

Dermapharm Holding SE
Grünwald
IFRS Einzelabschluss
zum 30. September 2017

Statement of financial position at 30 September 2017 and 12 July 2017

Assets in EUR	Notes	30 September 2017	12 July 2017
CURRENT ASSETS			
Cash and cash equivalents	4.1	119,973.93	30,750.00
Total current assets		119,973.93	30,750.00
TOTAL ASSETS		119,973.93	30,750.00
Equity and liabilities in EUR	Notes	30 September 2017	12 July 2017
EQUITY			
Issued capital	4.2	120,000.00	30,750.00
Retained earnings	4.2	(26.07)	-
TOTAL EQUITY		119,973.93	30,750.00

Statement of comprehensive income for the period ended 30 September 2017

in EUR	Notes	12 July -30 September 2017
Other operating expenses	5.	(26.07)
Net loss		(26.07)

Statement of cash flows for the period ended 30 September 2017

in EUR	Notes	12 July -30 September 2017
Net loss for the period	5.	(26.07)
Net cash from operating activities		(26.07)
Contributions to the issued capital	4.2	89,250.00
Net cash from financing activities		89,250.00
Net increase in cash and cash equivalents		89,223.93
Cash and cash equivalents at 12 July 2017	4.1	(30,750.00)
Cash and cash equivalents at 30 September 2017	4.1	119,973.93
Net change in cash and cash equivalents		89,223.93

Statement of changes in equity at 30 September 2017 and 12 July 2017

in EUR	Notes	Issued capital	Retained Earnings	Total
As at 12 July 2017	4.2	30,750.00	-	30,750.00
Contributions to the issued capital	4.2	89,250.00	-	89,250.00
Net loss	5.	-	(26.07)	(26.07)
As at 30 September 2017	4.2	120,000.00	(26.07)	119,973.93

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Notes to the interim financial statements of Dermapharm Holding SE

1. General

1.1 Corporate information

The Company has its registered office at Lil-Dagover-Ring 7, 82031 Grünwald, Germany.

Dermapharm Holding SE was founded on 4 July 2017 with the intention of establishing the holding company of the Dermapharm Group. Dermapharm Holding SE does not yet engage in any commercial activity.

Dermapharm Holding SE is a wholly owned subsidiary of Themis Beteiligungs AG.

These financial statements were voluntarily prepared in accordance with IFRS as adopted by the EU.

These interim financial statements were authorised by the Management Board by resolution dated 25 January 2018.

1.2 First Time Adoption of IFRS

These interim financial statements for the period ended 30 September 2017 are the first Dermapharm Holding SE has prepared in accordance with IFRS. The company did not present financial statements for previous periods. Retrospective application of IFRS is therefore not necessary and consequently there are no effects of the transition to IFRS on total equity or on the profit or loss for the period.

2. Significant accounting policies and changes

2.1 Basis of preparation of financial statements

The interim financial statements of Dermapharm Holding SE have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRIC) as adopted in the European Union (EU).

The statement of comprehensive income is prepared based on the nature of expense method.

As a rule, Dermapharm Holding SE classifies assets as current if they are expected to be recovered within twelve months from the reporting date. Liabilities are classified as non-current if the Company has the right to defer settlement beyond one year. Deferred tax assets and liabilities are classified as non-current assets or liabilities in accordance with IAS 1.56.

The interim financial statements are presented in EUR. Amounts are shown in euros (EUR) unless otherwise stated. As such, insignificant rounding differences could occur in period-over-period changes and percentages reported throughout.

The financial year corresponds to the calendar year.

The management prepared the interim financial statements on a going concern basis. Other than that, the preparation of these interim financial statements in conformity with IFRS did not require the use of any critical accounting estimates or judgement.

2.2 Effects of new or amended financial standards and interpretations

Dermapharm Holding SE applied all standards and interpretations (including amendments) as adopted by the EU in its interim financial statements, which are mandatory for financial years starting on or after 1 January 2017. For the period ending on 30 September 2017, there were no new or amended standards and interpretations that were endorsed by the EU Dermapharm Holding SE had to apply.

There are no IFRSs or IFRIC interpretations that are issued but not yet effective that would be expected to have a material impact on Dermapharm Holding SE financial statements as of 30 September 2017. Early adoption of any of the publications is not planned.

2.3 Changes in accounting policies

There were no changes to accounting policies with significant consequences for the presentation of Dermapharm Holding SE's net assets, financial position and results of operations or cash flows in the period ended 30 September 2017.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash deposits. Cash and cash equivalents are reported in accordance with their definition as financial resources in IAS 7.

2.5 Recognition of income and expenses

Other operating income/expenses:

Other operating expenses are recognised at the point at which the service is rendered, the delivery is received or at the date they are incurred. Other operating income is recognised when the economic benefits flow to the entity.

3. Estimates and judgements

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

4. Notes to the statement of financial position

4.1 Cash and cash equivalents

The cash amounting to EUR 119,974 as at the reporting date (12 July 2017: EUR 30,750) is the total of balances on account with one German bank.

4.2 Equity

The issued capital of EUR 120,000 consists of 120,000 bearer shares with no par value. Preference shares or different classes of shares do not exist. As at the reporting date, the contributions to the issued capital were paid in full. As at 12 July 2017: EUR 89,250 of contributions were outstanding and not requested.

For information on the change in equity, please refer to the statement of changes in equity.

5. Notes to the statement of comprehensive income

Other operating expenses relate to banking fees.

6. Risk management

As at the reporting date, Dermapharm Holding SE is not exposed to any specific market, credit or liquidity risk.

Dermapharm Holding SE's capital management objectives are primarily to maintain and ensure an optimum capital structure to continue financing the growth plan and to manage the company's value over the long term. Dermapharm Holding SE manages its capital structure on the basis of various figures, such as the equity ratio, and makes adjustments where appropriate, taking into account changes to the general state of the economy.

7. Other disclosures

7.1 Notes to the statement of cash flows

The statement of cash flows was prepared in accordance with IAS 7 Statement of Cash Flows and shows the changes in Dermapharm Holding SE's cash and cash equivalents during the course of the reporting period due to cash inflows and outflows.

Under IAS 7, cash flows are disclosed separately based on origin and use between the operating sector and the cash flows from the investment and financing activities. The cash inflows and outflows from operating activities are derived directly from Dermapharm Holding SE's profit or loss for the year. Cash inflows and outflows from investing and financing activities are derived directly. The funds in the statement of cash flows correspond to the value of cash and cash equivalents in the statement of financial position. Cash and cash equivalents include the freely available cash deposits and deposits with financial institutions.

7.2 Other financial obligations

Guarantees

Dermapharm Holding SE has assumed joint liability with respect to all claims and liabilities arising from a loan agreement entered into by Dermapharm AG with Commerzbank AG. On 14 September 2017, Dermapharm AG, as borrower, and Commerzbank AG, as lender, entered into a EUR 50,000,000 loan agreement. The funds were utilized to finance two acquisitions of Dermapharm AG. The loan expires on 30 September 2022.

Dermapharm Holding SE has acceded to a loan agreement between Dermapharm AG and Raiffeisen Landesbank Oberösterreich as a co-debtor. On 14 September 2017, Dermapharm AG, as borrower, and Raiffeisen Landesbank Oberösterreich, as lender, entered into a EUR 20,000,000 loan agreement. Dermapharm AG utilized the funds to refinance a portion of its promissory notes issued in 2011, which became due and payable on 19 September 2017. The loan expires on 30 September 2022.

8. Related party disclosures

Related parties as defined in IAS 24 Related Party Disclosures are those legal entities and natural persons that are able to exert influence on Dermapharm Holding SE company exercises control or joint control or has a significant influence. Dermapharm Holding SE has not entered into any related party transactions in the reporting period.

The members of the management board did not receive any compensation until 30 September 2017.

9. Disclosures on the Management Board and the Supervisory Board

The Company's corporate boards are composed as follows:

Members of the Management Board of Dermapharm Holding SE:

Name	Member since	Appointed until	Position	Occupation
Nicole Lotz	July 2017	August 2017	Chief Executive Officer	Merchant
Dr. Hans-Georg Feldmeier	August 2017	2020	Chief Executive Officer	Pharmacist
Stefan Hümer	August 2017	2020	Chief Financial Officer	Merchant
Stefan Grieving	August 2017	2020	Chief Marketing Officer	Merchant
Karin Samusch	August 2017	2020	Chief Business Development Officer	Merchant

Members of the Supervisory Board of Dermapharm Holding SE:

Name	Member since	Appointed until	Position	Occupation
Gabriele Roskothen	July 2017	August 2017	Chairman of the Supervisory Board	Music teacher
Randi Mette Selnes	July 2017	August 2017	Deputy Chairman of the Supervisory Board	Merchant
Katja Gogalla	July 2017	August 2017	Member of the Supervisory Board	Merchant
Wilhelm Beier	August 2017	2022	Chairman of the Supervisory Board	Merchant
Dr. Erwin Kern	August 2017	2022	Deputy Chairman of the Supervisory Board	Merchant

Michael Beier	August 2017	December 2017	Member of the Supervisory Board	Merchant
Lothar Lanz	January 2018	2022	Member of the Supervisory Board	Merchant

10. Events after the reporting period

Events after the reporting date with a significant or possibly significant impact on the net assets, financial positions and results of operations of Dermapharm Holding SE:

On 6 December 2017, the Company's shareholders' meeting resolved to increase the Company's share capital from EUR 120,000.00 by EUR 49,880,000 to EUR 50,000,000 by issuing 49,880,000 new shares in the Company against contributions kind in the form of 104,960 shares in Dermapharm AG by Themis Beteiligungs AG (corresponding to 20.0% of the share capital of Dermapharm AG).

In addition, Themis Beteiligungs AG contributed the remaining 419,840 shares in Dermapharm AG (corresponding to 80.0% of the share capital of Dermapharm AG) to the Company's free reserves without consideration. The contribution and transfer of all shares in Dermapharm AG were completed with effect from the end of 31 December 2017 and the consummation of the capital increase was registered in the commercial register of the local court of Munich, Germany, on 4 January 2018

In connection with the capital contribution, Dermapharm Holding SE has assumed joint liability with respect to all claims and liabilities arising from the following loans entered into by Dermapharm AG:

- Loan agreement with Bayerische Landesbank: On 8 September 2017, Dermapharm AG, as borrower, and Bayerische Landesbank, as lender, entered into a EUR 60,000,000 loan agreement. The funds were utilized to finance the acquisition of the assets pertaining to the hyperthermic medical devices division of Riemser Pharma GmbH. The loan expires on 8 September 2022.
- Loan agreement with Deutsche Postbank AG: On 14 September 2017, Dermapharm AG, as borrower, and Deutsche Postbank AG, as lender, entered into a EUR 20,000,000 loan agreement. Dermapharm AG utilized the funds to refinance a portion of its promissory notes issued in 2011, which became due and payable on 19 September 2017. The loan expires on 19 September 2022.
- 2014 Promissory notes: The terms of the Promissory notes taken out by Dermapharm AG in 2014 were amended by an agreement dated 4 October 2017, entered into between Dermapharm AG as borrower, Bayerische Landesbank as original lender and agent, the investors holding commitments under the 2014 Promissory notes, Themis Beteiligungs AG as original guarantor and the Company as new guarantor. All sums payable under the 2014 Promissory Notes are guaranteed by the Company.
- 2012 Promissory notes: The terms of the Promissory notes taken out by Dermapharm AG in 2012 were amended by an agreement dated 4 October 2017, entered into between Dermapharm AG as borrower, Bayerische Landesbank as original lender and agent, Oberbank Aktiengesellschaft as the sole investor holding 2012 Promissory Notes, Themis Beteiligungs AG as original guarantor and the Company as new guarantor. All sums payable under the 2012 Promissory Notes are guaranteed by the Company.
- Loan agreement with Baden Württembergische Bank: On 4 December 2017, Dermapharm AG, as borrower, and Baden Württembergische Bank, as lender, entered into a EUR 80,000,000 loan agreement. Dermapharm AG will utilize the funds from the loan agreement as bridge financing to partially finance its future capital expenditures.

On 6 December 2017, the profit transfer agreement between Themis Beteiligungs AG and Dermapharm AG was terminated with effect from the end of 31 December 2017.

Dermapharm Holding SE seeks to list its shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. The proceeds from the issuance of new shares will be used to finance further growth of the Dermapharm Group. The company announced the intention to float on 15 January 2018.

Grünwald, 25 January 2018, the Management Board

Stefan Hümer
Chief Financial Officer

Karin Samusch
Chief Business Development Officer

Bestätigungsvermerk des Abschlussprüfers

An die Dermapharm Holding SE:

Wir haben den freiwillig aufgestellten Zwischenabschluss – bestehend aus Bilanz, Gesamtergebnisrechnung, Kapitalflussrechnung, Eigenkapitalveränderungsrechnung und Anhang – unter Einbeziehung der Buchführung der Dermapharm Holding SE für die Berichtsperiode vom 12. Juli 2017 bis zum 30. September 2017 geprüft. Die Buchführung und die Aufstellung des Zwischenabschlusses nach den IFRS, wie sie in der EU anzuwenden sind, liegen in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Aufgabe ist es, auf der Grundlage der von uns durchgeführten Prüfung eine Beurteilung über den Zwischenabschluss unter Einbeziehung der Buchführung abzugeben.

Wir haben unsere Prüfung des freiwillig aufgestellten Zwischenabschlusses nach § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung vorgenommen. Danach ist die Prüfung so zu planen und durchzuführen, dass Unrichtigkeiten und Verstöße, die sich auf die Darstellung des durch den freiwillig aufgestellten Zwischenabschluss unter Beachtung der IFRS, wie sie in der EU anzuwenden sind, vermittelten Bildes der Vermögens-, Finanz- und Ertragslage wesentlich auswirken, mit hinreichender Sicherheit erkannt werden. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld der Gesellschaft sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Wirksamkeit des rechnungslegungsbezogenen internen Kontrollsystems sowie Nachweise für die Angaben in Buchführung und im freiwillig aufgestellten Zwischenabschluss überwiegend auf der Basis von Stichproben beurteilt. Die Prüfung umfasst die Beurteilung der angewandten Bilanzierungsgrundsätze und der wesentlichen Einschätzungen der gesetzlichen Vertreter sowie die Würdigung der Gesamtdarstellung des Zwischenabschlusses. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unsere Beurteilung bildet.

Unsere Prüfung hat zu keinen Einwendungen geführt.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Zwischenabschluss der Dermapharm Holding SE für die Berichtsperiode vom 12. Juli 2017 bis zum 30. September 2017 den IFRS, wie sie in der EU anzuwenden sind, und vermittelt unter Beachtung dieser Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft.

Düsseldorf, den 25. Januar 2018

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

André Prengel

Wirtschaftsprüfer

Dr. Thomas Senger

Wirtschaftsprüfer