LABIANA

Financial Performance Statement January-June 2022

October 2022

LEGAL NOTICE

Labiana has prepared the information contained in this earnings report. It includes financial information extracted from the interim financial statements of Labiana Health, S.A. and its subsidiaries for June 30th, 2022, audited by BDO Auditores, S.L.P., and statements regarding future forecasts. Unaudited data for January-June 2021.

Information and statements concerning Labiana's prospects are not historical facts, based on numerous assumptions, and are subject to risks and uncertainties, which are difficult to predict and generally beyond Labiana's control. Accordingly, shareholders and investors are informed that these risks could cause results and developments to differ materially from those expressed, implied, or projected in forward-looking information and forecasts.

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Index

Consolidated Interim Management Report
1. Letter from the CEO
2. Executive Summary
   2.1. At a Glance
   2.2. Executive Summary and Forecast Closing 2022
3. Management Results for the Period January-June 2022
   3.1. Operating and Financial Results
   3.2. Capital Management and Financing
   3.3. Cash Flow Generation
4. Analysis by Business Segments and Markets
   4.1. Animal Health (CDMO and Own Vademecum)
   4.2. Human Health (CDMO and Own Vademecum)
   4.3. Geographic Markets
5. Risk Management
6. Relevant Facts during the Period and after Period-End Closing
7. Acquisition and Disposal of Own Shares
8. Perimeter Consolidation
9. Glossary

Contact
Auditor's Report First Half of 2022
Interim Financial Statements January-June 2022

1 Letter from the CEO

When the Labiana management team launched the Management Buy Out in 2013, we knew it would not be an easy path, but none of us hesitated. We were starting from a complicated financial and operational situation, but we were sure of the Group's potential and decided to go for it. And so this adventure started, not hesitating even to invest and risk our assets.

During this time, we have made significant investments in technology and facilities, process improvements, and strategic acquisitions, such as the biological division in Serbia or the commercial distributor in Turkey, to increase the company's productivity and competitive positioning.

Today, after these nine years, we are a global company integrated into the animal and human health industries with a diversified portfolio of products and businesses and a broad portfolio of first-class customers with whom we have a long-term relationship of trust.

We have subsidiaries in Spain, Serbia, Turkey, Mexico, and Ecuador and production centers in Spain and Serbia. The products manufactured by Labiana are found in more than 150 markets, and we have 546 own product registrations in more than 90 countries.

Since last June, Labiana has become the first veterinary company to join the Spanish stock market. Today, just four months after our debut on the BME Growth, we continue to face new challenges and defiances in a complex market environment full of uncertainties, affected negatively by the Ukraine war, the Energy Crisis, the rising interest rates and inflation rates at levels very high, not seen since the 80s-90s. However, Labiana is further prepared to take advantage of the opportunities to grow and increase its profitability as, among other factors, it has a very highly experienced team with worthy know-how, which is a very competitive value in the market.

Today, we are presenting our first public report of half-yearly results with a positive assessment of what we have achieved and how we have managed and overcome the operational inconveniences derived from the global context. Our main challenge is facing debt that we could not pay off with the IPO process. With the results achieved up to June 2022 and the expectations for the year's second half, we can ensure we align with the goals set in the 2022-2026 business plan. We expect a turnover of around €60M for 2022, practically in line with our initial goal and almost 5.3% higher than that achieved in 2021.

With these goals and the market environment in mind, we have implemented some significant organizational and management measures. On the one hand, Todor Velev, with valuable knowledge in corporate finance, took over financial administration during the IPO process and has led the new Corporate Development division since last September. He is conducting an intense analysis and monitoring of the foreign divisions, seeking to improve their operability and results to control the risks derived from the behavior of the Turkish currency and the impact of the increase in costs, especially in our production centers in Serbia. In his place, Miquel Pujolriu has again taken over financial management, a position he has held since he joined the company seven years ago.

On the other hand, concerning the problems caused by the lack of manufacturing components, mainly sterilization filters as a result of the mass production of COVID-19 vaccines, in addition to coordinating with our CDMO customers the procurement of features, we have worked on the selection and validation of new suppliers that we have already included in some records in record time.

Likewise, and taking advantage of today's media, I would like to announce that in the next few days, we will release the first generic oxytetracycline injectable 300mg/ml (Labimycin LA 300), one of the longest-lasting injectable antibiotics included in the category D (recommended as the first choice in the use of veterinary antibiotics), authorized for the treatment of sheep and cattle. Another new product, for which we registered the first M.A. in Spain last May, will also see the light of day shortly. This is Tilolab© tartrate 800,000 IU/g, a generic veterinary drug based on tylosin tartrate in oral powder to be administered in drinking water, milk, or artificial milk replacer contributes to the treatment of respiratory diseases in pigs, cattle, chickens, and turkeys.

I congratulate the entire Labiana team for the great work they have done in recent months and, of course, continue to do, with the joyful expectation of meeting the goals and growth plan outlined.

Finally, I want to end these lines by thanking all the investors who have placed and continue to place their trust in us. As a reflection of our firm commitment to the goal of creating value for all shareholders, from the outset, we have implemented a proactive investor relations policy. And the first measures of which have been updating the equity story and preparing this earnings report focused on the investment and analyst community, which the company will communicate systematically and transparently.

In this sense, also from the investor relations area, we wanted to be the first BME Growth company to publish a Corporate Standard document on "Policy for communication and contacts with shareholders, institutional investors, and proxy advisors, and for the broadcasting of economic-financial, non-financial and corporate information," which was approved by the Board of Directors together with the accounts for the first half of 2022.

We are confident that the market will soon recognize our efforts and reward our shareholders for their unconditional support.

To all of them, thank you very much.

Manuel Ramos Ortega
CEO Labiana Health

2 Executive Summary

2.1 At a Glance

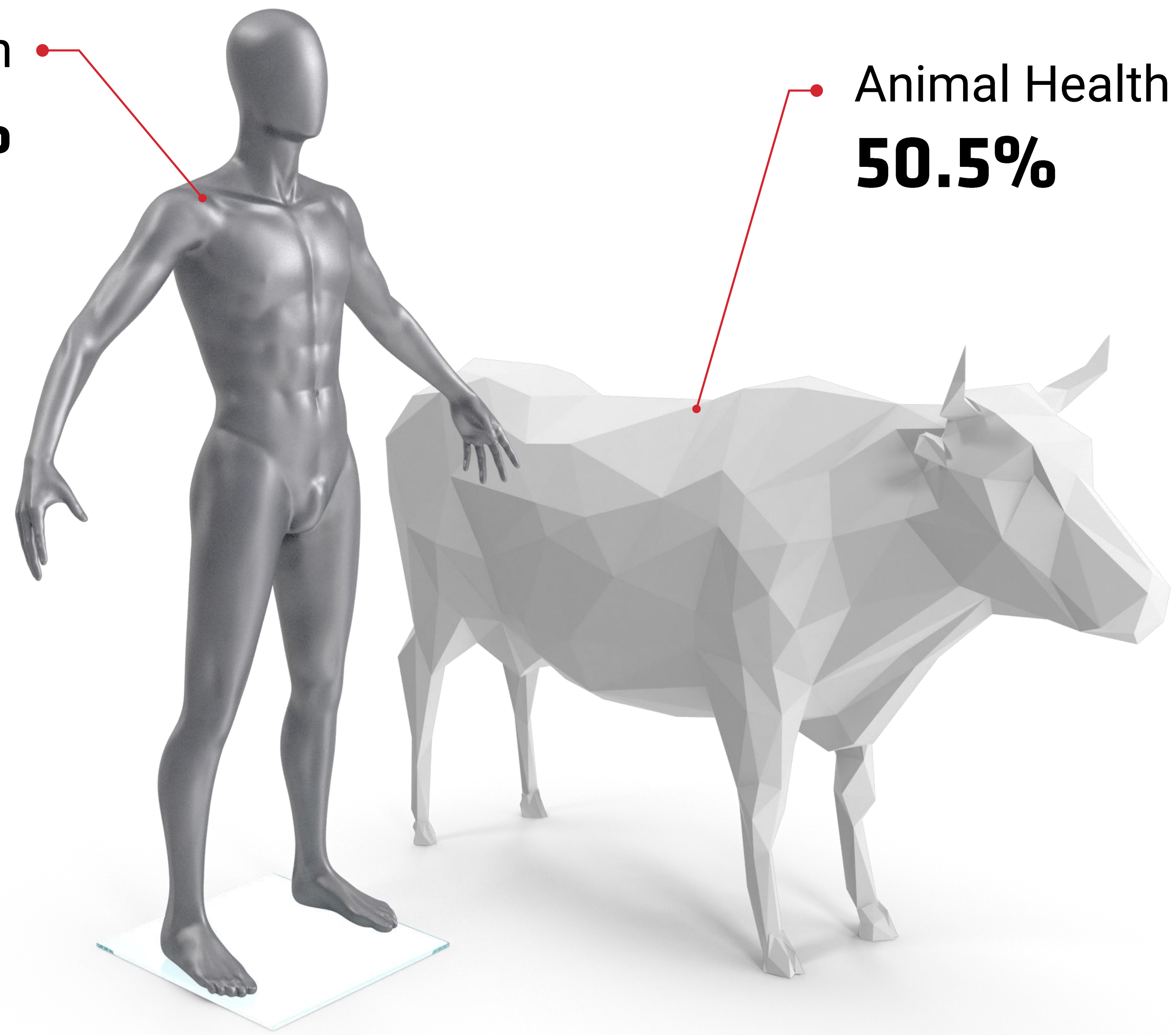
FINANCIAL HIGHTLIGHTS AT JUNE 2022

Turnover	Adjusted EBITDA[1]	NFD[2]	Forecast Closing 2022E NFD/Adjusted EBIDTA	Forecast Closing 2022E Turnover	Stock Market Cap.
29 Million euros	2.8 Million euros	37.4 Million euros	5.3x	60 Million euros	27 Million euros
Var. Jan-Jun 2021: (1.3%)	Var. Jan-Jun 2021: 12.3%	Var. Jan-Dec 2021: (11.3%)	Var. 2021-2022E (4.8%)	Var. 2021: 5.3%	10/24/22

MAIN OPERATING FIGURES

Human Health
49.5%

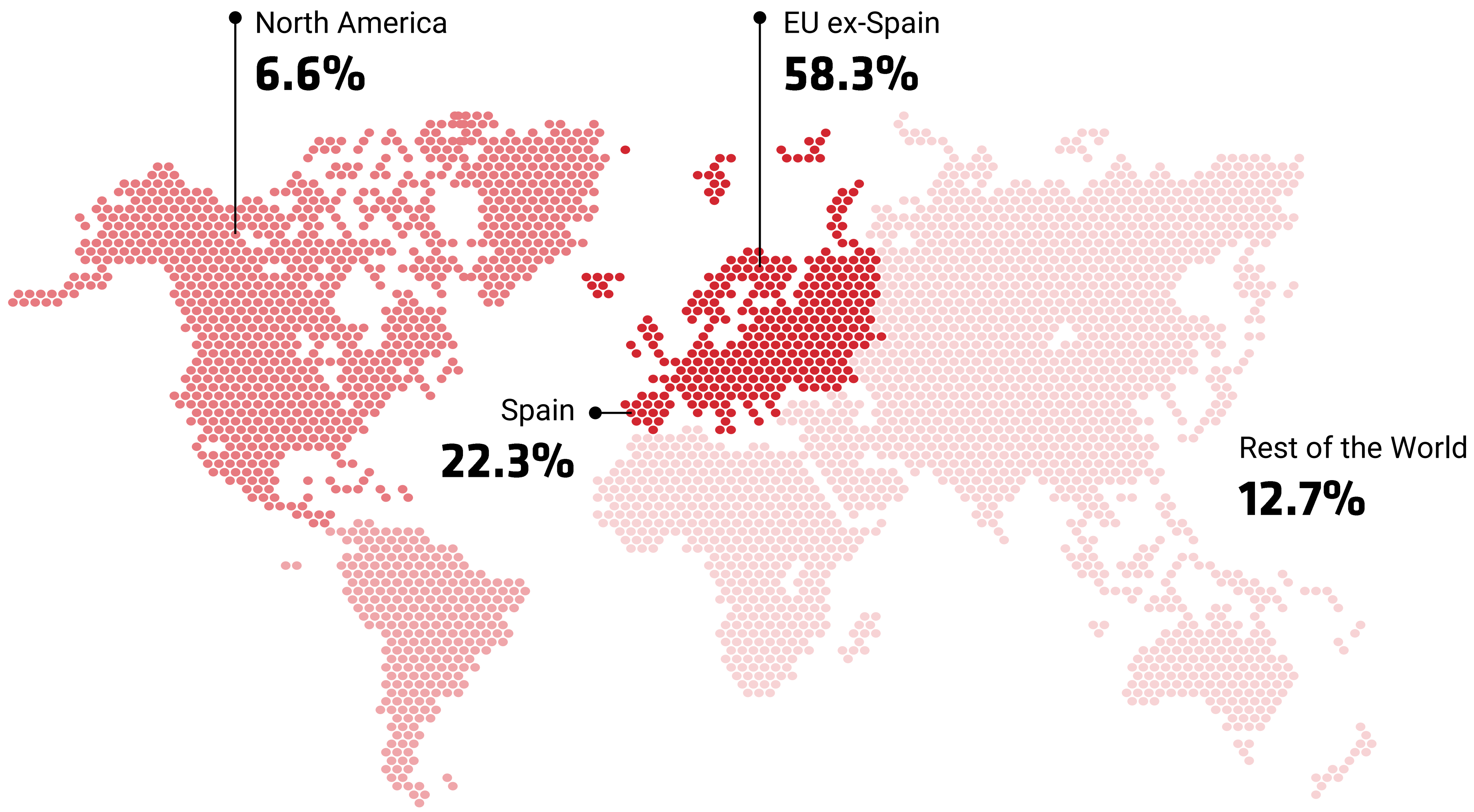
Animal Health
50.5%



+300 Clients

+460 Employees

MAs >870



[1] EBITDA and EBIT adjusted as a result of deducting from the accounting EBITDA and EBIT the extraordinary expenses derived from the incorporation process to BME Growth and those caused by the frustrated corporate operation of Laboratorios Ovejero. [2]Net Financial Debt at the end of 06/30/2022 and 12/31/2021

2 Executive Summary

2.2 Executive summary and Forecast Closing 2022

The Labiana Health Group consolidated results for the first half of 2022 show an almost stable turnover performance, reaching 29 million euros, 1.3% lower than the previous year. This performance has been affected by the lack of production components, especially sterilization filters, which has limited the commercial activity and, therefore, the sales recorded in the period. However, it is worth mentioning the great effort made by the whole Labiana team in its different areas to maintain the goals set out in the business plan.

In terms of animal and human health business segments, the evolution of the respective business figures showed the opposite sign. Thus, the animal health business recorded a total sales amount of €14.7M, which meant a drop of 11.3% compared to the same period of the previous year. This resulted from the significant decrease in the turnover of the own vademecum line. The explanation for this is detailed in section 4 of this report. The veterinary CDMO line, on the other hand, maintained its levels concerning the previous reporting period.

The human health segment recorded an expansive performance, with year-on-year growth in revenues of 11.5% resulting in €14.4M, mainly due to the proprietary products division, which recorded sales of €4.8M (+31.46%). This is an evident success to the strategic objective of boosting the activity of its products, which favors the improvement of the Group's margin mix.

From the point of view of the profitability of the operating activity, the company has obtained an EBITDA growth of 12.1% to reach an amount of 2.3 million euros. This has been achieved thanks to the effort in monitoring and controlling expenses, as well as to the improvement in productivity resulting from the investment in machinery and the improvement of processes. This rate of increase remains at 12.3%, reaching an amount of 2.9 million euros, after adjusting EBITDA because of the extraordinary expenses incurred due to the process of incorporation to BME Growth until June, as well as for the frustrated corporate operation of Laboratorios Ovejero that took place in 2021 (project before the IPO subject to confidentiality restrictions by contract upon reaching a final agreement with the opposite party).

EBIT amounted to a negative amount of 0.1 million euros, explained by a significant increase of 54% in the depreciation and amortization charge for fixed assets due to the change in accounting criteria that has implied the accelerated amortization of the company's R&D projects.

Net financial debt (NFD) reached €37.5M at the end of June 2022, which is 11.2% lower than the recorded at the end of December 2021 (€42.2M). This balance would have continued to decline at the end of the semester if it had met the €20M targets with the IPO. However, the IPO process has allowed the company to reinforce its capital structure by €5M. And the reduction and reorganization of liabilities remain one of the priority objectives of the company's strategic plan.

Closing forecast 2022

In the strategic plan prepared before the IPO, which established a turnover target for 2026 of over €120M, the estimation for the year 2022 is around €65M. Given the results achieved during the first half of 2022 and the certainty that the limitations suffered by the company in its commercial activity during this first semester as a consequence of the different price increases of varying production factors (raw materials, energy, etc.), as well as incidents in the supply chain of essential manufacturing components, the company is in a position to confirm a closing net financial debt volumen which stands at 36.5M€, leaving a 2022E DFN/2022E Adjusted EBITDA ratio of 5.3X and a turnover forecast of around €60M. This would represent 92% compliance with the initial estimates of the business plan before the IPO process.

Financial Figures	Jan-Jun 2022 (Euros)	Jan-Jun 2021 (Euros)	% Var.
Net Turnover	**29,061,187.00**	**29,446,237.24**	**(1.3)**
EBITDA	2,335,841.93	2,084,172.64	12.1
Adjusted EBITDA[1]	2,886,470.53	2,570,934.64	12.3
EBIT	(116,716.23)	338,627.14	(134.5)
Adjusted EBIT[1]	433,912.37	825,389.14	(47.4)
Net Profit	(1,434,954.07)	(129,644.21)	n.s.
Cash Flow from Operations[2]	(1,240,716.14)		n.s.
Capital Expenditure (CapEx)[2]	1,108,901.82		n.s.
Net Financial Debt[3]	37,470,437.85	42,205,518.92	(11.2)

[1] EBITDA and EBIT adjusted as a result of deducting from EBITDA and EBIT for accounting purposes the extraordinary expenses derived from the process of incorporation to BME Growth as well as those caused by the frustrated corporate operation of Ovejero.
[2] Data for H1 2021 is not provided because the information systems did not have the operational capacity to prepare a cash flow statement at the end of June 2021 comparable to the audited one at the end of June 2022.
Net Financial Debt at the close of 30/06/2022 and 31/12/2021.

TARGETS 2022-2026E

- Turnover: **>120** Million euros
- Adj. EBITDA: **22** Million euros
- CapEx: **5** Million euros annually
- Net Debt: **<3** times NFD/EBITDA

CLOSING FORECAST 2022E

- Turnover: **60** Million euros (+5.3%)
- NFD/Adj. EBITDA: **5.3x**
- Net Debt: **36.5** Million euros

3 Management Results for the Period January-June 2022

3.1 Operating and Financial Results

It should be noted that since 2018, the Labiana Health Group's net sales have shown steady growth except in 2020, an exceptional and atypical year when the stockpiling of the Product by customers as a result of COVID-19 led to a 1.5% drop in sales in 2021. In this sense, the comparison of the first half of 2021 with the first half of 2022 yields similar data, with a slightly lower performance in the current year for several reasons:

Firstly, the shortage of some raw materials, mainly sterilization filters (an essential component in the manufacture of injectables), has slowed down sales; once this problem has been overcome, it returns to normal, which is the reason behind the 2022 forecasts mentioned above, which anticipate a more intense second half of the year in terms of commercial activity compared to the first half of the year, recovering the pace of sales and reaching the 2022 turnover forecast of around €60 million.

Secondly, the energy crisis has affected production costs (transportation, raw materials, energy). As containment measures have already been implemented, Labiana has proceeded, on the one hand, to renegotiate prices with customers, and, on the other hand, all new quotations to customers are made based on prospective purchase prices.

Thirdly, due to the merger process of one of our human health customers, there has been a deferral of business volume from the first to the second half of the year, affecting the presentation of the first half results. The situation has now been restored, and by the end of 2022, we expect to meet the initial forecasts.

Fourthly, the new regulation on veterinary medicines that came into force on January 28th has meant changes in many aspects, such as prescriptions or antibiotics, directly impacting the Spanish livestock sector. This new regulation restricts the use of antibiotics for prophylaxis except in very justified individual cases, so that must justify any prescription of antibiotics in metaphylaxis and prophylaxis with the aim of "treating only the sick animal and with the appropriate treatment for its specific disease." In this new scenario where individualized prescriptions are encouraged, in which the injectable segment is the leader over mass treatments (generally based on oral, liquid, soluble, and premix), Labiana has an advantageous position as it has the largest factory of injectables in Spain and one of the largest in Europe in the veterinary sector.

Fifthly, one of the consequences of the policies adopted by the Turkish government is the devaluation of the Turkish Lira. This has resulted in high negative exchange differences resulting in €475K, which have affected the consolidation perimeter and accounted for 98% of the total amount of this item in the income statement, which stands at €486K.

Sixthly, the change in accounting criteria, which has required accelerated depreciation, has had an impact that has been reflected in EBIT and, therefore, in the result.

Consolidated Income Statement	Jan-Jun 2022	Jan-Jun 2021	% Var.
Net turnover	**29,061,187.00**	**29,446,237.24**	**(1.3)**
Var. inventories of finished goods and work in progress	(166,771.11)	694,413.95	c.s.
Work carried out by the company for its assets	827,798.50	891,969.07	(7.2)
Procurements	(11,487,331.77)	(13,607,248.08)	(15.6)
Other operating income	8,973.84	31,123.60	(71.2)
Personnel expenses	(9,929,158.38)	(9,664,587.91)	2.7
Other operating expenses	(5,978,856.15)	(5,707,735.23)	4.8
Gross operating profit (EBITDA)	**2,335,841.93**	**2,084,172.64**	**12.1**
Depreciation of fixed assets	(2,408,548.00)	(1,565,789.06)	53.8
Impairment and gains/losses on disposals of fixed assets	7,470.82		n.s.
Other results	(51,480.98)	(179,756.44)	(71.4)
Operating profit (EBIT)	(116,716.23)	338,627.14	c.s.
Financial income	317,600.75	910,375.55	(65.1)
Financial expenses	(920,993.74)	(1,280,625.12)	(28.1)
Foreign exchange differences	(485,981.84)	(10,769.39)	n.s.
Change in fair value of financial instruments	(32,507.43)	(130,467.13)	(75.1)
Profit before tax	(1,238,598.49)	(172,858.95)	n.s.
Income taxes	(381,084.00)	43,214.74	c.s.
Net consolidated profit/(loss)	(1,619,682.49)	(129,644.21)	n.s.
Net profit attributable to minority interests	184,728.42		n.s.
Total net income attributable to the Company	**(1,434,954.07)**	**(129,644.21)**	**n.s.**
Adjusted EBITDA[1]	**2,886,470.53**	**2,570,934.64**	**12.3**
Adjusted EBIT[1]	433,912.37	825,389.14	(47.4)

[1] EBITDA and EBIT adjusted as a result of deducting from EBITDA and EBIT for accounting purposes the extraordinary expenses derived from the process of incorporation to BME Growth as well as those caused by the frustrated corporate operation of Ovejero.

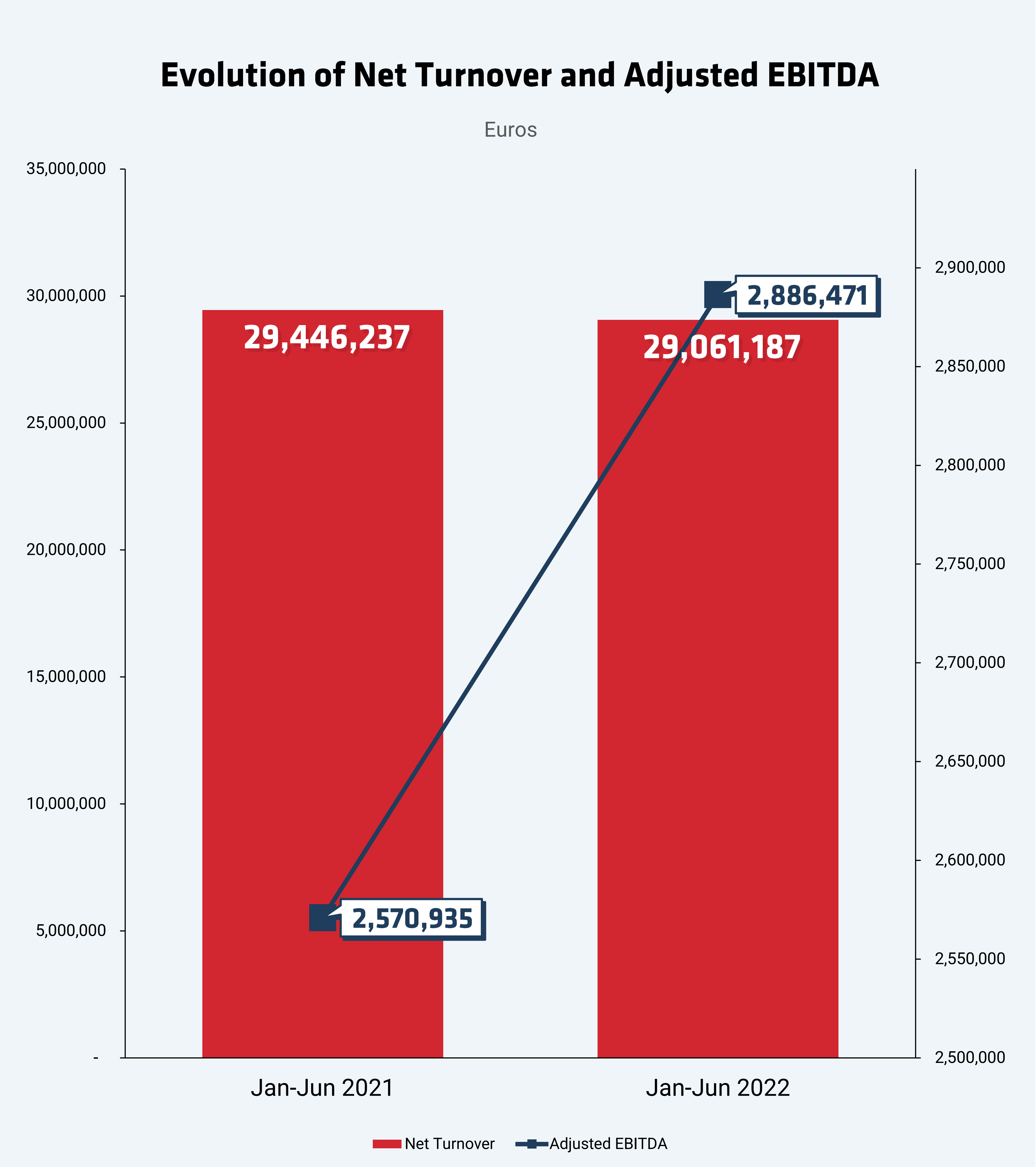
3 Management Results for the Period January-June 2022

3.1 Operating and Financial Results

EBITDA reached €2.3M in the first half of 2022, 12.1% higher than the €2.08M recorded in the same period of 2021. The greater control and monitoring of operating costs, together with the productivity and efficiency gains from investments in new machinery and process optimization, have allowed the continuity of positive evolution of this indicator recorded in recent years. Suppose we also adjust the EBITDA by the amount of the extraordinary expenses caused by the IPO process (June 2022) and those related to the corporate operation of Laboratorios Ovejero (2021). In that case, we reach an amount of 2.9M€, 12.3% higher than the amount obtained in the same period of the previous year. It is worth mentioning the impact of the problems in the supply chain, not only on the company's sales but also on the performance of the supplies item, with a year-on-year decrease of 16%. We should also note that the change in inventories went from a positive volume in the first half of 2021 of €694K to a negative amount of €166.7K due to a change in the accounting criteria suggested by our auditors. By applying this change in the accounting criteria, projects to third parties are no longer capitalized, i.e., before this accounting change, projects to third parties were capitalized and therefore increased the change in inventories as they were included in the inventories caption of the balance sheet, giving a positive result as they were considered an increase in the valuation of "services in progress." With this change in accounting criteria, these projects to third parties are no longer capitalized and are directly expensed.

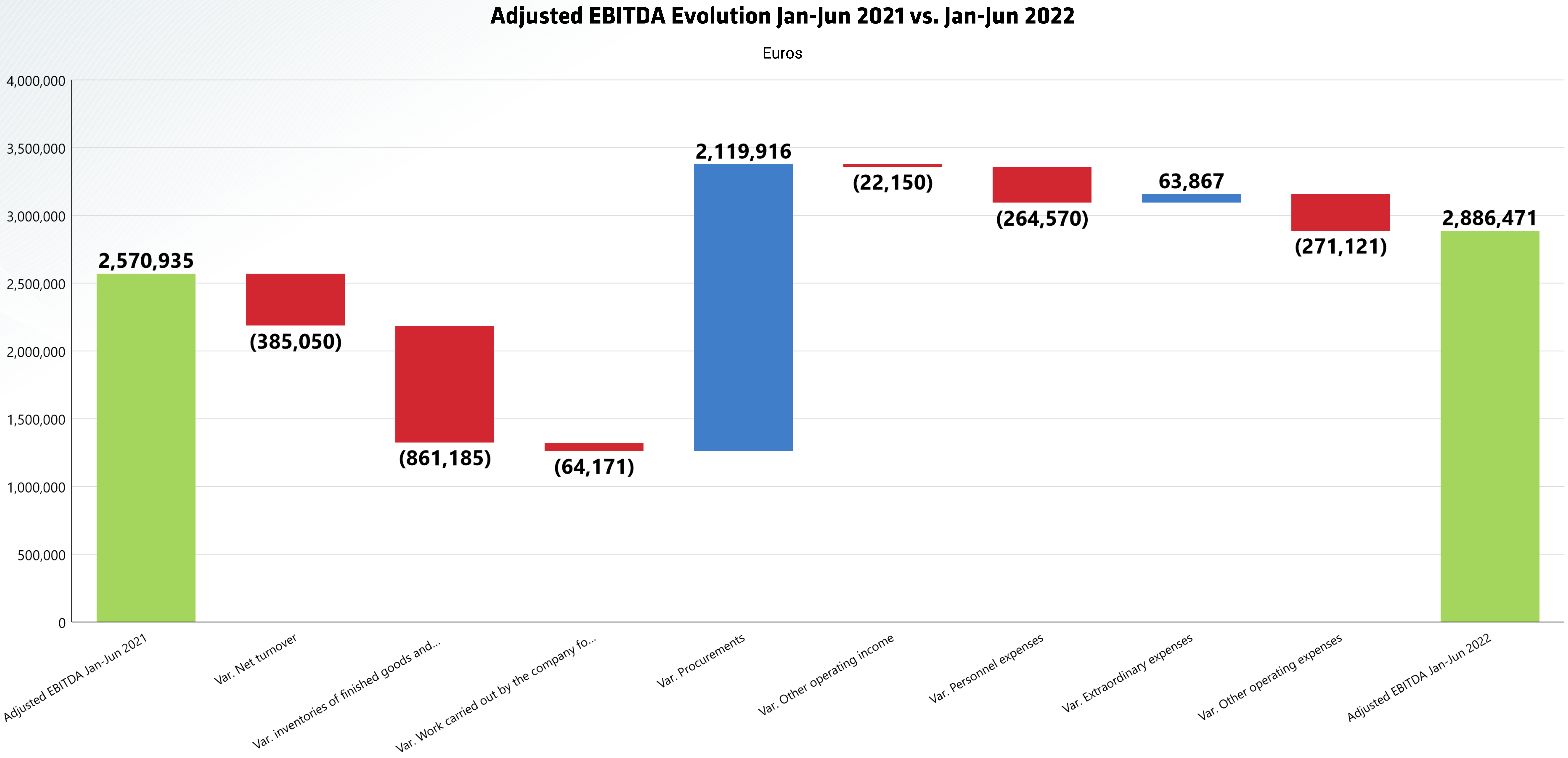
In terms of operating income, there is an accounting loss in the first half of 2022 of 116.7K€, compared to a positive amount in the same period of 2021 of 338.6K€, which is explained by a significant increase in depreciation for fixed assets, derived explicitly from the accelerated depreciation of proprietary R&D projects, as a result of a change in accounting criteria.

It is worth highlighting the 28% decrease in financial expenses due to debt amortization and the reduction in loan arrangement fees. However, the different behavior of the currencies affecting the company's consolidation perimeter, especially that of the Turkish Lira, has led to a significant increase in exchange differences of just over €475K, representing 98% of the total amount of this item in the income statement. These differences are caused by the impact of the devaluation on the balance sheet when integrating it at a consolidated level and referencing it to the euro. Therefore, it is not a difference due to the operational exchange rate but due to the deflation process that the country's economy is undergoing.



3 Management Results for the Period January-June 2022

3.1 Operating and Financial Results



3.2 Capital Management and Financing

From the Balance Sheet point of view, the decrease in the long-term financial investments derived from the repayment of the loan of the "Laboratorios Ovejero" Operation in 2021 (final agreement in January 2022) is noteworthy. Also noteworthy is the increase in inventories in 2022 due to the rise in stock due to the lack of manufacturing components (especially sterilization filters), which has slowed production. In addition, the impact of inflation on unit costs must be considered in this item. All these reasons have led to an increase in the value of the inventory item.

From the point of view of the capital and financing structure, the net equity recorded a growth of 29% as a result of the inflow of funds from the IPO (€5M), which made possible a reduction in net indebtedness, continuing the positive evolution that has been recorded since 2020. However, the net debt balance, which was €37.5M at the end of June 2022, is 11.2% lower than the €42.2M recorded at the end of the 2021 financial year, with DFN coverage ratios over Adjusted EBITDA of 5.5X for the 2021 financial year and an estimated 5.3X at the end of 2022.

As mentioned above, the incorporation into the stock market has been accompanied by a reinforcement of the capital structure.

However, the company will continue its policy of strengthening the capital structure by improving the terms of its different debt instruments, exploring new financing alternatives, and promoting the internal generation of resources.

Consolidated Balance Sheet	Euros		
	Jun 2022	Dic 2021	% Var.
Non-current assets	**35,766,072.43**	**38,955,900.46**	**(8.2)**
Intangible assets	12,902,196.37	12,736,107.12	1.3
Property, plant and equipment	19,701,707.02	20,381,679.74	(3.3)
Long-term financial investments	1,694,585.46	4,397,689.74	(61.5)
Deferred tax assets	1,467,583.58	1,440,423.86	1.9
Current assets	39,416,380.98	29,411,227.38	34.0
Inventories	17,480,812.86	14,919,020.78	17.2
Trade and other receivables	15,224,414.28	10,952,728.99	39.0
Short-term financial investments	16,297.39	11,448.36	42.4
Short-term accruals and deferrals	659,570.57	244,869.99	169.4
Cash and cash equivalents	6,035,285.88	3,283,159.26	83.8
Total assets	75,182,453.41	68,367,127.84	10.0
Total equity	14,896,894.29	11,522,189.72	29.3
Non-current liabilities	22,948,605.00	26,393,280.50	(13.1)
Long-term provisions	78,559.00	79,594.24	(1.3)
Long-term financial debt	22,525,871.15	25,990,780.65	(13.3)
Deferred tax liabilities	344,174.85	322,905.61	6.6
Current liabilities	37,336,954.11	30,451,657.62	22.6
Trade and other payables	16,327,972.44	10,953,760.09	49.1
Short-term accruals and deferrals	29,129.09		n.s.
Total liabilities	**75,182,453.40**	**68,367,127.84**	**10.0**

3.3 Cash Flow Generation

In the generation of Cash Flow during the first half of 2022, it is worth highlighting the remarkable impact of June operations stop in the pharmaceutical activity to cover the manufacturing and supplying in summer, when the factory is in a maintenance period, as the company has to make massive supplies of raw materials and manufacturing components. This is why the variation in working capital has been negative for almost €2M.

In the section on cash flows from investing activities, the amortization of R&D investments is significant, an amount of €872.6K; depreciation of investments in machinery, improvement of facilities, and the Serbia laboratory results in a combined amount of €1M. And the amortization of other financial assets for an amount of €486K. All this results in a €2.4M of amortizations of the investments. And the divestments derived from the Laboratorios Ovejero project are €3.5M, which makes €1.1M of the total cash flow from investment activities.

Finally, among the financing activities, it is worth mentioning the €5M capital increase as a result of the IPO process, which has resulted in a total positive cash flow from financing activities of €2.9M, bringing the company's cash position at the end of the first half of 2022 to €6M.

Statement of Cash Flows Jan-Jun 2022[1]

Euros

Cash Flows from Operating Activities	Jan-Jun 2022
Consolidated profit before tax	(1,238,598.49)
Adjustments to consolidated result	2,809,855.96
Depreciation of fixed assets	2,408,548.19
Valuation adjustments for impairment	(147,023.22)
Financial income	(436,124.56)
Financial expenses	1,039,517.55
Other income and expenses	(55,062.00)
Changes in working capital	(1,992,866.72)
Inventories	(2,414,768.86)
Debtors and other receivables	(4,163,960.47)
Other current assets	(414,700.58)
Creditors and other accounts payable	4,971,434.10
Other current liabilities	29,129.09
Other consolidated cash flows from operating activities	(819,106.89)
Interest payments	436,124.56
Interest receipts	(1,039,517.55)
Income tax payments (receipts)	(199,217.84)
Other payments (receipts)	(16,496.06)
Total Cash Flows from Operating Activities	**(1,240,716.14)**

Euros

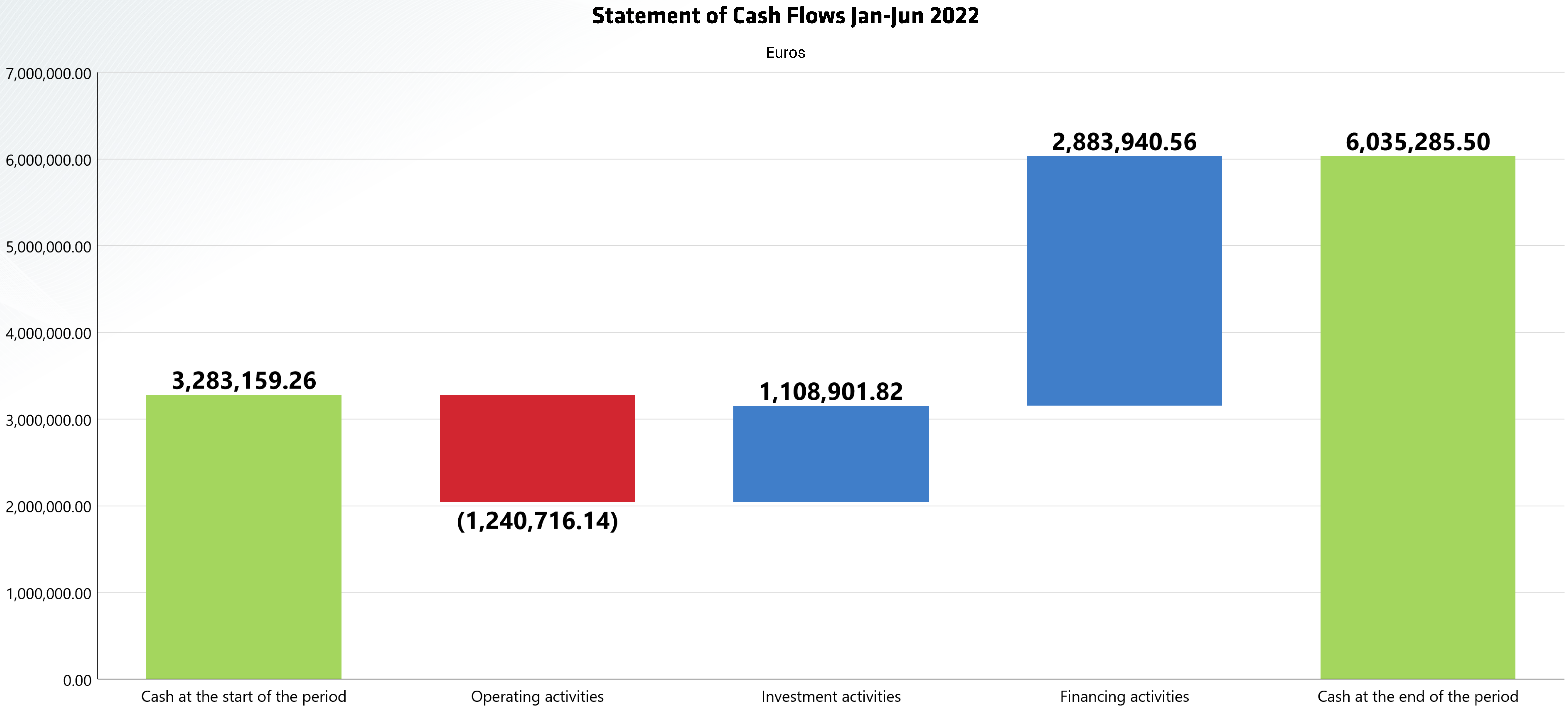
Cash Flows from Investing Activities	Jan-Jun 2022
Payments for investments	(2,403,682.84)
Intangible assets	(872,557.25)
Property, plant and equipment	(1,044,625.59)
Other financial assets	(486,500.00)
Proceeds from divestments	3,512,584.66
Other financial assets	3,512,584.66
Total cash flows from investing activities	**1,108,901.82**

Cash flows from financing activities	Jan-Jun 2022
Proceeds and payments for equity instruments	4,866,895.00
Capital increases	5,166,895.00
Sale/Acquisition of treasury shares	(300,000.00)
Proceeds and payments for financial liability instruments	(1,982,954.44)
Issuance of other debts	1,500,000.00
Repayment and amortisation of bank debt	(550,900.34)
Repayment and redemption of other debts	(2,932,054.10)
Total cash flows from financing activities	**2,883,940.56**
Effect of changes in exchange rates	
Net increase/decrease in cash or cash equivalents	2,752,126.24
Cash or cash equivalents at the beginning of the year	3,283,159.26
Cash or cash equivalents at the end of the year	**6,035,285.50**

[1] Data for the first half of 2021 are not provided because the information systems did not have the operational capacity to produce a cash flow statement at the end of June 2021 comparable to the audited one at the end of June 2022.

3 Management Results for the Period January-June 2022

3.3 Cash Flow Generation



4 Analysis by Business Segments and Markets

4.1 Animal Health (CDMO and Own Vademecum)

At the end of the first semester of the financial year 2022, the animal health division achieved a turnover of €14.7M, representing 50.53% of Labiana Health's total turnover (30.62% of which corresponds to CDMO and 19.91% to Product). This turnover represents an 11.25% decrease compared to the same period of the previous year.

This decrease was a consequence of the negative evolution of the own product line, which was affected by the whole situation of lack of manufacturing components, with a decline of 25.05%. In contrast, the CDMO line, in this case, maintained its values with a positive variation of 0.82% compared to the same period in 2021.

The animal health division (Labiana Life Science, Zavod Subotica, and Zoleant) currently has 456 registrations in force in more than 62 countries, with another 75 in the pipeline.

In the first half of 2022, 21 new animal health product registrations were submitted, and up to 24 new registrations could be approved throughout 2022.

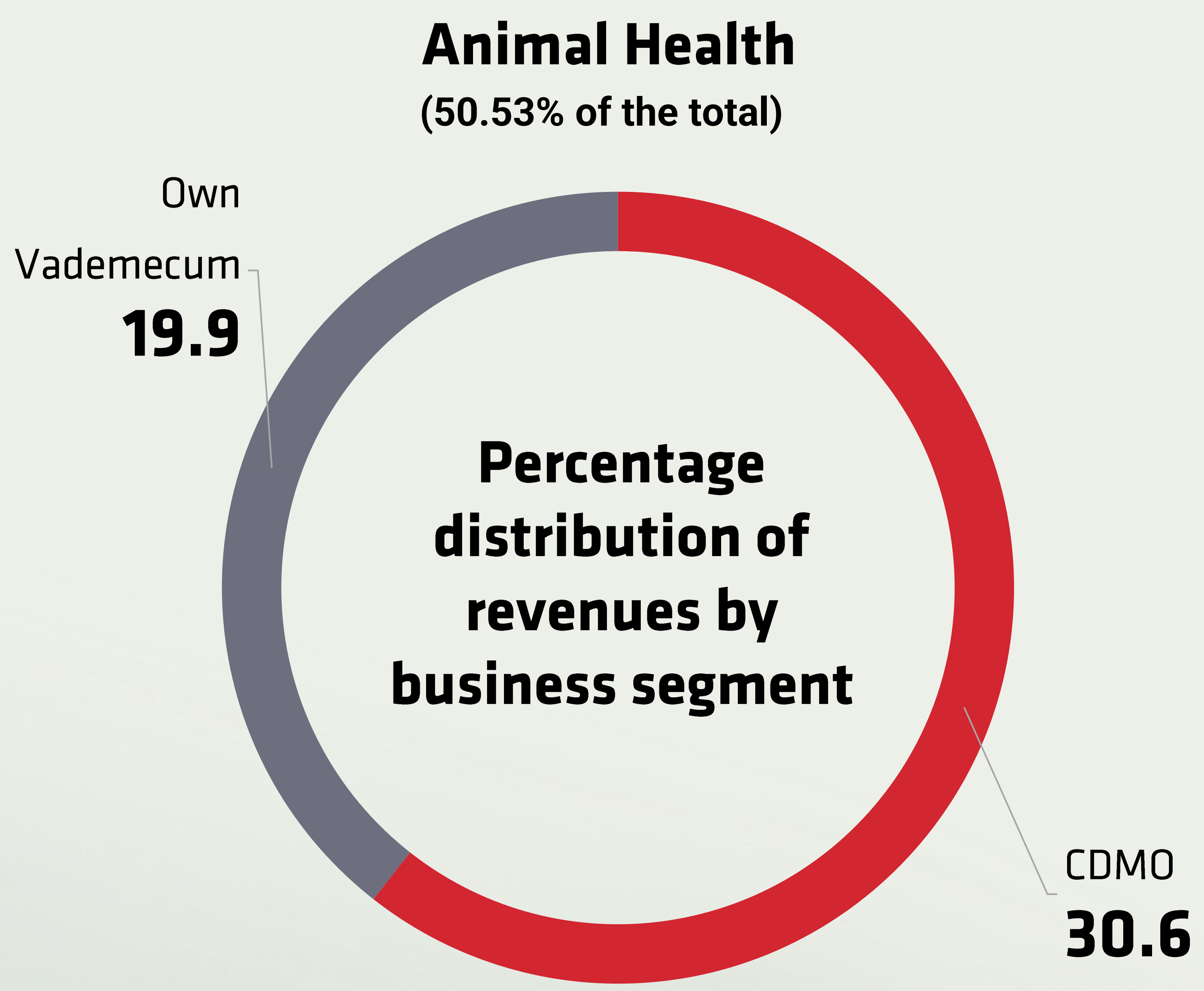
During the first six months of 2022, 8 new distribution contracts for their products have been signed for 11 territories with different multinational and regional companies, and another seven new own-product agreements will likely be marked for another 12 regions by the end of 2022

In terms of new product launches:

- Last May, before its release to BME Growth, the first M.A. of Tilolab© tartrate 800,000 IU/g was registered in Spain, and in the next few days, it is expected to be launched on the market. It is a generic veterinary drug based on tylosin tartrate in oral powder to be administered in water or milk, which contributes to treating respiratory diseases in pigs, cattle, chickens, and turkeys.
- Likewise, in the next few days after the publication of this report and once the inconveniences caused by the lack of manufacturing components (especially sterilization filters) have been overcome, the first generic oxytetracycline injection 300mg/ml (Labimycin© LA 300), one of the longest-lasting injectable antibiotics included in category D (recommended as the first choice in the use of veterinary antibiotics), authorized for the treatment of sheep and cattle, will be released.

Regarding the evolution of the latest launches, the company highlights the development of Labiprofen©, the first generic of 15% injectable ketoprofen (Anti-inflammatory with analgesic and antipyretic effect intended for bovine, swine, and horses), which was launched in 2021, considering that since then it has had a very positive evolution exceeding the expectations of the initial business plan. At the close of the first half of 2022, Labiprofen© was already registered in 18 countries, and at the close of this report, one more country has been added to the total number of markets available for the Product.

The construction of the analysis laboratory in Serbia will enable the company to offer third parties both physical-chemical and microbiological analyses, which in the latter case, can be carried out for both pharmacological and biological products.



4 Analysis by Business Segments and Markets

4.2 Human Health (CDMO and Own Vademecum)

The results of the human health business segment (Labiana Pharma), corresponding to the first half of the year, show a positive sales performance with a turnover of €14.4M, which represents an increase of 11.5% compared to the same period of the previous year and allows this division to represent almost 50% of Labiana Health's total sales. The company's vademecum line contributed to this performance, with a turnover of €4.8M, an increase of 31.5%. Among the explanatory factors, it is worth highlighting the significant recovery of the rhythm of orders once the overstocking of 2020 that affected sales in 2021 as a consequence of COVID-19 was overcome, recovering levels similar to those of 2020. Thus, the human health division represents 49.47% of the Group's total net sales. On the other hand, the CDMO line presented a stable evolution in terms of turnover with 9.6M€ (+3.53%), a lower growth than expected, due to the deferral of the business volume of one of our customers caused by the merger process it has undergone. This deferral from the first to the second half of the year affects the presentation of first-half results. The situation has now been restored, and the initial forecasts are expected to be achieved by 2022.

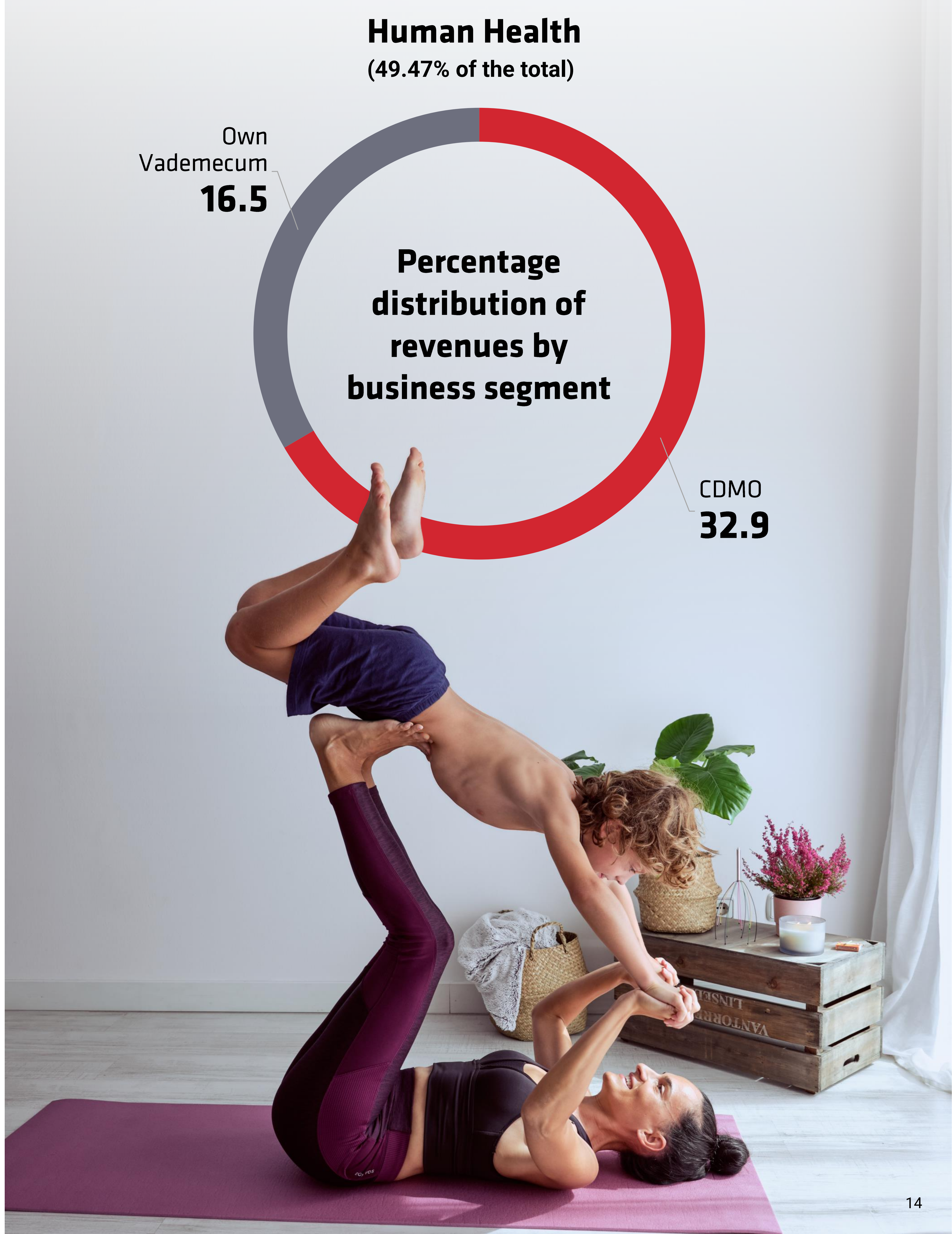
In this first half of the year, three new registrations have been initiated, bringing the current number of registrations in process in this division to 26. The company estimates that, if the pace of bureaucratic procedures is maintained, by the end of 2022, another six new registrations could be added to the current 90, distributed in more than 67 countries worldwide.

Concerning the contract manufacturing division (CDMO), six new CDMO projects were approved in the first half of the year, and it is estimated that 4 of them could be implemented by 2023.

At the operational level, the current capacity of sterile vials in solution has recently been increased by 25 million at the Corbera de Llobregat facilities, where a new high productivity line with a total of 20,000 vials/hour for formats from 1 to 10 ml and batches of up to 1,000 liters has been authorized. In addition, the line has final optical inspection equipment for detecting particles, and possible aesthetic or level defects, with a capacity of 12,000 units/hour. This addition increases the production capacity of vials in solution to 31 million units.

Finally, in the field of human health, the company highlights the Health and Consumer Affairs Commission Government approval of the final report on the regulation of cannabis for medicinal use on June 21st, which proposes to guarantee the availability of cannabis-derived drugs for therapeutic use with medical and pharmaceutical control, which opens the possibility of its dispensation in pharmacies.

In this case, and as explained in the IPO prospectus, Labiana has a 10.71% stake in a Spanish startup (Trichome Pharma) specializing in the medical cannabis and self-care sector. This company also has a shareholding in the participation of Little Green Pharma, a listed company leader in medical cannabis in Australia.



4 Analysis by Business Segments and Markets

Breakdown of net sales by business segment

Euros

	Jan-Jun 2022	Jan-Jun 2021	% Var.
Turnover	**29,061,188**	**29,446,237**	**(1.3)**
Animal Health	**14,685,750**	**16,547,254**	**(11.2)**
CDMO	8,898,690	8,826,111	0.8
Own Vademecum	5,787,060	7,721,143	(25.0)
Human Health	**14,375,438**	**12,898,983**	**11.4**
CDMO	9,570,536	9,243,976	3.5
Own Vademecum	4,804,902	3,655,008	31.5

% Distribution of net sales by business segments

%

	Jan-Jun 2022	Jan-Jun 2021	Var p.p.
Turnover	**100.00**	**100.00**	**0.0**
Animal Health	**50.53**	**56.19**	**(5.7)**
CDMO	30.62	29.97	0.6
Own Vademecum	19.91	26.22	(6.3)
Human Health	**49.47**	**43.81**	**5.7**
CDMO	32.93	31.39	1.5
Own Vademecum	16.53	12.41	4.1

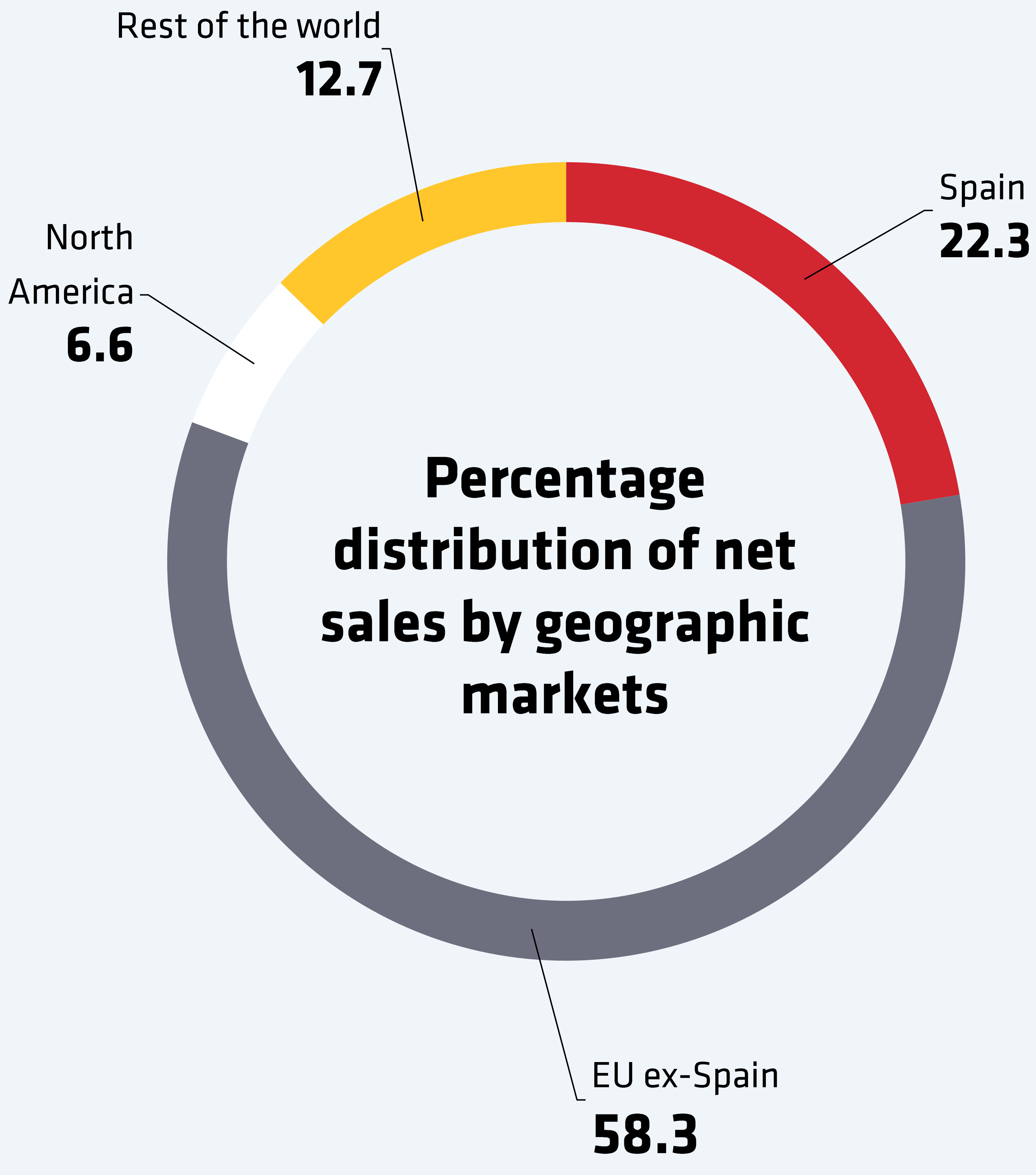
4 Analysis by Business Segments and Markets

4.3 Geographic Markets

At the Group level, Labiana has grown in Europe (17%) and North America (15%), where the most developed and consolidated economies are concentrated and strategic markets for the Group. In the first half of the year, these two territories accounted for 58.3% and 6.6% of the Group's overall share, an increase of 9.3 p.p. and 1 p.p. over the previous year.

In this first half of the year in Spain, there is a 21.3% drop in turnover compared to the same period in 2021, representing a 5.7 p.p. decrease in its share of distribution compared to the overall claim. The main reason lies in three of the issues discussed above, which are:

1. The delays in production due to the lack of manufacturing components, especially the sterilization filters that are essential in the manufacture of injectables.
2. The merger process of one of our human health customers has resulted in a deferral of business volume from the first to the second half of the year.
3. The temporary setback of the veterinary market resulted from the publication of the new drug regulation.



Breakdown of net sales by geographic market

Euros

	Jan-Jun 2022	Jan-Jun 2021	% Var.
Turnover	**29,061,188**	**29,446,237**	**(1.3)**
Spain	6,488,272	8,245,178	(21.3)
EU ex-Spain	16,954,990	14,430,345	17.5
North America	1,926,629	1,669,570	15.4
Rest of the world	3,691,297	5,101,144	(27.6)

% Distribution of net sales by geographic markets

%

	Jan-Jun 2022	Jan-Jun 2021	Var p.p.
Turnover	**100.00**	**100.00**	**0.0**
Spain	22.33	28.00	(5.7)
EU ex-Spain	58.34	49.01	9.3
North America	6.63	5.67	1.0
Rest of the world	12.70	17.32	(4.6)

5 Risk Management

The activities carried out by the Group are exposed to different types of financial risks, mainly credit, liquidity, and exchange rate risks.

Credit Risk

The Group's credit risk is mainly due to its trade payables. The amounts are reflected in the balance sheet net of provisions for bad debts, estimated by Group Management based on the experience of previous years and its assessment of the current economic environment. The Group has a significant credit risk concentration since it works with four large multinationals in the sector. However, these are fully solvent companies with which it has been working for a long time. Therefore, the credit risk is very diluted.

Liquidity Risk

During the last few years, the Group had had great difficulty in accessing sources of financing due to its bankruptcy history, needing to find financial support by internally generated resources, contributions from partners, and loans obtained from public bodies to be able to finance its operations. In 2015, the Group managed for the first time in years to get bank financing lines in the form of credit accounts and discount lines, which allowed it to have a more significant financial capacity.

Exchange Rate Risk

The Group operates internationally and is exposed to exchange rate risk from foreign currency transactions. The exchange rate risk arises from future commercial transactions, assets, and liabilities. The Group does not use any hedging as it considers there is not a high risk in commercial transactions as these customers with foreign currency payments into an average time lapse. The Group's danger in this respect lies in the impact currently caused by the devaluation of the Turkish Lira. The deflation suffered by the Turkish currency due to the country's policies is causing high exchange differences, which affect the scope of consolidation.

Interest Rate Risk

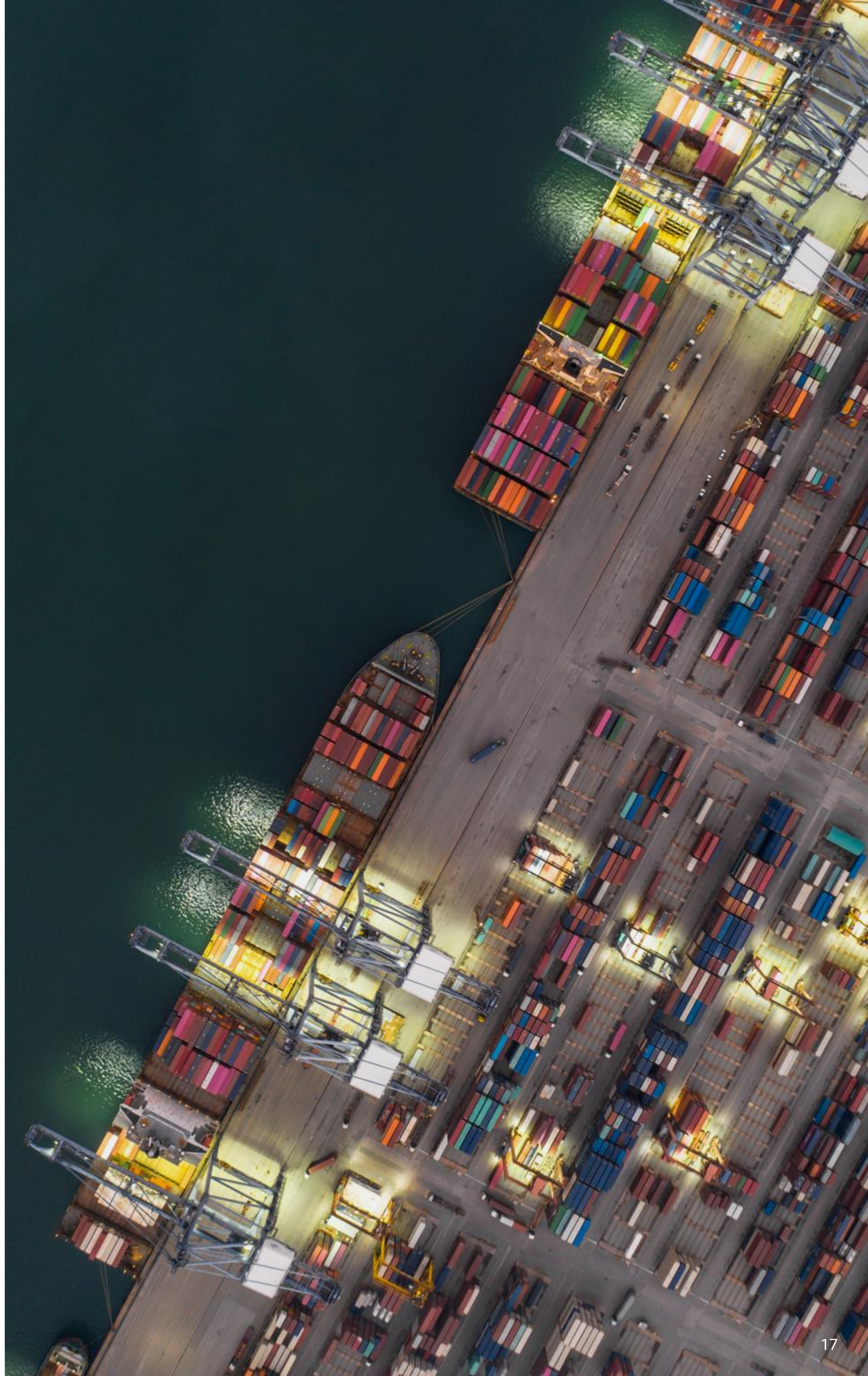
Since 2015, as mentioned above, the Group has had financial debt, both with banks and third parties, the financial cost of which is closely linked to the evolution of market interest rates. The Group does not plan to carry out any financial hedging to cover the risk of a significant increase in these rates.

Risks Derived from the current situation due to the possible effects of COVID-19

The pandemic led to a shortage of certain raw materials and filters which caused inevitable production delays in the injectables area, reducing the pace of sales growth during the first six months of the year. This risk disappears in the year's second half as this shortage is being reversed.

However, the Group has developed favorably and has obtained additional bank financing, not foreseeing any risks in addition to those inherent to the market.

Finally, it should be noted that the Board of Directors and the Parent Company's Management are constantly monitoring the evolution of the situation to face any possible financial and non-financial impacts that may arise.



6 Relevant Facts during the Period and after Period-End Closing

June 2nd
Publication of the informative document of incorporation to BME Growth.

June 22nd
BME MTF Equity Notice. Operating Instruction 12/2022: trading LABIANA HEALTH, S.A. shares in the BME Growth trading segment of BME MTF Equity and liquidity provider performance parameters.

June 22nd
BME MTF Equity Notice. Inclusion of 7,221,255 LABIANA HEALTH, S.A. shares in BME MTF Equity's BME Growth trading segment.

June 24th
Labiana Health joins BME Growth.

June 27th
Taking advantage of the approval of the report of the Health and Consumer Commission of the Government on the regulation of cannabis for medicinal use, different media echo Labiana's participation in the Spanish startup Trichome Pharma reaching an audience of 32.6 million people.

Relevant Facts After the End of the Period

September 20th
Creation of the new Corporate Development division, under which an intense analysis and follow-up of the foreign divisions are being carried out to improve operations and results.

October 25th
Publication of the company's Equity Story.

October 26th
Publication of the Policy on Communication and contacts with shareholders, institutional investors, and proxy advisors and broadcasting of economic-financial, non-financial and corporate information, approved by the Board of Directors at its meeting on October 25th, 2022.

7 Acquisition and Disposal of Own Shares

On its exit to BME Growth, Labiana started with 60,000 shares in its portfolio. On June 30th, 5,723 shares were acquired, and 1,723 were sold, leaving a final balance of 64,000 shares, representing a 0.88% increase in its portfolio.

8 Perimeter Consolidation

The detail of the Subsidiaries included in the consolidation perimeter for the six months of the fiscal year 2022 by the robust integration method is as follows:

	% Participation Direct+Indirect
Labiana Life Sciences, S.A.U.	100.0
Labiana Pharmaceuticals, S.L.U.	100.0
Veterinarski zavod d.o.o. Subotica	100.0
Labiana México, S.A. de C.V.	95.0
Zoleant ILAC	51.0
Ecuador-Labiana, S.A.	100.0

9 Glossary

API: the active ingredient (API).

GMP, Good Manufacturing Practices: the rules and regulations approved at a given time by the competent authorities of a territory or country or in other standards relating to the manufacture, packaging, storage, and quality control of pharmaceutical products.

COM, Contract Manufacturing: all steps and operations involved in the production of Products from APIs, including pharmaceutical formulation, packaging, labeling, quality, and in-process control and storage of Products, APIs, and Excipients, until delivery to the customer.

CDMO (Development and Contract Manufacturing): comprises all steps and operations involved in the development and production of Products from APIs, including pharmaceutical formulation, packaging, labeling, in-process quality control, and storage of Products, APIs, and Excipients, until delivery to the customer.

MA, Marketing Authorization: license granted by the relevant authority allowing the promotion, marketing, sale, importation, and legal distribution of the Product in the Territory.

Dossier, Registration, Registration Dossier: contains all confidential scientific and technical documents and information to apply for the Marketing Authorization of the Product in the Territory. The Registration Dossier is classified as personal information.

Regulatory Authorities: any official administrative or governmental authority having jurisdiction within the Territory to grant Marketing Authorizations concerning the Product.

Generic: any drug with the same qualitative and quantitative composition in active ingredients and the same pharmaceutical form and whose bioequivalence with the reference drug has been demonstrated by appropriate bioavailability studies. A generic drug is a drug that bases its authorization on the demonstration of bioequivalence with a previously authorized medication and for which the data protection period has expired (i.e., at least ten years have elapsed since its authorization).

Metaphylaxis: administration of a drug to a group of animals after diagnosis of clinical disease in part of the Group to treat clinically diseased animals and control transmission of the disease to closely contacted and at-risk animals that may already be subclinically infected.

Prophylaxis: a set of measures taken to protect or preserve against disease. Prophylaxis is the preventive treatment of disease.

EBITDA: earnings before interest, taxes, depreciation, and amortization.

Adjusted EBITDA: earnings before interest, taxes, depreciation, and amortization, deducting the extraordinary expenses derived from the process of incorporation to BME Growth and those caused by the corporate operation of Laboratorios Ovejero.

Management Buy Out (MBO): the process by which the executives who manage a company take ownership of it.

LABIANA

Thank you.

Contact

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022, TOGETHER WITH THE LIMITED REVIEW REPORT ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

Interim Financial Statements and Report
Consolidated Financial Statements
on 30 June 2022 together with the
Limited Review Report of States
Consolidated Interim Financial Statements

REPORT ON THE LIMITED REVIEW OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE SIX MONTHS ENDED 30 JUNE 2022:

Consolidated Balance Sheets as of 30 June 2022 and 31 December 2021
Consolidated Profit and Loss Accounts for the six months ended 30 June 2022 and the twelve months ended 30 June 2021
Consolidated Statement of Changes in Equity for the six months ended 30 June 2022 and the year 2021
Consolidated Statement of Cash Flows for the six months ended 30 June 2022 and the twelve months ended 30 June 2021
Explanatory Notes to the Consolidated Interim Financial Statements as of 30 June 2022

MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2022

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

LIMITED STATUS REVIEW REPORT
CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2022

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
30 JUNE 2022 AND 31 DECEMBER 2021
(Expressed in euro)

ACTIVE	Notes to the Memory	30/06/2022	31/12/2021
NON-CURRENT ASSETS		**35,746,971.15**	**38,955,900.46**
Intangible assets	**Note 6**	**12,340,278.77**	**12,736,107.12**
Tangible fixed assets	**Note 7**	**20,263,624.62**	**20,381,679.74**
Land and buildings		5,615,960.23	5,640,126.41
Technical installations and other tangible fixed assets		13,107,278.68	13,679,921.48
Fixed assets under construction and advances		1,540,385.71	1,061,631.85
Long-term financial investments		**1,675,484.19**	**4,397,689.74**
Holdings in non-consolidated group companies and others	Note 12	641,907.53	419,769.42
Loans to non-consolidated group companies	Note 24,1	-	-
Other long-term loans		587,135.22	3,854,160.82
Other financial investments		446,441.44	123,759.50
Deferred tax assets	**Note 17**	**1,467,583.58**	**1,440,423.86**
CURRENT ASSETS		**39,416,380.98**	**29,411,227.38**
Stocks	**Notes 9,2 and 15**	**17,480,812.86**	**14,919,020.78**
Trade and other receivables		**15,224,414.28**	**10,952,728.99**
Customers for sales and services	Note 9,2 and 24,1	11,781,220.85	7,934,142.63
Customers non-consolidated group companies and other related companies	Notes 9,2 and 24,1	-	-
Sundry debtors	Note 9,2	118,858.60	161,151.19
Staff	Note 9,2	89,434.69	29,752.51
Current tax assets	Note 17	1,758,414.03	1,650,689.20
Other receivables from general government	Note 17	1,476,486.12	1,176,993.46
Short-term financial investments	**Note 9,2**	**16,297.39**	**11,448.36**
Short-term accruals		**659,570.57**	**244,869.99**
Cash and cash equivalents	**Note 9,1**	**6,035,285.88**	**3,283,159.26**
TOTAL ASSETS		**75,163,352.13**	**68,367,127.84**

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LABIANA HEALTH, S. A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF 30 JUNE 2022 AND AS OF 31 DECEMBER 2021

(Expressed in euro)

EQUITY AND LIABILITIES	Notes to the Memory	30/06/2022	31/12/2021
NET WORTH		**14,877,793.02**	**11,522,189.72**
Own funds		**15,066,429.463**	**11,588,006.61**
Capital	**Note 14.1**	**722,125.50**	**618,787.60**
Share premium	**Note 14.2**	**8,198,233.23**	**3,134,676.13**
Reserves and prior years' results	**Note 14.3**	**5,599,180.00**	**5,859,978.63**
Reserves in consolidated companies	**Note 14.4**	**2,285,844.42**	**3,749,803.89**
(Treasury shares and shares of the Parent Company)	**Note 14.5**	**(304,000.00)**	**-**
Attributable profit for the year to the parent company	**Note 21**	**(1,434,953.68)**	**(1,775,239.64)**
Consolidated profit and loss		(1,619,682.10)	(2,110,318.45)
Profit and loss attributable to minority interests		184,728.42	335,078.81
Adjustments for changes in value		**551,510.37**	**434,539.51**
Grants. donations and legacies received	**Note 23**	**-**	**55,062.00**
External Partners	**Note 5**	**(740,146.81)**	**(555,418.40)**
NON-CURRENT LIABILITIES		**22,948,605.00**	**26,393,280.50**
Long-term provisions	**Note 22**	**78,559.00**	**79,594.24**
Long-term debts	**Note 10.1**	**22,525,871.15**	**25,990,780.65**
Amounts owed to credit institutions		14,341,187.79	15,741,781.27
Finance lease payables		1,588,296.44	1,824,737.65
Other financial liabilities		6,596,386.93	8,424,261.73
Long-term debt of group and associated companies	**Note 10.1**		**-**
Deferred tax liabilities	**Note 17**	**344,174.85**	**322,905.61**
CURRENT LIABILITIES		**37,336,954.12**	**30,451,657.62**
Short-term debts	**Note 10.1**	**20,979,852.58**	**19,497,897.53**
Amounts owed to credit institutions		12,099,249.96	11,249,556.82
Finance lease payables		489,487.74	490,030.88
Other financial liabilities		8,391,114.88	7,758,309.83
Short-term payables to group and associated companies	**Note 10.1**		**-**
Trade and other payables		**16,327,972.44**	**10,953,760.09**
Suppliers	Note 10.1	10,813,853.72	8,583,017.41
Suppliers. related companies	Note 10.1	-	-
Sundry creditors	Note 10.1	1,255,009.39	676,108.59
Staff (outstanding salaries)	Note 10.1	2,109,610.71	692,775.43
Current tax liabilities	Note 17	408,724.97	5,946.73
Other debts to public administrations	Note 17	598,571.59	724,664.54
Customer advances	Note 10.1	1,142,202.05	271,247.39
Short-term accruals		**29,129.09**	**-**
TOTAL EQUITY AND LIABILITIES		**75,163,352.13**	**68,367,127.84**

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

RELATED PROFIT AND LOSS ACCOUNTS
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2022 AND
FOR THE TWELVE-MONTH PERIOD ENDING 31 DECEMBER 2021
(Expressed in euro)

PROFIT AND LOSS ACCOUNT	Notes to the Memory	2022 (6 months)	2021 (12 months)
Net turnover	**Note 26**	**29,061,187.57**	**56,956,013.78**
Net sales		25,693,031.61	50,043,707.48
Provision of services		3,368,155.96	6,912,306.30
Change in stocks of products finished and in the course of production		**(166,771.11)**	**417,414.22**
Work carried out by the company on its fixed assets	**Notes 6 and 7**	**827,798.50**	**2,486,977.71**
Procurement	**Note 18.a**	**(11,487,331.77)**	**(24,863,272.37)**
Consumption of goods		(1,049,976.24)	(3,256,746.66)
Consumption of raw and other materials		(10,035,803.49)	(20,242,426.43)
Work carried out by other companies		(548,575.25)	(989,545.95)
Impairment of goods and materials premiums and other aprov,		147,023.22	(374,553.33)
Other operating income		**8,973.84**	**100,942.44**
Ancillary and other current revenues		8,973.84	100,942.44
Staff costs		**(9,929,158.38)**	**(17,745,641.27)**
Wages. salaries and similar		(7,746,016.09)	(13,920,642.54)
Social charges	Note 18,b	(2,183,142.29)	(3,824,998.73)
Other operating expenses		**(5,978,856.15)**	**(11,737,983.31)**
External services		(5,820,374.42)	(11,200,576.74)
Tributes		(158,481.73)	(491,208.58)
Losses. impairment and changes in provisions for commercial transactions		-	(46,197.99)
Depreciation of fixed assets	**Notes 6 and 7**	**(2,147,372.58)**	**(5,004,875.03)**
Excess provisions		**7,470.82**	**9,839.88**
Impairment and gains or losses on disposals of fixed assets		**(261,175.61)**	**-**
Gains/losses on disposals and other		(261,175.61)	-
Other results		**(51,480.98)**	**(1,827.75)**
OPERATING INCOME		**(116,715.84)**	**617,588.30**
Financial income		**436,124.56**	**133,728.50**
Financial expenses		**(1,039,517.55)**	**(2,129,013.58)**
Exchange rate differences		**(485,981.84)**	**(668,292.07)**
Impairment and gains/losses on disposals of financial instruments		**(32,507.43)**	**(77,669.90)**
FINANCIAL RESULT		**(1,121,882.27)**	**(2,741,247.05)**
PROFIT BEFORE TAX		**(1,238,598.11)**	**(2,123,658.75)**
Profit tax	**Note 17**	**(381,083.99)**	**13,340.30**
CONSOLIDATED RESULTS FOR THE YEAR		**(1,619,682.10)**	**(2,110,318.45)**
Profit attributable to minority interests	**Note 5**	**(184,728.42)**	**(335,078.81)**
ATTRIBUTED RESULT TO THE PARENT COMPANY		**(1,434,953.68)**	**(1,775,239.64)**

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE CONSOLIDATED FOR THE SIX MONTHS ENDED 30 JUNE 2022 AND FOR THE TWELVE-MONTH PERIOD ENDING 31 DECEMBER 2021

(Expressed in euro)

	Notes to the Memory	2022	2021
RESULT OF THE ACCOUNT PROFIT AND LOSS ACCOUNT		**(1,619,682.10)**	**(2,110,318.45)**
Directly Charged Income and Expenditure to net worth:			
Grants. donations and legacies received		-	27,531.00
Conversion difference		116,970.87	436,605.80
TOTAL IMPUTED INCOME AND EXPENDITURE DIRECTLY IN EQUITY		**116,970.87**	**464,136.80**
Transfers to the profit and loss account:			-
Grants. donations and legacies received (Note 23)		(55,062.00)	-
Tax effect (Note 17)		-	-
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT		**(55,062.00)**	**-**
TOTAL RECOGNISED INCOME AND EXPENDITURE		**(1,557,773.23)**	**(1,646,181.65)**

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

RELATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2022 AND
FOR THE TWELVE-MONTH PERIOD ENDING 31 DECEMBER 2021

(Expressed in euro)

	Capital Deeded	Premium for Broadcast	Reserves and Prior Years' Results	Reservations consolidated	(Own equity shares)	Result for the year attributed to the Company Dominant	Valuation Adjustments	Subsidies	Partners External	Total
BALANCE AT THE END OF 2020	**618,787.60**	**3,134,676.13**	**5,792,871.39**	**3,649,662.88**		**1,073,710.49**	**(2,066.29)**	**27,531.00**	**-**	**14,295,173.20**
Total recognised income and expenses	**-**	**-**	**-**	**-**		**(1,775,239.64)**	**436,605.80**	**27,531.00**	**(335,078.81)**	**(1,646,181.65)**
Transactions with partners or owners	**-**	**-**	**200,000.00**	**(1,106,462.24)**		**-**	**-**	**-**	**(220,339.59)**	**(1,126,801.83)**
Capital increases	-	-	200,000.00	(200,000.00)		-	-	-	-	-
Other transactions with partners or owners (own shares held)	-	-	-	(906,462.24)		-	-	-	(220,339.59)	(1,126,801.83)
Other changes in equity:	**-**	**-**	**(132,892.76)**	**1,206,603.25**		**(1,073,710.49)**	**-**	**-**	**-**	**-**
Distribution of results of the previous year	-	-	(132,892.76)	1,206,603.25		(1,073,710.49)	-	-	-	-
BALANCE AT THE END OF 2021	**618,787.60**	**3,134,676.13**	**5,859,978.63**	**3,749,803.89**		**(1,775,239.64)**	**434,539.51**	**55,062.00**	**(555,418.40)**	**11,522,189.72**
Total recognised income and expenses						**(1,434,953.68)**	**116,970.86**	**(55,062.00)**	**(184,728.41)**	**(1,557,773.23)**
Transactions with partners or owners	**103,337.90**	**5,063,557.10**	**(15,101.27)**		**(304,000.00)**					**4,847,793.73**
Capital increases	103,337.90	5,063,557.10								5,166,895.00
Treasury stock transactions (net)	-	-	(15,101.27)	-	(304,000.00)	--		-		(319,101.27)
Other changes in equity:			**(245,697.36)**	**(1,463,959.47)**		**1,775,239.64**				**65,582.80**
Distribution of results of the previous year			(245,697.36)	(1,529,542.27)		1,775,239.64				-
Other variations				65,582.80						65,582.80
BALANCE AT THE END OF 2022	**722,125.50**	**8,198,233.23**	**5,599,180.00**	**2,285,844.42**	**(304,000.00)**	**(1,434,953.68)**	**551,510.37**	**-**	**(740,146.81)**	**14,877,793.03**

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

RELATED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDING 30 JUNE 2022, AND
FOR THE TWELVE-MONTH PERIOD ENDING 30 JUNE 2021
(Expressed in euro)

	2022 (6 months)	2021 (12 months)
CASH FLOWS FROM OPERATING ACTIVITIES	**(1,240,715.76)**	**3,906,357.69**
Profit for the year before tax	**(1,238,598.11)**	**(2,123,658.75)**
Adjustments to the result	**2,809,855.96**	**7,448,442.43**
Depreciation of fixed assets	2,408,548.19	5,004,875.03
Valuation adjustments for impairment	(147,023.22)	420,751.32
Allocation of subsidies	(55,062.00)	27,531.00
Financial income	(436,124.56)	(133,728.50)
Financial expenses	1,039,517.55	2,129,013.58
Changes in working capital	**(1,992,866.72)**	**1,685,413.83**
Stocks	(2,414,768.86)	(847,971.67)
Debtors and other receivables	(4,163,960.47)	3,142,292.73
Other current assets	(414,700.58)	2,415.31
Creditors and other accounts payable	4,971,434.10	(610,403.00)
Other current liabilities	29,129.09	(919.54)
Other cash flows from operating activities	**(819,106.89)**	**(3,103,839.82)**
Interest payments	(1,039,517.55)	(2,129,013.58)
Charging interest	436,124.56	133,728.50
Income tax collections (payments)	(199,217.84)	(1,079,296.23)
Other (payments)/collections	(16,496.06)	(29,258.51)
CASH FLOWS FROM INVESTING ACTIVITIES	**1,108,901.82**	**(7,225,395.60)**
Investment payments	**(2,403,682.84)**	**(9,586,699.56)**
Intangible assets	(872,557.25)	(2,469,669.16)
Tangible fixed assets	(1,044,625.59)	(2,295,404.69)
Additions due to business combinations	-	(1,101,404.76)
Other financial assets	(486,500.00)	(3,720,220.95)
Divestment proceeds	**3,512,584.66**	**2,361,303.96**
Group companies	-	2,361,303.96
Other financial assets	3,512,584.66	-
CASH FLOWS FROM FINANCING ACTIVITIES	**2,883,940.56**	**5,056,281.45**
Receivables and payments for equity instruments	**4,866,895.00**	**(1,126,801.53)**
Capital increases	5,166,895.00	-
Sale/(Acquisition) of own shares	(300,000.00)	-
Decrease in equity due to business combination	-	(1,126,801.53)
Proceeds and payments for financial liability instruments	**(1,982,954.44)**	**6,183,082.98**
Broadcast	**1,500,000.00**	**8,743,102.47**
Amounts owed to credit institutions	-	1,817,102.47
Other debts	1,500,000.00	6,926,000.00
Repayment and amortisation of:	**(3,482,954.44)**	**(2,560,019.49)**
Amounts owed to credit institutions	(550,900.34)	-
Other debts	(2,932,054.10)	(2,560,019.49)
EFFECT OF EXCHANGE RATE CHANGES	**-**	**-**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS	**2,752,126.62**	**1,737,243.54**
Cash or cash equivalents at the beginning of the year	3,283,159.26	1,545,915.72
Cash or cash equivalents at the end of the year	6,035,285.88	3,283,159.26

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LABIANA HEALTH, S. A.
AND SUBSIDIARIES

CONSOLIDATED EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2022

NOTE 1. INCORPORATION, BUSINESS AND LEGAL STATUS OF THE PARENT COMPANY

a) Incorporation and registered office of the parent company

LABIANA HEALTH, S.A. (formerly **SEVEN PHARMA, S.L.)** (hereinafter "the Company"), was incorporated in Madrid on 18 December 2017, the date on which the deed of transfer of domicile, acquisition of nationality, change of name, and amendment of articles of association to Spanish law was notarized. Until that date, the Company was called Seven Pharma, B.V. and was domiciled in Rotterdam (The Netherlands). Its current registered office is in Madrid, Avenida de Europa, 34 letter D, first floor, Pozuelo de Alarcón.

On 21 December 2021, the Board of Directors of the Company approved the transformation of the Company into a Public Limited Company. On 28 February 2022, the application for registration was filed with the Madrid Mercantile Registry and the transformation was effectively registered on 10 March 2022.

b) Activity of the Parent Company

According to the Parent Company's Articles of Association, its business activity shall be aimed at:

- Participating in the financing or having any other interest in, or directing the management of, other legal entities, partnerships or companies.

- Providing guarantees and assuring the performance thereof or otherwise assuming liability, joint and several or otherwise, for or in connection with the obligations of Group companies or third parties.

- To do everything that, in the broadest sense of the word, is related to or can lead to the achievement of that objective.

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c) Activity of Group companies

The main activity of the subsidiaries consists of the marketing of its own veterinary products, the provision of manufacturing services of pharmaceutical and veterinary products for third parties, the provision of services aimed at the renewal of product registrations, the creation and updating of dossiers and advice on procedures with the health authorities for third parties and its own, the development of new pharmaceutical and veterinary products, and reformulations of existing products, as well as any other activity related to the aforementioned corporate purpose.

d) Legal Regime of the Parent Company

The Parent Company is governed by its Articles of Association and by the Capital Companies Act in force.

(e) BME MTF Equity BME Growth segment listing

On 9 February 2022, the Parent Company approved at its Shareholders' Meeting the transformation of the Company into a public limited company, as well as the request for the incorporation into the BME Growth segment of BME MTF Equity, of all the Parent Company's shares in circulation at that time, as well as those issued between the date of said Meeting and the effective date of incorporation of the shares for trading.

On 22 June 2022, the Board of Directors of *Bolsas y Mercados Españoles, Sistemas de Negociación,* S.A., approved the inclusion of 7,221,255 shares of 0.10-euro par value each in the BME Growth segment of BME MTF Equity with effect from 24 June 2022. The Parent Company appointed Norgestión, S.A. as Registered Advisor and GVC Gaesco Valores, S.V., S.A. as Liquidity Provider.

f) COVID's effect on the Group

The impact of COVID has had several aspects on the company's business and costs:

- Internally, absenteeism has increased, resulting in higher costs for temporary staff hired.

- Shortages of caps, vials and filters have also been experienced, which have been destined for vaccine manufacturing and have not allowed for the fulfilment of manufacturing orders by customers.

- Increased transport costs and delays.

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NOTE 2. GROUP COMPANIES

The Parent Company holds, directly or indirectly, interests in various domestic companies and directly and indirectly controls them. As indicated in Note 1, the Parent Company was already the owner of the subsidiaries' shareholdings in previous years. However, as it was domiciled outside Spain, it was not obliged to prepare consolidated annual accounts. Therefore, on 1 January 2018, the Group companies were consolidated for the first time. For accounting purposes, this date coincides with the partial spin-off and merger between two of the subsidiaries described in the following section.

a) Subsidiaries Included in the Consolidation Perimeter

Details of the subsidiaries included in the scope of consolidation for the six-month period of 2022 using the full consolidation method are as follows:

	Percentage of Direct+Indirect Participation
Labiana Life Sciences, S.A.U.	100.00
Labiana Pharmaceuticals, S.LU.	100.00
Veterinarski zavod d.o.o. Subotica	100.00
Labiana México, S.A de C.V.	95.00
Zoleant ILAC	51.00
Ecuador-Labiana, S.A.	100.00
L.O. Vaccines, S.L.	100.00

The summary of the registered office and corporate purpose of the investee companies is as follows:

Society	Registered Office	Company object
Labiana Life, S.A.U.	Avenida Europa, 34-D, 1º planta, Madrid	Manufacture and constitution of pharmaceutical products
Labiana Pharmaceuticals, S.L. U.	c/ Casanovas 27-31, Corbera de Llobregat, Barcelona	Manufacture and constitution of pharmaceutical products
Veterinarski zavod d.o.o. Subotica	Bulevar kralja Aleksandra 28, Belgrade, Republic of Serbia	Manufacture and marketing of pharmaceuticals
Labiana México, S.A de C.V.	City of Tejería (Veracruz)	Marketing of pharmacological products and the marketing of veterinary instruments.
Zoleant ILAC	Republic of Turkey	Manufacturing, research and development, marketing, storage, and packaging of animal pharmaceuticals.
Ecuador-Labiana, S.A.	Ecuador	Manufacturing, research and development, marketing, storage, and packaging of animal pharmaceuticals.

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The objects and registered offices of the investees included in the scope of consolidation on 30 June 2022 are as follows:

Labiana Life Sciences, S.A. U.

Its main activity consists of the marketing of its own veterinary products, the provision of manufacturing services of pharmaceutical and veterinary products for third parties, the provision of services aimed at the renewal of product registrations, the creation and updating of dossiers and advice on procedures with the health authorities for third parties and its own, the development of new pharmaceutical and veterinary products, and reformulations of existing products, as well as any other activity related to the aforementioned corporate purpose. Its current address is Avenida de Europa, 34, letter D, first floor, Pozuelo de Alarcón.

Labiana Pharmaceuticals, S.L.U.

Its main activity consists of the manufacture and constitution of pharmaceutical products, as well as activities in the fields of biotechnology, pharmaceuticals, cosmetics, chemicals, and foodstuffs. Its industrial facilities are in Corbera de Llobregat (Barcelona).

Veterinarski zavod a.d. , Subotica

Its core business is the manufacture, research and development, marketing, storage and packaging of animal pharmaceuticals.

On 8 December 2020, Labiana South East Europe d.o.o. Beograd-Vracar and Veterinarski zavod a.d., Subotica were merged into Labiana South East Europe d.o.o. Beograd-Vracar and Veterinarski zavod a.d., Subotica. Subotica, the acquiring company being Labiana South East Europe d.o.o. Beograd-Vracar. However, it has changed its name to Veterinarski zavod d. o.o. Subotica.

Labiana de México, S.A. de C.V.

Its main activity consists of the commercialization of pharmacological products and the commercialization of veterinary instruments. Its current address is in the city of Tejería (Veracruz, Mexico).

Zoleant ILAC

Its main activity consists of manufacturing, research and development, marketing, storage, and packaging of animal pharmaceuticals. Its current registered office is in the Republic of Turkey.

Ecuador - Labiana, S.A.

Its main activity consists of the manufacture, research and development, marketing, storage, and packaging of animal pharmaceuticals. Its current domicile is in Ecuador.

DocuSign Envelope ID: 4B366C48-36F6-4014-B882-722C7DDFB3B2

The financial year of the Parent and Subsidiaries begins on 1 January and ends on 31 December of each year. The latest Annual Accounts prepared are for the financial year ended 31 December 2021.

b) Subsidiaries Excluded from the Consolidation Perimeter

At 30 June 2022, the Parent Company holds the following interests in subsidiaries, which have not been included in the scope of consolidation as the Parent Company's Board of Directors considers that, due to their size and very limited activity, they are currently irrelevant to the overall picture of the consolidated Group.

	Percentage of Participation
Labiana Development, S.L.U.	100.00
Contract Farm Management, S.A.	80.00

NOTE 3. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of Presentation

The accompanying Interim Consolidated Financial Statements on 30 June 2022 have been prepared on the basis of the accounting records of the various companies composing the Group, which are prepared in accordance with prevailing commercial legislation and the rules established in the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, applying the amendments introduced therein by Royal Decree 1159/2010, of 17 September, and Royal Decree 602/2016, of 2 December and Royal Decree 1/2021, of 12 January, in the case of Spanish companies, and in accordance with the regulations applicable in the other countries where the companies comprising the Consolidated Group are located, and are presented in accordance with the provisions of Royal Decree 1159/2010 of 17 September, in order to give a true and fair view of the consolidated net worth, financial position and results, as well as the veracity of the flows included in the Consolidated Cash Flow Statement.

The accompanying consolidated interim financial statements have been prepared by the Board of Directors of the Parent Company. The different items in the individual financial statements of each of the companies have been subject to the corresponding valuation homogenization, adapting the criteria applied to those used in consolidation.

b) Currency of presentation

In accordance with current accounting legislation, the accompanying interim consolidated financial statements are presented in euros.

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c) Responsibility for Information and Estimates Made

The information contained in these accompanying Consolidated Interim Financial Statements is the responsibility of the Parent's Board of Directors. In these accompanying Consolidated Interim Financial Statements estimates have been made to measure certain of the assets, liabilities, income, expenses and commitments reported herein.

Basically, these estimates relate to:

- The assessment of possible impairment losses on certain assets.

- The estimation of useful lives of intangible and tangible assets.

- The assessment of the recoverability of deferred tax assets for tax loss carryforwards.

- The assessment of activated development expenditure.

Although these estimates were made based on the best information available at the date of preparation of the accompanying interim consolidated financial statements, events that take place in the future might make it necessary to change these estimates in coming years. If so, this would be done prospectively, recognising the effects of the change in estimate in the related income statements.

d) Critical Aspects of Valuation and Uncertainty Estimation

The group has a positive working capital on 30 June 2022 in the amount of EUR 2,079,426.86 (negative EUR 1,040,430.24 in the previous year). Its consolidated losses in the six-month period of 2022 amounted to EUR 1,619,682.10 (EUR 2,110,318.45 in the previous year).

Nevertheless, the Parent's Board of Directors believes that Labiana will be able to adequately finance its operations in the remainder of 2022.

The slowdown in growth is due to (i) delays in customer orders due to oversupply in 2020-21; ii) higher demand for certain components for the production of vaccines for COVID-19, causing a shortage and cascading delay, leading to a temporary halt in the manufacture of several injectable products; iii) the termination of a tender contract for fosfomycin; and iv) Royal Decree 1157/2021 of 28 December, which regulates industrially manufactured veterinary medicines, which entails a regulatory change and in some cases discourages veterinarians from prescribing certain antimicrobial medicines. This has slowed down the prescription of medicines in animal health.

On the other hand, Fosfomycin profit sharing contracts are being consolidated in 2022, mainly in the US, with a significant volume of business.

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Sales are expected to grow in the next six months both due to the recovery of the CDMO market, once stocks have been exhausted due to oversupply, and to the launch of new products developed in the veterinary sector, which have been registered or are in the process of being registered in several countries. In addition, the problems of shortages of raw materials and filters are gradually disappearing, and production is returning to normal.

This will allow us to continue to generate sufficient cash flows to be able to meet the disbursements to be made in future years and to meet the challenges that have not yet been met despite being included in the business plan, linked to improving productivity and increasing production capacity.

On the other hand, the Company's balance sheet on 30 June 2022 shows in its assets "Developments" with a net book value of 9,899,913.48 euros, which mainly corresponds to research projects developed internally to obtain new components or applications for existing APIs. The Parent Company's Board of Directors has analyzed the economic-financial viability of all the projects together with that of the business itself and has considered that there are reasonable grounds to keep them capitalized at the amount at which they appear in the combined assets, and there are no indications of impairment.

In turn, as indicated in note 17, the Group has capitalized deductions pending application due to a lack of quota, for a total amount of 1,916,638.98 euros. In view of the projections drawn up by Group management, it has been considered appropriate to maintain these rights as assets, as it is considered that the projected profits for future years will allow them to be offset.

In view of the foregoing, and despite the uncertainty inherent in some of the aforementioned aspects, the Parent Company's Board of Directors considers that there are no indications of a possible breach of the going concern principle, or that this could lead to significant changes in the value of assets and liabilities in the following year.

e) Comparison of Information

In accordance with commercial legislation, the Board of Directors presents, for comparative purposes with each of the balance sheet items, in addition to the figures for the six months ended 30 June 2022, the figures for the previous year. It also presents, for comparative purposes with each of the items in the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement, in addition to the figures for the six months ended 30 June 2022, those for the twelve months ended 31 December 2021. As the Group did not prepare consolidated financial statements as of 30 June 2021, it has elected to present the figures of its audited annual accounts as of 31 December 2021.

f) Changes in accounting policies

No changes in accounting policies have been made.

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(g) Fair value

The price that would be received to sell an asset or paid to transfer or settle a liability in an orderly transaction between market participants at the measurement date. Fair value shall be determined without any deduction for transaction costs that might be incurred in connection with disposal. In no case shall fair value result from a forced or emergency transaction or because of an involuntary liquidation situation.

Fair value is estimated for a particular date and because market conditions may change over time, that value may be inappropriate for another date. In addition, in estimating fair value, an entity shall consider the conditions for the asset or liability that market participants would consider in pricing the asset or liability at the measurement date. Those specific conditions include, but are not limited to, the following for assets:

a) The state of preservation and location, and

b) restrictions, if any, on the sale or use of the asset.

The estimate of the fair value of a non-financial asset shall consider the ability of a market participant to generate economic benefits from the asset at its highest and best use or, alternatively, by selling it to another market participant that would employ the asset at its highest and best use.

The fair value estimate assumes that the transaction to sell the asset or transfer the liability takes place:

a) Between knowledgeable, willing parties in an arm's length transaction,

b) In the main market for the asset or liability, defined as the market with the highest volume and level of activity, or

c) In the absence of a principal market, the most advantageous market to which the company has access for the asset or liability, defined as the market that maximizes the amount that would be received from the sale of the asset or minimizes the amount that would be paid for the transfer of the liability, after considering transaction costs and transportation expenses.

In the absence of evidence to the contrary, the market in which the undertaking would normally enter a transaction to sell the asset or transfer the liability is presumed to be the principal market or, in the absence of a principal market, the most advantageous market.

Transaction costs do not include transport costs. If location is a characteristic of the asset (as may be the case, for example, for a listed commodity), the price in the principal (or most advantageous) market shall be adjusted for the costs, if any, that would be incurred to transport the asset from its present location to that market.

DocuSign Envelope ID: 4B366C48-36F6-4014-B882-722C7DDFB3B2

In general, fair value shall be calculated by reference to a reliable market value. In this regard, the quoted price in an active market shall be the best reference for fair value, where an active market is one in which the following conditions are met:

a) The traded goods or services are homogeneous.

b) Buyers and sellers willing to exchange goods or services can be found at virtually any time, and

c) Prices are public and regularly accessible, reflecting transactions with sufficient frequency and volume.

For those items for which there is no active market, fair value shall be derived, where appropriate, by applying valuation models and techniques. Valuation models and techniques include the use of references to recent arm's length transactions between knowledgeable, willing parties, if available, as well as references to the fair value of other assets that are substantially the same, discounted estimated future cash flow methods and models generally used to value options.

In any case, the valuation techniques used should be consistent with accepted market pricing methodologies, using, where available, the one that has been shown to produce the most realistic estimates of prices. They should consider the use of observable market data and other factors that market participants would consider in setting the price, limiting as much as possible the use of subjective considerations and unobservable or unverifiable data.

An entity shall evaluate the effectiveness of the valuation techniques it uses periodically by reference to observable prices from recent transactions in the same asset being valued or by using prices based on observable market data or indices that are available and applicable.

In this way, a hierarchy is derived in the inputs used in the determination of fair value and a fair value hierarchy is established that allows estimates to be classified into three levels:

a) Level 1: estimates using unadjusted quoted prices in active markets for identical assets or liabilities that are available to the Company at the measurement date.

b) Level 2: estimates using quoted prices in active markets for similar instruments or other valuation methodologies where all significant inputs are based on directly or indirectly observable market data.

c) Level 3: estimates where some significant variable is not based on observable market data.

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An estimate of fair value is classified in the same level of the fair value hierarchy as the lowest level input that is significant to the outcome of the measurement. For this purpose, a significant input is an input that has a decisive influence on the outcome of the estimate. The assessment of the significance of a particular input to the estimate shall consider the specific terms and conditions of the asset or liability being measured.

The fair value of a financial instrument must consider, among other things, credit risk and, in the specific case of a financial liability, the company's default risk, which includes, among other components, its own credit risk. However, no adjustments for volume or market capacity should be made in estimating fair value.

When fair value measurement is applied, assets and liabilities that cannot be measured reliably, either by reference to a market value or by applying the valuation models and techniques described above, shall be measured, as appropriate, at amortized cost or at acquisition or production cost, less, where appropriate, any applicable valuation adjustments, with a statement of this fact and the circumstances giving rise to it being disclosed in the notes to the financial statements.

The fair value of an asset or liability for which there is no unadjusted quoted price for an identical asset or liability in an active market can be reliably measured if the variability in the range of estimates of the fair value of the asset or liability is not significant or the probabilities of the various estimates within that range can be reasonably assessed and used in measuring fair value.

f) <u>Principles of Consolidation</u>

The consolidation of the financial statements of **Labiana Health, S.A.** with the financial statements of its investees mentioned in Note 2 has been carried out using the following method:

a) The consolidation method used was the full consolidation method, as it is considered that the parent company has control over the investees.

The consolidation of the operations of **Labiana Health, S.A.** with the subsidiaries has been carried out in accordance with the following basic principles:

- The criteria used in the preparation of the individual balance sheet and profit and loss account of each of the consolidated companies are, in general and in their basic aspects, homogeneous.

- The Consolidated Balance Sheet, the Consolidated Profit and Loss Account, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement include the adjustments and eliminations inherent to the consolidation process, as well as the relevant valuation homogenizations to reconcile balances and transactions between the consolidating companies.

DocuSign Envelope ID: 4B366C48-36F6-4014-B882-722C7DDFB3B2

- The Consolidated Balance Sheet does not include the tax effect corresponding to the incorporation of the subsidiaries' reserves in the Parent Company's accounts, as it is estimated that no transfers of reserves not subject to taxation at source will be made, as it is considered that these reserves will be used in each subsidiary as a source of self-financing.

- Balances and transactions between consolidated companies have been eliminated on consolidation. Receivables and payables to the group, associated and related companies that have been excluded from consolidation (see Note 2.b) are shown under the corresponding asset and liability headings in the consolidated balance sheet.

- The investment/equity of the subsidiaries was eliminated by offsetting the Parent Company's interest against the proportional part of the equity of the subsidiaries represented by this interest at the date of the first consolidation. The differences obtained have been treated as follows:

  a) Positive differences, which could not be attributed to the assets and liabilities of the subsidiaries, are included under "Goodwill on consolidation" on the asset side of the consolidated balance sheet. Impairment losses must be recognized in the consolidated income statement and are irreversible.

  b) Negative differences, which arise on first consolidation, are recognized as reserves for the year considering that the group already existed previously in the various subgroups contributed to the Parent Company.

- The consolidated result for the year shows the part attributable to the Parent Company, which is made up of the result obtained by the Parent Company plus the part that corresponds to it, by virtue of the financial participation, of the result obtained by the subsidiary.

- The value of minority interests in equity and the attribution of results in consolidated subsidiaries is presented under "Minority interests" in equity in the consolidated balance sheet. Details of the value of these interests are shown in Note 5.

NOTE 4. RECORDING AND VALUATION RULES

The main valuation standards used by the Group in preparing its Consolidated Interim Financial Statements as of 30 June 2022, in accordance with those established by the Spanish National Chart of Accounts, were as follows:

a) Intangible Fixed Assets

Intangible assets are stated at cost, either acquisition or production cost, less accumulated amortization and any impairment losses.

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Research and Development Expenditure

Research expenditure is recognized as an expense in the period in which it is incurred.

Capitalized development costs are specifically itemized by project and their cost is clearly established so that they can be spread over time. Furthermore, Group management has sound reasons for the technical success and economic and commercial profitability -of these projects.

Development costs are amortized from the date of completion of the project, with an estimated useful life of 5 years. The balancing entry for the capitalized expenses is reflected in intangible assets in the consolidated income statement for the costs incurred during the year.

As soon as there are reasonable doubts about the technical success or the economic and commercial profitability -of a project, the amounts recorded as assets are charged directly to consolidated losses for the year.

In addition, amounts received as advances from customers related to the development projects are recorded under "Advances received on orders" within trade payables and are not recognized as revenue until the project is completed.

Industrial Property

This corresponds to capitalized development expenditure for which the corresponding patent or similar has been obtained and includes the costs of registration and formalization of industrial property, as well as the costs of acquiring the corresponding rights from third parties.

They are amortized on a straight-line basis over their useful life.

Goodwill

Goodwill acquired in a transaction in which a Group company acquired control of one or more businesses (business combination) is measured at cost at the date of acquisition, being the excess of the cost of the business combination over the corresponding value of the identifiable assets acquired less the liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses, which are considered irreversible. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

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For impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, between each of the cash-generating units or groups of cash-generating units of the company on which the benefits of the synergies of the business combination are expected to fall. The potential impairment loss is determined by analyzing the recoverable amount of the cash-generating unit and, if this is lower than the carrying amount, an irreversible impairment loss is recognized in the consolidated income statement.

Computer Applications

Licenses for software purchased from third parties or internally developed software are capitalized based on the costs incurred in acquiring or developing the software and preparing it for use.

Computer software is amortized on a straight-line basis over its useful life, at between 20% and 33% per annum.

Computer software maintenance costs incurred during the year are recorded in the Consolidated Profit and Loss Account.

b) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost net of the related accumulated depreciation and, where applicable, the accumulated amount of recognized impairment losses.

Upkeep and maintenance expenses incurred during the year are charged to the consolidated income statement. The costs of renewing, extending, or improving property, plant and equipment, which represent an increase in capacity, productivity or a lengthening of the useful life, are capitalized as an increase in the value of the corresponding assets, once the book values of the items that have been replaced have been derecognized.

Property, plant and equipment, net of any residual value, are depreciated on a straight-line basis over the years of estimated useful life over which the Group expects to use them, as shown in the following table:

	Percentage Annual	**Years of Life Useful Dear**
Constructions		33.33
Technical installations	10	10
Machinery	10	10
Tooling		5
Other facilities	10	10
Furniture		10
Computer equipment	25	
Transport elements		667
Other tangible fixed assets		5

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The gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net amount, if any, of costs to sell obtained on disposal and the carrying amount of the item and is taken to the consolidated income statement for the year in which the derecognition occurs.

At year-end, the Group assesses whether there is any indication of impairment of an item of property, plant and equipment or a cash-generating unit, in which case the recoverable amounts are estimated, and the necessary value adjustments are made.

An impairment loss is understood to exist when the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Impairment losses on property, plant and equipment and their reversal when the circumstances that gave rise to them cease to exist are recognized as an expense or income, respectively, in the consolidated income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognized at the date of reversal had no impairment loss been recognized.

c) Leases and Other Transactions of a Similar Nature

Operating lease expenses incurred during the year are charged to the Consolidated Income Statement.

d) Financial Instruments

A financial asset is any asset that is: cash, an equity instrument of another company, or involves a contractual right to receive cash or another financial asset (a debt instrument) or to exchange financial assets or financial liabilities with another party on potentially favorable terms.

Financial assets used by the Group are classified for valuation purposes in one of the following categories:

1. Financial assets at fair value through profit or loss.
2. Financial assets at amortized cost.
3. Financial assets at fair value through equity.
4. Financial assets at cost.

Financial instruments issued, incurred, or assumed shall be classified as financial liabilities, in whole or in part, if, based on their economic substance, they create a direct or indirect contractual obligation for the enterprise to deliver cash or another financial asset or to exchange financial assets or financial liabilities with third parties on potentially unfavorable terms.

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Financial liabilities used by the Group are classified for valuation purposes in one of the following categories:

1. Financial liabilities at amortized cost.
2. Financial liabilities at fair value through profit or loss.

The Group has no financial liabilities at fair value.

Financial assets at amortized cost

A financial asset is included in this category, even when it is admitted to trading on an organized market, if the undertaking holds the investment for the purpose of receiving cash flows from the performance of the contract and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

Contractual cash flows that are solely collections of principal and interest on the principal amount outstanding are inherent in an arrangement that is in the nature of an ordinary or common loan, notwithstanding that the transaction is arranged at a zero or below-market interest rate.

They are included in this category:

a) Trade receivables: financial assets arising from the sale of goods and the rendering of services in connection with the company's business transactions with deferred payment, and

b) Non-trade receivables: financial assets other than equity instruments and derivatives that are not of a commercial substance and for which the amount receivable is determined or determinable.

Financial Assets at Fair Value Through Shareholders' Equity

A financial asset is included in this category when the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding, and it is neither held for trading nor classified as a financial asset at amortized cost. Investments in equity instruments for which an irrevocable option is exercised at the initial time to present subsequent changes in fair value directly in equity are also included in this category.

Financial Assets at Cost

This category includes investments in the equity of Group companies, as well as other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument, or cannot be reliably estimated, and derivatives that have these investments as their underlying.

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They are initially measured at cost, which is the fair value of the consideration given plus directly attributable costs, applying, where applicable, in relation to group companies the specific rules relating to transactions between group companies and the criteria for determining the cost of the combination set out in the standard on business combinations.

In subsequent valuations, they shall be valued at cost less any accumulated impairment losses.

At least at the year-end, the necessary valuation adjustments shall be made whenever there is objective evidence that the carrying amount of an investment will not be recoverable.

The amount of the valuation adjustment shall be the difference between its carrying amount and the recoverable amount, the latter being the higher of its fair value less costs to sell and the present value of the future cash flows arising from the investment, which in the case of equity instruments shall be calculated either by estimating those expected to be received as a result of the distribution of dividends by the investee and the disposal or derecognition of the investment in the investee, or by estimating its share of the cash flows expected to be generated by the investee from its ordinary activities and from the disposal or derecognition of the investment.

Unless there is better evidence of the recoverable amount of investments in equity instruments, the estimate of the impairment loss on this type of asset is calculated based on the equity of the investee and the unrealized gains existing at the valuation date, net of the tax effect. In determining this value, and provided that the investee has itself invested in another investee, the equity included in the interim consolidated financial statements prepared using the criteria of the Commercial Code and its implementing rules must be considered.

The recognition of impairment losses and, where applicable, their reversal, shall be recognized as an expense or income, respectively, in the income statement. The reversal of impairment shall be limited to the carrying amount of the investment that would have been recognized at the date of reversal had no impairment loss been recognized.

Financial Liabilities at Amortized Cost

They are included in this category:

a) Trade payables: financial liabilities arising from the purchase of goods and services in connection with business transactions for which payment is deferred, and

b) Non-trade payables: financial liabilities which, not being derivative instruments, do not have a commercial origin, but arise from loans or credit operations received by the company.

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Initially, financial assets and liabilities included in this category are measured at fair value, which is the transaction price, which is the fair value of the consideration received or given adjusted for directly attributable transaction costs.

Notwithstanding the above, trade receivables and payables maturing in less than one year that do not bear interest at a contractual rate, as well as advances and loans to employees, dividends receivable, and payments due on equity instruments that are expected to be paid in the short term, are measured at nominal value when the effect of not discounting cash flows is not material.

In subsequent valuations, both assets and liabilities are measured at amortized cost. Accrued interest is recognized in the profit and loss account using the effective interest method. Notwithstanding the above, receivables and payables maturing within one year are initially measured at nominal value and continue to be measured at nominal value, unless, in the case of receivables, they are impaired.

At least at the end of each reporting period, an impairment loss shall be recognized whenever there is objective evidence that a financial asset, or a group of financial assets with similar risk characteristics measured collectively, is impaired because of one or more events that occurred after initial recognition and that result in a reduction or delay in estimated future cash flows that may be caused by the debtor's insolvency.

As indicated in note 13.1) the main credit risk arises from trade balances, with potential impairments being estimated on a customer-by-customer basis.

The amount of the valuation adjustment is the difference between the asset's carrying amount and the present value of the estimated cash flows.

The estimated future cash flows of a debt instrument are all the amounts, principal, and interest, that the company estimates it will earn over the life of the instrument. The estimate considers all relevant information available at the date of the interim financial statements that provides information about the collectability of future contractual cash flows.

Where instruments are secured by collateral and personal guarantees, the flows that would result from their realization, less the amount of the costs necessary to obtain and subsequently sell them, shall be included, irrespective of the probability of realization of the collateral.

In calculating the present value of the estimated future cash flows, the original effective interest rate of the financial asset shall be used as the discount rate.

The recognition of interest on credit-impaired financial assets shall follow the general rules, without prejudice to the simultaneous assessment of whether the amount will be recoverable and, if so, the recognition of a corresponding impairment loss.

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The impairment loss so calculated shall be recognized in the profit and loss account.

If, in subsequent periods, the amount of the impairment loss decreases, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds the amortized cost that would have been recognized at the date of reversal had no impairment loss been recognized. The amount of the reversal shall be recognized in profit or loss.

Own Equity Instruments

An equity instrument is any legal arrangement that evidence, or reflects, a residual interest in the assets of the issuing company after deducting all of its liabilities.

In the event that the company enters into any kind of transaction with its own equity instruments, the amount of these instruments shall be recorded in equity, as a change in shareholders' equity, and in no case may they be recognized as financial assets of the company, nor shall any profit or loss be recorded in the profit and loss account.

Expenses arising from these transactions, including the costs of issuing these instruments, such as legal, notary, and registry fees; printing of reports, bulletins, and securities; taxes; advertising; commissions and other placement expenses, will be recorded directly against equity as a reduction in reserves.

Derecognition of Financial Assets

A financial asset, or part of a financial asset, is derecognized when the contractual rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

Derecognition of Financial Liabilities

A financial liability is derecognized when the related obligation is extinguished.

Interest and Dividends Received on Financial Assets

Interest and dividends on financial assets accrued after the time of acquisition shall be recognized as income in the profit and loss account.

Interest on financial assets measured at amortized cost must be recognized using the effective interest method and dividends when the member's right to receive them is declared.

For these purposes, the amount of explicit interest accrued but not yet due at that time and the amount of dividends agreed by the competent body at the time of acquisition shall be recorded separately in the initial valuation of the financial assets on the basis of their maturity.

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Explicit interest' means interest that is obtained by applying the contractual interest rate of the financial instrument. In addition, if the dividends distributed arise unequivocally from profits generated prior to the acquisition date because amounts more than the profits generated by the investee since acquisition have been distributed, they are not recognized as income and are a reduction of the carrying amount of the investment.

Bonds Delivered and Received

For deposits given or received under operating leases or for the provision of services, the difference between the fair value of the deposit and the amount paid (for example, because the deposit is long-term and is not interest-bearing) is treated as an advance payment or collection for the lease or provision of the service, and shall be taken to profit or loss over the period of the lease in accordance with paragraph 2 of the standard on leases and similar transactions or over the period in which the service is rendered in accordance with the standard on revenue from sales and services.

(e) Stocks

Inventories are initially measured at acquisition or production cost.

Acquisition cost includes the amount invoiced by the seller after deducting any discounts, rebates, or other similar items, as well as interest incorporated in the nominal amount of the receivables, plus any additional costs incurred until the goods are located for sale and other costs directly attributable to the acquisition.

The cost of production of inventories comprises the purchase price of raw materials and other consumables and the costs directly related to the units produced and a systematically calculated portion of indirect, variable, or fixed costs incurred during the process of their transformation. The allocation of fixed indirect costs is made based on the higher of normal production capacity or actual production.

Advances on account of inventories are valued at cost.

The cost of raw materials and other supplies, the cost of goods and the cost of transformation is allocated to the various units in stock using the Weighted Average Price method.

The cost value of inventories is adjusted by scaling according to the expected period of consumption and an individual analysis of each inventory.

A previously recognized impairment loss is reversed against consolidated profit or loss if the circumstances that caused the impairment no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances. The reversal of the impairment loss is limited to the lower of cost and the new net realizable value of inventories.

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Valuation adjustments and reversals of impairment losses on inventories are recognized under "Changes in inventories of finished goods and work in progress" and "Procurements", depending on the type of inventories.

Services in progress correspond to work aimed exclusively at the renewal of product registrations, creation and updating of dossiers and advice on procedures with the health authorities for third parties. These services are valued at the costs directly attributable to the provision of the service and the corresponding profit will be recognized once the contracted services have been completed.

f) Foreign Currency Transactions

Transactions in foreign currencies are recorded in the accounts at their equivalent value in euro, using the exchange rates prevailing at the dates on which they are effected.

At the end of each reporting period, monetary items are measured at the exchange rate at the balance sheet date. Exchange gains and losses arising in this process are recognized in the consolidated income statement for the year.

g) Income tax

The Group does not consolidate for tax purposes. Consequently, the consolidated income tax expense has been obtained by adding the income tax expense of each of the consolidated companies and has been calculated based on the individual profits, adjusted for tax purposes, and taking into account the applicable tax credits and deductions.

Income tax is recognized in the consolidated income statement or directly in consolidated equity, depending on where the gains or losses giving rise to it are recognized. The income tax for each year includes both current tax and deferred tax, if applicable.

The current tax amount is the amount payable by companies as a result of tax assessments.

Differences between the carrying amounts of assets and liabilities and their tax bases give rise to deferred tax assets or liabilities which are measured using the tax rates expected at the time of reversal and according to the way the asset or liability is rationally expected to be recovered or paid.

Changes in deferred tax assets and liabilities during the year are recognized in the consolidated income statement or directly in consolidated equity, as appropriate.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

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At each balance sheet date, the carrying amount of deferred tax assets recognized is analyzed and adjustments are made to the extent that there are doubts as to their future tax recoverability. In addition, off-balance sheet deferred tax assets are assessed at each balance sheet date and are recognized to the extent that it becomes probable that they will be recoverable against future taxable profit.

h) Revenue

The Group's main products are pharmaceuticals and veterinary products.

Revenue recognition for sales and services rendered

The Group recognizes revenue in the ordinary course of business when (or as) control of the committed goods or services is transferred to the customer. At that time, the Group measures revenue at the amount that reflects the consideration to which it expects to be entitled in exchange for the goods or services.

Control of a good or service (an asset) refers to the ability to decide fully on the use of that item of property, plant, and equipment and to obtain substantially all of its remaining benefits. Control includes the ability to prevent other entities from deciding on the use of the asset and obtaining its benefits.

In order to apply this fundamental approach to revenue recognition, the Group follows a comprehensive process consisting of the following successive steps:

a) Identify the contract(s) with the client, understood as an agreement between two or more parties that creates enforceable rights and obligations for them.

b) Identify the obligation(s) to be fulfilled in the contract, representing commitments to transfer goods or provide services to a customer.

c) Determine the transaction price, or contract consideration to which the company expects to be entitled in exchange for the transfer of goods or provision of services committed to the customer.

d) Allocate the transaction price to the obligations to be fulfilled, which should be done on the basis of the individual selling prices of each distinct good or service committed to in the contract, or, where appropriate, on the basis of an estimate of the selling price when the selling price is not independently observable.

e) Recognize revenue when (as) the company fulfills a committed obligation by transferring a good or providing a service; fulfilment occurs when the customer obtains control of that good or service so that the amount of revenue recognized is the amount allocated to the contractual obligation satisfied.

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For each obligation to be fulfilled (delivery of goods or provision of services) identified, the Group determines at the beginning of the contract whether the commitment is to be fulfilled over time or at a specific point in time.

Revenue from commitments (generally for the rendering of services) that are expected to be fulfilled over time is recognized by reference to the stage of completion or progress towards complete fulfilment of the contractual obligations, provided that the Group has reliable information to measure the stage of completion. In addition, the Company reviews estimates of revenue to be recognized as it fulfils its commitments and revises these estimates as necessary.

When, at a given date, the Group is unable to reasonably measure the extent to which the obligation has been satisfied but expects to recover the costs incurred to settle the obligation, it recognizes revenue and the related consideration only in an amount equal to the costs incurred up to that date.

Fulfilment of the obligation over time

The Group is deemed to transfer control of an asset or service over time when the following criteria are met:

a) The customer simultaneously receives and consumes the benefits provided by the Group's activity as the entity carries it out.

b) The Group produces or improves an asset (tangible or intangible) that the customer controls as the activity is carried out.

c) The Group produces a customer-specific asset (typically a complex technical facility or service or a particular good with unique specifications) without an alternative use and the company has an enforceable right to payment for the activity that has been completed to date.

In the case of contractual obligations that are to be performed at a specific point in time, revenue from their performance is recognized at that date. Until such time, costs incurred in the production or manufacture of the product (goods or services) are recognized as inventories.

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Fulfilment of the obligation at a given point in time

In cases where the transfer of control over the asset does not occur over time, the Group recognizes revenue using the criteria established for obligations that are fulfilled at a specific point in time. To identify the point in time at which the customer obtains control of the asset, the Group considers, among others, the following indicators:

a) The customer assumes the significant risks and rewards of ownership of the asset. In assessing this, the Group excludes any risk that gives rise to a separate obligation, other than a commitment to transfer the asset.

b) The Group has transferred physical possession of the asset.

c) The customer has received the asset in accordance with the contractual specifications.

d) The Group has a receivable for transferring the asset.

e) The customer has ownership of the asset.

Valuation

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where appropriate, the fair value of the consideration received or expected to be received, which, unless there is evidence to the contrary, is the agreed price of the assets to be transferred to the customer, less: the amount of any discounts, rebates or similar items that the company may grant; and interest incorporated in the face value of receivables.

Taxes levied on the delivery of goods and services which the company must pass on to third parties, such as value added tax and excise duties, as well as amounts received on behalf of third parties, do not form part of income.

Where variable consideration exists, the Company takes into account the best estimate of the variable consideration in measuring revenue if it is highly probable that there will not be a material reversal of the amount of revenue recognized when the uncertainty associated with the variable consideration is subsequently resolved.

Trade receivables are measured in accordance with the provisions of the Financial Instruments Standard. Where there are doubts concerning the collectability of the receivable previously recognized as revenue from sales or services rendered, the impairment loss is recognized as an impairment charge rather than as a reduction in revenue.

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i) Provisions and Contingencies

Obligations existing at year-end arising from past events which could give rise to a loss for the Group, the amount and timing of which are undetermined, are recognized in the balance sheet as provisions and measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation to a third party.

j) Environmental Heritage Features

Expenses related to the minimization of environmental impact and the protection and improvement of the environment are recognized in the consolidated income statement for the year in which they are incurred.

Assets assigned to the aforementioned activities are classified under the corresponding tangible fixed asset caption and are stated at acquisition or production cost, net of the related accumulated depreciation and, where applicable, of the accumulated amount of any impairment losses recognized.

k) Long-term employee benefit liabilities

The Parent Company rewards its employees with a bonus of half a month's salary, one month's salary and two months' salary when they reach 18 years, 25 years, and 40 years of service, respectively.

In addition, the Subsidiary Company rewards its employees with a bonus of 150 euros and 240 euros of salary when they reach 25 years and 40 years of service, respectively.

The Group records a provision to cover this obligation based on its best estimate.

l) Grants, Donations and Legacies

Non-refundable capital grants, as well as donations and bequests, are measured at the fair value of the amount granted or the asset received. They are initially recognized as income directly in consolidated equity and are recognized in the consolidated income statement in proportion to the period depreciation of the assets financed by these grants, unless they are non-depreciable assets, in which case they are recognized in profit or loss in the year in which they are disposed of or derecognized.

Grants for the cancellation of debts are recognized as consolidated income in the year in which the cancellation takes place, unless they were received in connection with specific financing, in which case they are recognized on the basis of the item financed.

Grants that are repayable are recorded as long-term liabilities that can be converted into grants until they become non-repayable.

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Operating grants are credited to profit or loss when they accrue.

Monetary amounts received without earmarking are recognized as consolidated income in the period in which they are recognized.

m) Related Party Transactions

In general, items in a related party transaction are initially recognized at fair value. Subsequent valuation is carried out in accordance with the relevant standards.

NOTE 5. EXTERNAL PARTNERS

On 4 September 2020, the Parent Company acquired 25% of the shares of Labiana Life Sciences, S.A.U. and Labiana Pharmaceuticals, S.L.U. for 2,075,481.09 euros and 1,123,982.63 euros as a result of the capital increase through non-monetary contributions (see note 14.1), which means that it now holds 100% of both companies.

Details of the value of minority interests in the equity of consolidated subsidiaries on 30 June 2022 are as follows, in euros:

Society Dependent	Percentage Minority interest	Minority interests in shareholders' equity	Minority Interest in Profit and Loss	Total External Partners
Zoleant ILAC	49%	555,418.40	184,728.41	740,146,.1

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NOTE 6. INTANGIBLE FIXED ASSETS

Details of and movement in intangible assets during the six months ended 30 June 2022 are as follows, in euros:

	31/12/2021	Altas	Casualties	Transfers	Adjustments for exchange rate differences	31/06/2022
Cost:						
Development Expenditure	17,152,362.87	203,097.74	(257,829.59)	149,006.20	(8,371.95)	17,238,265.28
Industrial property	1,064,548.06	52,202.44	-	-	(11,221.57)	1,105,528.93
Computer applications	2,455,733.01	40,314.92	-	-	(3,243.99)	2,492,803.94
Goodwill	1,700,781.30	-	-	-	-	1,700,781.30
Other Fixed Assets	98,072.33	576,942.14	-	(149,006.20)	-	526,008.27
	22,471,497.57	**872,557.25**	**(257,829.59)**	**-**	**(22,837.51)**	**23,063,387.72**
Accumulated Depreciation:						
Development Expenditure	(5,953,957.12)	(785,376.61)	-	-	(6,071.55)	(6,745,405.28)
Industrial property	(834,440.23)	(24,054.42)	-	-	848.55	(857,646.10)
Goodwill	(423,686.68)	(85,039.07)	-	-	-	(508,725.75)
Computer applications	(1,908,097.96)	(87,990.87)	-	-	(34.53)	(1,996,123.36)
	(9,120,181.99)	**(982,460.97)**	**-**	**-**	**(5,257.53)**	**(10,107,900.49)**
Deteriorations:						
Development Expenditure	(592,946.52)	-	-	-	-	(592,946.52)
Computer applications	(22,261.94)	-	-	-	-	(22,261.94)
	(615,208.46)	**-**	**-**	**-**	**-**	**(615,208.46)**
Fixed assets Intangible. Net	**12,736,107.12**	**(109,903.72)**	**(257,829.59)**	**-**	**(28,095.04)**	**12,340,278.77**

The detail and movement of intangible assets during the year 2021 was as follows. in euros:

	31/12/2020	Perimeter additions	Altas	Casualties	31/12/2021
Cost:					
Development Expenditure	14,896,419.89	82,354.60	2,225,168.38	(51,580.00)	17,152,362.87
Industrial property	955,606.92	117,898.57	-	(8,957.43)	1,064,548.06
Computer applications	2,248,453.22	3,289.38	203,990.41	-	2,455,733.01
Goodwill	666,014.11	1,034,952.96	-	(185.77)	1,700,781.30
Other Fixed Assets	103,436.96	-	40,510.37	(45,875.00)	98,072.33
	18,869,931.10	**1,238,495.51**	**2,469,669.16**	**(106,598.20)**	**22,471,497.57**
Accumulated Depreciation:					
Development Expenditure	(3,718,973.06)	-	(2,292,273.00)	57,288.94	(5,953,957.12)
Industrial property	(731,541.16)	-	(102,899.07)	-	(834,440.23)
Goodwill	(75,539.93)	(178,068.62)	(170,078.13)	-	(423,686.68)
Computer applications	(1,736,698.12)	(6,974.06)	(164,425.78)	-	(1,908,097.96)
	(6,262,752.27)	**(185,042.68)**	**(2,729,675.98)**	**57,288.94**	**(9,120,181.99)**
Deteriorations:					
Development Expenditure	(592,946.52)	-	-	-	(592,946.52)
Computer applications	(22,261.94)	-	-	-	(22,261.94)
	(615,208.46)	**-**	**-**	**-**	**(615,208.46)**
Fixed assets Intangible. Net	**11,991,970.37**	**1,053,452.83**	**(260,006.82)**	**(49,309.26)**	**12,736,107.12**

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Significant Projects Activated During the Year

Tylosin Oral Powder (Labiana Life Sciences, S.A.U.)

The project consists of the development of a generic TYLAN drug.
The project started in 2017 and was submitted to the registry during 2021.

Oxytetracycline 300 solution for injection (Labiana Life Sciences, S.A.U.)

The project consists of the development of the first generic of the drug ALAMYCIN LA 300. The project was submitted for registration during 2021.

LPS leishmania (Labiana Life Sciences, S.A.U.)

The project is to develop a generic Leishmania mosquito bite vaccine medicine. Approval for trials is now being sought from the Medicines Agency. It is expected that trials can proceed in 2023.

Ketoprofen 150 solution for injection (Labiana Life Sciences, S.A.U.)

The project consists of the development of the first generic of the drug DINALGEN 150 for cattle, pigs and horses. It is currently in the registration phase in EU countries.

Fosfomycin (Labiana Pharmaceuticals, S.L.U.)

(Fosfomycin Trometamol) and thereby distinguish it from other generics and even from the reference medicinal product.

In this regard, it has been working on the reduction of impurities and the achievement of the first CEP worldwide, which was obtained in April 2014. Since then, the Group has obtained agreements for the marketing of the product through licenses in many countries worldwide and continues with its significant geographical expansion, conditioned by the pace of obtaining permits and the requirements established in each country.

During the year, the Group has incurred costs related to this project amounting to 68,184 euros, which have been recorded as "Development costs" in intangible assets (88,005 euros in the previous year).

The Group is working on improving the registration of the generic urinary tract antibiotic (Fosfomycin Trometamol) and thereby distinguishing it from other generics and even from the reference medicine.

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Fully Depreciated and in Use Items

The breakdown, by heading, of the most significant assets which, as of 30 June 2022 and 31 December 2021, are fully depreciated and in use, is shown below, with an indication of their cost value, in euros:

	30/06/2022	31/12/2021
Development	3,397,356.00	3,400,205.20
Industrial property	105,216.02	105,216.02
Computer applications	1,565,997.00	1,557,052.76
Total	**5,068,569.02**	**5,062,473.98**

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NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Details and movement in property, plant and equipment during the six months ended 30 June 2022 are as follows, in euros:

	31/12/2021	Altas	Casualties	Adjustments for exchange rate differences	30/06/2022
Cost:					
Land and natural assets	1,014,378.17	-	-	2,131.32	1,016,509.49
Constructions	6,425,273.66	56,813.79	-	10,348.45	6,492,435.91
Technical installations and machinery	26,635,358.67	427,536.32	-	12,144.79	27,075,039.78
Other fixtures. fittings and furnishings	2,924,565.39	54,862.46	-	(2,170.48)	2,977,257.37
Information processing equipment	1,124,975.38	16,087.01	-	(144.68)	1,140,917.71
Transport elements	245,515.49	14,547.07	(61,454.42)	11,523.08	210,131.22
Other tangible fixed assets. advances and fixed assets under construction	1,149,210.95	474,778.94	-	(9,043.25)	1,614,946.64
	39,519,277.71	**1,044,625.59**	**(61,454.42)**	**24,789.24**	**40,527,238.12**
Accumulated Depreciation:					
Constructions	(1,799,525.42)	(92,459.51)	-	(1,000.23)	(1,892,985.16)
Technical installations and machinery	(13,670,970.34)	(936,935.62)	-	(3,247.19)	(14,611,153.15)
Other fixtures. fittings and furnishings	(2,055,348.04)	(81,517.81)	-	744.25	(2,136,121.60)
Information processing equipment	(949,334.33)	(39,762.31)	-		(989,096.64)
Transport elements	(176,848.38)	(14,236.36)	43,419.56	1,206.61	(146,458.57)
Other tangible fixed assets	(36,696.81)	-	-	(2,226.93)	(38,923.74)
	(18,688,723.32)	**(1,164,911.61)**	**43,419.56**	**(4,523.48)**	**(19,814,738.86)**
Deterioration:					
Technical installations and machinery	(411,244.64)	-	-	-	(411,244.64)
Other fixtures. fittings and furnishings	(32,798.86)	-	-	-	(32,798.86)
Information processing equipment	(4,831.15)	-	-	-	(4,831.15)
	(448,874.65)	**-**	**-**	**-**	**(448,874.65)**
Property. plant and equipment. net	**20,381,679.74**	**(120,286.02)**	**(18,034.86)**	**20,265.76**	**20,263,624.62**

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The detail and movement of property, plant and equipment during the year 2021 is as follows, in euros:

	31/12/2020	Discharges of perimeter	Altas	Casualties	Transfers	31/12/2021
Cost:						
Land and natural assets	1,014,486.17	-	-	(108.00)	-	1,014,378.17
Constructions	6,265,661.32	-	150,836.04	-	8,776.30	6,425,273.66
Technical installations and machinery	24,841,676.33	-	1,112,591.15	-	681,091.19	26,635,358.67
Other fixtures. fittings and furnishings	2,674,874.79	5,837.32	176,200.85	(6,736.49)	74,388.92	2,924,565.39
Information processing equipment	1,060,124.99	-	61,121.39	-	3,729.00	1,124,975.38
Transport elements	244,025.49	-	1,490.00	-	-	245,515.49
Other tangible fixed assets. advances and fixed assets under construction	1,079,016.57	45,734.85	793,165.26	(865.00)	(767,840.73)	1,149,210.95
	37,179,865.66	**51,572.17**	**2,295,404.69**	**(7,709.49)**	**144.68**	**39,519,277.71**
Accumulated Depreciation:						
Constructions	(1,616,690.51)	-	(182,834.91)	-	-	(1,799,525.42)
Technical installations and machinery	(11,843,796.26)	-	(1,827,174.08)	-	-	(13,670,970.34)
Other fixtures. fittings and furnishings	(1,907,852.06)	-	(147,495.98)	-	-	(2,055,348.04)
Information processing equipment	(865,431.45)	-	(83,902.88)	-	-	(949,334.33)
Transport elements	(150,566.20)	-	(26,282.18)	-	-	(176,848.38)
Other tangible fixed assets	(25,567.55)	(3,620.24)	(7,509.02)	-	-	(36,696.81)
	(16,409,904.03)	**(3,620.24)**	**(2,275,199.05)**	**-**	**-**	**(18,688,723.32)**
Deterioration:						
Technical installations and machinery	(411,244.64)	-	-	-	-	(411,244.64)
Other fixtures. fittings and furnishings	(32,798.86)	-	-	-	-	(32,798.86)
Information processing equipment	(4,831.15)	-	-	-	-	(4,831.15)
	(448,874.65)	**-**	**-**	**-**	**-**	**(448,874.65)**
Property. plant and equipment. net	**20,321,086.98**	**47,951.93**	**20,205.64**	**(7,709.49)**	**144.68**	**20,381,679.74**

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Of the additions for the six-month period ending 30 June 2022, a total of EUR 124,045.63 relates to facility improvement work (EUR 261,808.81 in 2021) carried out by Group employees.

Fully Depreciated and in Use Items

The breakdown, by heading, of the most significant fully depreciated assets in use is shown below, with an indication of their cost value:

	30/06/2022	31/12/2021
Constructions	460,504.00	444,371.78
Technical installations	3,720,339.00	3,487,941.05
Machinery	3,190,796.00	3,160,143.02
Tooling	1,166,283.00	1,121,327.14
Furniture	440,798.00	463,960.50
Information processing equipment and other facilities	1,030,042.27	1,030,042.27
Transport elements	82,214.86	82,214.86
Other tangible fixed assets	34,698.00	17,184.59
Total	**10,125,675.13**	**9,807,185.21**

Assets Subject to Guarantees

There are three properties owned by three of the subsidiaries, one located in Terrassa, one in Corbera de Llobregat and one in Subotica, with a book value of 7,176,478 euros on 30 June 2022 (7,176,478 euros in the previous year), which are subject to mortgage guarantees.

Other information

All of the Company's tangible fixed assets are assigned to operations and are duly insured.

The Company has taken out insurance policies to cover the possible risks to which the various items of its property, plant and equipment are subject, on the understanding that these policies sufficiently cover the risks to which they are subject.

Finance Leases

2,675,052.08 (3,370,389.53 in the previous year) are held under finance leases.

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NOTE 8. LEASES AND SIMILAR TRANSACTIONS

8.1) Operating Leases

The charge to income for the six months ended 30 June 2022 for operating leases amounted to EUR 603,207.99 (EUR 1,251,067.58 in financial year 2021).

As lessee, the most significant lease contract held by the Group at year-end is as follows:

- Lease of a 3,460 m2 industrial building in the town of Terrassa, for the manufacture of pharmaceutical specialities, storage, and offices.

The total amount of future minimum lease payments for non-cancellable operating leases is as follows:

	30/06/2022	**31/12/2021**
Up to one year	227,369.88	268,619.65
Between one and five years	818,722.94	843,263.00
	1,046,092.82	**1,111,882.65**

8.2) Finance Leases

The Group has as of 30 June 2022 and 31 December 2021 the following assets financed through finance leases, in euros:

	30/06/2022		**31/12/2021**	
xx	**Amount of the Initial Recognition**	**Value Option of Purchase**	**Amount of the Initial Recognition**	**Value Option of Purchase**
Vehicles	35,107.80	483.58	207,938.55	4,341.18
Machinery	3,338,790.00	45,157.20	3,338,790.00	2,000.00
Total	**3,373,897.80**	**45,640.78**	**3,546,728.55**	**6,341.18**

The total amount of future payments on finance leases at year-end is as follows, in euro:

	30/06/2022	**31/12/2021**
Minimum future payments	2,379,238.64	2,692,426.20
(-) Unearned financial expenses	(300,214.52)	(377,255.25)
Value of the call option	(45,157.20)	(45,157.20)
Present value at year-end	**2,033,866.92**	**2,270,013.75**

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Details of the maturities of the finance lease contracts are as follows. in euros:

	Minimum Payments 30/06/2022	Present Value 30/06/2022	Minimum Payments 31/12/2021	Present Value 31/12/2021
Up to one year	624,935.89	494,160.59	516,234.60	372,860.04
Between one and five years	1,743,402.73	1,577,063.53	1,847,546.04	1,380,301.16
	2,368,338.62	**2,071,224.12**	**2,363,780.64**	**1,753,161.20**

NOTE 9, FINANCIAL ASSETS

Details of long-term financial assets on 30 June 2022 and 31 December 2021 are as follows. in euros:

	Equity Instruments 30/06/2022	Instruments of Equity 31/12/2021	Appropriations and Other Financial Assets 30/06/2022	Appropriations and Other Financial Assets 31/12/2021
Financial assets at cost amortised (Note 9,2)	**-**	**-**	**1,033,576.66**	**3,977,920.32**
Financial assets at cost (Notes 9,3 and 12)	**641,907.53**	**419,769.42**	**-**	**-**
Total	**641,907.53**	**419,769.42**	**1,033,576.66**	**3,977,920.32**

Details of short-term financial assets on 30 June 2022 and 31 December 2021 are as follows. in euros:

	Appropriations and Other Financial Assets 30/06/2022	Appropriations and Other Financial Assets 31/12/2021
Cash and other assets equivalent liquids (Note 9.1)	**6,035,285.88**	**3,283,159.26**
Financial assets at cost amortized (Note 9.2)	**12,916,736.79**	**8,761,338.78**
Total	**18,952,022.67**	**12,044,498.04**

9,1) Cash and Cash Equivalents

Details of these assets as of 30 June 2022 and 31 December 2021 are as follows. in euros:

	30/06/2022 Euros	31/12/2021 Euros
Current accounts	6,022,239.98	3,266,238.81
Box	13,045.90	16,920.45
Total	**6,035,285.88**	**3,283,159.26**

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9.2) Financial Assets at Amortised Cost

The composition of this heading as of 30 June 2022 and 31 December 2021 is as follows, in euros:

	Balance on 30/06/2022 Long-term	Balance on 30/06/2022 Short Term	Balance on 31/12/2021 Long-term	Balance on 31/12/2021 Short Term
Appropriations for commercial transactions				
Third-party customers		11,781,220.85	-	7,934,142.63
Sundry debtors		118,858.60	-	161,151.19
Advance payment from suppliers		910,925.26	-	624,844.09
Total appropriations for commercial transactions		**12,811,004.71**	**-**	**8,720,137.91**
Appropriations for non-trading operations				
Credits with third parties	587,135.22	-	3,854,160.82	587,135.22
Bonds and deposits	402,441.44	16,297.39	123,759.50	11,448.36
Staff	44,000.00	89,434.69	-	29,752.51
Total appropriations for non-trading operations	**1,033,576.66**	**105,732.08**	**3,977,920.32**	**41,200.87**
Total	**1,033,576.66**	**12,916,736.79**	**3,977,920.32**	**8,761,338.78**

Long-term deposit with liquidity provider

280,898.73, corresponding to the amount held on 30 June 2022 at the disposal of the liquidity provider ("GVC Gaesco Valores"), for the sole purpose of meeting the commitments acquired under the liquidity contract. The Company will not be able to dispose of these funds unless they exceed the needs established by the BME Growth regulations.

Credits with third parties

On 31 December 2021, this heading included the amount of the credits held by the Group against Laboratorios Ovejero, S.A. by virtue of a deed signed on 14 January 2022 before the Notary Public of Corbera de Llobregat, Laura Bea García, protocol number 32, for an amount of 3,500,549.39 euros.

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Ovejero Laboratories had filed for pre-insolvency proceedings on 11 December 2020 and had initiated a process to find a strategic investor that could acquire the company and turn its situation around. The Labiana Group and the shareholder of Ovejero Laboratories signed an agreement for the Labiana Group, on an exclusive basis, to carry out a due diligence process and negotiate the acquisition of Ovejero Laboratories. During this process, the Labiana Group has financed the operational needs of Ovejero Laboratories, which has required additional financing, which explains the increase in the Group's indebtedness. All amounts earmarked for the financing of Ovejero Laboratories and the acquisition of certain creditor positions that have been recovered in 2022 once it was established that the acquisition of Ovejero Laboratories was not possible. In January 2022, a total of 3,517,433.69 euros were recovered in this respect.

NOTE 10. FINANCIAL LIABILITIES

Details of long-term financial liabilities are as follows, in euros:

	Debts owed to Entities of Credit		Other Liabilities		Total	
	30/06/2022	**31/12/2021**	**30/06/2022**	**31/12/2021**	**30/06/2022**	**31/12/2021**
Financial liabilities at amortized cost (Note 10.1)	**14.341.187,79**	**15.741.781,27**	**8.184.683,37**	**10.248.999,38**	**22.525.871,16**	**25.990.780,65**

Details of short-term financial liabilities are as follows, in euros:

	Debts owed to Entities of Credit		Other Liabilities		Total	
	30/06/2022	**31/12/2021**	**30/06/2022**	**31/12/2021**	**30/06/2022**	**31/12/2021**
Financial liabilities at amortized cost (Note 10.1)	**12.099.249,96**	**11.249.556,82**	**24.201.278,49**	**18.471.489,53**	**36.300.528,45**	**29.721.046,35**

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10.1) Financial Liabilities at Amortised Cost

Details as of 30 June 2022 and 31 December 2021 are as follows, in euros:

	Balances on 30/06/2022		Balances on 31/12/2021	
	Long-term	**Short Term**	**Long-term**	**Short Term**
For commercial operations:				
Suppliers	-	10,813,853.72	-	8,583,017.41
Sundry creditors	-	1,255,009.39	-	676,108.59
Customer advances	-	1,142,202.05	-	271,247.39
Total trade balances	**-**	**13,211,065.16**	**-**	**9,530,373.39**
For non-commercial operations:				
Amounts owed to credit institutions (Note 10,1,1)	14,341,187.79	12,099,249.96	15,741,781.27	11,249,556.82
Lease creditors financial (Note 10,1,1)	1,588,296.44	489,487.74	1,824,737.65	490,030.88
Other financial liabilities (Note 10,1,2)	6,596,386.93	8,391,114.88	8,424,261.73	7,758,309.83
Loans and other debts	**22,525,871.16**	**20,979,852.58**	**25,990,780.65**	**19,497,897.53**
Staff (outstanding salaries)		2,109,610.71	-	692,775.43
Total balances for non-trade operations	**22,525,871.16**	**23,089,463.29**	**25,990,780.65**	**20,190,672.96**
Total payables and payables	**22,525,871.16**	**36,300,528.45**	**25,990,780.65**	**29,721,046.35**

10,1,1) Amounts owed to credit institutions

The summary of bank borrowings as of 30 June 2022 is shown below. in euros:

	Short Term	Long-term	Total
Loans	2,768,459.64	14,341,187.79	17,109,647.42
Credit policies	5,628,234.09	-	5,628,234.09
Discounted effects	620,728.89	-	620,728.89
Confirming lines	3,081,827.35	-	3,081,827.35
Financial leasing	489,487.74	1,588,296.44	2,077,784.18
Total	**12,588,737.71**	**15,929,484.22**	**28,518,221.93**

The summary of bank borrowings as of 31 December 2021 is shown below. in euros:

	Short Term	Long-term	Total
Loans	2,400,718.12	15,741,781.27	18,142,499.39
Credit policies	5,079,594.00	-	5,079,594.00
Discounted effects	279,872.70	-	279,872.70
Confirming lines	3,489,372.00	-	3,489,372.00
Financial leasing	490,030.88	1,824,737.65	2,314,768.53
Total	**11,739,587.70**	**17,566,518.92**	**29,306,106.62**

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Loans

Mortgage Loan

In December 2018, two group companies received a mortgage loan from Caixabank. The amount of the joint loan amounted to €3,000 thousand with an interest rate of 2.10% per annum and payable over 10 years. It is scheduled to mature in November 2028.

Loan Procurement

In January 2019 a Group company received a loan with conditions similar to a long-term credit facility from Caixabank. The amount amounted to Euros 2,350 thousand payable over ten years and with an annual interest rate of 2.10%. The loan will expire in December 2027.

Caixabank Loan

In April 2021, in order to assume the expenses incurred by Ovejero Laboratories, a group company received a loan of 1,500 thousand euros from Caixabank, guaranteed by Iberaval. The duration of the loan is 5 years with an annual interest rate of 2% and a two-year grace period. Capital repayments will begin in 2023.

ICO loans

During April 2020, the Group signed six loan agreements with various financial institutions for a total amount of Euros 4,730 thousand, all of which have a term of five years with a grace period of twelve months and an interest rate of between Euribor +1.5% and 2.25% per annum fixed for the life of the loan, depending on the financial institution. These three loans are included in Royal Decree Law 8/2020, on extraordinary urgent measures to address the economic and social impact of COVID-19, through which they are backed by a State guarantee.

AIK Loan

On 18 October 2019, the Serbian subsidiary Veterinarski zavod d.o.o. Subotica entered into a loan agreement with AIK Banka a.d. Beograd in the amount of 793 million Serbian dinars (EUR 6.7 million in exchange for 30 June 2022) with an interest rate of 2.25%, 24 months grace period and 84 instalments. Beograd in the amount of 793 million Serbian dinars (EUR 6.7 million on 30 June 2022) with an interest rate of 2.25%, a 24-month grace period and 84 monthly repayments of half of the nominal amount and a final bullet of 50% at maturity on 18 September 2028. At the date of authorization for issue of these annual accounts, a total of 6.3 million euros is being amortized and remains to be amortized.

Credit Policies

As of 30 June 2022, the Group has credit facilities granted with a total limit amounting to EUR 5,750,000 (EUR 5,750,000 in 2021), the amount drawn down on these facilities as at that date totaling EUR 5,628,234.09 (EUR 5,079,594.00 in 2021).

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Discount lines

As of 30 June 2022, the Group has contracted bill discounting facilities with a total limit of EUR 1,050,000 (EUR 1,050,000 in financial year 2021) of which a total of EUR 620,728.89 (EUR 279,872.70 in financial year 2021) has been drawn down.

Confirming lines

As of 30 June 2022, the Group has contracted confirming lines with a total limit of 3,300,000 euros (3,500,000 euros in the financial year 2020) of which a total of 3,081,827.35 euros (3,489,372 euros in the financial year 2020) has been drawn down.

10.1.2) Other Financial Liabilities

The composition of "other financial liabilities" as of 30 June 2022 is as follows, in euros:

	A Corto Deadline	A Long Deadline	Total
Finance your Business Plan	-	60,000.00	60,000.00
Ministry of Industry Loan	515,797.92	2,522,427.15	3,038,225.07
CDTI Loan	131,156.00	1,318,082.56	1,449,238.56
Be Spoke Loan	2,222,224.00	1,111,112.00	3,333,336.00
Loan October Spain	631,939.50	202,015.24	833,954.74
Bravo Capital Loan	3,963,000.00	882,750.00	4,845,750.00
Finalbion Loan	999,999.96	499,999.98	1,499,999.94
Interest and outstanding items	(73,002.50)	-	(73,002.50)
Total	**8,391,114.88**	**6,596,386.93**	**14,987,501.81**

The composition of "other financial liabilities" at year-end 2021 is as follows. in euros:

	A Corto Deadline	A Long Deadline	Total
Finance your Business Plan	-	670,000.00	670,000.00
Ministry of Industry Loan	504,585.43	3,026,912.58	3,531,498.01
CDTI Loan	60,898.00	633,747.54	694,645.54
Be Spoke Loan	2,222,224.00	2,222,224.00	4,444,448.00
Loan October Spain	687,066.22	507,127.61	1,194,193.83
Bravo Capital Loan	561,750.00	1,364,250.00	1,926,000.00
Finalbion Loan	666,666.68	-	666,666.68
Competitiveness Plan	7,782.92	-	7,782.92
Bravo Capital II Loan	3,000,000.00	-	3,000,000.00
Interest and outstanding items	47,336.58	-	47,336.58
Total	**7,758,309.83**	**8,424,261.73**	**16,182,571.56**

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Finance Your Business Plan

During 2012, one of the Group's companies implemented a financing plan offered to both employees and third parties in order to obtain the necessary resources to carry out new investments in equipment improvements. The loan contracts signed in the context of this plan bear interest between 7% and 10% per annum, payable half-yearly, and mature in 2017. As of 31 December 2018, this maturity had been extended to July 2020. On or before the maturity date, under certain conditions, the creditor may request early repayment of the loan or conversion of the loan into shares. On 2 December 2019, a new maturity date of July 2022 was established.

Ministry of Industry Loan - Reindus

On 18 January 2018, the Ministry of Economy, Industry and Competitiveness, through the Reindustrialization and Promotion of Industrial Competitiveness Program, granted a loan of Euros 3,531,398.00 to one of the Group companies. This loan has a grace period of 3 years, matures on 18 January 2028 and accrues interest at 2.2%.

Ministry of Industry - Competitiveness Plan Loan

During 2012, the Ministry of Industry, Energy and Tourism granted aid in the form of a loan to one of the Group companies. This loan has a repayment period of ten years with a two-year grace period and an interest rate of 3.95%. This loan was previously included under the heading of Loan from the Ministry of Industry, but in 2021 it was separated. This loan will expire at the end of 2022.

CDTI Loan

On 29 June 2018, the Centre for the Development of Industrial Technology approved the granting of a loan to one of the Group companies in the amount of 1,279,703.05 euros for the development of the research and development project entitled "New synthesis methodology for the active ingredient Fosfomycin trometamol and incorporation of innovative strategies in the development of the pharmaceutical form Fosfomycin trometamol granulated". This loan has a final maturity date of 25 June 2030.

CDTI Loan

On 10 October 2013, one of the Group companies entered into a loan agreement with the *Centro para el Desarrollo Tecnológico Industrial*, E.P.E. for a maximum amount of 528,873 euros for the development of the project entitled "New applications of Fosfomycin as an antibiotic for small domestic animals". On 14 December 2017, it was agreed, by means of a public deed, to modify the amortization clause of the CDTI loan and a new payment schedule was established, the last due date of which was extended to July 2025.

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Be Spoke Loan

On 15 December 2017, a loan agreement was signed with Be Spoke for a total amount of €6 million, to be drawn down in two disbursements. The first of these, for 3 million euros, 2 million euros were disbursed in 2017 and the remaining 1 million euros were disbursed in January 2018. A second disbursement of EUR 3 million remains outstanding. The interest rate applicable to the first disbursement is EURIBOR plus 6.9% per annum.

On 14 December 2018, a novation of the loan agreement with Be Spoke was signed, reducing the total amount of the loan to EUR 5 million. In addition, the amounts to be received in each disbursement were modified. Specifically, the amount of the first disbursement is increased by 1,990,000 euros and, consequently, the amount corresponding to the second disbursement is reduced by the same amount, being fixed at 10,000 euros, disbursed in 2019. The interest rate applicable to the first disbursement remains at EURIBOR plus 6.9% while the interest rate applicable to the second disbursement is set at EURIBOR plus a margin determined by the lender which shall not be higher than 6.9% per annum.

This loan started to be repaid in 2021.

Loan October Spain

On 10 June 2019, one of the Group companies signed a loan agreement with October España, P.F.P., S.L. for an amount of 2.2 million euros to finance the acquisition of a new production plant in Serbia. An interest rate of 5.5% and monthly payments of both principal and interest are established from 1 December to 1 May 2023.

Bravo Capital Loan (Gedesco Innovfin)

On 26 May 2021, one of the Group companies entered into a loan agreement with Gedesco Innovfin, S.L. for a total amount of Euros 1,926 thousand. The interest rate is Euribor at 1 month plus a spread of 4.361% and monthly payments in 36 monthly instalments with a 12-month grace period. This loan is backed by the InnovFin SME Guarantee Facility, with financial support from the European Union under the Horizon 2020 Financial Instruments and the European Fund for Strategic Investments (EFSI) established under the Investment Plan for Europe. The effectiveness of this loan is conditional upon the subscription with Gedesco Factoring, S.L.U., of a contract for the assignment of receivables from Boehringer Ingelheim Vetmedica GmbH, accrued but pending maturity and/or payment of at least the monthly repayments of the reference loan.

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Bravo Capital Loan (Gedesco Innovfin)

On 18 November 2021, one of the Group companies entered into a loan agreement with Gedesco Services Spain, S.A.U. for a total amount of Euros 3,000 thousand. This contract is a bridge contract pending the formulation of another long-term contract for a larger amount. An interest rate of 6% is established and repayment would have taken place in June 2022 provided that Bravo Capital had been able to set up the vehicle to make the definitive loan. As the vehicle could not be constituted, the maturity is postponed to February 2023. The effectiveness of this loan is conditional upon the execution of a contract with Gesdesco Services Spain, S.A.U. for the assignment of receivables from Mylan Ireland Limited.

Finalbion Loan

On 26 June 2022 one of the Group companies signed a loan agreement with Finalbion, S.L.U. for a total amount of Euros 1,500 thousand. The loan matures in one and a half years and bears interest at 5.5%.

10.2) Other Information Relating to Financial Liabilities

Long-Term Debt Maturities

Details of the maturities of long-term debts under the headings "Bank borrowings", "Finance lease payables" and "Other financial liabilities" on 30 June 2022 are as follows, in euros:

Expiration	30/06/2022
2023	4,098,267.48
2024	4,271,481.92
2025	3,632,847.42
2026	2,798,562.71
Rest	7,724,711.62
Total	**22,525,871.15**

Details of the maturities of long-term debts under the headings "Bank borrowings". "Finance lease payables" and "Other financial liabilities" on 31 December 2021 are as follows. in euros:

Expiration	31/12/2021
2023	7,639,947.59
2024	4,926,877.73
2025	3,594,474.14
2026	2,742,343.35
Rest	7,087,137.84
Total	**25,990,780.65**

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NOTE 11. INFORMATION ON PAYMENT DEFERRALS MADE TO SUPPLIERS. THIRD ADDITIONAL PROVISION. "DUTY OF INFORMATION" OF LAW 15/2011, OF 5 JULY.

Pursuant to the second final provision of Law 31/2015, of 3 December, which amends the Capital Companies Act to improve corporate governance, it amends the third additional provision of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, and with respect to the Resolution of 29 January 2018 of the Spanish Accounting and Auditing Institute on the information to be included in the explanatory notes to the consolidated interim financial statements in relation to said Law, the information is as follows for the six-month period ending 30 June 2022 and for the financial year 2021:

	Financial year 2022 (6 months)	**Financial year 2021 (12 months)**
Average supplier payment period	82.09	84.07
Ratio of paid transactions	69.76	71.58
Ratio of transactions outstanding	70.31	72.06
	Euros	**Euros**
Total payments made	17,379,684.03	47,655,939.98
Total outstanding payments	12,068,863.11	7,540,664.28

NOTE 12, GROUP COMPANIES. ASSOCIATES AND OTHER NON-CONSOLIDATED RELATED COMPANIES

The holdings held on 30 June 2022 in Group companies. associates and other non-consolidated related companies correspond, in euros. to:

Society	**% Shareholding Direct**	**Cost**	**Corrections Valorative**	**Net Value on 30/06/2022**
Contract Farm Management. S.A.	80	17,544.71	(17,544.71)	-
Tecnofeed. S,L,	8.9	5,683.50	(5,683.50)	-
Aquilon CYL. S,L,	5.67	385,358.71	-	385,358.71
Labiana Development. S.L.U.	100.00	54,506.08	(45,469.27)	9,036.81

On 30 June 2022, the Group also holds a financial investment in Iberaval amounting to 29,970 euros, an investment of 161,850 euros in Trichome Pharma and another in The Sampling Solutions amounting to 50,000 euros.

In addition, on 31 December 2021 and 30 June 2022, the Group has recorded two equity investments in Ercros and Reig Jofre amounting to EUR 4,600 and EUR 1,092.01, respectively.

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The holdings held on 31 December 2021 in Group companies, associates and other non-consolidated related companies corresponded, in euros, to:

Society	% Shareholding Direct	Cost	Corrections Valorative	Net Value on 31/12/2021
Contract Farm Management, S.A.	80	17,544.71	(17,544.71)	-
Tecnofeed, S.L.	8.9	5,683.50	(5,683.50)	-
Aquilon CYL, S.L.	5.67	350,070.60	-	350,070.60
Labiana Development, S.L.U.	100.00	54,506.08	(45,469.27)	9,036.81

On 8 April 2019, the Group entered into the Shareholders' Agreement of Aquilon Cyl, S.L., a prerequisite for taking up 660 shares in this company created in a capital increase with a nominal value of 1 euro and a share premium of 529.41 euro. This capital increase was registered on 6 May 2019.

The summary of shareholders' equity as of 30 June 2022 according to their unaudited interim financial statements of the investees is as follows, in euros:

Society	Date of Balance	Capital Social	Reservations and Others	Subsidies	Result for the year	Total Own Funds
Aquilon CYL, S.L.	30/06/2022	11,647.00	1,362,510.63	401,609.65	(280,089.14)	1,495,678.14

The summary of shareholders' equity as of 31 December 2021 according to their unaudited interim financial statements of the investees is as follows, in euros:

Society	Date of Balance	Capital Social	Reservations and Others	Subsidies	Result for the year	Total Own Funds
Aquilon CYL, S.L.	31/12/2021	11,647.00	1,550,324.75	401,609.65	(238,857.94)	1,724,723.46

None of the Group's investees are listed on domestic or foreign stock exchanges.

Aquilon CYL, S.L.

This company is located in León, Campus Vegazana, and its corporate purpose is the diagnosis and research of swine dysentery.

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Contract Farm Management, S.A.

This company is located at Calle Venus, 26, Polígono Can Parellada, Terrassa, and its corporate purpose is the provision of services to farms for the breeding and slaughter of all types of animals in the areas of slaughter, quartering, processing and sale for consumption. On 19 October 2019, the dissolution agreement was passed and the company was appointed liquidator.

Tecnofeed, S.L.

This company is domiciled at Avenida Laviaga Castillo in Zaragoza, and its corporate purpose is the provision and marketing of equipment and accessories for livestock and agricultural operations. On 31 March 2017, Tecnofeed Sistemas, S.L.'s insolvency order was published in the Zaragoza Mercantile Registry.

Labiana Development, S.L.U.

The interest in this company lies in a patent owned by Labiana Pharmaceuticals, S.L.U. which may enable Labiana Pharmaceuticals, S.L.U. to introduce new products on the market.

The company's registered office is at Calle Venus, 26, Polígono Can Parellada, Terrassa, and its corporate purpose is the wholesale trade of pharmaceutical products and medicines.

NOTE 13. DISCLOSURES ON THE NATURE AND LEVEL OF RISK ARISING FROM FINANCIAL INSTRUMENTS

The Group's activities are exposed to different types of financial risks, mainly credit and liquidity risks.

13.1) Credit risk

The Group's credit risk is mainly attributable to its trade payables. Amounts are reflected in the balance sheet net of provisions for bad debts, estimated by Group management on the basis of past experience and its assessment of the current economic environment.

The Group has a significant concentration of credit risk as it basically works with four large multinationals in the sector. However, these are fully solvent companies with which it has been working for a long time, so the credit risk is very diluted.

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13.2) Liquidity risk

In recent years, the Group had had great difficulty in accessing sources of financing due to its bankruptcy history, having to resort to internally generated resources, contributions from shareholders and loans obtained from public bodies to finance its operations. Starting in 2015, the Group managed for the first time in years to obtain bank financing lines in the form of credit accounts and discount lines, which gave it greater financial capacity.

13.3) Exchange rate risk

The Group operates internationally and is therefore exposed to foreign exchange risk on transactions in foreign currencies, especially the US dollar. The exchange rate risk arises from future commercial transactions, assets and liabilities recognized in businesses. The Group does not use any type of hedging as it considers that the risk is not high given the average collection period of the customers with which it operates in foreign currencies.

13.4) Interest rate risk

Since 2015, as detailed above, the Group has had financial debt, both with banks and third parties, the financial cost of which is closely linked to the evolution of market interest rates. The Group is not considering any type of financial hedging to cover the risk of a significant increase in these rates.

13.5) Risks Arising from the Current Situation due to the Possible Effects of COVID-19

Since December 2019, COVID-19, a new strain of Coronavirus has spread to many countries, including Spain as of January 2020. This event significantly affects economic activity worldwide.

The pandemic led to shortages of certain raw materials and filters, which caused production delays in the injectables area, reducing the pace of sales growth in the first six months of the year. This risk is receding in the second half of the year as the shortages are being reversed.

However, the Group has developed favorably, has secured additional bank financing and no additional risks beyond market risks are foreseen.

Finally, it should be noted that the Board of Directors and the Parent Company's management are constantly monitoring the evolution of the situation in order to successfully deal with any possible impacts, both financial and non-financial, that may arise.

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NOTE 14. OWN FUNDS

14.1) Parent Company Share Capital

On 30 June 2022, the share capital of the Parent Company amounted to 722,125.50 euros and was represented by 7,221,255 shares of 0.10 euros par value each, fully subscribed and paid up, belonging to the same class and series. These shares had equal voting and dividend rights.

On 31 December 2021 the share capital of the Parent Company amounted to 618,787.60 euros and was represented by 6,187,876 fully subscribed and paid-up shares with a nominal value of 0.10 euros each. These shares had equal voting and dividend rights.

On 9 February 2022, the General Shareholders' Meeting of the Parent Company resolved to transform the Parent Company into a public limited company. As from that date, the Parent Company has been operating under the corporate name of "Labiana Health, S.A.". In the same act, the General Shareholders' Meeting agreed to transform all the shares subscribed at that time into shares numbered and distributed in the same way as prior to the transformation, and at that time the share capital was set at 6,187,876 shares with a par value of 0.10 euros each, fully subscribed and paid up, equal, indivisible and cumulative.

Capital increases

By virtue of the admission of BME MTF Equity to trading on BME Growth, the Parent Company carried out the following transactions in its share capital:

- On 9 February 2022, the Universal General Meeting of Shareholders of the Parent Company resolved to modify the share representation system, transforming the registered securities representing the shares into book entries.

  For this purpose, *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores*, S.A.U. (Iberclear) and its participating entities have been appointed to keep the accounting register.

- On 9 February 2022, the General Shareholders' Meeting of the Parent Company resolved to request the listing of all outstanding shares representing the Company's share capital on the BME Growth segment of BME MTF Equity, as well as any shares issued between the date of this resolution and the date on which the shares are effectively listed.

- On 9 February 2022, the Universal General Meeting of Shareholders of the Parent Company resolved to modify the regime for the transfer of the Parent Company's shares, with this transfer of shares becoming free and not subject to any consent or authorisation by either the Parent Company or the shareholders.

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- On 21 June 2022, the Universal General Meeting of Shareholders of the Parent Company resolved on two share capital increases:

    - A first share capital increase of 76,950 euros, by issuing and putting into circulation 769,500 new shares of 0.10 euros par value with an issue premium of 4.90 euros per share for a total amount of this premium of 3,770,550 euros, which was fully paid up by means of a cash contribution.

    - A second share capital increase of 26,387.90 euros, by issuing and putting into circulation 263,879 new shares of 0.10 euros par value with a share premium of 4.90 euros per share for a total amount of 1,293,007.10 euros.

On 4 September 2020, the Universal General Meeting of Shareholders of the Parent Company resolved to split the number of outstanding shares of the Parent Company by converting each share with a par value of 5.80 euros into 58 new shares with a par value of 0.10 euros, thereby increasing the number of shares from 80,000 to 4,640,000, without altering the share capital figure. The new shares were ordinary shares, and their holders were granted the same rights as the old ones.

On the same date, 4 September 2020, the Universal General Meeting of Shareholders of the Parent Company resolved to increase capital in the amount of 154,787.60 euros by creating 1,547,876 shares with a par value of 0.10 euros per share and a share premium of 1.967 euros per share.

As of 30 June 2022 and 31 December 2021, the companies holding 10% or more of the Parent Company's share capital are as follows:

	30/06/2022		**31/12/2021**	
Shareholder	**Participation**	**Number of Actions**	**Participation**	**Number of Participations**
Bluecolt, S.A	40,15%	2,899,334	46.87%	2,900,000
Ortega Farming, S.L.	14,96%	1,080,300	18.43%	1,140,685

14.2) <u>Share premium</u>

This reserve amounts to 8,198,233.23 euros, of which 5,063,557.10 euros arose as a result of the capital increases carried out in financial year 2022 and the remainder arose from capital increases carried out in previous financial years. This premium has the same restrictions and can be used for the same purposes as voluntary reserves, including conversion into share capital.

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14.3) Parent Company Legal Reserve

The legal reserve is restricted in terms of its use, which is determined by various legal provisions. Pursuant to the Capital Companies Act, companies that make profits under this legal form are obliged to set aside 10% of these profits until the reserve fund is equal to one fifth of the subscribed share capital. The purpose of the legal reserve is to offset losses or to increase the share capital by the portion exceeding 10% of the increased share capital, as well as its distribution to shareholders in the event of liquidation. As of 30 June 2022, the legal reserve was not fully funded.

14.4) Reserves in Consolidated Companies

The breakdown of the Reserves is as follows, in euros:

	30/06/2022	31/12/2021
Labiana Life, S.A.U.	2,851,800.80	4,177,626.88
Labiana Pharmaceuticals, S.L.U.	739,780.42	275,194.88
Veterinarski zavod d.o.o. Subotica	160,535.92	203,444.37
Labiana México, S.A de C.V.	(412,587.67)	(414,337.44)
Zoleant ILAC	(937,699.49)	(485,448.37)
Ecuador-Labiana, S.A.	(21,270.88)	(6,676.43)
L.O. Vaccines, S.L.	(94,714.68)	
	2,285,844.42	**3,749,803.89**

14.5) Own shares

On 4 March 2022, the Company's General Meeting of Shareholders resolved to authorise the Board of Directors to derivatively acquire treasury shares under the terms provided for in current legislation. On 21 June 2022, the Board of Directors of the Company resolved to acquire 60,000 of the Company's own shares at a price of EUR 5 per share for the sole purpose of enabling the liquidity provider to meet its commitments under the Liquidity Agreement.

Given the evolution of the Company's share price since its listing, some transactions have taken place in the market. Specifically, transactions in treasury shares carried out by the Group, the results of these transactions being recognized in equity as required by current regulations. During the six months ended 30 June 2022, these results led to a decrease in voluntary reserves in the amount of 15,101.27 euros.

On 30 June 2022, the Company holds treasury shares amounting to 304,000 euros (no amount at the end of the previous year) at an average market price of 4.75 euros per share (no amount per share in the previous year).

DocuSign Envelope ID: 4B366C48-36F6-4014-B882-722C7DDFB3B2

NOTE 15. STOCKS

The movements in impairment losses on inventories were as follows:

	Exercise 2022	Exercise 2021
Opening balance	**914,551.29**	**642,225.14**
Correction of the exercise	-	272,326.15
Reversal of the exercise	(41,252.45)	-
Closing balance	**873,298.84**	**914,551.29**

The criteria used to determine the need for impairment losses on inventories, as well as for the reversal of impairment losses, are mainly based on a detailed analysis of each reference and their inclusion in the production schedule for the following months.

Impairment of finished goods and work in progress has been recorded under "Changes in inventories of finished goods and work in progress" in the income statement.

NOTE 16. FOREIGN CURRENCY

The foreign currency balances as of 30 June 2022 are as follows:

	Total Amount in Euro	Amount in US Dollars	Amount in GBP
CURRENT LIABILITIES			
Trade creditors and other accounts payable	772,885.13	757,318.61	3,500.88

The foreign currency balances at year-end 2021 are as follows:

	Total Amount in Euro	Amount in US Dollars	Amount in GBP	Amount in Turkish Lira
CURRENT LIABILITIES				
Trade creditors and other accounts payable	1,739,418.34	790,667.18	2,029.50	3,539,379.47

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Transactions in foreign currencies during the financial year 2022 are as follows:

	Currency classification						
	Amount in Euros	**Amount in US Dollars**	**Amount in Swiss Francs**	**Amount in GBP**	**Amount in Hungarian Forint**	**Amount in Canadian Dollars**	**Amount in Danish kroner**
Receipt of Goods	2,990,788	2,441,871	4,090	10,244	270,000	70,863	2,054

Transactions in foreign currencies during the financial year 2021 are as follows:

	Currency classification							
	Amount in Euros	**Amount in US Dollars**	**Amount in Swiss Francs**	**Amount in Pounds**	**Amount in Philippine Pesos**	**Amount in Danish kroner**	**Amount in Canadian Dollars**	**Amount in Swedish Kronor**
Goods Receipt	3,296,902	2,662,760	8,670	29,886	384,000	3,539,379	62,000	53,930

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NOTE 17. TAX POSITION

The detail of the balances held with public authorities on 30 June 2022 and 31 December 2021 is as follows, in euros:

	30/06/2022		31/12/2021	
	To be collected	**To be paid**	**To be collected**	**To be paid**
Non-current:				
Deferred tax assets	1,467,583.58	-	1,440,423.86	-
Deferred tax liabilities	-	344,174.85	-	322,905.61
	1,467,583.58	**344,174.85**	**1,440,423.86**	**322,905.61**
Current:				
Value Added Tax	1,476,486.12	35,360.95	1,176,993.46	61,226.50
Personal income tax withholdings	-	204,153.28	-	313,856.40
Corporate taxation	1,758,414.03	408,724.97	1,650,689.20	5,946.73
Social Security Agencies	-	359,057.36	-	349,581.64
	3,234,900.15	**1,007,296.56**	**2,827,682.66**	**730,611.27**

Fiscal Situation

Under current statutory provisions, tax assessments cannot be considered final until they have been inspected by the tax authorities or the statute of limitations period, which is generally four years, has elapsed. On 30 June 2022, the Group has all taxes to which it is subject from 2017 to 2022 open for inspection by the tax authorities. Consequently, additional liabilities to those recorded by the companies could arise because of any tax audits. However, the Board of Directors of the Parent Company and its tax advisors consider that such liabilities, should they arise, would not be material to the Consolidated Interim Financial Statements taken as a whole.

Income tax

The expense over the six months ended 30 June 2022 for income tax has been calculated as follows:

	Result Accountant	(Expenditure)/ Income
Labiana Life, S.A.U.	(1,234,607.93)	-
Labiana Pharmaceuticals, S.L.U.	1,443,862.92	(360,965.73)
Veterinarski zavod d.o.o. Subotica	(567,980.96)	(20,118.26)
Labiana Health, S.A.	(235,468.05)	-
Labiana México, S.A de C.V.	(7,575.57)	-
Zoleant ILAC	(376,996.77)	-
Ecuador-Labiana, S.A.	-	-
L.O. Vaccines, S.L.	(30,160.92)	-
Total		**(381,083.99)**

DocuSign Envelope ID: 4B366C48-36F6-4014-B882-722C7DDFB3B2

The 2021 income tax expense was calculated as follows:

	Result Accountant	(Expenditure)/ Income
Labiana Life, S S.L.U.	(1,325,826.08)	556,511.44
Labiana Pharmaceuticals. S.L.U.	464,585.54	(572,680.29)
Veterinarski zavod d,o,o, Subotica	23,674.38	29,509.15
Labiana Health. S.A.	(45,697.36)	-
Labiana Méxic, S.A. de C.V.	1,749.77	-
Zoleant ILAC	(683,834.49)	-
Ecuador-Labiana. S.A.	(14,594.45)	-
L,O, Vaccines. S.L.	(126,285.22)	-
Total		**13,340.30**

The movement in deferred taxes generated and reversed during the six months ended 30 June 2022 is detailed below. in euros:

	Balance at on 31/12/2021	Generated	Applied	Regularisation	Balance on 30/06/2022
Deferred tax assets	**1,440,423.86**	**31,570.54**	**-**	**(4,410.82)**	**1,467,583.58**
Tax base credits	379,758.65	31,570.54	-	(4,410.82)	406,918.37
Other non-deductible provisions	277,808.95	-	-	-	277,808.95
Depreciation deductibility limitation	203,586.44	-	-	-	203,586.44
Deductions to be applied	579,269.82	-	-	-	579,269.82
Deferred tax liabilities	**322,905.61**	**21,269.22**	**-**	**-**	**344,174.83**
Freedom of depreciation	322,905.61	21,269.22	-	-	344,174.83
Reversal of portfolio value	-				-

The movement in deferred taxes generated and cancelled in 2021 is detailed below. in euros:

	Balance on 31/12/2020	Generated	Applied	Regularisation	Balance on 31/12/2021
Deferred tax assets	**2,175,921.09**	**747,305.65**	**(1,226,965.31)**	**(255,837.57)**	**1,440,423.86**
Tax base credits	-	379,758.65	-	-	379,758.65
Other non-deductible provisions	170,497.05	290,106.00	(162,173.22)	(20,620.88)	277,808.95
Depreciation deductibility limitation	201,882.53	9,943.44	(8,239.53)	-	203,586.44
Deductions to be applied	1,803,541.51	67,497.56	(1,056,552.56)	(235,216.69)	579,269.82
Deferred tax liabilities	**545,745.70**	**-**	**(222,840.09)**	**-**	**322,905.61**
Freedom of depreciation	380,379.94	-	(57,474.33)	-	322,905.61
Reversal of portfolio value	165,365.76	-	(165,365.76)	-	-

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In accordance with the provisions of Chapter II of Title IV of the Corporate Income Tax Regulations, one of the Group companies recorded withholdings from movable capital amounting to 799,033 euros, corresponding to the settlement of royalties (transfer of use of industrial property) made by it to the company Chemo Research, S.L. during the 2021 financial year. This amount has been treated for accounting purposes as an asset account with the tax authorities and must be deducted, subject to the legally established limitations, in the corresponding income tax settlement for the same year.

Activation of deductions to be applied

The companies comprising the Group have decided to recognize tax credits for the amount of the deductions generated by the R&D investments made in 2021 and prior years that could not be offset due to a lack of taxable income during the 2021 income tax settlement, amounting to 67,497.56 euros. No deductions have yet been recognized for 2022.

On the other hand, in 2022 the companies that make up the Group have applied deductions amounting to 1,056,552.56 euros. Each of the companies will have 18 years to generate sufficient taxable income to be able to offset the amounts capitalized in this respect.

In 2022, the Group has recognized current tax assets of Euros 703,752.87 relating to R&D tax credits which it has claimed in advance through the application of article 39.2 of the Corporate Income Tax Law, as it has decided during the year to monetize all of the R&D tax credits and has reasonably estimated that it will comply with its obligations to maintain its average workforce and reinvestment.

In addition, the Group already carried forward unused tax credits from previous years. The breakdown of capitalized tax credits on 30 June 2022 for the Group companies, together with the date of generation and expiry, is as follows:

Year of Origin	Concept	Euros	Expiration
2016	R&D	103,360.70	2034/2035
2016	IT	22,447.64	2034/2035
2017	R&D	53,027.99	2035/2036
2017	IT	21,298.13	2035/2036
2018	R&D	129,574.92	2036/2037
2018	IT	43,605.49	2036/2037
2019	IT	45,917.17	2037/2038
2020	IT	32,070.39	2038/2039
2021	R&D	175,273.26	2039/2040
2021	IT	64,770.13	2039/2040
Total		**691,345.82**	

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NOTE 18. INCOME AND EXPENSES

a) Procurement

The breakdown of this heading in the accompanying income statement is as follows, in euros:

	2022 (6 months)	2021 (12 months)
Consumption of goods:		
Shopping		
National	271,827.46	1,603,649.16
Intra-Community	760,132.32	1,376,278.29
Imports	285,011.64	593,889.39
Change in stock of goods	(266,995.18)	(317,070.18)
	1,049,976.24	**3,256,746.66**
Consumption of raw materials and other consumables:		
Shopping		
National	5,205,172.29	13,424,136.40
Intra-Community	1,774,685.59	4,947,622.83
Imports	2,795,180.04	1,941,646.34
Change in stocks of raw materials	260,765.57	(70,979.14)
	10,035,803.49	**20,242,426.43**
Work carried out by other companies	548,575.25	989,545.95
Impairment of raw materials	(147,023.22)	374,553.33
Total Procurement	**11,487,331.76**	**24,863,272.37**

b) Social charges

The breakdown of this item in the accompanying income statement is as follows:

	2022 (6 months)	2021 (12 months)
Social security to be paid by the company	2,025,598.55	3,572,550.22
Other social expenditure	157,543.74	252,448.51
	2,183,142.29	**3,824,998.73**

c) Non-recurrent expenses

The accompanying consolidated income statement includes certain non-recurring amounts detailed below:

Corporate operations

The Ovejero Laboratories transaction and the flotation on BME Growth led to extraordinary expenses for the Group's three main companies. These expenses amounted to EUR 550,629 and relate mainly to fees for financial advisors, stock market advisors and underwriters and lawyers.

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NOTE 19. ENVIRONMENTAL INFORMATION

During the six months ended 30 June 2022, the Group has incurred relevant expenses for the minimization of environmental impact and the protection and improvement of the environment amounting to EUR 125,122.14 (EUR 246,158.13 in financial year 2021). Furthermore, there are no provisions for risks and expenses, or contingencies related to the protection and improvement of the environment.

NOTE 20. POST-CLOSING EVENTS

Following the successful completion of the IPO and incorporation into BME Growth, Todor Velev - with extensive experience in strategic management in the international field - will take over the management of the Corporate Development area with the aim of focusing on the development and international operational control of the group (in particular regarding Serbia and Turkey) and to face the challenges and new opportunities offered by the current geopolitical and economic environment.

In this way, Miquel Pujolriu Giménez, since 2015 finance manager, will oversee the group's financial management, which is a guarantee of knowledge, continuity and good practice in financial management.

Apart from the above, no significant events have occurred after 30 June 2022 that affect the Group's consolidated interim financial statements as at that date.

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NOTE 21. CONSOLIDATED RESULT

The detail of the consolidated result, as well as the adjustments made to the Parent Company's attributable profit for 2022, is as follows, in euros:

Dependent Company	Individual Results of Companies	Participation Direct + Indirect	Amortisation Goodwill	Differences In exchange	Dividends	Result Attributed to Minority Interests	Result Attributed to the Parent Company
Labiana Health. S. A.	(235,468.05)	-	-	-	-	-	(235,468.05)
Labiana Life Sciences. S.A.U.	(1,234,607.93)	100%	-	-	-	-	(1,234,607.93)
Labiana Pharmaceuticals. S.L.U.	1,082,897.19	100%	-	-	-	-	1,082,897.19
Veterinarski zavod d.o.o. Subotica	(567,980.96)	100%	(33,291.42)	(10,207.67)	-	-	(611,480.04)
Labiana México. S.A de C.V.	(7,575.57)	100%	-	(59,920.99)	-	-	(67,496.56)
Zoleant ILAC	(376,996.77)	51%	(51,747.65)	(98,227.03)	-	184,728.42	(342,243.03)
Ecuador-Labiana. S.A.	-	100%	-	3,605.67	-	-	3,605.67
L.O. Vaccines. S.L.	(30,160.92)	100%	-	-	-	-	(30,160.92)
Result attributed to the Parent Company	**(1,369,893.01)**		**(85,039.07)**	**(164,750.02)**	**-**	**184,728.42**	**(1,434,953.68)**

The detail of the consolidated result. as well as the adjustments made to the Parent Company's attributable profit for 2021. is as follows. in euros:

Dependent Company	Individual Results of Companies	Participation Direct + Indirect	Amortisation Goodwill	Differences In exchange	Dividends	Result Attributed to Minority Interests	Result Attributed to the Parent Company
Labiana Health. S. A.	(45,697.36)	-	-	-	(200,000.00)	-	(245,697.36)
Labiana Life Sciences. S.A.U.	(1,325,826.08)	100%	-	-	-	-	(1,325,826.08)
Labiana Pharmaceuticals. S.L.U.	464,585.54	100%	-	-	-	-	464,585.54
Veterinarski zavod d.o.o. Subotica	23,674.38	100%	(66,582.83)	-	-	-	(42,908.45)
Labiana México. S.A de C.V.	1,749.77	100%	-	-	-	-	1,749.77
Zoleant ILAC	(683,834.49)	51%	(103,495.30)	(34,012.41)	-	335,078.81	(486,263.39)
Ecuador-Labiana. S.A.	(14,594.45)	100%	-	-	-	-	(14,594.45)
L.O. Vaccines. S.L.	(126,285.22)	100%	-	-	-	-	(126,285.22)
Result attributed to the Parent Company	**(1,706,227.91)**		**(170,078.13)**	**(34,012.41)**	**(200,000.00)**	**335,078.81**	**(1,775,239.64)**

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NOTE 22. PROVISIONS AND CONTINGENCIES

Provisions

The Group rewards its employees with a bonus of half a month's salary, one month's salary and two months' salary when they reach 18 years, 25 years and 40 years of service, respectively.

NOTE 23. GRANTS, DONATIONS AND LEGACIES

At 31 December 2021 the grant recorded corresponded to the Torres Quevedo Program, for an amount of 27,531 euros per annuity. In the 2022 financial year, the full amount outstanding at the end of the 2021 financial year has been repaid.

NOTE 24. RELATED PARTY TRANSACTIONS

24.1) Balances between Related Parties

Details of balances held with related parties as of 30 June 2022 and 31 December 2021 are shown below, in euros:

	30/06/2022	31/12/2021
NON-CURRENT ASSETS	**385,000.00**	**385,000.00**
Other long-term loans	**385,000.00**	**385,000.00**
Ortega Farming, S.L.U.	385,000.00	385,000.00
CURRENT LIABILITIES		**(16,940.00)**
Ortega Farming, S.L.	-	(16,940.00)

Receivables from related parties bear interest at an annual market rate, index-linked plus a spread.

24.2) Significant Partners and Shareholders

The most relevant transactions carried out during the financial year 2022 and during the financial year 2021 with the Partners or Shareholders of the companies, all of them closed on market conditions, are detailed in Note 14.

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24.3) Balances and Transactions with Directors and Senior Management

The amounts received by the Parent Company's Board of Directors during the six months ended 30 June 2022 and the financial year 2021, for any concept, either personally or through companies controlled by them, are detailed below, in euros:

	2022 (6 months)	**2021 (12 months)**
Salaries, allowances and other remuneration	200,326.18	404,509.82

The Parent Company has on its staff personnel classified as "Senior Management" who coincide with a member of the Parent Company's Board.

On the other hand, during the year 2021, a group company granted a loan to a shareholder in the amount of 50,000 euros.

As of 30 June 2022 and 31 December 2021, there are no pension supplement commitments, guarantees or sureties granted in favor of the Parent Company's Board member.

Other information concerning the directors of the parent company

Pursuant to the Spanish Companies Act, it is reported that the members of the Parent Company's governing body do not hold any interests or positions in other companies with the same, similar or complementary corporate purpose, other than those included in the scope of consolidation.

Likewise, according to the aforementioned Law, it is reported that the members of the Parent Company's Board of Directors have not carried out any activity, on their own account or on behalf of third parties, with the Group that may be considered to be outside the ordinary course of business that has not been carried out under normal market conditions.

The premium paid for the civil liability insurance of the Parent Company's Board of Directors for damages caused by acts or omissions in the exercise of the office amounts to 2,362.17 euros (2,362.17 euros in the financial year 2021).

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NOTE 25. OTHER INFORMATION

The distribution of the group's staff at the end of the six months ended 30 June 2022 and the year ended 31 December 2021, by category, is as follows:

	2022	2021
Directors and Managers	31	
Professionals and Technicians	232	210
Commercials and Salespeople	29	
Workers and Subordinates	185	193
Total staff at year-end	**477**	**463**

The distribution of staff as of 30 June 2022 with a disability equal to or greater than 33% is as follows:

	2022		
	Men	**Women**	**Total**
Professionals and Technicians			
Other	-	-	-
Total staff at year-end			

The distribution of staff on 31 December 2021 with a disability equal to or greater than 33% is as follows:

	2021		
	Men	**Women**	**Total**
Professionals and Technicians			
Other	-		
Total staff at year-end			

The average number of persons employed during the financial year 2022 and the financial year 2021, distributed by gender and category, is as follows:

	30/06/2022			31/12/2021		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Directors and Managers			31			
Professionals and Technicians			232	71		210
Commercials and Salespeople			29			
Workers and Subordinates			185	107	86	193
Total staff at end of the exercise	**211**	**266**	**477**	**211**	**252**	**463**

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The breakdown of the audit fees for the financial years 2022 and 2021 is as follows:

	2022 (6 months)	2021 (12 months)
Statutory auditor's fees for the provision of audit services:	38,500	65,000
Statutory auditor's fees for other services (*)	10,150	35,000
Statutory auditor's network firms' fees for the provision of audit services	-	15,600
Fees of firms in the Statutory Auditor's network for other services (**)	37,080	206,504
Total	**85,730**	**322,104**

(*) The amount of the fees for other services corresponds to the verification corresponding to the limited review of the interim financial statements as of 31 October 2021 and to the issuance of comfort letters for the listing on BME Growth in June 2022.
(**) The amount of the fees of firms in the Statutory Auditor's network for other services than those related to VDD reports.

NOTE 26. SEGMENT REPORTING

The distribution of revenue from the Group's ordinary activities in FY2021 and FY2020 by geographic market is shown below:

	2022 (6 months)		2021 (12 months)	
Description of the activity	**Euros**	**%**	**Euros**	**%**
National	7,737,747.52	26.63%	23,215,028.46	40.76%
Rest of the European Union	16,3954,989.57	58.34%	25,803,625.18	45.30%
Rest of the World	4,368,450.48	15.03%	7,937,360.14	13.94%
Total	**29,061,187.57**	**100%**	**56,956,013.78**	**100.00%**

The distribution of the net turnover corresponding to the Company's ordinary activities. by category of activity. is shown below. in euros:

	2022 (6 months)		2021 (12 months)	
Description of the Activity	**Euros**		**Euros**	**%**
Revenue from the sale of goods	25,693,031.61	88.41%	50,369,341.92	88.44%
Income from the provision of services	3,368,155.96	11.59%	6,586,671.86	11.56%
Total	**29,061,187.57**	**100%**	**56,956,013.78**	**100.00%**

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The distribution of revenue from the Company's ordinary activities, by type of contract, is shown below:

	2022 (6 months)	2021 (12 months)
Type of contract		
Fixed price contracts	19,380,572.87	35,654,582.27
Variable contracts	9,680,614.70	21,301,431.51
Total	**29,061,187.57**	**56,956,013.78**

The distribution of revenue from the Company's ordinary activities. by contract term, is shown below:

	2022 (6 months)	2021 (12 months)
Duration of the contract		
Short-term contracts	5,373,121.47	9,216,665.04
Long-term contracts	23,688,066.10	47,739,348.74
Total (.)	**29,061,187.57**	**56,956,013.78**

	2022 (6 months)	2021 (12 months)
Transfer calendar		
At one point in time	3,368,155.96	50,369,341.92
Over time	25,693,031.61	6,586,671.86
Total	**29,061,187.57**	**56,956,013.78**

The distribution of the net turnover corresponding to the Company's ordinary activities. by sales channels. is shown below:

	2022 (6 months)	2021 (12 months)
Sales channels		
Distributors or wholesalers	5,495,044,43	6,833,047.22
Retailers	940,296.50	1,619,778.48
Direct sales	22,625,846.64	48,503,188.08
Total	**29,061,187.57**	**56,956,013.78**

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LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CORRESPONDING CONSOLIDATED MANAGEMENT REPORT
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2022

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LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2022

CURRENT SITUATION AND EXPECTED DEVELOPMENT OF THE GROUP

At the beginning of 2013, Labiana carried out a MBO (Management Buy Out) by most of the directors of Labiana Life Sciences, SAU. These managers formed a Dutch company called Seven Pharma, BV, from where they would operate to manage the MBO. This operation was carried out through a capital increase of 1.4 million euros and made Labiana Life the parent company of the Labiana Group with 100% of the shares of Labiana Pharmaceuticals, SLU.
The involvement of the management, the conviction in the project and the willingness to bring in new investors led to another capital increase of 1.2 million euros at the end of 2015.

At the end of 2017 Seven Pharma moved its headquarters to Spain.

During 2018, the Group underwent a restructuring. Following the transfer of the registered office of the group's parent company, Seven Pharma, SL, from the Netherlands to Spain, the two subsidiaries were spun off and Labiana Pharmaceuticals and Labiana Life Sciences were placed on the same level in the corporate structure.

At that time Labiana had offices in Madrid and Barcelona and manufacturing plants in Corbera de Llobregat (Human Health) and Terrassa (Animal Health) in Spain.
In 2019, Labiana embarked on a new growth and development project and, as part of that project, Labiana Life Sciences acquired 100% of the shareholding in the veterinary products company Veterinarski Zavod Subotica.

Veterinarski Zavod Subotica is a Serbian-based company founded in 1921, which was part of the former Yugoslavia Patria Group, which also included Genera in Croatia. Veterinasrski Zavod Subotica has three basic pillars in the development and manufacturing of animal health products: manufacturing of vaccines (viral, bacterial and autogenous), chemical-pharmaceutical products (sterile solutions, aseptic filling and terminal sterilization, non-sterile liquids and solids) manufactured under EU-GMP authorization and biocides (disinfection, desensitization and deratisation - DDD). By complying with ISO standards and having HACCP and GMP certificates, Veterinasrski Zavod Subotica currently exports to the EU markets and recently also to Russia.

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This expansion project also included the signing of an agreement by Labiana Life to acquire a majority stake in Zoleant Pharmaceuticals International.

Zoleant Pharmaceuticals International, established in 2016, has rapidly developed its sales network and become a global brand. Today, Zoleant's growing international presence stretches from west to east and spans 11 countries with a network of strategically selected manufacturers in Europe, Turkey, and Asia.

In 2020, in line with the group's new strategy, Seven Pharma, SL changed its corporate name to Labiana Health, SL, confirming it as the head of the business group.

With its staff of more than 475 professionals, Labiana is also present worldwide with approximately 400 marketing authorizations in more than 50 export markets in the AEMEA regions (Africa, Europe, Middle East and Asia) and Latin America.

In Latin America, Labiana de Mexico, a distributor of veterinary products reporting hierarchically to Labiana Life, was established. A new distributor has now been opened in Ecuador (Ecuador-Labiana), which is expected to generate further marketing authorizations in the Americas.

In 2021, Labiana Life consolidated its new business area launched in 2019 and called LabianaPets. LabianaPets is the new brand that has been established to add value to the pet sector. Its main mission is to provide effective preventive and therapeutic solutions with a focus on the profitability of the veterinary clinic.

For Labiana Pharmaceuticals, 2021 saw the consolidation of the company's new strategy in the Medical Devices market.

In June 2022, the Labiana group headed by Labiana Health, S.A. was listed on BME Growth, marking a historic milestone as the first Spanish veterinary company to enter the stock market.

These developments are conducive to the continuity of the strategic lines that have been pursued in recent years in the Group's companies.

Labiana has managed to consolidate its position in the pharmaceutical and veterinary sector, and the proof of this can be found in the more than 29 million euros in turnover in the period covered by this audit.

On 28 January 2022, the Spanish government passed a Royal Decree regulating the prescription of medicines by healthcare professionals and this regulation does not include veterinarians. This has had a negative impact on Labiana Life's sales.

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As a result of the pandemic suffered by COVID, Labiana has encountered a shortage of filters in the first six months of the year. This shortage has meant that production planned for the first half of the year has had to be postponed. Fortunately, this situation is now being reversed and supplies are being found again. Labiana expects to recover production and sales before the end of 2022.

These two facts have meant that Labiana's sales are down compared to the same period last year and are some 400,000 euros lower.

The Labiana Group continues to combine efforts to maintain the high level of its services and to remain one of the main reference groups in Contract Manufacturing within the pharmaceutical sector, both human and veterinary. Thanks to the high level of compliance and customer satisfaction, and thanks to the great adaptability of the group's companies to the needs and demands of its customers, in 2022 the authorizations for new contracts and the consolidation of existing markets have been obtained.

The company has continued to work on its know-how, investing almost six hundred and fifty thousand euros in R&D&I and in the expansion of the group's vademecum. In this sense, both Labiana Life Sciences and Labiana Pharmaceuticals have once again received recognition from the Ministry of Economy and Competitiveness for a research and development project for new medicines, with the collaboration of the Centre for the Development of Industrial Technology (CDTI). For Labiana Pharmaceuticals, obtaining the CEPs (Certificate European Pharmacopeia) for the active ingredient of the generic antibiotic project used for the urinary tract has meant a qualitative leap in this drug.

This year, investments in tangible fixed assets totaling more than four hundred and thirty thousand euros have been made, investments necessary to continue with the productivity improvement plan and the maintenance of GMP standards, as well as the serialization requirements of the health authorities.

Since its foundation in 1958 as a company specializing in the manufacture of pharmacological products for veterinary use, the Labiana Group has undergone a continuous process of growth, diversification and internationalisation, becoming today a leading pharmaceutical group for animal and human health with six production centers with the capacity to absorb the expected growth, a portfolio of its own medicines with more than fifty products marketed in more than 150 countries and more than three hundred customers, including several multinationals with which it has had a relationship of more than 15 years.

Thanks to all of the above, Labiana can ensure its stability and growth within the veterinary and human pharmaceuticals sector not only for the next financial year, but also for the years to come.

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SUBSEQUENT EVENTS

After 30 June 2022, there have been no material events affecting the Group's consolidated interim financial statements at that date.

TREASURY SHARES

As indicated in note 14.5, the Parent Company has acquired, during the six months ended 30 June 2022, 60,000 treasury shares at a price of 5 euros per share.

FINANCIAL INSTRUMENTS

During the six months ended 30 June 2022 the Group has not used any instruments related to financial derivatives.

DEFERRALS OF PAYMENTS TO SUPPLIERS

Information on deferrals of payments to suppliers is included in note 11 of the explanatory notes.

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FORMULATION OF INTERIM FINANCIAL STATEMENTS CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT

In compliance with current mercantile regulations, the Board of Directors of **LABIANA HEALTH, S.A.** prepares the Consolidated Interim Financial Statements and Consolidated Management Report for the year ended 30 June 2022, which are comprised of the attached sheets 1 to 72.

Madrid, 25 October 2022
The Board of Directors

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D. Manuel Ramos Ortega
President

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Sandra Villagrasa
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Ms. Sandra Villagrasa Clemente
Vocal

P.P

Mr John Williams Nellis
Vocal

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D. Ignacio Yañez Minondo
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Mr Juan Manuel Gil de Escobar Delgado
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Limited review report on consolidated interim financial statements

To the Shareholders of LABIANA HEALTH, S.A.

Report on interim consolidated financial statements

Introduction

We have carried out a limited review of the accompanying consolidated interim financial statements of **LABIANA HEALTH, S.A.** (the Parent Company) and **Subsidiaries** (the Group), which comprise the consolidated balance sheet at 30 June 2022, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the consolidated explanatory notes, for the six-month period then ended. The Parent Company's directors are responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the financial reporting framework applicable to the Group identified in Note 3.a of the accompanying explanatory notes and, in particular, with the accounting principles and criteria contained therein, and for such internal control as they determine is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Auditing Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim consolidated financial statements consists of making inquiries, principally of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Spanish auditing standards and, accordingly, does not enable us to obtain assurance about whether all significant matters that might have been identified in an audit have come to our attention. Accordingly, we do not express an audit opinion on the accompanying consolidated interim financial statements.

Conclusion

As a result of our limited review, which should not be construed as an audit of the consolidated interim financial statements, nothing has come to our attention that causes us to conclude that the accompanying consolidated interim financial statements do not present fairly, in all material respects, a true and fair view of the consolidated net worth and consolidated financial position of LABIANA HEALTH, S. A. AND SUBSIDIARIES as of June 30, 2022, and the consolidated results of their operations and their consolidated cash flows for the six-month period then ended.A. AND SUBSIDIARIES as of June 30, 2022, and of the consolidated results of their operations and their consolidated cash flows for the six-month period then ended, in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria contained therein.

BDOAuditores S. L. P. registered in the Registro Oficial de Auditores de Cuentas n- S 1.273, is an independent Spanish limited company, member of BDO International Limited, a company limited by guarantee of the United Kingdom *and* part of the BDO International network of independent associated companies.

Barcelona Mercantile Register, Volume 47.820, sheet 131, Section 8ª, Page B-563.253, (Inscription 124) Clf: 8-82387572.

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Paragraph on other issues

This report has been prepared at the request of the Board of Directors of LABIANA HEALTH, S.A., in connection with the publication of the half-yearly financial report required by BME Growth Circular 2/2022 on "Information to be provided by companies incorporated for trading in the BME Growth segment of BME MFT Equity".

BDO Auditores, S.L.P. (ROAC n° S1273)

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de Comptes
of Catalonia

TO INCORPORATE INTO THE PROTOCOL

BDO AUDITORES, S.L.P.

2022 Num.20122111ses

Segell distintiu d'altres actuacions

Ramón Roger Rull (ROAC 16.887)
Statutory audit partner

October 27, 2022

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Individual Interim Financial Statements of LABIANA HEALTH S.A. (Balance Sheet and Profit and Loss Profit and Loss Account) for the six months ended June 30, 2022. June 30, 2022.

This document has been translated from the original Labiana Health "Balances Individuales 2022-06 (NG), by LEARNING IDIOMAS Agency. NIF: 52232969S. Registered office: Paseo de las Delicias 1, 3 41001 Sevilla

LABIANA HEALTH -

ABBREVIATED PROFIT AND LOSS ACCOUNTS

Description		
ABRIDGED PROFIT AND LOSS STATEMENT		
Net sales	76.556,56	200.000,00
Changes in inventories of finished products and work in progress	0,00	0,00
Work performed by the company for its assets	0,00	0,00
Procurement	0,00	0,00
Other operating income	0,00	0,00
Personnel expenses	0,00	0,00
Other operating expenses	-311.844,61	-235.730,35
Depreciation of fixed assets	0,00	0,00
Allocation of subsidies for non-financial fixed assets and others	0,00	0,00
Excess provisions	0,00	0,00
Impairment and gain or loss on disposal of fixed assets	0,00	0,00
Other Results	-180,00	-705,00
OPERATING INCOME	**-235.468,05**	**-36.435,35**
Financial income	0,00	737,99
Financial expenses	0,00	-10.000,00
Change in fair value of financial instruments	0,00	0,00
Exchange rate differences	0,00	0,00
Impairment and gain or loss on disposal of financial instruments	0,00	0,00
FINANCIAL RESULT	0,00	-9.262,01
INCOME BEFORE TAXES	**-235.468,05**	**-45.697,36**
Taxes on profits	0,00	0,00
RESULT FOR THE YEAR	**-235.468,05**	**-45.697,36**

LABIANA HEALTH -

ABRIDGED BALANCE SHEET

Description		
ACTIVE		
NON-CURRENT ASSETS	**13.484.650,69**	**9.638.432,65**
Intangible assets	40.319,31	0,00
Property, plant and equipment	0,00	0,00
Real estate investments	0,00	0,00
Long-term investments in group and associated companies	13.113.432,65	9.613.432,65
Long-term financial investments	330.898,73	25.000,00
Deferred tax assets	0,00	0,00
CURRENT ASSET	**1.421.328,42**	**52.305,12**
Non-current assets held for sale	0,00	0,00
Stocks	0,00	0,00
Trade and other receivables	114.393,82	42.464,60
Customers for sales and services rendered	0,00	0,00
Shareholders (partners) for called-up disbursements	0,00	0,00
Other debtors	114.393,82	42.464,60
Short-term investments in group and associated companies	0,00	0,00
Short-term financial investments	0,00	0,00
Short-term accruals	0,00	0,00
Cash and cash equivalents	1.324.330,48	9.840,52
TOTAL ASSETS	**14.923.374,99**	**9.690.737,77**
SHAREHOLDERS' EQUITY AND LIABILITIES		
NET WORTH	**13.980.070,68**	**9.367.745,00**
Shareholders' equity	13.980.070,68	9.367.745,00
Capital	722.125,50	618.787,60
Capital stock	722.125,50	618.787,60
(Uncalled capital)	0,00	0,00
Additional paid-in capital	8.198.233,23	3.134.676,13
Reservations	6.028.483,18	6.043.584,45
(Treasury stock and equity interests)	-304.000,00	0,00
Results of prior years	-429.303,18	-383.605,82
Other member contributions	0,00	0,00
Income for the year	-235.468,05	-45.697,36
(Interim dividend)	0,00	0,00
Other equity instruments	0,00	0,00
NON-CURRENT LIABILITIES	**601.460,15**	**271.460,15**
Long-term provisions	0,00	0,00
Long-term debt	0,00	0,00
Debts with credit institutions	0,00	0,00
Finance lease payables	0,00	0,00
Other long-term debt	0,00	0,00

Long-term debts with group and associated companies	601.460,15	271.460,15
Deferred tax liabilities	0,00	0,00
Long-term accruals	0,00	0,00
Long-term debt with special characteristics	0,00	0,00
CURRENT LIABILITIES	**341.844,16**	**51.532,62**
Liabilities related to non-current assets held for sale	0,00	0,00
Short-term provisions	0,00	0,00
Short-term debt	0,00	0,00
Debts with credit institutions	0,00	0,00
Finance lease payables	0,00	0,00
Other short-term liabilities	0,00	0,00
Short-term debts with group and associated companies	0,00	0,00
Trade and other payables	341.844,16	51.532,62
Suppliers	312.182,89	49.890,37
Other creditors	29.661,27	1.642,25
Short-term accruals	0,00	0,00
Short-term debt with special characteristics	0,00	0,00
TOTAL EQUITY AND LIABILITIES	**14.923.374,99**	**9.690.737,77**