

Grünenthal reports strong 2023 results with record revenue and continued investments in R&D and acquisitions

- **In 2023, Grünenthal generated €1.8 billion in revenues, an increase of 10 percent over the prior year. The adjusted EBITDA was €427 million, a decrease of three percent vs. the prior year due to increased investments in growth through Research & Development (R&D), acquisitions and modernising production facilities. Grünenthal has more than tripled its adjusted EBITDA since 2017.**
- **Grünenthal's R&D pipeline has progressed substantially with its Phase III development projects of RTX in knee osteoarthritis and Qutenza™ in post-surgical neuropathic pain. Further clinical programmes with other compounds in Phases I and II are in preparation.**
- **Grünenthal has completed its joint venture collaboration with Kyowa Kirin for its portfolio of established pain brands. Grünenthal owns 51 percent of the new enterprise Grünenthal Meds and intends to acquire the remaining share in 2026. Since 2017, Grünenthal has invested more than €2 billion in successful acquisitions.**

Aachen, Germany, 25 March 2024 – Grünenthal, the leading pharmaceutical company in pain research and management, released its 2023 full-year results, announcing a double-digit revenue growth.

Net revenues reached €1.8 billion, an increase of 10 percent compared to 2022. The adjusted EBITDA reached €427 million, a decrease of 3 percent over 2022 due to increased strategic investments in future growth. Grünenthal more than tripled its adjusted EBITDA since 2017 and invested in future growth by advancing its R&D pipeline, acquiring established brands to complement the existing portfolio, and growing its presence in key pharmaceutical markets like the United States. The company has invested ~€1 billion in research and development since 2017 and more than €280 million in its business in the US since 2019.

The 2023 results were driven by strong business performance in the United States, Latin America and Europe. Key brands like Qutenza™, Vimovo™, Versatis™, Crestor™ and Nebido™ (acquired from Bayer in November 2022) delivered strong, double-digit growth compared to the prior year. Especially Qutenza™, a topical non-opioid treatment for various neuropathic pain conditions, saw another increase in demand, particularly in the US, where the product is indicated for treating post-herpetic neuralgia and pain related to diabetic neuropathy of the feet. Grünenthal Meds, the joint venture collaboration with Kyowa Kirin with its portfolio of 13 brands primarily focused on pain, also contributed strong revenues already in its first year. The deal closed in August 2023, with Grünenthal owning a 51 percent majority share. The strong business performance across brands and geographies, as well as strategic acquisitions, helped offset the loss of revenues from Palexia™ after the entry of generic versions of the product in European markets.

"2023 was another year of exceptional performance where we saw the results of our consistent growth strategy. We continue to invest significantly in researching and developing innovative solutions in areas where the need for better pain treatments is highest," says Gabriel Baertschi, CEO and Chairman of the

Corporate Executive Board. "Our medicines now help even more patients, positively impacting their quality of life and making progress towards our vision of a World Free of Pain."

Through strategic acquisitions and its research, Grünenthal has drastically progressed its R&D pipeline over the past years and, in 2024, expects to have development projects in all three phases of clinical development with three programmes in Phase III. That makes it one of the industry-leading pipelines with a focus on non-opioid innovations for the treatment of various forms of chronic and acute pain.

A key priority in Grünenthal's R&D pipeline is Resiniferatoxin (RTX). The investigational medicine is being developed in Phase III for treating pain in patients with knee osteoarthritis. In 2023, RTX received the Breakthrough Therapy Designation from the US Food and Drug Administration (FDA) for pain associated with osteoarthritis of the knee. The decision is based on clinical Phase I and II data indicating significant pain relief and a favourable safety profile. We expect to obtain the topline results for the Phase III study and a decision on submission in 2025. The Phase III programme aims to enable market authorisation in the US, EU and Japan in 2026. The global osteoarthritis market has significant potential and is expected to grow to ~\$12.8 billion in 2032.¹

Another Phase III programme investigates the use of Qutenza™ in patients with post-surgical neuropathic pain (PSNP) to support a further extension of the US label following the approval of Qutenza™ for the treatment of neuropathic pain associated with diabetic peripheral neuropathy (DPN) of the feet in adults in 2020.

Further assets in Grünenthal's development pipeline are the Nociceptin/Orphanin FQ peptide receptor (NOP) agonist franchise and the company's Glucocorticoid Receptor Modulator (GRM) programme. The NOP franchise is being developed to provide patients with a non-opioid therapy option with a strong analgesic effect without the side effects commonly associated with opioids. Grünenthal intends to start a clinical Phase I trial for the lead compound in 2024. The GRM programme aims to develop an oral investigational medicine that provides a therapy option with broad anti-inflammatory efficacy and a more favourable benefit-risk profile than current glucocorticoid-based therapies like prednisolone. The lead compound completed a clinical Phase I trial in 2023. Grünenthal aims to conduct Phase IIa trials in rheumatoid arthritis beginning in 2024. Further assets currently at a research stage are advancing toward clinical development.

Grünenthal aims to positively impact its employees, partners and society – while reducing the environmental footprint of its business activities. In June 2023, Sustainalytics, an ESG rating agency, ranked Grünenthal in the top two percent of the pharmaceuticals sub-industry, well ahead of the company's key peers. Grünenthal was placed in the "low-risk" category.

¹ IQVIA Forecast Link, Disease Module, for the period Q3-2022, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved

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 27 countries across Europe, Latin America and the U.S. Our products are available in approx. 100 countries. In 2023, Grünenthal employed around 4,400 people and achieved revenues of €1.8 billion.

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