



Richter Group Report, M9 2021

Budapest, 8 November 2021



Highlights I.

454,321 HUFm

Consolidated
sales

↑+9.1%

55.5%

Gross margin

20.7%

Operating margin

501 HUF

EPS

↑+12.1%

93,108 HUFm

Net profit*

↑+12.0%

* Net income attributable to owners of the parent.

Highlights II.

Central Nervous System

29 October 2021 - cariprazine

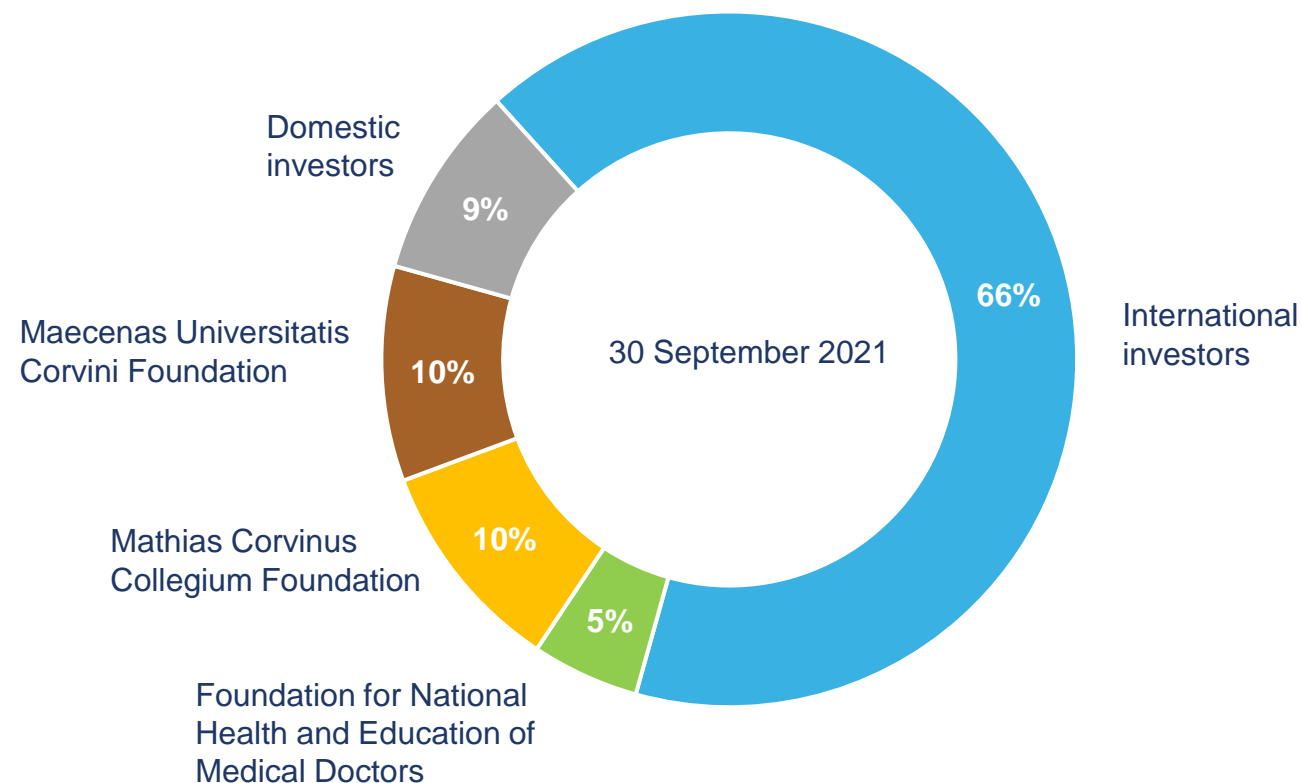
AbbVie announced top-line results from two Phase 3 clinical trials, evaluating the efficacy and safety of cariprazine (Vraylar®) as an adjunctive treatment for patients with major depressive disorder (MDD).

In one of the studies, cariprazine showed a statistically significant change to week six in the Montgomery-Åsberg Depression Rating Scale (MADRS) total score compared with placebo. In the other study, cariprazine demonstrated numerical improvement in depressive symptoms to week six in MADRS total score compared with placebo but did not meet its primary endpoint for either the 1.5 mg/day or 3.0 mg/day dose.

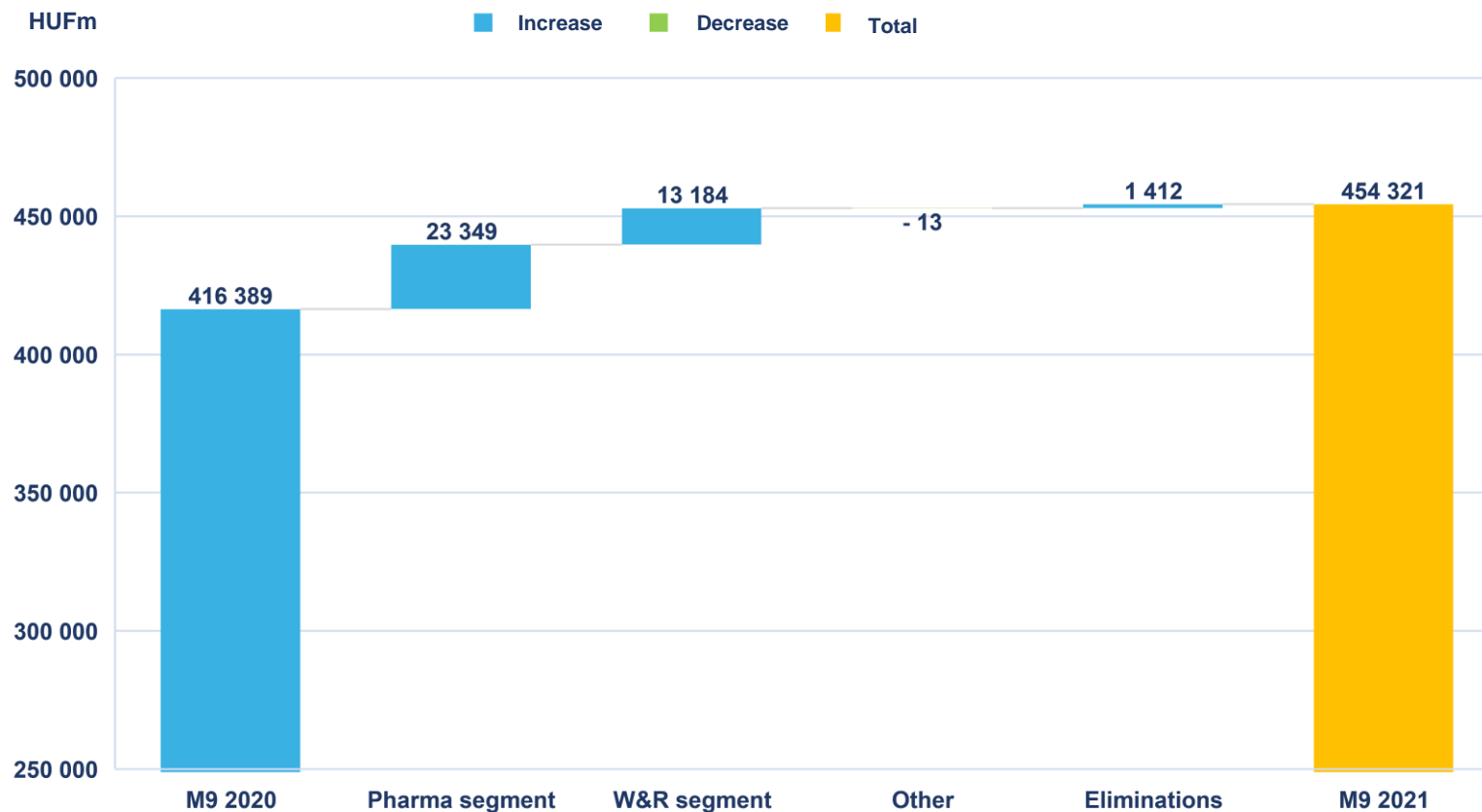
Other

11 August 2021 – Change in ownership structure

Richter informed its shareholders that according to the notice received from Hungarian National Asset Management Incorporated (hereinafter “HNMA Inc.”) on 10 August 2021 in Gedeon Richter Plc. the influence (ownership ratio) of the Hungarian State represented by HNMA Inc. has decreased from 5.25% to 0%. Simultaneously the influence (ownership ratio) of Foundation for National Health and Education of Medical Doctors increased to 5.25%.



Reconciliation of consolidated sales by segments (HUFm)

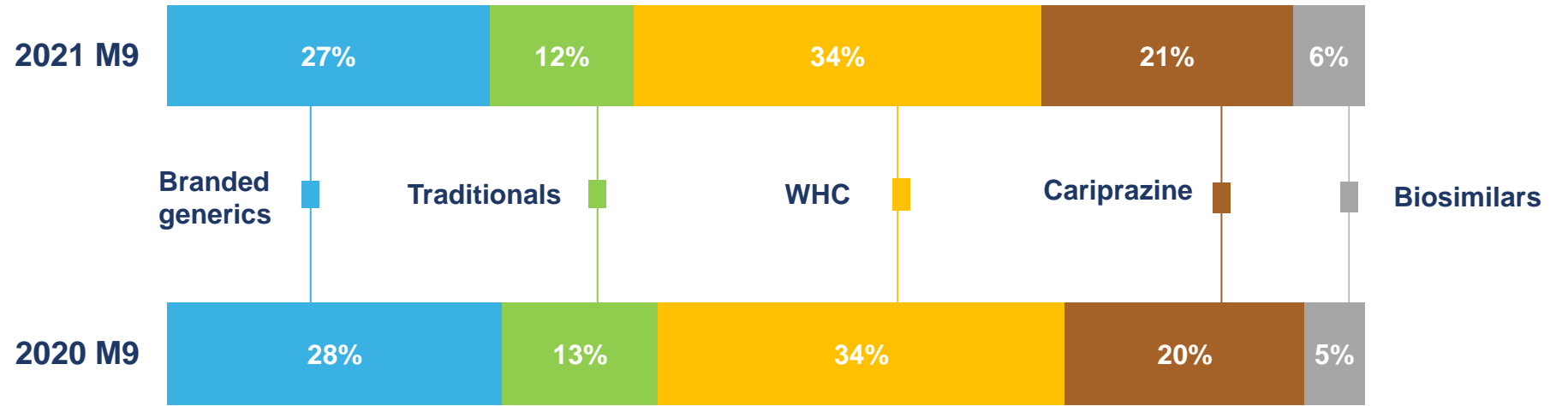


The pharma segment accounts for **80%** of consolidated turnover.

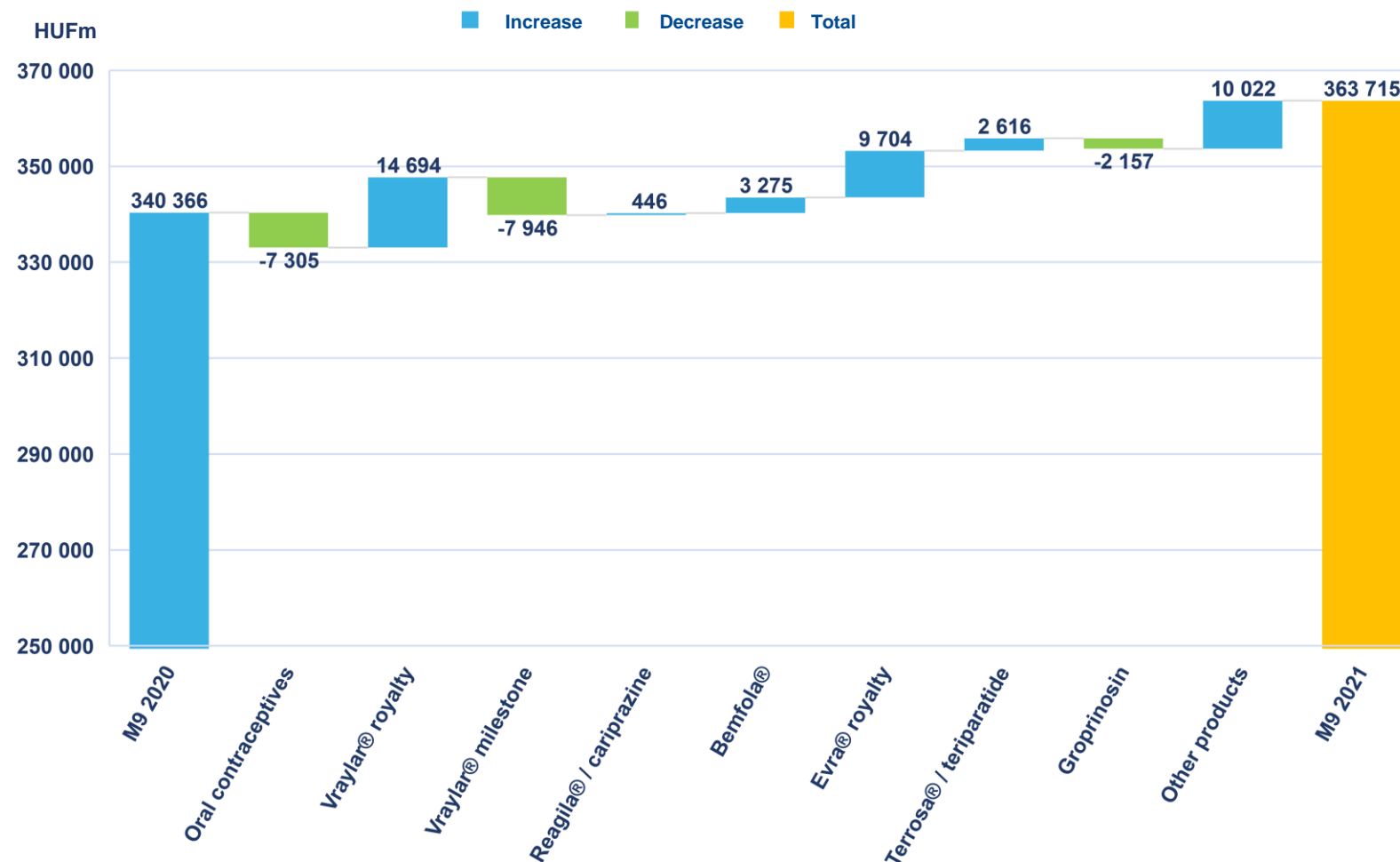
The share of sales in Pharma segment declined within the Group.

Exchange rate loss at consolidated sales level: **HUF 4,800m**

Revenue by strategic pillars (%)



Change in the turnover of our selected products



Turnover of **Vraylar®** showed a robust growth in the third quarter 2021. When adjusting the base period figure for the sales related milestone received, year-on-year growth of royalties accounted for on behalf of Vraylar® sales in the USA grew by 26.0% (30.7% in USD terms) during the reported period.

Sales of **Bemfola®** improved significantly as a result of low base figures together with that most of the fertility centres resumed their activities in many European countries.

Oral contraceptives and **Groprinosin** achieved high sales levels during the first nine months of 2020 – providing a high base.

Key products (1/2)

Cariprazine



Central Nervous System

HUF 74,329m
(EUR 208.6m)

Turnover

↑ +10.7%*

* Significant milestone income in the base period.

USA -

HUF 71,252m Vraylar®
royalty income
(increase of 26.0% yoy)

**Completed phase III
clinical trials – MDD
adjunctive therapy**

Reagila®

**Greece (Recordati),
Australia (Seqirus), Unites
Arab Emirates (Hikma) –
market launches**

Terrosa®



Biosimilars

HUF 9,284m
(EUR 26.1m)

Turnover

↑ +39.2%

Rapid sales growth

**Geographical split of
teriparatide revenues:**
Europe: ~67%
Japan: ~25%

**South Korea, Canada, Israel
market launches**

Key products (2/2)

Bemfola®



WHC

HUF 14,983m

(EUR 42.1m)

Turnover

↑ +28.0%

Improving sales occurred as most of the fertility centers resumed their activities in many European countries.

The robust increase was partly due to the exceptionally weak first nine months of 2020.

Evra®



WHC

HUF 9,704m

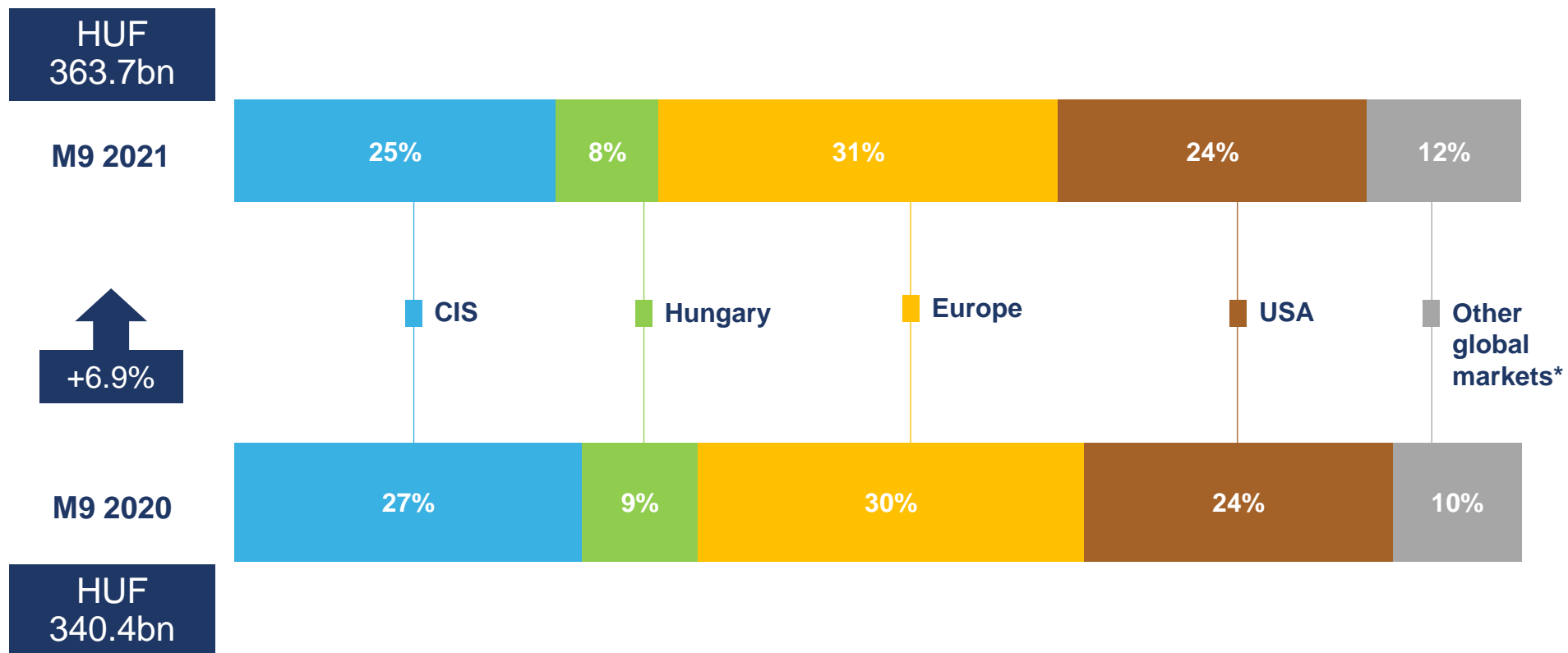
(EUR 27.2m)

Royalty

According to a transitional business licence agreement, royalty revenues in respect of product sales are reported as sales.

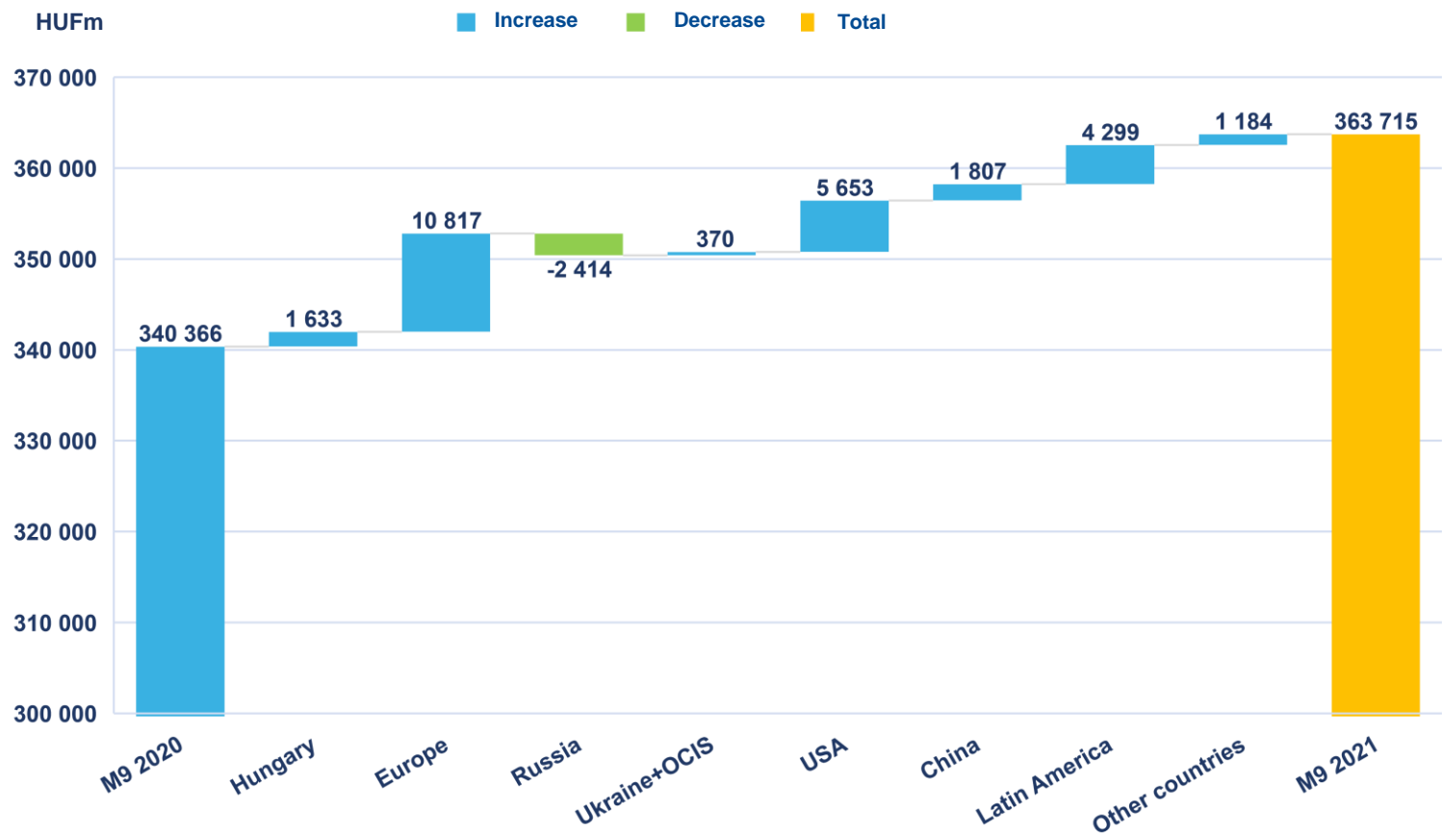
In the reported period following royalty proceeds of Evra®, the product is on our TOP10 products list.

Sales by geographies (%)



* Including the regions of China, Latin America and Rest of the World.

Change in turnover by geographies



In **Europe** substantial increases of Bemfola[®], Terrosa[®] and royalty proceeds of Evra[®] resulted in an outstanding sales level.

In the **USA** Vraylar[®]-related revenues grew marginally besides a one-off milestone payment last year.

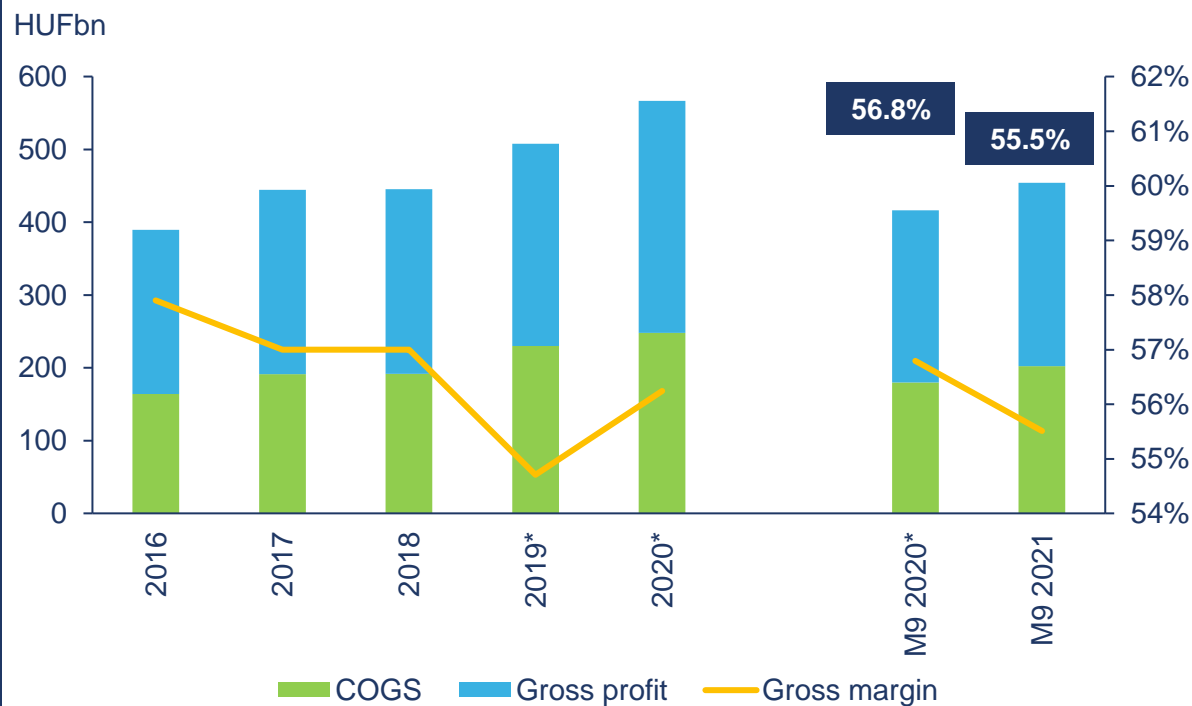
Higher turnover was recorded in most countries of **Latin America**, out of which the performance of Mexico and Chile contributed primarily to the outstanding sales levels reported in the first nine months of 2021.

Consolidated Financials – Highlights

	HUFbn	Change %	EURm	as % of total revenues
Total revenue	454.3	9.1	1,275.3	
Gross profit	252.2	6.6	707.8	55.5
Profit from operations	93.9	14.2	263.7	20.7
Profit for the period*	93.1	12.0	261.4	20.5
	HUF	Change %	EUR	
EPS (diluted)	501	12.1	1.41	

* Net income attributable to owners of the parent.

Increasing gross profit and decreasing margin (HUFbn)



* Reclassification of depreciation of intangible assets representing sales and other product-related licenc rights.

(%)	M9 2020	M9 2021
Pharmaceuticals	67.0	67.1
Wholesale and retail	10.0	7.8

+

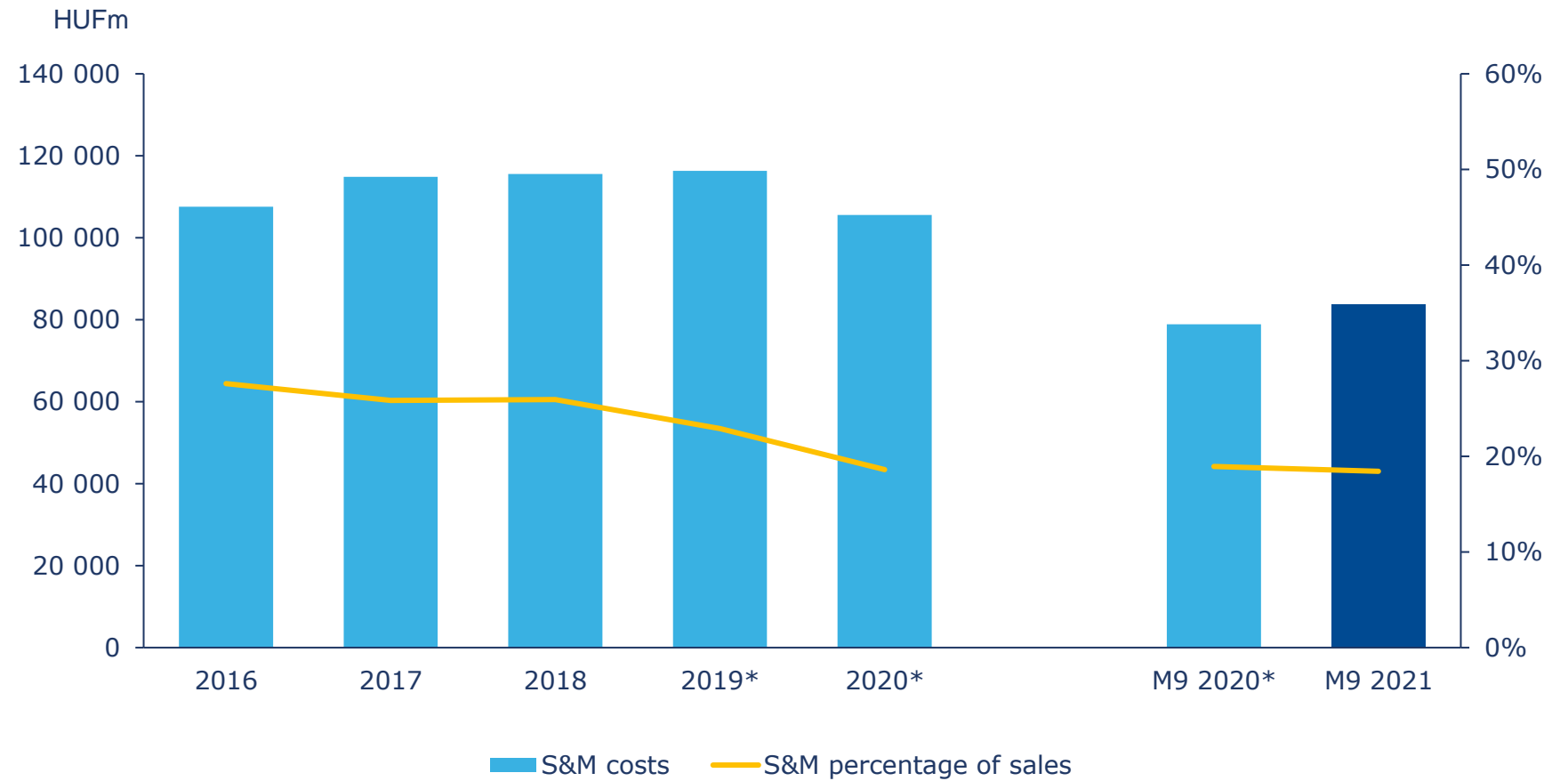
- Significant increase in royalties received in respect of the sales of Vraylar® (HUF 14,694m)
- Royalty in respect of Evra® has appeared as a new element (HUF 9,704m)

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- Declining sales of high margin OCs
- No stockpiling of antiviral Groprinosin as opposed to the base period

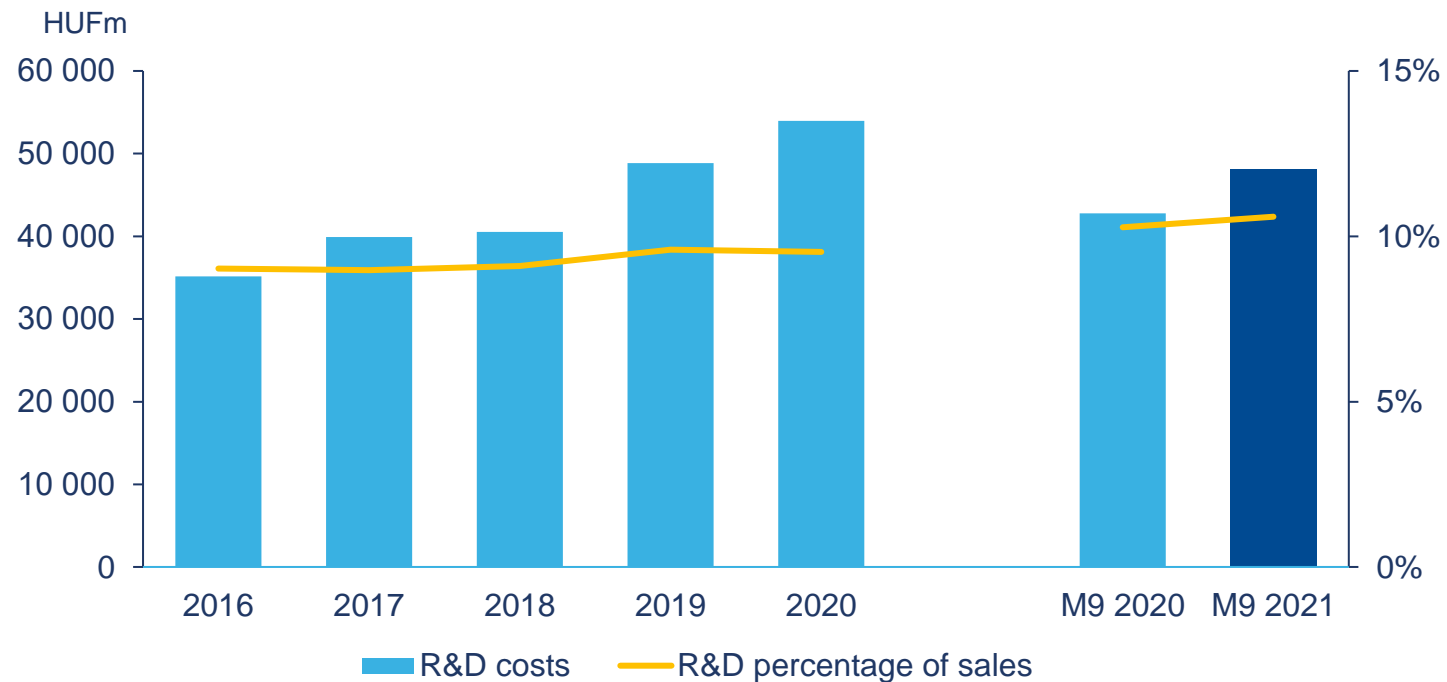
Vraylar® USA sales related milestone accounted for during the base period, which was not repeated in the reported period.

S&M costs (HUFm)

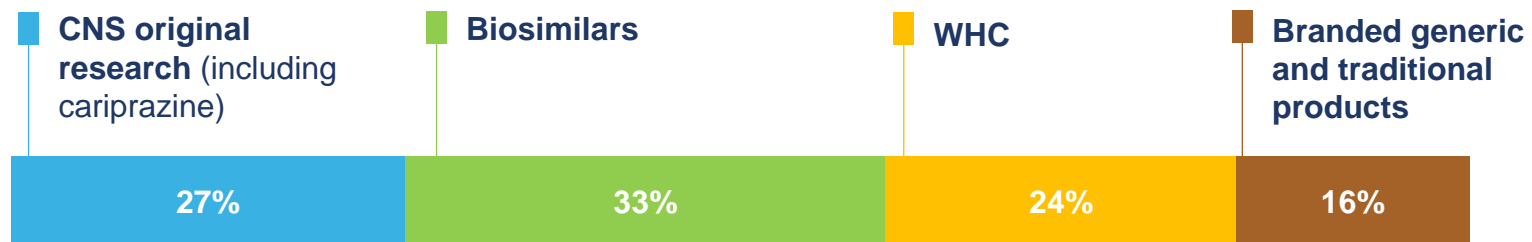


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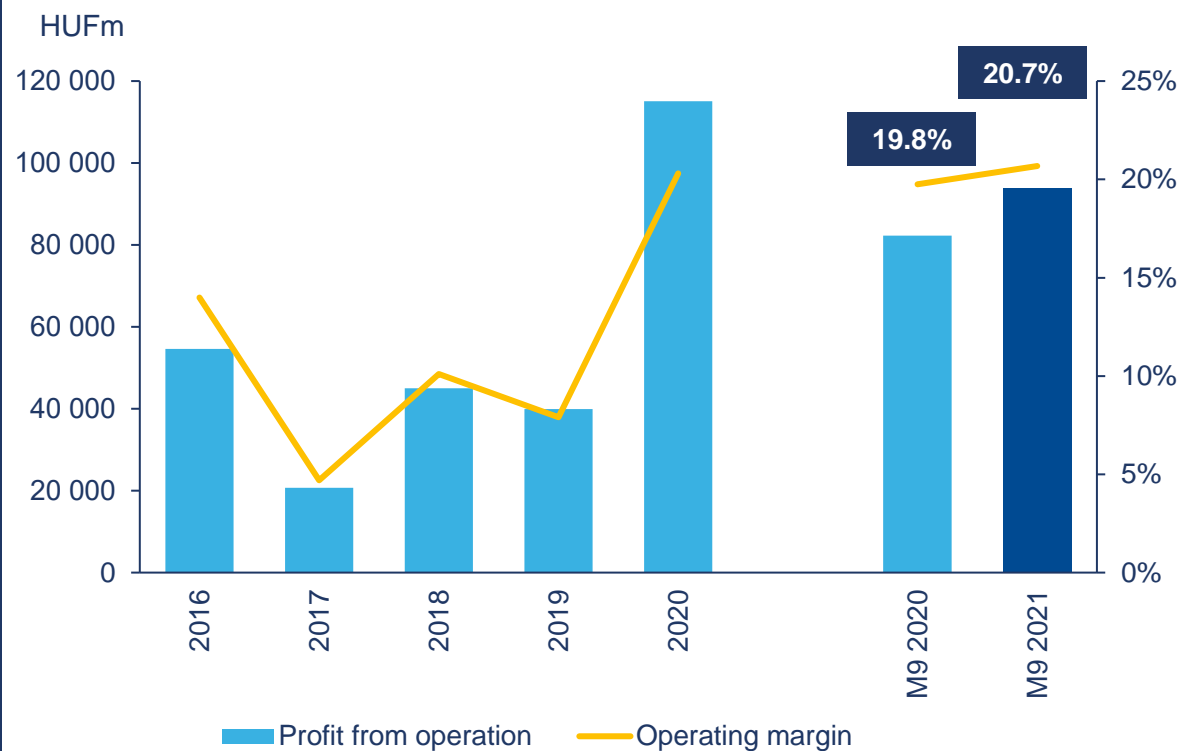
R&D costs (HUFm)



Split of R&D spending (%) – M9 2021



Increasing operating profit and margin (HUFm)



- +** Significant Vralyar[®] royalty
- Marketing and admin expenses increased slightly however their proportion to turnover reduced
- The share of sales in the pharmaceutical segment declined within the Group
- The increase of R&D expenses exceeded the growth rate of the turnover

(%)	M9 2020	M9 2021
Pharmaceuticals	24.2	25.7
Wholesale and retail	0.6	0.3

Reconciliation of pharma segment operating profit





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