

CNMV
Edison, 4
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INSIDE INFORMATION

In accordance with the Article 227 of Royal Legislative Decree 4/2015, dated 23 October, which enacts the consolidated text of the Securities Market Act, **LABORATORIO REIG JOFRE, S.A.** ("Reig Jofre" o "the Company") regarding the handling of the health alert caused by the coronavirus COVID-19, it reports that:

The Company maintains daily contact with the Spanish Ministry of Health, the Spanish Agency for Medicines and Health Products (AEMPS) and the European health authorities to adapt its production to the medicines that are always critically required.

The Spanish Ministry of Health identified in Order SND/276/2020 of March 23, 347 essential medicines presentations in the management of this health crisis, of which 40 are produced in the plants of Barcelona and Toledo, most of them injectable medicines for hospital use in acute treatments.

These are especially injectable drugs needed in intensive care units, such as muscle relaxants and blockers and benzodiazepines to induce sedation, especially in intubated patients who require respirators, other anesthetics, as well as antibiotics for hospital use for patients who develop pneumonia or other bacterially based infections.

The Company informs that exceptional measures have been adopted to minimize any risk to the health of personnel in critical production functions from the plants in Barcelona and Toledo, who go to their jobs every day and who are working very intensively, including weekends, to ensure the production and distribution of products, especially essential ones.



For those products whose supply could be more compromised, Reig Jofre is working in full coordination with the Spanish Agency for Medicines and Health Products, according to its controlled distribution program, as well as with the help of the 17 Spanish autonomies to ensure the consistent supply to the hospitals of the national territory.

Reig Jofre is also producing at its Barcelona plant at full capacity its own brands of alcohol disinfection drugs Alcomon, Menalcol, chlorhexidines and oxygenated water for hospital use as well as for the consumer through the pharmacy channel to guarantee maximum disinfection and minimize the risk of spreading the virus.

The company's teams from other European countries in the United Kingdom, Belgium and Portugal, and especially those linked to the dermatological drug production and development plant in Malmö (Sweden), are adopting the preventive measures recommended by the local health authorities and working normally.

The Reig Jofre teams in France have maximized teleworking since the confinement measures came into force in that country on March 17 and a good performance is seen in all Forté Pharma products of immune defenses, vitamins, energy natural, royal jellies and probiotics.

Reig Jofre in Spain has also promoted teleworking measures for teams not linked to production functions that require an effective presence in the plants.

Reig Jofre informs that the growth in sales registered until March 15, 2020 at a consolidated level will allow us to reach the level of growth expected by the Company for the first quarter of the year.

The company is closely monitoring the evolution of sales in the last two weeks of the first quarter in order to anticipate the impact that could exist in the second quarter of the year and react to possible trend changes. An increase in activity is expected in the *pharmaceutical technologies' division* (injectables and antibiotics). It is more difficult to anticipate at this time, the evolution in the *specialty pharmacare* (dermatological products, joint pain, gynecology) and *consumer healthcare areas*, where despite the fact that the community pharmacy channel is still open and that some of the company's main products are chronic treatments, the impact of the current health crisis on higher priced products could be noted.



Reig Jofre assumes the commitment of the responsibility of developing its activity in an essential sector such as the pharmaceutical, and in the case of Reig Jofre, it does so from a position of great impact given the typology of products that it manufactures and markets within the sector.

Reig Jofre is one of the main European producers of essential injectable medicines of first necessity, whose value for doctors and patients is not sometimes reflected in its price, but which in the current circumstances has proved essential to fill the empty space left by producers from countries outside the EU that have been affected by restrictions on international trade and export limitations, in some cases by the application of protective measures for their local health needs.

Reig Jofre in this situation reinforces its commitment to the local production of medicines, creating jobs, gross domestic product and exports outside of Spain and the EU. This commitment is reflected in the 2015-19 strategic plan, which involved an investment of more than 50 million euros to increase capacity, quality and productivity in its European industrial plants on specialized production platforms and which are shown to be strategic at current times.

The Company regrets the terrible health and economic consequences and the abrupt general fall of the capital markets caused by this global health crisis and reiterates its commitment to fully collaborate with European authorities at the service of hospitals, physicians and patients.

In line with the current uncertainty, the company has decided to postpone any compensation to the management team linked to the results of the recently closed 2019 financial year.

Likewise, Reig Jofre expresses its deep gratitude to its shareholders for the statements of support and recognition received, as well as very especially to all its workers who are dedicating all efforts to make available to Spanish, European and international hospitals and health professionals all over the world, essential medicines in these much-needed moments.

Ignasi Biosca
CEO