



Equity Story

October 2022

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Table of contents

- 1. Investment Proposal**
2. Company Overview
3. Business Model
4. Growth Plan 2022-2026
5. Financial Strategy
6. Why Labiana

An **integrated global company** in the **Animal and Human Health** industry with an extensive portfolio of **trusted long-term partnerships** with Tier-1 clients and a **diversified portfolio** of products and businesses, in both Animal and Human Health.



A growth story



Unique strengths

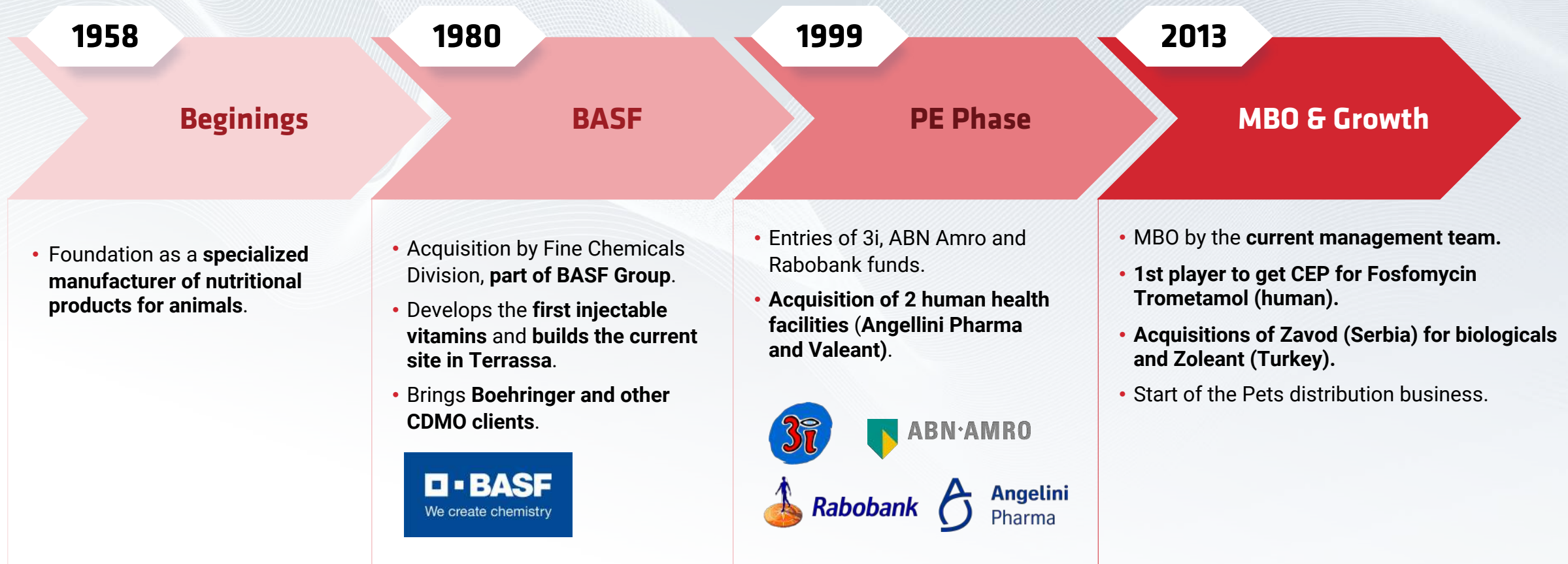


Favorable industry dynamics and prospects

Table of contents

1. Investment Proposal
- 2. Company Overview**
3. Business Model
4. Growth Plan 2022-2026
5. Financial Strategy
6. Why Labiana

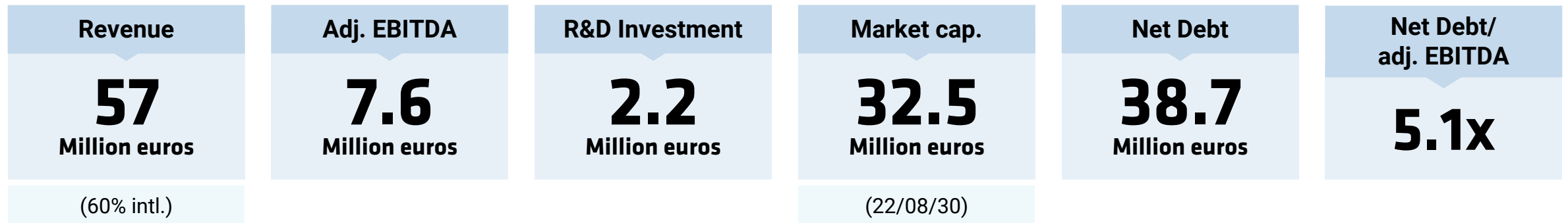
Labiana integrates the industrial heritage of different multinational companies (BASF, Angellini Pharma and Valeant) with the entrepreneurial spirit of its management team



BASF also started the **CDMO business** with **first class industrial partners**

Labiana at a Glance

We have subsidiaries in Spain, Serbia, Turkey and Mexico with production facilities distributed between Spain and Serbia.



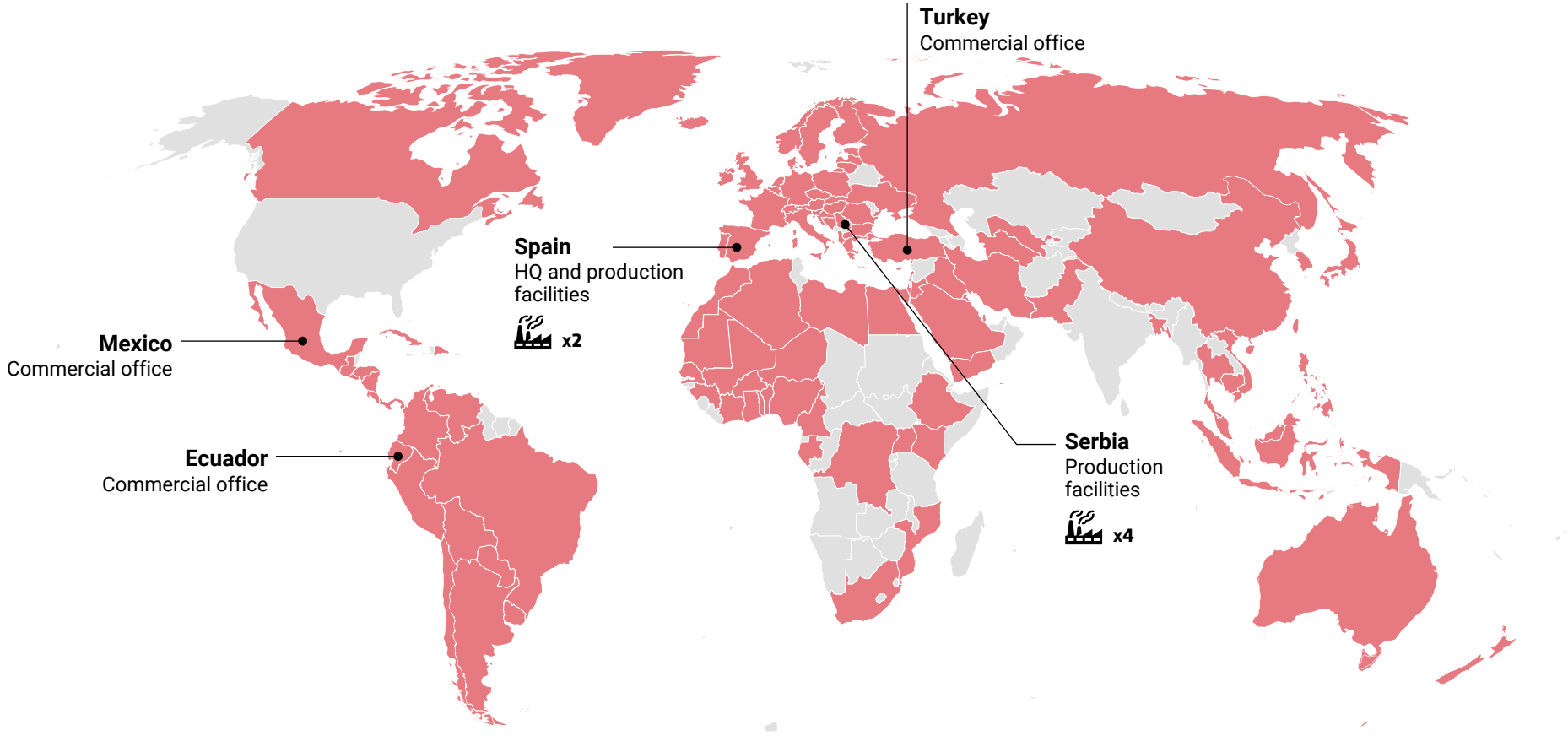
+300 Clients


+460 Employees

MA's >870

Well established international platform

Products manufactured by Labiana can be found in more than 150 markets, with direct registrations owned by Labiana in more than 90 countries.



 Production facilities

A worldwide network to leverage on for future growth

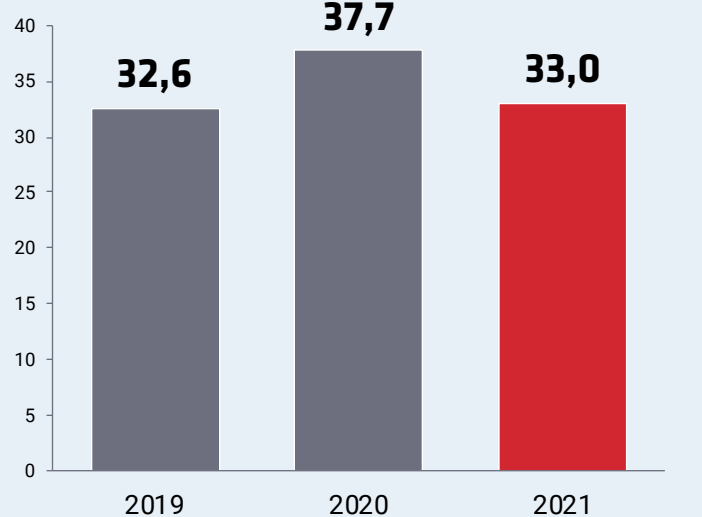
Business lines:

CDMO providing revenues stability and visibility while product development and commercialization fosters growth.

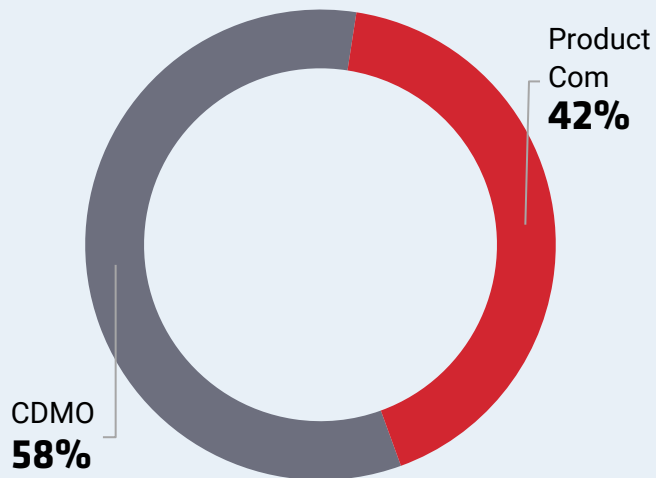
CDMO

Track record of revenues

(Million euros)



- Transfer of products.
- Development of new products.
- Manufacturing.

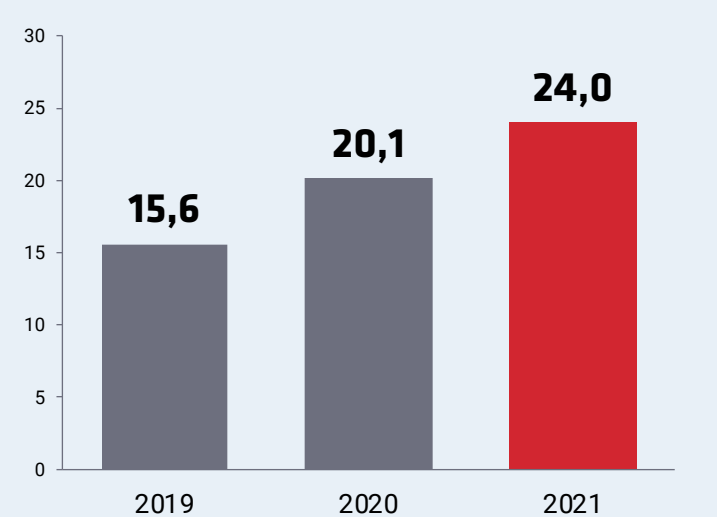


The **product transfers** and the **development of products** for the **CDMO clients** are **accounted for as revenue from services**.

Own Vademecum

Track record of revenues

(Million euros)

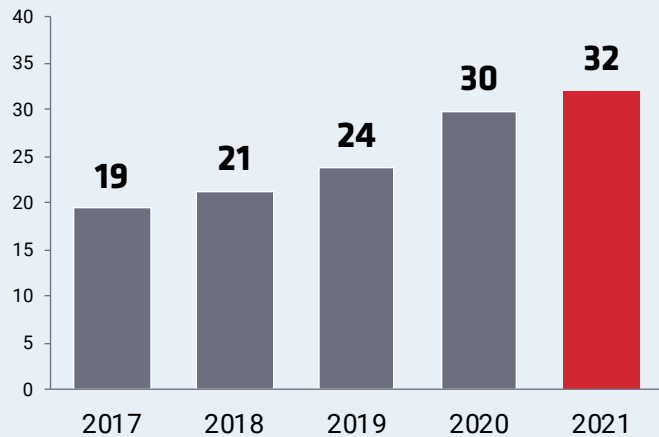


- Own products.
- Licensed-in products (livestock, pets, medical devices).
- Licensed-out products (licencies, profit sharing).

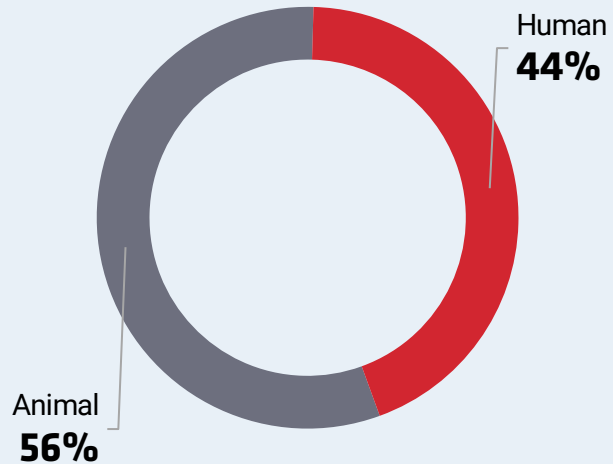
A growth story, both in the **Animal** and **Human Health** businesses

Animal Health Track record of revenues

(Million euros)

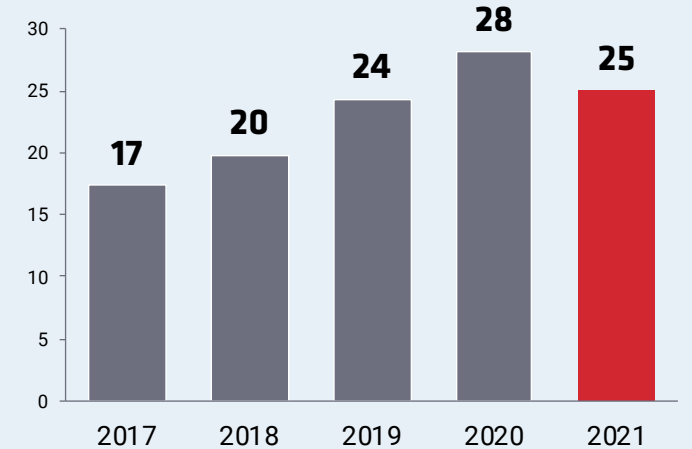


CAGR
2017-21
10.5%



Human Health Track record of revenues

(Million euros)



CAGR
2017-21
7.6%

Prices **not regulated** by any authority.

Competitive strengths:

- Development of first generics of patented drugs.
- 10 therapeutic areas.
- Own strain collection and comprehensive capabilities for the production of bacterial and viral antigens.
- Injectable and hormonal production know-how.
- Biologicals facilities and R&D capability.

Both businesses are
regulated by the
same agency under
the **same standards**.

End prices **regulated** by the drug agency in each country (arbitrage Porto).

Competitive strengths:

- One own product (Fosfoycin trometamol) in a niche segment with global reach.
- 22 therapeutic areas for CDMO business.
- Know-how in freeze-dried and chewing gum production.
- Authorizations for psychotropic drugs and narcotics.

Table of contents

1. Investment Proposal
2. Company Overview
- 3. Business Model**
4. Growth Plan 2022-2026
5. Financial Strategy
6. Why Labiana

Labiana covers the **full spectrum** of **services** across **all stages** with **strong in-house capacity** to **develop, manufacture** and **commercialize** a wide product range

Development

- Galenic stabilities.
- Development of analytical methods.
- Analytical validations.
- Laboratory batches.
- Pilot batches. Stability studies (Ongoing, VICH & International Council for Harmonisation (ICH), Test in use).

- Other services:
 - ✓ Formulations designed and tested to ensure the best results.
 - ✓ Preliminary tests to improve formulations.

Particular of CDMO value chain

Case for transfer of already developed products:

- Validation methods.
- Pilot batches.

Regulatory & Registration

- Preparation and filing of appropriate documents to the Health Authorities and post approval changes to obtain Market Authorization (MA).
- International registration of the products.
- Support for the creation of artwork for the packaging.

Supply & Production

- Sourcing of components.
- Quality control of incoming goods.
- Production.
- Quality control of the finished product.
- Supply.

Some clients may prefer to supply the APIs for their products as they may have purchasing power with the supplier.

Commercialization

- Distribution agreements.
- Licensing-out.
- Profit sharing.

Case where normally the clients pick up and commercialize their product. But for some products a commercial contract for distribution in Spain might be agreed.

CDMO: Growth Drivers

Outsourcing the production to a dedicated independent supplier represents a convenient and cost-efficient solution for the products of third parties.

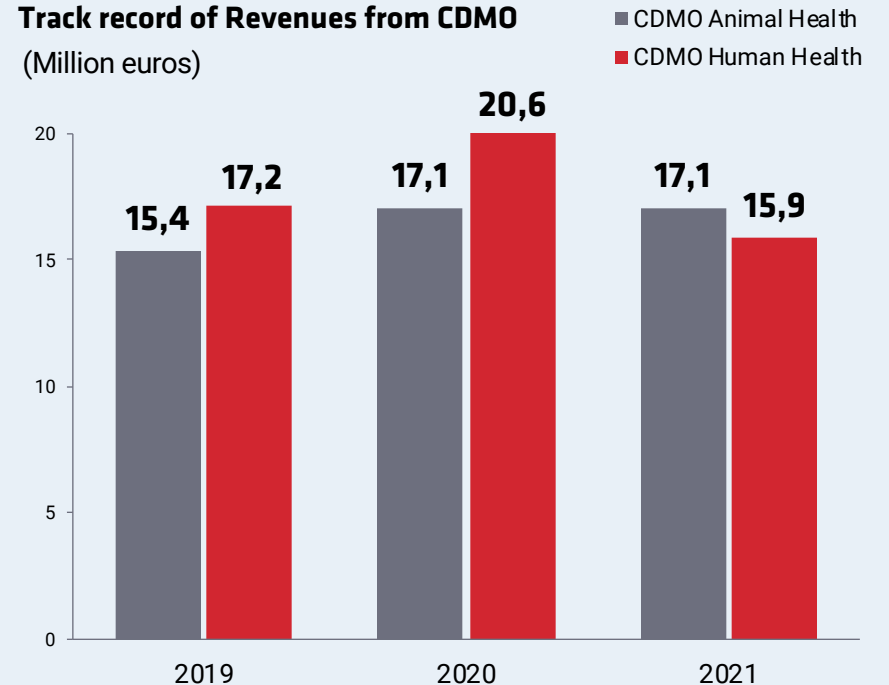
Galenic & Production Complexity
(learning curve)

Flexibility & Versatility
(produce to order various molecules)

Efficiency
(equipment utilization)

Specialized Investment
(production & packaging)

Track record of Revenues from CDMO
(Million euros)



As these **production transfers** are normally in the branded generics segment, there is **no conflict of interest** between **CDMO** and **our own products**

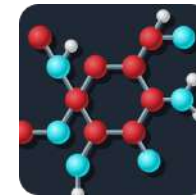
CDMO: Competitive Advantage



Turnkey projects



Ample variety of
therapeutic areas
(10 in animal and 22 in human)



Special authorizations for
sterilized hormones,
psychotropic and narcotic
products



Technological capacity
to produce many
different formats



High level of
flexibility



Outstanding **experience** as
manufacturer of
pharmacological **injectables**



Expertise and capabilities in
generic branded products
and **niche** segments



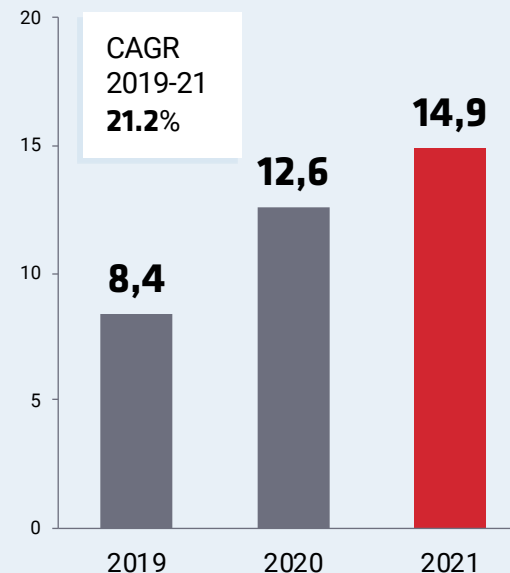
High ratings in the
clients' audits

Products: growth driven by development of value-added products for animal health and human medicines

- ✓ Lower application frequency (higher concentrations).
- ✓ Shorter residuals time (reducing customer products' time-to-market).
- ✓ Cost competitive (first generics).
- ✓ Focused treatment (injectables).
- ✓ Profit sharing model in Human Health.
- ✓ Capitalization of Fosfomycine in potential key markets.

Product Com in Animal Health Track record of revenues

(Million euros)



Own Vademecum in Human Health Track record of revenues

(Million euros)

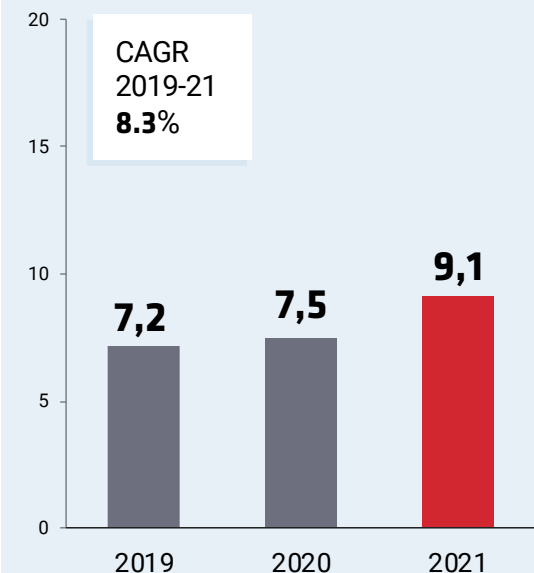


Table of contents

1. Investment Proposal
2. Company Overview
3. Business Model
- 4. Growth Plan 2022-2026**
5. Financial Strategy
6. Why Labiana

Macroeconomic and industry tailwinds



Macro-global

- Growing and aging population (higher protein consumption).
- Higher awareness about health.



Competitive landscape

- Large MNCs focused on branded products.
- European niche players show limited capabilities.
- Need for more cost-efficient protein production process.



Regulation

- Stronger surveillance creating entry barriers.
- Increased relevance of GMP certified production.



Livestock

- Individualised treatments in developed markets (injectables).
- Industry importance in emerging markets (c.70% of total income).
- Lower treatment penetration in emerging markets.



Pets


- Increasing rates of spending.
- Higher levels of ownership and life expectancy.



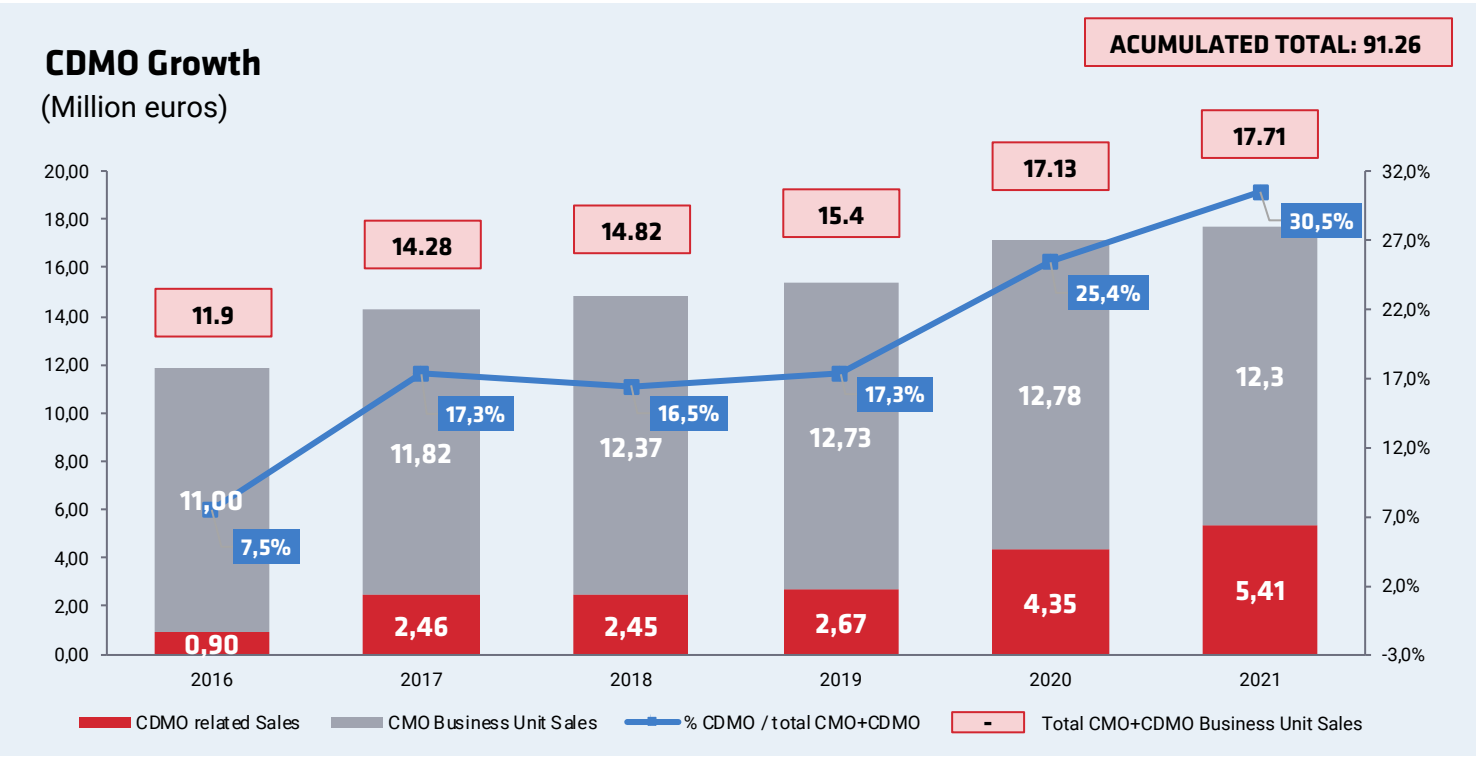
Human

- Prevalence of generics in human medicine.
- Antibiotics that do not create resistance (fosfomycine).

Strategic Priorities

- 
- 1 Proactive looking for **CDMO** profitable projects.
 - 2 Expand its **export** business.
 - 3 Develop **new products** and broaden the product portfolio with **licensed-in products**.
 - 4 Focus on the **Fosfomicin** businesss.
 - 5 Develop **public tenders** channel.
 - 6 Unlock **value through synergies** from the recent acquisitions.
 - 7 Foster **inorganic growth** by selective acquisitions.

1. Continue developing proprietary commercial platform to push CDMO growth



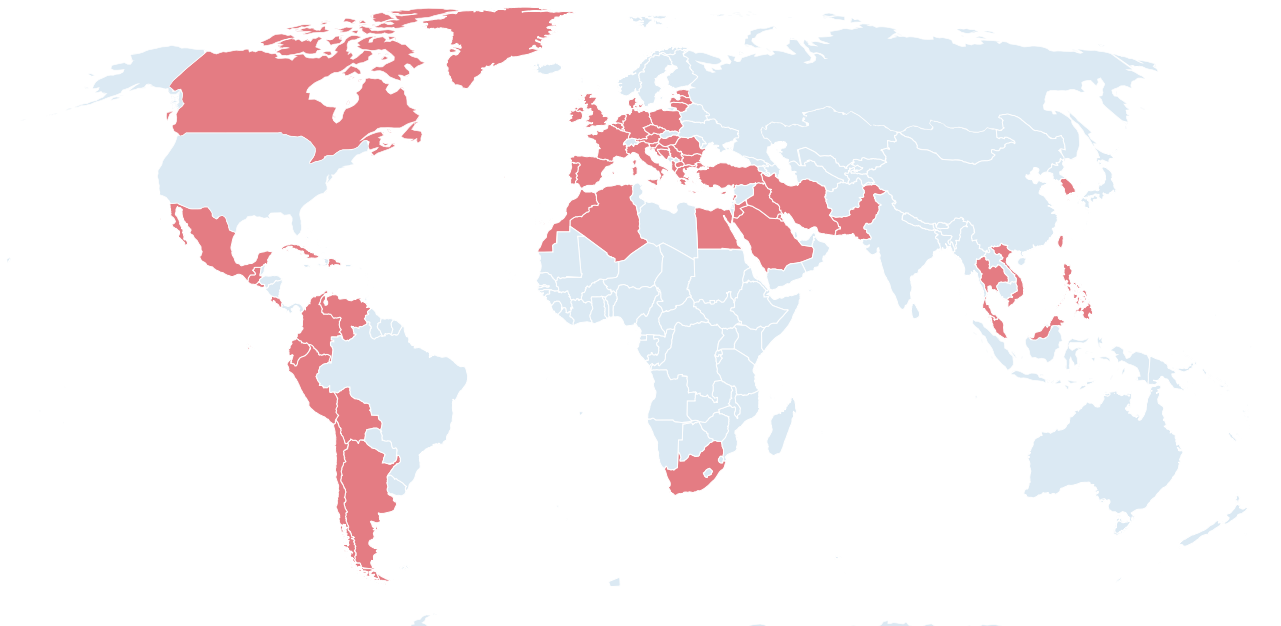
- Continued growth of CDMO over total contract-manufacturing.
- Promote development and innovation in the area of contract-manufacturing to increase revenues.
- Contribute all the added value of our know-how and expertise to increase CDMO's clients base and continue to build clients loyalty.

Growth Drivers	Manufacturing more products for existing clients .	Increase volumes to gain efficiency .	Promote cross-selling between human and animal divisions.	Leverage CDMO-Customer relationship to develop new business, products, and licensing in-agreements.	Penetrate new clients .
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The growth will come from **fostering the relationship** with the **existing clients** and from bringing **new clients**

2. Expand its export business to leverage the huge potential for growth in both in developed and developing markets

Labiana Registered Animal Products Map



Action Lines

- Establishment of a strong distribution network in Europe in the animal health field.
- Expansion to other new international markets in Asia and Africa reaching almost 20 new distributors worldwide.
- Registration of Ketoprofen injectable 150 mg/ml (Labiprofen) in the animal health field through EU-DCP procedure. 17 MAs obtained and 4 additional ones in process.
- Registration and commercialization of the first Labiana branded products for companion animals: Acepromazine maleate injectable 5 mg/ml (Aceprolab) and Buprenorphine injectable 0.3mg/ml (Buprelab).

For **some markets** might be required **additional investments** to **meet** the **local standards** (i.e. FDA in US).

3. Develop new products and broaden the product portfolio with licensed-in products

Pipeline of new products, some of them in very advanced stage.

Cumulative new products in the pipeline

G: Generic

FG: First Generic

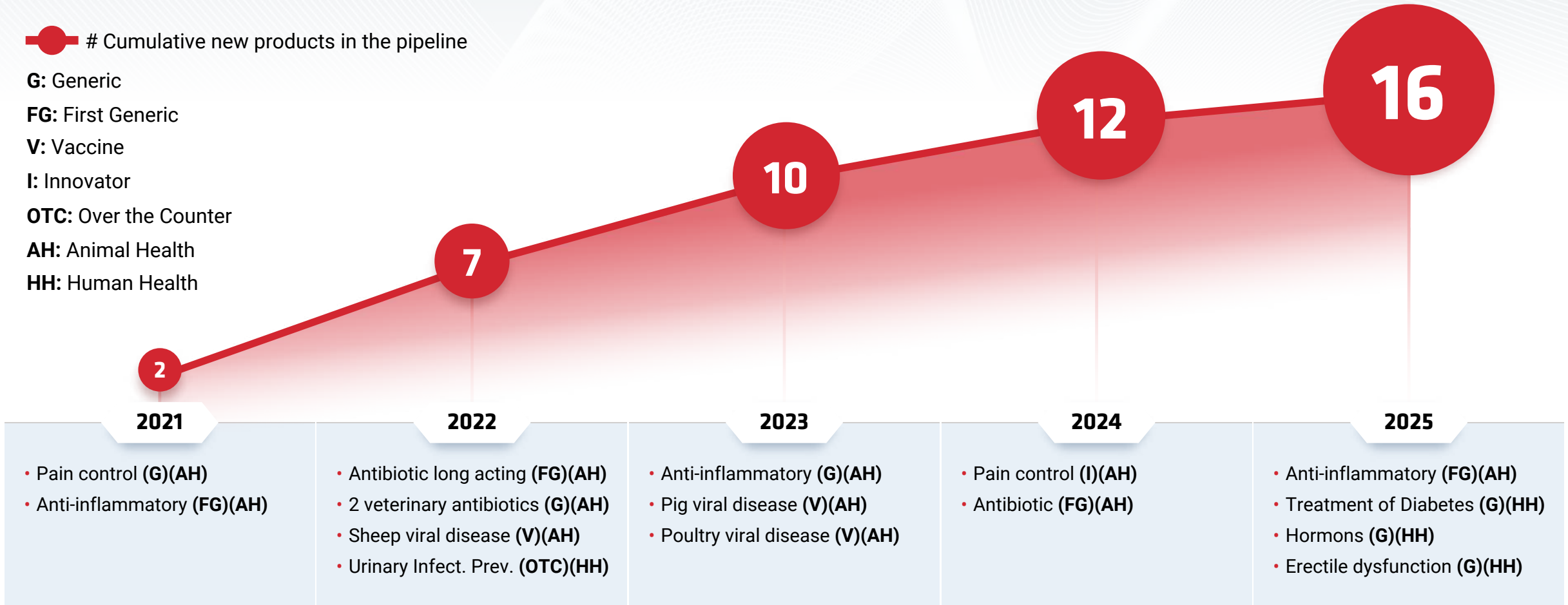
V: Vaccine

I: Innovator

OTC: Over the Counter

AH: Animal Health

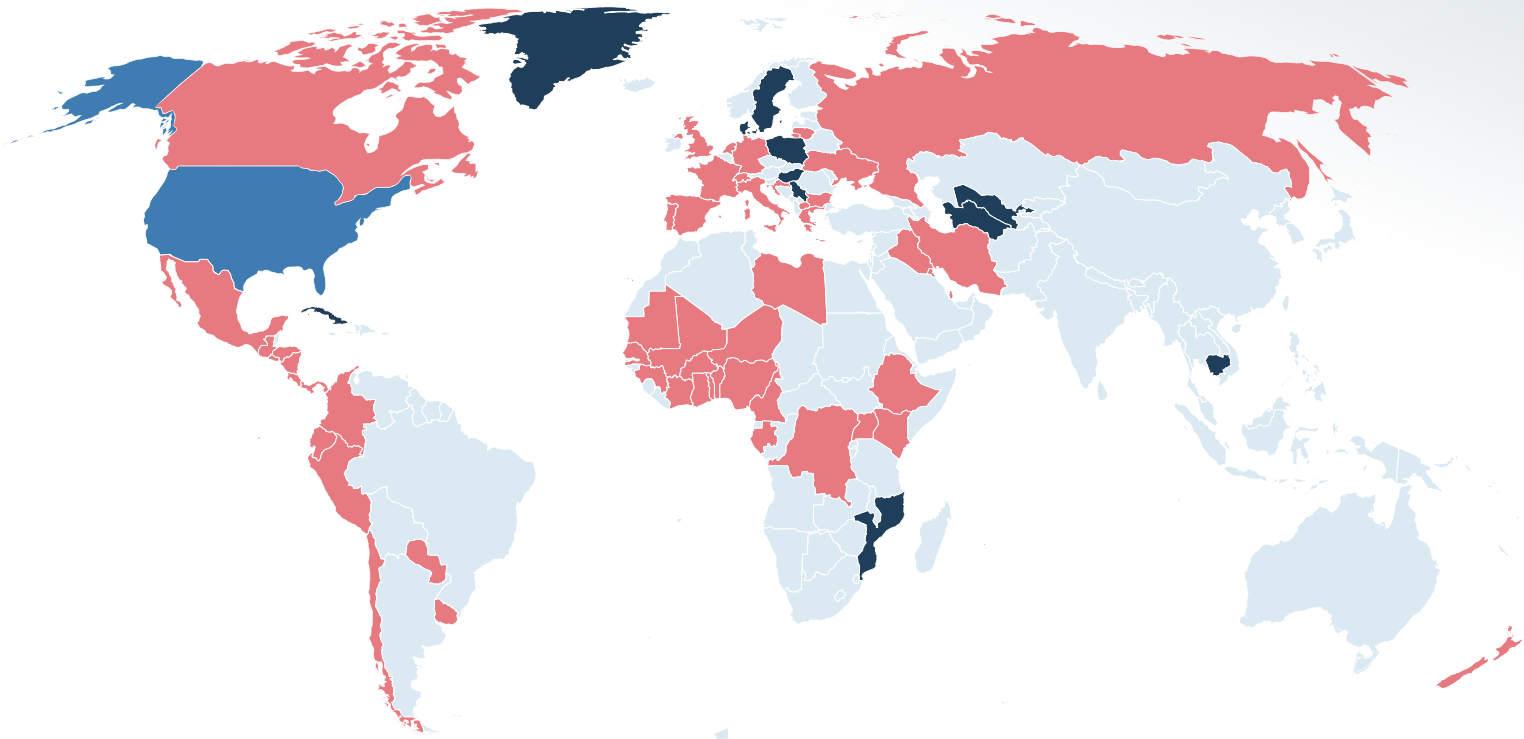
HH: Human Health



4. Focus on the Fosfomicin Business

Gradual introduction of the profit-sharing model to reach more markets and reap the benefits from the different price levels in each market

■ Fosfomicin registries and sales
 ■ Fosfomicin registries
 ■ Know-how transfer



Action Lines

- Niche drug indicated for the treatment of acute uncomplicated cystitis in adult women and adolescents. A single dose treatment with fast absorption.
- In Spain its is sold under the own trade-mark or under licensing-out agreements.
- The licensing-out agreements contemplate production in Labiana and sales under the brand of the client, especially in the export.
- Given the different price levels in each and every market where its clients operate, Labiana introduced additional profit-sharing mechanism.
- 8 new MAs obtained and 3 new submissions in the human medicine field.

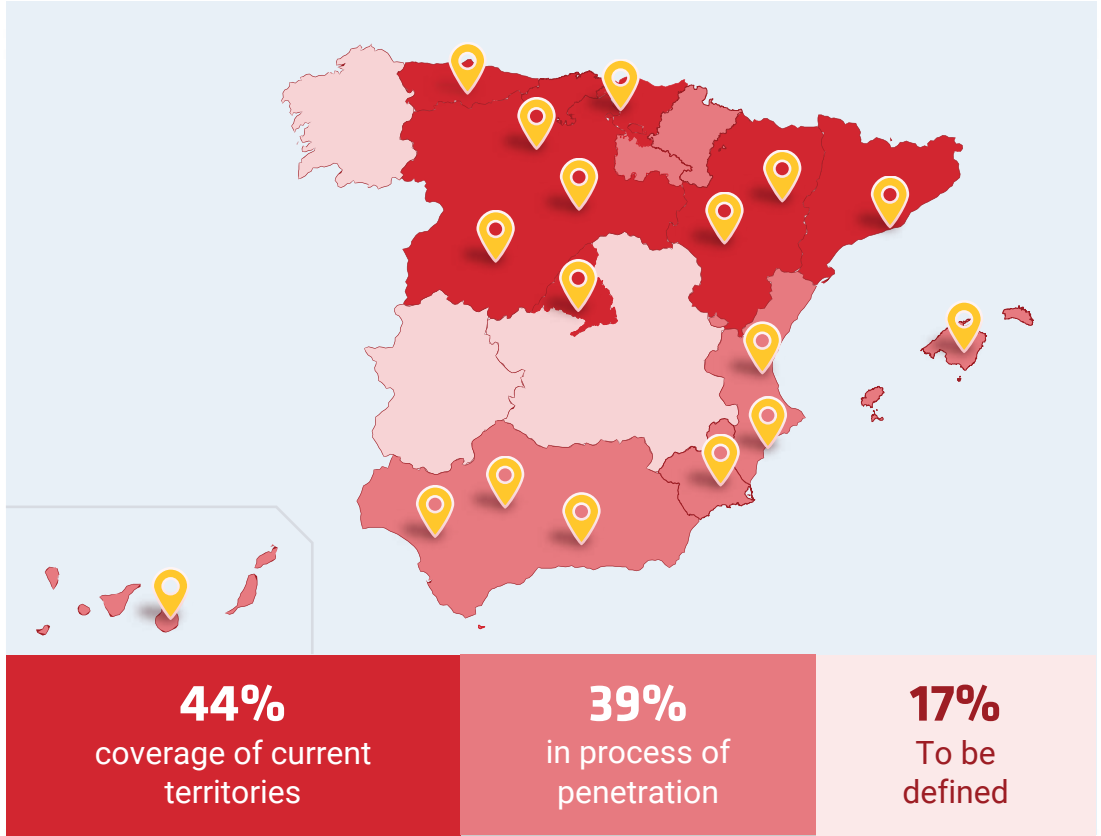
5. Develop Public Tenders Channel

Focus on institutional sales, through public tenders in hospitals in Spain (diabetes-related devices: glucometers, needles, strips).



Customers

-  SaludMadrid
-  SERVICIO DE SALUD DEL PRINCIPADO DE ASTURIAS
-  Institut Català de la Salut
-  Sacyl
-  salud servicio aragonés de salud
-  SERVICIO CANTABRO DE SALUD SCS
-  Consorci Sanitari Integral



Partners

-  ACON
-  BSI DIAGNOSTICS PHARMACY POC
-  STERILANCE[®] medical Innovation for Safety
-  BERPU
-  BOSON In vitro Diagnostics
-  VITREX[®]

6. Unlock value through Synergies from the recent acquisitions



Livestock



Human



Pets

Areas of Synergies

Commercial organization

Low cost production basis

Focused R&D teams – pharmacological in Labiana Life and biologicals in Zavod

Distribution partner for the Balkans and Turkey

Leveraged R&D experience in Labiana to foster Pets business line

Unlock value of learning curve across divisions and plants

7. Foster inorganic growth by selective acquisitions

Continue exploring opportunistic acquisitions based on key contributions to Labiana Group:

- I**
New products
- II**
Add know-how
- III**
New markets
- IV**
Unlock target companys' asset value through integration in Labiana

Highly fragmented Health sector in SMEs segment

Animal



Revenue range bet. 10-60 million euros (excluding Hipra)

Human



Revenue range bet. 2-30 million euros (excluding Ipsen)

Business Plan: Revenue and EBITDA

Targets for 2026E

Revenues > €120mn

- **Steady growth within the CDMO division.**
- **Acceleration of the product com, >50% of total revenues by 2026E.**
 - › Animal division will be the fastest growing business:
 1. Launch of new products (including vaccines of Zavod).
 2. Leveraging of existing com. network (synergies from Zavod and Zoleant).
 3. New markets by new distribution agreements and MAs.
 - › Human division will benefit from:
 1. Fosfomycin revenue growth.
 2. Launch of new products currently in the pipeline.
 3. Medical devices distribution.

EBITDA c.€22mn

- **Gross margins to remain flat.**
 - › Mix of optimization of margins through higher volumes and negotiations with suppliers.
 - › Potential raw materials price increase (which in most cases is expected to be transferred to the end-client).
- **Lower weight of Personnel and other operating expenses by 2026E, due to the operating leverage that the Group expects to materialize following the recent investments and acquisitions (i.e. synergies).**
 - › Additionally, the Group will continue activating c.€2.5m of personnel costs dedicated to R&D every year.

Table of contents

1. Investment Proposal
2. Company Overview
3. Business Model
4. Growth Plan 2022-2026
- 5. Financial Strategy**
6. Why Labiana

Impact of the current macroeconomic context in Labiana

Labiana's business model has enable it to circumvent most of the largest macroeconomic impacts being currently suffered across industries

Utilities



Fixed rate contracts in place since 2019.

Transport



Most of the portfolio is on exworks model (client is responsible for the distribution).

Operations in Russia



No significant operations in Russia or Ukraine.

Supplies



Increase on prices passed onto the clients.

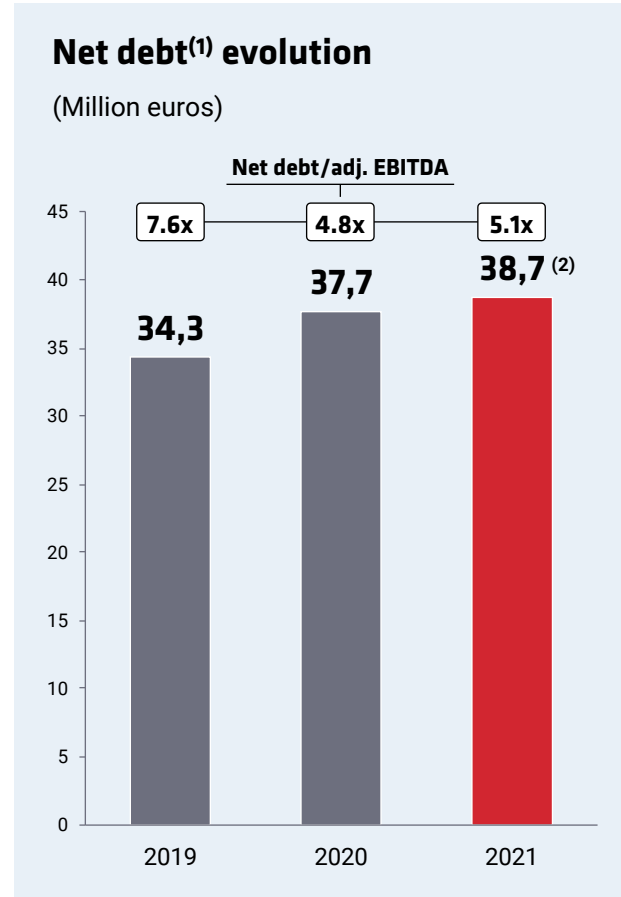
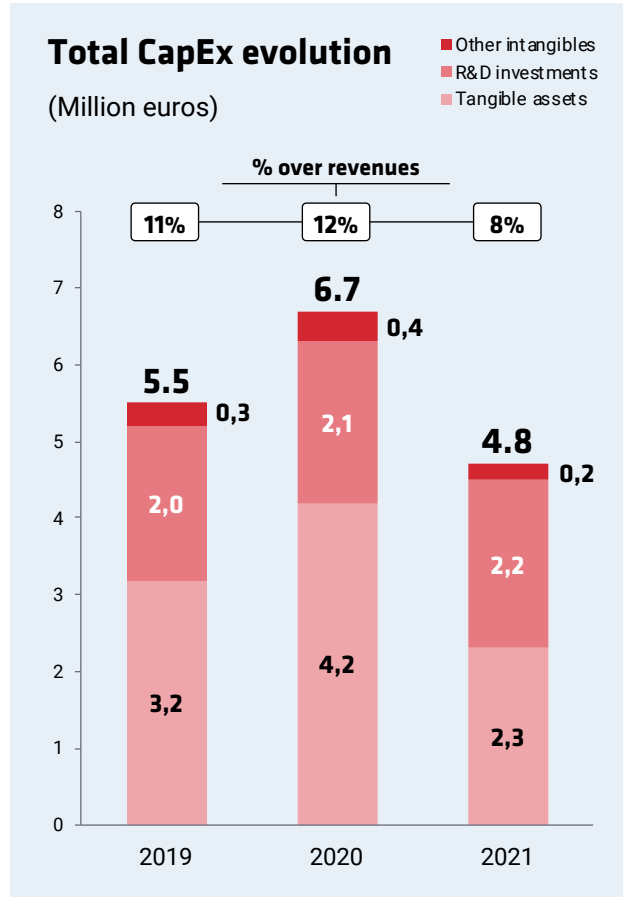


Europe's need for animal production **independence from Russia.**



Potential delays on orders due to **shortage of materials.**

CapEx and Financing



Targets 2026E

- Annual CapEx 2022E-2026E: **c.€5mn**
- NFD/EBITDA: **<3.0x**
- Working Cap.: **Stable**

1 Strengthen the balance sheet (new equity) about €5mn to €10mn

2 Reorganize the debt through:

- Better amortization schedule (extend debt terms).
- Optimization of the assets base.

Source(s): Annual accounts, Company information / Note(s): (1) Net debt calculated as = gross debt – cash – short term financial investments; (2) calculated as per footnote 1, minus €3.5m of long-term credits (in relation to Laboratorios Ovejero).

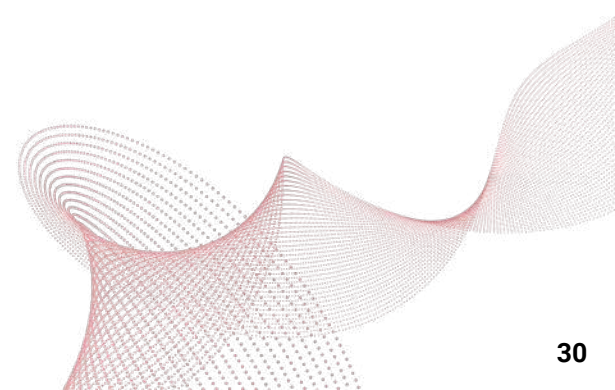


Table of contents

1. Investment Proposal
2. Company Overview
3. Business Model
4. Growth Plan 2022-2026
5. Financial Strategy
- 6. Why Labiana**

Why invest in Labiana?



A **growth** story

Unique listed company in Spain in the Animal Health business with footprint in the Human Health business

- **Growth opportunities** through **geographic diversification** and **expansion**.
- Expand the **Fosfomicin** profit sharing model.
- **New value-added products** development and launch.
- Leverage the production and distribution synergies of the group.



Unique **strengths**

- **Established independent, integrated, injectable** platform in Europe.
- Extensive portfolio of **trusted long-term partnerships with Tier-1 clients**.
- **Strong in-house capacity** to develop, manufacture and commercialize own branded products.
- **Solid capacity** to deal with products with particular **development** and **galenic** complexity.



Favorable industry dynamics and prospects

- **Growing population and income**, outlook for high growth in protein consumption.
- **Livestock: regulatory trends** towards the restriction of massive treatments.
- **Pets:** increasing rates of pet ownership, life expectancy, and spending.
- **Human:** aging population with prevalence of generics in human medicine.



Thank you. ■

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