Dermapharm Holding SE

ANNUAL FINANCIAL STATEMENTS AND COMBINED MANAGEMENT REPORT **2025**

Annual financial statements

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2025 annual financial statements of Dermapharm Holding SE

Balance sheet as at 31 December 2025

Assets		Notes	31 December 2025 in EUR thousand	31 December 2024 in EUR thousand
A.	**Fixed assets**			
I.	Intangible fixed assets	14.		
	Purchased concessions, industrial property rights and similar rights and assets		138	166
II.	Tangible fixed assets			
	Other equipment, plant and office equipment		1	3
III.	Financial assets	15.		
	Shares in affiliated companies		1,321,915	1,321,915
			1,322,054	**1,322,084**
B.	**Current assets**			
I.	Receivables and other assets	16.		
	1. Receivables from affiliated companies thereof from trade receivables EUR 1,104 thousand (prior year: EUR 1,042 thousand) thereof from other assets EUR 16,938 thousand (prior year: EUR 16,963 thousand)		18,042	18,005
	2. Other assets		-	44
II.	Cash and cash equivalents	17.	417	251
			18,459	**18,300**
C.	**Prepaid expenses**		**166**	**194**
	Total assets		**1,340,679**	**1,340,578**

Equity and liabilities		Notes	31 December 2025 in EUR thousand	31 December 2024 in EUR thousand
A.	**Equity**			
I.	Issued capital	18.	53,840	53,840
II.	Capital reserve	19.	891,243	953,248
III.	Net profit	20.	47,379	48,456
			992,462	**1,055,544**
B.	**Provisions**	**22.**		
	1. Tax provisions		515	-
	2. Other provisions		3,122	3,080
			3,637	**3,080**
C.	**Liabilities**	**23.**		
	1. Trade payables		116	195
	2. Liabilities to affiliated companies thereof from trade payables EUR 506 thousand (prior year: EUR 2 thousand) thereof from other liabilities EUR 337,973 thousand (prior year: EUR 273,883 thousand)		338,479	273,885
	3. Other liabilities thereof from taxes EUR 5,985 thousand (prior year: EUR 7,875 thousand)		5,986	7,875
			344,580	**281,954**
	Total equity and liabilities		**1,340,679**	**1,340,578**

Income statement for the period from 1 January to 31 December 2025

	Notes	2025 in EUR thousand	2024 in EUR thousand
1. Sales	24.	5,570	4,951
2. Other operating income		128	95
		5,697	**5,046**
3. Personnel expenses			
a) Wages and salaries		−3,794	−3,723
b) Social security contributions and pensions expenses thereof for pensions: EUR 0 thousand (prior year: EUR 0 thousand)		−58	−43
4. Depreciations and amortisation of intangible fixed assets and tangible fixed assets	25.	−30	−23
5. Other operating expenses	26.	−2,768	−1,757
		−953	**−501**
6. Other interest and similar income thereof from affiliated companies: EUR 0 thousand (prior year: EUR 0 thousand)		39	26
7. Other interest and similar expenses of which to affiliated companies: EUR 13,702 thousand (prior year: EUR 7,699 thousand)		−13,702	−7,699
8. Income tax expense		−10	−6
9. Earnings after tax		**−14,626**	**−8,180**
10. Net loss for the financial year		**−14,626**	**−8,180**
11. Withdrawal from capital reserve		**62,005**	**56,636**
12. Net profit		**47,379**	**48,456**

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	
EUR thousand	31 December 2024	Additions	Disposals	Reclassifications	31 December 2025	31 December 2024	Additions	Disposals	31 December 2025	31 December 2025	31 December 2024
I. Intangible fixed assets											
Concessions, industrial property rights and similar rights and assets	264	0	0	0	264	98	28	0	126	138	166
	264	**0**	**0**	**0**	**264**	**98**	**28**	**0**	**126**	**138**	**166**
II. Tangible fixed assets											
Other equipment, plant and office equipment	5	0	0	0	5	3	2	0	5	1	3
	5	**0**	**0**	**0**	**5**	**3**	**2**	**0**	**5**	**1**	**3**
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**
	1,322,184	**0**	**0**	**0**	**1,322,184**	**101**	**30**	**0**	**131**	**1,322,054**	**1,322,084**

15. Long-term financial assets

Long-term financial assets include shares in affiliated companies amounting to EUR 1,321,915 thousand (31 December 2024: 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 in %	Equity 2025 in EUR thousand	Net income 2025 in EUR thousand
Shares held directly:			
Dermapharm AG, Grünwald	100.00	755,276	95,212
Dermapharm Beteiligungs GmbH, Grünwald	100.00	112,569	34,630
Shares held by subsidiaries:			
Aktiebolaget Cernelle, Ängelholm, Sweden	100.00	6,931	2,007
acis Arzneimittel GmbH, Grünwald [1]	100.00	1,355	0
Allergopharma Verwaltungs GmbH, Reinbek	100.00	10	2
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	1,302	1,014
Allergopharma AG, Hünenberg, Switzerland	100.00	4,171	3,737
Allergopharma Espana SL, Madrid, Spain	100.00	1,628	504
Allergopharma (Beijing) Pharmaceutical Technology Co. Ltd., Beijing, China	100.00	8,510	2,751
Anton Hübner GmbH & Co. KG, Ehrenkirchen [2]	100.00	17,024	0
Anton Hübner Verwaltungsges. mbH, Ehrenkirchen	100.00	58	–2
Apharma TopCo S.A.S., Carros, France	100.00	118,083	7,134
Arko Diffusion AG, Hünenberg, Switzerland	100.00	387	79
Arkomedica S.A.S., Carros, France	100.00	1,996	–4
Arkopharma Asia Pvt. Ltd., Hong Kong	100.00	k.A.	k.A.
Arkopharma Belux S.A., Wavre, Belgium	100.00	2,112	172
Arkopharma Hellas SA, Paiania, Greece	55.00	–228	0
Arkopharma Laboratorios S.A., Lisbon, Portugal	100.00	1,252	140
Arkopharma Laboratorios S.A.U., Madrid, Spain	100.00	6,471	1,867
Arkopharma Nederland B.V., Almere, Netherlands	100.00	1,275	91
Arkofarm Srl., Milano, Italy	100.00	2,109	32
axicorp ApS, Hellerup, Denmark	100.00	34	6
axicorp GmbH, Friedrichsdorf [1]	100.00	29,650	0
axicorp Pharma B.V., Den Haag, Netherlands	100.00	723	–120
axicorp Pharma GmbH, Friedrichsdorf [1]	100.00	749	0
BLBR GmbH, Grünwald	62.75	–5,614	–1,162
Candoro ethics AG, Hünenberg, Switzerland	100.00	36	–68
Candoro ethics Austria GmbH, Vienna, Austria	100.00	741	67
Candoro ethics GmbH, Friedrichsdorf	100.00	18,474	–2,069
C&L Research GmbH, Reinbek	100.00	955	–0
Cipriani Srl., Ventimiglia, Italy	100.00	153	0
Cl. Lageman GmbH, Alsdorf	100.00	1,073	541
Dermapharm AG, Hünenberg, Switzerland	100.00	3,935	3,743
Dermapharm GmbH, Vienna, Austria	100.00	9,775	5,498
Digital Hub mibe GmbH, Grünwald	100.00	–108	–16
Euromed S.A., Barcelona, Spain	100.00	101,995	8,015
Euromed USA Inc., Bridgeville, USA	100.00	1,031	170
F. Trenka chem.-pharm. Fabrik GmbH, Vienna, Austria	100.00	1,025	–186
Hasan Dermapharm Co. Ltd., Binh Duong Province, Vietnam	30.00	19,896	19,834

Company name, registered office	Share-holding in %	Equity 2025 in EUR thousand	Net income 2025 in EUR thousand
Hasan Dermapharm Joint Venture Ltd., Binh Duong Province, Vietnam	5.00	31,640	6,130
Laboratoires Arkopharma S.A.S., Carros, France	100.00	159,828	12,145
LHS S.A.S., Carros, France	100.00	3,685	1,028
Melasan Produktions- und Vertriebsges.m.b.H., Neumarkt, Austria	100.00	17,163	2,244
mibe GmbH Arzneimittel, Sandersdorf-Brehna [1]	100.00	70,835	0
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	2,269	113
mibe Pharma Italia Srl., Bolzano, Italy	100.00	525	–165
mibe Pharma UK Ltd., London, United Kingdom	100.00	k.A.	k.A.
mibe Pharmaceuticals d.o.o., Zagreb, Croatia	100.00	–10,246	395
mibe Ukraine LLC., Kyiv, Ukraine	100.00	11,398	4,466
mibe Vertrieb GmbH, Grünwald [1]	100.00	26	0
mibeTec GmbH, Sandersdorf-Brehna	100.00	–64,257	–8,084
mibeTec Japan K.K., Tokyo, Japan	100.00	k.A.	k.A.
mibeTec US, Inc., Austin, USA	100.00	–12,175	–3,126
Pharmazeutische Fabrik Montavit Gesellschaft m.b.H., Absam, Austria	100.00	18,498	115
Solaris Pharma Corporation, Somerset, USA	22.11	8,828	–3,304
Strathmann GmbH & Co. KG, Hamburg [2]	100.00	5,244	0
Strathmann Service GmbH, Hamburg	100.00	52	1
Sun-Farm Sp. z o.o., Lomianki, Polen	100.00	33,506	18,506
Tiroler Nussöl Sonnenkosmetik GmbH, Kitzbühel, Austria [3]	100.00	69	18
Trommsdorff GmbH & Co.KG, Alsdorf [2]	100.00	4,092	0
Wellster Healthtech Group GmbH, Monheim am Rhein	33.86	8,113	–3,786

1 Profit and loss transfer agreement
2 Same-period profit recognition
3 Information from 2024

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 18,042 thousand (31 December 2024: EUR 18,049 thousand) and consisted primarily of receivables from companies of the consolidated VAT group.

17. Cash-in-hand and bank balances

Cash comprised primarily bank balances. As at 31 December 2025, cash amounted to EUR 417 thousand (31 December 2024: EUR 251 thousand).

Equity and liabilities

18. Subscribed capital

As at 31 December 2025, 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 (81.46%; previous year: 73.44%) of the no-par value shares continue to be held by Themis Beteiligungs-Aktiengesellschaft, Grünwald. 18.54% (previous year: 26.56%) of the Company's shares were in free float.

19. Capital reserves

As at 31 December 2025, the capital reserves amounted to EUR 891,243 thousand (31 December 2024: EUR 953,248 thousand).

In the 2025 reporting year, EUR 62,005 thousand (previous year: EUR 56,636 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 2024 were utilised in the reporting year to distribute a dividend of EUR 0.90 per no-par value bearer share carrying dividend rights for a total dividend amounting of EUR 48,456 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

Provisions comprised the following:

Provisions in EUR thousand	31 December 2025	31 December 2024
Provisions for personnel	2,862	2,811
Tax provisions	515	-
Other provisions	260	269
	3,637	**3,080**

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 2025
(as at 31 December 2024)

		Remaining term				
EUR thousand	**Total**	**up to 1 year**	**1 to 5 years**	**More than five years**	**thereof due to shareholders**	**therof collateralised**
1. Trade payables	116 *(195)*	116 *(195)*	0 *(0)*	0 *(0)*	0 *(0)*	0 *(0)*
2. Liabilities to affiliated companies	338.479 *(273.885)*	22.679 *(10.035)*	315.800 *(0)*	0 *(263.850)*	0 *(0)*	0 *(0)*
3. Other liabilities	5.986 *(7.875)*	5.986 *(7.875)*	0 *(0)*	0 *(0)*	0 *(0)*	0 *(0)*
	344.580 *(281.954)*	28.781 *(18.105)*	315.800 *(0)*	0 *(263.850)*	0 *(0)*	0 *(0)*

Notes to the income statement

24. Sales

In financial year 2025, sales from services to affiliated companies amounted to EUR 5,570 thousand (previous year: EUR 4,951 thousand).

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

Amortisation and depreciation amounted to EUR 30 thousand (previous year: EUR 23 thousand).

26. Other operating expenses

Other operating expenses are composed as follows:

Other operating expenses in EUR thousand	31 December 2025	31 December 2024
Legal and consulting fees	881	964
Miscellaneous	1,887	793
	2,768	**1,757**

Other operating expenses include prior-period expenses of EUR 509 thousand (previous year: EUR 0 thousand).

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 entered 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 of EUR 261 thousand for Pillar Two purposes is already imposed in Switzerland, no top-up tax amount is applicable at the level of Dermapharm Holding SE.

28. Employees

In financial year 2025, 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 79 thousand as at 31 December 2025 (31 December 2024: EUR 69 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 as at 31 December 2025: EUR 920,000 thousand; 31 December 2024: 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 2025: EUR 61,500 thousand; 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 3,750 thousand (31 December 2024: 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 3,345 thousand (31 December 2024: 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.

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. It is based solely on audit services.

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	2028	Chief Financial Officer	Merchant
Dr Andreas Eberhorn	Sept 2022	2028	Chief Marketing Officer	Biologist

34. Dermapharm Holding SE's Supervisory Board

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

35. Appointments of Supervisory Board members on other supervisory boards

Name	Mandates
Wilhelm Beier	Dermapharm AG
Dr Erwin Kern	Dermapharm AG
Lothar Lanz	Bauwert AG HV Capital Dermapharm AG

36. Remuneration of the members of the Board of Management

The total remuneration for the Board of Management amounted to EUR 3,415 thousand in the financial year (31 December 2024: EUR 3,361 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 2025 (31 December 2024: 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 17 March 2025, 30 October 2025 and 8 December 2025, Themis Beteiligungs-Aktiengesellschaft increased its voting rights.

The majority (81.46%; 31 December 2024: 73.44%) of the no-par value shares continue to be held by Themis Beteiligungs-Aktiengesellschaft. 18.54% (31 December 2024: 26.56%) 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 2025 and the consolidated financial statements of Dermapharm Holding SE as at 31 December 2025 will be published in the Register of Companies (*Unternehmensregister*).

40. Proposed appropriation of net profit

The Company's net retained profits in the 2025 reporting year amount to EUR 47,379 thousand. The proposal to the Annual General Meeting is that part of the net retained profits be distributed in full to the shareholders (EUR 0.88 per no-par value share carrying dividend rights).

41. Events after the reporting period

On 10 March 2026, the Management Board of Dermapharm Holding SE, with the approval of the Supervisory Board, resolved to conduct a public share buyback offer for up to 4,300,000 shares of the company (corresponding to approximately 7.99 % of the share capital) at an offer price of EUR 42.00 per share. It is intended to subsequently cancel the shares repurchased under the offer. The maximum possible cash outflow from the announced buyback amounts to EUR 180,600 thousand. This would reduce equity in the 2026 financial year accordingly. Dermapharm AG is currently in discussions with various banks regarding the financing of the share buyback offer by Dermapharm Holding SE. The Management Board plans to finalize the financing agreement immediately after the acceptance rate from shareholders is announced. The maximum additional financing facility amounts to EUR 120,000 thousand.

Grünwald, 25 March 2026

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, 25 March 2026

Dr Hans-Georg Feldmeier
Chief Executive Officer

Christof Dreibholz
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 2025, the statement of profit and loss for the financial year from 1 January 2025 to 31 December 2025 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 2025 to 31 December 2025. 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 2025 and of its financial performance for the financial year from 1 January 2025 to 31 December 2025 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 separate 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 of 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 section 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.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express 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 reporting 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 scepticism 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 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 in total, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and 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 „5299009F0KNZINQQQK37-2025-12-31-1-de_EA.zip, SHA256: 8cf005e1a032ee870de7e6c-0234c719dc496bbe0d5705e46cbd98123bb25f39c" 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 this reproduction nor on any other information contained in the above-mentioned electronic file beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 January 2025 to 31 December 2025 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 file above 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 [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 26 June 2025. We were engaged by the audit committee on 14 October 2025. 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).

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, 25 March 2026

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 2025

1. Information about the Group

1.1 Business model and strategy

Business model

Dermapharm Holding SE (hereinafter referred to as "Dermapharm" or the "Group"), including its subsidiaries, associates and equity investments, is an innovative and fast-growing manufacturer of branded pharmaceuticals and other healthcare products in Germany and elsewhere in Europe. Its business activities are divided into three segments: "Branded pharmaceuticals", "Other healthcare products" and "Parallel import business". Dermapharm has a deeply integrated business model and pursues a dynamic growth strategy centred on the development of new products, advancing 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, thereby underscoring both its commitment to quality and the quality associated with products manufactured there.

Branded pharmaceuticals

By pursuing a targeted acquisition strategy together with in-house development, the Group has built up a broadly diversified product portfolio of branded pharmaceuticals in attractive, high-margin niche markets. The extensive range of pharmaceuticals comprises more than 400 (previous year: roughly 400) active pharmaceutical ingredients and more than 1,400 (previous year: > 1,300) national and international marketing authorisations. Dermapharm manufactures many of these 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 therapeutic active ingredients in varying dosage forms and strengths. This facilitates the development of therapy solutions for specific therapeutic areas and needs in a range of medicinal applications. According to the market research firm INSIGHT Health, Dermapharm is Germany's market leader by sales for prescription dermatologics as well as for prescription vitamin preparations, for instance with the vitamin D compound Dekristol® 20,000 I.U. Beyond this, the Group 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, products such as Keltican®, Tromcardin® complex and Ketozolin® are leading brands in terms of revenue in their respective therapeutic areas.

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

Other healthcare products

In addition to herbal extracts, Dermapharm bundles food supplements, herbal pharmaceuticals, cosmetics and medical devices under its "Other healthcare products" segment.

The largest company in this segment is the Arkopharma Group, which is the market leader for phytotherapeutic food supplements in France. In addition to offering access to the French market, the Arkopharma Group is a major factor in the Group's internationalisation in western and

southern Europe with subsidiaries in Spain, Portugal, Italy, Belgium, the Netherlands and Switzerland, among others. As part of the ongoing integration, Arkopharma's previous B2C business model will gradually be developed into a B2B2C model with pharmacists serving as the core sales partner.

Through Spanish subsidiary Euromed, 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 at the company's state-of-the-art production facilities in Spain and the USA based on in part patented procedures. A B2B distribution model is used to market the products in some 50 countries worldwide.

The Swedish company Cernelle manufactures the only pollen extract with medical approval to treat benign prostate hyperplasia and chronic prostatitis.

Candoro ethics is the market leader for dronabinol in Germany and Austria, and develops, produces and distributes natural and synthetic cannabinoids. It expanded its product portfolio in 2025 to include medicinal cannabis flowers and extracts. The cannabis compounds are used mainly in pain management and palliative care applications, as well as in the fields of oncology and in neurology, thus covering a broad range of chronic and severe pathologies.

Dermapharm has also been producing and selling food supplements, herbal pharmaceuticals and cosmetics for many years now through Anton Hübner 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 European Union Member States. The products are then manufactured at the company's facilities in Friedrichsdorf in accordance with the regulatory requirements of the German market. Sales are made via direct marketing activities, which are managed by the company's own call centre.

According to information from INSIGHT Health, axicorp was Germany's seventh-largest parallel importer in terms of gross revenue in financial year 2025 and covered the majority of the prescription originator pharmaceuticals available on the German parallel import market. As part of the ongoing transformation process, the portfolio is currently being optimised with a focus on contribution margins.

Strategy

Dermapharm intends to continue building on its successful 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 54 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 subsidiaries abroad and by acquiring new companies with an international presence. The basis for any market development activity is a comprehensive analysis of the respective national market conditions, with a particular focus on the authorisation and marketing of compounds developed and produced in-house. Acquiring new products, portfolios and companies has been part of the Group's business strategy ever since the Company was formed. 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.

The acquisition of the Austrian family-owned company F. Trenka in financial year 2025 represents an excellent strategic expansion for the Group. There has been a close and successful partnership between Dermapharm, specifically the Group company Montavit, and F. Trenka for many years, which involves the Austrian Group company Montavit manufacturing products for F. Trenka as a contract manufacturer. F. Trenka complements the Group's existing portfolio with its established Eucarbon® and Biocarbon® brands. Moreover, F. Trenka primarily distributes its products in Middle Eastern and North African countries, some of which are new sales regions for the Group.

Dermapharm will continue to evaluate growth opportunities on an ongoing basis and will endeavour to take advantage of strategic options that fit with its long-term corporate strategy.

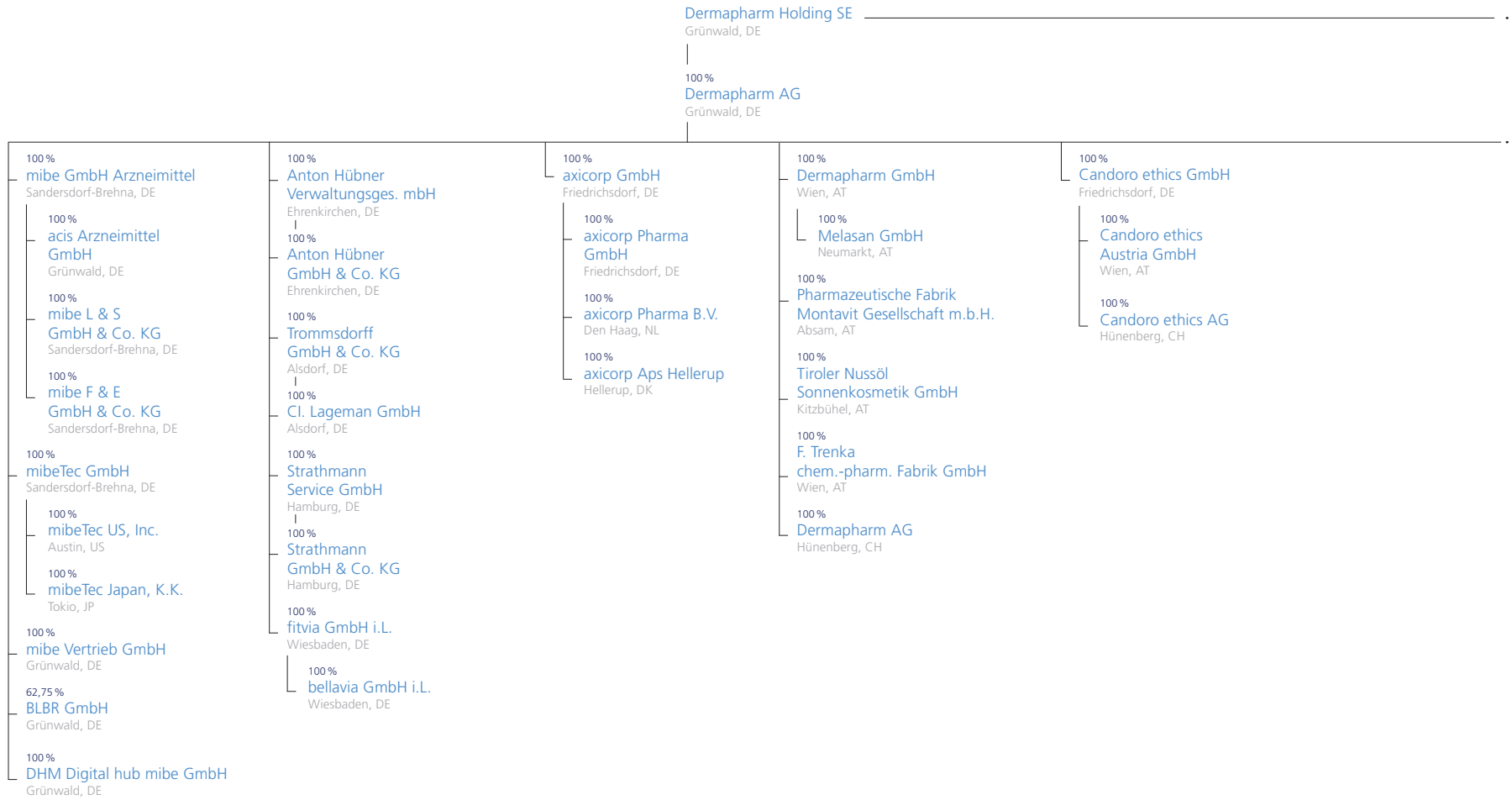
1.2 Group structure and interests

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

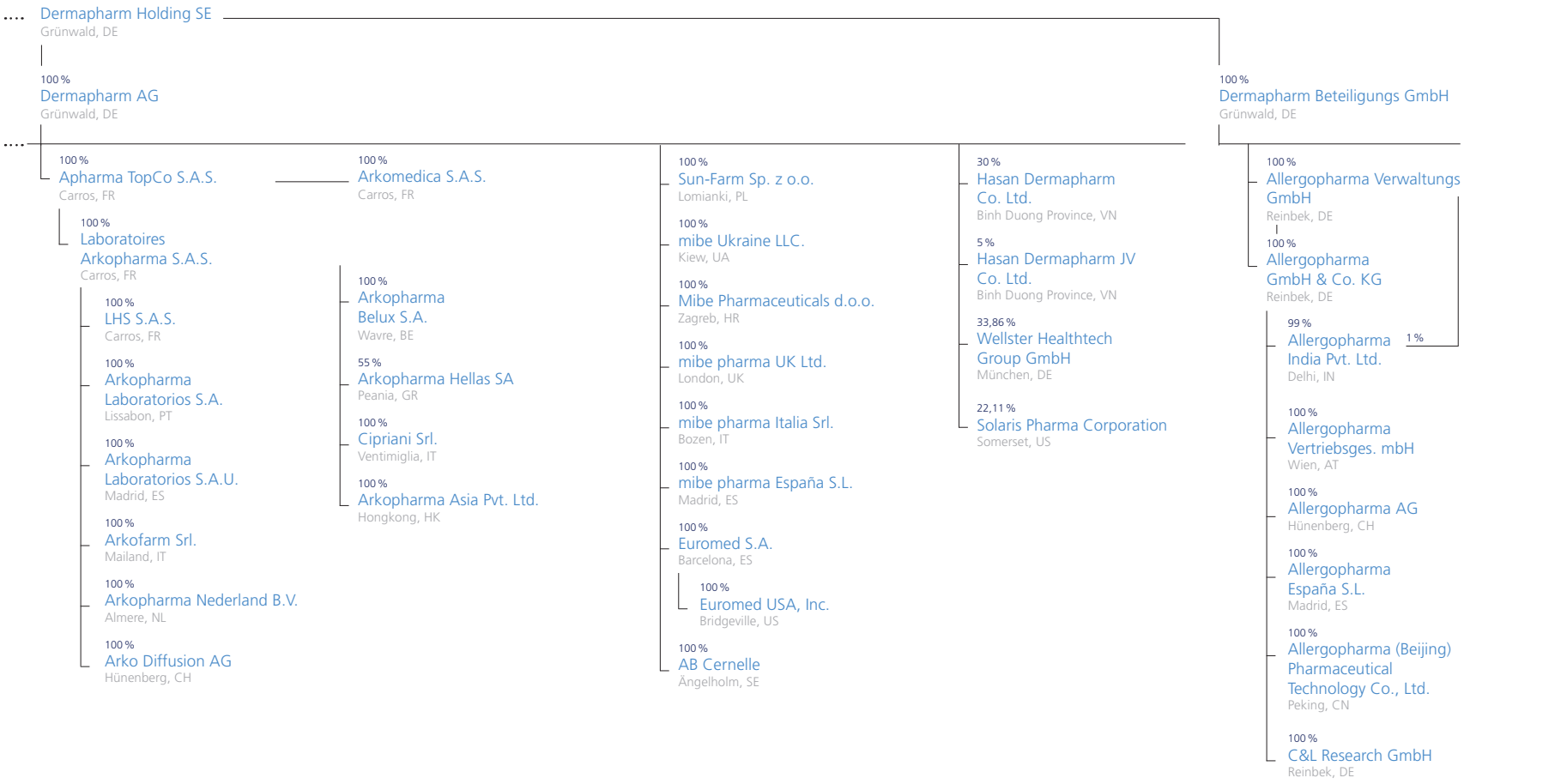
The group of companies consolidated by Dermapharm Holding SE includes all companies whose financial or business policies the Company controls directly or indirectly. In addition, Dermapharm Holding SE owns shares in associates over whose financial and business policies it exerts significant control.

The following Group structure shows the direct and indirect subsidiaries, as well as associates and equity investments as at 31 December 2025.

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 – the Group's 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 distributed 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. In recent years, the production sites of the acquired companies have become increasingly important. 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 Friedrichsdorf site serves as axicorp's headquarters and forms the centre of the "Parallel import business" segment.

Candoro ethics, which is part of the "Other healthcare products" segment, is also headquartered in Friedrichsdorf. Arkopharma manufactures its products in Carros (near Nice, 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 products at its location in Ängelholm.

Marketing and sales in the "Branded pharmaceuticals" segment in Germany are carried out by a pharmaceutically trained sales force, which approaches pharmacies, registered doctors and clinics depending on the therapeutic area and defined target group. In the "Other healthcare products" segment, marketing takes place both via the respective sales force (e.g. Arkopharma and Candoro ethics) and via a B2B business model (Euromed and Cernelle). 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. An average of 3,503 employees (by headcount) worked for the Group in financial year 2025 (previous year: 3,610 employees). The decline was due primarily to the ongoing transformation process for portfolio optimisation measures focused on the contribution margin in the "Parallel import business" segment.

Dermapharm locations*

AMERICAS

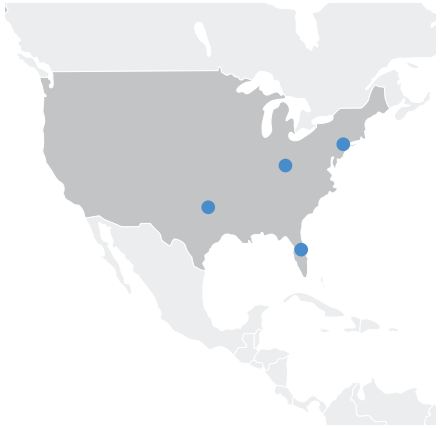
USA

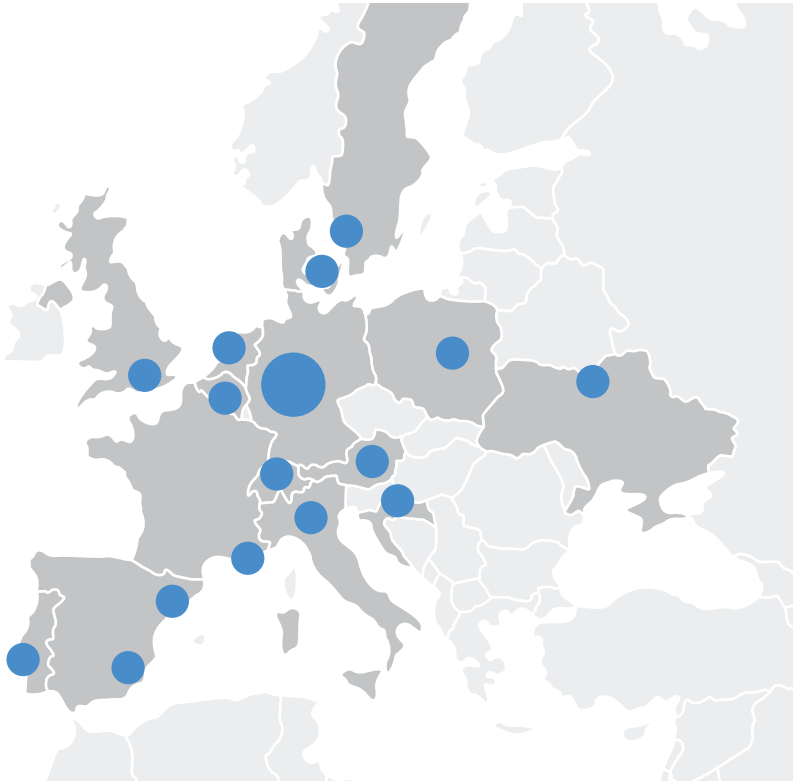
EUROPE

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

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

Solaris Pharma Corporation, Somerset, NJ

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

Trommsdorff GmbH & Co. KG, Alsdorf

CI. 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

Tiroler Nussöl Sonnenkosmetik GmbH, Kitzbühel

Candoro ethics Austria GmbH, Vienna

Allergopharma Vertriebsges. mbH, Vienna

F. Trenka chem.-pharm. Fabrik GmbH, Vienna

Switzerland:

Dermapharm AG, Hünenberg

Allergopharma AG, Hünenberg

Candoro ethics AG, Hünenberg

Arko Diffusion AG, Hünenberg

France

Apharma TopCo S.A.S., Carros

Arkomedica S.A.S., 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.

India

Allergopharma India Pvt. Ltd., Delhi

= 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 plan variances can be countered in a timely manner. The management system therefore makes a significant contribution to securing the Company's sustainable, profitable growth. The business is managed using selected financial performance indicators that are monitored continuously and integrated into the monthly reporting to the Board of Management. The specified plan figures in the defined segments are continually reviewed and compared with the current business performance. Based on this comparison of planned versus actual figures, corresponding measures are derived from any variances to the revenue and EBITDA targets.

The key management metrics used by the Board of Management to measure the success of business activities are revenue and adjusted 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 believes that the success of any growth strategy hinges on investment in research and development. New products "Made by Dermapharm" are the key to the Group's organic growth and advancing internationalisation.

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.

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 in Sandersdorf-Brehna is the hub for the manufacture of investigational medicinal products. The research and development centre at Allergopharma in Reinbek focuses on improving allergen immunotherapies, with a focus on improving the existing product range, including clinical indications and clinical 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. Euromed operates a laboratory and innovation centre in Mollet de Vallès, Spain, that focuses on development and the scientific validation 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. Euromed is also working to develop new extracts and indications to expand its portfolio. Arkopharma operates its own research and development activities in Carros (near Nice), France, to manufacture OTC herbal products and food supplements.

An average of 375 employees (by headcount) worked in product development at the Group in financial year 2025 (previous year: 362 employees).

Dermapharm can draw on over 30 years of experience in developing off-patent pharmaceuticals and has a strong network of development partners. Moreover, the Group has the necessary regulatory expertise in house in order to be able to implement the authorisation process itself in Germany as well as in the EU. These broad capabilities enable new Dermapharm developments to be launched and marketed both in Germany and at the subsidiaries in other countries.

2. Report on economic position

2.1 Macroeconomic and sector-specific environment

Macroeconomic environment

According to estimates by the International Monetary Fund (IMF), the global economy grew by 3.3% in 2025 (2024: 3.2%). Growth was curbed by greater barriers to trade, continued uncertainty and the expiry of temporary non-recurring effects. Inflation continued to trend downwards, but risks remained (including potential tariff escalations, financial market corrections and fiscal vulnerabilities). The OECD paints a similar picture (as of December 2025) of moderate but fragile growth, underpinned by falling inflation, a robust labour market and improved financing conditions, while trade tensions and declining pull-forward effects subdued foreign trade.

According to the European Commission (as of November 2025), the European economy registered moderate growth in 2025 (eurozone: 1.3%; EU: 1.4%). This development is attributable to easing inflation, a robust labour market and better financing conditions, resulting in an increase in private consumer spending and investment (primarily in equipment and non-residential construction). However, growth remained moderate, as geopolitical uncertainty, structural challenges and a still restrictive interest rate environment hampered momentum.

The German economy grew only slightly in 2025, as real GDP increased by just 0.2% and showed little sign of recovery despite the end of the recession. The slight increase was largely a result of higher private and government consumption expenditure, while export-oriented industry suffered due to high energy and labour costs, additional US tariffs, and diminished competitiveness in light of the appreciation of the euro. Exports declined further, as did investment – particularly in machinery, equipment and residential construction. Gross value added also declined further in manufacturing, while some service areas had a stabilising effect. This weak growth placed Germany towards the bottom of the international ranking once again in 2025.

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 2025. According to information from the consultancy firm IQVIA (source: OTC VALUE), the entire European pharmaceuticals market generated revenue of EUR 381.5 billion by the end of the third quarter of 2025, meaning that the market volume increased by 9.2% compared to the same period in the previous year (MAT Q3 2024: EUR 349.3 billion). Of that amount, EUR 336.0 billion was attributable to prescription pharmaceuticals (MAT Q3 2024: EUR 306.5 billion) and EUR 45.6 billion to OTC pharmaceuticals (MAT Q3 2024: EUR 42.7 billion).

Dermapharm Holding SE's primary market, Germany, has a highly developed healthcare system with 106,623 registered physicians (as of December 2024), 16,601 public pharmacies (as of December 2025) and 1,841 hospitals (as of November 2025). 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 reporting period as well. In the first nine months of 2025, revenue in the German pharmaceuticals market increased by 5.7% to EUR 69.1 billion, compared with EUR 65.4 billion in the prior-year period. Of that amount, EUR 60.5 billion was attributable to prescription pharmaceuticals (MAT Q3 2024: EUR 56.7 billion) and EUR 8.6 billion to OTC pharmaceuticals (MAT Q3 2024: EUR 8.6 billion).

In the first nine months of 2025, revenue from off-patent pharmaceuticals without savings from discount agreements and less mandatory manufacturer discounts in the statutory health insurance providers' market increased by 4.6% to EUR 9.1 billion (basis: manufacturer selling price) following EUR 8.7 billion in the prior-year period (including biosimilars in each case).

According to INSIGHT Health, in financial year 2025, revenue in the parallel imports market amounted to EUR 4.7 billion compared to EUR 4.2 billion in the previous year (basis: Apofusion Sell-Out). Thus, in 2025, revenue in the market suitable for imports increased by 11.9%. The share of total revenue on the German pharmaceutical market that is generated with parallel-imported products increased from 8.3% in the previous year to 8.8% in 2025.

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. The manufacturer's discount has been 7% since 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 (***Arzneimittel-***

marktneuordnungsgesetz, "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 2025 financial year was very satisfactory despite persistently poor economic conditions.

The strong organic growth in the "Branded pharmaceuticals" segment largely offset the projected decline in the "Parallel import business" segment. The broadly diversified product portfolio proved resilient and drove organic growth, both in the German market and internationally. Allergovit became established as the biggest product in the "Branded pharmaceuticals" segment and recorded particularly strong growth in Germany and on the international stage. The segment's success was also boosted by similar growth for Myopridin/Myditin, the Dekristol OTC product range, Hygroton and Ketozolin. The higher growth rates achieved in new products from in-house development launched in recent years, such as Testomed and Calcipotriderm comp, compared with the existing products mentioned above, were of particular note. These effects more than offset the decline in revenue that began in the previous year due to increased competition for Dekristol 20,000 and the reduced revenue from the cooperation with BioNTech SE in connection with the German government's pandemic preparedness programme.

Revenue in the "Other healthcare products" segment stabilised at the prior-year level. The growth at Euromed and Anton Hübner in particular helped to offset the further decline at Arkopharma.

The targeted realignment towards high-margin products in the "Parallel import business" segment began as scheduled in the second quarter, resulting in corresponding adjustment and restructuring of the portfolio. The resulting decrease in revenue and earnings associated with the portfolio restructuring were in the amount expected.

Comparison to outlook in 2024

In the report on expected developments in the 2024 combined management report, the Board of Management forecast positive overall business performance for financial year 2025. Consolidated revenue was expected to be between EUR 1,160 million and EUR 1,200 million. Adjusted consolidated EBITDA was forecast to grow to an amount between EUR 322 million and EUR 332 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 2024 management report were met in terms of both consolidated revenue and adjusted consolidated EBITDA.

The financial performance indicators for Dermapharm developed as follows in financial year 2025 (excluding segment reconciliation/Group holding company):

Financial performance indicators in EUR million	**2025**	**2024**	**+/–**
Consolidated revenue	**1,165.0**	**1,180.8**	**–1.3%**
Branded pharmaceuticals	617.2	586,5**	5.2%
Other healthcare products	352.2	352,9**	–0.2%
Parallel import business	195.6	241.3	–19.0%
Adjusted EBITDA*	**324.8**	**315.6**	**2.9%**
Branded pharmaceuticals	281.2	266,3**	5.6%
Other healthcare products	53.4	56,3**	–5.1%
Parallel import business	–3.8	–1.6	–139.8%
Adjusted EBITDA margin*	**27.9%**	**26.7%**	**1,2 Pp**
Branded pharmaceuticals	45.6%	45,4%**	0,2 Pp
Other healthcare products	15.2%	15,9%**	-0,7 Pp
Parallel import business	–2.0%	–0.7%	-1,3 Pp
Unadjusted EBITDA	**317.6**	**308.9**	**2.8%**
Branded pharmaceuticals	279.0	260,9**	6.9%
Other healthcare products	49.6	55,0**	–9.7%
Parallel import business	–5.1	–1.6	–216.6%
Unadjusted EBITDA margin	**27.3%**	**26.2%**	**1,1 Pp**
Branded pharmaceuticals	45.2%	44,5%**	0,7 Pp
Other healthcare products	14.1%	15,6%**	-1,5 Pp
Parallel import business	–2.6%	–0.7%	-1,9 Pp

* EBITDA 2025 was adjusted for non-recurring expenses amounting to EUR 7.2 million, incl. EBITDA of the Group holding company in the amount of EUR -5.9 million. 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.

** Hübner Naturarzneimittel GmbH (until 31 December 2024 "Other healthcare products") was merged with mibe GmbH Arzneimittel ("Branded pharmaceuticals") with retrospective effect from 1 January 2025. Prior-year comparatives were adjusted retrospectively.

Composition of adjusted non-recurring items

The non-recurring items which were eliminated in the calculation for adjusted EBITDA amounted to EUR 7.2 million and comprised the following in financial year 2025:

- EUR 6.2 million in expenses for restructuring at axicorp, mibe Vertrieb, Allergopharma, Euromed and Arkopharma
- EUR 0.3 million in expenses relating to the unwinding of the FYTA transaction
- EUR 0.1 million in effects from the purchase price allocation
- Non-recurring expenses totalling EUR 0.6 million relating to acquisitions and share purchases, M&A deals not completed and M&A advising fees.

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.

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

	2025	2024
Revenue	1,164,978	1,180,766
Change in inventories	–10,563	6,459
Own work capitalised	12,488	13,941
Other operating income	20,269	30,643
Cost of materials	–383,975	–434,096
Personnel expenses	–291,571	–279,799
Depreciation, amortisation and reversal of impairment	–92,561	–90,495
Other operating expenses	–198,393	–210,486
Operating result	**220,673**	**216,933**
Share of profit/loss of companies accounted for using the equity method, after tax	4,340	1,519
Financial income	11,154	16,943
Financial expenses	–52,657	–63,391
Financial result	**–37,163**	**–44,928**
Earnings before taxes	**183,510**	**172,005**
Income tax expenses	–52,159	–60,268
Profit or loss for the period	**131,352**	**111,737**

Revenue and earnings performance of the Group

In financial year 2025, Dermapharm's **consolidated revenue** decreased by 1.3% compared to the previous year to EUR 1,165.0 million (previous year: EUR 1,180.8 million).

This decline was due primarily to the planned portfolio restructuring in the "Parallel import business" segment. The targeted focus on high-margin products inevitably led to a gradual reduction in high-revenue but low-margin products. This resulted in a significant decline in revenue in this segment, as expected. This was largely offset by the strong organic growth in the "Branded pharmaceuticals" segment.

Development costs recognised under **other own work capitalised** fell slightly to EUR 12.5 million in financial year 2025 (previous year: EUR 13.9 million). The ratio of development costs to revenue amounted to 1.1% and was thus also slightly below the 1.2% reported in the previous year. Development costs of EUR 13.9 million (previous year: EUR 15.3 million) were capitalised for new products in financial year 2025.

Other operating income fell to EUR 20.3 million in financial year 2025 (previous year: EUR 30.6 million). This was due primarily to reduced income from foreign currency exchange rates.

In financial year 2025, the **cost of materials** decreased to EUR 384.0 million (previous year: EUR 434.1 million). The cost of materials ratio, taking into account the change in inventories, (cost of materials and change in inventories in the numerator) improved to 33.9% (previous year: 36.2%). One of the main drivers was the aforementioned portfolio restructuring in the "Parallel import business" segment. The particularly sharp decline in revenue from low-margin products enabled this improvement in both relative and absolute terms.

Personnel expenses increased to EUR 291.6 million in financial year 2025 (previous year: EUR 279.8 million), due primarily to inflation-linked pay rises and expenses for restructuring at axicorp, mibe Vertrieb, Allergopharma, Euromed and Arkopharma. The ratio of personnel expenses to revenue rose to 25.0% (previous year: 23.7%).

Depreciation, amortisation and reversals of write-downs increased to EUR 92.6 million in financial year 2025 (previous year: EUR 90.5 million). This was due largely to an impairment charge recognised on the Arkopharma product portfolio. The ratio of depreciation, amortisation and reversals of write-downs to revenue increased accordingly by 0.2 percentage points to 7.9% (previous year: 7.7%).

Other operating expenses amounted to EUR 198.4 million in financial year 2025 (previous year: EUR 210.5 million) and were therefore lower than in the previous year. This decline was attributable primarily to the reduced disposals of fixed assets and reduced expenses due to exchange rate differences. The ratio of other operating expenses to revenue stood at 17.0% (previous year: 17.8%).

Adjusted EBITDA increased slightly by 2.9% to EUR 324.8 million in financial year 2025 (previous year: EUR 315.6 million). At EUR 7.2 million, total adjustments were similar to the prior-year figure (previous year: EUR 6.7 million). Further details on the specific adjustments are provided in section 2.2, "Composition of adjusted non-recurring items". In financial year, Dermapharm Group's adjusted EBITDA margin increased to 27.9% (previous year: 26.7%).

Unadjusted EBITDA amounted to EUR 317.6 million in financial year 2025 (previous year: EUR 308.9 million). The **unadjusted EBITDA margin** improved by 1.1 percentage points to 27.3% in the reporting year (previous year: 26.2%).

EBITDA can be reconciled to Group earnings as follows:

	2025	2024
EBITDA	**317,573**	**308,947**
of which share of profit or loss of companies accounted for using the equity method, after tax	*4,340*	*1,519*
Depreciation, amortisation and reversal of impairment	–92,561	–90,495
Financial income	11,154	16,943
Financial expenses	–52,657	–63,391
Earnings before taxes (EBT)	**183,510**	**172,005**
Income tax expenses	–52,159	–60,268
Profit or loss for the period	**131,352**	**111,737**

Financial income fell to EUR 11.2 million in financial year 2025 (previous year: EUR 16.9 million). The decline in financial income was due primarily to lower interest income in connection with a settlement claim following the reversal of a transaction.

At the same time, **financial expenses** decreased to EUR 52.7 million in financial year 2025 (previous year: EUR 63.4 million). The reduction was largely attributable to lower interest liabilities to banks.

Earnings before taxes (EBT) increased to EUR 183.5 million in financial year 2025 (previous year: EUR 172.0 million). The corresponding margin rose to 15.8% (previous year: 14.6%) due to reduced depreciation and amortisation and a significantly improved financial result.

Income tax expenses decreased to EUR 52.1 million in the 2025 reporting period (previous year: EUR 60.3 million).

Prior to adjustment, **profit for the period** rose to EUR 131.4 million in financial year 2025 (previous year: EUR 111.7 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.

	Branded pharmaceuticals*		Other healthcare products		Parallel import business		Reconciliation/Group holding company		Group	
EUR thousand	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Revenue	629,157	589.427**	363,837	369.958**	203,435	249,152	–31,450	–27,771	1,164,978	1,180,766
of which intersegment revenue	*11,999*	*2,885*	*11,599*	*17.076***	*7,852*	*7,810*	*–31,450*	*–27,771*	-	-
Revenue from external customers	617,158	586.541**	352,238	352.882**	195,582	241,342	-	-	1,164,978	1,180,766
Revenue growth	5%	10%	–0%	–5%	–19%	5%	-	-	–1%	4%
Cost of materials	–94,635	–99,199	–112,916	–103,106	–176,423	–231,791	-	-	–383,975	–434,096
Personnel expenses	–164,646	–154,463	–110,238	–108,558	–12,836	–13,013	–3,852	–3,766	–291,571	–279,799
EBITDA (unadjusted)	278,951	260.916**	49,643	54.993**	–5,073	–1,603	–5,948	–5,360	317,573	308,947
of which earnings from investments accounted for using the equity method	*4,340*	*1,519*	-	-	-	-	-	-	*4,340*	*1,519*
EBIDAT-Marge (unadjusted)	45%	44%**	14%	16%**	–3%	–1%	-	-	27%	26%

* As from 1 August 2025 with Solaris Pharma, as from 1 October 2025 with F. Trenka.

** Hübner Naturarzneimittel GmbH (until 31 December 2024 "Other healthcare products") was merged with mibe GmbH Arzneimittel ("Branded pharmaceuticals") with retrospective effect from 1 January 2025. Prior-year comparatives were adjusted retrospectively.

Revenue and earnings performance of the "Branded pharmaceuticals" segment

The revenue reported in the "Branded pharmaceuticals" segment increased by 5.2% to EUR 617.2 million in financial year 2025 (previous year: EUR 586.5 million). The increase was largely the result of strong growth in the existing business, particularly at the Allergopharma Group and the international companies. In the German market, the Group's broadly diversified product portfolio proved resilient, as in previous years. Myopridin/Myditin, the Dekristol OTC product range, Hygroton and Ketozolin recorded particularly strong growth. Similar growth was seen in the largest product in this segment, Allergovit, which Dermapharm distributes in Germany and through multiple European subsidiaries. New products from in-house development launched in recent years, such as Testomed and Calcipotriderm comp, achieved higher growth rates than those mentioned above. The internationalisation strategy was once again a key driver for the segment and the Group. The highest revenue growth at country level was recorded in Italy, Spain, Poland and Ukraine. Strong growth was also observed in the area of allergology with the products of the Allergopharma Group in all sales countries. Trenka was fully consolidated for the first time as at 1 October.

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.

Adjusted EBITDA rose, in line with the segment's revenue development, by 5.6% to EUR 281.2 million in financial year 2025 (previous year: EUR 266.3 million). This was due primarily to the aforementioned revenue growth fuelled by internationalisation and allergology, which had a positive effect on earnings. The adjustments allocated to this segment largely related to expenses for restructuring at mibe Vertrieb and Allergopharma, along with other non-recurring expenses from the adjustment of ancillary purchase costs totalling EUR 2.2 million. The segment's adjusted EBITDA margin increased to 45.6% (previous year: 45.4%).

Unadjusted EBITDA increased analogously by 6.9% to EUR 279.0 million in financial year 2025 (previous year: EUR 260.9 million). The segment's unadjusted EBITDA margin rose to 45.2% (previous year: 44.5%).

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

Revenue, which was reported under the "Other healthcare products" segment in financial year 2025, was virtually unchanged year on year, amounting to EUR 352.2 million (previous year: EUR 352.9 million). The slight decline in revenue was attributable in particular to the ongoing reorganisation of Arkopharma's business model. The organic growth in other existing business, particularly at Anton Hübner and Euromed, almost fully offset the above-mentioned decline.

The "Other healthcare products" segment's adjusted EBITDA amounted to EUR 53.4 million in financial year 2025 (previous year: EUR 56.3 million), reflecting revenue development. In addition, the weaker dollar and the associated currency losses at Euromed as well as the ongoing reorganisation of the business model at Arkopharma had an impact on earnings contributions.

The adjustments allocated to this segment in connection with the expenses for restructuring at Arkopharma Group and Euromed amounted to EUR 3.7 million in financial year 2025. Accordingly, the adjusted EBITDA margin was 15.2% (previous year: 15.9%).

The segment's unadjusted EBITDA fell to EUR 49.6 million (previous year: EUR 55.0 million). Thus, the unadjusted EBITDA margin was 14.1% (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 2025 fell by 19.0% to EUR 195.6 million (previous year: EUR 241.3 million). The decline was mainly the result of falling product sales due to the ongoing efforts to restructure the product portfolio to focus on contribution margins in this segment.

The "Parallel import business" segment's adjusted EBITDA amounted to EUR –3.8 million in financial year 2025 (previous year: EUR –1.6 million). The adjustments allocated to this segment in connection with the expenses for restructuring amounted to EUR 1.2 million in financial year 2025. Accordingly, the adjusted EBITDA margin for this segment was –2.0% (previous year: –0.7%).

Adjusted EBITDA reported in the "Parallel import business" segment fell to EUR -–5.1 million in financial year 2025 (previous year: EUR –1.6 million). The segment's EBITDA margin declined to –2.6% in the financial year (previous year: –0.7%).

2.3.2 Financial position of the Group

Consolidated statement of financial position as at 31 December 2025

Assets EUR thousand	31 December 2025	31 December 2024
Non-current assets		
Intangible assets	480,441	512,314
Goodwill	587,059	576,384
Property, plant and equipment	318,542	315,028
Investments accounted for using the equity method	32,115	19,325
Equity investments	698	1,345
Other non-current financial assets	65,020	62,126
Total non-current assets	**1,483,875**	**1,486,521**
Current assets		
Inventories	328,713	343,381
Trade receivables	109,687	100,900
Other current financial assets	3,865	3,467
Other current assets	55,410	23,270
Tax assets	1,842	1,170
Cash and cash equivalents	203,409	121,309
Total current assets	**702,925**	**593,498**
Total assets	**2,186,800**	**2,080,019**

Equity and liabilities EUR thousand	31 December 2025	31 December 2024
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	515,913	433,191
Other reserves	23,833	16,601
Equity attributable to owners of parent	**694,377**	**604,422**
Non-controlling interests	–3,610	3,873
Total equity	**690,766**	**608,295**
Non-current liabilities		
Provisions for employee benefits	111,076	119,629
Non-current financial liabilities	922,907	889,677
Other non-current financial liabilities	-	9,406
Other non-current liabilities	14,056	14,393
Deferred tax liabilities	105,065	111,703
Total non-current liabilities	**1,153,104**	**1,144,809**
Current liabilities		
Other provisions	19,683	23,389
Current financial liabilities	129,383	89,935
Trade payables	96,262	94,785
Other current financial liabilities	6,221	1,729
Other current liabilities	62,398	58,244
Tax liabilities	28,984	58,833
Total current liabilities	**342,930**	**326,915**
Total equity and liabilities	**2,186,800**	**2,080,019**

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 855.1 million as at 31 December 2025 (31 December 2024: EUR 869.4 million). The decline was due mainly to the increased cash and cash equivalents as at 31 December 2025.

Accordingly, the ratio of net debt to adjusted EBITDA (leverage) fell to 2.6 as at 31 December 2025 (previous year: 2.8). Based on unadjusted EBITDA, the leverage amounted to 2.7 (previous year: 2.8).

At 31 December 2025, the equity ratio amounted to 31.6% (31 December 2024: 29.2%). Unlike in the previous year, the equity ratio was influenced primarily by the increase in consolidated net profit.

The Company's financial position changed as shown below in financial year 2025:

The **total assets** increased to EUR 2,186.8 million as at 31 December 2025 (31 December 2024: EUR 2,080.0 million).

On the asset side of the statement of financial position, **intangible assets** decreased to EUR 480.4 million as at 31 December 2025 (31 December 2024: EUR 512.3 million). This was due in particular to regular amortisation of the intangible assets identified as part of the purchase price allocation.

Recognised **goodwill** increased to EUR 587.1 million as at 31 December 2025 (31 December 2024: EUR 576.4 million). This was primarily attributable to the purchase price allocation in connection with the acquisition of Trenka.

Property, plant and equipment increased to EUR 318.5 million as at 31 December 2025 (31 December 2024: EUR 315.0 million). This was due largely to the increased right-of-use assets in accordance with IFRS 16 at Arkopharma Spain.

Financial investments accounted for in accordance with the equity method increased to EUR 32.1 million as at 31 December 2025 (31 December 2024: EUR 19.3 million). As at the reporting date, three associates (31 December 2024: 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 7.7 million as at 31 December 2025 (31 December 2024: EUR 4.3 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 13.7 million as at 31 December 2025 (31 December 2024: EUR 15.0 million).
- In financial year 2025, Dermapharm AG acquired 22.11% of the shares in Solaris Pharma Corporation, Somerset, USA. Solaris develops and markets high-quality, complex generics and specialty pharmaceuticals in the fields of dermatology, ophthalmology and women's healthcare. The carrying amount of the equity investment amounted to EUR 10.7 million as at 31 December 2025.

Equity investments decreased to EUR 0.7 million as at 31 December 2025 (31 December 2024: EUR 1.3 million). This decline was due primarily to the sale of the equity investment in ProFem GmbH held by Montavit.

Other non-current financial assets increased to EUR 65.0 million as at 31 December 2025 (31 December 2024: EUR 62.1 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 decreased to EUR 328.7 million as at 31 December 2025 (31 December 2024: EUR 343.4 million). This was due largely to the decline in finished products at axicorp, mibe and Euromed.

Trade receivables increased to EUR 109.7 million as at 31 December 2025 (31 December 2024: EUR 100.9 million). This was attributable to effects related to the reporting date. 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.

Other current financial assets amounted to EUR 3.9 million as at 31 December 2025, which was very close to the prior-year level (31 December 2024: EUR 3.5 million).

Other current assets increased to EUR 55.4 million as at 31 December 2025 (31 December 2024: EUR 23.2 million). This was attributable primarily to the purchase price payment amounting to EUR 33,101 thousand for the acquisition of the Mucos Group. The acquisition of the Mucos Group closed on 1 January 2026.

Cash and cash equivalents, including cash and demand deposits as well as current financial investments, increased to EUR 203.4 million as at 31 December 2025 (31 December 2024: EUR 121.3 million). This change was due to the effects described in the notes to the consolidated statement of cash flows (see 2.3.3).

Equity increased to EUR 690.8 million as at 31 December 2025 (31 December 2024: EUR 608.3 million). The change was due mainly to the increase in retained earnings by EUR 82.7 million to EUR 515.9 million (31 December 2024: EUR 433.2 million). This resulted primarily from the consolidated net profit for financial year 2025 less the dividend paid for the preceding financial year. Capital reserves remained unchanged year on year, amounting to EUR 100.8 million (31 December 2024: EUR 100.8 million). In addition, other reserves increased slightly to EUR 23.8 million (31 December 2024: EUR 16.6 million) due to the changes in the measurement parameters for payments in connection with pension obligations as well as exchange rate fluctuations.

Provisions for employee benefits decreased to EUR 111.1 million as at 31 December 2025 (31 December 2024: EUR 119.6 million). The decline was due primarily to changes in measurement parameters for payments under pension obligations.

As at 31 December 2025, the Group's **current and non-current financial liabilities** amounted to EUR 129.4 million and EUR 922.9 million, respectively (31 December 2024: EUR 89.9 million and EUR 889.7 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 2025, EUR 920.0 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 100 million (Facility B) and a revolving tranche of EUR 200 million (Facility C), of which EUR 170.0 million had been drawn down as at the reporting date.

Other non-current financial liabilities decreased to EUR 0.0 million as at 31 December 2025 (31 December 2024: EUR 9.4 million). The main reason for the decline was the reclassification of the interest rate hedge from non-current to current financial liabilities in connection with the syndicated loan.

Other non-current liabilities remained virtually constant at EUR 14.0 million (31 December 2024: EUR 14.4 million) and mainly comprised subsidies.

Other current financial liabilities and other current liabilities increased to EUR 68.6 million as at 31 December 2025 (31 December 2024: EUR 60.0 million). This was attributable to the reclassification due to the term of the interest rate hedge.

Other provisions decreased by EUR 3.7 million to EUR 19.7 million as at 31 December 2025 (31 December 2024: EUR 23.4 million). These mainly comprise provisions for health insurance organisation discount payments by the German companies, which declined in financial year 2025.

Trade payables amounted to EUR 96.3 million as at 31 December 2025 (31 December 2024: EUR 94.9 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.

The **tax liabilities** decreased to EUR 29.0 million as at 31 December 2025 (31 December 2024: EUR 58.8 million). The reduction was due primarily to lower corporate income tax and trade tax liabilities.

Deferred tax liabilities decreased to EUR 105.1 million as at 31 December 2025 (31 December 2024: EUR 111.7 million). The change in this item of the statement of financial position was due primarily to adjustments to purchase price allocations, and to the reduction in the German corporation income tax rate from the current 15.0% to 10.0% in five annual steps of one percentage point each starting in 2028.

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 2025.

The main sources of liquidity were cash inflows from ongoing business activities. From the existing sources of debt financing such as loans, syndicated lending and various promissory note loans, Dermapharm has access to a cash liquidity reserve in the form of cash and cash equivalents. The latter amounted to EUR 36.0 million as at 31 December 2025 (31 December 2024: total variable lines of credit of EUR 161.0 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 2025:

EUR thousand	< 1 Year	1–5 Years	> 5 year	Total
Promissory note loans	45,472	15,970	-	61,442
Liabilities to banks	77,056	879,863	8,259	965,177
Lease liabilities	6,855	11,597	7,218	25,670
Total	**129,383**	**907,430**	**15,477**	**1,052,289**

At 31 December 2025, financial liabilities amounted to EUR 1,052.3 million (31 December 2024: EUR 979.6 million). Issued promissory note loans remained unchanged at EUR 61.4 million (31 December 2024: EUR 61.4 million); liabilities to banks increased to EUR 965.2 million (31 December 2024: EUR 900.7 million). In addition, lease liabilities of EUR 25.7 million were reported (31 December 2024: EUR 17.5 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 five years. Of the loan, EUR 920.0 million had been drawn down as of the reporting date (as at 31 December 2024: EUR 845.0 million). The syndicated loan agreement comprises a bullet tranche of EUR 650.0 million (Facility A), a repayment tranche of EUR 100.0 million (Facility B; 31 December 2024: EUR 150.0 million) and a revolving tranche of EUR 200.0 million (Facility C), of which EUR 170.0 million had been drawn down as at the reporting date (31 December 2024: EUR 45.0 million).

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. One of the interest rate hedges expired on 30 December 2025. These partially artificially eliminated the risk of fluctuations in the reference rate for this volume until the other interest rate swap reached maturity (January 2026).

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. 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.

Montavit, 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 15.9 million as at 31 December 2025 (31 December 2024: EUR 18.2 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	2025	2024
Net cash flows from operating activities	229,149	201,378
Cash flows from investing activities	–98,240	–29,614
Free cash flow	**130,909**	**171,764**
Cash flows from financing activities	**–46,106**	**–209,169**
Cash flow	**84,803**	**–37,404**
Cash, cash equivalents and bank overdrafts	203,390	121,275

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.

This item increased by EUR 27.8 million to EUR 229.1 million in the 2025 financial year (previous year: EUR 201.4 million). The change was attributable primarily to the decline of EUR 7.1 million in working capital (previous year: increase of EUR 25.4 million).

Cash flow from investing activities, which reflects the cash outflows for investments less the inflows from disposals, amounted to EUR –98.2 million in financial year 2025 (previous year: EUR –29.6 million).

This increase was due largely to the prepayment of EUR 33.1 million for the acquisition of the Mucos Group, and the payments for business combinations less cash amounting to EUR 18.1 million in connection with the acquisition of Trenka. Cash flows from investing activities also reflect payments for investments in financial assets amounting to EUR 11.0 million (previous year: EUR 0.4 million). This related in particular to the acquisition of the equity investment in Solaris, which is accounted for using the equity method.

Free cash flow, i.e., cash flow from operating activities plus cash flow from investing activities, amounted to EUR 130.9 million in financial year 2025 (previous year: EUR 171.8 million).

Cash flow from financing activities amounted to EUR –46.1 million in the financial year (previous year: EUR -209.2 million).

This was influenced significantly by proceeds from borrowings in the amount of EUR 170.0 million (previous year: EUR 111.2 million) and cash used to repay EUR -100.6 million (previous year: EUR –212.6 million) in financial liabilities.

Cash flow from financing activities was also influenced by the distribution of a dividend for financial year 2024 amounting to EUR 48.5 million in July 2025 (previous year: EUR 47.4 million) in accordance with the resolution of the Annual General Meeting dated 26 June 2025. The AGM followed the Board of Management's recommendation to distribute a dividend of EUR 0.90 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 84.8 million in financial year 2025 (previous year: EUR –37.4 million).

Investments

The Group's investment volume rose to EUR 104.3 million in financial year 2025 (previous year: EUR 38.6 million). The increase was primarily a result of the prepayment for the acquisition of the Mucos Group and the acquisitions of Trenka and Solaris.

Investments in intangible assets amounted to EUR 17.5 million (previous year: 18.2 million) and primarily comprised expenses for products being developed in house. Investments in property, plant and equipment amounted to EUR 24.6 million (previous year: EUR 20.0 million). Accordingly, the ratio of investments in property, plant and equipment to consolidated revenue amounted to 2.1% (previous year: 1.7%).

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 2024

In its report on expected developments for 2025 in the 2024 combined management report, the Board of Management did not expect any material changes in EBITDA as compared to 2024. EBITDA remained virtually unchanged at EUR -0.9 million in financial year 2025 (previous year: EUR -0.5 million). Thus, the targets forecast in the outlook were achieved.

2.4.3 Financial performance of Dermapharm Holding SE

Income statement

EUR thousand	2025	2024
Revenue	5,570	4,951
Other operating income	128	95
Personnel expenses	–3,852	–3,766
Amortisation of intangible fixed assets and depreciation of tangible fixed assets	–30	–23
Other operating expenses	–2,768	–1,757
Other interest and similar income	39	26
Interest and similar expenses	–13,702	–7,699
Taxes on income and earnings	–10	–6
Earnings after tax	**–14,626**	**–8,180**
Net loss for the financial year	**–14,626**	**–8,180**
Withdrawal from capital reserves	62,005	56,636
Unappropriated net earnings	**47,379**	**48,456**

The **revenue** in financial year 2025 amounted to EUR 5.6 million (previous year: EUR 5.0 million) and comprised solely amounts charged for services rendered to companies of the Group.

Personnel expenses increased slightly year on year to EUR 3.9 million (previous year: EUR 3.8 million). It includes the Business Development department as well as the Company's Board of Management.

Other operating expenses amounted to EUR 2.8 million in financial year 2025 (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 –0.9 million in financial year 2025 (previous year: EUR –0.5 million).

Interest expenses amounted to EUR –13.7 million in financial year 2025 (previous year: EUR –7.7 million). These relate to intercompany interest expenses charged to Dermapharm AG.

In financial year 2025, **earnings after tax** amounted to EUR –14.6 million (previous year: EUR –8.2 million).

The **net loss for the year** increased to EUR –14.6 million in financial year 2025 (previous year: EUR –8.2 million).

The **unappropriated net earnings** for financial year 2025 will be used in part (EUR 47.4 million; previous year: EUR 48.5 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 2025:

Assets EUR thousand	31 December 2025	31 December 2024
Fixed assets		
Intangible fixed assets	138	166
Property, plant and equipment	1	3
Shares in affiliated companies	1,321,915	1,321,915
Total fixed assets	**1,322,054**	**1,322,084**
Current assets		
Receivables from affiliated companies	18,042	18,005
Other assets	-	44
Bank balances	417	251
Total current assets	**18,459**	**18,300**
Prepaid expenses	**166**	**194**
Total assets	**1,340,679**	**1,340,578**

Equity and liabilities EUR thousand	31 December 2025	31 December 2024
Equity	**992,462**	**1,055,544**
Provisions		
Tax provisions	515	-
Other provisions	3,122	3,080
Total provisions	**3,637**	**3,080**
Liabilities		
Trade payables	116	195
Liabilities to affiliated companies	338,479	273,885
Other liabilities	5,986	7,875
Total liabilities	**344,580**	**281,954**
Total equity and liabilities	**1,340,679**	**1,340,578**

Total assets amounted to EUR 1,340.7 million as at 31 December 2025, virtually unchanged year on year (previous year: EUR 1,340.6 million).

Shares in affiliated companies amounted to EUR 1,321.9 million as at 31 December 2025 (previous year: EUR 1,321.9 million) and include the interest in Dermapharm AG and Dermapharm Beteiligungs GmbH.

Receivables and other assets remained level year on year at EUR 18.0 million (previous year: EUR 18.0 million).

Bank balances increased to EUR 0.4 million as at 31 December 2025 (previous year: EUR 0.3 million).

Equity decreased to EUR 992.5 million as at 31 December 2025 (previous year: EUR 1,055.5 million).

Other provisions amounted to EUR 3.1 million as at 31 December 2025, unchanged year on year (previous year: EUR 3.1 million).

Liabilities to affiliates increased to EUR 338.5 million (previous year: EUR 273.9 million). The increase resulted from the increase in intercompany loans.

Other liabilities decreased to EUR 6.0 million as at 31 December 2025 (previous year: EUR 7.9 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 2025.

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 five years. Of the loan, EUR 920.0 million had been drawn down as at 31 December 2025 (as at 31 December 2024: EUR 845.0 million). The syndicated loan agreement comprises a bullet tranche of EUR 650 million, a payment tranche of EUR 100 million and a revolving tranche of EUR 200 million. 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 2025 is expected to be used in full in financial year 2026 to pay the dividend proposed by the Board of Management.

2.5 Overall assertion on the economic situation

Overall assertions on the Group

Dermapharm achieved the forecast targets for revenue and adjusted EBITDA in the 2025 financial year despite the 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 due to the portfolio restructuring at axicorp and the reorganisation of the business model at Arkopharma was offset by organic growth in other business areas, particularly in the "Branded pharmaceuticals" segment and the European B2B business.

Revenue decreased by 1.3% to EUR 1,165.0 million (previous year: EUR 1,180.8 million).

The segments reported the following changes in revenue:

- "Branded pharmaceuticals" segment: 5.2%
- "Other healthcare products" segment: –0.2%
- "Parallel import business" segment: –19.0%

Adjusted for non-recurring items amounting to EUR 7.2 million, EBITDA rose by 2.9% to EUR 324.8 million (previous year: EUR 315.6 million).

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

- "Branded pharmaceuticals" segment: 5.6%
- "Other healthcare products" segment: –5.1%
- "Parallel import business" segment: –139.8%

Unadjusted EBITDA rose by 2.8% to EUR 317.6 million (previous year: EUR 308.9 million).

The segments reported the following changes in unadjusted EBITDA:

- "Branded pharmaceuticals" segment: 6.9%
- "Other healthcare products" segment: –9.7%
- "Parallel import business" segment: –216.6%

Overall assertion on Dermapharm Holding SE

In financial year 2025, 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. There were no significant year-on-year changes to revenue or EBITDA in financial year 2025.

3. Report on risks and opportunities

Dermapharm operates in a complex, globally interconnected market environment and is influenced by a wide range of internal and external factors. Every entrepreneurial decision involves opportunities and risks that should be taken into account during the decision-making process. For this purpose, Dermapharm has implemented tools and processes to identify risks at an early stage and address them with appropriate countermeasures. At Dermapharm, opportunity management is an integral part of internal decision-making processes and business planning during the year.

The wars in Ukraine and the Middle East, as well as the increasing geopolitical tensions between China and Taiwan, may lead to significant disruptions in logistics, raw material and energy supplies. As a result, supply shortages, rising energy and transportation costs, and stronger inflationary dynamics may occur. In addition, politically induced trade barriers and exchange rate fluctuations are possible, which may adversely affect procurement, production and sales processes. In light of the ongoing trade policy volatility, further increases in US tariffs in 2026 cannot be ruled out. Moreover, health policy interventions in pharmaceuticals pricing are increasing price pressure and may also impact margins.

However, current political developments also present opportunities: the further development of the national pharmaceutical strategy and the intensified pharmaceutical and medical technology dialogue in 2025 offer potential advantages for Dermapharm, as they aim to strengthen Germany as a pharmaceutical hub, reduce regulatory hurdles, and improve conditions for innovation and production.

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 presented for 2026 in the Risk report (section 3.5) are allocated to the following four overarching risk types:

- Market-related and strategic risks (7)
- Operational risks (8)
- Financial risks (4)
- Compliance risks (6)

For the present risk report, the scale used to assess potential impact levels has been adjusted to reflect the expected development of the Group during the assessment period (financial year 2026). A potential impact is now ranked as "very high" if the adverse effect on earnings before interest and taxes (EBIT) is more than EUR 25 million (previously more than EUR 20 million). All other adjustments to the impact scale are presented in detail in the overview below:

Rating	Descriptor	Scale as at 31 Dec. 2024	Scale as at 31 Dec. 2025
1	Very low	EUR 200,000 – EUR 1 million	EUR 250,000 – EUR 1.25 million
2	Low	EUR 1 million – EUR 2 million	EUR 1.25 million – EUR 2.5 million
3	Medium	EUR 2 million – EUR 10 million	EUR 2.5 million – EUR 12.5 million
4	High	EUR 10 million – EUR 20 million	EUR 12.5 million – EUR 25 million
5	Very high	> EUR 20 million	> EUR 25 million

Compared to the previous year, there were two changes in the assessment of the risk categories. The categories "political risks" and "currency risks" were raised from low to medium due to the current geopolitical instability.

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 Group's risk management system aims to identify potential risks that could endanger the success of the corporate group at an early stage and to actively counteract them through appropriate measures. The fundamental components of the RMS include 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 defining and implementing risk-mitigating measures, revising control design and implementation, and adapting system-supported process automation.

The ICS and RMS also cover environmental, social and governance (ESG) topics. This includes the identification and assessment of risks as well as the defined processes and controls for collecting, validating, processing, and documenting sustainability-related data (including metrics on energy consumption and workforce 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 the financial year 2025.

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 Group's risk management system aims to identify potential risks that could endanger the success of the corporate group at an early stage and to actively counteract them through appropriate measures. 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 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.

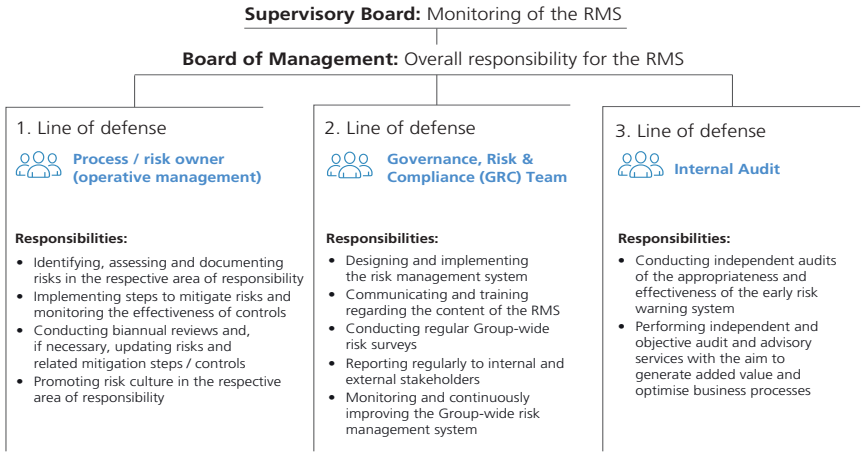
Dermapharm is exposed to risks stemming from external factors as well as its business activities.

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 centrally managed by the Governance, Risk & Compliance department, is regularly reviewed for its adequacy and effectiveness, and is the overall responsibility of the Management Board. In contrast, risk monitoring is organized and assigned on a decentralized basis: depending on the risk category and the extent of the risk, responsibility lies with the department heads and the managing directors of the respective subsidiaries.

Organisation of the risk management system:



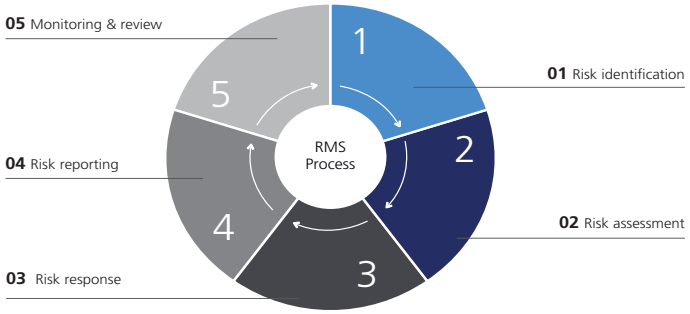
Potential risks are recorded through regular surveys in all relevant business areas and in all majority-owned companies. For this purpose, Dermapharm's standard risk catalog is assessed semi-annually by the risk owners. The results of these risk assessments are consolidated and analyzed centrally by the GRC department. If necessary, new measures are implemented or previously approved measures are adjusted.

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 adequacy and effectiveness of the RMS is continually monitored by the GRC department 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.

The risks are assigned to the following 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):

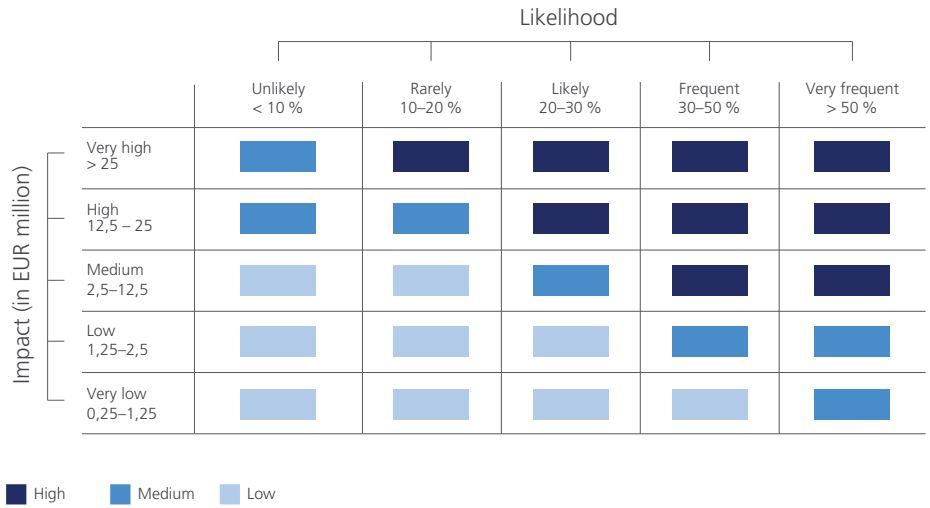
Market and strategy	Operational	Financial	Compliance
Threat of (new) competitors/ originator manufacturers	Development risks	Financing and liquidity risks	Risks from changes in the legal and regulatory environment
Dependence on key products	Purchasing risks	Interest rate risks	Corruption risks
Dependence on suppliers/business partners	Manufacturing risks	Currency risks	Antitrust risks
Dependence on customers	Quality risks/ product liability	Tax risks	Data protection violations
M&A risks	Marketing and sales risks		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 trends, the market environment in the pharmaceuticals sector and the 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 assessment 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.

Each risk category is classified as low, medium or high based on the combination of the assessed 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 adequacy 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 adequacy 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 controlling department. The system is being continually improved and its adequacy 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 adequacy 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 the GRC department and the compliance officers at the individual subsidiaries.

The corporate principles and rules of conduct derived from them are laid down in Dermapharm'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 (anonymously) to the internal reporting unit via Dermapharm Group's digital whistleblower system. 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 as well as judicial authorities. The GRC department 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 of the risk categories considered at Group level are presented below. The risk categories and the relevant background information are subsequently explained in more detail individually.

Market and strategy	Operational	Financial	Compliance
Threat of (new) competitors/ originator manufacturers	Development risks	Financing and liquidity risks	Risks from changes in the legal and regulatory environment
Dependence on key products	Purchasing risks	Interest rate risks	Corruption risks
Dependence on suppliers/ business partners	Manufacturing risks	Currency risks	Antitrust risks
Dependence on customers	Quality risks/ product liability	Tax risks	Data protection violations
M&A risks	Marketing and sales risks		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/ originator manufacturers

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 2025, 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 2026, 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, Myditin®, 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

To manufacture its products, Dermapharm relies on raw materials and starting materials procured from suppliers and external manufacturers. Supply chain interruptions may 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.

M&A risks

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, various processes have been established to support the integration of acquired companies into the corporate group. This includes their incorporation into the existing structures of 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

Dermapharm operates internationally and is therefore active across a wide range of national and supranational (health) policy environments. 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.

The wars in Ukraine and the Middle East, as well as the increasing geopolitical tensions between China and Taiwan, may lead to significant disruptions in logistics, raw material and energy supplies. As a result, supply shortages, rising energy and transportation costs, and stronger inflationary dynamics may occur. In addition, politically induced trade barriers and exchange rate fluctuations are possible, which may adversely affect procurement, production and sales processes. In light of the ongoing trade policy volatility, further increases in US tariffs in 2026 cannot be ruled out.

EU reforms, such as the "Pharma Package" (2025), increase transparency requirements and place increased obligations on companies to ensure their supply capacity. These additional regulatory burdens may also cause rising costs and increasing price pressure.

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 **medium** at Group level.

Other market-related or strategic risks

New scientific findings may result in a lower risk/reward assessment for a compound, which could require a full or partial market recall – whether because of official orders or voluntarily at the Company's due discretion. Disadvantageous research/study outcomes relating to active ingredients or excipients may result in a new product not being launched or cause a revenue decline for existing products.

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.

There are also risks of impairment for Dermapharm Holding SE in connection with equity investments. If individual equity investments perform worse than planned, their realisable enterprise value may decrease. A write-down may be necessary in such cases, which would have a negative effect on earnings and on the financial position of the Company.

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

Development risks

A significant portion of Dermapharm's revenue is attributable to off-patent branded pharmaceuticals, the continuous refinement of which is a key component of corporate strategy. Despite developmental expertise, unexpected technical, regulatory or official requirements can lead to delays, cost increases or project cancellations. In particular, the outcomes of meticulously prepared clinical trials cannot be predicted and may impede authorisation. Moreover, the commercial attractiveness of projects may change during the developmental stage. Even when development is successful, external factors – such as activities by competitors, alternative treatment options or changes in the market – still may affect the success of the launch. Given that development and authorisation of new products can take five to seven years, delays also affect the length of time until costs are covered and profitability is achieved.

Dermapharm actively implements risk mitigation by analysing the competitive environment on an ongoing basis in connection with key milestones. Another more in-depth market and competition assessment is conducted prior to the start of cost-intensive clinical trials. In addition, all development projects are subject to regular reviews in terms of progress, schedule and budget, in order to identify and reduce potential risks early. In addition, regular employee training is offered on relevant statutory requirements and responsibilities for products are clearly defined.

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

The Group's purchasing risks arise primarily from the strained geopolitical environment, which is causing raw material price volatility around the world and increasing the susceptibility of global supply chains to disruption. Despite an improved supply situation overall, weather-related crop failures, potential regulatory changes (impacting the parallel import business, among others) and limited availability of some materials remain relevant risk factors.

Dermapharm operates a forward-looking inventory and procurement policy that provides for significant portions of the raw materials supply to be covered by long-term supply agreements and price escalation clauses. Furthermore, there is an ongoing process to identify and screen alternative procurement sources and partners to reinforce supply security for the long term.

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.

Manufacturing risks

Disruptions in manufacturing processes can adversely affect Dermapharm's business. Potential 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 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 could have a negative effect on customer demand. A negative public perception of the quality of Dermapharm's products could have the same effect. 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.

Marketing and sales risks

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. Experience shows that in times of global crises, there is a greater likelihood of cyber 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.

The German Act Implementing the European NIS2 Directive (***NIS2 Umsetzungsgesetz***, "NIS2UmsuCG"), which entered into force on 6 December 2025, made the requirements regarding cyber and information security significantly stricter. The act extends the scope of application of the German Act of the Federal Office for Information Security (BSI Act), meaning that multiple Dermapharm Group companies fall under the new rules. The expanded obligations include the introduction and documentation of a comprehensive IT risk management system, implementation of technical and organisation security measures, ensuring supply chain security and compliance with a multi-step reporting procedure for security incidents. Violations may result in regulatory measures imposed by the BSI, substantial fines, personal liability of the company management, and reputational damage.

In order to meet the statutory requirements in full, the existing information security management system of mibe GmbH Arzneimittel will be gradually expanded over the coming months to cover the Dermapharm companies affected by NIS2.

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. The ability to attract and retain skilled employees is gaining increasing strategic importance as the Group continues to grow.

Some German regions have achieved almost full employment, which means that the shortage of skilled workers – exacerbated by demographic development – can have a negative impact on the operating result. Moreover, high staff turnover, particularly in key roles, may lead to a lack of motivation among remaining team members, process delays, a loss of expertise and an adverse impact on employer branding.

To counter the risks described above, appropriate measures for employee recruitment and development are derived from the annual personnel 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

Financing 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 for Dermapharm. If this threshold is exceeded, the lending banks are entitled to completely reassess the agreement. Dermapharm monitors compliance with the covenant on an ongoing basis by means of a rolling covenant outlook in order to identify risks early. This is aimed at pinpointing potential issues in good time in an effort to find a mutual solution with the lending banks. Changes in liquidity are also monitored in the context of detailed financial planning, which includes a rolling 13-week liquidity forecast.

On 10 March 2026, the Management Board of Dermapharm Holding SE, with the approval of the Supervisory Board, resolved to conduct a public share buyback offer for up to 4,300,000 shares of the company (corresponding to approximately 7.99 % of the share capital) at an offer price of EUR 42.00 per share. It is intended to subsequently cancel the shares repurchased under the offer. The maximum possible cash outflow from the announced buyback amounts to EUR 180,600 thousand. This would reduce equity in the financial year 2026 accordingly. Dermapharm AG is currently in discussions with various banks regarding the financing of the share buyback offer by Dermapharm Holding SE. The Management Board plans to finalize the financing agreement immediately after the acceptance rate from shareholders is announced. The maximum additional financing facility amounts to EUR 120,000 thousand.

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). An increase in the reference rate over the course of 2026 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 Group's business activities have an international focus. In addition to the most important sales markets of Germany and Europe, Dermapharm is also active in the United States and Asia. This is associated with both translation and transaction risks due to exchange rate fluctuations (including USD, CNY, UAH and PLN).

Translation risks arise in connection with consolidation of the financial statements of foreign subsidiaries, as their reported figures denominated in foreign currencies have to be converted into euros, Dermapharm's reporting currency. Exchange rate fluctuations affect other comprehensive income and equity.

Transaction risks arise when payments are agreed in foreign currency – for example when purchasing active ingredients from Asia. If the exchange rate changes between conclusion of the contract and payment, this may result in financial gains or losses.

In addition to the natural hedge in the foreign subsidiaries, underlying transaction-related currency hedging instruments (such as forward exchange transactions) are used to minimise risk where necessary. 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 **medium** 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 from 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 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's Code of Conduct sets out binding rules for all employees to prevent corruption. Suspected violations can be reported via Dermapharm's digital whistleblower system. Furthermore, the Chief Compliance Officer, the GRC department and the 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

Unfair agreements with competitors regarding sales prices, bid submissions, market or tender allocations, as well as the abuse of a dominant market position (for example, by unjustifiably treating customers or suppliers differently), are prohibited under antitrust law. 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's Code of Conduct sets out binding rules for all employees on how to avoid unfair competition. Here, too, the Chief Compliance Officer, the GRC department and the 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 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 through regular communication and advisory support provided by the GRC department and the local compliance officers, through the implementation of relevant training measures, and through the controls embedded in the applicable 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 continues to push ahead with its strategy for continued development. 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. New product launches by Dermapharm could grow faster than expected in 2026. Reasons for this could include the ageing population, increasing health awareness among consumers, government subsidies for the healthcare market and regulatory changes.

The further development of the national pharmaceutical strategy and the intensified pharmaceutical and medical technology dialogue in 2025 offer potential advantages for Dermapharm, as they aim to strengthen Germany as a pharmaceutical hub, reduce regulatory hurdles, and improve conditions for innovation and production. The continued implementation and evaluation of the measures under the German Act to Combat Supply Shortages and Improve the Supply of Medicines (***Arzneimittel-Lieferengpassbekämpfungs- und Versorgungsverbesserungsgesetz***, "ALBVVG") – including preferential use of European producers of active ingredients, an easing of pricing rules for critical pharmaceuticals, and development of a national early warning system in the event of supply shortages – require a more stable and more regionally focused supply chain and may create strategic advantages for companies with a European production base. All in all, these regulatory initiatives boost the competitiveness of regional producers and provide additional growth and positioning opportunities in the European market.

The first tightening of the German Medical Cannabis Act (***Medizinal-Cannabisgesetz***, "MedCanG") was prepared in 2025, primarily involving stricter requirements on prescriptions, the exclusion of mail order, and additional control and documentation obligations, with the aim of curbing abuse. These planned regulations may result in a market shakeout in 2026, and exert pressure particularly on providers with digital-only business models. The developments present opportunities for Dermapharm to further expand its market position in the field of medical cannabis, underpinned by established quality standards and its modern facility in Friedrichsdorf. It remains to be seen how the political situation will develop, but it may offer additional growth opportunities.

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 performance perspective, continued emphasis is placed on 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 standard of quality is implemented with the assistance of an effective quality management system at all locations. 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 identifies key opportunities for future development in the overall economic resilience of the pharmaceutical market, the substantial untapped growth potential in the off-patent medicines segment, and the ongoing advancement of the national pharmaceutical strategy. Additional opportunities arise from potential market consolidation in the medical cannabis sector, possible supply shortages among competitors, and continued efficient cost management. Moreover, by deliberately maintaining production in Germany and Europe, Dermapharm ensures consistently high product standards. Through the continued execution of its successful growth strategy—driven by in-house product development, international expansion, and targeted M&A activities—the Group is well positioned to systematically capitalize on these opportunities going forward.

Dermapharm identifies risks to its future development primarily in the potential intensification of competition in individual market segments, its dependence on certain key products, the tense geopolitical environment, and the uncertainties associated with the integration of acquired companies and products. Additional risk factors include increased raw material and energy prices, potential supply shortages, the exploitation of IT security vulnerabilities, challenges in attracting and retaining qualified employees, and possible exchange rate fluctuations.

The Group will continue to closely monitor macroeconomic development and the political situation, particularly as regards to Russia's war of aggression in Ukraine, the conflict in the Middle East and US tariff policy, in order to implement further measures without delay 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 the market environment expected in financial year 2026 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 2025, the OECD expects global growth of 2.9% in 2026 (as of December 2025). However, this outlook is subject to uncertainties. For 2026, 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 1.4% economic growth in the OECD countries in 2026 (autumn forecast 2025).

According to its 2026 annual economic report (as of January 2026), the German federal government expects real growth of 1.0%, which signals an end to several years of persistent economic stagnation. The expected recovery will be underpinned primarily by private and public investment, which will receive additional impetus from the Special Fund for Infrastructure and Climate Neutrality and tax relief measures. Domestic demand is also expected to be a stabilising factor, whereas geopolitical tension, protectionist trends and structural location-related problems, such as high energy prices and bureaucratic red tape, will continue to hamper growth.

In its "World Preview 2025: Pharma Growth Steady Amid Turbulent Seas and Rising China", Evaluate Ltd. expects the global market for prescription pharmaceuticals to grow at an average annual rate of 7% to reach USD 1.75 trillion by 2030. Market research firm IMARC Group expects the market for off-patent/generic pharmaceuticals to grow at an average annual rate of 6.44% between 2026 and 2034.

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 science-based healthcare products in 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 opportunities and risks provides further details on the resulting risks as well as the opportunities. However, the Board of Management is confident that, as a European manufacturer, Dermapharm has improved opportunities for growth in the face of geopolitical changes and a political return to the strengths of our home continent.

The underlying organic growth of our major brands in the "Branded pharmaceuticals" segment forms a solid foundation for continued success. The introduction of new, internally developed products in the fields of dermatology, corticosteroid therapy and allergology, which will be gradually expanded to our European locations, will build on the positive performance of recent years. Furthermore, the recent acquisitions of the Mucos Group and Trenka will enable additional revenue and earnings growth. For this market segment, the Board of Management consequently expects significant revenue growth and a moderate increase in segment earnings.

The "Other healthcare products" segment experienced a year of consolidation in 2025, primarily with a view to Arkopharma This included continuation of the realignment of the business model introduced with the aim of making better use of the opportunities offered by the pharmacy market for Arkopharma. The Board of Management expects an increase in market share over the coming year, with an associated increase in revenue and earnings contributions. Euromed, the only Group company with a significant share of revenue generated in the USA, was also affected by the impact of the US tariff policy. However, given that Euromed operates its own production facilities in the US, the tariffs affected only a small portion of product deliveries and caused a reduction in earnings in the low seven-figures. Increased contributions are also expected here, despite the impact of the tariffs. A positive market outlook predominates for all other

companies in this segment. The Board of Management therefore assumes significant growth in revenue contributions and a particularly strong increase in earnings.

The "Parallel import business" segment will continue its focus on business with high-margin products in the coming year, although this means accepting a further decline in revenue. However, the measures initiated in the reporting year are starting to bear fruit, such as in reducing production and logistics costs. Savings were also made in personnel expenses. The Board of Management therefore expects particularly strong growth in earnings for the year ahead, despite a sharp decline in revenue contributions.

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 2026 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
- 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 newly acquired companies 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, the war in the Middle East and other macroeconomic factors
- Compliance with the agreed financial covenant

Dermapharm Holding SE's expected performance

The Board of Management does not expect any material change in the Company's business activities. Should further financing needs arise following the completion of the share buyback program, the Management Board plans to increase Dermapharm AG's financing limit during the fiscal year.

Fundamental assumptions underlying Dermapharm Holding SE's forecast

The forecast for financial year 2026 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
- 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 or the war in the Middle East 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. Additional contributions are expected from the recent acquisitions of Trenka and the Mucos group, which are allocated to this segment. Overall, this segment is therefore expected to make a significantly growing contribution to revenue and a moderately growing contribution to earnings.

The "Other healthcare products" segment is expected to make a major contribution to the Group's growth in the years ahead. Dermapharm expects positive performance in the business areas of this segment in 2026, with Euromed and Anton Hübner benefiting in particular. However, the expected revenue growth at Arkopharma will not be reflected in earnings in the short term. All in all, the Company expects a substantial rise in revenue and a particularly strong increase in earnings contributions.

The revenue trend in the "Parallel import business" segment was characterised by the planned focus on high-margin products and the associated portfolio restructuring in 2025. This process will cause further sharp declines in revenue as it continues in 2026, albeit with particularly marked increase in earnings.

In summary, the Board of Management expects revenue to show solid year-on-year growth in the middle of the range in financial year 2026.

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 1,182 million and EUR 1,218 million. Adjusted EBITDA is expected to grow to between EUR 331 million and EUR 341 million.

Compared to financial year 2025, the Board of Management does 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 -81.5% share of voting rights

We published notifications of corresponding transactions from 9 February 2018 on our website at https://ir.dermapharm.de/en/investor-relations/mandatory-publications/.

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 2025 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 2026)

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 2025 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 2026

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_24-04-2025.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 2025, 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 Dreibholz, 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 simply 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 2025, 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. For the purpose of calculating the 10-day period, the date on which the notice of meeting is sent and the date of the meeting do not count; it is sufficient if the notice of meeting is sent within the time. In urgent cases, the Chairman may reasonably shorten the notice period and may also call the meeting orally 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 2025 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 48% as at 31 December 2025, thus above the target.

Female representation in the second level of management was 51% as at 31 December 2025, 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 3,500 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 2025 to 31 December 2025 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, 25 March 2026

Dr Hans-Georg Feldmeier
Chief Executive Officer

Christof Dreibholz
Chief Financial Officer
Chief Compliance Officer

Dr Andreas Eberhorn
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