

PRESS RELEASE

Date 9 April 2020
Contact Investor Relations: Felix Burkhard, CFO, Galenica Group
Media Relations: Christina Hertig, Head Corporate Communications, Galenica Group
Subject Galenica Group: Update on the COVID-19 situation

Galenica will hold its Annual General Meeting without shareholder presence and is proposing a dividend payment as announced

The Galenica Group will hold its Annual General Meeting as planned on 19 May 2020, but shareholders will not be able to physically attend due to the Federal Council's measures to combat the coronavirus. As announced, the Board of Directors will propose to shareholders a dividend of CHF 1.80 per share.

The COVID-19 situation

In March, pharmacies and other companies within the Group recorded extraordinarily high sales. Volumes at its logistics companies, which supply the entire healthcare market, increased massively, meaning that capacity limits in the distribution centres were substantially exceeded on certain days. Since the beginning of April, there has been a sharp decline in frequency and sales in the pharmacies and, correspondingly, in the Group's logistics companies. Depending on its impact and duration, this extraordinary situation could have a negative impact on the 2020 result. Despite this uncertainty, Galenica is keeping its guidance for 2020, published at the beginning of March, unchanged until further notice.

Excellent work by employees – thank you!

The rapid increase in patients and customers in March placed extreme demands on Galenica Group employees, especially those working at the front line in pharmacies and home care, as well as in the distribution centres and in production. Operations, which ensure the supply of medicines to the Swiss population, could only be maintained thanks to the outstanding dedication of all employees. We would like to take this opportunity to thank them for their extraordinary commitment.

Annual General Meeting of 19 May 2020

The third Annual General Meeting of Galenica Ltd. will take place as scheduled on 19 May 2020. As a result of the Federal Council's measures to combat the coronavirus (COVID-19), it is not possible for shareholders to physically attend the Annual General Meeting. The Board of Directors regrets not being able to welcome shareholders in person at this year's Annual General Meeting and requests that they exercise their rights in writing or electronically by issuing instructions to the independent proxy holder. The invitations will be sent out as of 17 April 2020. Galenica maintains an open dialogue with shareholders, and any questions can be addressed to the share register at any time (aktienregister@galenica.com).

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Proposed dividend payment as announced

The Galenica Group posted a strong result in the 2019 financial year, and it has a solid balance sheet with a high equity ratio and sufficient liquidity. In light of this, the Board of Directors will propose to shareholders a dividend payment of CHF 1.80 per share as announced.

Coronavirus pandemic and measures prescribed by the authorities also affect Galenica

The measures phased in by the Federal Council and the authorities to combat the coronavirus pandemic led to extraordinarily high sales in March 2020, both for pharmacies and other companies within the Group. Volumes at its logistics companies, which supply the entire healthcare market, increased massively, meaning that capacity limits in the distribution centres were substantially exceeded on certain days. Customers showed considerable patience when confronted with the resulting delays in delivery and reduced availability of products. The Bichsel Group ramped up the production capacity of its laboratories for disinfectants and other products in order to meet the increased demand from customers, especially hospitals.

Since the beginning of April 2020, there has been a sharp decline in frequency and sales in the pharmacies and, correspondingly, in the Group's logistics companies. This is due to the nationwide lockdown and the fact that many customers and patients could be seen stockpiling in March. High-frequency locations have been particularly affected: for example, a pharmacy at Zurich airport had to be closed temporarily. Locations in shopping centres and especially in railway stations are also experiencing a sharp drop in frequency. In addition, pharmacies are no longer permitted to offer their full range of products, such as perfumery. Opening hours have been shortened in various pharmacies.

Despite uncertainty, Galenica to keep its guidance for 2020 unchanged until further notice

Galenica expects the exceptionally high sales in March due to the coronavirus pandemic to be offset in the coming months. Depending on its impact and duration, this extraordinary situation could have a negative impact on the 2020 result. At present, it is not yet possible to reliably predict the effects. In view of these uncertainties, Galenica is keeping its guidance for the 2020 financial year, published at the beginning of March, unchanged until further notice.

Galenica continues to focus on the implementation of two major strategic projects in the Services Business sector: the introduction of a new ERP system in logistics and the modernisation of the distribution centre in Lausanne. Due to the current situation, both projects are expected to be delayed by several months, but this should not have any major impact on total project costs or investments.

Supply to the population ensured thanks to the outstanding dedication of employees

In recent weeks, under the most difficult and unique circumstances, Galenica has made every effort to ensure the supply of medicines and healthcare products to the Swiss population. The rapid increase in patients and customers in March placed extreme demands on Galenica Group employees, especially those working at the front line in pharmacies and home care, as well as in the distribution centres and in production. Operations could only be maintained thanks to the outstanding dedication of all employees. We would like to take this opportunity to thank them for their extraordinary commitment.

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DATES FOR THE DIARY:

19 May 2020: Annual General Meeting of Galenica Ltd. (without the physical attendance of shareholders)

4 August 2020: Publication of the half-year report 2020 of the Galenica Group

For further information, please contact:

Christina Hertig, Head Corporate Communications

Tel. +41 58 852 85 17

E-mail: media@galenica.com

Felix Burkhard, CFO

Tel. +41 58 852 85 29

E-mail: investors@galenica.com

The protection of patients and employees is Galenica's top priority

In recent weeks, under the most difficult and unique circumstances, Galenica has made every effort to ensure the supply of medicines and healthcare products to the Swiss population.

The protection of patients and employees is always the top priority.

Numerous measures have been implemented in the pharmacies to achieve this: for example, Plexiglas barriers have been installed at tills and gondola displays have been moved to create more space and facilitate social distancing. There are limits on the number of customers who are allowed to be in a pharmacy at the same time, and employees have disinfectants and protective masks, which must be worn in risk situations. Pharmacies are using the tried-and-tested home delivery service to deliver medicines to customers' homes, especially for risk groups.

At the distribution centres, employees' temperature is taken at the start of work – a measure that is greatly appreciated by the workforce. The company is organised to ensure that the minimum physical distance required can be ensured and that everyone has access to disinfectant.

All other employees who are not working at the front line are encouraged to work from home whenever possible.

Galenica is the leading fully integrated healthcare provider in Switzerland. With over 500 own, joint venture and independent partner pharmacies, Galenica operates the largest network of pharmacies in Switzerland. In addition, Galenica further develops and offers well-known own brands and products, exclusive brands and products from business partners as well as a variety of on-site health services and tests for customers. Galenica is also the leading provider of pre-wholesale and wholesale distribution services as well as database services in the Swiss healthcare market. Galenica is listed on the Swiss Stock Exchange (SIX Swiss Exchange, GALE, security number 36,067,446).

Additional information concerning Galenica can be found at www.galenica.com.