

Barcelona,
3rd August 2018

Transformational Transaction

Almirall to acquire US medical dermatology portfolio* from Allergan

- Almirall entered into a definitive agreement to acquire an Allergan U.S. portfolio* of mature and growth brands for acne and dermatoses, including a new innovative NCE, Seysara™ (sarecycline) for the oral treatment of acne. The closing of this transaction is expected in Q4 2018
- With this strategic and very focused transaction, Almirall significantly reinforces its position in the largest dermatology market in the world
- All products will be distributed through our US platform and team, which has deep knowledge of the oral acne market and the acquired portfolio. They will provide critical mass to launch KX2-391, which has the potential to become the new standard of care in actinic keratosis
- The acquired portfolio generated net sales of \$70MM in the first half of 2018 and offers medium to long-term growth potential. We expect peak sales of Seysara™ (sarecycline) from \$150MM to \$200MM
- The acquisition has been announced for a cash consideration of \$550MM at closing. It is immediately EPS accretive from 2019 onwards

[Almirall, S.A. \(ALM\)](#) has announced today the acquisition of a portfolio of five products from Allergan's Medical Dermatology unit in the United States, conditional to the clearance by the relevant authorities. It comprises a balanced portfolio of mature and growth brands, Aczone® (dapsons), Tazorac® (tazarotene), Azelex® (azelaic acid) and Cordran® Tape (fludroxycortide), as well as Seysara™ (sarecycline), a new, innovative first in class tetracycline-derived antibiotic with anti-inflammatory properties for the treatment of moderate to severe acne vulgaris, in patients 9 years of age and older, with a best-in-class safety profile. The FDA approval of Seysara™ (sarecycline) is anticipated in Q4 2018.

Peter Guenter, Chief Executive Officer, Almirall, commented, *“This is a transformational deal for Almirall. It will reinforce and consolidate our position in the world’s largest dermatology market and is a well-balanced portfolio of mature and growth brands with a major launch opportunity of an innovative New Chemical Entity (NCE). It is perfectly complementary to our existing platform and will be immediately accretive to our earnings. It offers us medium to long term top and bottom line growth opportunities. Moreover, it will allow for an expanded platform to launch KX2-391, which has the potential to become a new standard of care in actinic keratosis”*

* Excludes Rhofade.

Strategic considerations

- With this acquisition, Almirall consolidates and reinforces its presence in the US, the largest market in the world, and expands its range of dermatological products, representing a transformational step for Almirall US as well as Almirall as a whole.
- The portfolio is a balanced mix of mature and growth brands with a first in class, innovative NCE for the treatment of acne. This will result in immediate earnings accretion, create critical mass and provide medium to long term growth opportunities. We expect peak sales of Seysara™ (sarecycline) from \$150MM to \$200MM.
- The portfolio had net sales of \$70MM in H1 2018.
- Our global and US leadership team is comprised of several former Allergan senior executives with a deep knowledge of the acquired product portfolio.

Transaction highlights

- The acquisition has been announced for a cash consideration of \$550 MM at closing.
- The transaction is subject to be approved by antitrust authorities in the US. Almirall does not envisage any significant obstacles to closing by Q4 2018.
- Strategic and straight forward transaction in one single geography.

Synergistic portfolio

The acquired portfolio entails an excellent fit with Almirall US's selling capabilities and its current team, which has deep knowledge of the US oral acne market and the acquired products. The four products already marketed generated total sales in US of \$70MM in the first 6 months of 2018. In addition, Seysara™ (sarecycline) offers strong medium to long term growth potential.

Aczone® (dapsone), Tazorac® (tazarotene), Azelex® (azelaic acid), for the treatment of acne and Cordran® Tape (fludrocortide), indicated for dermatoses, are recognized brands in the US market, which are among the top 10 US prescription dermatologist-driven portfolio. Cordran® Tape is a unique product, a low potency topical corticosteroid-tape that provides a higher potency effect, with a significant growth potential.

Regarding the NCE Seysara™ (sarecycline), an oral, once-daily, narrow spectrum, tetracycline-derived antibiotic with anti-inflammatory activity, it offers the same efficacy as an oral doxycycline with improved safety and tolerability. A New Drug Application for Seysara™ is currently under review by the U.S. Food & Drug Administration (FDA) based on the positive results of two identical Phase 3 registration studies. Its approval is expected in Q4 2018. This transaction will further boost Almirall's R&D & In-Licensing engine, allowing additional investments that will drive future innovation and competitiveness.

Bhushan Hardas, R&D Vice-President, Chief Scientific Officer, Almirall, commented, *"Seysara™ is the first oral antibiotic in 40 years, specifically designed for dermatology, that has demonstrated to be an effective, safe and well-tolerated treatment option for physicians treating patients with moderate to severe acne. It's an innovative product that fits perfectly with our current pipeline, entirely dermatological"*.

Financial Impact

- The transaction reinforces Almirall dermatology franchise and positions it as a key growth driver, representing circa 45% of net sales (proforma).
- Sales growth acceleration will come from the launch of Seysara™ (sarecycline), which is expected to launch immediately after FDA approval.
- It is immediately EPS accretive, as it leverages current infrastructure in the U.S.

About Almirall

Almirall is a leading skin-health focused global pharmaceutical company that partners with healthcare professionals, applying Science to provide medical solutions to patients & future generations. Our efforts are focused on fighting against skin health diseases and helping people feel and look their best. We support healthcare professionals in its continuous improvement, bringing our innovative solutions where they are needed.

The company, founded 75 years ago and with headquarters in Barcelona, is listed on the Spanish Stock Exchange (ticker: ALM). Almirall has become a key element of value creation to society according to its commitment with its major shareholders and its decision to help others, to understand their challenges and to use Science to provide them with solutions for real life. Total revenues in 2017 were 755.8 million euros. It has more than 1,830 employees.

For more information, please visit almirall.com [linkedin.com/company/almirall](https://www.linkedin.com/company/almirall)

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