

Servier Group – Financial Year 2019/2020

Financial results and R&D strategy and pipeline

- *Group consolidated revenue of 4.688 billion euros, an increase of 1.6% at current exchange rate.¹*
- *This revenue is split between 3.285 billion euros for brand-name medicines² (+1.6%) and 1.403 billion euros for the Generics (+1.4%).*
- *A strong international presence: 79% of Group revenue (96% brand-name revenue).*
- *A proven leadership position in cardiology and metabolism with revenue from brand-name medicines of 2.671 billion euro, or 57% of Group revenue.*
- *A promising pipeline with 27 projects in clinical development, more than half of which are in oncology, and 33 research projects, the result of significant and ongoing investment in R&D (23% brand-name revenue).*
- *Strategic objectives for 2025, which aim to improve the Group's current performance and provide new medicines to patients.*
- *Strong value creation in France, through significant investments.*

Paris (France), January 19, 2021 – Servier, a global independent pharmaceutical group, announces its results for the 2019/20 financial year, ending September 30, 2020, and presents its Research and Development strategy and pipeline.

Continued growth

As a healthcare player, the Servier Group has maintained the production of its treatments and their distribution to patients since the beginning of the Covid-19 crisis, while ensuring the health and safety of all its employees.

Group revenue for the 2019/20 financial year amounted to €4.688 billion, an increase of 1.6% at real exchange rates and 3.6% at constant exchange rates, compared with the previous financial year. Revenue from brand-name medicines (€3.285 billion) represents 70% of the Group revenue, and generics 30% (€1.403 billion).

Sales of brand-name medicines grew by 1.6% at current rates and 3.6% at constant rate compared with 2018/19. This progression is mainly due to the increase in the volume of brand-name medicine sales

¹ Changes in revenues compared with 2018/19 financial year are presented at current exchange rate unless otherwise stated.

² Brand-name medicines: medicines promoted and distributed by Servier; Generics: medicines promoted and distributed by Biogaran, EGIS, Pharlab and Swipha, subsidiaries of the Servier Group.



(+2.9% in boxes distributed compared with the previous financial year) and a good performance in oncology.

Operating income increased to €280 million, or 6% of Group revenue. EBITDA amounted to €626 million, or 13% of Group revenue, an increase compared with the previous year due to better control of expenses and re-prioritization of certain projects, particularly considering the current health crisis.

There was also a strong negative impact of exchange rates on sales during the year (-€91 million) compared with the impact during the previous year (-€22 million).

Sales of the Top 6 brand-name medicines in 2019/20

- Diamicon® (€510 million)
- Daflon® (€440 million)
- Coversyl® (€329 million)
- Vastarel® (€275 million)
- Oncaspar® (259 million)
- Preterax® (€258 million)

“During the Covid-19 global health crisis, Servier was able to adapt to maintain the production and distribution of its medicines so that they remain available to patients, while ensuring the health and safety of its employees. Results for the 2019/20 financial year are in line with our objectives. Sales growth was driven by both brand-name and generic medicines. Growth in brand-name activities was strongly supported by the performance of oncology, including sales of Oncaspar® and Onivyde®. An increase which confirms the Group's ambition to position itself as a recognized and innovative player in this field,” comments Pascal Lemaire, Executive Vice President Finance at Servier.

Key figures (at September 30, 2020)

(in million euros)	2019/20	2018/19	Variation: constant exchange rates	Variation: current exchange rates	% of revenue
Group revenue	4,688	4,615	3.6%	1.6%	100%
Brand-name revenue	3,285	3,232	3.6%	1.6%	70%
Generics revenue	1,403	1,383	3.6%	1.4%	30%

Operating income: €280 million (6% of Group revenue)

EBITDA: €626 million (13% of Group revenue)

Sustained growth in oncology

Servier has made oncology one of its priorities and is devoting 50% of its R&D budget to it, starting in the 2020/21 financial year. The Group aims to become a recognized and innovative player treating certain cancers for which there is an important need.

The acquisition of the [biotech Symphogen](#), in June 2020, and the announcement on December 21, 2020 of the [proposed acquisition of the oncology division of Agios Pharmaceuticals](#) are fully in line with the Group's strategy and mark its acceleration in this area.

Group revenue of brand-name medicines in oncology rose to €448 million in 2019/20 from €397 million in 2018/19, an increase of 12.8%. This increase is mainly due to higher sales of Onivyde® (+35.4%), Oncaspar® (+12.7%) and Lonsurf® (+8.9%).

In Japan, [Nihon Servier received manufacturing and marketing approval for Onivyde®](#), a medicine for the treatment of metastatic pancreatic cancer. Nihon Servier was also able to initiate the marketing of



this treatment on the Japanese market in June 2020, which explains the strong growth in revenue of this subsidiary during the year: €48 million in 2019/20 or +65% compared with 2018/19 (€29 million).

Proven leadership in cardio-metabolism

Servier maintains its leading position in cardio-metabolism with sales of brand-name medicines amounting to €2.671 billion, representing 57% of Group revenue, an increase of 2.1% compared with 2018/19 (€2.617 billion). Sales of Diamicon® (revenue of €510 million), an anti-diabetic medicine, the Group's leading brand-name medicine in terms of revenue, and Daflon® (revenue of €440 million), a treatment for venous insufficiency, made strong contributions to the Group's performance in the area of cardio-metabolism. Daflon® generates an important part of the Group's growth and was launched by Servier in China³ with the ambition that it will become the subsidiary's second brand-name medicine by 2025.

Single Pill Combinations also contributed to the growth in cardio-metabolism sales. Triplixam®, an antihypertensive medicine, is today the most widely prescribed triple fixed-dose combination in the world for its indication and in the countries where it is distributed.⁴

A growing generics business

Revenue generated by sales of generic medicines represented 30% of Group revenues, i.e., €1.403 billion, an increase of 1.4% at real rates and 3.6% at constant rates compared with 2018/19 (€1.383 billion).

Generic medicines are distributed worldwide by four of the Group's subsidiaries: Biogaran in France, EGIS in Eastern Europe, Pharlab in Brazil and Swipha in Nigeria. Biogaran remains, for the second consecutive year, the leader on the generics market in France with more than 30% of the market share.⁵

Generic subsidiaries revenue in 2019/20

- Biogaran : 876 M€
- EGIS : 477 M€
- Other subsidiaries : 50 M€

539 million boxes of generic medicines distributed
An increase of 5.3%.

Today, the Group's generic business has an offer of more than 1,500 generic medicines covering most pathologies.

Growth driven by international expansion

The Group generates 79% of its revenue outside France, amounting to €3.698 billion, an increase of 3.3% compared with 2018/19. Most brand-name medicines revenue, or 96%, is generated internationally.

Over half of the Group's revenue is generated outside the European Union, an increase of 4.9% over the previous year.

The Group's two main subsidiaries are China, with revenues of €457 million (+3.8%) and Russia, with revenues of €380 million (+1.0%), which continue to show strong growth potential.

³ Daflon® is marketed in China under the name Alvenor

⁴ Source IMS, January 2020, outside Japan and the United States. Triplixam® is distributed in 89 countries

⁵ Source GERS, December 2020



Sales of brand-name medicines in the United States, handled by Servier Pharmaceuticals, generated revenue of €194 million an increase of 7.8%, compared with 2018/19 (€180 million), thus propelling the U.S. subsidiary to third place among the Group's brand-name medicine subsidiaries after only two years of activity.

During the 2019/20 financial year, the Group distributed more than one billion boxes of medicines worldwide, with 9 out of 10 boxes of brand-name medicines distributed internationally.

Value creation in France

The Servier Group has always chosen to maintain most of its R&D activities and an important part of its production capacity in France.

In Normandy, the Oril Industry site (Bolbec) actively contributes to European health independence: 98% of the active ingredients of the Group's brand-name medicines are produced there. The Group is preparing to make a major investment of €100 million to double production capacity for the active ingredient of Daflon® in order to meet the growing global demand, with a smaller environmental footprint.

In addition, the bioproduction unit, which will begin bioproduction manufacturing activities in 2023 on the Gidy site in the Loiret region of France, also illustrates Servier's desire to pursue its industrial presence in France.

The future Servier Research and Development Institute, the result of an investment of over €370 million, at the heart of the Paris-Saclay scientific and technological innovation cluster, highlights the Group's determination to participate, beyond national borders, in the excellence of French research.

By choosing to create value in France, Servier contributes 36% to the surplus of the French trade balance of the sector.⁶

Strategic objectives for 2025

The Group has set strategic objectives for 2025 to improve its performance and also to continue to invest in therapeutic progress for the benefit of patients.

The Group's ambition is to achieve consolidated revenues of €6.5 billion in 2025, reach an EBITDA of €1.3 billion, launch a new molecular entity every three years, including one by 2025, and generate €1 billion in revenues in oncology.

To achieve these objectives, the Group is accelerating its transformation across all its activities and organization, including in the digital sector, an essential lever for the Group's development and performance. This year, Servier has therefore set up a new department to steer the Group's digital strategy: the [Digital, Data, and Information Systems Department](#).

Olivier Laureau, President of Servier, states: "The Group has set ambitious objectives for 2025 that aim to improve its current performance in order to develop new medicines to the benefit of patients. This is

FOCUS FRANCE

The Group's revenue from brand-name medicines and generics in mainland France in fiscal year 2019/20 amounted to **€990 million** and represented **21% of Group revenue**.

During the financial year 2019/20, the Group invested €183 million in France.

⁶ Primary pharmaceuticals and pharmaceutical preparations



why we accelerate the Group's global transformation dynamic, across all its business segments. This, in order to be ever more committed to therapeutic progress and to guarantee our sustainability and our independence.”

R&D accelerates its transformation to foster innovation

A plan to transform Servier's R&D activities was recently initiated in order to foster innovation and meet the Group's 2025 strategic objectives, in particular that of launching a new molecular entity every three years.

“In order to achieve the Group's objectives by 2025, an initial action plan has been deployed within R&D. This plan focuses on *de novo* innovation, which consists of accelerating the discovery and development of new medicines to meet therapeutic needs in oncology, neurology, and immuno-inflammation. It is also based on innovation linked to medicine life-cycle management, through incremental research, particularly for medicines in the cardio-metabolic field. This transformation project is based on the commitment and adaptability demonstrated by all our teams since the beginning of the health crisis,” comments Claude Bertrand, Executive Vice President R&D at Servier.

A new agile and integrated R&D model to foster innovation

The Servier R&D transformation plan is based on three pillars of progress and therapeutic performance: a patient-centered approach based on translational medicine, a more efficient organization with a more collaborative dynamic, and a refocusing of activities on three target areas of expertise.

In order to maximize the success of its therapeutic innovations, while preserving the specificities that have enabled their development, Servier has chosen to refocus its efforts on three therapeutic areas. In oncology, the objective is to focus on difficult-to-treat cancers. In immuno-inflammation and neurodegenerative diseases, work will focus on targeted pathologies to meet patients' unmet medical needs.

This new research model focused on oncology and new opportunities in neurology and immuno-inflammation has led to the termination of research activities in cardio-metabolism. In cardio-metabolism, the focus is on LCM (Life Cycle Management) innovation in order to capitalize on the Group's medicines and its know-how in terms of incremental innovation, particularly in the development of Single Pill Combinations.

De novo innovation places a strong emphasis on oncology, which will account for 50% of the Group's budget as of fiscal year 2020/21. The aim is to create a portfolio of targeted biomarker-supported therapies in solid tumors, continuing the work carried out to date in liquid tumors. It also aims to balance the portfolio in terms of novel mechanisms of action with monoclonal antibodies and small molecules. In the long-term, the objective is to have an innovative portfolio in difficult-to-treat cancers such as liver, pancreatic, and certain pediatric cancers.

De novo innovation will also make it possible in neurology and immuno-inflammation to invest in promising projects on neurodegenerative diseases for targeted populations.

DIGITAL: FLAGSHIP PROGRAMS OF THE R&D TRANSFORMATION

FEDERATES

Digital platform for a better sharing of information and data in real time to accelerate research stages.

SCORE

A clinical trial digitization program that promotes remote interactions between patients and medical-scientific teams, through access to real-time data, and facilitates decision making.



The R&D transformation also involves the optimized use of digital technology, which represents a major challenge, particularly in data processing and access. Specific programs in this area will help strengthen the collaborative dynamic for even greater efficiency and productivity.

A promising pipeline

Pipeline as of January 2021

	ONCOLOGY SOLID TUMORS AND HAEMATOLOGICAL MALIGNANCIES	CARDIO-METABOLISM HEART FAILURE TYPE 2 DIABETES NASH	IMMUNO- INFLAMMATION AUTOIMMUNE DISEASES	NEUROLOGY NEURODEGENERATIVE DISEASES
27 projects in clinical development (incl. 16 new molecular entities)	14	10 <small>Incl. 9 SPC*</small>	2	1
33 projects in drug discovery	22	5	1	5

* Single Pill Combinations

With 27 projects in clinical development, including 16 new molecular entities, and 33 research projects⁷, the result of a significant and continuous investment in R&D (23% of brand-name revenue), Servier concentrates its research and development efforts in therapeutic areas where the need is greatest.

Oncology represents a genuine growth driver for the Group, with half of the projects currently in clinical development and 22 research projects. The acquisition of Symphogen in June 2020 strengthened the oncology portfolio of Servier. Symphogen, the Group's center of excellence for antibody discovery, has already delivered two research projects in six months. The intended acquisition of the oncology division of Agios Pharmaceuticals should strengthen R&D capabilities with a strong pipeline of oncology projects.

In addition, Servier intends to maintain its leadership in cardiology, particularly through the strategic and innovative life-cycle management of its medicines, with Single Pill Combinations. It is essential for the Group to continue to make its wide range of cardiovascular medicines available to healthcare professionals to meet the needs of patients who do not benefit from treatment in the countries where the Group operates.

Open and collaborative R&D

With the ambition to accelerate innovation to offer new therapeutic solutions to patients, Servier continues to expand and diversify its network of partners. This international and multidisciplinary network now brings together academic partners, as well as pharmaceutical groups and biotechnology companies. The Group now has 30 alliances and 40 research agreements worldwide.

Spearheading the open innovation dynamic of Servier R&D, the future Servier Research and Development Institute, currently under construction within the Paris-Saclay scientific and technological

⁷ Data as of January 2021



innovation cluster, illustrates the Group's commitment to collaborative R&D oriented towards performance and excellence.

The Paris-Saclay cluster, which already accounts for 15% of French public and private research, is ranked as one of the eight largest innovation clusters in the world.⁸ In 2020, Paris-Saclay University was ranked 14th in the Shanghai ranking.⁹ It is therefore at the heart of this ecosystem that Servier has decided to bring together 1,500 of its employees dedicated to R&D. By 2023, they will benefit from an environment that is conducive to synergies and open innovation.

Servier will be the only international pharmaceutical group within this unique innovation cluster. The Servier Research and Development Institute will also be home to an incubator for start-ups in order to accelerate innovation, and to accompany the most promising projects towards the development of new therapeutic solutions. Its mission will also be to promote the excellence of French research and that of the Group beyond borders.

"The growing results for the 2019/20 financial year are in line with our objectives and demonstrate our continued commitment to therapeutic progress for the benefit of patients. As a result of our significant and ongoing R&D investments, we now have a promising pipeline in therapeutic areas with major needs. Value creation in France has always been and remains a priority for the Servier Group. The health crisis reinforces our commitment to European health independence. The choice of France is combined with the international reach of the Group, whose medicines treat 100 million patients in 150 countries every day," concludes Olivier Laureau, President of Servier.

About Servier

Servier is a global pharmaceutical group governed by a Foundation. Relying on a solid geographical presence and revenue of €4.7 billion in 2020 achieved in 150 countries, Servier employs 22,500 people worldwide. Servier is an independent group that invests over 20% of its brand-name revenue in Research and Development every year. To accelerate therapeutic innovation for the benefit of patients, the Group is committed to open and collaborative innovation with academic partners, pharmaceutical groups, and biotech companies. It also integrates the patient's voice at the heart of its activities, from research to support beyond the pill.

A leader in cardiology, the ambition of the Servier Group is to become a recognized and innovative player in oncology. Its growth is based on a sustained commitment to cardiovascular and metabolic diseases, oncology and immuno-inflammatory, and neurodegenerative diseases. To promote access to healthcare for all, the Servier Group also offers a range of quality generic drugs covering most pathologies.

For more information, visit www.servier.com

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⁸ Technology Review ranking - Publication: Massachusetts Institute of Technology (MIT)

⁹ Academic ranking of international universities by Jiao Tong University, Shanghai