

RESULTS AT A GLANCE: THIRD QUARTER OF 2021

REIG JOFRE's revenues grew by 2% up to September 2021 with 4% growth in its EBITDA

REIG JOFRE managed to increase its revenue figure through the recovery of prescription and consumer healthcare products, compared to 2020, when sales were driven by essential medicines linked to COVID-19 and disinfection products .

At the end of September, listed company REIG JOFRE achieved **€173 million in sales**, a 2% increase over the same period of the previous year. The lower level of antibiotic and OTC consumption, that may begin to reverse in the fourth quarter, holds steady. EBITDA grew by 4%, reaching €19.9 million, which results in profitability on sales consistent with previous periods exceeding 11%.

The **Pharmaceutical Technologies** division, focused on the sale of injectable and antibiotic products, had a decrease in its revenue, while there is already a clear recovery in the **Specialty Pharmacare** division, which is focused on prescription medical products, and in **Consumer Healthcare**, particularly in the FORTE PHARMA brand range in France and Benelux, its main markets.

The Pharma Tech division (44% of sales) incurred a 5% drop in sales due to lower demand for essential medicines linked to COVID-19, and lower demand for antibiotics - with market drops above 20% compared to pre-covid demand, due to fewer bacterial infections - and injectable anaesthetics, also because of reduced hospital interventions.



The Specialty Pharmacare division maintained its growth around 9%. The recovery of medical prescription products was consolidated in both dermatological areas and in osteoarticular ranges. The domestic market and other European countries, where REIG JOFRE has a direct presence are growing, being the main markets in progression UK, Sweden, and Poland.



The Consumer Healthcare sector had a 6% growth in sales following a third quarter of strong recovery. FORTE PHARMA brand food supplement ranges such as vitamins, probiotics and gels, aimed at strengthening the immune system, continue to grow, while there is reduced demand for OTC disinfection and respiratory products.

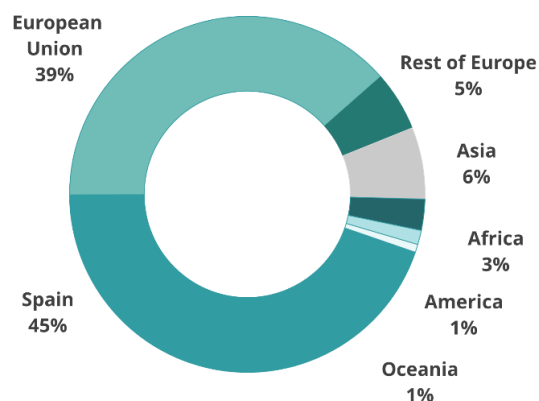


Spain represents 45% of the group's sales. Its revenues fell back by 3% due to lower consumption of antibiotics and essential medicines, offset by the growth in Specialty Pharmicare products.

The other European markets experienced a 7% growth. This is helped by the good performance of the group's companies in France and Benelux, in the Consumer Healthcare ranges of the brand FORTE PHARMA, as well as the UK and the new subsidiary in Poland.

The rest of the countries, which together account for 11% of sales, fell slightly by 1% as a result of the reduction in the consumption of antibiotics and other essential medicines.

Sales by geographical region



REIG JOFRE obtains 55% of revenues in the international markets, that altogether had a 5% growth. The Spanish market, especially in the Pharmaceutical Technologies division, is showing the first signs of recovery in antibiotic demand, resulting from the progressive easing of social distancing measures, which is encouraging the spread of conditions that require these medicines.

Performance and Key Indicators

The third quarter closes with a cumulative sales figure of €173 million, 2% higher than the previous year. 2020 was a year defined by the high consumption of essential hospital medicines due to needs arising from COVID-19.

The gross margin stands at 62% this year, two points above the same period in 2020 due to changes in the sales mix.

Personnel Expenses remain moderate, 2% above previous year.

Other operating expenses increased by 11%. On the one hand, pre-operational expenses associated with the new plant are included: set-up expenses, training of new personnel in the processes and new technology, and enhancement of quality systems. On the other hand, commercial and marketing expenses that are already showing growth after more than a year of containment due to the slowdown in commercial and marketing activity.

EBITDA reached €19.9 million, a 4% growth compared to the same period in 2020.

EBITDA/Sales profits are at 11.5%, almost one point above the level closing the previous year, which was 10.6% on sales.

The increase in amortisations reflects new investments, and will also, in the future, shoulder the impact of the new Barcelona Plant's entry into production.

Financial expenses grew because of the debt associated with new investments, both industrial and corporate operations.

Due to the above-mentioned reasons, Profit before taxes amounted to €6.0 million, 4% lower than in the same period of the previous year.

Investment and Funding

Investments in technology and expanding capacity in 2021 amounted to €10.9 million in this half.

The two main projects are: an extensive renovation of the facilities and infrastructures at the Antibiotics Plant in Toledo, taking advantage of the months of falling demand linked to the social distancing measures of 2021, and investments in the Barcelona Plant for manufacturing the COVID-19 vaccine, in addition to the products initially planned in this facility.

Net Financial Debt increased to €75.8 million, which puts the Debt/EBITDA ratio at 2.8, a level that will be reduced by debt payments and the lower level of new investments foreseen in REIG JOFRE's strategic plan.

The main increase in Financial Debt is due to the incorporation of bank debt linked to the last payment for purchasing osteoarticular business in 2019 and due to funding for working capital that had not been needed in 2020 due to existing cash surpluses.

NEW INJECTABLE PRODUCTS PLANT IN BARCELONA

The facility will triple current capacity to manufacture sterile injectable products



The new plant is based on automatic processes and isolator technology, in which there is no physical contact between the operators and the product to avoid any risk of contamination. For this reason, an intense training effort in this new technology and the associated quality processes is key.

At this moment, the plant is in the process of being inspected to obtain the necessary authorization from the Health Authorities.

INCREASING CAPACITY AND MANUFACTURING THE COVID-19 VACCINE

The process of Technology Transfer for Janssen's COVID-19 vaccine advances. Once the process is completed, and the necessary requirements met, REIG JOFRE will be integrated within Janssen's global network of manufacturers. Janssen will then define the supply needs of vaccines that will require from REIG JOFRE.

The plant's capacity will meet Janssen's demand for its vaccine provision and will also meet other clients' demands.

2021 CLOSE OUTLOOK



Some uncertainties regarding the *Pharmaceutical Technologies* division remain: the key factors for the close of 2021 will be the global antibiotic market's speed of recovery and the restoration of demand for other hospital injectable products.

We are confident that our *Specialty Pharmacare and Consumer Healthcare* divisions will continue to generate further growth driven by the recovery of economic activity and easing of social distancing measures.

Receive the listed company REIG JOFRE' news as they happen by registering in the company's **subscription center**, on the corporate portal: www.reigjofre.com

About REIG JOFRE

Founded in 1929 in Barcelona, REIG JOFRE is a family-run pharmaceutical company, listed on the Spanish stock exchange's continuous market, dedicated to the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements at its four plants in Toledo (2), Barcelona and Malmö (Sweden). REIG JOFRE organizes its product development activities into three business divisions: (1) *Pharmaceutical Technologies* specialising in sterile and lyophilised injectables and penicillin-derived antibiotics; (2) *Specialty Pharmicare* specialising in dermatology, osteoarticular disorders and women's health; and (3) *Consumer Healthcare* with consumer products under the Forté Pharma brand mostly in France, Belgium, Spain and Portugal, and other OTC areas. REIG JOFRE has more than 1,100 employees, direct sales in 8 countries (Spain, France, Portugal, Belgium, Sweden, United Kingdom, Poland and Singapore) and more than 130 sales partners in more than 70 countries. The company closed 2020 with turnover of €230 million. REIG JOFRE is listed under the code RJF. Share capital: 77,432,084 shares

Further information

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INCOME STATEMENT

thousand euros	9/30/2021	9/30/2020
Turnover	173,174	170,406
Procurements	-63,226	-66,724
Changes in inventories	-2,162	-1,741
Gross margin	107,787	101,940
Work carried out for fixed assets	3,222	3,563
Other operating income	284	138
Personnel expenses	-49,709	-48,756
Other operating expenses	-41,618	-37,640
EBITDA	19,965	19,246
Depreciation and amortization	-13,221	-12,555
Govern. grants for non-financial assets and others	17	17
Impairment and results on disposals	-2	3
Operating income	6,760	6,711
Financial result	-793	-433
Results from entities accounted by the equity method	53	9
Profit before taxes	6,020	6,287
Income tax	-903	-943
NET RESULT	5,117	5,344

BALANCE

thousand euros

	9/30/2021	9/30/2020
ASSETS		
Goodwill	29,891	29,660
Other intangible assets	79,794	84,722
Property, plant and equipment	92,885	84,451
Investments in equity-accounted investees	1,911	1,229
Non-current financial assets measured at fair value	1,175	1,218
Other non-current financial assets	580	673
Deferred tax assets	13,507	14,574
TOTAL NON-CURRENT ASSETS	219,743	216,528
Inventories	46,601	40,854
Trade and other receivables	43,111	44,779
Current tax assets	7,292	5,145
Other current financial assets	771	1,277
Other current assets	3,427	1,986
Cash and cash equivalents	5,586	7,481
TOTAL CURRENT ASSETS	106,788	101,522
TOTAL ASSETS	326,531	318,050
EQUITY AND LIABILITIES		
Share capital	38,716	38,031
Share Premium	19,000	19,000
Treasury shares	-2,089	-1,447
Reserves	128,841	123,510
Own equity instruments	623	62
Profit attributable to the parent company	5,128	5,346
Exchange differences	-830	-1,594
Other comprehensive income	-174	-110
Equity attributable to parent company	189,215	182,798
Non-controlling interests	-81	-66
TOTAL EQUITY	189,134	182,733
Capital grants	2,349	1,710
Provisions	287	897
Financial liabilities with credit institutions	32,972	28,742
Lease liabilities	15,522	15,900
Other financial liabilities	6,226	8,785
Deferred tax liabilities	3,169	2,922
Other non current liabilities	0	0
TOTAL NON-CURRENT LIABILITIES	60,525	58,956
Provisions	26	24
Financial liabilities with credit institutions	20,381	16,358
Lease liabilities	5,737	5,625
Other financial liabilities	544	480
Liabilities from contracts with customers	7,623	0
Trade and other payables	38,427	37,786
Current tax liabilities	3,942	2,934
Other current liabilities	192	13,154
TOTAL CURRENT LIABILITIES	76,872	76,362
TOTAL EQUITY AND LIABILITIES	326,531	318,050