

Press release

Bionorica SE: A Breather during the Growth Phase

- Manufacturer of herbal remedies feels consequences of the coronavirus pandemic in sales of respiratory therapeutics
- Turnover 2020 at EUR 287.7 million below previous year (-13.4%)
- International markets and preparations in the fields of urology and gynaecology with a stabilising effect
- Sustainability: Climate neutrality in direct emissions

Neumarkt, March 5, 2021 – In the 2020 financial year, Bionorica SE, which is active in over 40 countries, took a break during a growth phase that has lasted for many years. The manufacturer of herbal medicines from the Upper Palatinate was confronted with extraordinary challenges in many pharmaceutical markets due to the COVID-19 pandemic. State-mandated social distancing and hygiene measures, the wearing of masks, remote work regulations and lockdowns led to an almost complete absence of the usual waves of respiratory illnesses. This is especially true in Germany, where the majority of Bionorica's turnover come from respiratory medicinal products such as Sinupret and Bronchipret. Up to 75% fewer patients with the indication of sinusitis¹ and a similar development in the area of bronchitis caused a sharp decline in demand for Sinupret and Bronchipret, but also for competitor products. In addition, there was a partly strong decrease in doctor visits and a reduction in consultation activities in pharmacies, which led to fewer prescriptions and recommendations for the corresponding indications. As a result of all these developments, Bionorica's sales in Germany were 5 million units below the previous year (2019: 19 million units).² Nevertheless, in 2020, the company was once again voted "Pharmacy Favourite" in the categories "OTC Manufacturer" and "Herbal Medicinal Product Manufacturer" in Germany.³ *"The local pharmacy is of particular importance in providing healthcare to the population and in recommending our preparations. That's why we are particularly pleased with this vote of confidence,"* says Prof. Dr. Michael A. Popp, pharmacist and CEO of Bionorica SE.

Overall Portfolio Led to Stabilising Effects

Notwithstanding the international impact of the pandemic, Bionorica's product portfolio outperformed the respective markets in various countries. In addition to the positive development of gynaecological preparations, the general market growth of the urinary

tract medicine Canephron stood out in particular, also in Germany. The manufacturer of phyto-pharmaceuticals, which has invested a great deal of time and effort in research, sees the reason for this in the results of its international clinical study.⁴ With this study, Bionorica was able to show that the preparation is not inferior to an antibiotic in the treatment of acute uncomplicated urinary tract infections. *"With our herbal medicines, we can thus make a contribution to curbing the increasing antibiotic resistance worldwide,"* says Prof. Dr Michael A. Popp.

Business Development in 2020

With its high equity ratio of 80.6%, the Bionorica Group navigated safely through the coronavirus year of 2020 and, despite the effects of the pandemic, achieved a turnover of EUR 287.7 million in the last financial year, 13.4% less than in the previous year.⁵ Due to stable business developments in the international main market Russia, in the Ukraine and other Eastern European countries, the turnover situation in Germany and Austria, with their high proportion of respiratory preparations in the portfolio, could be partially offset. Adjusted for strong, negative exchange rate effects of the rouble and the Ukrainian hryvnia, Bionorica Group turnover in 2020 would be at EUR 304.3 million, 8.3% less than in the previous year. Despite the overall decrease in turnover, the Executive Board kept jobs at Bionorica stable. Of the 1,823 employees worldwide (previous year: 1,820, as of December 31, 2019), more than 1,000 were employed in Germany at the Neumarkt site at the end of last year. In 2020, future-oriented investments in the double-digit millions were once again made.

COVID-19 Research with Bionorica Preparations Started

In order to investigate the active ingredient potential of medicines from the Bionorica respiratory portfolio in coronavirus infection, preclinical studies (in vitro) and a clinical trial were conducted in 2020. The first scientific findings from this research series are available. The results have been submitted to medical publications and will soon be reviewed or have been partially published. The company is also focusing on other areas of research. These are also focused on Phytovalley® Innsbruck, where Bionorica operates its own research facilities and collaborates with renowned institutes and universities. In January 2020, Bionorica opened the "Michael Popp Institute for new Phyto Entities" together with the state of Tyrol. The institute aims to deliver new herbal therapeutic approaches for inflammation and metabolic diseases, such as diabetes, and for cancer.

Digitalisation is Advancing

Bionorica's digital transformation is also in full swing. In addition to the digitalisation of medicinal plant cultivation, the company has developed above all its 'Phytothek' concept further, which enables pharmacies to establish themselves as centres of competence for evidence-based herbal medicinal products. *"As a partner of pharmacies, we have intensified our digital approach in the market despite the challenges last year. This has added value for patients, but also for the pharmacy itself,"* says Head of Global Business Dr. Uwe Baumann, explaining the digital development. It includes, among other things, the extended online presence of each Phytothek pharmacy in Germany as well as direct customer engagement through videos or banners on relevant social media channels.

Further Potential in Sight: New Markets and Sustainability

In Turkey, the market launch of further preparations is planned this year and the Iran business, which is running positively, is to be continuously expanded. Based on the marketing authorisation of further Bionorica preparations, the market launch in new markets such as France is planned for 2021. In addition, a subsidiary was founded in Egypt in 2020, and this is also planned in Romania and the Republic of Moldova.

Bionorica also sees particular relevance in the topic of climate protection. The company has thus been climate-neutral in its own emissions since 2020.⁶ In order to reduce greenhouse gases as much as possible, Bionorica invests in energy-efficient technology. Since the beginning of 2021, green electricity from 100% renewable energy sources has also been purchased for the entire Neumarkt site. Through all measures, as well as investments in certified reforestation and forest protection programmes to compensate for unavoidable emissions, Bionorica had saved 14,011 tonnes of CO₂ in 2020. A similar value is to be achieved this year. In the future, the company wants to become "climate positive".

Sources:

- (1) IQVIA Pharmacy Sell-Out Weekly, Sales in Units
- (2) SAP, ex-factory (ex works) Sell-Out Sales in Units
- (3) "Pharmacy Favourites Study" 2020 by IQVIA and the German Pharmacy Portal (DAP), survey of 500 pharmacists in the period from August to September 2020
- (4) CanUTI-7 study <https://www.karger.com/Article/FullText/493368>
- (5) Preliminary turnover, SAP
- (6) Bionorica has been climate neutral in direct CO₂ emissions (Scope I and II) since 2020

Official press images from Bionorica SE:

<https://www.bionorica.de/de/fuer-journalisten/bildmaterial.html>

Company profile

Patients want effective and tolerable medications and so herbal remedies are the preferred option. Bionorica, located in Neumarkt in Bavaria's Upper Palatinate region, is one of the world's leading manufacturers of scientifically researched phyto-pharmaceuticals. Doctors, pharmacists and patients in more than 40 countries trust the effective herbal medicinal products with few side effects. In 2020 the Bionorica Group achieved a turnover of EUR 287.7 million*. The equity ratio of the company is 80.6 percent. 1,800 employees at 20 Bionorica locations worldwide work every day to carry on this success story that began in Nuremberg 88 years ago.

Based on its "Phytoneering" strategy, Bionorica decodes the extensive potential of active ingredients in plants (phytos) by using state-of-the-art research and technologies (engineering). The result: highly effective herbal medicinal products with few side effects. Research and indications are focused on the respiratory tract, the urinary tract, women's health and the immune system.

*Turnover preliminary, as auditor's certificate pending

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