

Madrid, October 10, 2023

Pursuant to the provisions of Article 17 of Regulation (EU) No. 596/2014 on Market Abuse and Article 227 of Law 6/2023 of March 17, on Securities Markets and Investment Services, and concordant provisions, as well as Circular 3/2020 on information to be provided by companies listed for trading in the BME Growth segment of BME MTF Equity, LABIANA HEALTH, S.A. (the "**Company**" or "**LABIANA**") hereby notifies the following:

OTHER RELEVANT INFORMATION

The Company publishes a free translation of the publication issued to the Market on October 6 regarding the Resolutions of the General Shareholders' Meeting held on October 3, 2023, at 11:00 a.m., on first call, in Madrid, at the Company's registered office, located at Av. Europa, 34D, 28023 Pozuelo de Alarcón (Madrid).

This General Shareholders' Meeting was held with shareholders representing 77.09% of the Company's share capital present or represented. All the proposed resolutions submitted for the approval of the General Shareholders' Meeting were approved by the majorities indicated below.

A copy of the presentation made during the Meeting is also attached.

In accordance with the provisions of BME Growth Circular 3/2020, the information communicated in this document has been prepared under the sole responsibility of the Company and its directors.

D. Manuel Ramos Ortega
Chief Executive Officer
LABIANA HEALTH, S.A.

LABIANA HEALTH, S.A.

Resolutions approved by the Ordinary General Shareholders' Meeting 2023

The following is a transcription of the resolutions approved by the Ordinary General Shareholders' Meeting of LABIANA HEALTH S.A., held on October 3, 2023, at first call, as well as the results of the voting.

Agenda for the day

Point 1º.- Examination and approval of the individual annual accounts (balance sheet, profit and loss account, statement of changes in equity, cash flow statement and individual notes) and the individual management report of the Company for the year ended 31 December 2022, duly audited.

It is resolved to approve the Individual Annual Accounts (balance sheet, profit and loss account, statement of changes in equity, cash flow statement and individual notes), as well as the individual management report of LABIANA HEALTH, S.A., for the fiscal year ended December 31, 2022, formulated by the Board of Directors of the Company on June 7, 2023, following the report of the Audit Committee, and which have been duly audited by the Company's auditor.

Voting results of the Point 1º

- **Votes in favor:** 100%
- **Votes against:** 0%
- **Abstentions:** 0%

Point 2º.- Examination and approval of the consolidated annual accounts (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes) and the consolidated management report of the Company and subsidiaries for the year ended 31 December 2022, duly audited.

It is resolved to approve the Consolidated Annual Accounts (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow statement and notes), as well as the consolidated management report (which includes the consolidated statement of non-financial information in a separate report) of LABIANA HEALTH, S.A. and subsidiaries, formulated by the Board of Directors of the Company on June 7, 2023, following a report from the Audit Committee, and which have been duly audited by the Company's auditor. Likewise, to approve the negative consolidated result in the amount of -9,110,815.77 euros, being the negative result attributed to the parent company in the amount of -8,942,609.89 euros.

Voting results of the Point 2º

- **Votes in favor:** 100%
- **Votes against:** 0%

- **Abstentions:** 0%

Point 3º.- Examination and approval of the duly audited Consolidated Statement of Non-Financial Information of the Company and subsidiaries for the year ended 31 December 2022.

In compliance with the provisions of Article 262 of the Capital Companies Act and Article 49 of the Code of Commerce, it is resolved to approve the consolidated statement of non-financial information, which forms an integral part of the consolidated management report of the Company and its subsidiaries for the fiscal year ended December 31, 2022, as formulated by the Board of Directors of the Company on June 7, 2023, and which has been duly audited.

Voting results of the Point 3º

- **Votes in favor:** 100%
- **Votes against:** 0%
- **Abstentions:** 0%

Point 4º.- Examination and approval of the proposed distribution of the profit for the year ended 31 December 2022.

Knowing the negative results that the Company shows due to value of - 5,470,254.03 euros, it is agreed to approve the proposal for the application of the Company's results, formulated by the Board of Directors of the Company, for the year ended December 31 of 2022 to the account of negative results from previous years.

Voting results of the Point 4º

- **Votes in favor:** 100%
- **Votes against:** 0%
- **Abstentions:** 0%

Point 5º.- Approval of the corporate management and performance of the Board of Directors during the financial year ended 31 December 2022.

It is resolved to approve the management and performance of the Board of Directors of the Company during the fiscal year ended December 31, 2022.

Voting results of the Point 5º

- **Votes in favor:** 100%
- **Votes against:** 0%
- **Abstentions:** 0%

Point 6º.- Appointment of the Company's auditor for the financial years 2023, 2024 and 2025.

It is resolved to appoint Auren Auditores SP SLP, domiciled at Avenida General Perón, 38, 28020 Madrid, with tax identification number B87352357, registered in the Mercantile Registry of Madrid in Volume 33,829, Folio 89, Page M-603,799, Sheet M-603,799, and registered in the Official Registry of Auditors (ROAC) of the Institute of Accounting and Auditing of Accounts of the Ministry of Economy and Competitiveness under number S2347, as auditor of the Company and of the Consolidated Group for a period of three (3) years, that is, to audit the annual accounts corresponding to fiscal years 2023, 2024 and 2025..

Auren Auditores SP SLP will accept the position by means of a separate document that will be attached to the certification of the Minutes for its registration in the Mercantile Registry.

Said appointment is made for a period of three years as from January 1, 2023, the date on which the current fiscal year began and which will include the performance of the audit corresponding to the fiscal years ending on December 31, 2023, December 31, 2024, and December 31, 2025.

Voting results of the Point 6º

- **Votes in favor:** 100%
- **Votes against:** 0%
- **Abstentions:** 0%

Point 7º.- Delegation of powers to the Board of Directors of the Company, with express power of substitution and sub-delegation, for the formalisation, interpretation, correction and/or execution of the resolutions adopted by the General Meeting.

It is resolved to expressly grant sufficient power to each and every one of the Board Members, and the Secretary, not a member of the Board of Directors, Mr. Santiago Tomás Pujol, as well as any other persons with sufficient power of attorney, so that any of them, acting jointly and severally, may execute and appear before a notary public and notarize the foregoing resolutions, executing such public and private documents as may be necessary, including those of rectification, ratification or correction, carrying out such actions as may be necessary until their complete registration or deposit, as appropriate, in the Mercantile Registry, with the express power of substitution and sub-delegation.

Voting results of the Point 7º

- **Votes in favor:** 100%
- **Votes against:** 0%
- **Abstentions:** 0%



Report of results 2022

October 2023

The Information

The information contained in this Report on Results for the financial year 2022 has been prepared by Labiana Health S.A. (hereinafter Labiana) in accordance with the provisions of Article 17 of EU Regulation No 596/2014 on market abuse and Article 227 of Law 6/2023 of 17 March on Securities Markets and Investment Services, and provisions and BME MTF Equity Circular 03/2020. The purpose of this 2022 Results Report of Labiana is to present the results of the company's management during 2022, both in terms of economic and financial information, as well as non-financial information.

Content of the Results Report 2022

1. The 2022 Results Report contains a review of the management of the company's activity and audited results for the financial year 2022, as well as its comparison with 2021, and has been prepared on the basis of the Annual Accounts prepared by the Board of Directors on 7 June 2023 following a favourable report from the Audit Committee, and following the recommendations of the Guidelines for the Preparation of the Management Report of Listed Companies of the National Securities Market Commission (CNMV). This report also contains, among other information, that relating to compliance with the business plan during 2022, the business model, corporate strategy and foreseeable evolution, risk management, and the relevant events of the period and subsequent to the close.
2. The information relating to Labiana's Corporate Governance is included in this 2022 Results Report on page 28 as a section 9 heading dedicated to the policies and actions aimed at environmental protection, social impact and improvement of governance practices (ESG). In preparing this section, the Company has followed the Global Reporting Initiative (GRI) standards and the information contained in the Statement of Non-Financial Information approved by the Board of Directors on 27 April 2023.

Legal Notice and Forward-Looking Information

The information contained in this 2022 Results Report has been prepared by Labiana and includes audited financial information extracted from the annual accounts of LabianaHealth S.A. for the year ended 31 December 2022 and forward-looking statements.

The information and forward-looking statements about Labiana are not historical facts and are based on assumptions believed to be reasonable and are subject to risks and uncertainties, many of which are difficult to predict and are generally beyond Labiana's control. Shareholders and investors are cautioned that these risks could cause actual results and developments to differ from those initially anticipated in the forward-looking information and projections.

Except for the financial information referred to, the information and any opinions and statements contained in this document have not been verified by independent third parties and, accordingly, no warranty is implied or expressly given as to the fairness, accuracy, completeness or correctness of the information or the opinions and statements expressed herein.

This document does not constitute an offer or invitation to acquire or subscribe shares, in accordance with the provisions of Law 6/2023 of 17 March on the Securities Markets and Investment Services and its implementing regulations. Furthermore, this document does not constitute an offer to buy, sell or exchange or a solicitation of an offer to buy, sell or exchange securities, or a solicitation of any vote or approval in any other jurisdiction.



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1 Labiana in 2022 at a glance

1.1 Visual summary

MAIN FINANCIAL MAGNITUDES

Net turnover 57,9M€ Var. 2021: 1,6%	EBITDA Adjusted¹ 7,01M€ Var. 2021: (9,2%)	Net financial debt² 36,0M€ Var. 2021: (14,7%)
% Adjusted EBITDA Margin 12,1% Var. 2021: (1,4 p.p.)	DFN/EBITDA Adjusted 5,1X Var. 2021: 0,4 p.p.	Cash flow from operating activities 4,7M€ Var. 2021: 19,8%

MAIN OPERATIONAL MAGNITUDES

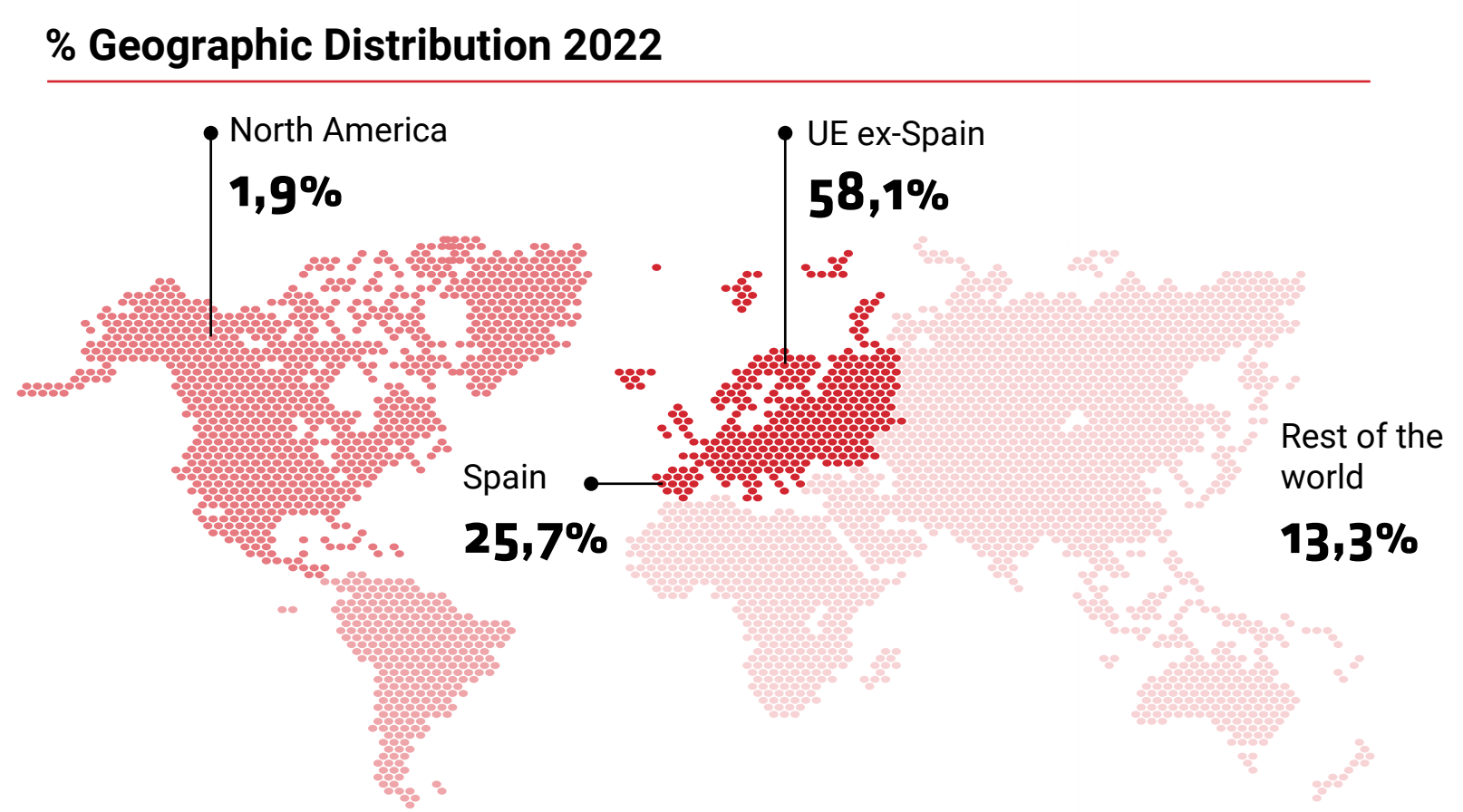
Human Health
27,24M€
 Var. 2021: 9,3%

Animal Health
30,61M€
 Var. 2021: (4,4%)

>300
 Clients

>440
 Staff

MAs >450



¹ EBITDA Adjusted: Main Adjustments : 1. Extraordinary expenses arising from the process of incorporation into BME Growth 2. Expenses arising from the corporate operation of Laboratorios Ovejero* 3. Expenses arising from the cancellation by the Company (following the indications of prudence criteria suggested by the external auditor) of the WIP regulatory item (third party customer registration projects) 4. Expenses due to the VTZ-LSEE merger process 5. Expenses for non-operating indemnities 6. Expenses resulting from the restructuring of Zoleant 7. Expenses caused by the depreciation of the Lira in the gross margin (sales and cost of sales) 8. The extraordinary price increases for material costs.
 * Pre IPO project subject to confidentiality restrictions by contract upon final agreement with the counterparty.

² Deuda Financiera Neta a cierre a 31/12/2022.

1 Labiana in 2022 at a glance

1.2 Executive summary

The consolidated results of the Labiana Health Group corresponding to the 22nd financial year show an almost stable performance in turnover, which reached 57.9 million euros, 1.6% higher than in the same period of the previous year.

This positive evolution has been achieved despite the socio-economic situation, the war in Ukraine, the rise in energy and raw material prices and the lack of production components, especially sterilizing filters, which has limited commercial activity and, therefore, the sales recorded in the period. It is worth highlighting the result of the good management and efforts made by the entire Labiana team in its different areas to be able to maintain the objectives initially set out in the business plan.

In terms of the animal health (52.9%) and human health (47.1%) business segments, the evolution shows a 9.3% growth in human health (from 24.92 million euros in 2021 to 27.24 million euros in 2022), which has been able to offset the 4.4% drop in turnover in the animal health division, which ended 2022 with a turnover of 30.61 million euros.

Within the animal health division, there was a 4.6% increase in turnover in the CDMO

division, which, although it rose from 17.72 million euros in 2021 to 18.54 million euros in 2022, this growth was not sufficient to offset the 15.6% drop recorded by the activity dedicated to the development and marketing of the Company's own vademecum, the explanatory factors for which are detailed in section 6 of this report.

The results of the human health business segment (Labiana Pharma) for 2022 show a positive sales performance with a turnover of 27.2 million euros, an increase of 9.3% compared to the same period of the previous year.

This performance has been contributed to by the own vademecum line which, with a turnover of 8.7 million euros, has recorded an increase of 4.1% compared to the previous year. Among the explanatory factors, it is worth highlighting the significant recovery in the pace of orders once the overstocking in 2020 that affected sales in 2021 as a result of COVID-19 has been overcome, recovering levels similar to those of 2020.

The CDMO line, on the other hand, showed an evolution of 11.9% with respect to 2021, reaching a final turnover of 18.5 million euros.

From the point of view of the profitability of the operating activity (EBITDA¹), this has decreased due to different operational reasons that have already been mentioned, such as: the increase in supply costs due to the inflation generated by international conflicts, the costs of energy and raw materials and derivatives, as well as the delays suffered in the supply of some raw materials, such as sterilizing filters, as a consequence of Covid-19. In addition to these operational reasons, the change in accounting criteria relating to the activation of development projects for third parties has led to a decrease in the heading "Change in inventories of finished goods and work in progress" in the balance sheet.

For these reasons, EBITDA decreased by 52.9% during the 2022 period, from 5.6 million euros to 2.6 million euros.

The adjustments made to EBITDA are as follows: extraordinary expenses arising from the process of incorporation into BME Growth; expenses arising from the corporate operation of Laboratorios Ovejero²; expenses arising from the cancellation by the Company (following the indications of prudence criteria suggested by the external auditor) of the WIP regulatory item (third party customer registration projects); expenses due to the

VTZ-LSEE merger process; expenses for non-operating indemnities; expenses resulting from the restructuring of Zoleant; expenses caused by the depreciation of the Lira in the gross margin (sales and cost of sales) and the extraordinary price increases for material costs.

After these adjustments, Adjusted EBITDA decreased by 9.2% compared to 2021, from EUR 7.7 million to EUR 7.01 million.

EBIT decreased to a negative amount of €6.07 million, due to the decrease in EBIDTA and the reversal of the activation of R&D expenses for certain proprietary product projects that management has decided to cancel as it does not have a clear view of their viability or future profitability at the end of 2022.

The net financial debt (NFD) closed at 36,0 million euros, 14.7% lower than at the end of 2021, which stood at 42.2 million euros. Last June, the Company went public, raising €5 million of its €20 million target. The Company has continued to work on capital raising, expense management and optimization of working capital management.

On 21 August 2023, the Company informed the market that it had signed a financing

agreement with Miralta Finance Bank, S.A. and Blantyre Capital, which will strengthen Labiana's growth and business plan.

As regards the degree of compliance with the 2022 forecasts that were communicated on the occasion of the publication of the first half-year results, this is more fully detailed in section 7 of this document, although they are summarized in the table that accompanies this executive summary.

1. EBITDA: earnings before interest, taxes, depreciation and amortization. It shows the company's operating profit.

2. Pre IPO project subject to confidentiality restrictions by contract upon final agreement with the counterparty.

1 Labiana in 2022 at a glance

1.2 Executive summary

Financial figures	Figures expressed in euro		
	Jan-Dec 2022	Jan-Dec 2021	% Var.
Net Turnover	57.848.451,87	56.956.013,78	1,6
EBITDA	2.642.505,28	5.614.451,20	(52,9)
Adjusted EBITDA ¹	7.010.573,45	7.717.122,76	(9,2)
EBIT	(6.067.264,93)	617.588,30	c.s.
Adjusted EBIT ¹	(1.699.196,76)	2.720.259,86	(162,5)
Net result	(9.110.815,77)	(1.775.327,12)	n.s.
Cash Flow from Operations	4.678.432,72	3.906.357,69	19,8
Investments (CapEx)	(295.366,77)	(7.225.395,60)	(95,9)
Net Financial Debt	35.999.007,44	42.205.518,93	(14,7)

Financials indicators	Figures expressed in euro		
	2022	2021	Var. p.p.
% Adjusted EBITDA margin	12.12	13.55	(1.4)
Net Financial Debt/Net Equity	2.60	3.66	(1.1)
Net Financial Debt/Adjusted EBITDA	5.13	5.47	(0.3)

Forecast	2022 Forecast	2022 Actual	% compliance (Actual / Forecast)
Net Turnover	€60M	€57.9M	96,50%
Net Financial Debt ¹	€36,5M	€35.99M	101,40%
NFD/Adjusted EBITDA ¹	5.3x	5.1x	103,90%

1. Calculated as defined in DIIM paragraph 2.13

1. Adjusted EBITDA: Main adjustments: 1. extraordinary expenses arising from the process of incorporation to BME Growth. 2. expenses arising from the corporate operation of Laboratorios Ovejero. 3. Expenses caused by the cancellation by the Company (following the indications of prudence criteria suggested by the external auditor) of the WIP regulatory item (third party customer registration projects). 4. Expenses due to the VTZ-LSEE merger process. 5. Expenses for non-operational severance payments. Expenses due to the restructuring of Zoleant. 7. Expenses due to Lira depreciation. 8. 8.Extraordinary price increases for material costs.

Developments in and outlook for the veterinary and human health industries

During 2022 Spanish pharmaceutical industry consolidated its position as a strategic sector of the national economy, with an estimated total turnover of 16 billion euros and an export volume that represents 5.4 percent of the country's total exports.

The sector comprises a total of 173 pharmaceutical plants belonging to 122 business groups. Of these, a total of 103 plants are dedicated to the production of medicines for human use (11 of them biological medicines), in addition to 46 factories producing active ingredients and 24 for veterinary use.

In terms of direct employment generation, according to data from Farmindustria, the sector has been experiencing sustained annual growth of 2% since 2017, reaching a figure of 44,000 direct jobs in 2021.

Of these direct jobs, 93.4% are permanent and 63% are qualified with higher degrees in 2 out of every 3 jobs, a ratio that reaches 9 out of 10 in the R&D area.

The figure for female employment has been growing at an annual rate of 2.8% over the last four years, reaching 53.4% in 2021, as well as the employment rate in two of the groups of jobs with higher unemployment rates in the national economy. Thus, in

professionals over 54 years of age, the pharmaceutical sector maintains an average annual growth rate of 8.4% in the period 2017-2021 and 10% in young hires under 30, reaching 37% in new hires under 30 years of age in 2021.

Meanwhile, according to data from Mordor Intelligence, the global generic drugs market was valued at USD 364,925.27 million in 2021 and is expected to reach USD 468,787.86 million by 2027, registering a CAGR of 4.27% during the period 2022-2027.

The same report highlights that, of all possible forms of administration (oral, topical, parenteral, among others), the most effective is the injectable form, as it ensures complete bioavailability of the drug after intravenous administration and with rapid onset of action, especially interesting in cases of medical emergencies, reasons why the increase in intravenous generic product launches is expected to further boost the growth of this segment over the period 2022-2027.

In the case of the Contract Manufacturing Market (CMO), according to Mordor Intelligence data, it was valued at USD 120.3 billion in 2020, and is expected to reach USD 195.7 billion by 2026, registering a CAGR of 7.85% from 2021 to 2026.

This report considers that this segment has grown mainly for two reasons:

- Clinical trial manufacturing, where there is a large drug pipeline, and small and large cap companies outsource to partners to advance the pipeline.
- The COVID-19 pandemic that has led large pharmaceutical companies to free up internal vaccine manufacturing capacity at the expense of outsourcing the manufacture of other proprietary products to CMOs.

In the specific case of animal health, according to data published by Veterindustria for 2022, the Spanish animal health and nutrition industry grew overall by 1.49% compared to the previous year, which translated into 1,950 million euros in turnover, although the domestic market fell by 1.32% to 1,215 million euros, while exports grew once again this year, in this case by 6.52% to 735 million euros, which now represents almost 38% of the overall volume of the sector.

The evolution of the animal health market by species in a year such as 2022, which began with the implementation of the new regulation on veterinary medicines and the Russian invasion of Ukraine, which has had a direct impact on the Spanish livestock sector, due to the increase in the price of energy and agricultural raw materials. All this, together with the reduction in livestock numbers, has led to a decrease in turnover figures for all

livestock species (except poultry), with the falls in pigs (-14%), sheep/ goats (-10%), horses (-8%) and cattle (-5%) being particularly noteworthy.

On the other hand, companion animals, a segment that not only continues to lead the animal health turnover, but, with 18%, is the fastest growing segment in the whole sector.

Both the data from Veterindustria and those published by AMVAC-AEDPAC agree on the growth potential of the pet segment. In this sense, some data on the small animal veterinary clinics sector of activity are noteworthy, such as:

- A sector that employs more than 20,000 veterinarians which, together with the Clinical Veterinary Assistants (CVAs) and other auxiliary staff, means more than 40,120 people hired directly by small animal veterinary clinics in Spain.
- It moves more than 2,300 million euros and is made up of more than 10,636 companies, of which more than 6,700 are veterinary clinics.
- Of the more than 6,700 veterinary clinics, 65% are independent, 17% are part of groups of independent clinics and 18% belong to corporations.
- A sector that has specific weight, with an activity that accounts for 0.10% of GDP,

much higher than sectors such as Forestry and logging and similar to a sector such as Fishing and aquaculture with 2,381 million euros in turnover. (source INE).

- According to Morgan Stanley's 2019 report, revised on 2 Nov 2022, this sector is expected to double its 2020 figures, reaching a foreseeable turnover of 3,800 million euros by 2030.
- More than 43% of Spanish households (FEDIAF study) have pets and their status has changed from being an animal inside a house to being a member of the family.
- According to the ANFAAC and Veterindustria animal census, Spaniards have 29 million pets, of which 9.31 million are dogs, 6 million are cats and 10.7 million are other species. On the other hand, in 2021, Spain only had 4.22 million children aged 0 to 9 years, a figure that rises to 6.27 million children if we extend the range to children under 14 years of age.

(Source INE).

3 Labiana Health, company profile

Labiana Health is the parent company of a Spanish pharmaceutical group dedicated to the development, manufacture and marketing of medicines in the areas of animal health and human health.

Since its foundation in 1958 as a group specializing in animal nutrition products, the Group has undergone a continuous process of growth, diversification and internationalization, becoming today a pharmaceutical group of reference that stands out as:

- CDMO (Contract Development and Manufacturing Organization) providing third party drug development and manufacturing services in a wide variety of presentations, specializing in solid, sterile, solution and lyophilized dosage forms and special authorizations such as psychotropic, narcotic and hormonal. CDMO (animal + human health) currently represents 37.1 million euros of Labiana's total turnover in 2022.
- Manufacturer of a wide range of own products for both animal and human health to reach a turnover of 20.8 million euros by 2022. Particularly noteworthy is Fosfomicin Trometamol (human health), a product that has been key to Labiana's

development and growth in recent years.

Today, Labiana consists of four main operating companies employing 447 employees, operates six manufacturing plants (two of which are located in Spain and four in Serbia), works with more than 300 leading national and international pharmaceutical groups and has a proprietary portfolio of more than 50 products including Fosfomicin Trometamol (an antibiotic for urinary tract infections) in human health.

The Group is structured to address its two relevant markets (animal and human health) as described in the chart.

Today, the Group's products are marketed in more than 150 countries globally, thanks to its GMP ("Good Manufacturing Practice") manufacturing plants in Spain and Serbia, its international subsidiaries in Serbia, Turkey and Mexico, its growing network of multinational customers and its licensing agreements with distributors. international markets for the sale of their own products.



4 Management results in 2022

4.1 Operating and financial results

It should be noted that since 2018, the Labiana Health Group's net turnover has shown steady growth except in 2020, an exceptional and atypical year, when the stockpiling of product by customers as a result of COVID-19 caused sales to fall by 1.5% in 2021.

The year 2022 closes with a net turnover of 57.9 million euros, 1.6% above the year-end 2021. This growth of €0.9 million is indicative of the restoration of the aforementioned atypical situation (overstocking due to Covid-19 in 2020) that caused the inflection in 2021. After the close of the first half of the year, the forecasts published by the companies put the net turnover at year-end at 60 million euros. However, the factors that had already been affecting the first half of the year were mostly maintained in the second half of the year and, in some cases, even aggravated, as analyzed below:

Firstly, the shortage of certain raw materials, mainly filters, and secondly, the sterilizers (an essential component in the manufacture of injectables), which, although by the end of 2022 had re-established its supply, has led to a slowdown in sales or delays in the delivery of orders.

Secondly, the energy crisis which has affected production costs (transport, raw materials, energy) together with the fear of supply shortages, has led to exceptional increases in raw material prices which have affected the operating result for the year.

Thirdly, the new regulation on veterinary medicines that came into force on 28 January brought about changes in many aspects, such as prescriptions or the use of antibiotics, with a direct impact on the Spanish livestock sector in a year in which there have been significant declines in the livestock population in the main species, as confirmed by data published by Veterindustria. This new regulation restricts the use of antibiotics for prophylaxis except in very justified individual cases, so that any prescription of antibiotics in metaphylaxis and prophylaxis must be justified with the aim of "treating only the sick animal and with the appropriate treatment for its specific disease".

Fourth, one of the consequences of the policies adopted by the Turkish government is the devaluation of the lira. We have analyzed the impact that the devaluation has had on both sales and the cost of those sales. At the exchange rate as at 31 December 2021 compared to the exchange rate as at 31 December 2022, we have suffered a decrease in gross margin of EUR

255K during the year 2022.

Fifthly, there has been both a reversal of the capitalization of R&D expenses for some in-house projects and the application of a change in accounting criteria regarding the capitalization of third party development projects.

Audited consolidated income statement	Figures expressed in euro		
	Jan-Dec 2022	Jan-Dec 2021	% Var.
Net turnover	57.848.451,87	56.956.013,78	1,6
Var. stocks of finished goods and work in progress	(2.551.948,89)	417.414,22	c.s.
Work carried out by the company for its assets	2.909.475,46	2.486.977,71	17,0
Procurement	(25.573.243,50)	(24.863.272,37)	2,9
Other operating income	344.739,90	100.942,44	n.s.
Staff costs	(18.799.164,94)	(17.745.641,27)	5,9
Other operating expenses	(11.535.804,76)	(11.737.983,31)	(1,7)
Gross operating profit (EBITDA)	2.642.505,14	5.614.451,20	(52,9)
Depreciation of fixed assets	(4.838.306,21)	(5.004.875,03)	(3,3)
Impairment and gains/losses on disposal of fixed assets	(3.837.763,28)	9.839,88	c.s.
Other results	(33.700,58)	(1.827,75)	n.s.
Operating profit (EBIT)	(6.067.264,93)	617.588,30	c.s.
Financial income	624.103,75	133.728,50	n.s.
Financial expenses	(2.107.085,70)	(2.129.013,58)	(1,0)
Exchange rate differences	(128.461,91)	(668.292,07)	(80,8)
Impairment and gain or loss on disposal of financial instruments	(160.972,94)	(77.669,90)	107,3
Profit before tax	(7.839.681,72)	(2.123.658,75)	n.s.
Taxation of profits	(1.271.134,04)	13.340,30	c.s.
Consolidated net result	(9.110.815,76)	(2.110.318,45)	n.s.
Net profit attributable to minority interests	(168.205,88)	(335.078,81)	(49,8)
Total net profit attributable to the Company	(8.942.609,89)	(1.775.239,64)	n.s.
Adjusted EBITDA¹	7.010.573,45	7.717.122,76	(9,2)
Adjusted EBIT ¹	(1.699.196,76)	2.720.259,86	(162,5)

¹ EBITDA Adjusted: Main Adjustments: 1. Extraordinary expenses arising from the process of incorporation into BME Growth 2. Expenses arising from the corporate operation of Laboratorios Ovejero* 3. Expenses arising from the cancellation by the Company (following the indications of prudence criteria suggested by the external auditor) of the WIP regulatory item (third party customer registration projects) 4. Expenses due to the VTZ-LSEE merger process 5. Expenses for non-operating indemnities 6. Expenses resulting from the restructuring of Zoleant 7. Expenses caused by the depreciation of the Lira in the gross margin (sales and cost of sales) 8. The extraordinary price increases for material costs.
* Pre IPO project subject to confidentiality restrictions by contract upon final agreement with the counterparty.

4 Management results in 2022

4.1 Operational and financial results

Finally, in contrast to what was reported in the first half of the year results report, the merger process of one of our human health clients which led to a deferral of business volume from the first to the second half of the year and affected the presentation of the first half results, finally, at the end of 2022, the situation has been restored and remains in line with and even improving on the Budget forecast.

On the other hand, and from the point of view of the profitability of the operating activity (EBITDA), this has decreased from 5.6 million euros in 2021 to 2.64 million euros in 2022 (52.9%) for various reasons that have already been discussed, such as: the increase in supply costs due to the inflation generated by international conflicts, the costs of energy and raw materials and derivatives, the delays suffered in the supply of some raw materials (such as sterilizing filters) as a consequence of Covid-19, as well as the change in accounting criteria relating to the activation of development projects to third parties.

The criteria applied to adjust the EBIDTA are as follows: 1- Extraordinary expenses arising from the process of incorporation into BME Growth; 2- expenses arising from the corporate operation of Laboratorios Ovejero¹; 3- expenses caused by the cancellation by the Company (following the indications of

prudence criteria suggested by the external auditor) of the WIP regulatory item (third party customer registration projects); expenses due to the VTZ- LSEE merger process; 4- expenses for non-operating indemnities; expenses resulting from the restructuring of Zoleant; 5- expenses due to the lira depreciation on gross margin (sales and cost of sales) and the extraordinary price increases for material costs. After these adjustments, Adjusted EBITDA decreased by 9.2% from EUR7.7 million to EUR 7.01 million.

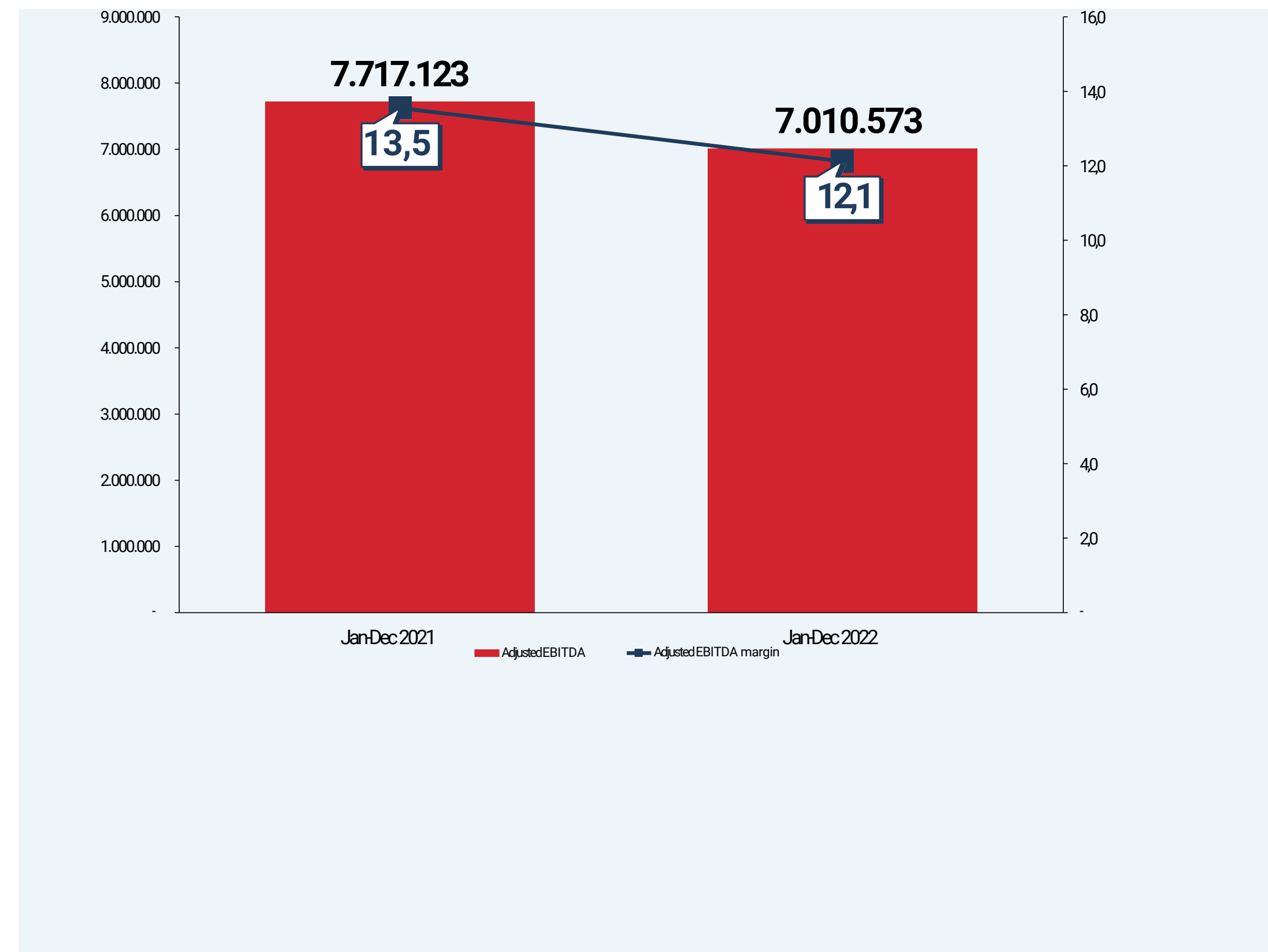
At the sometime, both the decrease in EBIDTA and the reversal of the capitalization of R&D expenses for some product projects resulted in an operating profit (EBIT) of EUR 6.07 million in negative.

Compared to 2021, the financial expenses for the year have been reduced by only 1% due to Euribor increases.

The variation in stocks of finished goods and work in progress has been adversely affected in this financial year in the following way The change in the accounting criteria for Regulatory projects of third parties.

Adjusted EBITDA evolution and Adjusted EBITDA Margin

Figures expressed in euro



1. Pre IPO project subject to confidentiality restrictions by contract upon final agreement with the counterparty.

4 Management results in 2022

4.2 Capital management and financing

The Company's balance sheet has been significantly adversely affected by the restatement of the annual accounts.

Audited consolidated balance sheet

Figures expressed in euro

	Dec 2022	Dec 2021	% Var.
Non-current assets	32.022.310,16	38.955.900,46	(17,8)
Intangible assets	9.044.489,59	12.736.107,12	(29,0)
Tangible fixed assets	20.636.467,23	20.381.679,74	1,3
Long - term financial investments	1.417.923,95	4.397.689,74	(67,8)
Deferred tax assets	923.429,40	1.440.423,86	(35,9)
Current assets	28.756.929,50	29.411.227,38	(2,2)
Stocks	13.832.903,19	14.919.020,78	(7,3)
Trade and other receivables	11.907.729,61	10.952.728,99	8,7
Short - term financial investments	23.382,62	11.448,36	104,2
Short- term accruals	472.076,15	244.869,99	92,8
Cash and cash equivalents	2.520.837,93	3.283.159,26	(23,2)
Total assets	60.779.239,66	68.367.127,84	(11,1)
Total equity	6.906.651,35	11.522.189,71	(40,1)
Non-current liabilities	18.807.861,04	26.393.280,50	(28,7)
Long - term provisions	82.333,66	79.594,24	3,4
Long - term financial debt	18.326.249,67	25.990.780,65	(29,5)
Deferred tax liabilities	399.277,70	322.905,61	23,7
Current liabilities	35.064.727,27	30.451.657,62	16,3
Short-term financial debt	20.193.595,70	19.497.897,53	3,6
Trade and other payables	14.871.131,58	10.953.760,09	35,8
Total liabilities	60.779.239,66	68.367.127,84	(1,0)

5 Effect of audit adjustments

Consolidated balance sheet	Figures expressed in euro		
	Dec 2022 CCAA Formulated	Effect	Dec 2022 CCAA Reformulated
Non-current assets	36.667.452,09	(4.645.141,93)	32.022.310,16
Intangible assets	12.228.729,24	(3.184.239,65)	9.044.489,59
Long-term financial investments	1.578.896,89	(160.972,94)	1.417.923,95
Deferred tax assets	2.223.358,73	(1.299.929,33)	923.429,40
Current assets	31.036.826,80	(2.279.897,31)	28.756.929,49
Stocks	16.015.018,95	(2.182.115,76)	13.832.903,19
Trade and other receivables	12.005.511,17	(97.781,56)	11.907.729,61
Total equity	13.831.690,58	(6.925.039,23)	6.906.651,35
Result for the year	(2.017.570,67)	(6.925.039,23)	(8.942.609,90)

Profit and loss account	Figures expressed in euro		
	Dec 2022 CCAA Formulated	Effect	Dec 2022 CCAA Reformulated
Var. stocks of finished products and work in progress	(369.833,13)	(2.182.115,76)	(2.551.948,89)
Impairment and gains/losses on disposal of fixed assets	(653.523,63)	(3.184.239,65)	(3.837.763,28)
Operating result	(700.909,52)	(5.366.355,42)	(6.067.264,94)
Impairment and gain or loss on disposal of financial instruments		(160.972,94)	(160.972,94)
Financial result	(1.611.443,86)	(160.972,93)	(1.772.416,79)
Profit before tax	(2.312.353,39)	(5.527.328,34)	(7.839.681,73)
Taxation of profits	126.576,85	(1.397.710,89)	(1.271.134,04)
Consolidated net result	(2.185.776,54)	(6.925.039,23)	(9.110.815,77)

5 Effect of audit adjustments

Consolidated balance sheet	Figures expressed in euro		
	Dec 2022 CCAA Formulated	Effect	Dec 2022 CCAA Reformulated
Non-current assets	36.667.452,09	(4.645.141,93)	32.022.310,16
Intangible assets	12.228.729,24	(3.184.239,65)	9.044.489,59
Long-term financial investments	1.578.896,89	(160.972,94)	1.417.923,95
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Current assets	31.036.826,80	(2.279.897,31)	28.756.929,49
Stocks	16.015.018,95	(2.182.115,76)	13.832.903,19
Trade and other receivables	12.005.511,17	(97.781,56)	11.907.729,61
Total equity	13.831.690,58	(6.925.039,23)	6.906.651,35
Result for the year	(2.017.570,67)	(6.925.039,23)	(8.942.609,90)

ADJUSTMENTS TO ASSETS (6,827 THOUSAND EUROS):

1) Adjustments to the value of Intangible Fixed Assets (3,184 thousand euros):

This adjustment corresponds to the following items:

- **Impairment of goodwill on the shareholdings in Zoleant and Zavod (1,109 thousand euros):** Although the application of the principle of prudence was assumed, the Company remains fully confident in the business potential of the Serbian unit, with whose government negotiations are continuing for the signing of framework contracts that would mean considerable revenues for the Group. In the case of Zoleant, a restructuring of the human team has been carried out, which the Company believes will revitalize this business unit. In this respect, the work to update the business plans of both subsidiaries and define new strategic objectives.
- **Impairment of the development value of R&D projects (2,075 thousand euros):** This adjustment is made up of 3 items:
 - I. **Impairment of projects related to international markets:** Although the Company has made and continues to make sales in these markets, and until now (due to the fact that the veterinary sector has a longer R&D investment recovery process due to the different regulations and sanitary aspects) these projects have been amortized annually, finally, the more conservative accounting criterion of the principle of prudence suggested by the auditor has been adopted and they have been fully impaired in 2022.
 - II. **Impairment of R&D projects in the amortization process:** These projects are in the amortization process and will be completed during 2023. Although in our opinion it was justified to continue amortizing them during the remaining months of 2023, they have been impaired for accounting purposes.
 - III. **Project subject to CDTI:** this is an approved project that at the end of 2022 had not yet been signed by the notary, which is why the suggested criterion of prudence has been applied and it has deteriorated. However, in the first half of 2023, the corresponding signature has been made and the entire bureaucratic period for its definitive concession has been completed. The project has been approved by the CDTI as published on the website of the Ministry of Science and Innovation, which is why LABIANA is confident that this negative adjustment will be reversed in the next financial year.

5 Effect of audit adjustments

Consolidated balance sheet	Figures expressed in euro		
	Dec 2022 CCAA Formulated	Effect	Dec 2022 CCAA Reformulated
Non-current assets	36.667.452,09	(4.645.141,93)	32.022.310,16
Intangible assets	12.228.729,24	(3.184.239,65)	9.044.489,59
Long-term financial investments	1.578.896,89	(160.972,94)	1.417.923,95
Deferred tax assets	2.223.358,73	(1.299.929,33)	923.429,40
Current assets	31.036.826,80	(2.279.897,31)	28.756.929,49
Stocks	16.015.018,95	(2.182.115,76)	13.832.903,19
Trade and other receivables	12.005.511,17	(97.781,56)	11.907.729,61
Total equity	13.831.690,58	(6.925.039,23)	6.906.651,35
Result for the year	(2.017.570,67)	(6.925.039,23)	(8.942.609,90)

ADJUSTMENTS TO ASSETS (6,827 THOUSAND EUROS):

2) Adjustment on deferred tax assets (1,300 thousand euros):

As a consequence of the adjustments made due to the impairment of intangible assets (R&D) explained in the previous section, the **corresponding deferred tax adjustments suggested by the auditor have been applied and consequently the right to deduct the R&D capitalized in previous years has been lost**, having to be considered as an accounting loss for corporate income tax in the profit and loss account.

As a result, **R&D deductions for corporate income tax purposes have been reversed**, which has led to a change in the corresponding amount of deferred tax assets in the balance sheet.

For this reason, the deferred tax asset on the balance sheet has been significantly reduced from 2.2 million euro to 923 thousand euro in the restated accounts.

5 Effect of audit adjustments

Consolidated balance sheet	Figures expressed in euro		
	Dec 2022 CCAA Formulated	Effect	Dec 2022 CCAA Reformulated
Non-current assets	36.667.452,09	(4.645.141,93)	32.022.310,16
Intangible assets	12.228.729,24	(3.184.239,65)	9.044.489,59
Long-term financial investments	1.578.896,89	(160.972,94)	1.417.923,95
Deferred tax assets	2.223.358,73	(1.299.929,33)	923.429,40
Current assets	31.036.826,80	(2.279.897,31)	28.756.929,49
Stocks	16.015.018,95	(2.182.115,76)	13.832.903,19
Trade and other receivables	12.005.511,17	(97.781,56)	11.907.729,61
Total equity	13.831.690,58	(6.925.039,23)	6.906.651,35
Result for the year	(2.017.570,67)	(6.925.039,23)	(8.942.609,90)

ADJUSTMENTS TO ASSETS (6,827 THOUSAND EUROS):

3) Adjustment on inventories (2,182 thousand euros):

An **inventory adjustment** has been made in relation to **products in progress (development projects for third parties)** that the Company had already planned to carry out in 2023, taking advantage of the tax consolidation that had already been requested and approved by the Tax Agency; however, assuming the criteria of prudence and the auditor's indications, this adjustment has been accelerated to year-end 2022.

4) Adjustment long-term financial investments (EUR 161 thousand):

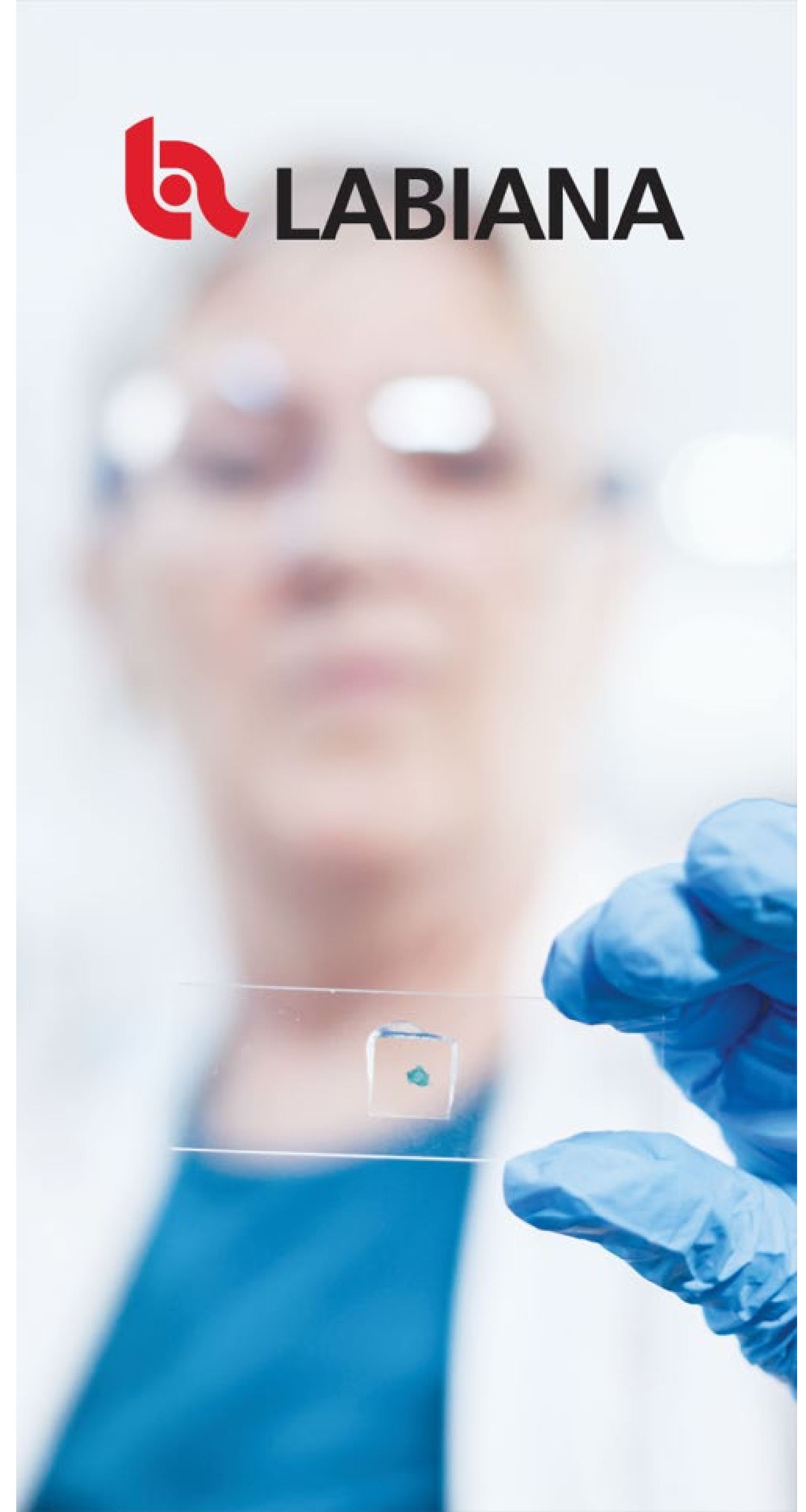
This accounting adjustment relates to the **impairment of the holding in L.O. Vaccines** (a company that was created to hold the Group's claim against Laboratorios Ovejero in the context of this transaction, which was ultimately not completed). It is a small company, with assets of around 240 thousand euros and negative equity of 116 thousand euros. LABIANA had planned to merge L.O. Vaccines through a takeover. As the bureaucratic process took a long time and the takeover could not be completed in 2022, the prudent approach has been adopted and the full impairment of the shareholding has been recognized in the year ending 2022.

Effect of audit adjustments

ADJUSTMENTS TO THE PROFIT AND LOSS ACCOUNT:

All the aforementioned adjustments are reflected in the Company's profit and loss account, reducing the consolidated result for the year by 6,925.0 thousand euros. This loss is in turn transferred to "Profit and loss attributable to the Parent Company" in the equity of the consolidated balance sheet. As stated above, in all cases these accounting adjustments have no effect on the cash flows of the Company and its group.

Profit and loss account	Figures expressed in euro		
	Dec 2022 CCAA Formulated	Effect	Dec 2022 CCAA Reformulated
Var. stocks of finished products and work in progress	(369.833,13)	(2.182.115,76)	(2.551.948,89)
Impairment and gains/losses on disposal of fixed assets	(653.523,63)	(3.184.239,65)	(3.837.763,28)
Operating result	(700.909,52)	(5.366.355,42)	(6.067.264,94)
Impairment and gain or loss on disposal of financial instruments		(160.972,94)	(160.972,94)
Financial result	(1.611.443,86)	(160.972,93)	(1.772.416,79)
Profit before tax	(2.312.353,39)	(5.527.328,34)	(7.839.681,73)
Taxation of profits	126.576,85	(1.397.710,89)	(1.271.134,04)
Consolidated net result	(2.185.776,54)	(6.925.039,23)	(9.110.815,77)



6 Evolution of business and market segments in 2022

6.1 Animal Health

At the end of the financial year 2022, the animal health division in Chon, together achieved a turnover of 30.6 million euros, which represents 52.90 percent of Labiana Health's total turnover (being 32.0 percent, which corresponds to CD M o and 20.9 percent, which corresponds to product). This turnover is 4.4 percent lower than in FY202.

Although the CDMO division has performed well, closing the year with a 4.6% increase compared to 2021, the proprietary product division has been affected by the effect of the entry into force on 28 January of the new regulation on medicines, the decrease in the census of the main livestock species in our country and the lack of manufacturing components which, although it has been recovering in the second half of the year, has led it to close with a 15.6% decrease in turnover compared to 2021.

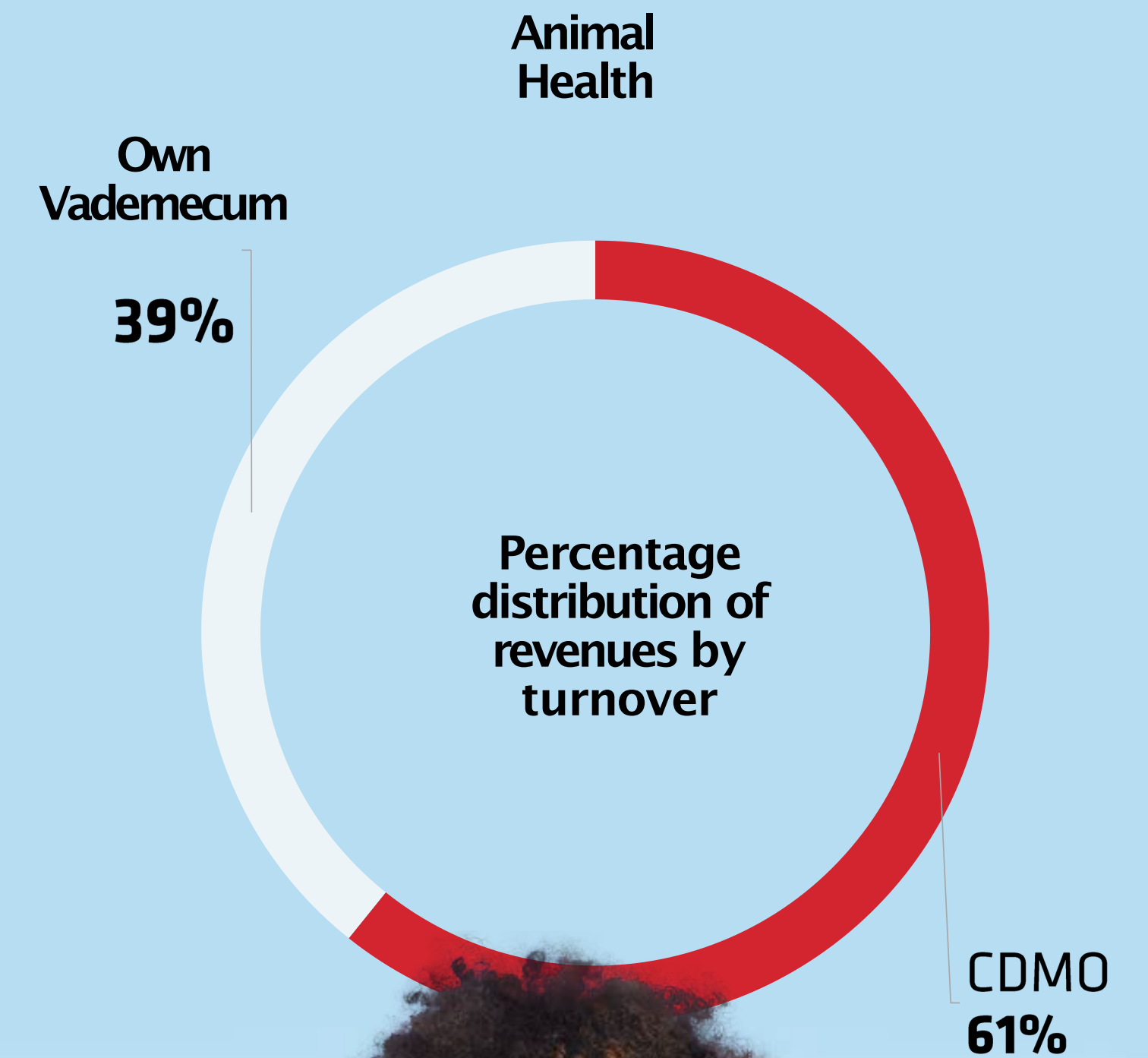
From an operational point of view, the animal health division (Labiana Life Science, Zavod Subotica and Zoleant), currently has 458 registrations in force with a presence in more than 62 countries, with a further 75 in the pipeline.

During the second half of 2022, a total of 21 new animal health product registrations have been submitted and 43 new registrations have been approved throughout 2022.

In addition, a patent has also been

obtained on a galenic innovation of Fosfomycin trometamol for use in both animal and human health.

Likewise, during the 12 months of 2022, 17 new distribution contracts for our own products have been signed for 23 territories with different companies (including 12 existing customers to expand the product portfolio and 5 new customers), both multinational and regional, and another 5 new contracts for our own products will foreseeably be signed for another 11 territories by the end of 2022. In addition, taking advantage of the synergies with Serbia, 17 territories have been selected where Serbia's Dossiers comply with all the regulations and 8 more contracts have already been closed in addition to the previous ones with the Serbian portfolio.



6 Evolution of business segments and markets in 2022

6.1 Animal Health

In terms of new product launches during the financial year 2022:

- **Tilolab® tartrate 800,000 IU/g**, a veterinary medicinal product based on tylosin tartrate oral powder for administration in water or milk to assist in the treatment of respiratory diseases in pigs, cattle, chickens and turkeys.
- **Oxytetracycline 300mg/ml (Labimycin® LA 300)**, one of the longest acting injectable antibiotics available in the world is in category D (recommended as first choice in the use of veterinary antibiotics), authorized for the treatment of sheep, cattle and pigs.
- **Tolfelab** is an injectable anti-inflammatory, whose active ingredient is Tolfenamic Acid, a molecule that follows an enterohepatic cycle that ensures a longer permanence of the therapeutic concentrations in plasma, which confers prolonged anti-inflammatory properties over time. Tolfelab can be prescribed as an adjuvant in the treatment of diseases involving pain and inflammation in cattle, pigs, dogs and cats. Authorized in the last quarter of 2022.
- **Launch of gleptoferron iron injectable,**

which was not included in the list of products under development in the IPO prospectus. Licensed in 2022, it is expected to be launched commercially by the end of 2023.

- Application submitted for Exceptional Marketing Authorisation in Serbia for bluetongue vaccine (sheep), a medicine foreseen for 2022 in the pipeline, pending publication of tender.
- Regarding **the evolution of the latest launches**, the company highlights the evolution of Labiprofen®, a 15% ketoprofen injectable (anti-inflammatory with analgesic and antipyretic effect for cattle, pigs 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 with a growth of 113% compared to the 2021 financial year. At the end of 2022, Labiprofen® was already registered in 19 countries and in the first four months of 2023, 10 new registrations have already been initiated, 6 of them in the EU.

As regards the PETS line, and in line with the market data for this segment, there has been a growth of 11.67% compared to the previous year.

In addition, it is worth mentioning the construction of the analysis laboratory in Serbia. It will be one of the first private reference laboratories for the analysis of biological medicines, enabling the company to offer third parties both physico-chemical and microbiological analyses, and in the latter case, it will be able to perform analyses for both pharmacological and biological products.

Breakdown of net turnover by business segment

	Figures expressed in euro		
	Jan-Dec 2022	Jan-Dec 2021	% Var.
Turnover	57,848,451.87	56,956,013.78	1.6
Animal Health	30,609,703.03	32,031,342.21	(4.4)
CDMO	18,535,368.38	17,720,951.52	4.6
Own Vademecum	12,074,334.65	14,310,390.69	(15.6)
Human Health	27,238,748.84	24,924,671.57	9.3
CDMO	18,270,070.75	16,554,551.39	11.9
Own Vademecum	8,711,678.09	8,370,120.18	4.1

% Breakdown of net turnover by business segment

	Figures expressed in euro		
	Jan-Dec 2022	Jan-Dec 2021	Var. p.p.
Turnover	100.0	100.0	0.0
Animal Health	52.9	56.2	(3.3)
CDMO	32.0	31.1	0.9
Own Vademecum	20.9	25.1	(4.3)
Human Health	47.1	43.8	3.3
CDMO	32.0	29.1	3.0
Own Vademecum	15.1	14.7	0.4

6 Evolution of business segments and markets in 2022

6.2 Humana Health

The results of the human health business segment (Labiana Pharma), corresponding to the financial year 2022, show a positive sales performance with a turnover of 27.2 million euros, which represents an increase of 9.3 % compared to the same period of the previous year, and allows this division to represent 47.1 % of Labiana Health's total sales.

than 67 countries, by the beginning of 2023.

A new and more efficient synthesis route for Fosfomicin trometamol has also been obtained and strategic lines of development have been defined: 1- Genito Urinary market (Fosfo/antimicrobial market) 2- Niche products (high complexity/profitability), 3- Short Expiration patent (among the first generics).

An European patent has also been obtained on a galenic innovation and strategic lines of development have been defined: urogenital system, metabolism and cannabinoids.

Of note was the launch of Precyst, a food supplement to Fosfomicin Trometamol for the prevention of urinary tract infections, a food supplement scheduled for 2022 in the pipeline that has already entered the marketing and licensing phase.

As regards the contract manufacturing division (CDMO), 6 new CDMO projects have been approved and production transfers will take place in 2023.

At the operational level, the current capacity of sterile ampoules in solution has recently been increased by 25 million units at the Corbera de Llobregat facilities, where a new high productivity line with a capacity of 20,000 ampoules/hour for formats from 1 to 10 ml and for batches of up to 1,000 liters has been authorized.

In addition, the line has a final optical

inspection equipment for the detection of particles, possible aesthetic or level defects, with a capacity of 12,000 units/hour. With this addition, the production capacity of ampoules in solution is increased to 31 million units.

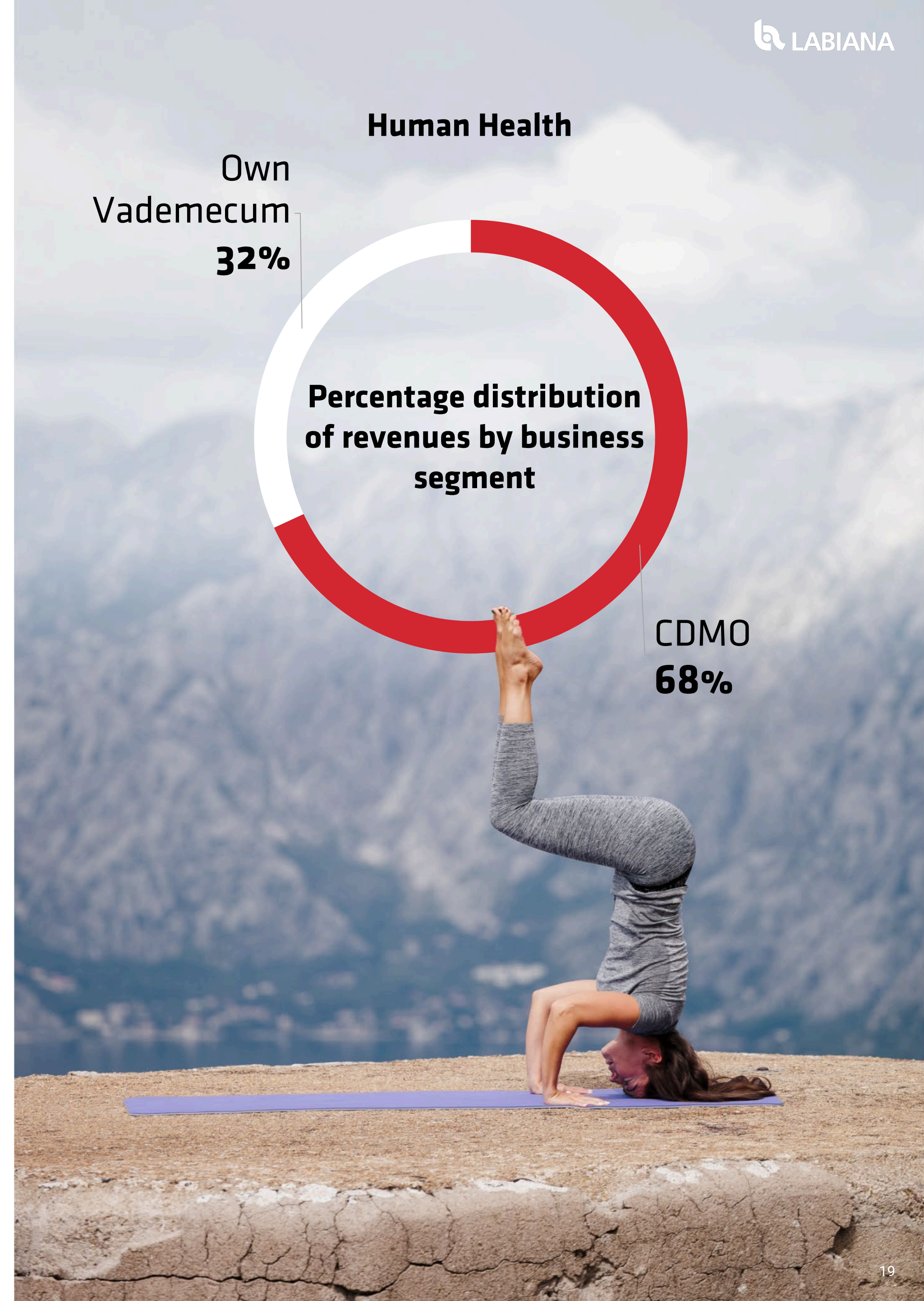
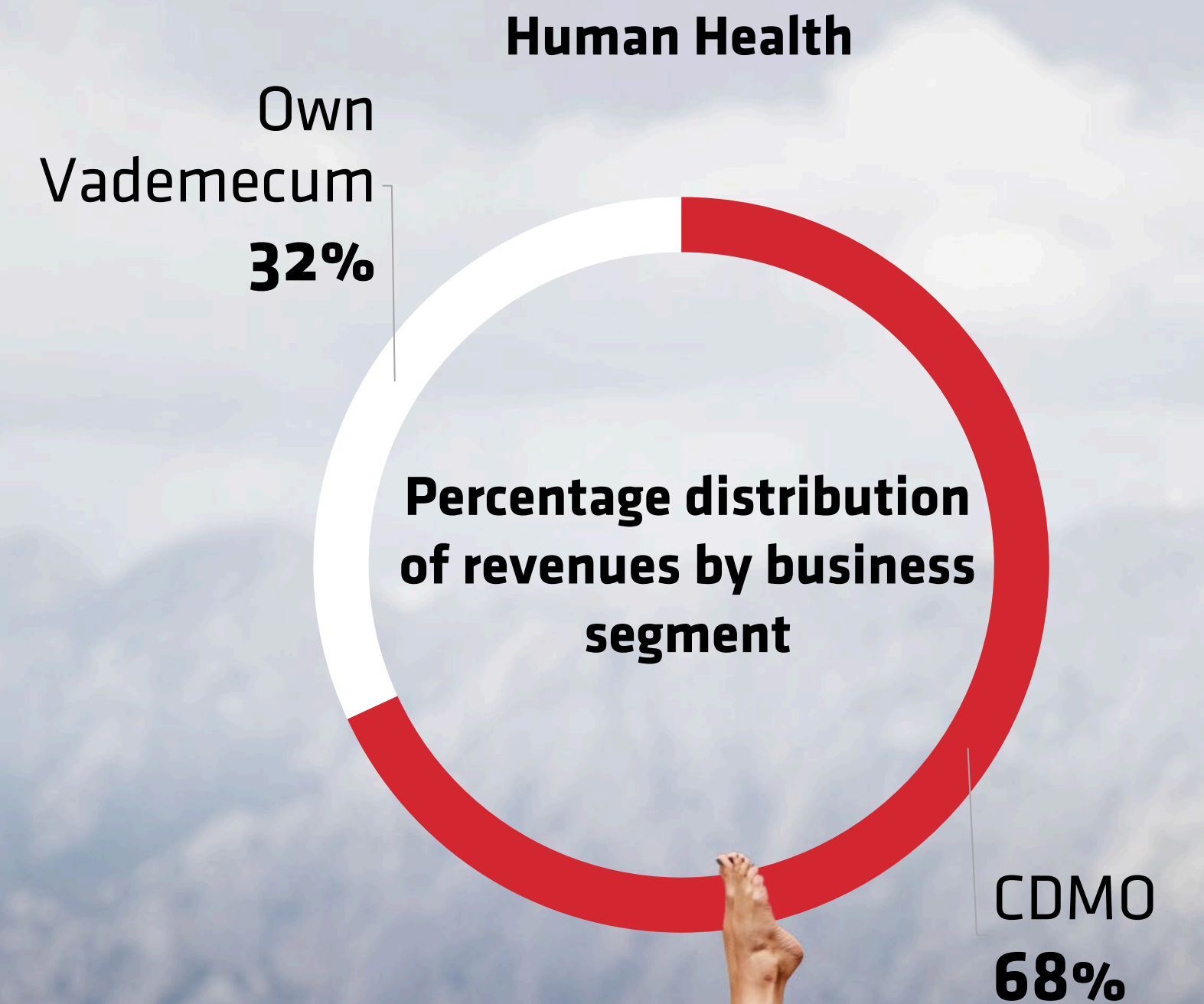
Finally, in the field of human health, the company highlights the approval on 21 June by the Health and Consumer Affairs Committee of Congress of the final report on the regulation of cannabis for medicinal use, which proposes to ensure the availability of cannabis-derived medicines for therapeutic use with medical and pharmaceutical control, which opens up the possibility of dispensing them in pharmacies.

In this case, and as explained in the BME Growth 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 is also a shareholder of Little Green Pharma, a listed company leader in medical cannabis in Australia.

This performance has been contributed to by the proprietary vademecum line which, with a turnover of 8.7 million euros, has recorded an increase of 4.1% compared to the previous year. Explanatory factors include the significant recovery in the pace of orders once the overstocking in 2020 that affected sales in 2021 as a result of COVID-19 has been overcome, recovering levels similar to those of 2020.

The human health CDMO line showed a performance of 11.9%, which in terms of turnover represents a volume of €18.5 million.

During the past year, 12 new registrations have been initiated, bringing the current number of registrations in process in this division to 27, and the Company estimates that, if the pace of bureaucratic procedures is maintained, they could be added to the current 90, which are distributed in more



6 Evolution of business and market segments in 2022

6.3 Geographic markets

At Group level, Labiana has clearly grown in the EU excluding Spain (18.1%) and the US (150.40%), areas where it is concentrated in the most developed and consolidated economies and strategic markets for the Group. In 2022, these two territories will account for 58.1% and 1.9% of the distribution share with respect to the global share, an increase of 8.1 p.p. and 1.1 p.p. on their corresponding distribution shares in the same period of the previous year.

With regard to Spain, a 19.3% drop in turnover is recorded in 2022 compared to the same period in 2021, which represents a 6.7 p.p. decrease in its distribution share compared to the overall figure. There are three main explanatory factors that have already been mentioned above:

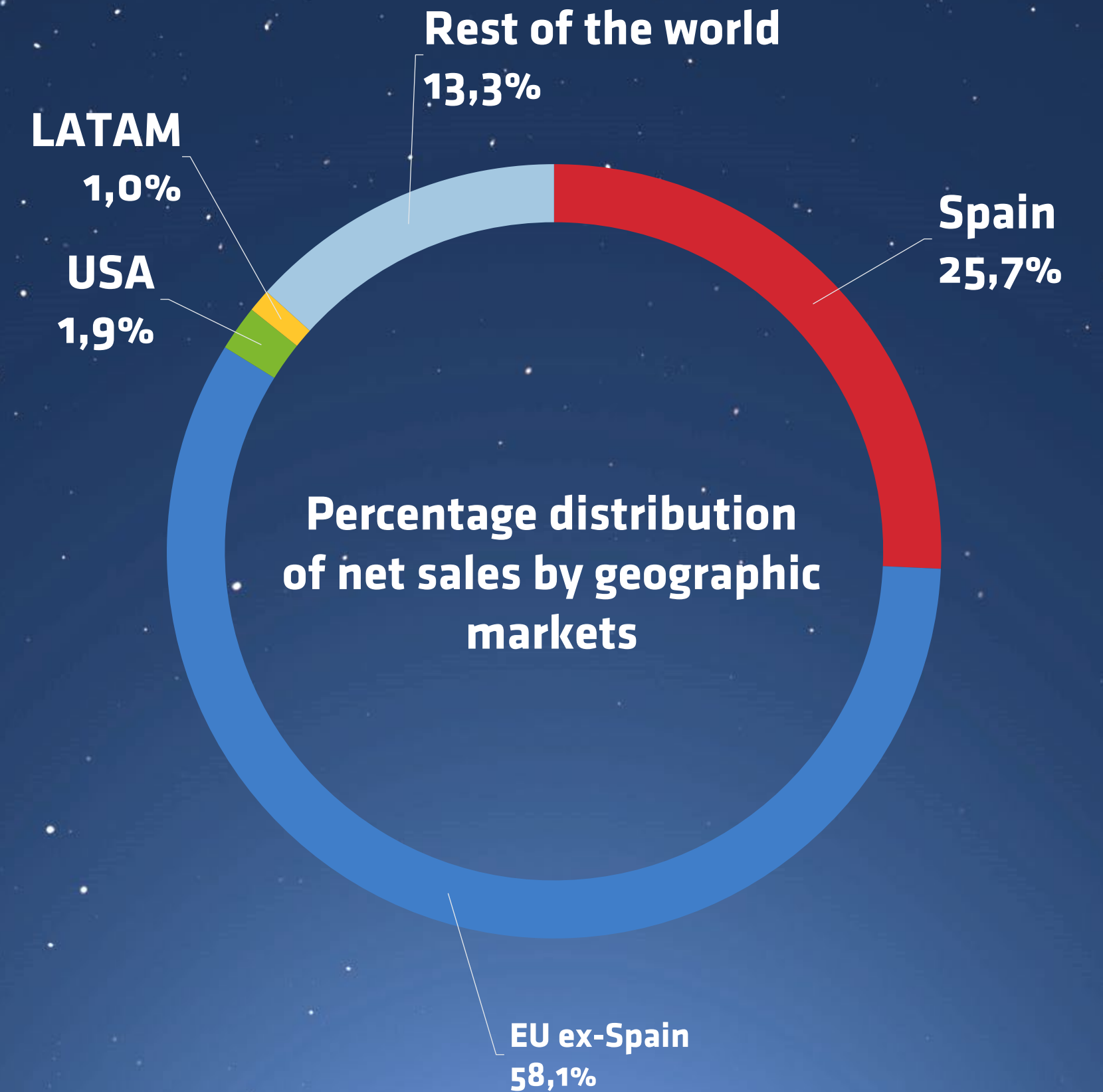
1. The delays that have occurred in production due to the lack of manufacturing components, especially the sterilizer filters that are essential in the manufacture of injectables.
2. The entry of new competitors in the US market for Fosfomycin, which has led to a significant reduction in the royalties invoiced to Chemo Spain (national customer) for the assignment of intellectual property rights that allow them to manufacture in the US, compared to the amount invoiced in 2021.
3. The temporary downturn in the veterinary market as a result of the publication of the new Medicines Regulation.

% Distribution of net sales by geographic markets

	Figures expressed in euro		
	Jan-Dec 2022	Jan-Dec 2021	Var. p.p.
Turnover	100.0	100.0	0.0
Spain	25.7	32.4	(6.7)
EU ex-Spain	58.1	50.0	8.1
North America	1.9	0.8	1.1
LATAM	1.0	1.7	(0.8)
Rest of the world	13.3	15.1	(1.8)

Breakdown of net sales by geographic market

	Figures expressed in euro		
	Jan-Dec 2022	Jan-Dec 2021	% Var.
Turnover	57.848.451,87	56.956.013,78	1,6
Spain	14.878.637,68	18.444.105,54	(19,3)
EU ex-Spain	33.618.129,19	28.467.518,76	18,1
North America	1.098.844,13	438.777,34	150,4
LATAM	556.172,21	993.276,20	(44,0)
Rest of the world	7.696.668,66	8.612.335,94	(10,6)



7 Compliance with the business plan

In relation to the information published on the occasion of the presentation of results corresponding to the first half of 2022, held on 28 October 2022, which includes forecasts or estimates of a numerical nature on financial magnitudes for the financial year 2022, a table is included below showing the figures of the estimated financial magnitudes for the financial year 2022 compared with the figures nor actual, taking into account that the audit process of the annual accounts for 2022 is pending completion, as well as their degree of compliance.

With respect to each of the financial aggregates, as can be seen in the table, the degree of compliance during the period ended 31 December 2022 in relation to the forecasts for the financial year 2022 has been as follows::

- The company achieved a turnover of 57.9 million euros in 2022, which would represent a 96.5% compliance with the 60 million euros turnover target that was communicated to the market on the occasion of the results of the first half of last year. This performance must take into account the inflation affecting the global macroeconomic environment, which impacted, and continues to impact, the pharmaceutical and veterinary sector in particular through higher raw material costs.
- Likewise, thanks to the resources dedicated to the amortization of debt during the 2022 financial year, Labiana has closed with a Net Financial Debt (DFN) of 36.0 million euros, which represents a compliance level of 1.4 p.p. about the forecasts published on the occasion of the communication of the results for the first half of the year, which were 36.5 million euros.
- Lastly, the Net Financial Debt/Adjusted EBITDA coverage ratio was 5.1x, which represents a degree of compliance of 3.9 p.p. on the published data thanks to the lower NFD at the end of the year.

At the same time, the Company communicates that it is in the process of reviewing its Strategic Plan, which could lead to new forecasts that, if necessary, would be communicated together with their respective assumptions to the Market after approval by the Board of Directors.

Forecast	2022 Forecast	2022 Actual	% compliance (Actual / Forecast)
Net Turnover	€60M	€57.9M	96,50%
Net Financial Debt ¹	€36,5M	€35.99M	101,40%
NFD/Adjusted EBIDTA ¹	5.3x	5.1x	103,90%

1. Calculated as defined in DIIM paragraph 2.13

8 ESG

In compliance with Law 11/2018, which amends the Commercial Code, the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the auditing of accounts, in terms of non-financial information and diversity, the target has been submitted for ratification of the independent part of the non-financial information statements corresponding to the financial year 2022.

Based on the evidence gathered during the audit, the following findings per standard were found::

Norm	Strengths	Desviations	Improvement opportunities
Law 11/2018	2	10	4

These deviations were subsequently rectified within 7 days of the audit and the corresponding verification and inclusion of the 2022 EINF was approved by the Board of Directors on 7 June 2023.

The full ESG report is published and accessible to the public through the shareholders and investors section of the company's website. The following are some of the most noteworthy aspects of the report:

1. Important milestones in R&D which are extensively developed in section 13 on R&D activity and registers of this report.
2. Start of the implementation phase for ISO 14001-2015 certification to enable the organization to achieve the expected results previously set out in its environmental management system. The vaccine

plant in Serbia is already ISO 14001 certified. The plants in Spain are in the process of certification, having passed the internal audit phase with good results and with scheduled dates for certification during 2023.

3. With regard to the carbon footprint, the calculation for the 2022 financial year has been carried out using the MITECO calculator, although the services of the company ALENTA Medio Ambiente, S.L. have been contracted to work on a plan of improvement measures with the aim of having a starting point from which to establish reduction targets:

- Scope 1: Sources of direct emissions resulting from the activities that the organization controls, including the combustion of hydrocarbons for process units.
- Scope 2: Indirect sources resulting from the purchase of electricity (includes electricity used for process units).

4. The Electricity Consumption Reduction Plan for the replacement of traditional luminaires with low consumption/LEDS luminaires has been exceeded by more than 40% of the change from traditional luminaire to led luminaire in the last 3 years.
5. Elimination of air conditioning equipment containing R22 gas. We have now achieved a 20% reduction compared to those existing in 2019.
6. With the aim of reducing paper consumption, a new program is being implemented for the maintenance department that will allow the digitalization of all those documents for requests and registrations in the maintenance department that until now have been carried out on paper. A reduction of 20.5Kg of paper is estimated, which means a reduction in emissions of 66.25kg (scope 3).

7. Currently, 100% of the vegetable paper and cardboard and 100% of the wood that is managed as waste goes to recovery.

8. In order to give a second life to the shredded paper that leaves the facilities, it is being sent to centers that use it for animal welfare, thus contributing to a circular economy that favours greater sustainability in the use of resources.

9. In 2022, 34.26% of the total tons of waste generated were recoverable.

10. In 2022 we have consolidated the Project #LabianaIncorpora which brings together all the company's initiatives to:

- Promoting job opportunities for young people and access to their first job.
- Hiring people at risk of social exclusion.
- Promotion of the incorporation of people from the area. Achieving great benefits such as: minimizing stress for workers, contributing to family reconciliation, facilitating greater use of free time and reducing the environmental impact by reducing the distance of travel to the workplace.

11. Implementation of the "Plan for improvements, conflict detection and rapprochement with employees in the HR department".

12. Labiana is committed to quality and job stability. Proof of this is that more than 93% of the staff has a permanent contract, 100% of the contracts are full time. We currently have 441 employees, 54.19% of whom are women. By age group, the majority are between 31 and 50 years old.

13. Equality Plan 2020-2024 which aims to enhance and promote the social, economic and political inclusion of all people regardless of age, gender, disability, race,

ethnicity, origin, religion or economic or other status. This plan was approved in 2019 and in 2021 the plan for the years 2020-2023 was registered. Currently, the procedures for updating the plan for 2025 are already underway.

14. A specific training on the Equality Plan has been carried out with a training of 8 hours in which 304 employees have participated.

15. In 2022, all managers and directors of Labiana Life and Labiana Pharma were trained in gender equality and how to deal with sexual and gender-based harassment.

16. New work-life balance measures have been implemented, such as the possibility of having Friday afternoons off or promoting timetable changes, work-life balance at the employee's request or facilitating the modification of timetables on an individual basis.

17. Labiana is in the process of implementing the ISO 45001 standard with the aim of preventing work-related injuries and health problems or accidents at work, in order to provide a safe and healthy workplace. Currently the plants in Serbia are already certified while those in Spain are in the process of certification.

9 Hechos Relevantes del Periodo y Posteriores al Cierre (I)



June, 2

Publication of the informative document of incorporation to BME Growth.



June, 22

BME MTF Equity Notice. Operating Instruction 12/2022: trading of LABIANA HEALTH, S.A. shares in the BME Growth trading segment of BME MTF Equity and the liquidity provider's operating parameters.



June, 22

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



June, 24

Labiana Health joins BME Growth.



June, 27

Taking advantage of the approval of the report by the Health and Consumer Commission of the Congress on the regulation of cannabis for medicinal use, different media outlets echoed Labiana's participation in the Spanish startup Trichome Pharma, reaching an audience of 32.6 million people.



September, 20

Creation of the new Corporate Development division under which an intensive analysis and monitoring of the foreign divisions, seeking to improve operations and results.



October, 25

Publication of the company's Equity Story.



October, 26

Publication of the Communication Policy and contacts with shareholders, investors and investors and advisors on voting and the dissemination of economic, financial, non-financial and corporate information, approved by the Governing Board at its meeting on 25 October 2022.

9 Significant events during the period and after the reporting period

Launch of Precyst

Food supplement to Fosfomicin trometamol for the prevention of urinary tract infections, food supplement planned for 2022 in the pipeline.

Launch of gleptoferron

Obtaining the MA for injectable gleptoferron iron, a drug that was not included in the list of products under development in the marketing brochure. Labiana was the first laboratory to develop the European Drug Master File for gleptoferron iron. This DMF has already been approved by several European Agencies.

Launch of Tilolab® tartrate 800,000 UI/g

A veterinary medicinal product based on tylosin tartrate oral powder for administration in water or milk to assist in the treatment of respiratory diseases in pigs, cattle (pre-ruminant calves), chickens (both for respiratory diseases and in particular for the treatment of necrotic enteritis caused by tylosin-sensitive strains of Clostridium perfringens) and laying hens, turkeys for fattening and turkey breeders.

Launch of Labimicyl LA 300

Oxytetracycline 300 mg/ml injection, a long-acting veterinary antibiotic in prudent use category D, authorized for the treatment of sheep, cattle and pigs.

Launch of Tolfelab

It is an anti-inflammatory drug that can be prescribed as an adjuvant in the treatment of diseases involving pain and inflammation in cattle, pigs, dogs and cats. Its active substance is tolfenamic acid.

Blue Tongue Vaccine Launch

The application for Exceptional Marketing Authorization in Serbia for bluetongue vaccine (sheep) was submitted during 2022 and the corresponding MA has already been obtained in April 2023. This medicine is included in the 2022 pipeline.

Increase in Labiana Pharma's sterile capacity

The current capacity of sterile ampoules in solution has been increased by 25 million units at the Corbera de Llobregat facilities, where a new high-productivity line with a capacity of 20,000 ampoules/hour for formats from 1 to 10 ml and for batches of up to 1,000 liters has been authorized. In addition, the line has a final optical inspection equipment for the detection of particles, possible aesthetic or level defects, with a capacity of 12,000 units/hour. With this addition, the production capacity of ampoules in solution is increased to 31 million units.

New patent obtained for fosfomicin tromethanol

During 2022, a new patent has been obtained on a new galenic innovation of fosfomicin Trometamol for both human and animal health

Anaporc, Grenada

Participation with its own stand at Anaporc, the national/Spanish pig veterinary congress.

CPHI EUROPE, Frankfurt

Participation with its own stand at CPHI Europe. This is the world's leading trade fair for the pharmaceutical industry, where laboratories, material and service suppliers, API manufacturers, etc. participate.

EUROTIER, Hannover

Participation with its own stand at the EUROTIER animal health/livestock world fair, which takes place every two years and brings together laboratories, material and service suppliers, machinery manufacturers, etc. from all over the world.

Andalusian Congress of Veterinarian, Jaén

Co-stand with regional distributor at the Andalusian Congress of Pet Veterinarians, held every year in a different city in Andalusia.

POST-CLOSURE EVENTS:

Authorization of Ataxxa for the reduction of risk of Leishmania infection

ATAXXA is a veterinary medicinal product that is administered in pipette form, prevents mite and insect infestations and reduces the risk of infection with Leishmania infantum via phlebotomine sandflies (Phlebotomus perniciosus). In the second half of 2022, it has received approval for the reduction of the risk of Leishmania infection.

Signing of the Agreement on Transparency in Animal Experiments

Labiana has joined the Agreement on Transparency in Animal Experimentation promoted by the Confederation of Spanish Scientific Societies (COSCE), with the collaboration of the European Association for Animal Research (EARA) and launched on 20 September 2016. This is a document promoted by COSCE with the aim of establishing channels of communication between the scientific community and society on when, how and why animals are used in research and the benefits derived from this practice.

International Sheep Congress, Seville

Attendance at the International Sheep Congress which is held every two years in a different city in the world.

PROPET, Madrid

Participation with its own stand at PROPET, the largest pet trade fair in Spain.

Figán, Zaragoza

Attendance at Figán, a national/Spanish livestock fair held every two years in Zaragoza.

Signed financing agreement with Miralta Finance Bank, S.A. and Blantyre Capital Limited

On 21 August 2023, the Company informed the market that it had signed a financing agreement with Miralta Finance Bank, S.A. and Blantyre Capital, which will strengthen Labiana's growth and business plan.

10 R&D Activity and Registrations

the raw material supply problems in 2022, especially for filters, have also affected the R&D division, delaying some of the projects underway. This explains why the R&D investment in 2022 has decreased by 8.6 % from an investment of 2.25 million euros in 2021 to 2.21 million euros in 2022.

Labiana remains committed to R&D for the development of medicines that offer solutions and/or improve efficacy against important diseases in animal and human health, as well as continuing its work to develop new products that improve efficiency and optimize resources.

In this spirit, Labiana has achieved the following milestones in 2022:

- To be the first veterinary pharmaceutical laboratory to obtain the first generic injectable Oxytetracycline 30% at European level, a drug that is expected to be in the pipeline by 2022 and already available on the market.
- Obtain Marketing Authorization for a non-steroidal anti-inflammatory drug based on tolfenamic acid for injection, which is planned for 2023 in the pipeline and already available on the market.

- Obtain Marketing Authorization for the veterinary antibiotic tylosin for oral administration, which is planned for 2022 in the pipeline and already available on the market.
- Obtain marketing authorization for injectable gleptoferron iron, a drug that was not included in the list of products under development in the IPO prospectus.
- Develop the first European Drug Master File for gleptoferron iron.
- Application submitted for Exceptional Marketing Authorization in Serbia for bluetongue vaccine (sheep), a drug planned for 2022 in the pipeline, pending publication of tender (sheep), a medicine foreseen for 2022 in the pipeline, pending publication of tender. In April 2023, the corresponding MA has already been obtained.
- Obtained a European patent on a galenic innovation of Fosfomycin trometamol for both animal and human health.
- Strategic lines of development have been defined: 1- Genito Urinary market (Fosfo/antimicrobial market), 2- Niche products (high complexity/profitability), 3- Short Expiration patent (among the first generics).

- Launch Precyst, a food product complementary to Fosfomycin trometamol for the prevention of urinary tract infections, a drug planned for 2022 in the pipeline that has already started its commercialization and licensing out phase.
- A new, more efficient synthesis route for Fosfomycin trometamol has been obtained.
- 4 Marketing Authorizations (MA) have been obtained for Fosfomycin trometamol in 4 countries and 10 more registrations have been submitted and are under evaluation.
- The laboratory has been upgraded by acquiring 3 HPLC equipment and a UV spectrophotometer.



10 R&D Activity and Registrations

Regarding to the Registry's work, the following tables show the market authorization activity during the year 2022 in each of the divisions.

Labiana Pharma	Active MAs	MAs in progress	Approved 2022	Presented 2022	Approvable 2023	Planned Presentations 2023
Spain	4	0	0	0	0	0
UE ex-Spain ¹	24	0	1	0	0	0
USA	1	0	0	0	0	0
LATAM	16	2	1	0	2	1
Rest of the world	45	25	4	12	10	0
TOTAL	90	27	6	12	12	1

Labiana Life	Active MAs	MAs in progress	Approved 2022	Presented 2022	Approvable 2023	Planned Presentations 2023
Spain	31	1	4	0	1	1
UE ex-Spain ¹	150	15	34	7	39	25
USA	0	0	0	0	0	0
LATAM	80	5	1	3	5	8
Rest of the world	197	50	4	17	20	25
TOTAL	458	71	43	27	75	59

¹ Incluye Reino Unido y otros países fuera de la UE

11 Consolidation perimeter

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, at 1 January 2018, the first consolidation of the Group companies was carried out. For accounting purposes, this date coincides with the partial spin-off and merger between two of the subsidiaries described in the following section.

The detail of the subsidiaries included in the scope of consolidation for 2022 using the full consolidation method is as follows:

	% of direct participation	% of indirect participation	Consolidation method applied
Labiana Life Sciences, S.A.U.	100%	-	Global integration
Labiana Pharmaceuticals, S.LU.	100%	-	Global integration
Veterinarski zavod d.o.o. Subotica	-	100%	Global integration
Labiana México, S.A de C.V.	-	95%	Global integration
Zoleant ILAC	-	51%	Global integration
Ecuador-Labiana, S.A.	-	100%	Global integration
L.O. Vaccines, S.L.	-	100%	Global integration

The objects of the investees included in the scope of consolidation at 31 December 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 pharmaceutical and veterinary product manufacturing services for third parties, the provision of services aimed at renewing product registrations, the creation and updating of dossiers and advice on procedures with the health authorities for third parties and its own products, 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 registered office is in Madrid, Calle Serrano, 93.

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 located in Corbera de Llobregat (Barcelona).

Labiana South East Europe d.o.o. Beograd-Vracar

Its main activity consists of manufacturing, research and development, marketing, storage and packaging of animal pharmaceuticals.

Veterinarski zavod a.d., Subotica

Its main activity consists of manufacturing, research and development, marketing, storage and packaging of animal pharmaceuticals.

On 8 December 2021, 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. 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 in 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 is the manufacture, research and development, marketing, storage and packaging of animal pharmaceuticals. Its current registered office is in the Republic of Turkey, being its corporate purpose.

Ecuador - Labiana, S.A.

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

L.O. Vaccines, S.L.

This company was created to carry out the Ovejero operation but, as the acquisition did not take place, it has not had any activity.

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 correspond to the financial year ending on 31 December 2021.

12 Glossary

API: the active substance (API).

GMP, Good Manufacturing Practice: the rules and regulations approved at a given time by the competent authorities of a territory or country or 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 client.

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 client.

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: file containing all scientific and technical confidential documents and information to apply for the Marketing Authorisation for the Product in the Territory. The Registration Dossier is classified as confidential information.

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

Generic: any medicinal product which has the

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

Metaphylaxis: administration of a medicinal product to a group of animals following diagnosis of clinical disease in part of the group, in order to treat the clinically diseased animals and to control the transmission of the disease to closely contacted animals at risk and which 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. It shows the company's operating profit.

EBIT: earnings before interest and taxes. It is calculated by subtracting the company's operating expenses from its total revenues.

EBITDA Adjusted: Main Adjustments: 1. extraordinary expenses derived from the process of incorporation to BME Growth. 2. expenses caused by the corporate operation of Laboratorios Ovejero. 3. Expenses caused by the cancellation that the Company has made (following the indications of prudence criteria suggested by the external auditor) of the WIP regulatory item (third party client

registration projects). 4. Expenses due to the VTZ-LSEE merger process. 5. Non-operating severance expenses. Expenses resulting from the restructuring of Zoleant. 7. Expenses due to the Lira depreciation. 8. Extraordinary price increases for material costs.

Free Cash Flow: is the cash flow generated by the group's operating activities. It is calculated after deducting the investments that have been made to keep the companies that make up the group operational. In short, it is the money available after paying the corresponding expenses.

CapEx: a company's expenditure on capital expenditure.

ROI, return on investment: a measure used to measure what a company earns on its investments.

ROIC, return on investment in capital: measure used to measure how much the company earns on the capital investe.

Liquidity ratio: an indicator of a company's ability to meet its debts and short-term obligations.

Solvency ratio: an indicator of a company's ability to meet all its obligations.

NFD, net financial debt: the sum of long-term and short-term financial debt (including bank and credit institution debt) minus cash (bank balances).

Equity: net worth.

Management Buy Out (MBO): the process by which the executives managing a company decide to acquire ownership of the company.



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