

Galenica Group Investor Presentation

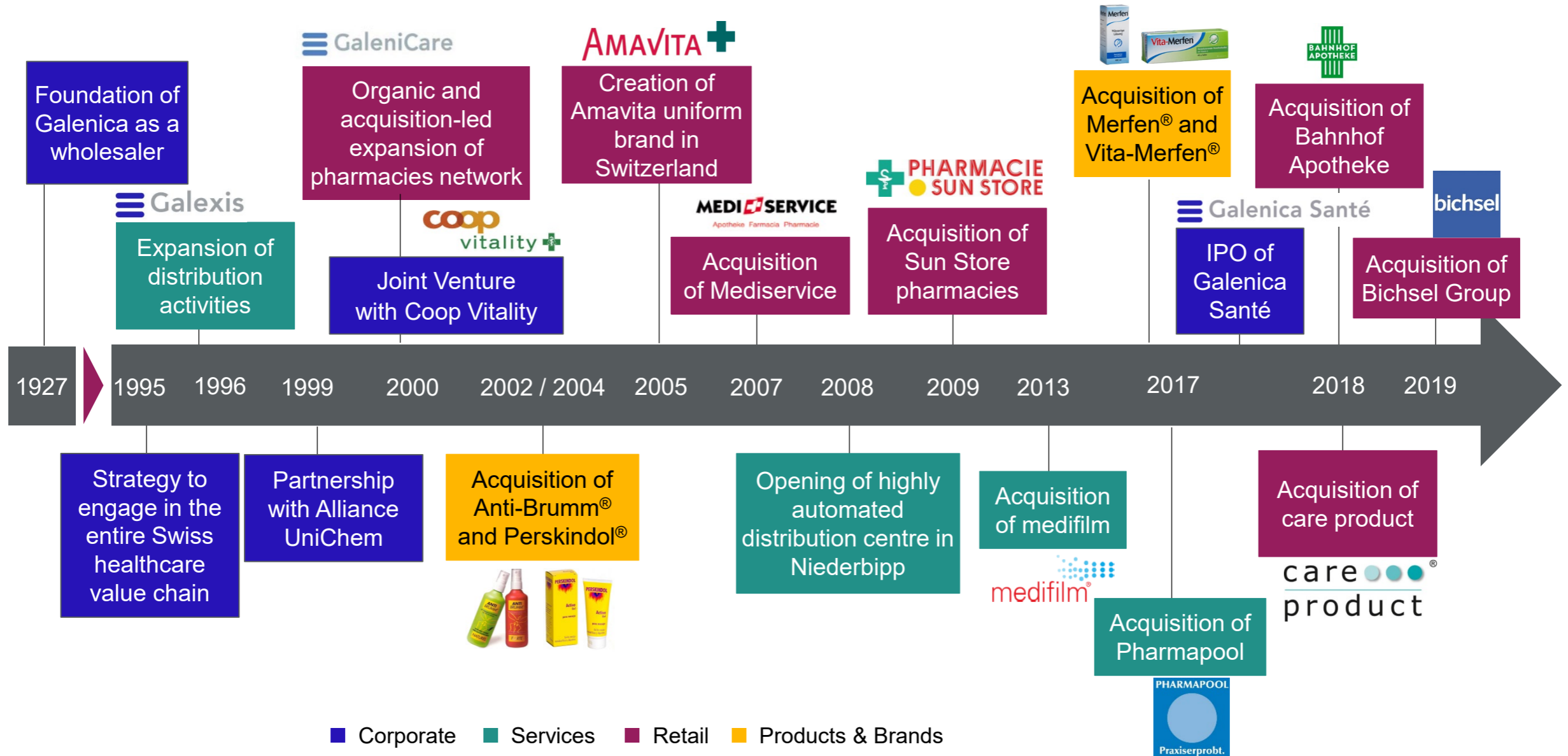
August 2020



Agenda

1	History	3
2	Galenica at a glance	6
3	Business Sectors	11
4	Financial track record	16
5	Business update H1 2020	18
6	Financial results H1 2020	31
7	Market update	43
8	Regulatory projects update	47
9	Outlook for 2020	51

1 Building the leading Swiss healthcare platform over 90 years



1 History of resilient growth and margin improvement

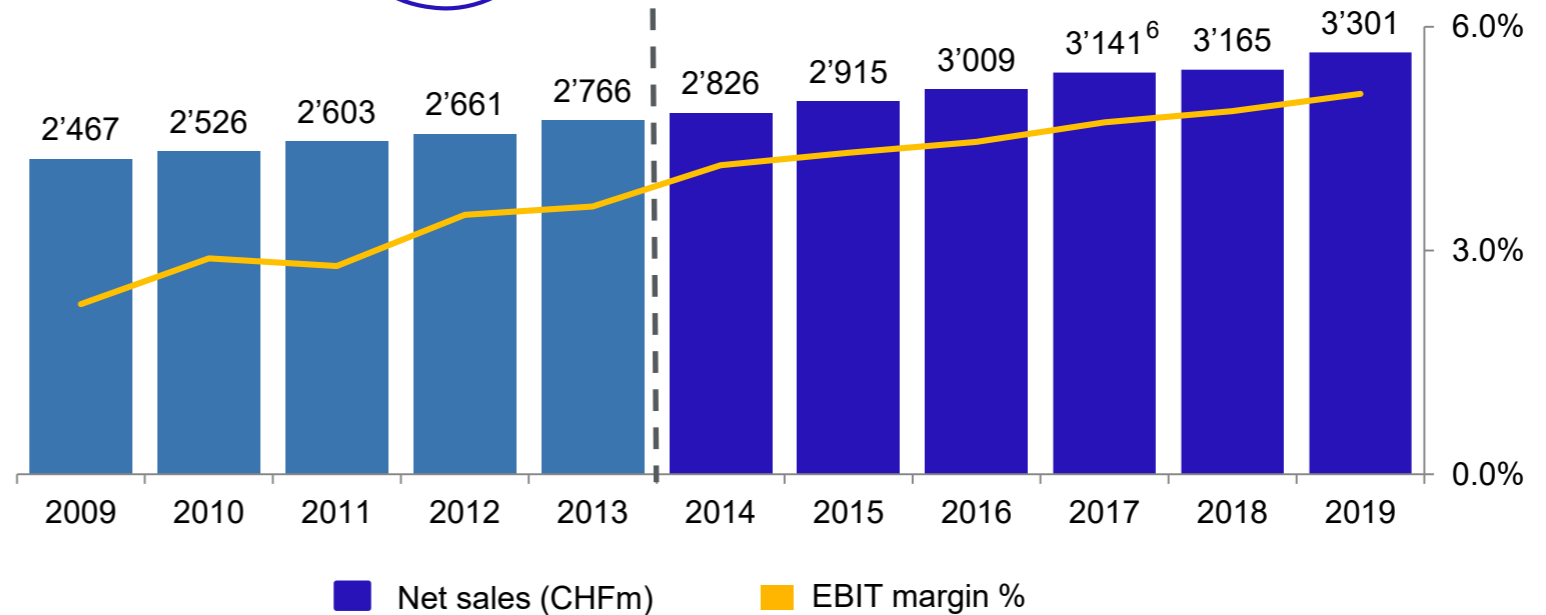


Logistics, HealthCare Information & Retail^{1,4}

Galenica

2009-19 sales CAGR	3.0%
2009-19 EBIT CAGR ³	11.5%
2009-19 EBIT margin improvement ³	+282bps
2019 cash conversion ⁵	75%
Employees as of 31 December 2019	7'071

2009–19 CAGRs
 Retail market sales² 1.7%
 Galenica net sales 3.0%
 Galenica EBIT³ 11.5%



Source: Company information, Galenica Annual Reports, IQVIA (former IMS Health)

Notes: The financial information presented with respect to the financial years ended 31 December 2008 through 2013 has been derived from the audited consolidated financial statements of Galenica AG (now renamed Vifor Pharma AG) and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business. The Company, a former wholly-owned subsidiary of Galenica AG (now renamed Vifor Pharma AG), prepared combined financial statements for the financial years ended 31 December 2014, 2015 and 2016. Accordingly, the financial information derived from the combined financial statements of the Company and from the consolidated financials of Galenica AG (now Vifor Pharma AG) for its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business, for prior periods may not be fully comparable.

1 Not including Verfora (former Vifor Consumer Health)

2 Retail market sales include direct and indirect pharmaceutical sales through pharmacies, self-dispensing doctors and drugstores (IQVIA Market Prognosis 2019-2023, Switzerland; published September 2019)

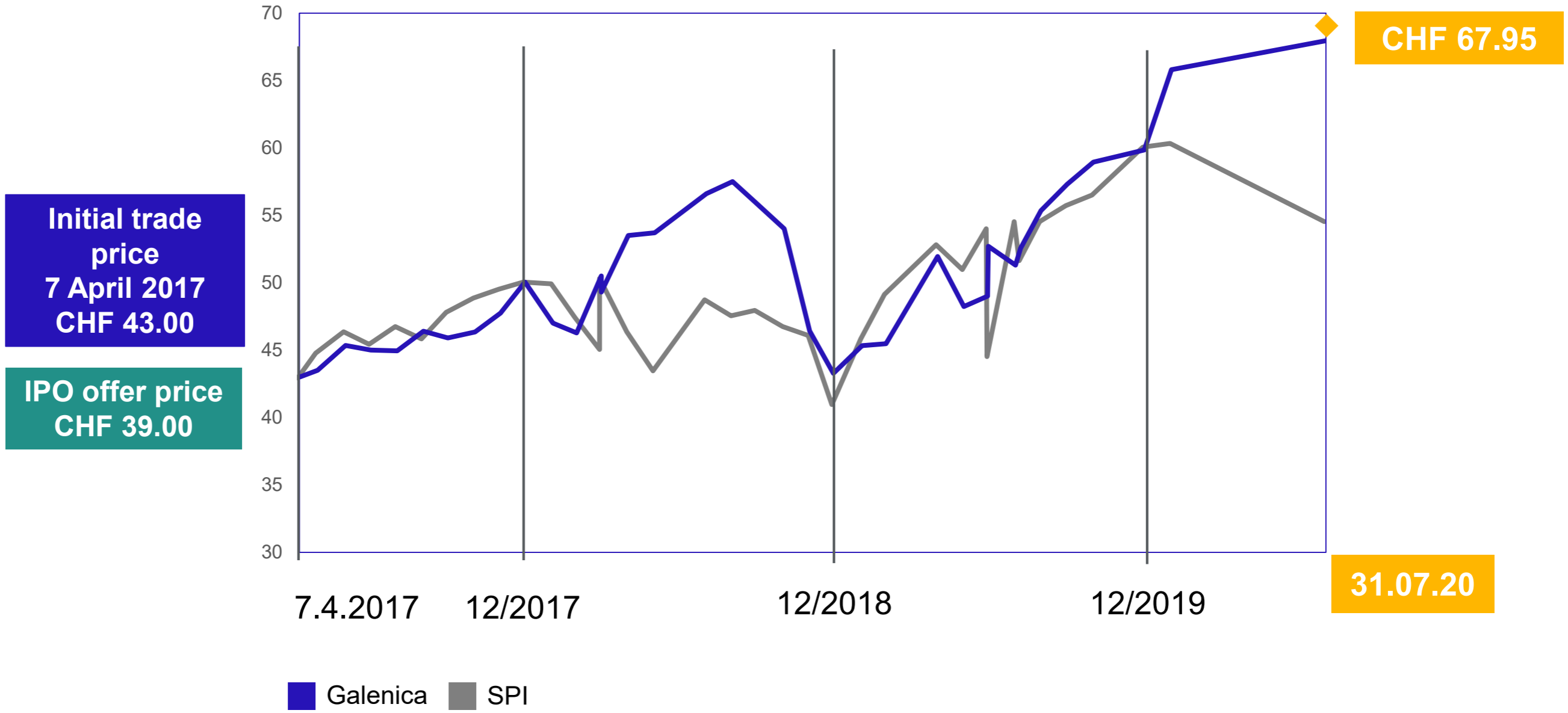
3 2014-16 EBIT from combined financial statements, 2017 and 2018 EBIT, excludes IAS 19 expense, 2019 excludes IAS 19 expense and effects of IFRS 16 leasing, details adjustments, Annual Report 2019, pages 95 and 96

4 2013 financials as per 2014 financial statements due to changed segment structure (Galenica Santé is reported as a separate segment since 2014). Financials not adjusted to include Products & Brands.

5 Calculated as (EBITDA-capex)/EBITDA. 2014-18 EBITDA excludes IAS 19 expense and 2019 EBITDA excludes IAS 19 expense and effects of IFRS 16 leasing; capex includes investments in tangible and intangible assets, details adjustments, Annual Report 2019, pages 95, 96 and 97

6 Adoption of IFRS15 starting from 2017.

1 History of share price since IPO



2 Galenica is the leading healthcare provider in Switzerland



2019 net sales CHF3'301 million
2019 EBIT¹ CHF167 million

Health & Beauty

Retail

Market position²

#1



2019 net sales
(pre eliminations of intercompany positions)

CHF1'621m

- Leading domestic network of own, joint venture and independent partner pharmacies
- Provision of health and beauty products, patient advice and new services through our pharmacy network as well as via different online offerings

Products & Brands

Consumer Health market position²

#1



2019 EBIT

CHF124m

- Broad range of own, exclusive and partner products for consumer health, beauty and well-being
- Strong sales and marketing force in Switzerland

Services

Market position²

#1



2019 net sales
(pre eliminations of intercompany positions)

CHF2'441m

CHF45m

- Leading provider of specialised pre-wholesale and wholesale distribution services
- Specialised databases and solutions for clinical decision support

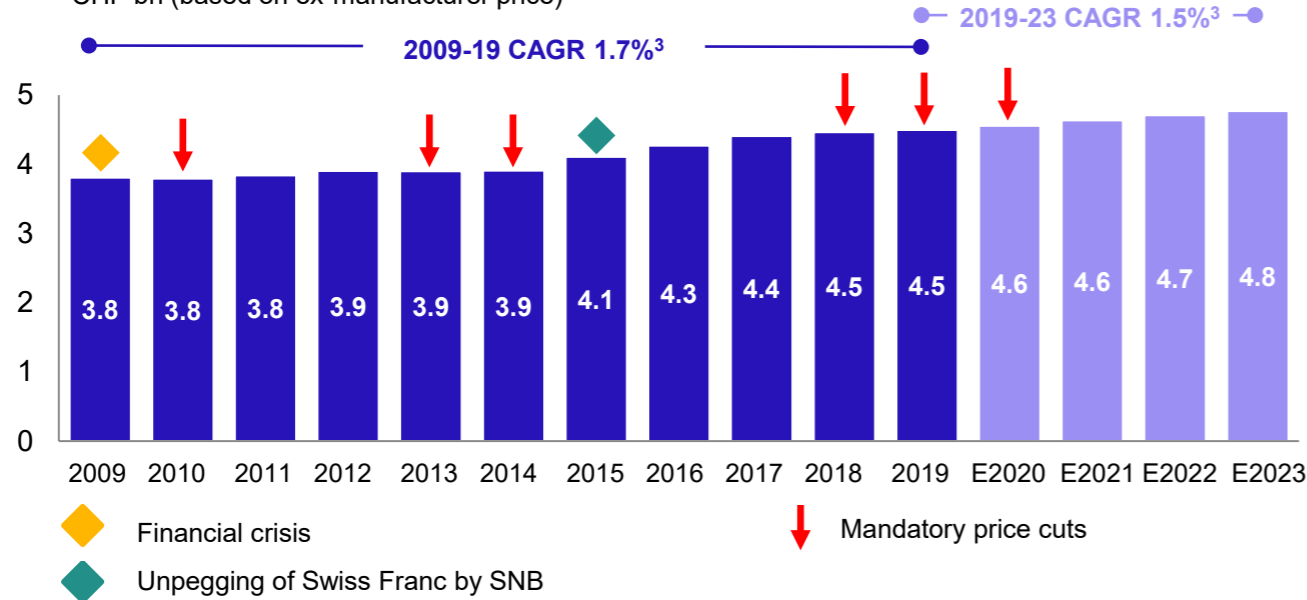
¹ Excludes IAS 19 and IFRS 16 effects, Details adjustments, Annual Report 2019, page 95

² Services based on sales reported at ex-manufacturer price level as of MAT December 2019. Source: IQVIA Market Prognosis 2019-2023, Switzerland; Retail based on number of pharmacies. Source: IQVIA Market Prognosis 2019-2023, Switzerland, pharmaSuisse 2019 and company websites; Products & Brands based on IQVIA MAT December 2019 sales value for OTC, Patient Care, Personal Care and Nutritionals products

2 Operating in a stable and attractive Swiss healthcare market with favourable long-term fundamentals

Resilient, stable Swiss healthcare retail sector²

CHF bn (based on ex-manufacturer price)

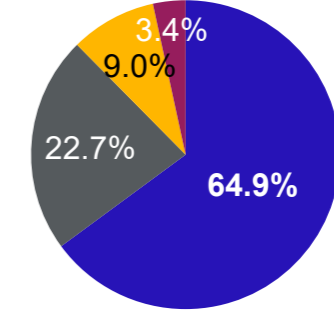
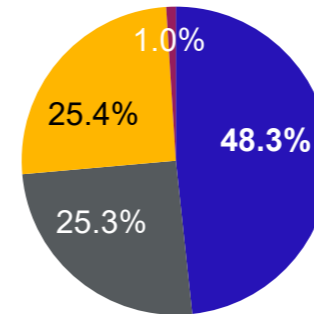


- Underlying healthcare sector growth drivers, including demographics, lifestyle and innovation
- One of the highest life expectancy rates in the world
- Non-discretionary nature of products and services

Pharmaceutical market in Switzerland (2019)¹

By value—CHF6.1bn

By volume—187 million packs



Pharmacists play a crucial role in the provision of medicines

- Indispensable role in one of the world's highest quality health care systems, providing drugs, advice and services
- Continued efforts by government and health insurers to make pharmacists the first point of contact
- Growing importance to meet consumer trends towards more personalized healthcare and self-medication

Source: IQVIA, Pharmamarkt Schweiz, YTD December 2019, IQVIA Market Prognosis 2019-2023, Switzerland; published September 2019

1 Medicines Swissmedic list A, B, C, D sold from suppliers and wholesalers to hospitals, physicians, pharmacies and drugstores

2 Total market without hospitals

3 IQVIA Market Prognosis 2019-2023, Switzerland; published September 2019

2 Experienced management team with proven track record



Marc Werner
CEO

- CEO from 1st April 2020
- 23 years industry experience
- Joined Galenica 2020
- Previously, Head Marketing & Sales division and Member of the Group Executive Board at Swisscom



Felix Burkhard
CFO

- CFO since 2017
- 29 years industry experience of which 25 years at Galenica
- Joined Galenica in 1995
- Previously, Head of Strategic Projects of Galenica Group and Head of Retail Business Sector



Daniele Madonna
*Head of Retail
Business sector*

- Pharmacist
- 18 years industry experience of which 16 years at Galenica
- Previously Store Manager, Regional Sales Manager and CEO of the joint venture Coop Vitality



Thomas Szuran
*Head of Products & Brands
Business sector*

- 23 years industry experience
- Joined Galenica 2019
- Previously, CEO at Biomed AG, President at ASSGP



Christoph Amstutz
*Head of Services
Business sector*

- 32 years industry experience of which 13 years at Galenica
- Joined Globopharm in 2007 (led integration process into Galenica)
- Previously, Head of G-Pharma & Alloga and Business Unit Head at Bristol-Myers Squibb

2 Our ambition and self-perception



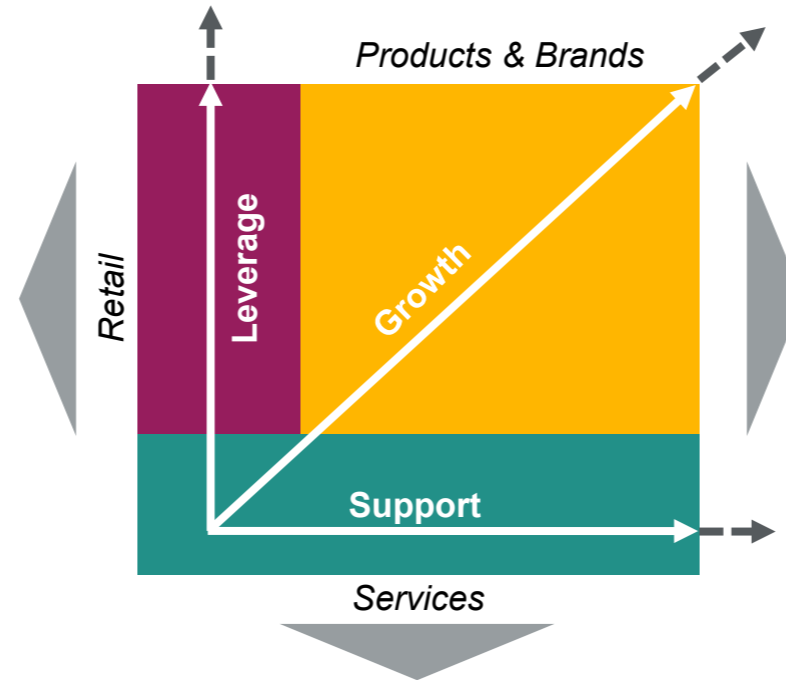
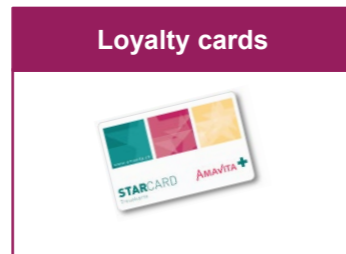
**Galenica:
The first choice for health,
beauty and wellbeing.**

2 Our Strategy - the power of 3 drives sustained value creation

- Leverage leading positions to promote higher margin and exclusive products

- Further expand and optimise retail network on- and offline (omni-channel)

- Drive efficiency through one single process for all three pharmacy formats

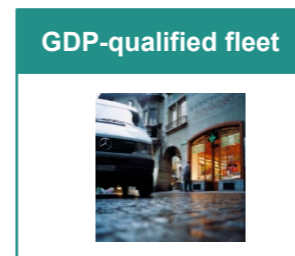


Develop and launch own and partner brands and products for pharmacies



- Leverage scale advantages to develop new, value-added services

- Continue to drive synergies across the entire organisation



3 The largest pharmacy retailer in Switzerland

Retail

Network of chains (# of pharmacies as of 30 June 2020) Webshop

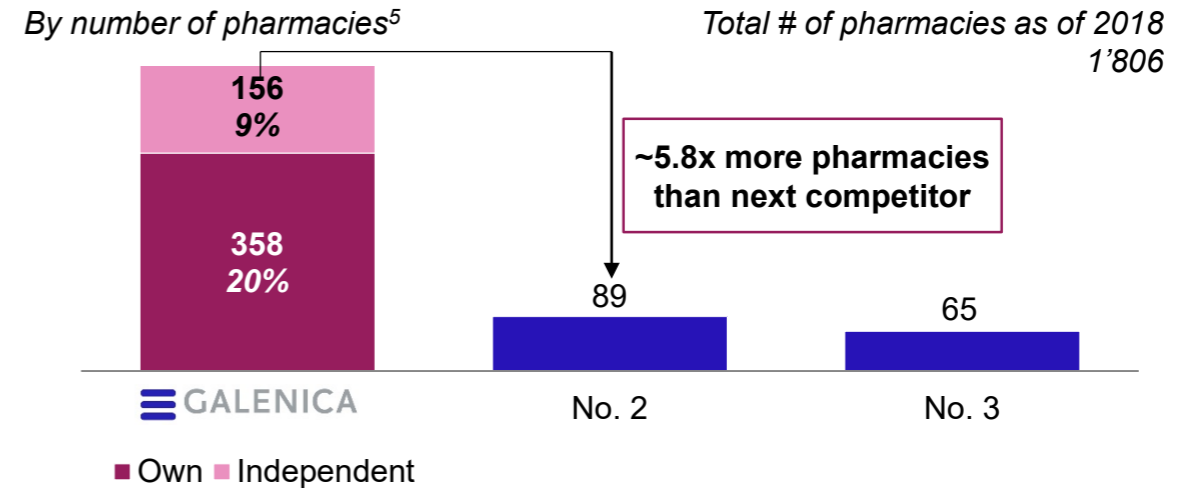
AMAVITA	178 ¹	– Largest branded pharmacy network by number of pharmacies in Switzerland	✓
PHARMACIE SUN STORE	93	– The first Swiss pharmacy chain ²	✓
coop vitality	85	– Joint venture (49:51) with Coop, the 2 nd largest retail group in Switzerland	✓
Winconcept	156 ³	– Service provider for independent pharmacies under Feelgood's brand	
MEDI SERVICE	1	– Specialty pharmacy focused on home healthcare for patients with chronic illnesses	
bichsel	1	– Specialty pharmacy with manufacture of individual medicines & medical devices and home care services	

Highlights

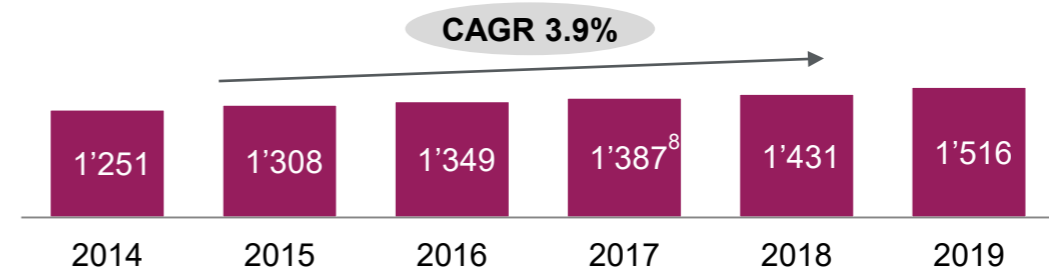
- Largest pharmacy network, including online presence
- Offers broad product range, including well-known own brands, as well as health services and tests
- Built organically and through targeted acquisitions since 2000
- Including attractive, high customer traffic locations across Switzerland
- Average sales per pharmacy of CHF4.3m > 1.4x Swiss market average⁶

1 Amavita figures include 3 majority holdings in other pharmacies
 2 Based on 1976 Federal Court law permitting non-pharmacists to own a pharmacy for the first time
 3 Includes 7 Amavita partnerships
 4 Based on number of pharmacies. Source: pharmaSuisse 2020, IQVIA Market Prognosis 2019-2023, Switzerland; published September 2019 and company websites

Competitive positioning—#1 market position⁴



Net sales performance (CHFm)



Health & Beauty⁷

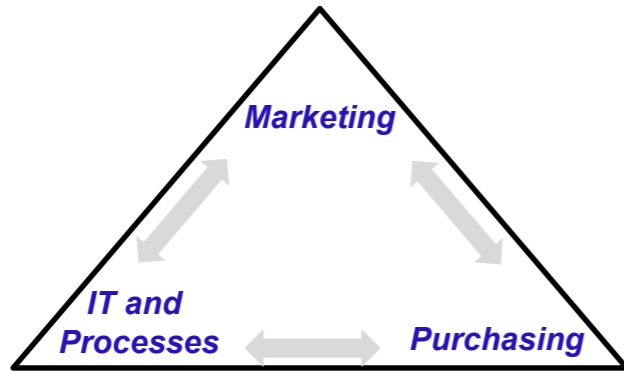
	2014	2015	2016	2017	2018	2019
Sales	1'335	1'393	1'437	1'479 ⁸	1'525	1'621
EBIT margin	6.0%	6.4%	6.5%	6.7%	7.2%	7.6% ⁹

5 Own includes 84 pharmacies through joint venture with Coop; independent includes 7 Amavita partners
 6 Retail pharmacy sales for Galenicare on a like-for-like basis, including Amavita and Sun Store pharmacies only. Swiss market average based on pharmaSuisse 2020, Roka 2018 (financial year 2017)
 7 H&B post-inter-segmental eliminations
 8 Restatement of IFRS15 starting from 2017.
 9 2019 excludes effects of IFRS 16 leasing, details adjustments, Annual Report 2019, page 95

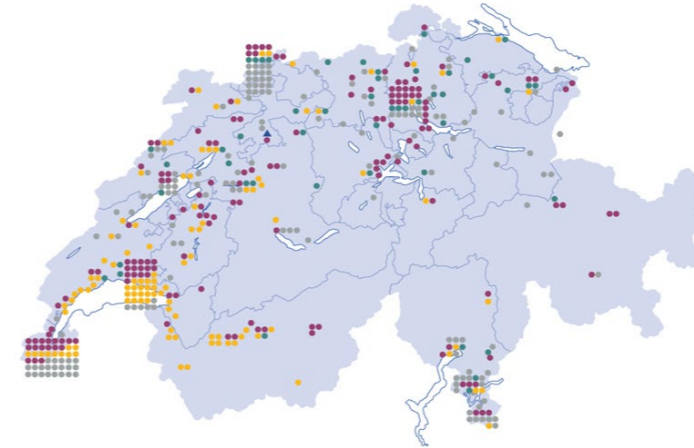
3 Ongoing pharmacy network consolidation and optimisation

Retail

- ✓ Proven track record of delivering synergies through streamlining of business processes and creating value through acquisitions and network optimisation



- ✓ Widely spread pharmacy network covers every Region in Switzerland



- ✓ Demonstrated M&A track record with an average of 10 pharmacies acquired and 8 net pharmacies added per year over the last 8 years

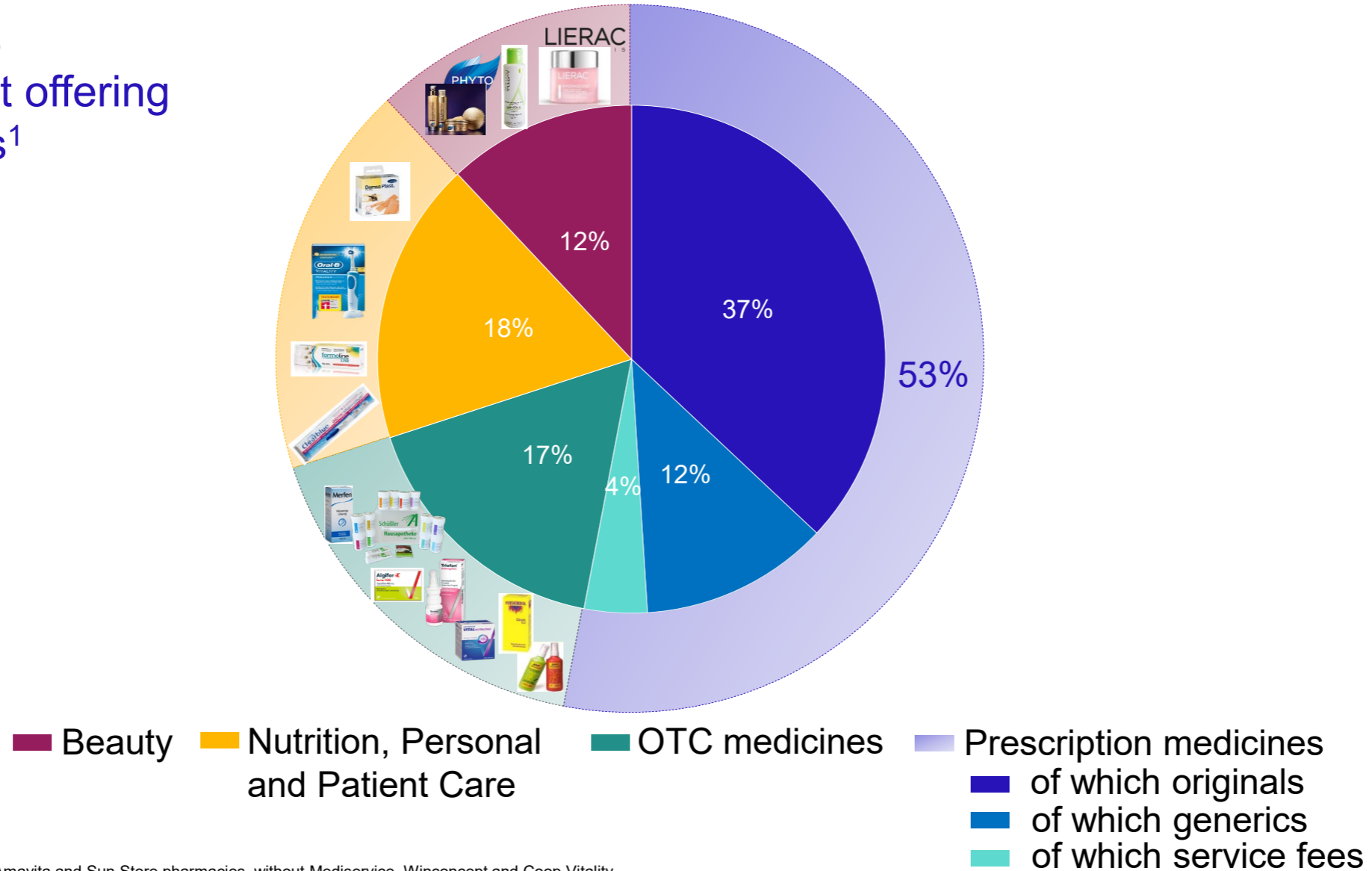
	2012	2013	2014	2015	2016	2017	2018	2019	H1 2020
Pharmacies acquired	10	20	5	2	13	6	10	11	5
Net pharmacies added ¹	11	12	6	0	11	8	8	11	2
Total own Pharmacies	300	312	318	318	329	337	345	356	358

¹ Includes the impact of acquisitions with concurrent mergers, new openings and closings

3 Diversified product portfolio for health, beauty and wellbeing

Retail

Galenicare's retail product offering in % of sales¹



¹ Sales YTD December 2019, includes Amavita and Sun Store pharmacies, without Mediservice, Winconcept and Coop Vitality

3 Leading role in Consumer Health with broad and innovative product portfolio

Products & Brands

Portfolio

Consumer Health & Skincare brands

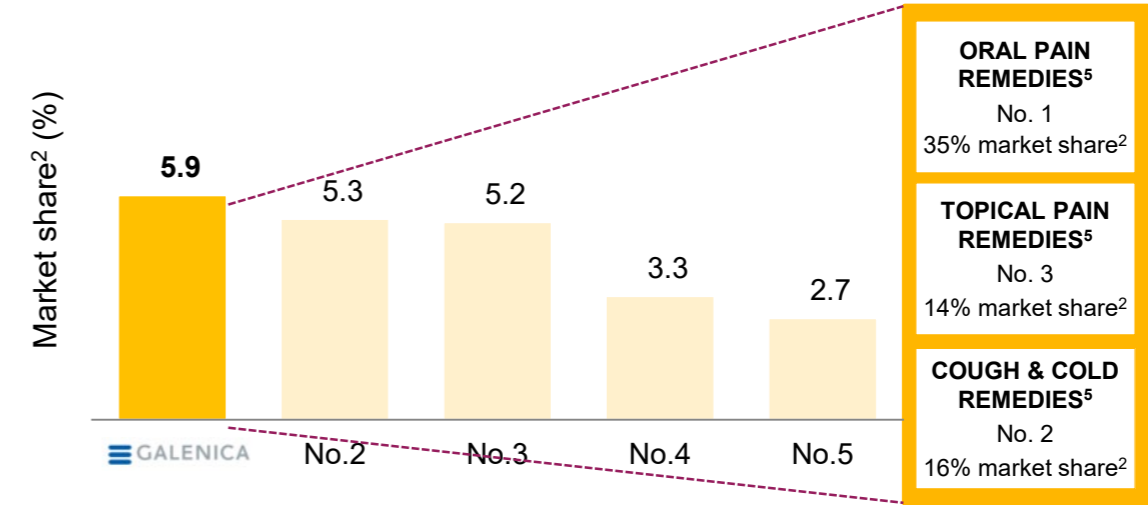

Exclusive partner brands Health & beauty


OTC retail own brands

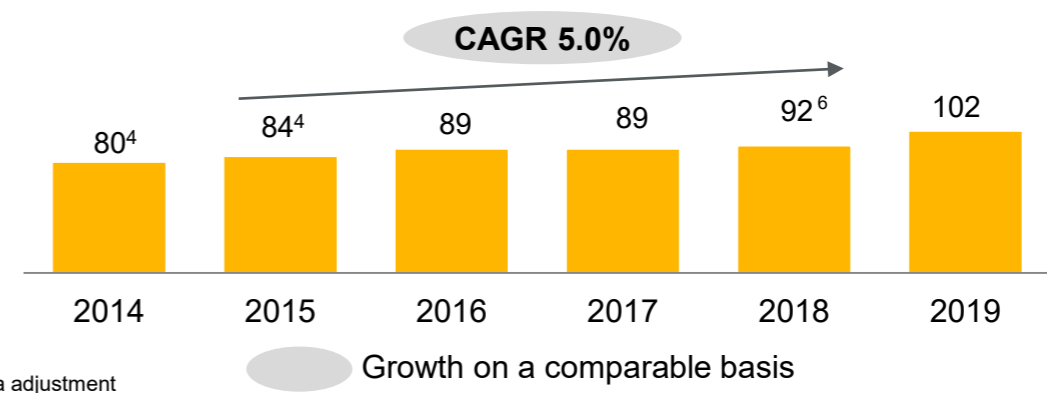

Highlights

- Preferred Consumer Healthcare partner for Swiss Pharmacies & Drugstores
- Broad Consumer Healthcare Sales & Training force -> Distribution partner of choice
- Expanding portfolio of own and exclusive brands & products
- Ability to leverage Galenicare Retail platform to distribute VERFORA brands

Competitive position: #1 Consumer Healthcare¹ market position



Net sales performance (CHFm)³



1 Includes OTC, Patient Care, Personal Care and Nutritionals products
 2 Based on IQVIA Sell Out MAT Dec 2019 streetprice - net sales incl. VAT, price actually paid by final customer
 3 2014-16 net sales on a comparable basis including 12 month Verfora (former Vifor Consumer Health) sales and G-Pharma adjustment
 4 Adjusted for disposal of Equazen® in November 2015
 5 Market shares in categories are shown for Verfora (former Vifor Consumer Health), not including OTC retail own brands
 6 Adoption of IFRS15 starting from 2017.

3 Leader in pre-wholesale and wholesale distribution, supported by an innovative healthcare information business

Services

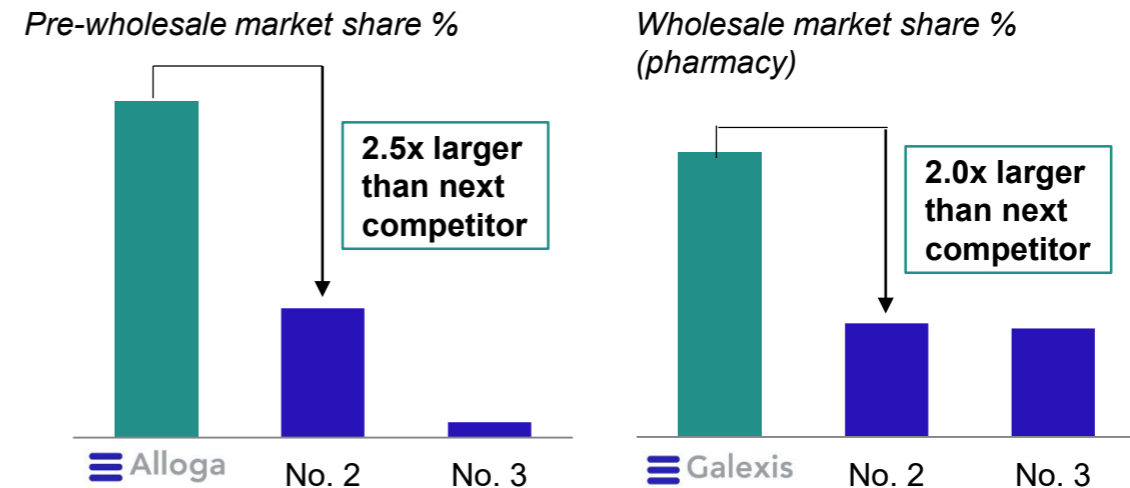
Services

- Alloga**
 - Pre-wholesale outsourced storage and distribution
 - Logistics services to pharmaceutical and various healthcare clients
- Galexis**
 - Wholesale distribution with three modern sites; main site at Niederbipp operates at c.70% automation
 - Supplies to pharmacies, self-dispensing doctors' practices, drugstores, nursing homes and hospitals
- medifilm**
 - One-stop shop
 - Prepared medication in blisters
- HCI Solutions**
 - Product master data and scientific databases
 - IT platforms relating to electronic medication process
 - Software solutions and services for pharmacies

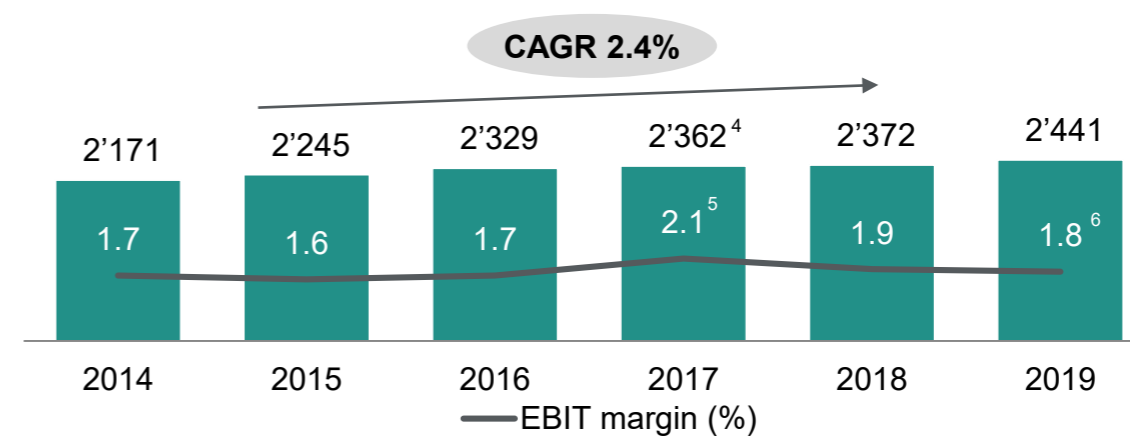
Highlights

- Alloga**
 - 75 customers
 - >10,000 products
 - Temperature zones: (i) -80°C, (ii) 2-8°C, (iii) 15-25°C
- Galexis**
 - >9,000 customers
 - 100,000 products (c.11,000 Rx²)
 - >1,100 suppliers
 - Access to nearly all dispensers
 - Present in all three language regions
 - GDP³-compliant services
- HCI Solutions**
 - Systemically relevant information and databases
 - Solutions for safe and cost-effective provision and application of medicines

Competitive positioning - #1 market position¹

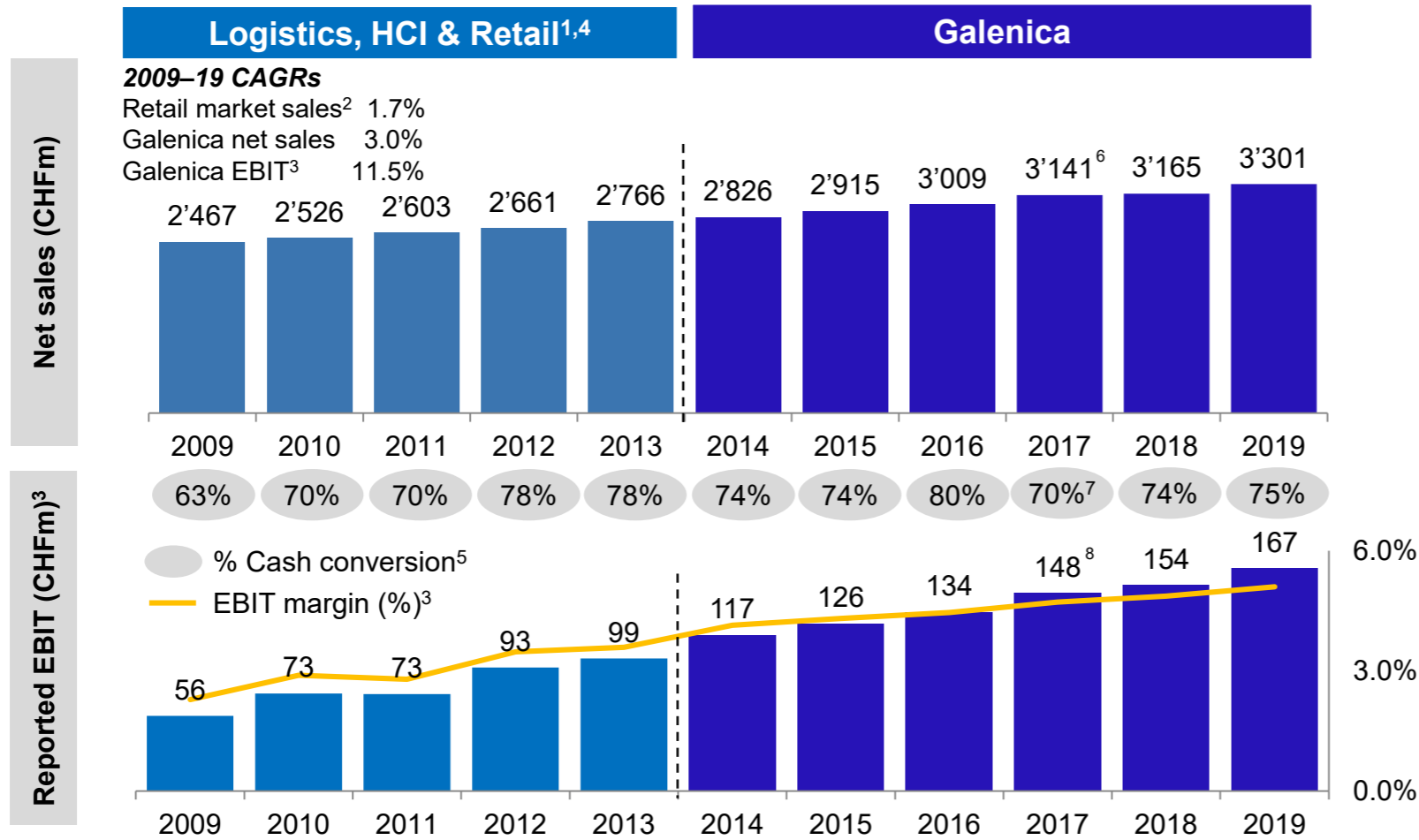


Net sales performance (CHFm)



1 Based on market share. Source: IQVIA Market Prognosis 2019-2023,
 2 Prescription products
 3 Good Distribution Practice
 4 Restatement of IFRS15 starting from 2017.
 5 2017 including one-off effect, ROS without one-off effect 1.8%
 6 2019 excludes effects of IFRS 16 leasing, details adjustments, Annual report 2019, page 95

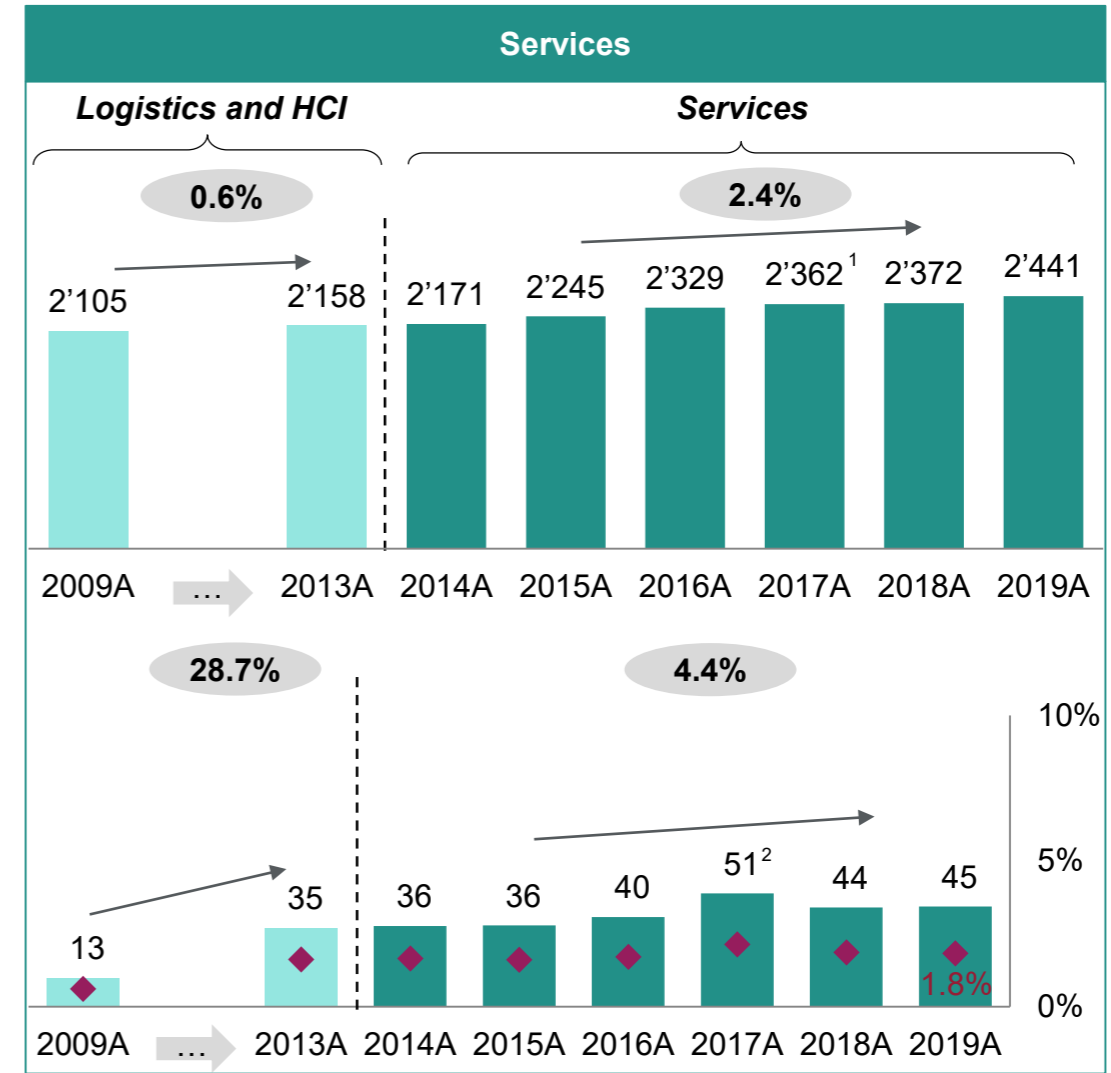
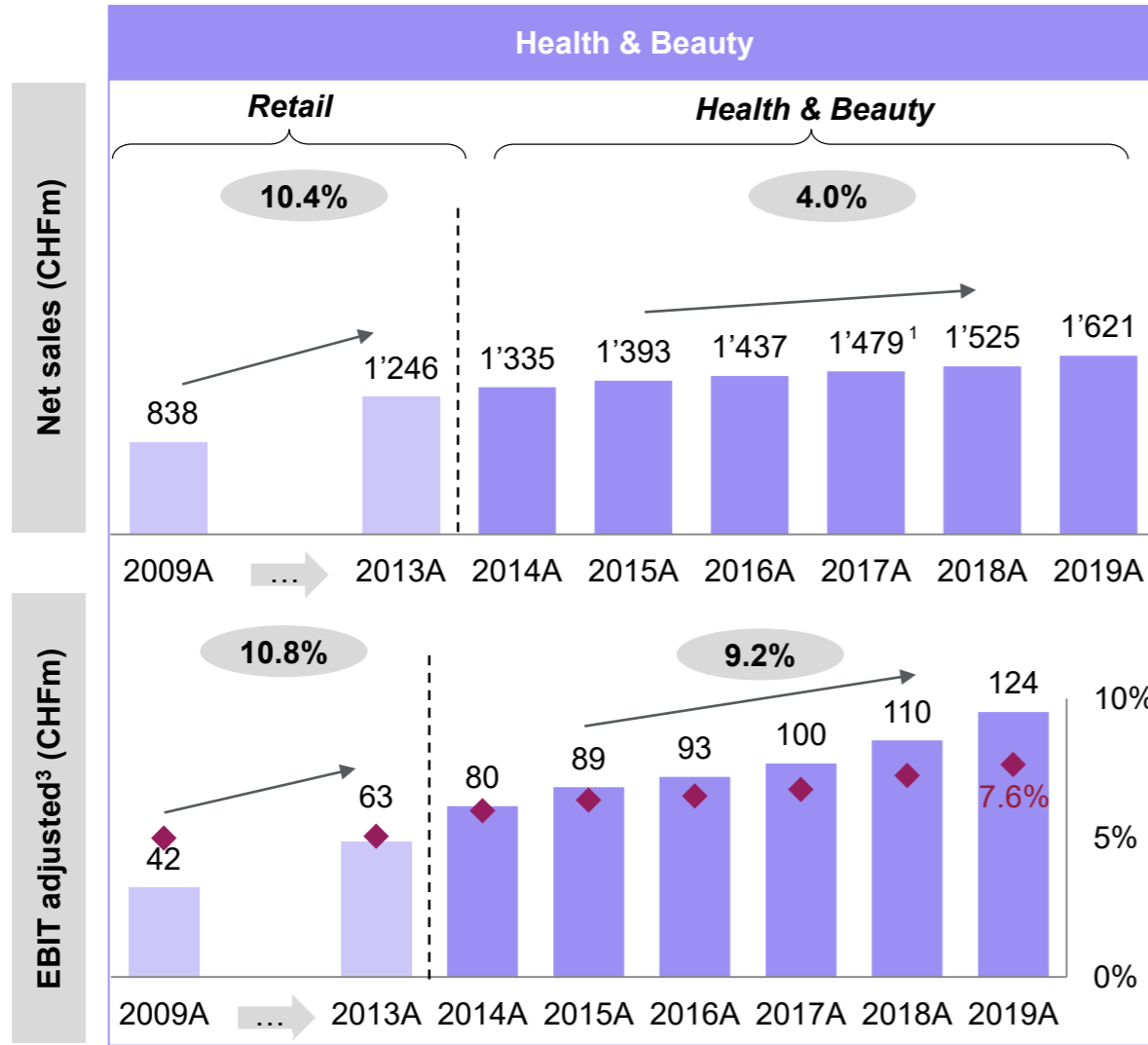
4 Long-term track record of sustainable growth and attractive cash generation ...



- ✓ Above market growth
- ✓ History of margin improvement
- ✓ Attractive cash flow generation
- ✓ Well-invested infrastructure

Source: Company information, Galenica Annual Reports, IQVIA (former IMS Health)
 Notes: The financial information presented with respect to the financial years ended 31 December 2008 through 2013 has been derived from the audited consolidated financial statements of Galenica AG and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business (please refer to the footnote on page 4)
 Not including Verfora (former Vifor Consumer Health)
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 4 Calculated as (EBITDA-capex)/EBITDA. 2014-19 EBITDA excludes IAS 19 and IFRS 16 adjustment; capex includes investments in tangible and intangible assets, details adjustments, Annual report 2019, pages 95, 96 and 97
 5 Adoption of IFRS15 starting from 2017.
 6 2017 cash conversion without acquisition trademark Merfen 78%
 7 2017 EBIT including one-off effect (CHFm 7.0), comparable EBIT CHFm 141.3
 8

4 ... demonstrating strong performance in both segments



◆ EBIT margin (%)

CAGRs

Source: Company information, Galenica Annual Reports

Note: The financial information presented with respect to the financial years ended 31 December 2008 through 2013 has been derived from the audited consolidated financial statements of Galenica AG and represent its Logistics, Retail and Other (Healthcare Information) businesses, excluding the Pharma business (please refer to the footnote on page 4)

¹ Adoption of IFRS15 starting from 2017.

² 2017 including one-off effects (CHFm 7.0), comparable EBIT CHFm 43.6 and ROS 1.8%

³ 2014-16 EBIT from combined financial statements, 2017 and 2018 EBIT, excludes IAS 19 expense, 2019 excludes IAS 19 expense and effects of IFRS 16 leasing, details adjustments, Annual report 2019, pages 95 and 96

5 Corona pandemic decelerated our business

- Sales
- EBIT
- New projects
- Ongoing projects



COVID-19 “highs”

5 The way we dealt with corona challenges was a highlight

- high increase in digital demand
- stronger link between online and offline world → Omni-channel!
- Bichsel classified as a systemically important company

”

THANKS TO THE GREAT COMMITMENT OF ALL EMPLOYEES, BASIC SUPPLY OF MEDICATIONS IN SWITZERLAND ASSURED AT ALL TIMES.



5 Results improved despite COVID-19 !

”

DESPITE COVID-19, WE CLEARLY EXCEEDED MARKET GROWTH WITH SALES , AND WE FURTHER IMPROVED EBIT AND NET PROFIT.

NET SALES

+5.6%

Galenica Group
CHF 1,690.4
million

EBIT¹⁾

+3.0%

Galenica Group
CHF 83.6 million

NET PROFIT¹⁾

+5.3%

Galenica Group
CHF 68.4 million

¹⁾ adjusted: excluding the effects of IAS 19 and IFRS 16

5 Some key figures from March 2020 - Retail

~ 30

COVID-19 infos
to employees

1'700

plexiglas safety
barriers

+ 220%

online-sales



5 Some key figures from March 2020 – Products & Brands

+ 717%

Septo Clean®
sales

+ 49%

Eubos®
sales

+ 51%

Algifor®
sales



5 Some key figures from March 2020 - Services

6 x

more online-order
packages / day

700'000

packages per
day peak

+ 60%

logistics volumes



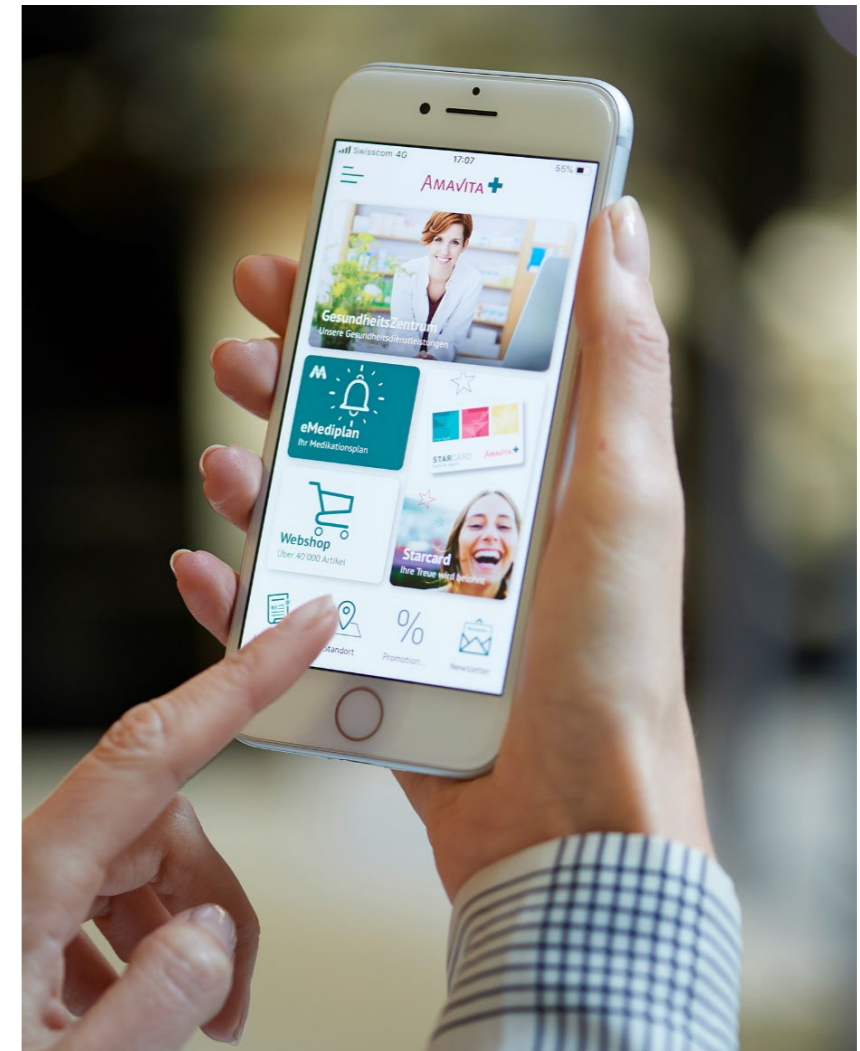
Conclusions

5 The pandemic has clearly ...

”

... DEMONSTRATED THE KEY ROLE THAT THE GALENICA GROUP PLAYS IN THE SWISS HEALTHCARE MARKET.

... BOOSTED THE USE OF DIGITAL CHANNELS AND CONFIRMED OUR OMNI-CHANNEL STRATEGY.



5 Despite COVID-19 we further developed operations

6
new own
pharmacies

1
new mail-
order
pharmacy

3
new partner
products

1
company
acquisition

”
THE PHARMACY NETWORK
WAS EXTENDED BY 6 NEW
LOCATIONS AND VERFORA
STRENGTHENED ITS
PARTNERSHIPS AND
PRODUCT PORTFOLIO.

5 Business outlook 2020



Pharmacy network further developing



Expanding digital market presence



Broad-based launch mail-order pharmacy

”

WE WILL CONTINUE TO FURTHER DEVELOP OUR PHARMACY NETWORK AND CONSISTENTLY EXPAND THE DIGITAL MARKET PRESENCE.



Integration new licenced products



Launch of Vita-Merfen®



ERP & construction work projects

5 New Head Services Business Sector as of 1st September 2020



Christoph Amstutz
Head Services Business Sector

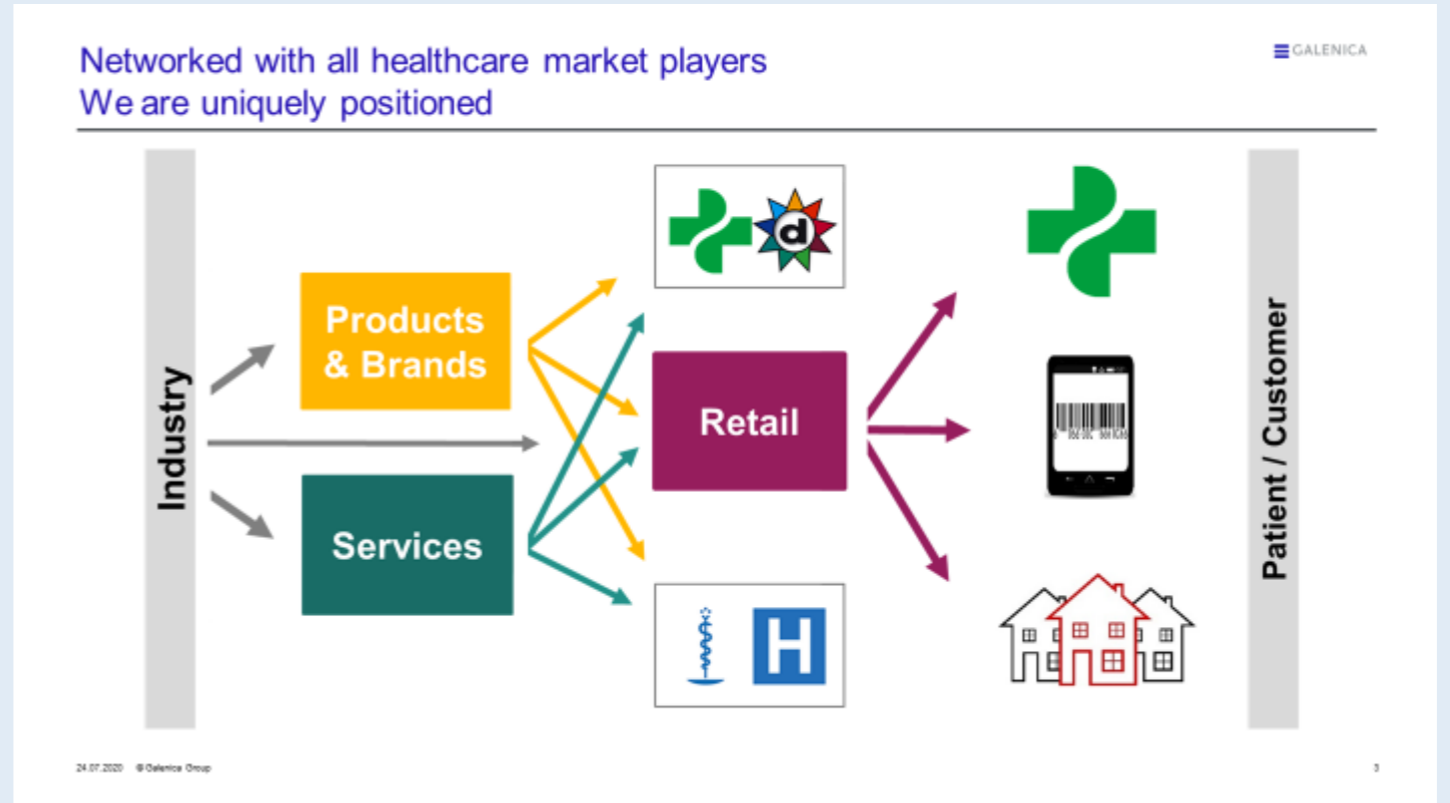
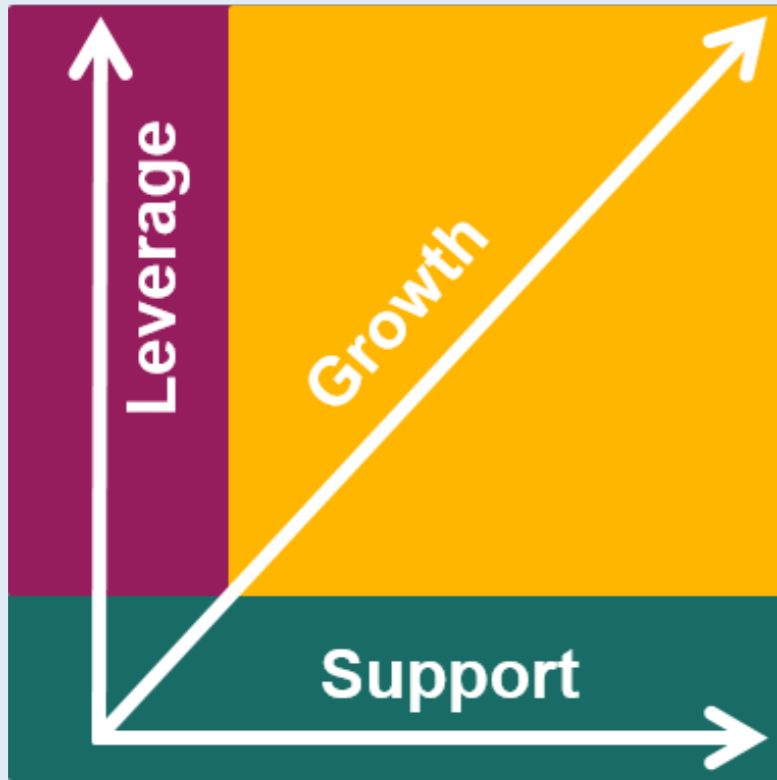
till 30 August 2020



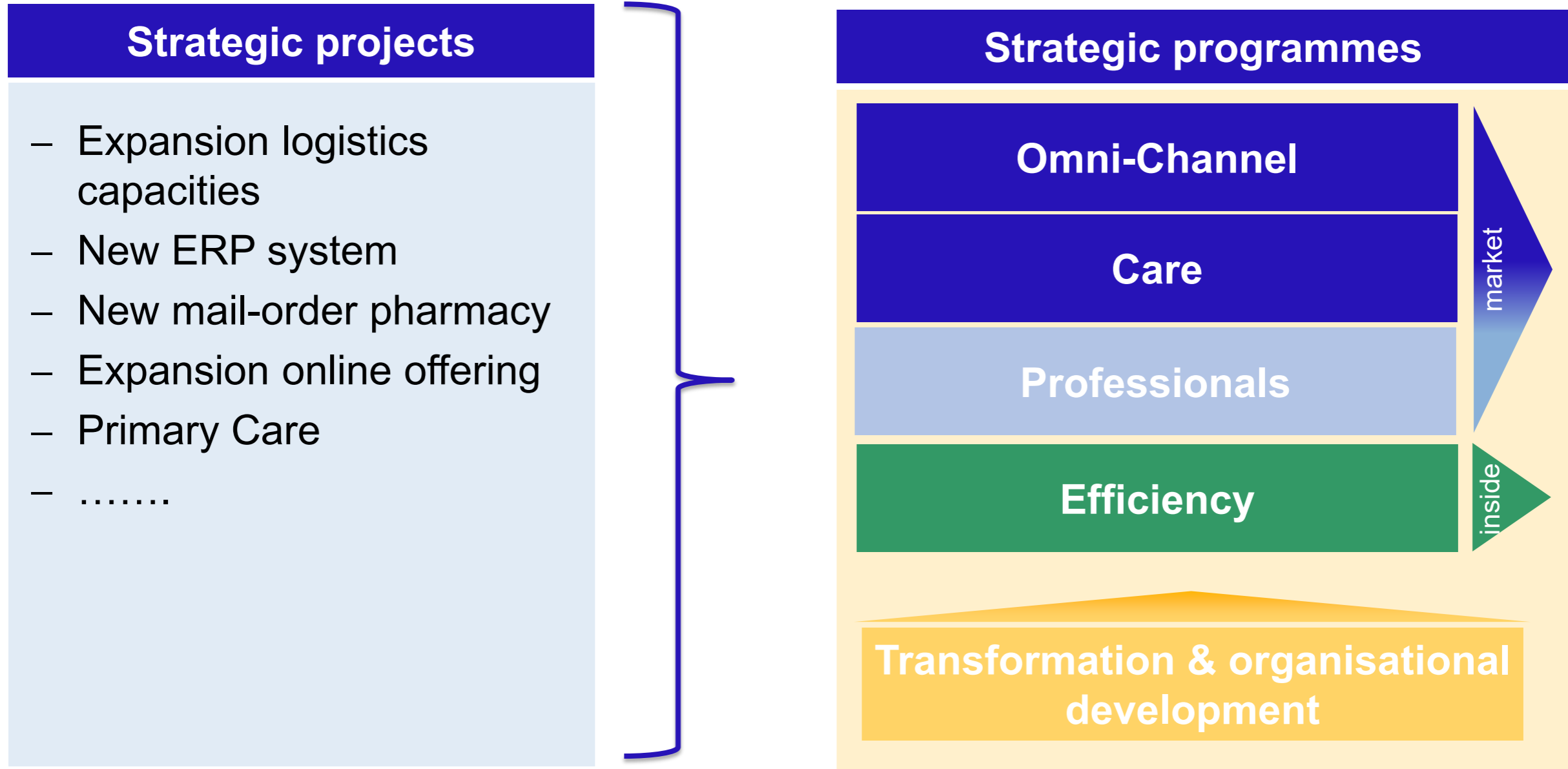
Andreas Koch
Head Services Business Sector

as of 1st September 2020

5 Strategic frame and business model



5 Analysis of strategic framework



5 We want to shape the change!

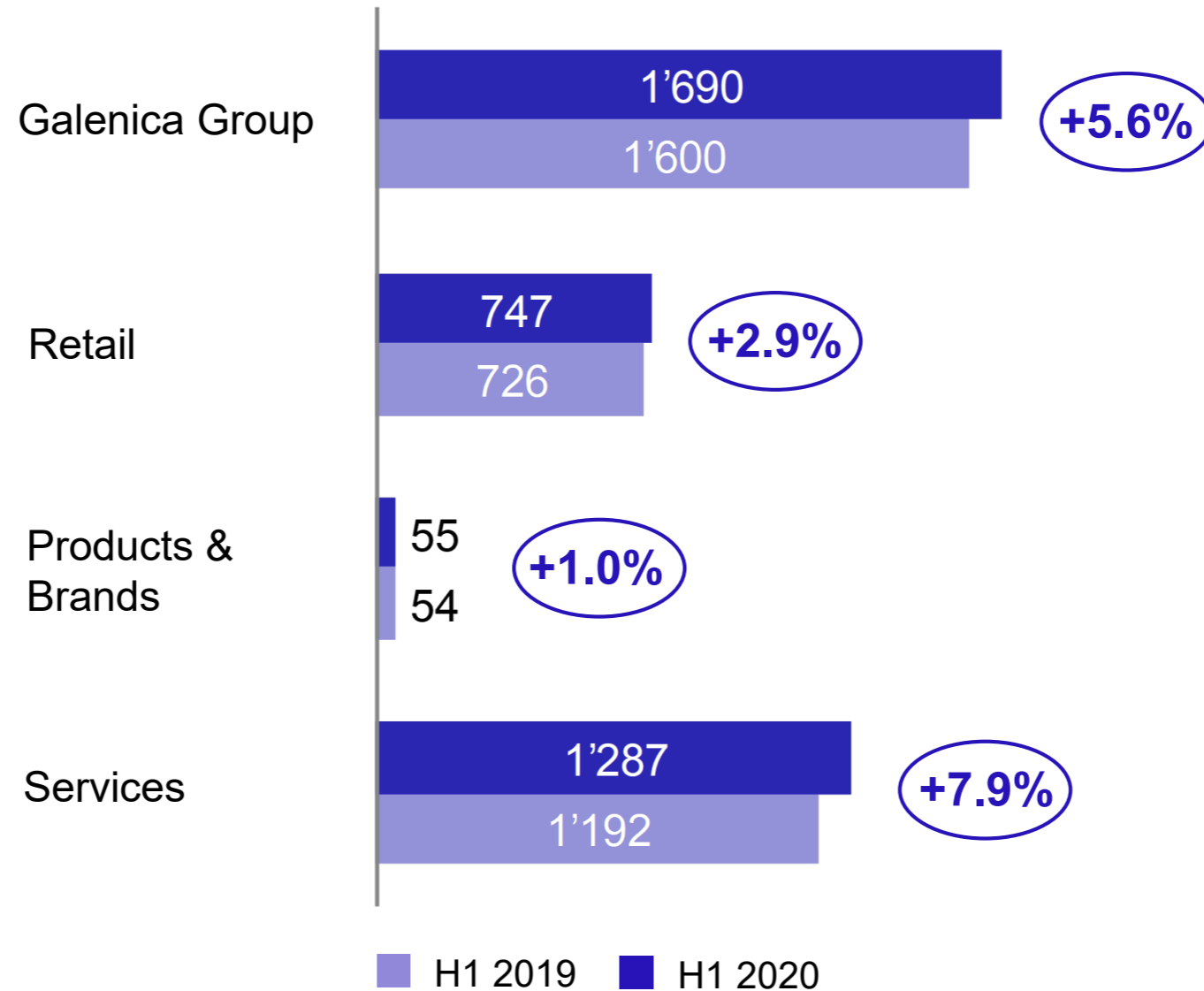
WHAT
we do
and ...



... **HOW**
we do it.

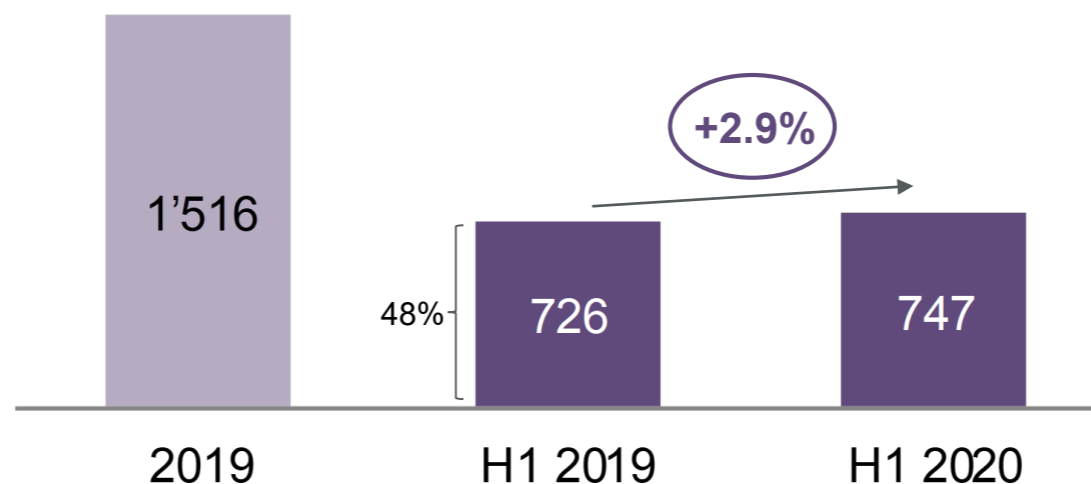
6 Strong sales growth

Net sales (in CHF million)



6 Sales growth driven by expansion

Net sales (in million CHF)



Elements of growth:

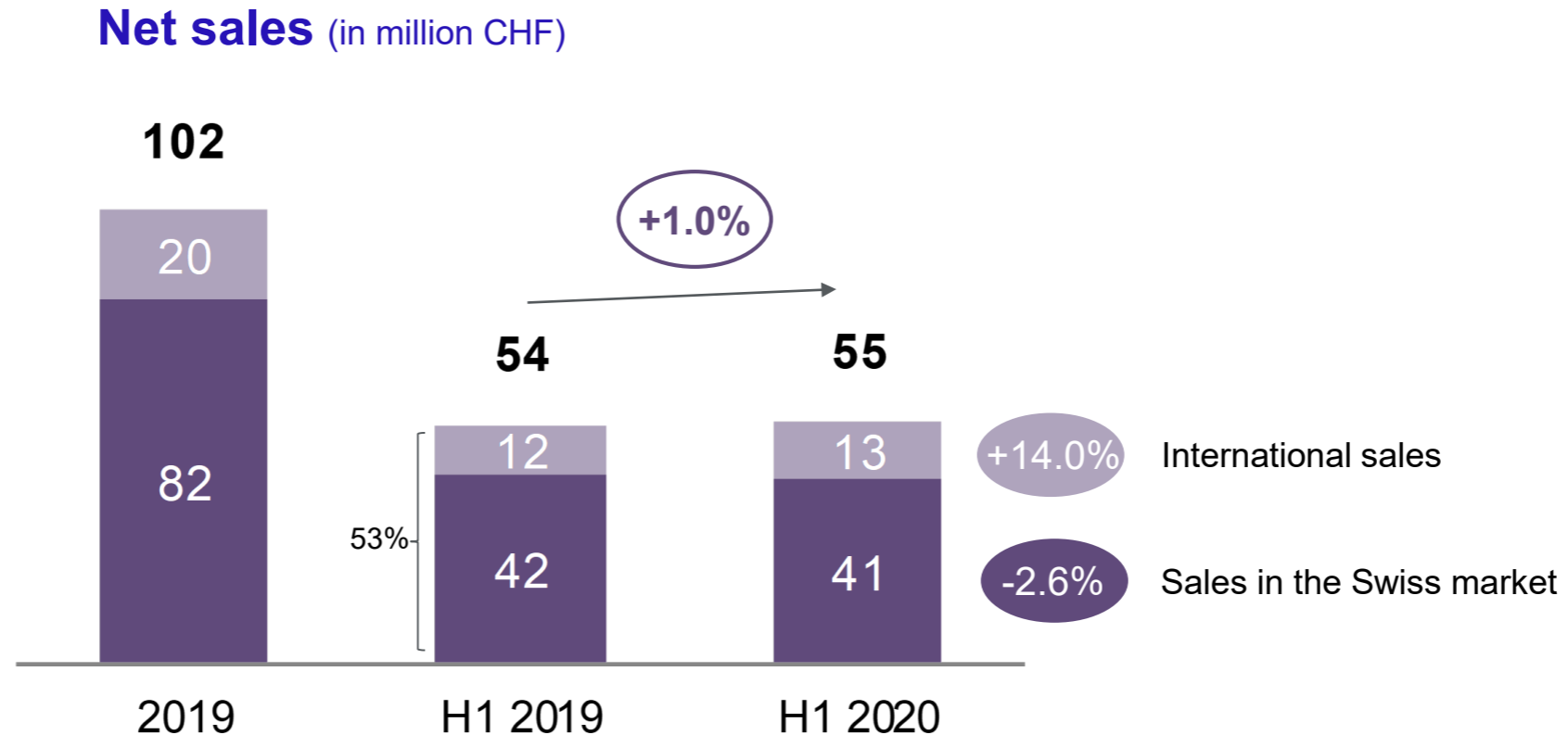
	2019	H1 2019	H1 2020
Expansion¹⁾:	+5.6%	+5.1%	+4.3% thereof Bichsel Group: +3.2%
Organic²⁾:	+0.4%	-0.7%	-1.4%
thereof impact of price reductions ³⁾ :	-1.8%	-1.9%	-1.9%
thereof one-time effect of process optimisation ⁴⁾ :			-1.3%

→ Estimated impact of COVID-19 on sales: -1%

→ Ongoing COVID-19 impact on high-frequency locations (part of around 10% of sales of Amavita and Sun Store pharmacies)

1) Calculated for points of sale without a full year period comparison, Half-year Report 2020, page 28
 2) Consolidated net sales minus expansion effect, Half-year Report 2020, page 28
 3) Mandatory price reductions of reimbursed medications of the specialities list, calculated based on volumes of previous period, Half-year Report 2020, page 28
 4) As a part of a process optimisation, various intersegmental sales transactions were discontinued at the beginning of 2020.

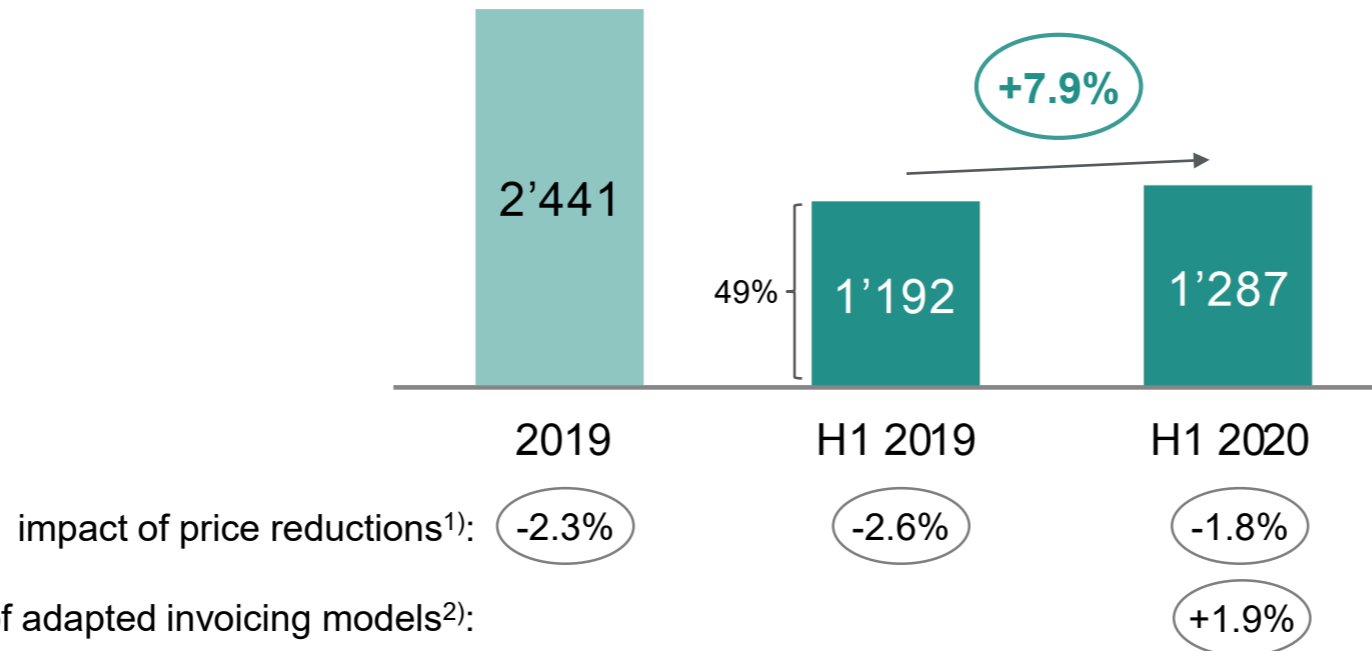
6 Strong growth of international sales



→ New distribution of Bucco-Tantum[®], Omni-Biotic[®], launch of Veractiv[®] and discontinuation of distribution of Ginsana[®] and Equazen[®] with +2.6% net impact on Swiss market sales growth

6 Strong sales growth

Net sales (in million CHF)



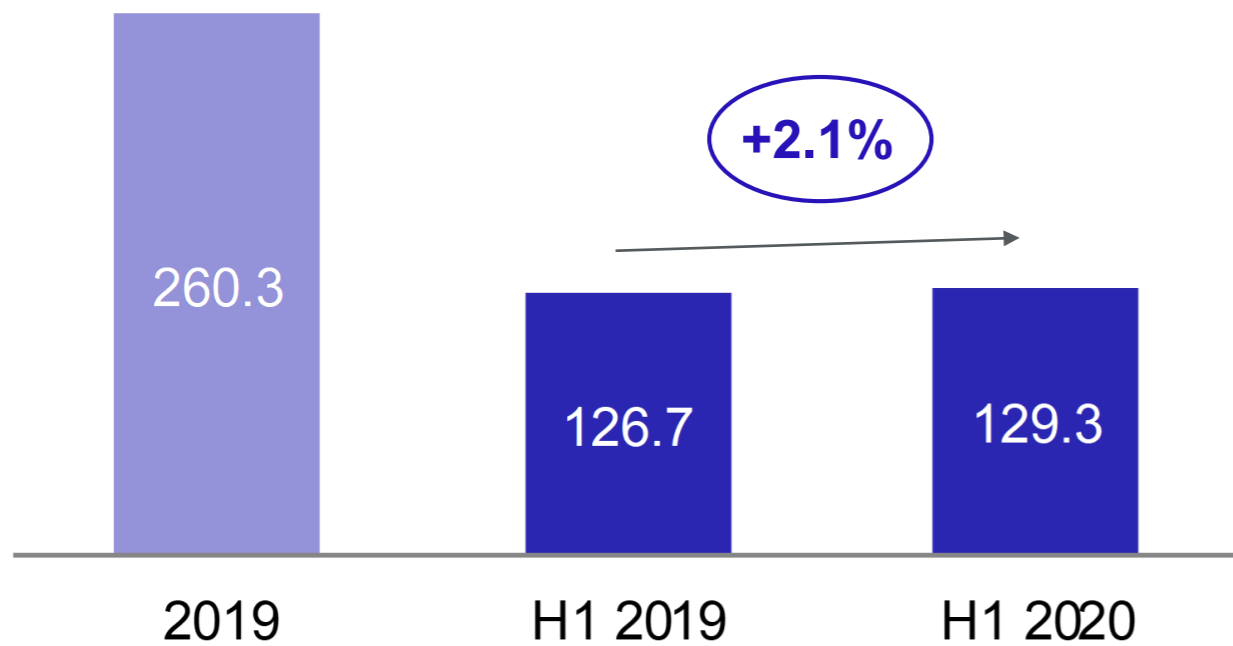
- Estimated impact of COVID-19 on sales: +3%
- Growth of 5.9% in the pharmacy wholesale market (63% of net sales)
 - thereof 3.0% thanks to the expansion of the Retail business sector
- Growth of 10.4% in the physician wholesale market (26% of net sales)

1) Mandatory price reductions of reimbursed medications of the specialities list, calculated based on volumes of previous period, Half-year Report 2020, page 28

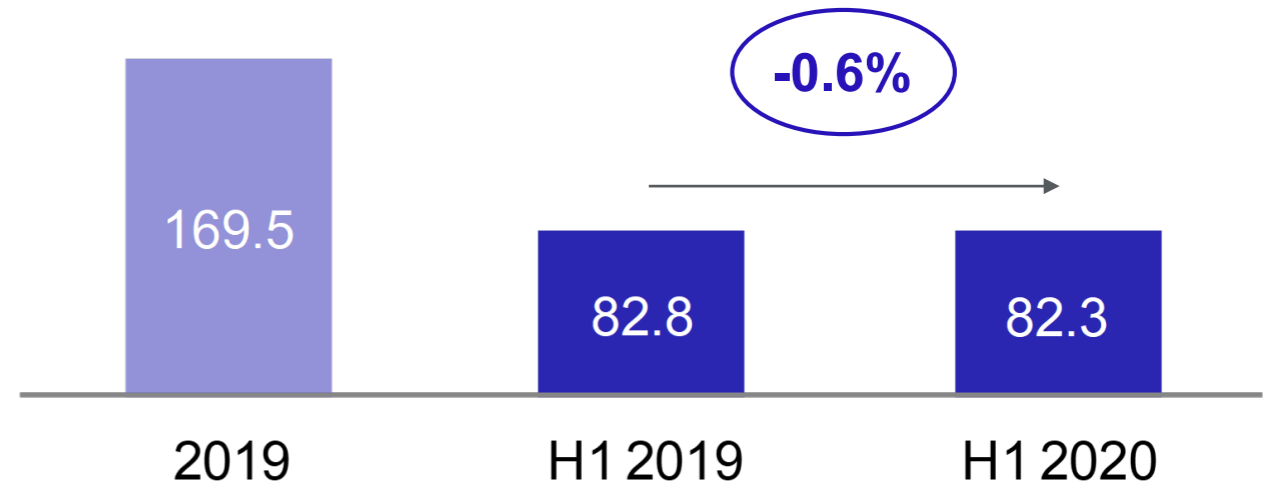
2) In the context of the new Ordinance on Integrity and Transparency in the Therapeutic Products Sector (OITTP), agreements with suppliers as well as invoicing models were adapted to the new transparency obligations, which influenced the sales development in the Services business sector.

6 Solid results

EBITDA (in million CHF)



EBIT (in million CHF)



6 EBITDA and EBIT adjustments¹⁾

EBITDA (in million CHF)

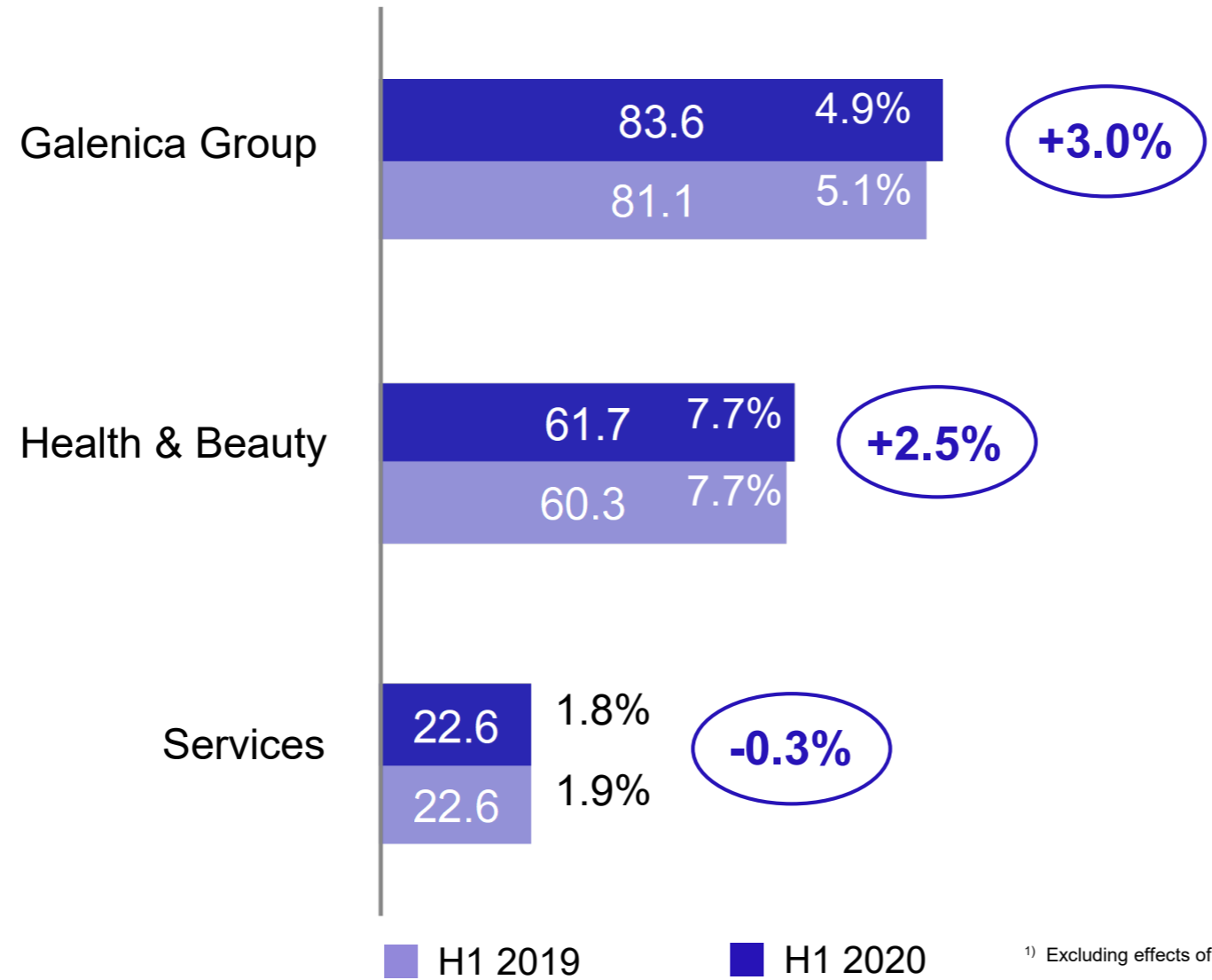
EBIT (in million CHF)

	H1 2019	H1 2020		H1 2019	H1 2020
EBITDA	126.7	129.3	EBIT	82.8	82.3
Adjustment IAS 19	-0.3	2.4	Adjustment IAS 19	-0.3	2.4
Adjustment IFRS 16	-24.6	-26.4	Adjustment IFRS 16	-1.4	-1.1
EBITDA adjusted	101.8	105.3	EBIT adjusted	81.1	83.6

¹⁾ Details of the adjustments in the Half-year Report 2020, pages 29 and 30

6 EBIT growth despite negative COVID-19 impact

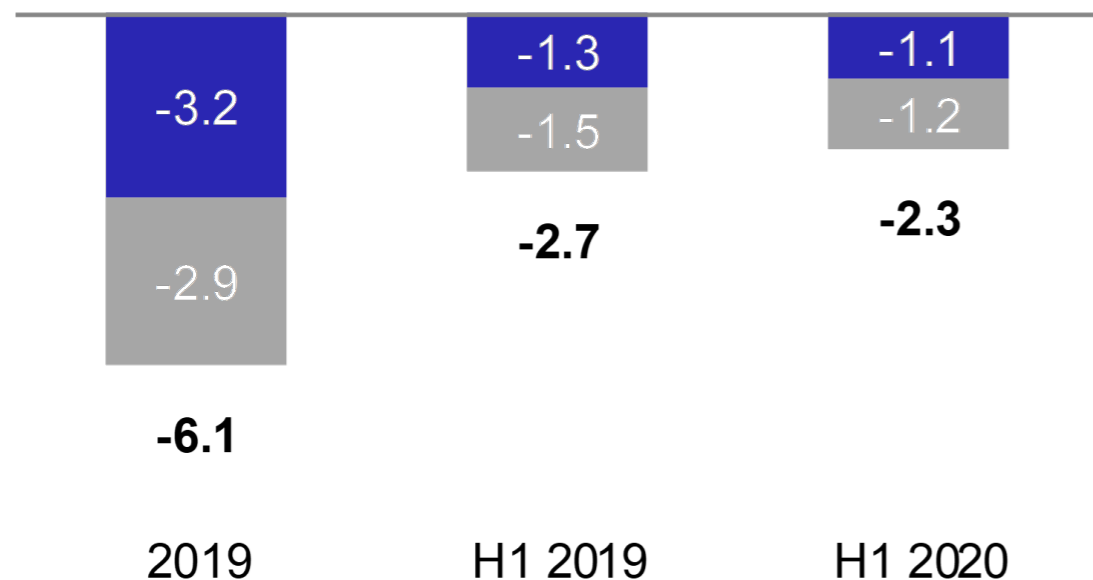
EBIT and EBIT margin adjusted¹⁾
(in million CHF / %)



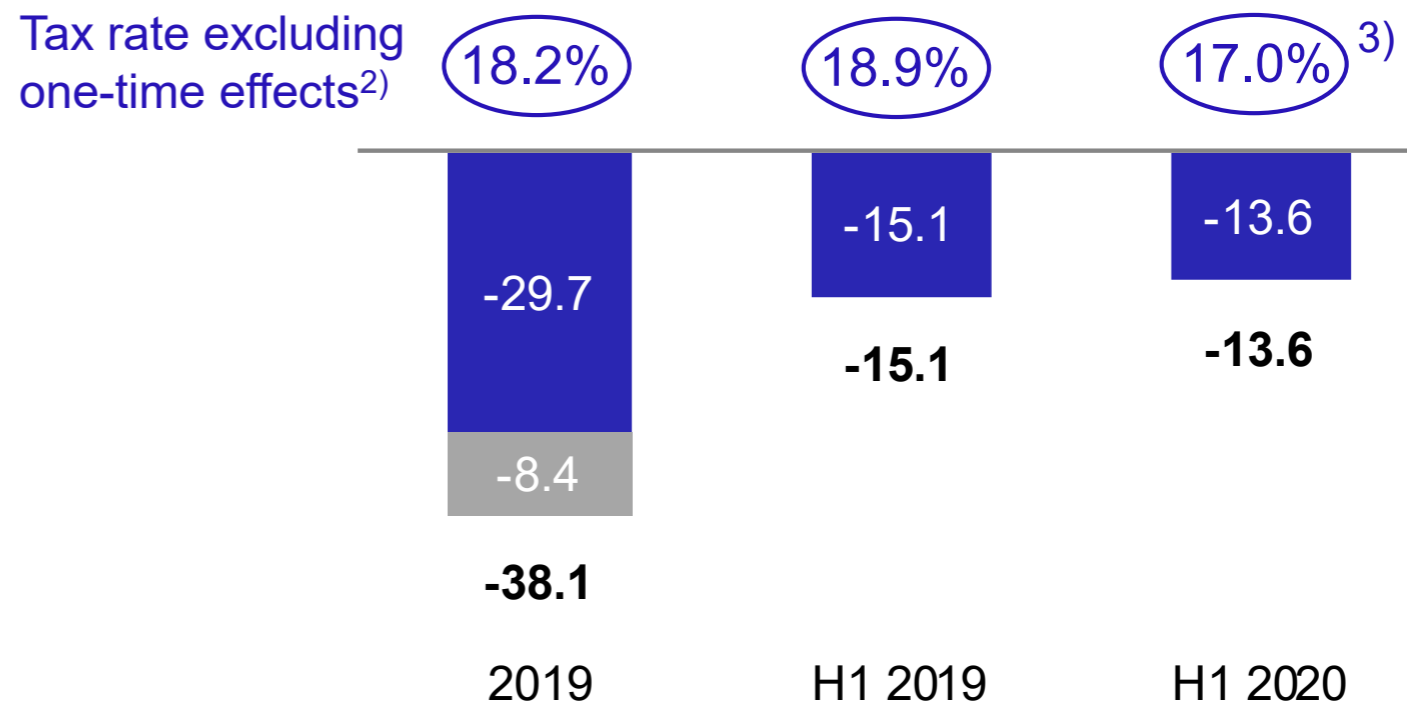
¹⁾ Excluding effects of IAS 19 and IFRS 16, Half-year Report 2020, pages 29 and 30

6 Financial result and taxes

Financial result (in million CHF)



Taxes (in million CHF)



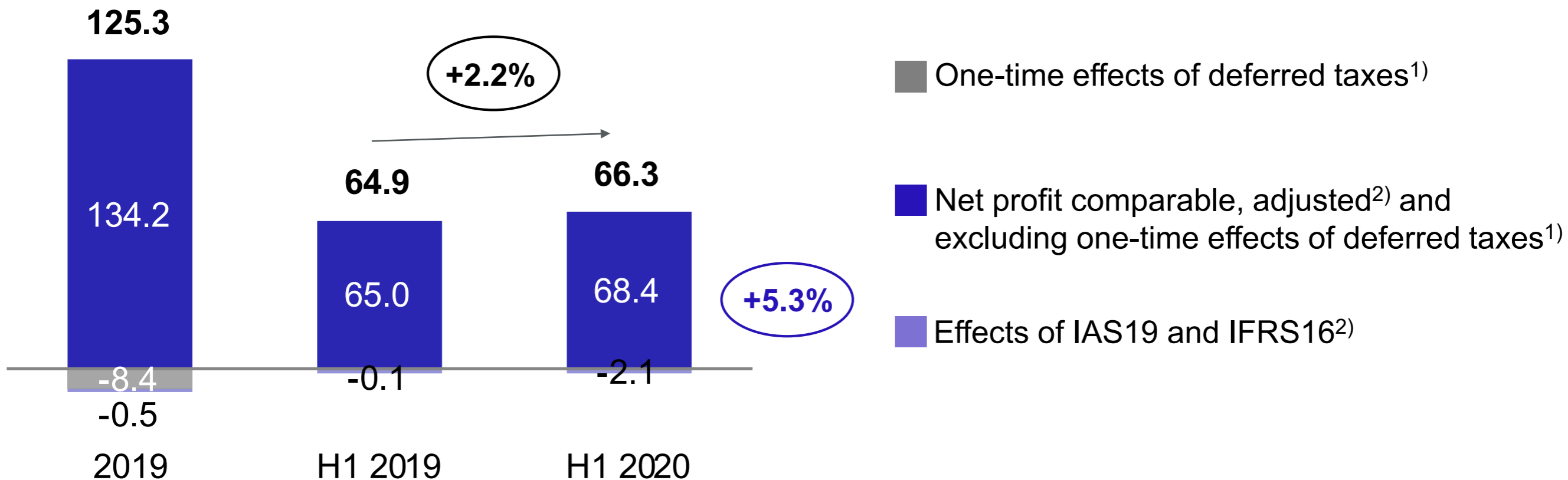
■ Financial result adjusted ¹⁾
 ■ Effects of IAS19 and IFRS16 ¹⁾

■ Taxes excluding one-time effects
 ■ One-time effects of deferred taxes 2019 ²⁾

¹⁾ Details of the adjustments of IAS19 and IFRS16 effects, in the Half-year Report 2020, pages 29 and 30
²⁾ Details of one-time effects of deferred taxes, in the Annual Report 2019, pages 118 and 119
³⁾ Tax rate would be at 17.9% excluding the effects of changes in tax rates of +0.7 million CHF

6 Pleasing net profit growth

(in million CHF)



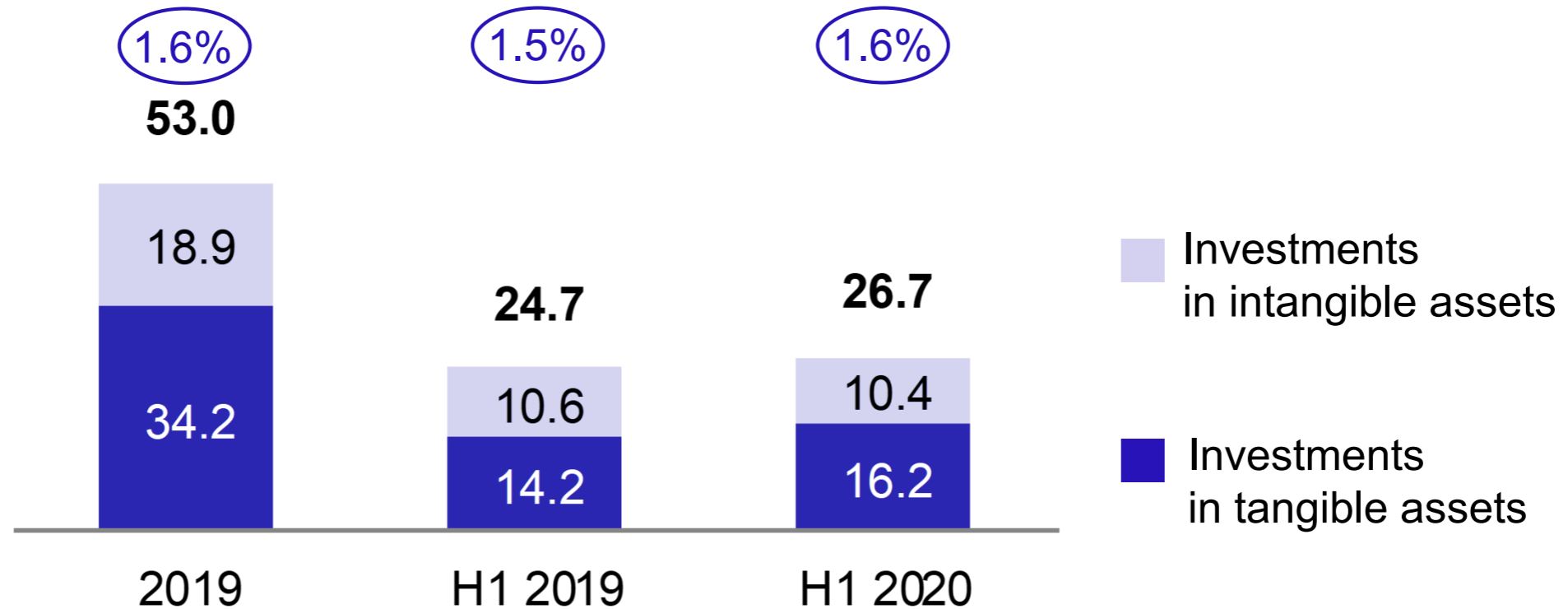
¹⁾ Details of one-time effects of deferred taxes, in the Annual Report 2019, pages 118 and 119

²⁾ Details of the adjustments of IAS19 and IFRS16 effects, in the Half-year Report 2020, pages 29 and 30

6 Investments

(in million CHF)

% of net sales



- COVID-19 has delayed the strategic efficiency projects in the Services business sector:
 - Replacement of the ERP system in Wholesale and Prewholesale
 - Duration of the project expected until 2023 with investments to be made of ~CHF 13 million
 - Renovation and modernisation distribution center Lausanne-Ecublens
 - Duration of the project expected until 2022 with investments to be made of ~CHF 22 million

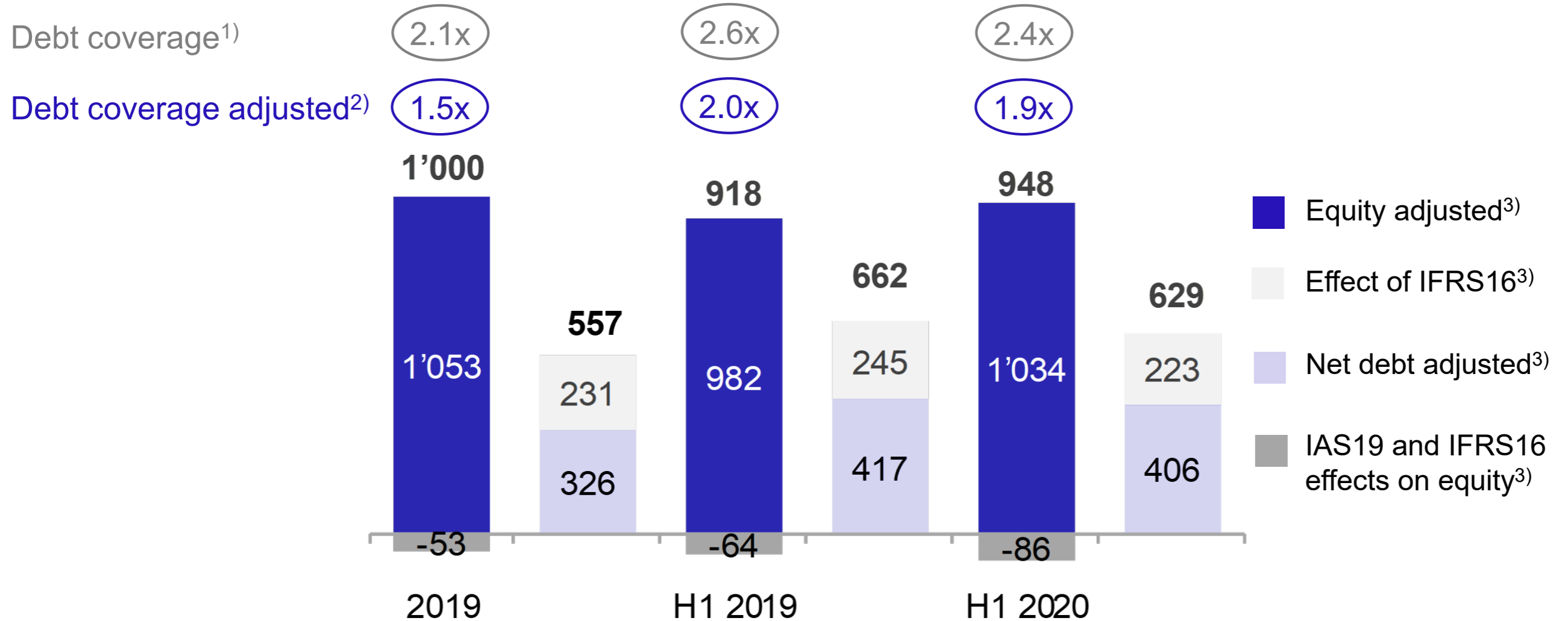
6 Solid free cash flow¹⁾

(in million CHF)

	H1 2019	H1 2020	Change
Cash flow from operating activities before working capital changes	116.0	118.7	+2.7
Payment of lease liabilities	-23.4	-24.4	
Cash flow from operating activities before working capital changes adjusted	92.6	94.3	+1.7
Working capital changes	-41.2	-53.9	
Cash flow from operating activities adjusted	51.5	40.4	-11.0
Cash flow from investing activities without M&A	-24.6	-22.1	
Free cash flow before M&A	26.8	18.4	-8.5
Cash flow from M&A	-54.6	-2.4	
Free cash flow	-27.8	16.0	+43.8

6 Solid balance sheet

(in million CHF)



¹⁾ Net debt / EBITDA, Half-year Report 2020, page 33

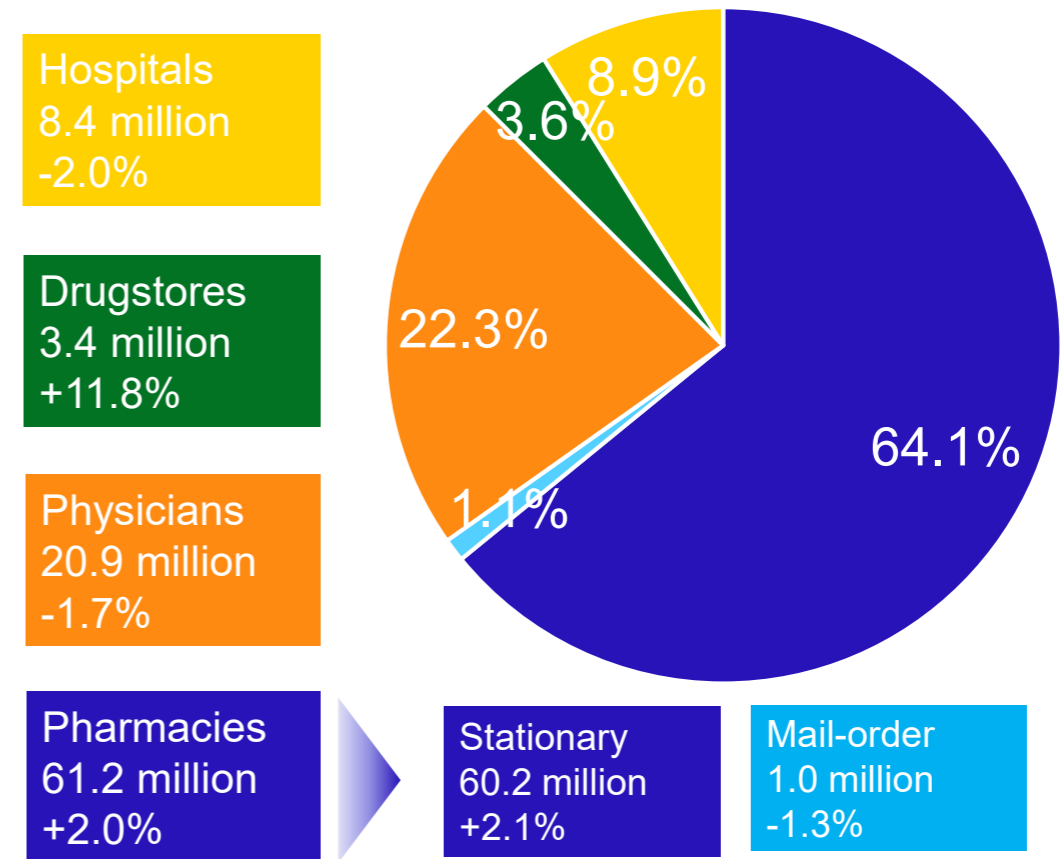
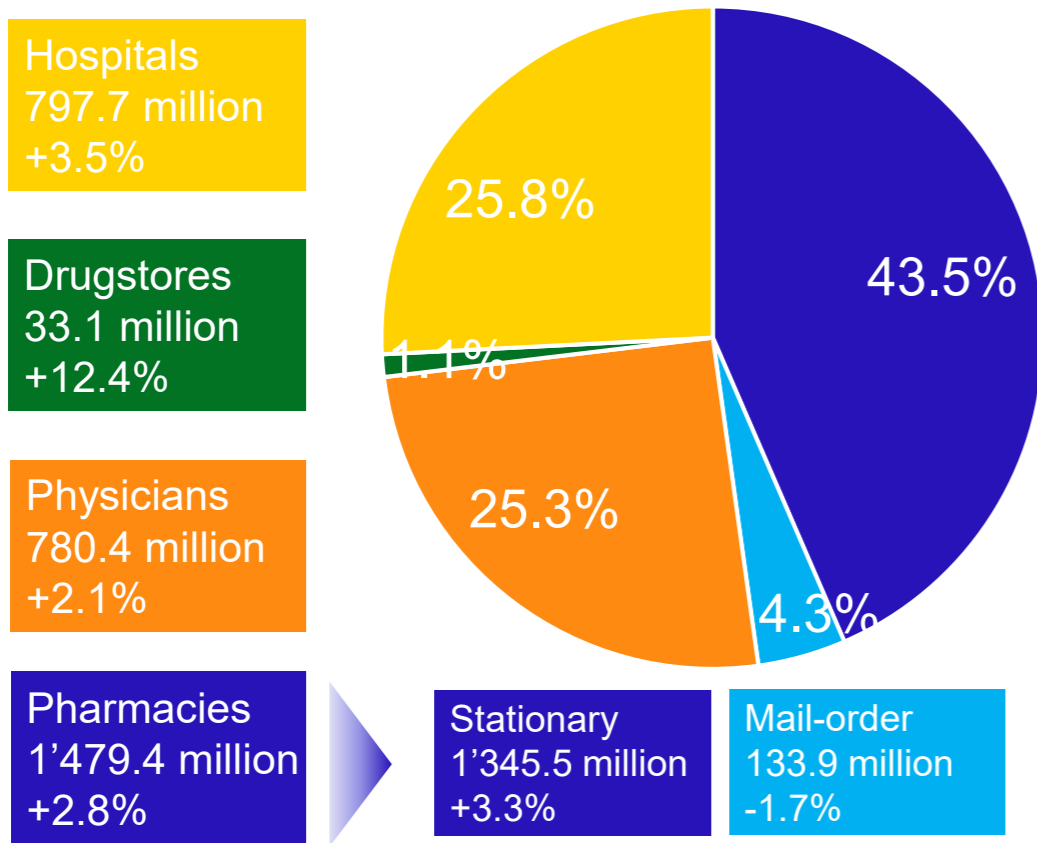
²⁾ Net debt adjusted / EBITDA adjusted excluding effects of IAS19 und IFRS16, Half-year Report 2020, page 33

³⁾ Detail of the adjustments in the Half-year Report 2020, page 32

7 Swiss pharmaceutical market by channel YTD June 2020

Value (ex-factory): CHF 3'090.6 million
 CHF +87.6 million / **+2.9%**

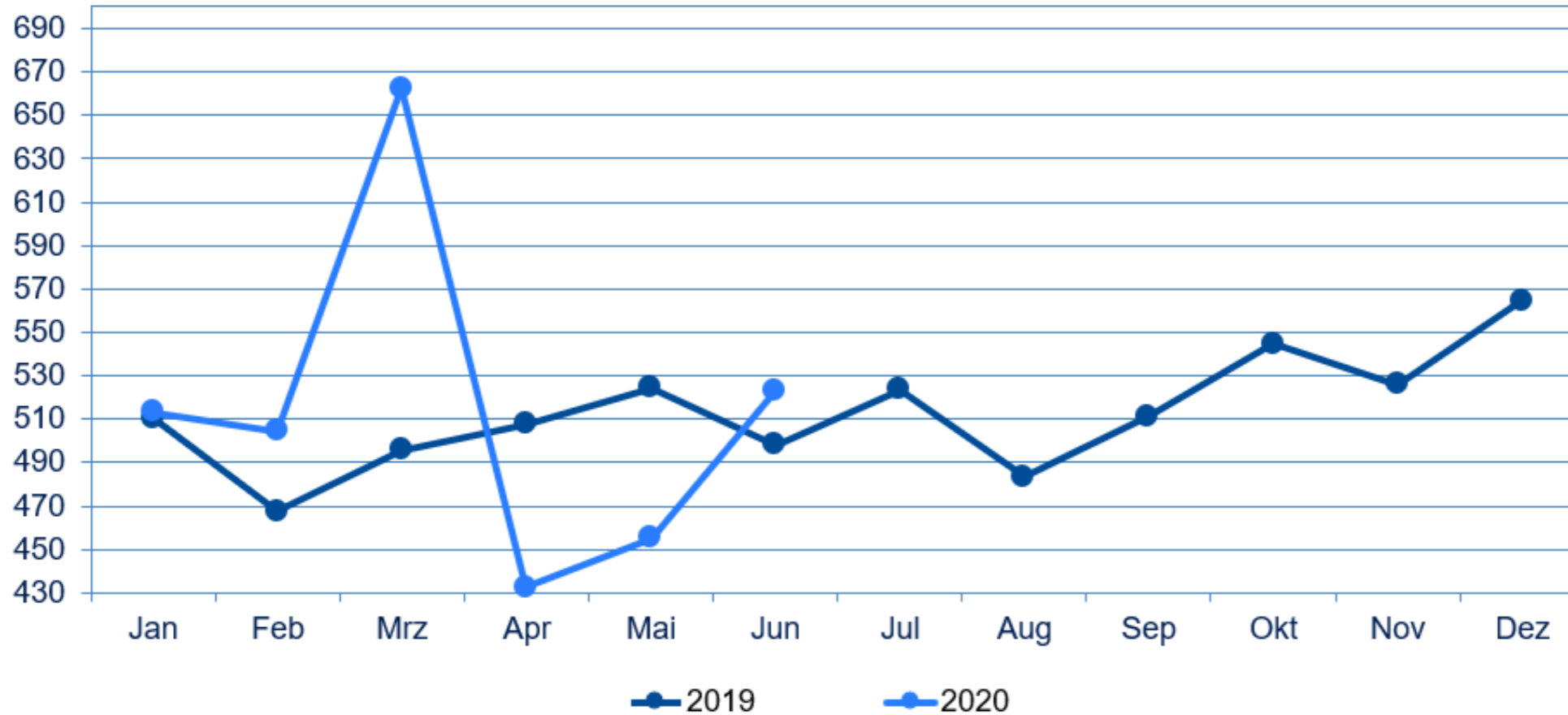
Volume (packs): 93.9 million
 +1.0 million / **+1.1%**



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

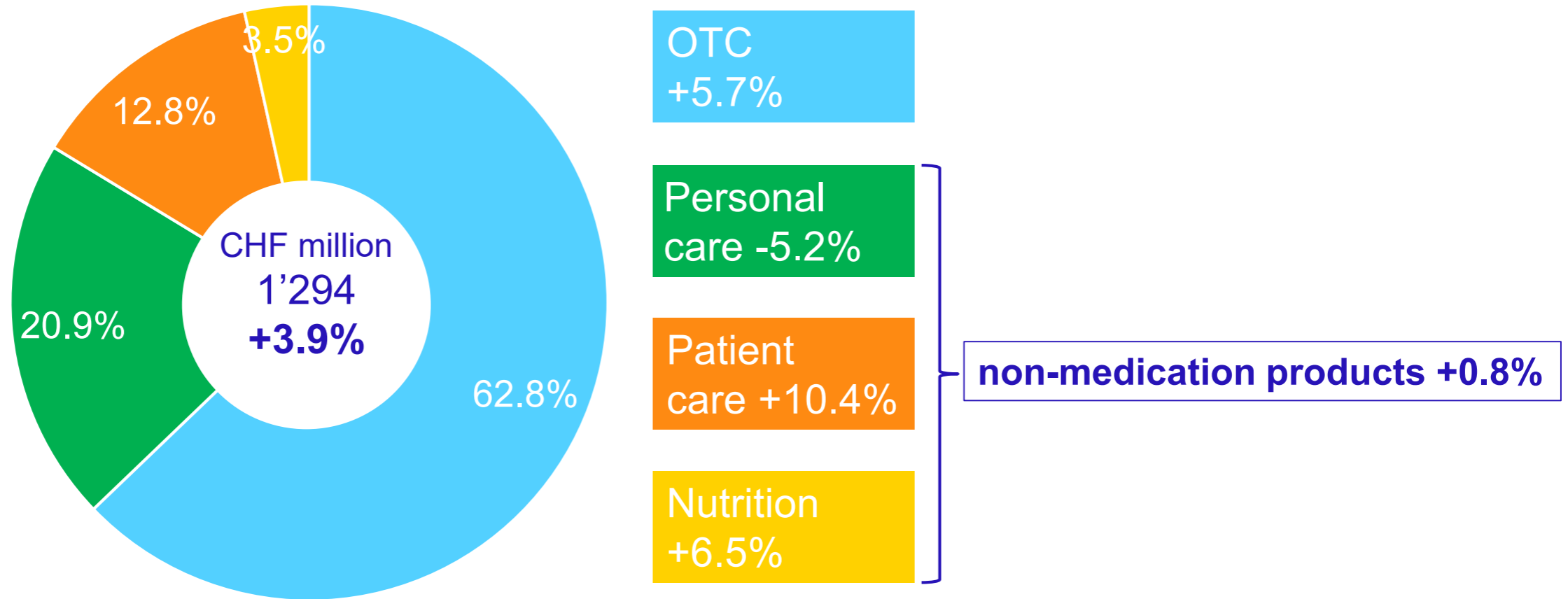
7 Swiss pharmaceutical market monthly development

Value (ex-factory) YTD June 2020: CHF 3'090.6 million
CHF +87.6 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

7 Consumer healthcare market YTD June 2020

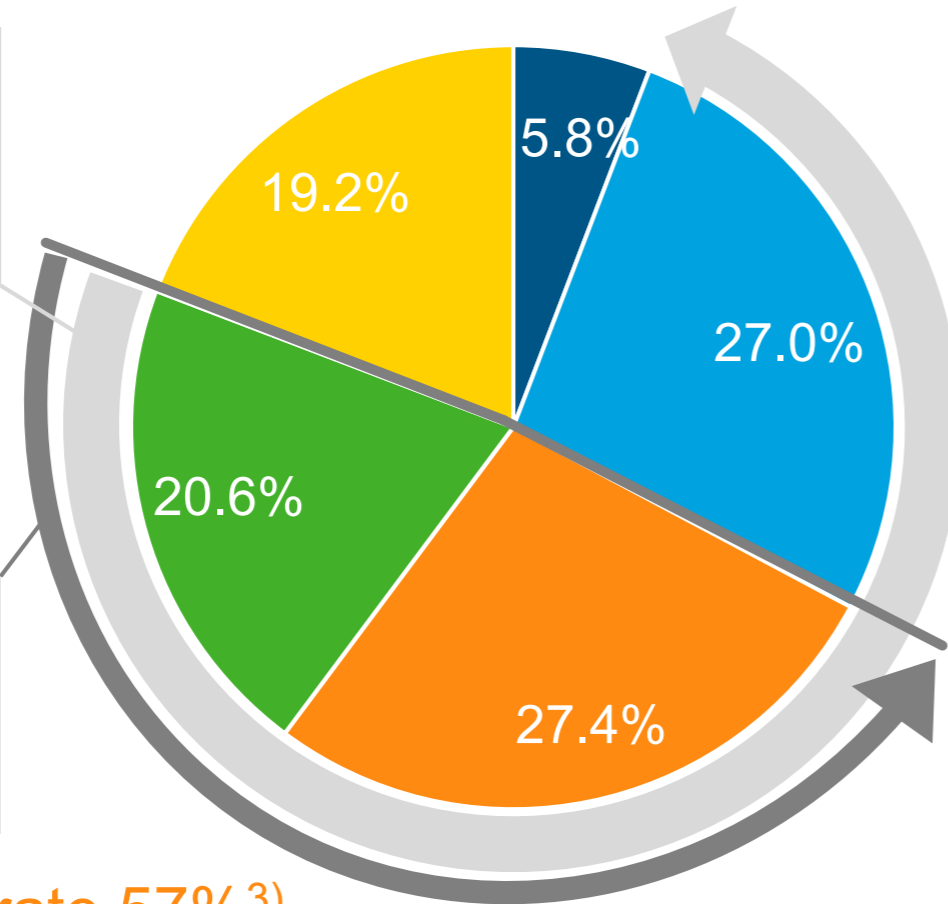


Source: Pharma Trend for pharmacies and drugstores in Switzerland, streetprices

7 Generics growth (in volume) in the pharmacy channel 2019

Market with generics potential
56.4 million
+0.2%

Market with generics
36.1 million
+4.5%



Total Packs reimbursable by health insurance

75.2 million / +0.9%

Patent protected products	4.4 million / -2.2%
Products with expired patent protection without generics	20.3 million / -6.6%
Generics	20.6 million / +5.9%
Pharmacies Galenica Group⁴⁾	+9.1%
Originals ¹⁾	15.5 million / +2.7%
Others ²⁾	14.4 million / +4.2%

¹⁾ Products with expired patent protection and at least one generic

²⁾ 1. Natural substance (e.g. vitamins, minerals)

2. Non-therapeutic products (e.g. contraceptives, diet products)

3. Vaccines

4. Diagnostics

5. Biosimilars

6. Reference products

³⁾ Generics 20.6 million / market with generics 36.1 million = 57%

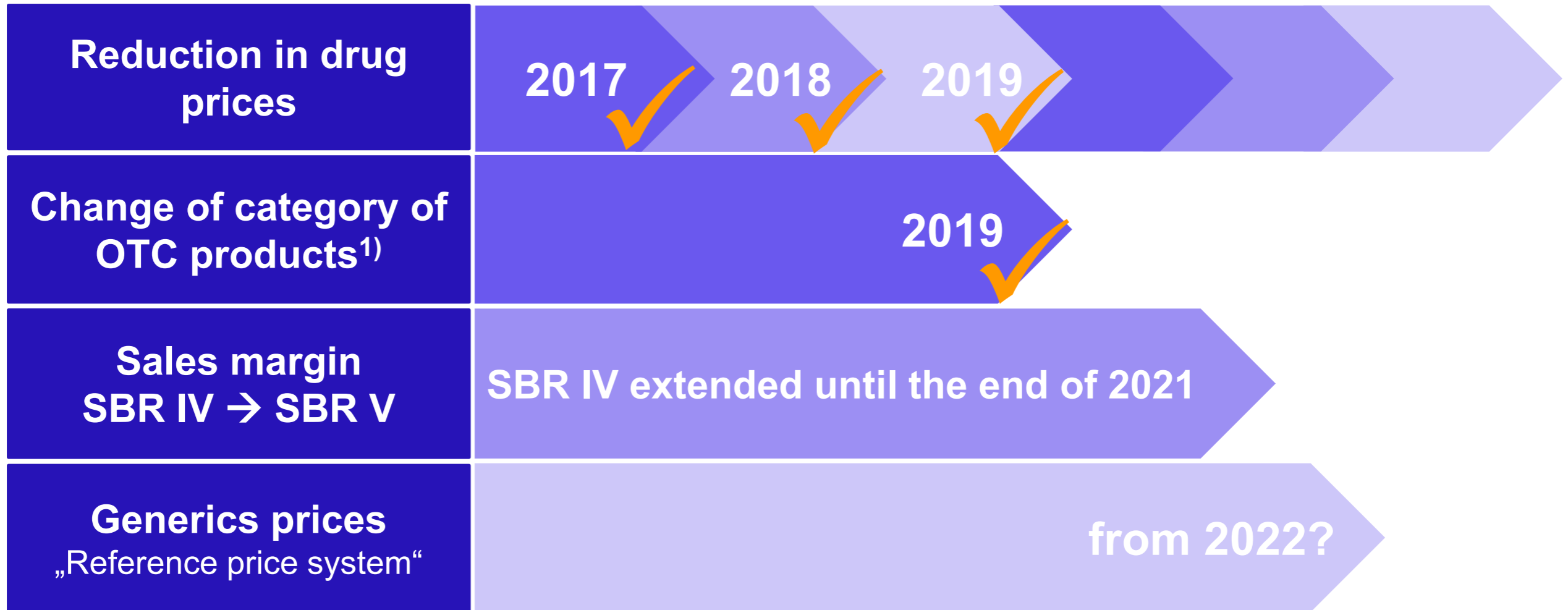
Substitution rate 57%³⁾

Pharmacies Galenica Group⁴⁾ 70%

Source: Market Segmentation, reimbursable products (FOPH) in the pharmacy channel
Monthly calculation basis, delineated market division, data as of December 2019

⁴⁾ Source: Galenica Group

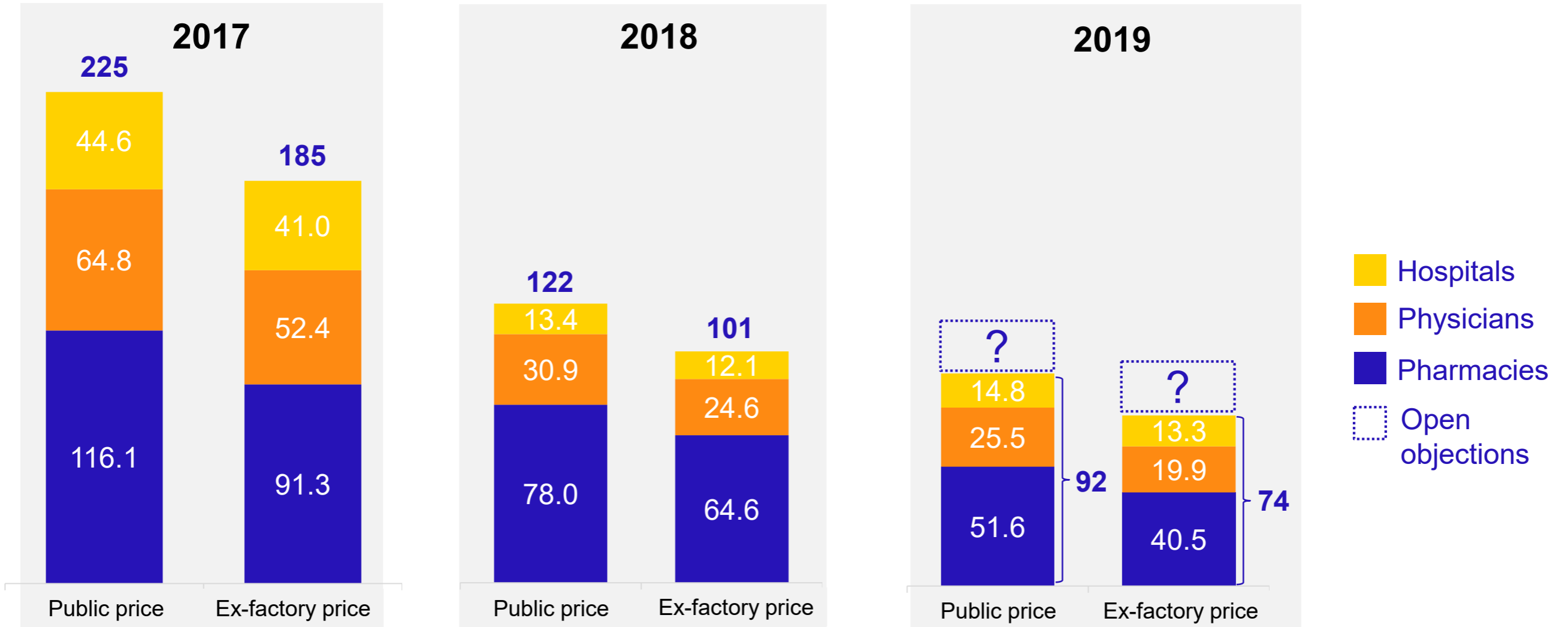
8 Authorities: measures and projects



1) Swissmedic categories C, D

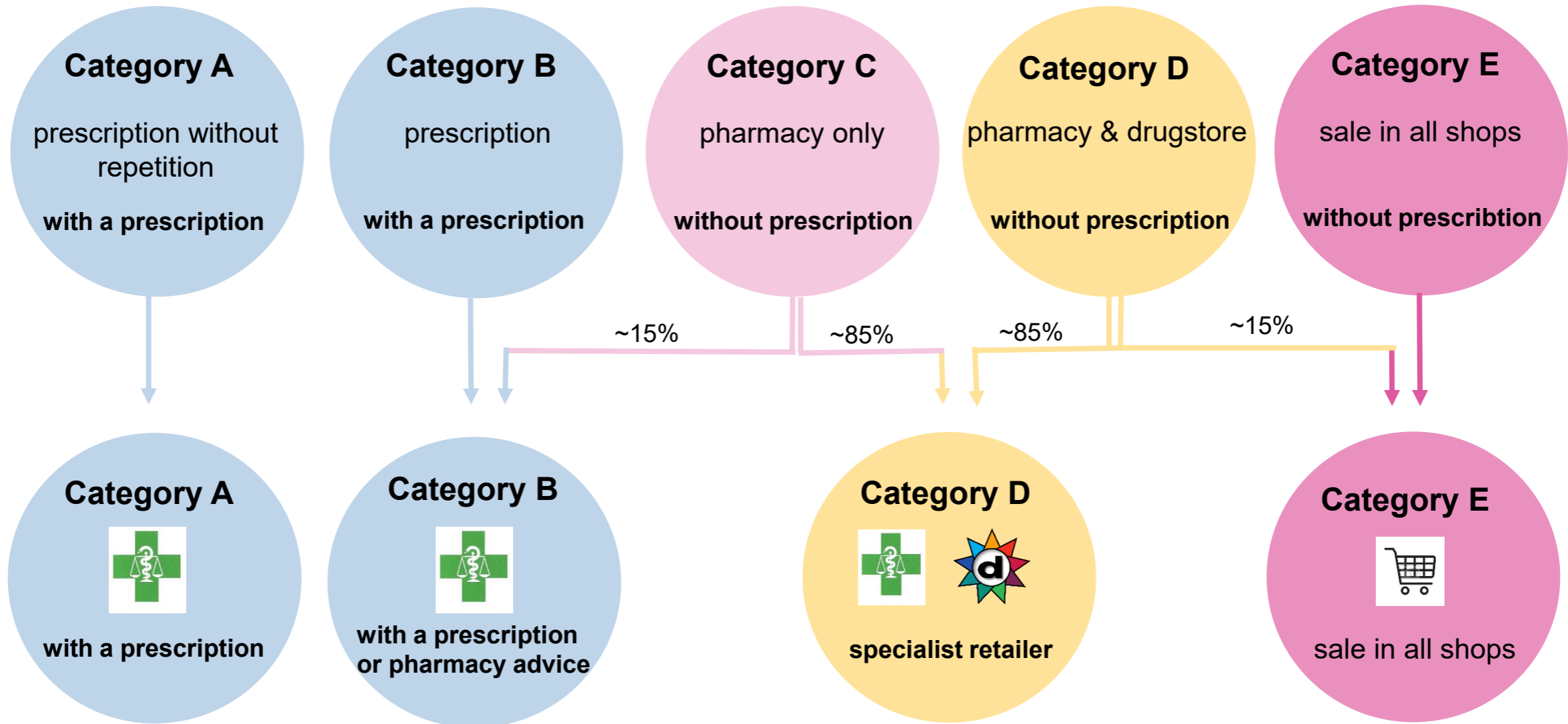
Price reduction rounds 2017 to 2019

8 Annual savings per channel at public and ex-factory price in million CHF



Analysis FOPH price reductions 2019 – Source: iQPharma - Input FOPH

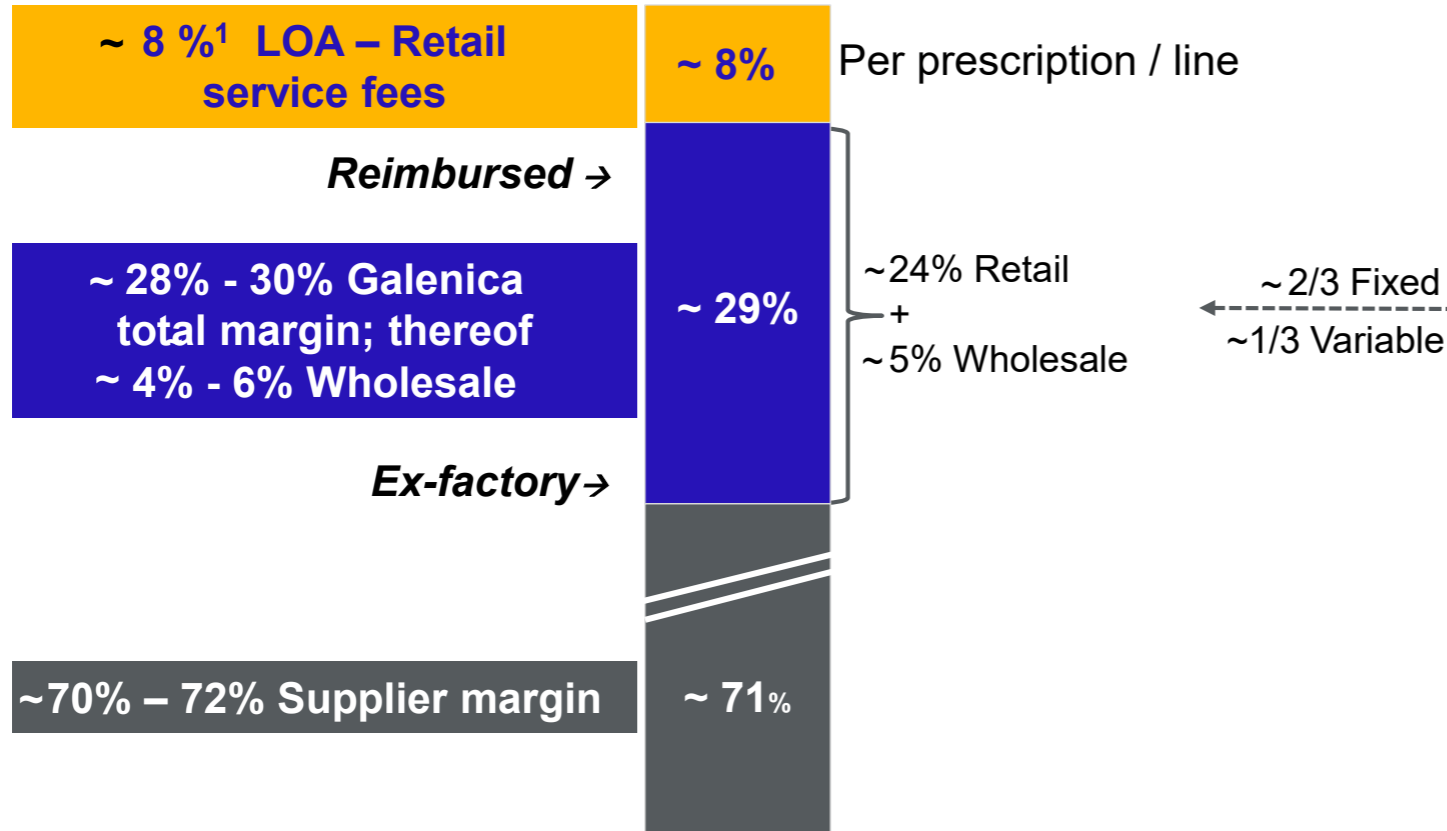
8 Reclassification of OTC's



8 Swiss Pharmaceutical market – composition of drug prices

Fixed margin elements help to offset price reductions

Composition of the price of a prescription/ reimbursable drug: c.3/4 of the retail margin secured by fixed elements



FOPH defines price and margin - Margin covers wholesale and retail

Ex factory price (in CHF)	+ price-related surcharge	+ surcharge per pack
0.05-4.99	12.0%	4.00
5.00-10.99	12.0%	8.00
11.00-14.99	12.0%	12.00
15.00-879.99	12.0%	16.00
880.00-2.569.99	7.0%	60.00
From 2.570.00	-	240.00

Source: Swissmedic and company information
 Note: FOPH stands for Federal Office of Public Health; sets prices based on basket of nine countries and quality aspects
 1 Based on Company internal figures.

LOA: Service based compensation

9 Outlook 2020

- Galenica Group net sales +2% to +5%
- EBIT (excluding the effects of IAS19 & IFRS16) approximately on prior year level
- Dividend for 2020 at least at prior year level

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