

GRÜNENTHAL GROUP

Press Release



The Grünenthal Group today announced the acquisition of the company Adhesys Medical to expand its pipeline of medical devices for its business with surgeons

- **The acquisition of Adhesys Medical and its highly innovative pipeline of surgical sealants, together with the underlying technology platform, allows Grünenthal to tap into the global \$1 billion surgical sealants market**
- **This contributes to Grünenthal's ambition to reach €2 billion in annual sales by bringing four to five innovative new products to market in areas of high unmet medical need**
- **The acquisition diversifies Grünenthal's current portfolio beyond NCEs in pain, gout and inflammation**

Aachen, Germany, April 7, 2017. The Grünenthal Group today announced the acquisition of Adhesys Medical GmbH and its US-based affiliate Adhesys Medical Inc., a Medical Device Startup company focused on the development of adhesives used in surgery. Through this acquisition, Grünenthal has obtained the worldwide development and commercialization rights of an innovative pipeline of surgical sealants together with the underlying technology platform. The first innovative topical skin adhesive is expected to receive European-wide CE Marketing Certification within the next 12 months.

“Through this transaction, we are further executing our strategy to diversify our portfolio and expand beyond the NCE developments that are typical in pain, gout and inflammation. We recently created a new Innovation Unit focusing on the development of Devices and Technologies for our customers. Medical devices are usually faster, cheaper and more predictive in their development than NCEs, allowing us to diversify the risk profile of our portfolio. This will help Grünenthal's ambition to deliver four to five innovative products by 2022 and become a €2 billion company,” said Gabriel Baertschi, CEO of the Grünenthal Group. “These highly innovative wound sealants not only have the potential to help surgeons seal external wounds, but also the more difficult wet wounds during cardiac and gastrointestinal surgery. This allows us to tap into the global \$1 billion surgical sealants market.”

“We believe that such innovative surgical glues may present a true alternative to traditional techniques in closing wounds during or after surgery – both on the skin as well as within the body,” comments Klaus-Dieter Langner, PhD, Chief Scientific Officer of the Grünenthal Group. “This platform enables next generation wound closure in unprecedented areas of surgery and addresses significant unmet medical needs. We are very much looking forward to further developing the assets technologically as well as clinically, and advancing this promising technology platform further together with the experienced and highly motivated colleagues from Adhesys Medical”, Langner concludes.

The polyurethane-based technology is unique as it comes with an unmet combination of features such as bonding strength, fast sealing and flexibility. The products based on this

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technology may therefore serve a wide variety of surgical procedures, including sealing under wet conditions.

"We are very proud of what our team of employees, partners and investors has accomplished in driving our lead product from preclinical phase to CE-marking submission. Together with Grünenthal, we are looking forward to bringing the first product to market soon, and to further develop the Adhesys Medical sealants pipeline over the next years," said Marius Rosenberg, Founder and former CEO of Adhesys Medical.

As a privately owned mid-sized pharmaceutical company, Grünenthal has a long track-record of successful partnerships and acquisitions and wants to build on this success to grow its core business in pain, gout and inflammation as well as medical devices.

About Grünenthal

The Grünenthal Group is an entrepreneurial, science-based pharmaceutical company specialized in pain, gout and inflammation. Our ambition is to deliver four to five new products to patients in diseases with high unmet medical need by 2022 and become a €2 billion company. By sustainably investing in research and development above the industrial average, we are committing to innovation in order to bring value-adding products to patients.

Grünenthal is an independent, family-owned pharmaceutical company headquartered in Aachen, Germany. We are a fully integrated research & development company with a long track record of bringing innovative pain treatments and state-of-the-art technologies to patients. Grünenthal is present in 32 countries with affiliates in Europe, Latin America and the US. Our products are sold in more than 155 countries and approx. 5,500 employees are working for the Grünenthal Group worldwide. In 2016, Grünenthal achieved revenues of approximately €1.4 bn.

More information: www.grunenthal.com.

About Adhesys Medical:

Adhesys Medical was started in 2013 in Aachen, Germany, by Dr. Heike Heckroth, the technology's inventor, Prof. Dr. René Tolba, Prof. Dr. Malte Brettel, Marius Rosenberg and Alexander Schueller. Adhesys Medical was based on a unique polyurethane technology platform, developed since 2007, in order to bring innovative surgical sealants to the market.

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