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Chairmen's Statement

Chiesi Farmaceutici started in Parma, Italy, in 1935 as a small laboratory with just two employees, thanks to an intuition of our father Giacomo. In over 80 years of history, during which three generations of the Chiesi family have succeeded one another, the company, despite remaining firmly established in Italy, is today an international pharmaceutical Group. The Group employs **5,318 people** (500 more than 2016) and focuses its activities on the research, development, production and marketing of therapeutic solutions, developing successful drugs for its therapeutic areas: respiratory, neonatology, special care and rare diseases.

In the Italian and international pharmaceutical panorama, Chiesi is now positioned as an entrepreneurial reality with a **strong vocation for innovation and research**. This commitment of the

company is achieved with the development of therapeutic solutions able to improve the quality of life and the health of people.

The Group can also count on a high-profile entrepreneurial team, which constantly strives to achieve results in compliance with ethical and social responsibility values, which guide the activities of all the Group's affiliates.

Chiesi has formed a number of commercial and research and development partnerships, both nationally and internationally, achieving innovative results on regenerative medicine, **recombinant enzymes**, and in the **prevention of organ transplant rejection**.



The Group is led by the Chiesi family. The founding father Giacomo Chiesi has succeeded his sons Alberto - now President - and Paolo - Vice President and R&D Director. With them began a process of continuous expansion and internationalization that was achieved with the opening in Brazil of the first foreign office in the late seventies. Today the Group can count on the skills of the third generation Chiesi, the sons of Alberto and Paolo - Alessandro, Andrea, Giacomo and Maria Paola - and makes use of the guidance of Ugo Di Francesco, CEO.

2017 FOR THE CHIESI GROUP

The year 2017 has seen the forward, parallel march of five important company realities in Chiesi Group: sales turnover, the launch of new products, international expansion, Research and Development and Corporate Development activities, the numerical and professional growth of our people.

We will continue to invest in research at a high rate, to strengthen our presence in the respiratory field, and to continue to grow in Special Care and Rare Diseases. Together with careful management with the aim of ensuring the necessary funds to invest in Research and Business Development, we want to continue working to improve the working conditions of our people, to develop the talents we have available, to ensure adequate succession plans in all strategic positions in the company.

It is important to understand how the pharmaceutical scenario will evolve to make the right decisions. We believe that the international scenario in which we operate is moving with great rapidity, towards objectives that are partly unpredictable only a few years ago.

Here are some new situations in which we are already moving:

- **"Big Data" and "Personalized Medicine"**
- **New therapeutic horizons** (Advanced Therapy Medicines)
- **A new concept of "drugs"**: medicines will no longer be considered just a product, but part of a more complex and integrated treatment process, together with precision diagnostics, "devices" and assistance services.
- **Digital Transformation / Industry 4.0**
- **Globalization**

The effort we are making is to understand, as quickly as possible, how we can move, in a careful and conscious way, but decisively, to remain competitive in these "new horizons". The effort requires clarity, pro-activity and team spirit, to choose and operate in such a way as to ensure sustainable development of the company. These evaluations and choices require the participation and joint effort of all

our people, each according to their role, to help us understand what is important to do and how to do it in the best way.

We believe that in 2017 we took an important step in the right direction to be competitive in the future. We hope that in 2018, with the launch of Trimbow and new products for special care and rare diseases, we will take another step even more decisive.

Our "polar star" is our ability to be involved, informed and proactive in the new trends that are emerging in the market. The weapon that will allow us to grow in a sustainable way is the excellence of everyone and of each one, together with a unity of purpose and a great team spirit. Our people are always at the center of what we do.

Alberto Chiesi
President

Paolo Chiesi
Vice President and Head of R&D

Chiesi at a Glance

Our focus is on three core therapeutic areas:



RESPIRATORY

€ 1,019

Sales M€
+ 5.4% on 2016



NEONATOLOGY

€ 246

Sales M€
+ 5.6% on 2016



RARE DISEASE AND SPECIAL CARE

€ 413

Sales M€
+ 14.4% on 2016



REVENUES 2017

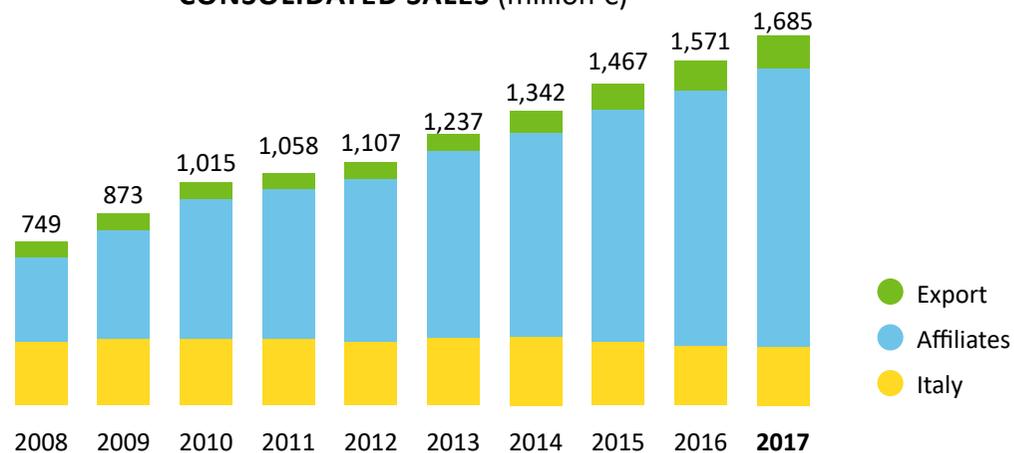
Global sales **1,685** (million €)



In market revenue

- Europe
- Usa
- Emerging Markets and IMDD

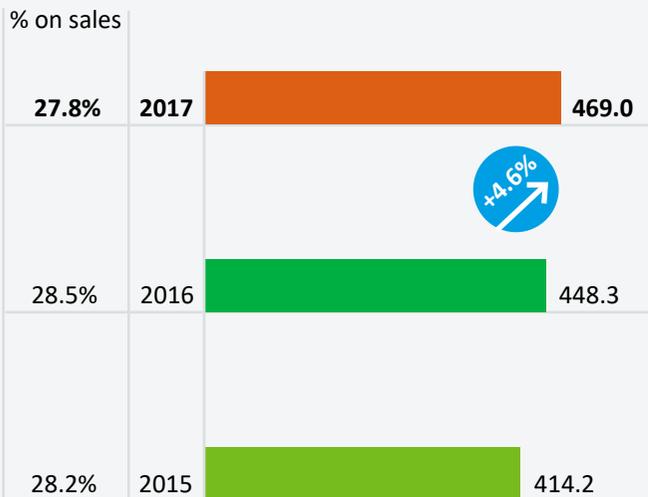
CONSOLIDATED SALES (million €)



- Export
- Affiliates
- Italy

EBITDA 2017

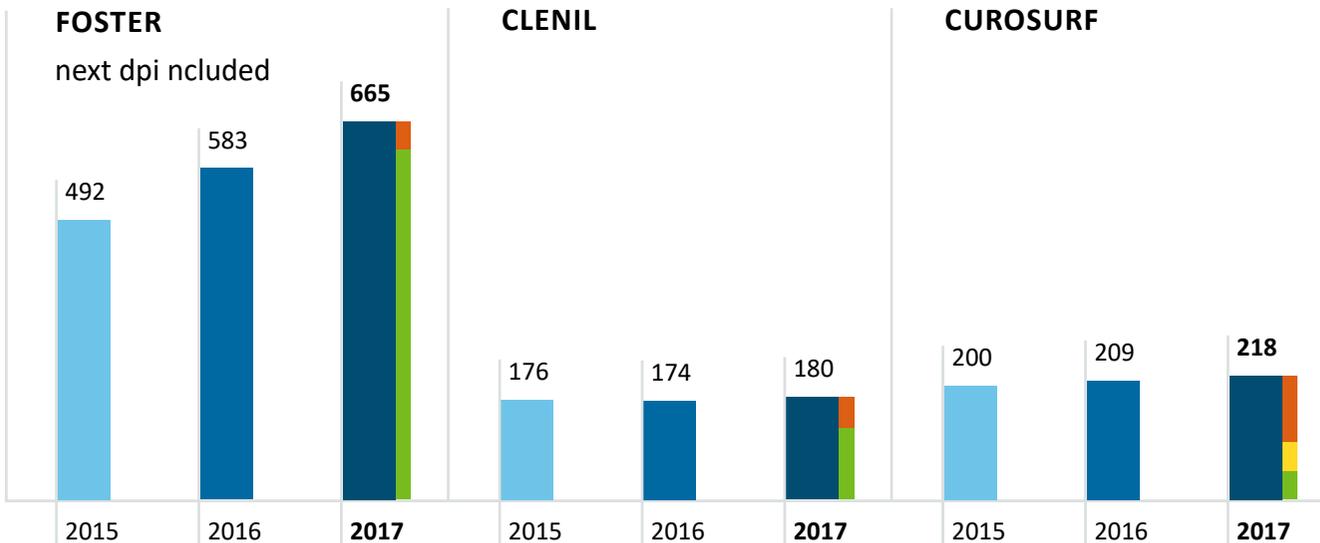
million €



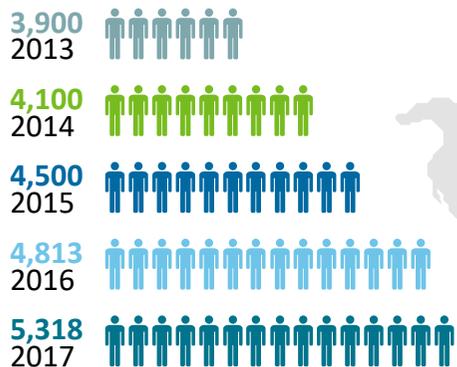
MAIN PRODUCTS

million €

● Europe ● Usa ● Emerging Markets and IMDD



EMPLOYEES WORLDWIDE



720
employees in R&D,
including regulatory
activities

775
employees in manufacturing





RESEARCH AND DEVELOPMENT INVESTMENTS

1st among Italian pharmaceutical companies *

2nd among Italian manufacturing Companies *

15th among the European Pharmaceutical companies *



**European Commission - 2017 EU Industrial R&D Investment Scoreboard*



IN 2017 CHIESI IS THE 1ST ITALIAN PHARMACEUTICAL COMPANY IN EUROPA FOR PATENT DEPOSITS

3,221

Worldwide patents in the portfolio Chiesi at 31.12.2017



ONCE AGAIN TOP EMPLOYER!



6th year in a row



10th year in a row

Chiesi Germany
 **7th** year

Chiesi France
 **6th** year

Chiesi Spain
 **6th** year

Chiesi UK
 **6th** year

Chiesi Poland
 **5th** year

Chiesi USA
 **3rd** year

Chiesi Brazil
 **2nd** year

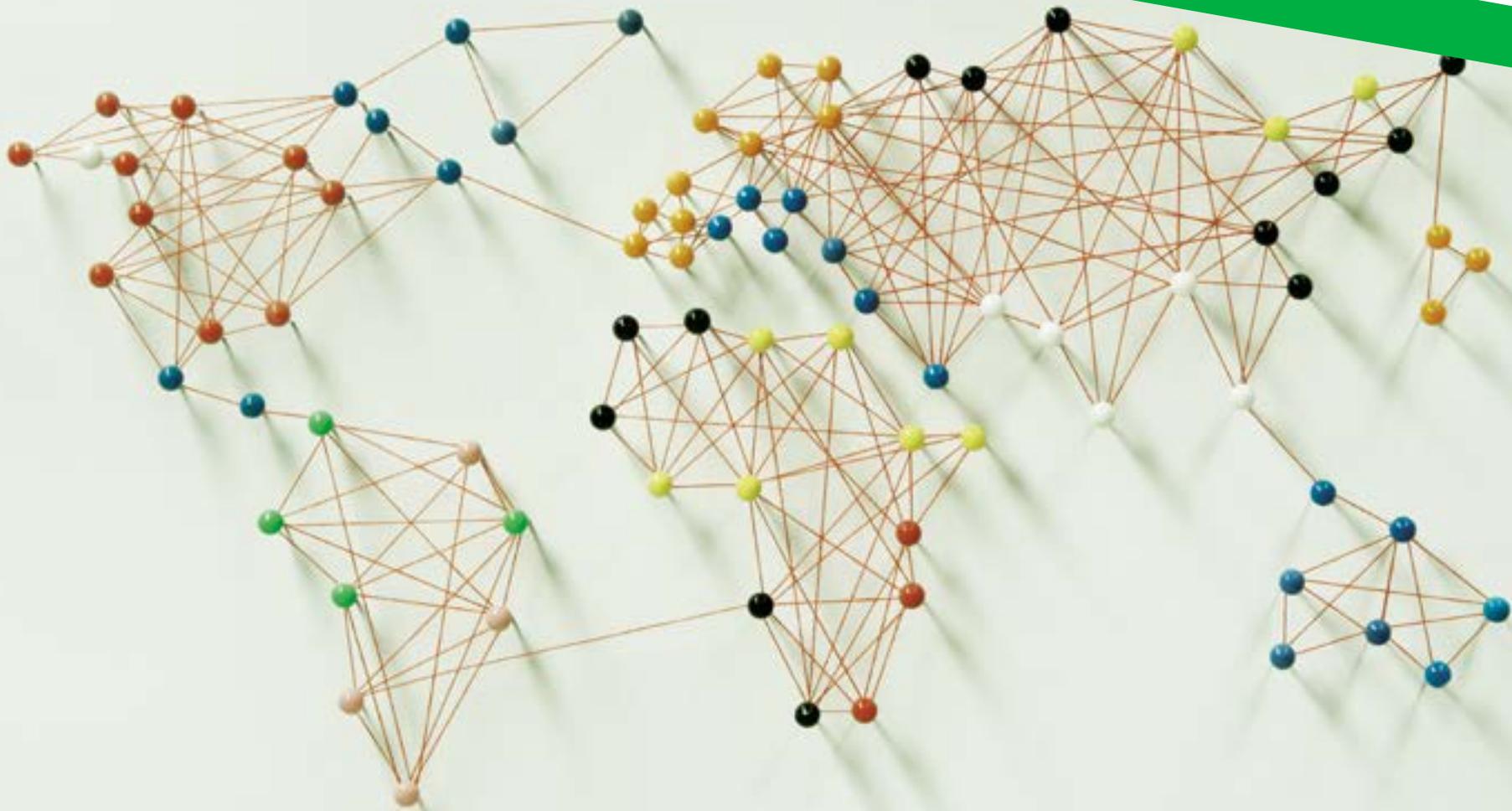
FROM 2017 TURKEY AND RUSSIA ARE TOP EMPLOYERS!

Chiesi Russia


Chiesi Turkey




Chiesi world



Chiesi is an international, research-focused company

Through over *80 years* in business, we have established a strong heritage in producing innovative pharmaceutical solutions to improve the quality of human life. We are committed to delivering outstanding results with integrity, operating in a socially and environmentally responsible manner.

Our mission



Our aim is to be recognised as a research-focused international Group, able to develop and commercialise innovative pharmaceutical solutions to improve the quality of human life.



We wish to maintain a high quality entrepreneurial team characterised by self-confidence and a collaborative spirit.



Our goal is to combine commitment to results with integrity, operating in a socially and environmentally responsible manner.





Our vision

By 2025 we aspire to be a point of reference for patients affected by chronic respiratory disorders, rare diseases and other health conditions which are difficult to treat, offering them and those who take care of them innovative solutions in the management of their needs, even exploring new frontiers in treatment and care.

While remaining a family-controlled company, we want to continue to grow ambitiously by focusing on key markets, but also expanding patients' access to care in key emerging countries. We aim to maintain a profitability level adequate to sustain our investments in innovation, development and internationalization efforts.

We believe we can achieve all this only through teamwork, taking care with particular attention of the wellbeing and the excellence of all the people working with us.

EVERYONE OF US IS CHIESI

GEOGRAPHIES	PORTFOLIO	THERAPEUTIC AREAS	R&D	FINANCIAL	PEOPLE
Balanced promotion among Geographies	Focus on key therapeutic areas such as Respiratory, Neonatology and Special care including Rare diseases		Adopt a Patient Centric Approach throughout the Company <hr/> Emphasise Innovation	Have a sound Financial Performance and Value Creation	Invest in and improve the wellbeing and quality of our people



Our culture and values

Applying them on a daily basis in everything we do and in our relationships with employees and partners.

Our Strategy

BALANCING GROWTH AND GEOGRAPHY

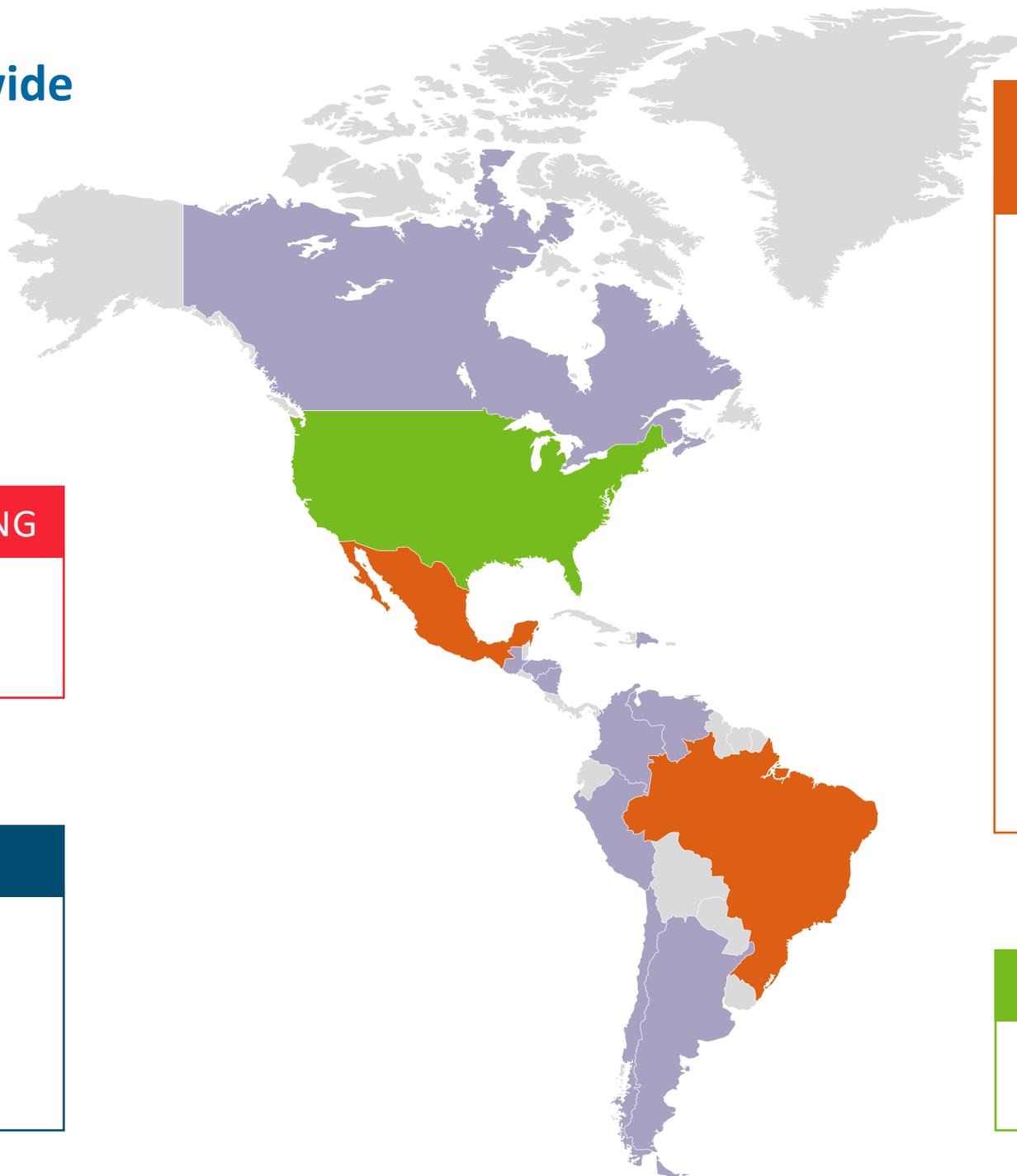
Our business strategy can be summarised very simply: we aim to continue growing, while maintaining the right balance of locations and therapeutic areas.

OUR STRATEGY FOR OUR THERAPEUTIC AREAS

Respiratory therapy is our DNA. It is where the company started, and historically, it has been the key driver for Chiesi's growth. However, we consider all our therapeutic areas to be equally important, and as we evolve, our strategy is to grow our presence and capabilities in these important areas.

We believe the duty of a market leader is not just to develop drugs, but also to deliver a full range of products, services and devices that support patients, physicians and nurses and improve quality of life.

Chiesi worldwide



MANUFACTURING

Parma, **Italy**
Blois, **France**
Santana De Parnaiba, **Brazil**

RESEARCH

Chippenham e Oxford, **UK**
Parigi, **France**
Parma, **Italy**
Hillerod, **Denmark**
Lidingo, **Sweden**
Cary, **North Carolina, USA**

REGION EMERGING MARKETS

BRAZIL
Chiesi Farmacêutica Ltda

CHINA
Chiesi Pharmaceutical (Shanghai) Co., Ltd

RUSSIA
Chiesi Pharmaceuticals Llc

MEXICO
Chiesi México

PAKISTAN
Chiesi Pharmaceuticals (Pvt) Limited

SWEDEN
Chiesi Pharma Ab

TURKEY
Chiesi İlaçicaret Limited Sirketi A.Ş

REGION USA

USA
Chiesi USA Inc.



INTERNATIONAL MARKETS DEVELOPMENT DIVISION (IMDD)

IMDD is a division including the 50 countries where Chiesi is present with a network of partners.

REGION EUROPE

ITALY

Chiesi Farmaceutici S.P.A.

AUSTRIA

Chiesi Pharmaceuticals Gmbh

BELGIUM

Chiesi Sa

BULGARIA

Chiesi Bulgaria Ltd.

FRANCE

Laboratoire Chiesi

GERMANY

Chiesi GmbH

GREECE

Chiesi Hellas Pharmaceuticals S.A.

THE NETHERLANDS

Chiesi Pharmaceuticals B.V.

POLAND

Chiesi Poland Sp. Z.O.O.

UNITED KINGDOM

Chiesi Ltd.

CZECH REPUBLIC

Chiesi Cz S.R.O.

ROMANIA

Chiesi România S.R.L.

SLOVAK REPUBLIC

Chiesi Slovakia s.r.o.

SLOVENIA

Chiesi Slovenija, D.O.O

SPAIN

Chiesi España S.A.

HUNGARY

Chiesi Hungary Kft.

Partnerships

ABIOMGEN
PHARMA

D Dompé

Lavipharm

ApoPharma

NOVARTIS

H HORIZON
PHARMA

**MOLECULAR
WAREHOUSE**

3M

Pfizer

pharmaxis

Synthon

Veloxis
PHARMACEUTICALS

PARI

ferrer

PROTALIX
Biotherapeutics

EDDINGZ
PHARM

AGUETTANT

Associations

IFPMA

**ACCESS
ACCELERATED**
Moving NCD Care Forward

EUCOPE
European Confederation of
Pharmaceutical Entrepreneurs (ACE)

efpia
European Federation of Pharmaceutical
Industries and Associations

FARMINDUSTRIA

Board of Directors, Executive Committee & Board of Auditors



BOARD OF DIRECTORS

Alberto Chiesi

Paolo Chiesi

Alessandro Chiesi

Andrea Chiesi

Maria Paola Chiesi

Giacomo Chiesi

Ugo Di Francesco



EXECUTIVE COMMITTEE

Alberto Chiesi

President

Andrea Chiesi

*Head of R&D Portfolio
Management*

Ken McBean

*General Manager Chiesi
USA, Inc.*

Paolo Chiesi

*Vice President and
Head of R&D*

Maria Paola Chiesi

Head of CSR

Mark Parry-Billings

*Head of Corporate Drug
Development*

Ugo Di Francesco

CEO

Giacomo Chiesi

*Head of Global Corporate
Development*

Danilo Piroli

Head of Corporate Finance

Ugo Bettini

*Head of Group Human
Resources and Organization*

Giovanna Amadori

Head of Strategic Planning

Cosimo Pulli

*Head of Region Emerging
Countries and IMDD*

Andrea Bizzi

*Head of Corporate
Marketing*

Antonio Magnelli

*Head of Global
Manufacturing Division*

Marco Vecchia

*Head of Legal and Corporate
Affairs*

Alessandro Chiesi

Head of Region Europe



BOARD OF AUDITORS

Giuseppe Piroli

Paolo Alinovi

Vincenzo Simonazzi



Performance review



CEO Statement

2017 was full of key events for the Chiesi Group, which was able to achieve a series of successes in an extremely complex context, where our people worldwide once again demonstrated their commitment to ensuring the success of the company and their ability to tackle entirely new challenges.

Some of these events have had a significant impact on our business: one example that comes to mind is **Zyflo®**, which is one of our flagship products in the USA and has experienced the effects triggered by the patent expiry in recent months. Another is the **turbulent** and **volatile** economic climate, which has led to the depreciation of a number of currencies fundamental to our business. Despite the fact that this devaluation totalled between **50 and 70 million Euro** - a value which fluctuates depending on whether last year's results or the budget are considered -, the Chiesi Group managed to almost completely absorb these losses and end the year with global sales for **1,686** million Euro, representing a growth of

7.2% on the previous year (+8.8% at constant exchange rates).

An extremely positive result, bearing testimony to the quality and excellence of the work done by more than 5,300 people who make up our team and who, in my opinion, also form the basis for an outstandingly successful and prosperous future for Chiesi.

Let's take a closer look at our most important achievements.

2017 saw us open a new small **affiliate in Iran** and consolidate our presence in all the countries where we have affiliates or distributors. In Europe, we launched **Trimbow®**, our fixed triple association available for the first time in a single inhaler and indicated for the maintenance treatment of patients affected by **Chronic Obstructive**



Pulmonary Disease (COPD). *Trimbow*[®] is already available in 8 countries, and by the end of 2018 will be present in a further 14. Regulatory approval for *Trimbow*[®] at European level represented an outstanding result for Research and Development, confirming the degree of efficiency and maturity reached by our team, which almost simultaneously carried out a series of international clinical trials involving around **8,000** patients in total.

Foster[®] (**Spray and Nexthaler**), indicated for the treatment of asthma and COPD, experienced growth rates of around 15%, gaining growing market shares in all countries. In some countries it is market leader, confirming the therapeutic value of its formulation. It reached sales totalling 667 million Euro, making it the best-selling Italian pharmaceutical product in the world.

Curosurf[®], our life-saving drug used with premature neonates for the treatment or prevention of Respiratory Distress Syndrome, which has been on the market for more than 25 years, has continued to grow as surfactant world leader, and now comes with new devices aimed

at facilitating the administration of the drug. It is estimated that to date Curosurf has potentially saved the lives of over 4 million babies.

Clenil[®] is one of Chiesi's historic products and has been well-established since its launch in Italy in **1979**. It is indicated for the treatment of asthma, along with other inflammatory and allergic conditions, and **forty years after** it was introduced onto the market, continues to resist stiff competition and generics thanks to its growth in the emerging markets.

We have also completed several key acquisitions of products and innovative projects (in the USA, Italy and Europe), including an agreement with **Horizon Pharma**, a medium-sized American biopharmaceutical company, to purchase marketing rights in the EMEA region (Europe, Middle East and Africa) for Procysbi[®], indicated for the treatment of nephropathic cystinosis, and Quinsair[™], indicated for cystic fibrosis sufferers. The acquisition of these rights for Procysbi and Quinsair has further strengthened our rare disease product portfolio, a sector to which we are strongly committed.

2017 therefore made a significant contribution to strengthening the company's competitiveness within the scope of our strategic objectives, which are based on seven main pillars: Sales, Geographical areas, Therapeutic areas, Research and Development, Production, Human Resources and Business Objectives.

2018 and the years to come will present just as many challenges and complexities. Three strategic elements that are in my view fundamental will drive our growth: **innovation, internationalization and people.**

Innovation represents a decisive push for the company towards the future: scientific research will drive its path in the direction of new therapies and care models that are now becoming established. A future where technology will also have an increasing impact on both patient care and therapy management, yet also on the way we work and see our working areas organised

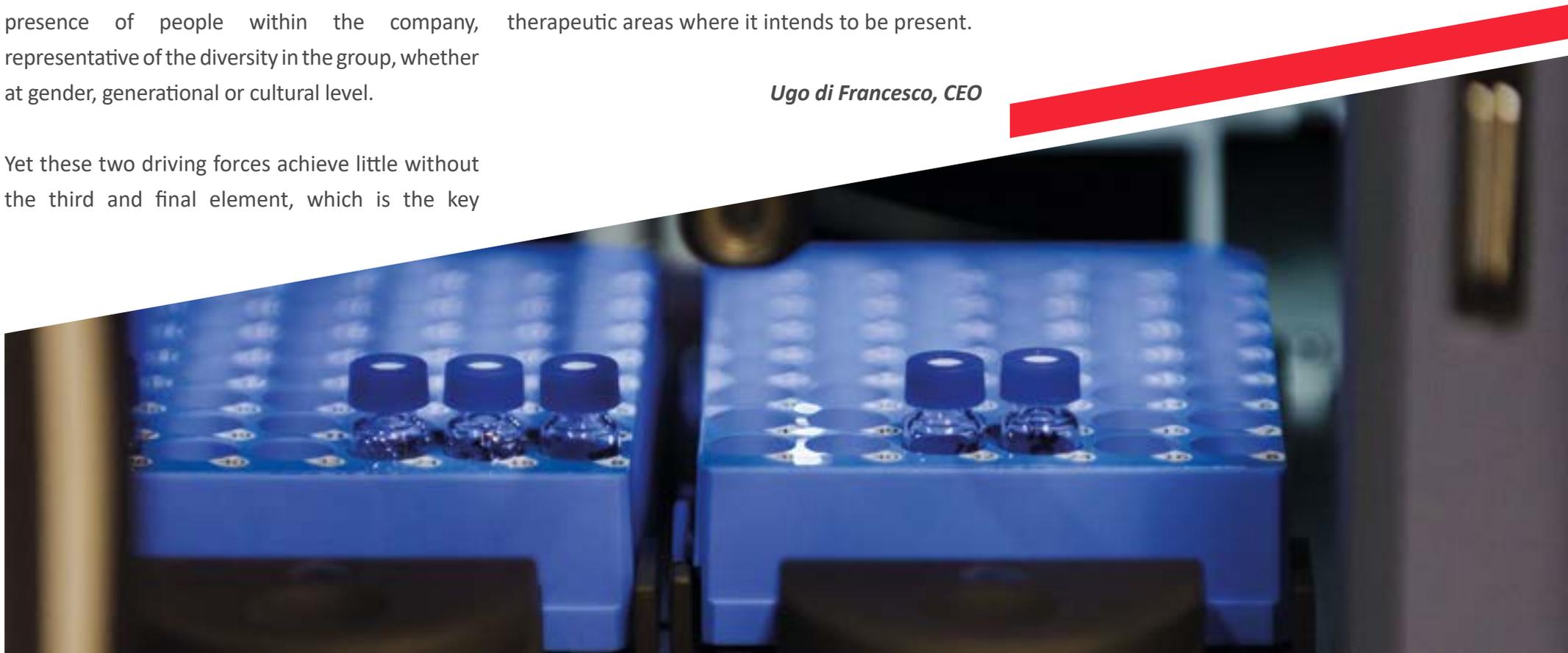
differently. Innovation will also play a role in the management of new challenges in the future, in a world evidently destined to become ever more complex.

internationalization, as today we are, and will become even more so in the future, an international company not only in terms of geographic presence but also in terms of an increasing international presence of people within the company, representative of the diversity in the group, whether at gender, generational or cultural level.

Yet these two driving forces achieve little without the third and final element, which is the key

to everything: **people**. Our commitment is to continue working to develop our outstanding team, helping young people to train and develop professionally, offering them new opportunities and ensuring that all our their talents have the chance to exploit their own potential to the full. In this way we will truly be able to create the Chiesi of the future, a growing international company that is strongly competitive at global level in the therapeutic areas where it intends to be present.

Ugo di Francesco, CEO



Financial results



GROUP FINANCIAL RESULTS 2017 (Values in M€)

Chiesi Group closes 2017 on a high with an annual turnover of **€1,685** million, an increase of more than **+7.2%** on the previous year (**+8.6%** at constant exchange rates), and EBITDA equal to **€469 million** (a year-on-year increase of over **4.6%**).

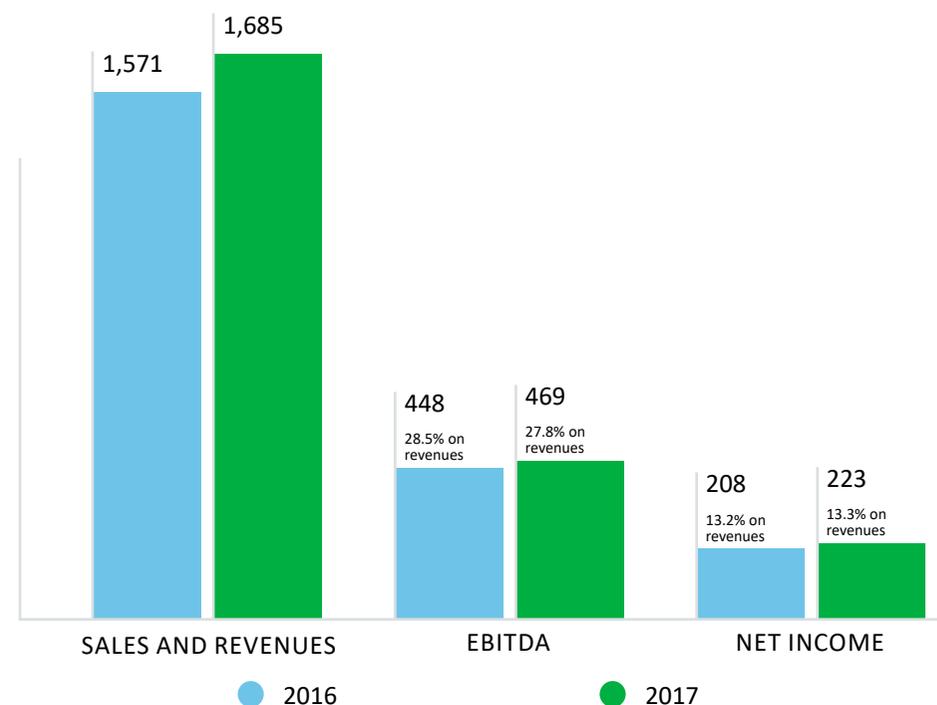
The robust health of the company is reflected by its investment in innovation and development, with R&D expenditure up to **+10.8%**, exceeding **€376** million euro in 2017, 22.3% of total sales.

Region	Revenues	Variation vs 2016	Employees
EUROPE	1,118	7.8%	2,341
EMERGING M	327	14.1%	1,114
USA	258	2.6%	222

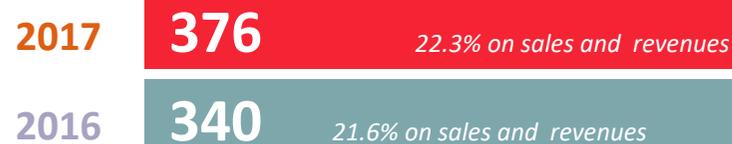
In millions €



OPERATING RESULTS (in millions €)



INVESTMENTS IN R&D (in millions €)



EMPLOYEES

The total number of employees now stands at **5,318**: people as a central focus, passion, entrepreneurial spirit and intercultural dialogue are the values on which the company will continue to base its development in the coming years.



- Employees in force
- Temporary contract Employees

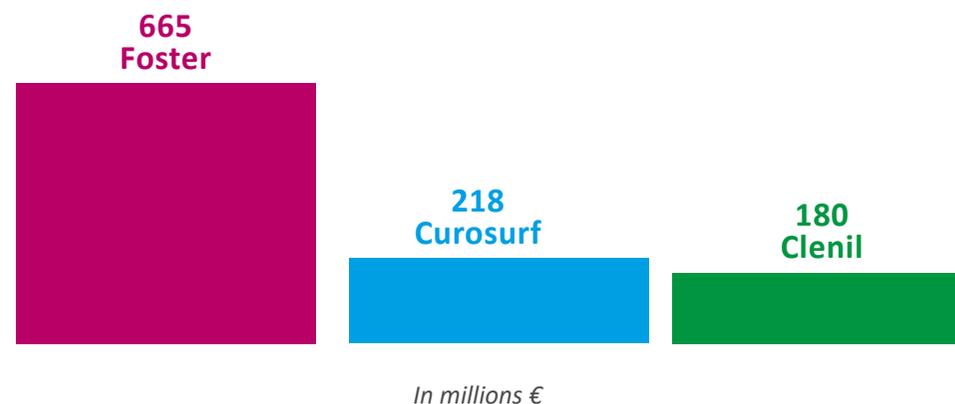
THE PRODUCTS

Chiesi is a key global player in the respiratory area. A number of brands in its portfolio are continuing to generate significant growth and revenue:

Foster® (beclomethasone dipropionate and formoterol fumarate), in its various formulations, generated sales of €665m, a full ten years after its launch (+13.9%).

Curosurf® (poractant alfa), has exceeded **€218** million euro, up by 4.3% on 2016, thus confirming its global leadership as a life-saving medicine. Entirely developed and manufactured in Italy, this drug is indicated for the treatment of respiratory distress syndrome, a rare disorder that impairs lung function in premature infants.

Clenil® (beclomethasone dipropionate) generated sales of over **€180** million, with an increase of 3.4% vs 2016.



Region Europe

The Region Europe Sales reached **€1,118** billion, representing overall growth of **7.8%**

Region	Revenues	Variation vs 2016	Employees
Italy	262	1.1%	576
UK	247	15.9%	334
Germany	182	12.1%	393
France	115	(1.4%)	261
Spain	99	11.2%	261
Austria & CEE	87	6.6%	209
Holland	54	17.8%	71
Poland	33	5.6%	117
Belgium	21	(3.6%)	53
Greece	19	4.1%	66

MILESTONES

- **Trimbow® - European Marketing Authorization** - trimbow is now approved for use in the 31 European countries covered by the European Medicines Agency (EMA).
- **Launch of Trimbow®** in UK, Germany, The Netherlands and in the Nordics (Sweden, Denmark, Norway, Iceland, Finland).
- After over 10 years from the launch, **Foster®** has become a market leader in a significant number of countries with significant market shares.



2017 represented a milestone for Europe and for the Group. After a long journey we launched Trimbow, the first triple combination for Chronic Obstructive Pulmonary Disease (COPD). We have entered the field of rare diseases with the launch of Holoclar®, the acquisition of Procisby® and the registration of Lamzede®. Together with the

positive development of the other areas of activity, this has allowed the Region to continue to grow significantly and to strengthen our leadership position in the sectors in which we are present. A nice recognition for a great team effort.

Alessandro Chiesi
Head of Region Europe

Region USA

Chiesi USA Sales reached **€258** million, representing overall growth of **2.6%**

Region	Revenues	Variation vs 2016	Employees
USA	258	2.6%	222

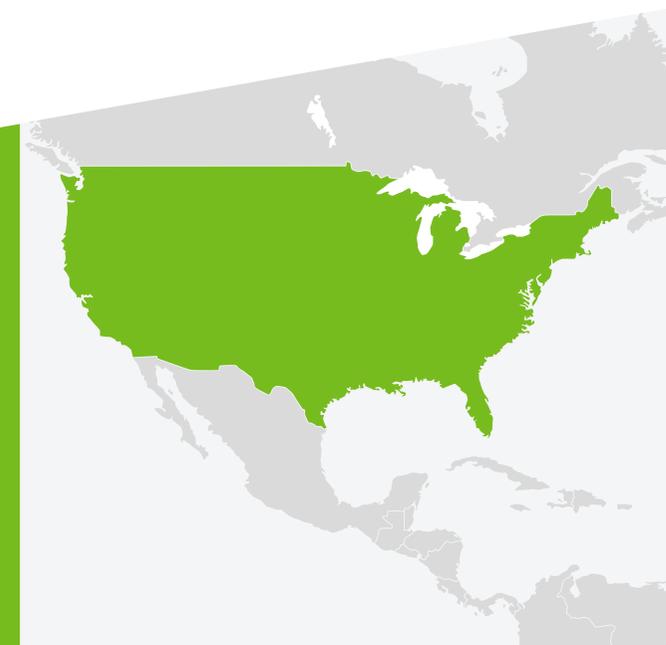
MILESTONES

- The main achievement for Chiesi USA was exceeded budget on both revenue and profitability, after adjusting for the generic competition for **Zyflo CR**.
- **Chiesi in the Community** was also a major success. The program had a positive impact beyond expectations on affiliate awareness, positive impact in the local community and company culture.

2017 was a year of challenges and, ultimately, a year of success for Chiesi USA. Multiple product approvals were achieved. These included approval for the completed tech transfer for **Retavase®** and two new strengths for **Pertzye®**, 4,000 and 24,000. 2017 was also the first full year of our Corporate Social Responsibility program, *Chiesi in the Community*.

Ken McBean

General Manager Chiesi USA, Inc.



Region Emerging Markets and IMDD

The Region Emerging Markets and IMDD Sales reached **€327** million, representing overall growth of **14.1%**

MILESTONES

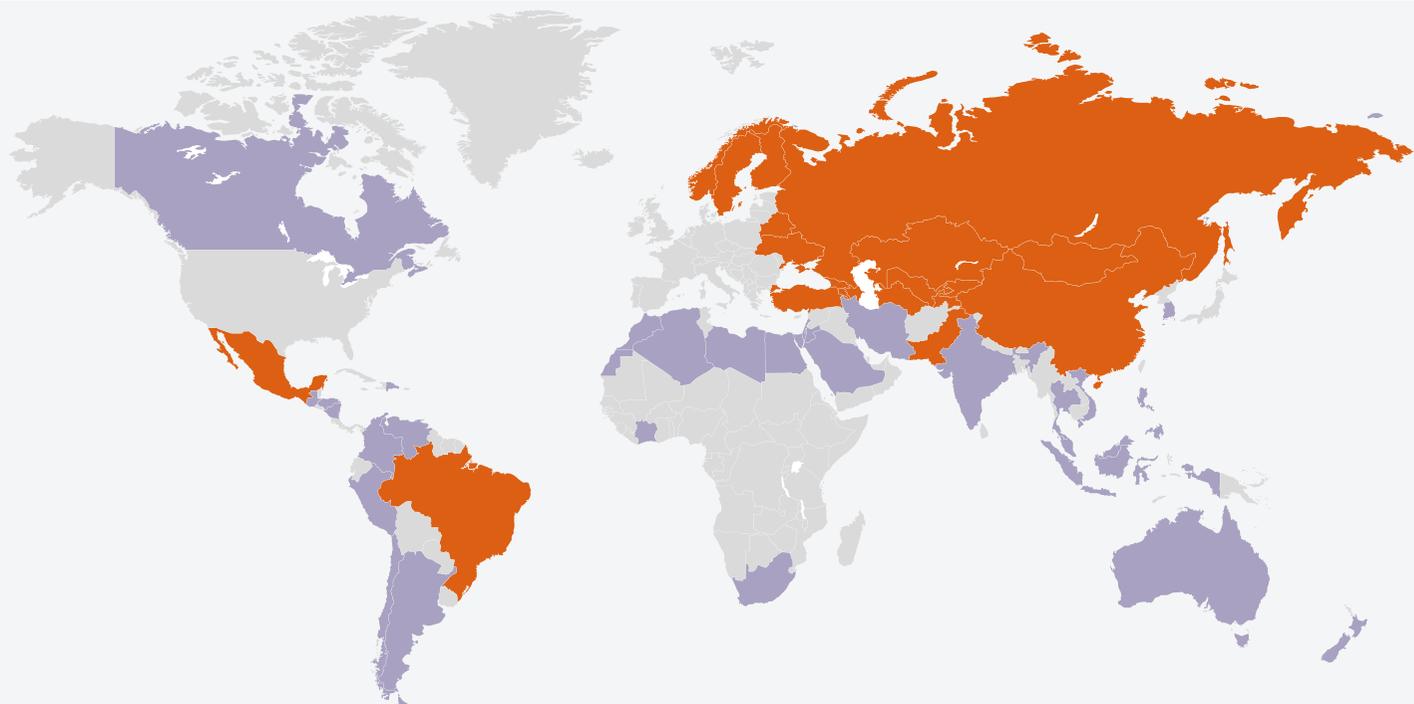
- Development of the Respiratory Franchise in China.
- Turkey and Russia Top Employers for the first time.
- Promotion of international assignments among our employees to favour development opportunities and the exchange of best practices.

Region	Revenues	Variation vs 2016	Employees
IMDD	81	14.8%	69
China	81	8.9%	228
Brazil	76	28.5%	221
Turkey	25	(2.7%)	156
Russia	30	18.0%	155
Pakistan	22	14.8%	214
Mexico	12	(2.2%)	71

2017 was a year of great satisfaction. We have exceeded the budget of the Region and those of most of our affiliates. We have grown in double digits towards the previous year, despite the complexities we had to face.

Cosimo Pulli

Head of Region Emerging Markets and IMDD



“THE WEAPON THAT WILL ALLOW US
TO GROW IN A SUSTAINABLE WAY
IS THE EXCELLENCE OF EACH AND
EVERYONE OF US”

ALBERTO E PAOLO CHIESI





Chiesi People



Everyone of us is Chiesi: listening, involvement, collaboration



THE JOY PROJECT

JUNIORS ON STRATEGY

The JOY project (Juniors On strategY) is an idea of the Strategic Planning Department, aimed at gathering inputs and thoughts of younger employees and bring them directly to the attention of Senior Management. The main objective of the JOY program is to involve junior and senior employees, making them work closely on strategic issues for the Company.

The first pilot project JOY developed is the theme of Diversity, a value that is becoming increasingly important and felt in Chiesi, also in consideration of the company's long-term objectives.



VOICES

Make your voice count

Voices is the Chiesi Group's climate survey, thanks to which the company's employees have the opportunity to underline their perception of the company's strengths and which are the areas we must work on to improve ourselves. "Make your voice count" is the slogan of Survey, which touches in every edition topics ranging from effectiveness in sharing objectives to process efficiency, from leadership exercised by managers to training opportunities offered to employees. These are crucial



CHIESI HEADQUARTERS 2020

The construction works for the new Chiesi Headquarters building started towards the end of 2017. The new offices of the pharmaceutical company, from which the strategy of growth and internationalization will be guided, will be built in Parma and will host, starting from its inauguration scheduled for 2020, about 540 people. People, innovation, sustainability: these are the words that summarize the philosophy of the new project, conceived according to a new vision of the workplace in shared and functional spaces aimed at enhancing the use of common areas, with a particular attention to all aspects of environmental sustainability and energy efficiency. This vision was conceived also thanks to the constant collaboration of our employees who were actively involved in the conception and planning of their future working environment through focus groups and brainstorming sessions.

aspects of our life in the Company, and it is crucial for us to allow our people to express their opinion and set in motion a process of change.

Results are then analysed and communicated and specific working groups both at Corporate and Affiliate level are set up with the aim of investigating areas of improvement and identifying those to focus on.

Chiesi Digital Transformation

Everybody contributes



everybody contributes

Rethinking and innovating the way we work with the support of digital technologies, to tackle the future challenges generated by the market. This is the vision that set Chiesi on the path to digital innovation, a process that started on March 2016 to promote a culture of innovation and ensure

that the Group is more agile and competitive. The Digital Transformation project involves both Chiesi's people and the organisation as a whole in the pursuit of a technological evolution, using new digital trends to achieve new levels of excellence and create innovative business models.



Digital Transformation at Chiesi is not merely a project: it is a different way of doing things, a new vision that requires us to rethink the way we work. It is only by rethinking the way we generate innovation, the way we relate to our stakeholders, the way we in which we operate and act that we can achieve change.

Everyone will be a part of this change, at all levels, and the constant drive for innovation will guide our

digital evolution, opening up new opportunities and developing new approaches to how we work: we can all contribute to making a difference, as this is a project which concerns us all.

Andrea Chiesi
Main Sponsor of Chiesi Digital Transformation project



A set of interviews with company representatives from various functions and levels of responsibility, has provided a series of insights which, combined with information on the digital world and market trends gathered from related literature, generated the **digital definition** according to Chiesi, linked to the **Chiesi Digital Vision**:

*By 2022, we want to apply **innovative digital steps** impacting our way of working to accelerate the delivery of **better and user-friendly treatment & care solutions** to patients and customers, coping with **future market challenges and competition**.*

There are three strategic guidelines identified for the Digital Transformation project:

- 1. Digital company:** initiatives aimed at laying the foundations for creating an innovative digital company, introducing a step-by-step digital approach to the way we work.
- 2. An improved customer experience for patients and healthcare professionals:** initiatives designed to provide better patient-friendly therapeutic solutions and treatments, with the aim of improving patient and doctor experiences, simplifying the management of treatment programmes, and in doing so improving compliance.
- 3. Customised digital solutions for improved patient health:** initiatives designed to create personalised healthcare services and solutions, also involving ad hoc healthcare professionals and partners.

Top Employers

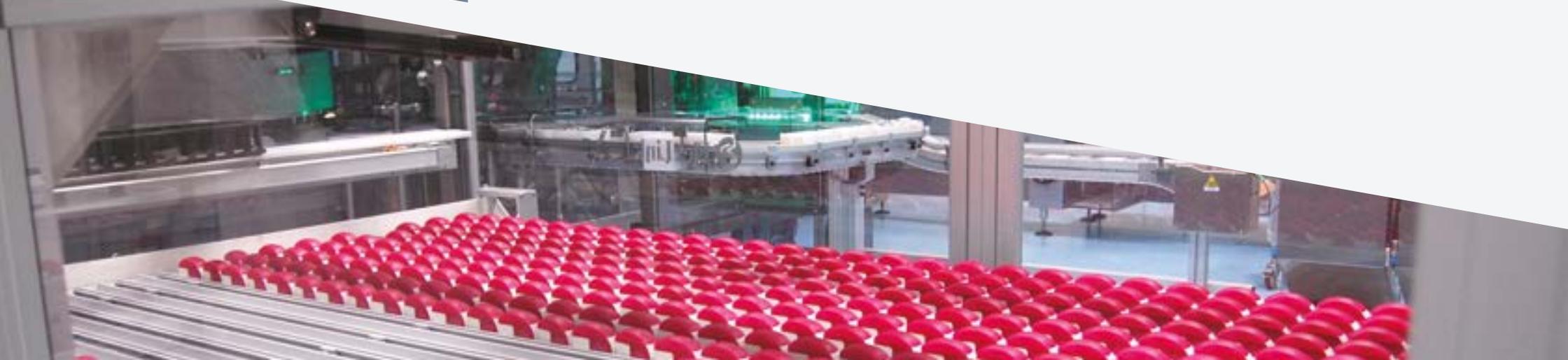


Chiesi Group is Top Employer Italy for the 10th year running and Top Employer Europe. This award is assigned to the companies that obtain this certificate in at least five EU Countries.

In addition to Italy, also the France, Germany, Poland, United Kingdom and Spain received this award. Moreover, for the third time in a row, also the American branch obtained the Top Employer USA award, while Chiesi Brazil received the Top Employers Brazil for the second time and the Russian and Turkish affiliates were awarded for their first time this year.

The certification is based on an extensive research that verifies that the required qualitative standards are met, basing the analysis on different criteria such as work environment, investments in training and development, remuneration policies, career opportunities, talent appreciation strategies and business culture.

Among the most important Chiesi initiatives Top Employers Institute identified training activities for its employees, Talent Management programs, the internal climate survey and its action plans and welfare initiatives for employees .



The Chiesi Academy



Chiesi Academy is the brand that identifies the **Chiesi Group** initiatives dedicated to people development at Group level:

- The **D.E.A.L. (Development for Executives and Leaders)** is a general management program, targeted to the Chiesi Executive managers. It aims at fostering leadership and business skills, providing ideas, input and new perspectives on markets and its evolution. It offers an opportunity to develop an overall and integrated business view.
- The **C.C.M. (Chiesi Corporate Master)** is a business management **program**, targeted to the Group most talented managers (with at least 2 years of experience).

The Academy gives the participants an opportunity to:

- Learn and be prepared for our future challenges;
- Gain more Visibility;
- Expand their Network;
- Align around Chiesi Values and Competencies Model.

All the Chiesi Academy activities are in collaboration with

- SDA Bocconi
- TCO International
- Jan Ardui

People Development

Chiesi wants to offer everyone fair opportunities to develop professional knowledge and skills, according to both business needs and personal aptitudes and aspirations.

People Development is not a promise for future career progression; it is about preparing our people for future opportunities. This is done by:

- 1** understanding people's strength, aspirations and potential, to consistently address their development according to business needs;
- 2** identifying the ones we want to invest on, so to optimize available learning resources;
- 3** find out and arrange relevant and appropriate developmental opportunities.

We consider the learning process is a process - not a standing alone event. Adults learn mainly by doing (and hopefully, enjoying it).

That implies the definition of a clear learning objective and the combination of different learning resources along a «path». All the individual Development Plans are reviewed and updated every year.



Innovation at the center



Research and development in Chiesi: a continuous investment in our future

Innovation is the driving force behind every technologically advanced industry; however, for the pharmaceutical industry it plays a vital role because it concerns the health and quality of life of people. For Chiesi, Research and Development are a true human and technological asset and, together with innovation, the driver of company growth.

Our Research & Development team represents a fundamental asset for the business. It comprises integrated functional areas focusing on pipeline projects including discovery and preclinical research, chemistry and manufacturing controls, drug delivery technology, clinical development, regulatory affairs, pharmacovigilance, intellectual property, quality assurance, project management

and leadership, and R&D portfolio management. Moreover, R&D functions also support products already on the market through pharmacovigilance and regulatory activities.

Headquartered in the purpose-built and fully integrated Research and Development Centre in Parma, the team also has important activities in Paris, Chippenham and Oxford (UK), Cary (US) and in Lidingo (Sweden) and Hillerod (Denmark). The goals of this experienced cross-functional team are highly focused on the delivery of the pipeline on a global basis and increased productivity to support the growth goals.

Most of Chiesi's medicinal products originate from in-house research whilst others involve cooperation and partnerships with other pharmaceutical companies; **in fact, 81% of our turnover comes from products developed by our R&D division.**



Research and Development: the data

In 2017, investment in R&D continued to grow in both absolute and relative terms - the expenditure exceeded €376 million, equating to € 1.03 million per day. The investment in R&D represented 22.3% of Group revenues. This is an increase of 10.8% on 2016.



USA

Cary

- Clinical
- Regulatory
- Development and registration of US pipeline



UNITED KINGDOM

Oxford: part of the acquisition of Atopix in 2016, focused on the development of Timapiprant, a phase 2 asset for severe asthma

Chippenham: drug delivery technologies, specifically for inhaled drug delivery



DENMARK AND SWEDEN

Hillerod (Denmark)

Lidingo (Sweden)

Part of the acquisition of protein therapeutics biotech Zymenex in 2013



ITALY

Parma

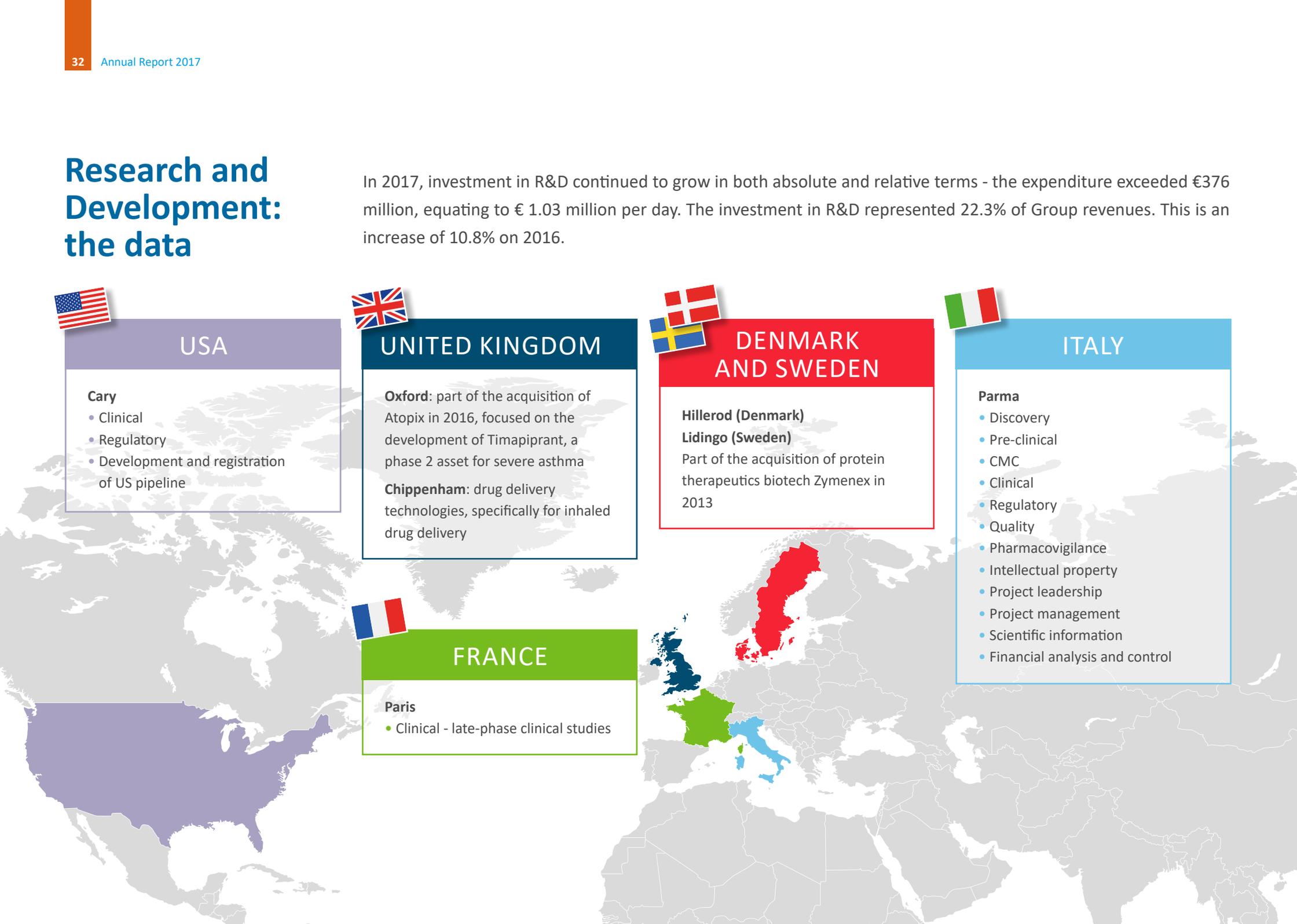
- Discovery
- Pre-clinical
- CMC
- Clinical
- Regulatory
- Quality
- Pharmacovigilance
- Intellectual property
- Project leadership
- Project management
- Scientific information
- Financial analysis and control



FRANCE

Paris

- Clinical - late-phase clinical studies



Our pipeline



RESPIRATORY

Respiratory is a core area of R&D expertise, which has delivered significant value for the company and continues to expand to meet areas of unmet medical need in asthma, COPD and other respiratory diseases.

Foster® is a key revenue driver for the future of the company, but it remains a highly significant element of R&D activity as we roll out a powerful life cycle management program.

Trimbow®, our triple fixed association, now approved in Europe, contains three active ingredients in a single inhaler that ensure effective anti-inflammatory therapy combined with maximum bronchodilation throughout the entire respiratory tree.

New molecules continue to show significant promise. These programmes include novel **anti-inflammatory and bronchodilator molecules**, and innovative **“double” active molecules** addressing two different pharmacological targets, as well as novel therapeutics in other respiratory diseases including **bronchiectasis, idiopathic pulmonary fibrosis, pulmonary arterial hypertension and chronic cough**.



NEONATOLOGY

Through the clinical success of **Curosurf®** in treating **neonatal respiratory distress syndrome**, Chiesi has established an impressive platform in neonatology. In this area of high unmet medical need R&D programmes include novel and less-invasive methods for the targeted delivery of Curosurf to the lung of the infant.

As we expand our pipeline behind these ground-breaking respiratory-focused products, new programmes have been developed and added for candidates for the treatment of other neonatal conditions. For example, we are advancing a program for a novel therapeutic for the treatment of **Neonatal Opioid Withdrawal Syndrome (NOWS)**. Moreover, there are currently no effective approved pharmacological therapeutics for **neonatal brain injury**: a relatively common condition associated with significant levels of morbidity and mortality in newborns.



RARE DISEASE AND SPECIAL CARE

The R&D model in special care includes significant partnerships with selected companies skilled in the study of medicines for rare diseases. This enables the access to advanced therapeutic platforms and promising new therapies in newer areas of the pipeline.

The acquisition and now full integration of **Zymenex**, represented a bold step to bring into Chiesi key product candidates and competencies in the biotech area for treating rare diseases through enzyme replacement therapy.

The partnership with **Holostem** has allowed us to develop a tissue-regeneration advanced therapeutic medicinal product for the treatment of severe injury to the cornea.

In partnership with **Veloxis** we have gained approval for a once-daily formulation of the immunosuppressant *tacrolimus* or the prophylaxis of solid organ transplant rejection.

The production plants

Chiesi's Global Manufacturing Division (GMD) is responsible for the supply of more than 110 million units of product per year by our plants in Italy, France and Brazil. We base the organization of our work on the principles of Lean Manufacturing, a system that aims to increase efficiency and flexibility of the productive lines. The system allows to achieve quantitative targets, but also to increase the participation of operators in the improvement process, bringing benefits in terms of professional development, motivation and climate. In Chiesi, in fact we aim to obtain excellence in manufacturing, while meeting the growing demands of international markets, by

building more cohesive working methods and sharing knowledge and ideas in all three plants, thanks to a network that allows greater integration of skills and experience.

Our team works with passion, dedication and commitment, to maintain the highest level of attention to detail: every single unit of the 110 million products manufactured is meticulously controlled. This attention to quality is supported by highly efficient management processes, which are constantly reviewed and refined.

Parma
Italy

537 employees

Blois
France

87 employees

**Santana de
Parnaiba**
Brazil

127 employees

FIGURES

- Registered in over **80 Countries**
- **Certified** ISO 9001 - OHSAS 18001 - ISO 14001
- **18.632 m²** Total production area
- Regularly and successfully inspected by the U.S. F.D.A

PRODUCTION CAPACITY

- **22** million packs in oral solids
- **18** million packs in Unit-Dose Vials (Unit-Dose Vials, UDV's)
- **28** million packs in Metered-Dose Inhalers (Metered Dose Inhalers - MDI)
- **4** million packs in Dry Powder Inhalers (DPI)
- **1,800,000** vials in sterile suspensions



FIGURES

- Final assembly stages of the Metered-Dose Inhalers (MDIs)
- Specialised in Dry Powder Inhalers - **capacity of 8 million of units**
- Specialised in blister packaging for capsules and tablets

- Refrigerated warehouse for products
- **Equipped to supply** Group's Affiliates and distribute directly to clients at a local level and in export markets

PRODUCTION CAPACITY

- **20 million finished packages per year**



FIGURES

- **Santana supplies** both domestic market and Group's Affiliates and exports to licensees and distributors
- Pressurized solutions and suspensions for inhalant therapy ((MDIs) - Capacity of 10 Mln of units

- A **new production department** dedicated to nasal sprays for European market is under construction

PRODUCTION CAPACITY

- **16.5 million finished packages per year**





Chiesi for the world



People and ideas for innovation in healthcare



A RELIABLE ENTERPRISE

Focus on people, team spirit, focus on customers, value generation, every one of us is Chiesi: values for sustainability have always formed part of Chiesi and its day-to-day work.

AN INNOVATIVE COMPANY

In 2015, a desire to “put its values into practice” and an awareness of ethical issues, transparency and giving back to society, aside from merely complying with current legislation, inspired the company to create a function dedicated to Corporate Social Responsibility. The aim was to gain recognition as an international research-oriented group, able to develop and commercialise innovative therapeutic solutions that could improve people’s quality of life, combining commitment to results with integrity and operating responsibly both from a social and environmental point of view.

A COMPANY THAT LISTENS

In 2017 these issues became an increasingly important element within the company’s activities, and we therefore introduced a strategic process to integrate sustainability in the way we do business and follow the principles embodied by Shared values. Our aim was to enable the company to listen to patients and their needs, as well as those of their families and the communities in which they live, whilst also taking advantage of business opportunities.

AN ACTIVE COMPANY

We are aware that we are part of a system with limited available resources, of the ongoing climate change, of today’s global socio-economic, urban and demographic challenges and of the significant impact which every player within the system can help bring about. As one of the key players, we are full aware of the central role played by our company and others elsewhere in providing concrete solutions for the needs of society through strategic innovation, enhancing the value of talent and creating both economic value and social wellbeing.

A committed company

This is why Chiesi has decided to support Sustainable Development Goals (SDGs). We believe we can take an active part in the global change needed by the planet and can contribute to setting up the United Nations' 2030 Agenda, dedicating resources and expertise to achieve 8 Goals.

In Chiesi, sustainability means commitment to quantifying the impacts it generates and using the business as a remedial tool able to restore wellbeing and create value for the society and future generations by:

- Implementing a system of governance based on transparency, ethics and responsibility
- Promoting the professional and

personal development of its collaborators, as well as their wellbeing

- Protecting our planet and minimising the negative impacts generated by our activities
- Finding an effective solution for the medical necessities of patients with unmet needs
- Providing services for our community and those in greatest need

The Chiesi Foundation's Scientific Research, Training and International Cooperation programmes also form part of a broader commitment to promoting the dissemination and exchange of scientific knowledge and facilitating access to sustainable therapeutic solutions for communities and the most economically disadvantaged areas of the world.

OUR EIGHT SDGs

SUSTAINABLE DEVELOPMENT GOALS



3. Ensuring health and wellbeing for everyone of any age

8. Promoting lasting and sustainable economic growth, a productive occupation and a decent job for everyone

9. Building a robust infrastructure and promoting innovation and a fair, responsible and sustainable industry

10. Reducing inequality within the company and between countries - including the fight against gender inequality

11. Making cities and communities inclusive, safe, enduring and sustainable

12. Guaranteeing sustainable production and consumption models

13. Adopting urgent measures to tackle the problem of climate change and its consequences

17. Providing further support for setting up and renewing global partnerships for sustainable development

Our proprietary brands

APOFIN	CLENNY	FORMODUAL	NEXTHALER
ASALEX	CLIPPER	FOSTAIR	PEYONA
ATEM	CLODY	FOSTER	PULVINAL
ATIMOS	COMBAIR	FOSTEX	RIBUJET
BAMIFIX	CUROSURF	FRAGOR	RIBUSPIR
BECLOJET	CYCLADOL	GRAMPLUS	RINOCLENIL
BECLONEB	DELAJET	HOLOCLAR	SABACOMB
BECLOSPIN	DELAMAN	HYANEB	SIRIO
BETHKIS	DELAPRIDE	INNOVAIR	SKATTO
BRAMITOB	DIESIS	INUVAIR	SURFACUR
BREXIDOL	DONEGAL	INUVER	TRIMBOW
BREXIN	EGIBREN	INUXAIR	UBIMAIOR
BREXINE	FLAMASTAT	IPERTEN	UBIMAXOR
BREXIVEL	FLAMEXIN	LIFEROL	VENTMAX
BUDIAIR	FLOMAX	LIOMETACEN	VIVACE
CLENIL	FLUIBRON	MANYPER	
CLENIL COMPOSITUM	FORAIR	MODULITE	
CLENILEXX	FORMOAIR	MORNIFLU	

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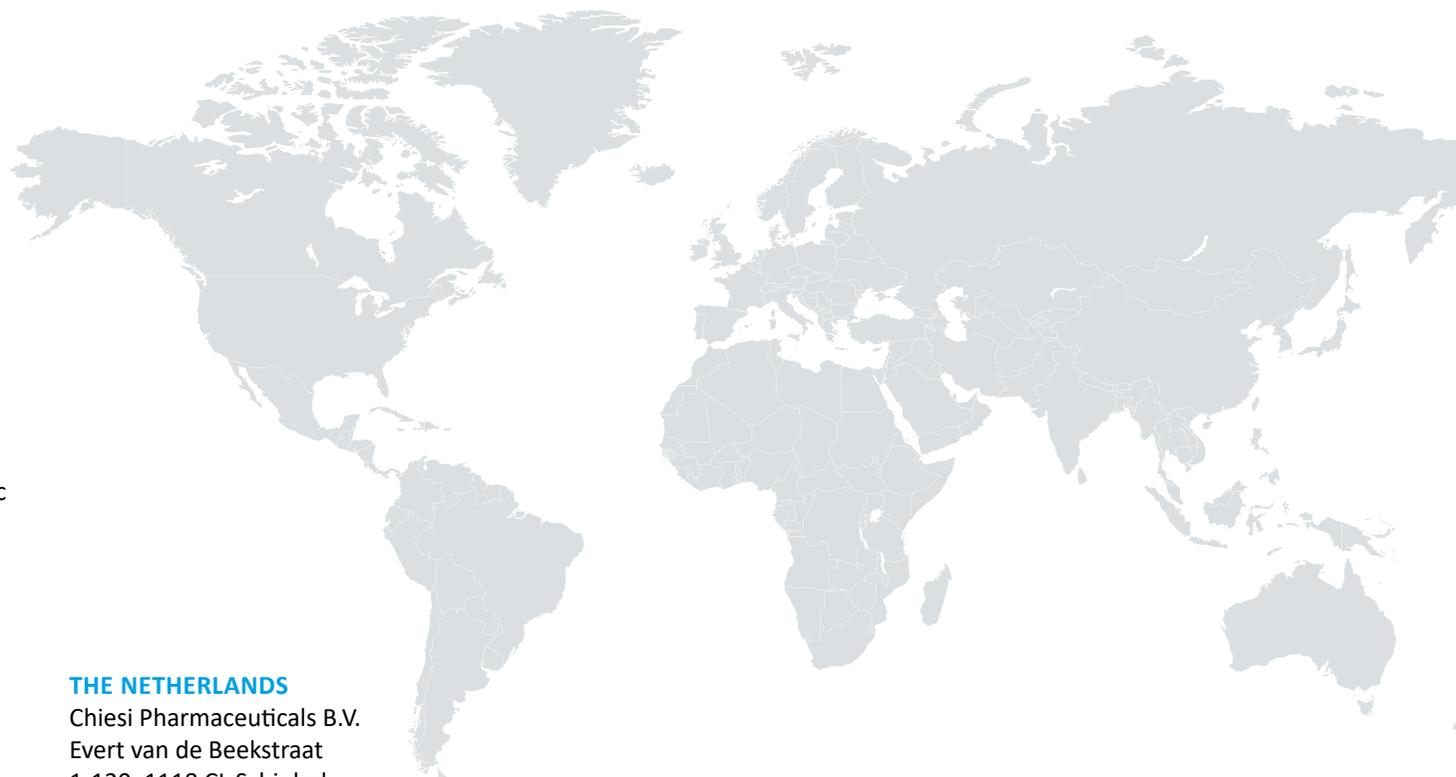
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