FY 2019 Results

February 13, 2020
Aymeric Le Chatelier, CEO & CFO
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The implementation of the strategy has to be submitted to the relevant staff representation authorities in each country concerned, in compliance with the specific procedures, terms and conditions set forth by each national legislation.

The Group operates in certain geographical regions whose governmental finances, local currencies or inflation rates could be affected by the current crisis, which could in turn erode the local competitiveness of the Group’s products relative to competitors operating in local currency, and/or could be detrimental to the Group’s margins in those regions where the Group’s drugs are billed in local currencies.

In a number of countries, the Group markets its drugs via distributors or agents: some of these partners’ financial strength could be impacted by the crisis, potentially subjecting the Group to difficulties in recovering its receivables. Furthermore, in certain countries whose financial equilibrium is threatened by the crisis and where the Group sells its drugs directly to hospitals, the Group could be forced to lengthen its payment terms or could experience difficulties in recovering its receivables in full.

Finally, in those countries in which public or private health cover is provided, the impact of the financial crisis could cause medical insurance agencies to place added pressure on drug prices, increase financial contributions by patients or adopt a more selective approach to reimbursement criteria.

All of the above risks could affect the Group’s future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.
Agenda

01  Excellent 2019 operating performance including sound financial structure

02  Setback in paloverotene development program

03  Strong business fundamentals and strategy

04  Solid 2020 guidance / Updated 2022 outlook

05  Conclusion/ Q&A
FY 2019 Financial Performance
Delivering strong 2019 operating performance and sound financial structure

<table>
<thead>
<tr>
<th>Top line</th>
<th>Bottom line</th>
<th>Financial structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sales exceeded €2.5bn</td>
<td>Core Operating Income growth of +18.6% and margin expansion to 30.4%</td>
<td>Sound financial structure with net debt at €1.1 billion after acquisition of Clementia</td>
</tr>
<tr>
<td>Double-digit Group sales growth of +14.8%(^1) driven by Specialty Care growth of +17.2%(^1)</td>
<td>Leveraging global commercial Oncology infrastructure</td>
<td>Net leverage ratio(^2) of 1.3x allowing for additional investments in future growth</td>
</tr>
<tr>
<td>Strong performance across all major Specialty Care products and geographies</td>
<td>Accelerated investment in R&amp;D (&gt;15% of net sales), including palovarotene</td>
<td>Proposed distribution of €1.00 per share(^3), consistent with the prior year</td>
</tr>
<tr>
<td>Somatuline exceeded €1.0 billion in sales</td>
<td></td>
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</tr>
</tbody>
</table>

\(^1\) At constant currency and consolidation scope; (2) Net Leverage Ratio defined as Net Debt / EBITDA; (3) Decided by the Ipsen Board of Directors, which met on 12 February 2020, to propose at the Annual Shareholders’ meeting on 29 May 2020.
FY 2019 sales growth driven by Specialty Care

Net sales of key products in FY 2019 in million euros – % excluding foreign exchange impact

**Specialty Care sales**

<table>
<thead>
<tr>
<th>Product</th>
<th>FY 2019 Sales (€m)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somatuline</td>
<td>1,032</td>
<td>+18%</td>
</tr>
<tr>
<td>Decapeptyl</td>
<td>407</td>
<td>+9%</td>
</tr>
<tr>
<td>Cabometyx</td>
<td>242</td>
<td>+63%</td>
</tr>
<tr>
<td>Onivyde</td>
<td>135</td>
<td>+17%</td>
</tr>
<tr>
<td>Dysport</td>
<td>388</td>
<td>+10%</td>
</tr>
<tr>
<td>Nutropin</td>
<td>42</td>
<td>-9%</td>
</tr>
<tr>
<td>Increlex</td>
<td>22</td>
<td>-13%</td>
</tr>
</tbody>
</table>

**Consumer Healthcare sales**

<table>
<thead>
<tr>
<th>Product</th>
<th>FY 2019 Sales (€m)</th>
<th>Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smекта</td>
<td>126</td>
<td>-2%</td>
</tr>
<tr>
<td>Forlax</td>
<td>42</td>
<td>+5%</td>
</tr>
<tr>
<td>Tanakan</td>
<td>37</td>
<td>-3%</td>
</tr>
<tr>
<td>Fortrans/Ezi clen</td>
<td>37</td>
<td>+16%</td>
</tr>
</tbody>
</table>

Specialty Care growth driven across all major products and geographies

Group sales

- **€2,576.2m**
  - **+14.8%**

Specialty Care

- **€2,299.4m**
  - **+17.2%**

Consumer Healthcare

- **€276.8m**
  - **-1.2%**

(1) At constant exchange rates and consolidation scope
## FY 2019 Commercial highlights

### Oncology

+ **20% growth** driven by strong performance across all major products and geographies

- **Somatuline sales > €1bn, +18%** including +21% in North America
- **Cabometyx sales +63%** reflecting continued steady launch across geographies and indications
- **Onivyde sales +17%** in the U.S. and through ex-U.S. partner
- **Decapeptyl sales +9%** driven by double-digit growth in China

### Neuroscience

+ **10% growth** of strong sustainable neurotoxin franchise

- **Dysport brand total sales > €600m**
  - **U.S.** Good performance in the U.S. in the therapeutics and aesthetics markets
  - **Rest of World** Solid performance in the aesthetics market in Brazil, as well as higher sales in Russia and in the Middle East

### Consumer Healthcare

- **Sales down -1.2%** with sales growth +0.9% in H2 2019

- **Smecta** sales -1.8% mainly due to the new hospital competitive environment in China and lower sales in Algeria
- **Fortrans/Eziclen** sales up +16.0% driven by China
- **Tanakan** sales were down 3.2% due to lower demand in China
Investments focused on pipeline and commercial support

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>2,576.2</td>
<td>2,224.8</td>
<td>+15.8%</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>116.5</td>
<td>123.6</td>
<td>-5.7%</td>
</tr>
<tr>
<td><strong>COGS</strong></td>
<td>(488.0)</td>
<td>(454.2)</td>
<td>+7.4%</td>
</tr>
<tr>
<td>as % of net sales</td>
<td>18.9%</td>
<td>20.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Selling expenses</strong></td>
<td>(838.6)</td>
<td>(787.4)</td>
<td>+6.5%</td>
</tr>
<tr>
<td>as % of net sales</td>
<td>32.6%</td>
<td>35.4%</td>
<td></td>
</tr>
<tr>
<td><strong>R&amp;D Expenses</strong></td>
<td>(388.8)</td>
<td>(302.1)</td>
<td>+28.7%</td>
</tr>
<tr>
<td>as % of net sales</td>
<td>15.1%</td>
<td>13.6%</td>
<td></td>
</tr>
<tr>
<td><strong>G&amp;A Expenses</strong></td>
<td>(181.4)</td>
<td>(165.7)</td>
<td>+9.5%</td>
</tr>
<tr>
<td>as % of net sales</td>
<td>7.0%</td>
<td>7.4%</td>
<td></td>
</tr>
<tr>
<td>Other core operating income and expenses</td>
<td>(13.2)</td>
<td>(20.8)</td>
<td></td>
</tr>
<tr>
<td><strong>Core Operating Income</strong></td>
<td>782.6</td>
<td>659.9</td>
<td>+18.6%</td>
</tr>
<tr>
<td><strong>Core Operating Margin</strong></td>
<td>30.4%</td>
<td>29.7%</td>
<td>+0.7 pts</td>
</tr>
</tbody>
</table>

**COGS:** Improvement from positive mix effect of growing Specialty Care business offset by higher Cabometyx royalties

**Selling expenses:** Limited growth in commercial investments to support Specialty Care product growth thanks to disciplined and smart allocation of resources

**R&D investments:** Significant increase to support advancement of internal pipeline programs in oncology and neurotoxins and for palovarotene

**G&A expenses:** Increase resulting from the impact of increased corporate structure and new rare disease infrastructure

Note: All ratios in percentage of net sales

COGS: Cost Of Goods Sold; G&A: General and Administrative
Operating leverage driving core operating margin expansion

Further Core Operating Income margin expansion exceeding 30.0% of net sales

Group margin expansion driven by Specialty Care growth despite dilutive impact of palovarotene development costs

Consumer Healthcare lower profitability as compared to the Group margin with selected investments based on limited top-line growth

Negative limited impact of currencies on profitability

Note: All ratios in percentage of net sales
Core Operating Income to Consolidated Net Profit

### Operating Income
- **Impairment loss of €669 million before tax related to the recent setbacks in the palovarotene development program**
- **Restructuring and Other Operating costs mainly from the Group’s transformation programs and the Clementia acquisition and integration costs**

### Consolidated net profit
- **Other financial income/expense including the Clementia CVR revaluation, partly offset by the Onivyde earnout revaluation**
- **Income taxes including the write-off of deferred tax assets related to Clementia, offset by the positive impact of the palovarotene intangible asset impairment on deferred tax**

<table>
<thead>
<tr>
<th>In €m</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Operating Income</td>
<td>782.6</td>
<td>659.9</td>
<td>+122.8</td>
</tr>
<tr>
<td>Core operating margin</td>
<td>30.4%</td>
<td>29.7%</td>
<td>+0.7pts</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>(83.8)</td>
<td>(73.1)</td>
<td>-10.7</td>
</tr>
<tr>
<td>Restructuring/Other operating income and expense</td>
<td>(63.4)</td>
<td>(52.3)</td>
<td>-11.1</td>
</tr>
<tr>
<td>Impairment gain/(loss)</td>
<td>(668.8)</td>
<td>(15.0)</td>
<td>-653.8</td>
</tr>
<tr>
<td>Operating Income/(loss)</td>
<td>(33.4)</td>
<td>519.4</td>
<td>-552.8</td>
</tr>
<tr>
<td>Net financing costs</td>
<td>(28.0)</td>
<td>(5.3)</td>
<td>-22.7</td>
</tr>
<tr>
<td>Other financial income/expense</td>
<td>22.8</td>
<td>(20.1)</td>
<td>+42.9</td>
</tr>
<tr>
<td>Income taxes and other</td>
<td>(11.7)</td>
<td>(105.0)</td>
<td>+93.3</td>
</tr>
<tr>
<td>Consolidated net profit/(loss)</td>
<td>(50.2)</td>
<td>389.1</td>
<td>-439.3</td>
</tr>
</tbody>
</table>
Strong cash flow generation and sound financial structure

2019 Free Cash Flow at €468m (+2.2% vs. 2018) with an EBITDA of €873m (+22%), limited increase in working capital and increased capital expenditure

Strong Free Cash Flow conversion to support business development strategy

Net Debt at €1.1bn at the end of 2019 after acquisition of Clementia for €1.0bn and dividend paid for €83m

Net debt to EBITDA at 1.3x in 2019, below industry average

Full refinancing in 2019 to increase debt capacity for future business development, extend the maturity horizon and diversify sources of financing:

€1.5 billion 5-year revolving credit facility (RCF)

$300 million dual-tranche issuance of notes on the U.S. market (U.S. Private Placement)

Significant financing capacity to leverage balance sheet up to 2.0x net debt to EBITDA

>€1bn business development fire power by end of 2020
Setback in palovarotene development program

What happened

• **FDA partial clinical hold** for patients below 14 years in FOP and MO studies
  → *Dosing discontinued in this population; FDA letter received by end of December*

• IDMC informed Ipsen that Phase 3 MOVE trial reached pre-specified second interim futility analysis criteria
  → *Ipsen paused dosing of patients (> 14 years) in FOP trials; IDMC recommended to not discontinue trials based on encouraging therapeutic activity observed in post-hoc analyses*

Next steps

• Expeditious assessment of Phase 3 MOVE dataset
• Questions being addressed from FDA and other health authorities

• **Next steps of the program to be decided as soon as possible** in close collaboration with patients, investigators, ethics committees and regulatory authorities

Financial implications

• Partial impairment of **€668.8m** before tax based on risk-adjusted scenarios (non cash)
• Discounted accounting value of CVR and earnout related to MO reducing net debt by **€114.6m**

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FOP: Fibrodysplasia Ossificans Progressiva; MO: Multiple Osteochondromas; IDMC: Independent Data Monitoring Committee; CVR: Contingent Value Right
Commitment to FOP and to build successful Rare Diseases franchise

FOP: Ultra-rare and severely-disabling bone disorder with no therapeutic treatment options

**Palovarotene**

- Most advanced clinical program for the treatment of FOP
- Ipsen remains highly committed and motivated to bring the first therapeutic treatment option to the FOP patient community

**BLU-782**

- Most advanced ALK2 inhibitor in development for FOP - Different mechanism of action addressing the underlying cause of FOP
- Phase 1 showed BLU-782 is well-tolerated; expect to initiate Phase 2 in 2020
03
Strong Business Fundamentals and Strategy
Confirming strong business fundamentals and strategy

- Diversified geographical footprint
- Strong Specialty Care franchise built over the years
- Sound financial structure and attractive cash flow conversion
- Advancing R&D pipeline
- Disciplined business development strategy
Leading global biopharma focused on innovation and Specialty Care

Sales by therapeutic area
FY 2019 sales by therapeutic area

- **Consumer Healthcare**: 11%
- **Rare Diseases**: 15%
- **Neuroscience**: 11%
- **Oncology**: 72%
- **Specialty Care**: 89%

Sales by geography
FY 2019 sales by geographical area

- **Europe EU5**: 33%
- **North America**: 30%
- **Other EU countries**: 19%
- **ROW**: 18%

EUS: France, Germany, Italy, United Kingdom, Spain; ROW: Rest of World
Strong Specialty Care franchise built over the years

**Oncology**
Established niche presence

- **Somatuline**: Best-in-class SSA with superior clinical profile, positive real-world evidence, new delivery system
- **Decapeptyl**: Recommended backbone therapy in prostate cancer with expanded use in other indications
- **Cabometyx**: TKI of choice in 2L RCC; significant 2L RCC opportunity as IO combinations move into 1L RCC
- **Onivyde**: Strong synergies with U.S. commercial oncology team
- **Significant LCM programs** in additional indications to expand benefits and market potential (Cabometyx, Onivyde)

**Neuroscience**
Leading player

- **Leading neurotoxin**: Dysport
  - Expertise in research, development, manufacturing, commercialization
- **R&D programs for additional indications** – Phase 2 trials for hallux valgus and vulvodynia
- **Recombinant neurotoxins** to provide innovative solutions along treatment paradigm - Fast acting neurotoxin entering in Phase 2 and long-acting program in preclinical

**Rare Diseases**
Establishing niche presence

- Proven capabilities and patient-centric model to serve unmet medical needs
- **Established Rare Disease assets** in endocrinology (Increlex, Nutropin)
- **Establishing leadership position in FOP** with anchor asset palovarotene and additional licensing of BLU-782
- Remain committed to developing the first therapeutic treatment option for the FOP patient community
- **Searching for additional assets** in selected rare disease space with unmet medical needs and well-defined patient population

*SSA: Somatostatin Analog; TKI: Tyrosine-kinase inhibitor; RCC: Renal Cell Carcinoma; IO: Immuno-Oncology; LCM: Lifecycle Management; FOP: Fibrodysplasia Ossificans Progressiva*
Advancing solid pipeline across 3 strategic TAs with several significant Phase 3 / registrational trials

<table>
<thead>
<tr>
<th>Preclinical</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>177Lu-IPN-01072 (Satoreotide Tetraxetan) GEP-NET</td>
<td>177Lu-IPN-01087 (Satoreotide Trizoxetan) GEP-NET, breast cancer imaging</td>
<td>Palovarotene FOP chronic*, **</td>
<td>Dysport Glabellar lines (China)</td>
</tr>
<tr>
<td></td>
<td>IPN60090 (MD Anderson)</td>
<td>Palovarotene FOP episodic</td>
<td>Cabometyx RCC 1L combination with nivolumab</td>
<td>Dysport solution Glabellar lines</td>
</tr>
<tr>
<td></td>
<td>BLU-782 (ALK2 inhibitor)</td>
<td>Palovarotene MO**</td>
<td>Cabometyx HCC 1L combination with atezolizumab</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cabometyx combination with atezolizumab Solid tumors</td>
<td>Dysport Hallux valgus</td>
<td>Decapeptyl 3M Endometriosis (China)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fast-acting neurotoxin (rBoNT-E) Glabellar lines</td>
<td>Dysport Vulvodynia</td>
<td>Onivyde PDAC 1L</td>
<td></td>
</tr>
</tbody>
</table>

* New chemical entity (NCE)  
** Onivyde PDAC 1L  
** Trial paused following prespecified interim futility analysis; pending further assessment  
** Partial clinical hold for all patients <14 years of age as of December 6, 2019  
FOP: Fibrodysplasia Ossificans Progressiva; GEP-NET: Gastroenteropancreatic Neuroendocrine Tumors; HCC: Hepatocellular Carcinoma; MD: Multiple Osteochondromas; PDAC: Pancreatic ductal adenocarcinoma; PUL: Pediatric Upper Limb; rBoNT/A: recombinant Botulinum Toxin Type A; rBoNT/E: recombinant Botulinum Toxin Type E; PDAC: Renal Cell Carcinoma; SCCL: Small Cell Lung Cancer; 1L: First line; 2L: Second line; 3M: 3-month formulation
Delivering key R&D milestones in 2020

### Program advancements
- **Long-acting neurotoxin (A)**
  - Phase 1/2
  - Spasticity and aesthetics
- **Fast-acting neurotoxin**
  - Phase 2
  - Glabellar lines
- **BLU-782**
  - Phase 2
  - FOP

### Top-line results
- **Cabometyx**
  - Phase 3 CheckMate 9ER
  - 1L RCC combo w/Opdivo
- **Dysport**
  - Phase 2
  - Hallux Valgus
- **Decapeptyl**
  - Phase 3
  - 3M Endometriosis

### Regulatory decisions
- **Dysport**
  - Glabellar Lines
  - (China)
- **Dysport solution**
  - Glabellar Lines
  - (EU)
Driving disciplined business development strategy for long-term sustainability

### Core therapeutic areas targeted

<table>
<thead>
<tr>
<th>Oncology</th>
<th>Differentiated, best-in-class assets in specialized niche markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neuroscience</td>
<td>Expertise in research, development, manufacturing, commercialization</td>
</tr>
<tr>
<td>Rare Diseases</td>
<td>Proven capabilities and patient-centric model to serve unmet medical needs</td>
</tr>
</tbody>
</table>

### Type of investments

<table>
<thead>
<tr>
<th>Full maturity spectrum:</th>
<th>Early and mid-stage assets to low-risk late-stage investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>All types of transactions:</td>
<td>Licensing, partnership, co-development, M&amp;A transactions</td>
</tr>
<tr>
<td>Deal structuring of transactions to minimize risk</td>
<td></td>
</tr>
</tbody>
</table>

### Funding and management of investments

| Strong Free Cash Flow generation to replenish firepower to >€1bn by end of 2020, growing beyond |
| Focus on capital discipline and risk/return profile of transactions |
2020 Guidance
Updated 2022 Outlook
2020 guidance

Sales growth

>+6.0% at constant currency

- Assuming no impact of currencies based on the current level of exchange rates
- Assuming no impact in 2020 of new SSA generic entry

Core Operating margin

~30.0% of net sales

- Assuming no impact in 2020 of new SSA generic entry
- Excluding the impact of incremental investments in pipeline expansion initiatives

High single-digit sales growth for Specialty Care Despite impact of octreotide generic on Somatuline in EU and lower sales for Onivyde

Mid single-digit sales decline for Consumer Healthcare Challenging competitive environment in China hospital channel and in France

Increasing investment in R&D to support internal pipeline in Oncology, Neuroscience and Rare Diseases

Leveraging global Specialty Care commercial infrastructure

Protecting Consumer Healthcare profitability through cost optimization

SSA: Somatostatin Analog
Updated 2022 financial outlook

**Group Net Sales**  >€2.8bn  (assuming current level of exchange rates)

**Core Operating Margin**  >28.0%  (as % of net sales)

- **Existing portfolio**, assumes no approval of additional meaningful products or indications
  - *No sales assumed for palovarotene*
- **Assuming progressive entry** of additional octreotide and lanreotide generics globally from 2021
- **Excluding the impact of incremental investments in pipeline expansion initiatives**
  - *Early and mid-stage pipeline transactions could negatively impact short-term margins*
### Solid product portfolio

<table>
<thead>
<tr>
<th>Brand/asset</th>
<th>Geographies</th>
<th>Major indications</th>
<th>Growth / Peak sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somatuline autogel</td>
<td>Global</td>
<td>Neuroendocrine Tumors (NET)</td>
<td>Double-digit volume growth until potential impact of lanreotide generic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Acromegaly</td>
<td></td>
</tr>
<tr>
<td>Decapeptyl SR triptorelin</td>
<td>Ex-U.S. and Japan</td>
<td>Prostate Cancer</td>
<td>Mid single-digit growth in all territories (assuming no generic impact in China)</td>
</tr>
<tr>
<td>CABOMETYX (cabozantinib) tablets</td>
<td>Ex-U.S. and Japan</td>
<td>Renal Cell Carcinoma (RCC)</td>
<td>Expected peak sales of €400m on current approved indications</td>
</tr>
<tr>
<td>onivyde (Irinotecan liposome injection)</td>
<td>U.S. only</td>
<td>Hepatocellular Carcinoma (HCC)</td>
<td>Expected peak sales of $175m for current indication in 2L PDAC post gemcitabine</td>
</tr>
<tr>
<td>Dysport (abobotulinumtoxinA)</td>
<td>Global</td>
<td>Pancreatic cancer</td>
<td>Double-digit growth in line with market growth in both therapeutic and aesthetic markets</td>
</tr>
<tr>
<td>CHC</td>
<td>Mainly France, Russia and China</td>
<td>Spasticity (Tx)</td>
<td>Expected to grow in line with Consumer Healthcare market</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Glabellar lines (Ax)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gastro Intestinal (GI)</td>
<td></td>
</tr>
</tbody>
</table>

**Geographies**
- Global
- Ex-U.S. and Japan
- U.S. only
- Mainly France, Russia and China

**Major indications**
- Neuroendocrine Tumors (NET)
- Acromegaly
- Prostate Cancer
- Renal Cell Carcinoma (RCC)
- Hepatocellular Carcinoma (HCC)
- Pancreatic cancer
- Spasticity (Tx)
- Glabellar lines (Ax)
- Gastro Intestinal (GI)

**Growth / Peak sales**
- Double-digit volume growth until potential impact of lanreotide generic
- Mid single-digit growth in all territories (assuming no generic impact in China)
- Expected peak sales of €400m on current approved indications
- Expected peak sales of $175m for current indication in 2L PDAC post gemcitabine
- Double-digit growth in line with market growth in both therapeutic and aesthetic markets
- Expected to grow in line with Consumer Healthcare market

**PDAC:** Pancreatic Ductal Adenocarcinoma
2020 Objectives

**Growth**
- Maximize growth, value and market share worldwide for differentiated best-in-class Specialty Care products
- Continue Consumer Healthcare transformation and autonomy
- Leverage current organization and optimize cost base for growth

**Pipeline**
- Increase value of internal pipeline by transforming R&D organization and prioritizing key internal R&D programs
- Foster disciplined business development strategy to bring new assets or products and build innovative and sustainable pipeline

**Culture**
- **People:** Continue transformation through leadership and people
- **Patients:** Bring innovative therapies to patients with unmet medical needs
- **Environment:** Minimize impact by ensuring activities are safe and sustainable

Deliver long-term superior value to patients and shareholders
Q&A
Thank You
From consolidated net profit to core net profit

<table>
<thead>
<tr>
<th></th>
<th>Actual 2019 Reported</th>
<th>Palovarotene impairment impacts</th>
<th>Actual 2019 Before Impairment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated net profit</strong></td>
<td>-50.2</td>
<td>448.8</td>
<td>398.6</td>
</tr>
<tr>
<td>Amortization of intangible assets (excl. software)</td>
<td>83.8</td>
<td>-</td>
<td>83.8</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>35.8</td>
<td>-</td>
<td>35.8</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>27.7</td>
<td>-</td>
<td>27.7</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>668.8</td>
<td>-668.8</td>
<td>-</td>
</tr>
<tr>
<td>Financial result</td>
<td>-51.6</td>
<td>114.6</td>
<td>63.0</td>
</tr>
<tr>
<td>Net profit/(loss) from disc. operations</td>
<td>-4.2</td>
<td>-</td>
<td>-4.2</td>
</tr>
<tr>
<td>Tax effects on non current items</td>
<td>-146.6</td>
<td>105.4</td>
<td>-41.2</td>
</tr>
<tr>
<td><strong>Core net profit</strong></td>
<td>563.4</td>
<td>-</td>
<td>563.4</td>
</tr>
</tbody>
</table>
Positive impact of foreign exchange in FY 2019

61% of sales in non-EUR currencies
USD now 32% of sales

2019 sales by currency:
- EUR: 39%
- USD: 32%
- GBP: 19%
- CNY: 6%
- Other: 4%

Positive impact on Sales of +2.1% mainly from higher USD

Sales by geography

Average rates change (2019 vs. 2018):
- USD: +7%
- RUB: +2%
- CNY: +1%
- TRY: +7%
- BRL: -3%
- Other: -7%

(1) Includes RUB, BRL, AUD, PLN and other currencies
Free Cash Flow generation of €468mn strengthening Balance Sheet

<table>
<thead>
<tr>
<th>In €m</th>
<th>Net debt as of December 2018</th>
<th>IFRS 16 leases</th>
<th>EBITDA</th>
<th>Change in working capital</th>
<th>Net capex</th>
<th>Restructuring, Financial, Tax &amp; Other</th>
<th>Dividends</th>
<th>Net investments</th>
<th>Share buyback &amp; Other</th>
<th>Net debt as of December 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-242</td>
<td>-188</td>
<td>+873</td>
<td>+31</td>
<td>-173</td>
<td>-264</td>
<td>-84</td>
<td>-1,1127</td>
<td>+58</td>
<td>-1,1116</td>
</tr>
</tbody>
</table>

Strong Free Cash Flow of €468 million impact of application of IFRS16 (leases) as of January 1, 2019 amounted to €188 million.
**Oncology ongoing clinical trial highlights**

<table>
<thead>
<tr>
<th>Trial</th>
<th>Population</th>
<th>Patients</th>
<th>Design</th>
<th>Endpoints</th>
<th>Status</th>
<th>Addressable population in Ipsen territories</th>
</tr>
</thead>
</table>
| Cabometyx Phase 3 CheckMate 9ER NCT03141177 | 1L RCC | 638 | ▪ Arm 1: cabozantinib + nivolumab  
▪ Arm 2: sunitinib | ▪ Primary: PFS  
▪ Secondary: OS, ORR, safety | Data expected early 2020 | ~30K patients |
| Cabometyx Phase 3 COSMIC 312 NCT03755791 | 1L HCC | 740 | ▪ cabozantinib 40 mg oral, qd + atezolizumab 1200 mg infusion, q3w  
▪ sorafenib 400 mg bid | ▪ Primary: PFS, OS | Recruiting | ~26K patients (ex-China) |
| Cabometyx Phase 1b NCT03170960 | Solid tumors | 1732 | ▪ cabozantinib (20 mg, 40 mg, or 60 mg qd) + atezolizumab 1200 mg infusion q3w | ▪ Primary: MTD, ORR  
▪ Secondary: safety | Recruiting | |
| Cabometyx Phase 1b NCT03299946 | 1L HCC | 15 | ▪ cabozantinib 40mg daily for 8 weeks + nivolumab 240mg intravenously every 2 weeks | ▪ Primary: safety | Recruiting | ~26K patients (ex-China) |
| Onivyde Phase 3 NCT03487016 | 1L PDAC | 270 | ▪ Arm 1: Onivyde (nanoliposomal irinotecan) + 5-FU/LV + oxaliplatin  
▪ Arm 2: Gem-Abraxane | ▪ Primary: PFS | Recruiting | ~28K patients |
| Onivyde Phase 2/3 NCT03088813 | 2L SCLC | 486 | ▪ Onivyde (nanoliposomal irinotecan)  
▪ Topotecan | ▪ Primary: OS  
▪ Secondary: PFS, ORR, safety | Recruiting | ~14K drug-treated patients |
| Onivyde Phase 1 NCT01770353 | Breast cancer (ER/PR positive, TNBC, active brain metastasis) | 45 | ▪ Onivyde (nanoliposomal irinotecan) IV on Days 1 and 15 every 4 weeks + ferumoxytol 5 mg/kg IV once on Day 1 | ▪ Primary: tumor levels of irinotecan and SN-38  
▪ Secondary: safety, tumor response rate | Ongoing | |
Oncology ongoing clinical trial highlights

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</tr>
</thead>
<tbody>
<tr>
<td>Satoreotide trizoxetan ⁶⁷Ga-IPN-01070 Phase 2 NCT03220217</td>
<td>GEP-NET</td>
<td>25</td>
<td>Satoreotide trizoxetan</td>
<td>Primary: Difference in relative lesion counts  Secondary: Difference in image quality</td>
<td>Recruiting</td>
</tr>
<tr>
<td>IPN01087 Phase 1 NCT03525392</td>
<td>NTSR1 solid tumors</td>
<td>320</td>
<td>IPN01087</td>
<td>Incidence DLT and organ exposure to radiation</td>
<td>Recruiting</td>
</tr>
<tr>
<td>IPN 60090 Phase 1 NCT03894540</td>
<td>Solid tumors</td>
<td>236</td>
<td>IPN 60090</td>
<td>Primary: Rate of DLT, MTD, RD</td>
<td>Recruiting</td>
</tr>
</tbody>
</table>

DLT: Dose-Limiting Toxicities; GEP-NET: Gastro-Entero-Pancreatic Neuroendocrine Tumors; MTD: Maximum-Tolerated Dose; RD: Recommended Dose
## Neuroscience ongoing clinical trial highlights

<table>
<thead>
<tr>
<th>Trial</th>
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<th>Patients</th>
<th>Design</th>
<th>Endpoints</th>
<th>Status</th>
<th>Addressable population in Ipsen territories</th>
</tr>
</thead>
</table>
| **Dysport**   | **Hallux valgus (foot bunions)** | 165      | Dysport (AbobotulinumtoxinA) | Primary: Change from baseline in daily Numeric Pain Rating Scale (NPRS) score | Recruiting | High prevalence worldwide: 23%¹  
| Phase 2       |                             |          |                             | 15% consult specialist  
| NCT03569098   |                             |          |                             | 10%² moderate to severe patients |        |                                             |
| **Dysport**   | **Vulvodynia**              | 93       | Dysport (AbobotulinumtoxinA) | Primary: Safety, change from baseline in vaginal pain on Numeric Rating Scale | Recruiting | 6.5%³ of female population  
| Phase 2       |                             |          | Placebo                     | 69%⁴ consult specialist  
| NCT03598777   |                             |          |                             | 40% vulvodynia diagnosis  
|               |                             |          |                             | 60%⁵ provoked vulvodynia |        |                                             |

## Rare Diseases ongoing clinical trial highlights

<table>
<thead>
<tr>
<th>Trial</th>
<th>Population</th>
<th>Patients</th>
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<th>Status</th>
<th>Addressable population in Ipsen territories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palovarotene</td>
<td>FOP (chronic)</td>
<td>90</td>
<td>▪ Palovarotene - 5 mg once daily and upon flare-up, 20 mg once daily for 28 days followed by 10 mg for 56 days</td>
<td>▪ Primary: Change in HO volume</td>
<td>Dosing paused after reaching pre-specified second interim analysis futility criteria / partial clinical hold on patients &lt;14 years of age</td>
<td>~9K WW</td>
</tr>
<tr>
<td>Palovarotene</td>
<td>MO</td>
<td>240</td>
<td>▪ Palovarotene 2.5 mg daily</td>
<td>▪ Primary: Annualized rate of new osteochondromas</td>
<td>Partial clinical hold on patients &lt;14 years of age</td>
<td>~150K WW, ~24K pediatric, moderate to severe</td>
</tr>
<tr>
<td>Palovarotene</td>
<td></td>
<td></td>
<td>▪ Palovarotene 5.0 mg daily</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palovarotene</td>
<td></td>
<td></td>
<td>▪ Placebo</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FOP: Fibrodysplasia Ossificans Progressiva; HO: Heterotopic Ossification; MO: Multiple Osteochondromas