



Dermapharm commits to acquire the French market leader for herbal medicinal products and food supplements

Grünwald, July 30, 2022 – Today, Dermapharm Holding SE ("Dermapharm"), a fast-growing manufacturer of branded pharmaceuticals, acting via its wholly owned subsidiary Dermapharm AG, submitted a binding offer to acquire 100% of the shares in A Pharma TopCo SAS, the holding company of Arkopharma Group ("Arkopharma"), market leader in natural OTC products and food supplements in France.

With over 40 years of experience in phytotherapy, Arkopharma specialises in herbal medical products and food supplements. The company's headquarters and production facilities are located in Carros, France.

Arkopharma distributes its products, both, through direct distribution sites and through partner networks in more than 30 countries. Analogous to Dermapharm, Arkopharma has an integrated business model with a deep proprietary value chain from purchasing and production to distribution and marketing.

With this contemplated transaction, Dermapharm is consistently pursuing its growth strategy and significantly expanding its internationalisation. Dermapharm would acquire the market leader in France and, at the same time, in particular strengthen its market presence in Spain and Italy and gain further access to markets such as Portugal, Belgium and the Netherlands. Arkopharma's already established international sales structures would offer Dermapharm excellent growth opportunities abroad. In addition, the interaction with the subsidiaries Euromed and C³ Cannabis Compound Company as well as Anton Hübner and Hübner Naturarzneimittel would result in further synergies and cross-selling effects within the Dermapharm Group.

"Arkopharma represents an ideal addition to our Dermapharm portfolio and would enrich us in particular with excellent expertise in the areas of herbal medical products and food supplements. This contemplated acquisition also strengthens our international presence in Western Europe and gives us access to the French market for the first time," comments Dr. Hans-Georg Feldmeier, CEO of Dermapharm Holding SE, on the transaction.

For the current financial year 2022, Arkopharma forecasts sales of slightly over EUR 200 million (2021: EUR 191 million). The purchase price approximates EUR 450 million. The parties envisage to enter into a corresponding share purchase agreement, subject inter alia to a consultation process with the employee representatives of certain French companies of the Arkopharma Group. The Management Board expects the transaction to be completed at the beginning of January 2023.

Company Profile

Dermapharm – Pharmaceutical Excellence "Made in Germany"

Dermapharm is a rapidly growing manufacturer of branded pharmaceuticals. Founded in 1991, the Company is based in Grünwald near Munich. The Company's integrated business model comprises in-house development, production and the distribution of brand-name products by a trained pharmaceutical sales force. In addition to its main location in Brehna near Leipzig, Dermapharm also operates other production, development and distribution locations in Europe (primarily in Germany) and the United States.

In the "Branded pharmaceuticals and other healthcare products" segment, Dermapharm has more than 1,200 marketing authorisations with more than 380 active pharmaceutical ingredients. Dermapharm's portfolio of pharmaceuticals, medical devices and food supplements are tailored to selected therapeutic areas in which the Company is a market leader, especially in Germany.



In the "Herbal extracts" segment, Dermapharm can tap the expertise of the Spanish company Euromed S.A., a leading global manufacturer of herbal extracts and plant-based active ingredients for the pharmaceuticals, nutraceuticals, foodstuffs and cosmetics industries. At the beginning of 2022, the segment was expanded to include Germany-based C³ Group, which develops, manufactures and markets synthetic cannabinoids. C³ Group is the market leader for dronabinol in Germany and Austria.

Dermapharm's business model also includes the "Parallel import business" segment that operates under the "axicorp" brand. Based on revenue, axicorp was among the top five parallel import companies in Germany in 2021.

With a consistent R&D strategy and numerous successful product and company acquisitions and by stepping up its internationalisation efforts, Dermapharm has continuously optimised its business over the past 30 years and sought external growth opportunities in addition to organic growth. Dermapharm is firmly committed to continuing on this profitable growth course in the future.

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