

## REPORT OF THE SUPERVISORY BOARD ON THE 2017 FINANCIAL YEAR\*

In financial year 2017, the Supervisory Board of Dermapharm Holding SE performed the duties incumbent upon it under the law and the Articles of Association. The Supervisory Board monitored and advised the Management Board.

The Company was formed as a shelf company by deed of incorporation dated 4 July 2017. On 11 August 2017, Themis Beteiligungs-Aktiengesellschaft, Grünwald, acquired all of the shares in the Company and subsequently contributed all of the shares in Dermapharm Aktiengesellschaft, Grünwald, to the Company effective as per the end of 31 December 2017.

### Personnel changes on the Management Board and the Supervisory Board

In connection with Themis Beteiligungs-Aktiengesellschaft's acquisition of the Company, the composition of the Company's Management Board and Supervisory Board changed respectively as follows:

- By resolution of the Annual General Meeting dated 11 August 2017, the members of the Company's first Supervisory Board – Ms Gabriele Roskothen, Ms Randi Mette Selnes and Ms Katja Gogalla – were dismissed and replaced by Mr Wilhelm Beier, Mr Michael Beier and Dr Erwin Kern, who were appointed as the new members of the Supervisory Board.
- Ms Nicole Lotz resigned as the sole member of the Management Board effective 11 August 2017. The newly comprised Supervisory Board then resolved on 11 August 2017 to appoint Dr Hans-Georg Feldmeier (Chairman), Mr Stefan Grieving, Mr Stefan Hümer and Ms Karin Samusch as the new members of the Management Board.

There was the following further change in the composition of the Supervisory Board at the end of 2017/start of 2018: Mr Michael Beier left the Supervisory Board effective as per the end of 31 December 2017. By resolution of the Annual General Meeting dated 6 December 2017, he was replaced by Mr Lothar Lanz, who was appointed as a new member of the Supervisory Board effective 1 January 2018.

### Work of the Supervisory Board in financial year 2017

The 2017 financial year is the Company's first financial year. Since the financial year commenced with the Company's formation on 4 July 2017 it is a short financial year. The Company was not yet operational in the reporting year and did not begin its current operations as the Dermapharm Group's new holding company until the beginning of 2018 following the contribution of Dermapharm Aktiengesellschaft.

Accordingly, in financial year 2017, the work of the Supervisory Board revolved primarily around the appointment of new members to the Management Board in connection with Themis Beteiligungs-Aktiengesellschaft's acquisition of the Company, the contribution of Dermapharm Aktiengesellschaft to the Company and the preparations for the Company's IPO in 2018. The Management Board was in constant contact with the chairman of the Supervisory Board, thus ensuring that he was at all times kept abreast of any material matters, which he then reported to the other members of the Supervisory Board.

On 11 August 2017 of the reporting year, the Supervisory Board held a meeting via conference call with all members of the Supervisory Board participating in the meeting. At this meeting, the Supervisory Board – which had been newly appointed by virtue of the resolution of the Annual General Meeting dated 11 August 2017 – elected its chairman and a deputy chairman, and resolved on the appointment of new members to the Management Board. Furthermore, the Supervisory Board resolved on and approved the contribution of Dermapharm Aktiengesellschaft to the Company by way of written circular resolution with all Supervisory Board members participating.

During the reporting year, there were no conflicts of interest on the Supervisory Board. The Company's Supervisory Board did not form any committees since the Supervisory Board consists of only three members.

### Remuneration of the Supervisory Board

The members of the Company's Supervisory Board did not receive any remuneration for their work in financial year 2017.

Beginning in financial year 2018, pursuant to Article 15 (1) of the Articles of Association, each member of the Company's Supervisory Board shall receive a fixed annual remuneration of EUR 70,000.00 for their work.

\* After the first publication of the annual report on April 27, 2018, the report of the Supervisory Board was updated and published in the version printed here on May 18, 2018.

## Audit of the 2017 annual and consolidated financial statements

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, audited the annual financial statements prepared by the Management Board in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) as well as the consolidated financial statements prepared on the basis of International Financial Reporting Standards (IFRS) in accordance with § 315e HGB and the Group management report for financial year 2017 and, in each case, issued an unqualified audit certificate.

The members of the Supervisory Board received the above documents and the auditor's respective audit report in due time. The Supervisory Board examined these at its meeting on 26 April 2018. The auditor was present at this meeting and reported on the material audit findings. Upon completion of its own review, the Supervisory Board concurred with the auditor's findings and did not raise any objections to the annual financial statements, consolidated financial statements or the Group management report for financial year 2017 prepared by the Management Board. The Supervisory Board approved the annual financial statements, consolidated financial statements and the Group management report for financial year 2017 prepared by the Management Board. The annual financial statements have thereby been adopted.

Furthermore, the auditor also audited the report of Dermapharm Holding SE on its relationships with affiliated companies as prepared by the Management Board pursuant to § 312 of the German Stock Corporation Act (Aktiengesetz – AktG). The audit did not give rise to any objections. The auditor issued the following unqualified audit certificate:

*"In our opinion and in accordance with our statutory audit, we certify that (1) the factual disclosures provided in the report are correct, (2) the Company's consideration concerning legal transactions referred to in the report was not unduly high or any disadvantages were compensated for, and (3) there are no circumstances in respect of the measures specified in the report that would give rise to an opinion materially different from that of the Management Board."*

The members of the Supervisory Board also received the Company's report on its relationships with affiliated companies and the auditor's corresponding audit report in due time. The Supervisory Board examined these at its meeting on 26 April 2018. The Supervisory Board's review of the Company's report

on its relationships with affiliated companies did not give rise to any objections. The Supervisory Board therefore concurred with the auditor's findings and, upon completion of its own review, the Supervisory Board did not raise any objections to the concluding declaration by the Management Board in the Company's report on its relationships with affiliated companies.

## Acknowledgements

The Supervisory Board wishes to thank the Management Board of the Company for its unfailing open and constructive cooperation this past year. We would also like to thank the employees of the Dermapharm Group for their hard work this past 2017 financial year. The Supervisory Board wishes the Management Board and the employees continued success in meeting the coming challenges of the new financial year.

Grünwald, May 2018

Wilhelm Beier

Chairman of the Supervisory Board