2023
Adjusted EBITDA	**37,215**	**34,088**
Adjusted EBITDA margin	**31.3 %**	**33.7 %**
Expenses for legal and consulting costs in connection with acquisitions	47	89
Expenses in connection with the long-term compensation of the Management Board	-70	-16
Other one-time, non-recurring and non-operative expenses	187	6
Unadjusted EBITDA	**37,051**	**34,009**
Unadjusted EBITDA margin	**31.2 %**	**33.6 %**

The key performance indicator to PharmaSGP is EBITDA adjusted by one-time costs and special effects. In the financial year 2024, these one-time costs (or income) and special effects mainly relate to the long-term compensation of the Management Board and one-time expenses in connection with the change in management. These are subsumed in the adjustment position "other expenses". Due to adjustments to the provision for long-term compensation of the Management Board, an income was adjusted in 2024 and 2023.

As in the prior year, **depreciation and amortization** of € 9,411 thousand in the financial year 2024 (2023: € 9,371 thousand) mainly results from the product brands and marketing authorizations acquired in August 2021.

Finance income of € 1,472 thousand in 2024 was mainly generated from interest gains on short-term time deposits and from price gains of money market funds. The increase compared to the previous year (2023: € 1,146 thousand) stems from further

optimized treasury activities of PharmaSGP in order to make the most of the current high interest rates.

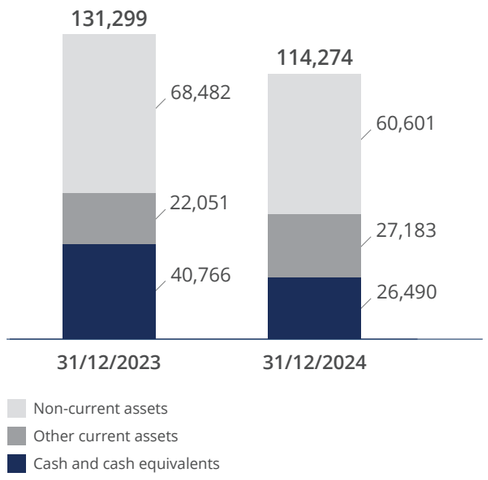
Finance expenses of € 3,072 thousand (2023: € 3,891 thousand) mainly result from interest and other financing costs in connection with the syndicate financing entered into in 2022, set off against profits from interest rate hedges, that were entered into in order to hedge interest rate fluctuations from this syndicate financing.

The decrease in financing expenses results from the planned redemption of the syndicate financing and from an improvement in PharmaSGP's debt ratio. This debt ratio is included in the interest rate as a covenant.

The **income tax expense** in the financial year 2024 is € 6,505 thousand (2023: € 5,496 thousand). The **profit for the period** 2024 is € 19,535 thousand (2023: € 16,397 thousand). The Management Board proposes a distribution of € 0.51 per share to the shareholders. This corresponds to a total distribution of € 5,871 thousand or 30.1 % of the Group's profit for the period – taking into account the current number of treasury shares. If treasury shares exist at the time of distribution, they are not entitled to dividends. The Annual General Meeting will decide on the final profit distribution.

2.3.2 Asset Position

Assets in € thousand

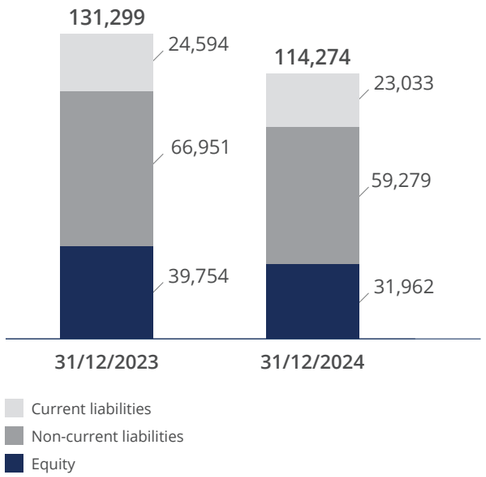


Since the last balance sheet date 31 December 2023, **non-current assets** have decreased by € 7,881 thousand or 11,5 % and amount to € 60,601 thousand as of 31 December 2024. The main changes were regular amortization of intangible assets and capitalized rights-of-use assets, and the fair value change of interest rate hedges, recognized within other non-current financial assets.

Cash and cash equivalents have decreased to € 26,490 thousand as of 31 December 2024. Main reasons are a dividend payment of € 16,307 thousand and the purchase of treasury shares in the amount of € 10,358 thousand.

The increase in **other current assets** of € 5,132 thousand is primarily due to the increase in trade receivables in connection with the revenue increase.

Equity and liabilities in € thousand



The change in the Group's **equity** results from the profit of the period of € 19,535 thousand, the dividend of € 16,307 thousand as resolved by the Annual General Meeting on 26 June 2024, the reduction of reserves for cash flow hedges of € 662 thousand, and from the repurchase of 477,701 treasury shares in the amount of € 10,358 thousand, that are deducted from equity.

Due to regular redemptions of financial and lease liabilities, **non-current liabilities** have decreased to € 59,279 thousand as of 31 December 2024.

Compared to the prior year balance sheet date, **current liabilities** have decreased by € 1,561 thousand or 6.3 % to € 23,033 thousand. The increase is mainly due to lower trade payables, this is offset against higher income tax liabilities.

2.3.3 Financial Position

in € thousand	2024	2023
Net cash flows from operating activities	24,876	26,639
Net cash flows used in investing activities	-1,472	-866
Net cash flows used in financing activities	-37,680	-17,649
Net increase (decrease) in cash and cash equivalents	**-14,276**	**8,124**
Cash and cash equivalents as of 1 January	40,766	32,642
Cash and cash equivalents as of 31 December	**26,490**	**40,766**

In the financial year 2024, PharmaSGP could generate net cash flows from **operating activities** in the amount of € 24,876 thousand. Due to the increase in working capital, operating cash flows are 6.6 % below the prior year amount (2023: € 26,639 thousand).

Cash outflows from **investing activities** were mainly used for investments in marketing authorizations and for the qualification of contract manufacturers of PharmaSGP.

The cash outflow from **financing activities** in the financial 2024 year includes a dividend payment of € 16,307 thousand, the regular repayment of the syndicate financing of € 8,000 thousand (plus a payment of € 54 thousand for other financing costs), the purchase of 477,701 treasury shares for € 10,358 thousand as well as € 3,792 thousand for interest payments and € 477 thousand for the repayment of lease liabilities. Net cash inflows of € 1,308 thousand were generated from interest rate hedges (2023: € 996 thousand).

2.4 Earnings, Assets and Financial Position of PharmaSGP Holding SE

Business activity

PharmaSGP Holding SE with registered office at Lochhamer Schlag 1, 82166 Gräfelfing, Germany is a European Company (Societas Europaea, "SE") under European and German law. The Company is entered in the commercial register of the Munich Local Court under HRB 255684.

SGP SE is the holding company of PharmaSGP Group. It does not generate any revenues from third parties, however, it performs administrative tasks for its operating subsidiaries PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH.

In its function as holding company of the Group, the main opportunities and risks of the operating subsidiaries directly impact the main opportunities and risks of SGP SE. There are domination and profit and loss transfer agreements between SGP SE and the operating companies PharmaSGP GmbH, Remitan, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH. The outlook on the business development provided in the "Report on expected development" also impacts the results of SGP SE and the outlook provided for PharmaSGP Group is applicable for SGP SE.

Earnings position

In the financial year 2024, SGP SE generated revenues of € 3,396 thousand from rendering services to its subsidiaries (2023: € € 2,976 thousand). Third-party services are recharged to subsidiaries according to the source of the costs. Income from those recharges is recognized as other operating income (€ 214 thousand, 2023: € 390 thousand). In the financial year 2024, the subsidiaries increasingly procured services from third parties themselves, resulting in a lower in income from third-party recharges.

Personnel expenses of € 2,765 thousand (2023: € 2,695 thousand) result from remuneration for the Management Board as well as for the Human Resources, Legal and Finance departments and other administrative departments of the Group. Depreciation of € 163 thousand (2023: € 156 thousand) was mainly incurred for acquired office furniture and equipment. Other operating expenses of € 3,106 thousand (2023: € 2,870 thousand) mainly include legal and consulting costs, office rent, expenses for auditors, tax consulting and other third-party services.

Interest expenses stem from the syndicate financing and from the use of subsidiaries' cash funds in form of a cash pool. Interest income mainly includes interest on loans granted to subsidiaries and gains from interest rate hedges.

Based on the profit and loss transfer agreements, the annual net profits or losses of the subsidiaries for the financial year 2024 under commercial law of € 26,555 thousand (2023: € 23,413 thousand) were transferred to SGP SE.

Income taxes comprise current income taxes of € 6,229 thousand (2023: € 5,380 thousand) and deferred income taxes of € 379 thousand (2023: € 94 thousand). The financial year 2024 was concluded with an annual profit of € 19,768 thousand (2023: € 16,427 thousand). The increase compared to the previous year is mainly due to the higher profit trans-

fers from subsidiaries, which in turn resulted from the growth in operating business.

Net assets
SGP SE's total assets have decreased in the past financial year from € 178,947 thousand as of 31 December 2023 to € 152,024 thousand as of 31 December 2024, mainly due to a decrease in liquid funds caused by equity transactions.

The shares in affiliated companies of € 50,110 thousand presented under financial assets comprise the carrying amounts of the investments in the five subsidiaries PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH. Loans to affiliated companies comprise a loan to PharmaSGP GmbH in the amount of € 66,000 thousand (31 December 2023: € 78,000 thousand). It was redeemed by € 12,000 thousand in the financial year 2024.

Receivables from affiliated companies mainly result from the outstanding profit transfers for the financial year 2024. The amounts reported as securities include highly liquid money market funds, the decrease since the prior year results from the above-mentioned cash outflows for the dividend distribution and the share buyback.

Due to the dividend distribution of € 16,307 thousand and the purchase of 477,701 treasury shares at an amount of € 10,247 thousand (excluding transaction fees), the equity position has decreased. This decrease is partially set off by the positive result of the period of € 19,768 thousand, resulting in an equity position of € 72,304 thousand as of 31 December 2024 (31 December 2023: € 79,089 thousand).

As of 31 December 2024, liabilities to banks comprise the syndicate financing which was redemed by € 8,000 thousand as planned in the financial year 2024. The balance of the liability as of 31 December 2024 is € 66,000 thousand. There is an additional credit line of € 50,000 thousand from the syndicate loan agreement, which has not yet been utilized. The liabilities to affiliated companies of € 7,880 thousand (31 December 2023: € 22,494 thousand) mainly result from the cash pooling process.

Financial position
As of 31 December 2024, SGP SE had liquid funds of € 26,166 thousand (31 December 2023: € 40,324 thousand), thereof in the form of highly liquid money market funds of € 25,253 thousand and regular bank balances and cash on hand of € 913 thousand. The main source of liquidity were cash inflows from the recharge of services to the subsidiaries, from cash pooling, from profit transfers of the prior year and prepaid profit transfers for the current financial year.

2.5 Overall Statement

PharmaSGP continued its growth dynamics also in the financial year 2024. The already high revenue growth of 17.8 % in the financial year 2023 was seamlessly continued in 2024 at 17.5 %. This growth also continued in terms of profitability. The key performance indicator adjusted EBITDA increased by 9.2 % in the financial year 2024. Overall, the Management Board can therefore look back on a successful financial year

In the Annual Report 2023, the Management Board had issued a forecast according to which revnues in the range of € 107.0 million to € 112.0 million were expected for 2024. Adjusted EBITDA was expected to range between € 35.0 million and € 38.0 million, which corresponds to an adjusted EBITDA margin relative to revenue of between 32.7 % and 33.9 %. On 14 November 2024, the Management Board of PharmaSGP increased its forecast. Revenue is now expected to be between € 112.0 million and € 117.0 million. The forecast for adjusted EBITDA remained unchanged at between € 35.0 million and € 38.0 million, while the adjusted EBITDA margin was now expected to be between 31.3 % and 32.5 %. In terms of revenue, the forecast made in the Annual Report 2023 was significantly exceeded. The forecast for adjusted EBITDA in € was met. The adjusted EBITDA margin relative to sales fell slightly short of the forecast.

PharmaSGP's financial position remains very solid. The syndicate financing was redeemed as planned. In addition, PharmaSGP was able to distribute a dividend of € 16,307 thousand and also carry out a share buyback in the amount of € 10,358 thousand. Despite these cash outflows, cash and cash equivalents covered all current liabilities as of 31 December 2024.

For PharmaSGP Holding SE, it was forecast in the Annual Report 2024 that adjusted operating expenses in the financial year 2024 would increase slightly compared to the previous year. The actual increase amounted to 4.4 % and is therefore in line with the forecast.

3. Report on Expected Developments

This combined management report contains forward-looking statements that are based on the management's current forecast for the future development of PharmaSGP. The forecast report is based on estimates made by PharmaSGP on the basis of all information available at the time this combined management report was completed. These statements are also subject to risks and uncertainties that are beyond the Company's control. If the assumptions underlying the outlook are not correct or the risks or opportunities described occur, the actual results and developments (both negative and positive) may differ significantly from the statements made in this outlook report.

Macroeconomic and sectoral development
For Germany and the year 2025, economists expect only a slight recovery at best. The German government, for example, expects price-adjusted GDP to grow by 0.3 % in 2025.[8] The Kiel Institute for the World Economy (IfW) even expects only stagnation for 2025 compared to the previous year.[9] In addition to the already weak exports, tariffs in the USA are also threatening economic development in Germany. The IfW also does not expect economic policy to provide support for economic development until 2026: positive economic impetus from a new German government is not expected to take full effect until 2026 at the earliest. In addition, there are currently no signs of a significant economic upturn.[10] The IfW also does not expect any major increases in private consumption, as the research institute does not anticipate any further strong real wage growth.[11]

The key, fundamental trends for the pharmaceutical and healthcare market, such as demographic developments associated with an ageing society, a continuous increase in health awareness and the trends towards natural medicines and increased self-medication in society, will continue to be fundamental growth drivers – despite the current macroeconomic uncertainties. According to IQVIA, the OTC pharmacy market in Germany grew by 5.0 % in 2024.[12] For 2025, Statista forecasts a total market of € 9.73 billion and growth of 3.7 % compared to 2024.[13]

PharmaSGP Group outlook for 2025
The Management Board of PharmaSGP generally expects the Group's revenue and adjusted EBITDA to continue to develop positively in 2025. However, the outlook also reflects the continuing high level of uncertainty regarding the geopolitical and global economic situation, its further potential developments over the course of the year and the consequences for Germany and Europe. Overall, sales in the range of € 122.0 million to € 128.0 million are expected for 2025. In addition, the Executive Board anticipates a further increase in adjusted EBITDA with an expected value of between € 37.0 million and € 39.0 million. This implies an adjusted EBITDA margin relative to sales of 28.9 % to 32.0 % (comparative figure for 2024: 31.3 %).

Possible acquisitions are not included in the forecast.

Outlook for PharmaSGP Holding SE
The key performance indicator for the Company is operating expenses adjusted for non-recurring costs and special effects. The adjustments are calculated using the same system as for adjusted Group EBITDA. For the financial year 2025, management expects adjusted expenses to increase slightly compared to 2024.

The forecast for the financial year 2025 is based on the following assumptions:

- Retention of existing recharge agreements with subsidiaries
- Unchanged shareholding structure
- Unchanged legal and tax environment

4. Opportunities and Risk Report

PharmaSGP is active in markets with long-term growth potential as a consumer health company with a diversified portfolio of OTC pharmaceuticals and other healthcare products. Its business model is subject to corresponding challenges and risks, for example as the result of intensive competition or changes in consumer acceptance of its products. Effective coordinated management systems for corporate governance are necessary in order to detect

[8] https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/2025/20250129-jahreswirtschaftsbericht-2025.html

[9] https://www.ifw-kiel.de/de/publikationen/aktuelles/jannsen-statement-bip/

[10] Ibid.

[11] Ibid.

[12] IQVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im Jahr 2024, p. 19

[13] https://de.statista.com/outlook/hmo/otc-pharma/deutschland

risks at an early stage and manage them, ensure reliable financial reporting and comply with internal and external regulations and laws. The main features of the individual corporate governance elements (risk management system, internal control system and compliance management) are described below.

4.1 Risk Management System

The aim of the implemented risk management system is to detect changes at an early stage that could have a negative effect on the planned operational and strategic objectives of the Group and to make use of possible opportunities for growth. An assessment of identified risks and opportunities is used to evaluate the extent of their impact on company success and to minimize or even entirely avoid the impact of negative events with suitable countermeasures. The PharmaSGP risk management system covers PharmaSGP Holding SE and all its subsidiaries.

Organization and responsibilities
The Management Board of PharmaSGP has set up an early risk identification system in line with Sec. 91 (2) of the German Stock Corporation Act (AktG). It makes decisions on the risk strategy of the Group and approves the corresponding risk management structures and processes. The Management Board defines the Company-wide risk policy. This is used as a guideline for handling risks and opportunities within the Company, forming the framework for risk management. Alongside information about the individual steps in the risk management process, the guideline also contains details about risk management responsibilities and tasks. Given the dynamic environment, the contents of the guideline are reviewed regularly and modified by the risk management committee if necessary, in order to ensure it remains up to date. The Supervisory Board ensures the effectiveness of the implemented risk management system within the framework of monitoring by the Management Board.

Each relevant organizational unit of the Company appoints a selected manager as a member of the risk management committee. The committee is responsible for the modification and further development of the risk management system in cooperation with the Management Board. The members of the risk management committee are responsible for identifying and assessing the risks and opportunities in their company divisions. As a matter of principle, each PharmaSGP employee is obliged to notify their respective manager of potential risks. The appointed risk management officer uses the reported risks and opportunities to prepare a risk portfolio at regular intervals, which is then made available to the risk management committee and the Management Board. The risk management officer also handles central coordination of the risk management process and supports the company divisions in risk assessments.

Risk management process
Regular identification, assessment, management and monitoring of risks and opportunities is carried out in all the relevant organizational units of the Group.

A risk is defined as a negative deviation from the planned operational and strategic objectives of the Group that could put the achievement of the set objectives at risk if it occurred. An opportunity is a positive deviation from the planned operational and strategic objectives. PharmaSGP provides its employees with a catalogue of various potential risks and a standardized report file in order to be able to identify risks as comprehensively and completely as possible. To ensure consistent recording and assessment of the individual risks and opportunities, a standardized reporting file is used. Furthermore, corresponding countermeasures that can help reduce the individual risks are defined in that standardized reporting. Risks and opportunities are reviewed at regular intervals to check that the existing risks and opportunities are up to date and newly identified risks and opportunities are added.

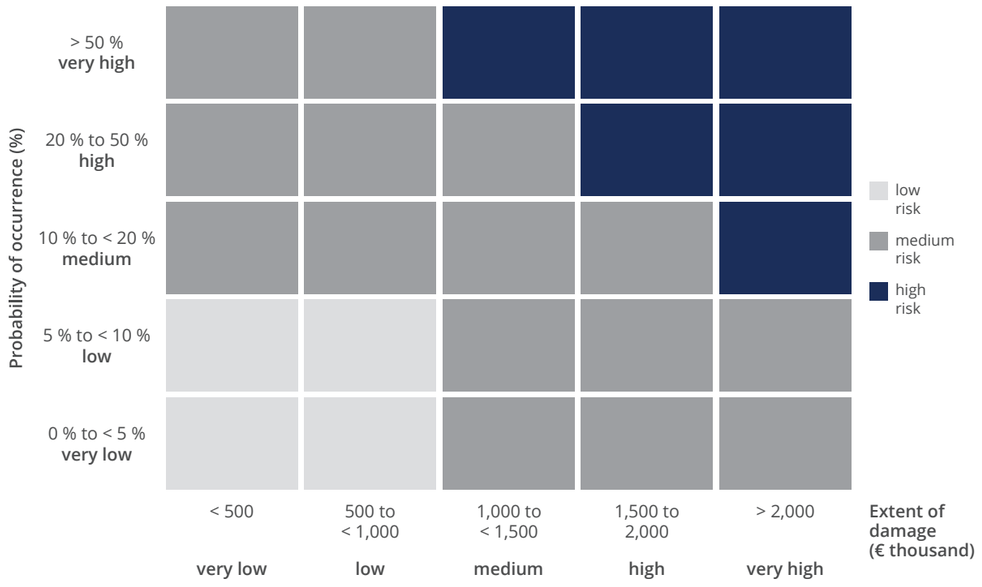
The identified risks are quantified in an assessment on a rolling basis over the 36 months following the date they are first assessed, with the respective period for review used for estimating the extent of damage and the probability of occurrence being twelve months each time. Gross and net assessments are carried out for each risk. Net assessment is based on the gross risk with all due consideration of all countermeasures already implemented that reduce the extent of damage and the probability of occurrence of the gross risk.

PharmaSGP differentiates between event and planning risks in order to record and assess risks appropriately. Event risks are usually one-off events with a low probability of occurrence and high extent of damage. The assessment specified both the probability of occurrence and the extent of damage. Planning risks arise from highly volatile items in corporate planning and are characterized by a high probability of occurrence. This is why only the extent of damage is assessed for this risk type. However, this high volatility can also lead to positive deviations from corporate planning and therefore represent an opportunity for the Group.

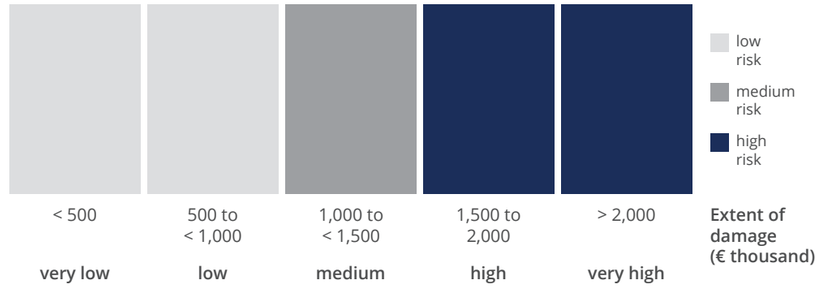
While the probability of occurrence only has to be specified for the assessment of event risks, the extent of damage must be specified for both risk types, in order to assess the financial impact on earnings before interest and taxes (EBIT). The financial impact on the annual net profit is assessed for financial and tax risks.

The following risk matrices are defined for planning and event risks, showing the aggregated risks based on net assessment:

Risk matrix for event risks



Risk matrix for planning risks



The identified and assessed risks are grouped into the following categories for the risk report:

- Market-related and strategic risks
- Risks associated with the product portfolio
- Regulatory risks
- Procurement, production and logistics risks
- Personnel risks
- IT risks
- Legal risks
- Financial risks

The internal risk report is presented by the risk management officer during the risk management committee meeting and the current risk position is subsequently reported to the Management Board. However, new risks that exceed the defined extent of damage are reported directly to the Management Board as immediate risk reports. On a regular basis, the Supervisory Board is provided a report summarizing the risk assessment. Main focus is placed on risks classified as medium or high.

Since 2021, a systematic reconciliation of the aggregated risks with the risk-bearing capacity of PharmaSGP has been performed annually in order to meet the requirements of the revised Auditing Standard 340 of the Institute of Public Auditors in Germany (IDW PS 340). The result of this reconciliation is included in the overall assessment of PharmaSGP's risk and opportunity position.

Furthermore, the effectiveness of the risk management system is reviewed every 2-3 years as part of an internal audit. The last internal audit was performed on 31 December 2023.

4.2 Overview of Risks and Opportunities

Market-related and strategic risks and opportunities
PharmaSGP develops and distributes OTC medicines and other healthcare products such as dietary supplements and skin care products. The Group focuses its drugs on indications with chronic conditions and mainly on natural active ingredients with documented efficacy.

Should demand for these products decline due to negative developments in their target markets, this could adversely affect the Group's business performance. Demand could be adversely affected by inflation in particular if this is higher than forecast. As a rule, end consumers try to maintain their spending on healthcare, particularly on pharmaceuticals, even when purchasing power declines. By constantly monitoring and analyzing the market situation, PharmaSGP monitors such changes and takes appropriate measures to optimize earnings if product sales do not develop as planned. Taking into account the extent of damage, the risk is classified as medium (2023: medium).

In addition, competitive pressure in PharmaSGP's target markets may increase, which could also have a negative impact on the Group's business activities. PharmaSGP counters this risk by continuously monitoring the competitive situation in the product-related submarkets and the economic development of the individual products and brands. The impact of the risk on the business result is classified as medium, taking into account the extent of the damage (2023: medium).

Despite the economic uncertainties, PharmaSGP sees good growth opportunities in all of its target markets in the medium and long term. In addition to the increasing age of the population and the continuously rising health awareness of consumers, social trends towards medicines with natural active ingredients and increased self-medication in particular are boosting demand for PharmaSGP's products. The Group also has a business model that enables the company to react quickly to structural and demand-related market changes. A key component of PharmaSGP's growth strategy is, among other things, to significantly expand established brands and products through M&A activities using the PharmaSGP platform and thus significantly accelerate the pace of growth of PharmaSGP. It is possible that PharmaSGP will have to deploy unscheduled resources in order to identify and successfully integrate attractive target portfolios or target companies. The integration of acquired portfolios or companies may only be realized at higher costs. To counteract these risks, PharmaSGP carries out extensive due diligence in acquisition processes, involving relevant corporate divisions and experienced external consultants. Integration processes are supervised by experienced project teams from all relevant specialist departments. The risk of insufficient synergy potential in relation to acquisitions already made remains unchanged from the previous year's assessment. The potential impact of the strategic risk on the business result is classified as low, taking into account the extent of the damage (2023: low).

In principle, however, expansion by means of the PharmaSGP platform provides the opportunity to create considerable value enhancement potential beyond organic development.

Risks and opportunities associated with the product portfolio
PharmaSGP regularly adds new products to its product portfolio or strengthens the existing product portfolio with the help of optimized marketing strategies. However, the success of new launches or relaunches depends on various factors, some of which are beyond the Group's control. No or only low market acceptance of the new products or delays in their market launch can have a negative impact on PharmaSGP's sales and earnings performance. A product that is considered promising at the beginning of its development cycle may become less attractive due to changes in the market. In addition, PharmaSGP may not correctly assess the potential market for new products and the optimization of marketing strategies may fail to have the desired effect. To prevent this, the development of the OTC market and the market segments relevant to PharmaSGP are constantly monitored. Regular trend analyses, the expansion and continuous monitoring of all marketing campaigns help to identify and exploit growth opportunities more quickly. The potential impact of the risk on PharmaSGP's business results is classified as medium, taking into account the extent of the damage (2023: medium).

PharmaSGP's business depends on the strength and recognition of its brands among consumers. If consumers generally distrust PharmaSGP's brands or OTC products with natural active ingredients or perceive an increased risk in the potential occurrence of adverse effects when taking chemically synthesized drugs, this may have a negative impact on the Group's business results. A product recall as a result of a quality defect or the appearance of counterfeit products on the market can also have a negative impact on the image of its brands. PharmaSGP counters this risk with a comprehensive quality management system and close monitoring of the market and its service providers. Taking into account the probability of occurrence and the extent of damage, the risk is classified as medium (2023: medium).

To promote the strength and awareness of its brands, PharmaSGP invests significantly in direct marketing to potential customers. The Group's revenues development depends on the efficiency and effectiveness of its marketing activities. If advertising slots cannot be booked at all or not at the planned time of publication, this can have a negative effect on the business performance and the further establishment of the brand with end customers. Established booking processes, close monitoring of fixed bookings, and regular reviews of the effectiveness of marketing measures counteract these risks. The reach of advertisement measures could less successful, leading to a lower efficiency in the respective advertisement campaigns. A continuous monitoring and high flexibility in the booking of advertisement spots mitigate that risk effectively. The advertising of OTC products can be subject to extensive regulatory requirements in PharmaSGP's target markets. In some cases, the advertising of products is even dependent on prior approval by the relevant state authorities. Failure to comply with or violation of applicable legal requirements may result in contractual penalties or administrative fines. Advertisements and commercials are therefore reviewed and approved by the Product Marketing and Legal departments prior to publication. The potential impact of the risks described above on PharmaSGP's business performance is classified as low, taking into account the probability of occurrence and the extent of damage (2023: low).

PharmaSGP purchases advertising space for TV sponts and print advertisement as well as advertising services in online marketing via a marketing agency. A change in purchasing conditions can lead to an increase in marketing costs and thus to a reduction in the business result. Monthly strategy meetings with the service provider enable cost planning and control as well as timely strategy changes. The potential impact of the risk on PharmaSGP's business performance is classified as low, taking into account the extent of the damage (2023: low).

Growth for PharmaSGP in Germany and abroad is driven by

- the expansion of established brand families through the addition of new products and dosage forms, and the development of new brand families. This involves the use of marketing authorizations or formulation developments for healthcare products that are already in existence, newly acquired or under development.
- The expansion of acquired brands and portfolios that already have a relevant revenues volume on the market, which can be further increased through integration into the PharmaSGP platform.

The main strength of PharmaSGP lies in its marketing and sales competence. Products may exceed planned expectations as a result of extensive market acceptance and an effective marketing strategy. Successful use of the PharmaSGP platform can thus generate further positive contributions to business results beyond planning and enable the development of new European markets with established Group brands. If PharmaSGP also increases its media volume, this may favor obtaining more advantageous purchasing conditions for advertising services.

Regulatory risks
PharmaSGP is required to comply with many different laws and regulations in its markets, including those relating to the development, manufacture, distribution, marketing and supervision of OTC pharmaceuticals and other healthcare products.

Before PharmaSGP is allowed to launch a new medicine, for example a marketing authorization must be obtained from the relevant national authority. Even after this is granted, the safety, efficacy and manufacture of PharmaSGP's products, among other things, continue to be regulated and thoroughly reviewed by national authorities. It may be necessary to submit post-marketing safety and other information and reports to ensure regulatory compliance. PharmaSGP is also required to report adverse drug reactions, quality and manufacturing problems. The discovery of defects or failure to comply with regulatory requirements may result in marketing or manufacturing restrictions or product recalls or further sanctions. Furthermore, there is a risk that contract manufacturers may fail to meet standards for the manufacturing process and that PharmaSGP's products may not be manufactured in accordance with PharmaSGP's specifications and applicable laws and regulations. Adequate safety stock for active ingredients and finished goods reduces this risk. PharmaSGP addresses all regulatory risks with a quality management system implemented throughout the Group. This is supervised by the Quality Assurance department, continuously developed and checked for compliance.

The impact of the regulatory risks on PharmaSGP's business results is classified as medium with all due consideration of the probability of occurrence and the extent of damage (2023: medium).

Procurement, production and logistics risks
PharmaSGP is exposed to the risk of increasing procurement prices for raw materials and supplies due to changes in the market and demand on the purchasing side. Likewise, increasing production costs and quality deficiencies in the goods manufactured by the contract manufacturer can have a negative effect on the business result.

PharmaSGP is dependent on third parties for the supply of raw materials and other goods as well as for the production of its non-prescription OTC and other healthcare products. External factors, such as the availability of raw materials and packaging materials or disruptions in the production process that are not under PharmaSGP's control, may adversely affect the availability of finished goods, so that delivery could be delayed and existing demand could not be fully met. PharmaSGP has an adequate safety stock for active ingredients and finished goods so that short-term price fluctuations, possible quality defects, raw material shortages, disruptions in the production process and other risks from external factors can be compensated. The inventory is regularly reviewed by the responsible business units and price developments are analyzed. Due to the diversified network of contract manufacturers, PharmaSGP is also able to switch to alternative partners. In order to qualify as a PharmaSGP partner, all third-party manufacturers and suppliers are carefully selected and subjected to a strict auditing process.
The potential impact of risks from price fluctuations and quality defects is classified as medium, taking into account the extent of damage (2023: medium). The potential impact of risks arising from disruptions in the production process or even the failure of a contract manufacturer is classified as medium, taking into account the probability of occurrence and the extent of damage (2023: medium).

After manufacturing, the products are stored by and distributed through one logistics provider per target region. PharmaSGP is therefore dependent on these external logistics providers for the timely delivery of products to wholesalers and pharmacies in order to meet pharmacy demand. Any disruption in the logistics chain due to the failure of these providers to fulfill their contractual obligations may result in delays, increased costs and lost sales for PharmaSGP. PharmaSGP counters this risk through regular audits of existing partners, business and loss of revenue insurance, and further expansion of the logistics partner network. The potential impact of the described logistics risk on PharmaSGP's business performance is classified as medium, taking into account the probability of occurrence and the extent of damage (2023: medium).

IT risks
The efficient and uninterrupted operation of its IT infrastructure is crucial for PharmaSGP to ensure continuous business operations. The risk of suffering a loss of digital information can arise from, for example, inadequate or insufficient data backup or damaging attacks by external parties. PharmaSGP counters these risks with, among other things, an appropriate authorization concept, sufficient IT backup systems (e. g. central anti-virus programs), regular software and hardware maintenance, and routine backups of business-critical data. The potential impact of IT risk on the Group's business performance is therefore classified as low, taking into account the probability of occurrence and the extent of damage (2023: low).

Personnel risks
The further expansion of PharmaSGP's business activities depends to a large extent on the motivation and qualification of its employees. In order to ensure the continuous development of existing employees, but also to meet relevant regulatory requirements (e. g. in the areas of pharmacovigilance, drug safety, occupational safety, etc.), regular training courses are held and documented accordingly.
In addition, PharmaSGP employs important and not easily replaceable key employees in some areas of the company. If such an employee leaves the company, this can lead to short-term process delays or hindrances and, under certain circumstances, to a loss of knowledge. PharmaSGP counters this with a fast and transparent recruiting process as well as appropriate measures for personnel development. In addition, a deputy is appointed for each key position so that the transfer of know-how and the maintenance of processes is guaranteed.

The impact of the personnel risks on the Group's business results is classified as low with all due consideration of the probability of occurrence and the extent of damage (2023: low).

Legal risks
As a listed company, PharmaSGP is subject to capital market laws and regulations. If it does not comply with legal requirements, PharmaSGP could be threatened with fines or legal action. The loss of personal data and other GDPR violations could also result in high fines. In order to avoid violations of capital market law, all employees undergo regular training about this subject area. Internal coordination and control processes also ensure compliance with statutory regulations and provisions. This means the impact of the legal risks on PharmaSGP's business results is classified as low with all due consideration of the probability of occurrence and the extent of damage (2023: low).

Financial risks
PharmaSGP distributes its products via a range of logistics partners. Among other things, these partners handle payment processing with wholesalers and pharmacies. If such payments are not made, bad debts may arise for PharmaSGP. The Group is also subject to general national tax legislation. Incorrect handling of tax issues, particularly in terms of input and output VAT, could lead to objections by the tax authorities and may also lead to high arrears payments. The risk is significantly reduced through the implementation of internal audit processes and regular reporting by the logistics partners. Tax issues are also examined with all due care by an external tax advisor. The impact of the financial risks on the Group's business results is classified as low with all due consideration of the probability of occurrence and the extent of damage (2023: low).

There is a long-term syndicate financing in order to finance the acquisition of the product brands Baldriparan®, Formigran®, Spalt® and Kamol®. The corresponding risks relating to financial instruments are outlined in note 6 "Financial Risk Management and Financial Instruments".

4.3 Overall Situation

There are currently no risks that could endanger the future business development of PharmaSGP as a going concern. Compared to the prior year, the assessment of all of the above-mentioned risks as low, medium or high is unchanged.

The Group sees risks that could have a negative short-term impact on its business performance primarily in unexpected negative market developments, low market acceptance of new products, non-compliance with regulatory requirements internally or at third-party manufacturers, and impairment of production or distribution processes. All the risks described are constantly monitored in the risk management process and mitigated with appropriate countermeasures.

The Group sees opportunities for its future development in the establishment and expansion of established brand families and, in particular, in the integration of established, acquired brands and portfolios that can achieve further growth by means of the PharmaSGP platform. The development of

new European markets also represents an opportunity for the Group to further increase sales growth.

The ongoing geopolitical events in the context of the Ukraine conflict, the conflict between Israel and Gaza and the American policy on tariffs continue to lead to macroeconomic uncertainties with potentially negative effects on industries and companies. PharmaSGP is not pursuing any marketing and sales activities in the affected regions in Eastern Europe or the Middle East. For the financial year 2025, no sales are planned in these countries. Nevertheless, the war and economic sanctions, especially against Russia, could potentially also have an impact on PharmaSGP's business activities. Rising energy prices could result in higher costs for production and logistics. In the last years, however, it was observed that the Ukraine conflict had no negative impact on PharmaSGP's business. PharmaSGP sources only a very small proportion of its active ingredients from Eastern European EU countries. There were no production restrictions or interruptions in the supply chain. The higher cost of living did not have a negative impact on end consumer demand for over-the-counter medicines and other PharmaSGP healthcare products. As the war situation remains unclear, it is not yet possible to make a conclusive assessment of potential negative influences.

Likewise, the long-term effects of the American tariff policy on global economic development and on end consumer behavior cannot currently be foreseen. However, the Management Board does not currently see any risks to PharmaSGP as a going concern as a result of the geopolitical events.

5. Internal Controls and Risk Management Systems of the Group Financial Reporting Process

The objective of the PharmaSGP risk management system with regard to the accounting and reporting process is to identify and assess risks that could conflict with the compliance of the consolidated financial statements. The Chief Financial Officer bears overall responsibility for the Internal Control and Risk Management System with regard to the accounting and reporting process. All companies included in the consolidated financial statements are integrated via a clearly defined management and reporting organization. The separate financial statements of SGP SE and its subsidiaries are prepared in accordance with the provisions of the German Commercial Code (HGB) and reconciled into financial statements in accordance with IFRS.

The purpose of the Group accounting guidelines and Group accounting is to ensure uniform accounting and valuation based on the regulations applicable to SGP SE. The monthly consolidation process is based on the SAP ERP environment and supported by special consolidation software. There are uniform reporting structures, a standardized group chart of accounts and binding reporting calendars to ensure completeness and comparability. The elimination of intercompany income and expenses as well as intercompany liabilities are performed automatically. Automatic plausibility checks are carried out during data entry to ensure data consistency. Control activities also include the analysis and, if necessary, correction of the separate financial statements submitted by the subsidiaries. Other key elements of risk control in the accounting process are the separation of functions between input, review and approval and a clear assignment of responsibilities in the divisions. Furthermore, the dual control principle must be applied at all process levels.

A Group-wide risk management system that corresponds to the legal requirements was implemented in the course of the initial public offering, and since then is reviewed on an ongoing basis in terms of its functionality and adapted to current developments if necessary.

The structures, processes and features of the internal control and risk management system described above ensure that the PharmaSGP accounting guidelines are consistently applied and comply with the legal requirements, the relevant principles of proper accounting, international accounting standards and internal guidelines.

6. Financial Risk Management and Financial Instruments

Establishment and oversight over the Group's financial risk management is the responsibility of the Management Board who prescribes principles for the cross-functional risk management. Relating to financial instruments, the Group may be exposed to market price risks, liquidity risks and credit risks.

Market price risk
Market risks result from changes in market prices for financial instruments, such as foreign exchange rates or interest rates, and are thus categorized as currency risks and interest rate risks.

Currency risks arise from transactions that are not denominated in PharmaSGP's functional currency (€). Since the Group mainly operates in Euro countries, and all entities have the same functional currency, the Group is not significantly exposed to exchange rates fluctuations with respect to its volume of transactions.

Interest rate risks result from fluctuations in interest expenses for financial debts. Financial assets are subject to the risk of fluctuating interest or price gains.

As of 31 December 2024, financial assets consist of highly liquid money market funds, that are exposed to only minimal changes in value.

Since 14 July 2022, a five-year syndicate financing involving four partner banks is in place. Interest is calculated on the basis of a fixed margin plus EURIBOR for the relevant interest period. The margin is within a range of 1.15 % and 2.75 %, depending on the type of usage (Term Loan or Revolving Credit Facility) and PharmaSGP's debt ratio. The debt ratio is calculated as the quotient of net financial debt at the respective reporting date and a profitability ratio for each of the past four quarters.

To mitigate interest risks from EURIBOR fluctuations, the Group has entered into interest rate hedges. Therefore, the syndicate financing is subject to limited risks from changes in market interest rates and risks from changes in the debt ratio.

Overall, considering the potential extent of damage, impacts of changing interest rates are assumed as low.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. This mainly comprises the syndicate financing, trade payables and lease liabilities.

The syndicate financing stipulates a scheduled redemption of the loan amount in fixed tranches. From this redemption obligation, liquidity risks arise which may impact the future development of the Group. In addition, there are covenant restrictions according to which the entire loan amount can be called in if a certain debt ratio is exceeded. Exceeding the debt ratio therefore represents a liquidity risk for the Group.

Due to the positive cash balance as of the reporting date, constantly positive net operating cash inflows and the long-term structure of the syndicate financing, the Group is not exposed to liquidity risks. The liquidity risk due to possible breaches of covenant restrictions is classified as low..

Credit risk
Credit risks arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk comprises both the immediate default risk and the danger of a decline in the customer's creditworthiness. Compared to all other financial assets, trade receivables mainly carry the risk of default which historically has been virtually zero. To maintain the low credit default risk based on past experience, the Group assesses the risk for new customers with a significant order volume and regularly performs a monitoring process to track and manage open balances.

Further quantitative disclosures on the financial risk management are provided on note 7.3 in the notes to the consolidated financial statements.

7. Takeover Related Disclosures pursuant to Secs. 289a and 315a HGB

7.1 Share Capital

The Company's capital stock came to € 12,000 thousand as of 31 December 2024. The capital stock is divided into 12,000,000 no-par value bearer shares with an imputed share in the capital stock of € 1.00 per share. The shares are fully paid in. All shares have the same rights and duties attached. Every share has one vote.

7.2 Capital Participations Exceeding 10 % of the Voting Rights

As of 31 December 2024, FUTRUE GmbH, Gräfelfing, Germany, held a direct participation in the capital of SGP SE that exceeded the threshold of 10 % of the voting rights. There were no indirect participations in the capital of PharmaSGP Holding SE that exceeded the threshold of 10 % of the voting rights.

7.3 Statutory Regulations and Provisions of the Articles of Association concerning the Appointment and Removal from Office of Management Board Members, and concerning Modifications to the Articles of Association

The Supervisory Board appoints the members of the Management Board on the basis of Art. 9 (1), 39 (2) and Art. 46 of the SE-Regulation (SE-Verordnung), Secs. 84 and 85 AktG and Art. 7 (2) of the articles of association for a term of office of a maximum of six years. Reappointments are permissible. In accordance with Art. 7 (1) of the articles of association, the Management Board comprises one or more persons. The Supervisory Board determines the number of members of the Management Board.

The Annual General Meeting adopts resolutions on changes to the articles of association. Amendments to the articles of association are made pursuant to Secs. 179 and 133 AktG. According to Art. 15 of the articles of association, the Supervisory Board is entitled to make changes that only relate to the wording of the articles of association.

7.4 Authority of the Management Board to issue Shares or acquire Treasury Shares

Repurchase of treasury shares
The Management Board is authorized, subject to the approval of the Supervisory Board, to acquire treasury shares of the Company up until 25 June 2029 in an amount of up to 10 % of the Company's share capital existing at the time of the grant of the authorization or – if this value is lower – at the time of its exercise. Under certain conditions, treasury shares may be acquired with the use of derivatives.

In the financial year 2024, SGP SE has purchased 477,701 treasury shares at an amount of € 10,358 thousand, including transaction fees. The shares have not yet been withdrawn. No treasury shares were sold. There are no treasury shares held by third parties in the name or for the account of SGP SE. As of 31 December 2024, SGP SE holds a total of 487,488 treasury shares.

Authorized Capital 2024
The Management Board is authorized, subject to the approval of the Supervisory Board, to increase the Company's capital stock in one or several tranches up until 25 June 2029 by up to a total of € 6,000 thousand by issuing new no-par value bearer shares in return for cash and/or non-cash contributions. Stockholders are to be granted a subscription right, whereas the Management Board, subject to the approval of the Supervisory Board, is entitled to fully or partially preclude the stockholders' subscription rights under certain conditions and within defined limits.

Conditional Capital 2024
The Management Board is authorized, with the approval of the Supervisory Board, to issue bearer and/or registered convertible bonds and/or bonds with warrants with a total nominal value of up to € 250,000 thousand with a limited or unlimited term until 25 June 2029 and to grant the holders or creditors of such bonds conversion or option rights to subscribe to a total of up to 6,000,000 new no-par value bearer shares in SGP SE with a pro rata amount of the share capital of up to € 6,000 thousand. The Management Board is authorized, with the approval of the Supervisory Board, to fully or partially exclude shareholders' subscription rights to convertible bonds and/or bonds with warrants under certain conditions. In this context, a new Conditional Capital 2024 was created in the total amount of € 6,000 thousand.

7.5 Significant Agreements of the Company that are subject to a Change of Control

In the event of a change of control as a result of a takeover bid within the meaning of Sec. 289a (8), negotiations shall be held between SGP SE and the lenders participating in the syndicate financing regarding the continuation of the syndicate financing. After expiry of the negotiation period, each lender shall be entitled to call in its loan receivables immediately.

8. Corporate Governance Statement pursuant to Sec. 289f and Sec. 315d HGB

As a company listed on the Frankfurt Stock Exchange (Prime Standard), PharmaSGP Holding SE issues the following corporate governance declaration relating to PharmaSGP Holding SE and its subsidiaries PharmaSGP GmbH, Restaxil GmbH Remitan GmbH and PharmaSGP Vertriebs GmbH in line with Sec. 289f and Sec. 315d HGB for the financial year 2024.

Furthermore, the Management Board and Supervisory Board of PharmaSGP Holding SE report as follows on the use of corporate governance at PharmaSGP Holding SE in line with Principle 22 of the German Corporate Governance Code ("DCGK").

8.1 Declaration of Compliance pursuant to Sec. 161 AktG

The Management Board and Supervisory Board of PharmaSGP Holding SE have issued the following declaration of compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated 22 April 2022, in line with Sec. 161 AktG, in July 2024:

DCGK recommendations C.10, D.2 to D.4, D.7, D.10, D.12 and G.17 – Supervisory Board committees
"As the Company's Supervisory Board consists of three members according to the articles of association, the Supervisory Board has decided not to form any committees. A committee would only be quorate if it consisted of at least two members, which also corresponds to the quorum for the Supervisory Board as a whole. The Company therefore believes that forming Supervisory Board committees would not help improve the efficiency of the Supervisory Board's work."

DCGK recommendation F.2 – reporting
"Deviating from recommendation F.2, the Company has decided that the consolidated financial statements and group management report and the interim reports required by general or stock exchange law shall be published within the time limits specified in general and / or stock exchange law. The Company believes that publication within such time limits is sufficient for the information interests of the investors, creditors and other stakeholders, as well as the general public."

DCGK recommendation G.7 sentence 1 – timing of performance criteria as part of variable remuneration components
"The Supervisory Board determines the annual performance criteria as part of the Management Board's variable compensation within the first half of the respective financial year, but not before its commencement, which is a deviation of DCGK's recommendation G.7 sentence 1. The Supervisory Board believes that a reasonable decision on the annual target criteria can only be made on the basis of preliminary financial numbers of the previous year."

DCGK recommendation G.8 sentence 2 – subsequent amendment of target values for comparison parameters"
"The Supervisory Board submitted an amended remuneration system for the members of the Management Board to the Company's Annual General Meeting on 26 June 2024 ("Annual General Meeting 2024") for approval under agenda item 6 in accordance with Sec. 87a AktG. The 2024 Annual General Meeting approved this amended remuneration system with the required majority. The amendments to the remuneration system relate, among other things, to the possibility of changing the weighting between the internal and external performance parameters as part of the long-term variable remuneration (Performance Share Plan). Following the 2024 Annual General Meeting, the Supervisory Board agreed with the relevant members of the Management Board to also make use of this option in deviation from recommendation G.8 of the GCGK with regard to the tranches of the Performance Share Plan issued for previous years with a performance period still running. In the view of the Supervisory Board, such a retroactive amendment serves the interests of the Company in an appropriate and sustainable incentive effect of the long-term variable remuneration as well as the standardization of already issued and future tranches of the Performance Share Plan."

8.2 Information about Corporate Governance Practices above and beyond Statutory Requirements

PharmaSGP Holding SE is committed to carrying out its business ethically and in a legally sound manner. In order to fulfil the Company's social responsibility as a manufacturer of pharmaceuticals, the Management Board and Supervisory Board have implemented responsible, transparent and value-oriented corporate governance. For PharmaSGP Holding SE, this does not just mean compliance with statutory and regulatory provisions, but also the implementation of an ethically justifiable corporate philosophy reflected, among other things, in the "Code of Ethics".

Compliance
The PharmaSGP Holding SE compliance team under the supervision of the CFO as Chief Compliance Officer has set up a compliance management system that will help to ensure that employees act lawfully. It is designed to identify potential violations in advance and systematically prevent their occurrence and is monitored by the PharmaSGP Holding SE compliance team. This compliance system includes the "Code of

Ethics" as a fundamental set of rules for compliance structure, compliance audits, regular training on relevant compliance risks and measures and adequate structures and processes to enable employees to report possible compliance violations.

Internal control system
PharmaSGP's internal control system comprises all rules within the Group that serve to methodically manage operational, financial, regulatory and compliance-related risks. These rules are accessible in the form of guidelines, work instructions and process descriptions. The structure, release, revision and communication of these internal rules are carried out in accordance with standardized procedures, particularly for the regulatory area. Furthermore, all employees of PharmaSGP are obliged to comply with the "Code of Ethics" within the scope of their duties and activities.

For better scalability, business processes are supported by IT solutions wherever possible. As far as possible and appropriate, PharmaSGP uses the controls integrated in these applications or services. In addition, manual process controls are in place to prevent or detect errors. In the regulatory area, there is a quality management system implemented for the entire Group with the aim of establishing the greatest possible patient safety. This is achieved through detailed process definitions, e. g. for deviations, corrective and preventive measures, or reporting of adverse drug reactions. In addition, regular internal and external audits take place. The internal control system relating to the group financial reporting process is described in note 5.

Based on the current design, the Management Board has no indication that the internal control system as a whole is not adequately established or effective.

Risk management system
Thanks to its internal risk management system, PharmaSGP Holding SE is able to detect any business and financial risks at an early stage in order to take corresponding countermeasures. Regular risk monitoring is carried out. For more details about the opportunities and risks for PharmaSGP Holding SE, please see the "Opportunities and Risk Report".

The declaration including disclosures on corporate governance practices is available on the Company's website https://ir.pharmasgp.com/en/.

8.3 Composition and Description of the Working Methods of the Management Board and Supervisory Board and the Working Methods of their Committees

The Company is a limited liability Company established under European law (Societas Europaea) and is subject in particular to the provisions of the German Stock Corporation Act, also used as the basis for the DCGK. The dual management system with a Management Board and Supervisory Board as its bodies represents a fundamental principle of German stock corporation law. The Management Board manages the Company, while the Supervisory Board advises and supervises the Management Board. Concurrent membership of both bodies is excluded. The Company's Management Board and Supervisory Board engage in trust-based cooperation with the aim of sustainably increasing the value of the Company for its shareholders.

8.3.1 Management Board

Management Board tasks
The Management Board is responsible for managing the Company in its own best interests with the aim of sustainable value creation. This includes consideration of the interests of the shareholders, employees and other groups associated with the Company (stakeholders). The members of the Management Board are jointly accountable for managing the Company. The Management Board conducts company business in line with statutory provisions, the articles of association, the rules of procedure and the schedule of responsibilities.

Composition and responsibilities of the Management Board
In the financial year 2024, the Management Board consisted of three people. Ms. Natalie Weigand (Chief Executive Officer, CEO) and Mr. Michael Rudolf (Chief Financial Officer, CFO) were appointed to the Management Board as of 4 March 2020. Mr. Peter Gerckens was appointed to the Management Board as of 1 July 2024. Until 31 December 2024, he held the position of the Chief Operating Officer (COO). As of 1 January 2025, he took over the CEO position from Ms. Weigand who since then is no longer a member of the Management Board.

Working methods of the Management Board
Each member of the Management Board is independently responsible for managing their own area of responsibility as indicated in the respective valid schedule of responsibilities, within the framework of the rules of procedure and Management Board resolutions.

Irrespective of the distribution of responsibilities in the schedule of responsibilities, the Management Board members are jointly accountable for managing the Company. They are obliged to work together in a spirit of collegial cooperation, keeping one another informed of the major events in their division and any intended measures that might affect the area of responsibility of another Management Board member.

The entire Management Board passes resolutions on all matters where the law, the articles of association or the rules of procedure require the adoption of resolutions by the Management Board. Furthermore, each Management Board member is entitled to submit a decision from a department to the entire Management Board for the adoption of a resolution.

Any member of the Management Board can convene a Management Board meeting. The respective Management Board member convening the meeting will specify the dates and the invitation and will also chair the meeting. A Management Board meeting may be convened immediately if urgently necessary or upon request by two Management Board members.

The Management Board is quorate if at least half its members are present or otherwise participating in the adoption of resolutions. Where agreed, resolutions shall be adopted with a simple majority of votes cast.

When adopting resolutions, the Chair of the meeting has the casting vote in the event of a tie; however, this does not apply if the Management Board consists of fewer than three people. The Deputy Chair is not entitled to the casting vote if the Chair is unable to attend or otherwise indisposed.

The Management Board may also adopt resolutions outside meetings (or through combined methods of adoption) using verbal voting, voting on the phone, voting in text form (Sec. 126 of the German Civil Code BGB) and/or other telecommunication methods or electronic media if this has been arranged by the CEO at least two days in advance; in urgent cases, this period can be reduced appropriately.

The Management Board cooperates with the Supervisory Board to the benefit of the Company. It coordinates the strategic orientation of the Company with the Supervisory Board and discusses the status of strategy implementation with the latter at regular intervals. Upon request, the Management Board shall provide the Supervisory Board with any information necessary for the Supervisory Board to exercise control.

Management Board remuneration
The basic principles of the remuneration system for members of the Management Board can be downloaded at https://ir.pharmasgp.com. Disclosures on the individual remuneration of the Management Board members are provided in the remuneration report.

8.3.2 Supervisory Board

Tasks and responsibilities of the Supervisory Board
The Supervisory Board appoints the members of the Management Board for a period of up to six years. It also advises and supervises the Management Board in relation to the strategic orientation of business. The Management Board notifies the Supervisory Board regularly about business development, strategy, corporate planning, the risk situation, risk management and the internal control system.

It agrees on budget planning and approves the annual financial statements for PharmaSGP Holding SE and the consolidated financial statements for the PharmaSGP Group.

As of 4 March 2020, the members of the Supervisory Board were Dr. Clemens Fischer (Head of the Supervisory Board), Ms. Madlena Hohlefelder (Deputy head of the Supervisory Board). Dr. Axel Rebien has been a member of the Supervisory Board since 1 June 2020.

Working methods of the Supervisory Board
Supervisory Board meetings are convened by the Chair in text form (Sec. 126 (b) BGB) with a notice period of ten (10) calendar days; the Chair determines the meeting location. The day on which the invitation is sent and the day of the meeting are not included in the calculation of the notice period; invitation dispatch is sufficient evidence of compliance with the notice period. The Chair can reduce the notice period appropriately in urgent cases and can also convene the meeting verbally or remotely.

The invitation should include the meeting location and time and the agenda. Unless an urgent case justifies later notification, additions to the agenda must be submitted three calendar days before the meeting at the latest.

Resolutions may only be adopted in meetings that have not been properly convened or for agenda

items that were not properly announced if this is not opposed by any Supervisory Board members. In such cases, absent Supervisory Board members should be given the opportunity to object to the resolution or subsequently cast their vote within an appropriate time period to be specified by the Chair. The resolution will only take effect if the absent members have not objected (or agreed) to it within the set time period or have subsequently cast their vote.

The Head of the Supervisory Board shall chair the Supervisory Board meetings and determine the order in which agenda items are addressed, as well as the method and order of voting.

Supervisory Board resolutions are usually adopted in meetings. Absent Supervisory Board members can also participate in the adoption of resolutions by having written absentee votes delivered pursuant to Sec. 108 (3) AktG. Where arranged by the Chair of the Supervisory Board before the adoption of resolutions, absent Supervisory Board members can also cast their votes – subsequently within a time period set by the Chair if necessary – by telephone, in text form (Sec. 126 (b) BGB) or using other telecommunication methods or electronic media.

If arranged by the Head of the Supervisory Board, the Supervisory Board may also adopt resolutions outside meetings (or through combined methods of adoption) using verbal voting, voting on the phone, voting in text form (Sec. 126 (b) BGB) and / or other telecommunication methods or electronic media. The Supervisory Board members are not entitled to object to this form of resolution adoption. The aforementioned conditions apply accordingly to the form and deadline for arrangements.

The adoption of a resolution is also permitted without (prompt) arrangement if this is not opposed by any Supervisory Board members. In such cases, absent and / or non-participating Supervisory Board members should be given the opportunity to object to the resolution or subsequently cast their vote within an appropriate time period to be specified by the Head of the Supervisory Board. The resolution will only take effect if the absent and / or nonparticipating members have not objected (or agreed) to it within the set time period or have subsequently cast their vote.

The Supervisory Board is quorate if at least half of its total members participate in the adoption of the resolution. Abstention counts as participation in the adoption of the resolution, but not as a vote.

The Supervisory Board adopts resolutions with a simple majority of votes cast, unless otherwise specified by law. In the event of a tie, the Chair of the Supervisory Board has the casting vote; this also applies to elections. If no Chair is appointed or the Chair abstains, an application is considered to be rejected in the event of a tie. The Deputy Chair is not entitled to the casting vote if the Chair is unable to attend or otherwise indisposed.

In 2022, the Supervisory Board conducted a self-evaluation based on a detailed questionnaire. The effectiveness of the Supervisory Board's performance of its duties was assessed. The results of the evaluation confirm that the cooperation within the Supervisory Board and with the Executive Board is professional, constructive and characterized by a high degree of trust and openness. Improvements to the content and processes of the cooperation were defined and implemented in the financial year 2023.

Supervisory Board remuneration
The basic principles of the remuneration system for members of the Supervisory Board can be downloaded at https://ir.pharmasgp.com. Disclosures on the individual remuneration of the Supervisory Board members are provided in the remuneration report.

8.4 Transparent Corporate Governance

In order to ensure the greatest possible transparency, the media and interested general public are informed regularly and promptly about the Company's status and any major changes. The Company mainly uses the Internet to provide comprehensive, equal and prompt information. The following are used to report on the status and results of PharmaSGP Holding SE:

- Interim reports,
- Annual report,
- Annual General Meetings,
- Press releases,
- Conference calls, and
- Events with financial analysts in Germany and abroad

The regular financial reporting dates are summarized in the financial calendar. If any facts arise outside the regular reporting dates for PharmaSGP Holding SE that could have a major impact on the market price of PharmaSGP Holding SE shares, these will be disclosed in ad-hoc news.

The financial calendar and ad-hoc news are available on the Internet at https://ir.pharmasgp.com.

8.5 Stipulations to promote the Participation of men and women in Leadership Positions pursuant to Sec. 76 (4) and Sec. 111 (5) AktG

Report on the stipulation and achievement of target values for the percentage of women sitting on the Supervisory Board
The Supervisory Board has stipulated that at least one woman should sit on the Supervisory Board. The deadline for achieving this target value was set as 30 April 2025.

There was one female member on the Supervisory Board in 2024, meaning that the target value has been achieved.

Report on the stipulation and achievement of target values for the percentage of women sitting on the Management Board
The Supervisory Board has stipulated that at least one female member should sit on the Management Board. The deadline for achieving this target value was set as 30 April 2025.

There was one female member on the Management Board in 2024, meaning that the target value has been achieved.

Report on the stipulation and achievement of target values for the percentage of women in management levels
The Management Board has stipulated a target value of minimum 30 % as a percentage of women in the first management level below the Management Board.

Currently, no women belong to this management level. The deadline for achieving this target value was set as 1 December 2027.

The Management Board has stipulated a target value of minimum 30 % as a percentage of women in the second management level below the Management Board.

As of 31 December 2024, the percentage of women in the second management level was 66 %, thus achieving the target amount.

9. Dependency Report

In 2024, PharmaSGP Holding SE was a dependent company of FUTRUE GmbH with registered offices Am Haag 14, 82166 Gräfelfing, Germany, as defined under Sec. 312 AktG. FUTRUE controls FUTRUE Group, whose group entities qualify as affiliated companies. Therefore, the Management Board of the Company has prepared a report on relations with affiliated companies (dependency report), which contains the following final declaration:

"We declare that the Company received an appropriate consideration for each transaction and measure listed in the report on relations with affiliated companies in the financial year 2024 under the circumstances known to us at the time the transactions were made or the measures taken or not taken. The Company did not suffer any detriment because of taking or refraining from measures."

10. Subsequent Events

No events or transactions of particular significance occurred after the reporting date.

Gräfelfing, 24 April 2025

Peter Gerckens (CEO)

Michael Rudolf (CFO)

Consolidated Financial Statements

PHARMA SGP

Consolidated Financial Statements as of 31 December 2024

Consolidated Statements of Profit or Loss

in € thousand	Notes	2024	2023
Revenues	6.1	**118,837**	101,099
Other operating income	6.2	313	172
Raw materials, consumables and finished goods		-10,845	-9,462
Personnel expenses	6.3	-8,026	-7,342
Marketing expenses	6.4	-53,270	-43,381
Other operating expenses	6.5	-9,958	-7,077
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**37,051**	**34,009**
Depreciation and amortization	5.1 - 5.3	-9,411	-9,371
Earnings before interest and taxes (EBIT)		**27,640**	**24,638**
Finance income	6.6	1,472	1,146*
Finance expenses	6.6	-3,072	-3,891*
Profit before taxes		**26,040**	**21,893**
Income tax expense	5.14	-6,505	-5,496
Profit for the period		**19,535**	**16,397**
of which attributable to shareholders of PharmaSGP Holding SE		19,535	16,397
Basic and diluted earnings per share (€)	6.7	1.65	1.37

* The presentation of finance income and finance expenses was adjusted for the previous year. Please refer to note 6.6.

Consolidated Statements of Other Comprehensive Income

in € thousand	Notes	2024	2023
Profit for the period		**19,535**	16,397
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Gains and losses from cash flow hedges	7.1	430	-1,096
Amounts from hedging instrument reclassified to profit or loss	7.1	-1,308	-996
Attributable income taxes	5.14	216	513
Items that will not get reclassified to profit or loss:			
---		–	–
Other comprehensive income, net of taxes		**-662**	**-1,579**
Total comprehensive income		**18,873**	**14,818**
of which attributable to shareholders of PharmaSGP Holding SE		18,873	14,818

Consolidated Statements of Financial Position

in € thousand	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Intangible assets	5.1	58,822	66,056
Property, plant and equipment (PPE)	5.2	307	302
Right-of-use assets	5.3	944	874
Other non-current financial assets	7.1	528	1,250
Total non-current assets		**60,601**	**68,482**
Current assets			
Inventories	5.4	10,439	10,117
Trade and other receivables	5.5	13,531	9,189
Other assets	5.6	3,213	2,518
Income tax assets	5.14	-	227
Cash and cash equivalents	5.7	26,490	40,766
Total current assets		**53,673**	**62,817**
Total assets		**114,274**	**131,299**

in € thousand	Notes	31 December 2024	31 December 2023
Shareholders' equity and liabilities			
Shareholders' equity	5.8		
Share capital		12,000	12,000
Capital reserve		38,120	38,120
Retained earnings		-7,619	-10,847
Other reserves		-10,539	481
Total shareholders' equity		**31,962**	**39,754**
Non-current liabilities			
Provisions	5.9	9	120
Financial liabilities	5.10	57,643	65,370
Other financial liabilities	7.1	310	219
Lease liabilities	5.3	476	452
Deferred tax liabilities	5.14	841	790
Total non-current liabilities		**59,279**	**66,951**
Current liabilities			
Provisions	5.9	3,470	3,322
Financial liabilities	5.10	7,736	7,711
Trade payables	5.11	4,419	9,920
Other liabilities	5.12	864	1,146
Other financial liabilities	5.13, 6.1	2,212	635
Lease liabilities	5.3	487	444
Income tax liabilities	5.14	3,845	1,416
Total current liabilities		**23,033**	**24,594**
Total shareholders' equity and liabilities		**114,274**	**131,299**

Consolidated Statements of Changes in Equity

					Other reserves		
in € thousand	**Notes**	**Share capital**	**Capital reserve**	**Retained earnings**	**Reserves for cash flow hedges**	**Treasury shares**	**Total shareholders' equity**
As of 1 January 2023		**12,000**	**38,120**	**-21,369**	**2,346**	**-**	**31,097**
Purchase of treasury shares		-	-	-	-	-286	-286
Dividends		-	-	-5,875	-	-	-5,875
Profit for the period		-	-	16,397	-	-	16,397
Other comprehensive income		-	-	-	-1,579	-	-1,579
As of 31 December 2023		**12,000**	**38,120**	**-10,847**	**767**	**-286**	**39,754**
Purchase of treasury shares	5.8	-	-	-	-	-10,358	-10,358
Dividends	5.8	-	-	-16,307	-	-	-16,307
Profit for the period		-	-	19,535	-	-	19,535
Other comprehensive income	5.14, 7.1	-	-	-	-662	-	-662
As of 31 December 2024		**12,000**	**38,120**	**-7,619**	**105**	**-10,644**	**31,962**

Consolidated Statements of Cash Flows

in € thousand	**Notes**	**2024**	**2023**
Profit for the period		19,535	16,397
Depreciation and amortization of intangible assets, PPE and right-of-use assets	5.1 - 5.3	9,411	9,371
(Increase) / decrease in inventories	5.4	-322	-3,115
(Increase) / decrease in trade and other receivables	5.5	-4,342	-1,390
(Increase) / decrease in other assets	5.6	-2,159	-1,012
Increase / (decrease) in trade payables	5.11	-5,736	1,030
Increase / (decrease) in other (financial) liabilities	5.12, 5.13, 6.1	1,387	-871
Increase / (decrease) in provisions	5.9	37	251
Interest (income) and expense	6.6	4,101	4,175
Income tax expense	5.14	6,505	5,496
Income tax payments		-3,583	-3,926
Interest paid		-1	-2
Interest received		43	235
Net cash flows from operating activities		**24,876**	**26,639**
Payments for investments in intangible assets	5.1	-1,399	-813
Payments for investments in PPE	5.2	-73	-53
Net cash flows used in investing activities		**-1,472**	**-866**
Dividends paid	5.8	-16,307	-5,875
Purchase of treasury shares	5.8	-10,358	-286
Proceeds from derivatives	7.1	1,308	1,033
Payments from the settlement of derivatives	7.1	-	-37
Repayment of financial liabilities and other financing expenses	5.7, 5.10	-8,054	-8,054
Repayment of lease liabilities	5.3	-477	-440
Interest paid		-3,792	-3,990
Net cash flows from / (used in) financing activities		**-37,680**	**-17,649**
Net increase / (decrease) in cash and cash equivalents		**-14,276**	**8,124**
Cash and cash equivalents as of 1 January		40,766	32,642
Cash and cash equivalents as of 31 December		**26,490**	**40,766**

Notes to the Consolidated Financial Statements for the Financial Year 1 January to 31 December 2024

1. Basis of preparation

1.1 Background and general information

PharmaSGP Holding SE (hereafter also referred to as the "Company" or "SGP SE") with its registered office at Lochhamer Schlag 1, 82166 Gräfelfing, Germany, is a European Company (Societas Europaea, "SE") with its primary activities in the healthcare business in Germany and other European countries. The Company is registered in the commercial register of the Munich Local Court under HRB 255684.

Since May 2020, the Company has been the holding company of a group of companies operating in the healthcare industry. Its operating subsidiaries are PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH (hereafter including SGP SE also referred to as "PharmaSGP" or the "Group").

The Group is a consumer health company with a diverse portfolio of non-prescription pharmaceuticals (over the counter; "OTC") and other healthcare products that are marketed with the focus on the pharmacy distribution channel. Its core brands cover chronic indications, including pain and other age-related ailments. The Group's OTC products are mostly based on natural active pharmaceutical ingredients ("APIs").

SGP SE's shares are listed on the Regulated Market and the sub-segment Prime Standard of the Regulated Market of the Frankfurt Stock Exchange under German Securities Code (WKN) A2P4LJ, International Securities Identification Number (ISIN) DE000A2P4LJ5 and ticker symbol PSG. First day of trading was on 19 June 2020.

1.2 Consolidated financial statements and compliance with IFRS

The consolidated financial statements for the financial year 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), as well as the supplementary provisions of Sec. 315e (1) HGB (German commercial code).

The Management Board prepared the consolidated financial statements on 24 April 2025, and thus approved them for publication as defined by IAS 10. The consolidated financial statements and the combined management report are submitted to and published in the business register (Unternehmensregister). The financial statements of SGP SE's subsidiaries are exempt from publication in the business register as the requirements of Sec. 264 (3) HGB are met.

Scope of consolidation
SGP SE is the holding company of the Group. The Group's business is conducted by PharmaSGP GmbH, Restaxil GmbH, Remitan GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH.

The consolidated financial statements include all of the below mentioned subsidiaries that are controlled by the Company, either directly or indirectly, as defined by IFRS 10:

Name	Share of equity	Equity in € thousand[1]	Principal activities
PharmaSGP GmbH Gräfelfing, Germany	100 %	5,476	Development and distribution of OTC pharmaceuticals and other healthcare products, and distribution services of pharmaceuticals
Restaxil GmbH Gräfelfing, Germany	100 %	2,399	Development and distribution of healthcare products
Remitan GmbH Gräfelfing, Germany	100 %	870	Development and distribution of cosmetic and healthcare products
Fokusan Health GmbH Gräfelfing, Germany	100 %	13	Marketing and sales services in the pharmaceutical and medical field
PharmaSGP Vitalmed GmbH Gräfelfing, Germany	100 %	13	Development and distribution of healthcare products

SGP SE prepares the consolidated financial statements for the smallest group of companies. FUTRUE GmbH, Gräfelfing (hereinafter referred to as "FUTRUE"), prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements of FUTRUE are published in the company register.

Basis of presentation
The consolidated financial statements are generally prepared on the basis of accounting for assets and liabilities at amortized cost, with certain financial assets and financial liabilities measured at fair value through profit or loss. Assets and liabilities are accounted for using the recognition and measurement rules in the relevant IAS or IFRS, which are explained in detail in note 2 "Summary of significant accounting policies".

The consolidated statements of profit and loss were prepared using the nature of expense method. The consolidated statements of profit and loss and consolidated statements of other comprehensive income are presented in separate statements. The statements of financial position are classified based on the maturities of assets and liabilities.

The consolidated financial statements are presented in Euro (€), which is the functional currency of all companies in the Group. Unless otherwise indicated, amounts are shown in thousands of Euros. Due to the rounding of figures, it is possible that individual items and percentages do not add up to the totals indicated. The financial year of SGP SE corresponds to a calendar year.

[1] as of 31 December 2024, pursuant to German commercial law (HGB)

2. Summary of significant accounting policies

Pursuant to Regulation (EC) No. 1606/2002, the financial reporting standards issued by the IASB and endorsed by the European Commission for adoption in the European Union are the basis for IFRS accounting. The new or revised IFRSs published by the IASB are subject to mandatory application in the EU only after a corresponding decision has been made by the Commission in the endorsement procedure.

Except for new or amended financial standards and interpretations issued by the IASB, the same accounting policies were applied in these consolidated financial statements as in the Group's consolidated financial statements as of 31 December 2023.

2.1 Effects of new or amended standards and interpretations Issued by the IASB

In the consolidated financial statements as of 31 December 2024, the following standards or amendments to standards were adopted:

Standard	Endorsement
Amendments to IAS 1: • Classification of liabilities as current or non-current • Non-current liabilities with covenants	19 December 2023
Amendments to IFRS 16: Lease liability in a sale and leaseback	20 November 2023
Amendments to IAS 7 and IFRS 7: Supplier finance agreements	15 May 2024

These standards or amendments to standards became effective for financial years beginning on or after 1 January 2024. The adoption had no material impacts on net assets, financial position or earnings position of PharmaSGP.

The following standards and interpretations issued by the IASB have not yet been adopted because they have not yet been endorsed by the EU and / or are not yet subject to mandatory application:

Standard	Effective date[2]	Endorsement
Amendments to IAS 21: Lack of Exchangeability	1 January 2025	12 November 2024
Amendments to IFRS 9 and IFRS 7: Classification and Measurements of of Financial Instruments	1 January 2026	not yet endorsed[3]
Annual Improvements Volume 11	1 January 2026	not yet endorsed[3]
IFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027	not yet endorsed[3]

Except for the new standard IFRS 18, the adoption of the above-mentioned amendments is not expected to materially impact net assets, financial position or earnings position of the Group.

With regard to the new standard IFRS 18, management is currently in the process of determining the future impact of the new standard on the consolidated financial statements. According to an initial preliminary assessment based on transactions in 2023 and 2024, the following potential effects are expected:

- The presentation of the current reporting line "Earnings before interest and taxes (EBIT)" will be adjusted to an immaterial extent in order represent the result from operating activities, as required under IFRS 18.

- The current line item "Earnings before interest, taxes, depreciation and amortization (EBITDA)" will continue to be the starting point for determining the key performance indicator "Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA").

- The components of the current line items "financial income" and "financial expenses" will mainly be shown in the new line items "result from investing activities" and "result from financing activities".

PharmaSGP will apply the new standard for the first time on its mandatory application date from 1 January 2027. As retrospective application is mandatory, the comparative information for 2026 will also be adjusted in accordance with IFRS 18.

[2] for financial years beginning on or after that date
[3] as of the preparation date of the consolidated financial statements

2.2 Current versus non-current classification

Assets and liabilities are presented in the consolidated statements of financial position based on a current / non-current classification.

Assets are classified as current in the consolidated statements of financial position when they are expected to be sold, consumed or realized during the normal business cycle of the legal entities included in the Group or if they mature within one year of the reporting period. All other assets are classified as non-current.

Liabilities are current if they are expected to be settled in the normal business cycle or within one year of the reporting period. All other liabilities are classified as non-current.

Inventories are consistently presented as current. Deferred tax assets and liabilities are classified as non-current in accordance with IAS 1.

2.3 Revenue from contracts with customers

The Group's primary business is the sale of over-the-counter (OTC) pharmaceuticals and other healthcare products. Finished goods are sourced from contract manufacturers who are qualified to meet the respective regulatory requirements of the products to be manufactured. In many cases, those manufacturers also handle the sourcing of the required raw materials. The products manufactured by the contract manufacturers become the property of PharmaSGP upon completion and are delivered directly from the location of these contract manufacturers to the logistics centers of our logistics service providers in the respective countries. These logistics service providers handle the warehousing of PharmaSGP's products as well as their distribution to wholesalers and pharmacies, both on PharmaSGP's account and on their own account. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Transfer of control is usually completed upon delivery. Generally, the transfer of ownership coincides with the delivery, but it is usually subject to reservation until the payment is received.

All revenues of the Group are generated from contracts with customers and fall in the scope of IFRS 15.

The Group considers whether there are other commitments in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. The Group assesses all promised goods and services and identifies performance obligations at contract inception. Generally, contracts with customers include a single performance obligation, i. e. the sale of pharmaceuticals and other healthcare products. In determining the transaction price for the sale of pharmaceutical and other healthcare products, the Group considers the effects of variable consideration and the existence of consideration payable to the customer (if any).

No element of financing is deemed present since the time between recognition of revenue and cash receipt does not exceed one year, which is consistent with market practice.

Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers for specific products with a right to return the goods within a specified period, generally up to six months. The rights of return give rise to variable consideration.

Assets and liabilities arising from rights of return
Right of return assets – An asset is recognized for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset in case of revisions to the expected level of returns or any additional decreases in the value of the returned products.

Refund liabilities – A refund liability is recognized for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from customers' right of return. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.4 Foreign currency

The consolidated financial statements are presented in Euros, which is the functional currency. Transactions that are denominated or required to be settled in a currency other than the functional currency are initially recorded at the functional currency applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period all monetary items denominated in a foreign currency will be translated to Euros using the closing rate. Foreign currency differences are recognized in profit or loss.

2.5 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use (incidental acquisition cost). Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

In line with the business model of the Group, the development of medications based on natural active pharmaceutical ingredients, which are generally not patent-protected, as well as the qualification of external contract manufacturers is a focal point. When a new pharmaceutical product seems technically and economically feasible, marketing authorizations (Arzneimittelzulassungen) have to be obtained, either by internal development or external acquisition. Development costs for pharmaceutical products or contract manufacturer qualifications are capitalized if they are part of the development phase and fulfill the criteria in IAS 38.65. The Group's intangible assets primarily comprise costs for acquired brand names and marketing authorizations, and external costs incurred for the drug approval process or contract manufacturer qualification.

The Group's intangible assets do not comprise material intangible assets with indefinite useful lives. Development and authorization proceedings qualify as intangible asset not yet ready for use and are tested for impairment on an annual basis.

Intangible assets with definite useful lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization of intangible assets begins when the asset is in the condition necessary for it to be capable of operating in the manner intended by management. For brand names, amortization begins with the marketing of the respective products. For marketing authorizations, amortization begins when the development and authorization proceedings are finalized. For contract manufacturer qualifications, amortization begins with the approval by the regulatory authorities. The amortization period is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statements of profit or loss.

Amortization of intangible assets is calculated on a straight-line basis with following useful lives:

- Developed marketing authorizations: 10 years
- Acquired marketing authorizations: 10 years
- Brand names: 10 years
- Contract manufacturer qualifications: 5 years
- Other intangible assets: 2-5 years

Impairment testing is carried out by comparing the carrying amount of an asset to its recoverable amount which is the higher of an asset's fair value less costs to disposal and the value in use. An impairment is recognized through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. If the reasons for the impairment do no longer exist, the impairment is reversed. The increased carrying amount of an asset shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) if no impairment loss had been recognized for the asset in prior years. In cases where it is no longer probable that a marketing authorization can be obtained for a certain product, the recoverable amount of the asset is deemed to be zero and it is impaired in full.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of profit or loss when the asset is derecognized.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes any expenditures that are directly attributable to the acquisition of the asset, including costs incurred to prepare the asset for its intended use.

Property, plant and equipment are depreciated over each asset's expected useful life. Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets:

- IT equipment: 3-7 years
- Office equipment: 7-13 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of profit or loss when the asset is derecognized.

The Group tests property, plant and equipment for impairment whenever there is an indication of potential impairment.

2.7 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is the case, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes lease liabilities and right-of-use assets representing the right to use the underlying assets for all leases except for leases with an original lease term of twelve months or less (short-term leases) and leases of assets of low value. The lease payments associated with those leases are recognized as an expense on a systematic basis over the lease term.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i. e. the date the underlying asset is available for use). Right-of-use assets are initially measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognized.

After the commencement date, the Group measures right-of-use assets at cost less accumulated depreciation, any accumulated impairment losses and adjusted for any remeasurement of lease liabilities. Scheduled depreciation of right-of-use assets is made on a straight-line basis over the anticipated useful life or the shorter contract term. The right-of-use assets are tested for impairment, if there are indications that the assets may be impaired.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. To determine the present value, the Group discounts the remaining lease payments with the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group's incremental borrowing rate is applied. In the event of a reassessment of the expected lease term, the lease liability is remeasured on this basis using the then current interest rate.

The lease term comprises the non-cancellable period of the lease together with periods covered by an extension option if the lessee is reasonably certain to exercise the option and periods covered by a termination option if the lessee is reasonably certain not to exercise that option.

The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, and with a similar certainty, the funds necessary to obtain an asset of a similar value to the right-of-use asset as the underlying lease agreement in a similar economic environment.

Lease payments are allocated between principal and finance expenses. The finance expense is recognized in profit or loss.

2.8 Inventories

Inventories include raw materials, consumables and finished goods.

Inventories are measured at the lower of cost or net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories. Costs for all inventories are valued using the moving average method. Net realizable value for finished goods is based on the market value which is mainly driven by the expiration date.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and other investments held with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. They are measured either at their amortized cost or at fair value.

2.10 Provisions

Provisions are recognized pursuant to IAS 37, provided the following conditions have been cumulatively met: the Group has a present legal or constructive obligation, this obligation is the result of a past event, it is more likely than not that the settling of this obligation will lead to an outflow of resources and the amount can be reliably measured.

The amount recognized as a provision represents management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The Group is exposed to product liability claims, regulatory action and litigation which could result in a legally required recall of affected products or individual returns of e. g. damaged products. To reflect this risk, warranty provisions are recognized taking into account past experience, current sales levels and other current information available (such as developments in the regulatory environment). Provisions related to those risks are assurance-type warranties and recognized when the product is sold. It is expected that the costs will be incurred in the next financial year. The estimate of the related costs is revised on a regular basis.

Significant judgement is involved in the determination of warranty provisions (see note 3).

2.11 Employee benefits

Wages, salaries and social security charges are recognized in the profit and loss account according to the terms of employment, to the extent they are due to either employees or the tax authorities. Unused vacation liabilities accrued in the consolidated financial statements represents estimated total provision for potential liabilities related to employees' unused vacation days as of the reporting date. Bonus liabilities are calculated in general based on the Group's performance for the financial year and each individual's personal bonus agreements from the beginning of the year and accrued in the consolidated financial statements for the respective year.

Management Board members of the Group receive long-term variable compensation in the form of virtual performance share units ("PSU") that are expected to be settled in cash. PSUs are granted on the basis of strategic and profitability targets. In addition, the PSUs granted are also driven by the share price development of PharmaSGP Holding SE.

For the fair value of each PSU, a liability is recognized in the Group's statement of financial position. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a Monte Carlo simulation.

2.12 Earnings per share

Basic earnings per share are computed by dividing profit for the period attributable to the ordinary shareholders of SGP SE by the weighted average number of SGP SE's shares outstanding during the period. Since there are no dilution effects, diluted earnings per share equal basic earnings per share.

2.13 Current taxes and deferred taxes

The Group establishes tax liabilities on the basis of expected tax payments. Liabilities for trade taxes, corporate taxes and similar income taxes are determined based on the taxable income of the combined entities less any prepayments made. All legal entities within PharmaSGP form a fiscal unit for taxation purposes (ertragsteuerliche Organschaft). Calculation of tax liabilities is based on the recent tax rates applicable in the tax jurisdiction of the Group.

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate. In case of uncertainties related to income taxes, they are accounted for in accordance with IFRIC 23 and IAS 12.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, and any carry forward of unused tax losses to the extent it is probable that sufficient taxable profit will be available in future years.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.14 Financial instruments

Initial recognition and measurement
A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financial instruments are recognized when the Group becomes party to the contractual provisions of the financial instrument. Purchases or sales of financial assets that require delivery of financial assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date, i. e. the date that the Group commits to purchase or sell the asset.

Classification and subsequent measurement of financial assets
Subsequent measurement depends on the category to which each financial instrument has to be assigned on initial recognition.

Financial assets have to be classified into the following categories according to IFRS 9:

- Debt instruments at amortized cost
- Debt instruments at fair value through OCI with recycling of cumulative gains and losses
- Equity instruments designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification of financial assets depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Financial assets are classified as measured at amortized cost only when they are held exclusively to collect the contractual cash flows and when their contractual terms comprise cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the financial asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents (except for money market funds measured at fair value) and trade and other receivables.

Assets that do not meet the criteria for the category "measured at amortized cost" or "measured at fair value through OCI" are classified as "measured at fair value through profit or loss". Gains or losses on a debt instrument that are subsequently measured at fair value through profit or loss are offset in profit or loss and recognized in the period in which they arise.

Assets measured at fair value through profit or loss include money market funds designated as cash equivalents.

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for its financial assets measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables, the simplified approach has to be applied in calculating ECLs. Under this approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Group in general considers a financial asset in default when contractual payments are significantly past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group or vice versa (no impairment even if the financial asset is significantly overdue in case of contrary indications). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment losses, including reversals of impairment losses or impairment gains, are presented as other expense in the consolidated statements of profit or loss.

Derivatives and Hedge Accounting
Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. The derivatives entered into by PharmaSGP are designated as hedging instruments to hedge a specific risk associated with the cash flows of liabilities (cash flow hedges). At the inception of the hedge, the Group documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument

are expected to offset changes in the cash flows of the hedged items.

The effective portion of changes in the fair value of derivatives designated as hedging instruments in a cash flow hedge is recognized in the reserve for cash flow hedges as a component of equity. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of profit or loss.

Derivatives designated in hedge accounting comprise the interest rate hedges recognized within other financial assets or other financial liabilities.

Classification and subsequent measurement of financial liabilities
Financial liabilities are classified as measured at amortized cost (FLAC) or fair value through profit or loss (FVPL). A financial liability is classified as at FVPL if it is classified as held-for-trading or designated as such on initial recognition (fair value option); the Group does not use the fair value option for financial liabilities.

The Group's financial liabilities include bank loans, trade payables and other (financial) liabilities, which are all classified as measured at amortized cost. These financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Offsetting
Financial assets and financial liabilities are only offset and presented net in the consolidated statements of financial position when the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Group might also enter into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

Derecognition
Financial assets are derecognized when the contractual rights to receive cash flows from these assets expired or the Group has transferred substantially all the risks and rewards or has neither transferred nor retained substantially all the risks and rewards but transferred the control of the assets. When the Group has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize transferred assets to the extent of its continuing involvement. An associated liability is also recognized in that case. The measurement of the transferred assets and the associated liability has to reflect the rights and obligations that the Group has retained.

A financial liability is derecognized when the contractual obligations under the liability are discharged, cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Upon derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Based on the input parameters used for valuation the fair values have to be assigned to one of the following levels of the fair value hierarchy:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

2.16 Treasury shares

Treasury shares are recognized at cost and deducted from equity. The purchase, sale, issue or redemption of treasury shares is recognized directly in equity. Any differences between the carrying amount and the consideration are recognized as a share premium in the event of a reissue.

3. Significant accounting judgments and estimates

Judgments, estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

The Group makes judgments, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities within the future financial years are addressed below.

Provisions for warranties
The Group offers assurance-type warranties, that need to be accounted for in accordance with IAS 37. Assurance-type related take-back obligations exist basically in case of deficiencies of the product (wrong product delivery, transportation damages, expiration of marketing authorization etc.). Therefore, the Group is liable for claims of third parties arising from product liability (warranty claims). Accordingly, a provision is recognized in the amount of the best estimate of the obligation resulting from the return. To estimate the amount on the warranty provision the quantity of outstanding products in the market is estimated based on external available data. To reflect the risk of return the Group defines percentages per return category which are applied on the value of outstanding products in the market. The percentages are reviewed regularly to reflect current developments.

In a case of unexpected changes in market conditions, warranty provision estimations are subject to change as they are calculated based on the estimation and assumptions of the Group. Estimates are based on management's current knowledge and expectations.

Provisions for legal disputes
Provisions for current legal disputes are recognized at their expected settlement amount. For the assessment, assumptions are made regarding unavoidable litigation costs as well as assumptions regarding the most probable value of the litigation amount. These assumptions are based, amongst others, on judgments of lower courts that are not yet final, and on the assessment of external experts.

Refund liability
The Group offers its customers rights to return products which are accounted for as a sale with a right to return under IFRS 15. Some of these rights arise from newly launched products which may be returned within a contractually agreed period. Refund may also arise from regulatory, competitive or market related developments which could result in customers returning affected products. In those cases, a refund liability is recognized for the obligation to refund some or all of the consideration received from a customer at the amount the Group ultimately expects it will have to return to the customer. To estimate the amount of the refund liability the number of outstanding products in the market is estimated based on external available data. To reflect the risk of return the Group defines percentages per return category which are applied on the quantity of outstanding products in the market. The percentages are reviewed regularly to reflect current developments, e. g. resulting from ongoing regulatory changes or changes in the competitive environment.

In a case of unexpected changes in market conditions, refund liability estimations are subject to change as they are calculated based on the estimation and assumptions of the Group. The refund liabilities are estimated based on management's current knowledge and expectations.

Intangible assets
The Group recognizes intangible assets for the costs of pharmaceutical products subject to regulatory approval. To assess if the criteria in IAS 38 for recognition is met, judgment is needed with regard to the probability if the regulatory approval will be achieved. The estimations are reviewed regularly to reflect changes also having an impact on already recognized development and authorization proceedings. Once the authorization of an already capitalized development and authorization proceeding is no longer probable, it is impaired in full.

Also the regular assessment whether existing marketing authorizations (acquired or developed) and brand names may be impaired or not, is based on a triggering event. This assessment is based on expectations on the future business development. The regular assessment of the useful lives of intangible

assets are based on management estimates on their economic usability.

Long-term variable compensation
The Group measures the cost of PSUs granted to members of the Management Board by reference to the fair value of the PSU on each reporting date. Determination of fair value requires estimates on the achievement of profitability and strategic targets as well as estimates on the share price development.

4. Segment information

General information
The Group has one operating segment including all products of the Group companies. This assessment is based on information reported to the Group's Chief Operating Decision Maker (CODM) for the purpose of assessing segmental performance and resource allocation. The Management Board is the CODM and monitors the entity's performance. Performance is measured using revenues and for one-time effects adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") as key performance indicators to assess the success of the Group's business. Segment assets are presented in the consolidated statements of financial position. The segment profit is measured through the adjusted EBITDA, which is a performance indicator. The reconciliation to the consolidated financial information is as follows:

in € thousand	2024	2023
Adjusted EBITDA	**37,215**	**34,088**
Adjusted EBITDA margin	**31.3 %**	**33.7 %**
Expenses for legal and consulting costs in connection with acquisition	47	89
Expenses in connection with the long-term compensation of the Management Board	-70	-16
Other one-time, non-recurring and non-operative expenses	187	6
Unadjusted EBITDA	**37,051**	**34,009**
Unadjusted EBITDA margin	**31.2 %**	**33.6 %**

[4] comprises France, Belgium, Spain, Switzerland, Hungary

Geographical information

Revenues in € thousand	2024	2023
Germany	80,337	73,363
Italy	22,896	13,557
Austria	12,337	10,507
Other European countries[4]	3,267	3,672
	118,837	**101,099**

Basis for the revenues number is the country where the customer is located. All non-current assets of the Group are located in Germany.

Major customers
PharmaSGP maintains business relationships with major logistics partners per country. The following table includes all revenues from transactions with a single external logistics partner with a share of 10 % or more of the Group's revenues:

Revenues in € thousand	2024	2023
Logistics partner A	58,850	47,185
Logistics partner B	21,408	21,399
Logistics partner C	22,896	13,557
Logistics partner D	12,337	10,507
Other logistics partners and customers	3,346	8,451
	118,837	**101,099**

Commercial and other risks like risk of impairment of trade receivables is not necessarily depending on logistics partners, as the logistics partners act partly on account of PharmaSGP and partly on their own account. The concentration on a small number of logistics partners is customary to the industry and corresponding wholesalers and pharmacies diversify potential cluster risks for PharmaSGP.

5. Notes to the consolidated statements of financial position

5.1 5.1. Intangible assets

The Group has intangible assets with a finite useful life, consisting of development and authorization proceedings, developed as well as acquired marketing authorizations, contract manufacturer qualifications, brand names and other intangible assets. The assets presented as development and authorization proceedings include capitalized costs for marketing authorization applications, for which no approval has yet been obtain by the respective regulatory authorities. Amortization expense of the intangible assets is entirely classified within depreciation and amortization in the consolidated statements of profit or loss.

The following table presents the changes in the Group's intangible assets during the financial years 2023 and 2024:

in € thousand	Developed marketing authorizations	Acquired marketing authorizations, qualifications, brand names and other intangible assets	Development and authorization proceedings	Total
Acquisition and production costs				
1 January 2023	**1,286**	**84,718**	**694**	**86,698**
Additions	245	680	-	925
Disposals	-	-	-	-
31 December 2023	**1,531**	**85,398**	**694**	**87,623**
Additions	219	1,421	-	1,640
Reclassifications	-	-81	-	-81
Disposals	-	-26	-	-26
31 December 2024	**1,750**	**86,712**	**694**	**89,156**
Accumulated amortization and impairment				
1 January 2023	**357**	**11,956**	**442**	**12,755**
Amortization	181	8,556	-	8,737
Impairment	-	-	75	75
Disposals	-	-	-	-
31 December 2023	**538**	**20,512**	**517**	**21,567**
Amortization	235	8,585	-	8,820
Impairment	-	1	-	1
Reclassifications	-	-28	-	-28
Disposals	-	-26	-	-26
31 December 2024	**773**	**29,044**	**517**	**30,334**
Carrying amount as of 1 January 2023	**929**	**72,762**	**252**	**73,943**
Carrying amount as of 31 December 2023	**993**	**64,886**	**177**	**66,056**
Carrying amount as of 31 December 2024	**977**	**57,668**	**177**	**58,822**

In the financial year 2024, development expenditures of € 43 thousand were recognized as expenses in the consolidated statements of profit or loss (2023: € 73 thousand).

Notes on the impairment test
Development and authorization proceedings contain marketing authorizations in the approval process, which are therefore not yet subject to scheduled amortization and must be reviewed for impairment on an annual basis. For this review, the recoverable amount of each project is determined through its value in use. This impairment test did not reveal any need for impairment.

Within the acquired marketing authorizations and brand names, the product brands Baldriparan®, Formigran®, Spalt® and Kamol® acquired in 2021, including their marketing authorizations and contract manufacturer qualifications, represent significant assets that must be tested for impairment if there is an indication of impairment. As of 31 December 2024, there were no indications for impairment for these assets.

Past and future sales and margin development as well as the general development of the cost of capital were used for the impairment test. These parameters are subject to accounting judgments and estimates. An indication of impairment would have arisen if the discount rate had been 1.7 percentage points higher, if there had been a permanent deviation in revenues of 6.1 % or a long-term margin deviation of 5.4 %.

In the financial year 2024, a marketing authorization with a carrying amount of € 1 thousand has expired. The derecognition of the carrying amount was recognized as impairment expense.

As of 31 December 2024 and 31 December 2023, there were no indications for impairment.

5.2 Property, plant and equipment

Property, plant and equipment have developed as follows:

in € thousand	2024	2023
Acquisition and production costs		
1 January	**683**	**641**
Additions	68	46
Reclassifications	81	-
Disposals	-7	-4
31 December	**825**	**683**
Accumulated depreciation and impairment		
1 January	**381**	**276**
Additions	116	109
Reclassifications	28	-
Disposals	-7	-4
31 December	**518**	**381**
Carrying amount as of 1 January	**302**	**365**
Carrying amount as of 31 December	**307**	**302**

5.3 Leases

Right-of-use assets have developed as follows:

in € thousand	Cars	Office space	Total
1 January 2023	**21**	**1,187**	**1,208**
Additions	12	104	116
Depreciation expense	-20	-430	-450
31 December 2023	**13**	**861**	**874**
Additions	62	482	544
Depreciation expense	-31	-443	-474
31 December 2024	**44**	**900**	**944**

The corresponding lease liabilities have developed as follows:

in € thousand	2024	2023
As of 1 January	**896**	**1,220**
Additions	544	116
Payments	-503	-478
thereof from redemption	-477	-440
thereof from interest	-26	-38
As of 31 December	**963**	**896**
thereof current	487	444
thereof non-current	476	452

Expenses relating to short-term leases or low value leases amount to € 1 thousand in 2024 (2023: € 5 thousand).

The Group has recognized an income of € 3 thousand from the sublease of right-of-use assets in 2024 (2023: none).

5.4 Inventories

Inventories consist of raw materials, consumables and finished goods.

in € thousand	31 December 2024	31 December 2023
Raw materials and consumables	539	384
Finished goods	9,900	9,733
Vorräte	**10,439**	**10,117**

As of 31 December 2024, finished goods include right of return assets relating to existing return rights from customers in the amount of € 195 thousand (31 December 2023: € 32 thousand).

In the financial year 2024, write-downs on inventories of € 237 thousand (2023: € 177 thousand) were recognized in the consolidated statements of profit or loss. Reversals of write-downs amount to € 10 thousand (2023: none). Reversals of write-downs result from the reassessment of the expected inventory range.

5.5 Trade and other receivables

Trade and other receivables break down as follows:

in € thousand	31 December 2024	31 December 2023
Trade receivables	13,421	9,141
Provisions for impairments	-219	-219
Other receivables	329	267
Trade and other receivables	**13,531**	**9,189**

Trade receivables are in general due within a payment period between 8 and 75 days and bear no interest. There are no limitations of any kind on rights of disposal.

Disclosures on impairments and credit risks of trade and other receivables can be found in note 7.

5.6 Other assets

Other assets mainly comprise and deferred expenses and claims arising from indemnification from a legal dispute (see note 5.9).

5.7 Cash and cash equivalents

Cash and cash equivalents represent cash at hand, cash balances at different banks and money market funds. Additionally, there were investments in time deposits as of 31 December 2023. The money market funds and time deposits have maturities of a few days, are highly liquid and are subject to only insignificant fluctuations in value. As of 31 December 2024 and 2023, there were no bank overdrafts.

As of 31 December 2024, cash and cash equivalents included an amount of € 60 thousand that PharmaSGP could only dispose of to a limited extent. The restriction expired in February 2025.

Notes on the statements of cash flows
The consolidated statements of cash flows were prepared in accordance with IAS 7 “Statements of Cash Flows” and show how the Group’s cash and cash equivalents have changed over the reporting period as a result of cash received and paid.

In accordance with IAS 7, cash flows from operating, investing and financing activities are separated according to their origin and utilization. The cash inflows and outflows from operating activities are

derived indirectly on the basis of the Group's profit for the period. Cash inflows and outflows from investing and financing activities are derived directly. The amount of cash in the statements of cash flows is equal to the value of cash and cash equivalents reported in the statements of financial position.

The **cash flows from operating activities** are attributable to the profit of the period adjusted for non-cash effects. The main non-cash effects in 2023 are amortization and depreciation of intangible assets, property, plant and equipment and right-of-use assets of € 9,411 thousand in total (2023: € 9,371 thousand).

Cash flows used in investing activities are primarily attributable to investments in property, plant and equipment as well as intangible assets.

Cash flows used financing activities in 2024 result mainly from the purchase of treasury shares, dividend payments, loan repayments and paid interest. Changes in liabilities arising from financing activities reconcile to cash flows from financing activities as follows:

in € thousand	Financial liabilities	Lease liabilities
1 January 2023	**80,718**	**1,220**
New leases	-	116
Payments for redemption and other financing expenses	-8,054	-440
Interest paid	-3,952	-38
Interest expense	4,369	38
31 December 2023	**73,081**	**896**
New leases	-	544
Payments for redemption and other financing expenses	-8,054	-477
Interest paid	-3,766	-26
Interest expense	4,118	26
31 December 2024	**65,379**	**963**

5.8 Shareholders' equity

Share capital and capital reserve amount to € 12,000 thousand and € 38,120 thousand and are unchanged to the prior year. Retained earnings result from earnings carried forward from prior periods, and the dividend payment and the result for the current reporting period. Other reserves comprise expenses from the purchase of treasury shares and reserves for cash flow hedges.

Dividends
In the financial year 2024, dividends in the amount of € 16,307 thousand were distributed, this corresponds to a distribution of € 1.36 per share entitled to dividends. The corresponding resolution was passed by the Annual General Meeting on 26 June 2024. As of the date of the resolution, SGP SE held 9,787 treasury shares that are not entitled to dividends.

For the financial year 2024, the Management Board proposes a distribution of € 0.51 per share to the shareholders. This corresponds to a total distribution of € 5,871 thousand or 30.1 % of the Group's profit for the period – taking into account the current amount in treasury shares. If treasury shares exist at the time of distribution, they are not entitled to dividends. The Annual General Meeting will decide on the final profit distribution.

Purchase and divestiture of treasury shares
As of 31 December 2024, the Management Board is authorized to acquire treasury shares of SGP SE on or prior to 25 June 2029 in an amount of up to 10 % of the share capital of SGP SE existing at the time of the granting the authorization (26 June 2025) or – if this value is lower – at the time of its exercise.

In the financial year 2023, SGP SE has for the first time purchased 9,787 treasury shares at an amount of € 286 thousand, including transaction fees. In 2024, additional 477,701 treasury shares were purchased at an amount of € 10,358 thousand. The shares have not yet been redeemed. In total, SGP SE holds 487,488 treasury shares as of 31 December 2024, this corresponds to 4.1 % of the share capital.

In the financial year 2024, o treasury shares were sold. There are no treasury shares held by third parties in the name or for the account of SGP SE.

Authorized and conditional capital
On 26 June 2024, the Annual General Meeting resolved to cancel the previous authorizations to increase the share capital against cash and/or non-cash contributions (Authorized Capital 2020) and to issue convertible bonds and/or bonds with warrants (Conditional Capital 2020), both of which would expire on 27 May 2025, and to replace them with new authorizations.

The Management Board is now authorized, with the approval of the Supervisory Board, to increase the share capital of SGP SE by a total of up to € 6,000 thousand until 25 June 2029 by issuing new no-par value bearer shares in exchange for cash and/or non-cash contributions (Authorized Capital 2024). The shareholders must generally be granted subscription rights to the new shares. However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in full or in part under certain conditions.

Furthermore, the Management Board was authorized, with the approval of the Supervisory Board, to issue bearer and/or registered convertible bonds and/or bonds with warrants with a total nominal value of up to € 250,000 thousand with a limited or unlimited term until 25 June 2029 and to grant the holders or creditors of such bonds conversion or option rights to subscribe to a total of up to 6,000,000 new no-par value bearer shares in SGP SE with a pro rata amount of the share capital of up to € 250,000 thousand. The Management Board is authorized to grant the holders or creditors of such bonds conversion or option rights to subscribe to a total of up to 6,000,000 new no-par value bearer shares of SGP SE with a pro rata amount of the share capital of up to € 6,000 thousand in accordance with the more detailed provisions of the terms and conditions of the convertible bonds or bonds with warrants and/or to provide for corresponding conversion rights for SGP SE. The Management Board is authorized, with the approval of the Supervisory Board, to fully or partially exclude shareholders' subscription rights to convertible bonds and/or bonds with warrants under certain conditions. In this context, a new Conditional Capital 2024 was created in the total amount of € 6,000 thousand.

5.9 Provisions

Provisions have developed as follows:

	Current provisions			
in € thousand	Warranty	Others	Non-current provisions	Total
1 January 2024	**776**	**2,546**	**120**	**3,442**
Additions	274	442	3	719
Utilization	-353	-193	-	-546
Release of unused amounts	-	-22	-114	-136
31 December 2024	**697**	**2,773**	**9**	**3,479**

The Group is exposed to product liability claims, regulatory action and litigation which could result in a legally required recall of affected products or individual returns of defected products. To reflect this, provisions of warranties are recognized. Oth-

er current provisions mainly include expenses legal disputes as described below and expenses for the annual general meeting. Non-current provisions are recognized for the long-term variable Management Board compensation.

Legal disputes
Since December 2021, a lawsuit between PharmaSGP as defendant and a former advertising cooperation partner as plaintiff is pending. After PharmaSGP GmbH lost the case a first-instance ruling, an appeal against the judgment has been filed. As a result of the judgment, the expected settlement amount of the claim was recognized as a current provision. There is a guarantee from a company of the mother group to fully indemnify PharmaSGP against a payment claim in this case. Accordingly, an other asset in the same amount was recognized. There is no negative impact on PharmaSGP Group from the judgment.

Apart from the aforementioned litigation, PharmaSGP is not aware of any legal disputes that have a material effect on the Company's financial position or results of operations.

Other financial obligations and financial commitments
As of 31 December 2024, the Group had purchase commitments totaling € 5,721 thousand in respect to suppliers (31 December 2023: € 5,662 thousand). As of 31 December 2024 and 2023, no guarantees have been provided to third parties.

5.10 Financial liabilities

Financial liabilities comprise a five-year syndicate financing involving four partner banks, that was entered into on 14 July 2022. Interest is calculated on the basis of a fixed margin plus EURIBOR for the relevant interest period. The margin is within a range of 1.15 % and 2.75 %, depending on the type of usage (Term Loan or Revolving Credit Facility) and PharmaSGP's debt ratio. The debt ratio is calculated as the quotient of net financial debt at the respective reporting date and a profitability ratio for each of the past four quarters. The calculation of net financial debt and the profitability ratio is based on detailed contractual regulations, according to which, among other things, extraordinary, exceptional and prior-period income and expense items are adjusted.

The syndicate financing provides an additional credit line of € 50,000 thousand that was not yet utilized.

To mitigate interest risks from EURIBOR fluctuations, the Group has entered into interest rate hedges. Risks from financial liabilities are outlined in note 7.3.

5.11 Trade payables

Trade payables are recognized for unpaid liabilities for goods and services provided to the Group prior to the end of the reporting period. Trade payables are unsecured, do not bear interest and fall generally due between 0 and 60 days.

5.12 Other liabilities

Other liabilities break down as follows:

in € thousand	31 December 2024	31 December 2023
VAT and social security	139	207
Accrued outstanding invoices	332	390
Other	393	549
Other liabilities	**864**	**1,146**

5.13 Other financial liabilities

Other financial liabilities solely comprise expected refund liabilities from customer contracts (see note 6.1). The increase compared to the previous year results from the initial stockpiling of new distribution partners.

5.14 Income taxes and deferred taxes

The Company's taxable income, whether distributed or retained, is generally subject to German corporate income tax at a uniform rate of 15.0 % for corporate tax and 8.8 % for trade tax plus the solidarity surcharge of 0.8 % thereon, resulting in a total tax rate of 24.6 %. All legal entities within PharmaSGP form a fiscal unit for taxation purposes (ertragsteuerliche Organschaft).

in € thousand	2024	2023
Current income taxes	6,239	5,421
Deferred income taxes	266	75
Income tax expense	**6,505**	**5,496**

Tax liabilities result from current income taxes. A reconciliation of income tax expense and the result of multiplying the profit of the period with the domestic tax rate of the Group for the financial years 2024 and 2023 is as follows:

in € thousand	2024	2023
Profit before taxes	**26,040**	**21,893**
Expected tax rate	24.6 %	24.6 %
Expected tax expense	**6,399**	**5,380**
Non-deductible expenses and financing components	65	87
Current and deferred taxes related to other periods	-16	-3
Other	57	32
Effective income tax expense	**6,505**	**5,496**
Effective tax rate	25.0 %	25.1 %

Deferred taxes break down as follows as of the reporting date:

in € thousand	31 December 2024	31 December 2023
Lease liabilities	237	220
Other assets	94	129
Other	2	53
Deferred tax assets	**333**	**402**
Intangible assets	662	375
Right-of-use assets	232	215
Financial liabilities	155	231
Other financial assets	54	254
Other	71	117
Deferred tax liabilities	**1,174**	**1,192**
After netting:		
Deferred tax assets	**-**	**-**
Deferred tax liabilities	**841**	**790**

Changes in deferred tax assets and deferred tax liabilities in the financial year 2024 were recognized as deferred tax expense of € 266 thousand and other comprehensive income of € 216 thousand. In the financial year 2023, € 75 thousand were recognized as deferred tax expense and € 513 thousand as other comprehensive income.

As of 31 December 2024, no deferred tax liabilities were recognized on temporary differences of € 2,501 thousand (31 December 2023: € 2,496 thousand) associated with investments in subsidiaries.

6. Notes to the consolidated statements of profit or loss

6.1 Revenues

Revenues are almost exclusively generated from the sale of over-the-counter (OTC) pharmaceuticals and other healthcare products. Disclosures on markets and major customers are made in note 4.

Contract assets as conditional right to consideration for the transfer of goods do not exist. As of 31 December 2024 and 2023, there are no unsatisfied performance obligations or contract liabilities. Refund liabilities from customer contracts are recognized within other current financial liabilities and amount to € 2,212 thousand as of 31 December 2024 (31 December 2023: € 635 thousand).

6.2 Other operating income

The increase in other operating income compared to the previous year is mainly due to the derecognition of a time-barred liability.

6.3 Personnel expenses

In 2024, the Group had an average of 104 employees (2023: 96), thereof 92 in full-time (2023: 83) and 12 in part-time (2023: 13). Personnel expenses in the financial years 2024 and 2023 were as follows:

in € thousand	2024	2023
Wages and salaries	6,670	6,191
Social security contributions	1,356	1,151
thereof from defined contribution plans	543	482
Personnel expenses	**8,026**	**7,342**

Disclosures on share-based compensation expenses are made in note 9.

6.4 Marketing expenses

In the financial year 2024, marketing expenses have increased in line with revenues to € 53,270 thousand (2023: € 43,381 thousand).

6.5 Other operating expenses

Other operating expenses comprise expenses incurred from legal and consulting, third-party services, quality control, audit and financial closing, expenses for returns from warranties, travel expenses, product development, provisions for impairments of trade receivables and diverse other expenses.

6.6 Finance income and expenses

Using the effective interest method, interest is recognized as income or expense in the period in which it is incurred.

in € thousand	2024	2023
Price gains	1,364	910
Interest income	43	235
Ineffectivities from cash flow hedges	64	-
Other finance income	1	1
Finance income	**1,472**	**1,146**
Interest expenses	4,144	4,410
Amounts reclassified from the cash flow hedge reserve	-1,308	-996
Ineffectivities from cash flow hedges	-	208
Other finance expenses	236	269
Finance expenses	**3,072**	**3,891**

Price gains were achieved through investments in highly liquid money market funds. Interest income mainly includes interest on time deposits and interest from tax credits.

Interest expenses result from financial and lease liabilities. Other financial expenses mainly include fees in connection with financing activities.

Amounts reclassified from the cash flow hedge reserve equal actual gains or losses incurred from interest rate hedges. These interest rate hedges were concluded to hedge interest rate risks from the syndicate financing (hedged item). Since the financial year 2024, these gains and losses have been reported in the same line item in the financial statements in which the hedged item is reported. The previous year was adjusted in this context. Gains of € 1,033 thousand and losses of € 37 thousand, which were reported as additional financial income and financial expenses in the previous year, are now shown netted with their underlying transaction in financial expenses. Detailed information on cash flow hedges is provided in note 7.1.

6.7 Earnings per share

Basic earnings per share are computed by dividing profit for the period attributable to the ordinary shareholders of SGP SE by the number of weighted average outstanding shares of SGP SE. Treasury shares are not considered outstanding and reduce the number of shares used for the calculation.

	2024	2023
Profit for the period (in € thousand)	19,535	16,397
Number of shares	11,874,051	11,992,636
Basic and diluted earnings per share (in €)	**1.65**	**1.37**

There are no effects from dilution.

7. Financial instruments and financial risk management

7.1 Disclosures on financial instruments

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities (except for lease liabilities) and the allocation of financial statement positions to the measurement categories:

	31 December 2024		31 December 2023	
in € thousand	Carrying amount	Fair value	Carrying amount	Fair value
Derivatives in a hedging relationship (cash flow hedges):				
Other non-current financial assets (interest rate hedges)	528	528	1,250	1,250
	528	**528**	**1,250**	**1,250**
Financial assets measured at fair value through profit or loss:				
Cash and cash equivalents (money market funds)	25,516	25,516	36,878	36,878
	25,516	**25,516**	**36,878**	**36,878**
Financial assets measured at amortized cost (debt instruments):				
Trade and other receivables	13,531	13,531	9,189	9,189
Cash and cash equivalents (other than money market funds)	974	974	3,888	3,888
	14,505	**14,505**	**13,077**	**13,077**
Total financial assets	**40,549**	**40,549**	**51,205**	**51,205**
thereof current	40,021	40,021	49,955	49,955
thereof non-current	528	528	1,250	1,250
Derivatives in a hedging relationship (cash flow hedges):				
Other non-current financial liabilities (interest rate hedges)	310	310	219	219
	310	**310**	**219**	**219**
Financial liabilities measured at amortized cost:				
Financial liabilities	65,379	67,500	73,081	75,540
Trade payables	4,407	4,407	9,920	9,920
Other financial liabilities	2,212	2,212	635	635
	71,998	**74,119**	**83,636**	**86,095**
Total financial liabilities	**72,308**	**74,429**	**83,855**	**86,314**
thereof current	14,355	16,719	18,266	21,775
thereof non-current	57,953	57,710	65,589	64,539

Interest rate derivatives in the form of interest rate swaps are measured using yield curves prevailing at the balance sheet date by discounting the future cash flows.

Disclosures on fair value measurement
Money market funds reported within cash and cash equivalents are measured at fair value using market prices for identical assets in accessible markets. This corresponds to level 1 in the fair value hierarchy.

Derivatives recognized as other financial assets or other financial liabilities are measured using the discounted cash flow method. For this purpose, future cash flows are determined on the basis of forward interest rates derived from observable yield curves at the balance sheet date and contracted interest rates. Discounting is performed using an interest rate that takes into account the credit risk of the various counterparties. This corresponds to level 2 in the fair value hierarchy.

The fair value of the financial liabilities is based on discounted cash flows, using the current market interest rate for such borrowings of comparable companies. They are classified within level 3 of the fair value hierarchy due to the use of unobservable inputs.

Reclassifications within and out of the fair value hierarchy levels are generally made at the end of the reporting period. There were no reclassifications within the respective levels in the reporting period.

Gains and losses from financial instruments
Except for provisions for impairments on trade receivables, gains and losses from financial instruments are recognized as finance income or finance expenses. Net gains and losses per category are as follows:

in € thousand	2024	2023
Financial assets measured at fair value through profit or loss	1,364	910
Financial assets measured at amortized cost (debt instruments)	43	7
Financial liabilities measured at amortized cost	-4,117	-4,370

Gains from financial assets measured at fair value through profit or loss result from price gains on money market funds. Net gains from financial assets measured at amortized cost contain interest gains on time deposits and in the prior year provisions for impairments on trade receivables. Losses from financial liabilities measured at amortized cost result from interest on bank loans.

Total interest gains and losses are as follows:

in € thousand	2024	2023
Financial assets measured at amortized cost (debt instruments)		
Interest gains	43	226
Interest losses	-	-
Financial liabilities measured at amortized cost		
Interest gains	-	-
Interest losses	-4,117	-4,370

Hedge accounting disclosures
The Group has entered into interest rate hedges in the form of interest rate payer swaps with an initial nominal volume of € 82,000 thousand to hedge the interest rate risk arising from the new syndicate financing entered into in 2022. Under the interest rate swaps, the Group pays an average fixed interest rate of 1.95 %. The syndicate financing has a term until 17 July 2027 with a semi-annual instalments of € 4,000 thousand. The concluded interest rate swaps correspond to the hedged item at the time of designation with regard to the nominal volume, the variable interest rate, the payment dates and the term; and therefore ensure a hedge of the interest rate risk of the hedged item. Ineffectiveness from the hedging relationship may arise from the fact that the interest rate of the syndicate financing cannot become negative, as well as from a possible change in the credit risk of the interest rate swap.

The effectiveness of the hedging relationship is determined at the commencement of the hedging relationship and through regular prospective assessments using the Dollar Offset method, applying a hypothetical derivative with a sensitivity analysis, to ensure that there is an economic relationship between the hedged item and the hedging transaction. Effectiveness is determined retrospectively on each balance sheet date using the Dollar Offset method in the form of the hypothetical derivative method. Under this method, the cumulative absolute change in the fair value of the hedging instrument is compared against the cumulative absolute change in the fair value of a hypothetical derivative in which all valuation-relevant parameters match the underlying transaction.

The carrying amounts of the interest hedges correspond to their fair value. The Group recognizes its cash flow hedges in the following line items in the statement of financial position:

in € thousand	31 December 2024	31 December 2023
Other non-current financial assets	528	1,250
Other non-current financial liabilities	310	219
Total carrying amount	**218**	**1,031**

Disclosures on hedging instruments:

in € thousand	2024	2023
Carrying amount of interest rate swaps as of 31 December	218	1,031
Change in fair value as basis for determination of ineffectiveness	218	1,031
Nominal amounts of cash flow hedges as of 31 December	66,000	74,000

Disclosures on hedged items:

in € thousand	2024	2023
Change in value of the hedged item for determination of ineffectiveness	140	1,018
Balance of cash flow hedge reserve as of 31 December	140	1,018
Nominal amounts of hedged items as of 31 December	66,000	74,000
Hedge ratio	100 %	100 %

Impact on gains and losses:

in € thousand	2024	2023
Gains and losses recognized in other comprehensive income	430	-1,096
Ineffectivity of cash flow hedges recognized as finance income and expense	64	-208
Reclassification from reserve for cash flow hedges	1,308	996

The reserves for cash flow hedges presented in the consolidated statements of equity have developed as follows:

in € thousand	Reserves before taxes	Deferred taxes	Total
1 January 2023	**3,110**	**-764**	**2,346**
Gains and losses recognized in other comprehensive income	-1,096	-	-1,096
Reclassification to finance expenses	-996	-	-996
Deferred taxes	-	513	513
31 December 2023	**1,018**	**-251**	**767**
Gains and losses recognized in other comprehensive income	430	-	430
Reclassification to finance expenses	-1,308	-	-1,308
Deferred taxes	-	216	216
31 December 2024	**140**	**-35**	**105**

7.2 Capital management

In the mid-term perspective, PharmaSGP's capital management aims at financing the Company's growth strategy and thus to ensure the long-term ability to distribute dividends to shareholders and the continued existence of the Company. Further focal points are the financing of potential acquisitions in line with the growth strategy, the general reduction of financing costs, the compliance with covenant restrictions and the optimization of capital-intensive net working capital.

The Group's equity has decreased after the full distribution of the 2024 profits and the purchase of treasury shares. Accordingly, the Group's equity ratio has decreased from 30.3 % as of 31 December 2023 to 28.0 % as of 31 December 2024.

The syndicate loan is subject to covenant restrictions under which the outstanding loan amount may be called in if a certain debt ratio is exceeded (see note 5.10).

PharmaSGP defines working capital as the sum of inventories, trade and other receivables as well as other assets, less trade payables and other liabilities. For the purpose of actively managing its working capital, PharmaSGP uses detailed rolling forecasts for optimal stock levels. The Group aims at balanced payment terms towards suppliers and customers.

7.3 Financial risk management

Establishment and oversight over the Group's financial risk management is the responsibility of the Management Board who prescribes principles for the cross-functional risk management. The Group has a Risk Coordinator who identifies and assesses financial risks in close cooperation with the Group's operating units.

Appropriate policies to identify and analyze the risks the Group faces and controls to monitor those risks have been established. The risk management policies are reviewed regularly to incorporate changes to the Group's activities and in market conditions aiming at maintaining a working control environment where everyone understands their role and responsibilities.

Relating to financial instruments, the Group may be exposed to market price risks, liquidity risks and credit risks.

Market price risk
Changes in market prices, such as foreign exchange rates or interest rates can affect the Group's net income or the value of financial instruments held by the Group, and are summarized as market price risk. These risks are managed on a centralized basis in order to control exposure to market price risks within acceptable parameters and while optimizing returns.

Foreign currency risk
Currency risk is one major market risk factor when transactions are not denominated in the functional currency, because of potentially unfavorable currency exchange rates. Since the Group mainly operates in Euro countries, and all entities have the same functional currency, the Group is not significantly exposed to exchange rates fluctuations with respect to its transactions.

Interest rate risk
Interest rate risk is a risk factor associated with interest-bearing financial instruments and includes the effect of positive or negative interest rate changes on profit, cash flows or equity.

In connection with the syndicate financing raised in 2022, the Group has entered into interest rate hedges to hedge interest rate risks arising from EURIBOR fluctuations.

Both the syndicate financing and the interest rate derivatives concluded as part of hedge accounting are subject to an interest rate risk. A change in EURIBOR of +100 basis points would have led to an increase in equity of € 1,209 thousand (31 December 2023: € 1,696 thousand) and an increase in earnings of € 32 thousand (31 December 2023: € 124 thousand, excluding deferred taxes). A 100 basis points lower EURIBOR would have led to a € 1,149 thousand (31 December 2023: € 1,745 thousand) lower equity and a € 127 thousand lower result (31 December 2023: € 147 thousand, excluding deferred taxes).

As in the prior year, the Group's cash at banks is subject to variable interest rates. Due to negative interest rates, the Group recognized no interest expenses in 2023 (2022: € 70 thousand).

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Financial liabilities exposed to liquidity risks include mainly bank loans, trade payables as well as lease liabilities.

The following table shows undiscounted contractually agreed future cash outflows from financial liabilities (maturity analysis) as of 31 December 2024:

in € thousand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Financial liabilities[5]	680	9,635	60,809	-
Lease liabilities	129	384	485	-
Trade payables	4,407	-	-	-
Derivatives (other financial liabilities)	2	114	205	-
Remaining other financial liabilities	553	1,659	-	-
	5,771	**11,792**	**61,499**	**-**

Maturity analysis as of 31 December 2023:

in € thousand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years
Financial liabilities[5]	1,044	10,954	74,219	-
Lease liabilities	117	350	460	-
Trade payables	9,920	22	-	-
Derivatives (other financial liabilities)	-71	-49	363	-
Remaining other financial liabilities	158	476	-	-
	11,168	**11,731**	**75,042**	**-**

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The credit risk comprises both the immediate default risk and the danger of a decline in the customer's creditworthiness. The Group's exposure to credit risk corresponds to trade receivables, other receivables and cash and cash equivalents.

Compared with the other financial assets, default risks are most likely to exist for **trade receivables**, which, however, amounted to very low figures in the past. To maintain the low credit default risk on the low historical level, the Group assesses the default risk for new customers with a significant order volume. For all customers, a regular monitoring process has been established to track and manage open balances.

The provision for impairment have developed as follows:

in € thousand	2024	2023
1 January	219	-
Additions	-	219
Derecognition of irrecoverable amounts	-	-
Release of unused bad debts	-	-
31 December	219	219

[5]The presented payments for interest and redemption of financial liabilities do not include offsetting cash flows from interest hedges

PharmaSGP applies the simplified approach in accordance with IFRS 9 to measure expected credit losses. Accordingly, the expected credit losses over the term are considered for all trade receivables. To measure the expected credit losses, trade receivables are categorized according to their days overdue, and the expected default rate is determined for each category. Due to PharmaSGP's homogeneous customer structure, there are no other common credit risk characteristics of certain customer groups apart from the days overdue.

	Trade receivables	
in € thousand	as of 31 December 2024	as of 31 December 2023
Not overdue	13,018	8,723
Overdue		
< 30 days	104	89
30-90 days	9	27
More than 90 days	290	302

On this basis, the following impairment matrix for trade receivables was established:

	Expected default rate	
in T€	as of 31 December 2024	as of 31 December 2023
Not overdue items	0 %	0 %
Overdue items		
< 30 days	0 %	0 %
30-90 days	0 %	0 %
More than 90 days	75 %	72 %

Based on historical experience and the generally good credit rating, a default expectation of 0 % is applied for receivables that are not overdue and for receivables that are up to 90 days overdue, therefore no provision for impairment is recognized.

Credit risks arising from **cash and cash-equivalents** are monitored directly on Group level. Counterparties for cash and cash-equivalent transactions are limited to financial institutions with strong credit ratings. The creditworthiness of these financial institutions is monitored on a regular basis. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Default risks from **other financial assets** are also immaterial. Therefore, no provision for impairments was recognized for other financial assets.

8. Related party disclosures

Related parties in accordance with IAS 24 "Related Party Disclosures" are those legal entities, other than entities that are already included in the consolidated financial statements, and natural persons which can be materially influenced by or are able to influence the Group.

Pursuant to the principles in IAS 24, key management personnel are able to materially influence the Group and therefore qualify as related parties. In addition, FUTRUE and MVH Beteiligungs- und Beratungs-GmbH (hereinafter referred to as „MVH") are shareholders of SGP SE and thus have a significant influence on the Group. FUTRUE and MVH are controlled by the Supervisory Board members Dr. Clemens Fischer and Madlena Hohlefelder. A voting agreement has been in place between FUTRUE and MVH since 13 May 2020, pursuant to which both parties have committed to exercise their voting rights at general meetings on a uniform basis.

FUTRUE is the parent company of PharmaSGP Holding SE. Therefore, SGP SE together with its subsidiaries is included in the consolidated financial statements of FUTRUE. FUTRUE is controlled by Dr. Clemens Fischer, who therefore qualifies as ultimate controlling party.

Transactions with key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of PharmaSGP. PharmaSGP identified the members of the Management Board and Supervisory Board of SGP SE as key management personnel thus as related parties. The composition and remuneration of the corporate boards are outlined in note 9.

Except for the remuneration of the Management Board and Supervisory Board, there were no other transactions with key management personnel or their close family members in 2024. No loans, guarantees or collaterals were provided.

Transactions with FUTRUE and MVH
In the financial year 2024, the Group received media services, field marketing services and other services from FUTURE. PharmaSGP rendered Regulatory Affairs services, distribution services and other services to FUTURE.

The summarized transactions and balances with FUTRUE and other entities of the FUTRUE Group are as follows:

in € thousand	2024	2023
Services rendered to		
FUTRUE	3	-
FUTRUE Group	30	3
	33	3
Purchase of services and fixed assets from		
FUTRUE	551	47
FUTRUE Group	51,376	41,676
	51,927	**41,723**

in € thousand	31 December 2024	31 December 2023
Amounts due from		
FUTRUE	1	-
FUTRUE Group	6	-
	7	**-**
Amounts owed to		
FUTRUE	57	7
FUTRUE Group	2,179	6,935
	2,236	**6,942**

As of 31 December 2024 and 2023, there were no loans owed to FUTRUE or other entities of FUTRUE Group. There is a claim under a guarantee to a company of the parent group covering an obligation of the company in the amount of € 2.5 million. The expected claim is recognized as other asset. In the financial years 2024 and 2023, there were no transactions with MVH.

Transactions between SGP SE and its subsidiaries
SGP SE is the holding company of the Group. There are domination and profit and loss transfer agreements were between SGP SE and the operating companies PharmaSGP GmbH, Restaxil GmbH, Remitan GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH. Together with its subsidiaries, SGP SE constitutes a fiscal unit for income tax and VAT purposes (ertragsteuerliche und umsatzsteuerliche Organschaft).

In 2024, intragroup profits or losses of € 26,555 thousand were transferred to SGP SE from those contracts (2023: € 23,413 thousand).

Furthermore on 26 August 2021, SGP SE granted its subsidiary PharmaSGP GmbH a loan with a residual value of € 66,000 thousand as of 31 December 2024 (31 December 2023: € 78,000). From this loan, intragroup interest of € 3,797 thousand were incurred in 2024 (2023: € 3,971 thousand).

9. Corporate boards and remuneration

Management Board

Name	Responsibilities
Natalie Weigand	
Chief Executive Officer (CEO) until 31 December 2024	Marketing, procurement, quality management & regulatory affairs
Michael Rudolf	
Chief Financial Officer (CFO)	Finance, controlling, business development, operations, legal & compliance, human resources and information technology
Peter Gerckens	
Chief Commercial Officer (CCO) since 1 July 2024	International markets, sales & distribution, new businesses
Chief Executive Officer (CEO) since 1 January 2025	Marketing, procurement, quality management & regulatory affairs, sales & distribution/strategy

Ms. Weigand and Mr. Rudolf do not have other mandates as members of supervisory boards or other controlling bodies pursuant to Sec. 125 AktG (German Stock Corporation Law). Mr. Gerckens is member of the administrative board of Wilh. Werhahn, KG, Neuss.

Supervisory Board

Name	Responsibilities
Dr. Clemens Fischer Head of the Supervisory Board	Chief Executive Officer (CEO) at FUTRUE Group
Madlena Hohlefelder Deputy head of the Supervisory Board	Chief Strategy Officer (CSO) at FUTRUE Group
Dr. Axel Rebien	Chief Executive Officer (CEO) at Serrala Group

The members of the Supervisory Board do not have other mandates as members of supervisory boards or other controlling bodies pursuant to Sec. 125 AktG (German Stock Corporation Law).

Remuneration

The basic principles of the remuneration system for members of the Management Board and Supervisory Board can be downloaded at https://ir.pharmasgp.com.

Members of the **Supervisory Board** receive a fixed remuneration of € 50 thousand. For the head of the Supervisory Board, the fixed remuneration amounts to € 90 thousand and for the deputy head of the Supervisory Board to € 70 thousand. The head of the Supervisory Board, Dr. Clemens Fischer, and the deputy head, Madlena Hohlefelder, have waived their remuneration until further notice. In the financial year 2024, expenses for Supervisory Board remuneration of € 50 thousand have been incurred (2023: € 50 thousand).

The total **Management Board remuneration** pursuant to Sec. 314 (6a) HGB was € 1,195 thousand in 2024 (2023: € 2,069 thousand). In addition to a fixed remuneration, fringe benefits and a short-term variable compensation, total Management Board remuneration includes € 383 thousand from the total fair value of the long-term Management Board compensation granted in 2024 for the years 2024-2027 (2023: € 325 thousand from the total fair value of the long-term Management Board compensation granted in 2023 for the years 2023-2026). The long-term Management Board compensation granted in 2024 equals 19,587 Performance Share Units (PSUs).

The total **Management Board compensation** pursuant to IAS 24.17 was € 702 thousand in 2024 and € 697 thousand in 2023 and breaks down as follows:

in € thousand	2024	2023
Short-term employee benefits	813	744
Share-based compensation	-111	-47
Total compensation	**702**	**697**

Short-term employee benefits comprise a fixed remuneration, fringe benefits and a short-term variable remuneration.

Fringe benefits include social security contributions, benefits in kind, and compensation for vacation days not taken.

The short-term variable remuneration 2024 is structured as an annual bonus and depends on the business development of PharmaSGP Holding SE and its subsidiaries and comprises both financial (Group EBITDA, Group revenues) and non-financial target criteria. The target value or minimum hurdle for Group EBITDA for the financial year 2024 was € 38.8 million for Natalie Weigand and Michael Rudolf. The maximum value for the Group-EBITDA was set at € 40.0 million. For Peter Gerckens, the target value or minimum hurdle was organic EBITDA growth of the PharmaSGP Group of 10 % in 2024 compared to the previous year. The maximum value was set at organic EBITDA growth of 20 %. The target value for the Group's consolidated revenues for the 2024 financial year for Natalie Weigand and Michael Rudolf was € 119 million. The maximum value for consolidated revenues was set at € 121 million.

The target values – which equal minimum hurdles – in respect of Group EBITDA and organic EBITDA growth of PharmaSGP and the Group revenues were not met in the financial year 2024. Therefore, the Management Board members were not granted a short-term variable remuneration.

Disclosures on share-based compensation

To align the interests of the members of the Management Board with those of other stakeholders of the Company, the long-term variable compensation is granted in the form of virtual performance shares units ("PSUs"), which are awarded to each member of the Management Board.

The long-term variable compensation is granted in annual tranches for a performance period of four years. The number of PSUs to be granted to each member of the Management Board per annum corresponds to the quotient of (i) a target value, divided by (ii) the volume weighted average share price of the Company in Xetra trading during the last 30 trading days before the commencement of the respective performance period.

- **PSU 2021**
  - Target value: between € 55 thousand and € 260 thousand depending on the Management Board position
  - Performance period: 2021-2024
  - After the end of the performance period on 31 December 2024, the target criteria were not met and accordingly no remuneration was paid out.

- **PSU 2022**
  - Target value: between € 55 thousand and € 260 thousand depending on the Management Board position
  - Performance period: 2022-2025
  - 25 % of each tranche of PSUs vests for each year over the performance period.

- **PSU 2023**
  - Target value: between € 85 thousand and € 240 thousand depending on the Management Board position
  - Performance period: 2023-2026
  - 25 % of each tranche of PSUs vests for each year over the performance period.

- **PSU 2024**
  - Target value: between € 58 thousand and € 240 thousand depending on the Management Board position
  - Performance period: 2024-2027
  - 25 % of each tranche of PSUs vests for each year over the performance period.

Such PSUs are subject to good leaver and bad leaver provisions, which may result in PSUs being forfeit. The final number of vested PSUs depends on the achievement of three performance targets, comprising targets on profitability, share price development and acquisition targets.

To determine the final long-term variable compensation claims of the members of the Management Board at the end of each performance period, the number of vested PSUs after such period is multiplied by the volume weighted average share price of the Company in Xetra trading during the last 30 trading days before the end of the relevant performance period, plus any dividends paid during such period. With the introduction of the 2024 remuneration system, the Supervisory Board can set share price targets for the Company's shares that must be achieved at the end of the respective performance period and/or at the end of individual financial years within the respective performance period ("share price hurdle"). Such a share price hurdle, which was defined for the financial year 2024, has also been set retroactively for all tranches of the 2021, 2022 and 2023 performance share plans that have already been allocated.

For purposes of calculating the compensation claims, this share price adjusted for dividends is capped at 150 % of the share price used to calculate the number of PSUs at the beginning of the respective performance period. Once these compensation claims have been determined, the Company can elect whether it will settle these claims in cash or by providing treasury shares, with such shares being valued at the volume weighted average share price of the Company in Xetra trading during the last 30 trading days before the end of the relevant performance period. Currently, PharmaSGP expects a cash settlement.

The liability for the vested PSUs is measured at the end of each reporting period until settled, at the fair value of the PSUs, by applying a Monte Carlo simulation, taking into account the terms and conditions on which the PSUs were granted, and the extent to which the members of the Management Board have succeeded to date. The following inputs were applied for the fair value determination as of 31 December 2024:

- Accomplished performance targets and expected future target fulfilments

- Risk-free interest rate: 2.01 % to 2.11 % (31. December 2023: 2.06 % to 3.05 %)

- Expected average dividend yield: 4.6 % to 5.0 % (31 December 2023: 5.3 % to 5.6 %)

- Expected volatility: 28.8 % (31 December 2023: 29.2 %)

The total expense from the long-term variable compensation is recognized ratably over the performance period, under consideration of the above-mentioned input data. The carrying amount of the liability relating to PSUs at 31 December 2024 was € 9 thousand (31 December 2023: € 120 thousand). The income recognized in the financial year 2024 is € 111 thousand (2023: € 47 thousand).

10. Audit fees

The table below shows the auditor's fee charged by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Munich:

in € thousand	2024	2023
Audit services	249	242
Other assurance services	6	6
Tax advisory services	-	-
Other services	12	9
Total fee	**267**	**257**
Thereof relating to prior years	17	43

Audit fees relate to the audit of the consolidated financial statements of SGP SE and the audit of financial statements of German Group entities.

Other assurance services comprise confirmations to third parties. Other services comprise consulting fees.

11. Corporate governance declaration

PharmaSGP Holding SE has submitted the declaration of compliance with the German Corporate Governance Code required by Sec. 161 AktG and made it available to its shareholders on the website https://ir.pharmasgp.com/en/.

12. Events after the reporting date

No events or transactions of particular significance occurred after the reporting date.

Gräfelfing, 24 April 2025

Peter Gerckens
(CEO)

Michael Rudolf
(CFO)

Other Information

PHARMA SGP

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and profit or loss of the Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the material opportunities and risks associated with the expected development of the Company and the Group.

Gräfelfing, 24 April 2025

Peter Gerckens
(CEO)

Michael Rudolf
(CFO)

Remuneration Report for the Financial Year 2024

The following remuneration report has been prepared in accordance with the requirements of Sec. 162 German Stock Corporation Act (AktG) and presents the remuneration granted or owed to the members of the Management Board and the Supervisory Board of PharmaSGP Holding SE for the respective financial year. The term "granted" and "owed" remuneration comprises the remuneration for which the underlying activity has been fully performed as of the end of the financial year 2024.

The remuneration report was formally audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in accordance with Sec. 162 (3) AktG. The remuneration report and the audit opinion are published on PharmaSGP Holding SE's website (https://ir.pharmasgp.com). It will be submitted to the 2025 Annual General Meeting on 25 June 2025 for approval.

The remuneration report for the financial year 2023 was presented to the Annual General Meeting on 26 June 2024, which approved it with an approval rate of 91.89 %. Against the background of this positive result, the transparent reporting practice was also maintained for the 2024 financial year.

1. Outline of the remuneration system

The Supervisory Board of PharmaSGP Holding SE presented a selectively revised remuneration system for the members of the Management Board to the Annual General Meeting on 26 June 2024. For example, share price hurdles were introduced for the performance share plan. The remuneration system was approved by the 2024 Annual General Meeting with an approval rate of 90.90 %. The remuneration of the members of the Supervisory Board was confirmed by the Annual General Meeting on 24 June 2021. Descriptions of the remuneration systems can be downloaded at https://ir.pharmasgp.com

2. Remuneration of the Supervisory Board

The members of the Supervisory Board of PharmaSGP Holding SE receive a fixed remuneration of € 50 thousand for each full financial year of their membership in the Supervisory Board. For the head of the Supervisory Board, the fixed remuneration amounts to € 90 thousand and for the deputy head of the Supervisory Board € 70 thousand.

In addition to their fixed compensation, Supervisory Board members are entitled to reimbursement of expenses incurred in connection with the performance of their Supervisory Board duties. The Company also reimburses the members of the Supervisory Board for value-added tax on their remuneration and expenses. PharmaSGP Holding SE also grants a D&O insurance to the members of the Supervisory Board.

Since 2020, the head of the Supervisory Board, Dr. Clemens Fischer, and the deputy head, Madlena Hohlefelder, have waived their remuneration until further notice.

The remuneration granted to Supervisory Board member Dr. Axel Rebien in the financial year 2024 amounts to € 50 thousand.

3. Remuneration of the Management Board

Non-performance-related compensation
The members of the Management Board receive a fixed compensation paid in twelve equal installments as a monthly salary. Fringe benefits include social security contributions, benefits in kind and compensation for unused vacation days. The members of the Management Board have not been granted any company-funded commitments for a company pension.

Performance-related remuneration
The performance-related remuneration of PharmaSGP Holding SE consists of a short-term variable

remuneration (annual bonus) and a long-term variable remuneration (Performance Share Plan). When defining the target values, the Supervisory Board ensures that the variable remuneration is designed for the sustainable and long-term development of the company and that the predominant multi-year nature of the variable remuneration required by the German Stock Corporation Act and the German Corporate Governance Code is fulfilled.

Kurzfristige variable Vergütung
The short-term variable remuneration 2024 is structured as an annual bonus and corresponds to the remuneration system approved by the 2024 Annual General Meeting of PharmaSGP Holding SE.

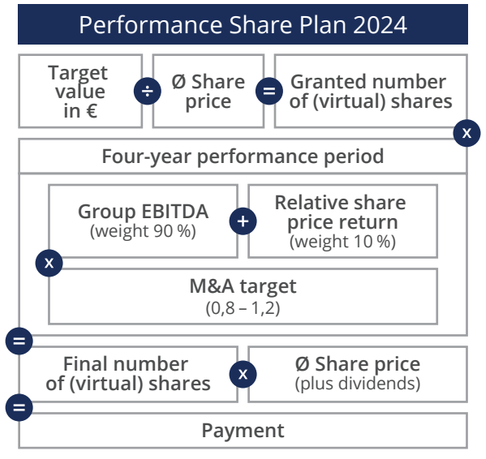
The short-term variable remuneration depends on development of the financial year of PharmaSGP Holding SE and its subsidiaries and comprises both financial and non-financial target criteria. The respective target criteria are defined individually for each member of the Management Board by the Supervisory Board at the beginning of the fiscal year.

The financial success parameters for the financial year 2024 were defined by the Supervisory Board as Group EBITDA[1] and in addition for Natalie Weigand and Michael Rudolf as Group revenues of the PharmaSGP Group. As a non-financial success parameter, the successful introduction or implementation of three activities or measures to promote climate neutrality was defined.

Group EBITDA is a key earnings indicator of the PharmaSGP Group, which can be used to show the operating development – also on an internationally comparable basis. The target value or minimum hurdle for Group EBITDA for the financial year 2024 was € 38.8 million for Natalie Weigand and Michael Rudolf. The maximum value for the Group-EBITDA was set at € 40.0 million. For Peter Gerckens, the target value or minimum hurdle was organic EBITDA growth of the PharmaSGP Group of 10 % in 2024 compared to the previous year. The maximum value was set at organic EBITDA growth of 20 %. Group revenues are the key indicator for measuring the Group's business volume. The target value for the Group's consolidated revenues for the 2024 financial year for Natalie Weigand and Michael Rudolf was € 119 million, while the maximum value for consolidated revenues was set at € 121 million. The Supervisory Board also awarded Natalie Weigand and Michael Rudolf an additional bonus of € 25 thousand if the maximum figures for Group EBITDA and Group revenues are reached or exceeded. The maximum amount for the total annual bonus for 2024 was € 75 thousand each for Natalie Weigand and Michael Rudolf and € 50 thousand for Peter Gerckens.

The target values for Group EBITDA and Group revenues, which also serve as minimum thresholds, were not achieved in the financial year 2024. Accordingly, the members of the Management Board were not granted any short-term variable remuneration.

Long-term variable compensation
In order to align the interests of the members of the Management Board with those of the shareholders of the Company, the members of the Management Board were granted a long-term variable compensation (Performance Share Plan) in the form of virtual performance share units („PSUs"). It corresponds to the compensation system approved by the 2024 Annual General Meeting of PharmaSGP Holding SE and is outlined as follows:



The long-term variable compensation is granted in annual tranches for a performance period of four years. In this context, 25 % of each tranche of PSUs is earned per year of the performance period (vesting). The annual number of PSUs granted to Management Board members is equal to the quotient of (i) a target value divided by (ii) the weighted average Xetra share price of the Company in the last 30 trading days before the start of the respective performance period.

The PSUs are subject to the usual good leaver and bad leaver provisions, which may lead to a forfeiture of the PSUs. The final number of vested PSUs depends on the achievement of three target criteria, which include profitability targets, share price targets and M&A targets, each with a limitation (cap). The targets for the 2024 tranche are: Group EBITDA, the relative share price return compared to the STOXX Europe Total Market Pharmaceuticals, and an M&A target. In addition, since the introduction of the 2024 remuneration system, the Supervisory Board is entitled to set share price targets for the Company's shares that must be achieved by the end of the respective performance period and/or by the end of individual financial years within the respective performance period ("share price hurdle"). Such a share price hurdle, which was defined for the 2024 financial year, has also been set retrospectively for the tranches of the performance share plan allocated since 2021.

For Group EBITDA, the Supervisory Board defines an annual target within the first six months of the respective financial year. The overall target achievement is then calculated as the average of the annual target achievement levels during the four-year performance period.

The relative share price return is measured by comparing the percentage change in the Company's share price during the performance period with the percentage change in the benchmark index. Dividends paid during the performance period are included in the calculation of the share price or index level at the end of the performance period. Target achievement is deemed to be 100 % if the percentage change in the share price corresponds to the percentage change in the benchmark index.

For the M&A target, there is a predetermined target of a certain total number of business acquisitions within the performance period, each of which must meet requirements set by the Supervisory Board.

To determine the Management Board members' final long-term variable compensation entitlement at the end of the performance period, the number of PSUs earned after the end of the period (taking into account any reduction due to the share price hurdle) is multiplied by the weighted average Xetra share price of the Company in the last 30 trading days before the end of the respective performance period, plus any dividends paid in this period. For the calculation of the compensation entitlement, the share price adjusted for dividends is limited to a maximum of 150 % of the share price on the basis of which the number of PSUs granted to the Management Board members was determined at the beginning of the performance period.

After the determination of the compensation entitlements, the Company has the option to settle the entitlements in cash or with treasury shares, which in turn are valued at the weighted average Xetra share price of the Company during the last 30 trading days prior to the end of the relevant performance period. Currently, PharmaSGP Holding SE assumes a settlement in cash.

At the end of the 2024 financial year, the 2021 tranche of the performance share plan ended as planned after a performance period of four years. Following the adjustment, the structure of the 2021 performance share plan was essentially the same as the 2024 tranche. Since the target criteria were not met, no long-term variable remuneration was granted under this plan.

The achievement of targets for the tranche of the Performance Share Plan allocated for 2024 will be reported after the end of its performance period.

[1] For the determination of the Group EBITDA, the Supervisory Board usually applies the externally reported adjusted EBITDA as a basis.

Target compensation for the financial year 2024[2]
The target compensation planned for financial year 2024 for members of the Management Board of PharmaSGP Holding SE is as follows:

	Natalie Weigand Board member until 31 December 2024		Michael Rudolf Board member since 4 March 2020		Peter Gerckens[3] Board member since 1 July 2024	
	in € thousand	in %	in € thousand	in %	in € thousand	in %
Non-performance-related compensation						
Fixed compensation	300		282		175	
Fringe benefits[4]	16		23		3	
Total non-performance-related compensation	**316**	**66 %**	**304**	**49 %**	**178**	**62 %**
Performance-related compensation						
Annual bonus 2024	75		75		50	
Performance Share Plan (2024-2027)	85		240		58	
Total performance-related compensation	**160**	**34 %**	**315**	**51 %**	**108**	**38 %**
Total compensation	**476**	**100 %**	**619**	**100 %**	**286**	**100 %**

Granted and owed compensation
The granted and owed compensation to members of the Management Board of PharmaSGP Holding SE or its subsidiaries in the financial year 2024 breaks down as follows:

	Natalie Weigand Board member until 31 December 2024		Michael Rudolf Board member since 4 March 2020		Peter Gerckens[3] Board member since 1 July 2024	
	in € thousand	in %	in € thousand	in %	in € thousand	in %
Non-performance-related compensation						
Fixed compensation	300		282		175	
Fringe benefits[5]	16		37		3	
Total non-performance-related compensation	**316**	**100 %**	**319**	**100 %**	**178**	**100 %**
Performance-related compensation						
Annual bonus 2024	-		-		-	
Performance Share Plan (2021-2024)	-		-		-	
Total performance-related compensation	**-**	**0 %**	**-**	**0 %**	**-**	**0 %**
Total compensation	**316**	**100 %**	**319**	**100 %**	**178**	**100 %**

Third-party compensation
In the financial year 2023, the members of the Management Board were not granted any compensation from third parties. In the event of a change-of-control situation, the members of the Management Board were each promised a compensation by the two majority shareholders.

Compensation for waiting time
Natalie Weigand left the Company at the end of 31 December 2024 and received compensation in the amount of half a month's fixed compensation in January 2025.

4. Other disclosures

Deviations from the compensation system
The Supervisory Board is authorized to deviate temporarily from the compensation system if this is necessary in the interest of the long-term performance of the Company. No deviation was made with regard to the compensation granted for the financial year 2024.

Maximum compensation
To ensure compliance with the maximum compensation of € 1.5 million provided for in the compensation system approved by the Annual General Meeting, all variable compensation components include a contractually fixed maximum amount. The compensation components are regularly reviewed by the Supervisory Board.

The total amount of compensation paid out for the financial year 2024 cannot be determined until the Performance Share Plan 2024-2027 has expired. However, it can already be ruled out that the maximum compensation under Art. 87 par. 1 sentence 2 no. 1 will be exceeded, as even if the Performance Share Plan pays out 270 % of the target amount (cap) the total of all compensation components would be below the maximum compensation.

Malus/clawback
The Supervisory Board saw no reason to reclaim or reduce variable compensation components in the financial year 2024.

5. Comparative presentation

According to Sec. 162 (2) sentence 2 no. 2, the required comparative presentation of the annual change in the compensation granted and owed to the Management Board and the Supervisory Board, the development of the Company's earnings and the average compensation of employees on a full-time equivalent basis is as follows:

Change compared to the prior year in %	2024 to 2023	2023 to 2022	2022 to 2021	2021 to 2020
Total compensation of current Management Board members				
Natalie Weigand[6]	-63 %	+175 %	+16 %	+6 %
Michael Rudolf[6]	-64 %	+221 %	+16 %	+14 %
Peter Gerckens	-	-	-	-
Total compensation of current Supervisory Board members				
Dr. Clemens Fischer[7]	+/-0 %	+/-0 %	+/-0 %	+/-0 %
Madlena Hohlefelder[7]	+/-0 %	+/-0 %	+/-0 %	+/-0 %
Dr. Axel Rebien	+/-0 %	+/-0 %	+/-0 %	+/-0 %
Earnings development of the Company				
Annual profit of PharmaSGP Holding SE (HGB; German Commercial Law)	+20 %	+45 %	+5 %	+300 %
Adjusted EBITDA of PharmaSGP Group[8]	+9 %	+21 %	+45 %	+14 %
Employee compensation				
Average employee copensation[9]	+3 %	+8 %	+12 %	+2 %

[2] Figures may differ due to roundings.

[3] Mr. Gerckens' target remuneration is reported pro rata temporis due to his joining the Management Board during the year on 1 July 2024.

[4] The fringe benefits for Ms. Weigand and Mr. Gerckens include employer contributions to social security. The fringe benefits for Mr. Rudolf include employer contributions to social security and benefits in kind in the form of a company car.

[5] The fringe benefits for Mr. Rudolf include a compensation payment for vacation days not taken.

[6] In 2023, Ms. Weigand and Mr. Rudolf received a payment of € 500 thousand each as a one-time additional compensation for the extension of their Management Board activities

[7] Dr. Clemens Fischer and Madlena Hohlefelder, have waived their remuneration until further notice.

[8] PharmaSGP Group consists of PharmaSGP Holding SE and its subsidiaries PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH. The calculation of adjusted EBITDA is based on the IFRS consolidated financial statements of PharmaSGP Group and is outlined in the combined management report.

[9] These disclosures relate to all employees of PharmaSGP Group.

Independent Auditor's Report

To PharmaSGP Holding SE, Gräfelfing

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of PharmaSGP Holding SE, Gräfelfing, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of PharmaSGP Holding SE, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the statement on corporate gov-ernance pursuant to § [Article] 289f HGB [Handelsgesetzbuch: German Commercial Code] and § 315d HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these re-quirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group man-agement report does not cover the content of the statement on corporate governance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reserva-tions relating to the legal compliance of the consolidated financial statements and of the group man-agement report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subse-quently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and ap-propriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated fi-nancial statements as a whole, and in forming our audit opinion thereon; we do not provide a sepa-rate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Recognition of revenue from the sale of goods

❷ Recoverability of acquired product brands

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Recognition of revenue from the sale of goods

① Revenue amounting in total to EUR 118.8 million is reported in the consolidated financial statements of PharmaSGP Holding SE. The revenue is mainly generated from selling over-the-counter pharmaceuticals and other healthcare products. The goods are stored at logistics service providers in various countries, from where they are distributed to wholesalers and pharmacies. Revenue from the sale of goods less the respective discounts is recognized when the customer obtains control. Expected returns are taken into account as a reduction in revenue. The recognition of revenue from the sale of goods gives rise to a general risk of material misrepresentation. Given the risk assessment, the materiality of this item for the consolidated financial statements, and the fact that it represents a financial key performance indicator for the Company's management and forecasting, the recognition of revenue from the sale of goods was of particular significance in the context of our audit.

② As part of our audit, we assessed, among other things, the appropriateness and effectiveness of the Company's internal control system with respect to the complete and correct recognition of revenue from the sale of goods. This included evaluating the complete and correct transfer of revenue data from the respective services providers to accounting at the PharmaSGP companies. We gained an understanding of the underlying contractual arrangements and assessed them with regard to the timing of revenue recognition in accordance with the applicable standards. To assess the recognition of revenue, among other things we took samples of suitable evidence and reconciled them. In addition, we obtained external confirmations of outstanding receivables as of the end of the reporting period and conducted analytical audit procedures to compare changes in revenues with changes in inventories and costs of materials. We were able to satisfy ourselves that the systems, processes and controls in place are appropriate overall, and that the estimates made by the executive directors are sufficiently documented and substantiated for the purposes of recognizing revenue from the sale of goods.

③ PharmaSGP Holding SE's disclosures relating to the principles of revenue recognition are contained in sections 2.3, 2.10, 3 and 6.1 of the notes to the consolidated financial statements.

❷ Recoverability of acquired product brands

① In the consolidated financial statements of PharmaSGP Holding SE, product brands with a total carrying amount of EUR 57.7 million (50.5% of total assets) are reported under the "Intangible assets" balance sheet item. The acquired intangible assets with finite useful lives are tested for impairment by the Company whenever there are indications of impairment to determine any possible need for write-downs. The Company assesses whether there are grounds for carrying out an impairment test based on internal and external sources of information. The impairment test is carried out at the level of the individual product brands. The carrying amount of the relevant product brand is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined using the present value of future cash flows. The present value of the product brands' future cash flows from marketing the respective products normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. This is based on the Group's adopted short/medium-term business plan. Expectations relating to future market developments and assumptions about the development of macroeconomic fac-

tors are also taken into account. The discount rate used is the weighted average cost of capital for a representative peer group. No need for write-downs was identified in the financial year.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective product brands, the discount rate used and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash flows used for the calculation against the adopted short/medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In the knowledge that even small changes in the discount rate applied can have a material impact on the value of the product brands calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company and carried out our own sensitivity analysis. Taking into account the information available, we determined that the carrying amounts of the product brands were adequately covered by the discounted future cash flows.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

③ The Company's disclosures relating to the "Intangible assets" balance sheet item are contained in sections 2.5, 3 and 5.1 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to § 289f HGB and § 315d HGB as an unaudited part of the group management report.

The other information comprises further

- he remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible

- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group manage-ment report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group manage-ment report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the con-solidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the execu-tive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for as-sessing the Group's ability to continue as a going concern. They also have the responsibility for dis-closing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal require-ments, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have con-sidered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated fi-nancial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement result-ing from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group man-agement report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the rea-sonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of ac-counting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw atten-tion in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause

the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underly-ing transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional re-quirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming au-dit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the pro-spective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report un-less law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file pharmasgpholdingse-2024-12-31-0-de.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information con-tained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes com-plies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated fi-nancial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF docu-ments in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 26 June 2024. We were engaged by the supervisory board on 11 December 2024. We have been the group auditor of the PharmaSGP Holding SE, Gräfelfing, without interruption since the financial year 2022.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Anita Botzenhardt.

Munich, 24 April 2025

PricewaterhouseCoopers GmbH,
Wirtschaftsprüfungsgesellschaft

Anita Botzenhardt	Patrick Konhäuser
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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The Annual Report 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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