

Press Release

Bionorica posts record sales and plans further investments

- Sales up by 17.6 percent to EUR 297.6 million
- Market leader in numerous countries
- Making progress: More and more patients can be treated with Dronabinol
- Significant expansion in international research activities
- Investment record in 2018 expected
- Headcount in Germany: more than 1,000 for the first time

Dusseldorf, 2 March 2018 – Bionorica is looking back at a successful fiscal 2017. The pharmaceutical company enjoyed another increase in sales to EUR 297.6 million. This represents a substantial increase of 17.6 percent (2016: EUR 253.1 million). These were the figures provided by Professor Michael A. Popp, owner and CEO of Bionorica SE, during the presentation of the company's annual report.

In the case of pharmacy-only OTC medicines Bionorica achieved growth in all relevant segments: The company's worldwide OTC sales grew by 14.4 percent to EUR 272 million. As well as a substantial increase in the respiratory and gynaecological segment, the urology segment generated particularly dynamic growth with an increase in sales of 23.9 percent.

Overall, Bionorica was able to realise increased sales volumes in all countries where its products are distributed. Russia and Germany continue to be the company's strongest markets. In both countries, sales figures could be substantially increased in 2017. Sales of packages reached the 20 million mark for the first time in Russia, and 19.5 million in Germany.

In total, 39 million packages were sold outside Germany (2016: 37 million), equivalent to sales of EUR 160 million (2016: EUR 141 million). Including Germany, a total of around 58 million packages were sold worldwide. In the domestic market this represents sales of EUR 112 million (2016: EUR 97 million).

High equity ratio secures company's independence and dynamic growth

With an equity ratio of 79 percent (2016: 77 percent) the manufacturer of natural medicines has a sound foundation for further growth. "The capital strength of Bionorica is important to allow us to finance our growth by ourselves," says Professor Popp. In 2017, investments to secure further growth amounted to EUR 14.9 million, of which around EUR 11.3 million were for property, plant and equipment.

Market leader in numerous markets

Bionorica is the leading manufacturer on the German phyto-pharmaceutical market. "In terms of package sales, we further extended our market leadership in Germany," confirms Dr Uwe Baumann, Head of Global Business and Member of the Executive Board of Bionorica, adding: "This is especially gratifying given the fiercely fought market. In this case we have once again outperformed." For all core markets the company reported a two-digit increase in sales. Sinupret, the strongest Bionorica product on the German market, was able to record a sales increase of 16.4 percent, despite strong market campaigns by the competition, and it also further expanded its share of the market. Likewise Canephron, with 16.2 percent. Sales of Bronchipret could be increased by 15.2 percent and sales of Imupret by 14.5 percent. Apart from the long cold and flu season in winter 2016/2017, Professor Popp believes that the company's scientifically substantiated communications targeting doctors and pharmacists is another reason for the increased sales of respiratory tract medications.

Development of international markets forges ahead

In 2017 Bionorica continued to drive the development of new markets worldwide, in Europe, South and Central America and Asia. Bionorica has also launched successfully in the Iranian market, where seven Bionorica medications were approved and have been available since November 2017.

The company is also in the starting blocks in the Mexican market, which it plans to enter in 2019. "Mexico is a strategic market for us and offers good growth prospects," explains Dr Baumann.

Dronabinol – for more quality of life

Professor Popp and Dr Baumann welcomed the positive development in the prescribing of the active ingredient Dronabinol since the legislative amendment in Germany to allow reimbursement of cannabis medicinal products in March 2017. 11,000 patients were supplied with Dronabinol in 2017. That is almost three times as many people as in 2016. Worldwide sales figures for Dronabinol developed accordingly: At around EUR 13.6 million, sales in 2017 were more than double those of the previous year (2016: EUR 5.76 million).

"Thanks to the legislative amendment we can help more seriously ill people with Dronabinol and improve the therapy situation," stresses Popp. He is confident that the number of patients being treated will increase even more. "According to media reports, the current approval rate on the part of the statutory health funds is around 60 percent," says Popp. "We are hoping that this positive approval situation will continue, as this would substantially improve the quality of life of many patients dependent on the medicine."

Expansion of international research activities

Bionorica is continuing to expand its international research capacities: Already, more than 50 employees at the Neumarkt site and around 30 scientists at Bionorica Research in

Innsbruck are devoting themselves to research on plant extracts. The company's research network comprises more than 500 leading institutes, hospitals and universities worldwide.

In 2017, several of the company's research goals could be achieved: More than 100 plants were investigated and over 1,000 ingredients characterised. In its cultivation processes too, Bionorica is using the latest analysis technologies. Using a hand-held device and a sensor, the quality of the ingredients of a medicinal plant can be measured directly on the field and the harvesting time optimised. Moreover, a genetic process was developed to determine precisely the species and subspecies of plants.

Bionorica is going to step up its R&D activities even further: The company is making more substantial investments in its facility in Innsbruck, Austria, to drive forward its vision of the 'Phytovalley® in Tyrol', which aims to bundle research into the medical uses for phytochemicals in a way that is unique worldwide. With this in mind, the Michael Popp Institute in the Leopold Franzens University was established in 2017. "By establishing the institute, the University of Innsbruck and the region are aiming to position themselves as a centre for modern, scientifically substantiated research into herbal medicines. We are continuing to develop this globally unique concentration of expertise in plant-based active ingredient research in what is known as 'Phytovalley®'." The costs for the two endowed professorships, which will employ around 20 scientists and undergraduates, are shared by the State of Tyrol and the Michael A. Popp Nature Science Foundation.

2018: Investment record marks 85th anniversary

Over the last five years Bionorica has already invested more than EUR 100 million in its headquarters in Neumarkt alone, creating one of the most modern and environmentally compatible production facilities for herbal medicines worldwide.

On Bionorica's 85th anniversary, Professor Popp announced an investment record for 2018. Apart from the company's headquarters, the investment will above all benefit the Innsbruck research facility and the new plant in Voronezh, Russia. With a planned investment volume of EUR 40.5 million, the company will be more than doubling the amount invested in 2017. From 2012 to the end of 2018, Bionorica will have invested EUR 160.5 million in its facilities.

The headcount at Bionorica in Germany exceeded 1,000 for the first time and has therefore more than doubled since 2006. Bionorica has over 1,600 employees worldwide.

Corporate profile

Patients want effective and tolerable medications and so herbal medicines are the preferred option. Bionorica, located in Neumarkt in Bavaria's Oberpfalz region, is one of the world's leading manufacturers of scientifically researched herbal medicines. Doctors, pharmacists and patients in more than 47 countries trust in the effective products with few side effects. In 2017 Bionorica SE posted sales of EUR 297.6* million. The company's equity ratio is 79 percent. Every day, over 1,600 employees at 17 Bionorica facilities worldwide work on the continuation of this success story, which began in Nuremberg more than 85 years ago.

Based on the 'phytoneering' strategy, Bionorica decodes the extensive active ingredient potential of plants (phytos) using state-of-the-art research and technologies (engineering). The result: highly effective medicines with few side effects. The company's R&D priorities involve the treatment of symptoms in the respiratory tract, urinary tract, immune system and also women's health. Its range also includes products for the liver, rheumatism and sleep disorders.

*Preliminary figures, attestation from auditor Ernst & Young outstanding.

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