

Y2021

Investor Conference

April 28th 2022



Financial Highlights 2021



Key facts & figures

CASH INFLOWS

1. Growing branded generics business:
 - In 2021:
Revenues PLN 172,6 mln
(+25% compared to 2020)
EBITDA PLN 54,6 mln
(-2% compared to 2020)
2. Non-refundable EU grants:
 - Approx. 50% of R&D investments are reimbursed
 - Grant funding of PLN 26,5 mln in 2021
(+21% compared to 2020)
 - Secured PLN 340 mln for further pipeline development in the coming years

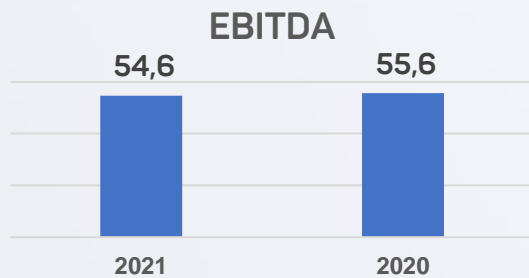
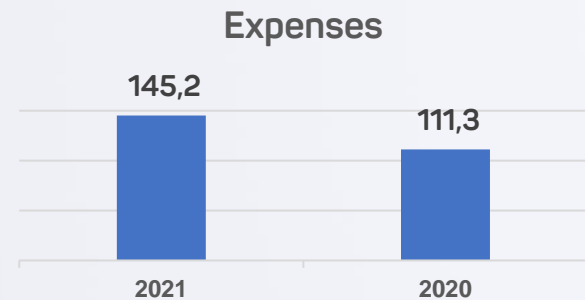
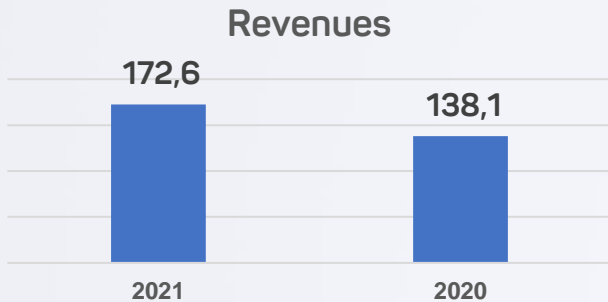
CASH OUTFLOWS

1. Currently funding 19 R&D projects with 5 in the clinical stage of development
 - CapEx of PLN 41,3 mln in 2021
(-58% compared to 2020)
2. Major CapEx needs were covered by the end of 2020 when the state-of-the art R&D Center with integrated clinical supplies and upgraded manufacturing capacity was finalised (total cost of over PLN 200 mln).
3. No further significant CapEx needs

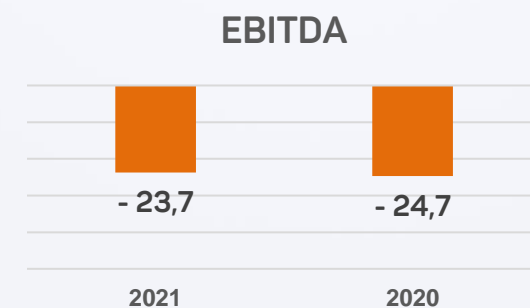
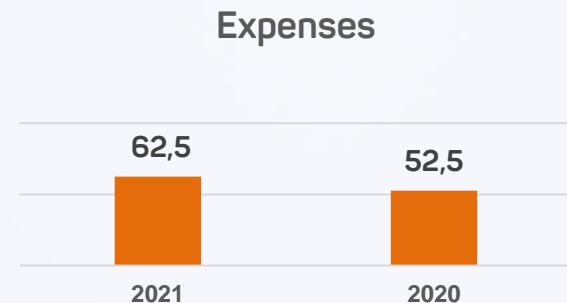
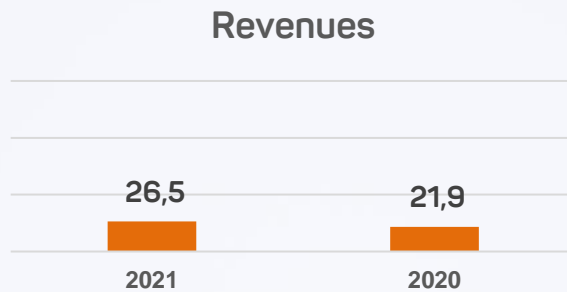
**GOING FORWARD NON-REFUNDABLE EU GRANTS AND CASH FLOW
FROM EXISTING LEGACY BUSINESS TO COVER 60-75% OF R&D COSTS**

Segment dynamics - well balanced business model with growing R&D costs

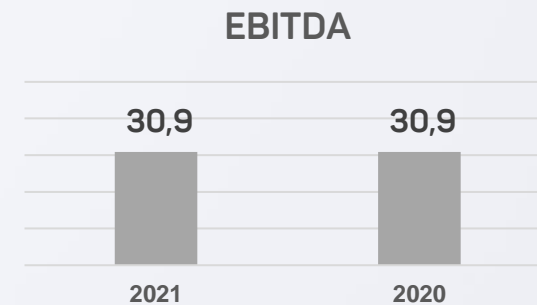
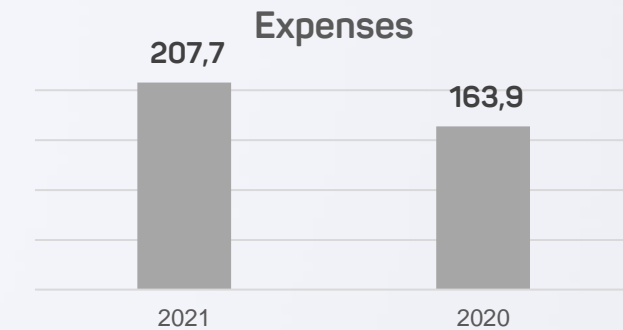
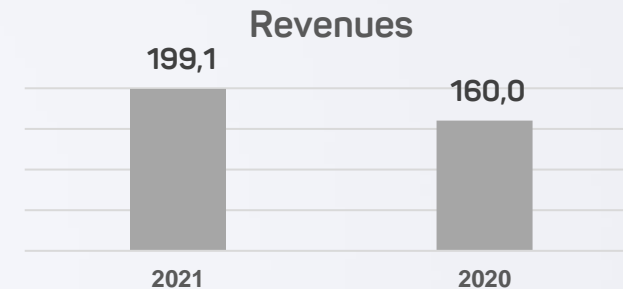
BRANDED GENERICS



INNOVATIVE PRODUCTS (R&D)



TOTAL



Company and Segment P&L Details

<i>PLN million</i>	Branded generics segment		Innovation segment		Total	
	2021	2020	2021	2020	2021	2020
Revenues from sales of medicines	168,8	129,1	0,0	0,0	168,8	129,1
Other revenues	3,0	2,6	0,0	0,0	3,0	2,6
Revenues from grants	0,0	0,0	26,5	21,9	26,5	21,9
Revenues from sales of licences	0,7	6,4	0,0	0,0	0,7	6,4
Total revenues	172,6	138,1	26,5	21,9	199,1	160,0
<i>including:</i>						
<i>Domestic</i>	<i>92,6</i>	<i>94,1</i>	<i>26,5</i>	<i>21,9</i>	<i>119,1</i>	<i>116,0</i>
<i>Export</i>	<i>80,0</i>	<i>44,0</i>	<i>0,0</i>	<i>0,0</i>	<i>80,0</i>	<i>44,0</i>
Total costs by type	145,2	111,3	62,5	52,5	207,7	163,9
<i>including:</i>						
Depreciation and amortisation	29,1	28,6	12,3	5,9	41,3	34,5
Raw materials	49,0	32,0	12,7	4,6	61,7	36,6
External services	12,6	10,3	24,8	33,8	37,4	44,1
Employment costs	40,1	31,5	12,7	7,8	52,7	39,3
Other costs	14,5	8,9	0,0	0,3	14,6	9,2
Profit/loss of the segment	27,4	26,8	-36,0	-30,7	-8,6	-3,9
Other operating income	0,2	0,7	0,0	0,0	0,2	0,7
Other operating costs	2,0	0,5	0,0	0,0	2,0	0,5
Operating profit/loss (EBIT)	25,5	27,0	-36,0	-30,7	-10,5	-3,7
Operating profit/loss adjusted by the depreciation/amortisation (EBITDA)	54,6	55,6	-23,7	-24,7	30,9	30,9
Financial income					0,1	0,1
Financial costs					4,7	2,1
Profit/loss before tax					-15,1	-5,6
Income tax, of which:					-3,5	-4,7
- <i>current income tax</i>					<i>0,0</i>	<i>0,0</i>
- <i>deferred income tax</i>					<i>-3,5</i>	<i>-4,7</i>
Net profit/loss					-11,6	-0,9

Balance sheet

<i>PLN mln</i>		31.12.2021	31.12.2020
ASSETS		707,1	531,9
Non-current assets		428,4	412,6
Property, plant and equipment	A	303,7	314,6
Right-of-use assets	A	25,5	16,8
Intangible assets	B	29,2	41,1
Investment in other entities	C	37,9	12,9
Other financial assets		0,2	0,1
Deferred tax assets		31,9	27,2
Current assets		278,7	119,2
Inventories		23,4	29,8
Trade receivables		24,7	32,5
Other receivables		2,6	9,5
Other current non-financial assets		0,5	3,5
Other current financial assets	D	79,8	0,0
Cash and cash equivalents	D	147,8	44,0
EQUITY & LIABILITIES		707,1	531,9
Equity		554,0	344,5
Non-current liabilities		66,8	73,2
Deferred tax provision		6,0	0,0
Lease liabilities	D	8,4	9,2
Other liabilities (including investment liabilities)	E	22,5	24,4
Accruals from government grants		29,9	39,7
Current liabilities		86,4	114,1
Trade payables		12,7	20,5
Interest-bearing loans and borrowings	D	0,0	12,8
Lease liabilities	D	6,6	3,5
Other liabilities (including investment liabilities)	E	6,3	25,6
Other current non-financial liabilities		5,0	5,9
Accruals from government grants		55,8	45,8
Net trade working capital		35,4	41,8
Net cash		212,6	18,5

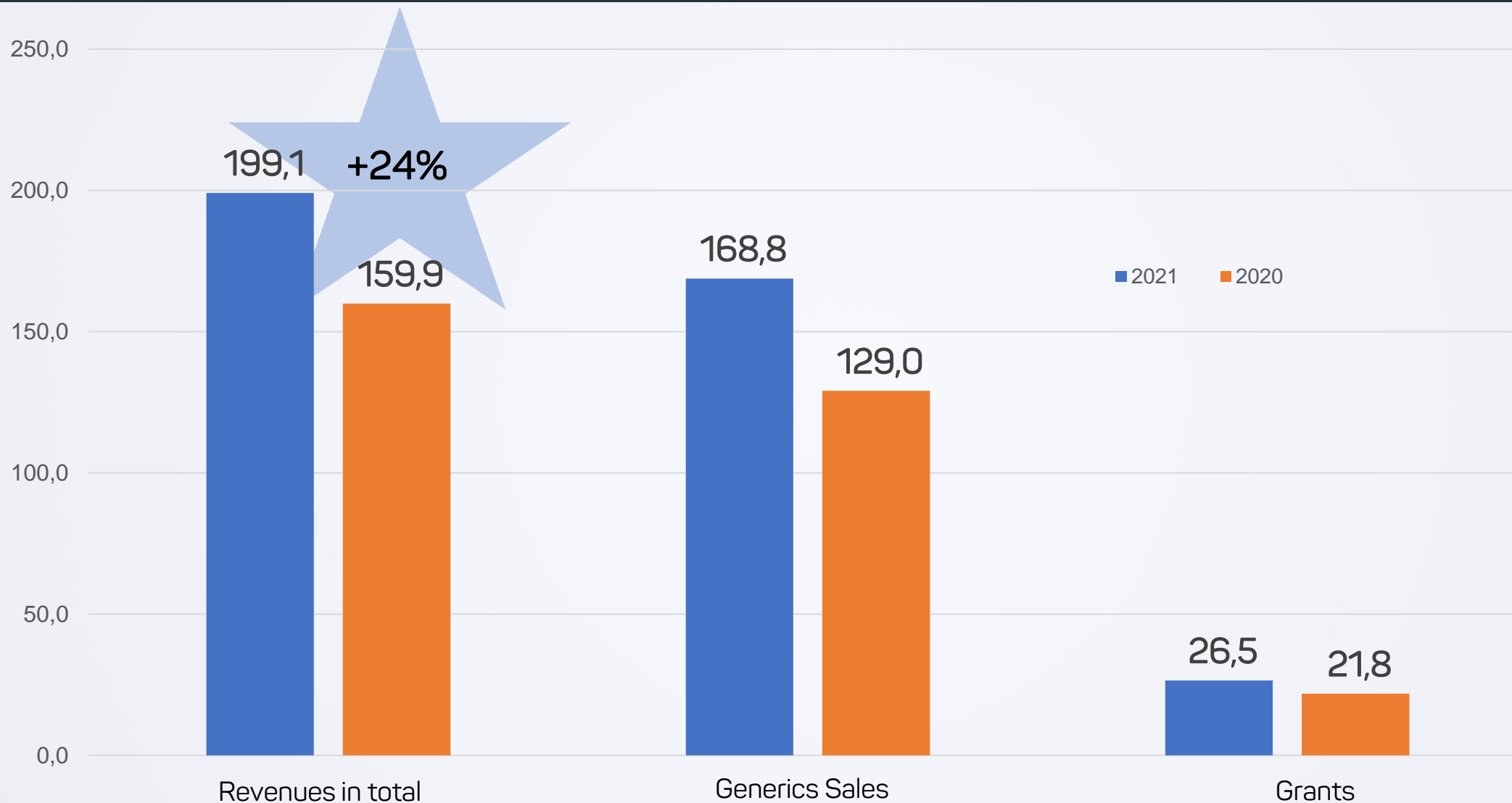
- A. In 2021, the Company maintains significant CAPEX levels mainly in respect of innovation segment. Tangible fixed assets remain at the level of ca PLN 330m both as at 31Dec21 and 31Dec20.
- B. Expansion of IP rights for our legacy business division, contracted in 2020.
- C. Equity stakes in other companies (Mabion).
- D. Increase in net cash from PLN 18,5m to PLN 212,6m due to proceeds from the Secondary Public Offer in 3Q21.
- E. Other liabilities (including investment liabilities) in the amount of PLN 28,8m for IP rights contracted in 2020.

STRONG CASH POSITION SUPPORTING EXPANSION OF R&D PROJECTS

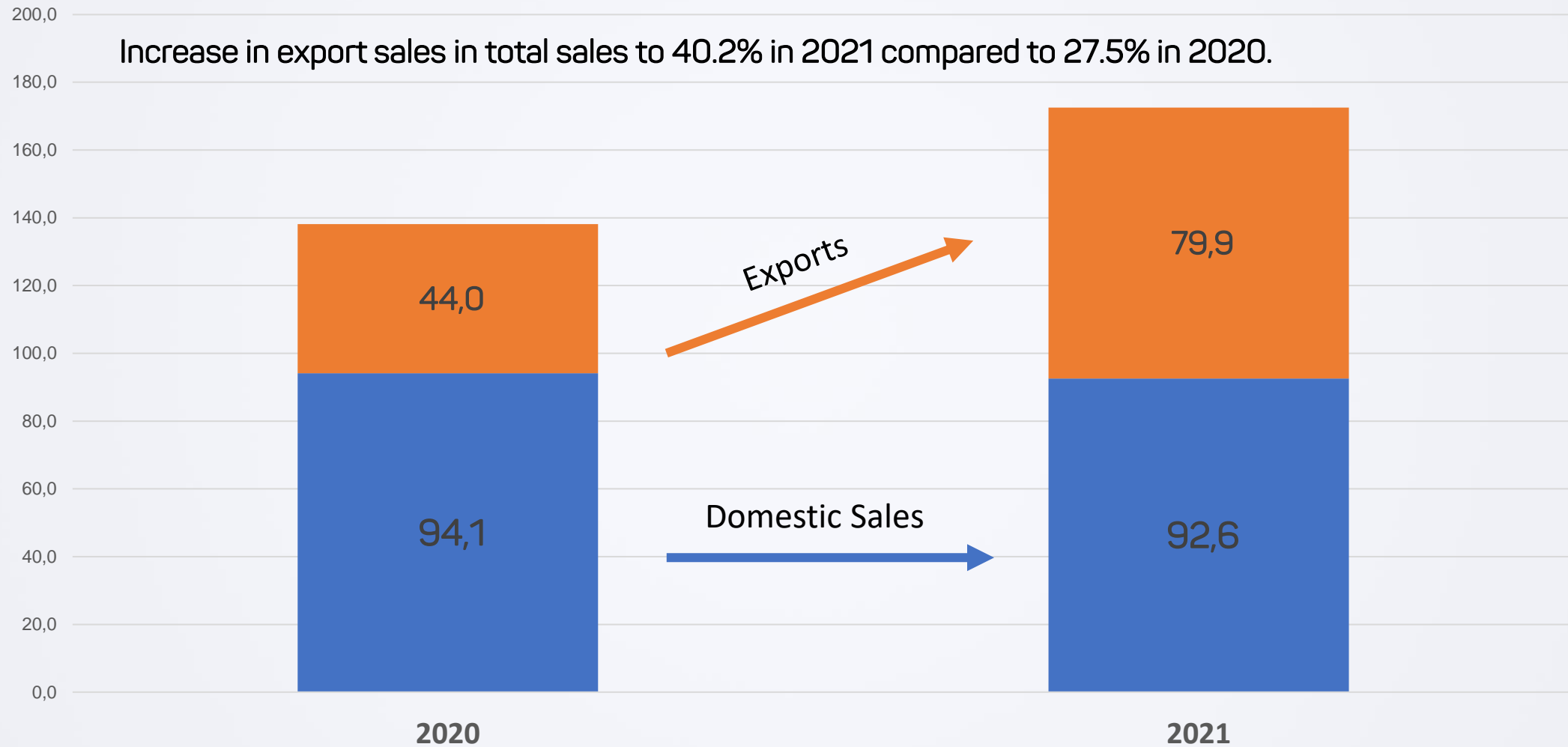
Branded generics



High dynamics of drug sales growth driven by exports



Export sales growing dynamically with a stable level of domestic sales



Expected growth in exports in line with registration of Salmex in new territories

Exports:

- Stabilized at the level of over EUR 1 million per month;
- Dynamic growth expected after launch in new export markets (2023/2024)

Poland:

- New generics launches to complement portfolio in neuropsychiatry, cardiology and pulmonology

New markets - under registration

China	Algeria
Mexico	Iraq
South Africa	Peru
Marocco	Equador
UAE	Argentine
Kuweit	Phillipines
Qatar	Malaysia
Saudi Arabia	Thailand
Oman	Singapore
Vietnam	Australia

New markets under negotiation

USA
Brasil
Israel

Innovations



Key R&D projects status

Molecule	Indication	Research	Preclinical	Clinical Development	
				Phase 1	Phase 2
Falkieri	TRD depression			✓	✓
CPL'36	Schizophrenia/ post-infiltration dyskinesia (LID)			✓	
CPL'280	Diabetes/ diabetic neuropathies			✓	
CPL'110	Solid tumors (bladder, lung, stomach)				
CPL'116	AI (various indications)				



TransformRNA - a key project

- A broad platform for the development of mRNA-based drugs
 - Intramuscular vaccines (targets: SARS-COV-2, anti-cancer tTROP2, FGFR2c)
 - Intravenous (target: AATD, potentially a platform for a series of enzyme supplement therapy drugs in genetic diseases.
 - Rapid project progress.
 - First positive results obtained from animal studies validating an effective delivery system.

Next steps:

- By the end of 2022 - start of production on a clinical scale at GMP.
- 1H2023 - GLP toxicology studies.
- 2H2023 - start of clinical trials.

2022 - news flow

FALKIERI

→ meetings / feedback FDA - IND, Breakthrough Designation, E-of-ph2 meeting- (April-August'22)

CPL'110 (FGFR)

→ completion of phase 1 (MTD) - July-October 2022

→ initiation of the 2 / 2b phase in 2 selected tumor types

CPL'280 (GPR40)

→ clinical phase 2 results in type 2 diabetes - H2 2022

CPL'116 (JAK / ROCK)

→ first results of the Phase 2 PoC study in RA - H2 2022

CPL'36 (PDE10a)

→ results of the Phase 2 PoC studies (Schizophrenia, LiD) - H2 2022.

Q&A



Thank you

