Galenica Group

Sales and Guidance Update

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Swiss pharmaceutical market by channel 2020

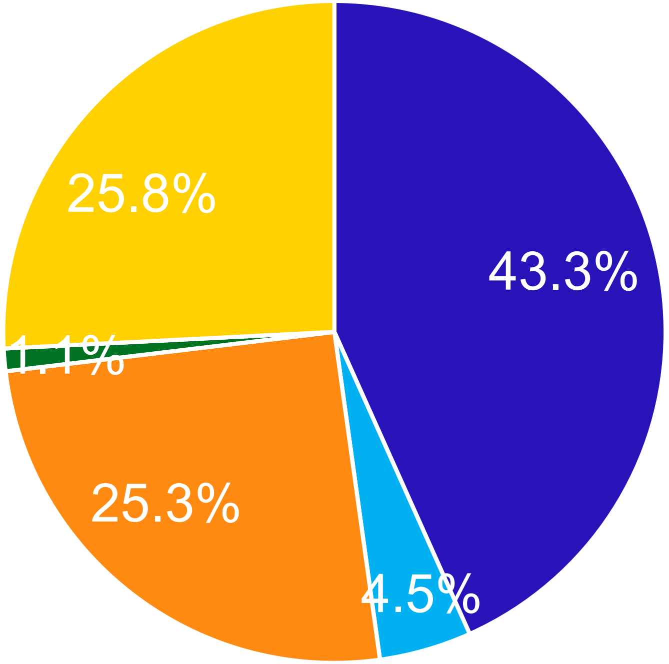
Value (ex-factory): CHF 6'331.7 million
CHF +176.9 million / **+2.9%**

Hospitals
1'633.9 million
+3.1%

Drugstores
67.5 million
+13.1%

Physicians
1'600.4 million
+3.1%

Pharmacies
3'029.8 million
+2.4%



Stationary
2'745.3 million
+2.5%

Mail-order
284.5 million
+1.9%

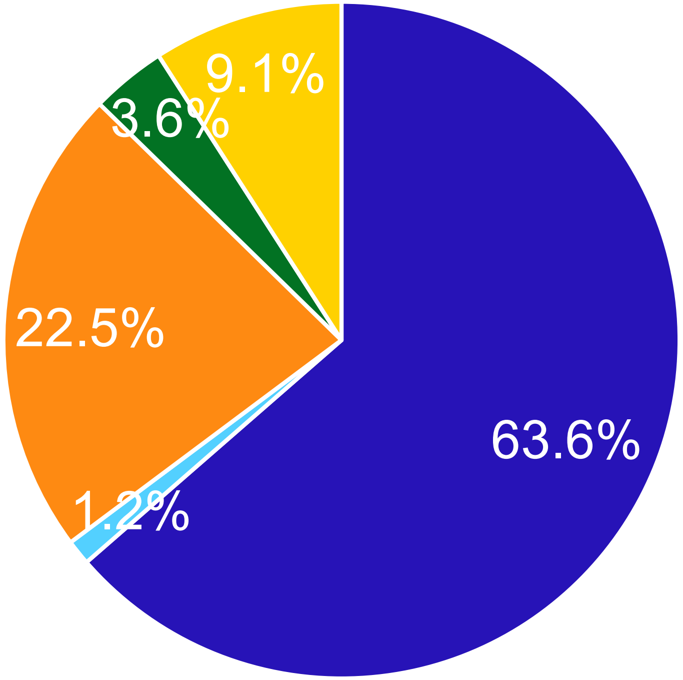
Volume (packs): 183.0 million
-3.3 million / **-1.8%**

Hospitals
16.6 million
-3.2%

Drugstores
6.6 million
+8.7%

Physicians
41.2 million
-3.1%

Pharmacies
118.6 million
-1.6%



Stationary
116.4 million
-1.7%

Mail-order
2.1 million
-1.0%

Source: APO/SD/DRO/SPI Index, Swissmedic A, B, C, D
Medicines Swissmedic lists A, B, C, D, sold from suppliers and wholesalers to hospitals, physicians and drugstores

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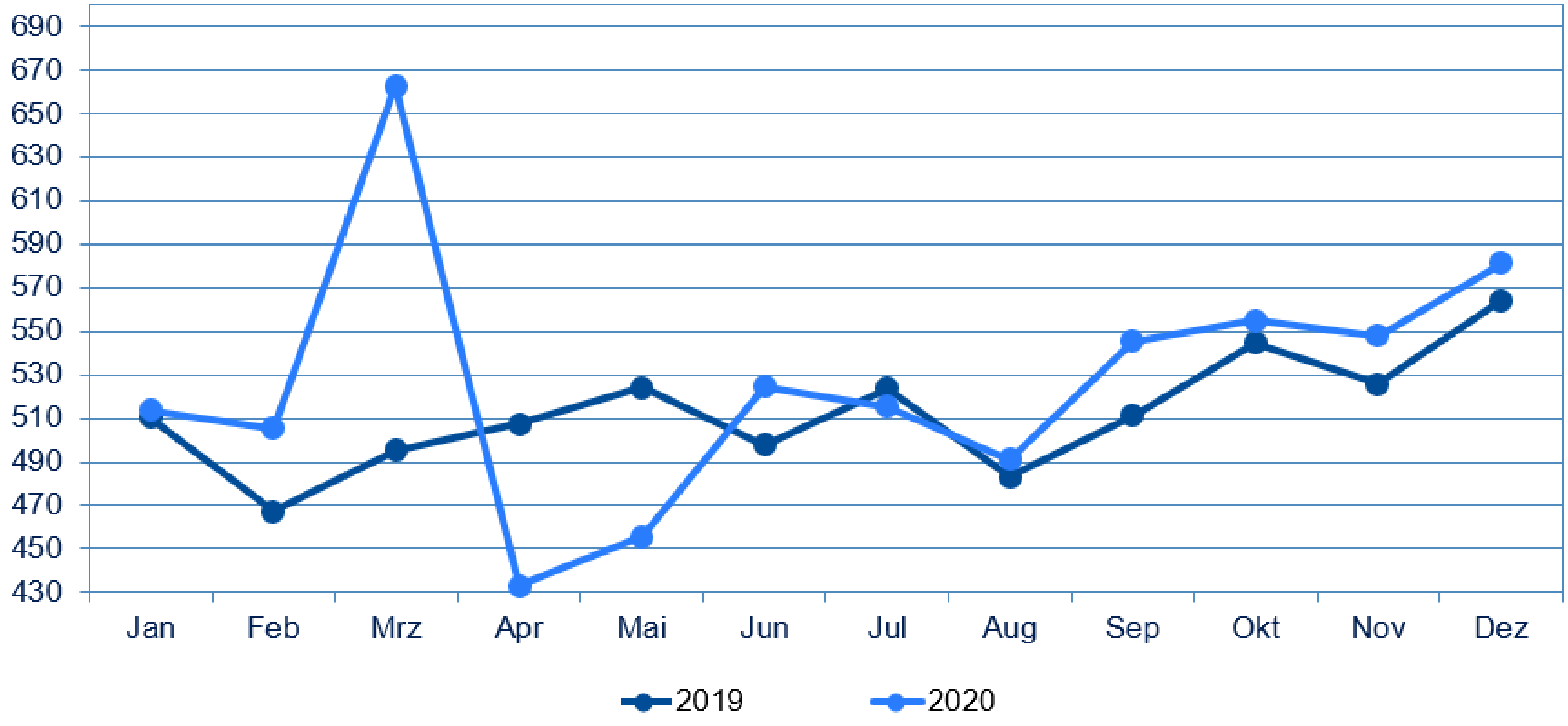
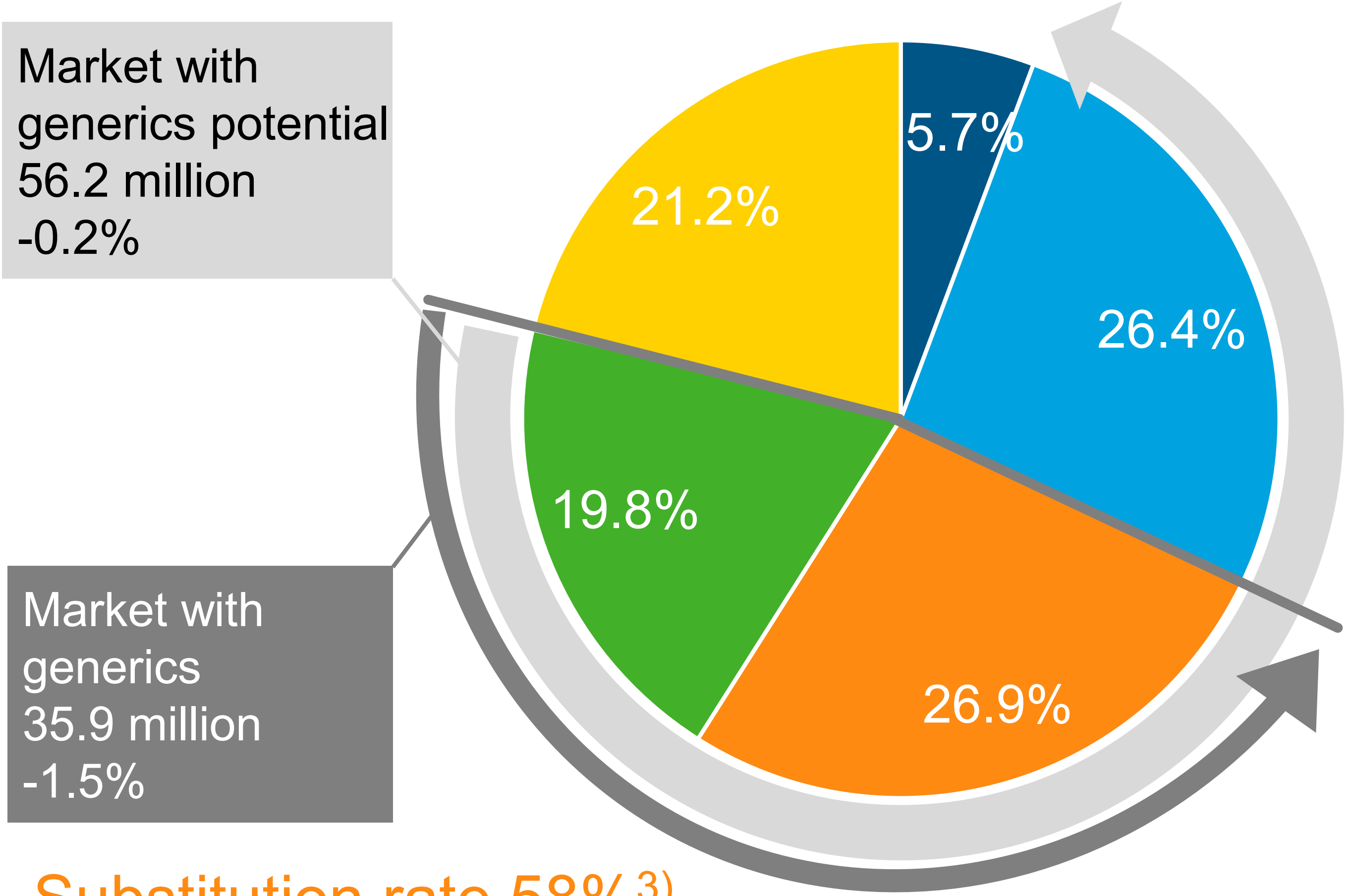
Swiss pharmaceutical market monthly development

Value (ex-factory) 2020: CHF 6’331.7 million
CHF +176.9 million / **+2.9%**



Source: APO/SD/DRO/SPI Index, Swissmedic A, B, C, D
Medicines Swissmedic lists A, B, C, D, sold from suppliers and wholesalers to hospitals, physicians and drugstores

Generics growth (in volume) in the pharmacy channel 2020



Substitution rate 58%[3)]

Pharmacies Galenica Group[4)] 72%

Total Packs reimbursable by health insurance	**76.9 million / +1.8%**
Patent protected products	4.4 million / +12.6%
Products with expired patent protection without generics	20.3 million / +2.2%
Generics	**20.7 million / +0.4%**
Pharmacies Galenica Group[4)]	***+1.6%***
Originals[1)]	15.2 million / -3.9%
Others[2)]	16.3 million / +6.5%

[1)] Products with expired patent protection and at least one generic
[2)] 1. Natural substance (e.g. vitamins, minerals, herbal ingredients)
2. Vaccines
3. Biosimilars
4. Reference products
[3)] Generics 20.7 million / market with generics 35.9 million = 58%

Source: Market Segmentation, reimbursable products (FOPH) in the pharmacy channel
Monthly calculation basis, delineated market division, data as of December 2020
[4)] Source: Galenica Group

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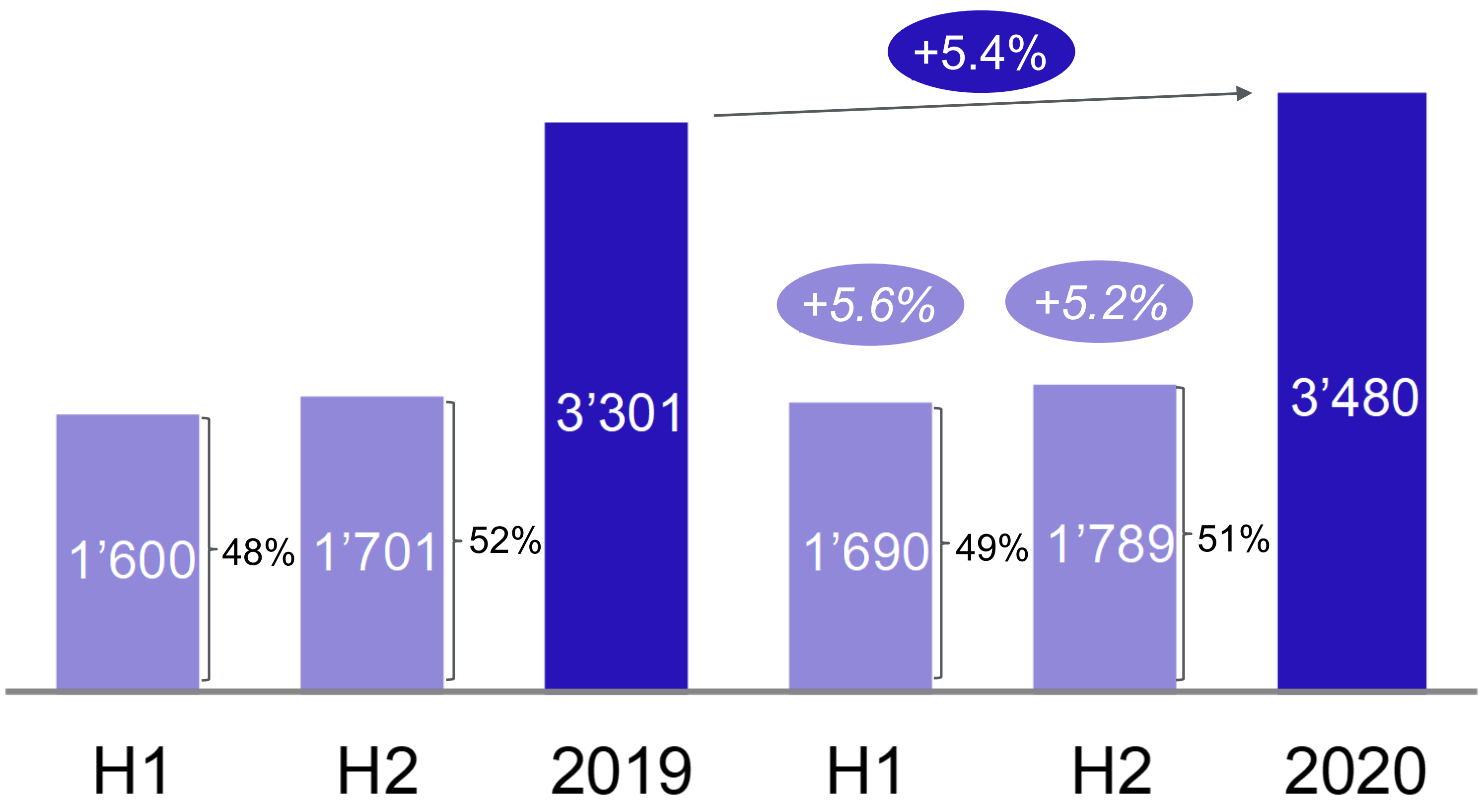
Strong sales growth

Net sales (in million CHF)



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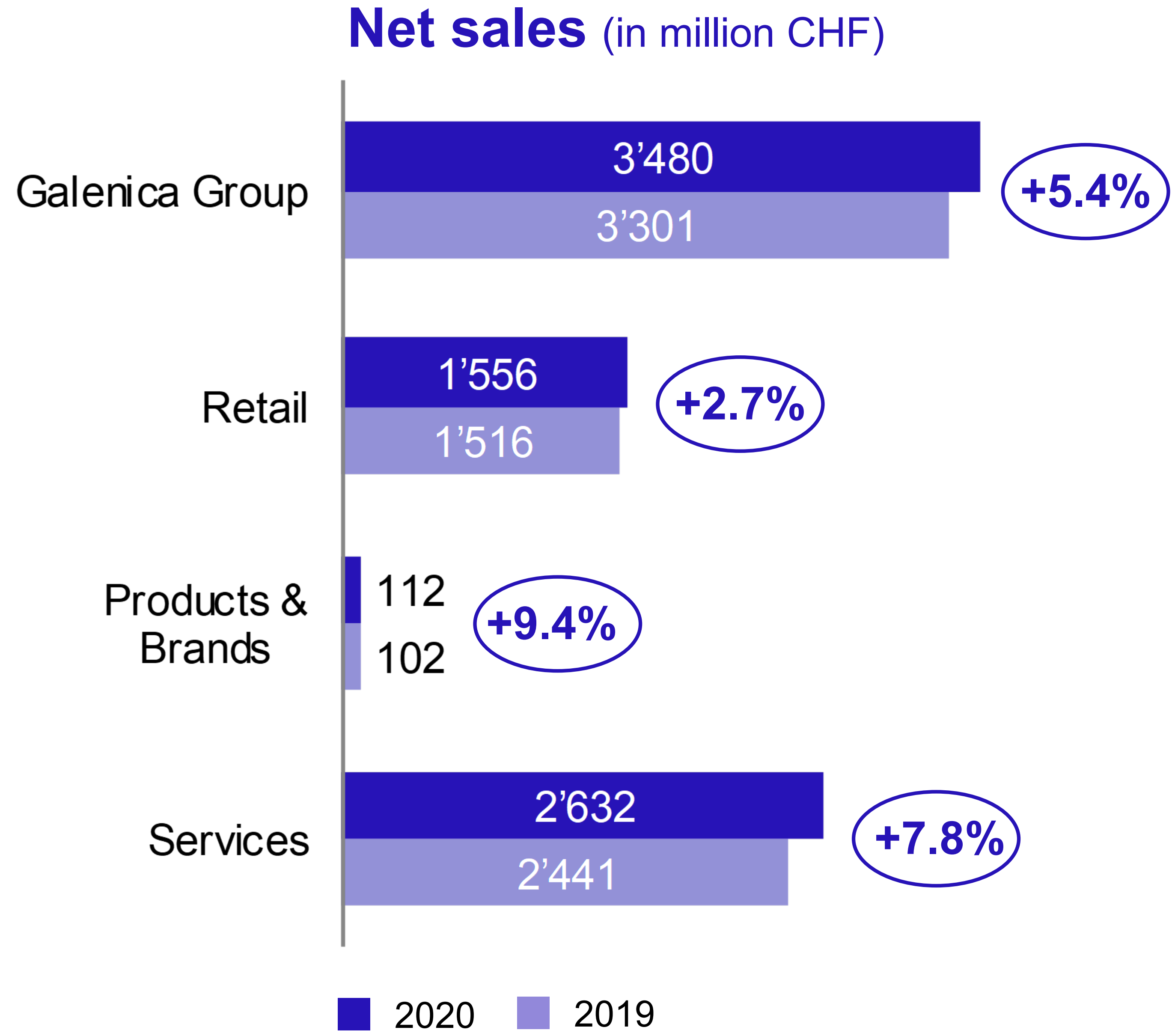
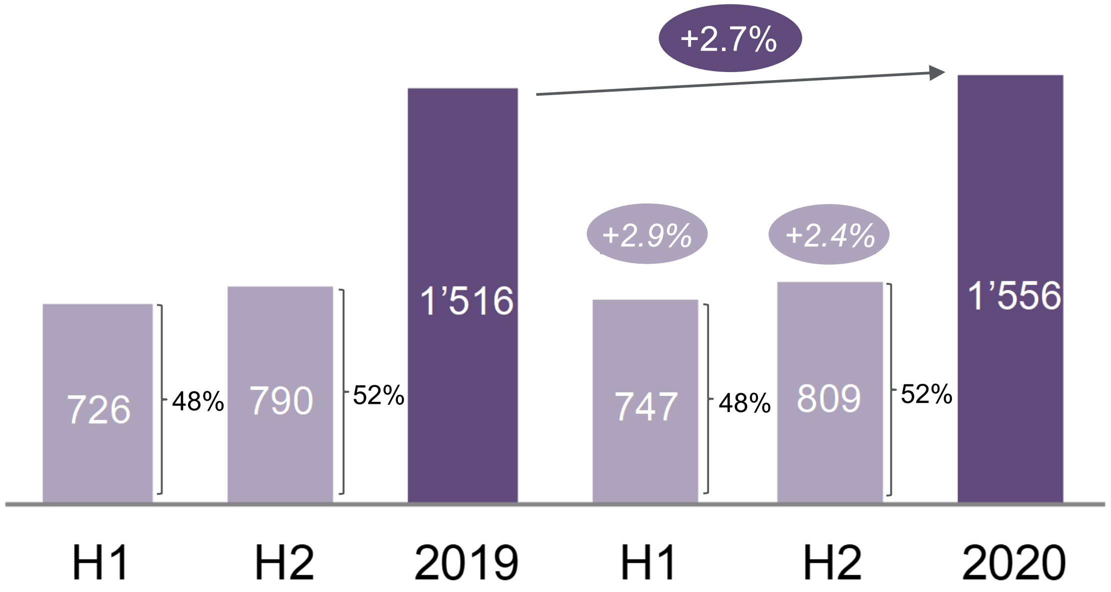
Sales growth in all business sectors



Retail
Strong impact of expansion on sales growth

Net sales (in million CHF)



Elements of growth:

	2019	H1 2020	H2 2020	2020
Expansion[1)]:	**+5.6%**	+4.3%	+2.1%	**+3.2%**
Organic[2)]:	**+0.4%**	-1.4%	+0.3%	**-0.5%**
thereof impact of price cuts[3)]:	-1.8%	-1.9%	-1.4%	-1.6%
thereof one-time effect of process optimisation[4)]:		-1.8%	-1.5%	-1.7%

1) Calculated only including point of sales without a full year period comparison
2) Consolidated net sales minus expansion effect
3) Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period
4) As a part of a process optimisation, various intersegmental sales transactions were discontinued at the beginning of 2020.

Retail
Key developments

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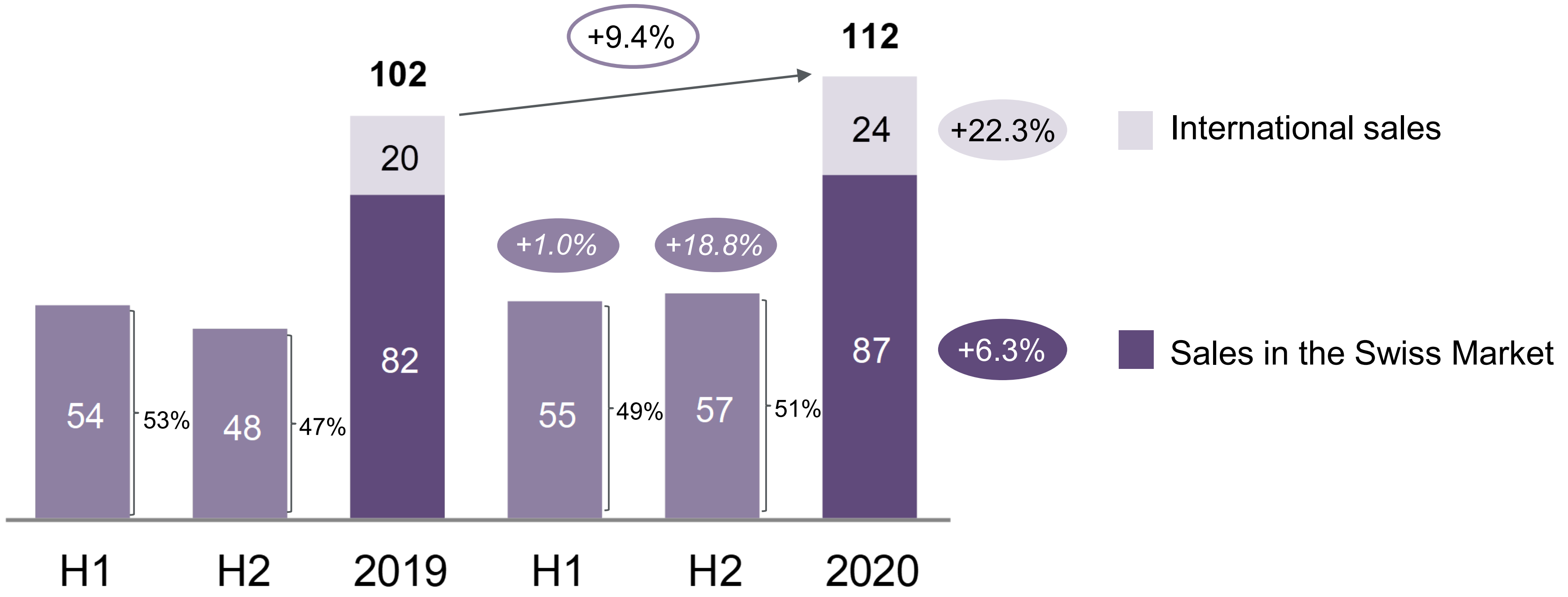
- → Strong expansion of pharmacy network: 17 added, 7 restructured, net +10
  → thereof +7 Amavita/Sun Store and +3 Coop Vitality
- → COVID-19 related sales losses of pharmacies in high-frequency locations (-23% on average) had a -1.9% impact on organic sales growth of business sector Retail.
- → COVID-19 related sales losses of OTC medications and beauty products were compensated by higher sales of nutrition, prevention and hygiene products.
- → Online sales of Amavita and Sun Store e-shops tripled compared to prior year and represent approx. 1% of total sales of business sector Retail.
- → Mediservice increased mail order sales by 5.7% and exceeded CHF 300 million sales for the first time.

Products & Brands
Negative COVID-19 impact on sales growth

Net sales (in million CHF)



Elements of growth:

	2019	H1	H2	2020
Expansion[1]:	**+9.2%**	+2.1%	+34.4%	**+17.3%**
Organic[2]:	**+2.1%**	-1.1%	-15.6%	**-7.9%**
thereof Swiss market:	-0.1%	-2.0%	-10.9%	-7.2%

1) Calculated only including business activities without a full year period comparison (acquisitions and new license agreements)
2) Consolidated net sales minus expansion effect

Products & Brands
Key developments

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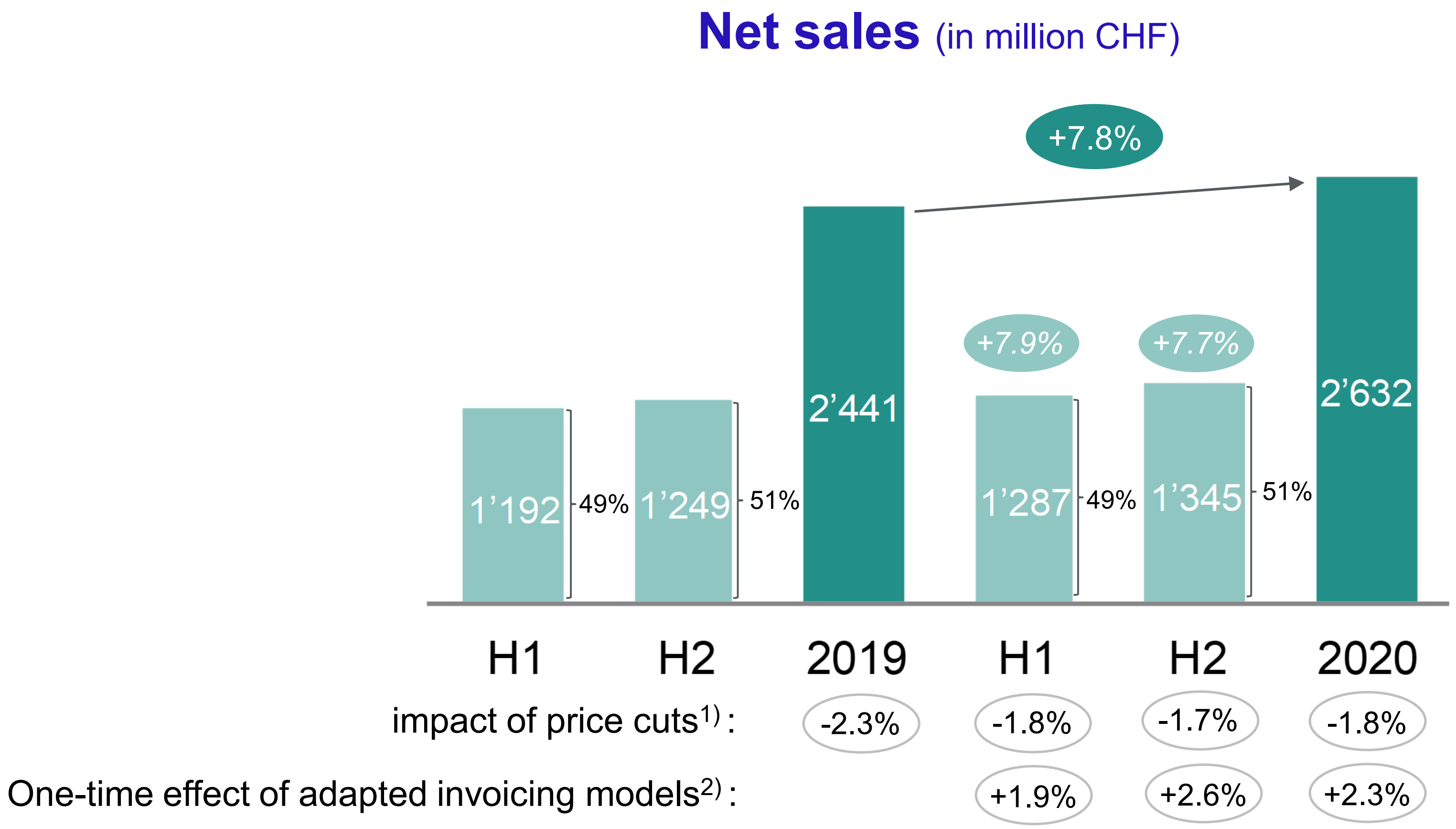
→ COVID-19 related sales decline of Algifor® (Ibuprofen), cough & cold medications, beauty and travel related products led to the negative organic sales growth of -7.2% in the Swiss market.

→ Expansion related sales growth thanks to the acquisition of the Hedoga Group as of 1.7.2020, new distribution of Bucco-Tantum®, Omni-Biotic®, ThermaCare®, relaunch of Vita Merfen® and discontinuation of distribution of Ginsana ® and Equazen®.

Services
Strong sales growth above market



→ Estimated impact of COVID-19 on sales: +1.4%

→ Growth of 5.3% in the pharmacy wholesale market (63% of net sales)

→ thereof 3.4% thanks to the expansion of the Retail business sector

→ Growth of 11.1% in the physician wholesale market (26% of net sales)

1) Mandatory price reductions of medications reimbursed by health insurers of the specialities list (SL/LS) released by the Federal Office of Public Health (FOPH), calculated based on volumes of previous period

2) In the context of the new Ordinance on Integrity and Transparency in the Therapeutic Products Sector (OITTP), agreements with suppliers as well as invoicing models were adapted to the new transparency obligations, which influenced the sales development in the Services business sector.

EBIT and Dividend guidance 2020

→ **EBIT (excluding the effects of IAS19 & IFRS16) approximately at prior year level**

→ **Dividend for 2020 at least at prior year level**

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