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Press Release

Hamburg, 10 March 2022

Otto Group acquires majority stake in digital health player Medgate

Otto Group, the international retail and services group, has acquired a majority stake in the Swiss company Medgate Holding, a provider of digital health services that include medical teleconsulting. At the same time, Medgate Holding has acquired BetterDoc GmbH, a data analysis service active in the DACH region that helps patients identify the most suitable doctors and clinics for their condition. The founders of Medgate and BetterDoc will continue to hold a minority stake in Medgate Holding and a corresponding contractual agreement has been signed by the parties. The Otto Group is thus pursuing the targeted expansion of its digital services towards digital health. The contractual parties have mutually agreed not to disclose the acquisition price.

Medgate Holding is an internationally active Swiss digital health company with over twenty years' experience in digital healthcare. More than 100 experienced doctors advise and treat patients around the clock, 365 days a year via app, telephone, video and chat channels. Medgate services include medical consultation, image-based diagnostics, issuing medical prescriptions and certificates of incapacity for work, as well as treatment plans and referrals to medical specialists. Medgate employs around 300 staff in Switzerland and over 500 worldwide.

In addition to its home market of Switzerland, Medgate has also been operating in Germany since 2020 where it currently employs 15 staff. It holds contracts with numerous well-known private health insurers, has partnerships with further companies and is seeking to expand strongly in the German market.

BetterDoc is a leading service provider in Europe in the field of medical-grade data analysis. To guide patients to the best possible doctors, BetterDoc has developed a data analytics-driven system that uses a combination of human and machine intelligence based on medical-grade data

to create an ideal match between patient and doctor. In addition, BetterDoc draws on the expertise of a volunteer Advisory Board of over 2,500 leading physicians in Germany and Switzerland.

Alexander Birken, CEO Otto Group: "We see tremendous potential in the digital health sector. Health is naturally a core component of people's lives, which makes integrated, digitally supported patient care highly relevant. The experience gained during the corona pandemic, for instance, strongly reaffirms this. With Medgate and BetterDoc we are therefore expanding our digital offerings to include digital health, fully aligned with our vision of 'Responsible Commerce that inspires'."

To this end, the parties involved are making a targeted contribution through their respective industry experience and jointly expanding their competencies. With the integration of BetterDoc into Medgate Holding, the aim is to achieve a leading position in the European digital health market. Medgate, for example, already operates the largest digital health platform in Switzerland and has acquired unequalled depth of experience and knowledge in telemedicine, having carried out around ten million teleconsultations.

Andy Fischer, CEO and Co-Founder Medgate Holding: "The participation of the Otto Group with its enormous expertise in digital retail marks a key step towards our future. Combined with our industry knowledge and over twenty years' experience in the digital healthcare market, this lays the ideal foundation for bringing radically new, future-focused offers to the healthcare market, in the interests of patients."

Nils von Dellingshausen, CEO and Co-Founder BetterDoc: "Through our cooperation with the Otto Group and Medgate, BetterDoc will be able to realise its mission of making the best-possible care available to all even faster. This spurs us on even more strongly."

According to studies, a digital health market volume of well over 50 billion euros is expected for the German market alone – and more than 230 billion euros Europe-wide – by 2026 (source: Statista 'Digital Health' study, 2020). At the same time, Germany currently ranks second-last in health system digitisation, according to a Global Digital Health Index survey of 17 countries. This indicates major long-term potential for successfully positioning well-targeted business models.

Otto Group

Founded in Germany in 1949, today the Otto Group is a globally active retail and services group with around 50,000 employees in 30 major company groups and does business in over 30 countries in Europe, North and South America, and Asia. Its business activities are grouped into three segments: Multichannel Retail, Financial Services, and Service. In the 2020/21 financial year (to 28 February), the Otto Group generated revenues of 15.6 billion euros. With online revenues of approximately 9.9 billion euros, the Otto Group is one of the world's largest online retailers. The Group's particular strength is its broad market presence and differentiated product and service offers to diverse customer target groups in almost all of the world's relevant economic regions. Numerous strategic partnerships and joint ventures provide the Otto Group with excellent opportunities to transfer know-how and leverage areas of synergy potential. Group companies demonstrate a high degree of corporate responsibility and willingness to collaborate with one another; at the same time this guarantees flexibility, customer proximity and optimum target-group appeal in their respective national markets.

For further information on the Otto Group, visit www.ottogroup.com

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