

Reig Jofre acquires Bioibérica's portfolio of finished pharmaceutical and nutraceutical products, representing a turnover of € 26M and establishes a strategic agreement to develop the joint health market

As part of its strategic aim of strengthening its presence in both the health care market (consumer healthcare area) and in the disease market (specialty products area), Reig Jofre is focussing on a new therapeutic area, Joint Health and Pain, thus expanding its portfolios of ethical specialty products and consumer healthcare nutraceuticals

Osteoarticular disease is one of the most prevalent physical complaints in the world: it is estimated that between 5% and 20% of the population suffers from such afflictions, a figure that reaches around 80% in patients aged over 65 in industrialized countries



From left to right:
Gabriel Roig, COO of Reig Jofre;
Ignasi Biosca, CEO of Reig Jofre;
Luis Solera, CEO of Bioibérica and
Jordi Vidal, CFO of Bioiberica

- The operation involves the acquisition of the portfolios of medical prescription and consumer healthcare products, the incorporation of specialized human resources and an agreement whereby Bioibérica will continue producing and supplying bulk actives and ingredients to Reig Jofre
- Reig Jofre is diversifying the specialty products area with a new therapeutic area, Joint Health and Pain, a segment which is forecast to grow worldwide in the coming years, and is expanding its product portfolio with medicines for the treatment of osteoarthritis, including the incorporation of leading brands in the Spanish market such as Condrosan and Droglican, and nutraceutical derivatives
- The operation also includes the creation of a strategic agreement to develop the health care market in the joint pain area and to advance in the treatment of osteoarthritis

Barcelona (Spain), July 1, 2019. Reig Jofre, a pharmacist listed on the Spanish stock market, has acquired Bioibérica's portfolio of specialized joint health finished pharmaceutical products and nutraceuticals for the treatment of arthrosis and other arthropathies. It is also expanding its product portfolio with medicines and health products based on *chondroitin sulfate*, *glucosamine sulfate*, the combination of both and *hyaluronic acid*, among which are **Condrosan** and **Droglican**, the leading brands in the Spanish market and widely-known by prescribers and patients, and which enjoy a strong presence in European markets such as France, Finland and Portugal.



The operation involves the acquisition of the medical prescription and consumer healthcare products portfolio, the incorporation of a team consisting of 51 people from the areas of R&D, regulatory, marketing, market access and commercial medical visits network, and an agreement by virtue of which Bioibérica will continue to produce and supply the bulk actives and ingredients necessary for the manufacture of the portfolio sold to Reig Jofre. Furthermore, the operation sees the creation of a **strategic agreement** to develop the market for prevention and health care in the area of joint pain and to complete the solutions available for the treatment of osteoarticular disease, one of the most prevalent physical complaints in the world: it is estimated that between 5% and 20% of the population suffers from such afflictions, a figure that reaches around 80% in patients aged over 65 in industrialized countries.

The main factors that favour the appearance of arthritic pathology in the 21st century, physical exercise, age and excess weight, condition the high prevalence of osteoarthritis in developed societies. The individual of today lives longer, practices more sport and is more inclined to weigh more than is considered convenient.

The degeneration of articular cartilage is a consequence of the action of a variety of factors that play an important role in the pathogenesis of osteoarthritis. These biomechanical factors and the presence of biological mediators are responsible for the involvement of the synovial membrane and subchondral bone. The understanding of the mechanisms that occasion the destruction of joint tissue in osteoarthritis and the identification of the key factors involved allow us to direct therapeutic objectives beyond symptomatic relief, seeking to slow down or to stop the progression of osteoarthritis.

With this operation, the Human Health area of Bioibérica, leader in the production of the pharmaceutical active ingredient Heparin and a worldwide reference in the research, production and sale of other bulk actives and ingredients of animal origin such as chondroitin sulfate, glucosamine, acid hyaluronic or native type II collagen, is now focused on its business to business operations, its fastest growing area of activity in recent years.

Diversification of the portfolio and generation of value for shareholders

Reig Jofre diversifies its specialty products division with a new therapeutic area, **Joint Health and Pain**, a segment which is experiencing growth worldwide and one which will join the existing areas of (i) Skin, Hair and Nails Health; and, (ii) Women's Health.

This acquisition contributes sales of some 26 million euros to Reig Jofre's turnover, of which 24 million euros come from specialty products and 2 million euros from the consumer healthcare area, a segment which will be the focus of future initiatives by both Reig Jofre and Bioibérica. 89% of sales are generated in Spain and the rest in Europe, mainly in Finland, France and Portugal.

In the international expansion plans of the aforementioned product portfolio, it is worth noting that in 2018 the Medicines Agencies of France, Austria, Hungary, Poland and Finland authorized the drug composed of *chondroitin sulfate* and *glucosamine hydrochloride* as an ethical medicine indicated in the symptomatic treatment of arthrosis of the knee.

Reig Jofre is dedicated to the international growth, through its network of more than 130 business partners in 70 countries around the world, of its specialty products business. The main focus will be on Europe, where there are products in the registration phase in several markets, and in other geographical areas with a high incidence of joint disease.



The line of nutraceuticals in the musculoskeletal field will be developed within the framework of the mentioned strategic agreement between Reig Jofre and Bioibérica. With over 40 years of experience in the area of joint health, the company has vast scientific knowledge of molecules and their industrial production. Through its Forté Pharma brand, Reig Jofre stands out for its ability to develop finished products adapted to needs of the markets and the consumers of the countries in which it enjoys a direct presence in Europe, especially France, Belgium, Spain, Portugal, Sweden and the United Kingdom, as well as other third markets which it reaches via its current specialized distributors.

Financing of the operation

The cost of the operation is structured at a fixed price of 46 million euros and a variable price linked to sales. This acquisition will be financed by the recently-undertaken capital increase of 24 million euros, bank borrowings of 20 million euros and the rest by resources generated by the business itself.

Reig Jofre has counted on Eurohold as M&A and Financial Advisor, in the identification, valuation and negotiation of the operation.

Other advisers who have participated in the operation include been Solventis A.V. and RCD Abogados.

Ignasi Biosca, CEO of Reig Jofre, states that, *"This integration of knowledge, products and equipment, allows us, from the very first instant, to generate a direct value for our share in the stock market. By virtue of its size, geographical distribution and operational synergies, the operation is perfect for Reig Jofre and allows us to promote a new therapeutic area situated between prescription specialty and consumer healthcare products in the company of leader in the sector and in a segment, that of joint health and pain, in constant growth due to the aging and the new habits of the population."*

Luis Solera, CEO of Bioibérica, states: *"This operation allows us to focus completely on our B2B business, the research, production and sale of active pharmaceutical ingredients and brand-name ingredients, which has provided us with growth of more than 50% in the last three years. Additionally, we ensure the continuity of our products by promoting them through Reig Jofre, a company with a greater degree of specialization in B2C, thus giving value to our capacity for innovation and consolidating the market position of Bioibérica to face future challenges from our strengths."*

For his part, Gabriel Roig, Corporate General Manager of Reig Jofre, highlights that, *"We are committed to the growth of the Spanish market and the international expansion of Reig Jofre thanks to the strategic alliance with Bioibérica, through which we will develop the prevention market in the area of joint pain, which will allow us to consolidate the countries in which we are already present and to develop new markets. We must not forget that with this acquisition we are adding 26 million euros to the company's turnover in the areas of specialty products, mainly consumer and consumer healthcare."*

Reig Jofre closed 2018 with a turnover of 181 million euros, to which the areas of specialty products and consumer healthcare contributed 20% and 26%, respectively. Spain contributed 41%, the rest of Europe 48% and the rest of the world 11%. For the marketing of its developments, Reig Jofre has its own sales network in 7 countries in Europe and Southeast Asia and trade relations with more than 130 partners (distributors and licensees) in nearly 70 countries on five continents.



Receive updated news about Reig Jofre by registering with the company's **subscription centre** via our corporate website: **www.reigjofre.com**

About Reig Jofre

Founded in 1929 in Barcelona, Reig Jofre is a pharmaceutical company listed on the Spanish Stock Exchange's continuous market and dedicated to the research, development, manufacture and marketing of pharmaceutical products and nutritional supplements. Reig Jofre structures its product development activity in three business areas: pharmaceutical technologies specialized in the development and manufacture of sterile and lyophilized injectable pharmaceutical products, as well as antibiotics derived from penicillin. Specialty products focused on the research, development, manufacture and commercialization of specialties in the areas of (i) Skin, Hair and Nails Health; and, (ii) Women's Health. And Consumer Healthcare, of which special mention may be made of the line of nutritional supplements, which are marketed under the brand Forté Pharma mostly in France, Belgium, Spain and Portugal, as well as other OTC products. Reig Jofre has more than 1000 employees, 4 development and production centres in Europe (2 in Toledo, 1 in Barcelona and 1 in Sweden), direct sales in 7 countries and more than 130 business partners in 70 countries around the world. The company closed 2018 with a turnover of 181 million euros. Reig Jofre is quoted on the Spanish stock exchange's continuous market under the ticker RJF. Share capital 76,062,457 shares

For more information

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