

PRESS RELEASE

Date 2 July 2020
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Subject Verfora consolidates its leading position in the Swiss CHC market

Verfora consolidates its leading position in the Swiss CHC market

On 1 July, Galenica acquired the Hedoga Group with its well-known brands Osa[®], Osanit[®] and Carmol[®]. Verfora has thus secured the rights to strong brands and marketing authorisations with potential that are an ideal complement to the current portfolio. Accordingly, Verfora can consolidate its leading position in the Swiss consumer healthcare (CHC) market and strengthen its positioning as the most important partner for pharmacies and drugstores for over-the-counter medicines and health products. The export business will also be expanded in a targeted manner.

The Hedoga Group includes Swiss-based Iromedica Ltd. and Austria's Dr. Schmidgall LLC, each with some 20 employees. The focus of the Group is on marketing over-the-counter (OTC) medicines, medical devices, food supplements and cosmetics. In 2019, the Group as a whole generated net sales of CHF 25 million, of which almost half in Switzerland and the remainder in Austria, Germany and selected export markets in particular.

Complementary brands strengthen Verfora's leading position

The Hedoga Group's top-selling brands are Osa[®] and Osanit[®] as well as Carmol[®].

The Osa[®] and Osanit[®] brands include classic and homeopathic remedies used mainly to treat teething pain in children. With these new products in its portfolio, Verfora is taking a leading position in this market segment.

Carmol[®] is a medicinal product to treat digestive disorders and improve feelings of discomfort. With Carmol[®], Verfora is entering into the lemon balm spirit market and becoming the clear number one in Switzerland in this segment.

Other brands joining Verfora through the acquisition include Pelsano[®] and JHP Rödler[®] in Switzerland and Bloc[®] and Wellness[®] in Austria. Added to this are various distribution brands in both markets.

Targeted expansion of the export business

By acquiring the Hedoga Group, Verfora is securing the rights to strong brands and marketing authorisations with potential, and can further consolidate its market leadership in the Swiss consumer healthcare market. The move also strengthens Verfora's export business in selected markets, particularly in Europe. In addition, the Vienna location will support processes and management of international partners in the future.

Galenica acquired 100% of the shares of Hedoga Ltd., including its subsidiaries, on 1 July 2020. The parties have agreed not to disclose the purchase price. The intention is to integrate Iromedica Ltd. into Verfora Ltd. and continue to run Dr. Schmidgall LLC in Vienna as an independent company. Due to the anticipated integration costs, Galenica does not yet expect the Hedoga Group to make a positive contribution to earnings in financial year 2020.

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Dates for the diary

2020 half-year results of the Galenica Group
2020 sales of the Galenica Group

4 August 2020
21 January 2021

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***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.

*The **Hedoga Group** is a private, independent company based in Bühler, canton of Appenzell Ausser-rhoden, Switzerland. The Group comprises various individual companies, with Swiss Iromedica Ltd. and Austrian Dr. Schmidgall LLC being operationally relevant.*

***Iromedica Ltd.** in St. Gallen is a well-established Swiss company that sells pharmaceuticals, food supplements and cosmetics. The almost 20 employees have successfully made the company a major player in the Swiss consumer healthcare market.*

***Dr. Schmidgall LLC** in Vienna is a Austrian company with a long-standing tradition founded in 1925, which sells pharmaceutical, nutritional and cosmetic products. The approximately 20 employees cultivate the Austrian market and have built up an expanding export business with the key markets of Germany, Russia and Finland in recent years.*

Additional information concerning Iromedica Ltd. and Dr. Schmidgall LLC can be found at <https://www.iromedica.ch/> and <http://www.dr-schmidgall.at/>