

Almirall demonstrates resilient performance year to date despite COVID-19 impacts

- **Solid 9M business performance despite COVID-19 and generic Aczone™ challenges: Net Sales €613.8 MM (-3.7%; +4.3% ex-Aczone™), Total Revenues €621.6 MM (-9%), and EBITDA €189.6MM (-19.8%)**
- **Growth drivers show steady increases. Ilumetri® sales grew +125% year-on-year and Seysara® showed Net Sales performance improvement quarter-on-quarter following clinically relevant FDA label improvement**
- **Almirall strengthens its leadership in medical dermatology by reinforcing its management team in France and obtaining reimbursement in France of Ilumetri® (tildrakizumab) for treating moderate to severe chronic plaque psoriasis in adults**
- **R&D pipeline continues to drive future value through innovation and differentiated therapies including expected upcoming approval of Tirbanibulin**
- **Based on the solid year to date performance Almirall is reiterating its guidance for FY 2020**

Financial highlights (€ million)

	YTD September 2020	YTD September 2019	Variation	Variation (CER ¹)
Total Revenues	621.6	683.2	(9.0%)	(9.3%)
• Net Sales	613.8	637.7	(3.7%)	(4.1%)
• Other Income	7.8	45.5	(82.9%)	(83.1%)
Gross Profit	423.7	457.0	(7.3%)	(7.5%)
• % of sales	69.0%	71.7%		
EBITDA	189.6	236.5	(19.8%)	(20.2%)
Normalized Net Income	74.2	112.3	(33.9%)	(33.9%)

¹ CER (Constant Exchange Rates): Excluding the effects of exchange rate fluctuations

“Our solid results confirm that we are on the right track to strengthen our leadership position in the medical dermatology space. I’m extremely proud of the new Almirall that we have built together with all Almirall employees.

At the end of the year, I will leave the company, but I’m confident that the strong management team we have put in place will assure Almirall’s leadership for the future. In 2017 we bet on refocusing our strategy on medical dermatology to best address patients’ unmet needs. Three years later, Core EBITDA has more than quadrupled; we have built one of the strongest pipelines in medical dermatology, and we have substantially reinforced our teams across many parts of our organization. We have done this by both internal talent development as well as by external hires.

Our strategy is clear, and we are well positioned for a period of sustained growth of our core business over the coming years. I am fully confident that under future leadership, Almirall’s strong management team will work to maintain the same growth trajectory. Additionally, our pipeline and our recent transactions have significant mid-term value still to be unlocked that reinforces our potential in the market. The expected peak sales of our late-stage pipeline and recent launches are expected to surpass €1Bn which is notable in the context of our current annual revenue base.

Despite the pandemic's effects on the dermatology business, our portfolio's key growth drivers, Ilumetri[®], Seysara[®], and Skilarence[®], have improved their performance in Q3. Likewise, we continue to build an R&D pipeline to make a significant difference in patients’ lives by treating a wide range of skin diseases.

Our commitment to patients remains unwavering, and we continue to invest more than €100 million annually between R&D and in-licencing projects offering real innovation and making an impactful difference to patients and healthcare professionals worldwide.”

Peter Guenter, CEO.

Almirall, S.A. (ALM) the global biopharmaceutical company based in Barcelona, has announced its 9M 2020 financial results.

Summary results

- **Net sales** of €613.8MM, a decline of 3.7% year-on-year, reflected both the impact of COVID-19 and the genericisation of Aczone[™] (+4.3% ex-Aczone[™])
- **Total revenues** reached €621.6MM, a 9% year-on-year decrease, which in addition was impacted by the expected significant decline in Other Income (-82.9%)
- **Gross Profit** of €423.7 MM, 7.3% less than a year ago, reflected a margin of 69.0%.
- **EBITDA** dropped 20% to €189.6MM at close of September 2020. Core EBITDA however showed underlying resilience and growth based on strong product performance.
- **Normalized net income** was €74.2 MM.
- Investment in **Research & Development** remained at c.10% of Net Sales.

Dermatology shows resilience in Europe and initial signs of recovery in the US

Although the area of dermatology has been severely disrupted since the COVID-19 pandemic began, the EU market shows resilience and the US market is starting to show signs of recovery in Q3.

The sector continues to adjust to this changing landscape as a result of COVID-19. During Q3 sales reps activity and patient consultations showed a significant improvement, and data shows that dermatological conditions, which were profoundly impacted in Q2, are recovering.

The dermatology business of Almirall in Europe improved in Q3. As countries began emerging from their lockdowns, customer interactions showed progressive week-on-week improvements.

The US market also showed signs of normalisation during the third quarter of 2020. Weekly total prescriptions at end Q3 recovered to reach their average pre-COVID weekly levels. In addition, dermatologists by end Q3 had returned to their pre-COVID prescribing patterns, and OAB prescriptions are nearing Q1 levels.

Almirall maintains its commitment to patients in this unique situation. All Almirall's production sites continue to operate at full capacity in order to be able to ensure the supply of medicines to all patients requiring treatment.

True innovative best in class solutions to lead medical dermatology

Almirall's business performance showed strong resilience in key markets despite the impact of COVID-19. The company continues to build leadership in medical dermatology thanks to the high value of its portfolio, with the increasing contribution of the current and future growth drivers and from the company's innovative pipeline.

The French National Authority for Health approved the reimbursement of Ilumetri® (tildrakizumab), an anti-IL-23p19 high-affinity humanized monoclonal antibody, which is included in the list of reimbursable medicines by the social insurance system for the treatment of adults with moderate to severe chronic plaque psoriasis. The commercialisation of Ilumetri® in France represents a key milestone of Almirall's strategy to strengthen its leadership in medical dermatology given that France is the 2nd largest psoriasis market in Europe. The launch is expected soon.

In addition, to the strategic opportunity that the strengthening of the French market brings, Ilumetri® is showing excellent momentum continuing its growth trend with sales increasing by +125% YoY. In key markets such as Germany, Ilumetri® gained c. 31% share of new patients in the anti-IL-23 class.

Skilarence®, an oral-systemic formulation for the treatment of patients with moderate to severe chronic plaque psoriasis showed quarter-on-quarter net sales performance improvement and is expected to achieve a more gradual increase moving forward. Nevertheless, blood monitoring requirements and slower recovery of new patient initiations continue to adversely impact performance in Q3 versus last year due to access to healthcare during the pandemic. Legal proceedings in The Netherlands related to compounding are expected to be resolved in the near term.

Almirall's global strategy includes expansion into the Chinese market. The company plans to submit Seysara® to the Chinese NMPA in 2023. It is estimated that there will potentially be 13 million moderate-to-severe acne patients treated with oral antibiotics in the urban Chinese population by 2028, which represents a significant opportunity to launch an innovative product whose clinical development is largely de-risked. Almirall will initiate a Phase III trial soon to demonstrate the drug's efficacy and safety in China. Seysara® represents the first dermatology product that Almirall will launch in the Chinese market, with a view to building a strategic dermatology portfolio in China.

Latest R&D advances and innovations in the pipeline

Almirall continues to dedicate significant efforts and resources to build and develop its pipeline of future products. With the aim of bringing ground-breaking medicines to the field of dermatology to address unmet patient needs, the company invests c.10% of its Net Sales in R&D and also invests significantly in business development and in-licensing.

Regulatory filings for Tirbanibulin have been completed and the product is under registration in the EU and the US, with a launch forecasted for the beginning of 2021. Tirbanibulin is a topical drug for the treatment of actinic keratosis in adult patients developed by Athenex and licensed by Almirall. The FDA and EMA filings are based on the analysis of two-Phase III studies (KX01-AK-003 and KX01-AK-004) that evaluated the efficacy and safety of Tirbanibulin ointment 1% in adults with actinic keratosis on the face or scalp. Tirbanibulin met the primary endpoint of complete clearance of actinic keratosis lesions on day 57 within the face or scalp treatment areas, with each study achieving statistical significance ($p < 0.0001$) on this endpoint.

Tirbanibulin will strengthen Almirall's position in the European actinic keratosis franchise. The company expects potential peak sales for the product of more than €250 MM.

An option agreement with Bioniz, gives Almirall the opportunity to develop and expand its R&D pipeline with new treatment modalities to address highly underserved diseases within oncodermatology and immunodermatology. Through this agreement, Almirall would obtain the global rights to BNZ-1, a peptide that selectively blocks the activity of three cytokines of the same family: IL-2, IL-9, and IL-15, and which is currently in Phase 1/2 of development for refractory cutaneous T-cell lymphoma. Almirall expects to make an option exercise decision in Q1 2021. If the company chooses to exercise the option, Almirall plans to start a Phase III trial in CTCL in 2021 to secure launch as early as 2023.

At the end of August, Almirall announced the achievement of a milestone in its strategic collaboration with HitGen to develop a novel class of drugs. Several novel small molecule leads were the subject of this achievement. HitGen will grant exclusive rights to Almirall for further development and commercialisation and be eligible for preclinical and clinical milestone payments from Almirall as the project progresses, in addition to an upfront license fee.

During the first nine months of 2020 Almirall also signed several agreements to reinforce its pipeline, including deals with 23andMe and WuXi Biologics.

Guidance for FY 2020

Net Sales: low to mid-single-digit decline.

EBITDA: between €230 - 250 MM.

Investor Calendar 2021

- FY 2020 Financial Results – 22nd February 2021
- Q1 2021 Financial Results – 10th May 2021
- H1 2021 Financial Results – 26th July 2021
- 9M 2021 Financial Results – 8th November 2021

About Almirall

Almirall is a global biopharmaceutical company focused on skin health. We collaborate with scientists and healthcare professionals to address patient's needs through science to improve their lives. Our Noble Purpose is at the core of our work: "Transform the patients' world by helping them realize their hopes and dreams for a healthy life". We invest in differentiated and ground-breaking medical dermatology products to bring our innovative solutions to patients in need.

The company, founded in 1943 and headquartered in Barcelona, is publically traded on the Spanish Stock Exchange and is a member of the IBEX35 (ticker: ALM). Throughout its 77-year history, Almirall has retained a strong focus on the needs of patients. Currently, Almirall has a direct presence in 21 countries and strategic agreements in over 70, through 13 subsidiaries, with about 1,800 employees. Total revenues in 2019 were 908.4 million euros.

For more information, please visit [almirall.com](https://www.almirall.com)

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