

2Q19

# GBT Results Presentation

Montevideo, August 13<sup>th</sup>, 2019

B3: GBIO33

A woman with curly brown hair, wearing a white lab coat and gloves, is focused on using a pipette in a laboratory setting. In the background, another person wearing safety glasses is visible, also working. The image is partially covered by a dark teal geometric overlay on the left side.

**GBT** Grupo Biotoscana

## Message from management

Double-digit growth driven by performance of current pipeline and successful execution of new products across the region

### 2Q19 & 1H19 Highlights

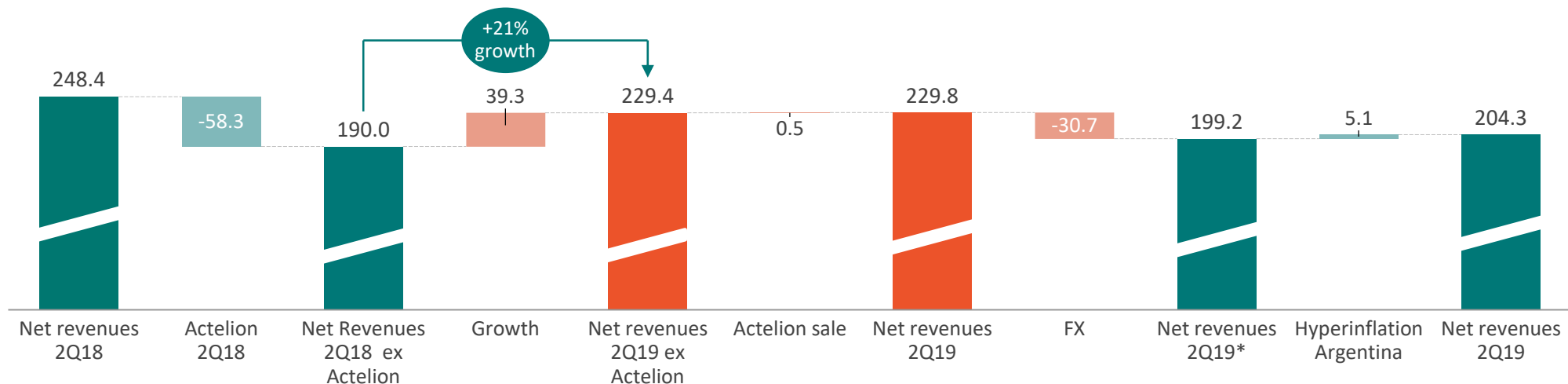
- **Net revenues** came to BRL 199M, with a 21% growth excluding Actelion discontinued line, in constant currency QoQ and 12% in 1H19.
- **Recently launched products (innovatives)** up 89% QoQ, demonstrating substantial improvement over existing therapies
- **BGx launches** increased 260% QoQ and 205% in 1H19.
- **Base portfolio** increased by 14% quarter over quarter, excluding Actelion discontinued line, in constant currency.

### Key takeaways

- **Strong performance** of new launches – in-licensed and BGx products, contributing with 15% of total top line
- Focus on **execution** – building the right foundation to deliver our financial commitments over the long run
- Investment to foster the performance growth of our **legacy portfolio**
- **Recently launched products** with new studies underway and positive outlook for the future

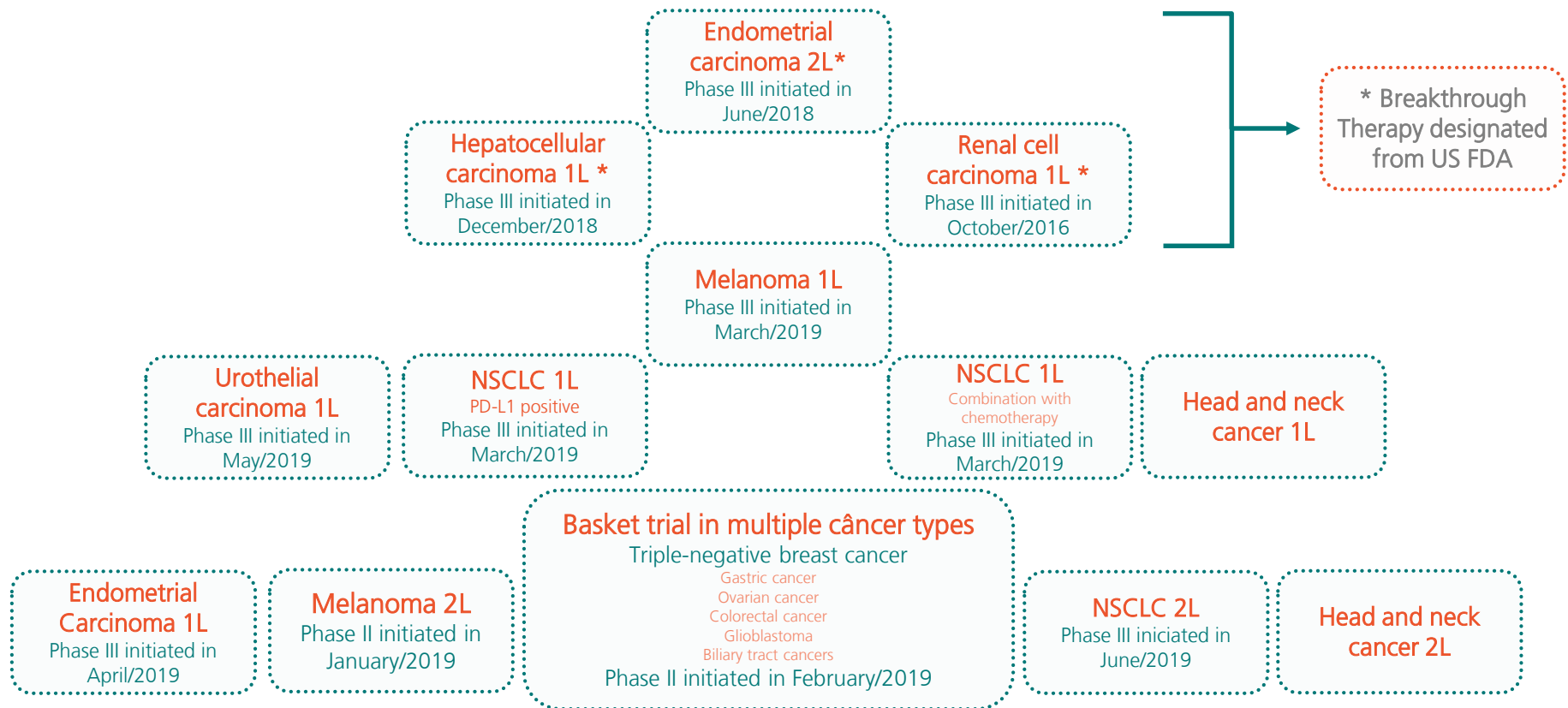
### 2Q19 Net revenues components of growth

(BRL million | % growth compared to 2Q18)



## Further pipeline

Possibility to maximize the value of LENVIMA due to the new indications in combination with KEYTRUDA® \*3 is significantly expanding.



Simultaneously conducting pivotal studies in 6 types of cancer in 10 regimens

11 studies for the combination therapy with KEYTRUDA have been initiated, and other 2 are to be initiated in 2019

# Key operating and financial results

## Profit and loss statement highlights

	2Q19	2Q18	Chg. %	2Q19*	2Q19	Chg. %	1H19	1H18	Chg. %	1H19*	1H19	Chg. %
Gross revenues	220.7	268.3	-17.7%	215.4	247.2	-7.9%	383.1	481.2	-20.4%	378.8	430.8	-10.5%
Net revenues	204.3	248.4	-17.7%	199.2	229.8	-7.5%	353.0	438.3	-19.5%	348.9	399.0	-9.0%
Cost of goods sold	-111.2	-117.1	-5.1%	-103.0	-114.0	-2.6%	-185.7	-200.6	-7.4%	-172.7	-190.6	-5.0%
COGS (%)	-54.4%	-47.2%	726 bps	-51.7%	-49.6%	245 bps	-52.6%	-45.8%	683 bps	-49.5%	-47.8%	200 bps
Gross profit	93.1	131.3	-29.0%	96.1	115.8	-11.7%	167.3	237.7	-29.6%	176.2	208.4	-12.3%
Gross Margin (%)	45.6%	52.8%	-726 bps	48.3%	50.4%	-245 bps	47.4%	54.2%	-683 bps	50.5%	52.2%	-200 bps
Recurring operating expenses	-72.4	-80.3	-9.9%	-69.3	-83.1	3.5%	-135.4	-146.9	-7.9%	-132.0	-154.2	5.0%
Recurring OPEX (%)	-35.4%	-32.3%	307 bps	-34.8%	-36.2%	382 bps	-38.3%	-33.5%	482 bps	-37.8%	-38.7%	514 bps
(+) Stock grants	-0.3	-2.8	-90.5%	-0.3	-0.3	-90.5%	-0.6	-5.7	-89.7%	-0.6	-0.6	-89.7%
(+) Non-recurring other operating income	0.8	0.0	-	0.0	0.0	-	8.6	0.0	-	8.1	14.1	-
(-) Bad debt recovery	0.0	-5.3	-100.0%	0.0	0.0	0.0	0.0	-5.3	-100.0%	0.0	0.0	-100.0%
Opex including non-cash and non-recurring items	-71.8	-77.9	-7.8%	-69.6	-83.4	7.1%	-127.3	-147.3	-13.6%	-124.5	-140.7	-4.5%
OPEX (%)	-35.2%	-31.4%	380 bps	-34.9%	-36.3%	492 bps	-36.1%	-33.6%	246 bps	-35.7%	-35.3%	167 bps
Selling and marketing expenses	-34.9	-35.3	-1.3%	-33.7	-39.8	12.8%	-65.7	-67.2	-2.2%	-64.5	-74.1	10.2%
General and administrative expenses	-23.6	-27.9	-15.5%	-22.4	-24.9	-10.8%	-45.6	-52.7	-13.5%	-44.1	-48.7	-7.5%
R&D, medical, regulatory and bus. dev. expenses	-9.4	-12.4	-24.2%	-8.8	-11.8	-4.8%	-17.7	-23.6	-25.1%	-17.2	-23.3	-1.3%
Reorganization, integration and acquisition expenses	-5.0	-3.7	35.7%	-4.9	-7.1	91.7%	-7.1	-6.3	12.5%	-7.0	-8.9	40.7%
Other operating income/(expenses)	1.1	1.5	-28.1%	0.3	0.3	-81.9%	8.8	2.6	243.6%	8.3	14.3	457.8%
Operating income	21.3	53.4	-60.1%	26.6	32.5	-39.2%	40.0	90.4	-55.8%	51.7	67.7	-25.2%
EBIT Margin	10.4%	21.5%	-1106 bps	13.3%	14.1%	-737 bps	11.3%	20.6%	-930 bps	14.8%	17.0%	-367 bps
(+) D&A	9.9	7.0	41.2%	8.7	9.7	39.1%	18.9	12.7	48.6%	16.7	18.2	42.7%
(+) Stock grants	0.3	2.8	-90.5%	0.3	0.3	-90.5%	0.6	5.7	-89.7%	0.6	0.6	-89.7%
(+) One-time adjustment	4.2	-1.6	-368.1%	4.9	7.1	-549.5%	-1.5	1.1	-240.6%	-1.1	-5.2	-591.5%
Adjusted EBITDA	35.7	61.6	-42.1%	40.4	49.5	-19.6%	58.0	109.9	-47.2%	67.9	81.2	-26.1%
Adjusted EBITDA Margin	17.5%	24.8%	-735 bps	20.3%	21.6%	-326 bps	16.4%	25.1%	-863 bps	19.5%	20.4%	-471 bps

## Further pipeline

Diversified pipeline of products for the treatment of a broad range of niche disease areas

Indication	Region	Attractive-ness	Business Plan	Due Diligence	Closing	Territory
<b>ONCOLOGY</b>						
R/R CLL, iNHL	US					Latin America
Ovarian Cancer	US					Latin America
Multiple Myeloma, B Cell Lymphoma	US					Latin America
Melanoma, Colorectal Cancer	EU					Andean Region
Breast Cancer, Renal Cell Carcinoma	EU					Latin America
Breast Cancer, Renal Cell Carcinoma	EU					Latin America
Prostate Cancer	EU					Latin America
Neuroendocrine Tumors Acromegaly	EU					Latin America
Neuroendocrine Tumors Acromegaly	ARG					Argentina+
AML	US					Latin America
Bladder Cancer	US					Latin America
FL	US					Latin America
CLL	US					Latin America
CLL/SLL	US/Ch					Latin America
2L NSCLC, 1L HCC, 2L ESCC	US/Ch					Latin America
Breast Cancer - Oral Taxane	US					Latin America
R/R AML	US					Latin America
Ovarian Cancer	US					Latin America
AML	EU					Latin America
Myelofibrosis	US					Latin America
<b>RARE DISEASES</b>						
Eosinophilic oesophagitis	EU					Latin America
Inflammation & Immunology	EU					Brazil
hATTR amyloidosis	US					Latin America
Porphyrias	US					Latin America
Erythropoietic Protoporphyria	AUS					Latin America
Trombocytopenia	US					Latin America
Hereditary angioedema	US					Latin America
Immune Thrombocytopenic Purpura	US					Latin America

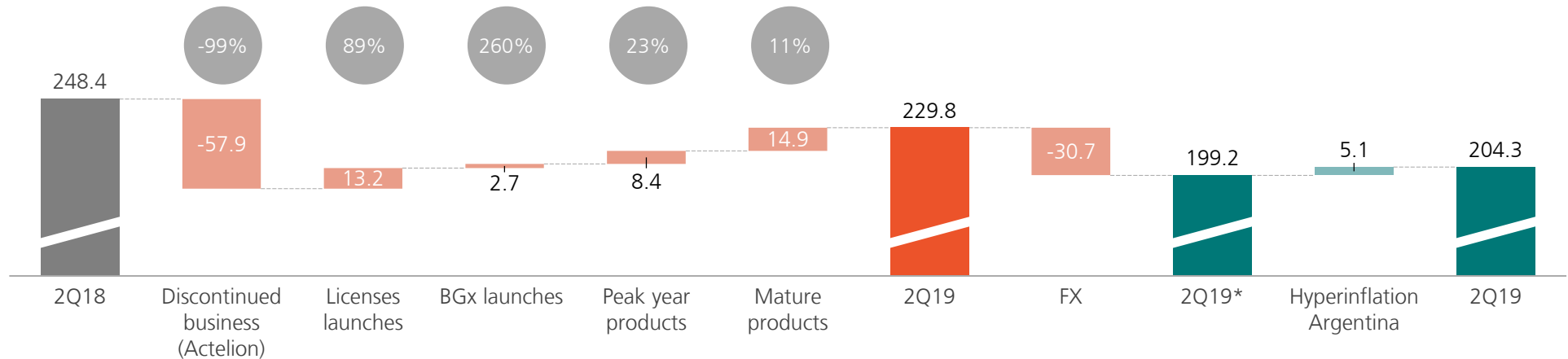
Indication	Region	Attractive-ness	Business Plan	Due Diligence	Closing	Territory
<b>ANTI INFECTIVES</b>						
cUTI	US					Latin America
Invasive Candidiasis	US					Latin America
Invasive Candidiasis	EU					Latin America
Invasive Candidiasis	EU					Latin America
Invasive Candidiasis	US					Latin America
ABSSSI	US					Latin America
CAP, ABSSSI	US					Latin America
Gram (-)	US					Latin America
Systemic Fungal Infection	ISR					TBC
<b>SPECIAL TREATMENTS AND I&amp;I</b>						
Parkinson's Disease	US					Latin America
Parkinson's Disease	US					Latin America
Tardive dyskinesia	US					Latin America
Anemia due to chronic kidney disease	US					Latin America
Chronic/Acute Graft versus Host disease	EU					Latin America
Systemic Sclerosis	US					Latin America

## Net revenues

Strong growth of newly launched underpinned by excellent performance of innovative launches in specialty therapeutic areas

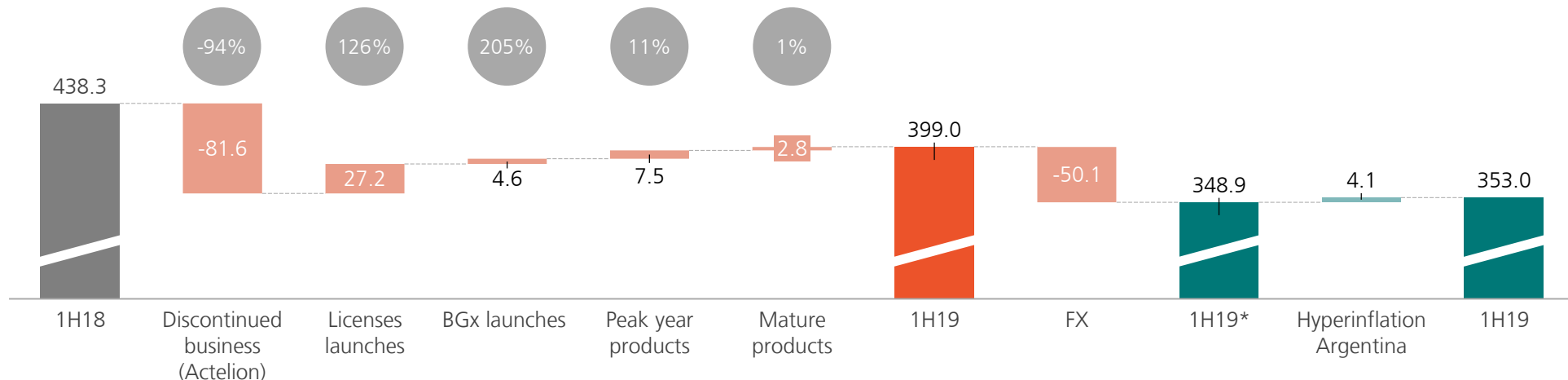
### 2Q19 Portfolio breakdown

(BRL million | % growth compared to 2Q18)



### 1H19 Portfolio breakdown

(BRL million | % growth compared to 1H18)

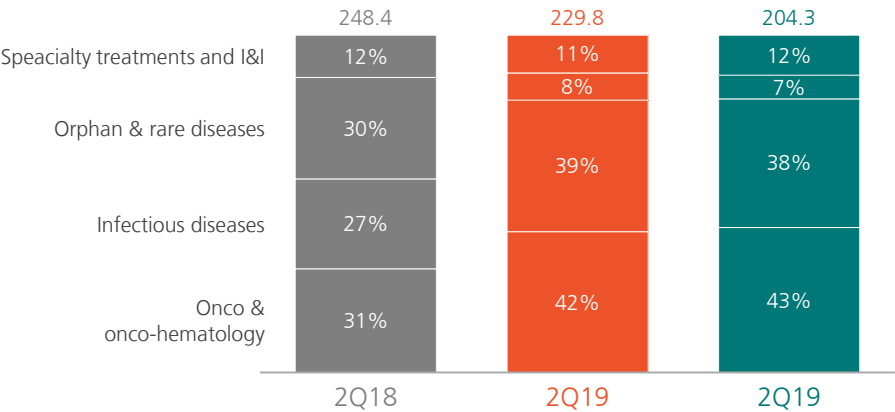


# Net revenues

Total oncology product sales growth of 26% QoQ bolstered revenues

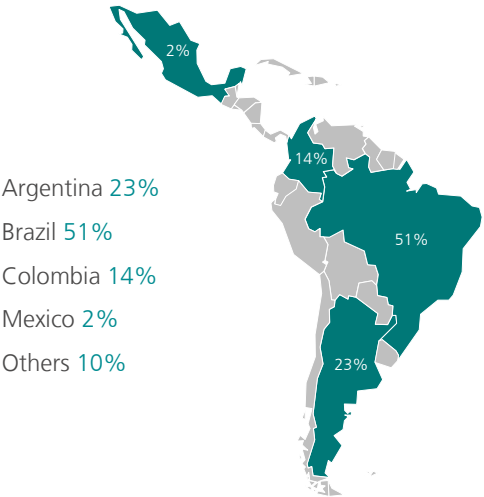
## 2Q19 vs. 2Q18 Therapeutic area components of revenues

(BRL million)



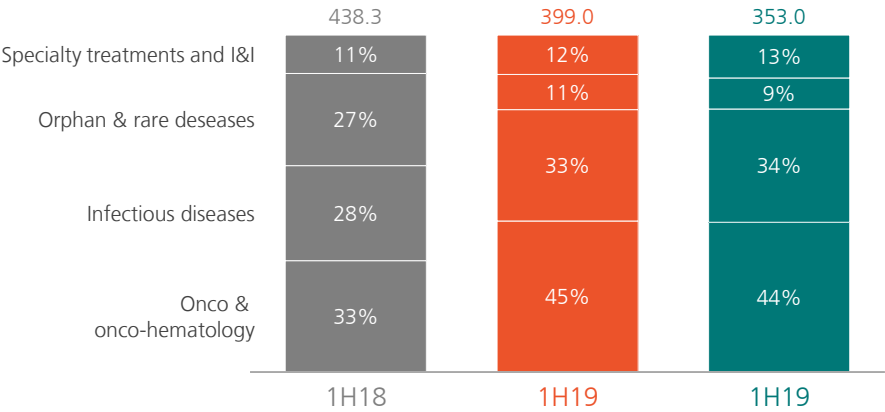
## 2Q19 Net revenues by country

(BRL million)



## 1H19 vs. 1H18 Therapeutic area components of revenues

(BRL million)



## 1H19 Net revenues by country

(BRL million)

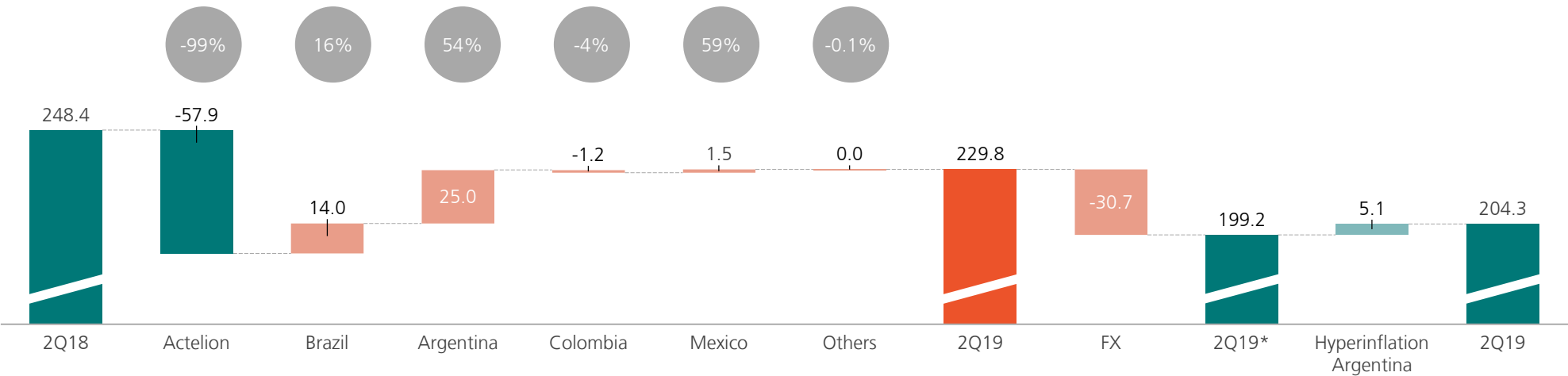


# Net revenues

## Net revenues breakdown

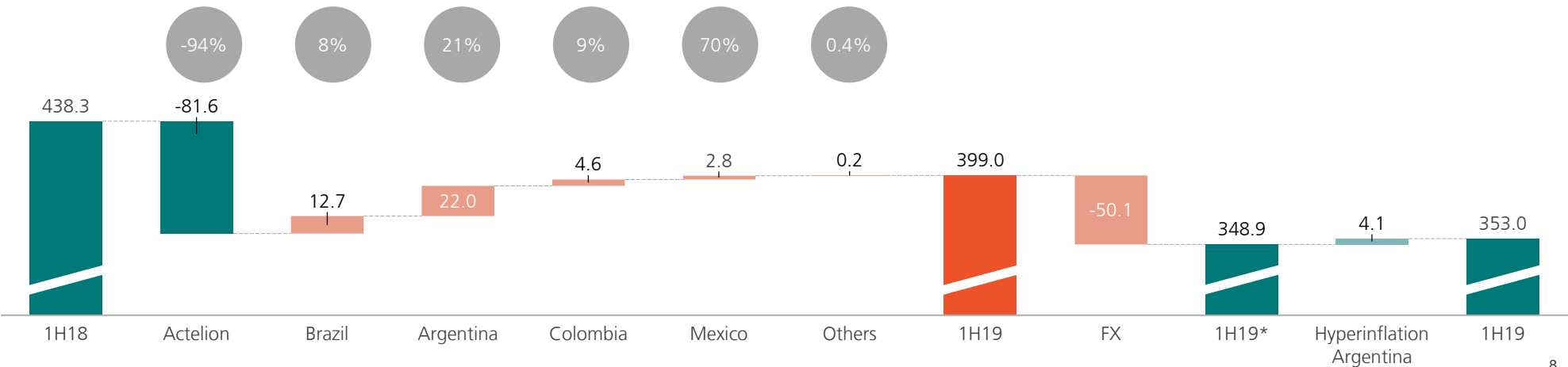
### 2Q19 Net revenues by country

(BRL million | % growth compared to 2Q18)



### 1H19 Net revenues by country

(BRL million | % growth compared to 2Q18)

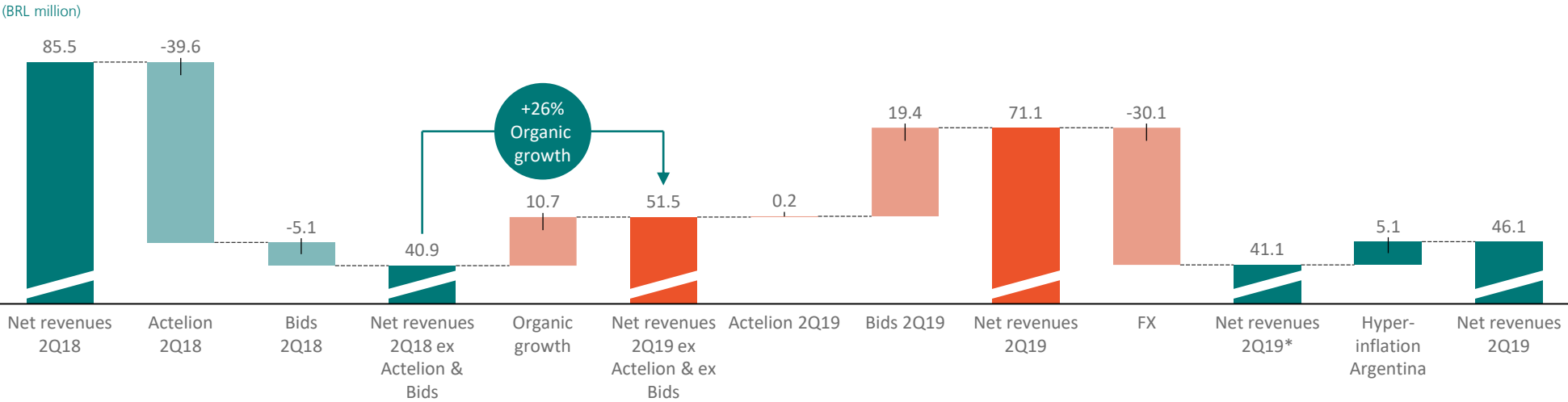




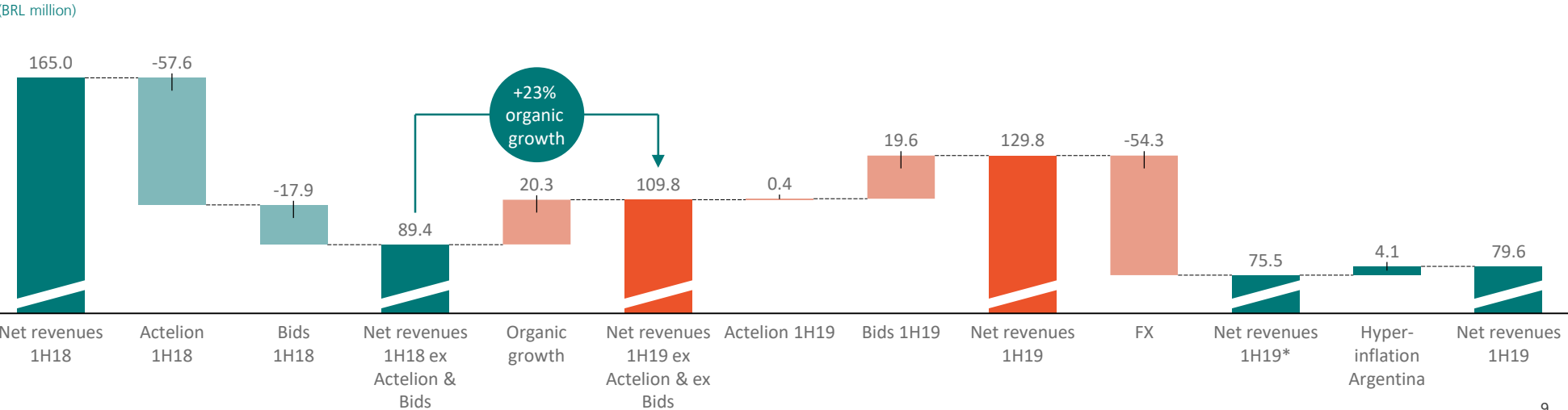
# Argentina Net revenues

## Argentina picking up speed and showing organic progress

### 2Q19 Argentina's components of growth



### 1H19 Argentina's components of growth



# Opex

## Opex breakdown

### Operating Expenses

(BRL million)

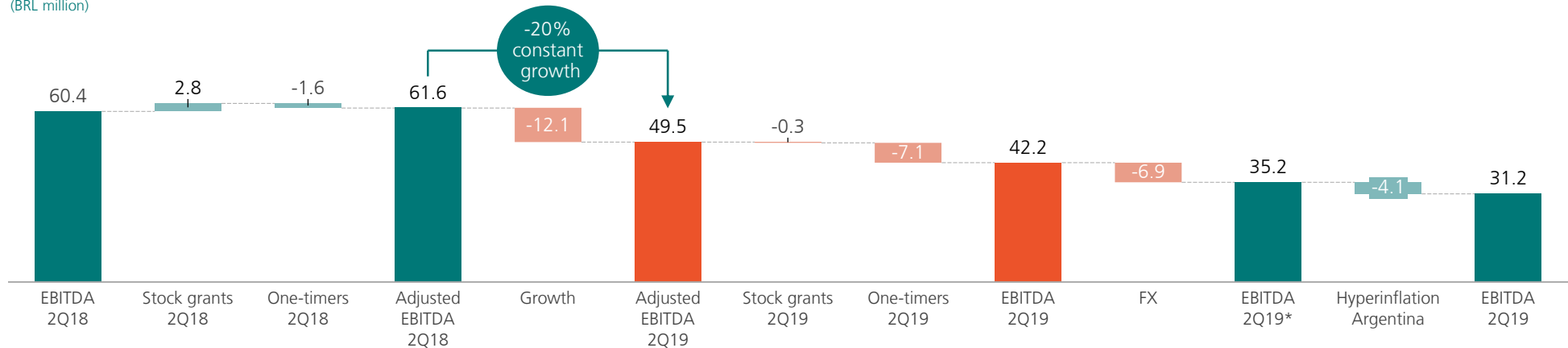
	2Q19	2Q18	Chg. %	2Q19*	2Q19	Chg. %	1H19	1H18	Chg. %	1H19*	1H19	Chg. %
Recurring selling and marketing expenses	-34.9	-40.6	-14.1%	-33.7	-39.8	-1.9%	-65.7	-72.5	-9.3%	-64.5	-74.1	2.2%
(-) Bad debt recovery	0.0	-5.3	-100.0%	0.0	0.0	-100.0%	0.0	-5.3	-100.0%	0.0	0.0	-100.0%
Selling and marketing expenses including bad debt	-34.9	-35.3	-1.3%	-33.7	-39.8	12.8%	-65.7	-67.2	-2.2%	-64.5	-74.1	10.2%
Recurring general and administrative expenses	-23.3	-25.1	-7.0%	-22.1	-24.6	-1.7%	-45.0	-47.1	-4.3%	-43.5	-48.2	2.3%
(+) Stock grants	-0.3	-2.8	-90.5%	-0.3	-0.3	-90.5%	-0.6	-5.7	-89.7%	-0.6	-0.6	-89.7%
G&A expenses including non-cash items	-23.6	-27.9	-15.5%	-22.4	-24.9	-10.8%	-45.6	-52.7	-13.5%	-44.1	-48.7	-7.5%
R&D, medical, regulatory and bus. dev. Expenses	-9.4	-12.4	-24.2%	-8.8	-11.8	-4.8%	-17.7	-23.6	-25.1%	-17.2	-23.3	-1.3%
Reorganization, integration and acquisition expenses	-5.0	-3.7	35.7%	-4.9	-7.1	91.7%	-7.1	-6.3	12.5%	-7.0	-8.9	40.7%
Recurring other operating income/expenses	0.3	1.5	-81.8%	0.3	0.3	-81.9%	0.2	2.6	-91.9%	0.2	0.2	-91.9%
Non-recurring other operating income	0.8	0.0	-	0.0	0.0	-	8.6	0.0	-	8.1	14.1	-
<b>Recurring operating expenses</b>	<b>-72.4</b>	<b>-80.3</b>	<b>-9.9%</b>	<b>-69.3</b>	<b>-83.1</b>	<b>3.5%</b>	<b>-135.4</b>	<b>-146.9</b>	<b>-7.9%</b>	<b>-132.0</b>	<b>-154.2</b>	<b>5.0%</b>
Operating expenses including non-cash and one-timers	-71.8	-77.9	-7.8%	-69.6	-83.4	7.1%	-127.3	-147.3	-13.6%	-124.5	-140.7	-4.5%

## Financials

# EBITDA impacted by discontinued business

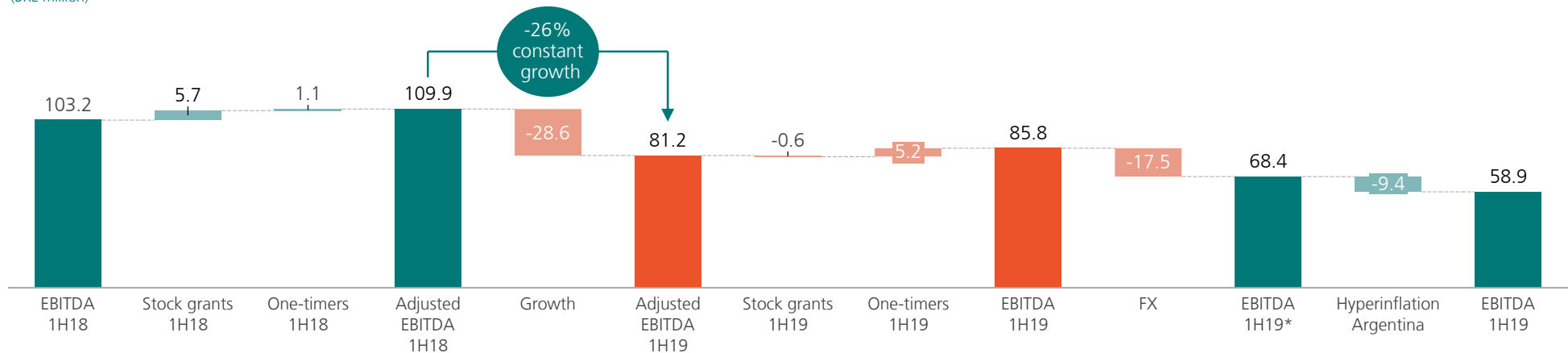
### 2Q19 EBITDA breakdown

(BRL million)



### 1H19 EBITDA breakdown

(BRL million)



## Financials

# Net financial expenses and effective tax rate

### Net financial results

(BRL million)

	2Q19	2Q18	Chg. %	2Q19*	1H19	1H18	Chg. %	1H19*
Interest and other financial expenses	-8.2	-8.0	2.3%	-7.8	-15.1	-17.5	-14.0%	-14.8
Citibank	-0.8	-5.5	-85.2%	-0.7	-1.9	-10.9	-82.4%	-1.9
Itaú Unibanco	-3.1	-3.1	-0.7%	-3.1	-6.2	-6.3	-1.8%	-6.2
Santander	-0.8	0.0	-	-0.8	-1.6	0.0	-	-1.6
Interest on lease liabilities (IFRS 16)	-0.7	0.0	-	-0.6	-1.3	0.0	-	-1.3
Taxes on financial transactions	-0.9	-0.4	118.4%	-0.8	-1.2	-0.8	58.5%	-1.2
Other financial expenses	-1.9	1.1	-270.4%	-1.7	-2.8	0.4	-740.0%	-2.7
Gain on net monetary position for exposure to inflation	0.4	0.0	-	0.0	1.9	0.0	-	0.0
FX income/expenses, net	-0.4	-17.5	-97.5%	-0.3	-0.8	-20.9	-96.3%	-0.7
<b>Net financial results</b>	<b>-8.2</b>	<b>-25.5</b>	<b>-67.7%</b>	<b>-8.1</b>	<b>-14.0</b>	<b>-38.4</b>	<b>-63.7%</b>	<b>-15.5</b>

### Effective tax rate

(BRL million)

	2Q18	3Q18	4Q18	1Q19	2Q19	1H18	1H19
EBT	28.3	16.9	26.1	13.0	13.1	52.0	26.1
Current income tax	-8.2	-6.4	-0.7	-3.1	-5.7	-16.6	-8.7
Deferred income tax	-0.1	-1.4	-6.9	-1.9	0.5	0.5	-1.4
Total income tax <sup>1</sup>	-8.3	-7.8	-7.6	-5.0	-5.2	-16.1	-10.2
<b>Cash effective income tax rate<sup>2</sup></b>	<b>29.1%</b>	<b>37.8%</b>	<b>2.9%</b>	<b>23.7%</b>	<b>43.3%</b>	<b>31.9%</b>	<b>33.6%</b>
<b>Effective income tax rate<sup>3</sup></b>	<b>29.4%</b>	<b>46.2%</b>	<b>29.2%</b>	<b>38.4%</b>	<b>39.6%</b>	<b>31.0%</b>	<b>39.0%</b>

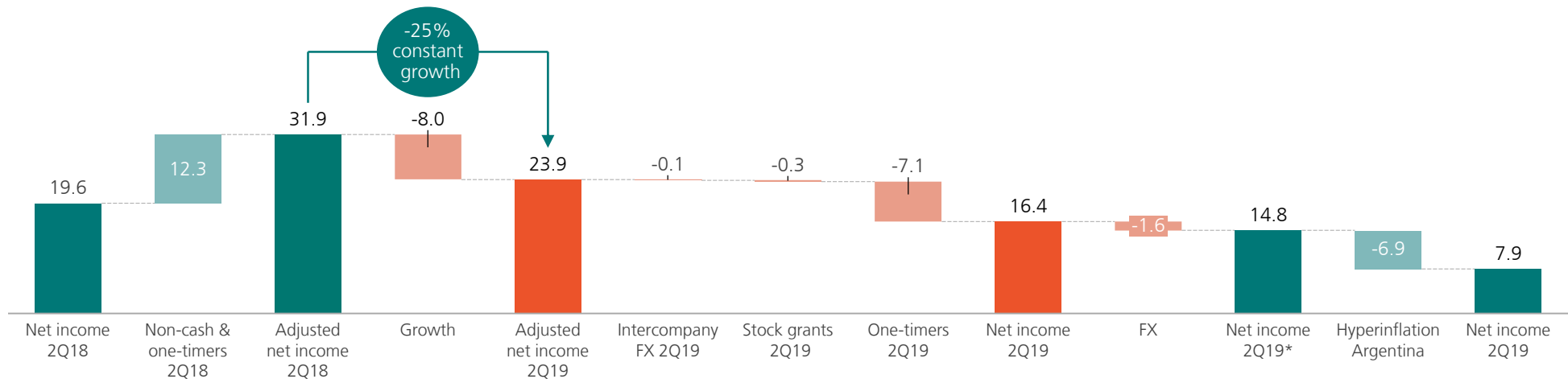
<sup>1</sup> Total income tax = sum of current income tax and deferred income tax; <sup>2</sup> Current income tax / EBT; <sup>3</sup> Total income tax / EBT

## Financials

## Adjusted net income

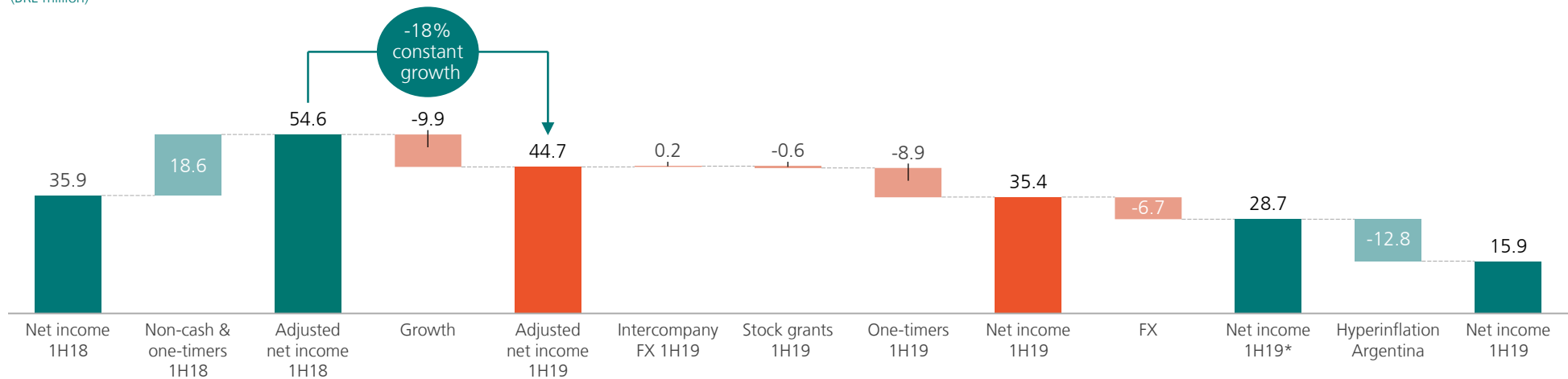
## 2Q19 Net income breakdown

(BRL million)



## 1H19 Net income breakdown

(BRL million)



## Financials

# Generation of operating net cash flow impacted by several launches

### Net cash flow from operating activities

(BRL million)

	1H19	1H18
Net cash flow from operations activities	2.0	92.3
Adjusted net cash flow from operating activities	9.1	102.5
Net revenues	353.0	438.3
Adjusted EBTIDA	58.0	109.9
Adjusted net cash / Adjusted EBITDA	15.7%	93.3%
Adjusted net cash / Net revenues	2.6%	23.4%

### Cash conversion cycle

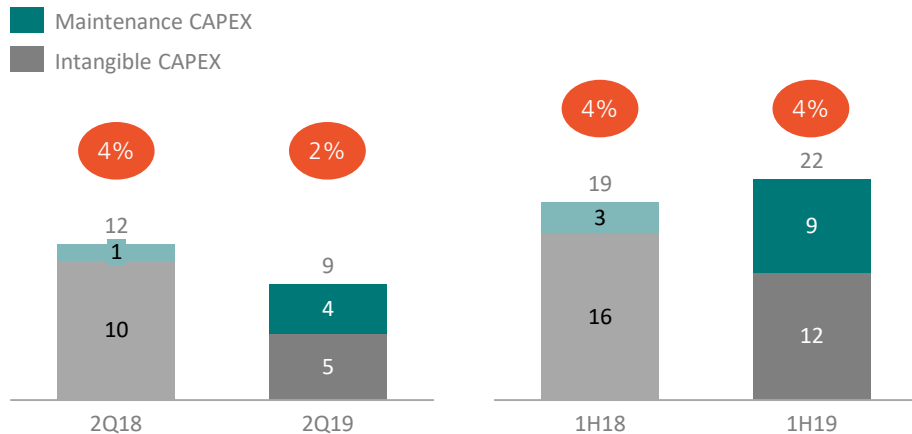
(Days)

	2Q18	3Q18	4Q18	1Q19	2Q19
Days sales outstanding <sup>1</sup>	107	156	102	134	117
Days inventory outstanding <sup>2</sup>	119	192	143	229	156
Days payable outstanding <sup>3</sup>	(152)	(172)	(142)	(136)	(123)
Cash conversion cycle	74	176	103	227	150

### Maintenance and intangible CAPEX

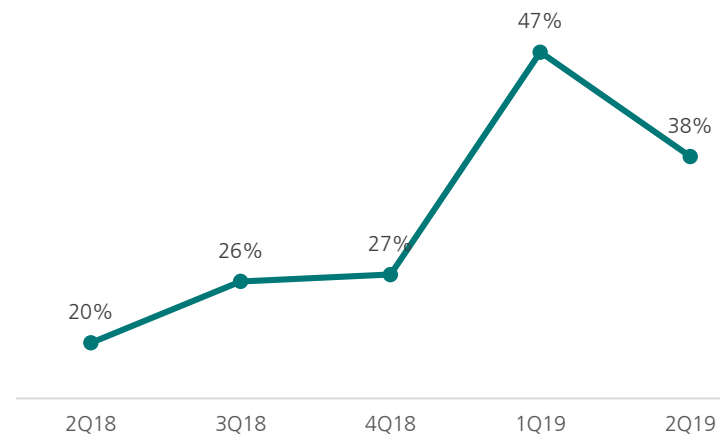
(BRL million)

Intangible CAPEX as % of net revenue



### Working capital

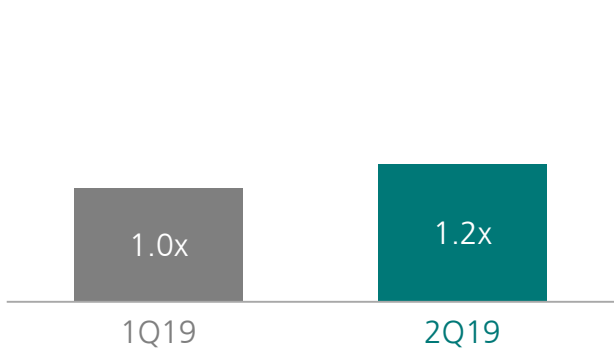
(% net revenue)



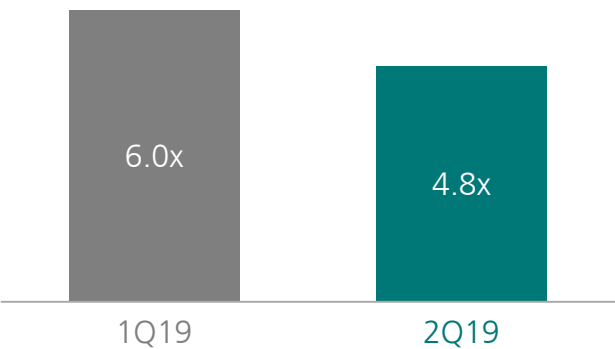
# Financials

## Net indebtedness

Net debt / adjusted EBITDA<sup>1</sup>



Adjusted EBITDA / interest expense<sup>1</sup>



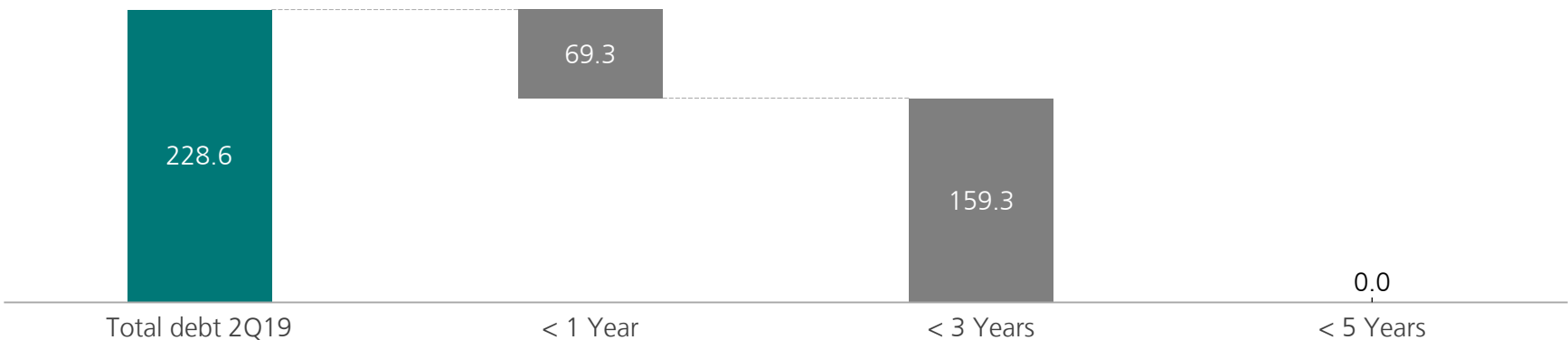
Debt reconciliation

(BRL million)

Total debt 2Q19	228.6
Cash	-52.5
Net debt 2Q19	176.1

Debt overview as of June 30, 2019

(BRL million)



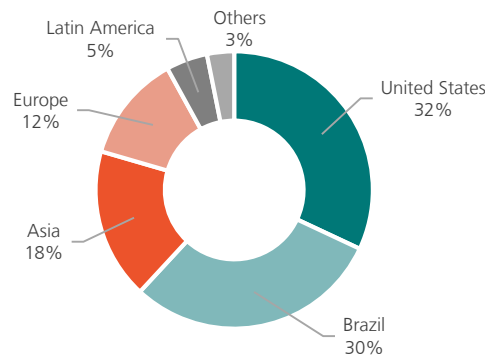
Note: <sup>1</sup> Adjusted EBITDA and net debt as of the end of each quarter

# Capital markets

## Shareholders base

### Breakdown at the time of IPO

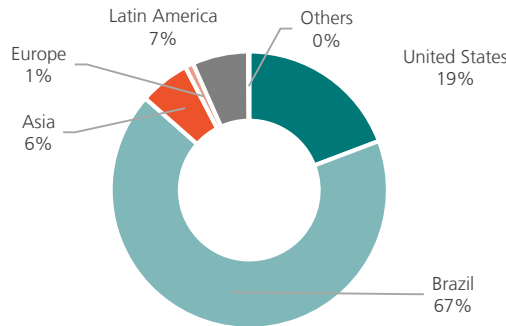
(% of free float)



ADTV 30: BRL 11.1M  
between Aug 1 to Aug 31, 2017

### Breakdown as of June 30, 2019

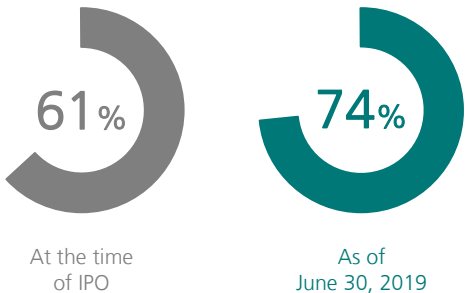
(% of free float)



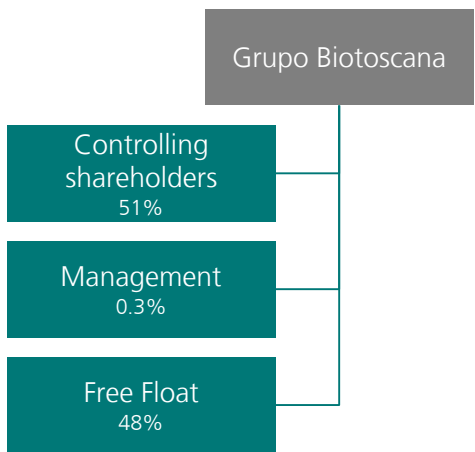
ADTV 30: BRL 1.3M  
between April 1 and June 30, 2019

### Free float | Top 20 shareholders

(% of total free float)



### Ownership structure as of June 30, 2019



### IR Activities | 1H19

- 37th Annual JP Morgan Healthcare Conference in San Francisco (January)
- BTG CEO Conference in São Paulo (February)
- Itaú BBA's 14th Annual Latam CEO Conference in New York (May)
- JP Morgan Southern Cone & Andean Opportunities Conference in Buenos Aires (June)



## Disclaimer

This presentation may contain forward-looking statements. Such statements are not statements of historical facts and reflect the beliefs and expectations of the Company's management. The words "anticipates", "believes", "estimates", "expects", "forecasts", "plans", "predicts", "project", "targets" and similar words are intended to identify these statements, which necessarily involve known and unknown risks and uncertainties.

Known risks and uncertainties include but are not limited to the impact of competitive services and pricing market acceptance of services, service transactions by the Company and its competitors, regulatory approval, currency fluctuations, changes in service mix offered, and other risks described in the Company's registration statement.

Forward-looking statements speak only as of the date they are made and Grupo Biotoscana does not undertake any obligation to update them in light of new information or future developments.



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