

## REGENT PACIFIC ANNOUNCES 2018 ANNUAL FINANCIAL RESULTS

### A year of achievements in Regent Pacific's transformation

(22 March 2019, Hong Kong) – Regent Pacific Group Limited (“**Regent Pacific**” or the “**Company**” and, together with its subsidiaries, the “**Group**”; Hong Kong stock code: 00575), a specialist healthcare and life sciences investment group, today announced financial results for the full year ended 31 December 2018 (the “**period**”).

**Jamie Gibson, CEO of Regent Pacific** said, “2018 has been a year of achievement for Regent Pacific, as well as one that focused on investing in future growth. We have made good progress on our efforts to commercialise Fortacin™, which look set to generate long-term recurring royalty revenues from our commercial sales partners. Last year, our commercial sales partner, Recordati, successfully launched Fortacin™ in Italy, France, Spain, Germany and Portugal and last month in the UK, with further rollouts planned over the coming years. In addition, we agreed partnerships to allow for the commercialisation of Fortacin™ in China and certain countries of South East Asia; and have successfully registered Fortacin™ in both Hong Kong and Macau allowing for its sale and distribution in 2019. While the investment and costs related to the global commercialisation of Fortacin™ have impacted profitability, we remain well-positioned financially and on track to deliver on our transformational growth strategy.”

#### **KEY FINANCIAL HIGHLIGHTS**

- Loss attributable to shareholders of US\$31.09 million was recorded for the period as a result of a non-cash amortisation charge on Fortacin™ of US\$28 million and costs related to its commercialisation; offset by the milestone and royalty income from Recordati, Wanbang Pharmaceutical and Orient EuroPharma.
- Shareholders' equity amounted to US\$126.62 million, a decrease of approximately 20.27% as compared at 31 December 2017

#### **KEY BUSINESS HIGHLIGHTS**

- The Group remains focused on implementing its strategy of seeking value-led investments in the healthcare and life sciences sector.
- Commercial sales of its landmark PE product Fortacin™ by Recordati commenced, with the Group continuing to pursue commercialisation partnerships in the remaining key markets of North America, Latin America and the Middle East.
- The Group has successfully registered Fortacin™ in both Hong Kong and Macau with the relevant authorities, allowing for its sale and distribution later this year.
- Maintaining and actively monitoring existing and strategic investments in Venturex.

## **Financial Performance**

The Group recorded a loss attributable to shareholders of US\$31.09 million. This was largely due to: (i) a non-cash amortisation charge of US\$28.05 million on the intangible asset, being Fortacin™; (ii) the operating expenses of US\$8.77 million; and (iii) a marked-to-market loss of US\$3.30 million in respect of the Company's equity portfolio of financial assets at fair value through profit or loss (“FAFVPL”); while being offset somewhat by the milestone and royalty income from Recordati S.p.A. (“**Recordati**”), Wanbang Pharmaceutical Marketing & Distribution Co. Ltd. (“**Wanbang Pharmaceutical**”) and Orient EuroPharma Co. Ltd. (“**Orient EuroPharma**”) of US\$6.24 million.

Shareholders' equity amounted to US\$126.62 million, a decrease of approximately 20.27% as compared at 31 December 2017, with the decrease being mainly attributable to the loss attributable to shareholders of the Company.

## **Healthcare and Life Sciences Focus**

The Group's healthcare and life sciences investments remain its core focus and the Group believes that investments in this sector will create substantial returns for our shareholders in the medium to long term. While Fortacin™ has only now been in the market for a relatively short period of time, we see its potential to create a steady stream of recurring cash flow for the Group in the years to come. We are continuing to work diligently with our partners on the further global commercial roll-out of Fortacin™.

The first commercial sale of Fortacin™ took place on schedule in Italy, France, Spain, Germany and Portugal and a total of US\$4.72 million was duly received by the Group from Recordati for the year. The Group now looks forward to working towards receiving further payments under its licence agreement with Recordati, pursuant to which the Group is eligible to receive remaining payments of up to EUR 33 million (or approximately US\$37.56 million) plus royalties after hitting certain milestones.

Last month Recordati launched Fortacin™ in the UK and the Group is continuing to work closely with Recordati towards the planned commercialisation of Fortacin™ in Recordati's other countries with launches happening in Romania and Greece later this year and their other countries over the coming years.

The Group also entered into a licence agreement with Wanbang Pharmaceutical, to sell and distribute Fortacin™ in China. Additionally, the Group was also able to make positive progress with the Hong Kong Department of Health Drug Office and the Macau Government Health Bureau having registered Fortacin™ in both Hong Kong and Macau with the relevant authorities allowing for its distribution and sale in these territories. This paves the way for the drug to be distributed and sold by Orient EuroPharma in 2019.

The Company is maintaining and actively monitoring its existing and strategic investments in Venturex Resources Limited (“**Venturex**”).

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## **About Regent Pacific**

Regent Pacific is a diversified investment group based in Hong Kong currently holding various corporate and strategic investments focusing on the healthcare and life sciences sectors. Its wholly-owned subsidiary, Plethora Solutions Holdings plc, is a specialty pharmaceutical company whose core product Fortacin™ is the first EU approved topical prescription treatment for Premature Ejaculation that does not act on the central nervous system, launched in the UK in November 2016 and in the key European Union countries from February 2018 respectively. It is to be launched subsequently in Czech Republic, Slovakia, Poland, Ireland, Romania and Greece, the rest of Europe, Russia, CIS and certain countries of North Africa. The Group has a strong track record of investments and has returned approximately US\$298 million to shareholders in the 21 years of financial reporting since its initial public offering.

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