

2023

Half-Year Financial Report



PHARMA
SGP



With our natural enthusiasm for improving our patients' quality of life, we provide them individual best solutions from our ever-growing product range to treat chronic ailments – everyday!

PharmaSGP at a glance

Market leading, fast-growing pan-European OTC platform with strong e-commerce

Key Highlights

49.7 Million € Revenues in H1 2023

18.4 % Revenue growth 2023 vs. 2022

30.9 % adjusted EBITDA margin in H1 2023

PharmaSGP's success is based on its highly agile and **asset-light business model** where we focus on consumer-centric product innovation and commercialization.

With our asset-light and scalable pan-European OTC growth platform we are able to easily integrate and grow brands, penetrate new regions and react to new opportunities faster than the competition. Our approach works equally well for self-developed as well as acquired products.

To implement this strategy, we have built internal capabilities with the highest quality and execution standard.

Operations: Our highly flexible and established operational setup allows for lowest platform migration costs at highest operational efficiency.

Regulatory affairs: Our deep regulatory expertise for all relevant European OTC markets and categories enables us to integrate or launch products in Europe in the shortest possible timeframe across our markets.

Commercialization: Our unique D2C marketing approach with a wide target group reach creates relevant market distribution without the need of a local sales force or local subsidiary. We have established a "plug-and-play" platform to easily launch and integrate new products across markets and geographies – based on our acquisition approach or self-developed.

International reach: Our internal teams are experts in fast international expansion enabled by established logistics partnerships in multiple countries.

Functions with high asset investment requirements and rather rigid operational structures have been outsourced to longstanding partners who enjoy the highest level of trust from us.

Production: We have established a highly diversified supplier network with more than 70 different suppliers meeting highest quality standards.

Logistics & Distribution: Longstanding and pharma industry specialized partners perform in a highly flexible way the warehousing and distribution of our products in all our European markets.

Focused product portfolio with market leading brands

PharmaSGP stands for a portfolio of trusted leading brands in many different indications. Our focus: „Health Brands“

8

category leading brand families

>90%

of sales are generated by our top 8 brands

up to

82%

brand awareness

Since the launch of the first product in Germany in 2012, we have demonstrated our strong capability for creating leading product families. Our product portfolio has a clear strategic focus on top indication areas for self-medication in pharmacies such as pain, sleep disorder, cardiovascular, urology and women's health, as well as other areas of chronic diseases and age-related conditions.

We offer consumers OTC drugs with brands they can trust to improve their quality of life and provide them individual best solutions from our ever-growing product range to treat their chronic ailments – everyday!

Our products, which are sold primarily in pharmacies, achieve a distribution level of up to 99% in German pharmacies, including brick-and-

mortar pharmacies as well as e-commerce pharmacies.

Our strategic focus is on a pharmacy-only approach and the independence of RX reimbursement. We follow a premium-price strategy that also gives us an effective inflation protection in the absence of price binding on all of our products.

In 2022 we have successfully finished the integration of the acquired portfolio of former GSK brands Baldriparan®, Spalt®, Formigran® und Kamol®. Our “plug-and-play” platform allowed us to easily integrate these products across markets and geographies and start leveraging their potential through our marketing strategy.

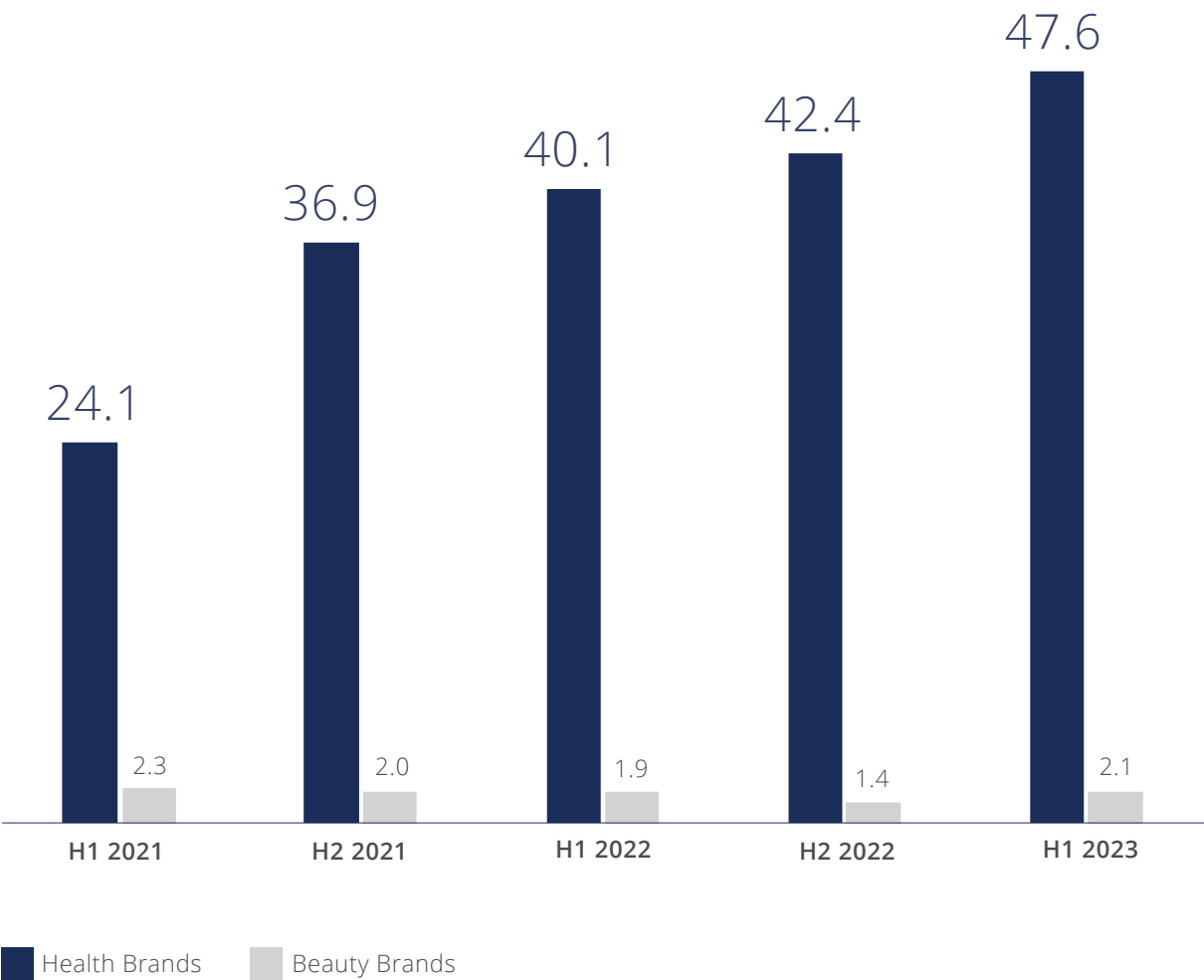


Strong growth of our „Health Brands“

Result of our pan-European platform

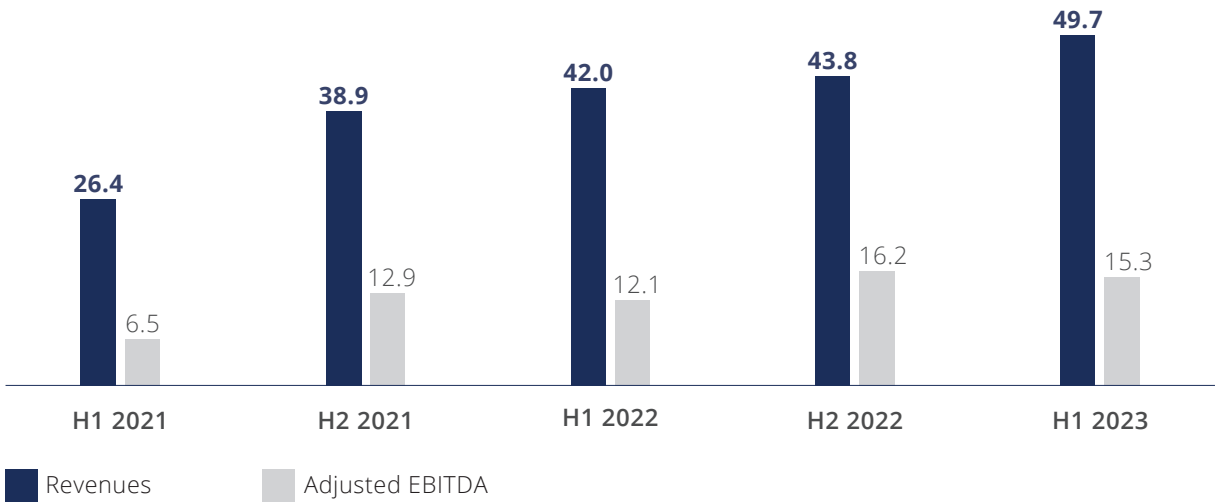
We always keep an eye on our two most important performance indicators: increases in revenues with simultaneous growth in profitability. For this reason, we have increasingly focused our investments on the „Health“ category in recent years. The continued strong growth of our Health Brands demonstrates the potential of our pan-European platform.

Revenues in € million



Financial performance

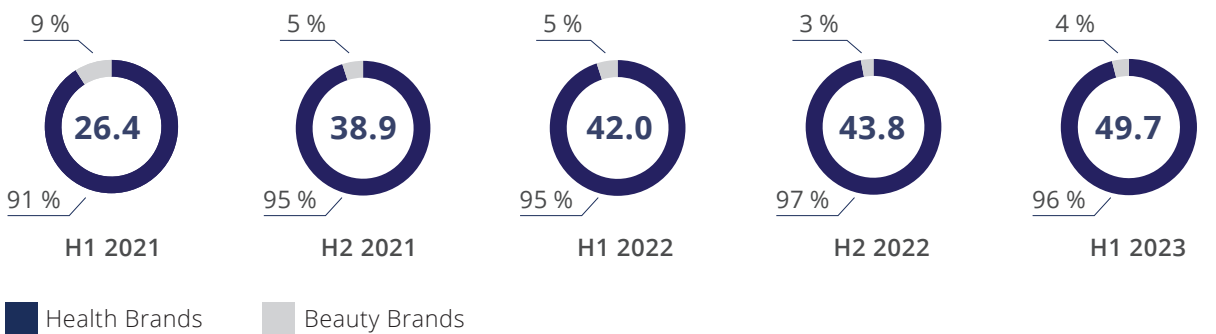
Revenues and adjusted EBITDA of PharmaSGP*



Key figures for PharmaSGP*

	H1 2021	H2 2021	H1 2022	H2 2022	H1 2023
Revenues	26.4	38.9	42.0	43.8	49.7
Adjusted EBITDA	6.5	12.9	12.1	16.2	15.3
Adjusted EBITDA margin	24.6 %	33.2 %	28.8 %	36.9 %	30.9 %
Adjusted EBIT	6.2	9.7	7.5	11.5	10.7
Adjusted EBIT margin	23.3 %	24.9 %	17.9 %	26.2 %	21.5 %
Earnings per share	0.35	0.54	0.39	0.61	0.57
Operating Cash Flow	5.2	7.0	12.0	12.7	10.4

Revenues for PharmaSGP*



* all figures in € million, except earnings per share (in €) and margins (in %)

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Foreword by the Management Board

Dear Shareholders
Dear Ladies and Gentlemen,

we are pleased to report that, following the record figures for the financial year 2022, we were able to seamlessly continue our dynamic corporate development in the first half of 2023. In the first quarter of 2023, PharmaSGP generated revenues of € 24.0 million, while the second quarter saw a further increase in revenues to € 25.7 million. This results in year-on-year revenue growth of 18.4 % for the first six months of 2023. The profitability development for the first half of 2023 shows an increase in adjusted EBITDA of 27.0 %. Adjusted EBITDA increased to € 15.3 million, so that with an adjusted EBITDA margin of 30.9 % we were able to exceed the prior year figure of 28.8 %.

On the one hand, the business figures for the first half of 2023 are further proof of the success of our scalable, pan-European growth platform, with which we create organic as well as inorganic added value. It enables us to effectively integrate and expand brands, enter new geographies and respond to new opportunities faster than our competitors. Secondly, in the first six months of 2023 we benefited noticeably from more intensive marketing activities, which we carried out across large parts of our product portfolio. This enabled us to reach an even broader audience and intensify existing customer relationships even further. We have thus exploited the potential of our product portfolio even more strongly across all categories and markets.

These successes once again demonstrate the great potential that we can leverage with our business model, both with existing brands and with newly acquired brands. Accordingly, we are convinced that we will continue this positive trend in the further course of the year and achieve the targets we have set ourselves for the full year 2023.

We would especially like to thank our employees, who work tirelessly to make PharmaSGP the leading company in Europe with the broadest portfolio of leading OTC products and to help as many patients as possible. We would also like to thank our shareholders, business partners and customers for their trust and loyalty. We would be delighted if you would continue to stand by our side and accompany us on our way to an even more successful future.

Gräfelfing, September 2023

Natalie Weigand
(CEO)

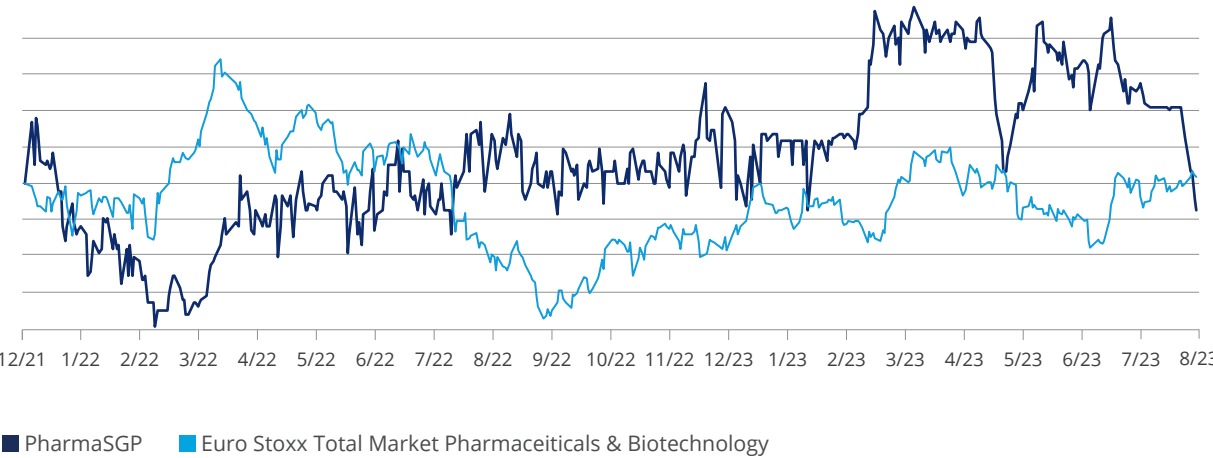
Michael Rudolf
(CFO)

PharmaSGP on the Capital Market

After the PharmaSGP share had briefly declined in the first quarter of 2022 due to uncertainties on the stock markets in connection with the war in Ukraine, the share price has continuously developed positively since March 2022. Since March 2023, the share price has experienced a surge, reaching a high of € 29.30 on 6 April 2023 for the period under review from January 2022 to August 2023. On 31 August 2023, the share price closed at € 24.00, corresponding to a market capitalization of € 288.0 million or a share price performance of -2.8% over this period. The benchmark index Euro Stoxx Total Market Pharmaceuticals & Biotechnology achieved a performance of 0.7% in the same period.

Share Price*

in €



*based on Xetra closing prices of Deutsche Börse

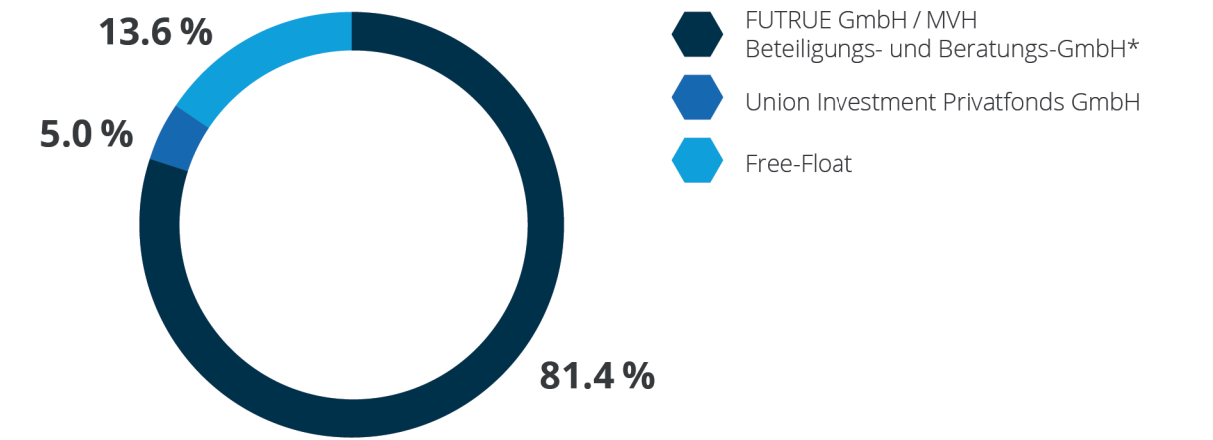
Master Data of the Share*

Security Identification Number (WKN)	A2P4LJ
ISIN	DE000A2P4LJ5
Ticker symbol	PSG
Type of shares	Ordinary bearer shares with no par value (no-par value shares)
Initial listing	19 June 2020
Number of shares	12.0 million
Closing price* (31 August 2023)	€ 24.00
High / low*	€ 29.30 / € 21.00
Market capitalization (31 July 2023)	€ 288.0 million
Stock exchange / segment	Frankfurt Stock Exchange / Prime Standard
Designated Sponsor	Joh. Berenberg, Gossler & Co. KG

*based on Xetra closing prices of Deutsche Börse AG

Shareholder Structure

Information based on the voting rights notifications received pursuant to the German Securities Trading Act, WpHG and other disclosed information (as of July 2023)



* Based on a voting agreement between FUTURE GmbH and MVH Beteiligungs- und Beratungs-GmbH, there is a mutual attribution of voting rights between FUTURE GmbH and MVH Beteiligungs- und Beratungs-GmbH with regard to all shares held by them in PharmaSGP Holding SE.

Annual general Meeting

On 28 June 2023, PharmaSGP successfully held its Annual General Meeting, which was conducted in a virtual format. The attendance of the represented share capital was 91.1 %. The Annual General Meeting approved a distribution of € 0.49 per share entitled to dividend, which was paid to shareholders since 3 July 2023.

Interim Group Management Report for the Period 1 January to 30 June 2023

1. Principles of the Group

1.1 Business Model

PharmaSGP Holding SE (together with its subsidiaries PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH and PharmaSGP Vitalmed GmbH: "PharmaSGP" or the "Group") is a consumer health company with a diversified portfolio of over-the-counter (OTC) pharmaceuticals and other health-care products that are marketed with the focus on the pharmacy distribution channel.

Over the past eleven years, PharmaSGP has created a platform to successfully integrate and grow brands in all its European markets. Five key factors ensure the ongoing success:

- A proven, scalable asset-light business model combined with established processes
- A highly diversified European supply chain
- Broad and long-standing regulatory expertise
- A strong and specialized Direct-to-Consumer (D2C) marketing strategy
- A wide target group media reach of more than 165 million contacts per month

In order to focus on its success drivers, PharmaSGP has deliberately established a scalable, asset-light business model which can also be transferred quickly and efficiently to new target markets. The entire manufacturing process is handled by a diversified network of third-party manufacturers in Europe. In Germany and in foreign markets, individual local logistics providers supply wholesalers and to a lesser extent pharmacies directly. Combined with many years of experience of approval processes for new OTC pharmaceuticals in Germany and abroad, as well as regulatory requirements for other health-care products, PharmaSGP's platform allows it to quickly and efficiently establish and grow both new

and existing brands and to establish its business model in other countries with little investment.

PharmaSGP's OTC products cover highly relevant and chronic indications marketed directly to their target group, especially senior citizens, under well-known pharmaceutical brands via a specialized D2C marketing strategy with a wide target group media reach and efficient commercial media conditions. In a structurally growing market, it has thereby been able to establish market-leading positions in many important areas, such as rheumatic and neuralgic pain, sleep disorders or men's and women's health. The product portfolio is expanded through inhouse developments as well as acquired marketing approvals, brands and product portfolios.

PharmaSGP's core market is Germany, which accounted for 75 % of total revenues in the first half year of 2023. As the European OTC market is also expected to grow in the future due to fundamental trends, the Group also continues its drive towards greater internationalization of its brand portfolio. Since the launch of the first product from the current product portfolio in 2012, PharmaSGP has successfully transferred its business model to Austria, Italy, Belgium, France and Spain. Since September 2021, the Group has expanded its operations to Switzerland and Eastern European EU countries.

1.2 Product Portfolio

During the first half year of 2023, the product portfolio currently marketed by PharmaSGP included approximately 50 OTC pharmaceuticals and other healthcare products. The Group's core brands cover chronic indications, especially pain and sleep disorders, as well as other age-related ailments. The OTC drugs are mostly based on natural active pharmaceutical ingredients with documented efficacy and few known side effects.

In Germany, PharmaSGP is the market leader for chemical-free pain remedies, based on revenues of chemical-free, systemic OTC drugs for nerve and rheumatic pain. The latter are sold under the well-known brand families Restaxil® (nerve pain) and RubaXX® (rheumatic and wear-related pain). PharmaSGP has also established leading brands in their categories for vertigo (TAUMEA®) and sexual weakness (DESEO®, Neradin®).

The development of existing brand families and the expansion of the brand portfolio through inhouse developments and acquired marketing authorizations, brands and product portfolios are essential components of the growth strategy. With the acquisition of the established OTC brands Baldriparan®, Formigran®, Spalt® and Kamol® in August 2021, PharmaSGP expanded its portfolio through further market leaders in their category. In Germany, for example, Baldriparan® is the No. 1 herbal sleep aid in pharmacies, and Formigran® is the leading OTC pharmaceutical against migraine.

1.3 Goals and Strategy

PharmaSGP's goal is to establish a strong portfolio of leading OTC brands in Europe. To achieve this, it has defined a growth strategy focused on the use of its platform in Europe.

In addition to further organic growth and expansion of its existing portfolio, PharmaSGP is focusing also on the acquisition and integration of established brands as part of the growth strategy. Value enhancement potential can be realized by

- increasing revenues through the implementation of the D2C marketing strategy and exploiting the wide target group media reach, and
- increasing profitability through margin optimizations and improvement of the cost structure based on the asset-light business model, among other things.

The Group looks for well-known and established brands with an existing customer base and untapped commercial potential, as well as brands that are under-invested in their current environment which can be further expanded.

The starting point for realizing PharmaSGP's growth potential is the ongoing analysis of its target markets. A fast product launch, a flexible marketing approach and a clear end-consumer focus define the path to sustained market success for PharmaSGP. In addition, further internationalization is a key element of the growth strategy.

1.4 Research and Development

A cost-efficient product development process and a fast integration process for introducing established products to the PharmaSGP platform are key drivers of PharmaSGP's growth. Developing and integrating new products are fundamental to PharmaSGP. Key activities include identifying potentially attractive indications and active pharmaceutical ingredients, developing and perfecting formulations and optimizing and updating existing or acquired marketing authorizations.

PharmaSGP cooperates with specialized contract manufacturers and certified laboratories to create formulation samples. Services such as test productions, analytics or shelf-life studies are bought in as needed with a view to consciously making the development process resource-efficient and cost-efficient. This process keeps PharmaSGP's development costs at a low level and accelerates market access. Acquired authorizations with regards to the specification and manufacturing process are adapted to the relevant requirements of PharmaSGP and to the current catalogue of requirements of regulating authorities.

The Group draws on many years of experience with regard to approval processes for new OTC pharmaceuticals in Germany and abroad. As of 30 June 2023, a total of 86 marketed and non-marketed marketing authorizations (existing or filed) have been granted in Germany and abroad.

1.5 Marketing and Sales

Through its specialized D2C marketing strategy, PharmaSGP has established leading consumer brands in important indication areas, such as rheumatic and neuralgic pain or sexual weakness. It focuses its marketing on a direct-to-consumer approach through print media and TV advertising as well as online marketing. By advertising in wide reaching newspapers and magazines and selected TV channels, PharmaSGP currently has an average target group media reach of more than 165 million contacts per month in its target markets.

Besides reliable product quality, the Group's marketing activities create consumer loyalty to PharmaSGP's brands. This is reflected in repeat purchases and in numerous positive testimonials from customers and patients. The fact that its products are available in up to 99 % of German pharmacies also demonstrates PharmaSGP's wide reach.

1.6 Group Strucutre

The wholly-owned subsidiaries PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokusan Health GmbH (previously PharmaSGP Vertriebs GmbH) and – since May 2023 – the newly founded PharmaSGP Vitalmed GmbH operate under the umbrella of PharmaSGP Holding SE.

PharmaSGP GmbH and Restaxil GmbH distribute the majority of OTC products in the Health Brands category, while Remitan GmbH mainly sells products in the Beauty Brands category.

1.7 Locations and Employees

The registered office of the PharmaSGP companies is in Gräfelfing, Bavaria, Germany. As of 30 June 2023, the Group had a total of 85 employees (fulltime equivalents) at this location, thereof 24 employed by SGP SE (31 December 2022: 79 employees, thereof 21 employed by SGP SE).

All relevant departments, including Marketing and Sales, Product Development, Quality Management & Regulatory Affairs, Operations, Controlling & Finance and other supporting functions are located at the Company's offices in Gräfelfing. The production of OTC drugs and healthcare products generally takes place in Germany or in European countries, in cooperation with selected and certified contract manufacturers. To distribute its products, PharmaSGP cooperates with logistics and distribution partners in the respective countries on a long-term basis.

1.8 Management System and Performance Indicators

The business planning and management of the Group is based on targets set by the Management Board. By means of budget planning, the targets are translated into measurable financial targets.

The operating business is managed based on selected financial ratios. The financial performance indicators are continuously monitored and presented to the Management Board in monthly reports. In particular, planned figures are compared with the results of the current business development (comparison of planned and actual figures). Appropriate measures are defined and implemented if there are deviations from the original targets.

The key performance indicators for the Management Board are revenues and adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) in order to measure the Company's success.

2. Economic Report

2.1 General Economic Environment and Industry-Specific Conditions

2.1.1 General Economic Environment

According to the International Monetary Fund (IMF), the global economic recovery from the consequences of the Covid-19-pandemic and Russia's attack on Ukraine was slowed down in the first half of 2023. At the same time, key inhibiting factors from 2022 continue to weigh on the global economy. For example, inflation rates remain high despite a decline in most countries. In addition, the central banks' tight monetary policy has significantly increased financing costs, which in turn is holding back economic activities worldwide. Accordingly, the IMF forecasts a decline in global growth from 3.5 % in 2022 to 3.0 % in 2023.¹

The IMF also sees challenging economic conditions in the Eurozone, with growth of 0.9 % expected for 2023 as a whole. The forecast figure is thus lower than the growth of 3.5 % in the previous year. In the view of the economists, the German economy will contract by 0.3 % this year, following growth of 1.8 % in 2022. According to the IMF, this development is due in particular to weak industrial production. In contrast, moderate growth is expected for other key EU markets in 2023: France +0.8 %, Italy +1.1 % and Spain +2.5 %.²

2.1.2 Industry-Specific Conditions

Global drivers such as a growing world population or increasing life expectancy ensure comparatively non-cyclical growth for companies in the pharmaceutical and healthcare market worldwide. Pharmaceutical companies are also less affected by the inflation crisis compared to the rest of the industry as consumers prefer not to save on their health. This is also reflected in the positive outlook for the OTC market. From 2023 to 2027, annual growth of 4.0 % is expected in Germany and 4.3 % in Europe.^{3,4}

According to the market research company IQVIA, the pharmacy market in Germany recorded moderate year-on-year growth in both sales (+2.5 %) and unit sales (+0.2 %) in the first half of 2023. Following clearly positive figures at the beginning of the year, sales growth has developed negatively since March. In terms of sales, a positive growth rate was achieved in every other month with the exception of April. In the OTC sector of pharmacies in Germany, which is the key market to PharmaSGP, pharmaceutical sales increased slightly by 2.3 % compared to the prior year period, while the number of packs sold declined moderately by 2.3 % compared to the prior year figure.⁵

2.2 Course of Business for PharmaSGP

In the first half of 2023, PharmaSGP achieved further milestones on its way to the next successful financial year. Compared to the prior year period, revenues have increased by 18.4 %, and also profitability has developed very positively. PharmaSGP is thus showing itself to be significantly stronger than the market trend, while at the same time being able to lift the performance of some of its product brands well above the market trend.

The redemption of the first tranches of the syndicate financing was successfully finalized. In the rising interest rate environment, the benefits of the interest rate hedges concluded in the third quarter of 2022 are becoming apparent, as a result of which the Group was able to generate cash inflows of € 271 thousand in the first half of 2023.

On 28 June 2023, the Annual General Meeting resolved on a distribution of € 0.49 per share entitled to dividends. The total distribution amounts to € 5,875 thousand and led to a decrease in equity by this amount. However, this decrease could be compensated by the profit of the period, so that the equity position overall as increased by € 776 thousand since the last balance sheet date.

¹ International Monetary Fund (July 2023), World Economic Outlook, p. 1

² Ibid., p. 4

³ <https://www.statista.com/outlook/cmo/otc-pharmaceuticals/germany>

⁴ <https://www.statista.com/outlook/cmo/otc-pharmaceuticals/europe>

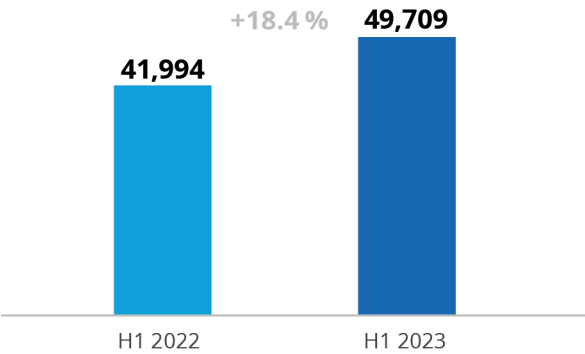
⁵ QVIA Marktbericht Classic: Entwicklung des deutschen Pharmamarktes im 2. Quartal 2023, p. 4

2.3 Earnings, Assets and Financial Position of PharmaSGP

2.3.1 Earnings Position

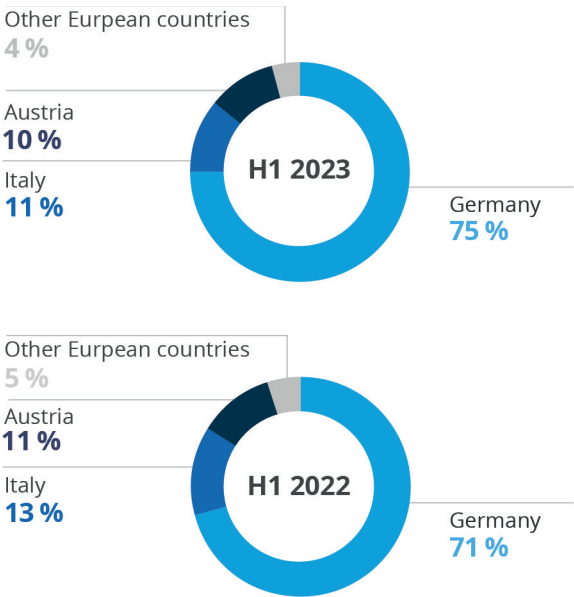
Revenue development: Significant plus in revenues

Revenues
in € thousand



In the first half year of 2023, PharmaSGP’s revenues have increased by 18.4 % and achieved € 49,709 thousand (H1 2022: € 41,994 thousand). Growth was achieved in almost all indication areas of the Health Brands category and also in the Beauty Brand category.

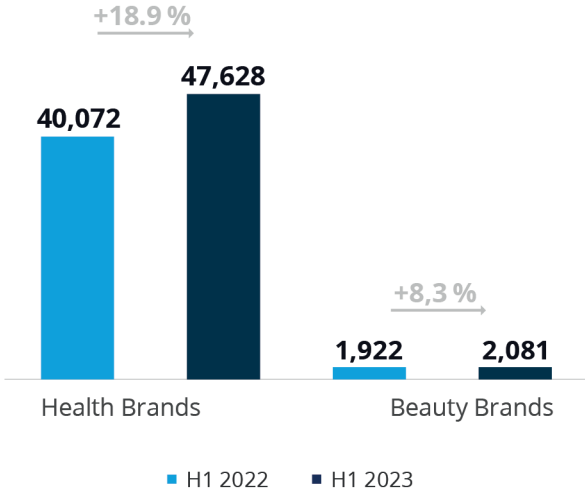
Revenues by region: Internationalization, Germany remains key market



With a share of 75 % of the Group’s revenue, Germany remains the key market by volume. The revenue share of Italy amounts to 11 %, the revenue share of Austria amounts to 10 %.

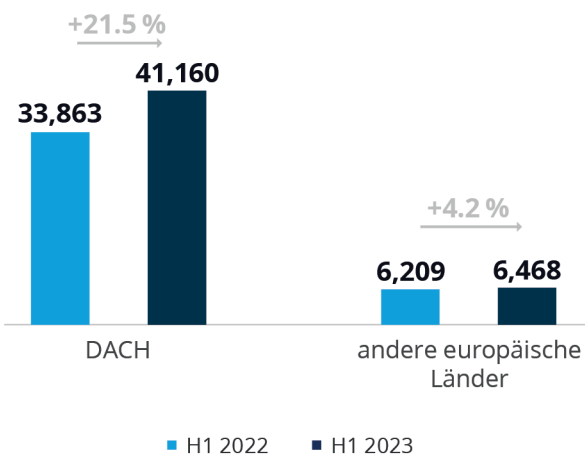
Revenues by category: Health Brands major growth contributor

Revenues
in € thousand



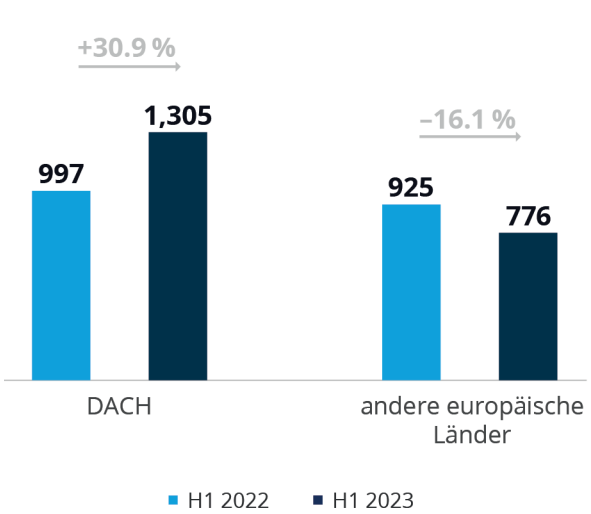
Almost all indication areas contribute to the growth. Besides the indications rheumatic and neuralgic pain (covered by the product brands Restaxil® and RubaXX®), the indication area men and women’s health saw a strong increase in the first half of 2023, PharmaSGP covers this area through its product brands DESEO® and Neradin®.

Revenues Health Brands
in € thousand



Health Brands have increased by 18.9 % in the first half of 2023, in the DACH region by 21.5 %

Revenues Beauty Brands
in € thousand



Also Beauty Brands have increased in the DACH region. Growth was mainly driven by the skin care product Deruba®.

Expenses for raw materials, consumables and finished goods have slightly decreased in the half year period 2023 compared to the prior year and amount to € 4,650 thousand (H1 2022: € 4,705 thousand). The COGS quota thus has improved from 11.2 % in the half year period 2022 to 9.4 % in the current reporting period. This is mainly driven by the strong growth high-margin products in the first half of 2023.

Personnel expenses amount to € 3,592 thousand in the first half of 2023 (H1 2022: € 2,817 thousand). The increase of 27.5 % results from the planned increase in the number of employees.

Marketing expenses amount to € 22,748 thousand in the first half of 2023 (H1 2022: € 19,555 thousand). The increase of 16.3 % is lower than the increase in revenues, leading to a further increase of the marketing quota to now 45.8 % (H1 2022: 46.6 %). The reason for this improvement is due to a further improvement in the efficient use of marketing expenses.

Other operating expenses in the amount of € 3,364 thousand are almost unchanged to the prior year (H1 2022: € 3,453 thousand). Within this position, logistics expenses have increased along with the revenue increase as expected. This increase howe-

ver, was altered by cost reductions in legal and consulting fees, expenses for quality assurance and third-party expenses; therefore, other operating expenses could be overall decreased by 2.6 % despite the increase in revenues.

Earnings before interest, taxes, depreciation and amortization (EBITDA): further increase in profitability

Due to the increase in revenues, the increased of high-margin products, the efficient marketing spendings and the cost reduction in other operating expenses, EBITDA in relation to revenues could be increased by 31.0 %

in € thousand	H1 2023	H1 2022
Adjusted EBITDA	15,338	12,076
Adjusted EBITDA margin	30.9 %	28.8 %
One-time costs	-90	502
Unadjusted EBITDA	15,428	11,574
Unadjusted EBITDA margin	31.0 %	27.6 %

The key performance indicator to PharmaSGP is EBITDA adjusted by one-time costs and special effects. These one-time costs (or one-time income) and special effects in the reporting period mainly relate to income in connection with long-term compensation of the Management Board. Due to adjustments to the provision for long-term compensation of the Management Board, an income position was adjusted in the first half of 2023. In the prior year, legal and consulting fees in connection with acquisitions were incurred in addition to expenses for the long-term Management Board compensation; which were also adjusted.

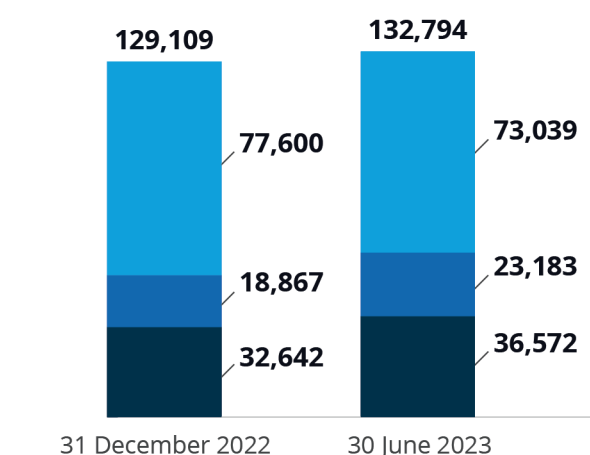
Finance income in the amount of € 769 thousand mainly stems from short-term time deposits, from gains of low-risk money market funds and from the settlement of derivatives. Finance expenses of € 2,348 thousand (H1 2022: € 799 thousand) were mainly incurred from interest and other expenses in relation to the syndicate financing.

Income taxes amount to € 2,319 thousand in the first half of 2023 (H1 2022: € 1,543 thousand). The profit for the period amounts to € 6,862 thousand in the first half of 2023 (H1 2022: € 4,665 thousand).

2.3.2 Asset Position

Assets

in € thousand



- cash and cash equivalents
- other current assets
- non-current assets

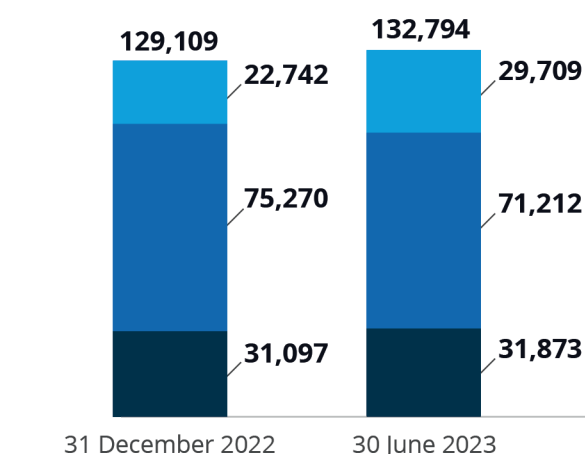
Non-current assets have further decreased since the last balance sheet date 31 December 2022 and amount to € 73,039 thousand as of 30 June 2023. The decrease was mainly driven by regular amortization and deprecation of intangible assets and right-of-use assets.

Cash and cash equivalents have increased to € 36,572 thousand due to high cash flows from operating activities and despite the scheduled redemption of the syndicate financing. The dividend payment resolved by the Annual Meeting on 28 June 2023 of € 5,875 thousand was paid out in July 2023.

The increase in other current assets to € 23,183 as of 30 June 2023 results from increased inventory stocks and from higher trade and other receivables in connection with the revenue growth.

Equity and liabilities

in € thousand



- cash and cash equivalents
- other current assets
- non-current assets

The increase in **shareholders' equity** results from the profit for the period of € 6,862 thousand, the dividend of € 5,875 thousand as resolved by the Annual General Meeting on 28 June 2023, the change in reserves for cash flow hedges of € 72 thousand and the repurchase of treasury shares of € 283 thousand, that are deducted from equity. Reserves from cash flow hedges were presented under the position "Accumulated other comprehensive income" as of 31 December 2022; as of 30 June 2023 they are subsumed as other reserves together with treasury shares.

The Management Board of PharmaSGP Holding SE has decided on 3 January 2023, with the approval of the Supervisory Board, utilizing the authorization of the General Meeting of 28 May 2020, to buy-back up to a maximum of 60,000 shares of the Company at a total maximum aggregate purchase price without ancillary costs of up to € 1.5 million. The buyback program started on 4 January 2023 and was terminated in the first half of 2023. Overall, 9,787 shares were purchased at an amount of € 283 thousand.

Due to the scheduled redemptions for financial and lease liabilities, **non-current liabilities** have decreased to € 71,212 thousand as of 30 June 2023.

Current liabilities have increased to € 29,709 thousand. The major changes result from liabilities to shareholders of € 5,875 thousand from unpaid dividends and an increase in trade payables in connection with the revenue increase.

2.3.3 Financial Position

in € thousand	H1 2023	H1 2022
Net cash flows from operating activities	10,382	12,033
Net cash flows used in investing activities	-413	-539
Net cash flows used in financing activities	-6,039	-6,361
Net increase in cash and cash equivalents	3,930	5,133
Cash and cash equivalents as of 1 January	32,642	20,824
Cash and cash equivalents as of 30 June	36,572	25,957

In the half year period 2023, PharmaSGP generated € 10,382 thousand from its **operating activities**. Due to higher income tax prepayments and increased working capital, the cash flow from operating activities is 13.7 % below the prior year.

As in the prior year, **investing cash flows** were used for PharmaSGP's marketing authorizations.

For **financing activities**, € 6,039 thousand were paid in the first half year of 2023, mainly for the scheduled redemption of the syndicate financing and corresponding interest payments. On 28 June 2023, the Annual General Meeting decided to distribute dividends of € 5,875 thousand, that were paid out since 3 July 2023. Had the payment been processed in the half year period of 2023, cash flows used in financing activities would have been € 5,875 thousand higher, and the amount of cash and cash equivalents as of 30 June 2023 would have been € 5,875 thousand lower.

2.4 Overall Statement and Outlook

Overall, PharmaSGP looks back on a successful first half of 2023, in which both revenues and profitability increased significantly. In terms of financing activities, the share buyback program was successfully completed and the syndicated financing was repaid as planned. Additionally, PharmaSGP was able to generate its first finance income for a long time, mainly from interest and price gains as well as from the settlement of derivatives.

Based on the developments in the first half of 2023 and the stable outlook for the OTC market, the Management Board is convinced that the targets set for the full year 2023 will be achieved. The Management Board now expects revenues in a range between € 95 million and € 100 million. With regard to adjusted EBITDA, the Management Board still expects a figure of between € 30 million and € 34 million. This implies an adjusted EBITDA margin relative to revenues of 31.6 % to 34.0 %. Previously, the Management Board had assumed revenues in a range between € 91 million and € 96 million.

3. Opportunities and Risk Report

Opportunities and risks associated with the future development of PharmaSGP and risks from financial instruments are outlined in the Annual Report 2022 (see “Combined Management Report for the Financial Year 2022”, page 35-42 and page 42-43). In the current reporting period, the opportunities and risk assessment remains unchanged.

4. Subsequent Events

Since 3 July 2023, the dividend as resolved by the Annual General Meeting on 28 June 2023 in the amount of € 0.49 per dividend-bearing share was distributed to the shareholders. The total amount paid out after the balance sheet date amounts to € 5,875 thousand.

Gräfelfing, 28 September 2023

Natalie Weigand (CEO)	Michael Rudolf (CFO)
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Condensed Interim Consolidated Financial Statements as of 30 June 2023

Condensed Consolidated Statements of Profit or Loss

in € thousand	H1 2023	H1 2022
Revenues	49,709	41,994
Other operating income	73	110
Raw materials, consumables and finished goods	-4,650	-4,705
Personnel expenses	-3,592	-2,817
Marketing expenses	-22,748	-19,555
Other operating expenses	-3,364	-3,453
Earnings before interest, taxes, depreciation and amortization (EBITDA)	15,428	11,574
Depreciation and amortization	-4,668	-4,567
Earnings before interest and taxes (EBIT)	10,760	7,007
Finance income	769	-
Finance expenses	-2,348	-799
Profit before taxes	9,181	6,208
Income tax expense	-2,319	-1,543
Profit for the period	6,862	4,665
of which attributable to shareholders of PharmaSGP Holding SE	6,862	4,665
Basic and diluted earnings per share (€)	0.57	0.39

Condensed Consolidated Statements of Other Comprehensive Income

in € thousand	H1 2023	H1 2022
Profit for the period	6,862	4,665
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Gains and losses from cash flow hedges	95	-
Attributable income taxes	-23	-
Items that will not get reclassified to profit or loss:		
---	-	-
Other comprehensive income, net of taxes	72	-
Total comprehensive income	6,934	4,665
of which attributable to shareholders of PharmaSGP Holding SE	6,934	4,665

Condensed Consolidated Statements of Financial Position

in € thousand	30 June 2023	31 December 2022
Assets		
Non-current assets		
Intangible assets	69,838	73,943
Property, plant and equipment (PPE)	336	365
Right-of-use assets	1,001	1,208
Other non-current financial assets	1,864	2,084
Total non-current assets	73,039	77,600
Current assets		
Inventories	9,518	7,002
Trade and other receivables	9,325	7,799
Other assets	2,593	2,521
Other financial assets	1,442	1,240
Income tax assets	305	305
Cash and cash equivalents	36,572	32,642
Total current assets	59,755	51,509
Total assets	132,794	129,109

in € thousand	30 June 2023	31 December 2022
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	12,000	12,000
Capital reserve	38,120	38,120
Retained earnings	-20,382	-21,369
Other reserves	2,135	2,346
Total shareholders' equity	31,873	31,097
Non-current liabilities		
Provisions	82	166
Financial liabilities	69,245	73,059
Lease liabilities	615	816
Deferred tax liabilities	1,270	1,229
Total non-current liabilities	71,212	75,270
Current liabilities		
Provisions	2,909	3,024
Financial liabilities	7,706	7,659
Trade payables	10,894	8,786
Other liabilities	6,888	1,181
Other financial liabilities	610	1,688
Lease liabilities	404	404
Income tax liabilities	298	-
Total current liabilities	29,709	22,742
Total shareholders' equity and liabilities	132,794	129,109

Condensed Consolidated Statements of Changes in Equity

in € thousand	Share capital	Capital reserve	Retained earnings	Other reserves		Total equity
				Reserves from cash flow hedges	Treasury shares	
As of 1 January 2022	12,000	38,120	-27,923	-	-	22,197
Dividends	-	-	-5,400	-	-	-5,400
Profit for the period	-	-	4,665	-	-	4,665
As of 30 June 2022	12,000	38,120	-28,658	-	-	21,462
As of 1 January 2023	12,000	38,120	-21,369	2,346	-	31,097
Purchase of treasury shares	-	-	-	-	-283	-283
Dividends	-	-	-5,875	-	-	-5,875
Profit for the period	-	-	6,862	-	-	6,862
Other comprehensive income	-	-	-	72	-	72
As of 30 June 2023	12,000	38,120	-20,382	2,418	-283	31,873

Condensed Consolidated Statements of Cash Flows

in € thousand	H1 2023	H1 2022
Profit for the period	6,862	4,665
Depreciation and amortization of intangible assets, PPE and right-of-use assets	4,668	4,567
(Increase) / decrease in inventories	-2,516	-1,803
(Increase) / decrease in trade and other receivables	-1,526	-1,597
(Increase) / decrease in other assets	-231	-314
Increase / (decrease) in trade payables	2,196	5,208
Increase / (decrease) in other (financial) liabilities	-1,247	291
Increase / (decrease) in provisions	-199	32
Interest (income) and expense	1,938	769
Income tax expense	2,319	1,543
Income tax payments	-2,003	-1,328
Interest paid	-2	-
Interest received	123	-
Net cash flows from operating activities	10,382	12,033
Payments for investments in intangible assets	-377	-481
Payments for investments in PPE	-36	-58
Net cash flows used in investing activities	-413	-539
Dividends paid	-	-5,400
Purchase of treasury shares	-283	-
Proceeds from derivatives	308	-
Payments from the settlement of derivatives	-37	-
Repayment of financial liabilities	-4,000	-
Repayment of lease liabilities	-201	-192
Interest paid	-1,826	-769
Net cash flows used in financing activities	-6,039	-6,361
Net increase in cash and cash equivalents	3,930	5,133
Cash and cash equivalents as of 1 January	32,642	20,824
Cash and cash equivalents as of 30 June	36,572	25,957

Notes to the Condensed Interim Consolidated Financial Statements as of 30 June 2023

1. Basis of preparation

1.1 Background and general information

PharmaSGP Holding SE (hereafter also referred to as the “Company” or “SGP SE”) with its registered office at Lochhamer Schlag 1, 82166 Gräfelfing, Germany, is a European Company (Societas Europaea, “SE”) with its primary activities in the healthcare business in Germany and other European countries. The Company is registered in the commercial register of the Munich Local Court under HRB 255684.

Since May 2020, the Company has been the holding company of a group of companies operating in the healthcare industry. Its operating subsidiaries are PharmaSGP GmbH, Remitan GmbH, Restaxil GmbH, Fokus Health GmbH and PharmaSGP Vitalmed GmbH (hereafter including SGP SE also referred to as “PharmaSGP” or the “Group”).

The Group is a consumer health company with a diverse portfolio of non-prescription pharmaceuticals (over the counter; “OTC”) and other healthcare products that are marketed with the focus on the pharmacy distribution channel. Its core brands cover chronic indications, including pain and other age-related ailments. The Group’s OTC products are mostly based on natural active pharmaceutical ingredients (“APIs”).

SGP SE’s shares are listed on the Regulated Market and the sub-segment Prime Standard of the Regulated Market of the Frankfurt Stock Exchange under German Securities Code (WKN) A2P4LJ, International Securities Identification Number (ISIN) DE000A2P4LJ5 and ticker symbol PSG. First day of trading was on 19 June 2020.

1.2 Consolidated financial statements and basis of presentation

Scope of consolidation

SGP SE is the holding company of the Group. The Group’s business is conducted by PharmaSGP GmbH, Restaxil GmbH, Remitan GmbH, Fokus Health GmbH and PharmaSGP Vitalmed GmbH.

On 17 May 2023, the previous PharmaSGP Vertriebs GmbH was renamed into Fokus Health GmbH by amending the articles of association. PharmaSGP Vitalmed GmbH was newly founded in the second quarter of 2023, the registration in the commercial register was finalized on 27 June 2023.

Basis of presentation

The condensed interim consolidated financial statements as of 30 June 2023, were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union (EU). These interim consolidated financial statements conform with the regulation IAS 34 “Interim financial reporting”.

The condensed interim consolidated financial statements as of 30 June 2023 were neither audited nor reviewed by the Group’s auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended on 31 December 2022.

Except for new or amended financial standards and interpretations issued by the IASB or new business transactions, the same accounting and measurement principles were generally applied as in the consolidated financial statements for the financial year ended on 31 December 2022.

Effects of new or amended standards and interpretations issued by the IASB

In the condensed interim consolidated financial statements as of 30 June 2023, the following standards or amendments to standards were adopted:

- IFRS 17 Insurance contracts
- Amendments to IAS 1: Disclosure of accounting policies
- Amendments to IAS 8: Definition of accounting estimates
- Amendments to IAS 12: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction
- Amendments to IFRS 17: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

The adoption had no impact on the net assets, financial position and results of operations of the Group.

Treasury shares

Treasury shares were acquired for the first time in the financial year 2023. Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of treasury shares. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium.

Significant accounting judgments and estimates

Judgments, estimates and assumptions are continuously 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 recognized prospectively.

The Group makes judgments, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. In particular, estimates and assumptions in relation to warranty provisions, legal disputes, refund liabilities, intangible assets and lease liabilities could result in outcomes requiring a material adjustment to the carrying amounts of assets and liabilities within the future financial years.

Accounting judgments and estimates made in the consolidated financial statements as of 31 December 2022 in relation to these positions have not significantly changed for the preparation of the condensed interim consolidated financial statements as of 30 June 2023.

2. Segement information

General information

The Group has one operating segment including all products of the Group companies. This assessment is based on information reported to the Group’s Chief Operating Decision Maker (CODM) for the purpose of assessing segmental performance and resource allocation. The Management Board is the CODM and monitors the entity’s performance. Performance is measured using revenues and for one-time effects adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA”) as key performance indicators to assess the success of the Group’s business. Segment assets are presented in the consolidated statements of financial position. The segment profit is measured through the adjusted EBITDA, which is a performance indicator. The reconciliation to the consolidated financial information is as follows:

in € thousand	H1 2023	H1 2022
Adjusted EBITDA	15,338	12,076
Adjusted EBITDA margin	30,9 %	28,8 %
One-time costs	-90	502
Unadjusted EBITDA	15,428	11,574
Unadjusted EBITDA margin	31,0 %	27,6 %

Geographical information

Revenues in € thousand	H1 2023	H1 2022
Germany	37,167	29,635
Italy	5,667	5,323
Austria	4,849	4,761
Other European countries ¹	2,026	2,275
	49,706	41,994

¹ comprises France, Belgium, Spain, Switzerland, Poland, Czech Republic, Slovakia, Hungary

Basis for the revenues number is the country in which the pharmaceutical or healthcare product sold is approved or registered. All non-current assets of the Group are located in Germany.

3. Notes to the condensed consolidated statements of financial position, consolidated statements of profit or loss and other comprehensive income

3.1 Shareholders' equity and dividends

On 28 June 2023, the Annual General Meeting resolved on a distribution of € 0.49 per share entitled to dividends. The payment transaction was completed only after the balance sheet date. Accordingly, the equity position was reduced by € 5,875 thousand as of 30 June 2023, and a liability in the same amount was recognized as other liabilities.

In the first half of 2023, SGP SE repurchased 9,787 treasury shares. The costs including transaction fees amount to € 283 thousand and were deducted from equity.

Together with reserves from cash flow hedges, treasury shares are subsumed as other reserves in the equity position. As of 31 December 2022, reserves from cash flow hedges were presented under the position "Accumulated other comprehensive income".

3.2 Revenues

Revenues are almost exclusively generated from the sale of over-the-counter (OTC) pharmaceuticals and other healthcare products. Disclosures on markets are made in note 2.

3.3 Finance income and expenses

Using the effective interest method, interest is recognized as income or expense in the period in which it is incurred.

in € thousand	H1 2023	H1 2022
Interest income	123	-
Other finance income	646	-
Finance income	769	-
Interest expenses	2,061	769
Other finance expenses	287	30
Finance expenses	2,348	799

Interest income was mainly generated from short-term time deposits. Other finance income comprises gains from low-risk money market funds and proceeds from the settlement of derivatives.

Interest expenses were mainly incurred from the syndicate financing. Other finance expenses mainly comprise expenses from the revaluation of cash flow hedges, losses from the settlement of derivatives and other costs and fees associated to financing activities.

3.4 Income taxes and deferred taxes

The income tax expense of € 2,319 thousand for the half-year period of 2023 is measured based on the best estimate of the average annual income tax rate expected for the full financial year.

4. Financial instruments and financial risk management

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities (except for lease liabilities) and the allocation of financial statement positions to the measurement categories:

in € thousand	30 June 2023		31 December 2022	
	Carrying amount	Fair value	carrying amount	Fair value
Derivatives in a hedging relationship (cash flow hedges):				
Other non-current financial assets (interest rate hedges)	1,864	1,864	2.084	2.084
Other current financial assets (interest rate hedges)	1,442	1,442	1.240	1,240
	3,306	3,306	3.324	3.324
Financial assets measured at fair value through profit or loss:				
Cash and cash equivalents (money market funds)	24,266	24,266	19.906	19.906
	24,266	24,266	19.906	19.906
Financial assets measured at amortized cost (debt instruments):				
Trade and other receivables	9,325	9,325	7.799	7.799
Cash and cash equivalents (other than money market funds)	12,306	12,306	12.736	12.736
	21,631	21,631	20.535	20.535
Total	49,203	49,203	43.765	43.765
thereof current	47,339	47,339	41.681	41.681
thereof non-current	1,864	1,864	2.084	2.084
Financial liabilities measured at amortized cost:				
Financial liabilities	76,951	80,436	80.718	86.101
Trade payables	10,894	10,894	8.786	8.786
Other financial liabilities	610	610	1.688	1.688
Total	88,455	91,940	91.192	96.575
thereof current	19,210	23,498	18.133	22.500
thereof non-current	69,245	68,442	73.059	74.075

Relating to financial liabilities, there are no financial liabilities measured at fair value as of 30 June 2023 and 31 December 2022.

Due to their short-term nature, the carrying amounts of all current financial assets, trade payables and other financial liabilities approximate their fair value.

Interest rate derivatives in the form of interest rate swaps are measured using yield curves prevailing at the balance sheet date by discounting the future cash flows.

Disclosures on fair value measurement

Money market funds reported within cash and cash equivalents are measured at fair value using market prices for identical assets in accessible markets. This corresponds to level 1 in the fair value hierarchy.

Derivatives recognized as other financial assets are measured using the discounted cash flow method. For this purpose, future cash flows are determined on the basis of forward interest rates derived from observable yield curves at the balance sheet date and contracted interest rates. Discounting is performed using an interest rate that takes into account the credit risk of the various counterparties. This corresponds to level 2 in the fair value hierarchy.

The fair value of the financial liabilities is based on discounted cash flows, using the current market interest rate for such borrowings of comparable companies. They are classified within level 3 of the fair value hierarchy due to the use of unobservable inputs.

Reclassifications within and out of the fair value hierarchy levels are generally made at the end of the reporting period. There were no reclassifications within the respective levels in the reporting period.

5. Related party disclosures

Transactions with key management personnel

Except for the remuneration of the Management Board and Supervisory Board, there were no other transactions with key management personnel or their close family members in the half-year period of 2023 or in the prior year.

Transactions with FUTRUE GmbH (“FUTRUE”)

In the half-year period of 2023, the Group received media services and other services based on the existing service agreements between the Group and FUTRUE. No IT, selling, research or M&A services were requested.

6. Events after the reporting date

Since 3 July 2023, the dividend as resolved by the Annual General Meeting on 28 June 2023 in the amount of € 0.49 per dividend-bearing share was distributed to the shareholders. The total amount paid out after the balance sheet date amounts to € 5,875 thousand.

Gräfelfing, 28 September 2023

Natalie Weigand
(CEO)

Michael Rudolf
(CFO)

Responsibility Statements

To the best of our knowledge, and in accordance with the applicable reporting principles, the condensed interim consolidated financial statements for the period from 1 January to 30 June 2023 give a true and fair view of the net assets, financial position and profit or loss of the Group, and the interim group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Gräfelfing, 28 September 2023

Natalie Weigand
(CEO)

Michael Rudolf
(CFO)

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This Half-Year Financial Report is also available in German and can be downloaded in both languages from the Internet at <https://ir.pharmasgp.com>. In the event of deviations, the German version takes precedence over the English translation.

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