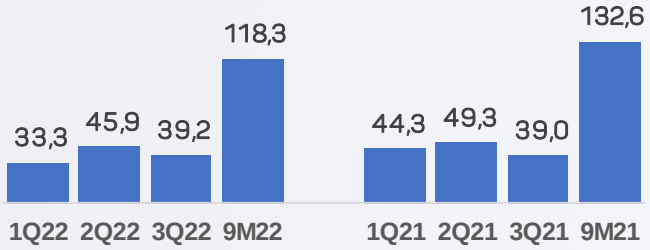
Q32022 results

Financial Highlights

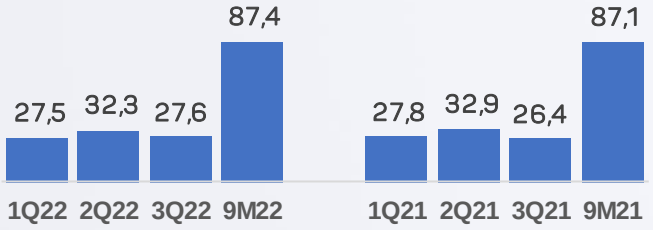
3Q22 reports a stable revenue base year-on-year. At the same time, 3Q22 EBITDA deteriorates due to significant increase in R&D costs. EBITDA margin of the branded generics segment remains at the robust level of 47% despite inflation and demanding labour market.

Branded generics

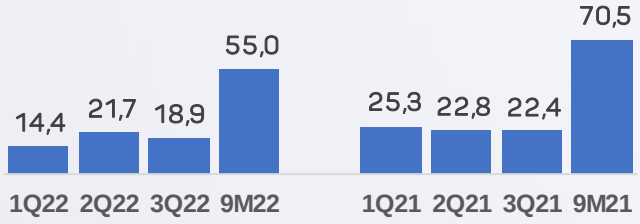
Revenues



Costs



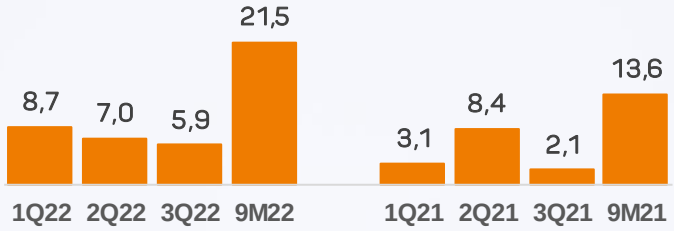
EBITDA



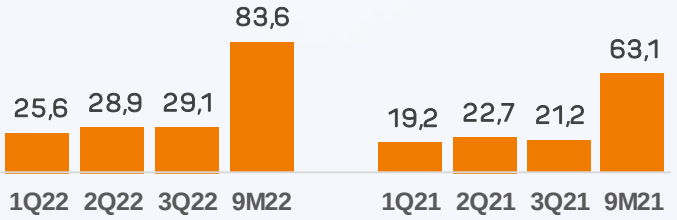
+

Innovative products (R&D)

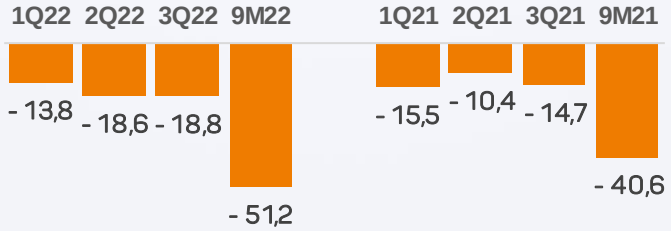
Revenues



Costs



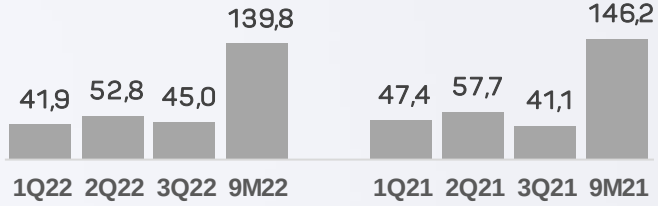
EBITDA



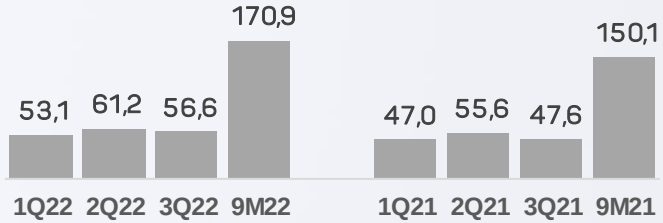
=

Total

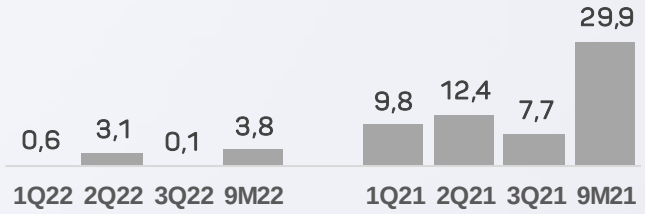
Revenues



Costs



EBITDA



Group and Segment P&L Details

PLN million	Branded generics segment		Innovation segment		Total	
	9M22	9M21	9M22	9M21	9M22	9M21
Revenues from sales of medicines	117,8	129,5	0,0	0,0	117,8	129,5
Other revenues	0,5	2,2	0,0	0,0	0,5	2,2
Revenues from grants	0,0	0,0	21,5	13,6	21,5	13,6
Revenues from sales of licences	0,0	0,8	0,0	0,0	0,0	0,8
Total revenues	**118,3**	**132,6**	**21,5**	**13,6**	**139,8**	**146,2**
including:						
Domestic	*76,8*	*72,2*	*21,5*	*13,6*	*98,3*	*85,8*
Export	*41,5*	*60,4*	*0,0*	*0,0*	*41,5*	*60,4*
Total costs by type	**87,4**	**87,1**	**83,6**	**63,1**	**170,9**	**150,1**
including:						
Depreciation and amortisation	24,1	25,6	10,8	8,8	34,9	34,4
Raw materials	30,2	29,0	17,6	12,8	47,8	41,9
External services	5,5	3,9	33,3	20,8	38,9	24,8
Employment costs	22,3	21,0	19,5	17,2	41,8	38,3
Other costs	5,2	7,5	2,4	3,4	7,6	10,8
Profit/loss of the segment	**30,9**	**45,5**	**-62,0**	**-49,4**	**-31,1**	**-3,9**
Other operating income	0,9	0,2	0,0	0,0	0,9	0,2
Other operating costs	0,8	0,7	0,0	0,0	0,8	0,7
Operating profit/loss (EBIT)	**31,0**	**45,0**	**-62,0**	**-49,4**	**-31,0**	**-4,5**
Operating profit/loss adjusted by the depreciation/amortisation (EBITDA)	**55,1**	**70,5**	**-51,2**	**-40,6**	**3,8**	**29,9**
Financial income					1,5	0,0
Financial costs					2,0	3,5
Profit/loss before tax					**-31,6**	**-8,0**
Income tax, of which:					-4,3	-0,4
- current income tax					*0,0*	*0,0*
- deferred income tax					*-4,3*	*-0,4*
Net profit/loss					**-27,3**	**-7,5**

Balance sheet

PLN mln		2022-09-30	2021-12-31
ASSETS		**640,8**	**707,1**
Non-current assets		406,5	428,4
Property, plant and equipment	A	298,1	303,7
Right-of-use assets	A	34,8	25,5
Intangible assets	B	24,3	29,2
Investment in other entities	C	12,8	37,9
Other financial assets		0,2	0,2
Deferred tax assets		36,2	31,9
Current assets		234,3	278,7
Inventories		36,7	23,4
Trade receivables		33,1	24,7
Other receivables		4,3	2,6
Other current non-financial assets		2,1	0,5
Other current financial assets	D	80,4	79,8
Cash and cash equivalents	D	77,8	147,8
EQUITY & LIABILITIES		**640,8**	**707,1**
Equity		491,4	554,0
Non-current liabilities		61,5	66,8
Deferred tax provision		1,3	6,0
Lease liabilities	D	10,6	8,4
Other liabilities (including investment liabilities)	E	18,0	22,5
Accruals from government grants		31,7	29,9
Current liabilities		87,8	86,4
Trade payables		32,9	12,7
Interest-bearing loans and borrowings	D	0,0	0,0
Lease liabilities	D	9,7	6,6
Other liabilities (including investment liabilities)	E	4,2	6,3
Other current non-financial liabilities		9,4	5,0
Accruals from government grants		31,6	55,8
Net trade working capital		36,9	35,4
Net cash		137,9	212,6

A. In 9M22 the Company maintains stable levels of CAPEX hence tangible assets record similar levels of nearly PLN 330m both as at 30Sep22 and 31Dec21. Major CAPEX relates to R&D projects.

B. Expansion of IP rights for our legacy business division, contracted in 2020

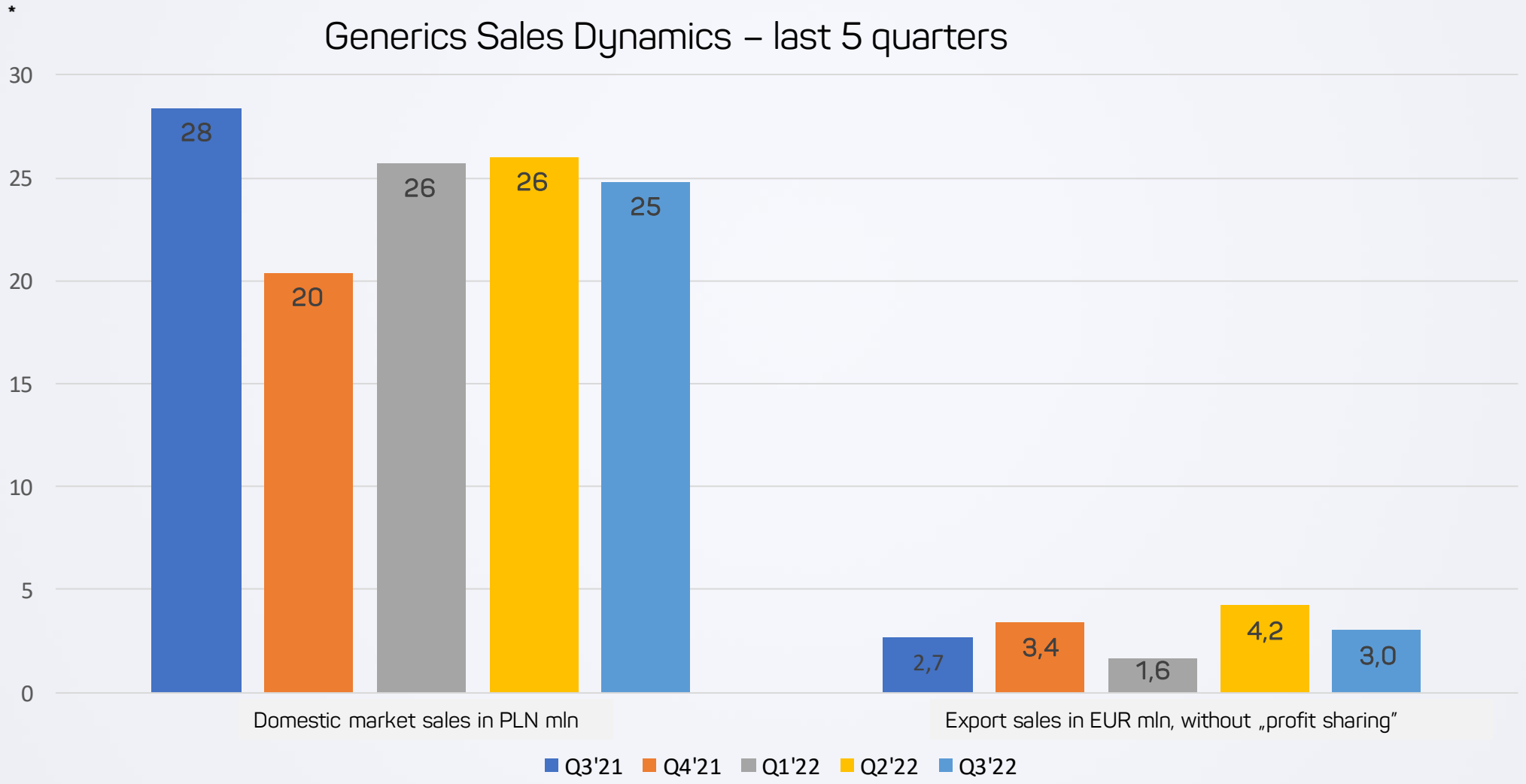
C. Equity stakes in other companies (Mabion)

D. Decrease in net cash in 9M22 by PLN 74,8m of which PLN 22m relates to returns of unused advance payments for R&D projects most of which still can be sourced in further stages of the projects. Further factors for net cash position drop in 9M22 embrace: CAPEX of nearly PLN 22m, outflows due to lease of assets of PLN 10m and outflows due to dividend of PLN 15m.

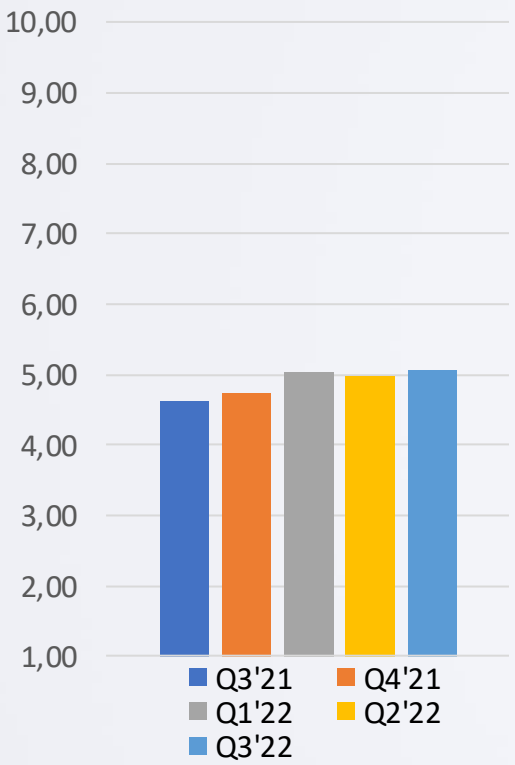
E. Non-current other liabilities in the amount of PLN 22,2m due this and following years (until September 2025), for IP rights contracted in 2020.

Generics Sales

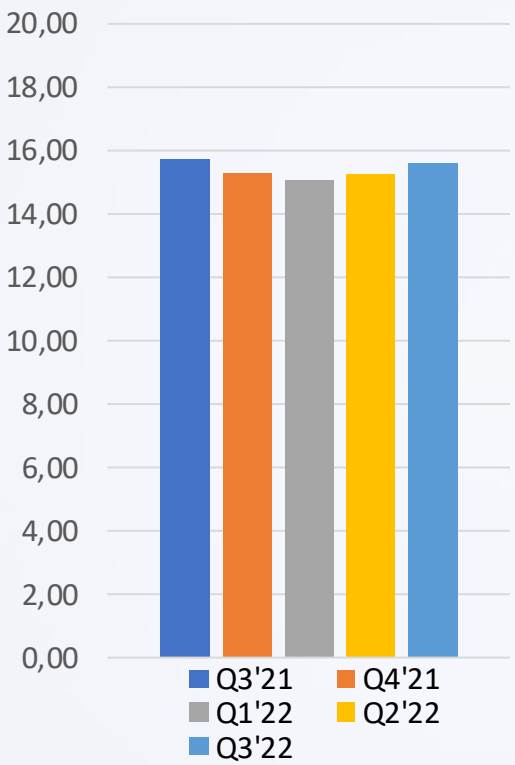
Poland – average 2022 quarterly sales above 2021
Export – stabilized at the level of >Euro 1 mln per quarter



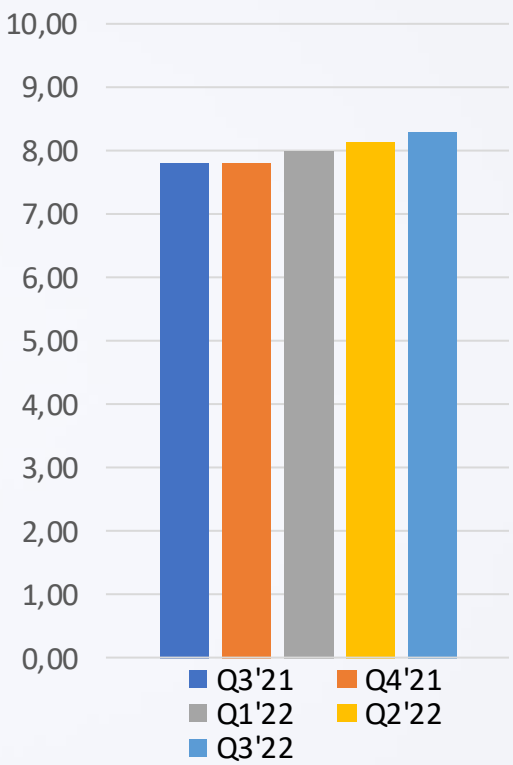
Poland – increased market shares (ATC 3) for all promoted products



Ketrel quetiapinum



Salmex

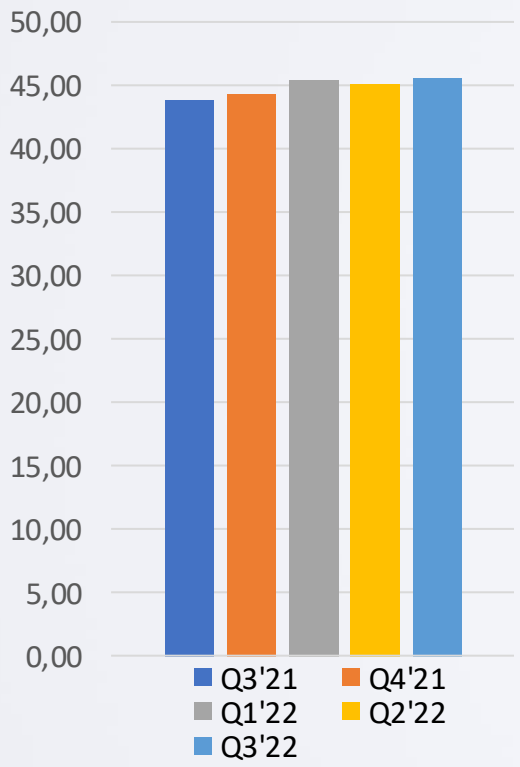


Donepex donepezili hydrochloridum

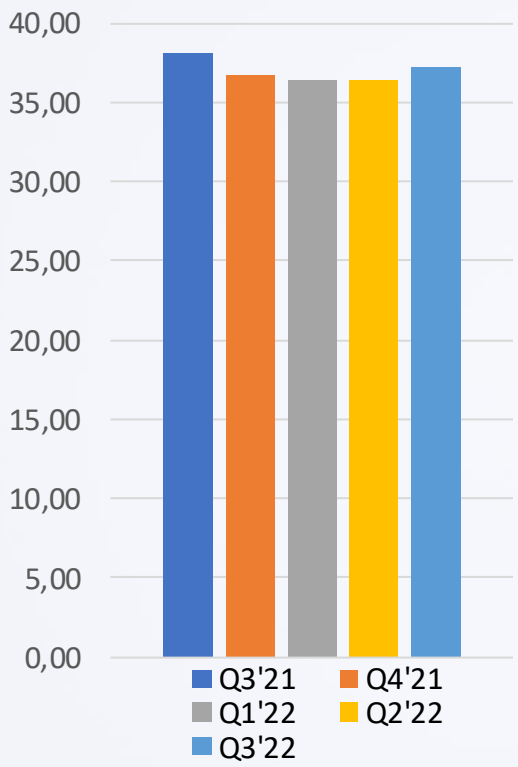
Valzek walsartan 80mg, 160mg

Source - IQVIA Poland Sales Data & IQVIA Poland Pharmascope © 2021 2022 IQVIA and its affiliates. All rights reserved

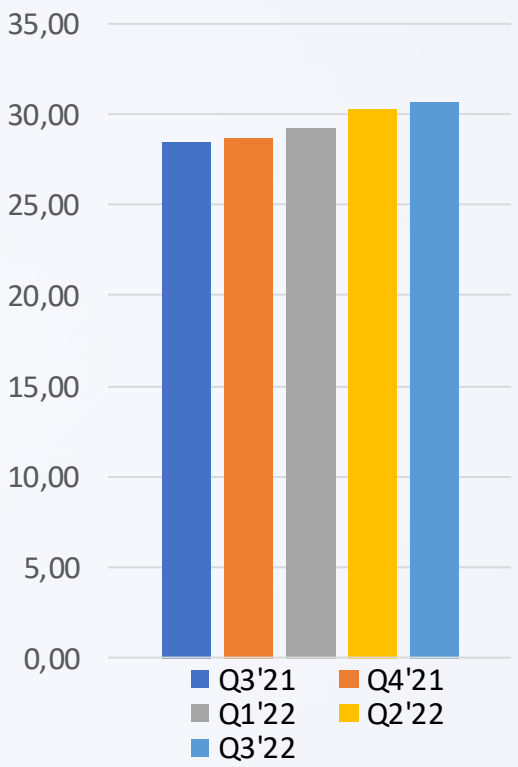
Poland – increased market shares (molecule/INN) for all promoted products



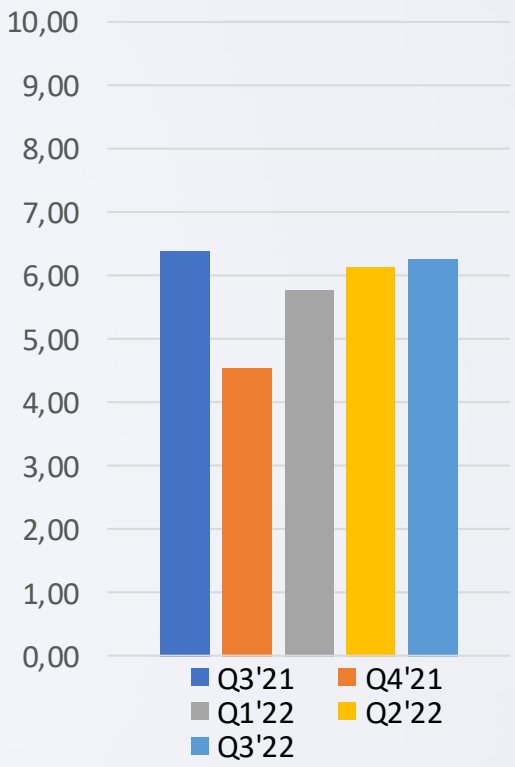
Ketrel quetiapinum



Salmex



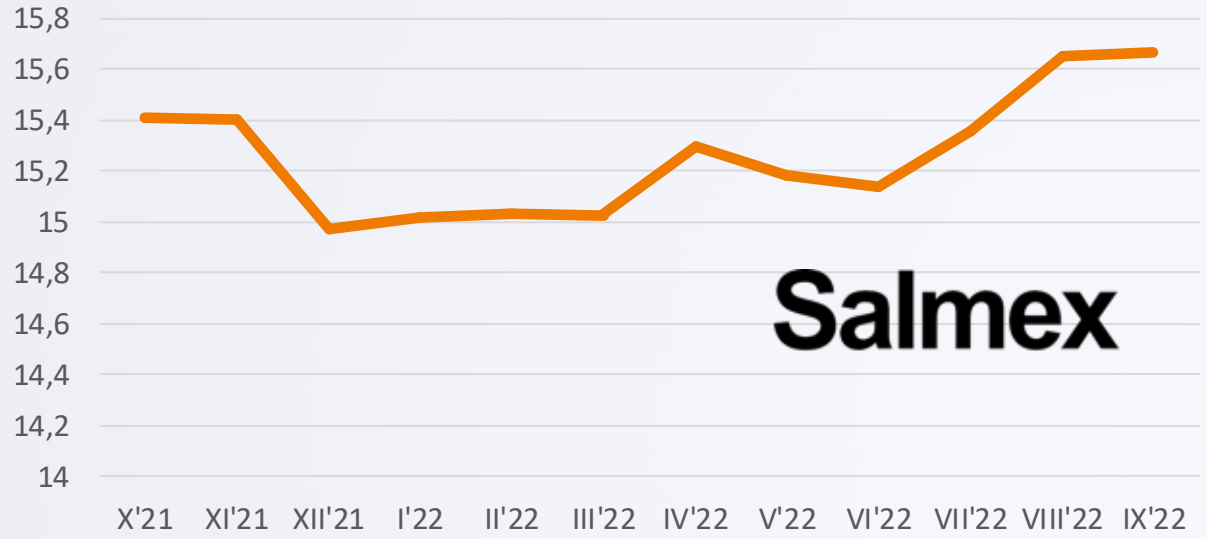
Donepex donepezili hydrochloridum

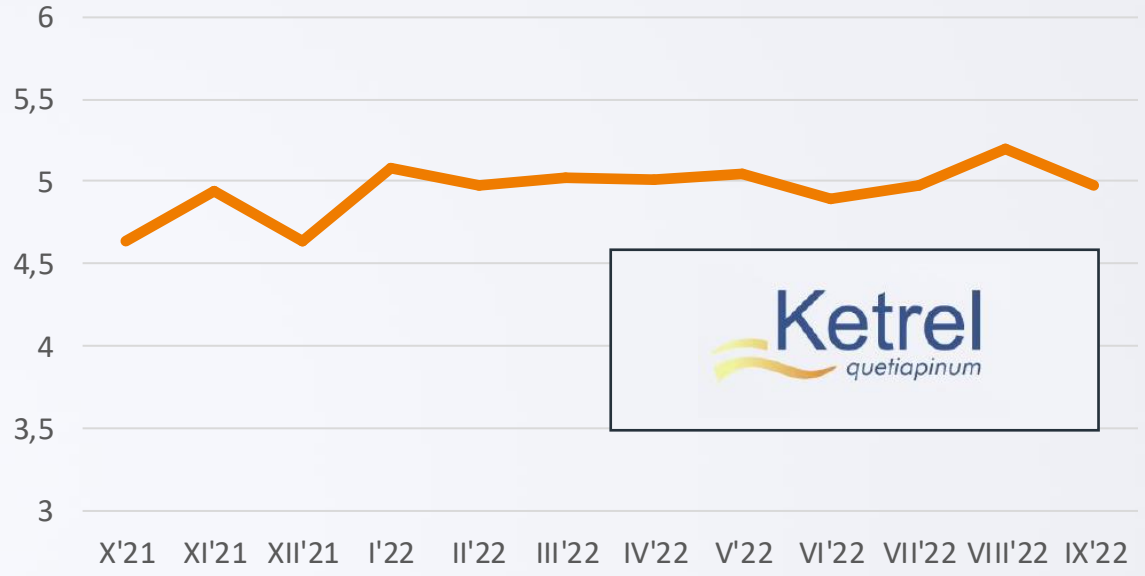


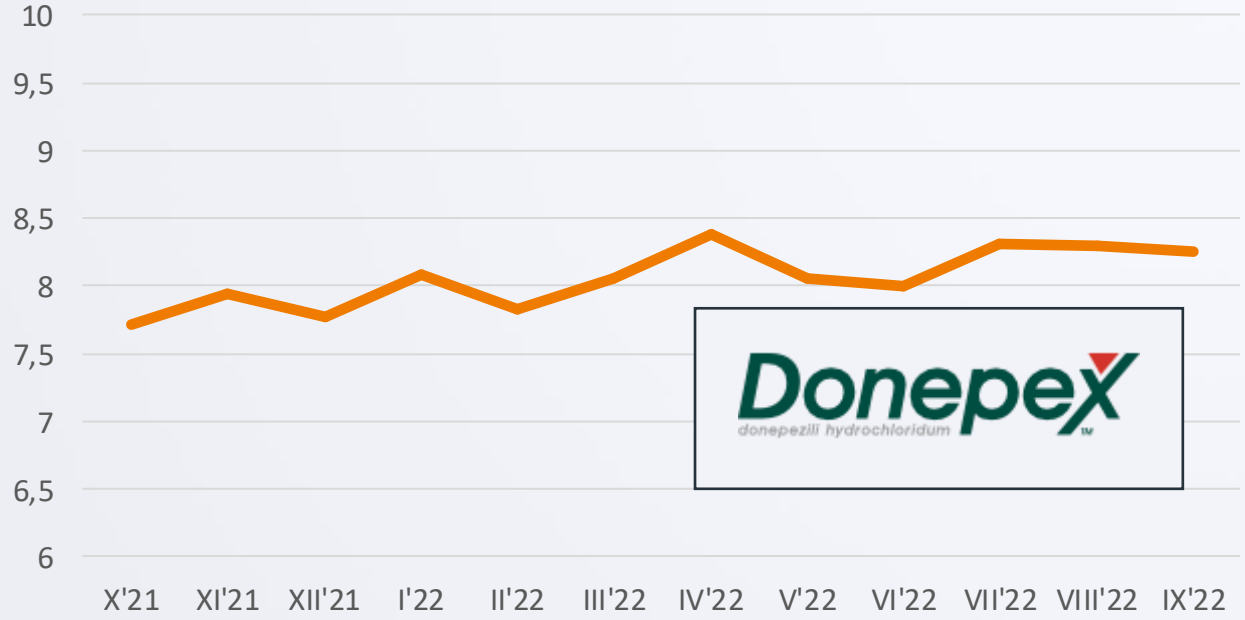
Valzek walsartan 80mg, 160mg

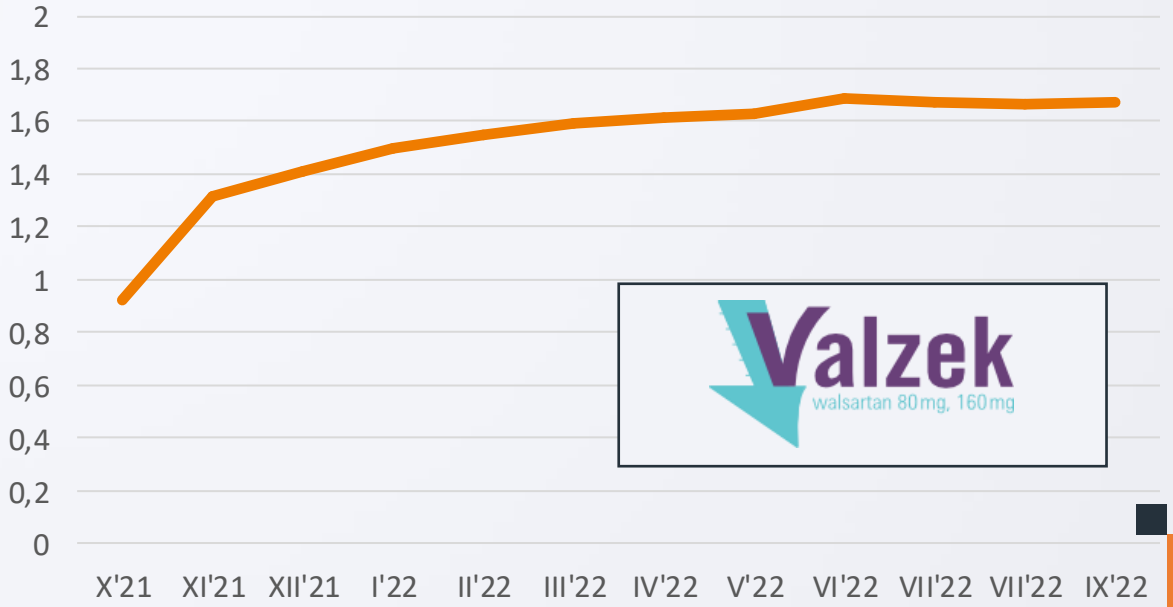
Source - IQVIA Poland Sales Data & IQVIA Poland Pharmascope © 2021 2022 IQVIA and its affiliates. All rights reserved

Poland – increased market shares (ATC 3) for all promoted products









New generic product launches expected in 2023-2025 (Poland)

Therapeutic Area	R&D/BD	Pre-Registration	In-Registration	Registered – launch preparation
Cardiology	BD			
Cardiology	R&D			
Neuropsychiatry	BD			
Neuropsychiatry	BD			
Oncology	R&D			

Innovations

RD project status

MOLECULAR TARGET	INDICATION	RESEARCH	PRE-CLINICAL DEVELOPMENT	CLINICAL DEVELOPMENT: PHASE I	CLINICAL DEVELOPMENT: PHASE II	
Falkieri	Drug resistant depression			✓	✓	PHASE III in TRD in BD preparation
CPL'36	Schizophrenia / Levodopa-induced dyskinesia			✓		
CPL'280	Diabetes / diabetic neuropathies			✓		
CPL'110	Solid tumors (bladder, lung, stomach)					
CPL'116	AI (various indications)			✓		

News flow & milestones 2023

Q1	Q2	Q3	Q4
FGFR end of Phase I/Ib	GPR40 (end of Phase II – in diabates)	PDE10a (end of Phase II)	
JAK/ROCK in IPF - start	JAK/ROCK (End of Phase II in RA)		
GPR40 (diabetes neuropathy) - start			

Q&A