

INTERIM STATEMENT Q1

2019

Dermaphar^m Holding SE

DERMAPHARM AT A GLANCE

Group results at a glance

		Q1 2019	Q1 2018
Revenue	EUR million	163.6	137.5
Adjusted EBITDA*	EUR million	43.7	36.2
Adjusted EBITDA margin*	%	26.7	26.3
Unadjusted EBITDA	EUR million	40.7	35.5
Unadjusted EBITDA margin	%	24.9	25.8
Operating result	EUR million	28.8	30.4
EBT	EUR million	27.2	29.9
Consolidated net profit	EUR million	19.2	21.4
Earnings per share	EUR	0.36	0.41

		31 March 2019	31 December 2018
Total assets	EUR million	961.8	704.6
Equity	EUR million	276.0	256.1
Equity ratio	%	28.7	36.3
Cash and cash equivalents	EUR million	82.3	212.5
Net debt	EUR million	420.3	95.2

* Q1 2019 EBITDA adjusted by non-recurring costs of EUR 2.9 million in connection with the acquisition of Euromed and by non-recurring costs of EUR 0.1 million for consultancy services in connection with further acquisition efforts.

Q1 2018 EBITDA adjusted for non-recurring costs in connection with the preparations for the IPO amounting to EUR 0.7 million.

2019 Financial calendar

4 June 2019	2019 Annual General Meeting
12 September 2019	Publication of 2019 Half-Yearly Financial Report
20 November 2019	Publication of Q3 Quarterly Report

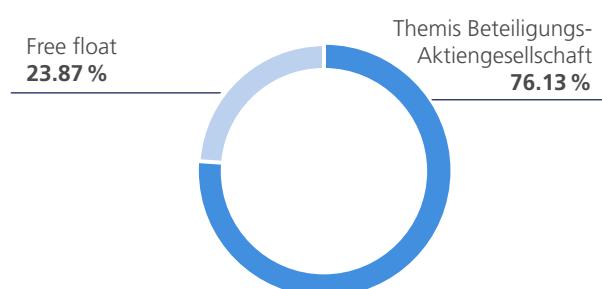
DERMAPHARM HOLDING SE SHARES

Share information Q1 2019

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 (15/05/2019)	EUR 32.80
High* (15/05/2019)	EUR 32.80
Low* (15/01/2019)	EUR 22.40
Share price performance absolute (01/01/2019 to 15/05/2019)	+36.8 %
Share price performance SDAX (01/01/2019 to 15/05/2019)	+17.2 %
Market capitalisation (15/05/2019)	EUR 1.77 billion

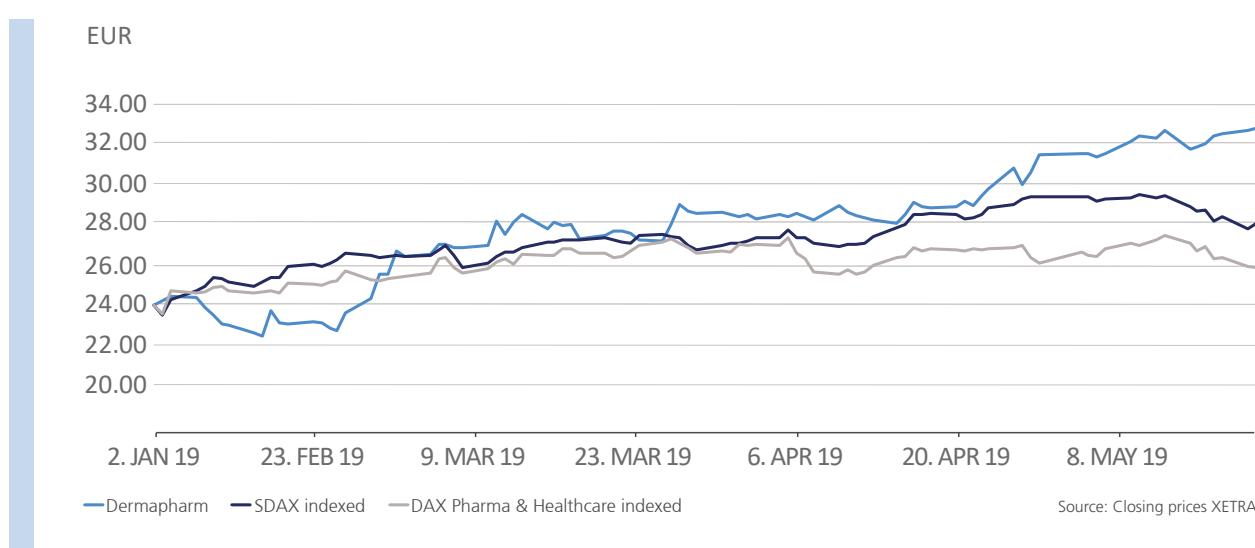
* Closing prices in the XETRA trading system of Deutsche Börse AG

Shareholder structure



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

Dermapharm Holding SE shares (XETRA, in EUR)



MANAGEMENT'S LETTER TO THE SHAREHOLDERS

Dear shareholders,

We successfully pushed forward with our growth strategy in the first three months of financial year 2019. Integrating Trommsdorff into the Group's IT infrastructure and implementing the Falsified Medicines Directive on time enabled us to strengthen the foundations for further growth. We also pressed ahead with establishing the new "Herbal extracts" division by acquiring Spanish company Euromed S.A. The company was formed in 1971 and is a leading manufacturer of herbal extracts and plant-based active ingredients for the pharmaceutical, food supplement and cosmetics industries. The acquisition opens up a new sales channel in Spain and strengthens our expertise in the growth market for herbal pharmaceuticals. Another milestone was reached when Dermapharm AG acquired a 20 %-equity-method stake in FYTA, a Dutch cannabis producer for pharmaceutical applications. This acquisition gives Dermapharm access to the market for medical cannabis, which we believe will continue to gain in importance. We acquired CFP Packaging GmbH in January, thereby expanding our production capacity by approximately 40 million sticks p.a. to satisfy the growing demand for nutritional supplements. The plan is to relocate the operations to Dermapharm's nearby main production facility in Brehna near Leipzig during the course of 2019.

At Dermapharm's main production facility in Brehna near Leipzig, the first three months of 2019 were dominated by construction work on the new logistics centre. We are expanding the production site operated by subsidiary mibe GmbH Arzneimittel by approximately 12,400 m² to a total of more than 50,000 m², and in doing so laying the logistical foundation for the Group's further growth. The construction project, which is supported by the State of Saxony-Anhalt, is proceeding as planned and we marked the topping out on 25 April 2019. Operations are scheduled to commence in September.

Attractive new pharmaceuticals have also been added to Dermapharm's product portfolio since the beginning of 2019. These include Azedil®, a product developed in-house as a nasal spray or eye drops to treat acute hay fever symptoms, and Momekort®, a non-prescription cortisone nasal spray used to treat acute allergy symptoms in adults. We are also pressing ahead with our development projects in financial year 2019 with the aim of marketing new off-patent branded pharmaceuticals for selected niche markets in Germany and abroad. Dermapharm's product pipeline currently includes some 50 ongoing development projects for our selected therapeutic areas, in particular dermatologicals, vitamins/minerals/enzymes, women's healthcare products, and ophthalmologicals.

Against this background, we can look back on a highly successful performance over the first three months of 2019. We were able to further increase consolidated revenue as compared to the same period of the previous year by 19.0 % to EUR 163.6 million. This increase is due primarily to the successful launch of products developed in-house, organic growth in the existing product portfolio, and the initial consolidation of the newly acquired companies. At the same time, adjusted EBITDA increased by 20.7 % to EUR 43.7 million. At 26.7 %, the EBITDA margin was up 0.4 percentage points year on year and highlights the Company's exceptional profitability. This positive earnings trend was attributable to both the existing "Branded pharmaceuticals and other healthcare products" division, which includes the new "pain treatment" therapeutic area, and the newly established "Herbal extracts" division to which Euromed was allocated following its initial consolidation.

We were thus successful in pushing forward with our three-pillar strategy of in-house product development, internationalisation and M&A activity in the first quarter of 2019.

In the interests of our shareholders, as the year progresses we will continue to concentrate on maintaining our profitable growth trend and expanding our solid market position as a leading manufacturer of off-patent branded pharmaceuticals in selected markets.

Grünwald, May 2019

The Management Board

Dr. Hans-Georg Feldmeier
Chief Executive Officer

Stefan Hümer
Financial Officer

Karin Samusch
Chief Business
Executive Officer

Stefan Grieving
Chief Marketing Officer

COURSE OF BUSINESS

Overall, Dermapharm Holding SE performed as expected in the first quarter of 2019. 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, organic growth and the successful integration of the companies acquired in the previous year.

Our growing international presence and the expansion of in-house production capacities thanks to the corporate acquisitions successfully completed at the beginning of the year also helped in achieving the corporate goals in the first quarter and beyond.

Consolidated revenue increased by 19.0% as compared to the prior-year period, to EUR 163.6 million. At the same time, adjusted EBITDA (reflecting non-recurring costs of EUR 2.9 million in connection with the acquisition of Euromed and non-recurring costs of EUR 0.1 million for consultancy services in connection with further acquisition efforts) grew by 20.7% to EUR 43.7 million. Unadjusted EBITDA amounted to EUR 40.7 million, representing a 14.6% increase.

The adjusted EBITDA margin amounted to 26.7% (Q1 2018: 26.3%). The unadjusted EBITDA margin amounted to 24.9% (Q1 2018: 25.8%).

The acquisitions of CFP Packaging GmbH and Spanish company Euromed, which were completed at the beginning of the year, were included in the Dermapharm Group's basis of consolidation for the first time in the period under review:

- CFP Packaging GmbH in Wiedemar was acquired pursuant to a purchase agreement on the acquisition of material assets of CFP Packaging GmbH entered into on 1 January 2019. The transfer of the assets was subject to conditions precedent, which were satisfied in early 2019. Essentially, by acquiring the company's assets, Dermapharm intends to gain access to the machinery and expertise in the field of special packaging for powder and liquid sticks as well as access to various customers based on long-term supply agreements still in force. The company is managed as a branch of mibe Artzneimittel GmbH and is allocated to the "Branded pharmaceuticals and other healthcare products" division. The transaction constituted a business combination as defined under IFRS 3. A preliminary purchase price allocation was used to allocate the costs arising from the business combination to the individual acquired assets and liabilities measured at fair value.

- With effect from 3 January 2019, Dermapharm acquired all shares in the Spanish company Euromed Botanicals S.L.U. and its subsidiaries Euromed S.A. and Euromed USA Inc. Euromed is a leading producer of herbal extracts and natural active ingredients which are needed as precursors in the manufacturing of phytopharmaceuticals (plant pharmaceuticals), nutraceuticals (functional foods) and cosmetics products. Since being formed in 1971, the company has gained almost 50 years of expertise and reputation in the field of herbal extracts. The complete traceability of production activities, starting with the seed selection through to the finished extract, is unique. At present, two state-of-the-art production facilities are operated in Spain near Barcelona and Murcia with capacities for future growth, as well as a drying plant in Florida, USA. The company is allocated to the newly formed "Herbal extracts" division. The transaction constituted a business combination as defined under IFRS 3. A preliminary purchase price allocation was used to allocate the costs arising from the business combination to the individual acquired assets and liabilities measured at fair value. The preliminary measurement of inventories reduced EBITDA by EUR 1.8 million, which was recognised as a change in inventories.

On 4 March 2019, Dermapharm acquired 20.0% of shares in FYTA Company B.V. and FYTA Tech B.V. (each domiciled in Waalwijk, Netherlands), as well as FYTA Company GmbH and FYTA Vermögensverwaltung GmbH (each domiciled in Monheim, Germany). The FYTA group specialises in the production of medicinal cannabis for pharmaceutical applications. The authorisation required for medicinal cannabis was already granted on 25 February 2019 by the Dutch supervisory authority CIBG. This covers the production of approximately 12 tonnes of medicinal cannabis per year, and may be expanded. At present, FYTA operates its own state-of-the-art indoor production facility in Waalwijk, at which up to 25 tonnes of medicinal cannabis can be produced per year. The agreed purchase price was EUR 60,000 thousand, including further escalation clauses. The transaction also includes the assignment of 49.9% of the shares in remedix GmbH (domiciled in Friedrichsdorf, Germany) to UWF Beteiligungsgesellschaft mbH (domiciled in Monheim, Germany). As a re-importer in the pharmaceuticals sector, remedix GmbH specialises in EU narcotics and is licensed by the Federal Opium Agency to trade in narcotics. In future, remedix GmbH will act as a joint platform between Dermapharm and the FYTA companies for importing medicinal cannabis products to Germany and marketing them. FYTA will be subject to initial consolidation as at the end of the first half of 2019, with Dermapharm AG reporting it as an investment accounted for in accordance with the equity method.

The overall performance in the first three months of 2019 shows that Dermapharm's three-pillar strategy comprising in-house product development, internationalisation and targeted M&A activities is also being successfully pursued in financial year 2019.

Branded pharmaceuticals and other healthcare products

In the "Branded pharmaceuticals and other healthcare products" division, Dermapharm significantly increased revenue by 6.2 % to EUR 84.4 million (Q1 2018: EUR 79.5 million). At the same time, the adjusted EBITDA increased by 8.1 % to EUR 37.3 million (Q1 2018: EUR 34.5 million). The adjustment by non-recurring costs of EUR 2.9 million in connection with the acquisition of Euromed and by non-recurring costs of EUR 0.1 million for consultancy services in connection with acquisition efforts was fully attributable to this division. This increase is mainly based on the positive development of gross profit with a simultaneous reduction in the cost of materials ratio. The unadjusted EBITDA is at EUR 34.3 million (Q1 2018: EUR 33.8 million).

The division's adjusted EBITDA margin amounted to 44.2 % (Q1 2018: 43.4 %). The division's unadjusted EBITDA margin amounted to 40.6 % (Q1 2018: 42.5 %).

Parallel import business

Revenue for the Parallel import business rose slightly by 1.0 % to EUR 58.5 million (Q1 2018: EUR 58.0 million). The increase was due primarily to generally stable demand for parallel imports of branded compounds and Dermapharm's continued ability to deliver.

EBITDA for this division decreased disproportionately by 22.2 % to EUR 2.1 million (Q1 2018: EUR 2.7 million). This was primarily attributable to the increase in health insurers' calls for tenders for discount agreements on lucrative branded compounds with patents approaching expiry. The division's EBITDA margin decreased accordingly in the first three months of 2019 to 3.6 % (Q1 2018: 4.7 %).

Herbal extracts

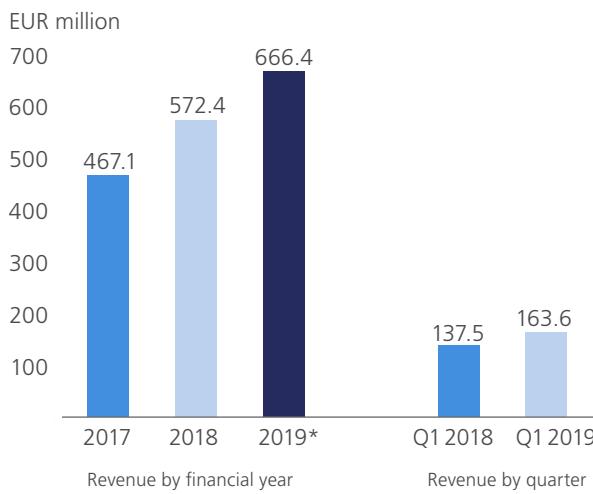
The newly established "Herbal extracts" division, which was subject to initial consolidation in Q1 2019, contributed EUR 20.6 million to Dermapharm's revenue. The division's performance was thus in line with our expectations.

It contributed EUR 4.5 million to EBITDA, slightly more than forecast. The EBITDA margin amounted to 21.8 %. The inclusion of Euromed in the Group is proceeding according to plan and the Management Board expects stable business performance going forward.

REPORT ON ECONOMIC POSITION

Revenue trend

Annual and quarterly comparison of revenue trend

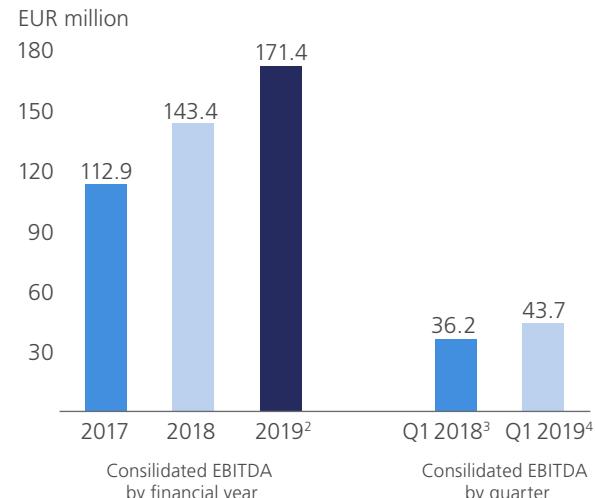


* Estimated annual revenue, with 14-19 % forecast revenue growth

- Dermapharm got off to a successful start in financial year 2019.
- Revenue in Q1 2019 amounted to EUR 163.6 million, up significantly year on year by 19.0 % (Q1 2018: EUR 137.5 million).
- Euromed was subject to initial consolidation in the newly established "Herbal extracts" division, and is expected to continue making a positive contribution to business performance over the rest of the year.

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

Annual and quarterly comparison of EBITDA¹ growth



¹ Adjusted by non-recurring costs

² Estimated development, with 17-22 % forecast EBITDA growth

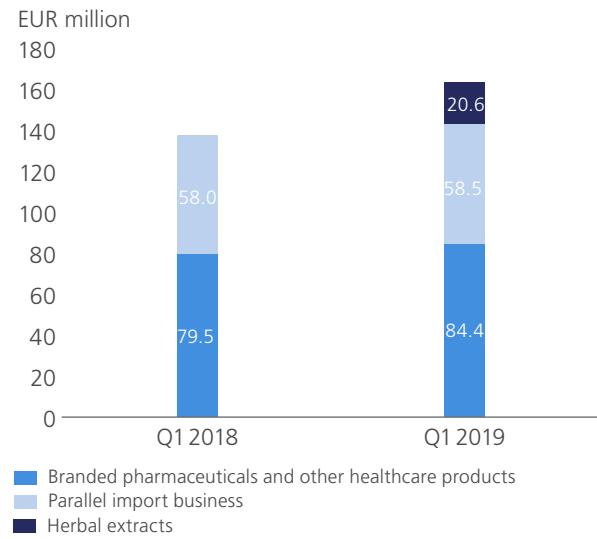
³ Q1 2018 EBITDA adjusted for non-recurring costs in connection with the preparations for the IPO amounting to EUR 0.7 million

⁴ Q1 2019 EBITDA adjusted by non-recurring costs of EUR 2.9 million in connection with the acquisition of Euromed and by non-recurring costs of EUR 0.1 million for consultancy services in connection with further acquisition efforts

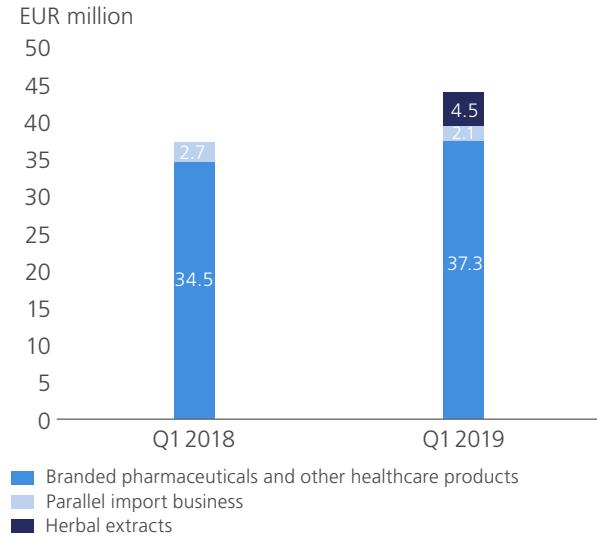
- Consolidated EBITDA, adjusted for acquisition-related expenses, increased year on year by EUR 20.7 % from EUR 36.2 million in Q1 2018 to EUR 43.7 million in Q1 2019. This resulted in a 26.7 % adjusted EBITDA margin.
- At the same time, unadjusted EBITDA increased from EUR 35.5 million to EUR 40.7 million. This corresponds to a 24.9 % unadjusted EBITDA margin.
- This positive earnings trend is mainly based on the increase in gross profit while the cost of materials was reduced. There were also positive effects from the initial consolidation of the acquired companies CFP and Euromed.

Performance of the divisions

Quarterly comparison of revenue by division



Quarterly comparison of EBITDA by division



- Revenue in the "Branded pharmaceuticals and other healthcare products" division increased by 6.2 % to EUR 84.4 million (Q1 2018: EUR 79.5 million).
- Revenue in the "Parallel import business" division rose slightly by 0.9 % to EUR 58.5 million (Q1 2018: EUR 58.0 million).
- The newly established "Herbal extracts" division contributed EUR 20.6 million to revenue.

- At the same time, adjusted EBITDA in the "Branded pharmaceuticals and other healthcare products" division increased by 8.1 % to EUR 37.3 million (Q1 2018: EUR 34.5 million). At 44.2 % (previous year: 43.4 %), the division's adjusted EBITDA margin was up slightly on the prior-year quarter.
- EBITDA in the "Parallel import business" division decreased to EUR 2.1 million in Q1 2019 (Q1 2018: EUR 2.7 million). This corresponds to a decline of 22.2 %. As a result, the EBITDA margin decreased to 3.6 % (Q1 2018: 4.7 %).
- The "Herbal extracts" division contributed EUR 4.5 million to EBITDA. The EBITDA margin amounted to 21.8 %.

REPORT ON EXPECTED DEVELOPMENTS

In light of our strategic alignment in the "Branded pharmaceuticals and other healthcare products" division, our consistent implementation of the three-pillar strategy, the "Parallel import business" division's legal environment, which is currently difficult to assess and could potentially change, and the healthy development in the newly established "Herbal extracts" division, the Management Board confirms the outlook presented in the Annual Report as at 31 December 2018 with respect to the Company's development in 2019.

The Management Board therefore continues to expect the Group to experience further year-on-year growth in financial year 2019. As before, consolidated revenue is expected to be up year on year by 14 % to 19 %, and EBITDA is expected to increase by 17 % to 22 % over the figure for financial year 2018. These growth rates are based on organic growth, new launches of in-house developments and growth from the CFP and Euromed acquisitions included in the forecast.

EVENTS AFTER THE REPORTING PERIOD

In May 2019, Melasan GmbH in Austria entered into an agreement with an Austrian bank for a EUR 8.5 million term loan facility to finance the construction of a new production and distribution facility. The loan bears a floating rate of interest (3-month EURIBOR plus a margin) and a maximum term of ten years. The loan agreement is repayable in flat-rate monthly instalments from 31 March 2020.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Rounding differences may arise due to the different presentation of figures in EUR million in the interim management report and EUR thousand in the interim consolidated financial statements and segment reporting.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets EUR thousand	31 March 2019	31 December 2018
Non-current assets		
Intangible assets	301,194	189,935
Goodwill	169,775	54,622
Property, plant and equipment	116,109	80,874
Investments accounted for using the equity method	65,022	3,786
Equity investments	382	382
Other non-current financial assets	3,678	3,706
Deferred tax assets	-	39
Total non-current assets	656,160	333,343
Current assets		
Inventories	162,203	116,966
Trade receivables	53,857	34,124
Other current financial assets	1,684	1,365
Other current assets	5,337	4,272
Tax assets	320	1,990
Cash and cash equivalents	82,265	212,520
Total current assets	305,667	371,238
Total assets	961,826	704,581

Equity and liabilities EUR thousand	31 March 2019	31 December 2018
Equity		
Issued capital	53,840	53,840
Capital reserves	100,790	100,790
Retained earnings	122,231	100,993
Other reserves	(2,983)	(3,173)
Equity attributable to owners of parent	273,878	252,449
Non-controlling interests	2,112	3,636
Total equity	275,990	256,085
Non-current liabilities		
Provisions for employee benefits	50,634	50,726
Non-current financial liabilities	238,138	232,743
Other non-current financial liabilities	3,554	3,395
Other non-current liabilities	10,602	10,783
Deferred tax liabilities	35,026	4,452
Total non-current liabilities	337,955	302,098
Current liabilities		
Other provisions	10,554	8,586
Current financial liabilities	256,865	71,577
Trade payables	33,722	28,181
Other current financial liabilities	3,998	6
Other current liabilities	19,630	15,016
Tax liabilities	23,112	23,032
Total current liabilities	347,882	146,398
Total equity and liabilities	961,826	704,581

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	Q1 2019	Q1 2018
Revenue	163,553	137,494
Change in inventories	10,468	(4,058)
Own work capitalised	3,214	2,212
Other operating income	1,930	932
Cost of materials	(86,061)	(62,153)
Personnel expenses	(27,617)	(20,299)
Depreciation and amortisation	(11,502)	(4,673)
Other operating expenses	(25,219)	(19,037)
Operating result	28,764	30,418
Share of profit/loss of companies accounted for using the equity method, after tax	449	382
Financial income	113	340
Financial expenses	(2,104)	(1,281)
Financial result	(1,542)	(559)
Earnings before taxes	27,222	29,859
Income tax expenses	(7,998)	(8,473)
Profit or loss for the period	19,224	21,386
<i>Other comprehensive income not reclassified to profit or loss in subsequent periods:</i>		
Actuarial gains/losses from remeasurement of defined benefit pension plans	-	-
Deferred taxes relating to items not subject to reclassification	-	-
<i>Other comprehensive income which may be reclassified to profit or loss in subsequent periods:</i>		
Foreign operations - currency translation differences	190	(172)
Other comprehensive income, after tax	190	(172)
Total comprehensive income for the period	19,414	21,214

Profit or loss for the period attributable to		
Owners of the parent	19,156	21,386
Non-controlling interests	67	-
	19,224	21,386
Total comprehensive income for the period attributable to		
Owners of the parent	19,347	21,214
Non-controlling interests	67	-
	19,414	21,214
Earnings per share		
Basic (= diluted) earnings per share (EUR)	0.36	0.41

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	Q1 2019	Q1 2018
Profit or loss for the period before profit or loss transfer	19,224	21,386
Depreciation and amortisation (reversals of depreciation and amortisation) of fixed assets	11,096	4,673
(Increase)/decrease in working capital (assets)	(18,575)	25,282
Increase/(decrease) in working capital (liabilities)	11,018	7,645
Increase/(decrease) in provisions for employee benefits	(91)	(40)
Other non-cash items	264	(6)
Share of profit/loss of companies accounted for using the equity method, after tax	(449)	(382)
(Gain)/loss on disposal of non-current assets	(7)	(3)
Interest expense/(income)	2,161	1,357
Changes in deferred tax assets	(968)	871
Income tax payments	(6,913)	(256)
Net cash flows from operating activities	16,760	60,527
Proceeds from the disposal of intangible assets and property, plant and equipment	(98)	38
Proceeds from the disposal of financial assets	3	-
Business combinations, less cash	(225,923)	(91,566)
Payments for investments in intangible assets and property, plant and equipment	(9,524)	(4,477)
Payments for investments in financial assets	(60,038)	(2,010)
Interest received	-	41
Cash flows from investing activities	(295,580)	(97,974)
Proceeds from the issue of shares	-	107,520
Transaction costs in connection with the issue of shares	-	(1,872)
Proceeds from borrowings	150,000	80,000
Repayments of borrowings	(21,341)	(11,074)
Repayment of lease liabilities	(471)	(28)
Proceeds from reimbursements of interest paid	14	-
Interest paid	(1,308)	(1,398)
Cash flows from financing activities	126,894	173,148
Net increase/decrease in cash, cash equivalents and bank overdrafts	(151,926)	135,701
Cash, cash equivalents and bank overdrafts as at 1 January	206,439	(7,204)
Effect of exchange rate changes on cash and cash equivalents	66	6
Cash, cash equivalents and bank overdrafts as at 31 March	54,579	128,503
Bank overdrafts as at 1 January	(6,082)	(13,490)
Bank overdrafts as at 31 March	(27,686)	(11,199)
Cash and cash equivalents as at 31 March	82,265	139,702

SEGMENT REPORTING

Q1 2019 EUR thousand	Branded pharmaceuticals and other healthcare products	Parallel import business	Herbal extracts	Reconciliation / Group holding company	Group
Revenue	85,277	58,537	20,579	829	165,221
<i>of which intra-division revenue</i>	840	-	-	829	1,669
Revenue from external customers	84,437	58,537	20,579	-	163,553
Revenue growth	6.2 %	1.0 %	-	-	19.0 %
EBITDA	34,328	2,116	4,548	(277)	40,716
<i>of which earnings from investments accounted for in accordance with the equity method</i>	449	-	-	-	449
EBITDA margin	40.7 %	3.6 %	22.1 %	-	24.9 %

Q1 2018 EUR thousand	Branded pharmaceuticals and other healthcare products	Parallel import business	Herbal extracts	Reconciliation / Group holding company	Group
Revenue	79,584	57,972	-	-	137,556
<i>of which intra-division revenue</i>	62	-	-	-	62
Revenue from external customers	79,522	57,972	-	-	137,494
Revenue growth	43.0 %	-7.2 %	-	-	16.4 %
EBITDA	33,754	2,712	-	(993)	35,473
<i>of which earnings from investments accounted for in accordance with the equity method</i>	382	-	-	-	382
EBITDA margin	42.4 %	4.7 %	-	-	25.8 %

IMPRINT

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