GBT Grupo Biotoscana

GBT REPORTS FOURTH QUARTER 2017 RESULTS

ORGANIC GROWTH ACCELERATING AND MARGINS IMPROVING

LONG-TERM STRATEGIC AGENDA ON TRACK

Montevideo, March 19th 2018 – Biotoscana Investments S.A. (B3: GBIO33), a biopharmaceutical group that operates in Latin America, announced today its results for the 4Q17 and full year of 2017. The following financial information is presented in Brazilian Reais (BRL) and prepared in accordance with International Financial Reporting Standards (IFRS) except for Non-IFRS measures.

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TICKER
GBIO33 (B3)

ENGLISH CONFERENCE CALL
March 20th
10:00 am (US ET) | 11:00am (Brasília)
t: +1 412 317-6776
code: GBT
Webcast available

PORTUGUESE CONFERENCE CALL
March 20th
12:00 pm (US ET) | 01:00pm (Brasília)
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code: GBT
Webcast available

WEBSITE
http://ir.grupobiotoscana.com

HIGHLIGHTS

Gross revenues for 4Q17 grew 14% in constant currency, totaling BRL 271.6M.

Net revenues for 4Q17 increased by 17.8% in constant currency, totaling BRL 244.4M.

Gross profit up 14.4% in 4Q17, in constant currency, totaling BRL 140.3M. **Gross margin** of 57.4%.

Adjusted EBITDA grew 5.5% in constant currency vs. 4Q16, amounting to BRL 73.2M in 4Q17. 19.2% growth excluding from the base an insurance recovery decoupled from its underlying loss (in 2Q17)

Adjusted net income up 6.9% in nominal terms from 4Q16, reaching BRL 36.9M in 4Q17.

Net revenues for full year 2017 at 817.5M, with 14% organic growth (excluding exchange rate effects, short-term businesses, divestitures and acquisitions).

Adjusted EBITDA reached BRL 199.4M in 2017, up 23.9% in constant currency.

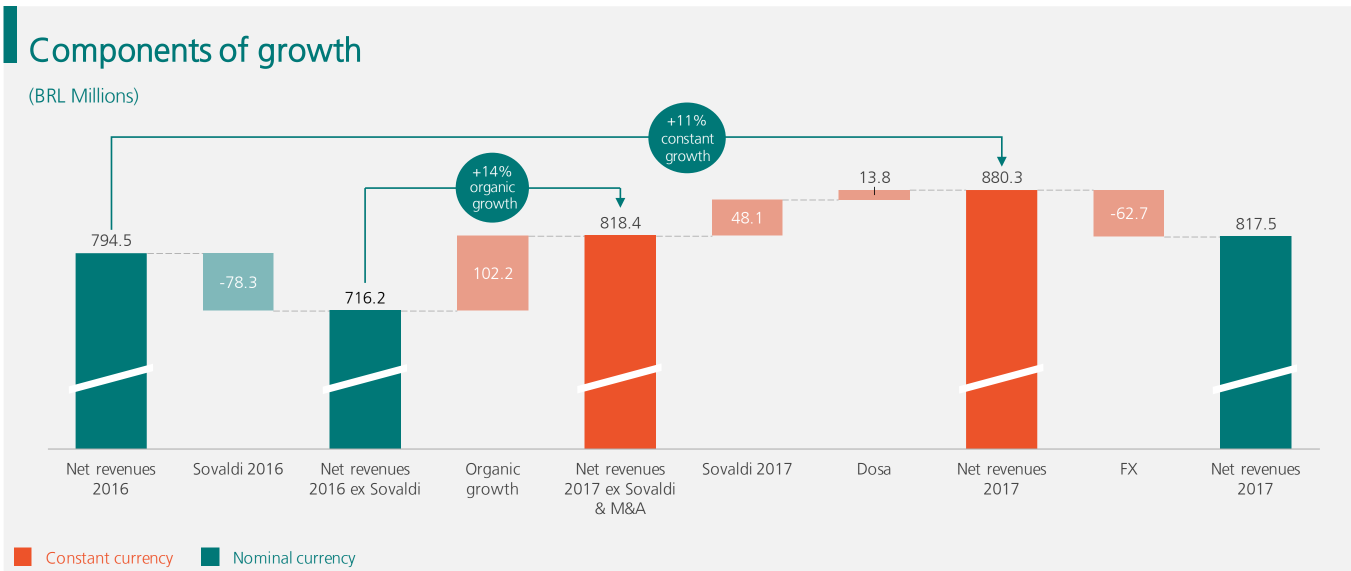
Gross margin for full year 2017 improved 3.8 pp when compared to 2016, reaching 53.8%. **Adjusted EBITDA margin** improved 2.5 pp, reaching 24.4%, in the same period.

	4Q17	4Q16	Chg. %	4Q17	Chg. %
Gross revenues	271.6	247.3	9.8%	282.0	14.0%
Gross revenues ex Sovaldi	265.2	229.1	15.8%	275.6	20.3%
Net revenues	244.4	215.0	13.7%	253.2	17.8%
Gross Margin (%)	*57.4%*	*58.9%*	*-1.5 p.p.*	*57.2%*	*-1.7 p.p.*
Adjusted EBITDA	73.2	70.9	3.3%	74.8	5.5%
Adjusted EBITDA Margin	*30.0%*	*33.0%*	*-3.0 p.p.*	*29.5%*	*-3.5 p.p.*

■ Constant currency ■ Nominal currency

MESSAGE FROM MANAGEMENT

2017 was a pivotal year, with important challenges and transformations for GBT. First and foremost, we are accelerating our organic growth. To analyze growth, we will use two critical concepts throughout this release: “constant currency growth” and “organic growth”[1]. These concepts are fundamental to understand a business that has an ever-evolving portfolio and operates under different currencies. “Constant currency growth” excludes the impact of foreign exchange. "Organic growth" is the term that we use to refer to growth that not only excludes foreign exchange, but also divestitures, acquisitions and discontinued or especially short-term businesses (such as SOVALDI®, which has a particular dynamic that will be explained in detail later in this report). The following graph gives us perspective of our growth components in 2017 using these concepts:



As you can see, our organic growth (the most relevant measure in this graph) was 14% in 2017. The same calculation in 2016 would have yielded 9%. That means, undoubtedly, that our core business has accelerated. You will see later in the report that the main reason for this acceleration are new products, as it should in a business that depends on bringing new technology constantly to the market. We closed the year at BRL 924M of gross revenues, which was roughly our estimate.

Our margins continue to be resilient and stable. We ended the year with almost 54% gross margin, 4 p.p. above 2016. Our EBITDA margin also improved slightly by 2.5 pp, going from 21.9% to 24.4%. We closed the year at BRL 199.4M of EBITDA, also on our estimates.

Most importantly, in 2017 we have initiated our fourth wave of transformation for the company. After starting-up and building the platform, we see in 2017 the first launches of our new wave of breakthrough products. We have launched HALAVEN and ABRAXANE®. During 2018, we plan to launch LENVIMA®, ZEVTERA®, FYCOMPA®, INOVELON® and others. We have also secured

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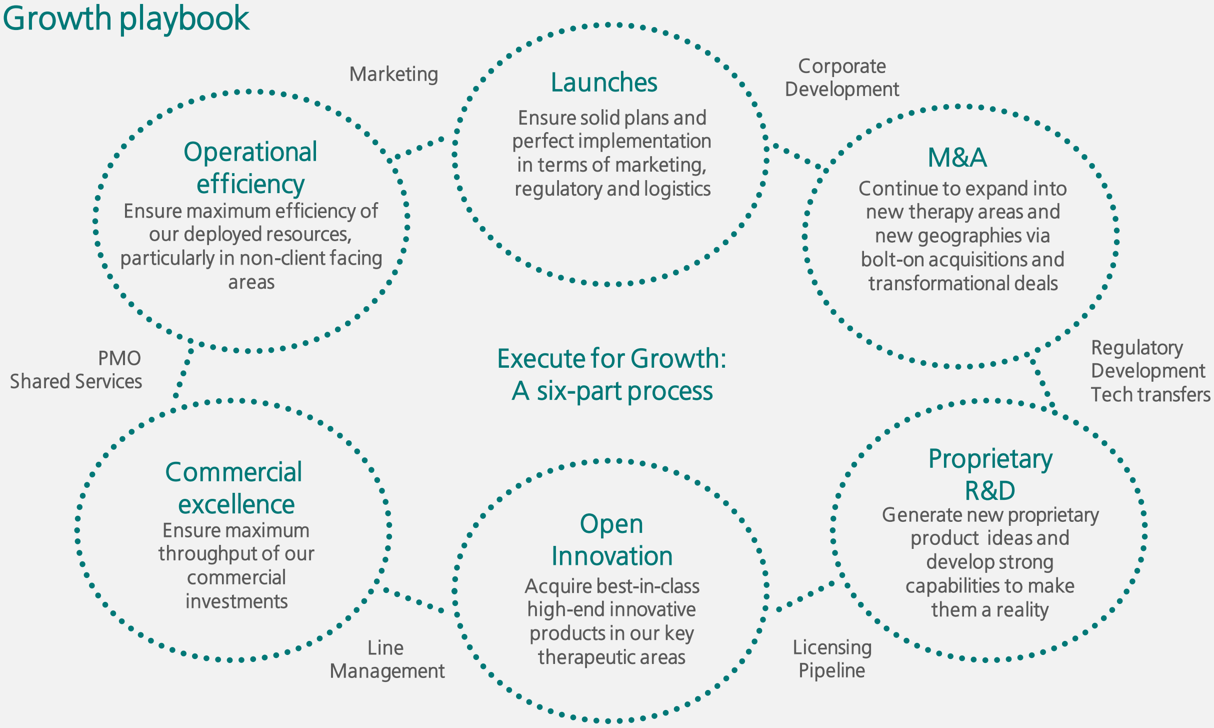
[1] Please note that in prior communications we have used these terms sometimes indistinguishably and we are now using a more precise definition, so these ratios may not be consistent with labeling used in the past.

permanent capital for the company through our IPO. We have re-ignited M&A through the acquisition of DOSA. We have established permanent structures for centralized R&D and for manufacturing, consolidating all our legacy operations. On the back-office front, we have also created an audit committee, with an independent member, aligned with best corporate governance practices and we continue to re-enforce our controls and compliance functions.

At the outset of the year, GBT is focused on six priorities. First, we are extremely focused in realizing the potential of our new breakthrough products. Our past two years have been very prolific in terms of new drugs and we believe GBT has one of the richest pipelines in the industry, with breakthrough therapies such as ABRAXANE®, HALAVEN®, LENVIMA®, CRESEMBA® and ZEVTERA®. Effectively positioning these products will be foundational for years to come. Secondly, we continue to search for M&A opportunities. As our past shows, we are obsessively conservative with capital and we are also laser focused on our strategy, so we will continue to be careful and picky on M&A endeavors, but no less relentless. Third, we will continue to expand and improve our in-house research, now with more people and stronger leadership, combining our legacy LKM and DOSA operations into one single R&D powerhouse. Fourth, we continue to play in the cutting-edge world of open innovation. As a pioneer in the new paradigm for innovation in the world, GBT continues to develop a rich and deep pipeline, second to none in the region. Fifth, we continue to enhance our operations and commercial firepower, now with stronger analytic support and bringing world-class resources to our strategic planning and performance monitoring areas. Finally, we continue to streamline our non-client facing operations, ensuring our controls continue to be world-class and our resources are spent in the most efficient ways.

GBT Growth playbook



In summary, GBT is solidifying the basis for the future. We have the right products, the right strategy and most of all, a strong and focused management team committed to the company in the long-run. It will not all be good news and stability in the coming quarters, as is always the case with fast-developing, pioneer companies (read in the following section our comments on the Actelion contract as an example). We have way more opportunities than challenges, we have the right set of skills and we have the capital to execute our plan.

SUBSEQUENT EVENTS

ACTELION

On March 13th, GBT announced the contract expiration with Actelion that comprises four products – OPSUMIT®, TRACLEER®, ZAVESCA® and VELETRI®. Altogether, these products represented 15% of 2017 gross profit (13% pro-forma with DOSA). We plan to cut all the direct expenses attributed to Actelion products, that amounts to approximately 17% of total selling and marketing expenses and we will work on a plan to reduce its indirect expenses to mitigate the impact of this contract expiration. This is undoubtedly a setback which we did not expect. It is not, however, a crippling event that hinders our long-term potential. It is the nature of the pharmaceutical business that products are not eternal and, once their lifecycle winds down, other innovative products take their place. This is to say that you shouldn´t expect that any portfolio would have the same importance forever and there is no franchise that is a permanent backbone of our future. Much more important franchises are in the pipeline (as Eisai or Basilea) which in the medium-term will more than compensate for this loss. Obviously, the loss will impact 2018 and 2019, but it in no way hinders our ability to continue to execute on our plans and we expect that the long-term prospects for the company remain largely unchanged.

HIV ARGENTINA

As widely mentioned earlier, in 2017 GBT won a significant HIV bid in Argentina, which was not delivered (as originally planned) in 4Q17. However, last week the government confirmed the purchase order and deliver will happen 50% in 1Q18 and the other 50% during 2Q18, totaling approximately BRL 15M of net revenues.

OTHERS

In the beginning of 2018, GBT hired Diego Sanguinetti as Executive Vice President of Operations.

Also in January, the Board of Directors approved the capital increase of USD 876.23 in order to issue 876.226 new shares, in connection with the 50%-vesting of the stock grant program.

In February, GBT launched ZEVTERA® (ceftobiprole) in Argentina. In March GBT announced a product addition to an existing contract with Biocad for INFLIXIMAB, a biosimilar product that GBT has the exclusive marketing authorization in Colombia.

SUMMARY

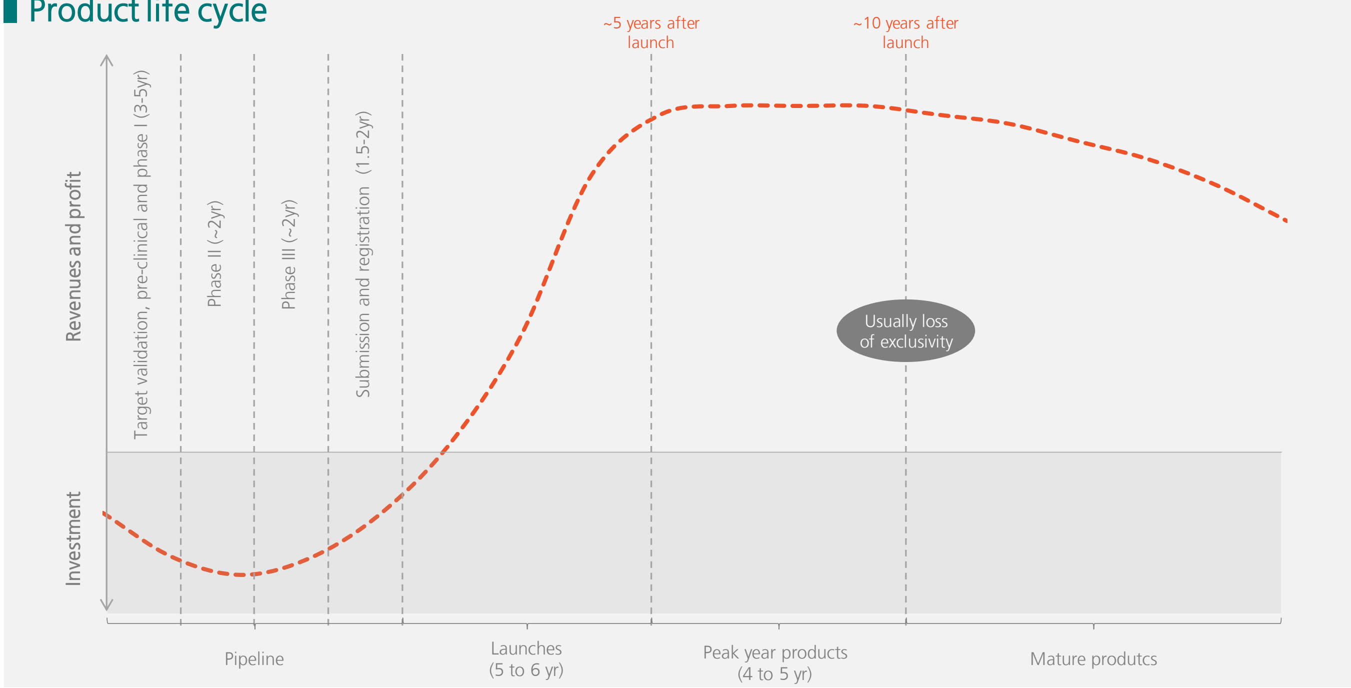
PORTFOLIO OVERVIEW

GBT is a regional biopharmaceutical company based on innovation focusing on high specialty pharmaceutical products. The company has an established presence in 10 Latin American markets and is concentrate on fast-growth market therapeutic lines such as orphan/rare diseases, oncology and onco-hematology, special treatments, immunology and inflammation and infectious diseases.

GBT is the region's pioneer in open science: a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, to advance technological development. GBT strives for its portfolio to be a mix of high-end technology with externally acquired molecules, and the proprietary products developed in house. The balance between the two gives GBT an extraordinary edge in technology and, at the same time, the capacity to adapt and seize local opportunities.

Pharmaceutical industry thrives on new technology and deploying better and better medications constantly. We are always developing, launching, marketing and replacing perishable technology. It is critical, thus, to understand the life-cycle of our drugs to understand our potential. Caveat emptor, not all products are the same and generalizations are inaccurate by nature. However, GBT believes the following guidelines can help our investors understand the granularity of our portfolio better.

Product life cycle



In the pipeline stage, our R&D departments (or that of our partners) invests in science and technology to develop a new drug. This comprises several stages in which the odds of the product becoming viable increases over time. For a typical licensing product, GBT partners at the final stage (submission and registration), thus reducing significantly the risk of failure. The commercial life comprises three stages. Its first years of commercialization are characterized by market penetration, education and positioning of the product against its competitors. This typically takes between 5 to 6 years. By that time, the product is widely known and its usage is well established. We see then a slowdown in the growth curve and reasonably flat performance during approximately 5 years, in what we call the Peak Years. Eventually, all technology becomes obsolete and intellectual protection expires. This switches the product into a mature stage, where we typically see a decline, which can be slow or abrupt, depending on the quality of the replacement technology, penetration of generic drugs and price differentials. Obviously, this is a gross simplification, but it helps to look at our portfolio in these terms and we are providing the vintage split in further sections with this objective in mind. The following table summarizes our portfolio in the different vintage buckets.

Portfolio overview

			Origin	
	Product category	Time horizon	Licenses	Proprietary
Commercial Stage	Launches (key launches and other launches)	1-5 year old products	Examples: Halaven, Abraxane	Examples: Zyvalix, Telavir
	Peak years	5-10 year old products	Examples: Vidaza, Alprostapint	Examples: Ladevina, Tobradosa
	Mature products	10+ year old products	Examples: Ambisome, Salofalk	Examples: Leprid, Timab
Pipeline Stage	Contracted Pipeline	Products to be launched in the short to mid-term (1-4 years)	17 molecules	19 molecules
	Further Pipeline*	Closing negotiations	18 molecules	Undisclosed number
		Under due dilligence	32 molecules	
		Early stage conversations	30 molecules	

* As of February 2018

PORTFOLIO BREAKDOWN

GBT´s commercial stage portfolio includes:

i. Launches (1 to 5 year old products) are products launched recently and can be divided into key launches from innovative licensed products and other launches from the BGx portfolio;

ii. Peak year products, which are approximately 5 years after launch, that already reached peak sales. It´s a mix of licensed and BGx products;

iii. Mature products are around 10 years or over after launch, and usually already lost exclusivity and may start to decline over the years. It´s also a mix of licensed and BGx products.

Proprietary specialty products (BGx) are developed and manufactured in Argentina through four proprietary plants. GBT´s proprietary products are exported to the entire region, expect Brazil and Mexico.

BASE PORTFOLIO

Five main products from the base portfolio (all stages, excluding only key launches) represented approximately 40% of total gross revenues in 2017. They are comprised by:

Base portfolio main products

	Description	Type	Year of launch	Countries
AmBisome	Anphotericin B liposome prescribed for the empiric treatment of systemic fungal infections caused by Aspergillus and Candida species	Partnership | Gilead	1999 (10+)	Brazil
LADEVINA	Lenalidomide is indicated for transfusion-dependent anemia in patients with myelodysplastic syndrome. In combination with dexamethasone is prescribed for patients with R/R multiple myeloma	Proprietary | BGx	2011 (5-10)	Argentina, Chile, Peru and Uruguay
Salofalk	Mesalazine indicated for the treatment of acute episodes and the maintenance of remission of ulcerative colitis and Crohn's Disease.	Partnership | Dr. Falk	2007 (10+)	Argentina, Chile, Colombia and Peru
Telavir	A combination of Tenofovir DF and Lamivudine indicated for the treatment of HIV infection in adult patients	Proprietary | BGx	2013 (1-5)	Argentina
Vidaza	Azacitidine indicated for the treatment of patients with several myelodysplastic syndrome types	Partnership | Celgene	2010 (5-10)	Brazil

RECENTLY LAUNCHED PRODUCTS

Recently launched products are the licensed products launched in the past five years (key launches). Usually, these products are still in the ramp up phase to reach peak market share. Below you can see a typical curve for drugs just launched:

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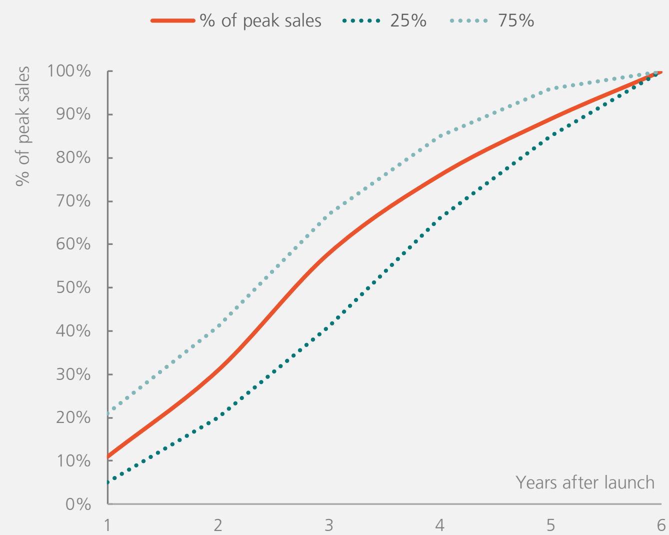
Product peak sales per year



Year after launch	Median % of peak sales	Interquartile range
1	11%	5-21
2	31%	20-41
3	58%	41-67
4	76%	66-85
5	89%	85-96
6	100%	n/a

Source: Shape of a median launch curve for drugs launched in the United States, 2000–2002. Figure from Robey & David, Nat Rev Drug Disc, 2016.

At the end of 2017, GBT had five products as key launches, that are:

Recently launched products

	Description	Partner	Year of launch	Countries launched
Abraxane	Paclitaxel protein-bound particles prescribed for patients with metastatic breast cancer, locally advanced non-small cell lung cancer, and metastatic adenocarcinoma of the pancreas as first-line treatment in combination with gemcitabine	Celgene	2017	Brazil and Mexico
Halaven	Eribulin mesylate indicated for patients with metastatic breast cancer and liposarcoma	Eisai	Transition to GBT in 2017	Brazil
Opsumit macitentan	Macitentan indicated for the treatment of pulmonary arterial hypertension (WHO Group I) to delay disease progression	Actelion	2015	Argentina, Colombia and Chile
SOVALDI	Sofosbuvir in tablet form used with other antiviral medicines to treat chronic hepatitis C genotype 1, 2, 3, or 4 infection in adults	Gilead	2015	Brazil
VELETRI	Epoprostenol indicated for the treatment of pulmonary arterial hypertension (WHO Group I)	Actelion	2016	Argentina

PIPELINE

Grupo Biotoscana continues to build and deliver pipeline with important progress, bringing innovative products into the region.

GBT´s pipeline can be divided into innovative products and BGx and also between contracted pipeline (products that we already signed and are under registration process and BGx under registration process) and further pipeline (products and deals that are under analysis and negotiations are not completed and BGx under development).

CONTRACTED PIPELINE

2017 was a successful year for partnerships. GBT announced multiple licensing/distribution agreements for key assets in oncology, infectious disease and rare disease. The table below shows the evolution of deals closed during 2016 and 2017.

Partnership products – Contracted pipeline

Year of signing	# molecules signed	Products by Partner
2016	6	Pierre Fabre: BUSILVEX®, JAVLOR®, NAVELBINE®; Leadiant: CDCA®; Basilea Pharmaceutica: ZEVTERA®, CRESEMBA®
2017	7	Celgene: ABRAXANE®; Dipharma: DITERIN®; Gilead: HARVONI®; Eisai: FYCOMPA®, LENVIMA®, HALAVEN®, INOVELON®

Currently, GBT has 17 molecules in the contracted pipeline, and some of the them are already being executed. In terms of new product approvals, we obtained marketing authorization for ZEVTERA® (ceftobiprole) in Argentina, broad-spectrum intravenous antibiotic from the cephalosporin class for i.v. administration, indicated for certain Gram-positive and Gram-negative bacteria. ZEVTERA® (ceftobiprole) was launched in the country in February this year.

We also achieved approvals of Harvoni in Brazil with CMED price approval in February this year and approval and launch of ABRAXANE®/ ABRAXUS® (nab-paclitaxel) in Brazil and Mexico. In the 4Q17, we initiated sales of ABRAXANE® (nab-paclitaxel) in Brazil with start of commercialization in November last year.

Regarding new launches, 2018 will be a very busy year, with many innovative products to be launched across the region and further geo-expansion of BGx line and four new BGx molecules in Argentina, in oncology and severe pulmonary disease therapy areas. In 2017, GBT submitted 20 dossiers between different countries, such as Bolivia, Chile, Peru, Uruguay, Colombia, Ecuador and Paraguay.

Below is a list of the current partnership contracted pipeline:

Partnership products – Contracted pipeline

Product	Partner	Indication	Phase	Estimated time to market	Countries
HALAVEN®	Eisai	Metastatic Breast Cancer	Registration	2018-2019	LatAm ex Mexico
LENVIMA®	Eisai	Refractory Thyroid Cancer Renal Cell Carcinoma	Registration	2018-2019	LatAm ex Mexico
FYCOMPA®	Eisai	POS, SGS Epilepsy	Registration	2018-2019	LatAm
INOVELON®	Eisai	Seizures associated with Lennox-Gastaut Syndrome	Registration	2018-2019	LatAm
HARVONI®	GILEAD	Hepatitis C	Ready to be launched	2018	Brazil
CDCA-Leadiant®	Leadiant	Cerebrotendinous Xanthomatosis	Registration	2018-2019	LatAm
CRESEMBA®	basilea	Fungal Infection	Registration	2018-2019	LatAm
ZEVTERA®	basilea	CAP, HAP and MRSA	Registration	2018-2019	LatAm
JAVLOR®	Pierre Fabre	Bladder Cancer	Registration	2018-2019	Andean region
NAVELBINE®	Pierre Fabre	Metastatic Breast Cancer, NSCLC	Registration	2018-2019	Andean region
BUSILVEX®	Pierre Fabre	Conditioning for Hematopoietic Progenitor Cell Transplantation	Registration	2018-2019	Andean region
DITERIN®	Dipharma	Phenylketonuria (PKU)	Registration	2018-2019	BR, MX, AR, +4
RITUXIMAB	BIOCAD	NHL, CLL, Rheumatoid Arthritis	Registration	2019-2020	Andean region + AR
TRASTUZUMAB	BIOCAD	Breast Cancer, Gastric Cancer	Registration	2019-2020	Andean region + AR
BEVACIZUMAB	BIOCAD	Colorectal Cancer, NSCLC	Registration	2021-2022	Andean region + AR
ADALIMUMAB	BIOCAD	Rheumatoid Arthritis, Psoriatic Arthritis	Registration	2021-2022	Andean region + AR
INFLIXIMAB	BIOCAD	Crohn disease, Ulcerative Colitis, Rheumatoid Arthritis	Signed	2021-2022	Colombia

Note: POS = Partial onset seizures, SGS = Secondary generalized seizure, NSCLC = Non-Small Cell Lung Cancer, CAP = Community-Acquired Pneumonia, HAP = Hospital-Acquired Pneumonia, NHL = Non-Hodgkin Lymphoma, CLL = Chronic Lymphocytic Leukemia, MRSA = Methicillin-resistant Staphylococcus aureus

FURTHER PIPELINE

The following table shows GBT´s further pipeline for licensed products, divided by early stage, due diligence and closing stages.

Further licensing pipeline*

(# of molecules)

Stage	Oncology	Rare diseases	Special treatments and I&I	Anti infectives
Early stage	13	11	1	5
Due dilligence	4	2	25	1
Closing	-	-	3	15

* As of February 2018

GBT Grupo Biotoscana

FINANCIAL AND OPERATING PERFORMANCE

The table below shows GBT´s P&L highlights that will be discussed in detail further on.

Profit and loss statement highlights

(BRL Millions)

	4Q17	4Q16	Chg. %	4Q17	Chg. %	2017	2016	Chg. %	2017	Chg. %
Gross revenues	271.6	247.3	9.8%	282.0	14.0%	924.0	907.4	1.8%	997.4	9.9%
Net revenues	244.4	215.0	13.7%	253.2	17.8%	817.5	794.5	2.9%	880.3	10.8%
Cost of goods sold	-104.1	-88.4	17.8%	-108.3	22.6%	-377.9	-396.9	-4.8%	-400.8	1.0%
COGS (%)	*-42.6%*	*-41.1%*		*-42.8%*		*-46.2%*	*-50.0%*		*-45.5%*	
Gross profit	140.3	126.6	10.8%	144.9	14.4%	439.7	397.6	10.6%	479.4	20.6%
Gross Margin (%)	*57.4%*	*58.9%*		*57.2%*		*53.8%*	*50.0%*		*54.5%*	
Recurring operating expenses	-78.5	-62.6	25.5%	-82.4	31.7%	-270.1	-248.7	8.6%	-295.0	18.6%
Recurring OPEX (%)	*-32.1%*	*-29.1%*		*-32.5%*		*-33.0%*	*-31.3%*		*-33.5%*	
(+) Stock grants	3.6	0.0	-	6.7	-	-30.5	0.0	-	-30.5	-
(+) Stock options	0.0	0.0	-	0.0	-	0.0	0.0	-	0.0	-
Opex including non-cash items	-74.9	-62.6	19.8%	-75.7	21.0%	-300.6	-248.7	20.9%	-325.4	30.9%
OPEX (%)	*-30.6%*	*-29.1%*		*-29.9%*		*-36.8%*	*-31.3%*		*-37.0%*	
Operating income	65.4	64.0	2.2%	69.2	8.0%	139.1	148.9	-6.6%	154.0	3.4%
EBIT Margin	*26.8%*	*29.8%*		*27.3%*		*17.0%*	*18.7%*		*17.5%*	
(+) D&A	6.0	4.7	26.7%	6.1	29.1%	18.4	14.4	27.9%	19.3	34.7%
(+) Stock grants	-3.6	0.0	-	-6.7	-	30.5	0.0	-	30.5	-
(+) One-time adjustment	5.4	2.2	152.8%	6.2	189.5%	11.5	11.0	4.4%	12.1	9.4%
Adjusted EBITDA	73.2	70.9	3.3%	74.8	5.5%	199.4	174.3	14.4%	215.9	23.9%
Adjusted EBITDA Margin	*30.0%*	*33.0%*		*29.5%*		*24.4%*	*21.9%*		*24.5%*	
EBITDA	71.4	68.8	3.8%	75.3	9.5%	157.4	163.3	-3.6%	173.3	6.2%

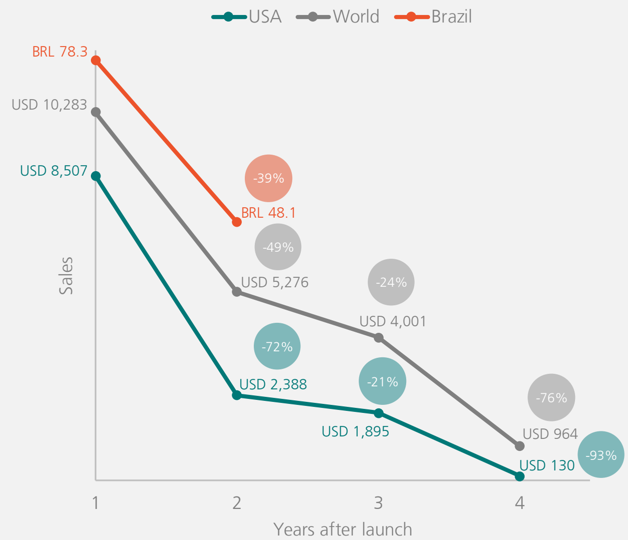
Constant currency   Nominal currency

GROSS REVENUES

The company´s gross revenue totaled BRL 271.6M in the 4Q17, up 9.8% compared to 4Q16. On a constant currency basis, gross revenues reached BRL 282.0M in the quarter, an increase of 14.0% when compared to the same period of last year. In the full year of 2017, gross revenues came to BRL 924.0M from BRL 907.4M, up 1.8% or 9.9% in constant currency. This result is impacted by SOVALDI®.

SOVALDI® is a blockbuster drug used with other antiviral medicines to treat chronic hepatitis C genotype 1, 2, 3, or 4 infection in adults with high cure rates, so the initial backlog of patients we experienced in 2016 was a one-time effect and also the initial stock up from distributors, which positively impacted sales in 2016. Nonetheless this does not reflect in proportional impact at EBITDA level. We share the promotion of SOVALDI® with Gilead and thus, our margins are significantly lower than the rest of the line. SOVALDI® drop in Brazil follows the same trend of sales in the US and in the world.

Sovaldi growth curve

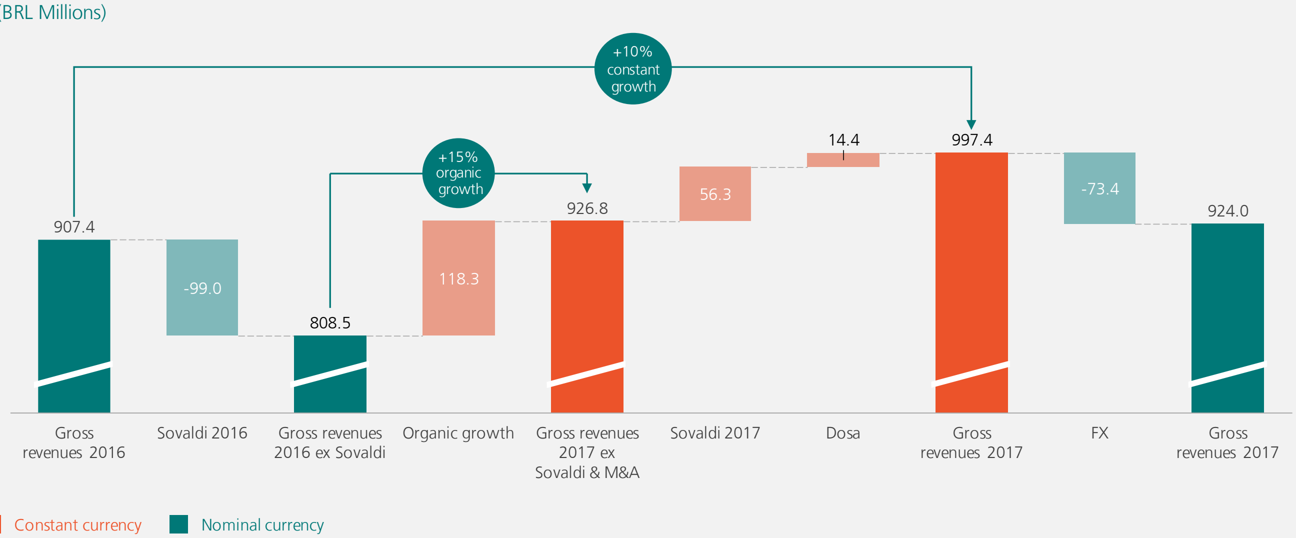


Source: USA and World sales for Sovaldi are available at http://investors.gilead.com

Excluding SOVALDI, gross revenues increased by 20.3% in constant currency. GBT reported double-digit growth, up 14.6% organic growth.

Gross revenues

(BRL Millions)



PORTFOLIO BREAKDOWN

LYFE CYCLE

Analyzing GBT´s portfolio in terms of vintages (launches, peak-year products and mature products), gross revenues increase (10% in constant currency) is supported by:

i. Launches: 69% growth from products that are within 5 years of launch, including key launches (except SOVALDI®) and other BGx launches, such as TELAVIR with double-digit growth YoY and ZYVALIX;

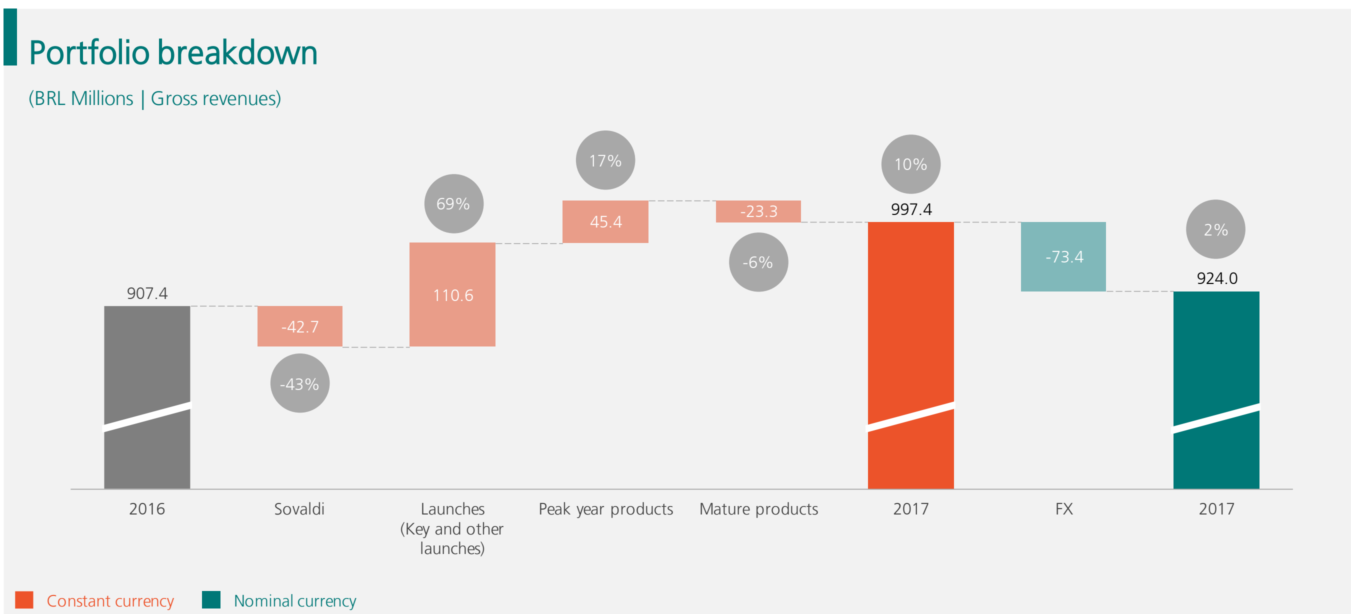
ii. Peak-year products (over 5 years of launch) contributing with 17% increase and still strong uptake of products like VIDAZA;

iii. Mature products (over 10 years of launch) showed a decline of 6%, in constant currency.

SOVALDI decreases, as seen above, following market trend.

The vintage breakdown shows relatively steady level of growth from younger vintage products, including BGx and licensed.

Base portfolio, that includes other launches (excluding recently launched products), peak-year products and mature products) increased by 9% YoY, in constant currency, supported by double-digit growth of other launches and peak-year products, offset by the decline in mature products, as showed below.



RECENTLY LAUNCHED PRODUCTS

In 2017 there were two new launches from deals signed - ABRAXANE® and HALAVEN®. Launches happened in the second half of the year, so the products are still in a very early uptake phase.

OPSUMIT® posted 39.9% increase in 4Q17. In the full year of 2017 gross revenues came to BRL 75.9M, up 56.7%. The product has just entered Colombia price control list with approximately 45% discount in prices from February 2018 onwards.

SOVALDI®, as previously explained, followed the same trend in Brazil as it did in the world, with a drop of 65.0% when compared with 4Q16 or a decrease of 43.1% YoY, reaching BRL 56.3M in 2017 from BRL 99.0M in 2016.

VELETRI® reached BRL 6.0M in the 4Q17 from BRL 1.0M in the 4Q16.

ABRAXANE® gross sales amounted to BRL 3.1M in the 4Q17, in lieu of the beginning of our commercial efforts in Mexico and Brazil. ABRAXANE® is indicated for pancreatic cancer, a highly unmet medical need and it was well received by oncologists in the region.

HALAVEN® reached gross revenues of BRL 7.4M in 4Q17. Full promotional efforts with new communication campaign reinforcing overall survival of patients in under place since beginning of May 2018, in Brazil.

Recently launched products

(BRL Millions)

	4Q17	4Q16	Chg. %	4Q17	Chg. %	2017	2016	Chg. %	2017	Chg. %
Total gross revenues	271.6	247.3	9.8%	282.0	14.0%	924.0	907.4	1.8%	997.4	9.9%
Opsumit	22.4	16.0	39.9%	24.2	51.1%	75.9	48.5	56.7%	86.3	78.2%
Sovaldi	6.4	18.2	-65.0%	6.4	-65.0%	56.3	99.0	-43.1%	56.3	-43.1%
Veletri	6.0	1.0	485.2%	6.8	561.9%	16.0	1.3	1113.5%	18.7	1321.3%
Abraxane	3.1	0.0	-	3.0	-	3.6	0.0	-	3.5	-
Halaven	7.4	0.0	-	7.4	-	7.4	0.0	-	7.4	-
Gross revenues - Recently launched products	45.2	35.2	28.4%	47.7	35.4%	159.1	148.7	7.0%	172.2	15.8%
Total deductions	-17.4	-21.7	-20.1%	-19.0	-12.6%	-72.2	-68.5	5.4%	-82.9	21.0%
Total tax on sales	-9.8	-10.6	-7.6%	-9.8	-7.6%	-34.2	-44.4	-22.9%	-34.2	-22.9%
Total net Revenues	244.4	215.0	13.7%	253.2	17.8%	817.5	794.5	2.9%	880.3	10.8%

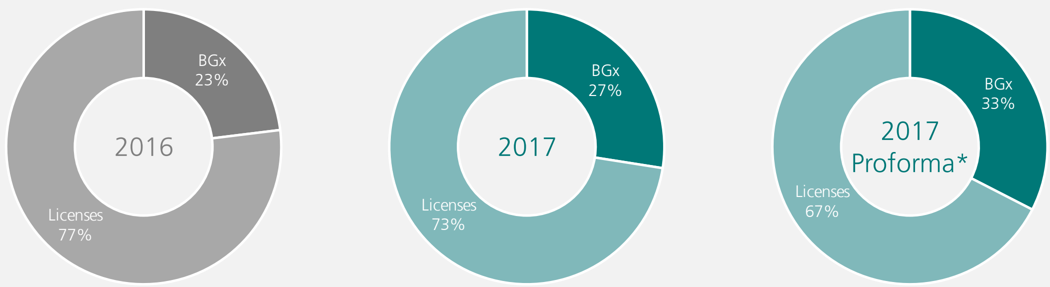
Constant currency | Nominal currency

PRODUCT ORIGIN

In 2017, 73% of total gross revenues came from licensed innovative products whereas in 2016 77% came from this portfolio. Branded generics portfolio (BGx) represented 27% of total gross revenues from 23% in 2016. This slight increase in the BGx portion is mainly impacted by the acquisition of Dosa. Proforma revenue breakdown, including Dosa for the full year of 2017, was 67% from licensed products and 33% from BGx.

Portfolio breakdown

(% of gross revenues)



* Includes Dosa for the full year of 2017

THERAPEUTIC AREA

Therapeutic area gives you a sense of the market in general. The company remains strongly focused in Oncology that accounted for 35.6% of our gross revenues in 2017, reaching BRL 329.4M, up 41.0% in constant currency. This is mainly explained by the new products recently launched - ABRAXANE® and HALAVEN® and an increase in sales of products like VIDAZA® (azacitidine) and LEPRID®. ABRAXANE® and HALAVEN® are fulfilling initial expectations, VIDAZA keeps posting strong uptake and LEPRID® (leuprorelin) also contributed to the YoY growth, among others.

Gross revenues from infectious diseases represented 31.8% in 2017, reaching BRL 293.8M, a decrease of 10.3% YoY. This is chiefly due to the drop in SOVALDI®, also affected by TELAVIR®, offset by HIV bid partial delivery in the 4Q16. HIV bid from 2017 is expected to be delivered in the 1H18.

Orphan and rare diseases therapeutic line represented 18.8% of our revenues in 2017, totaling BRL 173.4M, up 36.9% from the same period of last year, in constant currency. The result is driven by the new portfolio of severe pulmonary diseases from Dosa and some of the recently launched products (key launches). Dosa´s severe pulmonary disease line is considered rare diseases since they are niche products.

Specialty treatments and I&I (inflammation and immunology) totaled BRL 119.2M, down 11.2% in constant, representing 12.9% of total revenues. This is mainly due to access barriers in small countries, entrance of a generic product for ALPROSTAPINT in

Colombia and also a reflection of the end of the Zika virus epidemic in Ecuador and Colombia, as mentioned last quarters, which fueled sales of SANDOGLOBULINE® (human immunoglobulin) in 2016.

Therapeutic area components of revenue

(BRL Millions)

	4Q17	% '17	4Q16	% '16	Chg. %	4Q17	% '17	Chg. %	2017	% '17	2016	% '16	Chg. %	2017	% '17	Chg. %
Gross revenues	271.6	100%	247.3	100%	9.8%	282.0	100%	14.0%	924.0	100%	907.4	100%	1.8%	997.4	100%	9.9%
Infectious diseases	74.4	27%	90.7	37%	-18.0%	75.0	27%	-17.3%	293.8	32%	341.9	38%	-14.1%	306.7	31%	-10.3%
Onco & onco-hematology	110.5	41%	79.1	32%	39.7%	116.5	41%	47.3%	329.4	36%	256.9	28%	28.2%	362.2	36%	41.0%
Speacialty treatments and I&I	31.8	12%	32.4	13%	-1.8%	31.5	11%	-2.7%	119.2	13%	141.7	16%	-15.9%	125.9	13%	-11.2%
Orphan & rare diseases	53.6	20%	38.7	16%	38.6%	57.6	20%	49.0%	173.4	19%	141.4	16%	22.6%	193.6	19%	36.9%
Others	1.3	0%	6.4	3%	-80.1%	1.3	0%	-80.4%	8.3	1%	25.5	3%	-67.5%	9.1	1%	-64.4%
Deductions	-17.4		-21.7		-20.1%	-19.0		-12.6%	-72.2		-68.5		5.4%	-82.9		21.0%
Tax on sales	-9.8		-10.6		-7.6%	-9.8		-7.6%	-34.2		-44.4		-22.9%	-34.2		-22.9%
Net Revenues	244.4		215.0		13.7%	253.2		17.8%	817.5		794.5		2.9%	880.3		10.8%

Constant currency | Nominal currency

NET REVENUES

YoY deductions increased due to the increase on sales. The increase on deduction is roughly the same proportion as the increase of gross revenues. Deductions represented 7.5% of gross revenues in 2016. In 2017, represented 7.8% in nominal currency and 8.3% in constant currency. This 0.8 p.p. increase reflects the mix of products and sales channel throughout the year.

Net revenues reached BRL 244.4M in 4Q17, an increase of 17.8% in constant currency or 13.7% in nominal, when compared to the same period in 2016. In 2017, net revenues accumulated growth of 10.8% in constant currency and 14% organic growth. Excluding only Dosa, net revenues reached BRL 805.3M (or BRL 866.5M in constant currency) in 2017, an increase of 9.1% in constant currency (or 1.4% in BRL) when compared with full year of 2016.

Net revenues growth

(BRL Millions)

	2016 vs. 2017	2016 vs. 2017 Main drivers
Nominal growth	3%	Positive: new produtcs, Dosa Negative: Sovaldi, FX
Constant currency growth[1]	11%	Positive: new produtcs, Dosa Negative: Sovaldi
Organic growth[2]	14%	Positive: new produtcs and overall company's core operation

[1] Growth excluding FX
[2] Growth excluding FX, special products, M&A and discontinued operations

GEOGRAPHY BREAKDOWN

In Argentina, the company is still growing strongly, posting 50.5% growth in constant currency in 4Q17 (up 33.3% in BRL) and accumulated growth of 43.1% in the full year of 2017 (+19.6% in BRL), with all lines in general doing well, specially the rare disease line focused in severe pulmonary diseases. GBT won a part of the HIV bid in Argentina in 2017 and delivery will happen in 1H18, adding approximately BRL 15M in net revenues for the current year. Excluding Dosa, Argentina grew 29% in constant currency in 4Q17 vs. 4Q16 and for the full year increase 37% YoY.

In Brazil, net revenues posted an increase of 10.6% in 4Q17, in constant currency. Full year of 2017, Brazil posted increase of 3.3% in constant currency and 2.5% in BRL. The slight increase is mainly due to the impact of SOVALDI®, broadly explained. Excluding SOVALDI®, organic growth came to 25.0% in 4Q17 and 16.2% in the full year of 2017, supported by very good performance of VIDAZA® and steady pace of AMBISOME® with low single-digit improvement in revenues.

Our Colombia operation continue to face challenges, due to strains in the payment value chain, price controls and overall difficulty of the health system to fund a very broad health coverage. On a quarterly basis, Colombia posted a decrease of 6.3% in constant currency (-5.0% in BRL), showing a slight improvement of 3.5% from 3Q17. The country operation is undergoing a restructuring process, with operations and headcount under revision in order to adapt to the new reality of the market. There was a price control list published in December, with effectiveness from February 2018 onwards, reducing in about 45% prices for OPSUMIT®, ZAVESCA®, SALOFALK® and MIELOZITIDINA®.

We are ramping up Mexico operations, working on dossiers for Basilea products – CRESEMBA® and ZEVTERA® and on business plan for Eisai products – FYCOMPA® and INOVELON®.

The rest of our operations have performed well, in general. Chile, Uruguay, Ecuador, Paraguay and Bolivia are progressing well, resulting on an overall positive contribution to growth of 2.5% in constant currency (or 4.6% in BRL) in 4Q17. In 2017, there was a decrease of 3.5% in constant currency or 8.8% in BRL. Oncology BGx line in Chile is doing well, and the increase on sales contributed to the partial recovery of these countries, which was offset by several factors, among which we count the end of the Zika virus epidemic in Ecuador, which in 2016 contributed to strong sales of our blood derivatives line. There was a corporate restructure for Uruguay, Paraguay and Bolivia, centralizing managerial routine under one country manager and integrated back office, maintaining only separate sales force, focusing on cost control.

In terms of country components, Brazil and Argentina continue to be our two main geographies, representing 41.7% and 31.0% respectively, as has been the trend in previous quarters. We derive 17.2% of revenues from Colombia and approximately 10.0% from the rest.

Net revenues

(BRL Millions)

	4Q17	4Q16	Chg. %	4Q17	Chg. %	2017	2016	Chg. %	2017	Chg. %
Net revenues	244.4	215.0	13.7%	253.2	17.8%	817.5	794.5	2.9%	880.3	10.8%
Argentina	75.7	56.8	33.3%	85.4	50.5%	253.8	212.1	19.6%	303.5	43.1%
Brazil	107.7	97.4	10.6%	107.7	10.6%	341.3	333.0	2.5%	344.0	3.3%
Colombia	38.2	40.2	-5.0%	37.7	-6.3%	141.0	161.8	-12.8%	146.7	-9.3%
Mexico	1.3	0.0	-	1.3	-	1.6	0.0	-	1.5	-
Others	21.5	20.6	4.6%	21.1	2.5%	80.0	87.7	-8.8%	84.6	-3.5%

Constant currency Nominal currency

GROSS PROFIT

In 4Q17, our gross profit increased by 14.4% in constant currency (or +10.8% in BRL), when compared to the same period in 2016, reaching BRL 140.3M from BRL 126.6M in 4Q16. Excluding VIDAZA® recovered insurance in 4Q16 (BRL 9.4M), our gross profit increase by 23.7% in operational terms and 19.8% in BRL.

The gross margin reached 57.4%, up 2.9 p.p. when compared with 4Q16 gross margin of 54.5% (excluding VIDAZA® recovered insurance). The increase is impacted by: (i) increase in sales; (ii) increase in the relative weight of Argentina´s net revenues in the consolidated net revenues, contributing to a higher gross margin than the usual average gross margin of the company (around 50%) and (iii) better mix of sales channels and products in Brazil.

For the full year of 2017, gross profit came to BRL 439.7M from BRL 397.6M, an increase of 20.6% in constant currency (+10.6% in BRL) and gross margin increased by 4.5 p.p. reaching BRL 54.5%, in constant currency.

OPERATING EXPENSES

Operating expenses reached BRL 74.9M in 4Q17, an increase of 19.8% in BRL (or 21.0% in constant) from 4Q16. Excluding non-recurring expenses from both periods, operating expenses reached BRL 78.5M in 4Q17, an increase of 25.5% in BRL (or 31.7% in constant) from 4Q16.

In the full year, operating expenses added up to BRL 300.6M, up 20.9% in BRL (or 30.9% in constant) from 2016. Excluding non-recurring expenses from both periods, operating expenses reached BRL 270.1M in 2017, up 8.6% in BRL (or 18.6% in constant) from 2016.

The breakdown and analysis of our expenses is as follows:

Selling and marketing expenses (+3.1% in constant currency) reaching BRL 36.3M in the quarter from BRL 36.7M in 4Q16 and totaled BRL 131.6 in 2017, up 9.3% in constant currency (0.9% in BRL) from 2016.

This is mainly due to the new headcount hiring for ABRAXANE/ABRAXUS® in Brazil and Mexico in 2H17, with 2 sales managers in Brazil and 6 sales representatives in Mexico. Selling and marketing expenses represented 51% of total recurring OPEX for 2017. We are maintaining the sale level of expenditure for this line YoY (16% of net revenues in 2016 and in 2017). Sales and marketing increase in the same level as the launches and promotion.

General and administrative expenses (+10.2% in constant currency) totaled BRL 21.6M in 4Q17 from BRL 17.5M in the same period of last year. In 2016 we spent approximately 10% of net revenues in G&A and in 2017 expenditures represented 11% of net revenues, remaining almost flat. The increase in nominal terms is due to the increase on headcount in order to beef up and upgrade the company for the capital markets, including legal & compliance, finance and investor relations teams, Dosa incorporation and labor expenses in Argentina affected by the inflation above devaluation.

We are excluding the non-recurring registration of the stock grants to the senior management in 2017 of BRL 30.5M. Excluding stock grants, in 4Q17 G&A totaled BRL 25.2M.

R&D, medical, regulatory and business development expenses (+95.5% in constant currency) came to BRL 12.0M from BRL 6.7M in 4Q16 (78.7% in BRL). In 2017 totaled BRL 37.9M, up 55.0% in constant currency.

The increase is mainly due to the expansion plan in Argentina to enhance our product development capabilities, ramp up for new products and to add further capacity to export products to the region. There were expenses related to medical and regulatory processes that were higher since we had more products to register. In addition to that, creation of a specific area of product stability led to higher headcount. R&D, medical, regulatory and business development expenses represented 15% of total recurring OPEX for 2017.

Reorganization, integration and acquisition expenses (+175.6% in constant currency) amounted to BRL 5.1M from BRL 2.2M in 4Q16, up 138.8%. For the full year, increase was 6.7% in constant currency.

This was mainly impacted by integration costs of Dosa, acquired in November 2017. This line represented 4% of total recurring OPEX for 2017.

Other operating income/expenses totaled BRL 0.2M in 4Q17 and BRL 2.1 in 2017 mainly comprised by the insurance recoveries of ABRAXANE® and AMBISOME® in 2Q17.

Operating expenses

(BRL Millions)

	4Q17	4Q16	Chg. %	4Q17	Chg. %	2017	2016	Chg. %	2017	Chg. %
Selling and marketing expenses	-36.3	-36.7	-1.2%	-37.9	3.1%	-131.6	-130.4	0.9%	-142.5	9.3%
Recurring general and administrative expenses	-25.2	-17.5	43.9%	-26.1	48.6%	-91.4	-80.3	13.7%	-100.2	24.7%
(+) Stock grants	3.6	0.0	-	6.7	-	-30.5	0.0	-	-30.5	-
G&A expenses including non-cash items	-21.6	-17.5	23.4%	-19.3	10.2%	-121.9	-80.3	51.7%	-130.7	62.6%
R&D, medical, regulatory and business development expenses	-12.0	-6.7	78.7%	-13.2	95.5%	-37.9	-27.9	36.0%	-43.2	55.0%
Reorganization, integration and acquisition expenses	-5.1	-2.2	138.8%	-5.9	175.6%	-11.2	-11.0	1.7%	-11.8	6.7%
Other operating income/(expenses)	0.2	0.6	-70.5%	0.6	6.1%	2.1	1.0	112.9%	2.7	182.1%
Recurring operating expenses	**-78.5**	**-62.6**	**25.5%**	**-82.4**	**31.7%**	**-270.1**	**-248.7**	**8.6%**	**-295.0**	**18.6%**
Operating expenses including non-cash items	-74.9	-62.6	19.8%	-75.7	21.0%	-300.6	-248.7	20.9%	-325.4	30.9%

Constant currency | Nominal currency

EBITDA

The Company´s EBITDA, excluding non-recurring items, reached BRL 73.2M in 4Q17, up 5.5% in constant currency, with an adjusted EBITDA margin of 30.0% vs. 21.0% in 3Q17 and 33.0% in 4Q16. The special items excluded refer to: (i) gain from value adjustment of the stock grants to the senior management team of approximately BRL 3.6M, since they were initially booked at BRL 26.50 and finally at BRL 20.15; (ii) expenses related to integration of Dosa and M&A costs in the amount of BRL 5.1M; (iii) other non-recurring expenses totaling BRL 0.3M.

Following IFRS, the Company valued shares granted to employees at the fair market value of those equity instruments at the date of subscription of the agreements. Stock grants accrual takes into consideration the vesting dates. First tranche (50% at the date of the IPO plus six months) was fully recognized in 2017. Second tranche (25% after one year of continuous services) is recognized partially in 2017 and 2018 and third tranche (25% after two years of continuous services) is recognized partially in 2017, 2018 and 2019. So, approximately 73% of the total amount of shares granted were recognized in 2017 whereas the remaining 21% will be recognized in 2018 and 6% in 2019.

The stock grant is considered a non-recurring expense because it is a one-time award to recognize senior management and other key beneficiaries because of their contribution to the IPO process.

The stock options award is considered a recurring expense because GBT designed this plan for the purpose of motivating its senior management team and aligning their compensation with the company's performance.

As mentioned in previous quarters, EBITDA and adjusted EBITDA were partially affected by a loss in the amount of BRL 9.5M, consisting of a product damage of VIDAZA, that occurred in the 2Q16 and which was recovered, through an insurance claim, in the 4Q16, in the amount of BRL 9.4M. In addition, 4Q16 EBITDA included the HIV bid in Argentina (~ BRL 4.0M). Excluding both effects (insurance recovery and HIV tender), 4Q16 adjusted EBITDA amounted to BRL 57.4M, representing an increase of 27.5% to BRL 73.2M in 4Q17.

In the full year of 2017, adjusted EBITDA came to BRL 199.4M from BRL 174.3M, up 23.9% in constant currency, with adjusted EBITDA margin of 24.4% vs. 21.9% in full year of 2016. Improvement in margin is mainly related to the 4.5 pp increase in gross margin that was partially compensated by an increase in operating expenses.

Earnings before interests, taxes, depreciation and amortization (EBITDA)

(BRL Millions)

	4Q17	4Q16	Chg. %	4Q17	Chg. %	2017	2016	Chg. %	2017	Chg. %
Net income (loss)	24.6	41.8	-41.3%	26.1	-37.7%	16.9	47.2	-64.1%	18.9	-60.1%
Financial expenses	24.2	1.7	1338.9%	25.4	1405.4%	75.9	51.5	47.3%	83.3	61.6%
Income tax	16.6	20.5	-18.9%	17.8	-13.4%	46.2	50.1	-7.9%	51.9	3.4%
(+) D&A	6.0	4.7	26.7%	6.1	29.1%	18.4	14.4	27.9%	19.3	34.7%
(+) Stock grants	-3.6	0.0	-	-6.7	-	30.5	0.0	-	30.5	-
(+) One-time adjustments	5.4	2.2	152.8%	6.2	189.5%	11.5	11.0	4.4%	12.1	9.4%
Adjusted EBITDA	**73.2**	**70.9**	**3.3%**	**74.8**	**5.5%**	**199.4**	**174.3**	**14.4%**	**215.9**	**23.9%**
Adjusted EBITDA margin	30.0%	33.0%	-3.0 p.p.	29.5%	-3.5 p.p.	24.4%	21.9%	+2.5 p.p.	24.5%	+2.6 p.p.
EBITDA	71.4	68.8	3.8%	75.3	9.5%	157.4	163.3	-3.6%	173.3	6.2%

Constant currency   Nominal currency

NET FINANCIAL RESULTS

Bancolombia debt was fully pre-paid during the year of 2017 in two tranches - October and December. This resulted in a decrease of interest expense with Bancolombia from BRL 8.2M in 4Q16 to BRL 4.2M in 4Q17. As for the full year of 2017, interest expenses decreased by 15.8%, due to a lower IBR (*Indicador Bancario de Referencia* from Colombia) that was partially compensated by the swap contract GBT had with Bancolombia to partially hedge its interest rate risk related to this loan.

With the IPO proceeds, GBT prepaid total outstanding Preferred Equity Certificates (PECs) in August 2017, in the amount of about USD 63.1 million, not generating any interests for the 4Q17. For the full year of 2017, there are interest expenses in the amount of BRL 9.9M.

In 4Q17, we incurred into two new debts, one in Argentina (Citibank) and another one in Brazil (Itaú). Debt with Citibank incurred in accrued interest expenses in the amount of BRL 3.5M and the debt with Itaú incurred in accrued interest expenses for BRL 0.8M.

Others finance expenses amounted to BRL 16.3M, of which: (i) BRL 6.8M from financial debt generated by withholding taxes and IOF paid in intercompany debt, with a net loss from the settled NDF currency hedges; (ii) BRL 2.2M of pre-payment expenses (50% penalties and 50% taxes) from Bancolombia debt; (iii) BRL 2.8M of IOF from Itaú loan; (iv) BRL 1.2M from Citibank debt (1% of structuring fee and 0.6% of credit tax), among other minor finance expenses.

Foreign exchange loss was driven by the company´s exposure to intercompany balances mainly generated by the financial intercompany loan between Spain and Colombia. As this debt was fully paid in 2017, foreign exchange will not be impacted by this loan going forward.

Net financial results

(BRL Millions)

	4Q17	4Q16	Chg. %	2017	2016	Chg. %
Interest and other financial expenses	-16.2	-7.5	117.5%	-57.4	-54.5	5.5%
Bancolombia	-4.2	-8.2	-49.0%	-26.9	-31.9	-15.8%
PECs	0.0	-4.8	-100.0%	-9.9	-17.1	-42.1%
Citibank	-3.5	0.0	-	-3.5	0.0	-
Itaú Unibanco	-0.8	0.0	-	-0.8	0.0	-
Other financial expenses	-7.7	5.5	-239.3%	-16.3	-5.4	199.9%
FX income/expenses, net	-8.0	5.8	-238.1%	-18.5	2.9	-732.9%
Net financial results	**-24.2**	**-1.7**	**1338.9%**	**-75.9**	**-51.5**	**47.3%**

TAXES

In 4Q17, current income taxes totaled BRL 10.4M, totaling BRL 30.8M in the full year of 2017. GBT´s cash effective tax rate increased to 30.0% in the 4Q17. With the necessary accounting adjustment, tax rate for the quarter stood at 22.9%.

This is explained mainly by Dosa, acquisition concluded in November 2017 and sales increase in Argentina (subjected to higher tax rates). As the relative weight of this country increases in the consolidated revenues, tax rate increases as well.

The one-time adjustment from Dosa is related to accounting reclassification between current income tax and deferred income tax.

In the full year, excluding the one-time adjustment, effective tax rate was 22.1%, from 20.3% in 2016. Excluding Dosa completely, effective tax rate was 20.8% in 2017 and 17.7% in 4Q17.

Effective tax rate[1]

(BRL Million)

	2016	1Q17	2Q17	3Q17	4Q17	2017	4Q17 adjusted[4]	2017 adjusted[4]
Adjusted EBT[(1)(2)]	148.3	36.9	25.2	31.6	34.5	128.5	34.5	128.5
Current income tax	30.1	8.9	6.8	4.7	10.4	30.8	7.9	28.4
Cash effective tax rate[3]	20.3%	24.1%	27.1%	14.8%	30.0%	24.0%	22.9%	22.1%

[1] Isolating interests on the non deductible due to acquisitions
[2] Normalized for stock grants (one-timer, non-cash item, which has no tax impact) regarding adjusted EBT for 2Q17, 3Q17, 4Q17 and 2017
[3] Current income tax / Adjusted EBT
[4] Adjusted by one-timer related to accounting reclassification between current and deferred income tax for Dosa in 2017

NET INCOME AND ADJUSTED NET INCOME

The company is providing a summary to show net income/(loss) and adjusted net income to add back certain non-cash and one-time or nonrecurring charges. This provides useful information to investors concerning the approximate impact of the above items.

Considering the effect of these items allows investors to better compare the company's financial performance from YoY, and with that of its competitors. This additional information is not meant to be considered in isolation of, or as a substitute for, results prepared in accordance with IFRS.

Adjusted net income totaled BRL 77.9M in 2017, an improvement of 35.1% vs. full year of 2016, with adjusted net margin of 9.5% in 2017 up from 7.3% in 2016. In 4Q17, adjusted net income came to BRL 36.9M, an improvement of 7.0% vs. 4Q16, with adjusted net margin of 15.1% in 4Q17 down from 16.0% in 4Q16. Excluding Dosa´s one-time adjustment in net income corresponding to the prior year (already explained in the section Taxes), adjusted net income reached BRL 80.4M, an increase of 39.3% versus full year of 2016.

The improvement is driven by a higher operating income when excluding one-timer stock grants and FX originated in intercompany debt (non-cash item), partially offset by an increase in interest expenses.

One-time adjustments are the ones explained in the EBITDA section.

Net income and adjusted net income

(BRL Millions)

	4Q17	4Q16	Chg. %	2017	2016	Chg. %
Net income (loss)[1]	35.3	32.3	9.3%	36.2	46.6	-22.4%
Stock grants	-3.6	0.0	-	30.5	0.0	-
One-time adjustments	5.1	2.2	138.8%	11.2	11.0	1.7%
Adjusted net income	36.9	34.5	7.0%	77.9	57.7	35.1%

[1] Net income differs from accounting net income because it excludes FX generated by intercompany balance, since this is a non-cash item

CASH FLOW

In 4Q17, operating cash flow amounted to BRL 45.4M, an increase of 4.1% when compared with 4Q16 (BRL 43.6M). The conversion rate of operating cash flow to EBITDA reached 62.0%, practically flat when compared with 4Q16 (61.5%).

In 2017, operating cash flow came to BRL 108.6M from BRL 119.6M in 2016.

For the year, there is a one-time impact in 2016, from the government HIV bid in Argentina that was delivered in 2015 and collected in 2016. As in 2017 there is nothing analogous, we are excluding this effect for comparison purposes.

Therefore, excluding only 2015 HIV bid, the conversion rate of operating cash flow to EBITDA for 2016 stood at 59% and in 2017 was 54%. The 5 p.p. decrease is mainly driven by a higher investment in working capital, due to increase in the accounts receivables that can be explained by the sales of new launches - HALAVEN® and LENVIMA® and ABRAXANE® and also sales of Dosa.

Net cash flow from operating activities

(BRL Millions)

	4Q17	4Q16	2017	2016
Income (loss) before income tax	41.2	62.4	63.1	97.4
Amortization, depreciation & impairment (incl. stock grants)	3.7	9.8	56.2	28.7
Movements in provisions	10.6	-3.4	0.7	10.8
Financial expenses	35.4	13.5	75.5	54.5
Others	4.4	-	4.4	-
Changes in assets and liabilities				
Inventories	-25.9	-2.5	-42.7	-22.2
Trade receivables and other account receivables	-75.7	-8.7	-90.5	-54.2
Other assets	1.7	-2.0	3.5	-3.6
Trade creditors and other account payable	59.3	-12.3	70.1	44.2
Income tax payments	-9.3	-13.2	-31.7	-36.0
Net cash flow from operating activities	**45.4**	**43.6**	**108.6**	**119.6**
Net Revenues	244.4	215.0	817.5	794.5
Adjusted EBITDA	73.2	70.9	199.4	174.3
Net cash flow from operating activities / Adjusted Ebitda[1]	*62.0%*	*61.5%*	*54.5%*	*68.6%*
Net cash flow from operating activities/ Net revenues[1]	*18.6%*	*20.3%*	*13.3%*	*15.0%*

(1) FY 2016 has the one-timer impact of a Government HIV bid that was delivered in 2015 and collected in 2016. 2017 has nothing analogous. This represents approximately 16M BRL. When adjusted for that, Net cash flow from operating activities/Adjusted Ebitda for 2016 is 59% and over Net revenues is 13%

WORKING CAPITAL

We are isolating Dosa because since we only have two months of Dosa consolidated into the company´s P&L, the ratio would not be accurate if we considered its full consolidated balance sheet.

In the quarter, working capital as a % of net revenues remained flat, with no changes, consistent with past figures.

Cash conversion cycle and working capital

(Days)

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	4Q17 with Dosa
Days sales outstanding[1]	124	109	128	112	125	121	120	128	131
Days inventory outstanding[2]	114	85	91	117	123	143	111	117	124
Days payable outstanding[3]	(202)	(163)	(142)	(183)	(178)	(177)	(191)	(187)	(183)
Cash conversion cycle	35	31	78	47	70	87	40	58	72
Working capital[4]	25%	21%	21%	23%	25%	27%	26%	24%	23%

[1] Accounts receivable
[2] Inventories
[3] Supplies
[4] As % of net revenues

CAPEX AND INTANGIBLE CAPEX

CAPEX totaled BRL 58.9M in 2017, including the investment in intangibles, which amounted to BRL 44.7M in full year of 2017.

Intangible CAPEX is related to upfront payments for Eisai and Dipharma, regulatory milestones for Basilea (registration approval of ZEVTERA® in Argentina) and sales milestones for Eisai, that altogether represented approximately 5.5% of net revenues.

Maintenance CAPEX amounted to BRL 14.2M in 2017, that is related to the plants maintenance.

INDEBTEDNESS

With the IPO proceeds, we: (i) pre-paid total outstanding PECs in the amount of USD 63.1M in August, (ii) fully pre-paid Bancolombia debt, in two tranches. The first one in October, in the amount of COP 133,000M and the second one in December, in the amount of COP 123,000M.

During 4Q17, GBT successfully carried out two financial operations, raising BRL 250M in new resources in order to fund its expansion and operations plans.

During the last quarter of 2017, the loan taken by the subsidiary Biotoscana Farma S.A. (Colombia) with Bancolombia was fully pre-paid with two separate payments that applied towards the outstanding principal amount: COP 133,000,000,000 of capital on October 9, and that remaining COP 123,000,000,000 of capital on December 28.

In November, GBT contracted a debt in Argentina for ARS 531,225M (~USD 25M), in two separate loan contracts with Citibank.

The first one, disbursed on November 2, 2017, for ARS 265,950M, was an off-shore ARS-linked loan with Citibank NY at a fixed rate of 18.4% p.a. (21.66% all-in after including withholding tax). Total tenor of 3 years; quarterly payments with amortization starting on month 15; and certain penalties in case of an early prepayment.

The second one, disbursed on November 3, 2017, for ARS 265,275M, was an on-shore loan with Citibank Argentina at a variable rate of *Badlar Corregida* + 3.50%. Total tenor of 5 years; semi-annual payments with amortization starting on month 18 and no pre-payment penalty. The variable rate is fixed at the beginning of each interest period.

The second financial operation was in Brazil, where we contracted a debt for BRL 150M with Itaú Brasil. This loan was disbursed on December 8, 2017 with a total tenor of 5 years, with semi-annual payments and a one-year grace period for amortization.

The applicable interest rate was CDI +1.65% (with a step-up clause whereby the interest rate increases 25 bps for every 0.25x increase in the “Net Debt” / “EBITDA” ratio after 2.0x).

Net indebtedness

(BRL Millions)

	3Q16	4Q16	3Q17	4Q17
Gross debt	523.2	496.7	300.2	246.4
Cash and cash equivalents	-37.8	-30.3	-230.6	-98.1
Net debt	**485.4**	**466.4**	**69.6**	**148.3**

The ratio net debt to EBITDA stood at 0.7x in 4Q17 from 0.4x in 3Q17 due to the two new debts contracted last year, explained above. Overall, we are still maintaining a very low ratio.

Our adjusted EBITA to interest expense ratio decreased considerably from last quarter (3Q17) since we Bancolombia and PECs were paid in full.

Net debt highlights

	1Q17	2Q17	3Q17	4Q17
Net debt / Adjusted EBITDA LTM	2.3x	2.2x	0.4x	0.7x
Adjusted EBITDA / Interest expense[1]	3.6x	4.1x	4.1x	3.5x

[1] Net debt as of December 2017

CAPITAL MARKETS

In July 2017, GBT completed its initial public offering in the Luxembourg stock exchange as the primary listing, with trading on the Euro MTF Market and its offering of BDRs in the Brazilian Stock Exchange (B3), under the ticker GBIO33, where liquidity is concentrated. Despite not being compulsory, the company is generally following Novo Mercado, complying with the highest corporate governance standards, always in alignment with the Luxembourg rules.

The operation raised a total of BRL 1.34B, including greenshoe, of which 68% was secondary and 32% was primary, at the price of BRL 26.50, within the stipulated price range and representing 47.9% free float. The net proceeds from the primary offering, net of transaction expenses, resulted in a capital contribution to GBT of approximately BRL 379.6M, that were allocated to (i) capital restructuring, with the payment of preferred equity certificates that were redeemable at the IPO and payment of the Bancolombia debt and (iii) support of its growth plan in the region.

IPO offer

(BRL Millions)

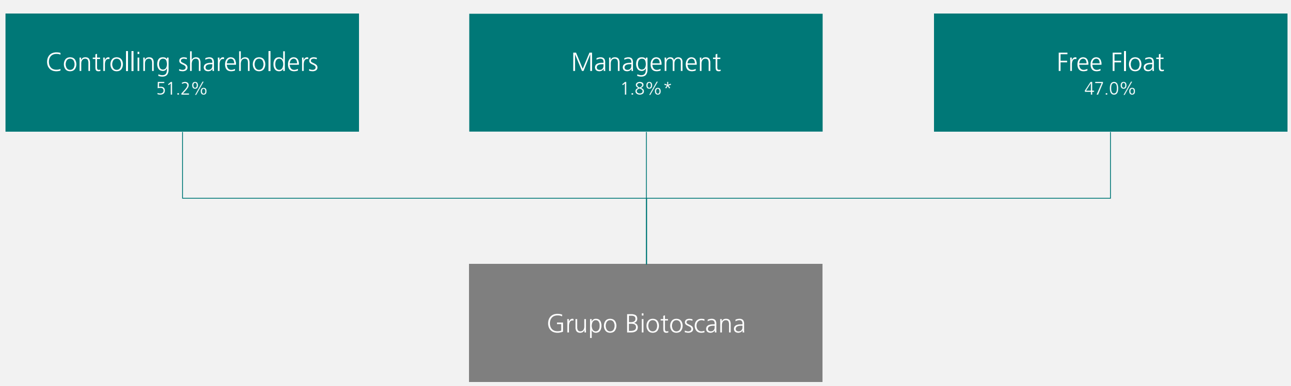
	Total
Primary Offer	424.0
Secondary Offer	917.6
Total Offer	**1,341.6**

MAIN SHAREHOLDERS

GBT is controlled by Advent International, Essex Woodlands, Friedlander and Guttmann. through a shareholder's agreement. Advent is a global private equity firm with USD 37B of capital, investing across multiple sectors, with deep experience in Latin America.

Essex is a healthcare-focused global growth equity firm, with deep domain of all segments of healthcare market (biotech, pharma, healthcare services) and has invested in over 150 healthcare companies.

Ownership structure



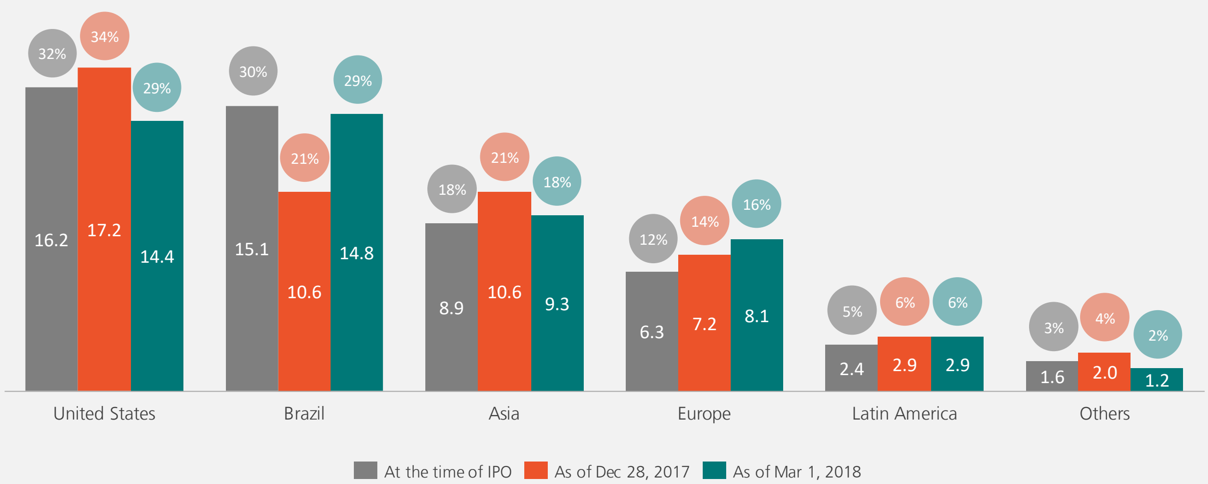
Current total of shares: 106,622,306
* After total vesting of stock grants. The total amount will be 1.6% adjusted at post tax values

FREE FLOAT GEOGRAPHICAL BREAKDOWN EVOLUTION

The BDRs were allocated among long-term qualified institutional investors of the Unites States, Europa, Asia and Brazil. Although the geographical profile of these shareholders is predominantly foreigners, in recent months the portion of Brazilian investors has increased.

Shareholders base breakdown

(BRL Millions | % of total free float)



IR ACTIVITIES

In 2017, GBT engaged on non-deal roadshows in Brazil (São Paulo and Rio de Janeiro), Chile (Santiago), United States (New York), Europe (London and Paris) and several bank conferences.

For the remainder of the first half of 2018, GBT is already confirmed to participate at 5 conferences and already organized 2 non-deal roadshows:

- Bradesco BBI's 5th Annual Brazil Investment Forum – April in São Paulo
- BTG Pactual VIII Latin Opportunities Conference – April in London
- Europe non-deal roadshow – April in Edinburgh, Paris and Stockholm
- Itaú BBA's 13th Annual Latam CEO Conference - May in New York
- Asia non-deal roadshow – 1H18 in Hong Kong, Singapore, Abu Dhabi
- Jefferies 2018 Global Healthcare Conference – June in New York
- JP Morgan Southern Cone & Andean Opportunities Conference – June in Buenos Aires

APPENDIX

APPENDIX 1: PROFIT AND LOSS STATEMENT

	2017	2016
Net revenues	817.546.243	794.503.251
Cost of sales	(377.892.591)	(396.891.590)
Gross profit	439.653.652	397.611.661
Selling and marketing expenses	(131.628.802)	(130.392.732)
General and administrative expenses	(121.867.922)	(80.349.142)
R&D, medical, regulatory and business development expenses	(37.925.395)	(27.888.226)
Reorganization, integration and acquisition expenses	(11.226.919)	(11.039.910)
Other operating income/expenses, net	2.060.092	967.543
Operating income	139.064.706	148.909.194
Interest and other financial income/expenses, net	(57.442.325)	(54.467.586)
Foreign exchange income/expenses, net	(18.506.493)	2.923.926
Financial expenses	(75.948.818)	(51.543.660)
Income before income tax	63.115.888	97.365.534
Income tax expense	(46.182.226)	(50.140.678)
Net income	16.933.662	47.224.856
Attributable to		
Equity holders of the parent	16.933.662	47.224.856
Earnings per share		
Basic, income for the year attributable to ordinary equity holders of the parent	0,18	0,53
Diluted, income for the year attributable to ordinary equity holder of the parent	0,17	0,53

APPENDIX 2: STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	2017	2016
Net income	16.933.662	47.224.856
Other comprehensive income to be reclassified to income or loss in subsequent periods (net of income tax)		
Effect of hedging transactions	756.839	(756.839)
Exchange difference on translation of foreign operations	1.969.052	12.907.742
Total other comprehensive income to be reclassified to income or loss in subsequent periods (net of income tax)	2.725.891	12.150.903
Total comprehensive income	19.659.553	59.375.759
Attributable to		
Equity holders of the parent	19.659.553	59.375.759

APPENDIX 3: BALANCE SHEET

ASSETS	2017	2016
NON-CURRENT ASSETS		
Intangible assets	500.398.816	416.275.507
Property, plant and equipment	40.901.187	27.644.121
Trade receivables and other account receivables	1.241.370	1.555.847
Other assets	668.973	1.597.544
Deferred tax assets	28.392.278	18.452.381
Total non-current assets	571.602.624	465.525.400
CURRENT ASSETS		
Inventories	140.186.720	112.472.392
Trade receivables and other account receivables	347.719.660	262.202.634
Other assets	10.511.134	10.878.410
Cash and short-term deposits	98.117.853	30.340.997
Total current assets	596.535.367	415.894.433
Assets held for sale	-	727.462
TOTAL ASSETS	1.168.137.991	882.147.295

EQUITY AND LIABILITIES	2017	2016
EQUITY		
Issued capital	213.616	163.609
Share premium	728.804.577	349.305.759
Other capital reserves	30.410.470	-
Retained earnings	116.226.474	99.292.812
Transactions with equity holders	(333.180.376)	(333.180.376)
Other equity items	50.850.662	48.124.771
Total equity	593.325.423	163.706.575
NON-CURRENT LIABILITIES		
Long-term provisions	301.627	608.754
Long-term financial debt and borrowings	224.520.468	484.030.010
Payroll and social security liabilities	593.375	-
Taxes payable	2.237.263	-
Other liabilities	16.604.340	9.701.712
Deferred tax liability	38.855.080	18.373.974
Total non-current liabilities	283.112.153	512.714.450
CURRENT LIABILITIES		
Short-term provisions	21.764.481	20.463.075
Short-term financial debt and borrowings	21.902.436	12.717.881
Trade payable	172.388.178	117.857.452
Payroll and social security liabilities	28.079.592	20.566.362
Taxes payable	30.722.499	23.168.445
Other liabilities	16.843.229	10.953.055
Total current liabilities	291.700.415	205.726.270
Total liabilities	574.812.568	718.440.720
TOTAL EQUITY AND LIABILITIES	1.168.137.991	882.147.295

APPENDIX 4: CONSOLIDATED STATEMENT OF CASH FLOWS

	2017	2016
Cash flow from operating activities		
Income before income tax	63.115.888	97.365.534
Adjustments to reconcile profit before income tax to net cash flows:		
PP&E depreciation and intangible amortization	18.357.031	14.355.408
PP&E and intangible disposals and impairment	1.559.018	4.563.638
Shared-based payments	30.410.470	-
Inventory allowance for impairment in value	3.523.943	7.258.250
Allowance for debtors' impairment	2.384.122	2.553.295
Movements in provisions	682.741	10.806.991
Interest and other financial expense	56.285.957	54.467.586
Foreign exchange expense	19.248.051	-
Reorganization, integration and acquisition expenses	4.431.370	-
Changes in assets and liabilities		
Inventories	(42.694.884)	(22.201.702)
Trade receivables and other account receivables	(90.510.362)	(54.233.315)
Other assets	3.482.183	(3.611.010)
Trade creditors and other accounts payable	70.063.630	44.241.348
Income tax payments	(31.704.121)	(36.003.232)
Net cash flow from operating activities	108.635.037	119.562.791
Cash flows from investing activities		
Acquisition of intangible assets	(44.698.938)	(41.800.448)
Acquisition of property, plant and equipment	(14.188.305)	(16.529.718)
Acquisition of a subsidiary, net of cash acquired	(67.834.081)	-
Expenses paid related to the acquisition of a subsidiary	(3.781.399)	-
Interest collected	2.352.904	-
Net cash flow from investing activities	(128.149.819)	(58.330.166)
Cash flows from financing activities		
Proceeds from financial debt and borrowings	278.147.350	15.254.236
Payment of financial debt and borrowings	(522.376.462)	(43.088.361)
Interest and other financial expenses payments	(36.461.727)	(30.524.270)
Proceeds from issued of share capital (net of shares issued cost)	379.548.828	-
Expenses paid related to issued share capital	(649.971)	-
Net cash from financing activities	98.208.018	(58.358.395)
Effect of foreign exchange results	(10.916.380)	(7.331.161)
Net increase (decrease) of cash and short-term deposits	67.776.856	(4.456.931)
Cash and short-term deposits at the beginning of the year	30.340.997	34.797.928
Cash and short-term deposits at the end of the year	98.117.853	30.340.997

APPENDIX 5: FX TABLE 2013-2017 IN RELATION TO BRL

Currency	USD		COP		ARS	
Period (quarter)	EoP	Average	EoP	Average	EoP	Average
1Q13	2.019	1.995	0.001100	0.001100	0.393	0.399
2Q13	2.226	2.062	0.001200	0.001100	0.411	0.395
3Q13	2.235	2.285	0.001200	0.001200	0.385	0.410
4Q13	2.348	2.272	0.001200	0.001200	0.359	0.375
1Q14	2.266	2.369	0.001200	0.001200	0.283	0.313
2Q14	2.205	2.234	0.001200	0.001200	0.271	0.277
3Q14	2.438	2.276	0.001200	0.001200	0.289	0.274
4Q14	2.687	2.548	0.001100	0.001200	0.317	0.299
1Q15	3.208	2.865	0.001200	0.001200	0.364	0.330
2Q15	3.103	3.073	0.001200	0.001200	0.342	0.343
3Q15	3.973	3.540	0.001300	0.001300	0.422	0.382
4Q15	3.905	3.841	0.001200	0.001300	0.302	0.384
1Q16	3.559	3.857	0.001200	0.001200	0.244	0.271
2Q16	3.210	3.501	0.001100	0.001200	0.215	0.247
3Q16	3.246	3.246	0.001126	0.001100	0.213	0.217
4Q16	3.298	3.204	0.001126	0.001100	0.206	0.213
1Q17	3.168	3.145	0.001099	0.001078	0.206	0.201
2Q17	3.308	3.215	0.001086	0.001101	0.199	0.204
3Q17	3.168	3.190	0.001079	0.001082	0.183	0.183
4Q17	3.308	3.247	0.001109	0.001087	0.176	0.185

Currency	USD		COP		ARS	
Period (month)	EoP	Average	EoP	Average	EoP	Average
January-17	3.127	3.197	0.001072	0.001088	0.197	0.201
February-17	3.099	3.104	0.001075	0.001079	0.201	0.199
March-17	3.168	3.128	0.001099	0.001064	0.206	0.202
April-17	3.198	3.136	0.001085	0.001090	0.207	0.204
May-17	3.244	3.210	0.001112	0.001099	0.201	0.204
June-17	3.308	3.295	0.001086	0.001111	0.199	0.204
July-17	3.131	3.206	0.001086	0.001057	0.177	0.187
August-17	3.147	3.151	0.001070	0.001061	0.181	0.181
September-17	3.168	3.135	0.001079	0.001075	0.183	0.182
October-17	3.277	3.191	0.001078	0.001079	0.186	0.183
November-17	3.262	3.259	0.001088	0.001083	0.188	0.186
December-17	3.308	3.292	0.001109	0.001100	0.176	0.186

EoP= end of period
Average = average of the period (quarter or month)