

# GBT REPORTS SECOND QUARTER RESULTS

## DOUBLE-DIGIT GROWTH DRIVEN BY PERFORMANCE OF CURRENT PIPELINE AND SUCCESSFUL EXECUTION OF NEW PRODUCTS ACROSS THE REGION.

Montevideo, August 12<sup>th</sup>, 2019 – Biotoscana Investments S.A. (B3: GBIO33), a biopharmaceutical group that operates in Latin America, announced today its results for the 2Q19. The following financial information, unless otherwise indicated, is presented in Brazilian Reais (BRL) and prepared in accordance with International Financial Reporting Standards (IFRS). Starting in 3Q18, reported numbers are presented applying Hyperinflation Accounting for our Argentinean operations, unless stated otherwise, in accordance to IAS 29. Organic growth continues to be presented applying constant year-over-year exchange rates to exclude the impact of the movement of foreign exchange rates and without the impact resulting from Hyperinflation Accounting. Historical numbers (2Q19\*) are also presented without the impact resulting from Hyperinflation Accounting for comparison reasons.

### IR CONTACTS

Federico Wintour | CEO

Raquel Balsa | CFO

Melissa Angelini | IR Director  
ir@grupobiotoscana.com

Paula Rocha | IR Analyst  
ir@grupobiotoscana.com

### TICKER

B3: GBIO33

### ENGLISH CONFERENCE CALL

August 13<sup>th</sup>, 2019  
10:00 am (US ET) | 11:00 am (Brasília)  
t: +1 412 317-6346  
code: Biotoscana  
Webcast available

### PORTUGUESE CONFERENCE CALL

August 13<sup>th</sup>, 2019  
12:00 pm (US ET) | 01:00 pm (Brasília)  
t: +55 11 2188-0155  
code: Biotoscana  
Webcast available

### WEBSITE

<http://ir.grupobiotoscana.com>  
[www.grupobiotoscana.com](http://www.grupobiotoscana.com)

## HIGHLIGHTS 2Q19

**Net revenues** with double-digit growth, excluding Actelion – 21% QoQ growth or 15% organic growth, in constant currency.

**New product launches** showed excellent performance, both with in-licensed and BGx products.

**Recently launched products** up 89% QoQ, demonstrating substantial improvement over existing therapies and contributing with 14% of the total top line.

**Halaven and Abraxane** are part of our Top 10 products, with sustained performance.

**Eplusa** was launched in Colombia, Peru and Ecuador and already contributed with approximately 2% of our consolidated top line.

**BGx launches** increased by 260% QoQ.

**Further pipeline** with great potential.

**Recently launched products** with positive outlook with new studies underway showing positive results.

(BRL M)	2Q19*	2Q19	2Q18	Chg. %	2Q19	Chg. %
Net revenues	199	204	248	-18%	230	-7%
Gross profit	96	93	131	-29%	116	-12%
Gross Margin (%)	48%	46%	53%	-726 bps	50%	-245 bps
Adjusted EBITDA	40	36	62	-42%	50	-20%
Adjusted EBITDA Margin	20%	17%	25%	-735 bps	22%	-326 bps
Net income	15	8	20	-60%	16	-16%
Adjusted net income	20	13	32	-58%	24	-26%

■ Constant currency ■ Nominal currency  
\* Historical numbers (2Q19\*) are presented without the impact resulting from Hyperinflation Accounting.

## MESSAGE FROM MANAGEMENT

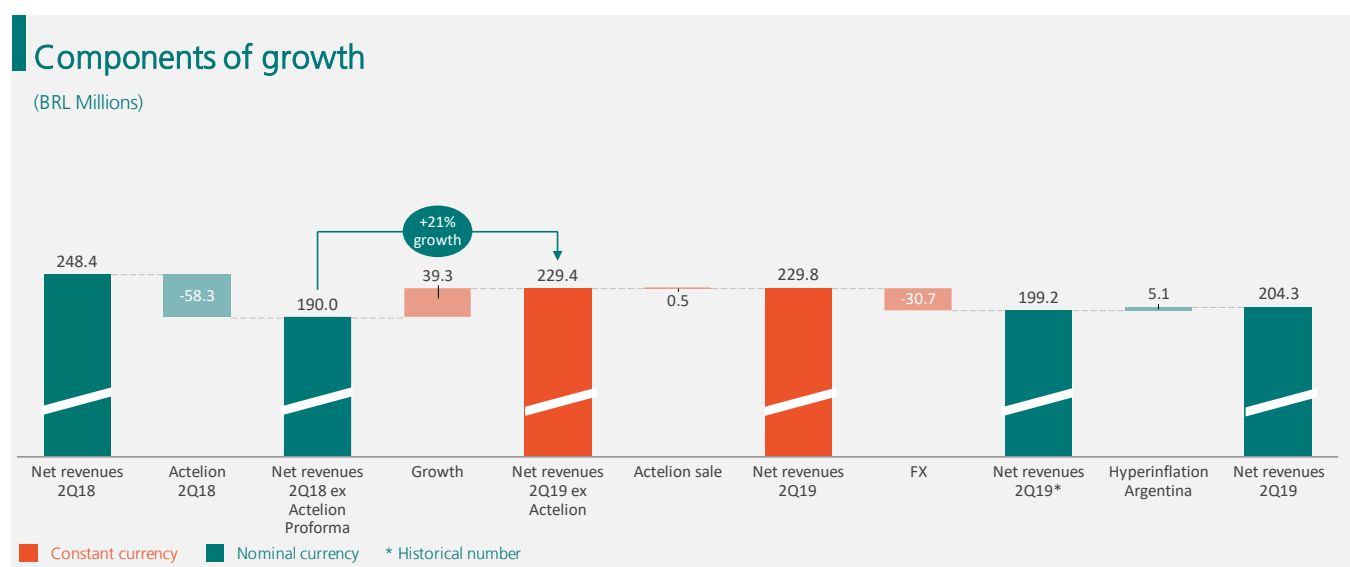
As we said in the beginning of the year, 2019 started with focus on the execution of our growth strategy and with the execution of our pipeline and the continuous efforts on sales and marketing of our main products.

We have a very strong and high-quality contracted pipeline that we are working onto the proper launch and promotion across the region. This is what we have been doing in these past months. We evolved with the main products in our pipeline in several countries - like Cresemba - that it is already approved in Peru, Mexico and Colombia. Now we are working on the respective launches.

This shows our ongoing commitment with execution and illustrates the strong mid to long-term potential of our pipeline that we continually share with you.

Our innovative legacy portfolio is doing well, with mature products showing sustained performance. And you can see sales ramping up from the recently launched products as well.

The following graph details all the components of our growth for the 2Q19.



Our top line presented a solid performance, both with legacy and recently launched products, with a 21% growth quarter over quarter, in constant currency, excluding discontinued business.

Recently launched products presented a strong performance, showing 89% growth quarter over quarter.

It is important to note the boost we are already getting from new products, ABRAXANE® and HALAVEN® are already part of our "Top 10" products, with excellent uptake and extraordinary medical acceptance.

LENVIMA® is also growing and we believe there is more positive upside with the two new indications we were recently granted in Brazil. LENVIMA®'s profile is excellent with several new indications under development.

In Colombia and Peru, since the closing of the deal with Gilead, we have been working hard on the promotion of the franchise products.

We continue to effectively execute on our pipeline. We just launched CRESEMBA® in Argentina, where doctors are very excited to count with this state-of-the-art product to treat numerous patients with unmet medical needs and sales are expected to occur from 3Q19 onwards.

We continue absolutely committed to heavily invest in sales force deployment & development, and marketing & promotion activities for our new products.

Mature products are also performing well, growing 11% quarter over quarter. We keep promoting AMBISOME®, that continues delivering good sales and strong market share in the anti-fungal market in Brazil

Our onco-hematology line is also performing well. VIDAZA® continues growing and BGx products are also performing well with the geographic expansion.

We are also investing in our BGx pipeline, to strengthen our pipeline. These products are very important for our portfolio because they contribute with very significant margins and are important to sustain our growth.

## IFRS 16

The IFRS 16 has changed the accounting standards for the fixed portion of rentals. The outstanding lease payment obligations are now recognized as a liability, with the corresponding recognition of the right-of-use as a fixed asset. Therefore, the rental expenses are replaced by interest on the lease liability as well as by a depreciation of the right-of-use.

With that, when compared to IAS 17, the IFRS 16 creates a positive effect on the EBITDA, in the amount of BRL 2.3M for 2Q19 and 4.5M for 1H19, as the leases of commercial properties, residential properties and vehicles are reclassified from operating expenses to amortization expenses and financial expenses.

The total rental amount paid over the full contract term is identical to the sum of the depreciation of the right-of-use plus the interest expenses, therefore resulting in a cumulative net income identical to the one under the previous criteria.

However, there is a relevant timing difference, as the interest expenses accrued in the early years of the contract are higher than those at the later years.

## SUMMARY

PORTFOLIO OVERVIEW .....	6
FINANCIAL AND OPERATING PERFORMANCE .....	9
NET REVENUES .....	9
GROSS PROFIT .....	15
OPERATING EXPENSES .....	16
EBITDA .....	17
NET FINANCIAL RESULTS .....	18
TAXES .....	19
NET INCOME AND ADJUSTED NET INCOME .....	19
CASH FLOW .....	20
INDEBTEDNESS .....	22
CAPITAL MARKETS .....	23
APPENDIX .....	24

## PORTFOLIO OVERVIEW

### BASE PORTFOLIO

Six main products from the base portfolio (all stages, excluding only key/innovative launches) represented approximately 53% of total net revenues (historical terms) in 2Q19. They are comprised by AMBISOME®, PROFELVIR®, SALOFALK®, SANDOGLOBULINA®, VIDAZA® and VIDAZA BGx.

### KEY LAUNCHES

Key launches are the main in-licensed products launched in the past five years (recently launched products). Usually, these products are still in the ramp up phase to reach peak market share.

LENVIMA®, ABRAXANE® and HALAVEN® are contributing with sales in Brazil and ABRAXANE®/ABRAXUS® in Mexico as well. ABRAXANE® and HALAVEN® are already part of our top 10 products.

GBT is working on the promotion and ramp up of these products along with additional indications and/or registration in new countries for several of them, as detailed in the following sections.

HIV/AIDS line was launched in the Andean region as well. In Colombia, GBT is already selling most of the products (COMPLERA®, ATRIPLA®, STRIBILD®, TRUVADA® and VIREAD®). In Bolivia and Peru there is already sales of TRUVADA® and VIREAD® as well.

### PIPELINE

Grupo Biotoscana continues to build and deliver pipeline with important progress, bringing innovative products into the region.

GBT's pipeline is divided into innovative products and branded generics (BGx) and between contracted pipeline (products already signed and under registration process and BGx under registration process) and further pipeline (products and deals under analysis with negotiations not yet completed and BGx under development).

### CONTRACTED PIPELINE

The full breakdown of the contracted pipeline is found at the Supplementary Pipeline Information document. Some of the molecules in the contracted pipeline are already being executed in certain countries with immediate revenue stream. Others are still undergoing regulatory process or dossier preparation to present to the specific authorities.

## EISAI PARTNERSHIP

LENVIMA®, apart from the indications already approved in the region, has several developments in other cancer settings underway. There are 16 new indications under studies (several of them already in Phase III) in a joint development with Merck & Co, Inc, including endometrial carcinoma, melanoma, nonsquamous non-small cell lung cancer, bladder cancer, among several others.

Most of these studies are with lenvatinib in combination with pembrolizumab. LENVIMA® in combination with pembrolizumab may help restore the antitumor immune response. In preclinical models, lenvatinib decreased the population of TAMs (tumor associated macrophage), which suppress T-cell activities. Lenvatinib also enhances the antitumor activity of PD-1 inhibitors.

HALAVEN® has another 5 studies underway (Phase I or II) and most of them in combination with other drug.

## BASILEA PARTNERSHIP

ZEVERTER® received good news recently, with the positive results of Phase III TARGET study for the treatment of acute bacterial skin and skin structure infections (ABSSSI). Ceftobiprole met primary and secondary efficacy endpoints in the treatment of ABSSSI and was well tolerated.

This is another example of the excellent profile of our recently launched portfolio.

## EVENTS AND FURTHER PIPELINE

We have organized and participated at several events to promote our therapy lines, especially in oncology and onco-hematology and infectious diseases lines, in events such as “Next Frontiers to Cure Cancer” sponsored by A. C. Camargo Hospital, where there was the participation of over 2000 physicians that attended the annual event where they had the possibility to listen to hundreds of Brazilian speakers and dozens of international speakers sharing their professional experiences and discussing advances and innovation in cancer research, prevention, diagnosis, and treatment, and several others.

During this quarter, GBT also attended ASCO (American Society of Clinical Oncology), one of the main global events in oncology, with over 40.000 participants. We participated with 3 different teams. For one side, the business development team that takes advantage of this event where all biotech’s are to find new potential targets and nurture the relationship with the targets already identified, on the other side we also had the participation of several marketing/commercial teams across the region, that takes this opportunity to learn more about the product and the novelties about treatments, diagnosis and prevention and nurture the relationship with the doctor. We also had the presence of the Medical Affairs team that coordinates the continuous education effort with the KOLs of each country and the discussion doctor to doctor of all novelties regarding the products.

We also organize several mini meetings with a reduced number of oncologists to properly target the audience and be more effective.

During June, the Business Development team from GBT actively participated at the Jefferies Healthcare Conference, that comprises approximately 400 participating companies across the Biopharmaceuticals and others healthcare sectors.

GBT also attended the 2019 BIO International Convention where we were able to have access to global biotech and pharma leaders via One-on-One meetings and exposure to industry leaders with over 500 education sessions.

The main conclusions and trends were centered on the important role of the new synthetic cannabinoids with multiple clinical developments. The installation of NASH (Nonalcoholic Steatohepatitis) as a pathology that requires treatment has generated the development of new molecules for the treatment of this indication in several companies and finally, the irruption of Chinese companies that develop innovative products is already a reality and GBT is advanced in capitalizing on this new opportunity.

Regarding the further pipeline, for oncology and onco-hematology, we currently have numerous deals under analysis in our pipeline, as detailed below.

The following table shows GBT's current further pipeline for licensed products, divided by early stage, due diligence and closing stages.

### Further licensing pipeline\*

(# of molecules)

Stage	Oncology	Rare diseases	Special treatments and I&I	Anti infectives
Early stage	16	6	6	9
Due diligence	4	2	-	-
Closing	-	-	-	-

\* As of June 2019

## FINANCIAL AND OPERATING PERFORMANCE

The table below shows GBT's P&L highlights that will be discussed in detail further on.

### Profit and loss statement highlights

(BRL Millions)

	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

Constant currency Nominal currency \* Historical number

## NET REVENUES

### Gross revenues to net revenues breakdown

(BRL Millions)

	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%
Rebates	-6.1	-11.1	-45.4%	-5.9	-7.0	-37.0%	-10.2	-27.6	-63.0%	-10.1	-12.0	-56.6%
Direct taxes	-10.4	-8.9	17.2%	-10.4	-10.4	17.2%	-19.8	-15.2	30.4%	-19.8	-19.8	30.4%
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%

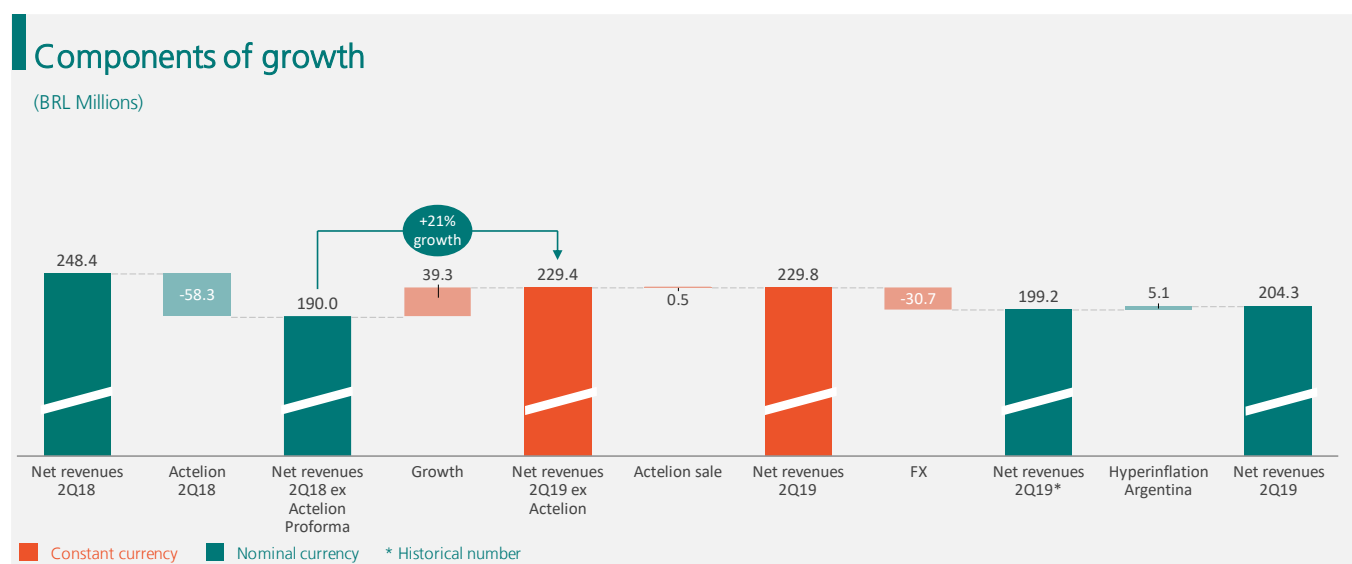
Constant currency Nominal currency \* Historical number

YoY deductions decreased 37.0% in constant currency in the 2Q19, impacted by several effects in Argentina, under the "rebates" account: (i) change on the billing system of our third-party logistic operator, (ii) a PAMI debt recovery in 2Q19, provisioned in 2017, in the amount of approximately ARS 8.0M.

Direct taxes increased in the 2Q19 and 1H19 mainly impacted by the change in the ICMS (*Não Contribuinte do ICMS*, determined by *Emenda Constitucional 87/2015*) that corresponded to a gradual decrease of the benefit for specific clients, such as hospitals and government, in Brazil and also by the addition of new products to the portfolio in Brazil and ramp up of recently launched products.

Net revenues amounted to BRL 204.3M in 2Q19 from BRL 248.4M in 2Q18. In constant currency, represents a decrease of 7.5%. The quarter is negatively impacted by the discontinuity of Actelion portfolio and the sale of its stocks to J&J during 2Q18 and the change on the Pami business model.

Regarding the half-year, net revenues amounted to BRL 353.0M in 1H19 from BRL 438.3M in 1H18. In constant currency represented a decrease of 9.0%.



Excluding Actelion discontinued line, net revenues growth came to 20.7% quarter over quarter and to 12.0% for the 1H19, in constant currency.

For the 2Q19, there is also a positive impact of HIV bids in Argentina. We have delivered 100% of the bid, totaling approximately ARS 121M, whereas in the 2Q18 we delivered 26% of the bid, totaling BRL 5.1M. Excluding HIV bids and Actelion effects, growth came to 15.2%, in constant currency.

## PORTFOLIO BY ORIGIN

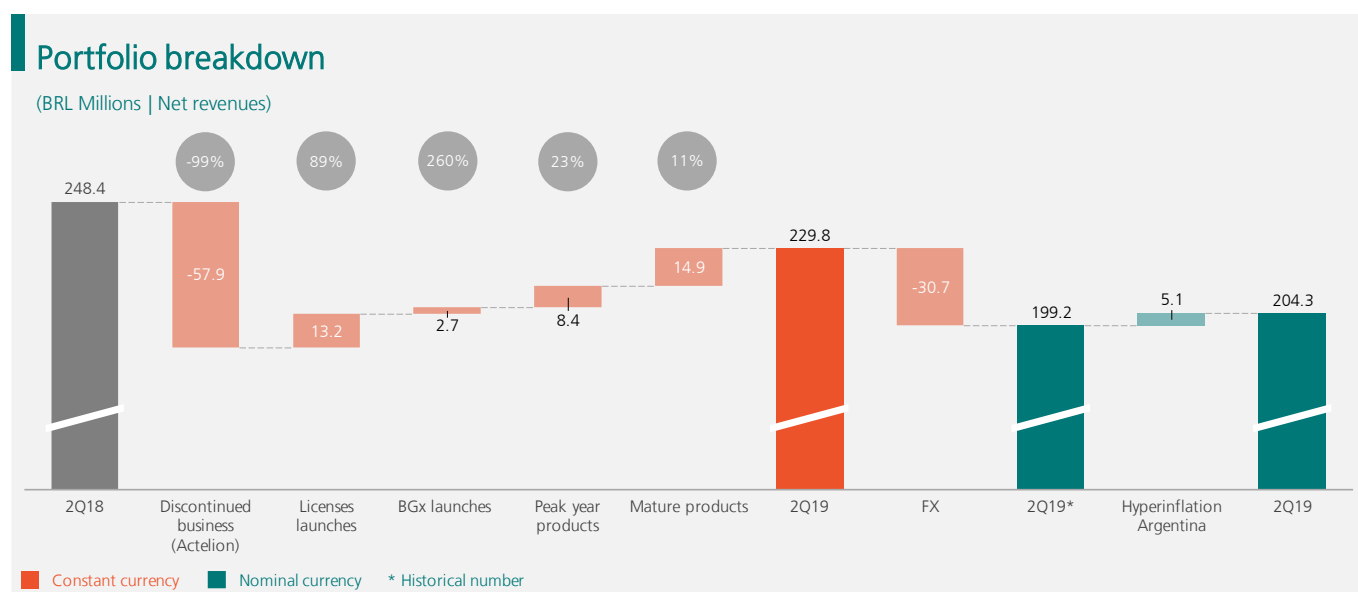
In 2Q19, 63% of total net revenues came from licensed innovative products and 37% from BGx products, in constant currency from 76% of net revenues from licensed in 2Q18 and 24% from BGx in the same period.

## PORTFOLIO BREAKDOWN

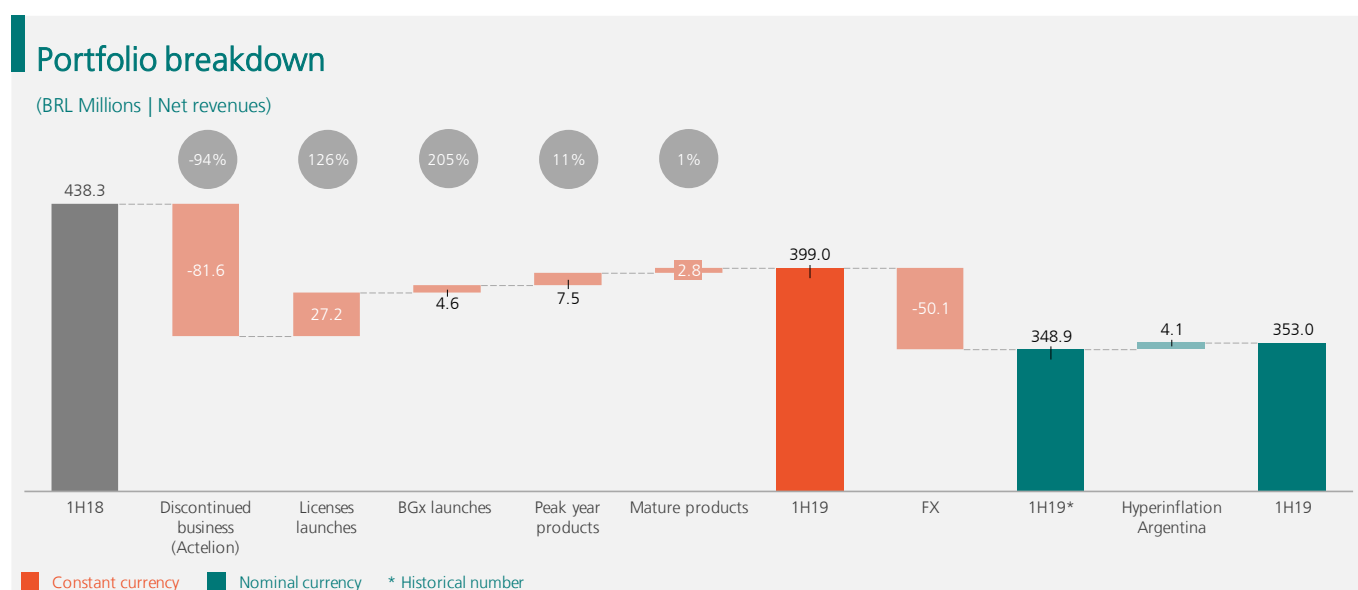
### LYFE CYCLE

For better understanding, we can divide GBT portfolio into different vintages.

In 2Q19, key licensing launches grew 89%, showing the excellent perspective of our next-generation pipeline. BGx launches more than doubled (+260%), peak year products increased by 23% and mature products by 11%, all in constant currency.



For the 1H19, key licensing launches grew 126%, showing the excellent perspective of our next-generation pipeline. BGx launches more than doubled (+205%), peak year products increased by 11% and mature products grew slightly by 1%, all in constant currency.



Below there is a breakdown of each vintage.

## RECENTLY LAUNCHED PRODUCTS (Licenses launches)

### Recently launched products

(BRL Millions)

	2Q19	2Q18	Chg. %	2Q19*	2Q19	Chg. %	1H19	1H18	Chg. %	1H19*	1H19	Chg. %
<b>Total net revenues</b>	<b>204.3</b>	<b>248.4</b>	<b>-17.7%</b>	<b>199.2</b>	<b>229.8</b>	<b>-7.5%</b>	<b>353.0</b>	<b>438.3</b>	<b>-19.5%</b>	<b>348.9</b>	<b>399.0</b>	<b>-9.0%</b>
Abraxane	9.8	5.1	91.4%	9.8	9.4	83.7%	16.6	8.2	102.2%	16.6	15.8	92.7%
Cresamba	0.2	0.0	-	0.2	0.1	-	0.2	0.0	-	0.2	0.2	-
Epclusa	4.0	0.0	-	4.0	4.1	-	4.0	0.0	-	4.0	4.1	-
Halaven	6.3	5.8	8.9%	6.3	6.3	8.9%	13.6	8.2	67.0%	13.6	13.6	67.0%
Lenvima	3.0	1.6	93.8%	3.0	3.0	94.1%	6.5	2.6	147.7%	6.5	6.5	147.9%
Zevtera	0.0	0.0	-69.1%	0.0	0.0	-58.6%	0.0	0.0	-38.8%	0.0	0.0	-23.1%
HIV/AIDS Line	3.2	0.7	334.3%	3.2	3.3	356.0%	5.8	0.7	686.2%	5.8	5.7	681.8%
Other licenses	1.4	1.6	-10.7%	1.5	1.7	5.9%	1.7	1.8	-3.9%	2.6	2.8	51.9%
<b>Net revenues - Recently launched products</b>	<b>27.9</b>	<b>14.8</b>	<b>88.0%</b>	<b>28.0</b>	<b>28.1</b>	<b>89.4%</b>	<b>48.4</b>	<b>21.6</b>	<b>124.4%</b>	<b>49.2</b>	<b>48.8</b>	<b>126.1%</b>

■ Constant currency ■ Nominal currency \* Historical number

Recently launched products totaled BRL 27.9M in the 2Q19 (~14% of total 2Q19 net revenues in historical terms vs. 6% in 2Q18) and rose 89.4% YoY, showing solid performance of new products and very good launch execution. The growth is related to the addition of new products since last year, such as EPCLUSA®, and the uptake for most of the new products. Concerning the 1H19, recently launched products totaled BRL 48.4M (~14% of total 1H19 net revenues in historical terms vs. 5% in 1H18) and rose 126.1% in constant currency YoY.

ABRAXANE® and HALAVEN® are doing very well and are already part of our “Top 10” products of GBT.

Net sales of ABRAXANE® amounted to BRL 9.8M in 2Q19 and BRL 16.6 in 1H19 from BRL 5.1M in the 2Q18 and BRL 8.2M in the 1H18, up 83.7% and 92.7% respectively in constant currency.

HALAVEN® is also performing well with the effort of constant medical education and reached net revenues of BRL 6.3M in 2Q19 and BRL 13.6M in 1H19, an increase of 8.9% and 67.0% when compared to 2Q18 and 1H18 respectively. In comparison with the 1Q19, there is a slight decrease due to a stock out in April that is now solved.

LENVIMA® had two recent approvals in Brazil - advanced renal cell carcinoma (RCC) and hepatocellular carcinoma, whilst still waiting for the inclusion approval in the ANS formulary roll. Net revenues for 2Q19 totaled BRL 3.0M, up 94.1% vs. 2Q18. As for the first semester of the year, net revenues reached BRL 6.5M, up 147.9% vs. 1H18.

For the HIV/AIDS portfolio, sales started, in some countries, mid-2Q18. For the 2Q19, we reached BRL 3.2M of net revenues and BRL 5.8M for the 1H19.

EPCLUSA amounted to BRL 4.0M in the 2Q19, with sales in Colombia, Peru, Ecuador and Brazil.

There are also sales from other minor in-licensed products in the Andean region that are part of licensing launches under 5 years but are smaller and just for few countries or sales via NPP (named patient program), such as Ferrer International and Pierre Fabre in Colombia and/or Peru. Other licensing products totaled BRL 1.4M in 2Q19.

## BASE PORTFOLIO

Base portfolio, which includes BGx launches, peak-year products and mature products (both in-licensing and BGx), represented approximately 85% of total net revenues in 2Q19, in historical terms (excluding discontinued businesses) and 14% growth in constant currency quarter over quarter.

BGx launches (~1% of total net revenues, in historical terms) that are BGx products within 2 years of launch are supported by the good performance of the infectiology and special treatment lines in the region, such as TEFALA® and OXITINOL® and includes expansion of new products from Dosa.

Peak year products (~21% of total net revenues in historical terms), are in-licensed products with 5 to 10 years after launch or that already reached peak sales and BGx products with 2 to 4 years after launch, increased by 23,1% in constant currency. The growth was supported by the onco-hematology line, with products such as VIDAZA® in Brazil and TOBRADOSA HALER® and TIRLEB® in other regions. Licensing products contributed with approximately 19% of total consolidated net revenues, in historical terms.

Mature products (~63% of total net revenues, in historical terms) are around 10 years or over after launch, and usually already lost exclusivity (in-licensed products) and BGx products after 4 years of launch, that usually already have many competitors. BGx mature portfolio increased by 48.5%, in constant currency, mainly due to the bid phasing in comparison with the same quarter of last year, and BGx geographic expansion. In-licensing mature portfolio decreased by 10.4%, in constant currency, mainly impacted by SOVALDI® performance in Brazil and products in Ecuador, from regional partnerships that are part of a mature portfolio with aggressive competition on prices and bids. HARVONI® totaled BRL 1.7M and BRL 2.3M in 2Q19 and 1H19 respectively, with sales in Brazil, Colombia and Peru. HARVONI® is considered a mature product from 2Q19 onwards, since we have sales of EPCLUSA® in the region. Overall, mature products increased by 10.8%, in constant currency.

## DISCONTINUED BUSINESS

Discontinued business (~0.2% of total net revenues in historical terms) is the Actelion line discontinued from June 2018 onwards and therefore is considered discontinued business from that period on. The portfolio of products was comprised by four molecules: OPSUMIT®, TRACLEER®, VELETRI® and ZAVESCA®. Altogether, Actelion line amounted to BRL 0.5M of net revenues in 2Q19 and BRL 5.6M in 1H19 (in historical terms, excluding hyperinflation adjustment) from BRL 58.3M in 2Q18 and BRL 86.8M in 1H18.

## GEOGRAPHY BREAKDOWN

### Net revenues

(BRL Millions)

	2Q19	2Q18	Chg. %	2Q19*	2Q19	Chg. %	1H19	1H18	Chg. %	1H19*	1H19	Chg. %
<b>Net revenues</b>	<b>204.3</b>	<b>248.4</b>	<b>-17.7%</b>	<b>199.2</b>	<b>229.8</b>	<b>-7.5%</b>	<b>353.0</b>	<b>438.3</b>	<b>-19.5%</b>	<b>348.9</b>	<b>399.0</b>	<b>-9.0%</b>
Argentina	46.1	85.5	-46.1%	41.1	71.1	-16.9%	79.6	165.0	-51.8%	75.5	129.8	-21.3%
Brazil	104.1	89.7	16.0%	104.1	103.8	15.6%	167.7	153.7	9.1%	167.7	166.4	8.2%
Colombia	29.1	48.4	-39.9%	29.1	30.3	-37.3%	53.9	75.0	-28.1%	53.9	53.3	-28.8%
Mexico	4.4	2.5	75.0%	4.4	4.0	59.0%	7.6	4.0	89.4%	7.6	6.8	70.0%
Other	20.6	22.2	-7.0%	20.6	20.6	-6.9%	44.3	40.7	8.8%	44.3	42.7	5.0%

■ Constant currency ■ Nominal currency \* Historical number

In the 2Q19, net revenues in Argentina amounted to BRL 46.1M, a decrease of 16.9% in constant currency vs. 2Q18. As for the half-year, net revenues in Argentina reached BRL 79.6M, a decrease of 21.3% in constant currency vs. 1H18.

In addition to the hyperinflation and devaluation impacts, the historical result in Argentina is impacted by: (i) the discontinuity of the Actelion portfolio, (ii) the change in the PAMI business model, and (iii) the phasing of HIV bids.

Actelion portfolio in Argentina was vastly explained and amounted to BRL 0.2M in 2Q19 and BRL 0.4M in 1H19, in constant currency, compared to 39.6M in 2Q18 and BRL 57.6M in 1H18. Excluding these impacts (HIV bids that positively impacted the quarter and Actelion discontinued business that negatively impacted the quarter), Argentina grew by 26.4% in constant currency.

During 2017 we won a HIV bid for 4 products – TELAVIR®, EFAVIRENZ®, PROFELVIR® and SULFINAV®, for an amount of ~ARS 120M (approx. BRL 19.7M), the bid was delivered in three quarters: 65% of the total bid in 1Q18; 26% of the total in 2Q18 (~BRL 5.1M) and the remaining 9% in 3Q18.

In 2018 we won the same HIV bid, now for 3 products – MUVIDINA®, NERAPIN® and PROFELVIR® - achieving net sales of approximately ARS 121M (approx. BRL 10.8M in nominal terms or BRL 19.4M in constant currency). In this case, 100% of the bid was delivered in the 2Q19.

As reported on previous quarters, PAMI (*Programa de Asistencia Médica Integral*) – the retiree's HMO and the largest payor in the country – changed its purchase modality and started placing bids for the main products.

GBT participated on 3 bids during 2018 – July, November and December, and won approximately ARS 204.8M in total.

The first bid won by GBT represented approximately 58% of the total, and first deliveries occurred in November and December (12% of the total bid). We should be delivering batches every month until October 2019, and so far (YTD) we have delivered 75% of the total bid. In 2Q19 we delivered approximately ARS 28.9M. Also, PAMI extended this bid for two other products - MIELOZITIDINA® and VOTRYNIB® - for an amount of ~ARS 14M that will be delivered in 4Q19.

The second bid was on November 2018 and represented approximately 33% of the total. The deliveries started In June (approximately ARS 3.3M), and it will have a duration of one-year.

The third bid was on December 2018 and represented approximately 9% of the total, with estimated deliveries scheduled between July 2019 and June 2020.

Finally, all outstanding debt for 2016, 2017 and the first two months of 2018 was renegotiated, which is being paid in 10 monthly installments with interest rate and we have received six installments during 2018, two in 1Q19 and one in 2Q19 (ARS 7.9M), approximately ARS 82M so far. Also, the last installment was paid in July in the amount of approximately ARS 10M.

With all the changes and the challenge scenario in Argentina, GBT is focused on leveraging its strong competitive position, to accelerate market share gains and the execution of new launches, as CRESEMBA® and LENVIMA®. CRESEMBA® had its sales initiated in July and LENVIMA® (with the 3 indications – DTC, HCC and RCC) is expected to be launched at the end of the year.

In Brazil, net revenues reached BRL 104.1M and BRL 167.7M in 2Q19 and 1H19, an increase of 15.6% and 8.2% vs. 2Q18 and 1H18, in constant currency, impacted by the performance of recently launches, VIDAZA® and AMBISOME®.

In the 2Q19, net revenues in Colombia amounted to BRL 29.1M, a decrease of 37.3% in constant currency. As for the 1H19, net revenues in Colombia reached BRL 53.9M, a decrease of 28.8% in constant currency. Actelion portfolio in Colombia amounted to BRL 0.1M in 2Q19 and BRL 0.2M in 1H19 compared with BRL 17.0M in 2Q18 and BRL 26.4M in 1H18.

Mexico is growing, with BRL 4.4M of net revenues in 2Q19 from BRL 3.2M in 1Q19 and BRL 2.5M in 2Q18, an increase of 59.0% in constant currency, vs. 2Q18. Regarding the semester, net revenues in Mexico reached BRL 7.6M in 1H19 an increase of 70.0% vs. 1H18. ABRAXUS®/ABRAXANE® is doing well, breast cancer in the private market experienced a 70% growth in terms of patients and we reached over 100 patients under treatment. For the upcoming months we will also have CRESEMBA® performance, since launch occurred in July and we already have 8 patients under treatment.

Overall, all the other countries are doing well, with performance mainly driven by onco-hematology, gastroenterology and HepC product. The main challenges are Uruguay, where there was a change in the purchase modality by the government, and in Ecuador, that is impacted by Actelion and by the maturity of the hemoblood products portfolio where we face strong price competition and affected volume and bids. We are working on the renewal of the portfolio.

## GROSS PROFIT

In 2Q19, gross profit amounted to BRL 93.1M, a decrease of 11.7% in constant currency when compared to 2Q18. Concerning the 1H19, gross profit reached BRL 167.3M, a decrease of 12.3% vs. 1H18.

Gross margin for 2Q19 reached 45.6%, a decrease of 726 bps, when compared to 2Q18, impacted by (i) the introduction of hyperinflation accounting in Argentina (as from 3Q18), (ii) the conversion results, together with the difficulty of translating into prices the whole effect of inflation, (iii) devaluation and the loss of the relative weight of Argentina in

the consolidated results; and (iv) the devaluation effect that impacted COGs (because of inventory purchase) in the quarter, among others.

This is also negatively impacted by the HIV bids, which in a consolidate basis decreases Argentina's gross margin.

For the 1H19 gross margin was 47.4%, a decrease of 683 bps when compared to 1H18.

## OPERATING EXPENSES

### Operating expenses

(BRL Millions)

	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%

■ Constant currency ■ Nominal currency \* Historical number

Recurring operating expenses reached BRL 72.4M in 2Q19, showing an increase of 3.5% in constant currency from 2Q18. As a percentage of net revenues, recurring operating expenses stood at 35.4% in 2Q19 vs. 30.2% in the 2Q18. As for the first semester recurring operating expenses totaled BRL 135.4M, an increase of 5.0% in constant currency when compared to the 1H18. As a percentage of net revenues, recurring operating expenses stood at 38.3% in 1H19 vs. 32.3% in the 1H18. Recurring operating expenses is calculated excluding stock grants that were distributed to management at the time of the IPO and therefore are one-timer and other one-timers mentioned below.

The breakdown and analysis of our expenses is as follows:

Recurring selling and marketing expenses decreased 1.9% and increased by 2.2%, in constant currency, in 2Q19 and 1H19, reaching BRL 34.9M and BRL 65.7M respectively from BRL 40.6M in 2Q18 and BRL 72.5M in 1H18. This is mainly due to the shift in resources from old legacy portfolio to new launches.

Recurring general and administrative expenses decreased 1.7% in constant currency, totaling BRL 23.3M in 2Q19 from BRL 25.1M in 2Q18., mainly impacted by the application of IFRS16.

As for the first semester of the year, recurring general and administrative expenses increased 2.3% in constant currency, totaling BRL 45.0M from BRL 47.1M in 1H18.

**R&D, medical, regulatory and business development expenses** (-4.8% in constant currency QoQ) came to BRL 9.4M from BRL 12.4M in 2Q18. Regarding the 1H19, it decreased 1.3%, reaching BRL 17.7M vs. BRL 23.6 in 1H18. The slight decrease is linked with the decision of adjusting medical efforts in the country following the devaluation in Argentina and the change in the business model change in the past year.

**Reorganization, integration and acquisition expenses** (+91.7% in 2Q19 and +40.7% in 1H19 in constant currency) amounted to BRL 5.0M and BRL 7.1M respectively in 2Q19 and 1H19, mainly due to management restructuring and plants restructuring in Argentina.

There is also a non-recurring other operating net income in the amount of BRL 0.8M in 2Q19 and BRL 8.6M in 1H19, mainly related with a non-compete in Argentina. Five years ago, Argentina subsidiary sold one of its therapeutic lines to a pharma company, where a portion of the price was related to a non-compete liability. In 2019 we reached the 5 years and the amount received was recognized in Opex, under "other operating income". The amount is non-recurring and therefore is not part of the total recurring operating expenses.

## EBITDA

### Earnings before interests, taxes, depreciation and amortization (EBITDA)

(BRL Millions)

	2Q19	2Q18	Chg. %	2Q19*	2Q19	Chg. %	1H19	1H18	Chg. %	1H19*	1H19	Chg. %
Net income (loss)	7.9	19.6	-59.7%	14.8	16.4	-16.4%	15.9	35.9	-55.8%	28.7	35.4	-1.4%
Total interest and others financial expenses	8.2	25.5	-67.7%	8.1	10.3	-59.5%	14.0	38.4	-63.7%	15.5	19.9	-48.2%
Income tax	5.2	8.3	-37.6%	3.6	5.8	-30.4%	10.2	16.1	-36.9%	7.4	12.3	-23.4%
(+) 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 adjustments	4.2	-1.6	-368.1%	4.9	7.1	-549.5%	-1.5	1.1	-240.6%	-1.1	-5.2	-591.5%
<b>Adjusted EBITDA</b>	<b>35.7</b>	<b>61.6</b>	<b>-42.1%</b>	<b>40.4</b>	<b>49.5</b>	<b>-19.6%</b>	<b>58.0</b>	<b>109.9</b>	<b>-47.2%</b>	<b>67.9</b>	<b>81.2</b>	<b>-26.1%</b>
<i>Adjusted EBITDA margin</i>	<i>17.5%</i>	<i>24.8%</i>	<i>-735 bps</i>	<i>20.3%</i>	<i>21.6%</i>	<i>-326 bps</i>	<i>16.4%</i>	<i>25.1%</i>	<i>-863 bps</i>	<i>19.5%</i>	<i>20.4%</i>	<i>-471 bps</i>
EBITDA	31.2	60.4	-48.4%	35.2	42.2	-30.1%	58.9	103.2	-42.9%	68.4	85.8	-16.8%

■ Constant currency ■ Nominal currency \* Historical number

Adjusted EBITDA reached BRL 35.7M in 2Q19, down 19.6% in constant currency, with an adjusted EBITDA margin of 17.5% in 2Q19 vs. 24.8% in 2Q18. For the 1H19, Adjusted EBITDA reached BRL 58.0M, a decrease of 26.1% in comparison with 1H18, with an EBITDA margin of 16.4% vs. 25.1% in 1H18.

The difference on adjusted EBITDA and adjusted EBITDA margin is driven by the same impacts observed in gross margin and OPEX, as explained in previous chapters. One-time adjustments excluded in 2Q19 refer to the management restructuring and plants restructuring in Argentina.

There is also an increase in the Depreciation and Amortization line for this quarter, as explained in previous sections.

## NET FINANCIAL RESULTS

### Net financial results

(BRL Millions)

	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>

\* Historical number

Overall, net financial results decreased by 67.7% in 2Q19 vs. 2Q18, and 63.7% in the first six months.

Interest expenses and other financial results increased by 2.3%, from BRL 8.0M in 2Q18 to BRL 8.2M in 2Q19, and decreased by 14.0% in 1H19 vs 1H18.

Currently, GBT has 3 debts - Citibank Argentina, Itaú Brazil (both contracted at the end of 2017) and Santander Brazil (contracted in December 2018). These debts provide far better terms and conditions in comparison with previous debt.

In the 2Q19, the debt with Citibank accrued interest expenses in the amount of BRL 0.8M; the debt with Itaú incurred in accrued interest expenses for BRL 3.1M and the debt with Santander accrued interest expenses of BRL 0.8M. In comparison with 2Q18, Citibank interests are much lower due to repayment of one part of the debt and the FX effect ARS vs. BRL. On the other hand, Santander loan accrued 0.8M of interest this year which were not in 2Q18. Overall, total interest on loans are lower in 2019 against last year (BRL 4.8M vs BRL 8.7M QoQ, and BRL 9.7M vs BRL 17.2M in the 1H19).

With the IFRS 16 there is also the impact of interest on lease liabilities, in the amount of BRL 0.7M in the quarter and BRL 1.3M in the semester.

Taxes on financial transactions increased from BRL 0.4M in 2Q18 to BRL 0.9M in 2Q19, because of taxes on intercompany loans inside Argentina.

Other financial expenses amounted to BRL 1.9M in 2Q19 (vs. a gain of BRL 1.1M in 2Q18). The main effects of this amount in the quarter were: (i) NDF results, with a loss of BRL 1.2M; (ii) difference for the arbitrage in intercompany balances of 0.3M; and (iii) a negative net result of other financial items, with a loss of BRL 0.4M. For the 1H19, the main difference versus 1H18 is the result on the NDFs, which were a gain of BRL 2.5M in 2Q18.

There is also a positive impact of the gain on net monetary position for exposure to inflation in Argentina in application of IAS29 of BRL 0.4M in 2Q19, and BRL 1.9M in 1H19.

FX loss totaled BRL 0.4M in the 2Q19 from BRL 17.5M in 2Q18. The BRL 0.4M are mainly composed with the net effect of assets and liabilities with third parties in USD, which accrued FX difference of BRL 0.2M; and intercompany FX loss of BRL 0.2M, with a gain in Uruguay, compensated with a loss in Argentina, Colombia and Paraguay.

## TAXES

### Effective income tax rate

(BRL Millions)

	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

Effective income tax rate amounted to 39.6% in 2Q19 from 29.4% in 2Q18. This rate was negatively impacted in the quarter by the inflation adjustment in Argentina, and the non-deductibility of the exit remuneration paid in Uruguay to a former employee, that is a one timer effect. Those losses are non-deductible according to tax legislation. In addition to that, income taxes include a reclassification to Dosa's income tax of 2018 for BRL 1.1M. Isolating both effects, the income tax rate would have stand in the low twenties.

## NET INCOME AND ADJUSTED NET INCOME

### Net income and adjusted net income

(BRL Millions)

	2Q19	2Q18	Chg. %	2Q19*	2Q19	Chg. %	1H19	1H18	Chg. %	1H19*	1H19	Chg. %
Net income (loss)	7.9	19.6	-59.7%	14.8	16.4	-16.4%	15.9	35.9	-55.8%	28.7	35.4	-1.4%
Intercompany exchange difference	0.1	11.0	-98.8%	0.2	0.1	-98.8%	0.2	11.9	-98.7%	0.2	-0.2	-102.0%
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 adjustments	5.0	-1.6	-418.3%	4.9	7.1	-549.5%	7.1	1.1	574.4%	7.0	8.9	743.4%
<b>Adjusted net income</b>	<b>13.3</b>	<b>31.9</b>	<b>-58.2%</b>	<b>20.1</b>	<b>23.9</b>	<b>-25.1%</b>	<b>23.7</b>	<b>54.6</b>	<b>-56.5%</b>	<b>36.5</b>	<b>44.7</b>	<b>-19.1%</b>

■ Constant currency ■ Nominal currency \* Historical number

Net income totaled BRL 7.9M in 2Q19 from BRL 19.6M in 2Q18, a decrease of 16.4% in constant currency. Net margin stood at 3.9% in 2Q19. As for the 1H19, net income was BRL 15.9M from BRL 35.9M in 1H18, a decrease of 1.4% in constant currency. Net margin stood at 4.5% in 1H19.

The decrease for the quarter is explained by all the effects that impacted "Net Revenues" and "Gross Profit" and "Opex", mentioned in their respective chapters.

Adjusted net income totaled BRL 13.3M in 2Q19 and BRL 23.7M in 1H19, excluding non-cash items, such as, intercompany FX, non-cash items and one-time adjustments.

## CASH FLOW

### Net cash flow from operating activities

(BRL Millions)

	1H19	1H18
Income (loss) before income tax	26.1	52.0
Amortization, depreciation & impairment	19.3	13.2
Share based payments	2.2	7.1
Movements in provisions	-0.6	-5.0
Recovery for debtors impairment	0.0	-5.3
Financial expenses	14.6	16.9
Intercompany FX	0.2	11.9
Gain on net monetary position for exposure to inflation	-1.9	0.0
Others	0.0	2.8
Changes in assets and liabilities		
Inventories	-0.3	-31.1
Trade receivables and other account receivables	3.5	-9.1
Other assets	-0.5	-4.4
Trade creditors and other account payable	-48.4	68.2
Income tax payments	-12.1	-25.1
<b>Net cash flow from operating activities</b>	<b>2.0</b>	<b>92.3</b>
<b>One-timers</b>		
DOSA income tax payment regularizing former owner past contingencies	0.0	6.7
Corporate reorganization	7.1	3.5
<b>Adjusted Net cash flow from operating activities</b>	<b>9.1</b>	<b>102.5</b>
Net Revenues	353.0	438.3
Adjusted EBITDA	58.0	109.9
<i>Net cash flow from operating activities / Adjusted Ebitda</i>	<i>3.4%</i>	<i>84.0%</i>
<i>Net cash flow from operating activities / Net revenues</i>	<i>0.6%</i>	<i>21.0%</i>
<i>Adjusted net cash flow from operating activities / Adjusted Ebitda</i>	<i>15.7%</i>	<i>93.3%</i>
<i>Adjusted net cash flow from operating activities / Net revenues</i>	<i>2.6%</i>	<i>23.4%</i>

Net cash flow from operating activities amounted to 2.0M in 1H19 from BRL 92.3M in 1H18, with a conversion rate to adjusted EBITDA of 3% vs. 84% in 1H18.

The semester has been impacted by extraordinary items: corporate integration and reorganization expenses (+BRL 7.1M). Excluding that effect, the conversion rate of adjusted operating cash flow to adjusted EBITDA reached 16%.

Besides that, net cash flow from operating activities is impacted during 1H19 by the following negative factors (i) the depreciation of Argentina's currency, losing 11% of its value against the BRL, accounted for a cash loss of BRL 3.4M and

(ii) the hyperinflationary Argentine economy together with the IAS 29 accounted for a cash loss of BRL 11.4M. Isolating these effects, the cash conversion rate to adjusted EBITDA would have been 41%.

As it is shown in the table below, the semester was affected mainly by trade creditors and other account payables. In the period, the Group had a lot of payments related to inventories purchased in previous quarters. That was related mainly to the increases in stocks of 3Q18 and 4Q18 due to back orders, minimum purchases quantities compliance, inventory for PAMI bids and new launches.

## WORKING CAPITAL

### Cash conversion cycle and working capital

(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)
<b>Cash conversion cycle</b>	<b>74</b>	<b>176</b>	<b>103</b>	<b>227</b>	<b>150</b>
<b>Working capital<sup>4</sup></b>	<b>20%</b>	<b>33%</b>	<b>27%</b>	<b>47%</b>	<b>38%</b>

<sup>1</sup> Accounts receivable | <sup>2</sup> Inventories | <sup>3</sup> Supplies | <sup>4</sup> As % of net revenues

In the quarter, working capital as a percentage of net revenues came to 37.6%.

DSO were 117 days in 2Q19, showing a decrease of 17 days vs. 1Q19 and an increase of 10 days from 2Q18. The improvement in comparison with 1Q19 comes from the recovery of some balances which were due in 1Q and the effect of greater sales in 2Q19 than in 1Q19. The increase against 2Q18 mainly comes from the AR from public channel in Brazil, and PAMI in Argentina.

DIO (days of inventory outstanding) came to 156 days in 2Q19, a decrease of 73 days from 1Q19 and an increase of 37 days from 2Q18. The decrease against last quarter is mainly due to the efforts to improve the efficiency in the purchases with tighter planning and forecasts. Despite that, we acknowledge some factors that make hard to improve the ratio in the following quarters: launches of products in new countries, especially in cases where the demand is difficult to foresee; the expected growth in the performance of current products; and the purchase of bulk products to be secondary-packaged in Uruguay, which are required to be bought few weeks before they are available for sale.

The deterioration of the DIO in comparison with the same quarter of last year is driven mainly due to the sale of Actelion products and transfer of remaining stock to Janssen which occurred in 2Q18 and had pushed down the ratio.

DPO came to 123 days in 2Q19, a decrease of 13 days from 1Q19 and of 29 days from 2Q18. The variation against the same quarter of last year is mainly due to the change on the partner mix, and the amount of accounts payable at 2Q18 related to the discontinued businesses. This last effect, on the one hand helps to reduce the DIO but, on the other hand, has a negative effect on the DPO ratio.

Cash conversion cycle came to 150 days in 2Q19.

## CAPEX AND INTANGIBLE CAPEX

### CAPEX

(BRL Millions)

	2Q19	2Q18	Chg. %	1H19	1H18	Chg. %
Acquired intangible CAPEX	4.9	10.4	-52.6%	12.4	16.3	-23.5%
Maintenance CAPEX	3.7	1.2	206.5%	9.1	3.1	193.2%
<b>Total CAPEX acquired</b>	<b>8.6</b>	<b>11.6</b>	<b>-25.6%</b>	<b>21.6</b>	<b>19.4</b>	<b>11.4%</b>

CAPEX totaled BRL 8.6M in 2Q19, including (i) BRL 4.9M of acquired intangible assets related to regulatory milestones from Eisai due to the new territory approvals for FYCOMPA®, IT applications and ERP/reporting system and (ii) BRL 3.7M in the period, related to maintenance and improvement of plants with the purchase of new equipment, and improvement of R&D and distribution centers.

## INDEBTEDNESS

### Net indebtedness

(BRL Millions)

	1Q18	2Q18	1Q19	2Q19
Gross debt	248.3	222.6	237.6	228.6
Cash and cash equivalents	-80.3	-122.3	-75.3	-52.5
<b>Net debt</b>	<b>167.9</b>	<b>100.3</b>	<b>162.3</b>	<b>176.1</b>

GBT's debt is allocated in our two most representative geographies - Brazil and Argentina.

Net debt amounted to BRL 176.1M at the end of 2Q19, showing an increase in comparison with 1Q19. The main reason of the increase is related to the adoption of IFRS 16, where additional lease liabilities were recognized and included under long-term and short-term financial debt and borrowings. Excluding this impact, our net debt came to BRL 154.4M.

## Net debt highlights

	2Q18	3Q18	4Q18	1Q19	2Q19
Net debt / Adjusted EBITDA LTM	0.4x	0.5x	0.6x	1.0x	1.2x
Adjusted EBITDA / Interest expense <sup>1</sup>	4.7x	6.7x	5.9x	6.0x	4.8x

<sup>1</sup> Net debt as of the end of each quarter

The ratio net debt to EBITDA stood at 1.2x in 2Q19, an increase mainly impacted by the adoption of IFRS 16. Excluding this impact, the ratio net debt to EBITDA stood at 1.1x.

Our adjusted EBITDA to interest expense ratio came to 4.8x in 2Q19 vs. 6.0x in 1Q19.

The main reason of the change in the ratios against last quarter is the lower EBITDA LTM, due to the reasons explained in the prior sections.

## CAPITAL MARKETS

GBT's shares (B3: GBIO33) at the end of 2Q19 were quoted at BRL 7.57. The average daily trading volume (ADTV) in the period (2Q19) was BRL 1.3M, with a current market cap of ~BRL 1B.

Main shareholders are: Advent International, Essex Woodlands and Roberto Guttman/Roberto Friedlander, with a combined total of 51%. Free float is 48% and the total shares are 106,622,306.

## IR ACTIVITIES

In January, GBT participated at the 37<sup>th</sup> Annual JP Morgan Healthcare Conference in San Francisco and in February at the BTG CEO Conference in São Paulo. GBT also participated at the Itaú CEO Conference in NY in May and at JP Morgan Southern Cone in Buenos Aires in June.

## APPENDIX

### APPENDIX 1: PROFIT AND LOSS STATEMENT– HYPERINFLATION IN ARGENTINA

	1H19	1H18	2Q19	2Q18
Net revenues	353.019	438.326	204.314	248.353
Cost of sales	(185.670)	(200.584)	(111.169)	(117.099)
<b>Gross profit</b>	167.349	237.742	93.145	131.254
Selling and marketing expenses	(65.718)	(67.196)	(34.876)	(35.323)
General and administrative expenses	(45.623)	(52.727)	(23.576)	(27.904)
R&D, medical, regulatory and business development expenses	(17.694)	(23.633)	(9.424)	(12.431)
Reorganization, integration and acquisition expenses	(7.115)	(6.326)	(5.016)	(3.695)
Other operating income, net	8.806	2.562	1.059	1.473
<b>Operating income</b>	40.005	90.422	21.312	53.374
Interest and other financial expense, net	(15.092)	(17.545)	(8.159)	(7.977)
Foreign exchange expense, net	(766)	(20.854)	(442)	(17.520)
Gain on net monetary position for exposure to inflation in Argentina	1.906	-	359	-
<b>Financial expenses</b>	(13.952)	(38.399)	(8.242)	(25.497)
<b>Income before income tax</b>	26.053	52.023	13.070	27.877
Income tax expenses	(10.161)	(16.109)	(5.177)	(8.301)
<b>Net income</b>	15.892	35.914	7.893	19.576
<b>Attributable to</b>				
Equity holders of the parent	15.892	35.914	7.893	19.576
<b>Earnings per share</b>				
Basic, income for the period attributable to ordinary equity holders of the parent	0,15	0,34	0,07	0,19
Diluted, income for the period attributable to ordinary equity holders of the parent	0,15	0,34	0,07	0,19

## APPENDIX 2: STATEMENT OF COMPREHENSIVE INCOME (LOSS) - HYPERINFLATION IN ARGENTINA

	1H19	1H18	2Q19	2Q18
Net income	15.892	35.914	7.893	19.576
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
Net loss on cash flow hedges	(313)	-	(313)	-
Exchange difference on translation of foreign operations	17.511	663	19.280	195
Total other comprehensive income (loss) to be reclassified to income or loss in subsequent periods	17.198	663	18.967	195
Total comprehensive income	33.090	36.577	26.860	19.771
Attributable to Equity holders of the parent	33.090	36.577	26.860	19.771

## APPENDIX 3: BALANCE SHEET – HYPERINFLATION IN ARGENTINA

ASSETS	June 30, 2019	Dec 31, 2018
<b>NON-CURRENT ASSETS</b>		
Intangible assets	581.293	569.462
Property, plant and equipment	53.267	47.084
Right-of-use assets	23.317	-
Investment properties	4.985	4.980
Trade receivables and other account receivables	810	480
Other assets	1.169	1.673
Deferred tax assets	15.386	17.481
<b>Total non-current assets</b>	<b>680.227</b>	<b>641.160</b>
<b>CURRENT ASSETS</b>		
Inventories	190.689	182.490
Trade receivables and other account receivables	302.323	315.431
Other assets	14.130	9.728
Cash and short-term deposits	52.462	100.609
<b>Total current assets</b>	<b>559.604</b>	<b>608.258</b>
Assets held for sale	3.971	3.968
<b>TOTAL ASSETS</b>	<b>1.243.802</b>	<b>1.253.386</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Issued capital	217	217
Share premium	748.624	748.624
Treasury shares	(6.167)	(6.316)
Other capital reserves	14.303	12.246
Retained earnings	279.110	263.218
Transactions with equity holders	(333.180)	(333.180)
Other equity ítems	61.625	44.427
<b>Total equity</b>	<b>764.532</b>	<b>729.236</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term provisions and contingences	159	146
Long-term financial debt and borrowings	159.271	175.919
Payroll and social security liabilities	448	227
Taxes payable	624	862
Other liabilities	-	14
Deferred tax liability	45.295	45.008
<b>Total non-current liabilities</b>	<b>205.797</b>	<b>222.176</b>
<b>CURRENT LIABILITIES</b>		
Short-term provisions and contingences	5.823	9.411
Short-term financial debt and borrowings	69.327	39.701
Trade payable	141.846	175.401
Contract liabilities	2.822	3.532
Refund liabilities	367	453
Payroll and social security liabilities	24.379	23.504
Taxes payable	9.221	15.166
Other liabilities	19.688	34.806
<b>Total current liabilities</b>	<b>273.473</b>	<b>301.974</b>
<b>Total liabilities</b>	<b>479.270</b>	<b>524.150</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1.243.802</b>	<b>1.253.386</b>

## APPENDIX 4: CONSOLIDATED STATEMENT OF CASH FLOWS – HYPERINFLATION IN ARGENTINA

	From January 1 to June 30, 2019	From January 1 to June 30, 2018
<b>Cash flow from operating activities</b>		
Income before income tax	26.053	52.023
<b>Adjustments to reconcile profit before income tax to net cash flows:</b>		
PP&E depreciation and intangible amortization	15.333	12.731
Depreciation of right-of-use	3.581	-
PP&E and intangible disposals	339	498
Share-based payments	2.206	7.129
Inventory allowance for impairment in value	2.322	2.202
(Increases)/Decreases for debtors' impairment	(392)	3.649
Recovery for debtors' impairment	-	(5.271)
Movements in provisions	(3.303)	(10.821)
Interest and other financial expenses	13.274	16.920
Interest expenses of right-of-use	1.323	-
Foreign exchange expenses	152	11.928
Reorganization, integration and acquisition expenses	-	2.795
Gain on net monetary position for exposure to inflation in Argentina	(1.906)	-
<b>Changes in assets and liabilities</b>		
Inventories	(271)	(31.058)
Trade receivables and other account receivables	4.274	(9.138)
Other assets	(469)	(4.425)
Trade payable and other liabilities	(48.434)	68.161
Income tax payments	(12.081)	(25.070)
<b>Net cash flow from operating activities</b>	<u>2.001</u>	<u>92.253</u>
<b>Cash flows from investing activities</b>		
Payments related to acquisition of intangible assets	(17.548)	(25.855)
Payments related to acquisition of property, plant and equipment	(9.143)	(3.118)
Advance payments of PP&E	(3.615)	-
Expenses paid related to the acquisition of a subsidiary	-	(1.552)
<b>Net cash flow from investing activities</b>	<u>(30.306)</u>	<u>(30.525)</u>
<b>Cash flows from financing activities</b>		
Proceeds from financial debt and borrowings	4.552	6.354
Payment of financial debt and borrowings	(10.135)	(6.690)
Interest and other financial expense payments	(13.306)	(15.786)
Buyback of shares	-	(10.454)
Payments related to leases liabilities	(4.503)	-
Expenses paid related to issued share capital	-	(1.243)
<b>Net cash from financing activities</b>	<u>(23.392)</u>	<u>(27.819)</u>
Effect on cash and cash equivalent for exposure to Inflation in Argentina	(482)	-
Effect of foreign exchange results	4.032	(9.761)
<b>Net (decrease) increase of cash and cash equivalents</b>	<u>(48.147)</u>	<u>24.148</u>
Cash and cash equivalents at the beginning of the period	<u>100.609</u>	<u>98.118</u>
Cash and cash equivalents at the end of the period	<u>52.462</u>	<u>122.266</u>

## APPENDIX 5: P&L BREAKDOWN 2Q19

<i>(BRL M)</i>	2Q19	Hyperinflation	2Q19*	Currency translation	2Q19 Constant	2Q18	% As Reported	% Constant Growth
Gross revenues	220.7	5.3	215.4	-31.8	247.2	268.3	-18%	-8%
Net revenues	204.3	5.1	199.2	-30.7	229.8	248.4	-18%	-7%
Cost of goods sold				-				
<i>COGS (%)</i>	-111.2	-8.1	-103.0	11.0	-114.0	-117.1	-5%	-3%
<b>Gross profit</b>	<b>93.1</b>	<b>-3.0</b>	<b>96.1</b>	<b>-19.7</b>	<b>115.8</b>	<b>131.3</b>	<b>-29%</b>	<b>-12%</b>
<i>Gross Margin (%)</i>	<i>45.6%</i>	<i>-58.0%</i>	<i>48.3%</i>	<i>64.3%</i>	<i>50.4%</i>	<i>52.8%</i>	<i>-726%</i>	<i>-245%</i>
Selling and marketing expenses	-34.9	-1.1	-33.7	6.1	-39.8	-35.3	-1%	13%
General and administrative expenses	-23.6	-1.2	-22.4	2.5	-24.9	-27.9	-16%	-11%
R&D, medical, regulatory and bus. dev. Expenses	-9.4	-0.6	-8.8	3.1	-11.8	-12.4	-24%	-5%
Reorganization, integration and acquisition expenses	-5.0	-0.1	-4.9	2.2	-7.1	-3.7	36%	92%
Other operating income/(expenses)	1.1	0.8	0.3	0.0	0.3	1.5	-28%	-82%
Operating income	21.3	-5.2	26.6	-5.9	32.5	53.4	-60%	-39%
<i>EBIT Margin</i>	<i>10.4%</i>	<i>-101.8%</i>	<i>13.3%</i>	<i>19.3%</i>	<i>14.1%</i>	<i>21.5%</i>	<i>-1106%</i>	<i>-737%</i>
Interest and other financial income/expense, net	-8.2	-0.4	-7.8	2.0	-9.8	-8.0	2%	23%
Foreign exchange income/expense, net	-0.4	-0.1	-0.3	0.2	-0.5	-17.5	-97%	-97%
Result exposure to inflation (REI)	0.4	0.4	0.0	0.0	0.0	0.0	-	-
Financial expense/income	-8.2	-0.1	-8.1	2.2	-10.3	-25.5	-68%	-60%
Income before taxes	13.1	-5.3	18.4	-3.7	22.1	27.9	-53%	-21%
Tax expense	-5.2	-1.5	-3.6	2.1	-5.8	-8.3	-38%	-30%
Net income	7.9	-6.9	14.8	-1.6	16.4	19.6	-60%	-16%
<i>D&amp;A</i>	9.9	1.2	8.7	-1.0	9.7	7.0	41%	39%
<i>Interest and other financial income/expense, net</i>	8.2	0.4	7.8	-2.0	9.8	8.0	2%	23%
<i>Foreign exchange income/expense, net</i>	0.4	0.1	0.3	-0.2	0.5	17.5	-97%	-97%
<i>Result exposure to inflation (REI)</i>	-0.4	-0.4	0.0	0.0	0.0	0.0	-	-
<i>Tax expense</i>	5.2	1.5	3.6	-2.1	5.8	8.3	-38%	-30%
<i>(+) Stock grants</i>	0.3	0.0	0.3	0.0	0.3	2.8	-91%	-91%
<i>(+) One-time adjustment</i>	4.2	-0.7	4.9	-2.2	7.1	-1.6	-368%	-550%
Adjusted EBITDA	35.7	-4.8	40.4	-9.1	49.5	61.6	-42%	-20%
<i>Adjusted EBITDA Margin</i>	<i>17.5%</i>	<i>-92.3%</i>	<i>20.3%</i>	<i>29.7%</i>	<i>21.6%</i>	<i>24.8%</i>	<i>735 bps</i>	<i>326 bps</i>

\* Historical number

## APPENDIX 6: FX TABLE 2013-2019 IN RELATION TO BRL

Currency	USD		COP		ARS		PEN	
Period (Q)	EoP	Avg	EoP	Avg	EoP	Avg	EoP	Avg
1Q13	2.019	1.995	0.001100	0.001100	0.393	0.399	0.780	0.789
2Q13	2.226	2.062	0.001200	0.001100	0.411	0.395	0.785	0.789
3Q13	2.235	2.285	0.001200	0.001200	0.385	0.410	0.802	0.859
4Q13	2.348	2.272	0.001200	0.001200	0.359	0.375	0.838	0.871
1Q14	2.266	2.369	0.001200	0.001200	0.283	0.313	0.796	0.841
2Q14	2.205	2.234	0.001200	0.001200	0.271	0.277	0.788	0.811
3Q14	2.438	2.276	0.001200	0.001200	0.289	0.274	0.847	0.831
4Q14	2.687	2.548	0.001100	0.001200	0.317	0.299	0.888	0.895
1Q15	3.208	2.865	0.001200	0.001200	0.364	0.330	1.036	0.947
2Q15	3.103	3.073	0.001200	0.001200	0.342	0.343	0.976	1.027
3Q15	3.973	3.540	0.001300	0.001300	0.422	0.382	1.232	1.153
4Q15	3.905	3.841	0.001200	0.001300	0.302	0.384	1.144	1.218
1Q16	3.559	3.857	0.001200	0.001200	0.244	0.271	1.069	1.189
2Q16	3.210	3.501	0.001100	0.001200	0.215	0.247	0.985	1.116
3Q16	3.246	3.246	0.001126	0.001100	0.213	0.217	0.954	1.018
4Q16	3.298	3.204	0.001126	0.001100	0.206	0.213	0.971	1.017
1Q17	3.168	3.145	0.001099	0.001078	0.206	0.201	0.976	0.956
2Q17	3.308	3.215	0.001086	0.001101	0.199	0.204	1.021	0.985
3Q17	3.168	3.190	0.001079	0.001082	0.183	0.183	0.971	0.975
4Q17	3.308	3.247	0.001109	0.001087	0.176	0.185	1.021	1.001
1Q18	3.324	3.244	0.001190	0.001138	0.165	0.165	1.032	1.002
2Q18	3.856	3.467	0.001320	0.001220	0.133	0.158	1.178	1.066
3Q18	4.004	3.958	0.001350	0.001340	0.099	0.125	1.214	1.203
4Q18	3.875	3.810	0.001194	0.001203	0.103	0.103	1.148	1.135
1Q19	3.897	3.771	0.001224	0.001224	0.090	0.097	1.173	1.135
2Q19	3.832	3.919	0.001195	0.001209	0.090	0.089	1.167	1.181

EoP= end of period

Avg. = average of the period (quarter or month)

Currency	USD		COP		ARS		PEN	
Period (Month)	EoP	Average	EoP	Average	EoP	Average	EoP	Average
January-17	3.127	3.197	0.001072	0.001088	0.197	0.201	0.952	0.958
February-17	3.099	3.104	0.001075	0.001079	0.201	0.199	0.954	0.952
March-17	3.168	3.128	0.001099	0.001064	0.206	0.202	0.976	0.959
April-17	3.198	3.136	0.001085	0.001090	0.207	0.204	0.987	0.966
May-17	3.244	3.210	0.001112	0.001099	0.201	0.204	0.992	0.981
June-17	3.308	3.295	0.001086	0.001111	0.199	0.204	1.021	1.010
July-17	3.131	3.206	0.001086	0.001057	0.177	0.187	0.966	0.987
August-17	3.147	3.151	0.001070	0.001061	0.181	0.181	0.971	0.972
September-17	3.168	3.135	0.001079	0.001075	0.183	0.182	0.971	0.966
October-17	3.277	3.191	0.001078	0.001079	0.186	0.183	1.009	0.982
November-17	3.262	3.259	0.001088	0.001083	0.188	0.186	1.010	1.006
December-17	3.308	3.292	0.001109	0.001100	0.176	0.186	1.021	1.014
January-18	3.162	3.211	0.001116	0.001122	0.161	0.169	0.984	0.999
February-18	3.245	3.242	0.001131	0.001137	0.161	0.164	0.995	0.999
March-18	3.324	3.279	0.001190	0.001154	0.165	0.162	1.032	1.009

April-18	3.481	3.407	0.001239	0.001231	0.168	0.168	1.070	1.055
May-18	3.737	3.636	0.001301	0.001271	0.150	0.154	1.144	1.111
June-18	3.856	3.773	0.001320	0.001305	0.133	0.142	1.178	1.154
July-18	3.755	3.829	0.001300	0.001330	0.137	0.139	1.148	1.169
August-18	4.135	3.930	0.001350	0.001330	0.110	0.131	1.252	1.195
September-18	4.004	4.117	0.001350	0.001360	0.099	0.106	1.214	1.244
October-18	3.718	3.758	0.001155	0.001216	0.103	0.101	1.105	1.128
November-18	3.863	3.787	0.001194	0.001185	0.102	0.104	1.143	1.122
December-18	3.875	3.885	0.001194	0.001210	0.103	0.103	1.148	1.155
January-19	3.652	3.742	0.001173	0.001186	0.099	0.100	1.091	1.119
February-19	3.738	3.724	0.012188	0.001260	0.096	0.097	1.131	1.121
March-19	3.897	3.846	0.001224	0.001228	0.090	0.093	1.173	1.165
April-19	3.945	3.896	0.001220	0.001234	0.089	0.090	1.193	1.180
May-19	3.941	4.002	0.001169	0.001207	0.088	0.089	1.170	1.202
June-19	3.832	3.859	0.001195	0.001187	0.090	0.088	1.167	1.160

EoP= end of period

Avg. = average of the period (quarter or month)

## APPENDIX 7: NET REVENUES BY THERAPEUTIC AREA

(BRL million)	2Q19	% '19	2Q18	% '18	Chg. %	2Q19	% '19	Chg. %
Net revenues	204.3	100%	248.4	100%	-17.7%	229.8	100%	-7.5%
Infectious diseases	78.1	38%	66.4	27%	17.6%	89.7	39%	35.2%
Onco & onco-hematology	87.8	43%	76.2	31%	15.2%	95.9	42%	25.9%
Speacialty treatments and I&I	24.2	12%	30.9	12%	-21.8%	25.7	11%	-16.9%
Orphan & rare diseases	14.3	7%	74.9	30%	-80.9%	18.5	8%	-75.2%

(BRL million)	1H19	% '19	1H18	% '18	Chg. %	1H19	% '19	Chg. %
Net revenues	353.0	100%	438.3	100%	-19.5%	399.0	100%	-9.0%
Infectious diseases	118.6	34%	123.6	28%	-4.1%	131.8	33%	6.6%
Onco & onco-hematology	156.8	44%	144.7	33%	8.4%	178.6	45%	23.4%
Speacialty treatments and I&I	45.1	13%	50.2	11%	-10.1%	46.6	12%	-7.2%
Orphan & rare diseases	32.5	9%	119.8	27%	-72.9%	41.9	11%	-65.0%

• Nominal currency

• Constant currency

## SUPPLEMENTARY PIPELINE INFORMATION 1Q19

Ready to be launched / Approved

Product	Type	Indication	Country	Phase	Estimated time to market
BGx	Proprietary	Metastatic Prostate Cancer	Chile	Approved	2019
BGx	Proprietary	Metastatic Prostate Cancer	Colombia	Approved	2018 - Launched
AMBISOME®	Partnership   Gilead	Systemic fungal infections caused by Aspergillus and Candida species	Bolivia	Approved	2019-2020
AMBISOME®	Partnership   Gilead	Systemic fungal infections caused by Aspergillus and Candida species	Peru	Approved	2019-2020
BGx	Proprietary	Pulmonary Arterial Hypertension	Chile	Approved	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Argentina	Approved	2019 - Launched
BGx	Proprietary	Renal Cell Carcinoma	Argentina	Approved	2019-2020+
BGx	Proprietary	Chronic Lymphocytic Leukemia / Non Hodgkin's Lymphoma	Ecuador	Approved	2018 - Launched
BGx	Proprietary	Prostate Cancer	Bolivia	Approved	2020
BGx	Proprietary	Prostate Cancer	Peru	Approved	2020
BGx	Proprietary	Multiple Myeloma	Ecuador	Approved	2018 - Launched
BGx	Proprietary	Multiple Myeloma	Colombia	Approved	2018 - Launched
BGx	Proprietary	Multiple Myeloma	Chile	Approved	2019
BUSILVEX®	Partnership   Pierre Fabre	Conditioning for Hematopoietic Progenitor Cell Transplantation	Chile	Approved	2019
BUSILVEX®	Partnership   Pierre Fabre	Conditioning for Hematopoietic Progenitor Cell Transplantation	Peru	Approved	2019
BGx	Proprietary	Metastatic Prostate Cancer	Paraguay	Approved	2018 - Launched
BGx	Proprietary	Metastatic Prostate Cancer	Bolivia	Approved	2018 - Launched
BGx	Proprietary	Metastatic Prostate Cancer	Peru	Approved	2020-2021
BGx	Proprietary	Metastatic Prostate Cancer	Uruguay	Approved	2019-2020
BGx	Proprietary	Metastatic Prostate Cancer	Colombia	Approved	2020
BGx	Proprietary	Metastatic Prostate Cancer	Ecuador	Approved	2019-2020
CDCA-Leadiant®	Partnership   Leadiant	Cerebrotendinous Xanthomatosis	Chile	Approved	2020
BGx	Proprietary	Brükitt Lymphoma / Hodgkin Lymphoma / Acute and Chronic Lymphoblastic Leukemias / Non Lymphoblastic Leukemias / Multiple Myeloma / Breast Cancer / Ovarian Cancer / Lung Cancer / Sarcoma	Colombia	Approved	2019

BGx	Proprietary	Acute Lymphoblastic Leukemia	Paraguay	Approved	2018 - Launched
BGx	Proprietary	Acute Lymphoblastic Leukemia	Colombia	Approved	2019
BGx	Proprietary	Acute Lymphoblastic Leukemia	Ecuador	Approved	2019
BGx	Proprietary	Acute Lymphoblastic Leukemia	Peru	Approved	2019
COMPLERA®	Partnership   Gilead	HIV	Bolivia	Approved	2019-2020
CRESEMBA®	Partnership   Basilea	Fungal Infection	Argentina	Approved	2019 - Launched
CRESEMBA®	Partnership   Basilea	Fungal Infection	Chile	Approved	2019
CRESEMBA®	Partnership   Basilea	Fungal Infection	Ecuador	Approved	2020
CRESEMBA®	Partnership   Basilea	Fungal Infection	Mexico	Approved	2019
CRESEMBA®	Partnership   Basilea	Fungal Infection	Peru	Approved	2019 - Launched
BGx	Proprietary	Acute Nonlymphocytic Leukemia	Paraguay	Approved	2018 - Launched
BGx	Proprietary	Acute Nonlymphocytic Leukemia	Peru	Approved	2020-2021
BGx	Proprietary	Glucocorticoid	Bolivia	Approved	2019-2020
DITERIN® (ADPRILY®)	Partnership   Dipharma	Phenylketonuria	Chile	Approved	2020
BGx	Proprietary	Regression in Neoplastic Diseases	Ecuador	Approved	2019-2020
EPCLUSA®	Partnership   Gilead	Hepatitis C	Brazil	Approved	2018 - Launched
BGx	Proprietary	Lung Cancer	Peru	Approved	2018 - Launched
BGx	Proprietary	Lung Cancer	Uruguay	Approved	2018 - Launched
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	Argentina	Approved	2020
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	Brazil	Approved	2018 - Launched
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	Mexico	Approved	2019
BGx	Proprietary	Non-Small Cell Lung Cancer	Bolivia	Approved	2019-2020
BGx	Proprietary	Non-Small Cell Lung Cancer	Chile	Approved	2019
BGx	Proprietary	Non-Small Cell Lung Cancer	Ecuador	Approved	2019
BGx	Proprietary	Non-Small Cell Lung Cancer	Paraguay	Approved	2019
GENVOYA®	Partnership   Gilead	HIV	Colombia	Approved	2019-2020
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer - 2nd line	Brazil	Approved	2018 - Launched
HALAVEN®	Partnership   Eisai	Soft Tissue Sarcoma	Brazil	Approved	2018 - Launched
HARVONI®	Partnership   Gilead	Hepatitis C	Bolivia	Approved	2019-2020
HARVONI®	Partnership   Gilead	Hepatitis C	Brazil	Approved	2018 - Launched

HARVONI®	Partnership   Gilead	Hepatitis C	Peru	Approved	TBD
BGx	Proprietary	Acute and Chronic Leukemia, Multiple Myeloma	Colombia	Approved	2019
BGx	Proprietary	Testicular cancer (germ cell tumors)	Ecuador	Approved	2019-2020
BGx	Proprietary	Pulmonary Arterial Hypertension	Argentina	Approved	2018 - Launched
INOVELON®	Partnership   Eisai	Seizures associated with LG Syndrome	Brazil	Approved	2018 - Launched
INOVELON®	Partnership   Eisai	Seizures associated with LG Syndrome	Mexico	Approved	2019
JAVLOR®	Partnership   Pierre Fabre	Bladder Cancer	Chile	Approved	2019
JAVLOR®	Partnership   Pierre Fabre	Bladder Cancer	Peru	Approved	2019
BGx	Proprietary	Metastatic Breast Cancer	Argentina	Approved	2021
BGx	Proprietary	Multiple Myeloma	Colombia	Approved	2019-2020
BGx	Proprietary	Multiple Myeloma	Peru	Approved	TBD
LENVIMA®	Partnership   Eisai	Diferenciated Thyroid Carcinoma	Brazil	Approved	2018 - Launched
LENVIMA®	Partnership   Eisai	Advanced Renal Cell Carcinoma	Brazil	Approved	2018 - Launched
LENVIMA®	Partnership   Eisai	Hepatocellular Carcinoma	Brazil	Approved	2019 - Launched
BGx	Proprietary	Breast Cancer	Paraguay	Approved	2018 - Launched
BGx	Proprietary	Multiple Myeloma	Ecuador	Approved	2019-2020
NAVELBINE®	Partnership   Pierre Fabre	MB Cancer, Non-Small Cell Lung Cancer	Chile	Approved	2019
NAVELBINE®	Partnership   Pierre Fabre	MB Cancer, Non-Small Cell Lung Cancer	Ecuador	Approved	2019-2020
NAVELBINE®	Partnership   Pierre Fabre	MB Cancer, Non-Small Cell Lung Cancer	Peru	Approved	2019
BGx	Proprietary	Chronic Myeloid Leukemia	Argentina	Approved	2022-2023+
BGx	Proprietary	Colon Cancer	Colombia	Approved	2018 - Launched
BGx	Proprietary	Breast Cancer	Argentina	Approved	2021+
BGx	Proprietary	Malignant Pleural Mesothelioma	Chile	Approved	2019
BGx	Proprietary	Idiopathic Pulmonary Fibrosis	Bolivia	Approved	2018 - Launched
BGx	Proprietary	Idiopathic Pulmonary Fibrosis	Chile	Approved	2019
BGx	Proprietary	Idiopathic Pulmonary Fibrosis	Paraguay	Approved	2019
BGx	Proprietary	Idiopathic Pulmonary Fibrosis	Uruguay	Approved	2018 - Launched
BGx	Proprietary	Multiple Myeloma	Argentina	Approved	2019 - Launched

BGx	Proprietary	Renal Cell Carcinoma, Gastrointestinal Stromal Tumor	Argentina	Approved	2020-2021+
SOVALDI®	Partnership   Gilead	Hepatitis C	Bolivia	Approved	2019-2020
SOVALDI®	Partnership   Gilead	Hepatitis C	Peru	Approved	TBD
STRIBILD®	Partnership   Gilead	HIV	Bolivia	Approved	2019-2020
BGx	Proprietary	Thyroid Cancer, Renal Cell Carcinoma	Argentina	Approved	2020-2021+
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Bolivia	Approved	2020
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Peru	Approved	2019-2020
BGx	Proprietary	Cystic Fibrosis	Bolivia	Approved	2020
BGx	Proprietary	Cystic Fibrosis	Peru	Approved	2020
TRUVADA®	Partnership   Gilead	HIV	Bolivia	Approved	2019-2020
TRUVADA®	Partnership   Gilead	HIV	Peru	Approved	Launched
VELMIDY®	Partnership   Gilead	Hepatitis C	Bolivia	Approved	2019-2020
VIREAD®	Partnership   Gilead	HIV	Bolivia	Approved	2019-2020
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	Chile	Approved	2019-2020
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	Peru	Approved	2018 - Launched
BGx	Proprietary	Cancer-induced Hypercalcemia	Colombia	Approved	2019
INOVELON®	Partnership   Eisai	Seizures associated with LG Syndrome	Argentina	Approved	2020
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	Argentina	Approved	2020
LENVIMA®	Partnership   Eisai	RTC, Renal Cell Carcinoma	Argentina	Approved	2020
CRESEMBA®	Partnership   Basilea	Fungal Infection	Colombia	Approved	2019
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	Colombia	Approved	2019
ATRIPLA®	Partnership   Gilead	HIV	Colombia	Approved	2019 - Launched
COMPLERA®	Partnership   Gilead	HIV	Colombia	Approved	2019 - Launched
DESCOVY®	Partnership   Gilead	HIV	Colombia	Approved	2020
EPCLUSA®	Partnership   Gilead	Hepatitis C	Colombia	Approved	2019 - Launched
ODEFSEY®	Partnership   Gilead	HIV	Colombia	Approved	2019
TRUVADA®	Partnership   Gilead	HIV	Colombia	Approved	2019 - Launched
VIREAD®	Partnership   Gilead	HIV	Colombia	Approved	2019 - Launched
DITERIN® (ADPRILY®)	Partnership   Dipharma	Phenylketonuria	Chile	Approved	2020
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	Peru	Approved	2020

## Registration status

Product	Type	Indication	Country	Phase	Expected submission
AMBISOME®	Partnership   Gilead	Systemic fungal infections caused by Aspergillus and Candida species	Paraguay	Transfer on going	2019
BGx	Proprietary	Pulmonary Arterial Hypertension	Bolivia	On going	2018
BGx	Proprietary	Pulmonary Arterial Hypertension	Ecuador	To be submitted	2019
BGx	Proprietary	Pulmonary Arterial Hypertension	Paraguay	On going	2018
BGx	Proprietary	Pulmonary Arterial Hypertension	Uruguay	On going	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Bolivia	To be submitted	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Chile	To be submitted	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Paraguay	To be submitted	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Uruguay	To be submitted	2019
BGx	Proprietary	HIV 2nd Line	Argentina	On going	2015
BGx	Proprietary	Chronic Lymphocytic Leukemia / Non Hodgkin's Lymphoma	Colombia	On going	2018
BGx	Proprietary	Prostate Cancer	Paraguay	On going	2018
BIKTARVY®	Partnership   Gilead	HIV	Colombia	On going	2018
BUSILVEX®	Partnership   Pierre Fabre	Conditioning for Hematopoietic Progenitor Cell Transplantation	Ecuador	On going	2018
BGx	Proprietary	Multiple Myeloma	Argentina	On going	2016
CDCA-Leadiant®	Partnership   Leadiant	Cerebrotendinous Xanthomatosis	Argentina	On going	2018
CDCA-Leadiant®	Partnership   Leadiant	Cerebrotendinous Xanthomatosis	Brazil	To be submitted	2019-2020
CDCA-Leadiant®	Partnership   Leadiant	Cerebrotendinous Xanthomatosis	Colombia	On going	2018
CDCA-Leadiant®	Partnership   Leadiant	Cerebrotendinous Xanthomatosis	Mexico	On going	2018
CDCA-Leadiant®	Partnership   Leadiant	Cerebrotendinous Xanthomatosis	Peru	To be submitted	2020
BGx	Proprietary	Anti Infective Agent / Cystic Fibrosis	Bolivia	On going	2018
BGx	Proprietary	Anti Infective Agent / Cystic Fibrosis	Chile	To be submitted	2019
BGx	Proprietary	Anti Infective Agent / Cystic Fibrosis	Paraguay	To be submitted	2019
BGx	Proprietary	Anti Infective Agent / Cystic Fibrosis	Peru	To be submitted	2019
CRESEMBA®	Partnership   Basilea	Fungal Infection	Bolivia	On going	2018
CRESEMBA®	Partnership   Basilea	Fungal Infection	Brazil	On going	2018
CRESEMBA®	Partnership   Basilea	Fungal Infection	Paraguay	To be submitted	2019

BGx	Proprietary	Chronic Myeloid Leukemia	Colombia	On going	2016
BGx	Proprietary	Glucocorticoid	Paraguay	On going	2018
BGx	Proprietary	Glucocorticoid	Uruguay	On going	2018
DITERIN® (ADPRILY®)	Partnership   Dipharma	Phenylketonuria	Colombia	On going	2018
DITERIN® (ADPRILY®)	Partnership   Dipharma	Phenylketonuria	Ecuador	On going	2018
DITERIN® (ADPRILY®)	Partnership   Dipharma	Phenylketonuria	Peru	On going	2018
BGx	Proprietary	Breast Cancer, Head & Neck Cancer, Stomach Cancer, Prostate Cancer, NSCLC	Colombia	To be submitted	2019
BGx	Proprietary	HIV 2nd Line	Argentina	On going	2015
BGx	Proprietary	Non-Small Cell Lung Cancer	Colombia	On going	2016
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	Chile	On going	2019
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	Colombia	On going	2019
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	Ecuador	To be submitted	2019
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	Peru	On going	2019
BGx	Proprietary	Non-Small Cell Lung Cancer	Peru	On going	2017
GENVOYA®	Partnership   Gilead	HIV	Ecuador	Transfer to be submitted	2019
GENVOYA®	Partnership   Gilead	HIV	Peru	Transfer on going	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Argentina	On going	2018
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	Bolivia	To be submitted	2019
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	Chile	On going	2018
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	Colombia	On going	2018
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	Ecuador	On going	2018
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	Paraguay	To be submitted	2019
HARVONI®	Partnership   Gilead	Hepatitis C	Ecuador	To be submitted	2019
BGx	Proprietary	Resistant chronic myeloid leukemia, locally advanced squamous cell carcinomas of the head and neck (excluding the lip) in combination with chemoradiation	Peru	On going	2017
BGx	Proprietary	Chronic Lymphocytic Leukemia	Argentina	On going	2015
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Argentina	On going	2019

INOVELON®	Partnership   Eisai	Seizures associated with Lennox-Gastaut Syndrome	Chile	On going	2019
INOVELON®	Partnership   Eisai	Seizures associated with Lennox-Gastaut Syndrome	Colombia	On going	2018
INOVELON®	Partnership   Eisai	Seizures associated with Lennox-Gastaut Syndrome	Ecuador	On going	2019
INOVELON®	Partnership   Eisai	Seizures associated with Lennox-Gastaut Syndrome	Paraguay	To be submitted	2019
INOVELON®	Partnership   Eisai	Seizures associated with Lennox-Gastaut Syndrome	Peru	On going	2019
BGx	Proprietary	Cystic Fibrosis	Argentina	On going	2017
BGx	Proprietary	Cystic Fibrosis	Argentina	On going	2018
JAVLOR®	Partnership   Pierre Fabre	Bladder Cancer	Ecuador	On going	2018
BGx	Proprietary	Multiple Myeloma	Paraguay	On going	2018
LENVIMA®	Partnership   Eisai	Refractory Thyroid Cancer, Renal Cell Carcinoma	Bolivia	To be submitted	2019
LENVIMA®	Partnership   Eisai	Refractory Thyroid Cancer, Renal Cell Carcinoma	Chile	On going	2018
LENVIMA®	Partnership   Eisai	Refractory Thyroid Cancer, Renal Cell Carcinoma	Colombia	On going	2018
LENVIMA®	Partnership   Eisai	Refractory Thyroid Cancer, Renal Cell Carcinoma	Ecuador	On going	2018
LENVIMA®	Partnership   Eisai	Refractory Thyroid Cancer, Renal Cell Carcinoma	Peru	On going	2018
NAVELBINE®	Partnership   Pierre Fabre	Metastatic Breast Cancer, Non-Small Cell Lung Cancer	Colombia	On going	2016
BGx	Proprietary	Idiopathic Pulmonary Fibrosis	Bolivia	On going	2018
BGx	Proprietary	Idiopathic Pulmonary Fibrosis	Paraguay	On going	2018
BGx	Proprietary	Multiple Myeloma	Bolivia	To be submitted	2019
BGx	Proprietary	Multiple Myeloma	Chile	To be submitted	2019
BGx	Proprietary	Multiple Myeloma	Ecuador	To be submitted	2019
BGx	Proprietary	Multiple Myeloma	Paraguay	To be submitted	2019
BGx	Proprietary	Multiple Myeloma	Peru	To be submitted	2019
BGx	Proprietary	Multiple Myeloma	Uruguay	To be submitted	2019
BGx	Proprietary	CRC, Gastrointestinal Stromal Tumor	Argentina	On going	2017
BGx	Proprietary	Thyroid Cancer, Renal Cell Carcinoma	Paraguay	On going	2018
BGx	Proprietary	Glioblastoma	Chile	To be submitted	2019

BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Chile	To be submitted	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Ecuador	To be submitted	2019
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Paraguay	On going	2018
BGx	Proprietary	Cystic Fibrosis	Chile	On going	2018
BGx	Proprietary	Cystic Fibrosis	Ecuador	On going	2018
BGx	Proprietary	Cystic Fibrosis	Paraguay	On going	2018
BGx	Proprietary	Pulmonary Arterial Hypertension	Argentina	On going	2018
TRUVADA®	Partnership   Gilead	HIV	Ecuador	Transfer to be submitted	2019
TRUVADA®	Partnership   Gilead	HIV	Paraguay	Transfer on going	2019
VEMLIDY®	Partnership   Gilead	Hepatitis C	Colombia	On going	2020
VEMLIDY®	Partnership   Gilead	Hepatitis C	Ecuador	On going	2019
VEMLIDY®	Partnership   Gilead	Hepatitis C	Paraguay	Transfer on going	2019
VEMLIDY®	Partnership   Gilead	Hepatitis C	Peru	Transfer on going	2019
VIREAD®	Partnership   Gilead	HIV	Paraguay	Transfer on going	2019
VOSEVI®	Partnership   Gilead	Hepatitis C	Colombia	On going	2018
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	Brazil	On going	2019
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	Ecuador	On going	2018
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	Mexico	On going	2018
BGx	Proprietary	Chronic Obstructive Pulmonary Disease	Argentina	On going	2019
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	Ecuador	On going	2019

## Signed

Product	Type	Indication	Phase
CDCA-Leadiant®	Partnership   Leadiant	Cerebrotendinous Xanthomatosis	To be registered in Bolivia, Ecuador, Paraguay, Uruguay
CRESEMBA®	Partnership   Basilea	Fungal Infection	To be registered in Uruguay
FYCOMPA®	Partnership   Eisai	POS, SGS Epilepsy	To be registered in Bolivia, Paraguay and Uruguay
HALAVEN®	Partnership   Eisai	Metastatic Breast Cancer	To be registered in Uruguay
INOVELON®	Partnership   Eisai	Seizures associated with LG Syndrome	To be registered in Bolivia and Uruguay
LENVIMA®	Partnership   Eisai	RTC, Renal Cell Carcinoma	To be registered in Paraguay and Uruguay
ZEVTERA®	Partnership   Basilea	CAP, HAP and MRSA	To be registered in Bolivia, Paraguay and Uruguay

## Under development

Product	Type	Indication	Estimated time to market
BGx	Proprietary	HIV	2021
BGx	Proprietary	HIV	2023
BGx	Proprietary	Cystic Fibrosis	TBD
BGx	Proprietary	Rheumatoid Arthritis	2021

Note: CAP = Community-Acquired Pneumonia, HAP = Hospital-Acquired Pneumonia, MRSA = Methicillin-resistant Staphylococcus aureus, POS = Partial onset seizures, SGS = Secondary generalized seizure, NHL = Non-Hodgkin Lymphoma, CLL = Chronic Lymphocytic Leukemia, RTC = Refractory Thyroid Cancer, MB Cancer = Metastatic Breast Cancer.