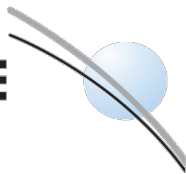


**Dermapharm Holding SE**



Dermapharm Group

# **Equity Story**

May 2023

# AGENDA

1. At a glance
2. Segment – Branded pharmaceuticals and other healthcare products
3. Segment – Herbal extracts
4. Segment – Parallel import business
5. Selected M&A transactions
6. ESG & Sustainability
7. Financials
8. Outlook
- 2 9. Backup





1

At a glance

# Dermapharm Group

## The Management Team



**Dr. Hans Feldmeier**

**Chief Executive  
Officer**

20 years company affiliation



**Karin Samusch**

**Chief Business  
Development Officer**

33 years company affiliation

**Dorsch GmbH**



**Dr. Andreas Eberhorn**

**Chief Marketing  
Officer**

as of 1 Sep 2022

**SANDOZ** A Novartis  
Division



**Christof Dreibholz**

**Chief Financial Officer  
Chief Compliance Officer**

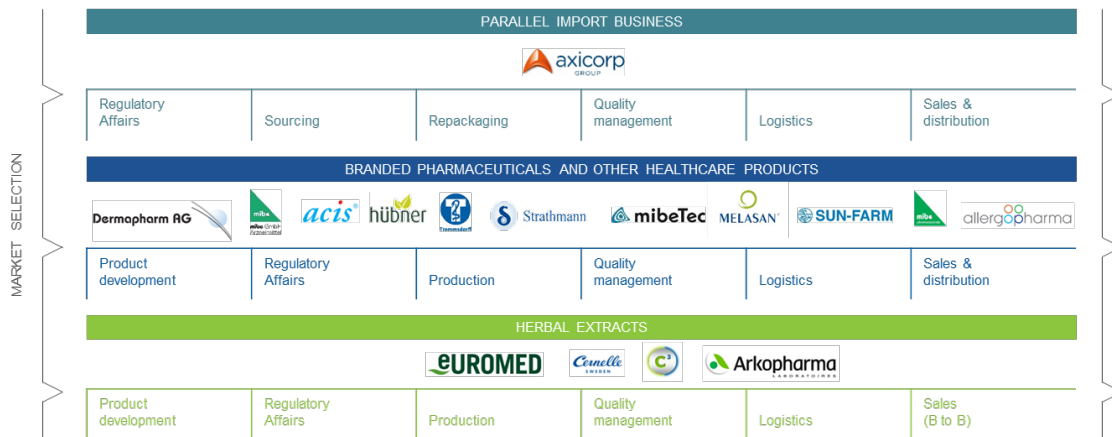
as of 1 Nov 2022



# Dermapharm at a glance

## Pharmaceutical excellence “Made in Europe”...

... based on an integrated business model ...



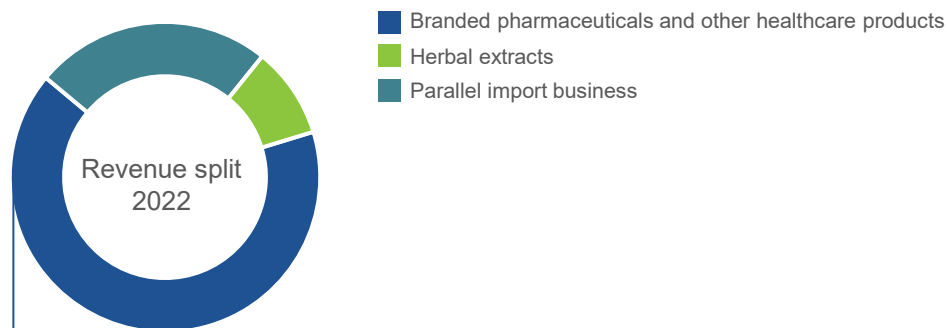
- Rapidly growing manufacturer of branded pharmaceuticals
- Focus on selected markets in Germany with an increasing international footprint
- Flexible pharmaceutical manufacturing and distribution capabilities
- Highly efficient in-house R&D process
- >380 APIs (active pharmaceutical ingredients) and >1,200<sup>1</sup> MA (marketing authorisations) in Germany and abroad
- Leading producer of herbal extracts
- A top 4 parallel import business in Germany based on revenue
- Continuous business optimisation and growth by successful M&A
- Worldwide 3,385<sup>2</sup> employees

<sup>1</sup> Separate marketing authorisations may be granted for one active pharmaceutical ingredient, based on different galenic forms and authorisations in different European countries,  
<sup>2</sup> number of employees worldwide as of 31 March 2023.

# Dermapharm at a glance

## Highly attractive and profitable product portfolio

... with focus on selected therapeutic areas<sup>1</sup>



Vitamins/Minerals/Food Supplements

Dermatology

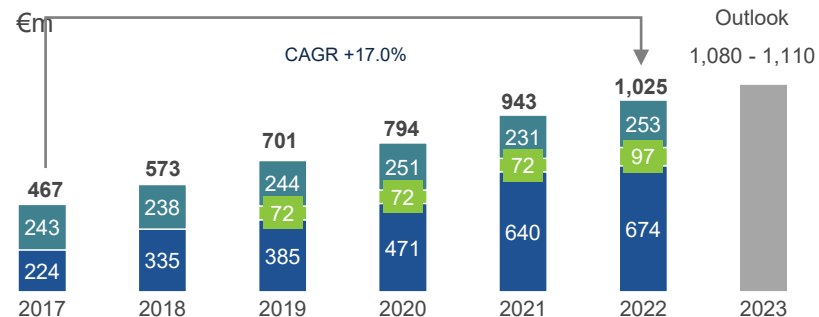
Allergology

Pain & Inflammation

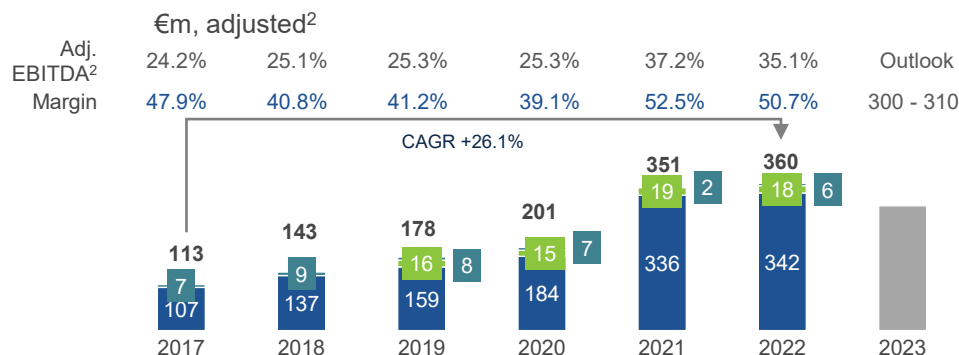
Cardiovascular Support

Gynaecology & Urology

## Total Revenue



## EBITDA



<sup>1</sup> excluding international revenues and vaccine production, based on FY 2022,

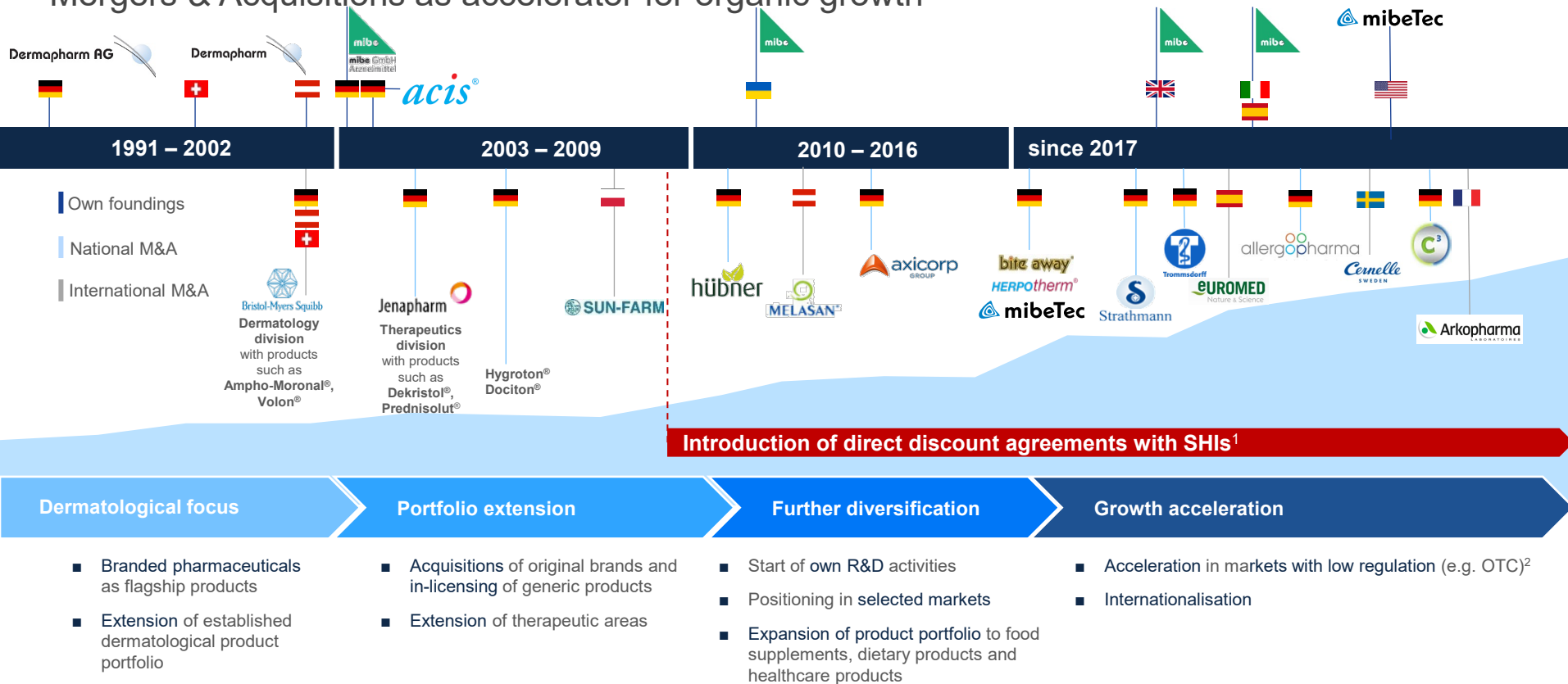
<sup>2</sup> EBITDA Margin adjusted for non-recurring costs.



# Dermapharm history

## Mergers & Acquisitions as accelerator for organic growth

Dermapharm



<sup>1</sup> SHI = Statutory Health Insurance | <sup>2</sup> OTC = Over The Counter.

# Dermapharm with increasing international footprint with ~3.400 employees worldwide





# Credible growth strategy based on three pillars



## In-house development

- Own development of new products based on a pipeline of ~40 ongoing development projects
- Five development centers specialised in different product groups
- In-house key development and authorisation processes including designing and funding of clinical trials
- Focus on...
  - ... expanding portfolio of branded pharmaceuticals
  - ... further developing allergy therapy product range
  - ... developing science-based food supplements and phyto extracts



## Internationalisation

- Well established subsidiaries in Austria, Switzerland, Croatia, Poland and Ukraine
- Self-formed subsidiaries in Italy and Spain
- Further expansion to Western- and Southern Europe: market access to France, Portugal, Italy, Benelux via Arkopharma
- Expansion of international presence via international distribution of the successful Dermapharm products through own subsidiaries and distribution partners
- Global roll-out of medical devices bite away® and Herpotherm® to > 15 European countries, USA and Japan



## M&A activities

- Non-organic growth based on comprehensive M&A know-how for new authorisations, products and companies
- Since founding of Dermapharm in 1991, product offerings have been continuously developed through successful acquisitions
- Track record in successful integration into the existing business
- Centralisation of branded pharmaceuticals at the main production and logistic hub in Brehna
- Continuous examination of further M&A opportunities

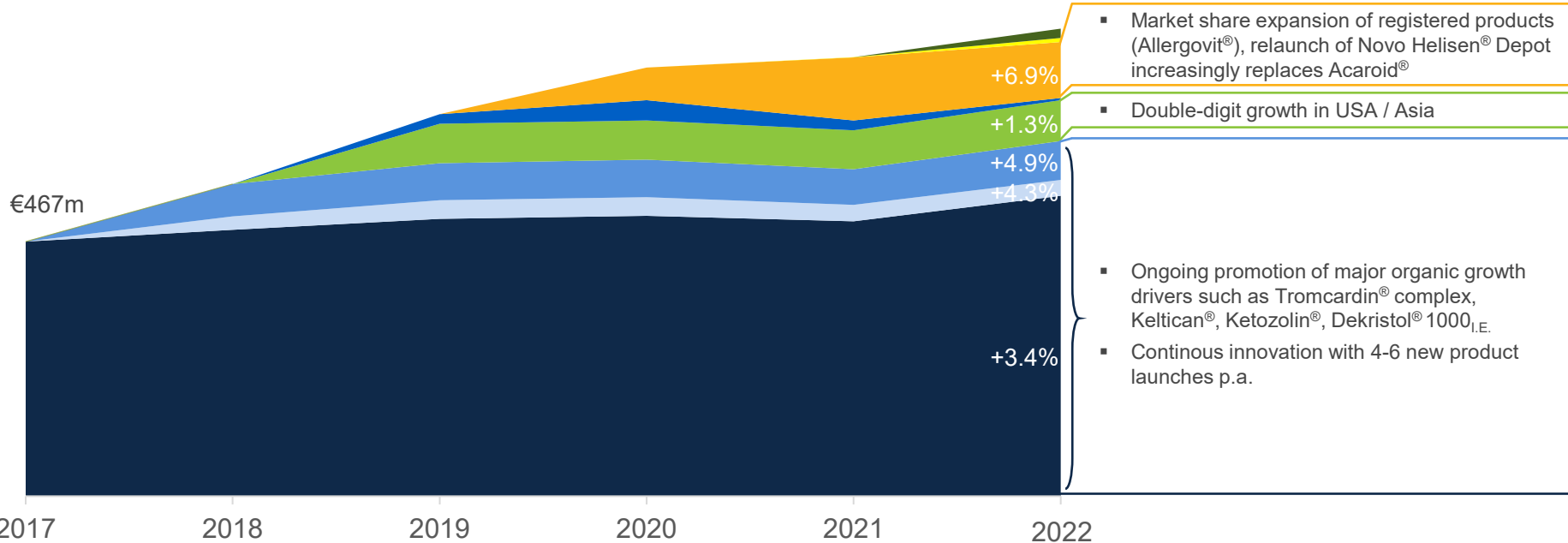
# Successful execution of growth strategy

translating to a sustainable future organic growth of 3-5%

Revenue

CAGR<sup>1</sup>

Future growth drivers



■ Dermapharm Group<sup>1</sup> ■ Strathmann ■ Trommsdorff ■ Euromed ■ Fitvia ■ Allergopharma<sup>1</sup> ■ Cernelle ■ C<sup>3</sup> Group

<sup>1</sup> excl. vaccine production

# Priorities within the next 12 months

## with focus on group-wide synergies



- **Integration** of Arkopharma

- **Revenue synergies** by further internationalisation of Dermapharm to **Western & Southern Europe**

- Support of Arkopharma to further **improve profitability**

- **Leveraging synergies** and **improving setup** within selected group functions

- Strengthening of **central treasury** function
  - Increasing **collaboration** & know-how **exchange** between subsidiaries
  - Group-wide **harmonisation** of IT infrastructure
  - Implementation of Arkopharma as **competence center** for natural food supplements












2

## Segment Branded pharmaceuticals and other healthcare products



# Dermapharm's USP: excellent market positioning

due to stringent focus on selected niche markets

	Originators  NOVARTIS  SANOFI  gsk GlaxoSmithKline	Dermapharm 	Generic companies  TEVA  SANDOZ A Novartis Division  STADA
Portfolio	Patented products (Solitaire)	Branded products ● ~70% off-patent originator products and preparations without patents <sup>1</sup>	Generics
Markets	● Attractive regulatory environment for originators	● Dermapharm's selected German markets are protected	● Challenging regulatory conditions for generics
Price pressure	● No price pressure, after first year of product launch and thereafter price negotiations with SHIs	● Limited price pressure and low priority for SHI rebate contract	● Significant margin pressure and high priority for SHI rebate contracts
Regulatory barriers	● High regulatory barriers to entry, due to patent protection	● High regulatory barriers therefore not very attractive for new entrants and strongly positioned market players	● Low regulatory barriers for new patent-free high volume pharmaceuticals
Development risk	● Only achieved under high development risk and significant investments	● Low risk development with relatively high investments	● Low risk development with relatively low investments

<sup>1</sup> Source: ApoFusion Sell-Out, by turnover (ApU PPU), based on German brand portfolio (by value) including original preparations for which patent protection no longer exists and preparations without patents.

# Leading branded pharmaceuticals manufacturer in selected therapeutic areas

Dermapharm



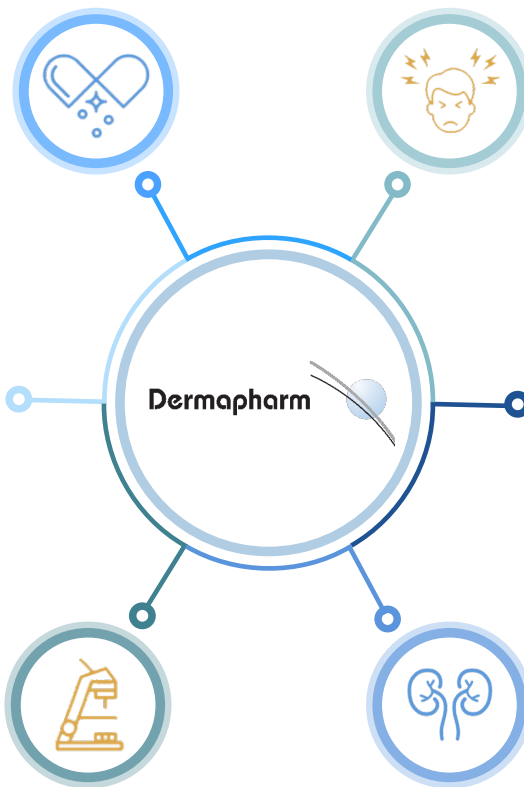
## Vitamins, Minerals, Food Supplements



## Dermatology



## Allergology



## Pain & Inflammation



## Cardiovascular Support



## Gynaecology & Urology





# Leading branded pharmaceuticals manufacturer in selected therapeutic areas (1/2)

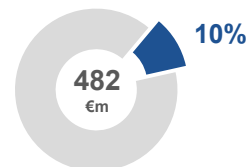


## Vitamins, Minerals, Food Supplements

#1  
of 98



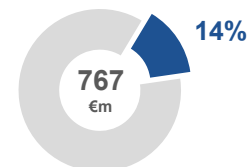
2015



CAGR

+10.9%  
+6.9%

2022

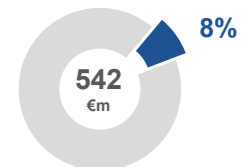


## Dermatology

#1  
of 96



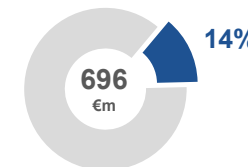
2015



CAGR

+11.4%  
+3.6%

2022

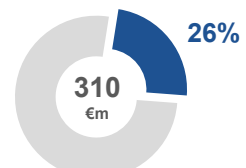


## Allergology

#3  
of 42



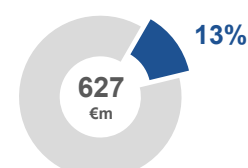
2015



CAGR

+0.6%  
+10.6%

2022



■ Market ■ Dermapharm

Source: Company information, Individual market definition by Dermapharm on the basis of Insight Health data – ApoFusion, sell out data  
Market position: Market definitions include molecules and ATC-markets of Dermapharm portfolio, Rx, OTC and health products and include competitors with more than €100.000k yearly revenue in the respective market | Market (share) growth based on molecules and ATC-markets of Dermapharm portfolio, Rx, OTC and health products, ex factory prices. Gross sales in the segment "Branded pharmaceuticals and other healthcare products" in Germany.

# Leading branded pharmaceuticals manufacturer in selected therapeutic areas (2/2)

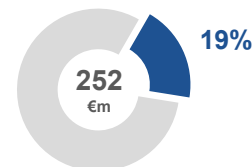


## Pain & Inflammation

#1  
of 53



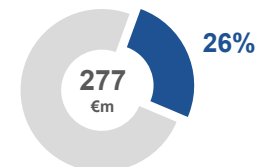
2015



CAGR

+5.8%  
+1.3%

2022

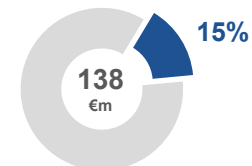


## Cardiovascular Support

#1  
of 37



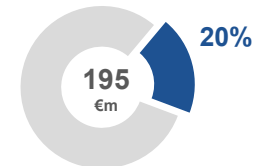
2015



CAGR

+9.4%  
+5.1%

2022

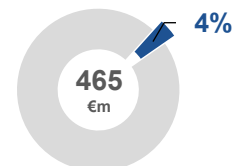


## Gynaecology & Urology

#11  
of 64



2015



CAGR

-0.9%  
-2.0%

2022



Market

Dermapharm

Source: Company information, Individual market definition by Dermapharm on the basis of Insight Health data – ApoFusion, sell out data  
Market position: Market definitions include molecules and ATC-markets of Dermapharm portfolio, Rx, OTC and health products and include competitors with more than €100.000k yearly revenue in the respective market | Market (share) growth based on molecules and ATC-markets of Dermapharm portfolio, Rx, OTC and health products, ex factory prices. Gross sales in the segment "Branded pharmaceuticals and other healthcare products" in Germany.

# Leading positions in attractive markets protected by significant barriers to entry



## High quality products with well-known brands

■ Made  
■ in  
■ Germany



**Well-known  
brands**

**Long-standing  
relationship**

- Decades-long customer relations based on strong and dedicated sales force
- Coverage and experience in all relevant distribution channels



Long-standing relationships

## Regulatory requirements and R&D expertise

- Extensive expertise in regulatory approval processes
- Development of branded pharmaceuticals in state-of-the-art facilities

**Regulatory and R&D  
expertise**

- Quick response time to new market trends
- Fast time-to-market

**Niche markets**

- Markets often not attractive for larger players due to comparably higher product development requirements and costs

Niche markets

Protected by significant entry barriers

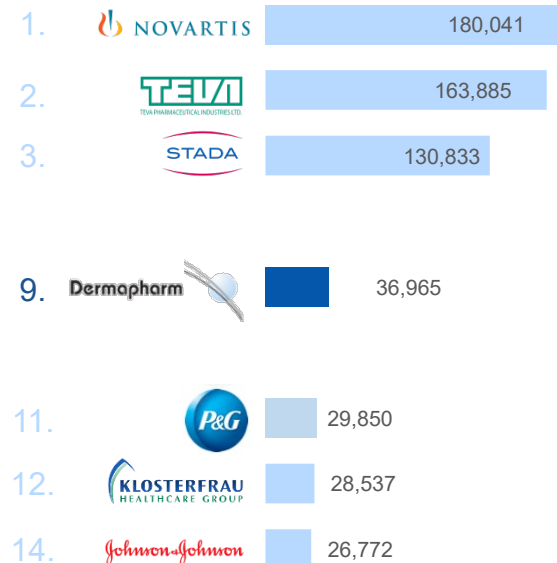
# Highly effective sales organisation and strategy

## securing customer access and highest number of prescriptions

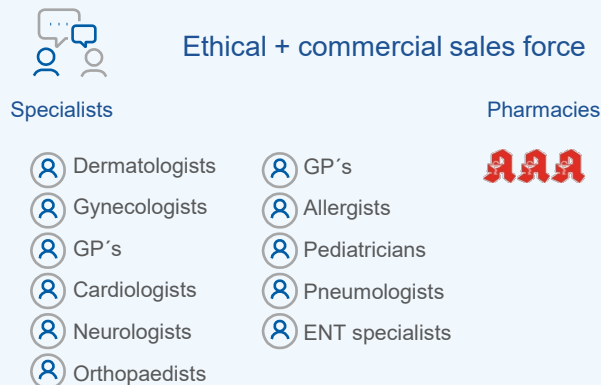
Strong sales force with broad coverage and flexible organisation ...



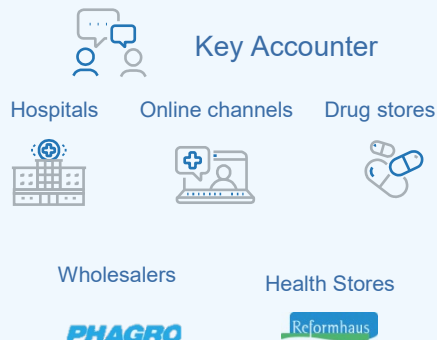
... leading to a top 10 pharmaceutical player  
by units sold in Germany<sup>1</sup>



### Ethical + commercial sales force



### Key Accounter



<sup>1</sup> Kassenärztliche Bundesvereinigung, ABDA, internal data | All figures refer to Germany as of 31 Dec 2022;

<sup>1</sup> Pharmaceutical firms selling over 50,000 units per year in Germany, sell out data IH-Galaxy Apo Fusion insight health - MAT Dec 2022 in tsd. Units.

# Dermapharm follows an integrated R&D philosophy with a highly efficient development process

## Strong internal R&D capabilities...

**200+**  
R&D employees  
(>8% of all employees)<sup>1</sup>

**380+**

APIs

**~2%**

R&D in % of revenue<sup>2</sup>

**>1,200**

Marketing authorisations  
across Europe and Asia<sup>3</sup>



## Typical process duration<sup>4</sup>



1 as of 31 Dec 2022 excl. axicorp | 2 Own R&D work capitalised as a percentage of revenues from branded pharmaceuticals and other healthcare products for the fiscal year ended 31 December 2022 | 3 Separate marketing authorisations may be granted for one active pharmaceutical ingredient, based on different galenic forms in different European countries. | 4 depending on products | Photo: Günther Fotodesign.

# Pharmaceutical and operational excellence

based on integrated value chain and “one-stop-shop” approach

Dermapharm



Low – medium risk  
product development



~95%

Development success  
rate in Brehna

4 months – 8 years

Time to market

State-of-the-art,  
flexible production



>90%

In-house production<sup>1</sup>  
at Allergopharma even 100%

>150k units

Produced per day

Strong quality and  
regulatory  
management



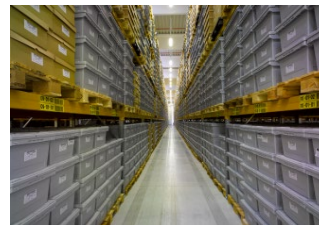
750+

Marketing authorisations  
from own R&D

6-8 by 2023  
~20 by 2025

Expected number of  
new generic products

Integrated logistics  
and service



24h/48h

Pharmacies & hospitals/  
Wholesalers supply time

in >50

Countries

<sup>1</sup> including bulk products manufactured by third-party suppliers.





3

## Segment – Herbal extracts

# Herbal extracts

## Expansion by M&A transactions



### EUROMED

- A **leading producer** of herbal extracts and natural active ingredients
- 98% of international revenues
- Export in >50 countries
- mainly for the **phyto-pharma** and **food supplements** market

### Cernelle SWEDEN

- Research, development, manufacturing and distribution of **pollen extracts** for **urology**
- Effective treatment of **chronic prostatitis** and **chronic pelvic pain**
- Access to the **active ingredient** f our Strathmann product “**Pollstimol**”
- Distribution channels in **Asia** and **Europe**

### C<sup>3</sup> Cannabinoid Compound Company

- Market Leader for **dronabinol** in Germany and Austria
- C<sup>3</sup> develops, produces and markets **natural & synthetic dronabinol** (API)
- Application in **pain** and **palliative medicine**, **oncology** and **neurology**, covering a broad spectrum of **chronic** and **severe diseases**

### Arko PHARMA

- Leading manufacturer of **herbal food supplements** “**made in France**”
- Focus on **phytotherapy**, **natural health** and **natural beauty**
- #1 market leader in **France**
- #3 in **Spain**
- Internationalisation in **Western** and **Southern Europe**

# Euromed in Spain (2019)

with well-known international B2B business

**EUROMED** Group



A leading producer of herbal extracts and natural active ingredients mainly for the phyto-pharma and food supplements market

Innovation Center & production of phyto-pharma



Mollet del Vallès 

Production of food supplements



Murcia 

Drying facility



Okeechobe, Florida 

**>50** years  
of experience

**>300**  
customers

**>200**  
Stock keeping units

**98%**  
International sales

**>800** tn  
Extracts sold

**in 52**  
countries

Synergy effects in the areas of supply of natural active ingredients and product development



Phyto-pharmaceuticals and food supplements

# AB Cernelle in Sweden (2021)

Founder and leader of extracting pollen for medical use



## Development of herbal medicines from high-quality pollen extracts and of the API Cernitin™



Pollen



API Cernitin™



Cernitol®Novum

### Synergy effects

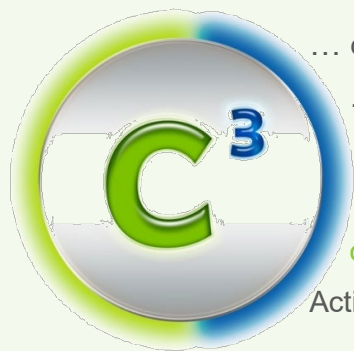
- Access to the important active ingredient of Strathmann product "Pollstimol"
- Development of further distribution channels in Asia and Europe



- A pharmaceutical company with research, development and manufacture of drugs in urology, with a special focus on **benign prostate enlargement and chronic prostatitis**
- Cernelle with a **long tradition** of innovative product development
- Cernelle sells the medicines under the brand names **Ceritin™**, **Cernilton®**, **Cernitol®** and **Cernitol®Novum** through external distributors in Asia and Europe
- **Cernilton®** is one of only two medicines **approved worldwide** for the **effective treatment** of **chronic prostatitis** as well as **chronic pelvic pain**
- In the wake of an **increasing ageing population**, these therapeutics offer **solid growth potential**
- Expected sales revenues 2022: high single-digit million Euro range

# C<sup>3</sup> Cannabinoid Compound Company (2022)

Acquisition of market leader in European cannabinoid-based pharmaceuticals



... develops,  
... manufactures &  
... commercialises  
natural and synthetic  
cannabinoid-based  
Active Pharmaceutical Ingredients (API)

- Product portfolio comprises natural and synthetic dronabinol (API) and CBD
- Pioneer for dronabinol in Germany with leading positions also in Austria, Switzerland and Denmark
- Key therapeutic areas: pain and palliative treatment, oncology and neurology, addressing a broad spectrum of chronic and severe illnesses

## Spectrum Therapeutics GmbH



Production & sales of natural dronabinol

Isolation of GMP-compliant pharmaceutical quality dronabinol from cannabis flower



Neumarkt 

## THC Pharm GmbH The Health Concept



Production & sales of synthetic dronabinol

Synthesis of dronabinol and CBD in GMP-compliant pharmaceutical quality with high-tech chemical processes



Frankfurt 

## Spectrum Therapeutics Austria GmbH



Sales office



Vienna 





# 4 Segment – Parallel import business



# axicorp – a leading parallel import business in Germany with significant market share

Sales through a unique call center in Germany



190 tsd. outbound-calls p.a. / ~90% pharmacy coverage

Direct pharmacy business with 4 partner programs ...

1. First Class  
Partner

2. Premium +  
Partner

4. Junior  
Partner

Pharmacies

3. Premium  
Partner

Depending on sales

... and additional services

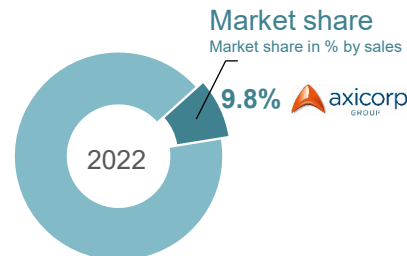
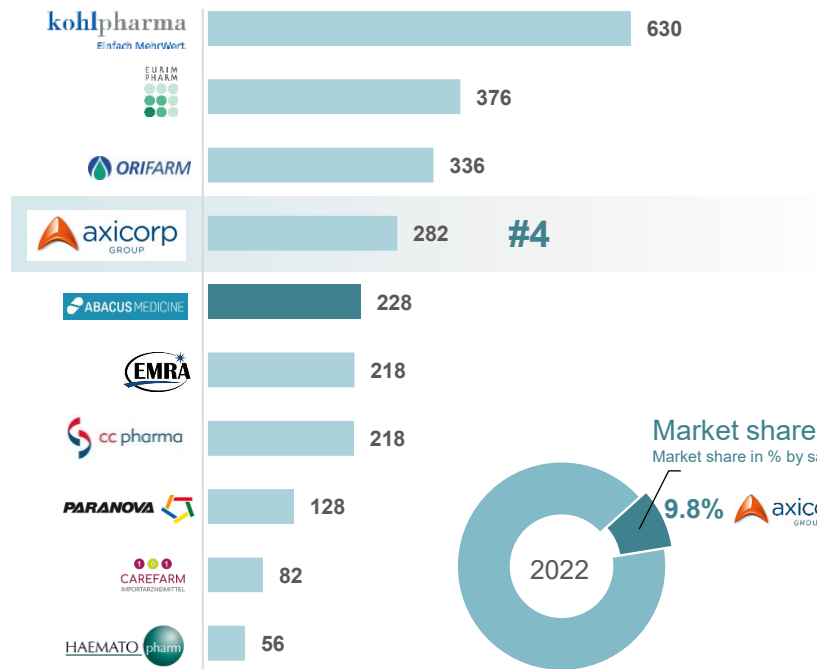
Discounting in payload procedure

Delivery rhythm

Overnight service

Marketing support

axicorp is one of top-5 parallel import companies in Germany<sup>1</sup>  
based on sales – Gross sales June 2022 (MAT) in €m, total market €2.9bn



# Parallel import business – pillar of the German health system

Free trade within the European Union, with significant existing price differences



## Legal requirements in Germany



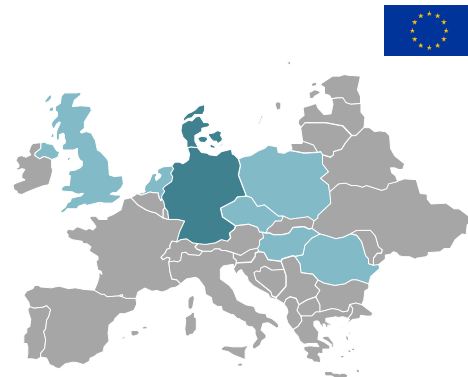
Sozialgesetzbuch § 129 Para. 1 No. 2 SGB V

+

GSAV Laws for more safety in the supply of pharmaceuticals (August 2019)

## Legal promotion of imports to relieve the German health system:

- Introduction of a price efficiency clause to oblige pharmacies to achieve a savings target of 2% by selling inexpensive imported products
- Exceptions: products with generic competition as well as biopharmaceuticals and parenteral cytostatics
- A price advantage must be given



■ Significant import countries  
■ Significant export countries

Price advantages offer imports with a price difference to the original of at least

**15% at a selling price up to €100**

**€15 at a selling price between €100 - 300**

**5% with a selling price of above €300**

# Integrated business model

## Leverage of axicorp's sales platform for selected OTC products

Branded pharmaceuticals and other healthcare products

Dermapharm



mibe  
mibe GmbH  
Arzneimittel

### Intercompany sales

- Dermapharm sells OTC marketing authorisations to axicorp
- Criteria:
  - High volume
  - Low margin
  - No specific customer advice required

### Intercompany support

- mibe acting as contract manufacturer for all OTC products offered by axicorp
- Technical support
- Release to market, warehousing, buffer stock

axicorp  
GROUP



### Leverage sales

- Strong, broad and low-cost distribution via call center
- Start of licensing and contract manufacturing for axicorp led to significant sales increase of relevant OTC products



### Direct marketing

- Pricing and rebates offer significant value to pharmacies with stable and long-term sourcing conditions

90% coverage



5

## Selected M&A transactions

# Arkopharma at a glance

Leading producer for food supplements in Western / Southern Europe



Food supplements

“made in France”

headquartered in

Carros close to Nice

## ArkophARMA

1 iconic umbrella brand

>€200m

Net Sales 2022

41%

International sales

>20%

EBITDA margin

>5%

Annual growth rate

#1

Player in France<sup>1</sup>

#3

Player in Spain<sup>1</sup>

Fully integrated platform with a unique expertise in plant sourcing, manufacturing and natural product developments

Procurement  
and sourcing

Research &  
Development

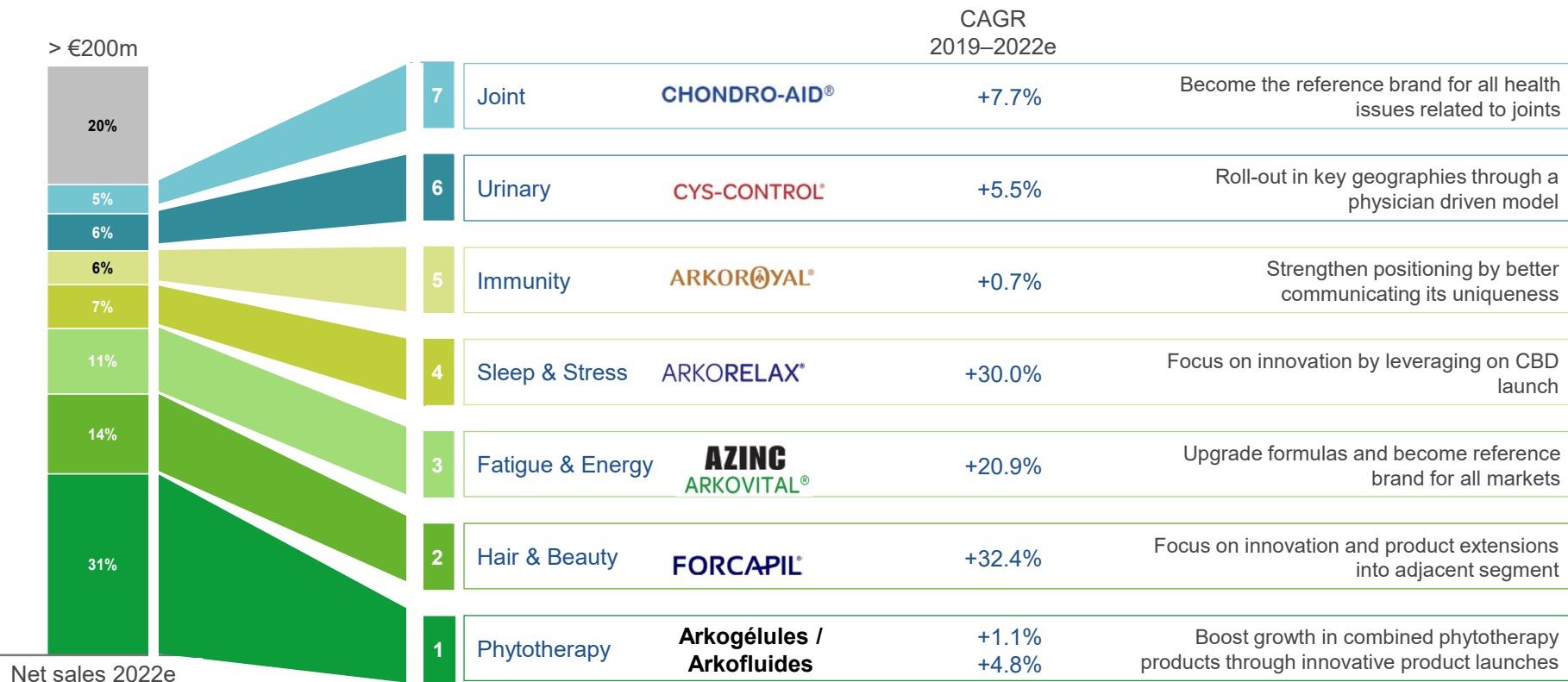
Manufacturing  
Capabilities



Strong commercial  
network giving access  
to more than 32,000  
POS in 7 European  
markets

# Arkopharma sales by therapeutic areas

...with 7 strategic sub-brands, representing ~80% of sales





# Arkopharma with a large European footprint

## Total

**2022e Sales: >€200m**  
FTEs: ~950  
POS: ~32,700

### Rest of Europe

**2022e Sales: €5m**  
2% of total

### South & Central America

**2022e Sales: €3m**  
1% of total

### Africa & Middle East & Asia

**2022e Sales: €6m**  
3% of total

### Legend

- Local subsidiary
- Distribution agreement
- ★ Factory and HQ

## Direct presence



- 2022e Sales: €127m**  
62% of total<sup>2</sup>
- FTEs: ~700
- POS<sup>1</sup>: ~13,600
- 55% direct (para)pharmacies coverage



- 2022e Sales: €40m**  
19% of total
- FTEs: ~180
- POS<sup>1</sup>: ~10,300
- 35% direct (para)pharmacies coverage



- 2022e Sales: €9m**  
4% of total
- FTEs: ~30
- POS<sup>1</sup>: ~2,600
- 39% direct (para)pharmacies coverage



- 2022e Sales: €9m**  
4% of total
- FTEs: ~30
- POS<sup>1</sup>: ~1,900
- 9% direct (para)pharmacies coverage

### Others<sup>3</sup>

- 2022e Sales: €7m**
- 3% of total
- FTEs: ~20
- POS<sup>1</sup>: ~4,200

Sources Company information, Deloitte,

1 Including 950 Bio stores for France (400 POS) & Netherlands (550 POS) and excluding wholesalers for all markets | 2 Includes DOM-TOM,

3 Others include Switzerland and Netherlands.

# Further internationalisation ... and use of product synergies

Dermapharm

Arko  
PHARMA



mibeTec



mibe  
mibe GmbH  
Arzneimittel



hübner



Trommsdorff



# Allergopharma – an attractive acquisition in March 2020

Expansion in diagnosis and therapy of allergic diseases

100% share in a leading provider of specific subcutaneous immunotherapy (SCIT) for Type I-Allergies such as allergic rhinitis and asthma



Diagnosis for tailored treatment of allergies



Portfolio of Allergy Immunotherapy (AIT) products



Allergovit®



Acaroid®



Novo-Helisen®

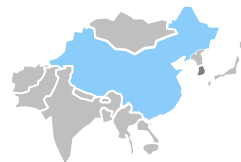


Presence in the EU



- Direct presence
- Partners

Presence in Asia

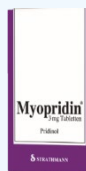


Headquarter in Reinbek



# Attractive acquisitions in January 2018

Well-known originator and OTC products to boost our direct payer share



Trommsdorff



Manufacturing, marketing and distribution of RX and OTC products



Synergy effects in the areas of production, logistics and field service

Portfolio extension  
in therapeutic areas:

- Dermatology
- Gynaecology & Urology
- Vitamins / Minerals / Food Supplements





Intercompany co-marketing

Duplicate marketing authorisation  
granted since Feb 2019




Own sales force

Med. reps

-  GPs
-  Cardiologists
-  Neurologists
-  Orthopaedists

Pharm. Reps

-  Pharmacies  
20% coverage

Key Acc.



New therapeutic area:

+ Pain & inflammation



# Acquisition of hyperthermic product portfolio

## medical devices for further growth and profitability

### bite away®

**Increasing demand:** Number of mosquito types is rising in urban centres due to global warming/increased rain



### Herpotherm®

**Constant demand:** 90% of people are affected by the incurable herpes virus, thereof 1/3 will need regular treatment



### epiivo®

**Fast market penetration:** Pruritus' impact on people's well-being will lead to increased willingness to test new forms of treatment  
→ expected product launch in Q3 2023



#### Sales & Distribution



Dermatologists



Pharmacies



amazon

ROSSMANN

MediaMarkt

Key Accounter



Dermatologists



Pharmacies



Dermatologists



Pharmacies



SHI

Illustrative

**HYPERThERMIA**



Total addressable market<sup>1</sup>

epiivo®

HERPOtherm®

bite away®



€ 5m

€ 5m

€ 11m



€ 81m

€ 49m

€ 239m





# 6

## Financials





# Steady organic revenue growth supported by M&A activities

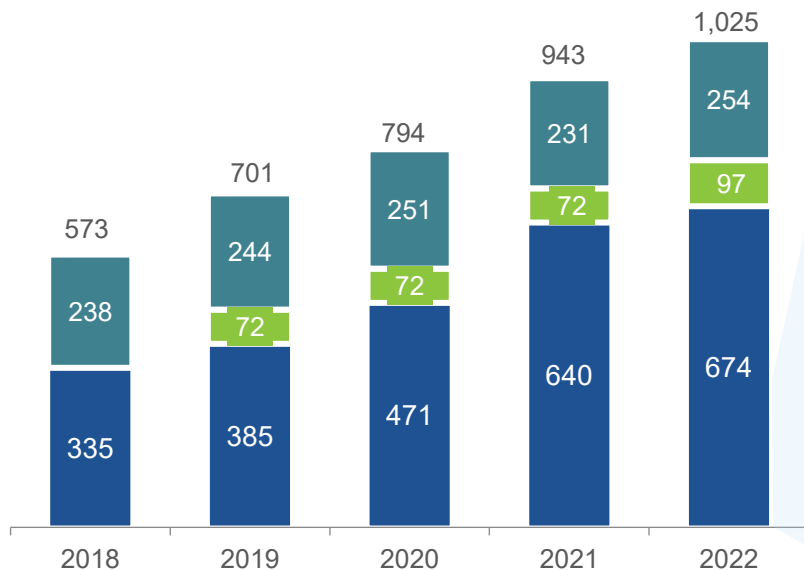
## Market access with increasing direct payer share



### Total Revenue

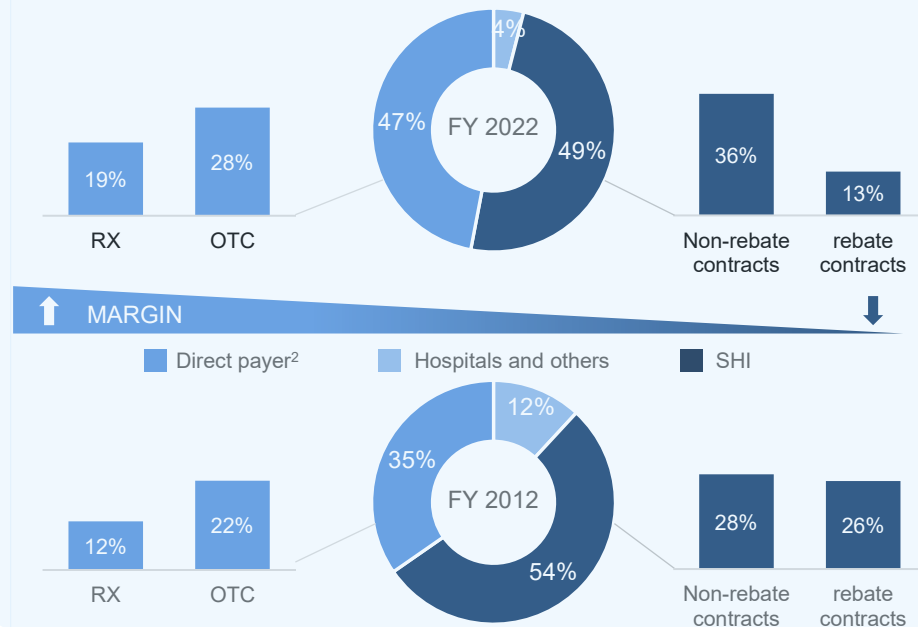
€m

- Parallel import business
- Herbal extracts
- Branded pharmaceuticals / other healthcare products



### Revenue by market access<sup>1</sup>

Branded pharmaceuticals and other healthcare products



<sup>1</sup> Gross sales | <sup>2</sup> Including private health insurances.

Source: Insight Health (NV3, Apofusion), Applied services, internal data (Hospitals and other "special" customers, which cannot be shown by market research data).

## Continuous growth, with strong contribution of newest acquisition

### Total Revenue

€m

**+37.8%**  
YoY

**319.1**

231.6

3M 2022

3M 2023

### EBITDA<sup>1</sup>

€m, adjusted

EBITDA  
Margin

**32.4%**

**33.2%**

**+40.9%**  
YoY

**105.9**

75.1

3M 2022

3M 2023



**Significant revenue growth** of **37.8%** to **€319.1m**, driven by

- newly acquired Arkopharma Group (Jan. 2023)
- “branded pharmaceuticals” products with strong organic growth
- parallel import business outperforming the positive market trend

Disproportionate **EBITDA increase** by **40.9%** to **€105.9m** (adjusted, comparing to **37.4%** to **€98.0m at reported level**) driven by

- initial consideration of Arkopharma’s EBITDA contribution
- profitable organic growth
- cooperation with BioNTech SE

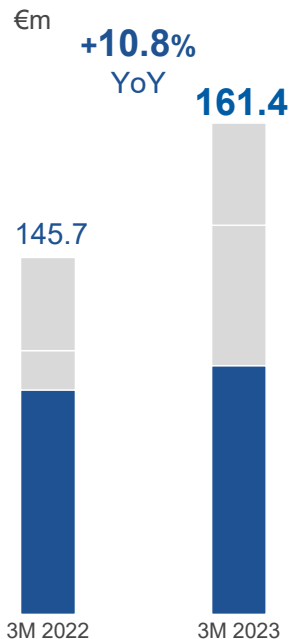
<sup>1</sup> EBITDA 3M 2022 adjusted for non-recurring costs of €3.0m in connection with the acquisition of C3 and €0.7m in connection with PPA-effects for Cernelle | Group EBITDA also includes EBITDA from reconciliation of € -1.6m (Group Holding).  
EBITDA 3M 2023 adjusted for non-recurring costs of €7.8m in connection with the acquisition of Arkopharma | Group EBITDA also includes EBITDA from reconciliation of € -1.3m (Group Holding).

# Branded pharmaceuticals and other healthcare products

Strong organic growth and favourable product mix

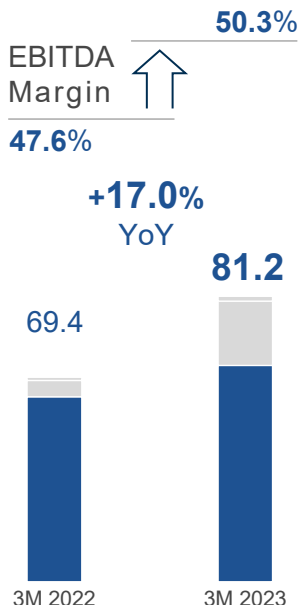


## Revenue



## EBITDA<sup>1</sup>

€m, adjusted



**Strong revenue growth** of **10.8%** to **€161.4m**, due to

- **high demand** for classic “branded pharmaceuticals” products especially in dermatology, pain and inflammation and allergology therapeutic areas
- contribution from the **cooperation with BioNTech SE** from prior year’s contract

Adjusted **EBITDA increased** by **17.0%** to **€81.2m**, reported **EBITDA increases** by **11.4%** to **€74.0m**, driven by

- favourable change in product mix

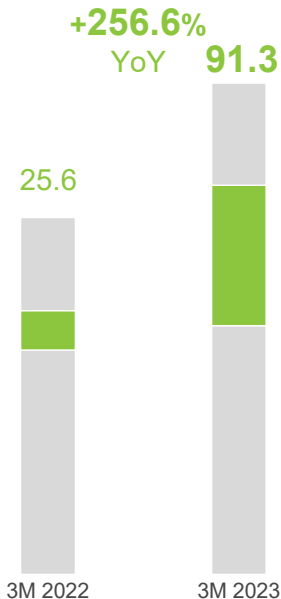
<sup>1</sup> EBITDA 3M 2022 adjusted for non-recurring costs of €3.0m in connection with the acquisition of C3.  
EBITDA 3M 2023 adjusted for non-recurring costs of €7.2m in connection with the acquisition of Arkopharma.

# Herbal extracts

First time consolidation of Arkopharma and growing revenue of the existing business

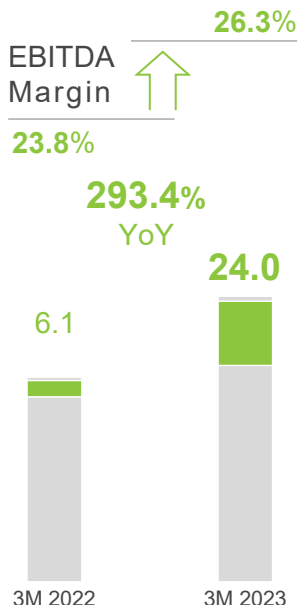
## Revenue

€m



## EBITDA<sup>1</sup>

€m, adjusted



**Significant revenue growth by 256.6% to €91.3m**, driven by

- initial consideration of **Arkopharma Group**
- organically growing **Euromed revenues**
- growing **C<sup>3</sup> Group revenues** (initial consolidation end of Jan 2022)

**EBITDA increased by 295.1% to €24.0m** (adjusted, reported EBITDA by **333.3%** to €23.4m)

- favorable margin increase by Arkopharma's contribution currently above segment's margin average

<sup>1</sup> EBITDA 3M 2022 adjusted for non-recurring costs of €0.7m in connection with PPA-effects for Cernelle.  
EBITDA 3M 2023 adjusted for non-recurring costs of €0.7m in connection with the acquisition of Arkopharma.

# Parallel import business

Combination of favourable market trend, partially reduced purchase prices and efficiency improvements

## Revenue

€m

**+9.9%**  
YoY

60.4

3M 2022

**66.4**

3M 2023

## EBITDA

€m, adjusted

EBITDA  
Margin

**2.0%**

1.2

3M 2022

**+50.0%**  
YoY



**2.7%**

**1.8**

3M 2023

**Revenues increased by 9.9% to €66.4m,**  
driven by

- favourable general PI market trend
- growing OTC and narcotics

**EBITDA increased by 50% to €1.8m,**  
driven by

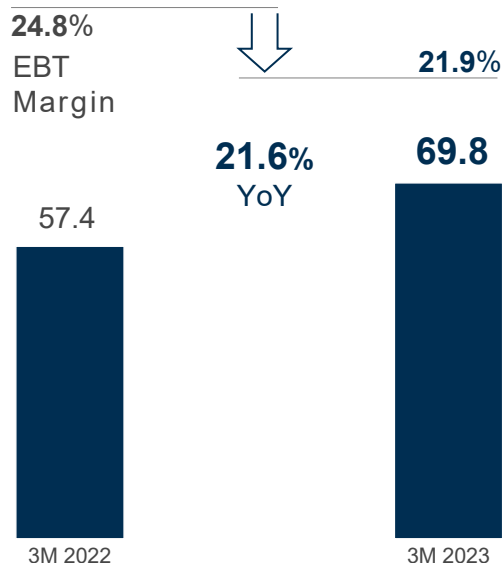
- successful **reduction of purchase prices** in connection with increased manufacturer rebate
- **new building** since April 2022 and improved operational processes with reduced personnel cost and OPEX

# Earnings before tax (Group EBT)

Improved EBITDA result drives EBT growth despite higher interest expenses

## Earnings before tax (EBT)<sup>1</sup>

€m



- Unadjusted **EBT increased** by **21.6%** to **€69.8m** translating to a **margin** of **21.9%**

Lower **EBT profitability** mainly driven by

- Increased (negative) **financial result** of €-14.5m; 3M 2022: €-0.7m) as a result of higher interest payments connected with the new syndicated loan in connection with the Arkopharma acquisition

<sup>1</sup> Calculation of EBT based on unadjusted Group EBITDA of €98.0m (3M 2023) and €71.3m (3M 2022), respectively.



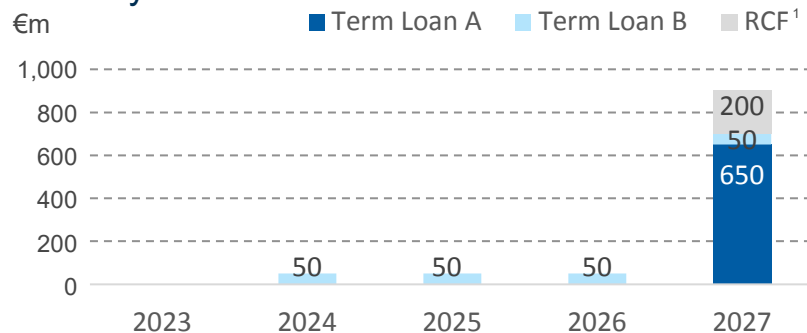
# New syndicated loan

combines long-term financing stability with high flexibility

## Key Facts

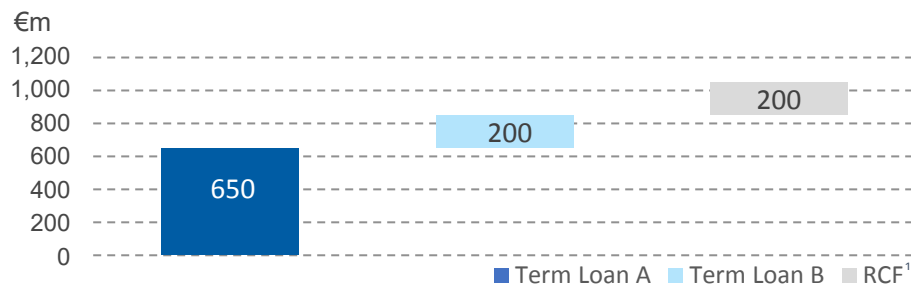
Volume	€1,050 m (+ Incremental Option €200m)
Maturity	15 December 2027
Lender	6 banks with strong credit rating
Facilities	Term and revolving facilities
Repayment	€50m p.a. for term loan
Financial Covenant	Leverage Ratio

## Maturity

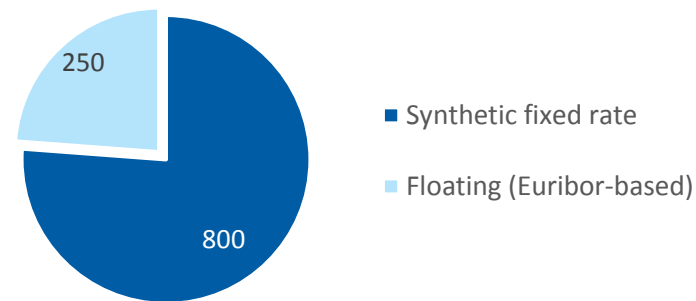


<sup>1</sup> RCF = Revolving Credit Facility.

## Facilities



## Interest rate (plus margin)

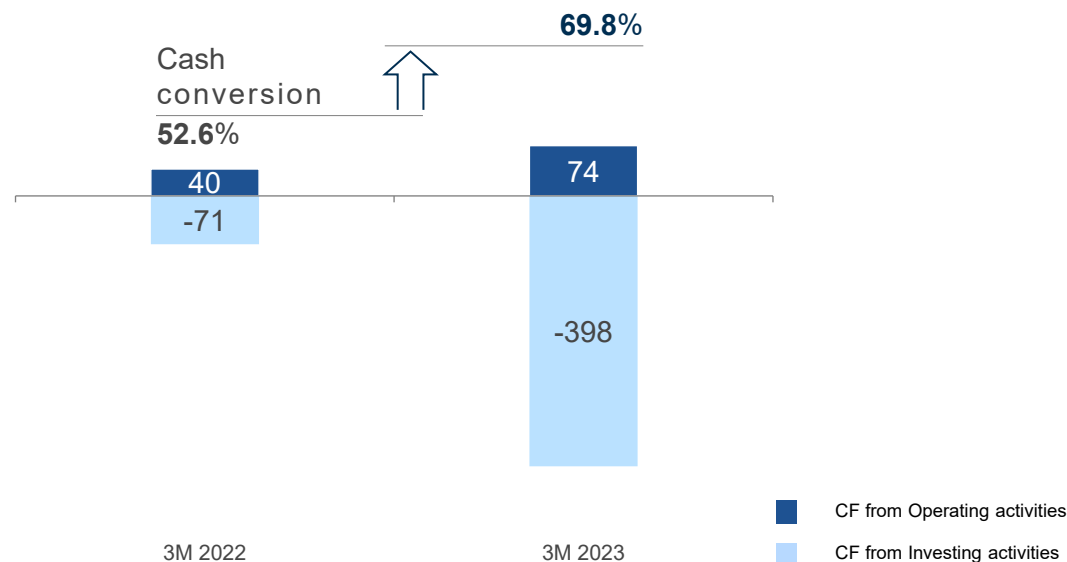


# Strong cash flows and cash conversion

High operating cash conversion of 69.8% with large investments to fund future growth

## Cash flow and cash conversion<sup>1</sup>

€m and in % of Group EBITDA



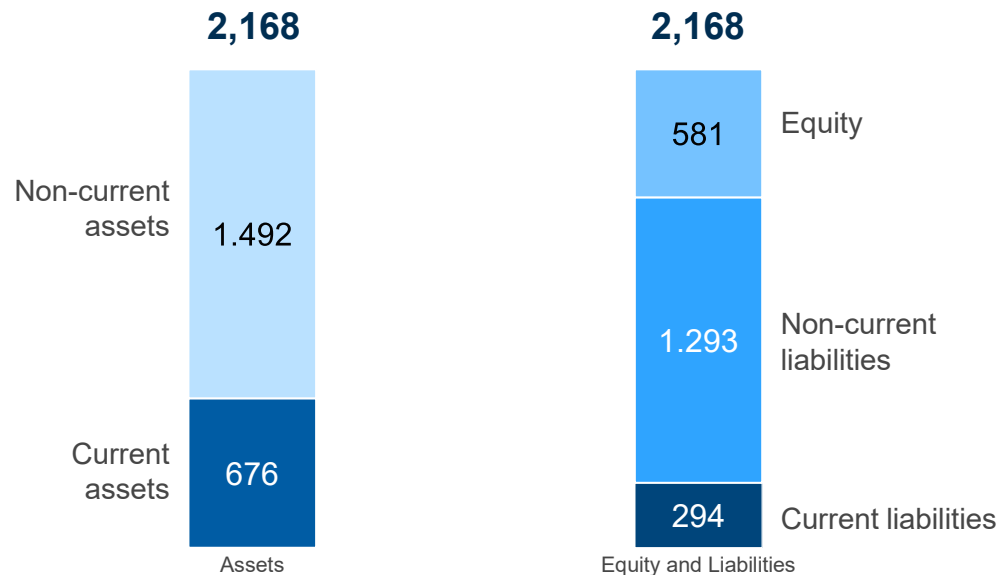
- **CF from operating activities in 3M 2023** mainly influenced by increased EBITDA result and a slower working capital build up, partially offset by higher interest payments in 3M 2023
- **CF from investing activities** reflecting
  - acquisition of Arkopharma in 3M 2023 vs. C<sup>3</sup> Group in 3M 2022
  - normal level of R&D activities and replacement investments
- **free cash flow: €-324.2m** 3M 2023 (3M 2022 €-31.6m)
- **(operating) cash conversion** increased in 3M 2023 to **69.8%**

<sup>1</sup> Cash conversion defined as operating cash flow / (adjusted) EBITDA.

# Balance Sheet of Dermapharm Group

## Balance sheet as of 31 March 2023

€m



- **Total assets** increased to €2,168m (31 December 2022: €1,413m)
  - Increase of non-current assets (€1,492m; 31 December 2022: €879m) and higher current assets (€676m; 31 December 2022: €534m)
- **Equity** number increases by 8.4% to €581m or 26.8% of total assets (31 December 2022: €533m or 37.7%)
- **Current and non-current liabilities** total €1,587m (31 December 2022: €881m); existing syndicated loan refinanced by new syndicated loan agreement in connection with the acquisition of Arkopharma beginning of FY 2023
- **Net debt / adjusted EBITDA**<sup>1</sup>: 2,4



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## ESG & Sustainability

# Clear ESG strategy and commitment to sustainability

- Climate action and human dignity are the guiding principles for our business
- A clean environment is the basic prerequisite for human health and well-being and as such is also a key part of our corporate strategy
- Following of principles of the **German Sustainability Code** and the **Global Reporting Initiative (GRI)** standards
- Supporting of Sustainable Development Goals (SDGs)<sup>1</sup>

## ESG Ratings



2019/2020

High Risk (38.2)  
18 May 2020



Update 2022

Medium Risk (24.5)  
05 Dec 2022



BBB (Score 4.4)  
07 May 2020



BBB (Score 4.6)  
02 Aug 2022



D+ (poor / Decile Rank 8)  
09 Dec 2019



C (medium / Decile Rank 4)  
Dec 2022

## Environmental contribution



Example: Solar Roof Top in Brehna

- Commissioned 15 May 2021
- Solar account: >1,400,573 kWh<sup>2</sup>
- Environmental contribution<sup>2</sup>



<sup>1</sup> agreed by the United Nations,  
<sup>2</sup> as of 14 March 2023, since commissioning.



# Oecological realignment through site modernisation and upgrading with solar panels



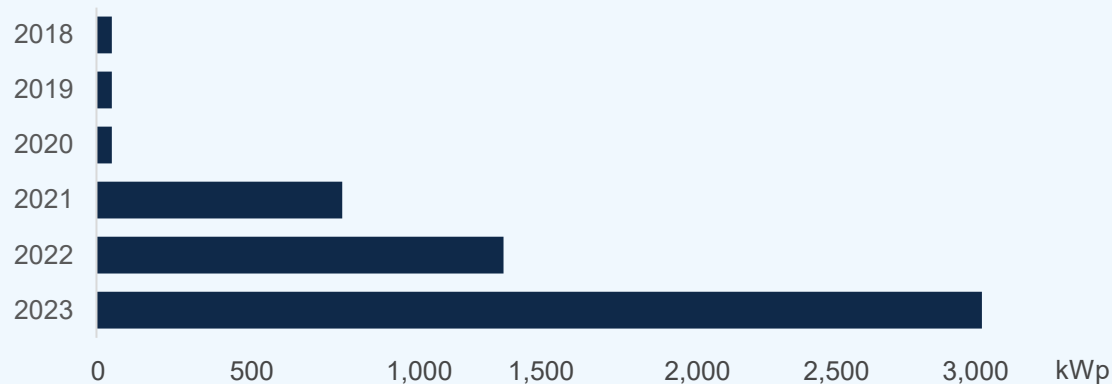
Photovoltaic system at the main production site of mibe  
GmbH Arzneimittel in Brehna



Photovoltaic system at axicorp in Friedrichsdorf

## Rated power and output of Dermapharm's photovoltaic systems

At end of year each	2018	2019	2020	2021	2022	2023 <sup>1</sup>
Rated Power (KWp)	50	50	50	805	1,334	20901
Specific Power (MWh)	50	33	50	730	10379	2,809





# Selected ESG initiatives at Dermapharm

## Resource management at Euromed

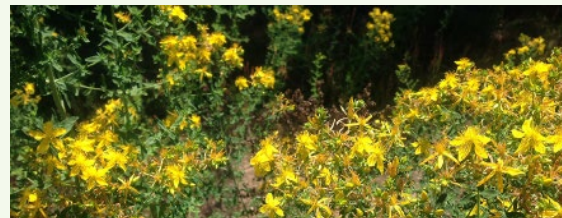
### Exploiting full potential of the plants used



#### Lipid sterolic saw palmetto extract

- Ripe berries are harvested exclusively in the US states of Florida and Georgia...
- ... followed by **rapid dry and process** of harvested berries to ensure **optimal fatty acid content** at own facility close to Lake Okeechobee
- Raw materials is **fully traceable**
- Residue remaining after fruit extraction is **used for recycling products such as natural dyes**

### Efficient use of raw materials



- Commitment to supporting sustainable agriculture...
- ... based on stringent quality control from raw materials to waste disposal
- Organic waste generated during production is
  - passed on to companies that **generate environmentally friendly energy**
  - **composted** or
  - used as **feed for livestock**

# Selected ESG initiatives at Dermapharm

## New axicorp building including a green roof for rainwater

### Focus on...



- Investment in sustainable growth
- Completion by the end of 2021
- Move to new location completed by April 2022
- Relocation of C<sup>3</sup> Group by the end of 2023

### ... internal process optimisation

State-of-the-art production facility including warehouse and administration, built on a 17,488 m<sup>2</sup> site

- to meet growing demand for increasingly relevant medicinal products, such as medical cannabis
- usable floor space of over 7,400 m<sup>2</sup> extends over two floors in the production facility, where goods are received, packaged and dispatched
- 200 m<sup>2</sup> cold store to temporarily store expensive and sensitive medicines
- 80 m<sup>2</sup> safe for storage of narcotics and medical cannabis

### ... and sustainability

Using latest energy standards:

- Project includes a green roof for rainwater
- Photovoltaic system with a nominal output of 99 kWp producing ~100,000 kWh CO<sub>2</sub>-neutral energy per year
- green roof covering 3,600 m<sup>2</sup> acting as thermal insulation in winter and keeping the heat out in summer
- use of rainwater: after cleaning, water is fed through a filter system to a cistern that supplies sanitary facilities with service water
- ventilation system with heat recovery
- parking spaces including charging stations
- bicycle parking spaces
- creation of an eco-flower meadow

# Dermapharm contributing to SDGs

Sustainable Development Goals agreed by the United Nations



Good Health and Well-Being

Making a special contribution to improve the availability and affordability of medicines



Quality Education

"Dermapharm eCampus" – a digital training platform for our employees for independent further training in addition to actively promoting training and (dual) studies



Gender Equality

Creation of the right framework conditions and opportunities to enable the best possible reconciliation of family and career



Affordable and green energy

Energy efficiency: conversion and new buildings for more environmentally friendly production



Decent work and economic growth

The focus is on people and Dermapharm always stands for open, honest and respectful dealings with its employees

# Dermapharm contributing to SDGs

Sustainable Development Goals agreed by the United Nations

Dermapharm



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE

Industry,  
innovation  
& infrastructure

Energy efficiency: conversion and new buildings for more environmentally friendly production



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

Responsible  
consumption  
and production

Efficient use of (raw) materials; Good Manufacturing Rules (GMP) secure a very high product safety and quality



13 CLIMATE  
ACTION

Climate action

Our integrated business model facilitates energy-efficient production and short transport routes, thus not only helping to conserve resources and protect the environment



17 PARTNERSHIPS  
FOR THE GOALS

Partnership for the  
goals

Governance and compliance

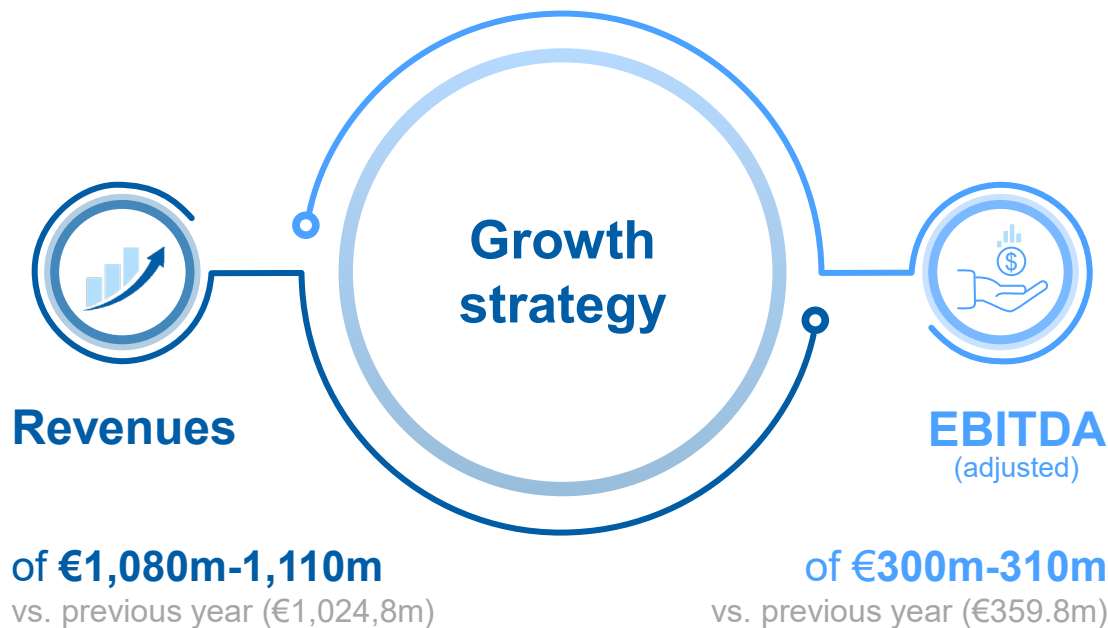


# 8

## Outlook

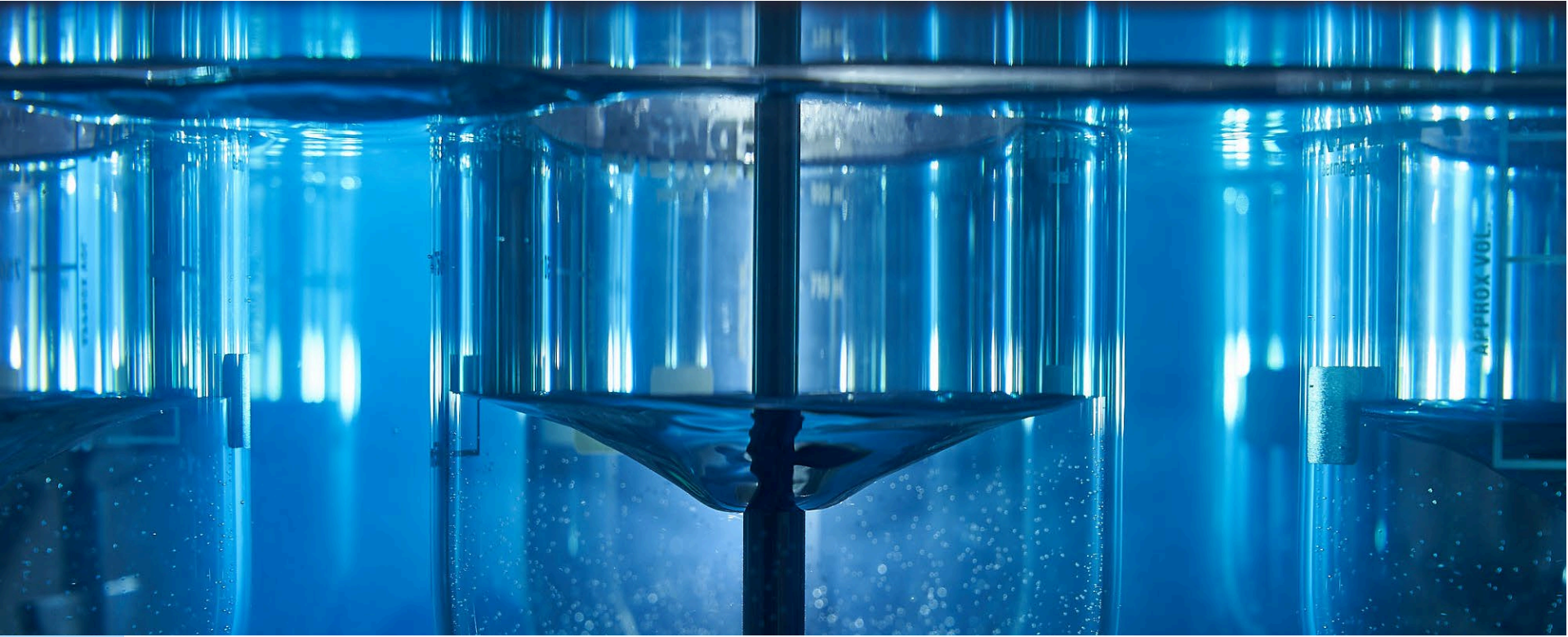
# Outlook 2023

Growth rates are returning to a long-term sustainable level after successful years impacted by exceptional results from the vaccine production



- Revenue growth is based on organic growth supported by new launches of in-house developments and initial synergies, especially from the continuous integration of Arkopharma
- The expectations for FY 2023 consider realistic assumptions regarding impacts on revenues and energy cost from Russia's war against the Ukraine, the continuing supply chain stretch, growing governmental regulation (e. g. higher compulsory rebates) and inflationary cost increases
- The cooperation with BioNTech SE will continue in 2023 and beyond but at a notably lower level (pandemic preparedness).





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## BACKUP

# Financial calendar 2023

Dermapharm



This publication includes statements, estimates, opinions and projections with respect to the anticipated future performance of Dermapharm Holding SE (together with its consolidated subsidiaries, "Dermapharm") and such statements, estimates, opinions and projections ("Forward-Looking Statements") reflect various assumptions concerning anticipated results based on Dermapharm's current business plan or publicly available sources which have not been independently verified or assessed by Dermapharm and which may prove to be incorrect.

The Forward-Looking Statements reflect current expectations based on the current business plan and various other assumptions, involve significant risks and uncertainties, should not be read as a guarantee of future performance or results and may not necessarily be accurate indications of whether or not such results will be achieved. The Forward-Looking Statements only speak as of the date of this publication. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of Dermapharm and the estimates given herein. These factors include those discussed in Dermapharm's financial statements which are available on Dermapharm's website. Each recipient of this publication should make its own assessment of the validity of Forward-Looking Statements and other assumptions and, Dermapharm accepts no liability with respect to any Forward-Looking Statements or other assumptions.

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