

1Q19

# GBT Results Presentation

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

B3: GBIO33

A woman with curly brown hair, wearing a white lab coat and white gloves, is focused on using a pipette in a laboratory. The background is slightly blurred, showing other people in lab coats. The image is overlaid with a dark teal geometric shape on the left side.

**GBT** Grupo  
Biotoscana

# Message from management

## 1Q19 highlights

### Key takeaways

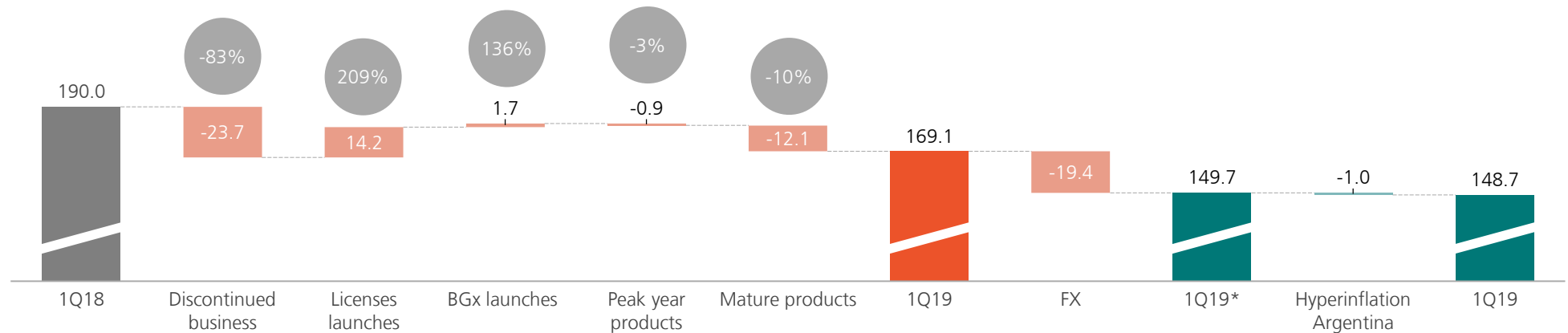
- **Excellent performance** of new launches – in-licensed and BGx products, contributing with 15% of total top line
- Recently launched products (innovatives) up 209% QoQ, demonstrating substantial improvement over existing therapies
- **Organic growth** came to 15%, excluding hyperinflation accounting & FX, HIV bid phasing, Sovaldi and Actelion
- 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**
- **Non-binding offer** with a US biotech company for a product indicated for Chronic Lymphocytic Leukemia (CLL)

### 2019 Priorities



### 1Q19 Net revenues components of growth

(BRL million | % growth compared to 1Q18)



# Key operating and financial results

## Profit and loss statement highlights

	1Q19	1Q18	Chg. %	1Q19*	1Q19	Chg. %
Gross revenues	162.3	212.9	-23.7%	163.4	183.5	-13.8%
Net revenues	148.7	190.0	-21.7%	149.7	169.1	-11.0%
Cost of goods sold	-74.5	-83.5	-10.8%	-69.6	-76.6	-8.3%
<i>COGS (%)</i>	<i>-50.1%</i>	<i>-43.9%</i>	<i>615 bps</i>	<i>-46.5%</i>	<i>-45.3%</i>	<i>133 bps</i>
Gross profit	74.2	106.5	-30.3%	80.1	92.5	-13.1%
<i>Gross Margin (%)</i>	<i>49.9%</i>	<i>56.1%</i>	<i>-615 bps</i>	<i>53.5%</i>	<i>54.7%</i>	<i>-133 bps</i>
Recurring operating expenses	-61.1	-66.6	-8.3%	-60.8	-69.5	4.3%
<i>Recurring OPEX (%)</i>	<i>-41.1%</i>	<i>-35.1%</i>	<i>601 bps</i>	<i>-40.6%</i>	<i>-41.1%</i>	<i>602 bps</i>
<i>(+) Stock grants</i>	-0.3	-2.8	-88.9%	-0.3	-0.3	-88.9%
<i>(+) Non-recurring other operating income</i>	5.9	0.0	-	6.2	12.4	-
Opex including non-cash and non-recurring items	-55.5	-69.4	-20.1%	-55.0	-57.4	-17.4%
<i>OPEX (%)</i>	<i>-37.3%</i>	<i>-36.6%</i>	<i>78 bps</i>	<i>-36.7%</i>	<i>-33.9%</i>	<i>-263 bps</i>
Selling and marketing expenses	-30.8	-31.9	-3.2%	-30.8	-34.2	7.4%
General and administrative expenses	-22.0	-24.8	-11.2%	-21.7	-23.8	-3.9%
R&D, medical, regulatory and bus. dev. expenses	-8.3	-11.2	-26.2%	-8.4	-11.5	2.6%
Reorganization, integration and acquisition expenses	-0.2	-2.6	-93.3%	-0.2	-0.2	-93.4%
Other operating income/(expenses)	5.8	1.1	434.6%	6.1	12.4	1037.1%
Operating income	18.7	37.0	-49.5%	25.1	35.2	-5.0%
<i>EBIT Margin</i>	<i>12.6%</i>	<i>19.5%</i>	<i>-693 bps</i>	<i>16.8%</i>	<i>20.8%</i>	<i>130 bps</i>
<i>(+) D&amp;A</i>	9.1	5.7	57.6%	8.0	8.4	47.1%
<i>(+) Stock grants</i>	0.3	2.8	-88.9%	0.3	0.3	-88.9%
<i>(+) One-time adjustment</i>	-5.7	2.6	-	-6.0	-12.3	-
Adjusted EBITDA	22.3	48.2	-53.7%	27.5	31.7	-34.3%
<i>Adjusted EBITDA Margin</i>	<i>15.0%</i>	<i>25.4%</i>	<i>-1036 bps</i>	<i>18.3%</i>	<i>18.7%</i>	<i>-666 bps</i>

## Further pipeline

# Continuous renewal of deal flow with potential partners

Indication	Region	Attractiveness	Business Plan	Due Diligence	Closing	Territory
<b>ONCOLOGY</b>						
R/R CLL, iNHL	US					Latin America
Ovarian Cancer	US					Latin America
Melanoma, Colono Rectal Cancer	EU					Andean Region
AML	EU					Latin America
Myelofibrosis	US					Latin America
Breast Cancer, Renal Cell Carcinoma	EU					Latin America
Breast Cancer, Renal Cell Carcinoma	EU					Latin America
Astrocytoma, Glioblastoma	EU					Latin America
MDS	US					Latin America
R/R AML	US					Latin America
R/R AML	US					Latin America
AML	US					Latin America
CLL	US					Latin America
NSCLC	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 Protoporphyrin	AUS					Latin America
Duchenne muscular dystrophy	US					Col + Arg
Amyloidosis	US					Latin America
Antidote F10 Inhibitor	US					Latin America
Trombocytopenia	US					Latin America
Hereditary angioedema	US					Latin America
Immune Thrombocytopenic Purpura	US					Latin America

Indication	Region	Attractiveness	Business Plan	Due Diligence	Closing	Territory
<b>ANTI INFECTIVES</b>						
cUTI	US					Latin America
Invasive Candidiasis	US					Latin America
Invasive Candidiasis	US					TBC
cSSSI	US					TBC
Invasive Candidiasis	US					Latin America
Invasive Candidiasis	*					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
CNS	EU					Latin America
Parkinson's Disease	US					Latin America
Tardive dyskinesia	US					Latin America
Anemia due to chronic kidney disease	US					Latin America
Relapsing-Remitting Multiple Sclerosis	EU					Latin America
Chronic/Acute Graft versus Host disease	EU					Latin America
Instillation for Bladder Cancer	US					Latin America

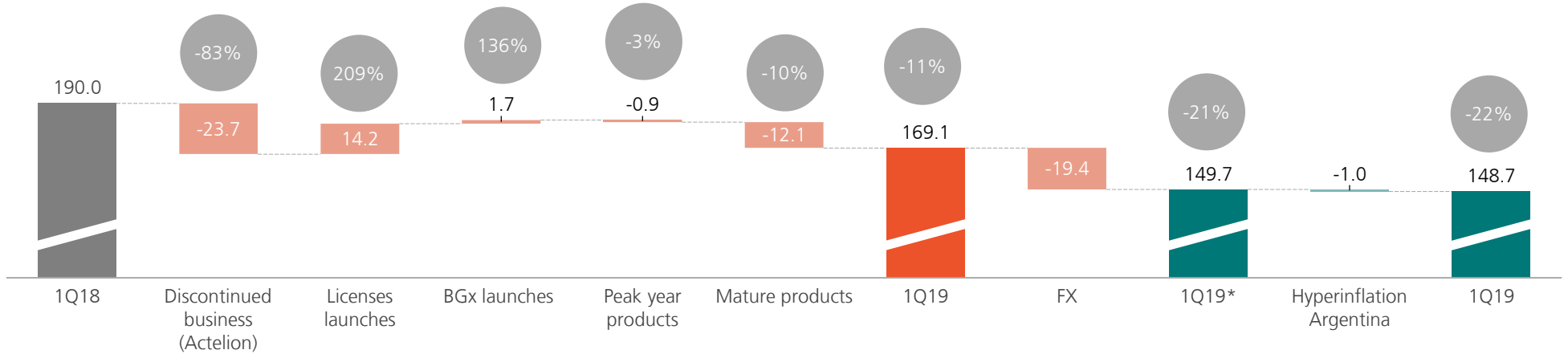
\*2 companies in different countries

# Net revenues

## Net revenues breakdown

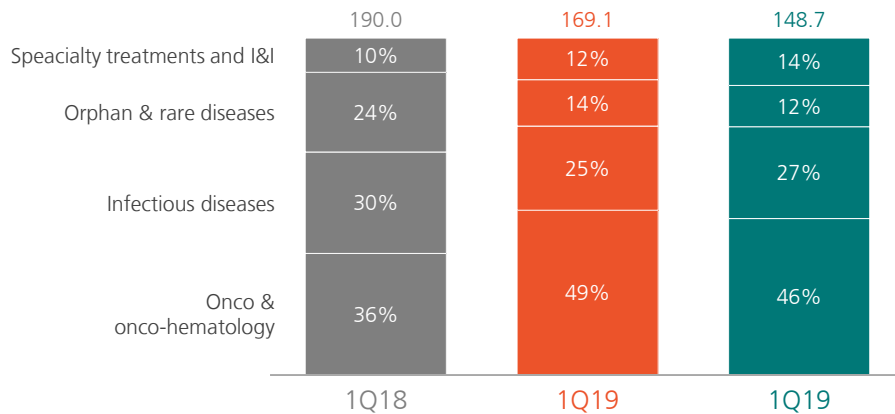
### 1Q19 Portfolio breakdown

(BRL million | % growth compared to 1Q18)



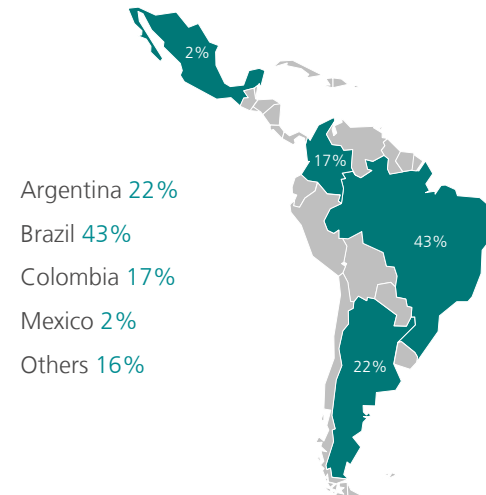
### 1Q19 vs. 1Q18 Therapeutic area components of revenues

(BRL million)



### 1Q19 Net revenues by country

(BRL million)

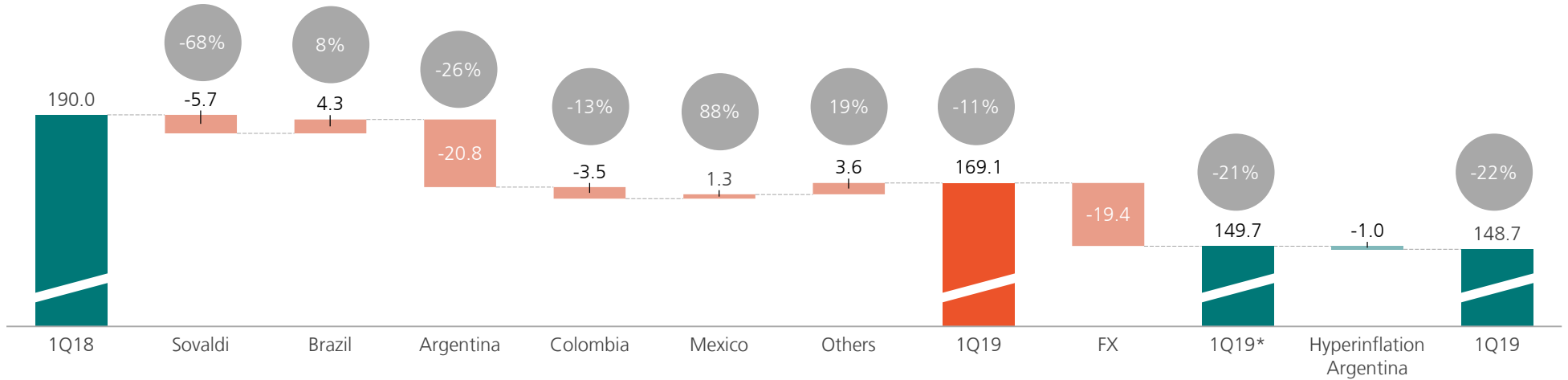


# Net revenues

## Net revenues breakdown

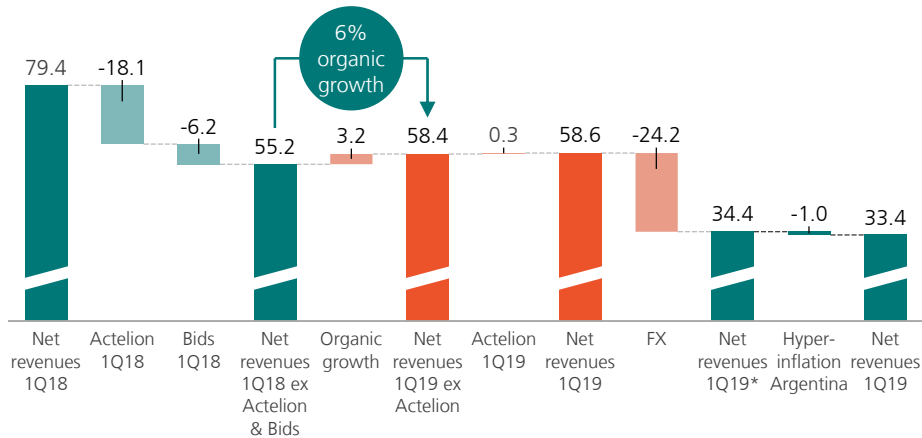
### 1Q19 Net revenues by country

(BRL million | % growth compared to 1Q18)



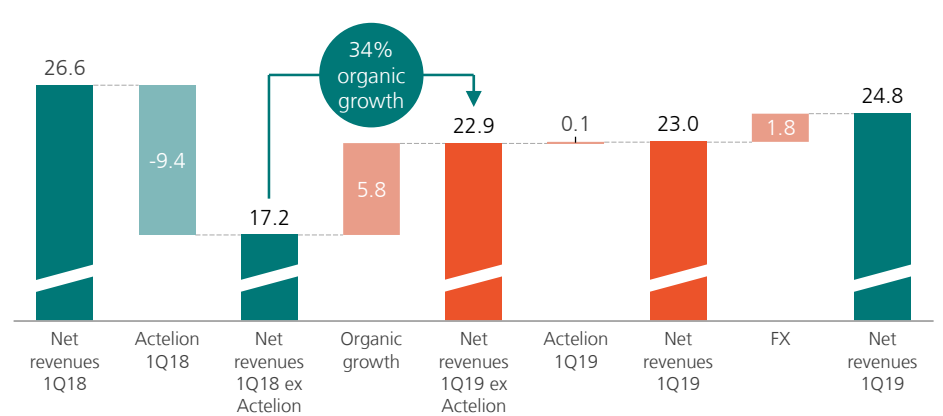
### 1Q19 Argentina's components of growth

(BRL million)



### 1Q19 Colombia's components of growth

(BRL million)



# Opex

## Operating expenses

### Expenses

(BRL million)

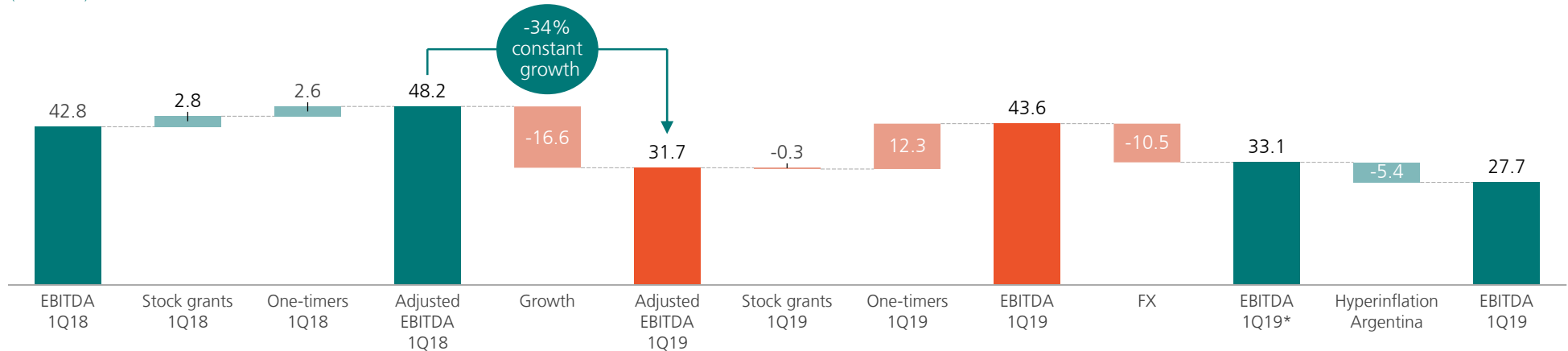
	1Q19	1Q18	Chg. %	1Q19*	1Q19	Chg. %
Selling and marketing expenses	-30.8	-31.9	-3.2%	-30.8	-34.2	7.4%
Recurring general and administrative expenses	-21.7	-22.0	-1.2%	-21.4	-23.5	6.9%
(+) Stock grants	-0.3	-2.8	-88.9%	-0.3	-0.3	-88.9%
G&A expenses including non-cash items	-22.0	-24.8	-11.2%	-21.7	-23.8	-3.9%
R&D, medical, regulatory and bus. dev. expenses	-8.3	-11.2	-26.2%	-8.4	-11.5	2.6%
Reorganization, integration and acquisition expenses	-0.2	-2.6	-93.3%	-0.2	-0.2	-93.4%
Other operations expenses	-0.1	1.1	-	-0.1	-0.1	-
Non-recurring other operating income	5.9	0.0	-	6.2	12.4	-
<b>Recurring operating expenses</b>	<b>-61.1</b>	<b>-66.6</b>	<b>-8.3%</b>	<b>-60.8</b>	<b>-69.5</b>	<b>4.3%</b>
Operating expenses including non-cash and one-timers	-55.5	-69.4	-20.1%	-55.0	-57.4	-17.4%

# Financials

## EBITDA and net financial expenses

### 1Q19 EBITDA breakdown

(BRL million)



### Net financial results

(BRL million)

	1Q19	1Q18	Chg. %	1Q19*
Interest and other financial expenses	-6.9	-9.6	-28.1%	-7.0
Citibank	-1.1	-5.4	-79.6%	-1.1
Itaú Unibanco	-3.1	-3.2	-2.8%	-3.1
Santander	-0.8	0.0	-	-0.8
Interest on lease liabilities (IFRS 16)	-0.6	0.0	-	-0.7
Taxes on financial transactions	-0.4	0.0	-	-0.4
Other financial expenses	-1.0	-1.1	-12.1%	-1.0
Gain on net monetary position for exposure to inflation	1.5	0.0	-	0.0
FX income/expenses, net	-0.3	-3.6	-91.1%	-0.3
<b>Net financial results</b>	<b>-5.7</b>	<b>-13.3</b>	<b>-57.0%</b>	<b>-7.4</b>



# Financials

## Effective tax rate and adjusted net income

### Effective tax rate

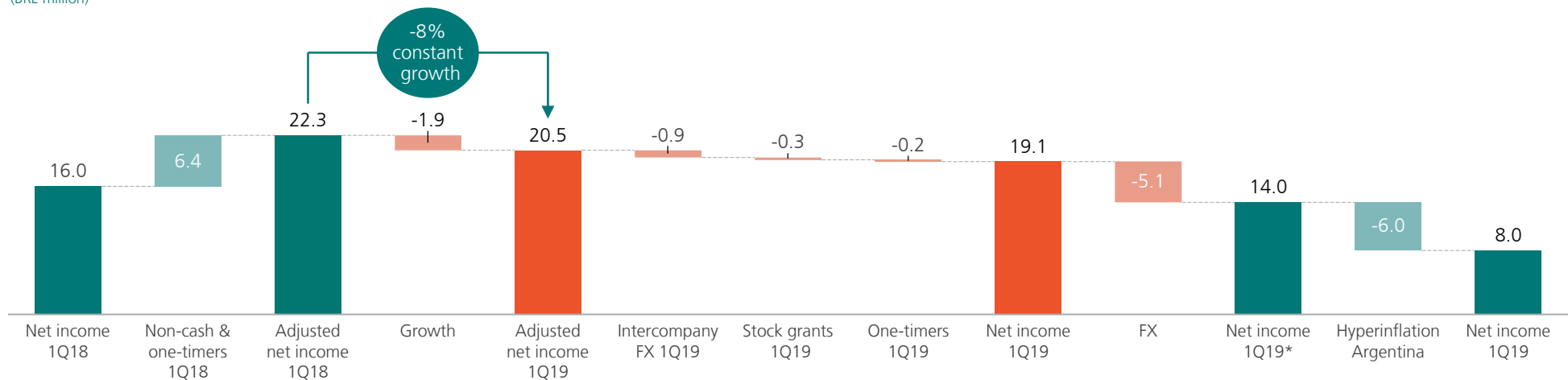
(BRL million)

	1Q18	2Q18	3Q18	4Q18	1H18	2H18	2018	1Q19
EBT	23.8	28.3	16.9	26.1	52.0	43.0	95.0	13.0
Current income tax	-8.4	-8.2	-6.4	-0.7	-16.6	-7.1	-23.7	-3.1
Deferred income tax	0.6	-0.1	-1.4	-6.9	0.5	-8.3	-7.8	-1.9
Total income tax	-7.8	-8.3	-7.8	-7.6	-16.1	-15.4	-31.5	-5.0
<b>Cash effective tax rate<sup>1</sup></b>	<b>35.2%</b>	<b>29.1%</b>	<b>37.8%</b>	<b>2.9%</b>	<b>31.9%</b>	<b>16.6%</b>	<b>25.0%</b>	<b>23.7%</b>
<b>Effective tax rate<sup>2</sup></b>	<b>32.9%</b>	<b>29.4%</b>	<b>46.2%</b>	<b>29.2%</b>	<b>31.0%</b>	<b>35.9%</b>	<b>33.2%</b>	<b>38.4%</b>

<sup>1</sup> Current income tax / Adjusted EBT | <sup>2</sup> Total income tax / EBT

### 1Q19 Net income breakdown

(BRL million)



# Financials

## Net cash flow and working capital highlights

### Net cash flow from operating activities

(BRL million)

	1Q19	1Q18
Net cash flow from operations activities	-2.6	9.1
<b>Adjusted net cash flow from operating activities</b>	<b>-2.5</b>	<b>22.9</b>
Net revenues	148.7	190.0
Adjusted EBTIDA	22.3	48.2
Adjusted net cash / Adjusted EBITDA	-11.2%	47.5%
Adjusted net cash / Net revenues	-1.7%	12.1%

### Cash conversion cycle

(Days)

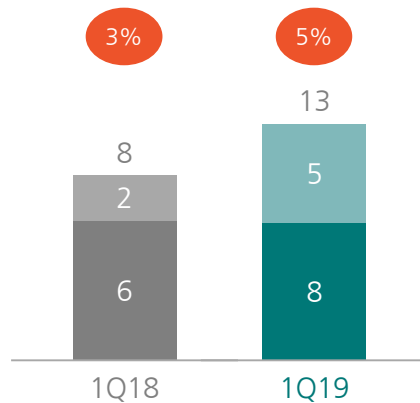
	1Q18	2Q18	3Q18	4Q18	1Q19
Days sales outstanding	140	107	156	102	134
Days inventory outstanding	175	119	192	143	229
Days payable outstanding	(137)	(152)	(172)	(142)	(136)
<b>Cash conversion cycle</b>	<b>179</b>	<b>74</b>	<b>176</b>	<b>103</b>	<b>227</b>

### Maintenance and intangible CAPEX

(BRL million)

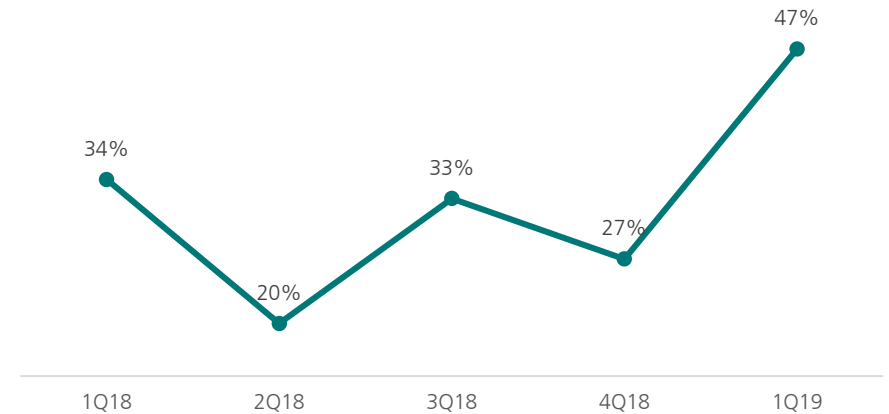
- Intangible CAPEX
- Intangible CAPEX

Intangible CAPEX as % of net revenue



### Working capital

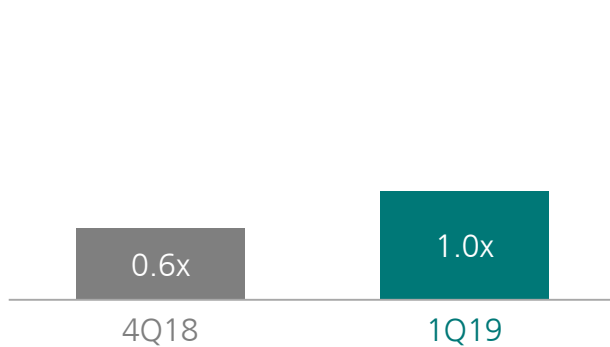
(% net revenue)



# Financials

## Net indebtedness

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



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



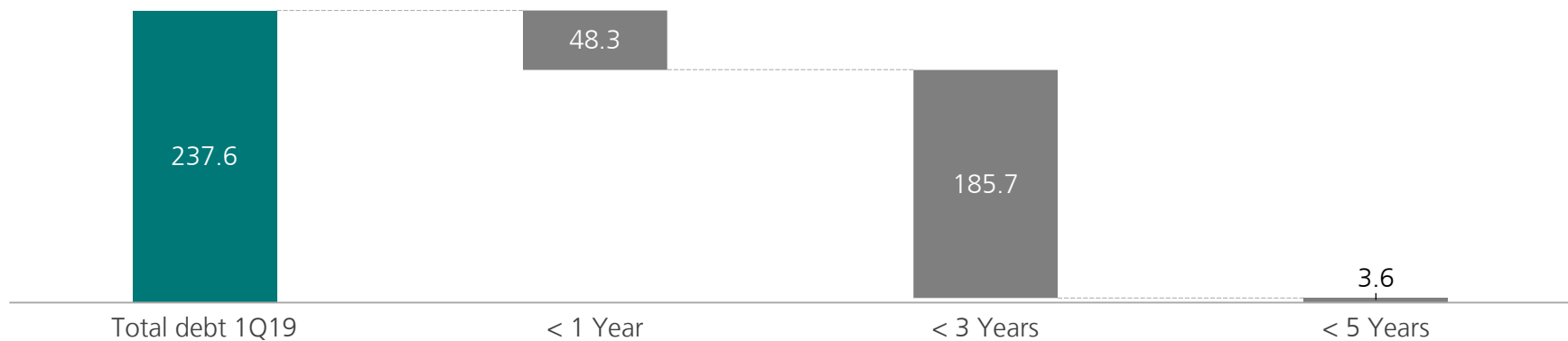
### Debt reconciliation

(BRL million)

Total debt 1Q19	237.6
Cash	-75.3
Net debt 1Q19	162.3

### Debt overview as of March 31, 2019

(BRL million)

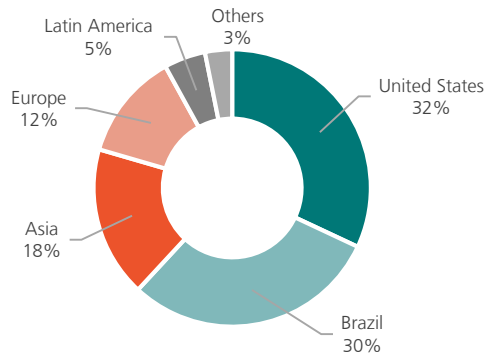


# Capital markets

## Shareholders base

### Breakdown at the time of IPO

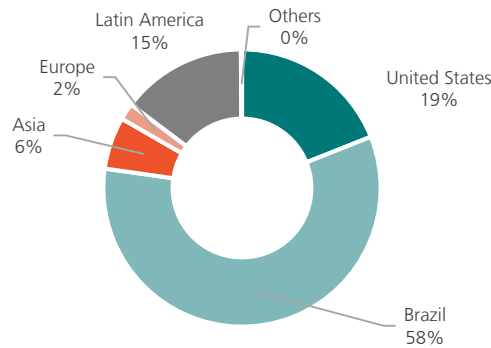
(% of free float)



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

### Breakdown as of March 31, 2019

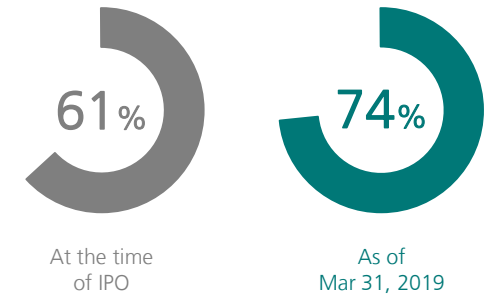
(% of free float)



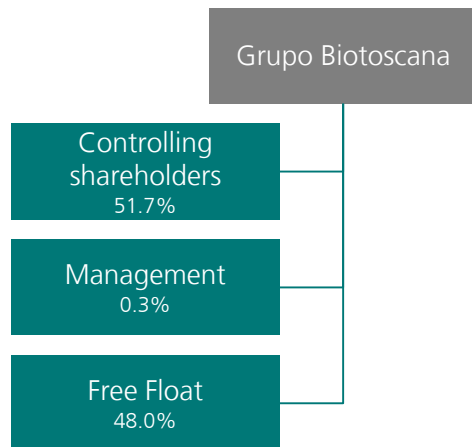
ADTV 30: BRL 1.4M  
between Mar 1 to Mar 31, 2019

### Free float | Top 20 shareholders

(% of total free float)



### Ownership structure as of March 31, 2019



### Buyback program as of March 31, 2019

	Shares Acquired	Average Price
Shares bought	+1,346,300	10.49
Shares sold	-681,905	9.20
Treasury shares	664,395	-
Approved buyback program	1,522,208	-
To be exercised	176,908	-

### Next events | 1H19

- 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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