



Dermapharm Holding SE acquires stake in cannabis producer for pharmaceutical applications

Grünwald, March 4, 2019 – Dermapharm Holding SE (“Dermapharm”), a leading manufacturer of patent-free branded pharmaceuticals for selected therapeutic areas in Germany with a growing international presence, is continuing its expansion course by acquiring a stake in a cannabis producer for pharmaceutical applications. Dermapharm today concluded an agreement on acquiring an interest in the companies FYTA Company B.V. and FYTA Tech B.V., both based in Waalwijk, the Netherlands, as well as FYTA Company GmbH and FYTA Vermögensverwaltung GmbH, both based in Monheim, Germany. By signing the contract, Dermapharm Holding SE is acquiring 20.00 percent of the shares in the companies specializing in the production of medical cannabis for pharmaceutical applications with effect from March 4, 2019.

The parties have agreed not to disclose the purchase price. The approval required for medical cannabis production was granted by the Dutch regulatory authority (CIBG)⁽¹⁾ on February 25, 2019. The approval covers around 12 tons of medical cannabis per year and is expandable. FYTA currently has its own state-of-the-art indoor production facility in Waalwijk that enables the production of up to 25 tons of medical cannabis per year. The transaction also includes the assignment of 49.9% of the shares in the 100% axicorp subsidiary Remedix GmbH, based in Friedrichsdorf, Germany, to UWF Beteiligungsgesellschaft mbH, based in Monheim, Germany. As a re-importer in the pharmaceutical sector, Remedix GmbH is specialized in EU narcotics and licensed to trade in narcotics by the Federal Opium Agency. Remedix GmbH will take over the import to Germany and marketing of medical cannabis as a joint platform between Dermapharm and the Fyta companies.

“We have been working intensively with natural products for many years. In our opinion, the market for medical cannabis will continue to gain in importance. The investment in FYTA is therefore a logical step in securing our access to the market. In the future, we will distribute the medical cannabis produced by FYTA and intend to expand our product portfolio in this area in the long term. The shareholding also represents an adequate addition to the new therapeutic area of pain treatment,” commented Karin Samusch, member of the board of management of Dermapharm Holding SE.

Since March 2017, the German law “Cannabis as Medicine” has regulated the use of cannabis drugs as an alternative therapy for patients with serious diseases. This means that seriously ill people can obtain cannabis products on prescription in the pharmacy after a long period of requiring special permission. Cannabis products are becoming increasingly popular worldwide, not least because of their medical potential. According to market studies, expenditure on legal cannabis worldwide is expected to rise to 57 billion US dollars by 2027. Medical cannabis is expected to account for 33% of this figure⁽²⁾.

(1) Ministerie von Volksgezondheid, Welzijn en Sport

(2) Forbes, Legal Cannabis Industry Poised For Big Growth, In North America And Around The World, March 2018.



Company profile:

Dermapharm – Pharmaceutical Excellence "Made in Germany"

Dermapharm is a leading manufacturer of patent-free branded pharmaceuticals for selected markets in Germany. Founded in 1991, the company is based in Grünwald near Munich and has its main manufacturing facility in Brehna near Leipzig. The company's integrated business model comprises in-house development, in-house production and distribution of pharmaceuticals and other healthcare products for specifically targeted markets by a medical and pharmaceutical sales force. Dermapharm holds approximately 950 marketing authorizations (*Arzneimittelzulassungen*) for more than 250 active pharmaceutical ingredients, which are marketed as pharmaceuticals, food supplements or supplemental balanced diets. This assortment makes the company unique. In addition to Germany, the company's core markets also include Austria and Switzerland. The company plans to further expand its international presence. Dermapharm's business model also includes a parallel import business, which operates under the "axicorp" brand. Based on revenues, Dermapharm was among the top five parallel import companies in Germany in the first half-year 2018.

With a consistent development strategy and numerous successful product and company acquisitions over the past 25 years, Dermapharm has continuously optimized its business and provided external growth impulses in addition to organic growth. Dermapharm intends to continue this profitable growth course in the future. The company is focusing on three strategic growth drivers: in-house development of new products, increase of its international footprint and further acquisitions. These include the acquisition of the pharmaceuticals manufacturer and distributor Trommsdorff in January 2018, whose portfolio includes the well-known brands Keltican® forte and Tromcardin® complex.

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