

30 June 2021

CLINIGEN

Clinigen signs agreement to divest its UK compounding business

Clinigen Group plc (AIM: CLIN, 'Clinigen'), the global pharmaceutical Products and Services company, today announces the disposal of its non-core UK Specials manufacturing and Aseptic compounding business ("the divestment") to Target Healthcare Ltd ('Target Healthcare') for a total consideration of up to £7.75m (£5m up-front).

The compounding business sourced and manufactured specific unlicensed medicines referred to as 'specials' in a range of formulations for supply across the UK market and had been part of Clinigen since it acquired Quantum Pharma in 2017. The transaction will include the transfer of two UK facilities in Burnopfield and Follingsby, and 198 UK-based employees. The acquisition of Quantum Pharma was made primarily for its 'unlicensed-to-licensed' capability, which will be retained.

This disposal represents a further simplification to the Clinigen structure which is now focused on its two core divisions: Services and Products and removes complexities associated with on-going management of non-core sites and staff.

In the financial year 2020, the divestment contributed Net Revenue of £38.8m and £1.0m total adjusted EBITDA. The disposal is expected to result in an exceptional non-cash loss of circa £9.6m in FY21.

As part of the Quantum Pharma transaction in 2017, Clinigen also acquired the licensed medicines business Colonis and the contract development organisation Lamda, both of which it will retain to enable the continued development of new niche medicines for supply into licensed and unlicensed markets.

The return on investment on the total Quantum Pharma transaction for the financial year 2020 was 14.0% and this is now expected to be more than 17% for the financial year 2021 following today's transaction and driven by the continued strong growth of the Colonis product portfolio in particular.

Clinigen will continue to source and supply unlicensed medicines in the UK and globally through its Products and Services divisions.

Shaun Chilton, Chief Executive Officer of Clinigen, said:

"We have continued to simplify our offering across the lifecycle platform and are fully focused on serving the needs of patients, healthcare professionals and pharmaceutical companies, from clinical trials through to commercialisation and beyond.

"The UK Specials and Aseptics offerings are important for patients in the UK with unmet medical needs. Whilst non-core assets to Clinigen, we are pleased that those patients will continue to receive the focus and drive they need from Target Healthcare. On behalf of Clinigen, we thank the Burnopfield and Follingsby teams for their work and wish them well under their new management team."

Lewis Campbell, Managing Director of Target Healthcare said:

“We are pleased to reach this agreement with Clinigen to take control of these important businesses and staff members which will provide a fantastic platform for growth across the UK for Target Healthcare, and ensure patients continue to get the medicines they rely on.”

Information within this announcement is deemed by the Group to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014

- Ends -

Contact details

Clinigen Group plc

Shaun Chilton, Group Chief Executive Officer
Nick Keher, Group Chief Financial Officer
Rob Fox, VP Investor Relations and Corporate Development

Tel: +44 (0) 1283 495010
Investors@Clinigengroup.com

Torrey Partners (Europe) LLP – Advisor

Alan Selby

Tel: +44 (0) 207 451 4550

Numis Securities Limited - Nominated Adviser & Joint Broker

James Black / Garry Levin / Freddie Barnfield

Tel: +44 (0) 20 7260 1000
Clinigen@Numis.com

RBC Capital Markets - Joint Broker

Marcus Jackson / Elliot Thomas

Tel: +44 (0) 20 7653 4000

Consilium Strategic Communications

Mary-Jane Elliott / Matthew Cole / Matthew Neal

Tel: +44 (0) 20 3709 5700

Notes to Editors

About Clinigen

Clinigen Group plc (AIM: CLIN) is a global, specialist pharmaceutical services and products company focused on providing ethical access to medicines. Its mission is to deliver the right medicine to the right patient at the right time. The Group operates from sites in North America, Europe, Africa, and the Asia Pacific.

Clinigen has more than 1,000 employees across five continents in 16 countries, with supply and distribution hubs and operational centres of excellence in key long-term growth regions. The Group works with 34 of the top 50 pharmaceutical companies, interacting with over 5,000 hospitals across more than 115 countries.

For more information on Clinigen, please visit <http://www.clinigen.com>

About Target Healthcare

Target Healthcare Limited is a UK based company founded in 2012. Target Healthcare Limited has become a highly reputable MHRA approved pharmaceutical wholesaler, supplying generic, branded, and unlicensed

medicines to Pharmacies, Dispensing Doctors, Hospitals, Pharmaceutical Wholesalers and Buying Groups throughout the UK and across Europe.