

## RESULTS NOTE: FOURTH QUARTER OF 2021

### REIG JOFRE's revenues and EBITDA grew by 3% in 2021

REIG JOFRE, in its commitment to society and the pandemic situation, has made a significant effort in 2021 to make the new injectables plant in Barcelona available and adapted to the manufacturing requirements of COVID-19 vaccines in case of future need.

At year-end 2021, listed company REIG JOFRE achieved **€236 million in sales**, a 3% increase over the same period of the previous year. In 2021 there is a lower consumption of antibiotics and essential products linked to COVID-19, which is offset by growth in prescription and consumer healthcare products, especially at the international level. EBITDA grew by 3%, reaching €27.3 million.

The **Pharmaceutical Technologies** division, devoted to injectable and antibiotic products, had a decrease in its revenue, while there is already a clear recovery in the **Specialty Pharmicare** division, focused on prescription medical products, and in **Consumer Healthcare**, particularly in the FORTE PHARMA brand in French and Benelux markets.



#### Pharma Tech

44% sales | -7% in 2021

Drop in sales due to lower demand for essential medicines linked to COVID-19. In 2021 the consumption of antibiotics is reduced globally (due to fewer bacterial infections) and injectable anesthetics (because of reduced hospital interventions), trends that are already reversing. Efforts have been focused on starting up the new installed capacity in view of the foreseeable increase in demand in 2022.

#### Specialty Pharmicare

32% sales | +14% in 2021

Sales of €75 million are reached. The recovery in the medical prescription product sales occurs both in the dermatological area, which grew by 18% and in the osteoarticular ranges, which grew by 8% and reached sales of €31 million. Spain grows and contributes 69% of this division income, although in 2021 the greatest growth come from the other European countries, where REIG JOFRE has a direct presence: Sweden, the UK, and Poland.

#### Consumer Healthcare

23% sales | +8% in 2021

Thanks to an excellent second half in the European markets, especially France and Benelux, revenues grew by 8%. FORTE PHARMA grew by 11%, with its food supplement ranges for strengthening the immune system (vitamins, jellies and probiotics) and stress and sleep control. OTC disinfection products recede and the respiratory area suffers less demand due to the lower incidence of these pathologies.

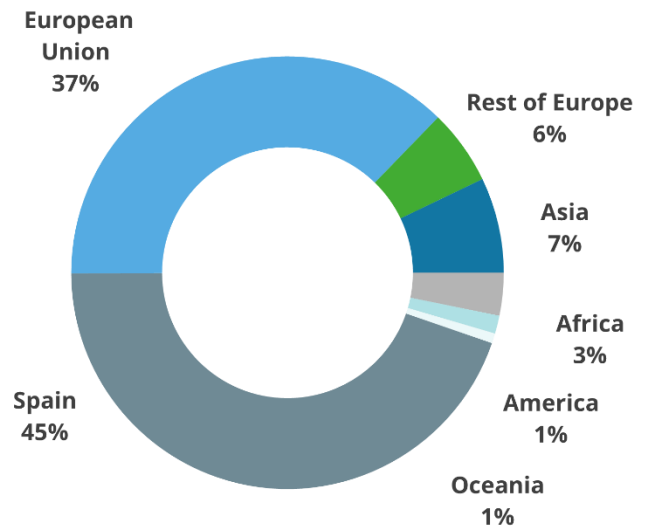
REIG JOFRE obtains 55% of revenues from international markets, which as a whole have grown by 4%, thus contributing the bulk of growth in 2021. In the last quarter of 2021, the first signs of recovery in antibiotic demand is showing, resulting from the progressive easing of social distancing measures, which is encouraging the spread of conditions that require these medicines, which has an impact in the Pharmaceutical Technologies division, especially in the domestic market.

Spain represents 45% of the group's sales. Revenues grew 1%, below the global 3%, due to the impact of lower consumption of antibiotics and essential medicines.

The other European markets, which represents 27% of sales, have grown by 4%. In particular, the group's companies in France and Benelux, in the Consumer Healthcare ranges of the brand FORTE PHARMA, as well as the UK. The new subsidiary in Poland begins its activity in 2021 and already provides a level of sales that is expected to increase as its implementation progresses.

The rest of the countries, which together account for 12% of sales, have grown by 3%, with a significant boost in Asia, our main market outside of the EU, which already represents 7%.

### Sales by geographical region



### NEW INJECTABLE PRODUCTS PLANT IN BARCELONA

Regulatory approval and operational start in 2022



The new plant triples the manufacturing capacity of injectable products in Barcelona. Technologically cutting-edge, it 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.

The Plant has already obtained the Approval from the European Health Authorities, so the processes to manufacture the products with the highest demand from REIG JOFRE are already beginning.

The new manufacturing capacity will meet the need to produce REIG JOFRE's injectable products and CMO manufacturing for other companies, as well as new products of greater complexity and added value, including new biosimilars developments, which are being carried out in individually and collaborative R&D projects.

The agreement signed with Janssen Pharmaceutical Companies to carry out a technology transfer process that allows the manufacture of the COVID-19 vaccine has been reflected in the income statement for the 2021 financial year, which includes the income linked to said contract, as well as the associated costs.

## Performance and Key Indicators

The year closes with a cumulative sales figure of €236 million, 3% 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.

Personnel and Other operating expenses taken together, have grown by 3% in 2021, compared to previous year.

On the one hand, personnel expenses are contained; on the other hand, the recovery of commercial and marketing expenses linked to the promotion of the products and the commissioning and start-up costs of the new plant resulted in a 10% increase in other operating expenses.

EBITDA reached €27.3 million, a 3% growth compared to the same period in 2020.

## Investment and Funding

Investments in technology and expanding capacity in 2021 amounted to €13.1 million.

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.

Depreciation and amortization amounts to 18 million euros in 2021, which represents a growth of 6% compared to 2020. This increase consolidates the trend of the previous year and is attributable both to industrial investments in technology and increased capacity and to the amortization of intangible assets, including R&D projects that have already been completed.

In 2021, a higher financial expense was recorded than the previous year, reflecting the greater indebtedness associated with industrial investments and business acquisitions, and a greater impact of exchange rates.

The financial result for the year reflects, as in 2020, the impact of the revaluation of the cost of the purchase of the osteoarticular business, which represents an additional liability of €2 million.

Profit before taxes reaches €5.8 million, down from €6.4 million of the previous year in 2020.

Net Financial Debt increased to €69 million, from €55 million at year-end 2020. The Debt/EBITDA ratio stands at 2.5 compared to 2.1 at the end of 2020.

The increase in Financial Debt is mainly due to the incorporation of bank debt linked to the last payment for the acquisition of the osteoarticular business. The debt is mainly structured in loan operations with a term between 5 and 7 years, and is contracted mostly at a fixed rate.



## OUTLOOK FOR 2022

The key growth factors for this year at *Pharmaceutical Technologies* will be the speed of recovery of the global antibiotics market and the restoration of demand for other hospital injectable products, thus allowing it to take advantage of the increased industrial capacity available.

For their part, the *Specialty Pharmacare* and *Consumer Healthcare* divisions will continue to strengthen their growth strategies with special emphasis on international expansion.

Receive the latest news on the Spanish publicly traded REIG JOFRE, by registering at its **subscription centre**: [www.reigjofre.com/en/news/subscription-center/](http://www.reigjofre.com/en/news/subscription-center/)

### **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 food 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* specializing in sterile and lyophilized injectables and penicillin-derived antibiotics; (2) *Specialty Pharmacare* specializing in dermatology and osteoarticular disorders; 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 1,200 employees, direct sales in 8 countries (Spain, France, Portugal, Belgium, Sweden, United Kingdom, Poland, and Singapore), and a extensive sales partners network in more than 70 countries. REIG JOFRE achieved group sales of €236,2 million in 2021. REIG JOFRE is listed under the code RJF. Share capital: 77,432,084 shares.

### **Further information**

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**INCOME STATEMENT**

thousand euros	31/12/2021	31/12/2020
<b>Turnover</b>	<b>236.231</b>	<b>230.079</b>
Procurements	-86.659	-92.128
Changes in inventories	-4.827	2.369
Gross margin	144.744	140.320
Work carried out for fixed assets	3.640	3.682
Other operating income	528	993
Personnel expenses	-64.185	-66.434
Other operating expenses	-57.405	-52.012
<b>EBITDA</b>	<b>27.322</b>	<b>26.549</b>
Depreciation and amortization	-18.047	-16.983
Govern. grants for non-financial assets and others	23	23
Impairment and results on disposals	-436	-361
Operating income	8.863	9.228
Financial result	-3.160	-2.890
Results from entities accounted by the equity method	90	88
Profit before taxes	5.793	6.426
Income tax	-713	-760
<b>NET RESULT</b>	<b>5.080</b>	<b>5.666</b>

**BALANCE**

thousand euros	31/12/2021	31/12/2020
<b>ASSETS</b>		
Goodwill	29.843	29.972
Other intangible assets	77.727	82.832
Property, plant and equipment	92.387	85.284
Investments in equity-accounted investees	1.948	1.308
Non-current financial assets measured at fair value	1.179	1.214
Other non-current financial assets	414	938
Deferred tax assets	12.642	14.876
<b>TOTAL NON-CURRENT ASSETS</b>	<b>216.140</b>	<b>216.424</b>
Inventories	47.682	40.450
Trade and other receivables	44.419	42.621
Current tax assets	6.016	4.616
Other current financial assets	973	801
Other current assets	4.681	648
Cash and cash equivalents	5.065	11.591
<b>TOTAL CURRENT ASSETS</b>	<b>108.836</b>	<b>100.727</b>
<b>TOTAL ASSETS</b>	<b>324.976</b>	<b>317.151</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	38.716	38.401
Share Premium	19.000	19.000
Treasury shares	-2.404	-1.708
Reserves	128.819	123.505
Own equity instruments	295	622
Profit attributable to the parent company	5.092	5.672
Exchange differences	-770	-771
Other comprehensive income	-154	-175
<b>Equity attributable to parent company</b>	<b>188.594</b>	<b>184.546</b>
Non-controlling interests	-80	-68
<b>TOTAL EQUITY</b>	<b>188.514</b>	<b>184.478</b>
Capital grants	3.065	2.438
Provisions	201	287
Financial liabilities with credit institutions	34.670	26.930
Lease liabilities	14.386	15.864
Other financial liabilities	6.173	6.025
Deferred tax liabilities	3.053	3.318
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>61.548</b>	<b>54.862</b>
Provisions	15	25
Financial liabilities with credit institutions	12.727	9.210
Lease liabilities	5.600	5.021
Other financial liabilities	539	3.685
Liabilities from contracts with customers	8.031	1.429
Trade and other payables	41.897	40.608
Current tax liabilities	3.955	2.713
Other current liabilities	2.150	15.120
<b>TOTAL CURRENT LIABILITIES</b>	<b>74.914</b>	<b>77.811</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>324.976</b>	<b>317.151</b>