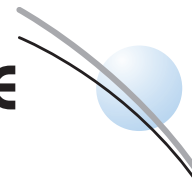




Dermapharm Holding SE



ANNUAL FINANCIAL
STATEMENTS AND COMBINED
MANAGEMENT REPORT **2024**

Annual financial statements

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2024 annual financial statements of Dermapharm Holding SE

Balance sheet as at 31 December 2024

Assets	Notes	31 December 2024 in T€	31 December 2023 in T€
A. Fixed assets			
I. Intangible fixed assets	14.		
Purchased concessions, industrial property rights and similar rights and assets		166	56
II. Tangible fixed assets			
Other equipment, plant and office equipment		3	4
III. Financial assets	15.		
Shares in affiliated companies		1,321,915	1,321,915
		1,322,084	1,321,975
B. Current assets			
I. Receivables and other assets	16.		
1. Receivables from affiliated companies thereof from trade receivables EUR 1,042 thousand (prior year: EUR 419 thousand) thereof from other assets EUR 16,963 thousand (prior year: EUR 37,539 thousand)		18,005	37,957
2. Other assets		44	135
II. Cash and cash equivalents	17.	251	1,404
		18,300	39,497
C. Prepaid expenses		194	183
Total assets		1,340,578	1,361,656

Equity and liabilities	Notes	31 December 2024 in T€	31 December 2023 in T€
A. Equity			
I. Issued capital	18.	53,840	53,840
II. Capital reserve	19.	953,248	1,009,883
III. Net profit	20.	48,456	47,379
		1,055,544	1,111,103
B. Provisions			
Other provisions	22.	3,080	2,882
		3,080	2,882
C. Liabilities	23.		
1. Trade payables		195	91
2. Liabilities to affiliated companies thereof from trade payables EUR 2 thousand (prior year: EUR 94 thousand) thereof from other liabilities EUR 273,883 thousand (prior year: EUR 217,660 thousand)		273,885	217,754
3. Other liabilities thereof from taxes EUR 7,875 thousand (prior year: EUR 29,827 thousand)		7,875	29,827
		281,954	247,671
Total equity and liabilities		1,340,578	1,361,656

Income statement for the period from 1 January to 31 December 2024

	Notes	2024 in EUR thousand	2023 in EUR thousand
1. Sales	24.	4,951	5,354
2. Other operating income		95	343
		5,046	5,697
3. Personnel expenses			
a) Wages and salaries		-3,723	-4,247
b) Social security contributions and pensions expenses thereof for pensions: EUR 0 thousand (prior year: EUR 0 thousand)		-43	-57
4. Depreciations and amortisation of intangible fixed assets and tangible fixed assets	25.	-23	-22
5. Other operating expenses	26.	-1,757	-1,793
		-501	-422
6. Other interest and similar income thereof from affiliated companies: EUR 0 thousand (prior year: EUR 0 thousand)		26	4
7. Other interest and similar expenses of which to affiliated companies: EUR 7,699 thousand (prior year: EUR 3,208 thousand)		-7,699	-3,212
8. Income tax expense		-6	0
9. Earnings after tax		-8,180	-3,630
10. Other taxes		0	0
11. Net loss for the financial year		-8,180	-3,630
12. Profit carried forward		0	0
13. Withdrawal from capital reserve		56,636	51,009
14. Net profit		48,456	47,379

Notes to the annual financial statements

Basis of presentation

1. Information about the Company

Dermapharm Holding SE, with its registered office in Grünwald (hereinafter also referred to as the "Company" or "DSE"), was established on 4 July 2017 and entered in the commercial register of the Local Court (*Amtsgericht*) of Munich under number HRB 234575 on 19 July 2017.

2. Description of business activities

The object of the Company is the development, production and sale and distribution of pharmaceuticals, food supplements, cosmetics and related products, the licensing of production and/or the sale and distribution of the aforementioned products, advising other enterprises on the aforementioned or related fields, and holding and managing equity investments.

3. Basis of accounting

In the financial year, the Company was classified as a large corporation in accordance with § 267 (3) sentence 2 of the German Commercial Code (*Handelsgesetzbuch*, "HGB"). The annual financial statements of Dermapharm Holding SE, Grünwald, were prepared in accordance with Article 61 of Council Regulation (EC) No 2157/2001 (SE Regulation), § 242 *et seq.* and 264 *et seq.* HGB and the applicable provisions of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). The financial year corresponds to the calendar year.

4. Classification of the balance sheet and income statement

The classification methods stipulated by law under § 266 and § 275 HGB are applied, and the option to aggregate figures in accordance with § 265 (7) HGB was not exercised. The income statement is prepared using the nature of expense method (§ 275 (2) HGB). Figures are reported

in thousands of euros (EUR '000).

Accounting policies

5. Intangible fixed assets

Purchased intangible fixed assets are recognised at cost less straight-line depreciation or, if impairment is expected to be permanent, less impairment charges. In the year of acquisition and disposal, depreciation is recognised *pro rata temporis* on the basis of full months. The useful life for computer software is three years and is reduced commensurately in the event of shorter contract terms.

6. Long-term financial assets

Shares in affiliated companies are carried at the lower of cost or fair value if they are expected to be permanently impaired. If they are no longer permanently impaired, the write-down is reversed to fair value, but no more than cost. Shares in affiliated companies are tested for impairment using a discounted cash flow method on the basis of a budget adopted and approved by the Supervisory Board that involves uncertainties in relation to estimates.

7. Receivables and other assets

Receivables and other assets are recognised at their principal amount less specific valuation allowances.

8. Cash-in-hand and bank balances

Bank balances and cash-in-hand are reported at their nominal amounts. Balances denominated in foreign currencies are measured at the middle spot rate as at the balance sheet date.

9. Prepaid expenses and deferred income

Expenses/income prior to the balance sheet date are recognised as prepaid expenses/deferred income if they represent expenses/income for a specific period after that date.

10. Equity

Subscribed capital is recognised at the nominal amount.

11. Provisions

Identifiable risks and uncertain obligations are adequately taken into account when recognising provisions. They are measured at the settlement amount required according to prudent business judgement.

12. Liabilities

Liabilities are recognised at their settlement amount.

13. Sales

Sales are recognised less sales allowances. In accordance with the realisation principle, sales are recognised on an accrual basis.

Notes to the balance sheet

Assets

14. Fixed assets

The changes in fixed assets based on historical cost are presented below:

Changes in fixed assets (gross presentation)

	Acquisition/manufacturing costs				Depreciation				Carrying amounts		
	31 December 2023	Additions	Disposals	Reclassifica- tions	31 December 2024	31 December 2023	Additions	Disposals	31 December 2024	31 December 2023	
I. Intangible fixed assets											
Concessions, industrial property rights and similar rights and assets	132	132	0	0	264	76	22	0	98	166	56
	132	132	0	0	264	76	22	0	98	166	56
II. Tangible fixed assets											
Other equipment, plant and office equipment	5	0	0	0	5	1	2	0	3	3	4
	5	0	0	0	5	1	2	0	3	3	4
III. Financial assets											
Shares in affiliated companies	1,321,915	0	0	0	1,321,915	0	0	0	0	1,321,915	1,321,915
	1,321,915	0	0	0	1,321,915	0	0	0	0	1,321,915	1,321,915
	1,322,052	132	0	0	1,322,184	77	24	0	101	1,322,084	1,321,975

15. Long-term financial assets

Long-term financial assets include shares in affiliated companies amounting to EUR 1,321,915 thousand (31 December 2023: EUR 1,321,915 thousand).

The changes in long-term financial assets are presented in the statement of changes in fixed assets. The list of shareholdings is presented below:

Name and registered office of the company

Company name, registered office	Share- holding	Equity 2024	Net income 2024
	in %	in EUR thousand	in EUR thousand
Shares held directly:			
Dermapharm AG, Grünwald	100.00	672,378	95,825
Dermapharm Beteiligungs GmbH, Grünwald	100.00	77,940	96,978
Shares held by subsidiaries:			
Aktiebolaget Cernelle, Ängelholm, Sweden	100.00	4,594	1,115
acis Arzneimittel GmbH, Grünwald ¹⁾	100.00	1,355	0
Allergopharma Verwaltungs GmbH, Reinbek	100.00	8	3
Allergopharma GmbH & Co. KG, Reinbek ²⁾	100.00	13,533	0
Allergopharma India Pvt. Ltd., Delhi, India	100.00	k.A.	k.A.
Allergopharma Vertriebsges. mbH, Vienna, Austria	100.00	998	710
Allergopharma AG, Hünenberg, Switzerland	100.00	4,446	3,998
Allergopharma Espana SL, Madrid, Spain	100.00	1,124	35
Allergopharma (Beijing) Pharmaceutical Technology Co. Ltd., Beijing, China	100.00	6,281	1,162
Anton Hübner GmbH & Co. KG, Ehrenkirchen ²⁾	100.00	17,024	0
Anton Hübner Verwaltungsges. mbH, Ehrenkirchen	100.00	60	2
Apharma Capital S.A.S.U., Carros, France	100.00	214,724	-4,820
Apharma TopCo S.A.S., Carros, France	100.00	101,561	-874
Arko Diffusion AG, Hünenberg, Switzerland	100.00	304	69

Company name, registered office	Share- holding	Equity 2024	Net income 2024
	in %	in EUR thousand	in EUR thousand
Arkopharma Asia Pvt. Ltd., Hong Kong	100.00	k.A.	k.A.
Arkopharma Belux S.A., Wavre, Belgium	100.00	1,954	57
Arkopharma Hellas SA, Paiania, Greece	55.00	-228	0
Arkopharma Laboratorios S.A., Lisbon, Portugal	100.00	1,112	124
Arkopharma Laboratorios S.A.U., Madrid, Spain	100.00	7,604	2,169
Arkopharma Nederland B.V., Almere, Netherlands	100.00	1,184	152
Arkopharm Srl., Ventimiglia, Italy	100.00	2,077	149
axicorp ApS, Hellerup, Denmark	100.00	28	-1
axicorp GmbH, Friedrichsdorf ¹⁾	100.00	29,650	0
axicorp Pharma B.V., Den Haag, Netherlands	100.00	843	14
axicorp Pharma GmbH, Friedrichsdorf ¹⁾	100.00	749	0
BLBR GmbH, Grünwald	62.75	-4,452	-2,551
Candoro ethics AG, Hünenberg, Switzerland	100.00	103	11
Candoro ethics Austria GmbH, Vienna, Austria ⁴⁾	100.00	674	79
Candoro ethics GmbH, Friedrichsdorf	100.00	20,542	-10,319
C&L Research GmbH, Reinbek	100.00	955	-51
Cipriani Srl., Ventimiglia, Italy	100.00	3,002	-19
Cl. Lageman GmbH, Alsdorf	100.00	905	437
Dermapharm AG, Hünenberg, Switzerland	100.00	3,651	3,449
Dermapharm GmbH, Vienna, Austria	100.00	11,493	7,216
Digital Hub mibe GmbH, Grünwald	100.00	-92	-106
Euromed S.A., Barcelona, Spain	100.00	93,980	11,487
Euromed USA Inc., Bridgeville, USA	100.00	1,092	68
Hasan Dermapharm Co. Ltd., Binh Duong Province, Vietnam	30.00	15,059	9,298
Hasan Dermapharm Joint Venture Ltd., Binh Duong Province, Vietnam	5.00	35,851	5,809

Company name, registered office	Share-holding	Equity 2024	Net income 2024
	in %	in EUR thousand	in EUR thousand
Hübner Naturarzneimittel GmbH, Ehrenkirchen ¹⁾	100.00	4,449	0
Laboratoires Arkopharma S.A.S., Carros, France	100.00	149,682	19,780
LHS S.A.S., Carros, France	100.00	3,958	1,235
Melasan Produktions- und Vertriebsges.m.b.H., Neumarkt, Austria	100.00	15,919	2,610
mibe GmbH Arzneimittel, Sandersdorf-Brehna ¹⁾	100.00	66,386	5,775
mibe F & E GmbH & Co. KG, Sandersdorf-Brehna ²⁾	100.00	10	0
mibe Logistik & Service GmbH & Co. KG, Sandersdorf-Brehna ²⁾	100.00	272	0
mibe pharma Espana S.L., Madrid, Spanien	100.00	2,156	60
mibe Pharma Italia Srl., Bolzano, Italy	100.00	380	-550
mibe Pharma UK Ltd., London, United Kingdom	100.00	k.A.	k.A.
mibe Pharmaceuticals d.o.o., Zagreb, Croatia	100.00	-10,641	201
mibe Ukraine LLC., Kyiv, Ukraine	100.00	15,943	4,189
mibe Vertrieb GmbH, Grünwald ¹⁾	100.00	26	0
mibeTec GmbH, Sandersdorf-Brehna	100.00	-56,173	-14,459
mibeTec Japan K.K., Tokyo, Japan	100.00	k.A.	k.A.
mibeTec US, Inc., Austin, USA	100.00	-10,360	-1,085
Pharmazeutische Fabrik Montavit Gesellschaft m.b.H., Absam, Austria	69.00	18,383	-332
ProFem GmbH, Vienna, Austria ³⁾	15.00	-1,493	-732
Strathmann GmbH & Co. KG, Hamburg ²⁾	100.00	5,244	0
Strathmann Service GmbH, Hamburg	100.00	51	3
Sun-Farm Sp. z o.o., Lomianki, Polen	100.00	28,898	14,017
Tiroler Nussöl Sonnenkosmetik GmbH, Kitzbühel, Austria ³⁾	100.00	-48	-281
Trommsdorff GmbH & Co.KG, Alsdorf ²⁾	100.00	4,092	0

Company name, registered office	Share-holding	Equity 2024	Net income 2024
	in %	in EUR thousand	in EUR thousand
Wellster Healthtech Group GmbH, Munich	33.86	11,495	-3,530

- 1 Profit and loss transfer agreement
- 2 Same-period profit recognition
- 3 Information from 2023
- 4 Formerly Spectrum Therapeutics Austria GmbH

The exemption provided for under § 286 (3) no. 1 HGB was partially exercised.

16. Receivables and other assets

There were no receivables with a remaining term of more than one year and no receivables from shareholders. Receivables and other assets amounted to EUR 18,049 thousand (31 December 2023: EUR 67,291 thousand) and decreased mainly due to lower receivables from tax group companies from the consolidated VAT group.

17. Cash-in-hand and bank balances

Cash comprised primarily bank balances. As at 31 December 2024, cash amounted to EUR 251 thousand (31 December 2023: EUR 1,404 thousand).

Equity and liabilities

18. Subscribed capital

As at 31 December 2024, the Company's share capital amounted to EUR 53,840 thousand. It is divided into 53,840,000 no-par value bearer shares. The nominal amount of each no-par value share is EUR 1.00.

The majority (73.44%; previous year: 68.48%) of the no-par value shares continue to be held by Themis Beteiligungs-Aktiengesellschaft, Grünwald. 26.56% (previous year: 31.52%) of the Company's shares were in free float.

19. Capital reserves

As at 31 December 2024, the capital reserves amounted to EUR 953,248 thousand (31 December 2023: EUR 1,009,883 thousand).

In the 2024 reporting year, EUR 56,636 thousand (previous year: EUR 51,009 thousand) was withdrawn from the freely available capital reserves and allocated to net retained profits.

20. Net retained profits

The net retained profits for financial year 2023 were utilised in the reporting year to distribute a dividend of EUR 0.88 per no-par value bearer share carrying dividend rights for a total dividend amounting of EUR 47,379 thousand.

21. Authorised and contingent capital

Pursuant to the resolution of the Annual General Meeting on 14 June 2023, the Board of Management was authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period to 13 June 2028 against cash and/or in-kind contributions by a total of up to EUR 16,152 thousand by issuing new no-par value bearer shares, with the option of excluding the shareholders' subscription rights. The dividend rights may be stipulated in derogation of § 60 (2) AktG.

The subscribed capital is contingently increased by a total of up to EUR 10,768 thousand by issuing a total of up to 10,768,000 new no-par value bearer shares (Contingent Capital 2023). The contingent capital increase serves to grant shares to holders or creditors of convertible bonds and to holders of option rights from warrant-linked bonds which may be issued by the Company or a domestic or foreign entity in which the Company directly or indirectly holds a voting and capital majority in the period until 13 June 2028 (inclusive) on the basis of the authorisation resolved by the Annual General Meeting of 14 June 2023. The contingent capital increase will only be implemented to the extent that conversion or option rights from the aforementioned bonds are actually exercised or conversion obligations from such bonds are fulfilled in the total face value of up to EUR 500,000 thousand and to the extent that no other forms of fulfilment are used to service them.

The Board of Management is authorised, subject to the consent of the Supervisory Board, to stipulate the further details of the implementation of the contingent capital increase.

To date, the authorised and contingent capital has not been utilised.

22. Provisions

Other provisions comprised the following:

Provisions in EUR thousand	31 December 2024	31 December 2023
Provisions for personnel	2,811	2,644
Other provisions	269	238
	3,080	2,882

23. Liabilities

An overview of the remaining terms of the liabilities recognised in the balance sheet and, if applicable, those secured by liens or similar rights, is presented in the statement of changes in liabilities below:

Statement of changes in liabilities as at 31 December 2024 (as at 31 December 2023)

EUR thousand	Total	Remaining term			thereof due to share- holders	therof collater- alised
		up to 1 year	1 to 5 years	More than five years		
	195	195	0	0	0	0
1. Trade payables	(91)	(91)	(0)	(0)	(0)	(0)
2. Liabilities to affiliated companies	273.885 (217.754)	10.035 (3.754)	0 (0)	263.850 (214.000)	0 (0)	0 (0)
3. Other liabilities	7.875 (29.827)	7.875 (29.827)	0 (0)	0 (0)	0 (0)	0 (0)
	281.954 (247.671)	18.105 (33.672)	0 (0)	263.850 (214.000)	0 (0)	0 (0)

Notes to the income statement

24. Sales

In financial year 2024, sales from services to affiliated companies amounted to EUR 4,951 thousand (previous year: EUR 5,354 thousand).

25. Amortisation of intangible fixed assets and depreciation of tangible fixed assets

Amortisation and depreciation amounted to EUR 23 thousand (previous year: EUR 22 thousand).

26. Other operating expenses

Other operating expenses are composed as follows:

Other operating expenses in EUR thousand	31 December 2024	31 December 2023
Legal and consulting fees	964	920
Miscellaneous	793	873
	1,757	1,793

Other disclosures

27. German Minimum Tax Act (*Mindeststeuergesetz*)

As a partially-owned parent entity, Dermapharm Holding SE falls within the scope of the OECD Pillar Two Model Rules, which enter into force from 1 January 2024. Any top-up tax will in principle be imposed at the level of Dermapharm Holding SE, for which Themis Beteiligungs-Aktiengesellschaft will be liable as the ultimate parent entity. In accordance with the legislation, a top-up tax must be paid per country in an amount equal to the difference between the GloBE effective tax rate and the minimum rate of 15%. All subsidiaries of Dermapharm Holding SE except the subsidiaries operating in Switzerland are subject to an effective tax rate of more than 15%. Since a national top-up tax for Pillar Two purposes is already imposed in Switzerland, no top-up tax amount is applicable at the level of Dermapharm Holding SE. Since the effective tax rate in Switzerland was just under 15% in the 2024 reporting period, the top-up tax amount has no material impact.

28. Employees

In financial year 2024, the Company employed an average of 2 people (previous year: 2).

29. Other financial obligations in accordance with § 285 nos. 3 and 3a HGB

Rent and lease obligations amounted to EUR 69 thousand as at 31 December 2024 (31 December 2023: EUR 76 thousand).

30. Contingent liabilities

The Company is the joint and severally liable borrower and guarantor for a syndicated loan agreement entered into on 15 December 2022 by Dermapharm AG/Dermapharm Holding SE (line of credit: EUR 1,050,000 thousand; amount drawn down: EUR 845,000 thousand). The Company does not expect to be called on as guarantor, as Dermapharm AG will be able to repay the loans from its own funds due to its positive net assets, financial position and results of operations, and the Dermapharm Group will comply with the financial covenants in the loan agreement. This risk is considered low. The Company is also the guarantor for various promissory

note loans of Dermapharm AG (total value as at 31 December 2024: EUR 61,500 thousand). The Company also considers the risk of recourse to the guarantee as low.

The Company is joint and severally liable for a bank loan amounting to EUR 4,750 thousand taken out by mibe GmbH Arzneimittel (affiliated company). In light of past experience and due to the ongoing monitoring of mibe GmbH Arzneimittel's liquidity situation, the Company considers the risk of being called on as guarantor to be extremely low.

The Company guarantees a bank loan amounting to EUR 4,296 thousand taken out by Melasan GmbH (affiliated company). In light of past experience and due to the ongoing monitoring of Melasan GmbH's liquidity situation, the Company considers the risk of recourse to this guarantee as extremely low.

The Company guarantees tax payments amounting to EUR 4,464 thousand owed by Dermapharm AG (affiliated company). In light of past experience and due to the ongoing monitoring of Dermapharm AG's liquidity situation, the Company considers the risk of recourse to this guarantee as extremely low.

31. Declaration of Conformity with the German Corporate Governance Code

The Board of Management and the Supervisory Board of Dermapharm Holding SE have jointly issued the Declaration of Conformity with the German Corporate Governance Code required under § 161 of the German Stock Corporation Act. The Declaration of Conformity has been made permanently accessible to the public on the Company's homepage (<https://ir.dermapharm.de/>) (§161 (2) AktG).

32. Auditor's fee

The total fee charged by the auditor for the reporting year within the meaning of § 285 no. 17 HGB is disclosed in the corresponding note to the consolidated financial statements.

33. Dermapharm Holding SE's Board of Management

Name	Member since	Appointed until	Position	Profession
Dr Hans-Georg Feldmeier	Aug 2017	2026	Chief Executive Officer	Pharmacist
Christof Dreibholz	Nov 2022	2025	Chief Financial Officer	Merchant
Dr Andreas Eberhorn	Sept 2022	2025	Chief Marketing Officer	Biologist

34. Dermapharm Holding SE's Supervisory Board

Name	Member since	Appointed until	Position	Profession
Wilhelm Beier	Aug 2017	2027	Chairman of the Supervisory Board	Merchant
Dr Erwin Kern	Aug 2017	2027	Deputy Chairman of the Supervisory Board	Merchant
Lothar Lanz	Jan 2018	2027	Member of the Supervisory Board	Merchant

35. Appointments of Supervisory Board members on other supervisory boards

Name	Mandates
Wilhelm Beier	Dermapharm AG
Dr Erwin Kern	Dermapharm AG
	TAG Immobilien AG
	Bauwert AG
	home24 SE
Lothar Lanz	Dermapharm AG

36. Remuneration of the members of the Board of Management

The total remuneration for the Board of Management amounted to EUR 3,361 thousand in the financial year (31 December 2023: EUR 3,810 thousand).

37. Remuneration of the members of the Supervisory Board

The remuneration for the members of the Supervisory Board amounted to EUR 240 thousand in financial year 2024 (31 December 2023: EUR 240 thousand).

38. Voting rights notifications

Pursuant to written notifications received by the Board of Management in accordance with § 40 (1) of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG") on 16 May 2024, 29 August 2024, 15 November 2024 and 30 December 2024, Themis Beteiligungs-Aktiengesellschaft increased its voting rights.

The majority (73.44%; 31 December 2023: 68.48%) of the no-par value shares continue to be held by Themis Beteiligungs-Aktiengesellschaft. 26.56% (31 December 2023: 31.52%) of the Company's shares are in free float.

39. Group affiliation

As the parent company, Themis Beteiligungs-Aktiengesellschaft, Grünwald, prepares the consolidated financial statements for the largest group of companies.

As the parent company, Dermapharm Holding SE, Grünwald, prepares the consolidated financial statements for the smallest group of companies in accordance with IFRSs, as adopted by the EU.

The consolidated financial statements of Themis Beteiligungs-Aktiengesellschaft as at 31 December 2024 and the consolidated financial statements of Dermapharm Holding SE as at 31 December 2024 will be published in the Federal Gazette (*Bundesanzeiger*).

40. Proposed appropriation of net profit

The Company's net retained profits in the 2024 reporting year amount to EUR 48,456 thousand. The proposal to the Annual General Meeting is that the net retained profits be distributed in full to the shareholders (EUR 0.90 per no-par value share carrying dividend rights).

Grünwald, 26 March 2025

Dr Hans-Georg Feldmeier
Chief Executive Officer

Christof Dreibholz
Chief Financial Officer
Chief Compliance Officer

Dr Andreas Eberhorn
Chief Marketing Officer

Responsibility Statement

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

Grünwald, 26 March 2025

Dr Hans-Georg Feldmeier
Chief Executive Officer

Christof Dreibold
Chief Financial Officer
Chief Compliance Officer

Dr Andreas Eberhorn
Chief Marketing Officer

Independent Auditor's Report

To Dermapharm Holding SE, Grünwald

Report on the Audit of the Annual Financial Statements and the Combined Management Report

Audit Opinions

We have audited the annual financial statements of Dermapharm Holding SE, Grünwald, which comprise the balance sheet as at 31 December 2024, the statement of profit and loss for the financial year from 1 January 2024 to 31 December 2024 and the notes to the financial statements, including the recognition and measurement policies. In addition, we have audited the combined management report of Dermapharm Holding SE, Grünwald, for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement in accordance with section 289f and section 315d of the German Commercial Code [Handelsgesetzbuch – HGB], or section 3.1 “Significant features of the internal control and risk management system” of the combined management report, or the separate non-financial report pursuant to section 315b HGB referred to in section 6.2 of the combined management report.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is

consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the corporate governance statement referred to above, or section 3.1 “Significant features of the internal control and risk management system” of the combined management report, or the non-financial report referred to above.

Pursuant to section 322(3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements or of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and the combined management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and 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 Annual Financial Statements and the Combined Management Report” section of our auditor's report. We are independent of the Company 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)(f) of the EU Audit Regulation, we declare that we have not provided any 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 appropriate to provide a basis for our audit opinions on the annual financial statements and the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

We have determined that there are no key audit matters that should be stated in this auditor's report.

Other Information

The executive directors or the supervisory board are responsible for the other information. The other information comprises:

- the corporate governance statement in accordance with section 289f and section 315d HGB
- section 3.1 "Significant features of the internal control and risk management system" of the combined management report
- the non-financial group management report pursuant to section 315b HGB, to which reference is made in the combined management report
- the responsibility statement of the executive directors pursuant to sections 264(2) sentence 3 and 289(1) sentence 5 HGB on the annual financial statements and the combined management report
- but not the annual financial statements or the audited disclosures in the combined management report or our auditor's report thereon.

The executive directors and the supervisory board are responsible for the statement under section 161 of the Stock Corporations Act [Aktiengesetz - AktG] concerning the German Corporate Governance Code, which is part of the corporate governance declaration. The executive directors are otherwise responsible for the other information provided.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not ex-press an opinion or any other form of assurance conclusion thereon.

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

- is materially inconsistent with the annual financial statements, the audited information in

the combined management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement whether due to fraud (e.g. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, 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 considered necessary to enable the preparation of a combined 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 combined management report.

The supervisory board is responsible for overseeing the Company's financial re-orting process

for the preparation of the annual financial statements and the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards on Auditing 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 annual financial statements and this combined 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 annual financial statements and the combined 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.
- obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management 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 Company's internal controls or these arrangements and measures.

- evaluate the appropriateness of the accounting policies used by the executive directors and the reasonableness of the estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined 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 Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner so that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined 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 prospective 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 discuss 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 discuss with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate threats to independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless legislation or other regulations preclude public disclosure of the matter.

Other Legal and Regulatory Requirements

Report on Assurance in Accordance with Section 317(3a) HGB on the Electronic Reproductions of the Annual Financial Statements and the Combined Management Report Prepared for Disclosure Purposes

Assurance Opinion

We have performed assurance work in accordance with section 317(3a) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the combined management report (referred to as the "ESEF documents") contained in the file "5299009F0KNZINQQK37-2024-12-31-0-de_EA, SHA256: e66dac93e5151f57fe495a60ddc5fab75f8a9375d629409909ff9061b6c15157" and prepared for disclosure purposes complies in all material respects with the requirements of section 328(1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore does not relate either to the information contained within these reproductions or to any other information contained in the above-mentioned file.

In our opinion, the reproductions of the annual financial statements and the combined management report contained in the above-mentioned file and prepared for disclosure purposes comply, in all material respects, with the requirements of section 328(1) HGB for the electronic reporting format. We do not express any opinion on the information contained in these reproductions nor on any other information contained in the above-mentioned file beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and combined management report for the financial year from 1 January 2024 to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above.

Basis for the Assurance Opinion

We conducted our assurance work on the reproductions of the annual financial statements and the combined management report contained in the above-mentioned file in accordance with section 317(3a) HGB and the IDW Assurance Standard "Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben von Abschlüssen und Lageberichten nach § 317 Abs. 3a HGB (IDW PS 410 (06.2022))" [Assurance on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes in accordance with Section 317(3a) HGB" (IDW PS 410) (06/2022)]. Our responsibility in accordance therewith is further described in the section "Auditor's Responsibilities for the Assurance Work on the ESEF Documents". Our audit firm applied the IDW Standard on Quality Management 1 "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 with the electronic reproductions of the annual financial statements and the combined management report in accordance with section 328(1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of section 328(1) HGB for the electronic reporting format.

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

Auditor's Responsibility for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328(1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328(1) HGB, 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 on the ESEF

documents 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 Delegated Regulation (EU) 2019/815 as amended on the balance sheet date on the technical specification for this file.
- evaluate whether the ESEF documents enable XHTML reproduction whose content is identical to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting held on 27 June 2024. We were engaged by the audit committee on 10 October 2024. We have been the group auditor of Dermapharm Holding SE, Grünwald, without interruption since the financial year 2018.

We declare that the audit opinions contained 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).

We have provided the following service that is not disclosed in the annual financial statements or the combined management report of the audited entity in addition to the audit of financial statements or for the entities controlled by it: other assurance service in the form of an audit of the system to comply with the requirements of section 32(1) of the Securities Trading Act [Wertpapierhandelsgesetz – WpHG].

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the assured ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format, including the versions to be published in the Federal Gazette, are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are only to be used together with the assured ESEF documents made available in electronic form.



German Public Auditor responsible for the Engagement

The German Public Auditor responsible for this engagement is Ronald Rulfs.

Düsseldorf, 26 March 2025

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier	Ronald Rulfs
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Combined management report

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Combined management report on the situation of the Company and of the Group for financial year 2024

1. Information about the Group

1.1 Business model and strategy

Business model

Dermapharm Holding SE (together with its subsidiaries, associates and equity investments referred to as "Dermapharm" or the "Group") is an innovative and fast-growing manufacturer of branded pharmaceuticals and other healthcare products in Germany and elsewhere in Europe. The Company focuses on the three segments "Branded pharmaceuticals", "Other healthcare products" and "Parallel import business". The Group's strategy is to achieve the deepest-possible integration of its business model as well as dynamic growth centred on the development of new products, increasing internationalisation and targeted M&A activities across selected segments.

To the extent possible, Dermapharm uses its own resources to develop, manufacture and market its products. The Group leverages the reputations of Germany and other European countries as manufacturing powerhouses and the quality associated with products manufactured there.

Branded pharmaceuticals

By pursuing a targeted acquisition strategy together with in-house product development, the Group has built up a broad product portfolio of branded pharmaceuticals in profitable niche markets. The extensive range of pharmaceuticals comprises roughly 400 (previous year: > 400) active pharmaceutical ingredients and more than 1,300 (previous year: > 1,300) national and international marketing authorisations. Dermapharm manufactures the majority of its pharmaceuticals in-house and markets them through its own distribution organisation.

At the core of our activities, we partner with and advise doctors and pharmacists in the interest of patients – while ensuring compliance at all times. The Group's product portfolio covers a broad spectrum of groups of active ingredients in varying dosage forms and strengths. This allows Dermapharm to offer bespoke therapeutic concepts for the widest variety of medical needs. According to the market research firm INSIGHT Health, the Group is Germany's market leader by sales for prescription dermatologics as well as for prescription vitamins, for instance with the vitamin D compound Dekristol® 20,000 I.U. Beyond this, the Company has a portfolio of strong brands in other selected therapeutic areas such as vitamins/minerals/food supplements, dermatology, allergology, pain and inflammation, cardiovascular support and gynaecology and urology. According to INSIGHT Health, Keltican®, Tromcardin® complex and Ketozolin® are leading brands in their respective therapeutic areas.

Dermapharm (in cooperation with BioNTech) also maintains production capacities for vaccine filling at its Sandersdorf-Brehna location in the context of a pandemic preparedness programme in Germany.

The Austrian company Montavit has supplemented Dermapharm's product portfolio since July 2023, in particular in the therapeutic areas of allergology as well as gynaecology and urology. Montavit has been considered a pioneer in catheter gels since the 1970s, and is the market leader in Austria and other European markets with its "Cathejell" brand products.

Other healthcare products

Dermapharm bundles its activities relating to the manufacture and marketing of food supplements, cosmetics and herbal extracts under its "Other healthcare products" segment.

Arkopharma, the market leader for phytotherapeutic food supplements in France, has been part of this segment since January 2023. Through Arkopharma, Dermapharm has made its first move into the French market and in doing so is stepping up its internationalisation efforts in western and southern Europe, where Arkopharma has subsidiaries in countries such as Spain, Portugal, Italy, Belgium, the Netherlands and Switzerland.

Through Spanish subsidiary Euomed, Dermapharm also has access to a leading manufacturer of standardised herbal extracts for the production of pharmaceuticals, cosmetics and food supplements. The herbal raw materials are processed in part using patented methods. A B2B distribution model is used to market the products in some 50 countries.

This segment also includes the Swedish company Cernelle, which the Group acquired in November 2021. Cernelle manufactures the only pollen extract with medical approval to treat benign prostate hyperplasia and chronic prostatitis.

Candoro ethics is a market leader in Germany and Austria that develops, produces and distributes natural and synthetic dronabinol. This active ingredient is sold as an active substance to pharmacies, which use it to make compounds for use in pain and palliative medicine, oncology and neurology.

Dermapharm has also been producing and selling food supplements, herbal pharmaceuticals and cosmetics for many years now through Anton Hübner, Hübner Naturarzneimittel and Melasan.

Parallel import business

Dermapharm operates its parallel import business under the "axicorp" brand. The business model is based on legal regulations under the German Social Security Code (Sozialgesetzbuch), and exploits price differences within the European Union's internal market for prescription originator pharmaceuticals in favour of Germany's statutory health insurance system.

axicorp has specialist expertise for procuring these originator pharmaceuticals from other EU Member States. The products are then manufactured at the company's facilities in Friedrichsdorf in accordance with the requirements of the German market. For sales purposes, the company employs direct marketing activities at its own call centre.

According to INSIGHT Health, axicorp was Germany's sixth-largest parallel importer in terms of gross revenue in financial year 2024 and it covered the majority of the prescription originator pharmaceuticals available on the German parallel import market.

Strategy

Dermapharm intends to continue building on its positive performance of recent years and further expand the strong position of the three segments by systematically leveraging organic and external growth opportunities.

The Group's growth strategy is based on three pillars:

1. expanding the product portfolio by bringing to market new, internally developed products;
2. increasing the Group's international presence;
3. successfully completing further acquisitions of products and businesses.

In order to expand the range of the product portfolio, the Dermapharm Group continually strives to develop additional branded pharmaceuticals and other healthcare products and launch them on the market. Dermapharm's product pipeline currently comprises roughly 53 ongoing development projects involving new products for the defined niche markets. The focal points of the development work are:

- Expanding the portfolio of off-patent branded pharmaceuticals in dermatology
- Further developing allergy therapy product range
- Developing science-based food supplements
- Developing new phytoextracts
- Further developing the range of medical devices

The Group is expanding its international presence both by forming its own start-up subsidiaries abroad and by acquiring new companies with an international presence. Country-specific portfolios are formed/developed based in each case on a detailed analysis of market conditions, with compounds developed and manufactured by the Group in particular receiving marketing authorisation.

Acquiring new products, portfolios and companies has been part of the Group's business strategy ever since the Company was formed in 1991. Dermapharm's particular strength lies not just in its ability to successfully integrate these acquisitions into the Group structure, but also to continually foster their further development.

Most recently, Dermapharm acquired the France-based Arkopharma, a market leader for phytotherapeutic food supplements in France, and a significant interest in Montavit, an Austrian company specialising in pharmaceuticals and medical devices for the therapeutic areas of urology, gynaecology and allergology as well as herbal pharmaceuticals.

Dermapharm will continue to regularly review growth opportunities and pursue strategic options that fit our corporate strategy.

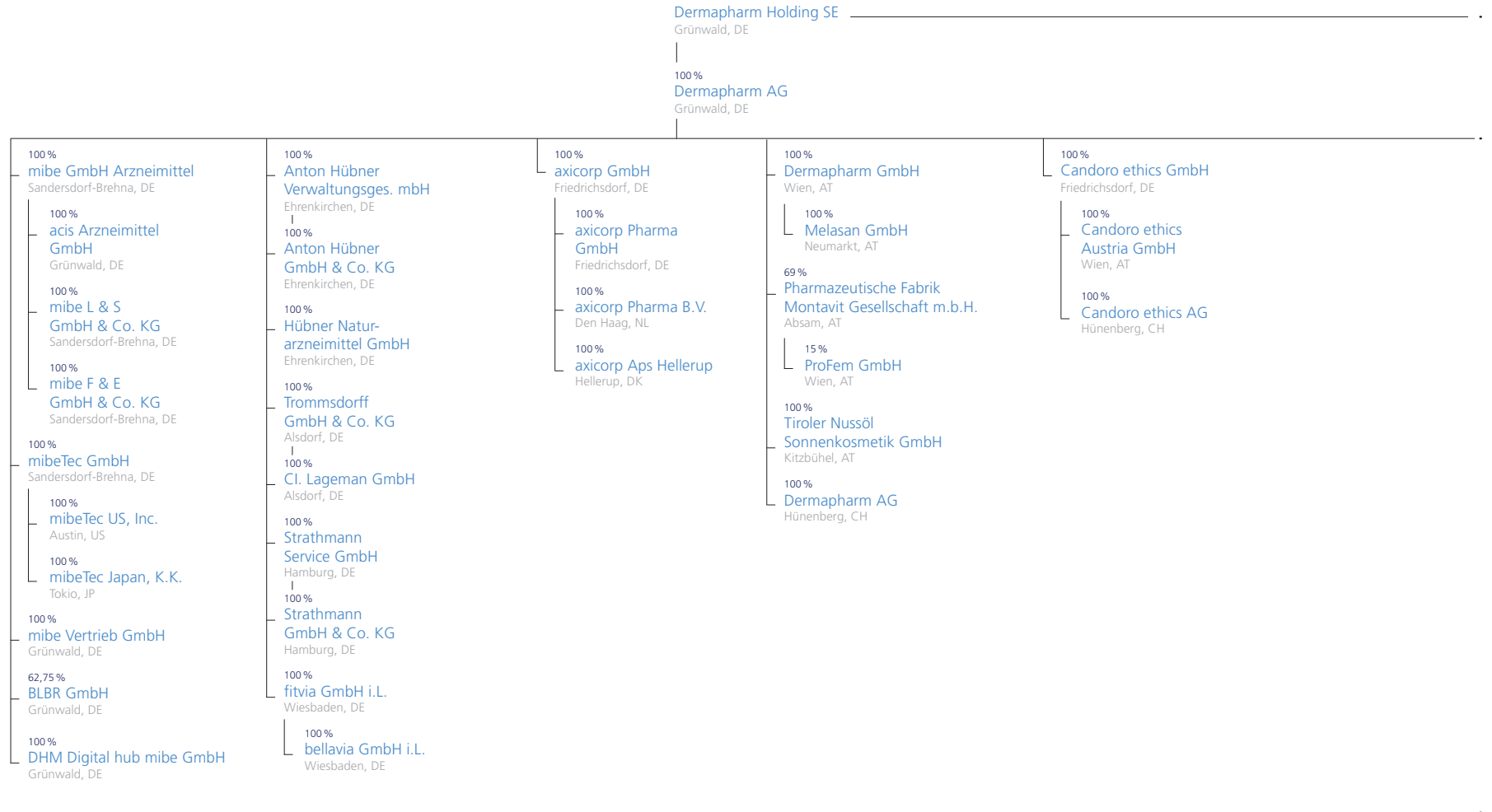
1.2 Group structure and interests

Dermapharm Holding SE holds 100% of the shares in Dermapharm AG and Dermapharm Beteiligungs GmbH, which carry out the Group's operating business alongside various subsidiaries.

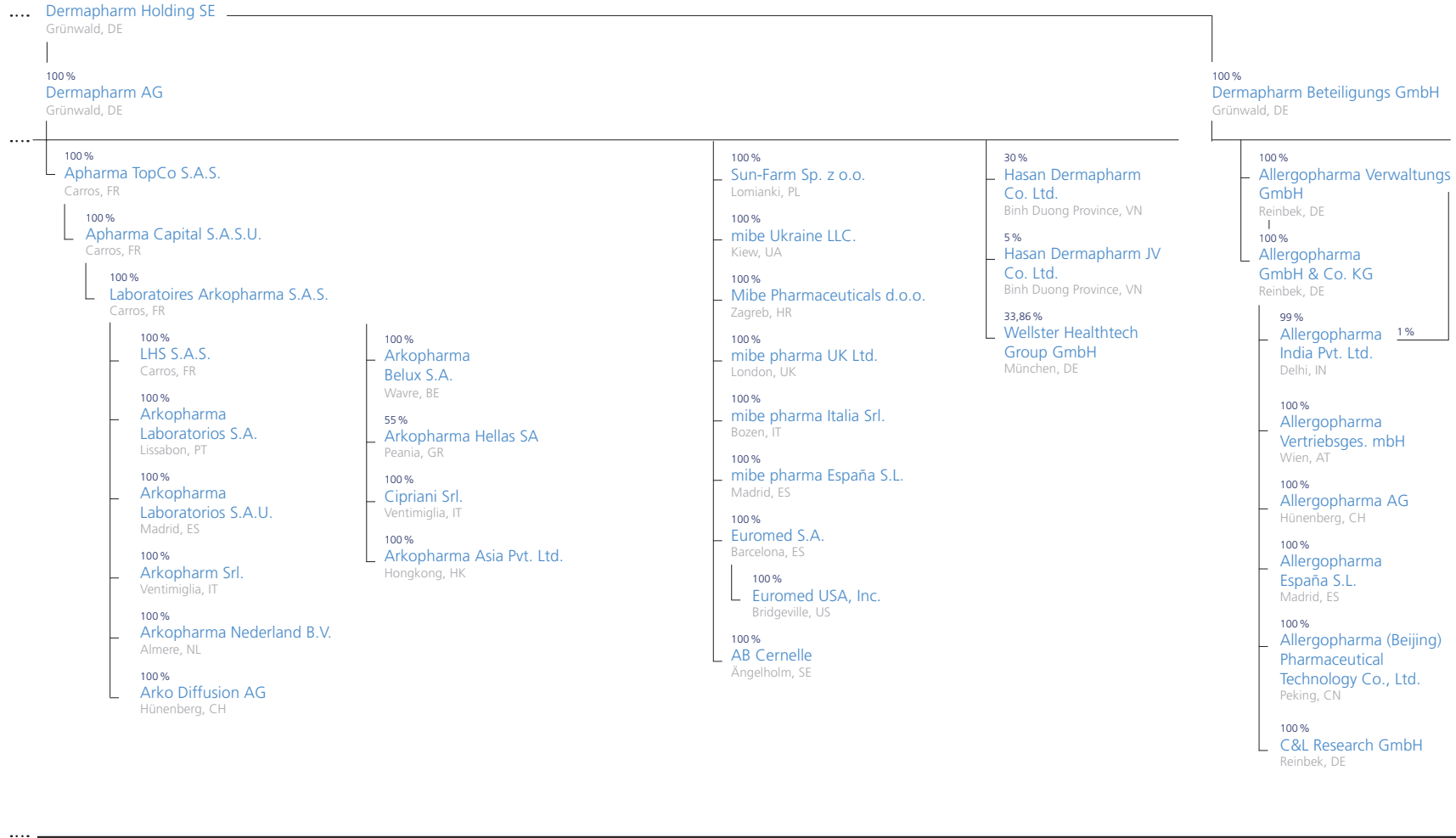
The group of companies consolidated by Dermapharm Holding SE includes all companies whose financial or business policies the Company controls directly or indirectly. In addition, Dermapharm Holding SE owns shares in associates over whose financial and business policies it exerts significant control.

The following Group structure shows the direct and indirect subsidiaries, as well as associates and equity investments as at 31 December 2024.

Dermapharm Holding SE Group organisational chart



Dermapharm Holding SE Group organisational chart (continued)



1.3 Sites and employees

Dermapharm operates development, production, and distribution sites in Germany – its largest sales market – as well as further sites in Austria, Switzerland, France, Italy, Spain, Portugal, the Netherlands, Belgium, Croatia, Poland, Ukraine, Sweden, the United States and China.

The majority of all compounds from the "Branded pharmaceuticals" segment are manufactured at and dispatched from mibe's central production and logistics centre in Sandersdorf-Brehna. mibe is also responsible for centralised purchasing and for product supply to the domestic subsidiaries. The production facilities of acquired companies have become increasingly important in recent years. These facilities have been modernised – in particular their IT, building technology, equipment and fittings, and integrated into the network centred on the logistics centre in Sandersdorf-Brehna.

The "Parallel import business" segment is headquartered at the Friedrichsdorf site.

Candoro ethics, which is allocated to the "Other healthcare products" segment, relocated from its former sites in Neumarkt in der Oberpfalz and Frankfurt am Main Höchst to Friedrichsdorf as at the end of financial year 2023. Arkopharma, which was acquired in 2023, has its production facility in Carros, which is near Nice in France. Euromed has its own production facilities in Molina de Segura, Murcia, Spain, and Mollet del Vallès, Barcelona, Spain, and operates a drying facility in Okeechobee, Florida, United States. The Swedish company Cernelle manufactures its products in Ängelholm.

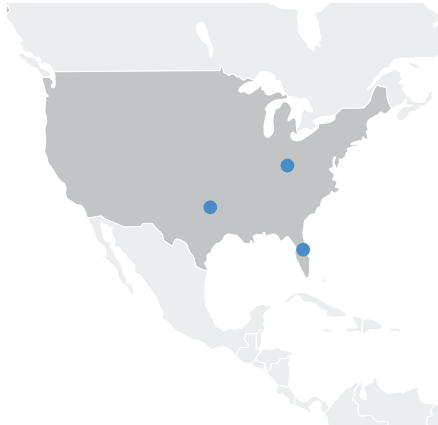
In Germany, a sales force with specialist pharmaceutical training visits pharmacies, registered doctors and clinics to promote and distribute branded pharmaceuticals. Candoro ethics also employs a specially trained sales force to market and distribute its products. Depending on the areas of product application, the sales force is deployed specifically according to the defined customer target groups. Euromed's herbal extracts are sold primarily under a B2B business model. Products in the "Parallel import business" segment are distributed primarily through direct sales from a call centre.

Qualified employees are the basis for Dermapharm's long-term commercial success. In the first half of financial year 2024, an average of 3,610 employees worked for the Group (previous year: 3,497 employees).

Dermapharm locations*

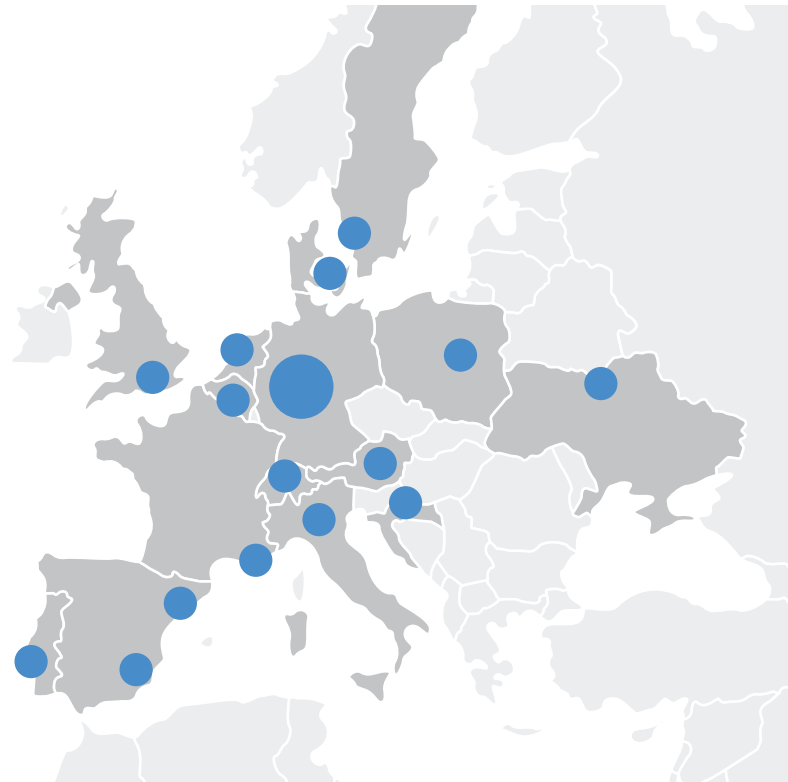
AMERICAS

USA



EUROPE

- | | | | |
|-------------|----------------|-------------|---------|
| Germany | United Kingdom | Netherlands | Poland |
| Austria | Italy | Sweden | Ukraine |
| Switzerland | Spain | Croatia | Denmark |
| France | Belgium | Portugal | |



ASIA

- Japan
- Vietnam
- China



All locations online:
> <https://ir.dermapharm.de/en/company/>

Group organisational chart > page 27

Locations* worldwide
with a focus on **Europe**
Headquarters in **Germany**

* direct, indirect subsidiaries and associates, equity interests

Dermapharm locations*

AMERICAS

USA:

Euromed USA Inc.,
Bridgeville, PA
mibeTec US, Inc.,
Austin, TX
[Euromed USA Inc.,
Okeechobee, FL](#)

EUROPE

Germany:

Dermapharm Holding SE, Grünwald
Dermapharm AG, Grünwald
Dermapharm Beteiligungs GmbH, Grünwald
acis Arzneimittel GmbH, Grünwald
[mibe GmbH Arzneimittel, Sandersdorf-Brehna](#)
mibe L&S GmbH & Co. KG, Sandersdorf-Brehna
mibe F&E GmbH & Co. KG, Sandersdorf-Brehna
mibe Vertrieb GmbH, Grünwald
mibeTec GmbH, Sandersdorf-Brehna
BLBR GmbH, Grünwald
Digital Hub mibe GmbH, Grünwald
Anton Hübner Verwaltungs. mbH, Ehrenkirchen
[Anton Hübner GmbH & Co. KG, Ehrenkirchen](#)
Hübner Naturarzneimittel GmbH, Ehrenkirchen
[Trommsdorff GmbH & Co. KG, Alsdorf](#)
Cl. Lageman GmbH, Alsdorf
Strathmann Service GmbH, Hamburg
[Strathmann GmbH & Co. KG, Hamburg](#)
fitvia GmbH i.L., Wiesbaden
bellavia GmbH i.L., Wiesbaden
axicorp GmbH, Friedrichsdorf
[axicorp Pharma GmbH, Friedrichsdorf](#)
[Candoro ethics GmbH, Friedrichsdorf](#)
Wellster Healthtech Group GmbH, Munich
Allergopharma Verwaltungs GmbH, Reinbek
[Allergopharma GmbH & Co. KG, Reinbek](#)
C&L Research GmbH, Reinbek

Austria:

Dermapharm GmbH, Vienna
[Melasan GmbH, Neumarkt](#)
[Pharmazeutische Fabrik Montavit Gesellschaft m.b.H.,
Absam](#)
ProFem GmbH, Vienna
Tiroler Nussöl Sonnenkosmetik GmbH, Kitzbühel
Candoro ethics Austria GmbH, Vienna
Allergopharma Vertriebsges. mbH, Vienna

Switzerland:

Dermapharm AG, Hünenberg
Allergopharma AG, Hünenberg
Candoro ethics AG, Hünenberg
Arko Diffusion AG, Hünenberg

France

Apharma TopCo S.A.S., Carros
Apharma Capital S.A.S.U, Carros
[Laboratoires Arkopharma S.A.S., Carros](#)
LHS S.A.S., Carros

Spain:

[Euromed S.A., Barcelona](#)
Allergopharma España S.L., Madrid
mibe pharma España S.L., Madrid
Arkopharma Laboratorios S.A.U., Madrid

Italy:

mibe pharma Italia Srl., Bozen
Arkopharma Srl., Ventimiglia
Cipriani Srl., Ventimiglia

Croatia:

mibe Pharmaceuticals d.o.o., Zagreb

Portugal

Arkopharma Laboratorios S.A., Lisbon

Greece

Arkopharma Hellas S.A., Paiania

Ukraine:

mibe Ukraine LLC., Kyiv

Poland:

[Sun-Farm Sp. z o.o., Łomianki](#)

Belgium:

Arkopharma Belux S.A., Wavre

Netherlands:

axicorp Pharma B.V., The Hague

Arkopharma Nederland B.V., Almere

United Kingdom:

mibe Pharma UK Ltd., London

Denmark:

axicorp ApS, Hellerup

Sweden

[AB Cernelle, Ängelholm](#)

ASIA

Japan:

mibeTec Japan K.K.,
Tokyo

Vietnam:

[Hasan Dermapharm Co. Ltd.,
Binh Duong Province](#)

Hasan Dermapharm JV Co.,
Ltd, Binh Duong Province

People's Republic of

China:

Allergopharma (Beijing)
Pharmaceutical Technology
Co., Ltd., Beijing

Hong Kong

Arkopharma Asia Pvt. Ltd.

= Administrative offices
= Production facilities

* direct, indirect subsidiaries and associates, equity interests

1.4 Management system and performance indicators

At the Group level, Dermapharm is divided into three segments: "Branded pharmaceuticals", "Other healthcare products" and "Parallel import business". The Board of Management approves objectives for use in the business planning and management of the segments. These objectives are translated into specific, measurable targets based on budget projections which are prepared annually for a period of five years (the first three of which being subject to approval by the Supervisory Board).

Regular reports to the Board of Management provide details on the performance of the three segments so that any potential unfavourable trends can be countered in a timely manner. In this way, the management system plays a role in ensuring that the Group continues to grow profitably.

The Group manages its operations using selected financial performance indicators that are monitored continuously and integrated into the monthly reporting to the Board of Management. The defined segments continually review the specified plan figures and compare them with the current business performance. Based on this plan to actual comparison, corresponding measures are derived from any deviations from the original revenue and EBITDA targets.

The key management metrics used by the Board of Management to measure the success of business activities are revenue and earnings before interest, taxes, depreciation, amortisation, write-downs and reversals of write-downs (EBITDA).

The following shows a reconciliation of EBITDA to Group earnings as presented in the income statement:

	Profit or loss for the period
+	Income tax expenses
=	Earnings before taxes (EBT)
+	Financial expenses
-	Financial income
+	Depreciation, amortisation, and reversals of write-downs
=	EBITDA

1.5 Research and development

Dermapharm is convinced that a growth strategy cannot succeed without investing in research and development. New products "Made by Dermapharm" are the key to driving forward the Group's internationalisation and organic growth.

Dermapharm consequently targets its efforts on developing compounds in its core therapeutic areas using active pharmaceutical ingredients that are generally no longer subject to intellectual property rights. However, Dermapharm is also investing in new patented therapies in the field of hyperthermic products.

In total, the Group operates five development centres: mibe F&E GmbH & Co. KG in Sandersdorf-Brehna focuses on pharmaceutical and analytical development and marketing authorisation for pharmaceuticals and cosmetics. mibe serves as the primary location for the manufacture of investigational medicinal products. Allergopharma's research and development centre in Reinbek focuses on further developing allergen immunotherapies. The focus of its efforts is on improving the existing product range, including clinical indications and application plans. Anton Hübner GmbH & Co. KG ("Anton Hübner") in Ehrenkirchen specialises in the development of medical science-based food supplements, substance-based medical devices and cosmetics. These also use herbal ingredients – giving rise to synergies with Euromed. The latter company operates a laboratory and innovation centre in Mollet de Vallès, Spain, that focuses on development and the scientific marketing of herbal extracts. As a supplier of medicinally active extracts, Euromed has to ensure that its products keep pace with current developments in science and technology at all times. Furthermore, Euromed concentrates on expanding its portfolio to include the development of new extracts and indications. Arkopharma operates its own research and development activities in Carros (near Nice), France, to manufacture OTC herbal products and food supplements.

In financial year 2024, an average of 362 employees worked in product development at the Group (previous year: 335 employees).

Dermapharm's more than 30 years' experience provides it with expertise in developing off-patent pharmaceuticals as well as a powerful network of development partners. Moreover, the Group has the necessary regulatory expertise in house in order to be able to carry out the authorisation process itself in Germany as well as in the EU. These broad capabilities mean that new developments can be launched and marketed in Germany and at the subsidiaries outside Germany.

2. Report on economic position

2.1 Macroeconomic and sector-specific environment

Macroeconomic environment

The International Monetary Fund (IMF) in its January 2025 World Economic Outlook anticipated global economic growth of 3.2% for 2024, thereby meeting its growth forecast published in autumn 2024. Despite the various trends for economic development and income in the individual countries and sectors, the global economy remained robust, according to the OECD's economic outlook in December 2024. In addition, falling inflation boosted real incomes, even though the consumer climate in many countries was still weaker than before the pandemic.

European Commission data shows that the Commission expected moderate growth in the EU economy by 0.9% (as at November 2024). According to the European Commission, this development was the result of a continued decline in inflation coupled with ongoing restraint in private consumption. The latter was due to the continued high cost of living, increased geopolitical risks and risks relating to energy supply security and high interest rates (as at November 2024).

According to the German Federal Statistical Office (Destatis), Germany's economy once again contracted by 0.2% in 2024 (as at January 2025). This development was rooted in economic and structural pressures, such as increased competition for the German export industry in key sales markets, persistently high interest rates, high energy costs and an uncertain economic outlook.

In light of the fact that the Dermapharm's business model in the healthcare market is aligned with relatively cyclical demand, the global economic environment generally has less of a direct impact on the business performance than the respective regulatory conditions in the individual market regions.

Sector-specific environment

The factors driving growth on the pharmaceutical and healthcare markets include in particular demographic trends such as an increasingly ageing society, global population growth, rising health awareness and self-medication as well as advances in the medical field. Accordingly, the European pharmaceuticals market has grown continuously in recent years. The current geopolitical crises continued to have no adverse effect the pharmaceuticals and healthcare market in 2024. According to information from the consultancy firm IQVIA (source: OTC VALUE), the entire European pharmaceuticals market generated annual revenue of EUR 349.3 billion by the end of the third quarter of 2024, meaning that the market volume increased by 10.6% compared to the same period in the previous year (MAT Q3 2023: EUR 315.8 billion). Of that amount, EUR 306.5 billion was attributable to prescription pharmaceuticals (MAT Q3 2023: EUR 278.7 billion) and EUR 42.7 billion to OTC pharmaceuticals (MAT Q3 2023: EUR 37.1 billion).

Dermapharm's primary market, Germany, has a highly developed healthcare system with 108,202 registered physicians (as of December 2023), 17,187 public pharmacies (November 2024 figures) and 1,874 hospitals (in 2023). Germany, for example, spends a larger share of its gross domestic product on healthcare than any other country in the European Union. According to IQVIA, the growth trend in the German pharmaceuticals market continued in the previous year as well. At the end of the third quarter of 2024, annual revenue in the German pharmaceuticals market increased by 11.0% to EUR 65.4 billion (Q3 2023: EUR 58.9 billion). Of that amount, EUR 56.7 billion was attributable to prescription pharmaceuticals (MAT Q3 2023: EUR 52.7 billion) and EUR 8.6 billion to OTC pharmaceuticals (MAT Q3 2023: EUR 6.2 billion). In 2024, revenue from off-patent pharmaceuticals without savings from discount agreements and less mandatory manufacturer discounts in the statutory health insurance providers' market increased by 7.1% to EUR 12.0 billion (basis: manufacturer selling price) following EUR 11.2 billion in the prior-year period (including biosimilars in each case). However, volume gains are often neutralised due to government intervention in pricing. As a result, this market continues to be characterised by state-imposed mandatory discounts and steep discounts to health insurance organisations due to statutory discount agreement options between manufacturers and health insurance organisations.

According to INSIGHT Health, in financial year 2024, revenue in the parallel imports market amounted to EUR 3.8 billion compared to EUR 3.4 billion in the previous year (basis: Apofusion Sell-Out). Thus, in 2024, revenue in the market suitable for imports increased by 11.8%. The share of total revenue on the German pharmaceutical market that is generated with parallel-imported products increased from 7.3% in the previous year to 7.5% in 2024.

Regulatory environment

Reference pricing for pharmaceuticals

Reference pricing refers to maximum amounts for reimbursement of pharmaceutical prices by the statutory health insurance organisations. These amounts are set for groups of comparable pharmaceuticals. If doctors nonetheless prescribe a medication priced at a level above this reference amount, the patient must pay the difference in addition to the statutory supplementary payment.

Groups of comparable pharmaceuticals can be created according to various criteria. Therefore, there are three levels of comparability: level 1 reference pricing groups comprise pharmaceuticals with the same active ingredients. Level 2 reference pricing groups comprise pharmaceuticals with active ingredients which are comparable in terms of pharmacology, particularly chemically, and which at the same time have comparable therapeutic effects. Level 3 reference pricing groups comprise pharmaceuticals, particularly from combinations, which have different active ingredients but which have comparable therapeutic effects. Manufacturers and health insurance organisations can negotiate special discount agreements under which pharmaceuticals priced above the relevant reference prices are available to patients at no extra cost.

Manufacturer discount

In Germany, pharmaceuticals companies are generally free to set their prices for pharmaceuticals. However, pharmaceuticals companies must grant manufacturer discounts on reimbursable pharmaceuticals to the statutory health insurance providers and to private health insurance providers. Following the adoption of the German Act on the Financial Stabilisation of the Statutory Health Insurance System (GKV-Finanzstabilisierungsgesetz, "GKV-FinStG") in 2022, a 12% manufacturer's discount was applied to the selling price (excl. VAT) of reimbursable pharmaceuticals with no reference price for the period from 1 January 2023 to 31 December 2023. The manufacturer's discount was reduced back to 7% from 1 January 2024. If the product is an off-patent pharmaceutical with an identical active ingredient, this discount is 6% of the

manufacturer selling price (excl. VAT). An additional 10% discount on the manufacturer selling price (excl. VAT) is also applied to off-patent pharmaceuticals with identical active ingredients (generics). Manufacturers can offset price reductions against the discount as long as they maintain the lower price for at least three years. For price reductions of 10% or higher, the discount no longer applies.

Price moratorium

The price moratorium took effect in August 2010. Under the moratorium, statutory and private health insurance providers receive price discounts when pharmaceuticals manufacturers increase their selling price for reimbursable pharmaceuticals over the price level of 1 August 2009. This regulation does not apply to pharmaceuticals subject to reference pricing. For pharmaceuticals introduced after 1 August 2010, the price at their market introduction or the reference price for a pharmaceuticals product previously introduced by the manufacturer with the same active ingredient is applicable. Legislators extended the price moratorium until the end of 2026. A reference price adjustment equivalent to the rate of inflation was introduced in July 2018.

Supplementary charge

Patients are generally required to pay a supplementary charge when prescription pharmaceuticals are prescribed. The supplementary charge for each pharmaceutical product is generally 10%, with a minimum amount of EUR 5 and a maximum of EUR 10, not to exceed the cost of the pharmaceutical. However, there is an option to exempt certain compounds from this mandatory supplementary charge. This applies when doctors and the patient together choose a particularly inexpensive pharmaceutical product with a price of at least 30% below the reference price. A further option to reduce the supplementary charge by half or in full arises if the prescribed pharmaceutical is the object of a discount agreement entered into between the health insurance organisation and the pharmaceuticals manufacturer. Health insurance organisations can use this provision to pass along some or all of the savings from discount agreements to the patient.

Discount agreements with statutory and private health insurance providers

Since 2003, the laws have permitted health insurance organisations to enter into individual discount agreements for pharmaceuticals with manufacturers. Furthermore, for pharmaceuticals priced above the reference price, they can also negotiate amounts under discount agreements in order to continue to provide the patients with their usual therapy without incurring additional costs.

Since 2007, pharmacies have also been required to issue the precise pharmaceutical compound with identical, interchangeable active ingredients for which the patient's health insurance organisation has entered into a discount agreement. This applies unless the doctor indicates otherwise by adding the note "aut idem" (or identical) to the prescription. The advantage for patients is that the supplementary charge may be reduced by half or waived entirely. In the context of the provision of pharmaceuticals, the Pharmaceuticals Market Restructuring Act (Arzneimittelmarktneuordnungsgesetz, "AMNOG") also permits the reimbursement of costs in individual cases. This means that patients can now choose a pharmaceutical compound other than the one covered in the discount agreement with their health insurance organisation or one of the three least expensive pharmaceuticals. If they do so, the health insurance organisation reimburses the costs only up to the amount which the health insurance organisation would have incurred for providing standard therapy. In other words, the patient bears any additional costs incurred due to the selection of another pharmaceutical.

International pharmaceuticals markets

The international markets are characterised by their own different local influences at the national level, mostly due to reference lists, reference prices, reimbursement codes and discounts.

Regulations for the parallel import business

The German Act for More Safety in the Supply of Pharmaceuticals (Gesetz für mehr Sicherheit in der Arzneimittelversorgung, "GSAV") went into force in August 2019 and amended the affordability clause under § 129 (1) sentence 2 SGB V, eliminating "or at least EUR 15.00". Instead, "affordability" is now met only given a price differential to the price of the reference pharmaceutical of at least 15% for a selling price of EUR 100, at least EUR 15 for a selling price from EUR 100 to EUR 300, and at least 5% for a selling price of more than EUR 300. Furthermore, effective 1 July 2019, the Master Agreement on the Supply of Pharmaceuticals (Rahmenvertrag über die Arzneimittelversorgung) in accordance with § 129 (2) SGB V stipulated a new savings target that is to be achieved by selling affordable imported pharmaceuticals. It is the difference between expenditure for the affordable imported pharmaceuticals sold and the expenditure for the respective reference pharmaceutical taking into consideration the statutory discounts and amount to 2% of the imputed total cost. In addition, in the case of generic active ingredients not covered by discount agreements, the master agreement stipulates that the pharmacist is obligated to sell one of the four most affordable pharmaceutical registration numbers (Pharmazentralnummer, "PZN").

2.2 Course of business

The 2024 financial year was very satisfactory despite persistently poor economic conditions.

In the "Branded pharmaceuticals" segment, the particularly strong organic growth more than compensated for the decline in vaccine production in cooperation with BioNTech SE. The latter now only reflects our participation in the German government's pandemic preparedness programme. The segment was therefore the main growth driver for the Group. In the German market, the Group's broadly diversified product portfolio proved resilient, as in previous years. The products Myopridin®/Myditin®, KetoZolin® and Prednisolot® recorded particularly strong growth. The Group's internationalisation strategy also proved to be a key driver in this segment. Revenue in Poland, Spain and Italy showed particularly strong growth. Strong growth was also observed in the area of allergology with the products of the Allergopharma Group in all sales countries. Montavit was consolidated for twelve months for the first time in the past financial year (2023: six months), which led to positive inorganic sales and earnings contributions.

The decline in the "Other healthcare products" segment was driven primarily by the reduced revenue contributions from the Arkopharma Group and Candoro ethics GmbH. All other companies in this segment recorded growth. Anton Hübner, Cernelle, Melasan and Euromed deserve special mention here. The "Parallel import business" segment recorded a solid increase in revenue in the 2024 financial year due to good product availability in the parallel import market.

Targeted investments are an important component of Dermapharm's business strategy. Major investments were made in Friedrichsdorf as part of the relocation of Candoro ethics GmbH NM and THC Pharm GmbH from Neumarkt in der Oberpfalz and Frankfurt Höchst to Friedrichsdorf. As in the previous year, a number of companies additionally had solar and photovoltaic equipment installed in financial year 2024. In 2024, Dermapharm's growth trajectory was further fuelled by the launch of new products developed in-house and by the introduction of established branded products at our international subsidiaries in line with our internationalisation strategy. Following the acquisitions in 2023 with the Arkopharma Group and Montavit and the increase in the Group's equity interest in Montavit in 2024, our focus in 2024 was on integration and synergetic growth rather than further acquisitions.

Comparison to outlook in 2023

In the report on expected developments in the 2023 combined management report, the Board of Management forecast positive overall business performance for financial year 2024. The expectations were for consolidated revenue to increase to between EUR 1,170 million and EUR 1,210 million, and for consolidated EBITDA to amount to between EUR 305 million and EUR 315 million. This expectation was based primarily on revenue and earnings contributions from the recently acquired parts of the Company, volume increases within the existing portfolio and successful new product launches developed in-house. In connection with the cooperation with BioNTech SE, it was rightly assumed that the Group would essentially participate in the German pandemic preparedness programme.

As a result, the forecasts made in the 2023 management report were met in terms of consolidated revenue and slightly exceeded in terms of adjusted consolidated EBITDA.

The financial performance indicators for Dermapharm developed as follows in financial year 2024 (excluding segment reconciliation/Group holding company):

Financial performance indicators in EUR million	2024	2023	+/-
Consolidated revenue	1,180.8	1,135.4	4.0%
Branded pharmaceuticals	585.1	532.8	9.8%
Other healthcare products	354.4	371.7	-4.7%
Parallel import business	241.3	230.8	4.5%
Adjusted EBITDA	315.6	310.2	1.7%
Branded pharmaceuticals	264.8	240.0	10.3%
Other healthcare products	57.7	76.7	-24.8%
Parallel import business	-1.6	-0.8	-100.0%
Adjusted EBITDA margin	26.7%	27.3%	-0,6 Pp
Branded pharmaceuticals	45.3%	45.0%	0,3 Pp
Other healthcare products	16.3%	20.6%	-4,3 Pp
Parallel import business	-0.7%	-0.3%	-0,4 Pp
Unadjusted EBITDA	308.9	280.3	10.2%
Branded pharmaceuticals	259.4	229.0	13.3%
Other healthcare products	56.5	57.8	-2.2%
Parallel import business	-1.6	-0.8	-100.0%
Unadjusted EBITDA margin	26.2%	24.7%	1,5 Pp
Branded pharmaceuticals	44.3%	43.0%	1,3 Pp
Other healthcare products	15.9%	15.6%	0,3 Pp
Parallel import business	-0.7%	-0.3%	-0,4 Pp

* EBITDA 2024 was adjusted for non-recurring expenses amounting to EUR 6,7 million, incl. EBITDA of the Group holding company in the amount of EUR -5,4 million.

** EBITDA 2023 was adjusted for non-recurring expenses amounting to EUR 29,9 million, incl. EBITDA of the Group holding company in the amount of EUR -5,6 million.

Composition of adjusted non-recurring items

The adjusted positive and negative non-recurring items of EUR 6.7 million in financial year 2024 included:

- EUR 1.8 million subsequent purchase price payment in connection with a plot of land at the Arkopharma Group
- Effects recognised in profit or loss of the reduction in the Group's share in Wellster from 45.00% to 33.86% amounting to EUR 2.3 million
- EUR 1.2 million in expenses from relocating Candoro ethics GmbH NM and THC Pharm GmbH to Candoro ethics GmbH in Friedrichsdorf
- EUR 0.7 million in expenses resulting from the PPA in connection with the sale of a plot of land in Berlin with an existing building on it
- Total of EUR 0.7 million in other non-recurring expenses from adjusting ancillary purchase costs, reversals of transactions and merger costs arising at Candoro ethics GmbH.

The non-recurring items which were eliminated in the calculation for adjusted EBITDA amounted to EUR 29.9 million and comprised the following in financial year 2023:

- Non-recurring expenses of EUR 8.7 million relating to acquisitions and share purchases, M&A deals not completed, reversed deals and M&A advising fees;
- Adjustments of EUR 17.6 million as part of purchase price allocations (IFRS 3), in particular due to the acquisition of the Arkopharma Group. These effects resulted primarily from the carrying amount "step-up" for inventories in the context of fair value measurement and the resulting decrease in earnings as part of realising these hidden reserves;
- Restructuring expenses in relation to fitvia and Candoro ethics NM amounting to EUR 0.8 million;
- EUR 6.6 million impairment on the CORAT equity investment;
- Deconsolidation effects (fitiva, bellavia, mibe UK, CORAT and Gynial) of EUR 2.0 million;
- Income from negative goodwill (Montavit) of EUR 5.8 million.

Details on the development of the financial performance indicators are included in the following explanations of the financial performance.

2.3 Financial position, financial performance and cash flows

2.3.1 Financial performance of the Group

Income statement

	2024	2023
Revenue	1,180,766	1,135,351
Change in inventories	6,459	3,767
Own work capitalised	13,941	14,966
Other operating income	30,643	43,538
Cost of materials	-434,096	-434,924
Personnel expenses	-279,799	-264,480
Depreciation, amortisation and reversal of impairment	-90,495	-104,587
Other operating expenses	-210,486	-210,737
Operating result	216,933	182,894
Share of profit/loss of companies accounted for using the equity method, after tax	1,519	-7,163
Financial income	16,943	3,226
Financial expenses	-63,391	-72,960
Financial result	-44,928	-76,897
Earnings before taxes	172,005	105,997
Income tax expenses	-60,268	-45,462
Profit or loss for the period	111,737	60,534

Revenue and earnings performance of the Group

In financial year 2024, Dermapharm increased its **consolidated revenue** reported by 4.0% compared to the previous year to EUR 1,180.8 million (previous year: EUR 1,135.4 million).

The increase in revenue is due primarily to the strong organic growth in the existing business. The particularly strong organic growth in the "Branded pharmaceuticals" segment bears particular mention. Montavit made additional contributions to revenue in the 2024 financial year, as it had only been consolidated from July in the previous year. The Arkopharma Group and Candoro ethics GmbH reported an opposite trend for revenue and earnings. As expected, sales from the cooperation with BioNTec SE declined, resulting almost exclusively from our involvement in the German government's pandemic preparedness programme.

Development costs recognised under **other own work capitalised** fell slightly to EUR 13.9 million in financial year 2024 (previous year: EUR 15.0 million). The ratio of development costs to revenue amounted to 1.2% and was thus also slightly below the 1.3% reported in the previous year. Development costs of EUR 15.3 million (previous year: EUR 15.8 million) were capitalised for new products in financial year 2024.

Other operating income fell to EUR 30.6 million in financial year 2024 (previous year: EUR 43.5 million). This development was primarily due to the absence of the prior year's income from the negative goodwill arising on the acquisition of Montavit (EUR 5.8 million) and income from the deconsolidation of associates (EUR 5.2 million).

In financial year 2024, the **cost of materials** decreased to EUR 434.1 million (previous year: EUR 434.9 million). The cost of materials ratio, taking into account the change in inventories, (cost of materials and change in inventories in the numerator) improved slightly to 36.2% (previous year: 38.3%). The main drivers behind the reduction in the cost of materials ratio were shifts in the product mix and the absence of the previous year's negative effects from the fair value measurement in connection with the purchase price allocation following the acquisition of the Arkopharma Group.

Personnel expenses increased to EUR 279.8 million in financial year 2024 (previous year: EUR 264.5 million). The increase in personnel expenses was primarily attributable to the higher average headcount and inflation-induced pay rises. The increase in the average number of employees was also due in part to the acquisition of Montavit, which was included in the consolidated figures for only six months in 2023. The ratio of personnel expenses to revenue rose to 23.7% (previous year: 23.3%).

Depreciation, amortisation and reversals of write-downs decreased to EUR 90.5 million in financial year 2024 (previous year: EUR 104.6 million). This development was due primarily to an impairment loss of EUR 15.0 million recognised in the previous year in relation to development costs for MibeTec's product, bite away. The ratio of depreciation, amortisation and reversals of write-downs to revenue decreased accordingly by 1.5 percentage points to 7.7% (previous year: 9.2%).

Other operating expenses amounted to EUR 210.5 million in financial year 2024 (previous year: EUR 210.7 million) and were therefore virtually constant. The reduction in marketing costs and legal and consulting fees, the latter of which had been significantly higher in the previous year due to acquisitions, was offset by increased expenses in relation to disposals of fixed assets in connection with the sale of a plot of land and a building in Berlin and the costs in connection with the relocation of Candoro ethics GmbH to Friedrichsdorf. The ratio of other operating expenses to revenue stood at 17.8% (previous year: 18.6%).

Adjusted EBITDA increased slightly by 1.7% to EUR 315.6 million in financial year 2024 (previous year: EUR 310.2 million). Total adjustments fell sharply as compared to 2023 and amounted to EUR 6.7 million (previous year: EUR 29.9 million). For information on the individual adjustments, please refer to the section entitled "Composition of adjusted non-recurring items". In financial year 2024, Dermapharm Group's adjusted EBITDA margin decreased to 26.7% (previous year: 27.3%).

Unadjusted EBITDA amounted to EUR 308.9 million in financial year 2024 (previous year: EUR 280.3 million). The **unadjusted EBITDA margin** improved by 1.5 percentage points to 26.2% in the reporting year (previous year: 24.7%).

EBITDA can be reconciled to Group earnings as follows:

	2024	2023
EBITDA	308,947	280,318
<i>of which share of profit or loss of companies accounted for using the equity method, after tax</i>	<i>1,519</i>	<i>-7,163</i>
Depreciation, amortisation and reversal of impairment	-90,495	-104,587
Financial income	16,943	3,226
Financial expenses	-63,391	-72,960
Earnings before taxes (EBT)	172,005	105,997
Income tax expenses	-60,268	-45,462
Profit or loss for the period	111,737	60,534

Financial income rose to EUR 16.9 million in financial year 2024 (previous year: EUR 3.2 million). The increase in financial income was due primarily to interest receivables in connection with a settlement claim following the reversal of a transaction.

At the same time, **financial expenses** decreased to EUR 63.4 million in financial year 2024 (previous year: EUR 73.0 million). The reduction was due primarily to the change in the valuation of interest rate swaps concluded to hedge interest rate risks.

Earnings before taxes (EBT) increased to EUR 172.0 million in financial year 2024 (previous

year: EUR 106.0 million). The corresponding margin rose to 14.6% (previous year: 9.3%) due to reduced depreciation and amortisation and a significantly improved financial result.

Income tax expenses increased to EUR 60.3 million in the 2024 reporting period (previous year: EUR 45.5 million).

Prior to adjustment, **profit for the period** rose to EUR 111.7 million in financial year 2024 (previous year: EUR 60.5 million).

Segment reporting

Internally, the Board of Management manages the Company through its segments "Branded pharmaceuticals", "Other healthcare products" and "Parallel import business".

Segment reporting uses key performance indicators for the Group's individual segments. There are only limited number of transactions entered into for the provision of goods and services between the individual segments which are reported as inter-segment revenue. The reconciliation column shows expenses incurred by Dermapharm Holding SE for services provided to all three reporting segments through its role as the parent company, as it performs no operational activities.

Any transactions entered into for the provision of goods and services within the segments are reported on a consolidated basis.

Revenue and (adjusted) EBITDA are the key indicators for assessing and managing the segments' financial performance.

Overview of segment reporting by segment

The following tables show the changes in the performance indicators reported internally to Dermapharm's Board of Management by segments.

EUR thousand	Branded pharmaceuticals		Other healthcare products		Parallel import business		Reconciliation/Group holding company		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	587,943	537,444	387,079	402,327	249,152	235,490	-43,408	-39,910	1,180,766	1,135,351
<i>of which intersegment revenue</i>	2,885	4,621	32,713	30,624	7,810	4,665	-43,408	-39,910	-	-
Revenue from external customers	585,058	532,823	354,366	371,703	241,342	230,825	-	-	1,180,766	1,135,351
Revenue growth	10%	-15%	-5%	141%	5%	-5%	-	-	4%	11%
EBITDA (unadjusted)	259,432	228,990	56,477	57,801	-1,603	-846	-5,360	-5,627	308,947	280,318
<i>of which earnings from investments accounted for using the equity method</i>	1,519	-7,163	-	-	-	-	-	-	1,519	-7,163
EBIDAT-Marge (unadjusted)	44%	43%	16%	16%	-1%	-0%	-	-	26%	25%

* As from 1 July 2023 with Montavit.

** As from 5 January 2023 with Arkopharma Group.

Revenue and earnings performance of the "Branded pharmaceuticals" segment

The revenue reported in the "Branded pharmaceuticals" segment increased by 9.8% to EUR 585.1 million in financial year 2024 (previous year: EUR 532.8 million). The particularly strong organic growth in this segment more than compensated for the decline in vaccine production in cooperation with BioNTech SE. The latter now only reflects our participation in the German government's pandemic preparedness programme. In the German market, the Group's broadly diversified product portfolio proved resilient, as in previous years. The products Myopridin®/ Myditin®, Ketozolin® and Prednisolut® recorded particularly strong growth. The internationalisation strategy also proved to be a key driver for the Group. Particularly strong sales growth was observed in Poland and Spain. Strong growth was also observed in the area of allergology with the products of the Allergopharma Group in all sales countries. Montavit was consolidated for twelve months for the first time in the past financial year (2023: six months), which led to positive inorganic sales and earnings contributions.

Dermapharm's German companies were able to renew a selected number of strategically important discount agreements with well-known statutory health insurance organisations or enter into new agreements. In addition, the division contains a high proportion of high-margin products paid for by end consumers themselves, as well as a large share of prescription products.

In line with the segment's revenue development, adjusted EBITDA increased by 10.3% to EUR 264.8 million in financial year 2024 (previous year: EUR 240.0 million), driven primarily by the above-mentioned increases in revenue from the Internationalisation and Allergology segments, which had a positive effect on earnings. The adjustments allocated to this segment for the effects recognised in profit or loss of the reduction in the shareholding in Wellster, the subsequent purchase price payment relating to a property of the Arkopharma Group, the expenses from the purchase price allocation in connection with the sale of a plot of land in Berlin with an existing building on it and the other one-off costs from the adjustment of ancillary purchase costs in connection with the reversal of a transaction totalled EUR 5.4 million. The segment's adjusted EBITDA margin increased to 45.3% (previous year: 45.0%).

Unadjusted EBITDA increased analogously by 13.3% to EUR 259.4 million in financial year 2024 (previous year: EUR 229.0 million). The segment's unadjusted EBITDA margin rose to 44.3% (previous year: 43.0%).

Revenue and earnings performance of the "Other healthcare products" segment

Revenue, which was reported under the "Other healthcare products" segment in financial year 2024, was down year on year, amounting to EUR 354.4 million (previous year: EUR 371.7 million). The decline in revenue was due primarily to the reduction in revenue contributions from the Arkopharma Group. In the first half of 2023, there were comparatively high sales in the French pharmacy market (sell-in) driven by a price increase at the beginning of 2023 and major product launches. Despite sales from pharmacies to end customers (sell-outs) remaining at an encouragingly high level, pharmacies have been seeking to reduce their inventories since the end of 2023, which led to a lower sell-in at the beginning of 2024. This trend was reinforced by rising competition and the resulting increase in volume and price pressure. Furthermore, due to extensive measures in connection with the relocation and consolidation of production at the Friedrichsdorf site and a challenging market environment, Candoro ethics' medicinal cannabis business did not develop as expected.

Adjusted EBITDA in the "Other healthcare products" segment amounted to EUR 57.7 million in financial year 2024 (previous year: EUR 76.7 million). This decrease likewise resulted primarily from the reduced revenue contributions from the Arkopharma Group and Candoro ethics GmbH. The strong growth in contributions from Euromed and Hübner Naturarzneimittel did not offset this reduction.

The adjustments allocated to this segment in connection with the expenses from the relocation of Candoro ethics GmbH NM and THC Pharma GmbH to Candoro ethics GmbH in Friedrichsdorf and the merger costs incurred totalled EUR 1.3 million in the 2024 financial year. Accordingly, the adjusted EBITDA margin was 16.3% (previous year: 20.6%).

The segment's unadjusted EBITDA fell to EUR 56.5 million (previous year: EUR 57.8 million). Thus, the unadjusted EBITDA margin was 15.9% (previous year: 15.6%).

Revenue and earnings performance of the "Parallel import business" segment

Revenue in the "Parallel import business" segment reported in financial year 2024 rose by 4.5% to EUR 241.3 million (previous year: EUR 230.8 million). The increase in sales was due primarily to good product availability in the parallel import market. At the same time, regulatory changes led to higher mandatory discount payments, which, together with increased personnel and operating expenses, had the effect of reducing earnings. EBITDA reported in the "Parallel import business" division fell to EUR –1.6 million in financial year 2024 (previous year: EUR –0.8 million). The segment's EBITDA margin declined to –0.7% in the financial year (previous year: –0.3%).

2.3.2 Financial position of the Group

Consolidated statement of financial position as at 31 December 2024

Assets		
EUR thousand	31 December 2024	31 December 2023
Non-current assets		
Intangible assets	512,314	544,860
Goodwill	576,384	578,521
Property, plant and equipment	315,028	330,770
Investments accounted for using the equity method	19,325	22,498
Equity investments	1,345	1,116
Other non-current financial assets	62,126	52,410
Total non-current assets	1,486,521	1,530,176
Current assets		
Inventories	343,381	320,758
Trade receivables	100,900	90,935
Other current financial assets	3,467	3,752
Other current assets	23,270	56,179
Tax assets	1,170	148
Cash and cash equivalents	121,309	158,724
Total current assets	593,498	630,496
Total assets	2,080,019	2,160,673

Equity and liabilities EUR thousand	31 December 2024	31 December 2023
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	433,191	367,223
Other reserves	16,601	17,354
Equity attributable to owners of parent	604,422	539,207
Non-controlling interests	3,873	5,841
Total equity	608,295	545,048
Non-current liabilities		
Provisions for employee benefits	119,629	117,222
Non-current financial liabilities	889,677	963,958
Other non-current financial liabilities	9,406	13,231
Other non-current liabilities	14,393	14,340
Deferred tax liabilities	111,703	112,385
Total non-current liabilities	1,144,809	1,221,136
Current liabilities		
Other provisions	23,389	27,300
Current financial liabilities	89,935	116,430
Trade payables	94,785	86,641
Other current financial liabilities	1,729	1,736
Other current liabilities	58,244	80,564
Tax liabilities	58,833	81,818
Total current liabilities	326,915	394,489
Total equity and liabilities	2,080,019	2,160,673

In addition to the items presented in the statement of financial position, the three statement of financial position performance indicators shown below changed as follows:

Net debt (non-current and current financial liabilities as well as other non-current and current financial liabilities less cash and cash equivalents) decreased to EUR 869.4 million as at 31 December 2024 (31 December 2023: EUR 936.6 million). The decrease was due primarily to EUR 50 million in repayments on Facility B of the syndicated loan agreement and EUR 38.5 million in repayments on the promissory note loan.

Accordingly, the ratio of net debt to adjusted EBITDA (leverage) fell to 2.8 as at 31 December 2024 (previous year: 3.0). Based on unadjusted EBITDA, the leverage amounted to 2.8 (previous year: 3.3).

At 31 December 2024, the equity ratio amounted to 29.2% (31 December 2023: 25.2%). Compared to the previous year, the equity ratio was significantly influenced by the above-mentioned repayments under the syndicated loan agreement and the promissory note loan as well as the increase in consolidated net profit.

The Company's financial position changed as shown below in financial year 2024:

The **total assets** decreased to EUR 2,080.0 million as at 31 December 2024 (31 December 2023: EUR 2,160.7 million).

On the asset side of the statement of financial position, **intangible assets** decreased to EUR 512.3 million as at 31 December 2024 (31 December 2023: EUR 544.9 million). This was due in particular to regular amortisation of the intangible assets identified as part of the purchase price allocation.

Recognised goodwill decreased slightly to EUR 576.4 million as at 31 December 2024 (31 December 2023: EUR 578.5 million). The slight decline resulted from the impairment of BLBR's goodwill. Development costs of EUR 15.3 million (previous year: EUR 15.8 million) were capitalised as internally generated intangible assets in financial year 2024.

Property, plant and equipment decreased to EUR 315.0 million as at 31 December 2024 (31 December 2023: EUR 330.8 million). The decrease was due primarily to the sale of a plot of land and building in Berlin, PPA effects for buildings and technical equipment and the first full-year depreciation of Montavit's property, plant and equipment in the 2024 financial year.

Financial investments accounted for in accordance with the equity method decreased to EUR 19.3 million as at 31 December 2024 (31 December 2023: EUR 22.5 million). As at the reporting date, two associates (31 December 2023: two) were accounted for in the consolidated financial statements using the equity method.

- Hasan Dermapharm Co. Ltd, Saigon, Vietnam: In financial year 2007, Dermapharm AG invested in Hasan Dermapharm Co. Ltd. Currently, Dermapharm holds 30% of the company. Vietnam is characterised by an open market with the highest growth rate in southeast Asia. Hasan Pharma operates a WHO-GMP certified production plant capable of producing nearly all pharmaceuticals sold on the Vietnamese market. Dermapharm's contribution is the delivery of dossiers, which will be adjusted to Vietnamese standards and submitted to the local regulatory authority. Once the relevant approvals have been granted, the pharmaceuticals are produced for the local market. However, preparations that have been produced under license are distributed at higher prices than products produced only locally. The carrying amount of the equity investment amounted to EUR 4.3 million as at 31 December 2024 (31 December 2023: EUR 4.0 million).
- Wellster Healthtech Group GmbH: In the 2024 financial year, the Group's shareholding in Wellster Healthtech Group GmbH was reduced from 45.00% to 33.86% in connection with a capital increase. Wellster is a German provider of all-in-one platforms in the field of digital health and combines telemedicine, medicinal therapies and digital therapies. Dermapharm's purchase of Wellster shares has enabled it to gain a foothold in the market for telemedicine. The carrying amount of the equity investment amounted to EUR 15.0 million as at 31 December 2024 (31 December 2023: EUR 18.5 million).

Equity investments increased to EUR 1.3 million as at 31 December 2024 (31 December 2023: EUR 1.1 million). This slight change was due primarily to the formation of Allergopharma India Private Limited.

Other non-current financial assets increased to EUR 62.1 million as at 31 December 2024 (31 December 2023: EUR 52.4 million). This was attributable primarily to interest claims in connection with the settlement claim arising from the agreement with HS Beteiligungsgesellschaft mbH, UR Investment GmbH and WR Investment GmbH (former sellers) and Themis Beteiligungs-AG to repurchase the 20% equity investment in FYTA Company B.V., FYTA Tech B.V., FYTA Company GmbH and FYTA Vermögensverwaltung GmbH.

Inventories increased to EUR 343.4 million as at 31 December 2024 (31 December 2023: EUR 320.8 million). The increase was due on the one hand to the increase in revenue at the inventory-driven mibe GmbH group companies and, on the other, to the fact that a higher inventory level was maintained as a precaution in order to avoid out-of-stock situations in light of strained supply chains. In addition, axicorp increased its inventories in order to realise its revenue growth.

Trade receivables increased to EUR 100.9 million as at 31 December 2024 (31 December 2023: EUR 90.9 million). This increase was attributable primarily to the increase in revenue. The receivables are due from wholesalers and pharmacies in Germany as well as from foreign customers. In Germany, the Group companies have a base of solvent customers with good credit ratings. Defaults are the exception in the "Branded pharmaceuticals" segment. Therefore, no commercial credit insurance policies have been taken out. The credit quality of the customers in the "Other healthcare products" and "Parallel import business" segments is similar, and there were no significant defaults on payment in the past financial year. The same applies to receivables in other countries. To minimise default risk, the Group has adequate debtor management policies in place. In addition, Dermapharm always obtains information on the credit quality of its customers before entering into new business transactions.

Although consumer behaviour changed to a certain extent due to the war in Ukraine, Dermapharm did not register a significant change in the credit quality of its customers.

Other current financial assets decreased to EUR 3.5 million as at 31 December 2024 (31 December 2023: EUR 3.8 million). The decline was due primarily to the repayment of BLBR's shareholder loans.

Other current assets decreased to EUR 23.2 million as at 31 December 2024 (31 December 2023: EUR 56.2 million). This was due primarily to VAT prepayments at axicorp GmbH amounting to EUR 24.8 million received in the previous year.

Cash and cash equivalents, including cash and demand deposits as well as current financial investments, decreased to EUR 121.3 million as at 31 December 2024 (31 December 2023: EUR 158.7 million). This change is due to the effects described in the notes to the consolidated statement of cash flows (see 2.3.3).

Equity increased to EUR 608.3 million as at 31 December 2024 (31 December 2023: EUR 545.0 million). The change was due mainly to the increase in retained earnings by EUR 66.0 million to EUR 433.2 million (31 December 2023: EUR 367.2 million). This resulted primarily from the

consolidated net profit for financial year 2024 less the dividend paid for the preceding financial year. Capital reserves remained unchanged year on year, amounting to EUR 100.8 million (31 December 2023: EUR 100.8 million). In addition, other reserves decreased slightly to EUR 16.7 million (31 December 2023: EUR 17.4 million) due to the changes in the measurement parameters for payments in connection with pension obligations as well as exchange rate fluctuations. Non-controlling interests fell by EUR 2.0 million year on year to EUR 3.9 million. This decline was mainly attributable to the Group's share of minority interests' operating profits.

Provisions for employee benefits increased to EUR 119.6 million as at 31 December 2024 (31 December 2023: EUR 117.2 million). The increase was due primarily to changes in measurement parameters for payments under pension obligations.

As at 31 December 2024, the Group's **current and non-current financial liabilities** amounted to EUR 89.9 million and EUR 889.7 million, respectively (31 December 2023: EUR 116.4 million and EUR 964.0 million, respectively). In December 2022, Dermapharm Holding SE and Dermapharm AG entered into a syndicated loan agreement with leading German and European banks for EUR 1,050 million with a basic term of five years. At 31 December 2024, EUR 845.0 million of the loan had been drawn down. The syndicated loan agreement comprises a bullet tranche of EUR 650 million (Facility A), a repayment tranche of EUR 150 million (Facility B) and a revolving tranche of EUR 200 million (Facility C), of which only EUR 45.0 million had been drawn down as at the reporting date. At the same time, the loan agreement provided the option to extend an additional tranche of up to EUR 200 million, which had not been committed as of the reporting date.

Other non-current financial liabilities decreased to EUR 9.4 million as at 31 December 2024 (31 December 2023: EUR 13.2 million). The change was due primarily to an interest rate hedge to address interest rate risk from the syndicated loan.

Other non-current liabilities remained virtually constant at EUR 14.4 million (31 December 2023: EUR 14.3 million) and mainly comprised subsidies.

Other current financial liabilities and other current liabilities decreased to EUR 60.0 million as at 31 December 2024 (31 December 2023: EUR 82.3 million). The decrease in other current liabilities was due primarily to lower current VAT liabilities.

Other provisions decreased by EUR 3.9 million to EUR 23.4 million as at 31 December 2024 (31 December 2023: EUR 27.3 million). These mainly comprise provisions for health insurance organisation discount payments by the German companies, which declined in financial year 2024. In addition, the provisions for restructuring costs at Candoro ethics GmbH have been utilised.

Trade payables amounted to EUR 94.9 million as at 31 December 2024 (31 December 2023: EUR 86.6 million). They have remaining terms of up to one year, do not bear interest and generally become due for payment within 0 to 60 days. The increase was due for the most part to effects related to the reporting date and the cash flows deriving from those effects.

Tax liabilities decreased to EUR 58.8 million in financial year 2024 (31 December 2023: EUR 81.8 million). The reduction was due primarily to lower corporate income tax and trade tax liabilities.

Deferred tax liabilities decreased to EUR 111.7 million in financial year 2024 (31 December 2023: EUR 112.4 million). The change in this item of the statement of financial position resulted primarily from adjustments to purchase price allocations.

2.3.3 Cash flows of the Group

Stable cash flows

Dermapharm's cash flows remained stable in the reporting period. Accordingly, adequate liquidity for the Group was guaranteed at all times in financial year 2024.

The main sources of liquidity were cash inflows from ongoing business activities. In addition to the existing sources of debt financing such as loans, syndicated lending and various promissory note loans, Dermapharm also has access to a cash liquidity reserve in the form of cash and cash equivalents. The latter amounted to EUR 161.0 million as at 31 December 2024 (total variable lines of credit of EUR 216.0 million).

Financial management: principles and objectives

The implementation of the financing strategy is centred on securing and financing the Company's strategic development over the short, medium and long term as well as optimising capital costs. The Group utilises various financing instruments in order to ensure its financial flexibility.

Dermapharm's capital structure is essentially optimal if the financial covenant agreed with the creditors can be maintained. In accordance with the financial covenant, Dermapharm measures its capital structure based on the ratio between net debt and adjusted EBITDA. Further focus is placed on reducing capital costs, optimising the maturity profile, diversifying the lender structure and actively managing net working assets.

In addition to the existing financial instruments, the Group covers its financing requirements primarily through cash flows from operating activities.

Dermapharm Aktiengesellschaft as the Group's key financing entity implemented a cash pooling arrangement with the material Group companies in Germany and Austria. This involves pooling the existing credit balances of cash pool participants with Dermapharm Aktiengesellschaft, and offsetting these against debit balances. The aim of cash pooling is to ensure sufficient liquidity at all times and to strike a balance between income and expenditure when managing Group financing and liquidity.

Overview of the structure of financial liabilities in the Group

Current remaining terms of the financial liabilities as at 31 December 2024:

EUR thousand	< 1 Year	1–5 Years	> 5 year	Total
Promissory note loan III	-	61,404	-	61,404
Promissory note loans	84,812	806,302	9,624	900,738
Lease liabilities	5,123	8,240	4,107	17,470
Total	89,935	875,946	13,731	979,612

At 31 December 2024, financial liabilities amounted to EUR 979.6 million (31 December 2023: EUR 1,080.4 million). Issued promissory note loans decreased to EUR 61.4 million (31 December 2023: EUR 99.8 million); liabilities to banks decreased to EUR 900.7 million (31 December 2023: EUR 962.3 million). In addition, lease liabilities of EUR 17.5 million were reported (31 December 2023: EUR 18.2 million).

Material existing funding

In December 2022, Dermapharm Holding SE and Dermapharm AG entered into a syndicated loan agreement with leading German and European banks for EUR 1,050 million with a basic term of 5 years. EUR 845.0 million of the loan drawn down as of the reporting date (as at 31 December 2023: EUR 915,000 thousand). The syndicated loan agreement comprises a bullet tranche of EUR 650.0 million (Facility A), a repayment tranche of EUR 150.0 million (Facility B; 31 December 2023: EUR 200.0 million) and a revolving tranche of EUR 200.0 million (Facility C), of which only EUR 45.0 million had been drawn down as at the reporting date (31 December 2023: EUR 65.0 million). At the same time, the loan agreement provided the option to extend an additional tranche of up to EUR 200.0 million, which had not been committed as of the reporting date.

The financing bears a floating rate of interest (Facility A and Facility B: 6-month EURIBOR plus a margin; Facility C: 1-month, 3-month or 6-month EURIBOR plus a margin), is subject to a leverage covenant, and has a maximum term of five years. The interest on the syndicated loan is primarily dependent on movements in the EURIBOR (reference rate).

In order to address the interest rate risks arising from the syndicated loan agreement, Dermapharm entered into two interest rate hedges linked to an underlying with a core bank in March 2023 to cover the majority of the financing volume. These artificially eliminate the risk of fluctuations in the reference rate for this volume until the interest rate swaps reach maturity.

In 2019, Dermapharm issued promissory note loans with floating and fixed rates of interest with a total nominal amount of EUR 100.0 million and with terms of 5, 7 and 10 years. In 2024, EUR 38.5 million was repaid on time. The syndicated loan and promissory note loan agreements stipulated a right of the respective lenders and investors to call in the loans in the event of a change of control or (for the syndicated loan) a failure to adhere to the financial covenant. If the financial covenant is not maintained, the investors in the promissory note loan receive a margin step-up.

Pharmazeutische Fabrik Montavit Gesellschaft m.b.H., which was subject to first-time consolidation in July 2023, holds loans granted by multiple banks with top credit ratings. The volume outstanding under these loan agreements amounted to approximately EUR 18.2 million as at 31 December 2024 (31 December 2023: EUR 19.7 million). The loans feature varying terms (between 31 March 2031 and 31 December 2035), interest rates (fixed/floating) and repayment conditions (repayable in instalments/at maturity).

Cash flow analysis

Cash flow statement (abridged)

EUR thousand	2024	2023
Net cash flows from operating activities	201,378	219,422
Cash flows from investing activities	-29,614	-415,432
Free cash flow	171,764	-196,010
Cash flows from financing activities	-209,169	204,538
Cash flow	-37,404	8,528
Cash, cash equivalents and bank overdrafts	121,275	158,715

The **net cash flow from operating activities** consists of changes in items not covered by investments, financing and through changes in the scope of consolidation and measurement.

The net cash flow from operating activities decreased by EUR 18.0 million to EUR 201.4 million in the 2024 financial year (previous year: EUR 219.4 million). This development was largely due to the EUR 25.4 million increase in working capital (previous year: EUR 0.5 million) and the higher income tax payments totalling EUR 83.8 million (previous year: EUR 65.4 million).

Cash flow from investing activities, which reflects the cash outflows for investments less the inflows from disposals, amounted to EUR -29.6 million in financial year 2024 (previous year: EUR -415.4 million).

The decline in cash flow from investing activities was primarily attributable to the acquisitions of the Arkopharma Group and Montavit totalling EUR 389.4 million in the previous year. Cash flows from investing activities also reflect payments for investments in intangible assets and property, plant and equipment amounting to EUR 38.2 million (previous year: EUR 41.5 million).

Free cash flow, i.e., cash flow from operating activities plus cash flow from investing activities, amounted to EUR 171.8 million in financial year 2024 (previous year: EUR -196.0 million).

Cash flow from financing activities amounted to EUR -209.2 million in the financial year (previous year: EUR 204.5 million).

This was influenced significantly by proceeds from borrowings in the amount of EUR 111.2 million (previous year: EUR 715.0 million) and cash used to repay EUR -212.6 million (previous year: EUR -414.2 million) in financial liabilities.

Cash flow from financing activities was also influenced by the distribution of a dividend for financial year 2023 amounting to EUR 47.4 million in July 2024 (previous year: EUR 56.5 million) in accordance with the resolution of the Annual General Meeting dated 27 June 2024. The AGM followed the Board of Management's recommendation to distribute a dividend of EUR 0.88 per share carrying dividend rights.

Cash flow: The net balance of the cash flow from operating activities plus the cash flow from investing activities and plus the cash flow from financing activities amounted to EUR -37.4 million in financial year 2024 (previous year: EUR 8.5 million).

Investments

The Group's investment volume fell to EUR 38.6 million in financial year 2024 (previous year: EUR 430.9 million). This decrease was attributable primarily to the acquisition of the Arkopharma Group and Montavit in the previous year.

Investments in intangible assets amounted to EUR 18.2 million (previous year: 18.9 million) and primarily comprised expenses for products being developed in house. Investments in property, plant and equipment amounted to EUR 20.0 million (previous year: EUR 22.6 million). Accordingly, the ratio of investments in property, plant and equipment to consolidated revenue amounted to 1.7% (previous year: 2.0%).

2.4 Financial position, financial performance and cash flows of Dermapharm Holding SE (HGB)

2.4.1 Business activities

The Company was established as a European company, or Societas Europaea (SE), in accordance with European and German laws. It is entered in the commercial register of the Local Court (Amtsgericht) of Munich under the number HRB 234575 and has its registered office at Lil-Dagover-Ring 7, 82031 Grünwald, Germany.

Dermapharm Holding SE essentially functions as a strategic holding company. In this function, it only generates income from charges allocated within the Group, and not revenue from third parties. It holds, directly and indirectly, shares in companies belonging to the Dermapharm Group.

Services from Dermapharm Holding SE's role as a holding and parent company of the Dermapharm Group significantly influence the Company's earnings. These strategic services are compensated by the Group companies using these services and reported as revenue by Dermapharm Holding SE.

Please refer to the description of the Dermapharm Group included in this combined management report for further information on the business activities of Dermapharm Holding SE, particularly on the topics of Strategy, Research and Development, Employees, Macroeconomic and Sector-Specific Environment, Opportunities and Risks and Information relevant to acquisitions.

2.4.2 Management system and performance indicators

The key management metric used by the Board of Management to measure the success of business activities is earnings before interest, taxes, depreciation and amortisation (EBITDA).

This financial performance indicator is monitored continuously and is integrated into the monthly reporting to the Board of Management. The specified plan figures are reviewed on an ongoing basis and compared with the current business performance (plan to actual comparison). Based on this review, corresponding measures are derived from any variances to the original EBITDA targets.

The Board of Management approves objectives for use in the business planning and management of the segments. Budget projections which are prepared annually for a period of five years (the first three of which being subject to approval by the Supervisory Board) translate these objectives into specific, measurable targets.

The table below presents a reconciliation of EBITDA to earnings as presented in the income statement:

	Unappropriated net earnings
–	Withdrawal from capital reserves
+	Loss carried forward from the previous year
=	Net loss for the financial year
+	other taxes
=	Earnings after tax
+	Interest and similar expenses
–	other interest and similar income
+	Amortisation of intangible fixed assets and depreciation of property, plant and equipment
=	EBITDA

Comparison to outlook in 2023

In its report on expected developments for 2024 in the 2023 combined management report, the Board of Management did not expect any material changes in EBITDA as compared to 2023. EBITDA remained virtually unchanged at EUR –0.5 million in financial year 2024 (previous year: EUR –0.4 million). Thus, the targets forecast in the outlook were achieved.

2.4.3 Financial performance of Dermapharm Holding SE

Income statement

EUR thousand	2024	2023
Revenue	4,951	5,354
Other operating income	95	343
Personnel expenses	-3,766	-4,304
Amortisation of intangible fixed assets and depreciation of tangible fixed assets	-23	-22
Other operating expenses	-1,757	-1,793
Other interest and similar income	26	4
Interest and similar expenses	-7,699	-3,212
Taxes on income and earnings	-6	0
Earnings after tax	-8,180	-3,630
Other taxes	0	0
Net loss for the financial year	-8,180	-3,630
Loss carried forward from the previous year		
Withdrawal from capital reserves	56,636	51,009
Unappropriated net earnings	48,456	47,379

The **revenue** in financial year 2024 amounted to EUR 5.0 million (previous year: EUR 5.4 million) and comprised solely amounts charged for services rendered to companies of the Group.

Personnel expenses declined slightly year on year to EUR 3.8 million (previous year: EUR 4.3 million). It includes the Business Development department as well as the Company's Board of Management.

Other operating expenses amounted to EUR 1.8 million in financial year 2024 (previous year: EUR 1.8 million) and consisted primarily of costs for preparing and auditing the financial statements as well as consulting fees.

EBITDA amounted to EUR -0.5 million in financial year 2024 (previous year: EUR -0.4 million).

Interest expenses amounted to EUR 7.7 million in financial year 2024 (previous year: EUR 3.2 million). These relate to intercompany interest expenses charged to Dermapharm AG.

In financial year 2024, **earnings after tax** amounted to EUR -8.2 million (previous year: EUR -3.6 million).

The **net loss for the year** increased to EUR 8.2 million in financial year 2024 (previous year: EUR 3.6 million).

The **unappropriated net earnings** for financial year 2024 will be used in full (EUR 48.5 million; previous year: EUR 47.4 million) to distribute the dividend proposed by the Board of Management.

2.4.4 Financial position of Dermapharm Holding SE

The financial position of Dermapharm Holding SE developed as shown below in financial year 2024:

Assets EUR thousand	31 December 2024	31 December 2023
Fixed assets		
Intangible fixed assets	166	56
Property, plant and equipment	3	4
Shares in affiliated companies	1,321,915	1,321,915
Total fixed assets	1,322,084	1,321,975
Current assets		
Receivables from affiliated companies	18,005	37,957
Other assets	44	135
Bank balances	251	1,404
Total current assets	18,300	39,496
Prepaid expenses	194	183
Total assets	1,340,578	1,361,656
Equity and liabilities EUR thousand	31 December 2024	31 December 2023
Equity	1,055,544	1,111,103
Provisions		
Other provisions	3,080	2,882
Total provisions	3,080	2,882
Liabilities		
Trade payables	195	91
Liabilities to affiliated companies	273,885	217,754
Other liabilities	7,875	29,827
Total liabilities	281,954	247,671
Total equity and liabilities	1,340,578	1,361,656

Total assets decreased to EUR 1,340.6 million as at 31 December 2024 (previous year: EUR 1,361.7 million).

Shares in affiliated companies amounted to EUR 1,321.9 million as at 31 December 2024 (previous year: EUR 1,321.9 million) and include the interest in Dermapharm AG and Dermapharm Beteiligungs GmbH.

Receivables and other assets decreased to EUR 18.0 million (previous year: EUR 38.1 million). This was due mainly to the decline in receivables from companies of the consolidated VAT group.

Bank balances decreased to EUR 0.3 million as at 31 December 2024 (previous year: EUR 1.4 million).

Equity decreased slightly to EUR 1,055.5 million as at 31 December 2024 (previous year: EUR 1,111.1 million).

Other provisions rose slightly to EUR 3.1 million as at 31 December 2024 (previous year: EUR 2.9 million), in particular due to the decrease in provisions for personnel.

Liabilities to affiliates increased to EUR 273.9 million (previous year: EUR 217.8 million). The increase resulted from the increase in intercompany loans.

Other liabilities decreased to EUR 7.9 million as at 31 December 2024 (previous year: EUR 29.8 million). These consist primarily of VAT liabilities. The reduction was attributable primarily to a matter relating to the direct offsetting of the consolidated VAT group by the tax authorities concerned. Since 1 January 2018, Dermapharm Holding SE has been the consolidated tax group parent of a consolidated VAT group.

2.4.5 Cash flows of Dermapharm Holding SE

Dermapharm Holding SE's financial position and cash flows remained stable in the reporting period. Accordingly, the Company's liquidity was guaranteed at all times in financial year 2024.

The main sources of liquidity were cash inflows from charging for services rendered to the companies of the Group.

In December 2022, Dermapharm Holding SE and Dermapharm Aktiengesellschaft entered into a syndicated loan agreement with leading German and European banks for EUR 1,050 million with a basic term of 5 years. EUR 845.0 million of the loan drawn down as of 31 December 2024 (as at 31 December 2023: EUR 915,000 thousand). The syndicated loan agreement comprises a bullet tranche of EUR 650 million, a payment tranche of EUR 150 million and a revolving tranche of EUR 200 million. At the same time, the loan agreement provided the option to extend an additional tranche of up to EUR 200 million, which had not been committed as of the reporting date. In addition, Dermapharm Holding SE is jointly and severally liable for the promissory note loan taken out by Dermapharm Aktiengesellschaft. The risk of recourse to joint and several liability is assessed as low.

Please refer to Section 2.3.3. of this combined management report for information on the structure of these financing instruments.

The unappropriated net earnings reported for financial year 2024 is expected to be used in full in financial year 2025 to pay the dividend proposed by the Board of Management.

2.5 Overall assertion on the economic situation

Overall assertions on the Group

The 2024 financial year was once again characterised by macroeconomic challenges. The repercussions from the war in Ukraine and other geopolitical crises continued to cause uncertainty on the energy and commodity markets in the past year. While there was some stabilisation in energy prices, the situation on the commodity markets remained tough. Dermapharm reacted to the changes in its procurement situation and the supply chain pressures at an early stage by adapting its procurement practices. Changes were made to order points and in some cases increases in inventory levels were accepted. The expected decline in revenue and earnings

contributions from the cooperation with BioNTech, which now only includes participation in pandemic preparedness, was offset by organic growth in the existing business. Revenue was in line with the guidance published in March 2024, while EBITDA exceeded projections slightly.

Revenue increased by 4.0% to EUR 1,180.8 million (previous year: EUR 1,135.4 million).

The segments reported the following changes in revenue:

- "Branded pharmaceuticals" segment: 9.8%
- "Other healthcare products" segment: –4.7%
- "Parallel import business" segment: 4.6%

Adjusted for non-recurring items amounting to EUR 6.7 million, EBITDA rose by 1.7% to EUR 315.6 million (previous year: EUR 310.2 million).

The segments reported the following changes in **adjusted EBITDA**:

- "Branded pharmaceuticals" segment: 10.3%
- "Other healthcare products" segment: –24.8%
- "Parallel import business" segment: –100%

Unadjusted EBITDA rose by 10.2% to EUR 308.9 million (previous year: EUR 280.3 million).

The segments reported the following changes in unadjusted EBITDA:

- "Branded pharmaceuticals" segment: 13.3%
- "Other healthcare products" segment: –2.3%
- "Parallel import business" segment: –100%

Overall assertion on Dermapharm Holding SE

In financial year 2024, Dermapharm Holding SE, in its role as a strategic holding company, provided extensive services to the Group companies, thereby contributing to the Group's positive performance.

3. Report on risks and opportunities

Dermapharm operates within a complex and global ecosystem. Thus, numerous external and internal factors influence its business. Every decision is fraught with opportunities and risks, which need to be taken into account. Dermapharm has therefore established tools and processes that enable it to identify risks early and take appropriate action to counter them. At Dermapharm, opportunity management is an integral part of internal decision-making processes and business planning during the year.

The geopolitical situation remains tense due to Russia's war of aggression in Ukraine, which has been ongoing for three years now, and the conflict in the Middle East. The associated challenges, such as rising raw materials and energy prices and potential supply shortages, are taken into consideration in Dermapharm's operating business. In that respect, there are currently no further material events identifiable with impact on Dermapharm's business situation for the 2025 observation period.

The continuation of efforts to develop the National Pharma Strategy and the implementation of structural measures as part of the German Act to Combat Supply Shortages and Improve the Supply of Medicines (Arzneimittel-Lieferengpassbekämpfungsgesetz, "ALBVVG") present new opportunities for Dermapharm and the entire pharmaceuticals industry in Germany. The increased political focus on supply security and the manufacturing of medicines in Europe could provide additional growth momentum.

In sections 3.1–3.4 below, we present the Group-wide risk management system (RMS), internal control system (ICS) and compliance management system (CMS). The 25 risk categories described in the risk report (section 3.5) are subsumed under the following four risk types:

- Market and strategy-related risks (7)
- Operating risks (8)
- Financial risks (4)
- Compliance and legal risks (6)

There were no changes in the risk category ratings compared to the previous year. Nor were there any changes in the risk assessment methodology in 2024.

3.1 Main characteristics of the internal control and risk management system

For Dermapharm's Board of Management and Supervisory Board, the internal control system and the risk management system represent elements of fundamental importance to business management. The manner in which business risks are managed is crucial to the Group's economic success as well as to sustainable corporate development and governance.

The objective of the internal control system is to universally implement the strategic and operational directives of Dermapharm's Board of Management, to achieve the operating efficiency targets and to guarantee that compliance requirements are met.

The goal of the Group's risk management system is to identify potential risks that could jeopardise the Group's performance early and to introduce suitable measures to actively counter them. The fundamental components of the RMS are the Group's risk culture, the RMS organisation, and the identification, assessment and management of risks.

The internal control system is process-oriented and entails the identification of risks as well as the definition of mitigating upstream and downstream controls and their implementation into the relevant workflows. The internal control system consists of centralised and decentralised elements. In selected areas, Group-wide control policies are implemented both centrally and locally.

Risk analysis, continuous monitoring and evolving legal and economic conditions form the basis for the continued development of the internal control system and the risk management system. This includes the definition and implementation of risk-mitigating measures, the revision of control design/ implementation and modifications to system-supported process automation.

The ICS and RMS also cover environmental, social and governance (ESG) topics. This includes identifying and assessing risks and defined processes and controls used to capture, validate, process and document sustainability-relevant data (including figures relating to energy consumption and the employee structure).

In addition, the second line of defence (the Governance, Risk & Compliance (GRC) department) and the third line of defence (Internal Audit) regularly review the appropriateness and effectiveness of the internal control and risk management system. The Board of Management has received no information indicating that the internal control and risk management system was not appropriate or effective in financial year 2024.

3.2 Risk management system

Dermapharm's Group-wide risk management system covers Dermapharm Holding SE, Dermapharm AG, Dermapharm Beteiligungs GmbH and all subsidiaries in which a majority interest is held (> 50%), whether directly or indirectly. The basic elements of Dermapharm's risk management system are described below:

Risk culture

The key prerequisite for successful risk management is a healthy risk and compliance culture within the Company. To set the right tone from the top, management promotes open risk communication across all subsidiaries, segments and hierarchy levels. Group employees are encouraged to think about potential risks, openly address risks that have been identified, and suggest immediate action to minimise risk. Training on the Group-wide RMS methodology in all relevant segments in Germany and abroad has made it possible to develop a common "risk language" throughout the Group. This ensures that the results of risk analysis are comparable across international borders and at the same time allows insights to be shared between the individual subsidiaries and/or segments.

Objective of the RMS

The goal of the Group's risk management system is to identify potential risks that could jeopardise the Group's performance early and to introduce suitable measures to actively counter them. It also serves to calculate the Group's risk-bearing capacity. This refers to the maximum possible loss from the occurrence of potential risks that can just be covered by the available liquidity reserves and free lines of credit without jeopardising the Dermapharm Group's ability to function as a going concern.

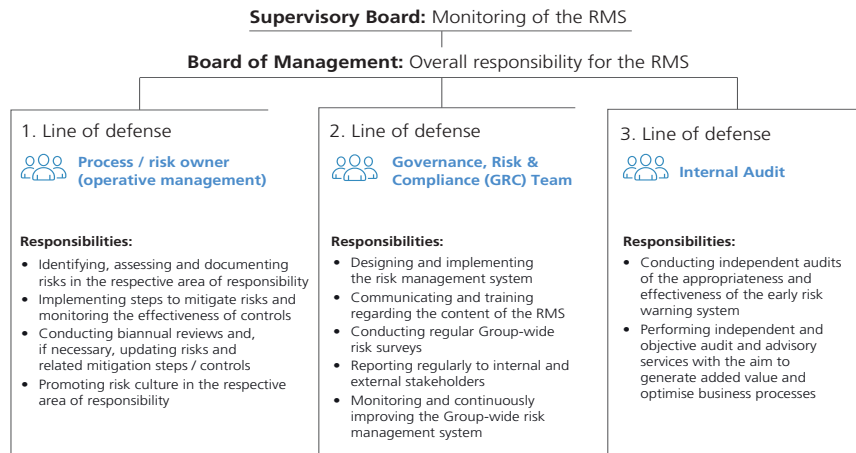
Another goal of the risk management system is to guarantee that the annual and consolidated financial statements and the combined management report are prepared in compliance with regulations by identifying, assessing and managing the risks of financial reporting. The identified risks also serve as the basis for the risk-oriented definition of principles, procedures and controls under the accounting-related internal control system, which are intended to ensure that the system in place for preparing the financial statements complies with regulations.

Dermapharm is exposed to risks stemming from external factors as well as its business activities. These risks can prevent it from achieving its targets and have a detrimental effect on performance. While risks cannot be avoided altogether, our stated aim is to mitigate them to the furthest extent possible. When balancing opportunities and risk, risks that are in line with the anticipated benefit of the corresponding business activity are deliberately assumed.

RMS organisation

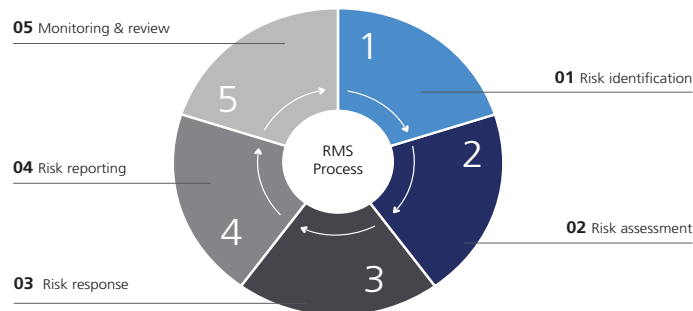
The risk management system is managed centrally by Governance, Risk & Compliance, it is tested for appropriateness and effectiveness on a regular basis and is entirely the responsibility of the Board of Management. By contrast, risks are monitored and managed at the local level: Depending on the risk category and risk scope, this is the responsibility of the segment managers and managing directors of the respective subsidiaries. Regular risk surveys are used to identify and document potential risks in all relevant segments and companies in which a majority interest is held. The risk officers assess Dermapharm's standard catalogue of risks every six months. GRC then centrally consolidates and assesses the results of these risk surveys. If necessary, new measures are introduced or previously adopted measures are modified.

Organisation of the risk management system:



Risk management process

A defined group of risk owners are responsible for regularly identifying, analysing and assessing risks using an established set of risk categories and a defined assessment methodology. The potential impact and likelihood of the respective risks are assessed taking into account the organisational and procedural structures in place to minimise risk. A full report with a comprehensive assessment of the risk situation is provided to the Board of Management and the Supervisory Board of Dermapharm at regular intervals. The appropriateness and effectiveness of the RMS is continually monitored by GRC and regularly reviewed by the independent Internal Audit unit.



Risk identification

Identification and handling of risks is firmly anchored in the corporate principles and is the responsibility of all Group employees.

Dermapharm differentiates between the following risk categories on the basis of the internationally recognised ERM framework (2014, COSO II) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO):

Market and strategy	Operational	Financial	Compliance
Threat of (new) competitors/manufacturers of originator preparations	Risks in developing new compounds/products	Funding and liquidity risks	Risks in relation to changes in the legal and regulatory environment
Dependence on key products	Purchasing risks	Interest rate risks	Corruption risks
Dependence on suppliers/business partners	Risks in relation to manufacturing products	Currency risks	Antitrust risks
Dependence on customers	Quality risks/product liability	Tax risks	Data protection violations
Risks arising from M&A activity	Risks in relation to marketing and sales		Human rights and environmental risks in own operations
Political risks	IT risks		Other compliance risks
Other market-related or strategic risks	HR risks		
	Other operational risks		

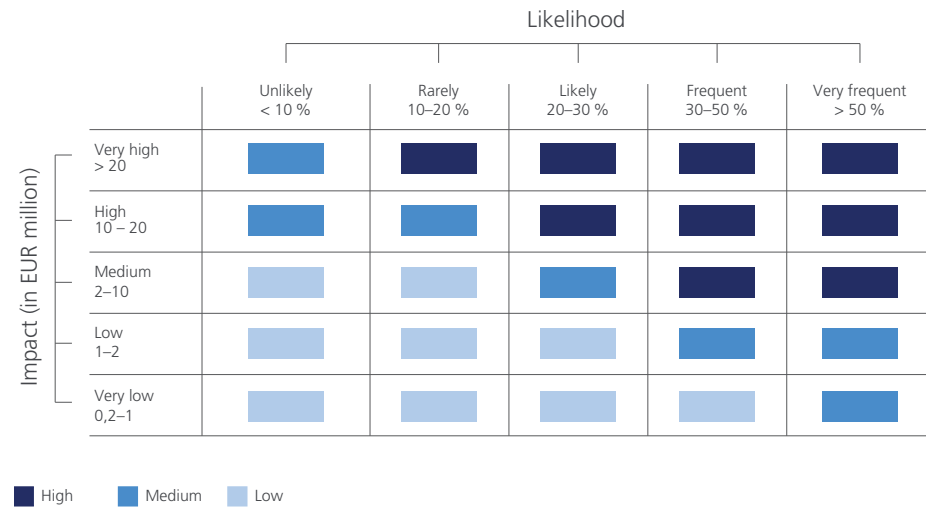
Risks are identified by continuously monitoring the general economic trend, the market environment in the pharmaceuticals sector and internal processes. The planning process also serves to recognise risks in the Company at an early stage and to align business management practices accordingly. The budget projections cover a planning horizon of five years. The objective of developing and using planning scenarios is ultimately to continually and sustainably increase

enterprise value, to achieve the medium-term financial targets and to secure the continued existence of the Company in the long term.

Risk assessment and management

As part of regular risk surveys, the risk owners assess the identified risks based on two dimensions: impact and likelihood. This takes into consideration countermeasures already implemented and controls already put in place (net risk assessment), and where possible is based on objective criteria and/or historical experience.

Dermapharm uses a 5x5 assessment scale as illustrated in the following risk matrix.



The likelihood of occurrence reflects the probability that the potential risk will materialise in the next 12 months (1-year valuation horizon). In addition to likelihood, the potential impact arising on occurrence is assessed in monetary terms as a negative impact on the operating result (EBIT). The potential losses are allocated to ranges given in euros.

The risk is classified as low, medium or high based on a combination of the likelihood and impact. This makes it possible to prioritise the steps required to mitigate risk.

Depending on the respective risk strategy (accept, avoid, mitigate or transfer), the risk/action owner takes the appropriate action and/or implements/modifies the controls inherent in the process. In the case of risk acceptance, there is no (further) action taken/control implemented.

Risk reporting and continual monitoring of the RMS

A full report with a comprehensive assessment of the risk situation is provided to the Board of Management and the Supervisory Board at regular intervals. Ad hoc reporting is used to notify the Board of Management and where necessary the Supervisory Board of newly identified significant risks.

The Governance, Risk & Compliance department at Dermapharm continually monitors the appropriateness and effectiveness of the risk management system and makes any requisite recommendations for improvement. Approval is obtained from the Board of Management for material changes to the RMS.

Internal Audit conducts regular independent audits of the appropriateness and effectiveness of the risk management system.

In particular, the process of identifying and assessing the Company's internal risk factors involves regularly reviewing business processes, projects, acquisitions, HR and compliance issues. The internal control system at Dermapharm helps minimise and eliminate manageable risks within the business processes.

3.3 Accounting-related internal control system

The objective of the internal control system is to universally implement the strategic and operational directives of Dermapharm's Board of Management, to achieve the operating efficiency targets and to guarantee that compliance requirements are met.

The Group's accounting-related internal control system comprises all procedures and measures to ensure proper and reliable accounting and compliance with the relevant statutory provisions and the articles of association. There are clear rules governing the responsibility for implementing the internal control system within the accounting process, and it lies with the Board of Management, the responsible managers, the financial accounting department and the managerial accounting department. The system is being continually improved and its appropriateness and effectiveness are tested on a regular basis in order to ensure that the accounting and the processes for preparing the annual and consolidated financial statements are accurate and complete at all times.

A variety of controls are integrated into the accounting processes and the process for preparing the annual and consolidated financial statements and the combined management report. These processes are implemented to the greatest possible extent using standardised IT systems, which include comprehensive system-based controls to help ensure that transactions are recorded correctly and completely. An IT security concept has been widely implemented to ensure the availability of systems used within the Company. Further controls include implementation of the principal of dual control, which is employed for material business processes, a clear division of responsibilities and roles and a wide range of manual checks that are documented and monitored accordingly.

In addition, the Supervisory Board monitors the appropriateness and effectiveness of the internal control system as part of its oversight of the Board of Management.

3.4 Compliance management system

Trust and integrity are among the most important values in the corporate culture and are prerequisites for Dermapharm's business success. The compliance guidelines serve to ensure that the Company, the managers and the employees act responsibly and in an ethically correct manner. Possible violations should be recognised in advance and systematically prevented.

The Chief Compliance Officer (CCO) is responsible for managing and monitoring the necessary activities at the Group level, and is supported by GRC and the compliance officers at the individual subsidiaries.

The corporate principles and rules of conduct derived from them are laid down in Dermapharm Holding SE's Code of Conduct, which is binding on all employees throughout the Group. Among other things, we expect all employees of the Dermapharm Group to treat each other fairly and with respect. We do not tolerate discrimination or harassment based on age, origin, gender, appearance, ideology, religion, sexual orientation or other individual characteristics. The Code of Conduct also lays down binding rules governing sustainability and environmental protection, corruption, money laundering and terrorist financing, unfair competition, insider trading, market manipulation, data protection and conflicts of interest.

Suspicious transaction reports can also be filed at the Dermapharm Group in connection with the activities of the organisation and its business partners. Potential violations of the law can be reported to the internal reporting unit via Dermapharm Group's digital whistleblower system, including anonymously. Furthermore, the compliance officers of the individual subsidiaries can consult GRC and the Chief Compliance Officer on compliance-related topics.

Any reported violations will be investigated according to professional standards and applicable policies and, depending on the individual case, may lead to disciplinary action under employment or contract law or to criminal prosecution by investigative authorities and as well as judicial authorities. GRC submits a quarterly report to the Board of Management about any compliance incidents and inquiries from within the Group and any action that must be taken as a result.

3.5 Risk report

The assessments for the monitored risk categories at Group level are presented below. The individual risk categories and the relevant background information are then discussed in greater detail.

Market and strategy	Operational	Financial	Compliance
Threat of (new) competitors/manufacturers of originator preparations	Risks in developing new compounds/products	Funding and liquidity risks	Risks in relation to changes in the legal and regulatory environment
Dependence on key products	Purchasing risks	Interest rate risks	Corruption risks
Dependence on suppliers/business partners	Risks in relation to manufacturing products	Currency risks	Antitrust risks
Dependence on customers	Quality risks/product liability	Tax risks	Data protection violations
Risks arising from M&A activity	Risks in relation to marketing and sales		Human rights and environmental risks in own operations
Political risks	IT risks		Other compliance risks
Other market-related or strategic risks	HR risks		
	Other operational risks		

■ High ■ Medium ■ Low

Market and strategy

Threat of (new) competitors/manufacturers of originator preparations

Dermapharm could be adversely affected by developments in the international markets for pharmaceuticals and healthcare products. In particular, increased competition can have a detrimental impact on the Group's business. In 2024, competing new products were launched on the German vitamin D market, which is a relevant market for Dermapharm. It cannot be ruled out that competitors may launch further products in 2025, including vitamin D compounds.

The emergence of new competitors can have an unfavourable impact on market conditions. Furthermore, some competitors – due to their financial and/or organisational resources, production capacities, and selling and/or market power – may impact market conditions in a way that has a negative outcome for Dermapharm. Competitors' increasingly frequent participation in tenders by statutory health insurers increases the price pressure on prescription pharmaceuticals.

Dermapharm monitors the market continuously in order to minimise the described risks as far as possible. This involves the preparation of relevant market analyses and monitoring competitors' offerings. Appropriate adjustments to the strategy are also made, if necessary.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **medium** at Group level.

Dependence on key products

A significant portion of Dermapharm's revenue and EBITDA is generated through the sale of particularly strong brands, such as Dekristol® (active ingredient: vitamin D). Under the aforementioned brand, Dermapharm has a very extensive portfolio of different high-dosage vitamin D compounds and food supplements that can be used prophylactically or to treat vitamin D deficiency. Other key products offered by the Group include Allergovit®, Arkogelules®, Tromcardin® complex, Keltican® forte and the herbal extract from saw palmetto. There is in principle the risk of declining revenue from these products. This can be caused by factors such as unfavourable changes in market conditions, aggressive price competition, the establishment of alternative forms of treatment and regulatory measures.

Dermapharm manages these risks by developing new high-margin products and acquiring growth companies and/or products in order to keep diversifying its own product portfolio. In addition, Dermapharm continues to monitor the relevant markets and considers alternative courses of action where necessary.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **medium** at Group level.

Dependence on suppliers/business partners

Dermapharm requires raw materials, which it purchases from suppliers and third-party manufacturers, to manufacture its products. Supply chain interruptions may thus reduce their availability on the market. However, thanks to our extensive product range and thus the large number of upstream suppliers, this is not expected to adversely affect the Group's performance.

Dermapharm protects itself from potential supplier bottlenecks, due for instance to the loss of a supplier, by employing an appropriate inventory strategy, alternative sources and supplier audits.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Dependence on customers

The Group's success depends in part on the successful marketing of prescription and pharmacy-only drugs. By contrast, demand for Dermapharm's products comes primarily from doctors and pharmacists, with wholesale playing a purely logistical role. The extremely large number of doctors and pharmacists we serve considerably reduces our dependence on individual customers.

Dermapharm continues to keep a close eye on market events, the relevant players and significant market structures in the interest of actively minimising its risks. Alternative courses of action are identified whenever warranted by the conditions observed. Furthermore, the Group is in close, regular contact with customers. Other sales channels are reviewed as required in the interest of diversification.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Risks arising from M&A activity

Dermapharm's corporate strategy is based on in-house product development, internationalisation and M&A activities. M&A activities in particular are associated with the risk that products, product portfolios or businesses acquired in the past or to be acquired in the future can only be integrated at a higher cost or the expected synergies cannot be leveraged as intended. Moreover, the acquired products or businesses may not generate the expected results on the market if the markets and therapeutic areas comprising Dermapharm's strategic focus may develop differently than expected. The expansion of the business into foreign markets furthermore exposes Dermapharm to risks associated with conducting business in countries that are unfamiliar to it. Established consumer habits, legal conditions and existing market and distribution structures may adversely affect the Company's performance. Against this backdrop, there is the risk that Dermapharm may fail to identify and leverage attractive growth opportunities.

Dermapharm employs a comprehensive range of measures to manage the potential risks. These include conducting due diligence reviews of potential acquisitions together with relevant internal departments, such as business development and finance, and experienced external advisors, where necessary. In recent years, the Group has established various processes designed to help integrate acquired companies into the existing structures of the Group, including within Group Accounting, Controlling and IT. As part of the integration effort, Group policies, standards and programmes are communicated.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **medium** at Group level.

Political risks

As an international concern, Dermapharm navigates a variety of national and supranational (healthcare) systems. Changing conditions can adversely affect the business of the Company and its subsidiaries – including, for example, the introduction of tariffs, the prohibition of exports of active ingredients in supplier countries, changes in pricing policies (e.g., the rates paid by health insurers), and new legislation and restrictive regulations by national healthcare systems in particular. The effects can also be indirect, for instance minimum wages being introduced or amended, or higher income and/ or transfer taxes.

Russia's war of aggression in Ukraine and the conflict in the Middle East represent macroeconomic and political risks which must be kept under close observation. The associated challenges, such as rising raw materials and energy prices and potential supply shortages, are taken into consideration in Dermapharm's operating business (see purchasing risks).

Dermapharm manages the risks referred to above by continually monitoring the relevant political developments, communicating and working with pharmaceuticals associations and taking appropriate action when necessary.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Other market-related or strategic risks

New scientific discoveries could adversely affect Dermapharm's business operations. Unfavourable research/study outcomes, for example relating to an active ingredient or excipient, can result in the failure to introduce a new product or cause revenue from existing products to decline. Other market risks can result from low-quality imitations or the sale of Dermapharm's products on the grey market.

Dermapharm manages these risks by continuously refining existing preparations, by avoiding critical substances and excipients and by actively monitoring the market and adapting its product strategy as necessary.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Operational risks

Risks in developing new compounds/products

Dermapharm generates the majority of its revenue from off-patent branded pharmaceuticals. The development of new products is one of the three key pillars of the Group's corporate strategy. Accordingly, Dermapharm invests continually in order to continually and successfully develop and bring to market new products. Despite the extensive expertise Dermapharm possesses, there is no guarantee that it can successfully launch every single new product development on the market. In any development project, unexpected technical challenges, regulatory changes or official requirements can lead to unanticipated delays, cost increases or even the cancellation of the project itself. Even the outcome of meticulously prepared clinical trials cannot be predicted. As a result, a marketing authorisation may not be granted. Furthermore, projects that were initially considered economically viable may prove unprofitable in the course of development.

Even in instances where a new product is successfully developed, a variety of other factors are crucial to the success of downstream product introduction. Certain aspects of this process lie outside Dermapharm's control. Dermapharm generally requires five to seven years to develop and obtain authorisations for off-patent pharmaceuticals. The longer it takes to develop a product, the longer it can potentially take for the Company to cover its development costs and generate profits. A product that is considered to be promising in the early stages of its development cycle can become less attractive if a competitor succeeds in occupying the market earlier than expected. Moreover, the market may become less attractive over the course of the product development process (e.g., if alternative treatment forms have been discovered or new therapies have been introduced for the same ailments).

Dermapharm actively minimises risks by regularly monitoring the achievement of relevant development milestones by its competitors. For instance, market research is once again conducted prior to the start of cost-intensive clinical trials. Marketing authorisation databases are checked to see what projects competitors are working on. The Board of Management monitors the progress and costs of projects during development meetings. This enables us to identify default risks early on and minimise these to the furthest extent possible. In addition, regular employee training is offered on all relevant statutory requirements and responsibilities for products are clearly assigned.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Purchasing risks

Russia's war of aggression in Ukraine and the conflict in the Middle East continued to result in supply shortages in some areas in 2024. Manufacturing costs increased due to the rising prices for raw materials and energy on the back of both the conflicts and higher consumer prices. Reference pricing arrangements meant that the higher manufacturing costs could not always be passed on to customers/patients. These procurement challenges are likely to cast their shadow over 2025 as well.

However, thanks to Dermapharm's inventory and purchasing policies, these supply bottlenecks had minimal to no impact on production activities and thus on its ability to deliver. Significant portions of the raw materials supply are covered by long-term supply agreements and price escalation clauses in the supplier agreements. Furthermore, the Group is always on the lookout for alternative procurement sources and partners.

There are further risks for the procurement of reimported pharmaceuticals by Dermapharm or the axicorp Group. Since the parallel import business is subject to statutory regulations, lowering the parallel import quotas, introducing export restrictions or pharmaceutical quotas and similar regulations could have an adverse effect on Dermapharm's parallel import business.

Dermapharm manages these risks by continually monitoring the relevant market situation and by introducing countermeasures as appropriate. These include, in particular, the early preparation and evaluation of case scenarios.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **medium** at Group level.

Risks in relation to manufacturing products

Disruptions in manufacturing processes can adversely affect Dermapharm's business. These disruptions include a lack of availability of production facilities and disruptions in workplace and process safety, which can result in production targets not being achieved and demand not being adequately met, leading to a loss of contribution margins. Many of Dermapharm's products are manufactured in technically complex processes that require special equipment and facilities and raw materials as well as special production conditions. Increasingly, such processes depend on

the use of product-specific devices for implementation, which can result in technical bottlenecks.

Dermapharm's top priority is to maintain its production operations. In addition, the largest production facilities in Germany were classified as critical national infrastructure (KRITIS) in accordance with § 6 of the Federal Office for Informational Security's Critical Infrastructure Regulation (BSI-Kritisverordnung) and therefore maintain production operations at all times, even in times of crisis.

The additional steps taken to minimise risks and secure production capabilities include proactive equipment maintenance, risk assessments, safety stock at various manufacturing stages and regular employee training courses. In addition, Dermapharm continually optimises and modernises all production equipment and facilities in order to guarantee optimal production conditions along the entire value chain.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Quality risks/product liability

Drug safety and product quality are of great significance for the Dermapharm Group. If products manufactured or sold by Dermapharm are subject to market withdrawals or recalls or are demonstrated to be harmful to customers, this would have a negative effect on customer demand. A negative public perception of the quality of Dermapharm's products could have the same effect.

New scientific findings can result in a less favourable risk/reward analysis with the consequence being that the compound must be partially or entirely withdrawn from the market. Such a suspension of sales may be due to legal or regulatory measures or may be implemented voluntarily by the Company at its due discretion. Additionally, court proceedings and associated claims for damages resulting from such findings could have an adverse effect on the Company's operating result.

Dermapharm actively minimises risks through quality assurance and pharmacovigilance systems prescribed in the German Medicinal Products Act (Arzneimittelgesetz). These systems consist of internal standard operating procedures (SOPs). Employees receive training on these SOPs and their implementation is regularly reviewed by way of internal audits and external inspections by the authorities. A Group-wide pharmaceuticals product liability insurance policy is also in place.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Risks in relation to marketing and sales

When marketing and selling each and every product, it is crucial to observe the applicable rules and regulations, in particular the German Act on the Advertising of Medicinal Products (Heilmittelwerbegesetz). If individual legal requirements are not complied with, this can result in delays in the sale and distribution of a new product or the sale and distribution may be prevented due to legal actions by competitors. If Dermapharm has sold products under the assumption that there were no legal grounds preventing it from doing so and it is established through the courts that this assumption was erroneous, there is the risk that products must be removed from the market, written off and destroyed, all at considerable cost.

A large number of the products sold by Dermapharm are branded pharmaceuticals for which a strong, protected brand is a key success factor. Another risk factor is therefore insufficient trademark protection for the product sold. The use of dubious advertising materials (e.g., incorrect or incomplete references, imitating competitors' advertising, advertising not compliant with the marketing authorisation) may result in cease-and-desist letters from competitors and even legal proceedings.

Dermapharm manages these risks by continually monitoring the relevant market situation and, where necessary, modifying its product strategy as appropriate. Meticulous research is conducted before a product is assigned a brand name. Marketing and sales employees also receive specific training on regulatory issues (e.g., the German Act against Unfair Competition (Gesetz gegen den unlauteren Wettbewerb, "UWG"), the German Act on the Advertising of Medicinal Products (Heilmittelwerbegesetz, "HWG"), trademark law). Our information officers are tasked with checking and approving all advertising materials before they are made public.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

IT risks

Because of the increased use of IT systems and programs, there is a risk of losing digital information. This risk can arise as a result of lacking or insufficient data security and malicious attacks by external parties. In addition, software solutions require regular maintenance and updates in order to meet the continually growing security and functionality requirements. Moreover, the integration of the IT infrastructure of acquired companies and the potential outage of IT systems give rise to further risks. Based on experience, in times of global crises there is a greater likelihood of hacker attacks, phishing e-mails and attempts to exploit IT vulnerabilities.

To manage these risks, Dermapharm has developed an appropriate IT security and authorisation concept and adequate IT security systems (e.g., redundant data processing centres and Group-wide anti-virus programs), and it performs regular software and hardware maintenance and makes routine back-ups of business-critical data, among other things. The Security Operations Centre (SOC) was set up in 2024 and enables continuous monitoring of the network for anomalies, allowing potential IT attacks to be detected more quickly and contained more effectively. Furthermore, as an operator of critical national infrastructure, Dermapharm's systems are subject to external cyber security audits. The assessments and audits are conducted every other year and also serve as a quality assurance tool for minimising risks.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **medium** at Group level.

HR risks

The Dermapharm Group's success is highly dependent on the motivation and skills of its employees, who among other things develop promising products, manufacture them in observance of quality and safety, and sell them effectively in various international markets.

Due to the Group's growth, another critical success factor is Dermapharm's ability to attract and retain skilled employees going forward. Some German regions have almost full employment. The resulting lack of skilled workers, which could be further exacerbated by demographic factors going forward, may adversely affect Dermapharm's operating result.

Furthermore, high staff turnover, in particular in key roles, may adversely affect remaining employees' commitment, result in negative employer branding and cause process delays and a loss of expertise.

To counter the risks described above, appropriate measures to recruit and develop employees are developed on the basis of the annual HR planning. In order to ensure the continuing development of staff and comply with the relevant regulatory requirements (for example in terms of drug safety, occupational health and safety and pharmacovigilance), almost all divisions conduct regular training that is documented accordingly.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **medium** at Group level.

Other operational risks

Dermapharm bears further general business risks in the respective market regions such as the risk of unexpected disruption of the infrastructure, strikes, sabotage, natural disasters, criminal activities, terrorism and other unforeseeable material adverse effects.

Dermapharm has taken extensive steps and technical precautions in order to prevent and minimise damage to company property (buildings/machinery/inventories) – including the installation of sprinkler systems and fire alarms, conducting regular fire safety inspections, developing contingency plans describing what to do in the event of fire, water damage, earthquakes, etc., and storing finished goods separately at several of its warehouses. Where possible and economically viable, Dermapharm insures itself against the aforementioned risks by taking out the appropriate insurance cover (Group-wide business interruption insurance and property insurance). However, it cannot be ruled out that the insurance policies may not provide adequate coverage in individual cases.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Financial risks

Funding and liquidity risks

Dermapharm pursues a sustainable financing strategy that is capable of absorbing risk. The overriding goals are to ensure that all Group companies remain solvent at all times and to safeguard the Group's financial flexibility by holding sufficient liquidity reserves and free lines of credit. Group Treasury is responsible for liquidity management and minimising liquidity risks. Cash inflows and outflows are constantly monitored and managed to ensure sufficient liquidity at all times. To the extent economically and legally appropriate and feasible, Dermapharm maintains automated cash pools for this purpose.

Risks may nevertheless arise from a potential impairment of the Group's liquidity position due to defaults on receivables from counterparties, a lack of access to funding markets or significant volatility in the operating business, in particular the termination of existing financing instruments. The syndicated loan agreement entered into in December 2022 includes a financial covenant. If this financial covenant is not complied with, the lending banks have the right to fundamentally reassess the agreement.

Compliance with the financial covenant is monitored on an ongoing basis by means of a rolling covenant outlook. This is aimed at discussing any issues with the lending banks early on in an effort to find a mutual solution. Changes in liquidity are also monitored in the context of detailed financial planning, which includes a rolling 13-week liquidity forecast.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Interest rate risks

Interest rate risks include potential losses caused by changes in market rates of interest. Interest rate risks from financial instruments can arise within the Group mainly in connection with interest-bearing financial liabilities.

The syndicated loan agreement entered into in December 2022 is subject to variable interest, i.e., the interest rate primarily depends on the development of a reference rate (1-month, 3-month and/or 6-month EURIBOR). In order to minimise the interest rate risks arising from the syndicated loan agreement, two interest rate hedges were entered into with a core bank in March 2023 to cover the majority of the financing volume. These artificially eliminate the risk of a change in the reference rate for this volume until the interest rate swaps reach maturity. An increase in the reference rate over the course of 2025 is considered unlikely at present.

Dermapharm generally manages its interest rate risks by borrowing funds largely at matching maturities and, as necessary, through the use of interest rate derivatives. They are concluded exclusively with commercial banks with solid credit ratings.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Currency risks

The Dermapharm Group prepares its accounts with the euro as its Group currency. Since the Group's business is international in nature, it is exposed to risks arising from exchange rate volatility. In particular receivables and liabilities denominated in other currencies are subject to the risk of an adverse change in value. Additionally, accounting risks can arise from exchange rate fluctuations affecting the consolidated financial statements as well as from the translation of items of the statement of financial position and items of income and expense for foreign subsidiaries with a local currency other than the euro. In this connection, any appreciation (depreciation) of the euro against other currencies could have a negative (positive) effect.

Where necessary, Dermapharm considers on a case-by-case basis currency hedges linked to an underlying to minimise risks (for example, currency forwards). They are concluded exclusively with commercial banks with solid credit ratings.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Tax risks

Tax planning and optimisation at Dermapharm depends on the current and expected tax environment. However, tax matters are generally subject to a degree of uncertainty with respect to the judgement of domestic and foreign tax authorities. Even though Dermapharm has established processes and structures to ensure that taxes are accounted for correctly in keeping with the law, it is not possible to rule out the risk that the actual tax burden will be greater than originally estimated. Changes in the general tax environment can also have an adverse effect on Dermapharm's future tax burden.

The Dermapharm Group counters tax risks by carefully reviewing and processing all tax matters.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Compliance risks

Risks in relation to changes in the legal and regulatory environment

The pharmaceuticals and healthcare market is highly regulated. Lifting or amending regulations or passing new regulations, for example as part of healthcare reform, could have significant economic and strategic effects on Dermapharm's business activities and adversely affect its performance. Regulations at the national or supranational level are highly significant if they affect the market structure, pricing and/or product approvals in the public healthcare sector. In principle, for all products in the healthcare market, but especially for pharmaceutical products, there is the risk that they will no longer be covered or the reimbursement rates will be lowered due to regulatory interventions in the respective national social security systems. Off-patent pharmaceuticals are also exposed to significant price pressure due to the discount agreements with statutory health insurers for various products.

All of this can result may reduce the profitability of individual products and, in some cases, may mean that bringing a product to market is unprofitable. Dermapharm minimises these risks in part through its active association work. Bills, regulations and directives are communicated in their draft stage, enabling Dermapharm to be involved in the drafting process and/or react to changing conditions early on.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Corruption risks

Potential corruption risks can arise both in the procurement (bribery by suppliers to secure orders) and sales processes (for instance, by offering physicians inducements in order to unfairly influence which drugs they prescribe). Even suspected (and ultimately unfounded) cases of corruption can lead to criminal prosecution and investigations by the relevant authorities as well as high reputational damage. Court proceedings and severe penalties can be expected if these suspicions are substantiated.

Therefore, the Dermapharm Group Code of Conduct sets out binding rules for all employees on how to prevent corruption. Suspected violations can be reported via Dermapharm's digital whistleblower system. Furthermore, the Chief Compliance Officer, GRC department and local compliance officers are always available to answer any questions. As a member of Arzneimittel und Kooperation im Gesundheitswesen e.V. (AKG), a leading association dedicated to promoting compliance in the pharmaceuticals industry, Dermapharm also complies with the AKG Code of Conduct.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Antitrust risks

Antitrust laws proscribe predatory business practices such as price fixing, bid rigging, market allocation, and monopolies (e.g., treating customers and suppliers differently for no objective reason). Any violations of the applicable laws may lead to criminal prosecution and investigations by the relevant authorities, reputational damage, court proceedings and severe penalties.

Therefore, the Dermapharm Group Code of Conduct sets out binding rules for all employees on how to avoid unfair competition. Here, too, the Chief Compliance Officer, GRC department and local compliance officers are always available to answer any questions. As a member of Arzneimittel und Kooperation im Gesundheitswesen e.V. (AKG), a leading association dedicated to promoting compliance in the pharmaceuticals industry, Dermapharm also complies with the corresponding AKG Code of Conduct.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Data protection (GDPR) violations

The European Union's General Data Protection Regulation (GDPR) went into force on 25 May 2018 and governs the processing of personal data. To ensure that personal data is protected, it must not be stored, processed, altered, destroyed, disclosed or transferred to third parties without a legal basis/consent. The consequences of non-compliance with the GDPR may include investigations by the relevant authorities, reputational damage, court proceedings and severe penalties.

Dermapharm appointed a Group Data Protection Officer (DPO) in 2018 in order to comply with the legal requirements. Dermapharm's DPO worked with the relevant departments to prepare the documentation required under the GDPR (e.g., contractual arrangements with business partners (data processing agreements), records of processing activities, data protection guidelines and privacy policies). The DPO is also available to answer any questions related to data protection.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Human rights and environmental risks in own operations

Dermapharm places the utmost priority on protecting the environment and the health and safety of its employees in their day-to-day work. Non-compliance with legal requirements or internal policies may lead to personal injury or damage to property and/or the environment, cause operational disruption and result in the obligation to pay damages.

With its regular occupational safety briefings and internal standards, Dermapharm guarantees safety in its operating facilities and protection against other health hazards. The Dermapharm Group manufactures the majority of its products in Germany and meets high environmental and human rights standards. Therefore, Dermapharm's Code of Conduct sets out binding rules for all employees on how to treat each other fairly and with respect. Any (suspected) violations can be reported via the whistleblower system or to the Chief Compliance Officer, GRC department and local compliance officers.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

Other compliance risks

Violations of other internal or external requirements, e.g., concerning money laundering and terrorist financing, insider trading, market manipulation, embezzlement, misappropriation, theft or violations of industrial property rights, can give rise to further compliance risks. Any violations of the applicable laws may lead to criminal prosecution and investigations by the various authorities, reputational damage, court proceedings and severe penalties.

All Dermapharm Group employees are required to follow the rules defined in the Code of Conduct, without exception. Nevertheless, compliance failures may occur due to human error. In such cases action is taken under labour law and, if necessary, criminal law.

The likelihood of compliance violations is reduced by means of regular communication and advice from the GRC department and the Compliance Officer and providing relevant training, and the controls implemented in business processes.

Taking into account the likelihood and impact, the potential effects of the risks described on the assets, liabilities, financial position and profit or loss are classified as **low** at Group level.

3.6 Report on opportunities

Although many illnesses remain untreatable, medical and pharmaceutical progress creates incentives to innovate and develop new products. Rising life expectancies and the desire on the part of most consumers to improve their quality of life lead to increased demand for healthcare services and products.

In an economic comparison with other treatment options, pharmaceutical products continue to be considered particularly efficient. In particular, off-patent pharmaceuticals have great potential for growth because they make it possible to offer less expensive therapies which promise the same level of quality and greatly help to ease the rising cost pressure in the healthcare system. Moreover, patents and trademark rights will continue to expire in the future, allowing for a continuous expansion of market potential which competitors offering generics can develop. The Dermapharm Group intends to continue leveraging this market potential by introducing new products and making selective acquisitions of existing off-patent branded pharmaceuticals.

Dermapharm continuously drives strategic development forward. The corporate strategy is based on three pillars: in-house product development, internationalisation and M&A activities. Dermapharm intends to actively leverage the growth opportunities arising from this strategy going forward.

Dermapharm has a broad development pipeline of branded pharmaceutical products in selected therapeutic areas. The "Branded pharmaceuticals" segment's products in the core therapeutic areas are distinguished by a limited number of competitors and a large degree of independence from tenders by the statutory health insurers. New product launches by Dermapharm could grow faster than expected in 2025. Reasons for this could include the ageing population, increasing health awareness among consumers, government subsidies for the healthcare market and regulatory changes.

In 2024, the National Pharma Strategy was further developed to promote manufacturing and development, drive forward digitalisation in the healthcare sector and incentivise the establishment of production facilities. Several structural measures were also implemented in 2024 in connection with the German Act to Combat Supply Shortages and Improve the Supply

of Medicines (Arzneimittel-Lieferengpassbekämpfungsgesetz- und Versorgungsverbesserungsgesetz, "ALBVVG"). Among other things, the fixed amounts for paediatric drugs with supply-critical active ingredients were abolished, antibiotics from the EU were given preference in health insurance contracts and incentives were created to strengthen drug production in Europe. All of this presents new opportunities for Dermapharm and the entire pharmaceuticals industry in Germany.

The German Medical Cannabis Act (Medizinal-Cannabisgesetz, "MedCanG"), which came into effect on 1 April 2024, has facilitated market access and reduced bureaucratic hurdles, leading to an increase in the number of providers. However, some of these providers could lose their licences if the cannabis market is regulated more strictly again in 2025. This would give the Dermapharm Group the opportunity to gain market share and strengthen its position in the medical cannabis sector. Under the name Candoro ethics, Dermapharm has many years of expertise in the field of medical cannabis and fulfils the highest quality standards with its new facility in Friedrichsdorf near Frankfurt am Main. It remains to be seen how the political situation will evolve and what specific measures will be taken. Dermapharm intends to utilise any opportunities that arise as efficiently as possible.

Challenges in the supply chain, particularly in the procurement of raw materials from Asia, can lead to bottlenecks and even the inability to deliver for competitors. Thanks to a well thought-out inventory and procurement policy, Dermapharm could close this supply gap and gain new customers who are looking for reliable suppliers. This could increase Dermapharm's market presence and revenue.

From a success perspective, attention continues to be paid to the efficient management of costs. Dermapharm aims to optimise the manufacturing process for its products while cutting the associated manufacturing costs. By reducing its manufacturing costs through in-house production and sharing market risk with suppliers of raw materials, consumables and supplies, the Company intends to leverage the corresponding opportunities to cut costs.

Going forward, Dermapharm will also confront market competition with experience, new product approvals, confidence and high quality. The Group's high quality standard is enforced at all locations with the help of an effective quality management system. For instance, all of Dermapharm's products are made in accordance with the international Good Manufacturing Practice (GMP) standards.

3.7 Overall assertion – assessment and summary

Dermapharm believes that there are opportunities for future development in particular in the pharmaceuticals market's general independence from economic cycles, the as-yet unexhausted growth potential in the area of off-patent pharmaceuticals, the potential loss of licences by competitors on the medicinal cannabis market, the potential inability of competitors to deliver, and efficient cost management. In addition, its conscious decision to manufacture its products in Germany and Europe guarantees high product standards. Dermapharm intends to continue to systematically leverage these growth opportunities going forward by continuing to pursue its successful growth strategy comprising in-house product development, internationalisation and M&A activity.

Dermapharm sees risks to future development primarily in connection with a potential increase in competition in individual market segments, the dependency on individual key products, the uncertainties associated with the integration of acquired companies/products, the rise in raw materials and energy prices and potential supply bottlenecks, the exploitation of IT vulnerabilities, and the recruitment and retention of skilled staff.

We will continue to closely monitor the general economic trend and political situation, particularly when it comes to Russia's war of aggression in Ukraine and the conflict in the Middle East, so that we can implement further measures as needed.

The Group's risk-bearing capacity was ascertained and compared against the aggregate risks. Based on this analysis, there are currently no risks to Dermapharm's future development that could jeopardise its ability to function as a going concern. Given Dermapharm's financial stability, it is in a good position from which to manage the risks described in the risk report should they materialise.

By publishing this report on risks and opportunities, the Board of Management of Dermapharm Holding SE has fulfilled its duty to provide information on the Group's risks and opportunities to the Supervisory Board and the shareholders. This comprehensive report represents a core element of the Dermapharm Group's corporate governance in practice.

4. Report on expected developments

4.1 Outlook

In the report on expected developments, Dermapharm discusses, to the extent possible, the market environment expected in financial year 2025 and the expected future development of its own business activities.

Expected development of the market environment

Following an increase in the global economy of 3.2% in 2024, the OECD expects global growth to remain constant at 3.3% in 2025 (as at December 2024). However, this outlook is subject to uncertainties. For 2025, the OECD expects the global economy to prove robust and inflation to fall further towards the central banks' target values. However, there are significant differences between the various countries and regions and considerable risks and uncertainties. The OECD expects 1.3% economic growth in the eurozone in 2025 (as of December 2024).

According to its 2025 annual economic report, the German federal government expects German economic growth this year to be only slight at 0.3% (as of January 2025) and has therefore significantly downgraded its autumn projections. In its autumn forecast, the German government still assumed economic growth of 1.1% for 2025 (as at October 2024). At the beginning of 2025, the German economy is in a difficult starting position due to the global crises and the fundamental structural problems that have become apparent, according to the 2025 annual economic report (as at January 2025). The outlook for 2025 was downgraded to reflect factors such as the current high level of uncertainty regarding the economic and trade policy of the United States as well as future economic and financial policy in Germany in the wake of the failure of the "traffic light" coalition and the snap Bundestag elections in February 2025. The outgoing German government expects growth momentum in the current year to come primarily from private consumer spending and investments.

In its "World Preview 2024: Pharma's Growth Boost", Evaluate Ltd. expects the global market for prescription pharmaceuticals to grow at an average annual rate of 7.7% to reach USD 1.7 trillion by 2030. Market research firm IMARC Group expects the market for off-patent/generic pharmaceuticals to grow at an average annual rate of 5.7% between 2025 and 2033.

Expected development of the Group

Dermapharm's business model will continue to focus on the European healthcare market, particularly in the area of prescription and OTC pharmaceuticals and the marketing of scientifically based healthcare products. Dermapharm will continue to focus on niche markets in which the Company has a particularly high level of expertise in the development and marketing of products, most of which it manufactures itself. Sustainable growth is still possible in these markets thanks to the development of new products and ongoing European expansion.

On the whole, the Board of Management expects that the successful the three pillar strategy comprising in-house product development, internationalisation into selected markets and targeted M&A activities will continue to generate growth going forward. However, changing regulatory, competitive and economic conditions might also adversely influence the Group's revenue and earnings trend. The report on risks and opportunities provides further details on the resulting risks as well as the opportunities for the Company. However, we are confident that, as a European manufacturer, we have improved opportunities for growth in the face of geopolitical changes and a political return to the strengths of our home continent.

Dermapharm will continue the successful development of recent years in the "Branded pharmaceuticals" segment. In Germany, the focus is on further strengthening our major brands, including, for example, Allergovit®, Dekristol® and Myditin®. In the 2025 financial year, we are planning to launch products developed in-house in the fields of dermatology, corticosteroid therapy and pain treatment. At our European subsidiaries, the focus is on expanding the portfolio with various products from the Dermapharm range. We are generating continuous growth from this expansion of our product range. For this market segment, the Board of Management consequently expects robust revenue growth and a moderate increase in segment earnings.

The main reason for the decline in revenue contributions from the "Other healthcare products" segment in the 2024 financial year was the reduced revenue of the Arkopharma Group and Candoro ethics GmbH. The other companies in this segment recorded solid to strong organic growth in some cases, but were unable to compensate for the decline. Dermapharm expects growth in each of this segment's markets in 2025. Following the significant decline in revenue and earnings in 2024, we expect a recovery in 2025. We are pushing ahead with the already planned realignment of the business model with the aim of seizing on the opportunities offered by the pharmacy market to gradually restructure our product portfolio. Pharmacists will be more closely involved in marketing as partners than previously. Against this backdrop, the Board of

Management expects 2025 to be a year of transition for the Arkopharma Group. Candoro ethics GmbH, Anton Hübner and the Spanish company Euromed are expected to be the main drivers behind the strong revenue and particularly strong earnings growth planned for the segment. At Candoro ethics GmbH in particular, we expect growth momentum to stem from the launch of new products and a change in the competitive situation in our favour.

The low-margin "Parallel import business" segment will be additionally burdened by risks from a "combination discount" in the 2025 financial year. This discount is required if certain products are prescribed simultaneously for patient treatment. The Board of Management views this change in the law as an opportunity to analyse the entire portfolio for earnings risks and eliminate low-margin products. The resulting disproportionate reduction in volumes will enable cost reductions, which will have a positive impact on the segment and Group margin. We project that revenue will experience a particularly sharp year-on-year decline, resulting in a particularly sharp decline in EBITDA. As is the case for the Arkopharma Group, the 2025 financial year will be a transitional year in which the Board of Management expects a reduction in revenue in the segment, with significant cost reductions only taking effect in subsequent years.

Ukraine crisis

Dermapharm's operating subsidiary mibe Ukraine LLC, which has its registered office in Kyiv, continued operations in spring 2022 following a brief interruption at the beginning of the war.

Although the revenue and earnings contributions from mibe Ukraine LLC were down in 2024 as compared to 2023, further growth is expected for financial year 2025, driven by rising demand for vitamin D products and newly introduced products from the Group's portfolio.

The experience of the past three years has shown that there have been no significant negative economic influences on the Dermapharm Group's business activities. No change in this respect is expected for 2025.

Effects of developments in climate policy

Dermapharm monitors climate-related risks on an ongoing basis and constantly analyses the impact of climate change on its own business operations. At present, the Board of Management does not expect any material impact in relation to Dermapharm's business activities.

Fundamental assumptions underlying the Group's forecast

The forecast for financial year 2025 was prepared taking into account known events which had taken place at the time this combined management report was prepared. In addition, the macroeconomic and industry-specific outlook were also factored into the forecast.

The outlook is based on the following assumptions in particular:

- Largely stable regulatory, legal and tax conditions in the markets and countries of relevance to us; recent changes in the manufacturers' rebate and the price moratorium have been taken into account
- Current group of consolidated companies to remain constant
- Optimisation of manufacturing costs by making more products in house, where economically feasible
- Successful market launch of preparations from own development pipeline
- Expansion of the portfolio of European subsidiaries from the Dermapharm range
- Continued progress with the integration of companies acquired in 2023 and systematic utilisation of created synergies
- Planned reorganisation of the business models of the Arkopharma Group and the "Parallel import business" segment
- No significant adverse effect on Dermapharm's business due to Russia's war in Ukraine

Dermapharm Holding SE's expected performance

The Board of Management does not expect any material change in the Company's business activities.

Fundamental assumptions underlying Dermapharm Holding SE's forecast

The forecast for financial year 2025 was prepared taking into account known events which had taken place at the time this combined management report was prepared.

Furthermore, our forecast is based on the following assumptions:

- Maintaining the terms of the agreement in place with the subsidiaries on the charging on of costs
- No change in ownership structure
- Largely stable legal and tax conditions

4.2 Overall assertion on future development

Dermapharm's business model is geared towards markets which offer generally sustainable growth potential due to general and industry-specific growth mechanisms in the pharmaceuticals and healthcare market, as well as to growth forecasts by independent institutions. However, this also entails operational challenges and risks. These are largely determined by amended or extended government regulatory measures. Examples include general cost-cutting measures in the healthcare sector at the expense of pharmaceutical companies and the increase in existing requirements for the authorisation of medicinal products. This means that the Group's revenue and profitability trend going forward will be affected by conditions that stimulate as well as hinder growth. In addition, the Board of Management does not expect the effects of Russia's war in Ukraine to have a material adverse effect on the Group's business model.

The "Branded pharmaceuticals" segment will continue its growth trajectory with a focus on strengthening major brands, launching new products from in-house development and expanding the portfolios in the European subsidiaries. Overall, this segment is therefore expected to make a solidly growing contribution to revenue and a moderately growing contribution to earnings.

The "Other healthcare products" segment is expected to make a material contribution to the Group's growth in the next few years. For 2025, Dermapharm expects a further recovery in Europe and a continuation of the positive trend in the non-European markets. While a year of consolidation is expected for Arkopharma, the growth drivers in the segment will be the companies Anton Hübner, Euromed and Candoro Ethics. Strong revenue growth and particularly strong growth in earnings contributions are therefore expected.

The revenue trend in the "Parallel import business" segment in 2024 was characterised by market growth and good product availability. Earnings performance once again fell short of expectations. The intention to focus on high-margin products in 2025 will lead to a particularly sharp reduction in revenue and a particularly sharp fall in earnings in the short term.

In summary, the Board of Management expects revenue to remain constant year on year in the middle of the range in financial year 2025.

Based on a mix of:

- increasing sales of existing products;
- the successful introduction of additional new, internally developed products;
- revenue and earnings contributions from recently acquired parts of companies; and
- accelerated internationalisation of business activities

the Board of Management expects consolidated revenue of between EUR 1,160 million and EUR 1,200 million. Adjusted EBITDA is expected to grow to between EUR 322 million and EUR 332 million.

Compared to financial year 2024, we do not expect there to be a material change in Dermapharm Holding SE's revenue and EBITDA.

5. Information relevant to acquisitions in accordance with § 289a and § 315a of the German Commercial Code (Handelsgesetzbuch, HGB)

5.1 Composition of issued capital, rights and obligations/restrictions attaching to shares affecting the transfer of shares

Since 31 December 2018, the share capital has remained unchanged at EUR 53,840,000.00 divided into 53,840,000 no-par value bearer shares. Each no-par value share carries one vote.

New shares will also be issued as bearer shares, unless otherwise agreed upon issuance. There are no shares conferring special rights which grant powers of control over the Company.

In the event of a capital increase, dividend rights attaching to new shares may be stipulated in derogation of § 60 (2) German Stock Corporation Act (Aktiengesetz, "AktG").

The Board of Management stipulates the form and content of share certificates and any dividend and renewal coupons. Specifically, the Company may also combine several no-par value shares in a single share certificate (global certificates). Shareholders are not entitled to receive definitive share certificates for their respective shareholdings.

5.2 Restrictions applicable to voting rights or the transfer of shares

The Board of Management of Dermapharm Holding SE is not aware of any restrictions applicable to voting rights or the transfer of shares.

5.3 Direct or indirect interests in the Company's capital that exceed 10% of voting rights

On the basis of notifications of significant voting rights received in accordance with §§ 21 and 22 of the German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") or in accordance with §§ 33 and 34 WpHG as well as notifications of managers' transactions in accordance with Article 19 of the EU Market Abuse Regulation, the Board of Management is aware of the following direct or indirect interests in the Company's capital that exceed 10% of the voting rights:

Themis Beteiligungs-Aktiengesellschaft, Lil-Dagover-Ring 7, 82031 Grünwald, Germany -73.4% share of voting rights

We published notifications of corresponding transactions from 9 February 2018 on our website at <https://ir.dermapharm.de/>.

5.4 Shares conferring special rights granting powers of control

There are no shares conferring special rights which grant powers of control over the Company.

5.5 Type of voting rights control if employees hold an interest in the capital and do not exercise their control rights directly

Employees holding an interest in the capital of Dermapharm Holding SE can directly exercise the control rights to which the stocks entitle them in accordance with the provisions of the Articles of Association and the law.

5.6 Statutory provisions and provisions of the Articles of Association on the appointment and dismissal of members of the Board of Management and amendments to the Articles of Association

§§ 84 and 85 AktG govern the appointment and dismissal of members of the Board of Management. Under these provisions, the Supervisory Board appoints members of the Board of Management for a maximum term of five years. Members may be reappointed or their appointments may be renewed for maximum terms of five years in each case. Members are

appointed to and dismissed from the Board of Management exclusively in accordance with the statutory provisions (§§ 84, 85 AktG).

Article 7 of the Articles of Association contains no special regulations on the appointment or dismissal of individual or all members of the Board of Management. The Supervisory Board is solely responsible for appointments and dismissals. It appoints members of the Board of Management for maximum terms of five years in each case. Reappointments are possible. The Board of Management comprises one or more persons. The Supervisory Board sets the number of members of the Board of Management. The Supervisory Board can appoint a chairperson of the Board of Management. Furthermore, it can appoint a deputy chairperson. For Board of Management resolutions, in derogation of Article 50 (2) of the SE Regulation, the chairman of the Board of Management has no right to cast a tie-breaking vote in the event of a tie.

Rules governing amendment of the Articles of Association are set forth in §§ 133 et seq. and 179 et seq. AktG. As a rule, this requires a resolution adopted by the Annual General Meeting. Resolution by the Annual General Meeting requires a majority of at least three-quarters of the share capital represented at the time the resolution is adopted. The Articles of Association can stipulate another capital majority, however only a larger capital majority for amending the object of the Company.

In accordance with Article 16 of the Articles of Association, the Supervisory Board is however authorised to resolve amendments to the Articles of Association that are merely editorial in nature.

5.7 Board of Management's authority to issue or repurchase shares

The Board of Management is authorised, subject to the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period until 13 June 2028 (inclusive) against cash and/or in-kind contributions by a total of up to EUR 16,152,000.00 by issuing new no-par value bearer shares (Authorised Capital 2023). The Board of Management is authorised, subject to the consent of the Supervisory Board, to stipulate the further details concerning the rights attaching to the shares and the terms of their issue. The dividend rights attaching to the new shares may be stipulated in derogation of § 60 (2) AktG. Specifically, the new shares may also carry dividend rights from beginning of the financial year preceding the year in which the shares were issued if at the date of issuance of the new shares no resolution

has been passed by the Annual General Meeting in relation to the appropriation of net profits for that financial year.

Shareholders must generally be granted the statutory right to subscribe the new shares. The subscription right may also be structured in whole or in part as an indirect subscription right within the meaning of § 186 (5) sentence 1 AktG.

However, the Board of Management is authorised, subject to the consent of the Supervisory Board, to exclude in whole or in part the shareholders' subscription right in accordance with the following provisions:

- a. The Board of Management is authorised, subject to the consent of the Supervisory Board, to exclude fractional amounts from shareholders' subscription rights and to exclude shareholders' subscription rights to the extent that this is necessary in order to grant the holders or creditors of conversion or option rights from convertible or warrant-linked bonds or convertible participation rights issued or to be issued by the Company or a domestic or foreign entity in which the Company directly or indirectly holds a voting and capital majority, or to grant subscription rights to those obligated in the case of an own conversion right of the Company to the extent to which they would be entitled after exercising their conversion or option rights or after fulfilling a conversion or option obligation.
- b. The Board of Management is furthermore authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights pursuant to § 186 (3) sentence 4 AktG in the event of capital increases against cash contributions if the issue price of the new shares is not significantly lower than the stock exchange price of the existing shares and the shares issued by exercising this authorisation to exclude subscription rights do not exceed a total of 10% of the share capital, either at the time this authorisation becomes effective or at the time it is exercised. New and existing shares of the Company that are issued or sold during the term of this authorisation on the basis of a further authorisation pursuant to or in accordance with § 186 (3) sentence 4 AktG with the exclusion of subscription rights shall be counted towards this 10% limit; in addition, shares of the Company that are issued or sold to service conversion or option rights or to meet conversion or option obligations arising from convertible or warrant-linked bonds or convertible participation rights, provided that the bonds or participation rights are issued during the term of this authorisation by analogous application of § 186 (3) sentence 4 AktG on the basis of another authorisation excluding subscription rights, shall be counted towards this limit.

- c. The Board of Management is furthermore authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights if the new shares are to be issued against cash and/or in-kind contributions in the context of equity compensation programmes and/or in the context of share-based payment, and no other authorisation to exclude subscription rights is exercised for this purpose. The shares may only be issued to persons who participate in the equity compensation programme as a member of the Company's Board of Management, as a member of the management of one of its dependent companies or as an employee of the Company or one of its dependent companies, or to whom the share-based payment is or was granted as a member of the Company's Board of Management, as a member of the management of one of its dependent companies or as an employee of the Company or one of its dependent companies, or to third parties that transfer the economic ownership and/or the economic benefits of the shares to these persons and/or in which such persons are the sole (indirect or direct) shareholder. The new shares can in particular also be issued on preferential terms (including issue at the lowest issue price within the meaning of § 9 (1) AktG) and/or against contribution of remuneration claims. The new shares may also be issued using a bank or an entity operating in accordance with § 53 (1) sentence 1 or § 53b (1) sentence 1 or (7) of the German Banking Act (Kreditwesengesetz, "KWG") as an intermediary, which underwrites the shares with the obligation to offer them to the aforementioned persons. The shares issued by exercising this authorisation to exclude subscription rights may not exceed a total of 10% of the share capital, either at the date on which such authorisation enters into effect or at the date on which this authorisation is exercised. The nominal amount of the Company's conditional capital resolved for the purposes of § 192 (2) no. 3 AktG is counted towards this 10% limit. To the extent shares within the scope of this authorisation are to be granted to members of the Company's Board of Management, the Supervisory Board of the Company shall decide on the allocation of those shares in accordance with the allocation of responsibilities under German stock corporation law.
- d. The Board of Management is lastly authorised, subject to the consent of the Supervisory Board, to exclude shareholders' subscription rights in the event of capital increases against in-kind contributions, specifically for the purpose of acquiring companies, parts of companies or equity interests in companies, in the context of mergers and/or for the purpose of acquiring other assets including rights and receivables.

The issued capital is contingently increased by a total of up to EUR 10,768,000.00 by issuing a total of up to 10,768,000 new no-par value bearer shares (Contingent Capital 2023). The contingent capital increase serves to grant shares to holders or creditors of convertible bonds and to holders of option rights from warrant-linked bonds which may be issued by the Company or a domestic or foreign entity in which the Company directly or indirectly holds a voting and capital majority in the period until 13 June 2028 (inclusive) on the basis of the authorisation resolved by the Annual General Meeting of 14 June 2023. The contingent capital increase will only be implemented to the extent that conversion or option rights from the aforementioned bonds are actually exercised or conversion obligations from such bonds are fulfilled and to the extent that no other forms of fulfilment are used to service them. The new shares will be issued at the option or conversion price to be determined in accordance with the aforementioned authorisation resolution by the Annual General Meeting of 14 June 2023. The new shares carry dividend rights from the beginning of the financial year in which they are created by the exercise of conversion or option rights or the fulfilment of conversion obligations. They shall carry dividend rights as of the beginning of the financial year preceding the year in which the shares were issued if at the date of issuance of the new shares no resolution has been passed by the Annual General Meeting in relation to the appropriation of net profits for that financial year. The Board of Management is authorised, subject to the consent of the Supervisory Board, to stipulate the further details of the implementation of the contingent capital increase.

Pursuant to the resolution of the Annual General Meeting dated 14 June 2023, the Board of Management is furthermore authorised in the period to 13 June 2028, subject to the consent of the Supervisory Board, to acquire and use own shares in accordance with § 71 (1) no. 8 AktG, with the option to exclude subscription rights. The Annual General Meeting has also authorised the Board of Management to use derivatives in the context of acquiring own shares, with exclusion of shareholders' subscription rights and rights of tender.

5.8 Significant agreements of the Company which are conditional upon a change of control following a takeover bid

Financing agreements

As borrower, Dermapharm AG is party to promissory note loans entered into in 2019, with terms maturing in 2024, 2026 and 2029. The provisions of the financing agreements stipulate that, if a change of control occurs, the lender – each individually or in aggregate – is authorized to terminate the loan at face value (in each case plus interest accrued by the date of repayment) in the amount of the lender's respective participation in the total face value of the loan by means of written notification to the loan participants and observing a 30-day notice period. A change of control is deemed to have occurred if Mr Wilhelm Beier alone or together with Ms Elisabeth Beier and/or Mr Michael Beier no longer directly or indirectly hold more than 50% of the capital shares and/or voting rights in Dermapharm Holding SE and has/have the ability to nominate the management of Dermapharm Holding SE.

In 2019, Dermapharm entered into an agreement with an Austrian bank for a term loan facility to secure long-term financing for the construction of a new production and administrative facility for Melasan Produktions- und Vertriebsgesellschaft m.b.H. in Austria. The provisions of the financing agreement stipulate that, if a change of control occurs at the borrower, the lender is authorised to call in the loan with immediate effect. Control means that a person or a group of persons acting in concert directly or indirectly holds over 50% of the borrower's shares and/or voting rights.

In order to secure long-term funding for the Group's strategic development, Dermapharm entered into a syndicated loan agreement in December 2022 for principal and revolving tranches totalling EUR 1,050,000,000.00. The funds under this agreement were used both to refinance outstanding amounts drawn down under the existing EUR 500,000,000.00 syndicated loan dated 19 June 2019, as well as to finance the acquisition of the Arkopharma Group. Pursuant to the conditions of the financing agreement, in the event of a change of control, the principal amount of the loan under the syndicated loan agreement is called and payable within 10 bank business days (in each case plus any interest accrued by the repayment date and any other amounts outstanding under the loan agreement). A change of control is deemed to have occurred if Mr Wilhelm Beier alone or together with Ms Elisabeth Beier and Mr Michael Beier no

longer directly or indirectly hold more than 50% of the capital shares or voting rights in Dermapharm Holding SE and has/have the ability to nominate the management of Dermapharm Holding SE.

The exercise of these termination rights could have an adverse effect on the financing of the Group's ongoing operations, at least temporarily, unless it is possible to secure refinancing for the financing agreements affected by the change of control.

Distribution agreements

As is customary in conducting business transactions, Dermapharm has entered into an insignificant amount of exclusive distribution agreements and distribution agreements which provide for unilateral or bilateral termination options in the event of a change of control. Change of control means that a person or group of persons acting in concert sells a significant amount of the distribution partner's shares and/or voting rights.

Exercising these termination rights could have a minimal adverse effect on the financing of Dermapharm's ongoing distribution operations, at least temporarily.

Agreements with members of the Board of Management

The Company has not entered into any agreements with members of the Board of Management which are conditional upon a change of control following a takeover bid.

5.9 Company agreements entered into with members of the Board of Management or employees regarding indemnity in the event of a takeover bid

The Company has not entered into any agreements with members of the Board of Management or employees regarding indemnity in the event of a takeover bid.

6. Corporate Governance Report

6.1 Corporate governance statement in accordance with § 289f and § 315d HGB

As a company listed in Frankfurt, Dermapharm Holding SE hereby issues the following corporate governance statement for the 2024 financial year on behalf of Dermapharm Holding SE and the Dermapharm Group in accordance with §§ 289f and 315d of the German Commercial Code (Handelsgesetzbuch, "HGB").

The Board of Management and the Supervisory Board of Dermapharm Holding SE furthermore issue the following report on corporate governance at Dermapharm Holding SE in accordance with Principle 23 of the German Corporate Governance Code (2022).

6.1.1 Declaration of conformity in accordance with § 161 AktG (updated February 2025)

The Board of Management and Supervisory Board of Dermapharm Holding SE hereby declare that the Company has complied with the recommendations of the "Government Commission on the German Corporate Governance Code", published by the Federal Ministry of Justice in the official section of the Federal Gazette (Bundesanzeiger) in the currently valid version dated 28 April 2022 (the Code) since issuing the last declaration of conformity in February 2024 and that it will continue to do so, with the following exceptions:

- In deviation from recommendation C.2 of the Code, no definitive age limit has been specified for members of the Supervisory Board so as to avoid restricting the selection of suitably qualified candidates.
- In accordance with the Company's Articles of Association, the Supervisory Board comprises only three members. Consequently, no committees are formed because each separate committee would have exactly the same members as the full Supervisory Board. In light of this, the Recommendations D.2, D.4, D.12 and G.17 of the Code were not complied with. In accordance with § 107 (4) sentence 2 AktG, the full Supervisory Board counts as an audit committee. Pursuant to the resolution by the Supervisory Board, in performing the duties of an audit committee, Supervisory Board member Lothar Lanz will assume the function of the audit committee chairperson. Based on this provision and the composition of the Supervisory

Board, the remaining recommendations of the Code concerning an audit committee were complied with.

- The consolidated financial statements and Group management report, as well as financial information made public throughout the year are published within the respective applicable statutory deadlines and the deadlines prescribed by stock exchange regulations. In the opinion of the Company, compliance with the shorter publication deadlines stipulated in Recommendation F.2 of the Code is not more conducive to the information interests of investors, creditors, employees and the public.
- The variable remuneration paid to the Board of Management consists of a rolling bonus that is granted each financial year and determined using a three-year calculation basis. Within the first four months of the financial year for which the bonus is granted, but not before the beginning of that year, the Supervisory Board determined the targets for this and the following two financial years (deviation from Recommendation G.7 of the Code). As the targets are set here simultaneously for a total of three consecutive financial years and thus well before the start of the second and third years, this approach also ensures that the relevant calculation basis still extends far into the future when the targets are set.
- The long-term variable remuneration of the members of the Board of Management is granted neither in shares of the Company nor on a share-based basis; the members of the Board of Management can also dispose of the long-term variable remuneration before the end of four years (deviation from Recommendation G.10 of the Code). By linking variable remuneration to the achievement of earnings targets which are set up to three years in advance in each case, the remuneration system is consistently oriented to a sustainable increase in the value of the Company. The Supervisory Board therefore does not consider it necessary to additionally link remuneration to share price performance. In the view of the Supervisory Board, the rolling allocation of variable remuneration in annual tranches, each consisting of three components to be paid out after one, two and three financial years respectively, also ensures a sufficiently long-term incentive effect.
- The Board of Management members' contracts of service do not currently contain any provisions on the withholding or claw-back of variable remuneration components beyond the statutory requirements (deviation from Recommendation G.11 sentence 2 of the Code). The Supervisory Board is of the opinion that the statutory provisions, in particular the statutory provisions according to which members of the Board of Management are required to compensate the Company for damages in the event of breaches of duty and to surrender benefits received without entitlement, are sufficient and that additional intervention in remuneration is therefore not necessary for the time being.

- The remuneration system for the members of the Board of Management approved by the Annual General Meeting provides that at the end of the contract, outstanding components of the variable remuneration whose targets relate to financial years that do not begin until after the expiry of the contract or have not yet expired as at the end of the contract can be replaced by a discounted upfront payment compared with the target amount (deviation from Recommendation G.12 of the Code). The Supervisory Board is of the opinion that an unchanged performance-based payment of variable compensation is not generally necessary for financial years in which the departing member of the Board of Management was not, or was no longer, a member of the Board of Management; it therefore reserves the right to avail itself of the option provided in the remuneration system for such a lump-sum advance payment of variable remuneration components to departing members of the Board of Management.
- In deviation from recommendation G.17 of the Code, all members of the Supervisory Board receive remuneration in the same amount. Because the Supervisory Board consists of only three members and no committees are formed, the Company does not consider it necessary to differentiate between the members of the Supervisory Board with regard to the amount of remuneration.

Grünwald, February 2025

Dermapharm Holding SE

The Board of Management

The Supervisory Board

This Declaration of conformity has also been made permanently accessible to the public on the Company's website at "<https://ir.dermapharm.de/en>", under >> Company >> Corporate Governance >> Declaration of conformity. All published declarations of conformity are available for download on the website.

6.1.2 Information on corporate governance practices implemented above and beyond the statutory requirements

Dermapharm Holding SE is committed to ethical and legal conduct in all its business operations. In recognition of the social responsibility that comes with being a brand-name pharmaceuticals manufacturer, the Board of Management and the Supervisory Board take a responsible, transparent and value-driven approach to corporate governance. For Dermapharm this means compliance not only with the statutory and regulatory requirements but also an ethically sound corporate policy, which is reflected in the Compliance Manual (https://dermapharm.com/fileadmin/DermapharmAg/PDF/Governance-Risk-Compliance/EN/Code_of_Conduct_of_the_Dermapharm_Group_24-02-2025.pdf).

The Compliance Manual provides a vital framework for the Group's compliance structure. It applies not only to Dermapharm's employees, managers and senior executives, but also to the business partners, from whom the Group proactively requires compliance with minimum standards. The values, principles and practices laid down in the Code of Business Ethics and Compliance are intended to prevent the Company from suffering potential harm and to guard against actions being taken that are inconsistent with the Group's corporate principles and ethics.

In addition to the compliance measures, a responsible approach to dealing with business risks is another element of good corporate governance. The aim is to enable the Board of Management to identify risks and market trends at an early stage and to respond promptly to any potentially changed risk profile. To this end, risks are identified and assessed on a regular basis. The findings of these risk assessments are then incorporated directly into business management practices. For further information on the risks to which the Group is exposed, see the "Report on risks and opportunities" contained in the combined management report to this Annual Report.

6.1.3 Composition and description of the working practices of the Board of Management and Supervisory Board and the working practices of committees

Dermapharm Holding SE is organised as a European Company (Societas Europaea, "SE") and is subject in particular to the provisions of the German Stock Corporation Act on the basis of which the German Corporate Governance Code was likewise developed. A fundamental principle of German stock corporation law is that of a two-tier corporate governance system consisting of a management board and a supervisory board. The Board of Management is responsible for managing the Company while the Supervisory Board advises and supervises the Board of Management. No person may be a member of both boards at the same time. Dermapharm Holding SE's Supervisory Board and Board of Management work together in close cooperation and a spirit of trust with the aim of increasing the value of the enterprise for shareholders over the long-term.

Board of Management

Responsibilities of the Board of Management

The Board of Management manages the Company's business under its own responsibility and in the Company's interest with the aim of increasing value over the long term. This includes taking into account the interests of shareholders, employees and other groups associated with the Company (stakeholders). The members of the Board of Management are collectively responsible for managing the Company. The Board of Management manages the Company's business in accordance with the law, the Articles of Association, the rules of procedure and the schedule of responsibilities.

Composition and competences of the Board of Management

As at the end of financial year 2024, the Board of Management comprised three members with the following areas of responsibility:

- Dr Hans-Georg Feldmeier, Chairman of the Board of Management, is responsible for Research & Development, Production, IT, Business Development and HR.
- Dr Andreas Eberhorn, Member of the Board of Management, is responsible for Marketing & Sales (national and international), Business Development and HR.

- Christof Dreibold, Member of the Board of Management, is responsible for Tax, Accounting, Controlling, Finance/Treasury, Governance, Risk & Compliance, Business Development and Investor Relations & Corporate Communications, and HR.

All members of the Board of Management share responsibility for Business Development and HR.

Working practices of the Board of Management

Within the scope of the rules of procedure and the resolutions of the Board of Management, the members of the Board of Management are independently responsible for the functions assigned to them under the applicable schedule of responsibilities. Notwithstanding their assigned functions under the schedule of responsibilities, the members of the Board of Management as a whole share accountability for management. All members of the Board of Management must keep themselves informed of material transactions within the various areas of the business.

The Board of Management decides by resolution on all matters with respect to which the adoption of a resolution is required by law, the Articles of Association or the rules of procedure. Members of the Board of Management may submit a matter from their respective department to the Board of Management for resolution.

Meetings of the Board of Management are convened by the Chairman of the Board of Management. The dates and the notice of meeting are set by the Chairman of the Board of Management who also chairs the Board of Management meeting. In urgent cases or if two members of the Board of Management so move, a Board of Management meeting will be convened without undue delay.

The Board of Management has quorum if at least half of its members are present or otherwise participate in the adoption of the resolution. Votes are decided by simple majority of the votes cast. In the event of a tie, the motion is denied.

Resolutions of the Board of Management may also be adopted outside the context of meetings (or by way of combined resolutions) by oral or telephone voting, voting in text form (§126 of the German Civil Code (Bürgerliches Gesetzbuch, "BGB")) and/or using other modes of telecommunication or electronic media, if so ordered by the Chairman of the Board of Management at least two days in advance. In urgent cases, the period may be shortened appropriately.

The Board of Management works together with the Supervisory Board in the Company's interest. It coordinates the strategic direction of the Company with the Supervisory Board and discusses the progress made in implementing the corporate strategy with the Supervisory Board on a regular basis. The Board of Management must provide the Supervisory Board with any and all information it requires for exercising its supervisory duties.

The Board of Management reports to the Supervisory Board at least every three months on current business developments and the expected further development of the Group. The Board of Management furthermore keeps the Supervisory Board fully and regularly informed about all issues of relevance to the business as pertains to strategy, planning, business performance, the risk situation, risk management and compliance.

For certain transactions set out in the rules of procedure for the Board of Management, the Board of Management must obtain the prior approval of the Supervisory Board.

Dermapharm's Board of Management has not established any committees.

Supervisory Board

Responsibilities and competences of the Supervisory Board

The Supervisory Board appoints the members of the Board of Management. It also supervises and advises the Board of Management with respect to the strategic direction of the business. Through regular dialogue with the Board of Management, the Supervisory Board is kept informed about business development, strategy, corporate planning, the risk situation, risk management, compliance and sustainability.

It approves the budget projections and the annual financial statements of Dermapharm Holding SE and the consolidated financial statements.

Composition of the Supervisory Board

In financial year 2024, the Company's Supervisory Board consisted of three members.

The following persons were members of the Supervisory Board:

- Chairman of the Supervisory Board: Wilhelm Beier
- Deputy Chairman of the Supervisory Board: Dr Erwin Kern
- Member of the Supervisory Board: Lothar Lanz

Supervisory Board committees – Audit Committee

Because the Supervisory Board consists of only three members, the Supervisory Board simultaneously performs the tasks of an audit committee.

The three-member Audit Committee is primarily tasked with reviewing the accounting, monitoring the accounting process and the effectiveness of the internal control system and the internal audit system, and overseeing the audit of the financial statements and compliance. The accounting covers in particular the consolidated financial statements and the combined management report covers CSR reporting (non-financial report), interim financial information and the Company's annual financial statements under German GAAP (HGB).

The Audit Committee monitors the independence of the statutory auditor and furthermore addresses the additional services provided by the auditor, issues the audit engagement, determines the focal points of the audit and sets the audit fee. The Audit Committee reviews the quality of the audit at regular intervals.

His many years' experience as CFO (1996-2008 CFO ProSieben Media AG, today ProSiebenSat.1 Media SE, 2009-2014 CFO/COO Axel Springer AG, today Axel Springer SE), the Chairman of the Audit Committee, Mr Lothar Lanz, possesses specific knowledge and experience in applying accounting principles and internal control procedures and with regard to audits, in accordance with §§ 107 (4) in conjunction with 100 (5) AktG and Recommendation D.4 of the 2020 Code. Mr Lanz also has proven risk management expertise.

Another expert member of the Audit Committee in accordance with § 100 (5) AktG is Mr Wilhelm Beier, who founded Dermapharm in 1991 and has transformed it into today's Dermapharm Group. His many years' experience within the Dermapharm Group have provided him with the necessary insight into auditing matters.

Supervisory Board skills profile

The Supervisory Board has set itself specific targets for its collaboration, drawn up a competence profile for the entire body and recorded it in a qualification matrix.

Qualification matrix	Wilhelm Beier	Lothar Lanz	Dr Erwin Kern
Length of tenure			
Member since	August 2017	January 2018	August 2017
Personal aptitude			
Independence ¹		•	•
No overboarding ¹	•	•	•
Educational background	Merchant	Merchant	Merchant
Diversity			
Date of birth	21 April 1956	1 October 1948	6 July 1960
Gender	male	male	male
Nationality	German	German	German
Professional aptitude			
Corporate management and control	•	•	•
International experience	•	•	•
IT/digitalisation	•	•	•
Sustainability	•	•	•
Transformation	•	•	•
Procurement/production/sales/R&D	•	•	•
Finance and capital markets	•	•	•
Financial expert ²	•	•	•
Risk management	•	•	•
Legal/Compliance	•	•	•
HR	•	•	•
Familiarity with line of business/sector	•	•	•

1) as defined in the German Corporate Governance Code 2022

2) as defined in § 100 (5) AktG and Recommendation D.3 of the German Corporate Governance Code 2022

• Criterion satisfied according to self-assessment by the Supervisory Board. One point signifies "a sound understanding" at a minimum and thus the ability to grasp the relevant issues and make informed decisions based on: existing qualifications; the knowledge and experience acquired through their work as Supervisory Board members; or the training measures regularly attended by all Supervisory Board members.

Working practices of the Supervisory Board

Meetings of the Supervisory Board are convened by the Chairman in text form (§ 126b BGB) subject to a notice period of ten (10) calendar days; the place of the meeting shall be determined by the Chairman. The day on which the invitation is sent and the day of the meeting are not included in the calculation of the notice period; the sending of the invitation is sufficient to meet the deadline. In urgent cases, the Chairman may shorten the notice period appropriately and also convene the meeting verbally or by telephone. The rules of procedure for the Supervisory Board may provide for a shorter period than the period specified in sentence 1 either generally or in specific cases.

The place and time of the meeting and the agenda are to be included in the notice of meeting. Amendments to the agenda must be communicated at least three days prior to the meeting, unless the urgency of the case justifies a shorter notice period.

Resolutions may only be adopted at improperly convened meetings, or on agenda items that were not properly notified in advance, if none of the members of the Supervisory Board object. In such cases, absent Supervisory Board members are to be given the opportunity to object to the resolution or cast their vote afterwards within a reasonable period to be stipulated by the Chairman. The resolution shall only become valid if the absent members do not object to the resolution (or they consent to it) within that period, or have subsequently cast their vote.

The Chairman chairs the meetings of the Supervisory Board and determines the order in which matters will be discussed and the nature and order of voting.

Resolutions of the Supervisory Board are generally adopted in the context of meetings. Absent Supervisory Board members may also vote on the resolution by arranging for written votes to be submitted in accordance with § 108 (3) AktG. Where prescribed by the Supervisory Board Chairman prior to voting, absent Supervisory Board members may also cast their votes by telephone, in text form (§ 126b BGB) or using other modes of telecommunication or electronic media, including subsequently within a period set by the Chairman, if applicable.

Resolutions of the Supervisory Board may also be adopted outside meetings (or by way of combined resolutions) by oral or telephone voting, voting in text form (§126b BGB) and/or using other modes of telecommunication or electronic media, if so ordered by the Chairman of the Supervisory Board. Members of the Supervisory Board have no right to object to this form of adopting resolutions. The above provisions (paragraphs 1 and 2) apply mutatis mutandis in relation to the notice and form of the Chairman's order.

Even if the order is not issued properly (on time), a resolution will still be valid if no member of the Supervisory Board objects. In such cases, absent or non-participating Supervisory Board members are to be given the opportunity to object to the resolution or cast their vote afterwards within a reasonable period to be stipulated by the Chairman. The resolution shall only become valid if the absent or non-participating members do not object to the resolution (or they consent to it) within that period, or have subsequently cast their vote.

The Supervisory Board has quorum if at least half the number of members it is required to have participate in the adoption of the resolution. However, if the Supervisory Board does not have its full complement of members for a period of more than two months, the Supervisory Board will be deemed not to have quorum from the expiry of this period until such time as it has its full complement of members, regardless of the number of remaining members.

For the purposes of the provisions regarding these types of resolutions, a member of the Supervisory Board will be deemed to have participated in the adoption of the resolution if he or she abstains from voting.

Unless a different majority is prescribed by law, the Supervisory Board adopts resolutions by a simple majority of the votes cast. If voting is tied, the Chairman of the Supervisory Board has the casting vote; this also applies in the case of elections. If no Chairman has been appointed or the Chairman abstains, a motion is deemed defeated in the event of a tie. If the Chairman is unable to vote, the Deputy Chairman is not entitled to the casting vote.

The Chairman is authorised to implement the resolutions of the Supervisory Board and to give and take receipt of the declarations of intent necessary for this purpose.

Transparent corporate governance

Transparent corporate governance is very important to the Board of Management and the Supervisory Board of Dermapharm Holding SE. The shareholders, financial analysts, shareholder associations, all capital market participants and the media are regularly updated about the state of the business and all material changes to the business. The Group primarily uses the internet as a medium to provide comprehensive and timely information to all parties alike. We report on the situation and results of Dermapharm Holding SE by way of:

- interim reports;
- the annual report;
- general meetings;
- press releases;
- conference calls; and
- special events with analysts and investors in Germany and abroad.

The financial calendar lists the routine reporting dates. Ad hoc notices are published if circumstances arise at Dermapharm Holding SE outside the routine reporting dates, and such circumstances would be likely to materially influence the price of Dermapharm Holding SE shares.

The financial calendar and ad hoc notices are published online at <https://ir.dermapharm.de> under the heading Investor Relations.

Remuneration of the Board of Management and the Supervisory Board

The remuneration report of Dermapharm Holding SE, which is included in the 2024 Annual Report as a self-contained section, presents the main features of the remuneration scheme for Dermapharm's Board of Management as well as overall disclosures of the remuneration of the members of the Board of Management and overall disclosures of the remuneration of the members of the Supervisory Board. The Board of Management remuneration scheme creates incentives to successfully implement the corporate strategy and secure lasting business development, and is also geared towards creating long-term value appreciation for shareholders. The remuneration for the members of the Supervisory Board is governed by Article 15 of Dermapharm Holding SE's Articles of Association. Under the remuneration scheme, the members of the Supervisory Board receive a fixed annual salary. The remuneration report can also be downloaded from the Company's website at <https://ir.dermapharm.de> at Investor Relations >> Financial Reports.

6.1.4 Stipulation of targets to promote participation by women and men in managerial positions in accordance with § 76 (4) and § 111 (5) AktG

In accordance with § 111 (5) AktG, the Supervisory Board set targets in 2022 for female representation on the Supervisory Board and the Board of Management as well as periods for achieving such targets. The periods are no longer than five years.

Report on the target set for female representation on the Supervisory Board and target achievement

At the time the target was set on 10 January 2018, the Supervisory Board of Dermapharm Holding SE had a total of three members. At the Annual General Meeting on 1 June 2022, each Supervisory Board member was re-elected for a further term of office. The term of office commenced with effect from the end of the present Annual General Meeting, for the period until the end of the Annual General Meeting which resolves on the ratification of the actions of the members of the Supervisory Board for the fifth financial year after commencement of the term of office, not counting the financial year in which the term of office commences, and not to exceed six years. There are no plans to change the composition of the Supervisory Board during the current term of office.

The Supervisory Board set the target for female representation on the Supervisory Board at 0% with a deadline for implementation of 30 June 2027. The targets will therefore be revised in 2027 at the latest. With regard to the composition of the Supervisory Board, the Supervisory Board focuses on the individual professional and personal aptitude of potential candidates, taking into account the specific situation of the Company; gender is therefore not a priority factor in decisions in this context. When nominations are made for the election of Supervisory Board members, emphasis is placed solely on particular competence and qualifications. Other characteristics such as gender, age, origin, nationality, educational and professional background were and are of no significance for these decisions. The Supervisory Board intends to adhere to this principle in the future. At the same time, it aims to continuously evolve the Supervisory Board's composition and thus its competencies and experience, thereby maintaining a balance between continuity and renewal. The Supervisory Board as a whole must possess the knowledge, skills and professional experience required to properly perform its duties.

The Supervisory Board was reappointed in 2022 until the end of the Annual General Meeting in 2027. Currently, the Supervisory Board of Dermapharm Holding SE has no female members (actual quota: 0%). Since the Supervisory Board does not wish to commit itself in advance to a general gender balance for its composition with regard to the aforementioned relevance of qualifications and the company-specific situation, it has refrained in its resolution in 2022 from setting a target figure deviating from the status quo for the share of women on the Supervisory Board, which it intends to achieve by 30 June 2027 (i.e., the target quota remains 0%).

Report on the target set for female representation on the Board of Management and target achievement

At the time the target was set on 10 January 2018, the Board of Management of Dermapharm Holding SE had a total of four members, one of whom was a woman. In the 2024 financial year, the Board of Management consisted of three members, none of whom were women, meaning that the target figure of 25% was not achieved.

The Supervisory Board of Dermapharm Holding SE decided that the target for female representation on the Board of Management should, until further notice, be 25%. 30 June 2027 was set as the date by which the above targets are to be achieved. The targets will therefore be revised in 2027 at the latest.

Report on the target set for female representation in the two levels of management below the Board of Management and target achievement

In accordance with § 76 (4) AktG, the Board of Management set targets in 2018 for female representation in the two levels of management below the Board of Management as well as periods for achieving such targets. The periods are no longer than five years.

The Board of Management of Dermapharm Holding SE set the following targets for female representation in the two levels of management below the Board of Management:

The target set for female representation:

- a. in the first level of management below the Board of Management is 35% until further notice; and
- b. in the second level of management below the Board of Management is 35% until further notice.

The level of female representation in the two levels of management below the Board of Management at the time of determination on 10 January 2018 was:

- First level of management: 40%
- Second level of management: 49%

The existing target for female representation in both levels of management is to be retained for the period until 30 June 2027. The targets will therefore be revised in 2027 at the latest.

Female representation in the first level of management was 50% as at 31 December 2024, thus above the target.

Female representation in the second level of management was 51% as at 31 December 2024, thus exceeding the defined target.

Dermapharm seeks to achieve a balanced gender ratio when filling vacancies. The Group also places importance on reasonable female representation when re-filling managerial positions so as to further increase the ratio of women.

Generally speaking, however, the personal suitability and professional qualifications of candidates are the most important factors, not gender.

6.1.5 Succession planning

Dermapharm's success depends to a large extent on the qualifications, expertise, commitment and skills of its employees. Approximately 3,600 people worldwide contribute to this success every day. With their professional skills, commitment and creativity, they are important driving forces for improvement and innovation in their respective areas of responsibility.

Dermapharm's long-term sustainable HR work is grounded in systematic management development and succession planning. The identification and promotion of qualified employees is a crucial factor for the long-term success of the Company. All personnel policy decisions are rooted in Dermapharm's corporate and management culture.

Dermapharm's focus lies on promoting a working environment in which employees are optimally deployed and developed in line with their skills and potential. Since managers are expected to motivate their employees to perform at their best, we take appropriate care to establish excellent leadership skills in management. This increases employee retention and enhances our attractiveness as an employer.

This system is intended to provide the Supervisory Board and Board of Management with a joint decision-making basis for long-term succession planning. The Supervisory Board evaluates candidates for Board of Management positions on the basis of their professional qualifications, relevant leadership skills, and prior performance and achievements. The Supervisory Board has set an age limit of 67 for members.

6.2 Notes to the non-financial Group report pursuant to § 315b HGB

Employees, quality policy, environmental concerns and Dermapharm's mission statement

Dermapharm Holding SE has disclosed the Group's sustainability-related activities in a Group non-financial report. In accordance with the German Act Implementing the CSR Directive (CSR-Richtlinie-Umsetzungsgesetz), the report provides information within the meaning of §§ 315b et seq. HGB about the Group's sustainability strategy and its sustainable actions as far as environmental, employee and social concerns, human rights and anti-corruption are concerned. The Group non-financial report is available for download on the Company's website <https://ir.dermapharm.de> under Investor Relations >> Sustainability.

7. Concluding declaration to the dependent company report

Concluding declaration to the report on relationships with affiliated companies (dependent company report), § 312 (3) sentence 3 AktG

The Board of Management declares that, with regard to the legal transactions and measures cited in the report on relationships with affiliated companies in the reporting period from 1 January 2024 to 31 December 2024 and based on the circumstances known to the board at the time when the legal transactions or measures were undertaken or omitted, the Company received appropriate consideration for each legal transaction and the Company was not adversely affected by the fact that measures were undertaken or omitted.

Grünwald, 26 March 2025

Dr Hans-Georg Feldmeier
Chief Executive Officer

Dr Andreas Eberhorn
Chief Marketing Officer

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Chief Financial Officer
Chief Compliance Officer



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