



## Shedir Pharma Group S.p.A.

• PRESS RELEASE •

### Acquisition of three medicinal products: MESAFLOR®, GENIAD® e LISTEN®

Piano di Sorrento (NA), 20th November 2019 – Shedir Pharma Group S.p.A. (“Shedir Pharma Group”, “The Company” or “The Issuer”), operational holding company of the Shedir Pharma Group, market operator active in the nutraceutical, cosmetics and medical device sector, announces that the controlled company Dymalife Pharmaceutical S.r.l. has acquired three medicinal products (AIC, trademarks and dossiers): **MESAFLOR®** (a Mesalazine product), **GENIAD®** (an Alfacalcidol product) e **LISTEN®** (a Lisinopril product), which generated a gross margin of €300,000 in 2018, for a total of €1.3m.

- **MESAFLOR®** - already 50% owned by Dymalife Pharmaceutical S.r.l. – generated a turnover of around €500,000 in 2018 with a gross margin of approximately 70%. As the product is not advertised, the gross margin is approximately EBITDA minus logistic costs.

Dymalife Pharmaceutical S.r.l. acquired the remaining 50% at a multiple of **approximately 4.7 times the gross margin**.

The medicinal product **MESAFLOR®** - in its compress, enema and gel formulations – contains the active ingredient Mesalazine, a substance with a local anti-inflammatory effect on the intestinal mucosa affected by lesions. The gel formulation is used to treat ulcerative proctitis, Crohn’s disease, and acute and chronic idiopathic intestinal inflammation with anorectal and perianal localisation, both in the active phase of the illness and in prevention of relapses.

The market for Mesalazine products (*source Iqvia 2018*) is worth around 65m euros and is growing (+3%) with a low number of generic products (12% del mercato). The market leader is **PENTACOL®**, which, in 2018, generated a total turnover of €16m.

- The medicinal product **GENIAD®** recorded a turnover equal to €170,000 in 2018 with a gross margin above 70%. As in the case of MESAFLOR®, the product is currently not advertised, product revenues therefore generate a gross margin approximately in line with EBITDA after considering logistics costs.

Dymalife Pharmaceutical S.r.l. acquired **GENIAD®** at a multiple of **approximately 3.5 times the gross margin**.



The medicinal product **GENIAD®** (Alfacalcidol in drops) is part of one of the fastest growing market segments, namely that of Vitamin D. As the data shows, (*source Iqvia 2018*) the market is growing at a rate of 8% with a value of around 190m euros.

The market leader is **DIBASE®** (a cholecalciferol product), which, in 2018, generated a total turnover of €110m euros; the Vitamin D drops segment represents 20% of market volumes compared to other forms such as single dose bottles or soft gel capsules. This pharmaceutical form is particularly effective thanks to its reduced absorption times.

Alfacalcidol, the active ingredient in **GENIAD®**, is indicated in cases of osteodystrophy due to kidney failure whether in dialysis or not, hypoparathyroidism, and vitamin D resistant or dependent (pseudo-deficient) rickets and osteomalacia, as well as rickets and osteomalacia due to renal changes caused by vitamin D metabolism and post-menopausal osteoporosis.

- The **LISTEN®** product is positioned in a very large market and has a 'tactical' function in terms of completing the list. Unlike **MESAFLOR®** and **GENIAD®** which possess stable consolidated revenues, **LISTEN®** is a launch that will take place in the first quarter of 2020.

**LISTEN®** is a drug based on the active ingredient Lisinopril Diidrato, forming part of the ACE inhibitors category, specifically unassociated ACE-inhibitors. It is recommended for the treatment of hypertension, symptomatic heart failure, short-term treatment of haemodynamically unstable patients within 24 hours of acute myocardial infarction and treatment of renal complications in hypertensive patients with type 2 diabetes mellitus and incipient nephropathy.

With the acquisition of the three medicinal products **MESAFLOR®**, **GENIAD®** and **LISTEN®** the Group has strengthened its line of high development potential pharmaceutical products with the consequent possibility to make further use of the brands with line extensions and complementary integrators and medical devices.

**Antonio Scala, CEO of Shedir Pharma Group, comments:** *"This acquisition brings about €300,000 of additional margins to the Pharmaceutical Business Unit with an investment equal to about 4.5 times the gross margin. Mesaflor and Geniad are part of the therapeutic, gastroenterology and orthopaedic sectors, which are strategic for us thanks to their high development potential and also because current margins come from consolidated revenues in the absence of the communication of medical-scientific information. On this solid basis we have built a development plan that will allow us to increase sales volumes in Italy, also taking advantage of the synergies between therapies and nutraceutical products. Finally, with the launch of Listen we will complete the offer of products using the lisinopril molecule, which is within a very large market segment; that is to say the ace-inhibitors market."*



*Shedir Pharma Group S.p.A., is the holding company of the Shedir Pharma group, active in the nutraceutical and pharmaceutical sector and specialised in research, formulation, development and marketing of nutraceutical, dermocosmetic and pharmaceutical products and medical devices. Shedir Pharma S.r.l. Unipersonale, the subsidiary company, is a Borsa Italiana 'Elite' company.*

*The Shedir Pharma group develops and markets functional products in around 15 therapeutic areas (for example cardiology, respiratory, osteoarticular, urological, paediatric, gynaecological, neurological and algological), through a structured network of around 800 exclusive sales agents and directly to top wholesalers who then independently supply pharmacies and parapharmacies. Thanks to the work of its research and development team, and to collaborations with the most important Italian Universities and private research institutions, it is committed to a continuous search for innovation, with the formulation of unique, patent-protected formulations. Product innovation and effectiveness is further supported by published scientific studies. SHEDIRPHARMA® GROUP S.p.A. is also active in the veterinary market with the Shedir® Pet line, a product line developed for the specific needs of animals. The group holds 2 quality certifications that allow constant monitoring through all phases – research, development and marketing of the products.*

For further information:

● Shedir Pharma Group S.p.A. ●

Investor Relator

tel: +39 081 19910422

e.mail: [investor.relations@shedirpharmagroup.com](mailto:investor.relations@shedirpharmagroup.com)

● BPER Banca S.p.A. ●

Nominated Adviser

tel: +39 059 2021140

e.mail: [shedir@bper.it](mailto:shedir@bper.it)