

RESULTS NOTE: FOURTH QUARTER 2020

REIG JOFRE closed 2020 with a turnover of €230 million and achieved a Consolidated Profit of €5.7 million, with growth of 15% in both figures

In a year affected by the impact of COVID-19, Reig Jofre grows at double digits and starts a technology transfer project that will allow the manufacture of the Vaccine candidate developed by Janssen Pharmaceutical

At the close of 2020, turnover stood at over €230 million, some 15% ahead of 2019. Full integration of the new Osteoarticular product portfolio, acquired in July 2019, international growth and sales of essential medicines have compensated for the loss of income from other products as a result of the COVID-19 crisis.

REIG JOFRE's three divisions show positive growth in turnover, and have generated strategies to adapt to the new environment created by COVID-19 without compromising medium and long-term plans:



The Pharma Tech division (48% of sales) has achieved growth of 12% thanks to the manufacture of essential medicines associated with the COVID-19 situation, principally sedatives, analgesics and muscle relaxants, and positive trends in international sales. Some ranges of oral antibiotics have fallen back due to the lower incidence of infections as a consequence of social distancing.

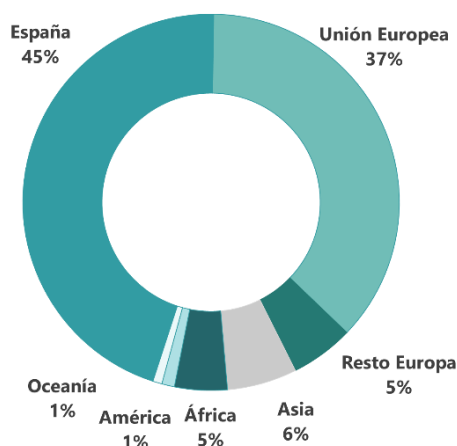


The Speciality Products division has grown by 28% thanks to the osteoarticular treatment area, that delivers annual revenue of €29 million. The rest of the division, focused on dermatology and women's health, has seen a decrease of 2% in revenue, due to the reduction of medical visits to patients, which led to a reduction in the number of new prescriptions issued.



Consumer Healthcare has grown its sales by 7%. The public health crisis has boosted growth of OTC disinfectant ranges (alcohols, chlorhexidines, etc) and some dietary supplement ranges under the FORTE PHARMA brand to strengthen the immune system, vitamins, probiotics and royal jellies. That has made up for the effect on other ranges, such as weight control, that have fallen back in 2020.

Income Trends by Territory



The Spanish market represents 45% of revenue and grew by 15% in 2020, due to the new osteoarticular business and buoyed by demand for essential medicines.

Other European markets have grown by 8%, particularly in essential injectable products and osteoarticular.

Other countries, that in aggregate represent 13% of sales, have seen growth in sales of 44%, derived principally from Pharmaceutical Technology. It is in this area where REIG JOFRE's technological specialization allows to give our products competitiveness and global scale.

Spain grew by 15% in revenue, driven by the purchase of the osteoarticular business, and despite the drop in prescription products. The rest of Europe grew by 8% and the aggregate of other world markets grew an outstanding 44%, consolidating our international expansion strategy.

Results Evolution

In a year where we have had to face many uncertainties, we value very positively the growth in Sales of 15% up to reach €230 million.

The integration of the sales network for the new osteoarticular business and the start of recruitment of technical staff devoted to the production of injectables and vaccines for the new Barcelona plant, are the reason for the 16% rise in personnel expenses.

The other operating costs figure has fallen 6%, principally due to the impact in 2019 of extraordinary costs amounting to €2.3 million associated with the purchase of the new business and the simultaneous capital increase.

Depreciation rose 29% due in part to new investment, but above all due to the impact of the depreciation of new intangible assets associated with the acquired business, with an annual impact of €4.6 million.

Finance costs are in line with the previous year, despite higher debt, due to

improved terms and the positive effect of exchange rates.

The impact of the revaluation of the liability associated with the purchase of the osteoarticular business, which matures in 2021, has also been reflected in other financial results.

CONSOLIDATED PROFIT

The increase in sales and control of operating costs have made possible a 15% increase in Consolidated Profit to €5.7 million

EBITDA reached € 26.5 million, which in adjusted terms would represent a growth of 21%.

Investments and Finance

Investments in Technology and Increased Capacity carried out in 2020 rose to €11.8 million.

INJECTABLES PLANT

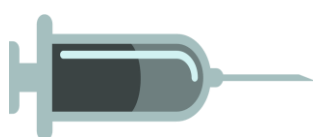
REIG JOFRE will bring its new Sterile Injectables Plant into operation at the start of the second quarter of 2021, an investment of over €30 million made over the period 2018-2020.

That highly automated facility, at the leading edge in terms of technology, will manufacture both REIG JOFRE and third-party products.

Of that figure, €5.5 million represents the final tranche of investment in the new Barcelona Plant, that will begin operations in the second quarter of 2021.

In addition, €3.9 million has been invested in R&D. Financing for technology investments and payments for the purchase of the new business have raised finance debt to €66.7 million as compared to €62.8 million the previous year.

The Debt/EBITDA ratio is 2.1, notably lower than the 2.7 seen at the end of the previous year, thanks to improvements in EBITDA.



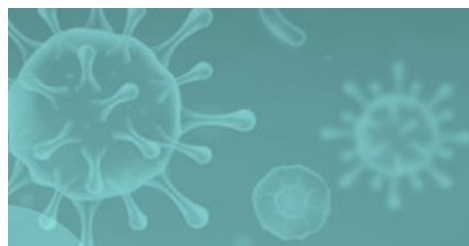
IN DECEMBER REIG JOFRE SIGNED AN AGREEMENT WITH JANSSEN FOR THE TECHNOLOGICAL TRANSFER OF PRODUCTION OF ITS COVID-19 VACCINE CANDIDATE

The new plant for the production of injectable vials has the capacity to manufacture this product at maximum capacity and will be prepared to work five shifts. The technological transfer in course will enable that level of production and will meet the supply requirements determined by Janssen.

Reig Jofre has made investments in the new plant and its dosing lines to accommodate the manufacturing requirements of the vaccine candidate and the levels of biosecurity required for products of this kind.

Impact derived from the Pandemic

In 2020, the overall impact of COVID-19 has led to a slight fall in sales, particularly due to the impact of lower medical visit numbers and lower consumption of oral antibiotics resulting from lower levels of bacterial and viral infections.



In 2020 there has been growth in demand for essential medicines for use in hospital ICUs with intubated patients, especially sedatives, analgesics and muscle relaxants, both in Spain and in the markets in other European countries.

There has also been growth in demand for OTC disinfectant products, especially Alcohols and Chlorhexidines, that are distributed through the hospital and pharmacy channels. Within Dietary Supplements under the FORTE PHARMA brand, Vitamins, Royal Jelly and Immune System reinforcement have seen sales grow by more than 40%, with a notable impact in France and the Benelux countries.

In that product category, the study of a dietary supplement that balances the over-inflammatory response of lung infections such as COVID is ongoing. Supplement's ability to reduce severe cases of COVID-19 infection is being evaluated by rebalancing the over-inflammation caused by the infection.

VIDEO WEBCAST OF RESULTS

Reig Jofre will present 2020 detailed results on **Friday, March 5 at 10.00 hours CET**.

The event will be broadcasted live in Spanish and English via **webcast**, which can be accessed through the home page of Reig Jofre's web site: www.reigjofre.com

Receive REIG JOFRE's news as it happens by registering at the company's **subscription hub** on its website: www.reigjofre.com

About REIG JOFRE

Founded in 1929 in Barcelona, REIG JOFRE is a family-controlled pharmaceutical company quoted on the Spanish stock exchange that is devoted to the research, development, manufacture and sale of pharmaceutical products and dietary supplements at its four plants in Toledo (2), Barcelona and Malmö in Sweden. REIG JOFRE organises its product development activity into three business areas: (1) *Pharmaceutical Technologies* specialising in sterile and freeze-dried injectables and penicillin derivative antibiotics; (2) *Specialty Pharmacare* in Dermatology, Osteoarticular and Women's Health, and (3) *Consumer Healthcare* with products for the consumer under the Forté Pharma brand mostly in France, Belgium, Spain, and Portugal and other OTC products. REIG JOFRE has more than 1100 staff, direct sales in 7 countries and more than 130 partner businesses in 72 countries worldwide. The company closed 2019 with turnover of €200 million. REIG JOFRE trades under stock exchange code RJF. Share Capital: 76.802.279 shares

For more information

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PROFIT AND LOSS ACCOUNT

thousand euros	31/12/2020	31/12/2019
Turnover	230.079	200.207
Procurements	-92.128	-75.426
Changes in inventories	2.369	1.515
Gross margin	140.320	126.296
Work carried out for fixed assets	3.680	5.625
Other operating income	996	94
Personnel expenses	-66.434	-57.132
Other operating expenses	-52.013	-55.192
EBITDA	26.549	19.691
Depreciation and amortization	-16.983	-13.148
Government grants for non-financial assets and others	23	23
Impairment and results on disposals	-361	-243
Operating income	9.227	6.323
Financial expenses	-990	-1.048
Other financial results	-1.900	-85
Financial result	-2.890	-1.133
Results from entities accounted by the equity method	88	113
Profit before taxes	6.425	5.303
Income tax	-760	-364
Net result	5.664	4.939
Adjusted EBITDA	26.549	22.020

Adjustments: in 2019, one-off costs were incurred for the purchase of the osteoarticular business unit for €2.3m

BALANCE

thousand euros	31/12/2020	31/12/2019
ASSETS		
Goodwill	29.972	29.730
Other intangible assets	82.832	85.879
Property, plant and equipment	85.284	83.917
Investments in equity-accounted investees	1.308	1.220
Non-current financial assets measured at fair value	1.214	1.204
Other non-current financial assets	938	658
Deferred tax assets	14.876	14.585
TOTAL NON-CURRENT ASSETS	216.424	217.193
Inventories	40.450	38.353
Trade and other receivables	42.621	40.542
Current tax assets	4.616	4.144
Other current financial assets	801	924
Other current assets	648	2.288
Cash and cash equivalents	11.590	10.171
TOTAL CURRENT ASSETS	100.727	96.422
TOTAL ASSETS	317.150	313.615
EQUITY AND LIABILITIES		
TOTAL EQUITY	184.478	178.138
Capital grants	2.439	1.729
Provisions	287	897
Financial liabilities with credit institutions	26.930	8.893
Lease liabilities	15.865	33.603
Other financial liabilities	6.025	5.681
Deferred tax liabilities	3.318	3.103
Other non current liabilities	0	13.000
TOTAL NON-CURRENT LIABILITIES	54.863	66.907
Provisions	25	83
Financial liabilities with credit institutions	9.210	6.518
Lease liabilities	5.021	7.582
Other financial liabilities	3.684	542
Liabilities from contracts with customers	1.429	0
Trade and other payables	40.608	36.241
Current tax liabilities	2.713	2.508
Other current liabilities	15.120	15.098
TOTAL CURRENT LIABILITIES	77.809	68.571
TOTAL EQUITY AND LIABILITIES	317.150	313.615