

GRÜNENTHAL GROUP

Press Release



New partnership for the commercialization of Nucynta® in the U.S. territory

Aachen, Germany, December 4, 2017 – The Grünenthal Group announced today that Nucynta® (tapentadol) will be commercialized in the U.S. territory by Collegium Pharmaceutical, Inc., instead of Depomed, Inc., from 2018 onwards.

In recent months, Depomed has been struggling to grow Nucynta®. Depomed executes its strategy to transform into a specialty pharmaceutical company with less focus on opioids. Grünenthal has looked at various options to reinforce the performance of Nucynta®, and strengthen its presence in the US. But given the dynamics in the opioid market, Grünenthal concluded and agreed that transferring Nucynta® to Collegium would be the best option. This agreement should give Grünenthal a more committed partner and provides a pre-agreed fixed minimum royalty income stream over the next few years, if the partner performs within a given range of revenue achievements.

Collegium is focused on pain management developing and commercializing next generation, abuse-deterrent products for the treatment of patients suffering from chronic pain and other diseases. "They are well positioned in the market and successfully increased the sales of their opioid Xtampza® in a very challenging and declining US-opioid market", Gabriel Baertschi, CEO Grünenthal Group said. Nucynta® is highly synergetic for Collegium. It is a perfect fit to more effectively compete on the market, and meet the needs of patients, physicians and payors. "We believe that adding Nucynta® to their portfolio will expand the continuum of care for pain patients and strengthen Collegium as a leader in pain management", Gabriel Baertschi stated.

Collegium is strongly incentivized to make Nucynta® a success by paying a fixed royalty even for sales below a certain level (between \$ 180 mn and \$ 243 mn), and being rewarded if they exceed the upper range of the forecast (\$ 258 mn). Grünenthal will continue to receive a royalty rate based on certain net sales thresholds and will receive a fixed royalty income in the first four years, if the sales are above \$ 180 mn.

This agreement contributes to Grünenthal's financial strength and to some extent removes the uncertainties linked to the US-market development, while providing Grünenthal with a partner committed to pain management in the U.S.

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 bn company. 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. By sustainably investing in our R&D above the industrial average, we are strongly committed to innovation.

Grünenthal is an independent, family-owned company headquartered in Aachen, Germany. We are 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 approx. € 1.4 bn.

More information www.grunenthal.com
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