

Barcelona, November 3, 2015

## RESULTS OUTLINE: THIRD QUARTER OF 2015

A new quarter of growth in the first year after the merger between Natraceutical and Reig Jofre.

### THE NET RESULT OF REIG JOFRE GREW 85% IN THE FIRST NINE MONTHS TO €8.70 M

- Reig Jofre closed September 2015 with sales of €116.16 M (+ 2.5%), EBITDA of €13.57 M (+ 10.8%) and income before taxes of €9.88 M (+ 35.5%).
- On September 30, net financial debt stood at 11.20 M€, 0.8 times the EBITDA of the first nine months of the year.
- The company conducted in September a reverse split of 1x20 to improve the performance of Reig Jofre's shares after the merger between Natraceutical and Reig Jofre.

### BUSINESS PERFORMANCE

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Reig Jofre closed the first nine months of 2015 with **turnover** of 116.16 million euros, an increase of 2.5% compared to the pro forma figures of the same period last year.

In the first nine months of the year it was the area of own developments (RJF Pharma) the one that mainly contributed to this increase. At the end of September 2015, RJF Pharma accounted for 81.4% of the total company turnover and increased its revenues by 6.3 % compared to the first nine months of 2014.

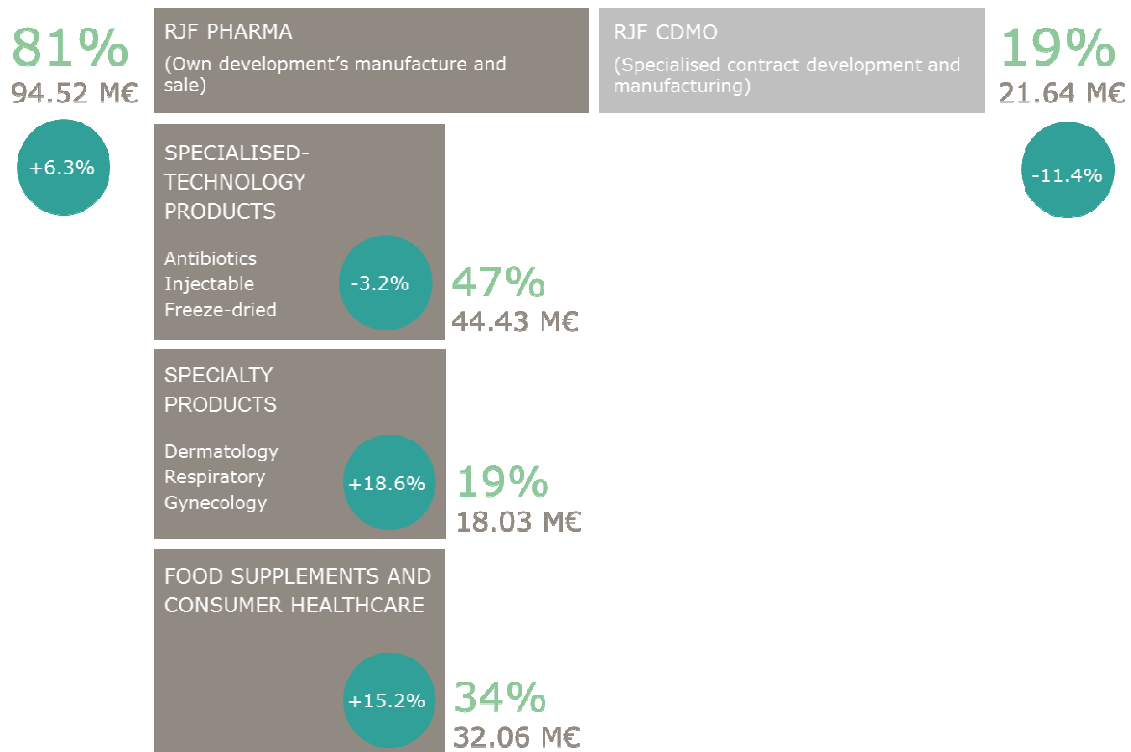
By product ranges of RJF Pharma, products from specialized technology (antibiotics and injectable) accounted for 47% of sales in this division with turnover of 44.43 million euros, 3.2% lower than in the same period of 2014. The main reason was an extraordinary production stop in one of the company's sites in the month of August due to the replacement of some machinery, although pressure on the prices of antibiotics in Spain also played a role.



Sales of specialty products, in the therapeutic areas of dermatology, respiratory and gynaecology, stood at 18.03 million euros, 19% of the total RJF Pharma division, with growth of 18.6% compared to pro forma figures from September 2014.

Finally, the segment of nutritional supplements and consumer healthcare provided 32.06 million euros of this division's sales, representing 34%, with an increase of 15.2%.

On the other hand, the area of specialised development and manufacturing for third parties (RJF CDMO), which represented 18.6% of the company turnover, decreased sales by 11.4% in the first nine months of the year, largely due to the mentioned production stop, as well as to the fact reported at the closing of the first half of the year regarding sales decrease with one of the customers that made a direct purchase of raw material (no effect on gross margin).



An increase in operating income by profit sharing linked to out-licensing agreements and improved operational efficiency lead to a reduction of net operating income/costs of 2.46 million euros and placed **EBITDA** at 13.57 million euros in September, 10.8% progression compared to the end of September 2014



After amortizations amounting to 3.5 million euros, Reig Jofre's **operating result** in the first nine months of the year stood at 10.06 million euros, 27.7% higher than in the same period last year.

The positive effect of exchange rate differences, mainly related to the acquisition of a product portfolio in the UK reported in July 2015, generated a net financial income for Reig Jofre of 0.57 million euros. This, together with business growth set **profit before taxes** at 9.88 million euros compared to 7.29 million euros in the first nine months of 2014, representing an increase of 35.5%.

The existence of tax credits in the merged group will significantly reduce the company tax rate in the coming years, from around 26% in 2014 to around 13% in the following years. This effect was already considered in the results of the first nine months of the year and Reig Jofre ended the period with a **net profit** of 8.70 million euros against 4.71 million euros in the same period last year, which implied growth of 84.6%.

On September 30, Reig Jofre's **net financial debt** stood at 11.20 million euros, slightly above the position on June 30, 2015 although the company continues to maintain a debt ratio to EBITDA lower than 1 time.

#### CONTRASPLIT

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Dated September 22, 2015 Reig Jofre executed a consolidation of shares (reverse split) with an exchange ratio of 1 new share for every 20 existing shares (1x20).

The proposed exchange ratio placed the shares composing the share capital at 63,214,220 (previously 1,264,284,408 shares), and par value of 2 euros (previously 0.10 euros).

The interest of a reverse split was based on the will of the Board of Directors to facilitate a better formation of Reig Jofre's stock price and to limit its volatility. All this to provide greater stability to the company's existing shareholders and to attract the interest of new institutional investors following the merger between Natraceutical and former Reig Jofre.

Reig Jofre's share price accumulated a setback of 0.7% in the first nine months of the year, compared with a decrease of 7.0% of Ibex 35. Reig Jofre's market cap at the end of September was set at 231 million euros.



## MAIN NEWS IN THE THIRD QUARTER OF 2015

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Find below a summary of the main news disclosed after H1 results. More info about them on <http://www.reigjofre.com/en/news>

*27/07/2015 – Cofides supports Reig Jofre’s international development*

Cofides takes part in the acquisition of the marketing authorizations of four products in the United Kingdom.

*30/07/2015 – Reig Jofre releases the documentation of the conference presentation on 2015 first half results*

The company releases the 2015 first half results presentation, presented on July 30, via webcast.

*25/08/2015 – Resignation of Natra from the board of directors*

Natra, SA announced its resignation as director by its will to concentrate on its core business in the field of cocoa and chocolate.

*17/09/2015 – Reig Jofre will lead the marketing development in Europe of a nutritional supplement against tuberculosis*

Nyaditum resae® is a nutritional supplement developed by the biotechnological company Manremyc, a spin-off of the Institute Germans Trias i Pujol led by Dr. Pere-Joan Cardona.

*22/09/2015 – Execution of the cancellation and consolidation of shares (reverse split)*

On September 22 the new ordinary shares following the execution of the reverse split have been listed on the Spanish Stock Exchange.

*15/10/2015 – Reig Jofre starts national and international presentation roadshow*

To present the new company after the merger with Natraceutical and the pillars for future growth.

Reig Jofre will make a presentation of its results of 2015 on February, 25 2016.
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PROFIT AND LOSS ACCOUNT OF THE THIRD QUARTER OF 2015

(in euros)	Q3 2014 proforma	Q3 2015 consolidated	Evol.
<b>Turnover</b>	<b>113,348,903</b>	<b>116.155.749</b>	2.5%
Cost of goods sold	-39,622,523	-43,567,534	
<b>Gross margin</b>	<b>73,726,380</b>	<b>72,588,215</b>	-1.5%
Other operating income	123,907	905,592	
Overheads	-29,532,150	-29,577,709	
R&D expenses	-4,153,965	-3,899,319	
Other operating expenses	-27,914,845	-26,449,725	
Depreciation and amortization	-4,706,895	-3,503,630	
Impairment and result on disposals	323,624	0	
<b>Operating income</b>	<b>7,866,056</b>	<b>10,063,424</b>	27.9%
Financial income	254,333	152,807	
Financial expenses	-703,572	-671,549	
Results from the disposal of financial instruments	20,123	0	
Results from asset impairment	0	0	
Changes in fair value of financial assets	-41,024	-129,642	
Exchange differencies	-102,884	465,561	
<b>Profit before taxes</b>	<b>7,293,032</b>	<b>9,880,600</b>	35.5%
Income tax	-2,581,999	-1,182,420	
<b>Net result</b>	<b>4,711,033</b>	<b>8,698,180</b>	84.6%



## BALANCE SHEET ON SEPTEMBER 30, 2015

(in euro)	31/12/2014	30/09/2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	25,405,979	25,012,592
Other intangible assets	32,453,457	32,038,384
Property, plant and equipment	24,045,938	27,265,040
Non-current financial assets	9,962,273	9,923,777
Deferred tax assets	16,527,753	16,666,597
<b>TOTAL NON-CURRENT ASSETS</b>	<b>108,395,400</b>	<b>110,906,389</b>
<b>Current assets</b>		
Inventories	23,839,539	24,284,226
Trade and other receivables	29,870,526	32,883,843
Current tax assets	958,294	-
Other current financial assets	4,338,579	2,484,268
Other current assets	4,991,922	5,849,843
Cash and cash equivalents	8,349,509	8,084,755
<b>TOTAL CURRENT ASSETS</b>	<b>72,348,369</b>	<b>73,586,934</b>
<b>TOTAL ASSETS</b>	<b>180,743,769</b>	<b>184,493,323</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	126,428,441	126,428,441
Reserves	(6,791,795)	(4,452,076)
Treasury shares	(4,901,950)	(4,942,359)
Interim dividend paid during the year	-	-
Profit attributable to the parent company	2,308,394	8,589,091
Exchange differences	1,057,767	617,961
Other comprehensive income for assets available for	43,331	43,331
<b>Equity attributable to parent company</b>	<b>118,144,188</b>	<b>126,284,388</b>
Non-controlling interests	27,516	2,720,469
<b>TOTAL EQUITY</b>	<b>118,171,704</b>	<b>129,004,857</b>
<b>Non-current liabilities</b>		
Capital grants	144,859	103,555
Provisions	969,762	1,424,368
Financial liabilities with credit institutions	5,805,594	4,931,047
Financial lease liabilities	6,408,506	5,978,790
Derivative financial instruments	419,457	419,457
Other financial liabilities	2,679,845	2,157,185
Deferred tax liabilities	4,829,060	4,822,390
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>21,257,083</b>	<b>19,836,793</b>
<b>Current liabilities</b>		
Provisions	419,308	418,606
Financial liabilities with credit institutions	10,181,723	5,986,272
Financial lease liabilities	596,388	577,785
Other financial liabilities	753,210	794,898
Trade and other payables	24,805,199	17,818,779
Tax assets and liabilities	1,426,954	1,281,188
Other current liabilities	3,132,200	8,774,146
<b>TOTAL CURRENT LIABILITIES</b>	<b>41,314,982</b>	<b>35,651,673</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180,743,769</b>	<b>184,493,323</b>



## **About Reig Jofre**

After the merger between Laboratorio Reig Jofre and Natraceutical, the new Reig Jofre is a pharmaceutical company whose business is divided into two major areas: one main for the manufacture and marketing of own developments (RJF Pharma- approximately 78% of 2014 sales) and one of specialized development manufacturing for third parties (RJF CDMO- 22% of sales). At its core activity, the company focuses in the development of i) specialised-technology products (antibiotics and injectable); ii) specialty products in the therapeutic areas of dermatology, respiratory and gynaecology; and iii) food supplements and consumer healthcare: The company directs its R&D to develop new indications and/or dosage forms of known active principles, generic medicines with a special focus on beta lactam and injectable antibiotics, topical dermatological products, OTCs and food supplements as well as the development of new innovative molecules in partnership with start-ups and research centers.

Reig Jofre trades on the Spanish stock exchange under the ticker RJF. Total outstanding shares: 63,214,220.

## **For further information**

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