



Press Release GRÜNENTHAL

Grünenthal reports record revenue and profit in 2022 full-year results and strong pipeline progress

- **In 2022, Grünenthal generated €1.7 billion in revenues, an increase of 13 percent over prior year.**
- **Adjusted EBITDA increased by 18 percent to €438 million and more than tripled since 2017.**
- **Substantial pipeline advancement with two late-stage development projects in osteoarthritis and post-surgical neuropathic pain and two projects in early development focused on chronic pain and inflammatory diseases.**
- **M&A highlights include the acquisition of Nebido™ from Bayer and the joint venture agreement with Kyowa Kirin to acquire their portfolio of established pain brands.**

Aachen, Germany, 27 March 2023 – Grünenthal, the leading pharmaceutical company in pain research and management, released its 2022 full-year results, announcing record revenue and adjusted EBITDA.

The company exceeded its financial and non-financial targets, progressing on its growth path. Net revenues reached €1.7 billion, an increase of 13 percent compared to 2021. The adjusted EBITDA reached €438 million, an increase of 18 percent over 2021, and more than tripled since 2017.

Grünenthal has also more than tripled its operating cash flow since 2017, positioning the company well to further invest in advancing the R&D pipeline, continuing the M&A strategy, and growing the business in the United States.

The 2022 results were driven by excellent business performance and revenues from strategic partnerships. Key brands such as Qutenza™, Palexia™, Vimovo™, and Zomig™ performed well and grew faster than the market. Qutenza™, a topical non-opioid treatment for various neuropathic pain conditions, saw a surge in demand, particularly in the U.S., where the product is indicated for treating post-herpetic neuralgia and pain related to diabetic neuropathy of the feet, a market sized ~\$4,5bn.

"Grünenthal's exceptional performance in 2022 is a testament to our people and reflects the demand for better pain treatments," says Gabriel Baertschi, CEO and Chairman of the Corporate Executive Board. "Patients need better solutions to manage their pain as many current pain treatments do not provide sufficient relief or have severe side effects. We continue to invest in researching innovative, non-opioid pain medicines and ensure that more patients can benefit from our medicines. I am pleased with the progress towards our vision of a world free of pain."

In 2022, Grünenthal further advanced the investigational medicines in its research pipeline. A key priority is the development of Resiniferatoxin (RTX). The investigational treatment is being developed for treating pain in patients with knee osteoarthritis and entered clinical phase III in August 2022. A readout of the data is expected in the second half of 2024. The phase III programme aims to enable market authorisation in the E.U., U.S. and Japan by 2025/2026. The global osteoarthritis market has



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significant potential and is expected to grow to ~€11 billion in 2025. Grünenthal also has entered into an exclusive licensing agreement with Shionogi, who will obtain exclusive commercialisation rights for RTX in Japan. A partnership with NovaQuest Capital Management, a life science investment firm, further supports the development of the asset. NovaQuest shares the clinical development and approval risks with Grünenthal.

Grünenthal's second phase III programme investigates the use of Qutenza™ in patients with post-surgical neuropathic pain (PSNP) to support an extension of the U.S. label.

In phase I, trials are ongoing for a Nociceptin/Orphanin FQ peptide receptor (NOP) agonist. The compound is being developed to provide a non-opioid therapy option with a strong analgesic effect without the side effects commonly associated with opioids. Grünenthal also further develops its Glucocorticoid Receptor Modulator (GRM) in Phase I. The oral investigational medicine aims to provide a therapy option with broad anti-inflammatory efficacy and a more favourable benefit-risk profile than current glucocorticoid-based therapies like prednisolone.

In November 2022, Grünenthal acquired Nebido™, a leading brand for testosterone replacement therapy, from Bayer for ~€495 million. The brand immediately contributed to Grünenthal's revenue and profit as of November 2022. Another milestone in Grünenthal's M&A strategy was the announcement to enter into a joint venture agreement with Kyowa Kirin International. The joint venture includes 13 established brands with revenues primarily from pain management products. Grünenthal will own a 51 percent majority share in the new company. Grünenthal intends to acquire the remaining 49 percent share at the beginning of 2026. Since 2017, Grünenthal has closed successful acquisitions with a total expected deal value of more than €2.0 billion, including Zomig™, Nexium™, Vimovo™, Crestor™, and Nebido™.

In addition to serving patients suffering from pain, Grünenthal aims to positively impact its employees, partners, and society – while reducing the environmental footprint of its business activities. Grünenthal is a recognised leader in Environment, Social and Governance (ESG) in its industry. In July 2022, an ESG rating agency placed Grünenthal in the top 3 percent of the pharmaceutical sub-industry, acknowledging the strong management of its ESG risks.

Driving a high-performance culture is key to Grünenthal's success. Following excellent employee engagement scores during the 2022 survey, Grünenthal has 24 entities worldwide certified as a Great Place to Work®. In 2022, Grünenthal also made further progress in attracting and developing talents by launching a dedicated Diversity & Engagement strategy.



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About Grünenthal

Grünenthal is a global leader in pain management and related diseases. As a science-based, fully-integrated pharmaceutical company, we have a long track record of bringing innovative treatments and state-of-the-art technologies to patients worldwide. Our purpose is to change lives for the better – and innovation is our passion. We are focusing all our activities and efforts on working towards our vision of a world free of pain.

Grünenthal is headquartered in Aachen, Germany, and has affiliates in 28 countries across Europe, Latin America and the U.S. Our products are available in approx. 100 countries. In 2022, Grünenthal employed around 4,400 people and achieved sales of €1.7 billion.

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