Press Release

Vifor Pharma delivers strong full year results 2020 with an EBITDA of 576 million Swiss Francs representing over 29% growth[1]

- **Net sales up 3.7% at constant exchange rates (CER), despite significant impact of COVID-19**
- **Continued strong increase in EBITDA by 29.4% at CER, owing to a mix of one-time and sustainable cost measures**
- **Ferinject® / Injectafer® sales showed rapid improvements in early H2 2020 following the loosening of COVID-19 restrictions, indicating return to growth in 2021 when lockdown measures begin to ease**
- **Nephrology portfolio strengthened by expanded US difelikefalin agreement, license for ANG-3777 and EU regulatory submission of avacopan**
- **Veltassa® net sales impacted by market access headwinds and reduced promotion to nephrologists as a result of COVID-19 restrictions**
- **In 2021, at constant exchange rates, net sales are expected to grow at a low-to-mid single digit rate, and EBITDA to grow at a high single digit rate**[2]

ST GALLEN, 3 MARCH 2021 – Vifor Pharma Group reported stable net sales and a continued strong increase in profitability in 2020, despite challenges to patient access from COVID-19 and the impact of a much stronger Swiss franc against the US dollar.

FINANCIAL PERFORMANCE: CONTINUED PROFITABLE GROWTH AT CER

- Reported net sales of CHF 1,705.6 million, down 1.1%, up 3.7% at CER
- Reported EBITDA of CHF 575.8 million, up 18.7% (up 29.4% at CER and 35.7% by also excluding the 2019 one-off IAS19 income)
- Other income increased significantly due to upfront and milestone payments from partnering activities and the disposal of non-core products
- Gross profit margin of 61.1%, up 0.9 percentage points driven by the higher contribution from other income
- Net profit after minorities of CHF 359.6 million, driven by the post-tax gain on sale of OM Pharma of CHF 190.6 million
- Core earnings per share[3] from continuing operations of CHF 4.99, up 28.7%
- Strong balance sheet with a net cash position of CHF 190.6 million and an equity ratio of 77.1%

Commenting on the full year results, Stefan Schulze, CEO of Vifor Pharma Group, said: "Resilience and adaptability are the words that summarize the performance of Vifor Pharma in 2020. Our employees and partners have faced the challenges of COVID-19 with determination and flexibility as we continued to ensure our therapies reach patients. Patient access to treatments such as i.v. iron infusions has been closely correlated with the intensity of lockdowns, and direct contacts with physicians have been regularly postponed. Against this backdrop, and despite the impact of a much stronger Swiss franc against the US dollar, our profitability continued to increase strongly, helped by disciplined cost control and the strength of our growing nephrology portfolio. Considering the current outlook on the COVID-19 situation and the fact that our key products have shown a quick return to strong growth as lockdown measures were eased in 2020, we have a high level of confidence that we return to growth in 2021 once restrictions are eased. Adding our pipeline of innovative nephrology treatments on track for expected approvals in

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2021 and 2022, continuing expansion of our global presence and a reputation as a go-to industry partner for in- and out-licensing, we can look to the future with great optimism."

FERINJECT®/ INJECTAFER®: DEMAND INFLUENCED BY LOCKDOWN MEASURES

- Global in-market sales: CHF 1,005 million, up 0.1% and 49.5% share in the i.v. iron segment of the iron market[4] by value in 2020[5].
- Net sales of CHF 552.2 million, a decrease of 1.6%, an increase of 3.0% at CER.
- Improvements in Q3 in line with the easing of COVID-19 restrictions and better patient access to infusions, followed by a slowdown towards year end as many countries started reintroducing restrictions. Overall utilization of i.v. iron has been highly correlated with intensity of lockdown measures, with recovery to pre-COVID-19 growth levels expected once COVID-19 restrictions are lifted.
- In the US, our partner American Regent, a Daiichi Sankyo Group company, recorded net sales for Injectafer® of USD 415.5 million in 2020, a decline of 6.6% compared to prior year. This was due to federal and state lockdown restrictions and limitations on infusion procedures caused by the pandemic. As a result, Vifor Pharma posted net sales of CHF 138.3 million, down 8.2% or 2.8% at CER.
- Results from the AFFIRM-AHF clinical trial in heart failure reported significant reduction in hospital readmissions due to heart failure among patients treated with Ferinject® compared to placebo. After 52 weeks, patients were 26% less likely to be readmitted to hospital for heart failure compared to placebo after one or two injections of Ferinject®. Overall, AFFIRM-AHF narrowly missed the 5% statistical significance on the primary composite endpoint of total cardiovascular death and heart failure re-hospitalization, but numerically reduced events by 21%. Prior to study completion, COVID-19 sensitivity analysis was pre-specified which excluded subjects reporting from the date of the outbreak in each country. Adjusted for COVID-19 impact the composite endpoint was more robust and significant.
- In Japan, our partner Zeria Pharmaceutical Co., Ltd. launched Ferinject® in September.

NEPHROLOGY PORTFOLIO SIGNIFICANTLY STRENGTHENED

- The Erythropoiesis-Stimulating Agent (ESA) portfolio decreased by 2.9% to CHF 524.3 million (up 2.5% at CER). Mircera® net sales amounted to CHF 478.4 million, down 8.6% from 2019 (down 3.6% at CER), affected by negative foreign exchange impacts and customer order patterns. Retacrit® net sales grew strongly in 2020 from CHF 16.4 million to CHF 45.8 million, due to higher demand from FKC clinics and the mid-sized and independent segment.
- Velphoro® net sales decreased by 2.2% to CHF 177.7 million (up 3.6% at CER), impacted by order patterns of our major customer in the US. Net of this impact, Velphoro® grew by 11.3% in 2020. In-market sales of Velphoro® strongly increased in 2020, with CHF 439.3 million or up 24.8%. Velphoro® launched in Canada and South Korea.
- Venofer® net sales increased by 2.9% to CHF 136.2 million (up 8.4% at CER), driven by growth in US and China.
- Vifor Pharma strengthened its nephrology portfolio during 2020. Key developments included:
    - **Avacopan** - Vifor Fresenius Medical Care Renal Pharma (VFMCRP) announced acceptance for review in Europe of the Marketing Authorization Application for avacopan in patients with ANCA-associated vasculitis (AAV) in November. In December, ChemoCentryx, Inc. announced encouraging topline data from the phase-II ACCOLADE clinical study of avacopan in treatment of ultra-rare kidney disease Complement 3 Glomerulopathy (C3G). Following this positive result, VFMCRP plans to discuss registration pathways with regulators in the EU for C3G. Post balance sheet reporting, Kissei Pharmaceutical Co., Ltd. submitted the Japanese new drug application (NDA) for treatment of AAV in early March 2021.
    - **ANG-3777** - Vifor Pharma and Angion Biomedica signed a worldwide license agreement excluding Greater China in December for commercialization of ANG-3777 for the treatment of delayed graft function (DGF) and

cardiac surgery-associated acute kidney injury (CSA-AKI), further expanding Vifor Pharma's nephrology pipeline into transplantation and acute kidney injury.

- **Difelikefalin (or Korsuva™)** - Vifor Pharma and Cara Therapeutics signed a US license agreement in October to commercialize difelikefalin injection to non-Fresenius Medical Care dialysis clinics in the US, representing approximately 66% of the US market. Following this new agreement, Vifor Pharma have now commercialization rights for difelikefalin injection in the full US dialysis segment. Cara Therapeutics submitted the US NDA for treatment of moderate to severe CKD-associated pruritus (CDK-aP) in December. The FDA accepted the filing in February 2021. VFMCRP plans to file in Europe in H1 2021.
- **Vadadustat** - Positive results from the global phase-III INNO2VATE study evaluating safety and efficacy of vadadustat versus darbepoetin alfa for treatment of anaemia due to Chronic Kidney Disease (CKD) in adult patients on dialysis were reported by partner Akebia Therapeutics in May. Vadadustat achieved primary efficacy and cardiovascular safety endpoints.
- **Rayaldee®** - National marketing authorizations received in several European countries including Germany, Italy, Spain and Switzerland in 2020.

VELTASSA®: NEW PRESCRIPTIONS IMPACTED BY COVID-19 RESTRICTIONS

- Net sales of Veltassa® decreased by 10.6% (down 5.1% at CER) to CHF 118.3 million in 2020. In the US, net sales of Veltassa® amounted to CHF 106.7 million.
- The decrease in 2020 was due to the impact of the global COVID-19 pandemic, market access headwinds in the US and unfavorable exchange rates. The market growth remains below expectations.
- The European Medicines Agency approved important changes to the label in December. These included data from the phase-II AMBER clinical study demonstrating Veltassa® ability to enable RAAS (renin-angiotensin-aldosterone system) inhibitor treatment in patients with resistant hypertension and CKD.
- Veltassa® received reimbursement approval in Finland, Portugal and Switzerland in 2020, and formulary access was fully obtained in England, Wales and Northern Ireland. Our partner Otsuka Canada Pharmaceutical launched Veltassa® in Canada in May.
- In China, VFMCRP and Fresenius Kabi announced in November an agreement to develop, register and distribute Veltassa® for the treatment of hyperkalemia.

SALE OF OM PHARMA

- On 30 September 2020 the sale of OM Pharma was successfully completed for a purchase consideration of CHF 435.0 million, leading to a post-tax gain on sale of CHF 190.6 million.
- In addition, an earn-out agreement was entered into with the buyer granting Vifor Pharma Group the right to participate in 20% of the potential future value increase of the OM Pharma business.

1. FINANCIAL PERFORMANCE

In million CHF	*2020*	*2019*	*Change*	*Change at CER*
Net sales	1,705.6	1,725.0	-1.1%	3.7%
EBITDA	575.8	485.0	18.7%	29.4%
Net profit after minorities	359.6	159.1	126.1%	151.1%
Core earnings per share from continuing operations (in CHF)	4.99	3.88	28.7%	43.8%

For further details, please see the Vifor Pharma 2020 Annual Report (PDF) at www.viforpharma.com.

KEY PROFIT AND LOSS FIGURES

Vifor Pharma Group reported net sales of CHF 1,705.6 million, a decline of 1.1% compared to the previous year, or an increase of 3.7% at CER. The growth was impacted by COVID-19 restrictions which mainly affected Ferinject®, with patients requested not go to hospitals, temporary closures of administration sites and delays in elective surgeries.

EBITDA increased to CHF 575.8 million compared to CHF 485.0 million in the previous year, an increase of 18.7%, or 29.4% at CER. The growth was driven by a combination of the growth in net sales at CER, cost containment measures, and the increase in other income from partnering activities and the disposal of non-core products. In the second half of 2019, the Group made changes to its defined benefit pension plan (IAS 19) which resulted in a positive one-off EBITDA impact of CHF 22.4 million in 2019. Excluding the IAS 19 impact, the EBITDA grew by 35.7% at CER compared to prior year.

Other income grew to CHF 96.4 million from CHF 37.0 million in the previous year. The increase was primarily related to the partnering of Ferinject® in China, Veltassa® in China and Canada, Velphoro® in Canada, and the disposal of non-core products in Spain and Portugal.

Cost of sales amounted to CHF 701.2 million compared to CHF 700.8 million in the previous year, resulting in a **gross profit margin** of 61.1% compared to 60.2% in the previous year. The margin improvement was driven by the higher contribution from other income.

Marketing and distribution expenses amounted to CHF 403.8 million compared to CHF 435.7 million in the previous year, down 7.3%. The additional investments in prelaunch activities for our pipeline products were more than offset by cost containment measures.

Investments in research and development amounted to CHF 250.0 million compared to CHF 212.0 million in the previous year. The increase was attributable to the impairment of the CCX140 intangible asset of CHF 56.2 million. Excluding this impairment, investment in research and development declined by 8.6%, mainly driven by a temporary COVID-19 halt in the enrolment of patients to the Veltassa® DIAMOND clinical trial.

General and administration expenses amounted to CHF 155.7 million compared to CHF 137.6 million in the previous year. The increase was mainly attributable to higher legal costs from patent litigations of CHF 9.8 million, and the portion of the previously mentioned changes the Group made to its defined benefit pension plan in 2019. This contributed to one-time lower general and administration costs of CHF 4.3 million in 2019.

Core earnings per share from continuing operations amounted to CHF 4.99, an increase of 28.7% compared to CHF 3.88 in 2019 mainly due to strong operational performance. Core earnings are defined as reported earnings after minorities adjusted for proportionate amortization and impairment of intangible assets of CHF 185.0 million in 2020 (2019: CHF 143.5 million).

CASH FLOWS

Cash flow from operating activities amounted to CHF +423.8 million compared to CHF +524.8 million in the previous year. The decrease is mainly due to investments in net working capital, namely increased trade receivables from phasing of payments due from major customers and a planned inventory build.

Cash flow from investing activities amounted to CHF +52.4 million. The cash inflow of CHF 400.0 million from the sale of OM Pharma was largely reinvested in upfront and milestone payments for in-licensing agreements of CHF -193.5 million as well as the Priority Review Voucher of CHF -107.7 million.

Cash flow from financing activities amounted to CHF -268.4 million and was mainly influenced by dividend distributions of CHF -219.6 million, whereof CHF -90.0 million was paid to Fresenius Medical Care and CHF -129.6 million was distributed to shareholders of Vifor Pharma.

FINANCIAL POSITION

Vifor Pharma Group achieved a **net cash position** of CHF 190.6 million at the end of 2020 compared to a net cash position of CHF 5.7 million at the end of 2019. The increase is mainly from the aforementioned strong operating cash flow and sale of OM Pharma, more than offsetting the dividend distributions and investments.

Goodwill and intangible assets amounted to CHF 2,454.5 million at the end of 2020 compared to CHF 2,584.5 million at the end of 2019, representing 47.1% of total assets (2019: 52.4%). The decrease is mainly due to the disposal of intangible assets of CHF 156.6 million with the sale of OM Pharma.

Financial assets amounted to CHF 725.7 million at the end of 2020 compared to CHF 510.7 million at the end of 2019. The increase is mainly due to the fair value gain on our equity investments in ChemoCentryx, Inc. as well as the additional investment in Cara Therapeutics as part of the license agreement which was announced in October. With CHF 4,017.6 million of **shareholders' equity**, Vifor Pharma Group had a strong equity ratio of 77.1% at the end of 2020 (2019: 75.7%).

2. FINANCIAL GUIDANCE 2021

In 2021, at constant exchange rates, net sales are expected to grow at a low-to-mid single digit rate, and EBITDA to grow at a high single digit rate.[2]

3. OUTLOOK 2021

Market access

- The approval of Ferinject® in China is expected in the second half of 2021.
- Upon approval and subject to reimbursement decisions, launch of difelikefalin (Korsuva™) is expected in the US in the second half of 2021. In Europe, VFMCRP plans to submit its marketing authorization application in the first half of 2021.
- The approval of avacopan is expected in the second half of 2021 in Europe and Japan. If approved, it will be the first orally administered drug for the treatment of patients with AAV.
- Our US partner Akebia Therapeutics plans to submit a NDA to the FDA for vadadustat by mid Q2 2021 for the treatment of anemia due to CKD in both adult patients on dialysis and adult patients not on dialysis.

Clinical trials

- The phase-II clinical trial of VIT-2763 in non-transfusion-dependent beta-thalassemia is expected to be completed in the second half of 2021. Additionally, the initiation of a phase-II clinical trial of VIT-2763 in sickle cell disease is planned in H1 2021.
- A phase-II proof-of-concept clinical trial of ANG-3777 for the treatment of cardiac surgery-associated acute kidney injury is underway, with data read-out expected in H2 2021. Top line data of a phase-III clinical trial of ANG-3777 in delayed graft function is expected before the end of 2021.

Business development

In line with our ambition to strengthen our product pipeline, we aim to complete at least two in-licensing deals, product acquisitions or corporate transactions in 2021.

ANNUAL GENERAL MEETING 2021

The Annual General Meeting will take place as planned on 6 May 2021. However, in view of the ongoing COVID-19 pandemic and in accordance with Ordinance 3 on measures to combat the coronavirus issued by the Swiss Federal Council, on the basis of Art. 8 of the new COVID-19 Act, the Vifor Pharma Board of Directors decided that shareholders are not permitted to attend the event in person. Shareholders will be able to exercise their rights exclusively via independent proxy.

Live conference call and webcast
A live webcast and conference call will be held on 3 March 2021 at 14:00 (CET).

Access to live webcast → link
Access to conference call → link (only if you want to participate via phone)

Replay
A webcast replay (link) will be available shortly after the end of the live conference.

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Vifor Pharma Group is a global pharmaceuticals company. It aims to become the global leader in iron deficiency, nephrology and cardio-renal therapies. The company is a partner of choice for pharmaceuticals and innovative patient-focused solutions. Vifor Pharma Group strives to help patients around the world with severe and chronic diseases lead better, healthier lives. The company develops, manufactures and markets pharmaceutical products for precision patient care. Vifor Pharma Group holds a leading position in all its core business activities and consists of the following companies: Vifor Pharma and Vifor Fresenius Medical Care Renal Pharma (a joint company with Fresenius Medical Care). Vifor Pharma Group is headquartered in Switzerland, and listed on the Swiss Stock Exchange (SIX Swiss Exchange, VIFN, ISIN: CH0364749348).
For more information, please visit viforpharma.com.

[1] At CER.

[2] The COVID-19 pandemic continues to impact economic conditions and patient access to our treatments; therefore Vifor Pharma's 2021 guidance assumes a progressive improvement of patients' access to the Company's treatments as of H2 2021.

[3] Core earnings are defined as reported earnings after minorities adjusted for proportionate amortization and impairment of intangible assets.

[4] Without prejudice to market definition.

[5] Unlike volume data, value data are unrepresentative of competitive dynamics because they sum different types of prices for different medicines.