

Covid-19 | 2nd External Stakeholder Communiqué (a.k.a Wuhan Coronavirus 2019-NCov)

Dear Customer, Dear Stakeholder,

Firstly, our thoughts are with those affected by this terrible health situation, in particular the patients, their families and the healthcare professionals and frontline responders who keep fighting the expanding outbreak in extremely harsh circumstances.

Monday after the Lantern Festival is the traditional date for China plants to re-start after CNY (Chinese New Year). On the 10th February we were positively surprised by some of our suppliers in China reporting to be operating.

Our Macau plant is doing a great job assisting all its staff through these tough times. In specific cases we are enabling Team-Members to meet quarantine requirements. We are also providing, when necessary, alternative accommodation for many in Macau to avoid constant border crossings.

We expect supply chains out of China into Macau to start unfreezing, although the disruption is reducing by 30% the planned output we had forecast prior to Covid-19 hitting us. Indeed, as a result of recently imposed governmental measures (constraints imposed by authorities on the supply amounts of selected materials, challenges on border crossings, disruptions due to quarantining of truck drivers when they arrive in a different city) getting supplies as planned remains uncertain and unpredictable. Some of these issues severely impact the manufacturing of some of our main products, including Doxycycline, a tetracycline antibiotic used to treat various bacterial infections, including respiratory infections and pneumonia.

As Covid-19 continues to spread around the world, we have reinforced the precautionary measures that have been put in place at all our sites and offices as of February 3rd, 2020.

Our Purchasing and Sales Team-Members will be reaching out to suppliers and clients to ensure we keep each-other informed transparently. We need clarity to be able to map out issues and reduce the impact caused by potential delays in deliveries. This is a time that requires joint effort and collaboration.

Every effort is being made to deliver on our commitments so that patients that depend on our Macau plant do not go without the medicine they need. We are keeping our operations going through the personal and collective effort of every one that works at our Macau plant.

To our Team-Members that are caught right in the middle of this epidemic, we pay tribute to your courage, resilience and ability to find solutions to the most unexpected problems that are constantly confronting our local leaders. We are all aware that we do not yet see light at the end of the tunnel and we need to brace ourselves to implement solutions that are sustainable over months, not days.

Hovione will continue to closely monitor the evolution of the Covid-19 and regularly provide update to our Customers and Stakeholders as needed.

If you wish to receive our “Covid-19 - External Stakeholder Communiqués” please reply advising us. If you have any question not addressed here please direct them to your Hovione contact.

Lisbon, 12th February 2020

Hovione Communications (ipina@hovione.com)
www.hovione.com

[Click here for 1st External Stakeholder Comm](#)