



FIRST NINE MONTHS 2020 FINANCIAL
RESULTS

NOVEMBER 2020



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ROVI response to COVID-19 pandemic

ROVI priorities during COVID-19



Safeguard the health of our employees



Continue the supply of medicines to patients



Support society with resources and expertise

ROVI status across the value chain

Production & Commercial

- All manufacturing sites operating
- LMWH essential medicines for COVID-19
- Reduction of hospital activity

R&D

- Continuation of Doria[®] approval process in Europe
- No delay in the registration of the Doria[®] dossier in USA

Resources

- €3.1Mn booked to protect our employees' health

9M 2020 financial results - Highlights



Operating revenue growth of 12% to €302.1Mn and EBITDA growth of 47% to €69.7Mn in 9M 2020.



Sales of the heparin franchise increased by 26% to €157.7Mn in 9M 2020.



Sales of Neparvis® increased by 42% to €21.6Mn in 9M 2020.



Toll manufacturing sales increased by 38% to €62.7Mn in 9M 2020.



For 2020, ROVI expects a mid-single-digit growth rate for the operating revenue.

Milestone achieved – ESG Risk Rating 2020

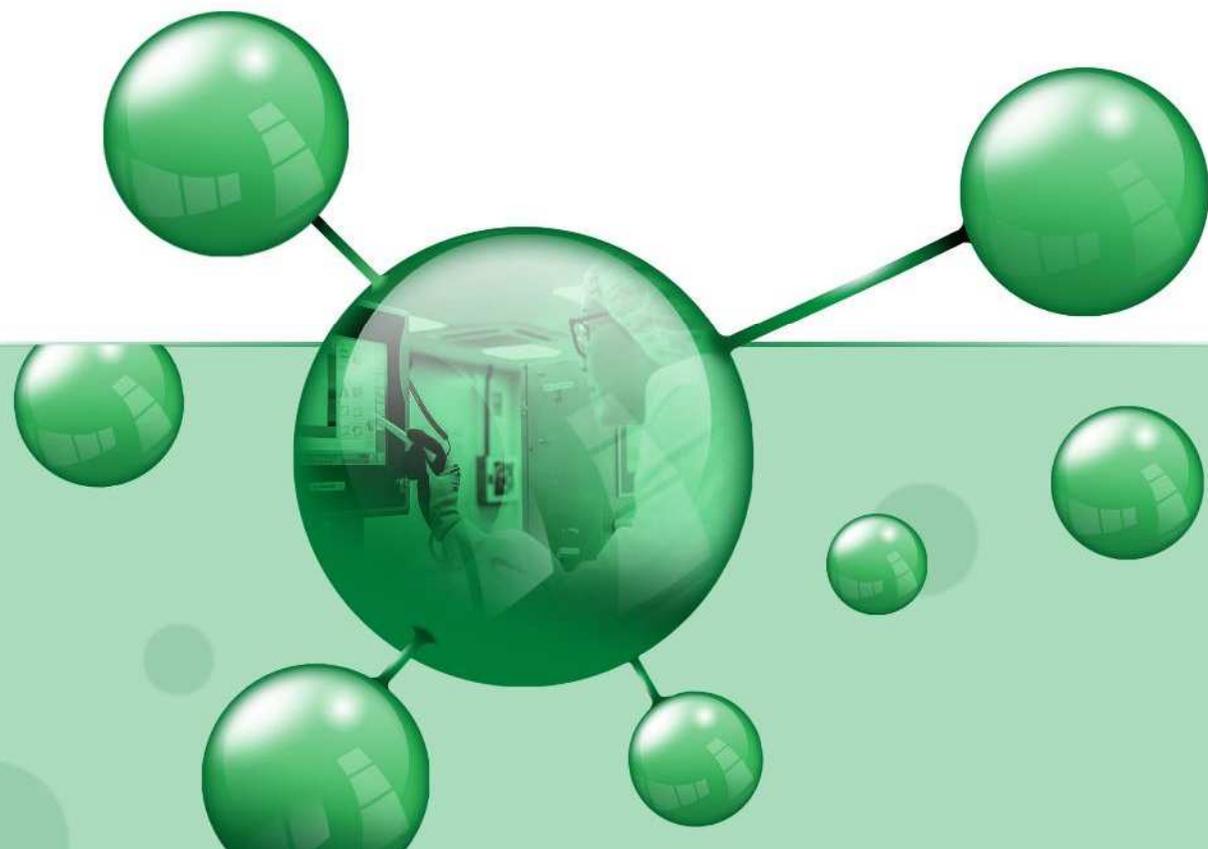
- ROVI's ESG (Environmental, Social and Governance) aspects have been evaluated by Sustainalytics, a global leader in ESG & Corporate Governance, having obtained an **"ESG Risk Rating 2020"** of **21.8**, which places the company at **medium risk** (between 20 and 30).

ROVI has attained the second position out of 360 companies in the sub-industry "pharmaceuticals".



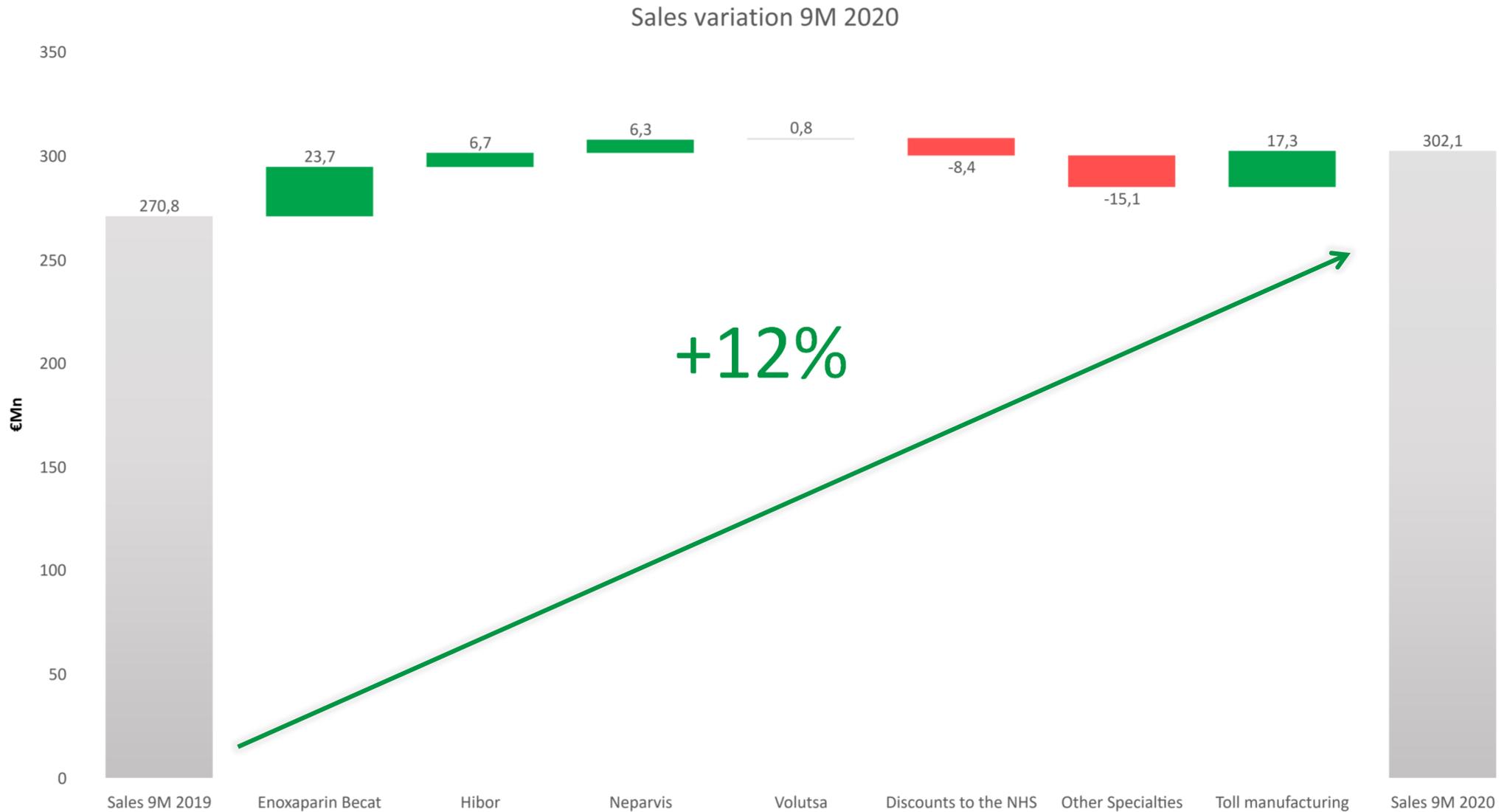
- The company is at medium risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. Furthermore, the company has not experienced significant controversies.

Operating results



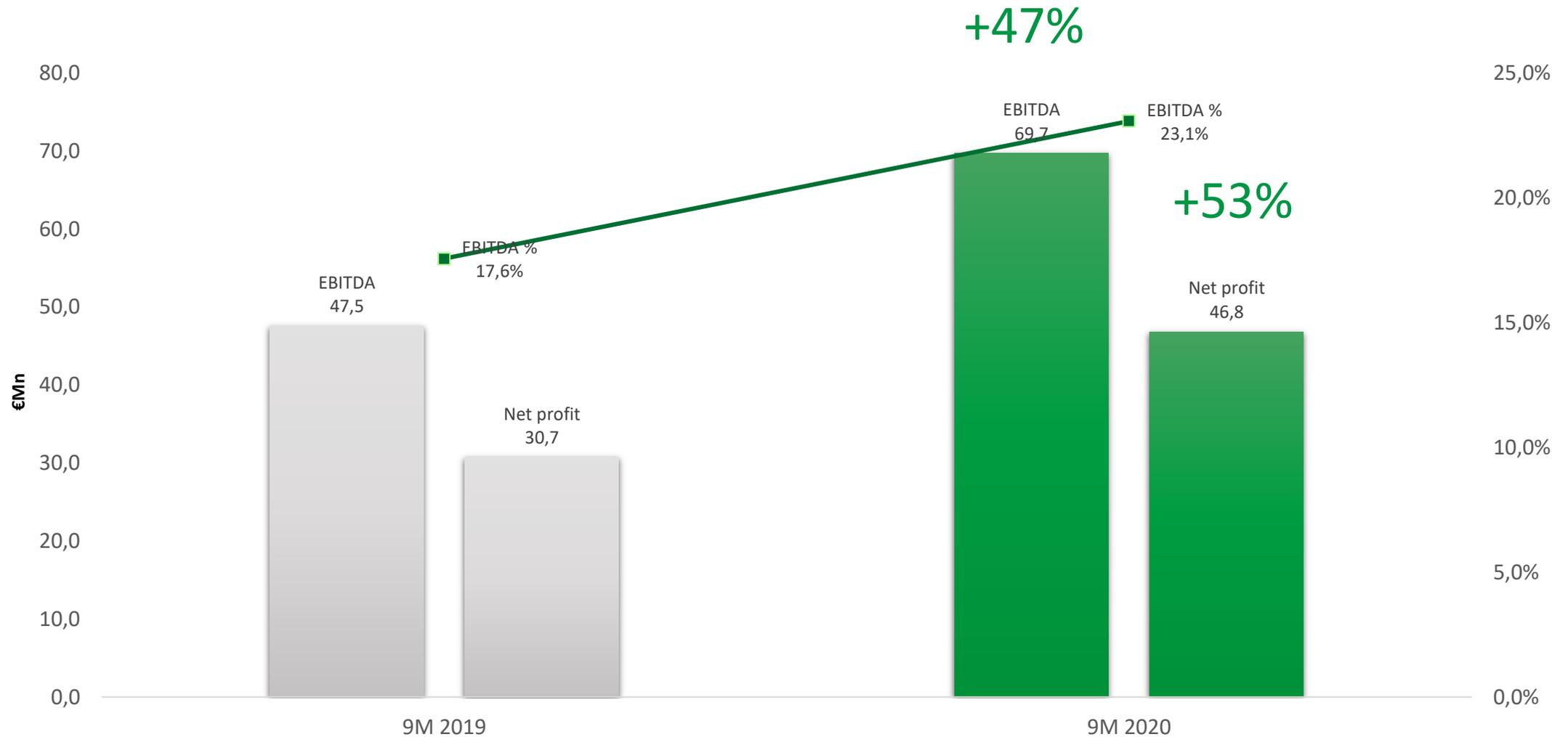


Growth driven by specialty pharma and toll manufacturing businesses...





...with high profitability



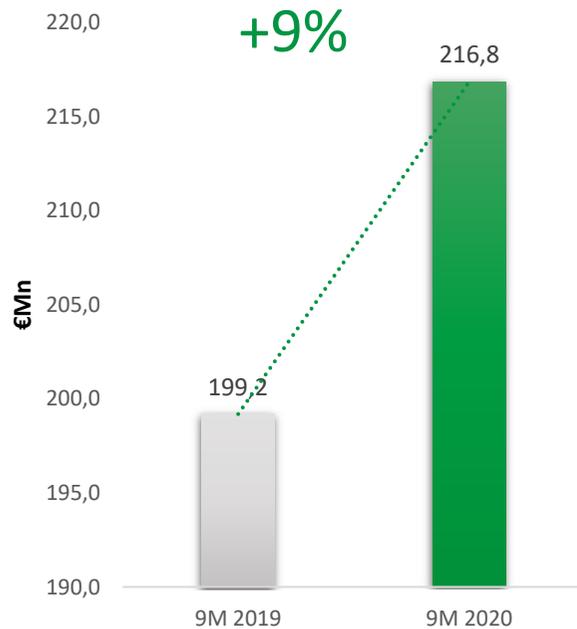
EBITDA increased to €69.7Mn in 9M 2020, a rise of 47% compared to same period last year.

Net profit increased by 53%, from €30.7Mn in 9M 2019 to €46.8Mn in 9M 2020.

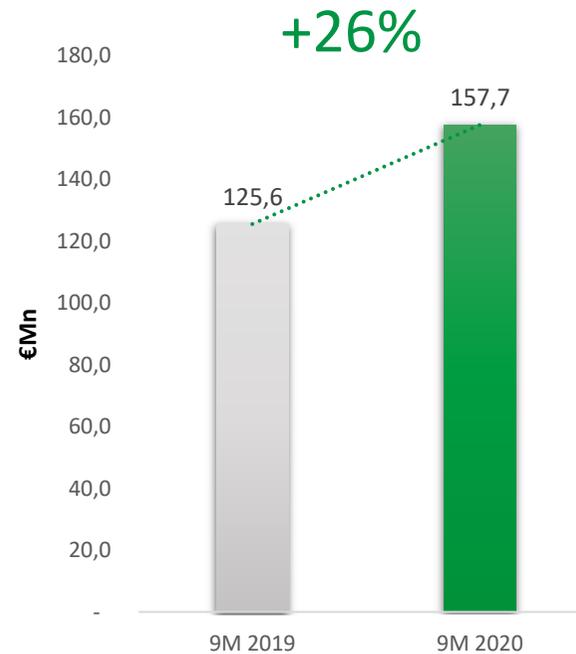


Heparins, leading the specialty pharmaceutical business

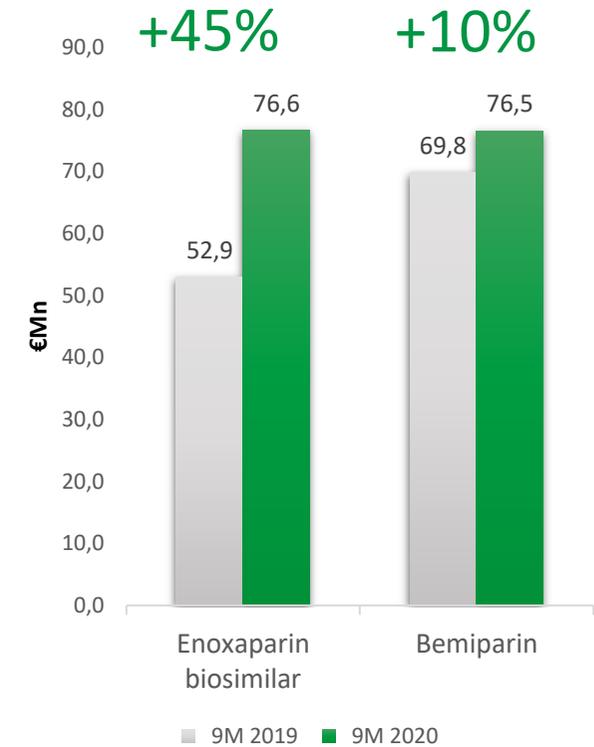
Prescription-based sales



Heparin franchise sales



Sales LMWH



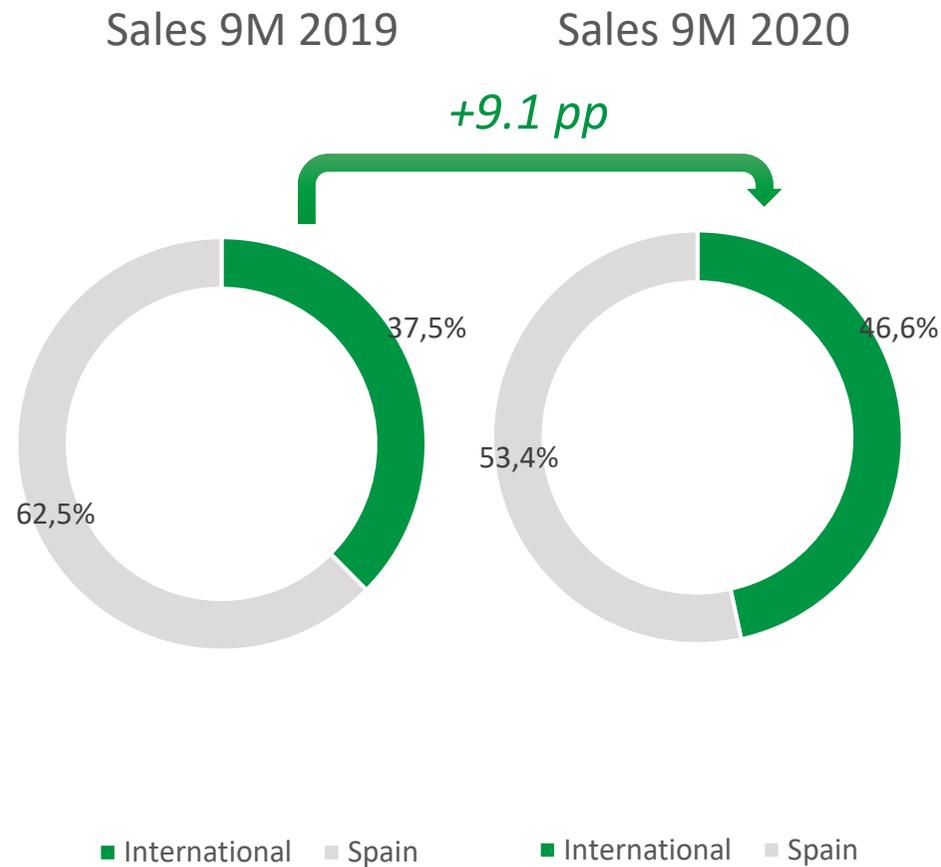
- Sales of **prescription-based pharmaceutical products increased by 9%** to €216.8Mn in 9M 2020.
- Sales of **heparin franchise increased by 26%** to €157.7Mn in 9M 2020.
- **Heparin sales represented 52% of operating revenue** in 9M 2020 compared to 46% in 9M 2019.



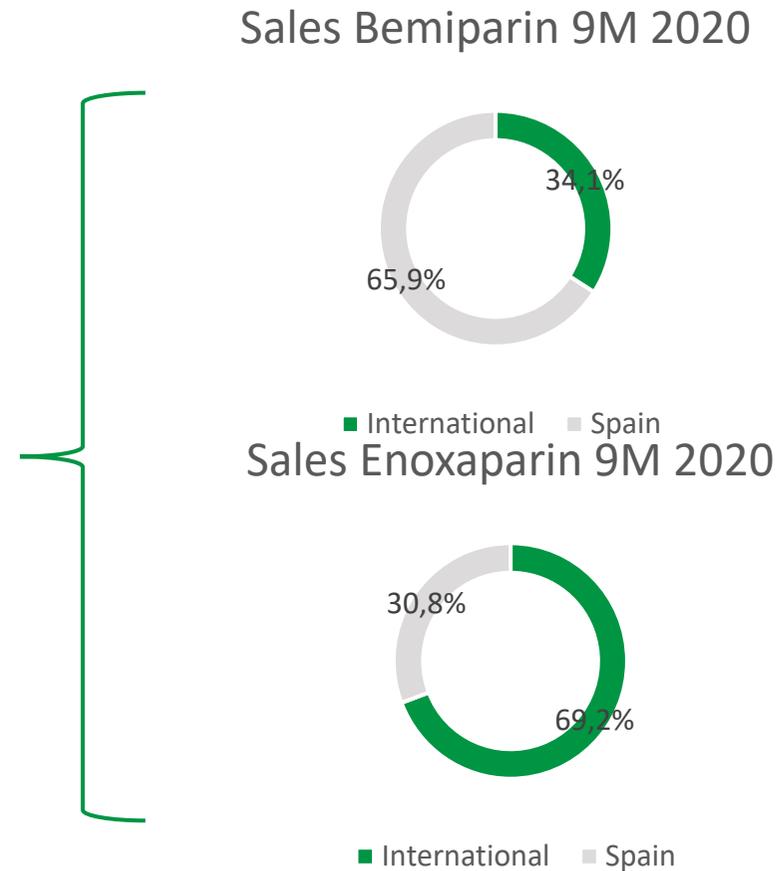
Well Positioned to Drive Long-Term Leadership in Low Molecular Weight Heparins (LMWH)

Sales of LMWH (Enoxaparin biosimilar and Bemiparin) increased by 25% to €153.1Mn in 9M 2020.

Total group sales



Enoxaparin & Bemiparin international sales





Strong growth potential of Enoxaparin Biosimilar Becat®

Strong Commercial Launch with a Clear Strategy

- ROVI launched enoxaparin biosimilar Becat® in **Germany** (first EU market) in September 2017; in **UK, Italy, Spain, France¹, Austria, Latvia and Estonia** in 2018; in **Portugal, Poland, Costa Rica, Finland and Sweden** in 2019; and in **South Africa, Israel, Peru, Panama and the Dominican Republic** in 9M 2020.

Well-Established Network to Minimize Time-to-Market

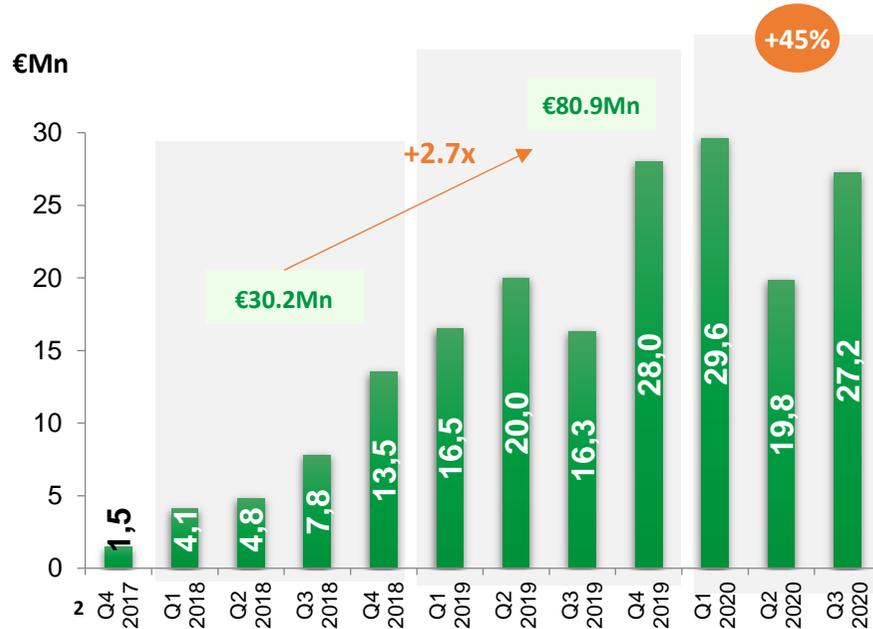
Direct Marketed in Germany, UK, Italy, Spain, Portugal and Poland

Approved in 26 countries in Europe and 15 in the Rest of the World

Launched in 18 countries

Enoxaparin Biosimilar Becat® Sales Ramp-up

VERY POSITIVE EVOLUTION OF ENOXAPARIN BIOSIMILAR BECAT® SALES SINCE LAUNCH IN 4Q17



Stage I of Commercial Strategy

Focus on Europe...

...the largest enoxaparin market with **€0.7bn sales³**

ROVI will directly market enoxaparin biosimilar Becat® in 7 European countries...

...which account for **c.75% of the European market⁴**

In the long-term, biosimilars tend to reach a...

50-70% Market Share⁵

...of the reference product market

Stage II of Commercial Strategy

Continue international expansion in other markets with strong growth potential through out-licensing agreements

Already Signed Out-Licensed Agreements: **95 Countries**

ROVI signed a licensing agreement with Sandoz to distribute enoxaparin biosimilar Becat® in 14 countries/regions and with Hikma in 17 Middle East and North African countries.

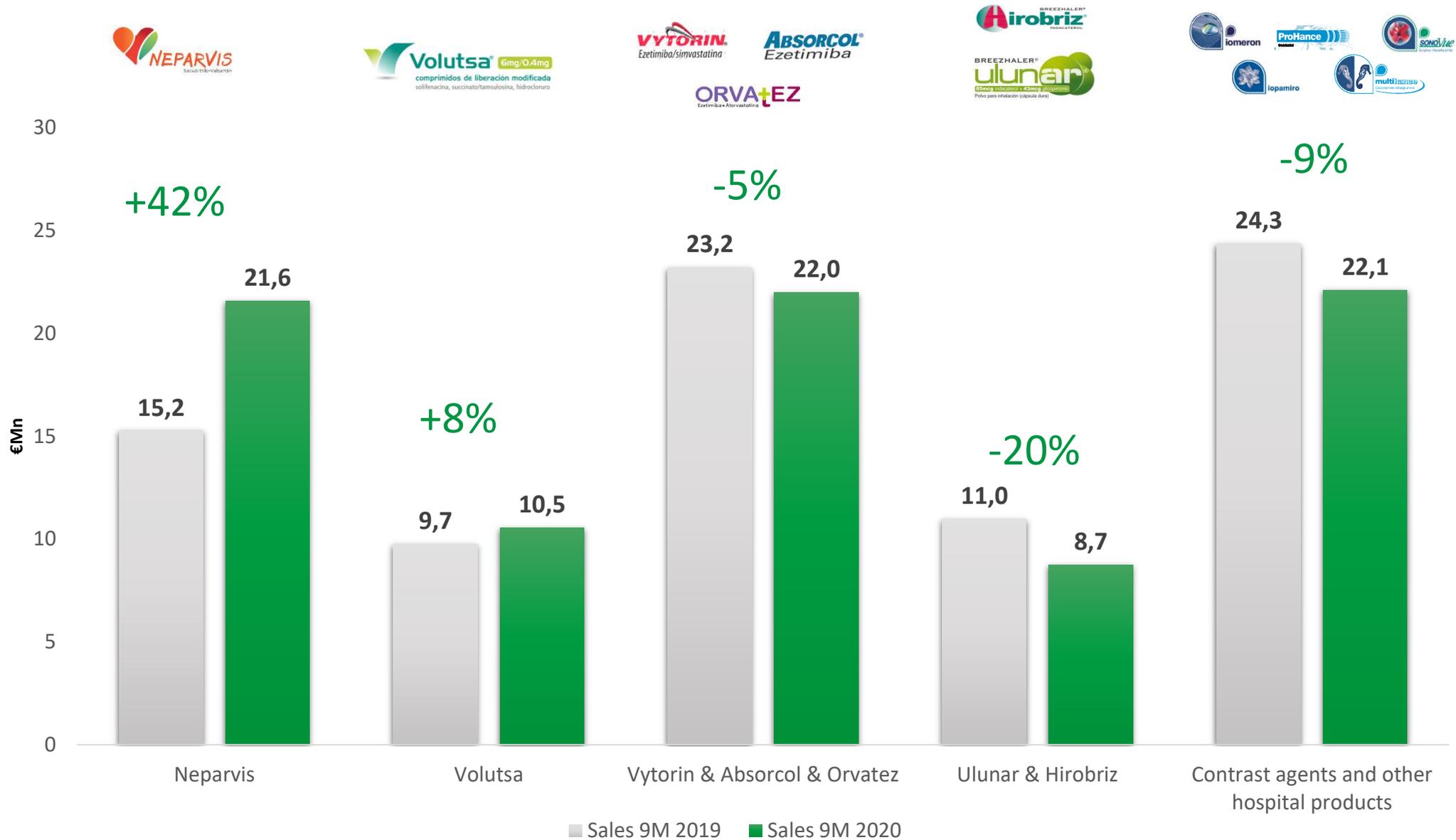
€0.5bn 2019 Market Sales³

13.9% 2019 Market Growth³

1. ROVI has started to sell Becat® in France though Biogaran
 2. Becat® 4Q 2017 sales include sales throughout September. As the product was launched that month, sales were negligible.
 3. Estimates based on Sanofi-Aventis reported 2019 sales.
 4. QuintilesIMS, 2015.
 5. Technavio 2016 biosimilars report.



Strong performance of the product portfolio





Value added toll manufacturing services

Toll manufacturing strategy

Our biosimilar of enoxaparin as a catalyst for the integration of industrial processes among all our manufacturing plants.

★ Packaging Excellence Centre in our Alcalá de Henares plant

State-of-the art installations

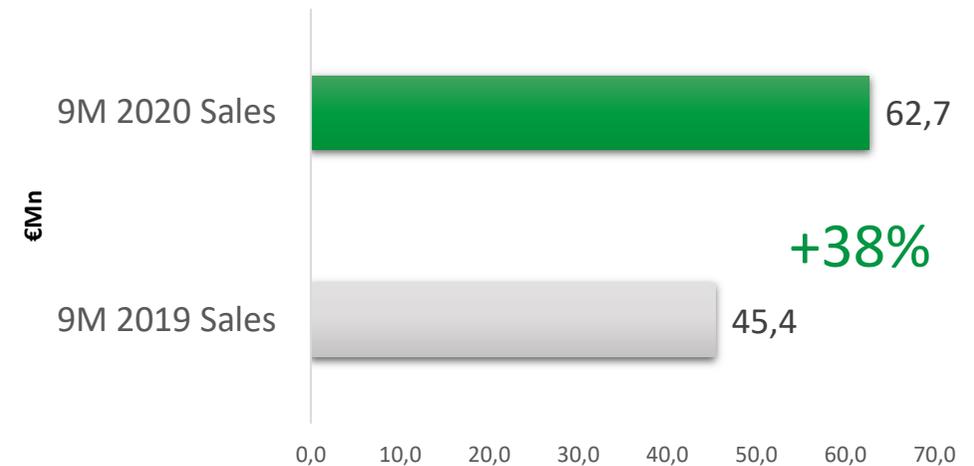
- 2 new high-speed lines
- 3 lines moved from Madrid plant
- In total, 13 packaging lines

★ New capacities for aseptic filling in our Madrid plants

Own products and for third parties

- 1 new filling line
- 1 new filling line for vials
- 1 new inspection line

Toll manufacturing evolution



- **Toll manufacturing sales** increased by 38% to €62.7Mn in 9M 2020.
- ROVI has started to carry on some activities linked to preparing the plant for the COVID-19 vaccine production under the agreement with Moderna, but no income was booked in Q3 2020. Nevertheless, ROVI expects to start booking income related to these activities in Q4 2020.
- ROVI expects the toll manufacturing business to have increased by between 20% and 25% by the end of 2020, excluding the activities related to the Moderna agreement.



ISM[®] Platform Opens Up New Avenues of Growth for ROVI

Overview

- Internally-developed and patented innovative drug-release technology, ISM^{®1}, which allows for the **sustained release of compounds administered by injection**
 - Based on **two separate syringes respectively containing (a) the drug and polymer** (solid state) and (b) **the solvent** (liquid state)
- Potential wide applicability of ISM[®] technology to new chronic therapeutic areas, including **psychiatry** and **oncology**
 - 505(b)(2) path of approval** for candidates leveraging ISM[®] technology

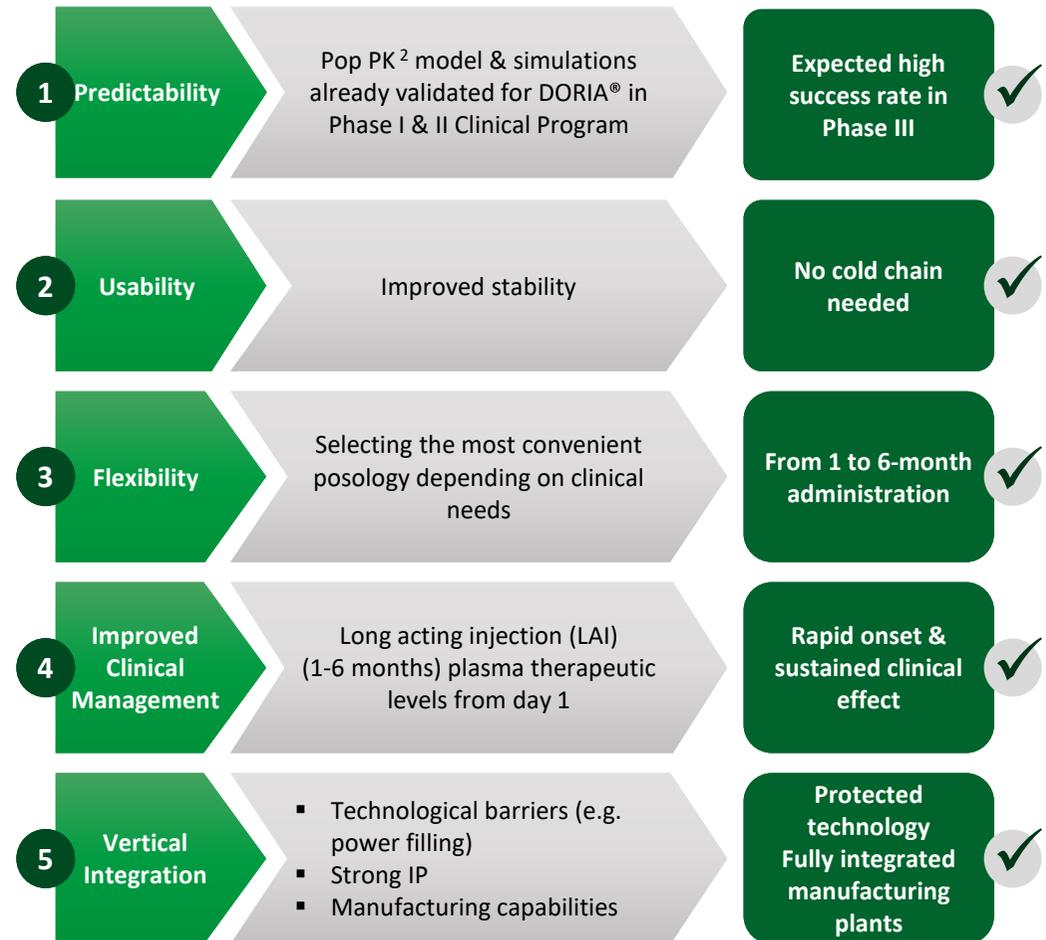
2 Candidates Currently in Clinical Trials

Product	Potential Indication	Current Situation				Key Milestones
		Non-Clinical	I	II	III	
DORIA [®] Risperidone, monthly	Schizophrenia	[Progress bar: 100%]				In approval process in Europe and expected to be filed in USA in Q4 2020
Letrozole ISM [®] Long acting Letrozole	Breast Cancer	[Progress bar: 25%]				Phase I started in November 2017
Risperidone, quarterly	Schizophrenia	[Progress bar: 10%]				

★ Concentrated on improving posology for already approved compounds, which benefits risk / reward profile

★ Multiple FDA / GMP approved facilities to support the platform

Key Company Highlights of ISM[®] Platform



1. ISM[®] stands for *In Situ Microparticles*[®].
 2. PK stands for pharmacokinetic.



2021 operating revenue growth rate

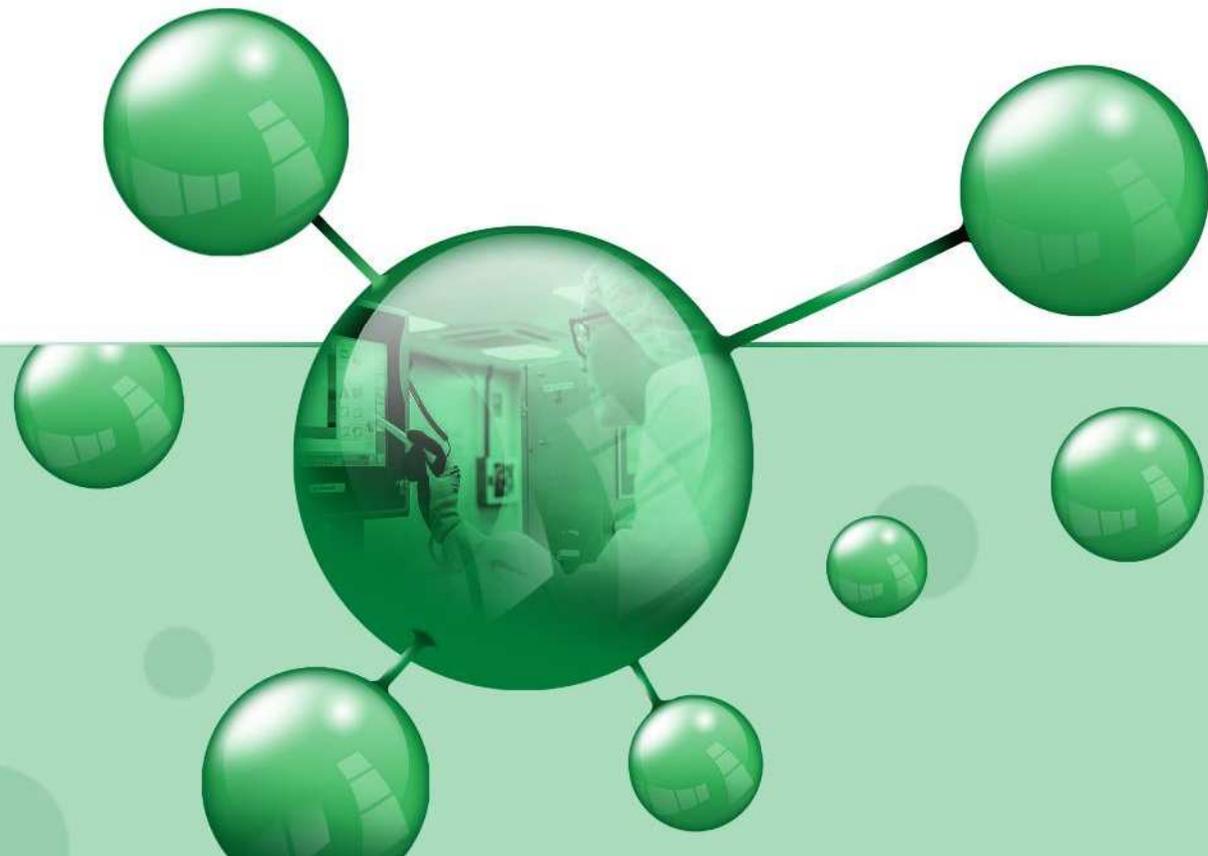
Mid-single-digit

THE KEY GROWTH LEVERS IN 2021

Specialty Pharma Business	Toll Manufacturing Services
<ul style="list-style-type: none"> ✓ Bemiparin ✓ Biosimilar of Enoxaparin ✓ Launches such as Neparvis® and Volutsa® ✓ Existing portfolio of specialty pharmaceuticals ✓ Launch of Doria in Europe® 	<ul style="list-style-type: none"> ✓ Spare capacity in the manufacturing plants ✓ New customers to be acquired ✓ Agreement with Moderna

- Excludes the production of the Moderna’s COVID-19 vaccine candidate.
- Given the uncertainties associated to the development of the Covid-19 pandemic, it is not yet possible to make a precise assessment of the impact that the pandemic will have on 2021.
- The potential increase in the discounts to the National Health System as a result of the Covid-19 impact may affect attainment of these growth forecasts.

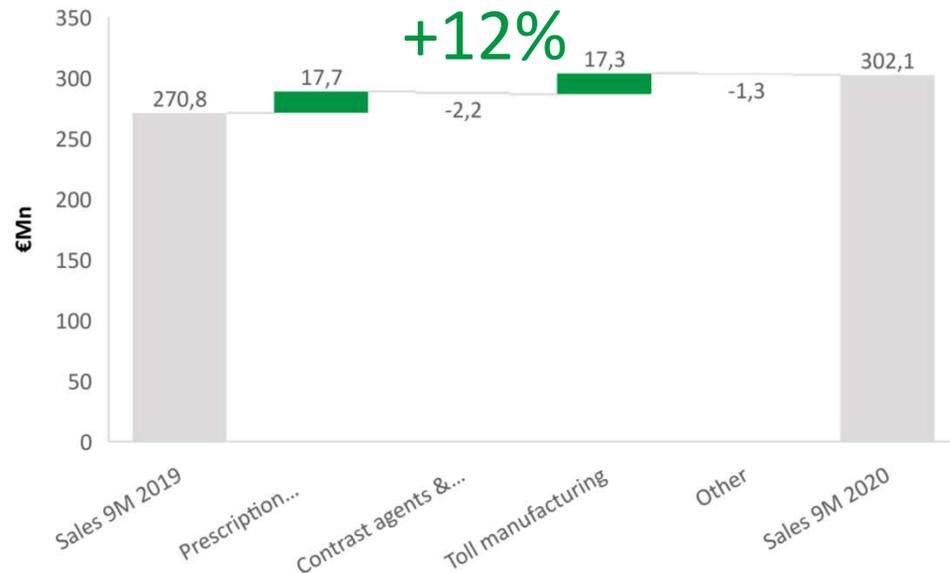
Financial results



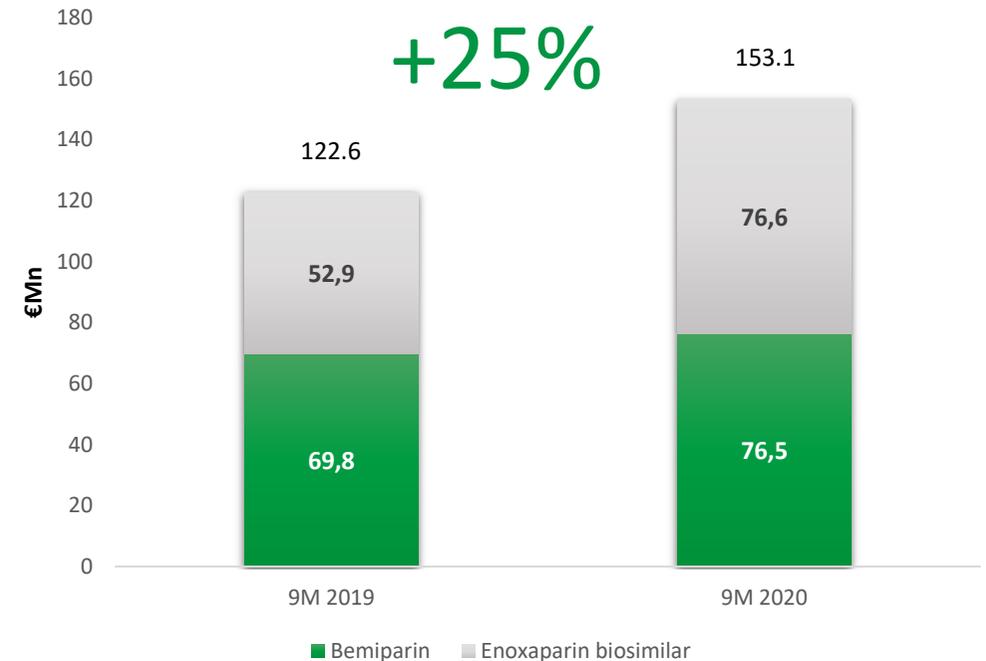


Good revenue level with resilient sales growth

Total operating revenue



LMWH sales

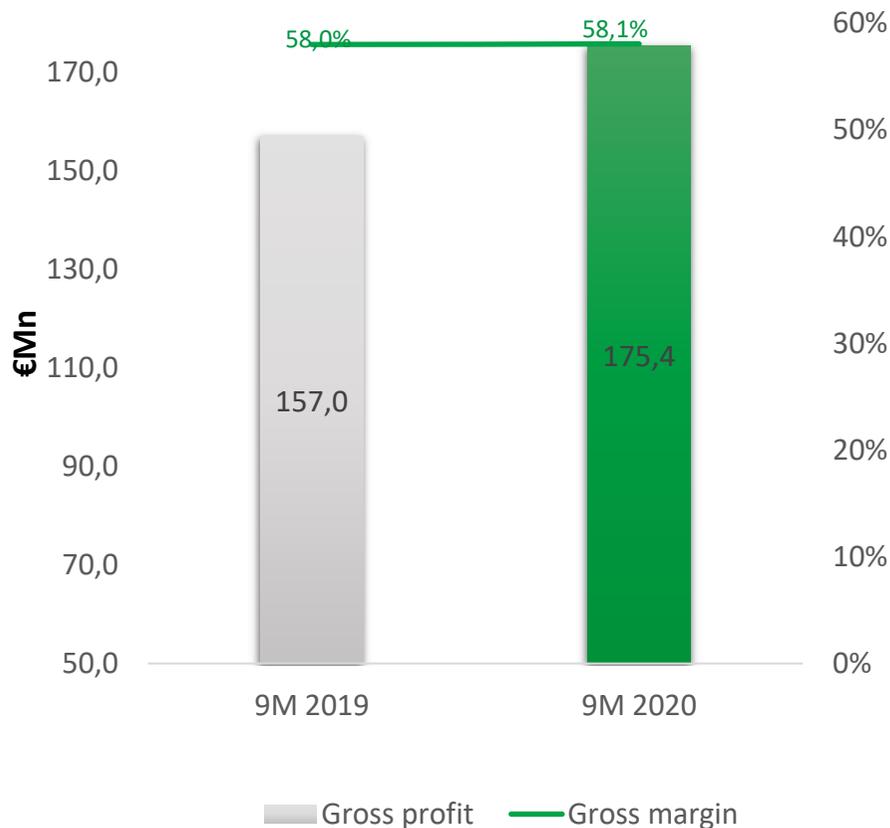


- **Operating revenue** increased by 12% to €302.1Mn, achieved on:
 - 9% growth in prescription-based products
 - 38% increase in toll manufacturing.
- Contrast agents and other hospital products decreased by 9%.
- Sales of **LMWH** increased by 25% to €153.1 Mn in 9M 2020.
 - **Enoxaparin biosimilar sales increased by 45%** to €76.6Mn and **Bemiparin sales increased by 10%** to €76.5Mn.

Gross margin mainly impacted by the increase in toll manufacturing sales and the increase in heparin prices in hospitals



Gross profit and Gross margin

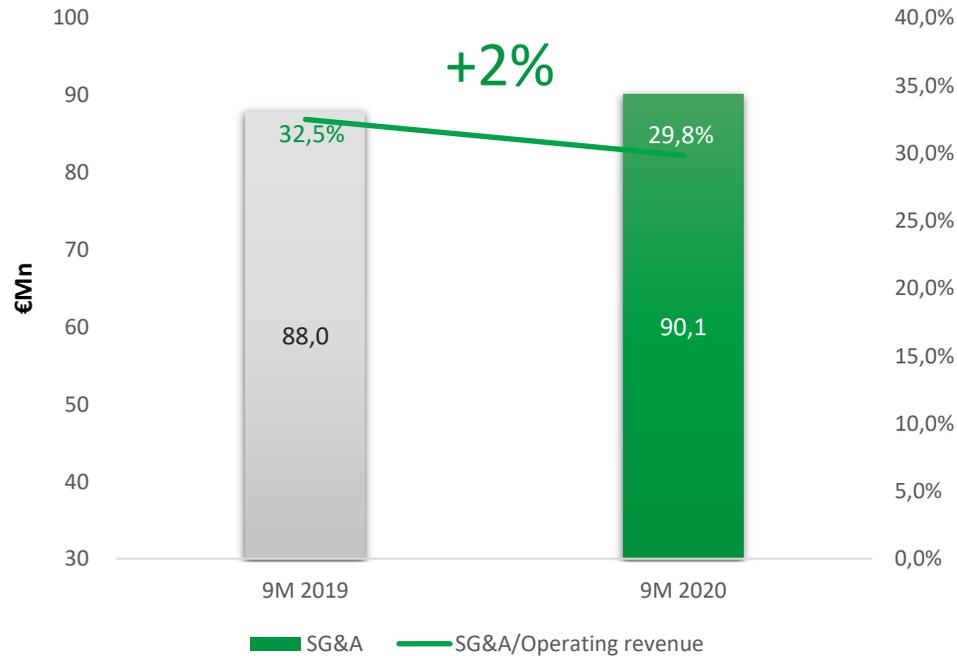


Gross margin impacts for the period

- Increase in **toll manufacturing** sales contributing with higher margins to group sales.
- Increase in **Bemiparin prices** in hospitals due to rises in both LMWH raw material prices and the demand for the product in hospitals to treat COVID-19.
- Improvement in **enoxaparin margins in Spain** counteracting the drop in the margin on international sales of enoxaparin.
- **End of the marketing of the Norgine B.V. product portfolio** with lower margins than the group.
- These factors with a positive impact on the gross margin offset the **37% increase in the LMWH raw material prices** in 9M 2020 compared to 9M 2019.
- **ROVI expects LMWH raw material prices to remain stable or even to begin a change of trend** during Q4 2020.
- Nevertheless, despite the potential decrease in LMWH raw material prices, the impact on the gross margin will continue to be negative because of the long LMWH manufacturing process in which the raw material currently used, stocked for several months, was purchased at higher prices.

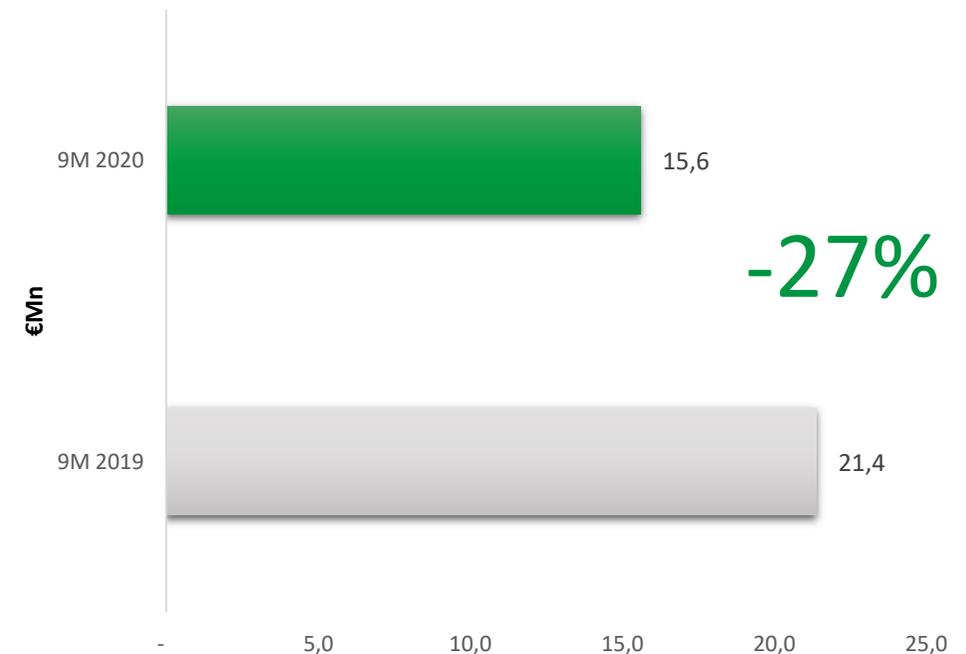
Cost control along with commitment to R&D

SG&A expenses



- ROVI booked €3.1Mn in personnel and other expenses related to the **Covid-19 measures implemented**.
- Excluding expenses related to COVID-19, **SG&A would have decreased by 1% to €87.0Mn in 9M 2020** mainly due to a drop in:
 - Promotion expenses; and
 - International subsidiaries expenses.

R&D expenses

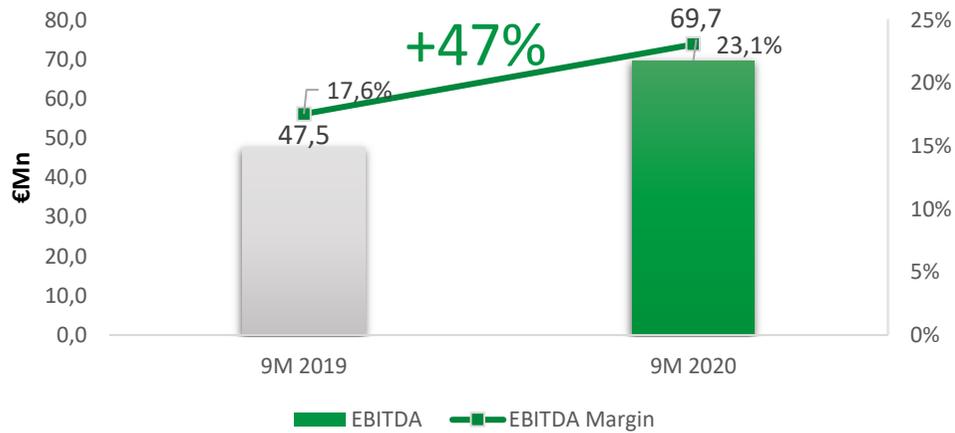


- **R&D expenses** decreased 27% to €15.6Mn in 9M 2020. These expenses are related to:
 - Preparation of the Doria® registration dossier to be submitted to the FDA;
 - Letrozole-ISM® Phase I trial; and
 - Development of a new formulation of Risperidone-ISM® for a 3-monthly injection.

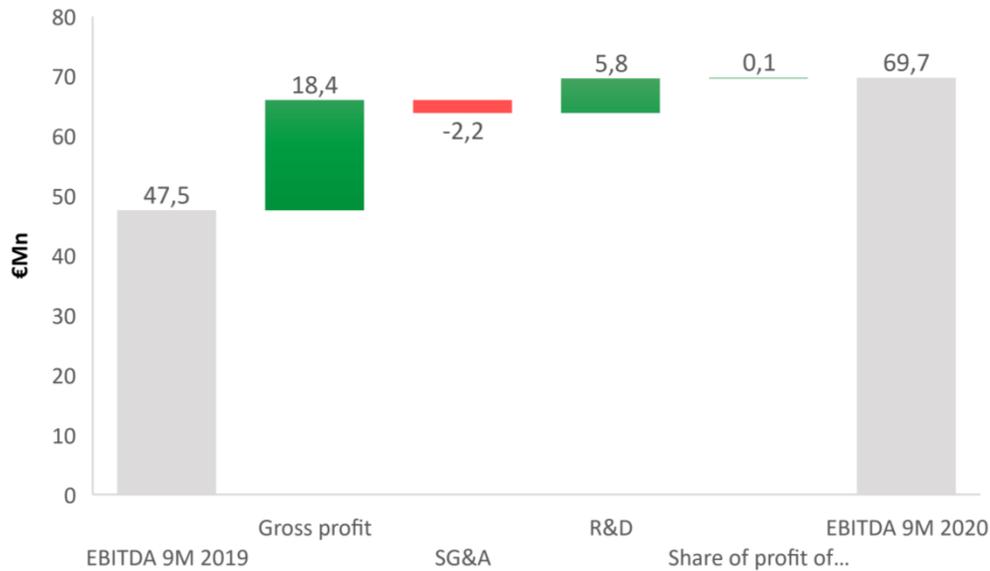
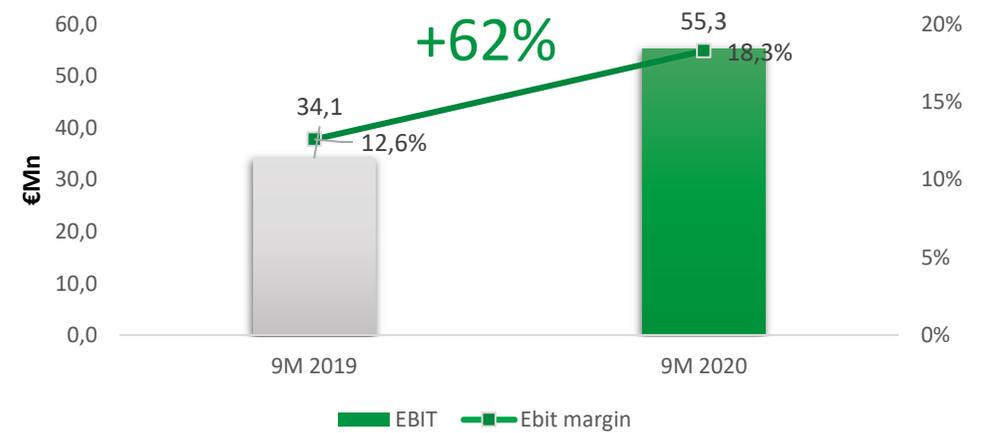


EBITDA, EBIT & net profit analysis

EBITDA



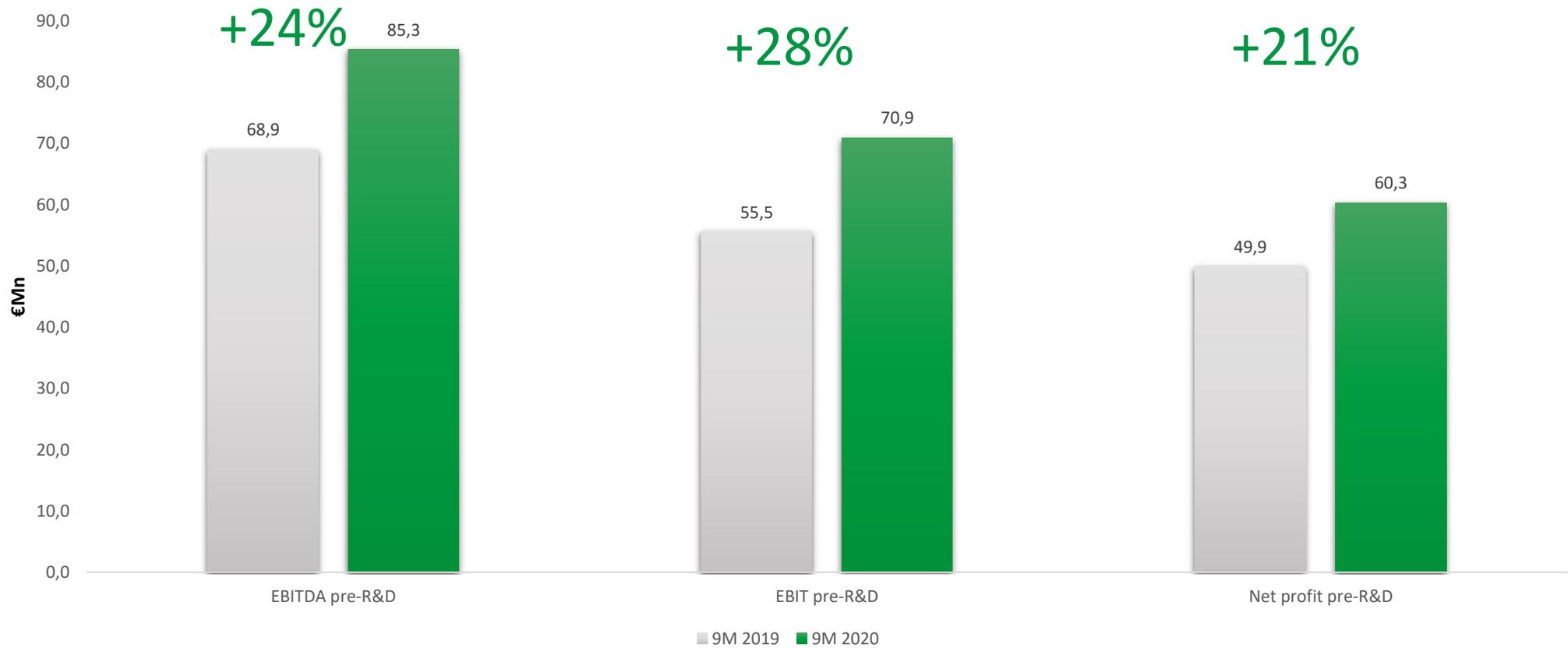
EBIT



Net profit



PRE-R&D analysis

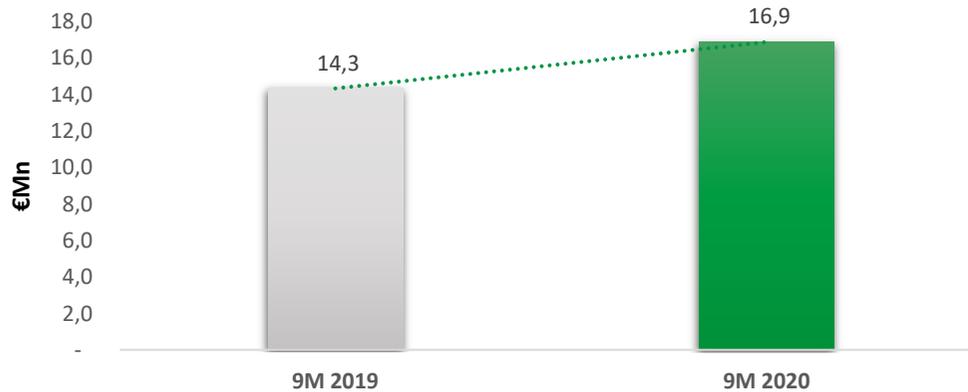


- **EBITDA “pre-R&D”** increased by 24%, from €68.9Mn in 9M 2019 to €85.3Mn in 9M 2020.
- **EBIT “pre-R&D”** increased by 28%, from €55.5Mn in 9M 2019 to 70.9Mn in 9M 2020.
- **Net profit “pre R&D”** increased by 21%, from €49.9Mn in 9M 2019 to €60.3Mn 9M 2020.

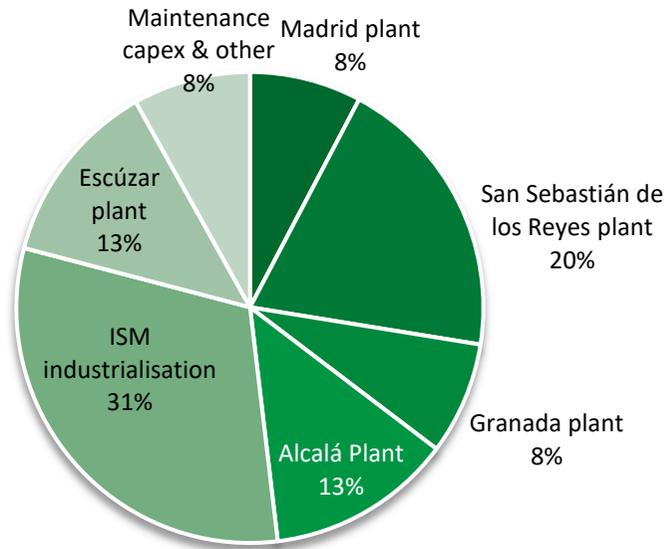
Note: EBITDA, EBIT and Net profit “pre-R&D” calculated excluding R&D expenses in 9M 2020 and 9M 2019

Capital expenditure and Free Cash Flow

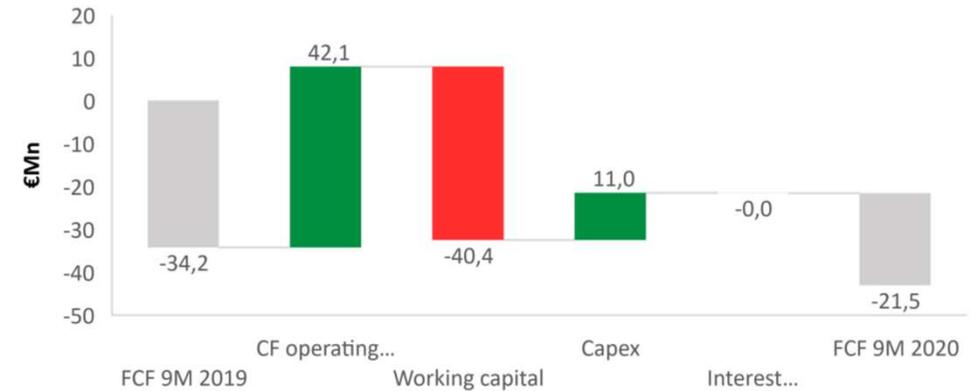
Capex evolution



CAPEX distribution 9M 2020



FCF evolution



FCF increased to €-21.5Mn mainly due to:

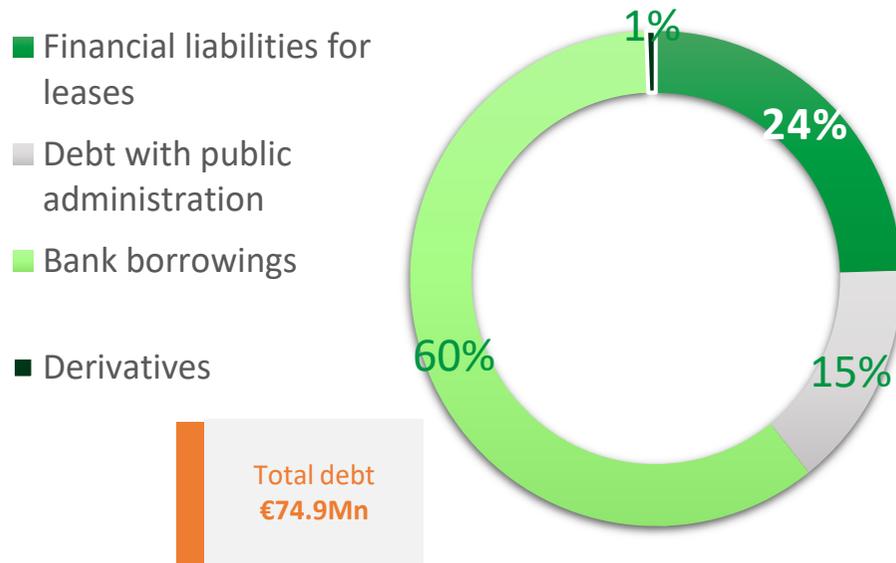
- Decrease of €11.0Mn in Capex mainly as a result of the acquisition of Polaramine® in 9M 2019;
- Increase of €16.2Mn in “proceeds from distribution liceness” line mainly due to the payments received because of some activities carried out under the agreement with Moderna; and
- Increase of €20.0Mn in profit before income tax.

These positive impacts were partially offset by:

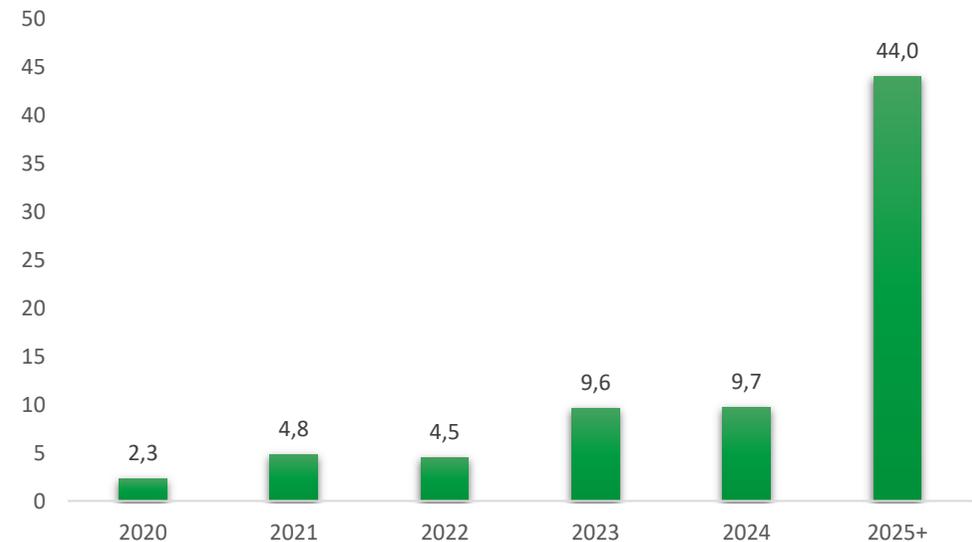
- Increase of €79.4Mn in the “inventories” line in 9M 2020 mainly as a result of higher heparin stock levels compared to an increase of €54.7Mn in 9M 2019.

Debt analysis

Debt breakdown by source (%)



Debt maturities



- **Debt with public administration** represented **15% of total debt, with 0% interest rate.**
- **Net debt of €38.1Mn** as of 30 September 2020 vs €15.9Mn as of 31 December 2019.
- **Dividend:** ROVI General Shareholders Meeting, on 20 October 2020, approved the payment of a gross dividend of 0.1751 euros per share on 2019 earnings; it means an increase of 119% on the dividend paid out of the 2018 profit (€0.0798/share) and represents approximately a 25% pay-out. This dividend will be paid on 19 November 2020.

News-flow 2020/2021



Specialty Pharma	Sales of biosimilar of Enoxaparin
	Additional new products to be launched in 2021
	Granting by the competent local authorities of the marketing authorisation of an Enoxaparin biosimilar outside Europe
Toll manufacturing	New contracts to be announced Evolution of Moderna's vaccine
ISM[®] technology platform	Risperidone ISM [®] expected to be filed in USA in Q4 2020 Risperidone ISM [®] final Phase III data will be presented in scientific congresses Marketing authorization for Doria [®] expected for Q1 2021 in Europe
	Next steps of Letrozole ISM [®] to be discussed with regulatory authorities in Q4 2020

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