

RESULTS NOTE: THIRD QUARTER OF 2022

REIG JOFRE grew by 13% in revenues and by 6% in EBITDA in the first nine months of the year

REIG JOFRE closes with 195 million in accumulated revenue in the third quarter. The antibiotics market is recovering, the new injectable products plant has begun production and consumer products are showing solid growth.

At the end of September, REIG JOFRE had achieved **€195 million in sales**, a 13% increase over the same period of the previous year. The strong growth in Consumer Healthcare sales continues, production has increased at the new plant in Barcelona and the demand for antibiotics manufactured at the plant in Toledo has fully recovered. EBITDA grew by 6%, reaching €21.2 million and confirms the first half's progress.

The **Pharmaceutical Technologies** unit, dedicated to injectable products and antibiotics, has continued to grow to double digits. The **Speciality Pharmacare** unit, focused on prescription products, accelerated the growth achieved in the first semester and **Consumer Healthcare**, the consumer products unit, had the highest percentage growth, in both the FORTE PHARMA brand, in the French, Belgian and Spanish markets, as well as in OTC products.



Pharma Tech

45% sales | +15% in 2022

The new injectable products plant in Barcelona has begun manufacturing its own molecules as well as CMO products and the degree of utilisation of the new available capacity will increase.

Sales recovery has been consolidated by the increased demand for antibiotics both in Spain and internationally after the drop in consumption caused by social distancing measures. Sales of other medicines for hospital use and income from development projects for third parties are also growing.

Speciality Pharmacare

29% sales | +5% in 2022

After closing 2021 with the sale of prescription products having grown by 14%, this unit's growth rate, which was 2% in the first semester, has improved thanks to the launch of new dermatological products in Spain. The growth in European countries is mainly due to them strengthening their own medical visit networks promoting the osteoarticular and derma ranges. The agreement to manufacture a drug for Parkinson's for the Stada group at the Swedish plant is also a key factor in this positive development in 2022.

Consumer Healthcare

26% sales | +19% in 2022

After a good 2021, with an 8% growth, the trend from the first semester of 2022 has been consolidated and has achieved +19% increase in sales in 2022.

There was improvement in both the respiratory and ear care ranges, which had dropped the previous year due to the lower incidences of infections, as well as in the FORTE PHARMA brand, with its food supplement ranges, that consolidated its presence in France, Belgium and Spain in the energy and immune strengthening ranges, which were already exceeding weight control.



REIG JOFRE has obtained 55% of its revenues in international markets in 2022.

At the third quarter closing, the levels of growth in the international and Spanish market were equal, both reaching 13%.

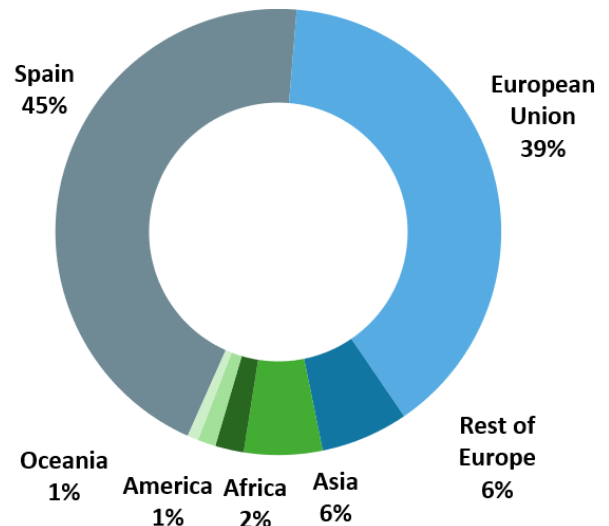
The most international units are Pharmaceutical Technologies, which obtained 61% of its revenues outside Spain, and Consumer Healthcare which, because of the Forté brand's strong presence in France and Benelux, consolidated 75% of sales in these countries.

Sales by Geographical Area.

Spain consolidated 45% of the group's sales, growing by 13% in revenues, highlighting the progression in Consumer Healthcare, which grew at rates exceeding 20%.

The other European markets, that represent 45% of sales, experienced a 17% growth. The main driving force for this growth was the hospital products area of Pharmaceutical Technologies. And the FORTE PHARMA brand that added the new subsidiary in Poland on top of the sales in France, Belgium, Spain, and Portugal.

The rest of the countries, which together account for 10% of sales, fell by 2% over the year, which is a substantial improvement from the first semester trend where they had fallen by 6%.



LAUNCH OF NEW DERMATOLOGICAL PRODUCTS

and agreement with Stada for the manufacture of a product against Parkinson's at the Swedish plant



Dex
Nail lacquer with new CicloTeck® technology with 8% ciclopirox

The third quarter of the year saw the launch of a range of products for the care and treatment of nails. Encompassed in our Dermatology area, it focuses on both structural and aesthetic alterations and the treatment of onychomycosis. Initially it will be destined for the domestic market, although soon the product is expected to also expand to our subsidiaries and through licensing and distribution agreements.

In addition to this launch, and also within the scope of Speciality Pharmacare, our plant in Sweden is finalising the launch of a new production line exclusively dedicated to the manufacture of a product for the treatment of advanced Parkinson's. It is a patented pharmaceutical gel in a preloaded 47 ml cartridge for continuous infusion in the small intestine, prescribed for patients with late-stage Parkinson's disease who experience debilitating motor symptoms and can no longer be treated with oral medication.

P&L

The sales figure is 13% higher than the previous year, thanks, as we said earlier, to the recovery of antibiotics sales, as well as the growth in Consumer Healthcare products.

The gross margin stands at 59% in 2022 (62% in 2021), due to the greater weight of sales of products with lower profitability (antibiotics) and incipient pressure on the cost of raw materials.

Cost of Personnel raised by 7%, due to the increased level of industrial activity and the strengthening of commercial networks, especially internationally.

Other operating expenses increased by 6%, mainly due to costs associated with the new plant and a greater volume of manufacturing.

YTD EBITDA in September reached €21.2 million, a 6% growth compared to the same period in 2021.

Depreciation of fixed assets amounts to €15.1 million, which represents a 14% increase compared to 2021. The main reason is the start of depreciation of the facilities at the new plant in Barcelona, which has had a total investment of over €40 million.

In these first nine months of 2022, financial expenditure is at €1.4 million, significantly higher than the previous year. The main cause of this increase is the impact of exchange rate differences.

Profit before taxes amounted to €5.0 million, 16% lower than in the same period in 2021, due to the effects of higher depreciation and financial expense.

Investment and Funding

Cumulative investment in 2022 is €5.4 million. The main project this year is the construction and commissioning of a new production line at the Swedish plant, an investment that will exceed €4 million.

Net Financial Debt has dropped from €69 million at 2021 year-end to €64.1 million. The Debt/EBITDA ratio has also dropped significantly and stands at 2.2 compared to 2.5 at 2021 year-end.

As bank debt is mostly contracted at fixed rates, the income statement is not very sensitive to interest rate hikes.



2022 YEAR-END OUTLOOK

After the close of the third quarter, with good growth in sales and EBITDA, the recovery of demand for Pharmaceutical Technologies products is confirmed, as well as the progressive use of new manufacturing capacity in Barcelona.

This, together with the growth in Consumer Healthcare and the impact of the launches in Speciality Pharmacare at the end of the year, means we can estimate that 2022 year-end will be at the current levels of revenue and profit growth.

Next year we expect these trends that are driving sales to continue, but we will also have to face potential increases in materials and energy costs and develop strategies to maintain profitability.

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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 organises its product development activities into three business units: (1) *Pharmaceutical Technologies* specialising in sterile and lyophilised injectables and penicillin-derived antibiotics; (2) *Speciality Pharmacare* mainly specialising 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, UK, Poland and Singapore), and an extensive network of business partners in over 70 countries. The company closed 2021 with turnover of €236.2 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	9/30/2022	9/30/2021
Turnover	195,257	173,174
Procurements	-83,238	-63,226
Changes in inventories	3,662	-2,162
Gross margin	115,681	107,787
Work carried out for fixed assets	2,577	3,222
Other operating income	105	284
Personnel expenses	-52,983	-49,709
Other operating expenses	-44,187	-41,618
EBITDA	21,192	19,965
Depreciation and amortization	-15,079	-13,221
Govern. grants for non-financial assets and others	85	17
Impairment and results on disposals	3	-2
Operating income	6,201	6,760
Financial result	-1,429	-793
Results from entities accounted by the equity metho	268	53
Profit before taxes	5,040	6,020
Income tax	-756	-903
NET RESULT	4,284	5,117

BALANCE

thousand euros	9/30/2022	9/30/2021
ASSETS		
Goodwill	29,485	29,891
Other intangible assets	73,196	79,794
Property, plant and equipment	91,549	92,885
Investments in equity-accounted investees	2,216	1,911
Non-current financial assets measured at fair value	1,202	1,175
Other non-current financial assets	418	580
Deferred tax assets	10,621	13,507
TOTAL NON-CURRENT ASSETS	208,687	219,743
Inventories	50,516	46,601
Trade and other receivables	46,020	43,111
Current tax assets	4,844	7,292
Other current financial assets	1,088	771
Other current assets	5,472	3,427
Cash and cash equivalents	12,084	5,586
TOTAL CURRENT ASSETS	120,025	106,788
TOTAL ASSETS	328,712	326,531
EQUITY AND LIABILITIES		
Share capital	39,211	38,716
Share Premium	19,000	19,000
Treasury shares	-2,772	-2,089
Reserves	133,454	128,841
Own equity instruments	295	623
Profit attributable to the parent company	4,284	5,128
Exchange differences	-2,115	-830
Other comprehensive income	-154	-174
Equity attributable to parent company	191,204	189,215
Non-controlling interests	-98	-81
TOTAL EQUITY	191,107	189,134
Capital grants	3,916	2,349
Provisions	201	287
Financial liabilities with credit institutions	28,565	32,972
Lease liabilities	13,176	15,522
Other financial liabilities	6,475	6,226
Deferred tax liabilities	2,856	3,169
TOTAL NON-CURRENT LIABILITIES	55,190	60,525
Provisions	41	26
Financial liabilities with credit institutions	22,504	20,381
Lease liabilities	4,858	5,737
Other financial liabilities	609	544
Liabilities from contracts with customers	9,954	7,623
Trade and other payables	40,320	38,427
Current tax liabilities	4,035	3,942
Other current liabilities	95	192
TOTAL CURRENT LIABILITIES	82,415	76,872
TOTAL EQUITY AND LIABILITIES	328,712	326,531