INTERIM STATEMENT Q1 2018

Dermapharm Holding SE

DERMAPHARM AT A GLANCE

Group results at a glance

		Q1/2018	Q1/2017
Revenue	EUR million	137.5	118.1
Adjusted EBITDA*	EUR million	36.2	28.9
Adjusted EBITDA margin*	%	26.3	24.5
Unadjusted EBITDA	EUR million	35.5	28.9
Unadjusted EBITDA margin	%	25.8	24.5
Operating result	EUR million	30.4	25.2
EBT	EUR million	29.9	24.2
Consolidated net profit	EUR million	21.4	20.3
Earnings per share	EUR	0.41	0.41
Total assets	EUR million	679.4	415.3
Equity	EUR million	200.1	73.7
Equity ratio	%	29.5	17.7
Cash and cash equivalents	EUR million	139.7	6.3
Net debt	EUR million	191.2	258.5

*EBITDA was adjusted for non-recurring costs of EUR 0.7 million in connection with the preparations for the IPO

2018 Financial calendar

26/06/2018	2018 Annual General Meeting
12/09/2018	Publication of 2018 6-Month Financial Report
20/11/2018	Publication of 2018 9-Month Financial Report

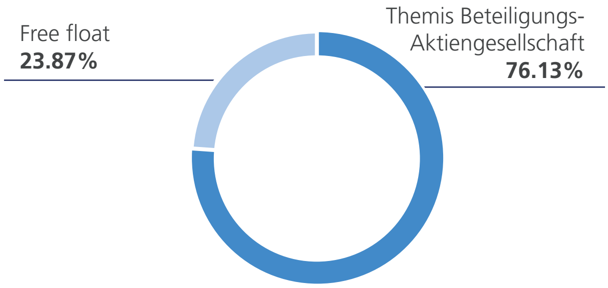
DERMAPHARM HOLDING SE SHARES

Share information – Q1 2018

German Securities Code (WKN)	A2GS5D
ISIN	DE000A2GS5D8
Ticker symbol	DMP
Type of shares	No-par value ordinary bearer shares
Number of shares	53.84 million
Closing price (15/05/2018)	EUR 27.00
High/low*	EUR 27.50 / EUR 23.30
Share price performance (absolute)	+ 3.8 %
Share price performance (SDAX)	+ 7.6 %
Market capitalisation (15/05/2018)	EUR 1.45 billion

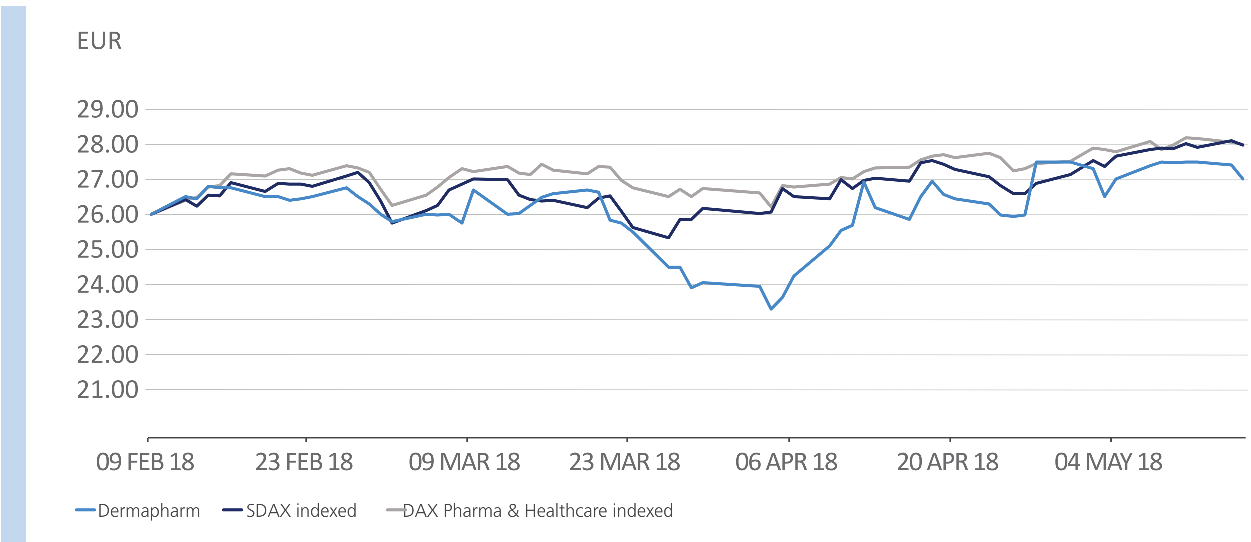
* Closing prices on XETRA trading system of Deutsche Börse AG

Shareholder structure



Information based on voting rights notifications received pursuant to German Securities Trading Act (Wertpapierhandelsgesetz, "WpHG") as at 13 February 2018, with the exercised Greenshoe option having been factored in

Dermapharm Holding SE shares (XETRA, in EUR)



MANAGEMENT'S LETTER TO THE SHAREHOLDERS

Dear shareholders,

In the first quarter of 2018, Dermapharm Holding SE marked a key milestone in the Company's history with its successful initial public offering (IPO). Dermapharm Holding SE's shares have been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since 9 February 2018. Accordingly, Q1 2018 was dominated by the extensive preparations for the Company's IPO.

The first quarter of 2018 was a success from an operating perspective. We increased consolidated revenue by a further 16.4% as compared to the same quarter of the previous year to EUR 137.5 million. We also improved EBITDA by 25.3% to EUR 36.2 million, which was adjusted for non-recurring costs of EUR 0.7 million in connection with the preparations for the IPO. At the same time, unadjusted quarterly EBITDA increased by 22.8% to EUR 35.5 million. Our "Brand-name pharmaceuticals and other healthcare products" division and our "Parallel imports business" division both contributed to earnings growth in the first three months of the year. Furthermore, we acquired the companies Strathmann and Trommsdorff, and included the two in our group of consolidated companies for the first time.

During the first quarter of 2018, we also took important steps to expand our international presence. On 28 February 2018, mibe pharma Italia Srl., with its registered office in Bolzano, Italy, was formed. Certain product approvals have already been granted, while others are currently in the approval process. The company is expected to generate initial revenue in the course of financial year 2018. In addition, through the foundation we have opened up an additional, promising market to sell our off-patent brand-name pharmaceuticals.

We also successfully brought to market additional proprietary developments in selected therapy fields. Together with the additional products gained through the most recent acquisitions, these proprietary developments will represent the ideal complement to our broad portfolio of products. In this manner, we further increased the share of OTC products, i.e., pharmacy-only and non-prescription drugs, thus further reducing our dependency on direct discount agreements with health insurers for generic products.

In general, the first quarter of 2018 was dominated by our three-pillar strategy comprising in-house product development, internationalisation and successful M&A activities. In the further course of the financial year we will continue work to establish Dermapharm as a leading manufacturer of off-patent brand-name pharmaceuticals in selected markets and further build on our excellent market position. Our flexible corporate structure provides the essential foundation for accomplishing this objective.

Grünwald, May 2018

The Management Board

Dr. Hans-Georg Feldmeier Karin Samusch

Stefan Grieving Stefan Hümer

BUSINESS PERFORMANCE

Dermapharm Holding SE has achieved its objectives set out for the first quarter of 2018. This was accomplished thanks to the systematic expansion of our product portfolio through the introduction of new products developed in-house for selected niche markets, as well as to our growing international presence and successful M&A activities.

Consolidated revenue increased by a further 16.4% as compared to the same quarter of the previous year to EUR 137.5 million. We also reported a 25.3% increase in EBITDA, which amounted to EUR 36.2 million and was adjusted for non-recurring costs of EUR 0.7 million in connection with the preparations for the IPO. Unadjusted quarterly EBITDA amounted to EUR 35.5 million, representing a 22.8% increase.

Acquisitions concluded at the beginning of the year in the "Brand-name pharmaceuticals and other healthcare products" division included the following companies:

On 20 December 2017, Dermapharm Holding SE entered into a purchase agreement with the seller Dr. Detlef Strathmann Verwaltungs GmbH & Co. KG to acquire the shares and limited partners' interests in Strathmann Service GmbH in Hamburg, Strathmann GmbH & Co. KG in Hamburg, and Biokirch Pharmaprodukte und Ärzteservice GmbH in Seevetal (jointly referred to as "Strathmann"). The transfer of the shares and limited partners' interests was subject to conditions precedent, which were satisfied in early 2018. Strathmann makes and distributes a broad range of products, which mainly include OTC products as well as brand-name prescription pharmaceuticals which complement Dermapharm's existing portfolio ideally.

On 12 December 2017, Dermapharm entered into a purchase agreement to acquire all the interests in Trommsdorff GmbH & Co. KG and its sole general partner, Cl. Lageman GmbH (jointly referred to as "Trommsdorff"). The closing date for the purchase agreement was at the beginning of 2018 following approval from anti-trust authorities. Trommsdorff produces and distributes 23 different prescription pharmaceuticals and OTC products, specifically Keltican® forte, a dietary product used to treat back pain and Tromcardin® complex, which combines certain minerals and vitamins to treat cardiac arrhythmia. Trommsdorff also serves its former parent group as a toll manufacturer.

The purchase price for the shares in Trommsdorff amounted to EUR 102.6 million. This includes a EUR 24.1 million loan payable to the acquired company by the former shareholder, resulting in a purchase price of EUR 78.5 million to be paid in cash. Since the former shareholder had already been paid EUR 85.5 million in January 2018, Dermapharm has a reimbursement claim amounting to EUR 7.0 million as at the reporting date based on the agreed purchase price allocations. The Company received this reimbursement in Q2 2018. Dermapharm acquires EUR 17.4 million in cash and cash equivalents under the transaction.

The purchase price for the shares in Strathmann amounted to EUR 23.9 million before outstanding purchase price adjustments. Dermapharm acquires EUR 0.4 million in cash and cash equivalents under the transaction.

The purchase price allocations for the acquired companies were not yet finalised as at the date of this quarterly report. The difference between the cost and carrying amounts of the acquired assets and liabilities was recognised in full as goodwill. It is expected that following finalisation of the expert opinions on the purchase price allocation, it will be possible to allocate portions of the purchase price to intangible assets, such as brands, previously not recognised and further fixed assets.

Brand-name pharmaceuticals and other healthcare products

Revenue in the "Brand-name pharmaceuticals and other healthcare products" division increased by 43.0% to EUR 79.5 million (previous year: EUR 55.6 million). At the same time, unadjusted EBITDA increased by 23.8% to EUR 33.8 million (previous year: EUR 27.3 million). This increase is mainly based on the positive development of gross profit while expenses for discounts from direct agreements with health insurers and the cost of materials were reduced. In addition, the Strathmann Group and Trommsdorff Group acquisitions were included in the scope of consolidation for this division for the first time. The adjustment for non-recurring costs of EUR 0.7 million in connection with the preparations for the IPO relates entirely to this segment. This results in adjusted EBITDA of EUR 34.5 million.

The division's adjusted EBITDA margin was 43.3% (previous year: 49.1%). The unadjusted EBITDA margin was 42.4% (previous year: 49.1%) and thus down slightly as compared to the previous year; this decrease was due to the first-time consolidation of the two groups. The work to integrate the two groups is proceeding to plan and the Management Board expects to reap further synergies which will have a positive impact on the margins for the individual business models.

Parallel imports business

Revenue for the "Parallel imports business" fell by 7.2% to EUR 58.0 million (previous year: EUR 62.5 million). This decrease was caused primarily by the concentration on high-margin yet small-volume pharmaceuticals. The German parallel imports market is currently dominated by three extremely high-volume pharmaceuticals which are only able to generate very slight margins due to the fact that the market is presently concentrated in the hands of only a few wholesalers operating in a few countries. In the first quarter of 2018, Dermapharm only distributed a limited amount of these pharmaceuticals. Already in the second quarter of 2018, Dermapharm was able to access these pharmaceuticals with improved margins as new wholesalers began operating in additional European countries, meaning that subsequent quarters are likely to be marked by an uptick in momentum for the parallel imports business.

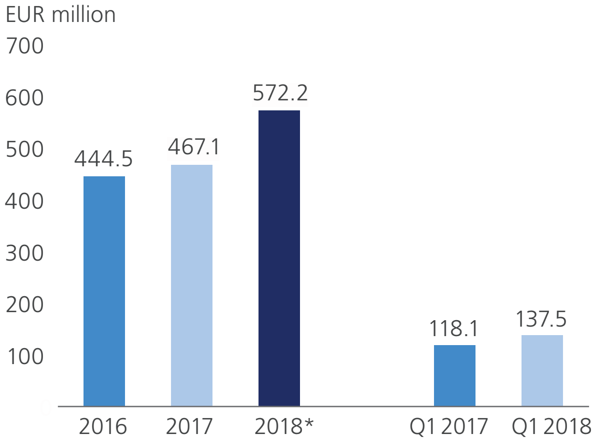
However, EBITDA for this division increased disproportionately by 68.8% to EUR 2.7 million (previous year: EUR 1.6 million). In addition to optimising the product portfolio and lifting the gross profit margin through just-in-time procurement, systematic cost optimisation in all areas of the Company contributed to EBITDA growth. The division's EBITDA margin increased to 4.7% in the first quarter of 2018 (previous year: 2.6%).

The overall performance in Q1 2018 shows that the three-pillar strategy comprising in-house product development, internationalisation and targeted M&A activities is continuing to pay off.

REPORT ON ECONOMIC POSITION

Revenue trend

Annual and quarterly comparison of revenue trend

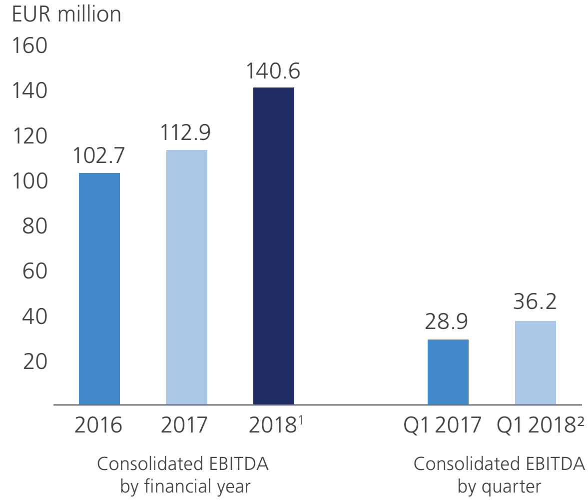


*Estimated annual revenue, with 20-25% forecasted revenue growth

- Dermapharm got off to a successful start in financial year 2018.
- Revenue in Q1 2018 amounted to EUR 137.5 million, up significantly year on year by 16.4% (Q1 2017: EUR 118.1 million).
- The acquired Strathmann Group and Trommsdorff Group were included for the first time in the consolidated group of companies in the "Brand-name pharmaceuticals and other healthcare products" division, and are expected to contribute to positive business development in the course of the year.

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

Annual and quarterly comparison of EBITDA growth

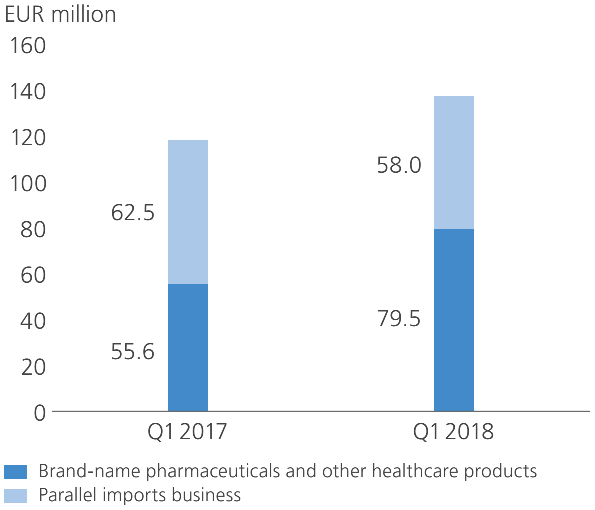


[1] Estimated development, with 22-27% forecasted EBITDA growth
[2] Adjusted for IPO-related expenses.

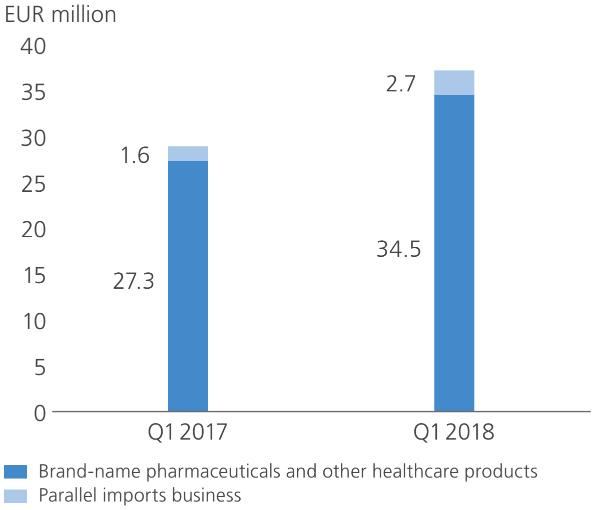
- Consolidated EBITDA, adjusted for IPO-related expenses, increased year on year by 25.3% from EUR 28.9 million in Q1 2017 to EUR 36.2 million in Q1 2018. This resulted in a 26.3% adjusted EBITDA margin.
- At the same time, unadjusted EBITDA increased from EUR 28.9 million to EUR 35.5 million. This corresponds to a 25.8% unadjusted EBITDA margin.
- This positive earnings trend is mainly based on the increase in gross profit while expenses for discounts from direct agreements with health insurers and the cost of materials were reduced.

Performance of the divisions

Revenue by division as compared to prior-year quarter



EBITDA by division as compared to prior-year quarter



- Revenue in the "Brand-name pharmaceuticals and other healthcare products" division increased by 43.0% to EUR 79.5 million (previous year: EUR 55.6 million).
- Revenue in the "Parallel imports business" division fell by 7.2% to EUR 58.0 million (previous year: EUR 62.5 million). This decrease during the reporting period was caused primarily by the concentration on high-margin yet small-volume pharmaceuticals.
- At the same time, adjusted EBITDA in the "Brand-name pharmaceuticals and other healthcare products" division increased by 26.4% to EUR 34.5 million (previous year: EUR 27.3 million). The division's adjusted EBITDA margin was 43.3% (previous year: 49.1%) and thus down as compared to the previous year; this decrease was due to the first-time consolidation of the Strathmann and Trommsdorff Groups.
- EBITDA in the "Parallel imports business" division rose to EUR 2.7 million in Q1 2018 (Q1 2017: EUR 1.6 million) thanks to the improved gross profit and further cost optimisation. This represents growth of 68.8%. As a result, the EBITDA margin increased to 4.7% (Q1 2017: 2.6%).

FORECAST REPORT

In light of the strategic initiative in the "Brand-name Pharmaceuticals and other healthcare products" division and the systematic implementation of our three-pillar strategy, as well as the stable legislative situation and continuous growth in the import pharmaceuticals market, the Management Board confirms the outlook presented in the Annual Report as at 31 December 2017 with respect to the continued development of the Company in 2018.

The Management Board therefore continues to expect the Group to experience further year-on-year growth in financial year 2018. As before, consolidated revenue is expected to be up year on year by 20% to 25%, and EBIDTA is expected to increase by 22% to 27% over the figure for 2017. These growth rates are based on organic growth and growth from the new acquisitions included in the forecast.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets EUR thousand	31 March 2018	31 December 2017
Non-current assets		
Intangible assets	134,347	133,404
Goodwill	130,067	24,583
Property, plant and equipment	69,854	56,036
Investments measured at equity	3,895	3,513
Investments	2,198	188
Other non-current financial assets	4,329	4,419
Deferred tax assets	6,055	290
Total non-current assets	**350,745**	**222,433**
Current assets		
Inventories	103,349	81,685
Trade accounts receivable	38,148	24,677
Other current financial assets	38,014	78,318
Other current assets	9,161	1,575
Income tax receivables - current	282	329
Cash and cash equivalents	139,702	6,286
Total current assets	**328,656**	**192,870**
Total assets	**679,401**	**415,303**

Equity and liabilities EUR thousand	31 March 2018	31 December 2017
Equity		
Issued capital	53,840	120
Capital reserves	101,589	250
Retained earnings	47,055	25,669
Other reserves	(2,406)	(2,234)
Contribution in kind not yet registered	-	49,880
Equity attributable to owners of the company	**200,078**	**73,685**
Non-controlling interests	-	-
Total equity	**200,078**	**73,685**
Non-current liabilities		
Defined benefit obligations and other accrued employee benefits	49,653	13,033
Financial liabilities	221,150	222,483
Other non-current financial liabilities	4,347	4,476
Other non-current liabilities	9,785	10,024
Deferred tax liabilities	10,170	11,026
Total non-current liabilities	**295,105**	**261,042**
Current liabilities		
Other provisions	8,033	7,017
Financial liabilities	100,199	32,264
Trade accounts payable	28,477	23,367
Other current financial liabilities	5,191	5,592
Other current liabilities	20,192	9,025
Income tax liabilities	22,126	3,311
Total current liabilities	**184,218**	**80,576**
Total equity and liabilities	**679,401**	**415,303**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q1 2018	Q1 2017
Revenue	137,494	118,073
Increase/decrease in finished goods and work-in-process	(4,058)	571
Own work capitalised	2,212	2,951
Other operating income	932	882
Cost of material	(62,153)	(65,244)
Personnel expenses	(20,299)	(15,692)
Depreciation and amortisation	(4,673)	(3,414)
Other operating expenses	(19,037)	(12,971)
Operating income	**30,418**	**25,156**
Result from investments measured at equity	382	375
Financial income	340	312
Financial expenses	(1,281)	(1,659)
Financial result	**(559)**	**(972)**
Earnings before taxes	**29,859**	**24,184**
Income taxes	(8,473)	(3,895)
Profit for the period	**21,386**	**20,289**
Profit transfers due to profit transfer agreements	-	(16,654)
Profit for the period, after profit distribution	**21,386**	**3,635**
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Actuarial gains/losses from remeasurement of defined benefit pension plans	-	-
Deferred taxes effect relating to items that will not be reclassified	-	-
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(172)	(17)
Other comprehensive income/(loss) for the period, net of tax	**(172)**	**(17)**
Total comprehensive income for the period, after profit distribution	**21,214**	**3,618**

Profit for the period attributable to:		
Owners of the company	21,386	20,289
Non-controlling interests	-	-
Total comprehensive income for the period, after profit distribution, attributable to:		
Owners of the company	21,214	3,618
Non-controlling interests	-	-
Earnings per Share		
Earnings per share (in EUR)	**0.41**	**0.41**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Q1 2018	Q1 2017
Profit for the period, before profit distribution	21,386	20,289
Amortisation of intangible assets	3,026	2,183
Amortisation of intangible assets - impairment	-	-
Depreciation of property, plant and equipment	1,647	1,231
Increase /(decrease) in other accrued employee benefits	(40)	1
Increase /(decrease) in other current provisions	(1,333)	613
Other non-cash expenses /(income) items	(6)	82
(Increase) /decrease in inventories	(7,110)	(5,045)
(Increase) /decrease in trade receivables	(9,692)	(3,923)
(Increase) /decrease in other assets	42,037	14,468
Increase /(decrease) in trade payables	1,614	(9,277)
Increase /(decrease) in other liabilities	1,096	2,527
Share of profit of equity-accounted investees, net of tax	(382)	(375)
Net (gain) /loss on disposal of intangible assets	-	359
Net (gain) /loss on disposal of property, plant and equipment	(3)	58
Interest expenses /(income)	1,357	957
Increase /(decrease) in income tax payables and deferred tax liabilities	7,186	3,324
Income tax (paid) /received	(256)	(42)
Net cash flows from operating activities	**60,527**	**27,430**
Proceeds from sale of intangible assets	-	46
Proceeds from sale of property, plant and equipment	38	107
Proceeds from sale of investments	-	-
Acquisition of subsidiary, net of cash acquired	(91,566)	-
(Purchase) of intangible assets	(3,040)	(3,050)
(Purchase) of property, plant and equipment	(1,437)	(1,013)
Payments for investment in financial assets	(2,010)	(10)
Dividends from equity-accounted investees	-	-
Interest received	41	74
Net cash flows used in investing activities	**(97,974)**	**(3,846)**

Payments from the issue of shares	107,520	-
Transaction costs related to the issue of new shares	(1,872)	-
Payment of profit transfers due to profit transfer agreements	-	(37,105)
Acquisition of non-controlling interests	-	(5,300)
Proceeds from financial liabilities	80,000	-
(Repayment) of financial liabilities	(11,074)	(12,413)
Payment of finance lease liabilities	(28)	(35)
Interest (paid)	(1,398)	(1,031)
Net cash flows used in financing activities	**173,148**	**(55,884)**
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	**135,701**	**(32,300)**
Cash, cash equivalents and bank overdrafts at 1 January	(7,204)	(1,051)
Change in cash, cash equivalents and bank overdrafts due to foreign exchange differences	6	12
Cash, cash equivalents and bank overdrafts at 31 March	**128,503**	**(33,339)**
Bank overdrafts at the beginning of the period	(13,490)	(4,867)
Bank overdrafts at the end of the period	(11,199)	(41,062)
Cash and cash equivalents at 31 March	**139,702**	**7,723**

SEGMENT REPORTING

1st Quarter 2018 EUR thousand	Branded pharma-ceuticals and other healthcare products	Parallel import business	Reconciliation / Group Holding	Group
Revenue	79,584	57,972	-	137,556
Thereof intersegment revenue	*62*	-	-	*62*
Revenue with external customers	79,522	57,972	-	137,494
Revenue growth	43.0 %	-7.2 %	-	16.4 %
EBITDA	33,754	2,712	(993)	35,473
Thereof result from investments measured at equity	*382*	-	-	*382*
EBITDA Margin	42.4 %	4.7 %	-	25.8 %

1st Quarter 2017 EUR thousand	Branded pharma-ceuticals and other healthcare products	Parallel import business	Reconciliation / Group Holding	Group
Revenue	56,133	62,456	-	118,589
Thereof intersegment revenue	*516*	-	-	*516*
Revenue with external customers	55,617	62,456	-	118,073
Revenue growth[1]	n.a.	n.a.	-	n.a.
EBITDA	27,301	1,644	-	28,945
Thereof result from investments measured at equity	*375*	-	-	*375*
EBITDA Margin	49.1 %	2.6 %	-	24.5 %

[1] Figures for Q1 2016 were not reported in accordance with IFRSs.

IMPRINT

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