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LABIANA HEALTH, S.A. and subsidiaries

Consolidated interim financial statements for the six-month period ended June 30, 2023 together with the limited June 30, 2023 together with the limited review report.

Member of

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LABIANA HEALTH, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023 TOGETHER WITH THE LIMITED REVIEW REPORT ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

Interim Financial Statements and Report
Consolidated Financial Statements
as at 30 June 2023, together with the
Limited Review Report of States
Consolidated Interim Financial Statements

LIMITED REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES FOR THE SIX MONTHS ENDED 30 JUNE 2023:

Consolidated Balance Sheets as at 30 June 2023 and 31 December 2022
Consolidated Income Statements for the six months ended 30 June 2023 and the six months ended 30 June 2022.

Consolidated Statement of Changes in Equity for the six months ended 30 June 2023 and the six months ended 30 June 2022.

Consolidated Statement of Cash Flows for the six months ended 30 June 2023 and the six months ended 30 June 2022
Explanatory Notes to the Consolidated Interim Financial Statements at 30 June 2023

MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2023

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2023

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2023 AND AS AT 31 DECEMBER 2022
(Expressed in euro)

ACTIVE	**Notes to the Annual Report**	**30/06/2023**	**31/12/2022**
NON-CURRENT ASSETS		**31,895,634.97**	**32,022,310.16**
Intangible **assets**	**Note 6**	**8,793,022.06**	**9,044,489.59**
Tangible fixed assets	**Note 7**	**20,436,540.18**	**20,636,467.23**
Land and buildings		5,419,172.37	5,540,577.49
Technical installations and other tangible fixed assets		12,408,656.11	13,096,432.78
Fixed assets under construction and advances		2,608,711.71	1,999,456.96
Long-term financial investments		**1,429,091.90**	**1,417,923.95**
Holdings in non-consolidated group companies and others	Note 12	767,461.36	641,907.53
Loans to non-consolidated group companies	Note 24.1	391,834.85	414,000.00
Other financial assets		269,795.69	362,016.42
Deferred tax assets	**Note 17**	**1,236,980.83**	**923,429.40**
CURRENT ASSETS		**25,824,151.33**	**28,756,929.50**
Stocks	**Notes 9.2 and 15**	**13,036,278.78**	**13,832,903.19**
Trade and other receivables		**10,833,377.45**	**11,907,729.61**
Customers for sales and services.	Notes 9.2 and 24.1	8,889,080.27	8,777,668.10
Sundry debtors	Note 9.2	82,758.61	126,847.64
Staff	Note 9.2	131,235.77	141,727.53
Current tax assets	Note 17	419,628.49	1,788,196.30
Other receivables from general government	Note 17	1,310,674.31	1,073,290.04
Short-term financial investments	**Note 9.2**	**61,445.87**	**23,382.62**
Short-term accruals		**227,219.77**	**472,076.15**
Cash and cash equivalents	**Note 9.1**	**1,665,829.46**	**2,520,837.93**
TOTAL ASSETS		**57,719,786.30**	**60,779,239.66**

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2023 AND AS AT 31 DECEMBER 2022
(Expressed in euro)

EQUITY AND LIABILITIES	Notes to the Annual Report	30/06/2023	31/12/2022
NET WORTH		**4,661,533.45**	**6,906,651.35**
Own funds		**4,818,783.86**	**7,034,559.90**
Capital	**Note 14.1**	**722,125.50**	**722,125.50**
Share premium	**Note 14.2**	**8,198,233.23**	**8,198,233.23**
Reserves and prior years' results	**Note 14.3**	**4,672,854.81**	**5,061,044.82**
Reserves in consolidated companies	**Note 14.4**	**-6,414,314.38**	**2,290,492.01**
(Treasury shares and shares of the Parent Company)	**Note 14.5**	**-302,031.00**	**-294,725.76**
Profit for the year attributable to the parent company	**Note 21**	**-2,058,084.30**	**-8,942,609.90**
Consolidated profit and loss		-2,118,726.21	-9,110,815.78
(Profit and loss attributable to minority interests)		60,641.91	168,205.88
Adjustments for changes in value		**612,649.98**	**581,349.94**
Grants, donations and legacies received	**Note 23**	**127,096.25**	**127,096.25**
External Partners	**Note 5**	**-896,996.64**	**-836,354.73**
NON-CURRENT LIABILITIES		**16,959,316.78**	**18,807,861.04**
Long-term provisions	**Note 22**	**76,904.36**	**82,333.67**
Long-term debts	**Note 10.1**	**16,499,713.14**	**18,326,249.67**
Amounts owed to credit institutions		12,014,428.37	12,809,947.18
Finance lease payables		1,216,983.92	1,488,770.57
Other financial liabilities		3,268,300.84	4,027,531.92
Deferred tax liabilities	**Note 17**	**382,699.29**	**399,277.70**
CURRENT LIABILITIES		**36,098,936.06**	**35,064,727.27**
Short-term debts	**Note 10.1**	**19,756,561.84**	**20,193,595.70**
Amounts owed to credit institutions		10,664,754.81	10,527,906.41
Finance lease payables		641,883.93	619,510.57
Other financial liabilities		8,449,923.09	9,046,178.71
Trade and other payables		**16,338,940.13**	**14,871,131.58**
Suppliers	Note 10.1	11,129,328.97	11,327,777.52
Sundry creditors	Note 10.1	1,316,846.45	1,236,196.08
Staff (outstanding salaries)	Note 10.1	2,224,396.61	1,083,125.18
Current tax liabilities	Note 17	1,281.99	-
Other debts to public administrations	Note 17	731,719.48	763,640.24
Customer advances	Note 10.1	935,366.63	460,392.55
Short-term accruals		**3,434.10**	**-**
TOTAL EQUITY AND LIABILITIES		**57,719,786.30**	**60,779,239.66**

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

RELATED PROFIT AND LOSS ACCOUNTS
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023 AND
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2022
(Expressed in euro)

PROFIT AND LOSS ACCOUNT	Notes to the Annual Report	30/06/2023	30/06/2022
Net turnover	**Note 26**	**28,460,607.25**	**29,061,187.57**
Net sales		25,956,217.16	25,693,031.61
Service provision		2,504,390.09	3,368,155.96
Change in stocks of finished goods and work in progress		**-83,505.06**	**-166,771.11**
Work carried out by the company on its fixed assets	**Notes 6 and 7**	**724,842.02**	**827,798.50**
Procurement	**Note 18.a**	**-11,914,955.61**	**-11,487,331.76**
Consumption of goods		-1,125,084.31	-1,049,976.24
Consumption of raw materials and other consumables		(10.310.804,17)	-10,310,804.17
Work carried out by other companies		-479,067.13	-548,575.25
Impairment of merchandise, raw materials and others procurement		-	-
Other operating income		**1,268.43**	**8,973.84**
Ancillary and other current revenues		1,268.43	8,973.84
Staff costs		**-10,302,504.78**	**-9,929,158.38**
Wages, salaries and similar		-8,055,434.36	-7,746,016.09
Social charges	Note 18.b	-2,247,070.42	-2,183,142.29
Other operating expenses		**-5,795,031.94**	**-5,978,856.15**
External services		-5,468,832.01	-5,820,374.42
Tributes		-243,395.69	-158,481.73
Losses, impairment losses and changes in provisions for commercial transactions		(82.804,23)	-82,804.23
Depreciation of fixed assets	**Notes 6 and 7**	**-2,692,084.38**	**-2,147,372.58**
Excess provisions		**-**	**7,470.82**
Impairment and gains/losses on disposal of fixed assets		**477,178.60**	**-261,175.61**
Impairments and losses		485,625.86	-
Gains/losses on disposals and other		-8,447.26	-261,175.61
Other results		**-3,396.35**	**-51,480.99**
OPERATING INCOME		**-1,127,581.82**	**-116,715.85**
Financial income		**532,589**	**436,124.56**
Financial expenses		**-1,303,298.00**	**-1,039,517.55**
Change in fair value of financial instruments		**-10,016.01**	**-**
Exchange rate differences		**3,292.30**	**-485,981.84**
Impairment and gains/losses on disposals of financial instruments		**-**	**-32,507.43**
FINANCIAL RESULT		**-1,304,695.82**	**-1,121,882.26**
PROFIT BEFORE TAX		**-2,432,277.64**	**-1,238,598.11**
Taxation of profits	**Note 17**	**313,551.43**	**-381,083.99**
CONSOLIDATED RESULT FOR THE YEAR		**-2,118,726.21**	**-1,619,682.10**
Profit attributable to minority interests	**Note 5**	**-60,641.91**	**-184,728.42**
PROFIT ATTRIBUTABLE TO THE PARENT COMPANY		**-2,058,084.30**	**-1,434,953.68**

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A) STATEMENT OF RECOGNISED INCOME AND EXPENDITURE CONSOLIDATED FOR THE SIX MONTHS ENDED 30 JUNE 2023 AND FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2022

(Expressed in euro)

	Notes to the Memory	2023	2022
RESULT OF THE ACCOUNT PROFIT AND LOSS ACCOUNT		**(2,118,726.21)**	**(1,619,682.10)**
Directly Charged Income and Expenditure to net worth:			
Conversion difference		31,300.04	116,970.87
TOTAL IMPUTED INCOME AND EXPENDITURE DIRECTLY IN EQUITY		**31,300.04**	**116,970.87**
Transfers to the profit and loss account:			
Grants, donations and legacies received (Note 23)		-	(55,062.00)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT		**-**	**(55,062.00)**
TOTAL RECOGNISED INCOME AND EXPENDITURE		**(2,087,426.17)**	**(1,557,773.23)**

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

RELATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023 AND FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2022

(Expressed in euro)

	Capital Deeded	Premium for Broadcast	Reserves and Prior Years' Results	Reservations consolidated	(Own equity shares)	Result for the year attributed to The Company Dominant	Adjustments for translation differences	Subsidies	Partners External	Total
BALANCES AS AT 1 JANUARY 2022	**618,787.60**	**3,134,676.13**	**5,859,978.63**	**3,749,803.89**	**-**	**-1,775,239.64**	**434,539,51**	**55,062.00**	**-555,418.40**	**11,522,189.72**
Total recognised income and expenses	**-**	**-**	**-**	**-**	**-**	**-1,434,953.68**	**116,970,86**	**-55,062.00**	**-184,728.41**	**-1,557,773.23**
Transactions with partners or owners	**103,337.90**	**5,063,557.10**	**-15,101.27**	**-**	**-304,000.00**	**-**	**-**	**-**	**-**	**4,847,793.73**
Capital increase	103,337.90	5,063,557.10	-	-		-	-	-	-	5,166,895.00
Treasury share transactions (net)	-	-	-15,101.27	-	-304,000.00	-	-	-	-	-319,101.27
Other changes in equity:	**-**	**-**	**-245,697.36**	**-1,463,959.47**	**-**	**1,775,239.64**	**-**	**-**	**-**	**65,582.81**
Distribution of previous year's results	-	-	-245,697.36	-1,529,542.27	-	1,775,239.64	-	-	-	-
Other variations	-	-	-	65,582.80	-	-	-	-	-	65,582.80
BALANCES AS AT 30 JUNE 2022	**722,125.50**	**8,198,233.23**	**5,599,180,00**	**2,285,844.42**	**-304,000.00**	**-1,434,953.68**	**551,510,37**	**-**	**-740,146.81**	**14,877,793.03**
BALANCES AS AT 1 JANUARY 2023	**722,125.50**	**8,198,233.23**	**5,061,044,82**	**2,290,492.01**	**-294,725.76**	**-8,942,609.89**	**581,349,94**	**127,096.25**	**-836,354.73**	**6,906,651.37**
Total recognised income and expenses						**-2,058,084.30**	**31,300,04**	**-**	**-60,641.91**	**-2,087,426.17**
Transactions with partners or owners	**-**	**-**	**-33,383.98**	**-**	**-7,305.24**	**-**	**-**	**-**	**-**	**-40,689.22**
Capital increases	-	-	-	-	-	-	-	-	-	-
Other transactions with partners or owners (own shares held)	-	-	-33,383.98	-	-7,305.24	-	-	-	-	-40,689.22
Other changes in equity:	**-**	**-**	**-354,806.02**	**-8,704,806.39**	**-**	**8,942,609.89**	**-**	**-**	**-**	**-117,002.52**
Distribution of previous year's results	-	-	-366,935.15	-8,575,674.74	-	8,942,609.89	-	-	-	-
Other variations	-	-	12,129.13	-129,131.65	-	-	-	-	-	-117,002.52
BALANCE AT THE END OF 2023	**722,125.50**	**8,198,233.23**	**4,672,854.81**	**-6,414,314.38**	**-302,031.00**	**-2,058,084.30**	**612,649.98**	**127,096.25**	**-896,996.64**	**4,661,533.45**

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

RELATED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023 AND TO THE FINANCIAL YEAR 2022

(Expressed in euro)

	2023 (6 months)	2022 (6 months)
CASH FLOWS FROM OPERATING ACTIVITIES	**3,268,515.57**	**-1,240,715.76**
Profit for the year before tax	**-2,432,277.64**	**-1,238,598.11**
Adjustments to the result	**3,473,250.26**	**9,810,577.02**
Depreciation of fixed assets	2,692,084.37	2,408,548.19
Valuation adjustments for impairment	-402,821.63	-147,023.22
Allocation of subsidies	-5,429.32	-55,062.00
Results of disposals and disposals of fixed assets	8,447.26	-
Financial income	-5,325.89	-436,124.56
Financial expenses	1,303,298.00	1,039,517.55
Other income and expenses	-117,002.53	-
Changes in working capital	**2,063,536.71**	**-1,992,866.72**
Stocks	801,693.09	-2,414,768.86
Debtors and other receivables	-511,077.62	-4,163,960.47
Other current assets	244,856.38	-414,700.58
Creditors and other accounts payable	1,524,630.77	4,971,434.10
Other current liabilities	3,434.10	29,129.09
Other cash flows from operating activities	**164,066.24**	**-819,106.89**
Interest payments	-1,303,298.00	-1,039,517.55
Charging interest	5,325.89	436,124.56
Income tax collections (payments)	1,461,978.35	-199,217.84
Other (payments)/collections	-	-16,496.06
CASH FLOWS FROM INVESTING ACTIVITIES	**-1,809,248.42**	**1,108,901.82**
Investment payments	**-1,839,815.31**	**-2,403,682.84**
Intangible assets	**-666,689.24**	-872,557.25
Tangible fixed assets	-1,133,910.87	-1,044,625.59
Other financial assets	-39,215.20	-486,500.00
Divestment proceeds	**30,566.88**	**3,512,584.66**
Intangible assets	10,411.07	-
Tangible fixed assets	20,155.81	-
Other financial assets	-	3,512,584.66
CASH FLOWS FROM FINANCING ACTIVITIES	**-231,427,562**	**2,883,940.56**
Proceeds from and payments for equity instruments	**-40,689.22**	**4,866,895.00**
Capital increases	-	5,166,895.00
Sale/(Acquisition) of own shares	-40,689.22	-300,000.00
Proceeds and payments for financial liability instruments	**-2,273,586.40**	**-1,982,954.44**
Broadcast	**760,839.00**	**1,500,000.00**
Amounts owed to credit institutions	760,839.00	-
Other debts	-	1,500,000.00
Repayment and amortisation of:	**-3,034,425.40**	**-3,482,954.44**
Amounts owed to credit institutions	-1,420,152.86	-550,900.34
Other debts	-1,614,272.54	-2,932,054.10
EFFECT OF EXCHANGE RATE CHANGES	**-**	**-**
NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS	**-855,008.48**	**2,752,126.62**
Cash or cash equivalents at beginning of the year	2,520,837.93	3,283,159.26
Cash or cash equivalents at year end	1,665,829.46	6,035,285.88

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CONSOLIDATED EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2023

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

a) Incorporation and registered office of the parent company

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

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

b) Activity of the Parent Company

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

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

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

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

c) Activity of Group companies

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

d) Legal Regime of the Parent Company

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

e) BME MTF Equity BME Growth segment listing

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

On 22 June 2022, the Board of Directors of Bolsas y Mercados Españoles, Sistemas de Negociación, S.A. approved the incorporation of 7,221,255 shares of 0.10 euro par value each into the BME Growth segment of BME MTF Equity with effect from 24 June 2022. The Parent Company appointed Norgestión, S.A. as Registered Advisor and GVC Gaesco Valores, S.V., S.A. as Liquidity Provider. On 28 February 2023, the Company's Registered Advisor was changed to VGM Advisory Partners, S.L.U.

The Board of Directors of the Parent Company prepared the Consolidated Financial Statements for the year ended 31 December 2022 on 27 April 2023. Subsequent to that date and as the auditors of the Parent Company and the Group did not issue the audit report of the Parent Company and the Consolidated Financial Statements of the Group before 30 April 2023, on 2 May 2023 BME Growth suspended the listing of the Company.

The Company re-published the restated Annual Accounts on 30 June 2023 and on 3 July, the BME agreed to lift the suspension of trading in Labiana Health shares.

NOTE 2. GROUP COMPANIES

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

a) Subsidiaries Included in the Consolidation Perimeter

Details of the subsidiaries included in the scope of consolidation for the six months ended 30 June 2023 using the full consolidation method are as follows:

	Percentage of Direct + Indirect Participation
Labiana Life Sciences, S.A.U.	100.00
Labiana Pharmaceuticals, S.LU.	100.00
Veterinarski zavod d.o.o. Subotica	100.00
Labiana México, S.A de C.V.	95.00
Zoleant ILAC	51.00
Ecuador-Labiana, S.A.	99.00
L.O. Vaccines, S.L.	100.00

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

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

The objects and registered offices of the investees included in the scope of consolidation at 30 June 2023 are as follows:

Labiana Life Sciences, S.A.U.

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

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).

Veterinarski zavod a.d., Subotica

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

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

Labiana de México, S.A. de C.V.

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

Zoleant ILAC

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

Ecuador - Labiana, S.A.

Its main activity consists of the manufacture, research and development, marketing, storage and packaging of animal pharmaceuticals. Its current registered office is in Ecuador. The financial year of the Parent and Subsidiaries begins on 1 January and ends on 31 December of each year.

The latest Annual Accounts prepared are for the financial year ended 31 December 2022.

b) Subsidiaries Excluded from the Consolidation Perimeter

At 30 June 2023, the Parent Company holds the following interests in subsidiaries, which have not been included in the scope of consolidation as the Parent Company's Board of Directors considers that, due to their size and very limited activity, they are currently irrelevant to the overall picture of the consolidated Group.

	Percentage of Participation
Labiana Development, S.L.U.	100.00
Trichome Pharma, S.L.	10.96
Aquilon CYL, S.L.	7.16

NOTE 3. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of Presentation

The accompanying interim consolidated financial statements at 30 June 2023 have been prepared on the basis of the accounting records of the various companies composing the Group, which are prepared in accordance with prevailing commercial legislation and the rules established in the Spanish General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, applying the amendments made thereto by Royal Decree 1159/2010, of 17 September, and Royal Decree 602/2016, of 2 December and Royal Decree 1/2022, of 12 January, in the case of Spanish companies, and in accordance with the regulations applicable in the other countries where the companies composing the Consolidated Group are located, of 2 December and Royal Decree 1/2022, of 12 January, in the case of Spanish companies, and in accordance with the regulations applicable in the other countries where the companies comprising the Consolidated Group are located, and are presented in accordance with the provisions of Royal Decree 1159/2010 of 17 September, in order to give a true and fair view of the consolidated equity, financial position and results, as well as the veracity of the flows included in the Consolidated Statement of Cash Flows.

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

b) Currency of presentation

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

c) Responsibility for Information and Estimates Made

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

Basically these estimates relate to:

- The assessment of possible impairment losses on certain assets.

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

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

- The assessment of activated development expenditure.

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

d) Critical Issues in Valuation and Uncertainty Estimation

At 30 June 2023, the Group had negative working capital of EUR 10,274,784.74 (negative EUR 6,307,797.77 at 31 December 2022). Its consolidated losses in the six-month period of 2023 amounted to EUR 2,118,726.21 (EUR 9,110,815.78 in the previous year).

Labiana has experienced cash flow tensions due to the high level of indebtedness of the companies that form part of the group and the increase in interest rates on the financial markets.

This situation shows the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

At the date of preparation of these consolidated interim financial statements, the management of the Parent Company and the Group, aware of this situation and in order to reverse the negative working capital to date, has entered into a financing agreement on 4 August 2023 with the investment financial institution, Miralta Finance Bank S.A., to obtain new financing formulas that will enable the Group to meet its present and future payment obligations, its investment needs and continue with the normal development of its activity. The details of the agreement are fully explained in the note on Subsequent Events.

This agreement has made it possible to cancel debts with third parties, both long and short term, in order to concentrate them in a single entity, facilitating normal day-to-day management, lengthening repayment periods and enabling it to meet all its obligations.

This contract will also allow us to recover our sales figures, as part of the turnover has been delayed due to the aforementioned cash flow tensions. This has meant a drop of 2.1% compared to the same half of the previous year. Thanks to the injection of liquidity, Labiana expects to obtain a turnover similar to that of the previous year.

The drop in turnover, together with the increase in the cost of materials, which could not be passed on in full directly to customers, meant that Labiana's EBITDA was €1.09m, which was not enough to achieve a positive result for the first half of the year.

Thanks to the new funding, Labiana expects to turn the situation around by optimising costs, recovering revenues and finding operational efficiencies.

In view of the above, the Board of Directors of the Company has decided to prepare these consolidated interim financial statements on a going concern basis.

Therefore, the Parent's Board of Directors considers that Labiana will be able to carry out its operations adequately for the remainder of the financial year 2023 and subsequent years.

e) Comparison of Information

In accordance with commercial legislation, the Board of Directors presents, for comparative purposes with each of the balance sheet items, in addition to the figures for the six months ended 30 June 2023, the figures for the previous year. It also presents, for comparative purposes with each of the items in the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement, in addition to the figures for the six months ended 30 June 2023, the figures for the six months ended 30 June 2022.

f) Changes in accounting policies

No changes in accounting policies have been made.

g) Fair value

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

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

a) The state of preservation and location, and

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

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

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

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

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

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

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

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

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

a) The traded goods or services are homogeneous.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 4. RECORDING AND VALUATION RULES

The main valuation standards used by the Group in preparing its consolidated interim financial statements as at 30 June 2023, in accordance with those established by the Spanish National Chart of Accounts, were as follows:

a) Intangible Fixed Assets

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

Research and Development Expenditure

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

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

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

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

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

Industrial Property

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

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

Goodwill

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

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

Computer Applications

Licences for software purchased from third parties or internally developed software are capitalised on the basis of the costs incurred in acquiring or developing the software and preparing it for use.

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

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

b) Property, plant and equipment

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

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

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

	Percentage Annual	Years of Life Useful Dear
Constructions	3	33.33
Technical installations	10	10
Machinery	10	10
Tooling	20	5
Other facilities	10	10
Furniture	10	10
Computer equipment	25	4
Transport elements	15	6.67
Other tangible fixed assets	20	5

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

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

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

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

c) Leases and Other Transactions of a Similar Nature

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

d) Financial Instruments

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

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

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

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

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

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

The Group has no financial liabilities at fair value.

Financial assets at amortised cost

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

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

They are included in this category:

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

b) Non-trade receivables: financial assets other than equity instruments and derivatives that are not of a commercial substance and whose proceeds are of a fixed or determinable amount.

Financial Assets at Fair Value Through Shareholders' Equity

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

Financial Assets at Cost

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

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

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

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

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

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

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

Financial Liabilities at Amortised Cost

They are included in this category:

a) Trade payables: these are financial liabilities arising from the purchase of goods and services for business transactions with deferred payment,

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

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

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

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

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

As indicated in note 13.1) the main credit risk arises from trade receivables, and potential impairment losses are estimated on a customer-by-customer basis. The amount of the allowance is the difference between the carrying amount of the asset and the present value of the estimated cash flows.

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

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

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

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

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

Own Equity Instruments

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

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

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

Derecognition of Financial Assets

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

Derecognition of Financial Liabilities

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

Interest and Dividends Received on Financial Assets

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

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

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

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

Bonds Delivered and Received

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

(e) Stocks

Inventories are initially measured at acquisition or production cost.

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

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

Advances on account of inventories are valued at cost.

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

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

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

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

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

f) Foreign Currency Transactions

Transactions in foreign currencies are recorded in the accounts at their equivalent value in euro, using the exchange rates prevailing at the dates of the transactions.

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

g) Income tax

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

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

The current tax amount is the amount payable by companies because of tax assessments.

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

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

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

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

h) Revenue

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

Revenue recognition for sales and services rendered.

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

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

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

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

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

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

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

e) Recognise revenue when (as) the enterprise fulfils a committed obligation by transferring a good or providing a service; fulfilment occurs when the customer obtains control of that good or service, so that the amount of revenue recognised is the amount allocated to the contractual obligation satisfied.

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

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

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

Fulfilment of the obligation over time

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

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

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

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

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

Fulfilment of the obligation at a given point in time

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

a) The customer assumes the significant risks and rewards of ownership of the asset. In assessing this, the Group excludes any risk that gives rise to a separate obligation, other than a commitment to transfer the asset.
b) The Group has transferred physical possession of the asset.
c) The customer has received the asset in accordance with the contractual specifications.
d) The Group has a receivable for transferring the asset.
e) The customer has ownership of the asset.

Valuation

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

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

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

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

i) Provisions and Contingencies

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

j) Environmental Heritage Features

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

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

k) Long-term employee benefit liabilities

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

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

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

l) Grants, Donations and Legacies

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

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

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

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

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

m) Related Party Transactions

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

NOTE 5. EXTERNAL PARTNERS

Details of the value of minority interests in the equity of consolidated subsidiaries as at 30 June 2023 are as follows, in euros:

Dependent Company	Percentage Shareholding Partners Minority	Minority interest in shareholders' equity	Minority interest in results	Total External Partners
Zoleant ILAC	49%	836.354,73	60,641.91	896,996.64

NOTE 6. INTANGIBLE FIXED ASSETS

Details of and movement in intangible assets during the six months ended 30 June 2023 are as follows, in euros:

	31/12/2022	Altas	Casualties	Transfers	Adjustments for translation differences	31/06/2023
Cost:						
Development Expenditure	19,214,020.95	590,560.17	-11,184.21	-147,332.07	306.06	19,646,370.89
Industrial property	1,343,090.98	29,459.16	-	-	1,431.72	1,373,981.86
Computer applications	2,534,156.80	46,669.91	-1,811.47	61,316.62	20.41	2,640,352.27
Goodwill	1,702,898.87	-	-	-	1,027.25	1,703,926.12
Other Fixed Assets	94,081.33	-	-	86,015.45	-	180,096.78
	24,888,248.93	**666,689.24**	**-12,995.68**	**-**	**2,785.44**	**25,544,727.93**
Accumulated Depreciation:						
Development Expenditure	-7,463,720.37	-1,261,006.12	-	-	-	-8,724,726.49
Industrial property	-1,078,101.62	-39,402.31	-	-	-1,299.59	-1,118,803.52
Goodwill	-593,764.81	-	-	-	-356.64	-594,121.45
Computer applications	-2,094,869.83	-92,632.17	1,811.42	-	-16.38	-2,185,706.96
	-11,230,456.63	**-1,393,040.60**	**1,811.42**	**-**	**-1,672.61**	**-12,623,358.42**
Deteriorations:						
Development Expenditure	-3,481,906.70	-	485,625.86	-	-	-2,996,280.84
Computer applications	-22,261.94	-	-	-	-	-22,261.94
Goodwill	-1,109,134.06	-	-	-	-670.61	-1,109,804.67
	-4,613,302.70	**-**	**485,625.86**	**-**	**-670.61**	**-4,128,347.45**
Fixed assets Intangible, Net	**9,044,489.60**	**-726,351.36**	**-474,441.62**	**-**	**442.22**	**8,793,022.06**

The detail and movement of intangible assets during the year 2022, in euros, was as follows:

	31/12/2021	Altas	Casualties	Transfers	Adjustments for translation differences	31/12/2022
Cost:						
Development Expenditure	17,152,362.87	2,402,671.46	-259,011.59	-71,697.11	-10,304.68	19,214,020.95
Industrial property	1,064,548.06	205,410.76	-	71,697.11	1,435.05	1,343,090.98
Computer applications	2,455,733.01	62,727.28	-	3,991.00	11,705.51	2,534,156.80
Goodwill	1,700,781.30	-	-	-	2,117.57	1,702,898.87
Other Fixed Assets	98,072.33	-	-	-3,991.00	-	94,081.33
	22,471,497.57	**2,670,809.50**	**-259,011.59**	**-**	**4,953.45**	**24,888,248.93**
Accumulated Depreciation:						
Development Expenditure	-5,953,957.12	-1,941,871.39	-	428,707.60	3,400.55	-7,463,720.36
Industrial property	-834,440.23	-241,145.43	-	-	-2,515.96	-1,078,101.62
Goodwill	-423,686.68	-167,960.56	-	-	-2,117.57	-593,764.81
Computer applications	-1,908,097.96	-182,674.69	-	-	-4,097.18	-2,094,869.83
	-9,120,181.99	**-2,533,652.07**	**-**	**428,707.60**	**-5,330.16**	**-11,230,456.62**
Deteriorations:						
Development Expenditure	-592,946.52	-2,460,252.59	-	-428,707.60	-	-3,481,906.71
Computer applications	-22,261.94	-	-	-	-	-22,261.94
Goodwill	-	-1,109,134.06	-	-	-	-1,109,134.06
	-615,208.46	**-3,569,386.65**	**-**	**-428,707.60**	**-**	**-4,613,302.71**
Fixed assets Intangible, Net	**12,736,107.12**	**-3,432,229.22**	**-259,011.59**	**-**	**-376.71**	**9,044,489.60**

Significant Projects Activated During the Year

Fosfomycin

During the past year, work has been carried out on a new manufacturing process for the active ingredient Fosfomycin Trometamol in order to obtain a more efficient process. During 2023, the new CEP of the molecule was obtained. Over the next few years, we will be working on the implementation of this new API in the respective finished products of the different customers.

36,439 in this project (73,083 euros in the previous year).

Diabetes Medicines Project.

This is a medicine for the treatment of type II diabetes mellitus. It reduces blood glucose levels by stimulating its renal elimination.

The generic of both doses is being developed, being qualitatively and quantitatively the same as the reference product except for the coating. The fact of developing the product with a different coating and following the recommendations of the EMA is an added value compared to potential competitors and an attractive element for potential customers. The validation batches of the product will be manufactured at the end of 2023, so that the dossier will be ready to be sent for evaluation by the regulatory agencies in September 2024, when there will be six months of stability of the manufactured product.

In this financial year the Company has activated a total of 50,921 euros in this project (28,871 euros in the previous year).

Gastrointestinal Medicinal Product Project

It is a drug indicated for the treatment of acromegaly and gastrointestinal tumours. There are different doses of the reference product on the market, but after a market study, it was decided to develop doses of 0.1 and 0.5 mg/mL. It is a sterile liquid dosage formulation in ampoules. The developed formulation is qualitatively and quantitatively the same as the reference product.

All analytical validations of the product have been completed and the process qualification batches are currently being produced in order to send the dossier for evaluation by regulatory agencies before the summer of 2024.

In this financial year, the Society has activated a total of 44,105 euros in this project (35,419 euros in the previous year).

Biological Product Project

The project consists of developing a new biological drug to treat a disease that mainly affects dogs and has been approved by the Ministry of Science and Innovation thanks to a CDTI (Centre for the Development of Industrial Technology) grant.

A *Scientific Advice* has been submitted to the EMA and work is currently underway to characterise the quality of the active substance. Preclinical studies are expected to start in 2024.

In 2022, a part of the investment was impaired in the amount of €485,625.86 since the cycle analysed was shorter than the time required for a pure R&D project to be profitable. With the entry of the CDTI and its funding, the return on investment times have decreased and for this reason, the impairment has been reversed in the first half of 2023.

117,818 in this project (59,952 euros in the previous year).

Project Nonsteroidal anti-inflammatory drug product

The project consists of the development of a non-steroidal anti-inflammatory drug for equine and bovine animals that incorporates a higher concentration of active ingredient than is currently available on the market.

We already have a stable formulation and analytical methods developed and validated. We are currently conducting the preclinical efficacy study in the target species.

In this financial year, the Company has activated a total of 91,914 euros in this project (26,525 euros in the previous year).

Fully Depreciated and in Use Elements

The breakdown, by heading, of the most significant assets which, as at 30 June 2023 and 31 December 2022, are fully depreciated and in use, is shown below, with an indication of their cost value, in euros:

	30/06/2023	31/12/2022
Development	3,397,356.57	3,397,356.57
Industrial property	69,796.95	67,708.18
Computer applications	1,588,297.26	1,607,431.47
Total	**5,055,450.78**	**5,072,496.22**

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Details and movement in property, plant and equipment during the six months ended 30 June 2023 are as follows, in euros:

	31/12/2022	Altas	Casualties	Transfers	Adjustments for differences conversion	30/06/2023
Cost:						
Land and natural assets	1,016,312.81	-	-		-453.62	1,015,859.19
Constructions	6,509,842.87	13,085.59	-	48,346.04	-2,424.50	6,568,850.00
Technical installations and machinery	27,635,928.74	541,608.28	-9,819.00	119,685.75	-2,793.36	28,284,610.41
Other fixtures, fittings and furnishings	3,102,316.02	48,706.56	-		-4.92	3,151,017.66
Information processing equipment	1,228,640.42	11,886.54	-		-47.35	1,240,479.61
Transport elements	324,816.13	50,541.25	-27,007.57		-59.3	348,290.51
Other tangible fixed assets, advances and work in progress	2,450,077.82	468,082.65	-20,146	-168,031.79	-	2,729,982.68
	42,267,934.81	**1,133,910.87**	**-56,972.57**		**-5,783.05**	**43,339,090.06**
Accumulated Depreciation:						
Constructions	-1,985,578.19	-111,080.69	-		-203.06	-2,096,861.94
Technical installations and machinery	-15,507,300.84	-925,813.80	-		-197.08	-16,427,981.41
Other fixtures, fittings and furnishings	-2,235,424.81	-112,867.78	5,330.31		-0.35	-2,348,292.94
Information processing equipment	-1,059,675.06	-60,886.26	-		-3.34	-1,120,564.66
Transport elements	-225,112.37	-41,799.60	23,039.19		-4.18	-243,876.96
Other tangible fixed assets, advances and work in progress	-169,501.66	-46,595.64	-		-	-216,097.30
	-21,182,592.93	**-1,299,043.78**	**28,369.50**		**-408.01**	**-22,453,675.22**
Deterioration:						
Technical installations and machinery	-411,244.64	-	-		-	-411,244.64
Other fixtures, fittings and furnishings	-32,798.86	-	-		-	-32,798.86
Information processing equipment	-4,831.15	-	-		-	-4,831.15
	-448,874.65	**-**	**-**		**-**	**-448,874.65**
Property, plant and equipment, net	**20,636,467.23**	**-165,132.91**	**-28,603.07**		**-6,191.06**	**20,436,540.18**

Details and movement in property, plant and equipment during the year 2022 were as follows, in euros:

	31/12/2021	Altas	Casualties	Adjustments for differences conversion	31/12/2022
Cost:					
Land and natural assets	1,014,378.17	-	-	1,934.64	1,016,312.81
Constructions	6,425,273.66	79,625.12	-	4,944.09	6,509,842.87
Technical installations and machinery	26,635,358.67	995,349.29	-401.56	5,622.34	27,635,928.74
Other fixtures, fittings and furnishings	2,924,565.39	177,655.17	-	95.46	3,102,316.02
Information processing equipment	1,124,975.38	103,543.05	-	121.99	1,228,640.42
Transport elements	245,515.49	140,248.27	-61,454.42	506.79	324,816.13
Other tangible fixed assets, advances and work in progress	1,149,210.95	1,285,572.87	-	15,294.00	2,450,077.82
	39,519,277.71	**2,781,993.77**	**-61,855.98**	**28,519.31**	**42,267,934.81**
Accumulated Depreciation:					
Constructions	-1,799,525.42	-185,625.57	-	-427.2	-1,985,578.19
Technical installations and machinery	-13,670,970.34	-1,835,011.36	-	-1,319.14	-15,507,300.84
Other fixtures, fittings and furnishings	-2,055,348.04	-180,052.41	-	-24.36	-2,235,424.81
Information processing equipment	-949,334.33	-110,340.73	-	-	-1,059,675.06
Transport elements	-176,848.38	-91,638.11	43,419.56	-45.44	-225,112.37
Other tangible fixed assets, advances and work in progress	-36,696.81	-132,688.22	-	-116.63	-169,501.66
	-18,688,723.32	**-2,535,356.40**	**43,419.56**	**-1,932.77**	**-21,182,592.93**
Deterioration:					
Technical installations and machinery	-411,244.64	-	-	-	-411,244.64
Other fixtures, fittings and furnishings	-32,798.86	-	-	-	-32,798.86
Information processing equipment	-4,831.15	-	-	-	-4,831.15
	-448,874.65	**-**	**-**	**-**	**-448,874.65**
Property, plant and equipment, net	**20,381,679.74**	**246,637.37**	**-18,436.42**	**26,586.54**	**20,636,467.23**

Of the additions for the six-month period ending 30 June 2023, a total of EUR 94,589.24 relates to facility improvement work carried out by Group employees (EUR 657,877.96 in 2022).

Fully Depreciated and in Use Items

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

	30/06/2023	**31/12/2022**
Constructions	486,375.35	486,375.35
Technical installations	4,303,595.16	4,228,849.57
Machinery	3,317,005.43	3,198,138.02
Tooling	1,199,046.78	1,189,246.78
Furniture	470,213.20	468,753.19
Information processing equipment and other facilities	1,112,357.44	1,085,046.92
Transport elements	89,590.80	87,890.70
Other tangible fixed assets	81,745.76	31,153.85
Total	**11,059,929.92**	**10,775,454.38**

Assets Subject to Guarantees

There are three properties owned by three of the subsidiaries, one located in Terrassa, one located in Corbera de Llobregat and one in Subotica, with a book value of 7,967,121.20 euros at 30 June 2023 (8,015,727.81 euros in the previous year), and which are subject to mortgage guarantees.

Other information

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

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

Finance Leases

1,501,863.80 euros (2,494,517.61 euros in the previous year) are held under finance leases.

NOTE 8. LEASES AND SIMILAR TRANSACTIONS

8.1) Operating Leases

The charge to income for the six months ended 30 June 2023 for operating leases amounted to EUR 536,865.26 (EUR 1,198,438.95 in 2022).

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

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

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

	30/06/2023	**31/12/2022**
Up to one year	538.754,41	569.696,89
Between one and five years	1.956.158,67	1.949.398,05
	2.494.913,08	**2.519.094,94**

8.2) Finance Leases

As at 30 June 2023 and 31 December 2022, the Group has the following assets financed through finance leases, in euros:

	30/06/2023		**31/12/2022**	
	Amount of the Initial Recognition	**Value Option of Purchase**	**Amount of the Initial Recognition**	**Value Option of Purchase**
Vehicles	316,786.67	39,233.70	316,786.67	39,233.70
Machinery	3,338,790.00	37,320.00	3,338,790.00	37,320.00
Total	**3,655,576.67**	**76,553.70**	**3,655,576.67**	**76,553.70**

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

	30/06/2023	**31/12/2022**
Minimum future payments	**1,876,305.85**	**2,347,736.74**
(-) Unearned financial expenses	-174,416.05	-238,268.72
Value of the call option	-	-41,661.18
Present value at year-end	**1,701,889.80**	**2,067,806.84**

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

	Minimum Payments 30/06/2023	**Present Value 30/06/2023**	**Minimum Payments 31/12/2022**	**Present Value 31/12/2022**

Up to one year	543,364.63	445,647.50	548.242.19	619.359.08
Between one and five years	1,275,590.91	1,218,892.00	1.572.584.47	1.488.505.23
	1,818,955.54	**1,694,539.50**	**2.120.826.66**	**2.107.864.31**

NOTE 9. FINANCIAL ASSETS

Details of long-term financial assets as at 30 June 2023 and 31 December 2022 are as follows, in euros:

	Equity Instruments 30/06/2023	Instruments of Equity 31/12/2022	Appropriations and Other Financial Assets 30/06/2023	Appropriations and Other Financial Assets 31/12/2022
Financial assets at cost amortised (Note 9.2)	**-**	**-**	**661,630.54**	**776,016.42**
Financial assets at cost (Notes 9.3 and 12)	**767,461.36**	**641,907.53**	**-**	**-**
Total	**767,461.36**	**641,907.53**	**661,630.54**	**776,016.42**

Details of short-term financial assets as at 30 June 2023 and 31 December 2022 are as follows, in euros:

	Loans and Other Financial Assets	
	30/06/2023	31/12/2022
Cash and other assets equivalent liquids (Note 9.1)	**1,665,829.46**	**2,520,837.93**
Financial assets at cost amortised (Note 9.2)	**10,042,591.43**	**10,070,489.76**
Total	**11,708,420.89**	**12,591,327.69**

9.1) Cash and Cash Equivalents

Details of these assets as at 30 June 2023 and 31 December 2022 are as follows, in euros:

	30/06/2023 Euros	31/12/2022 Euros
Current accounts	10,088.40	2,509,069.99
Box	1,655,741.06	11,767.94
Total	**1,665,829.46**	**2,520,837.93**

9.2) Financial Assets at Amortised Cost

The composition of this heading as at 30 June 2023 and 31 December 2022 is as follows, in euros:

	Balance at 30/06/2023 Long-term	Balance at 30/06/2023 Short Term	Balance at 31/12/2022 Long-term	Balance at 31/12/2022 Short Term
Appropriations for commercial transactions				
Third-party customers	-	8,889,080.27	-	8,777,668.10
Sundry debtors	-	82,758.61	-	126,847.64
Advance payment from suppliers	-	878,070.91	-	1,000,863.87
Total appropriations for commercial transactions	**-**	**9,849,909.79**	**-**	**9,905,379.61**
Appropriations for non-trading operations				
Credits with third parties	-	33,270.09	-	2,350.94
Related party receivables (Note 24.1)	345,000.00	5,938.36	370,000.00	11,934.25
Bonds and deposits	269,795.69	22,237.42	362,016.42	9,097.43
Staff	46,834.85	131,235.77	44,000.00	141,727.53
Total appropriations for non-trading operations	**661,630.54**	**192,681.64**	**776,016.42**	**165,110.15**
Total	**661,630.54**	**10,042,591.43**	**776,016.42**	**10,070,489.76**

When Labiana Health was listed on BME Growth, it transferred to its liquidity provider, GVC Gaesco, the amount of €300,000 as a deposit to manage the purchase and sale of the company's own shares. At the date of preparation of these consolidated financial statements, the amount of this deposit was €147,212.64.

9.3) Financial Assets at Cost

On 31 December, the Group held long-term investments in equity instruments in various companies, the breakdown and information on which is detailed in Note 12.

9.4) Other information on financial assets

Except for loans to Group companies, guarantees and deposits and loans to personnel, which have maturities of more than 5 years, the Group's financial assets have maturities of less than one year at year-end.

At 30 June 2023, trade and other receivables included impairments caused by bad debt risks, as detailed below, in euro:

Deteriorations	Balance at 31/12/2022	Impairment Loss Allowance	Outputs and Reductions	Balance at 30/06/2023
Clients	(271,010.18)	51,916.42	-	(219,093.76)

At 31 December 2022, trade and other receivables included impairments caused by bad debt risks, as detailed below, in euro:

Deteriorations	Balance at 31/12/2021	Impairment Loss Allowance	Exits and Reductions	Balance at 31/12/2022
Clients	(185,310.24)	(85,699.94)	-	(271,010.18)

Details of the ageing of financial assets and their impairment at 30 June 2023 are shown below:

	Unexpired	Expired until 180 days	More from 180 days	Balance at 30/06/2023
Third-party customers	6,836,297.37	1,828,331.50	443,545.16	9,108,174.03
Impaired balance	-	-	-219,093.76	-219,093.76
Net balance	**6,836,297.37**	**1,828,331.50**	**224,451.40**	**8,889,080.27**

Details of the ageing of financial assets and their impairment at the end of 2022 are shown below:

	Unexpired	Expired until 180 days	More from 180 days	Balance at 31/12/2022
Third-party customers	6,248,173.01	2,334,391.33	466,113.94	9,048,678.28
Impaired balance	-8,263.68	-24,148.23	-238,598.27	-271,010.18
Net balance	**6,239,909.33**	**2,310,243.10**	**227,515.67**	**8,777,668.10**

NOTE 10. FINANCIAL LIABILITIES

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

	Debts owed to Entities of Credit		Other Liabilities		Total	
	30/06/2023	**31/12/2022**	**30/06/2023**	**31/12/2022**	**30/06/2023**	**31/12/2022**
Financial liabilities at amortised cost (Note 10.1)	12,014,428.37	12,809,947.18	4,485,284.76	5,516,302.49	16,499,713.14	18,326,249.67

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

	Debts owed to Entities of Credit		Other Liabilities		Total	
	30/06/2023	**31/12/2022**	**30/06/2023**	**31/12/2022**	**30/06/2023**	**31/12/2022**
Financial liabilities at amortised cost (Note 10.1)	10,664,754.81	10,527,906.41	24,699,027.68	23,773,180.63	35,363,782.49	34,301,087.03

10.1) Financial Liabilities at Amortised Cost

Details as at 30 June 2023 and 31 December 2022 are as follows, in euros:

	Balances at 30/06/2023		Balances at 31/12/2022	
	Long-term	**Short Term**	**Long-term**	**Short Term**
For commercial operations:				
Suppliers	-	11,129,328.97	-	11,327,777.52
Sundry creditors	-	1,316,846.45	-	1,236,196.08
Customer advances	-	935,366.63	-	460,392.55
Total trade balances	**-**	**13,381,542.05**	**-**	**13,024,366.15**
For non-commercial operations:				
Amounts owed to credit institutions (Note 10.1.1)	12,014,428.37	10,664,754.81	12,809,947.18	10,527,906.42
Lease creditors financial (Note 10.1.1)	1,216,983.92	641,883.93	1,488,770.57	619,510.57
Other financial liabilities (Note 10.1.2)	3,268,300.85	8,195,473.10	4,027,531.92	8,946,178.71
Financial debt with related parties (Note 24.1)	-	254,450.00	-	100,000.00
Loans and other debts	**16,499,713.14**	**19,756,561.84**	**18,326,249.67**	**20,193,595.70**
Staff (outstanding salaries)	-	2,224,396.61	-	1,083,125.18
	-	1,281.99	-	-
Total balances for non-trade operations	**16,499,713.14**	**21,982,240.44**	**18,326,249.67**	**21,276,720.88**
Total payables and payables	**16,499,713.14**	**35,363,782.49**	**18,326,249.67**	**34,301,087.04**

10.1.1) Amounts owed to credit institutions

The summary of bank borrowings as at 30 June 2023 is shown below, in euros:

	Short Term	Long-term	Total
Loans	6,947,706.63	12,014,428.37	18,962,135.00
Credit policies	3,692,410.30	-	3,692,410.30
Discounted bills	24,637.88	-	24,637.88
Confirming lines	-	-	-
Financial leasing	641,883.93	1,216,983.92	1,858,867.85
Total	**11,306,638.74**	**13,231,412.30**	**24,538,051.04**

The summary of bank borrowings as at 31 December 2022 is shown below, in euros:

	Short Term	Long-term	Total
Loans	2,965,015.66	12,809,947.18	15,774,962.84
Credit policies	4,979,285.89	-	4,979,285.89
Discounted effects	35,237.15	-	35,237.15
Confirming lines	2,548,367.70	-	2,548,367.70
Financial leasing	619,510.57	1,488,770.57	2,108,281.14
Total	**11,147,416.97**	**14,298,717.75**	**25,446,134.72**

Loans

Mortgage Loan

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

Loan Procurement

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

CaixaBank Loan

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

ICO loans

During April 2020, the Group signed six loan contracts with various financial institutions for a total amount of Euros 4,750 thousand, all with a term of five years and a grace period of twelve months and an interest rate of between Euribor +1.5% and 2.25% per annum fixed for the life of the loan, depending on the financial institution. These three loans are included in Royal Decree Law 8/2020, on extraordinary urgent measures to address the economic and social impact of COVID-19, through which they are backed by a state guarantee.

AIK Loan

On 18 October 2019, the Serbian subsidiary Veterinarski zavod d.o.o. Subotica entered into a loan agreement with AIK Bank a.d. Beograd in the amount of 793 million Serbian dinars (EUR 6.7 million in exchange for 30 June 2023) with an interest rate of 2.25%, 24 months grace period and 84 instalments. Beograd in the amount of 793 million Serbian dinars (EUR 6.7 million at 30 June 2023) with an interest rate of 2.25%, a 24-month grace period and 84 monthly repayments of half of the nominal amount and a final bullet of 50% at maturity on 18 September 2028. At the date of authorisation for issue of these annual accounts, a total of 6.6 million euros is being amortised and remains to be amortised.

Credit Policies

At 30 June 2023, the Group has credit facilities granted with a total limit amounting to EUR 5,750,000 (EUR 5,750,000 in 2022), the amount drawn down on these facilities at that date totalling EUR 3,619,971.75 (EUR 4,979,285.90 in 2022).

Discount lines

On 30 June 2023, the Group has contracted bill discounting facilities with a total limit of EUR 1,050,000 (EUR 1,050,000 in 2022) of which a total of EUR 24,637.88 (EUR 35,237.15 in 2022) has been drawn down.

Confirming lines

At 30 June 2023, the Group has contracted confirming lines with a total limit of 3,365,000 euros (3,500,000 euros in 2022) of which a total of 3,772,662.42 euros has been drawn down (2,548,368 euros in 2022), with authorisation from the banks where excess funds have been drawn down (Caixabank and BBVA).

10.1.2) Other Financial Liabilities

The composition of "other financial liabilities" as at 30 June 2023 is as follows, in euros:

	A Corto Deadline	A Long Deadline	Total
Finance your Business Plan	0.00	60,000.00	60,000.00
Ministry of Industry Loan	504,485.43	2,017,941.74	2,522,427.17
CDTI Loan	201,414.00	1,190,359.10	1,391,773.10
Be Spoke Loan	2,668,278.99	0.00	2,668,278.99
Loan October Spain	270,071.66	0.00	270,071.66
Bravo Capital Loan	963,000.00	0.00	963,000.00
Finalbion Loan	583,333.34	0.00	583,333.34
Bravo Capital II Loan	3,000,000.00	0.00	3,000,000.00
Interest and outstanding items	259,339.67	0.00	77,008.63
Total	**8,449,923.09**	**3,268,300.84**	**11,535,892.89**

The composition of "other financial liabilities" at year-end 2022 is as follows, in euros:

	A Corto Deadline	A Long Deadline	Total
Finance your Business Plan	-	60,000.00	60,000.00
Ministry of Industry Loan	504,485.43	2,522,427.14	3,026,912.57
CDTI Loan	197,548.62	1,043,854.75	1,073,047.74
Be Spoke Loan	2,768,278.99	-	2,768,278.99
Loan October Spain	518,816.83	0.03	518,816.86
Bravo Capital Loan	963,000.00	401,250.00	1,364,250.00
Finalbion Loan	999,999.99	-	999,999.99
Bravo Capital II Loan	3,000,000.00	-	3,000,000.00
Interest and outstanding items	-5,951.15	-	-5,951.15
Total	**8,946,178.71**	**4,027,531.92**	**12,973,710.63**

Finance Your Business Plan

During 2012, one of the Group's companies implemented a financing plan offered to both employees and third parties to obtain the necessary resources to carry out new investments in equipment improvements. The loan contracts signed in the context of this plan bear interest at between 7% and 10% per annum, payable half-yearly, and mature in 2017. As of 31 December 2018, this maturity had been extended to July 2020. On or before the maturity date, under certain conditions, the creditor may request early repayment of the loan or conversion of the loan into shares. On 2 December 2019, a new maturity date of July 2023 was set.

Ministry of Industry Loan - Reindus

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

CDTI Loan

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

CDTI Loan

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

Be Spoke Loan

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

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

This loan started to be repaid in 2022.

Loan October Spain

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

Bravo Capital Loan (Gedesco Innovfin)

On 26 May 2022, one of the Group companies entered into a loan agreement with Gedesco Innovfin, S.L. for a total amount of Euros 1,926 thousand. The interest rate is set at 1-month Euribor plus a spread of 4.361% and monthly settlements in 36 monthly instalments with a 12-month grace period. This loan is backed by the InnovFin SME Guarantee Facility, with financial support from the European Union under the Horizon 2020 Financial Instruments and the European Fund for Strategic Investments (EFSI) established under the Investment Plan for Europe. The effectiveness of this loan is conditional upon the subscription with Gedesco Factoring, S.L.U., of a contract for the assignment of receivables from Boehringer Ingelheim Vetmedica GmbH, accrued but pending maturity and/or payment of at least the monthly repayments of the reference loan.

Bravo Capital Loan (Gedesco Innovfin)

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

Finalbion Loan

On 26 June 2023 one of the Group companies signed a loan agreement with Finalbion, S.L.U. for a total amount of Euros 1,500 thousand. The loan matures in one and a half years and bears interest at 5.5%.

10.2) Other Information Relating to Financial Liabilities

Maturities of Long-Term Debt

Details of maturities of long-term debts under the headings "Bank borrowings", "Finance lease payables" and "Other financial liabilities" at 30 June 2023 are as follows, in euros:

Expiration	30/06/2023
2024	2,758,553.59
2025	3,823,429.10
2026	6,305,004.65
2027	1,835,206.59
Rest	1,777,519.21
Total	**16,499,713.14**

Details of the maturities of long-term debts under the headings "Bank borrowings", "Finance lease payables" and "Other financial liabilities" at 31 December 2022 are as follows, in euros:

Expiration	31/12/2022
2024	4,585,090.12
2025	3,823,429.10
2026	6,305,004.65
2027	1,835,206.59
Rest	1,777,519.21
Total	**18,326,249.67**

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

Pursuant to the second final provision of Law 31/2015, of 3 December, which amends the Capital Companies Act to improve corporate governance, it amends the third additional provision of Law 15/2010, of 5 July, amending Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, and with respect to the Resolution of 29 January 2018 of the Spanish Accounting and Audit Institute (Instituto de Contabilidad y Auditoría de Cuentas) on the information to be included in the explanatory notes to the consolidated interim financial statements in relation to said Law, the information is as follows for the six-month period ending 30 June 2023 and for the financial year 2022:

	Financial year 2023 (6 months)	Financial year 2022 (12 months)
Average supplier payment period	49.23	82.09
Ratio of paid transactions	46.72	69.76
Ratio of transactions outstanding	53.22	70.31
	Euros	**Euros**
Total payments made	20,098,392.20	47,655,939.98
Total outstanding payments	9,176,309.58	7,540,664.28

Information on invoices paid in a period shorter than the maximum period established in the late payment regulations is as follows:

	Financial year 2023 (6 months) Amount	Financial year 2022 (12 months) Amount
Monetary Volume Paid	14,450,680.54	19,085,333.27
% of total payments made	78.34%	47.89%
Number of invoices	4,145	4,689
% of total invoices	77.45%	59.97%

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

The holdings held at 30 June 2023 in Group companies, associates and other non-consolidated related companies correspond, in euros, to:

Society	% Shareholding Direct	Cost	Corrections Valorative	Net Value at 30/06/2023
Aquilon CYL, S.L.	7.16	385,358.71	-	385,358.71
Trichome Pharma, S.L.	10.96	237,186.00	-	237,186.00
Labiana Development, S.L.U.	100	54,506.08	-45,469.27	9,036.81
The Sampling Solutions	2.05	50,000.00	-	50,000.00

At 30 June 2023, the Group also has a financial investment in Iberaval amounting to EUR 29,970.

In addition, at 31 December 2022 and 30 June 2023, the Group has registered two investments in shares in Ercros and Reig Jofre amounting to 4,600 and 1,092.01 euros respectively.

The holdings held at 31 December 2022 in Group companies, associates and other non-consolidated related companies corresponded, in euros, to:

Society	% Shareholding Direct	Cost	Corrections Valorative	Net Value at 31/12/2022
Aquilon CYL, S.L.	7.16	385,358.71	-	385,358.71
Trichome Pharma, S.L.	10.96	161,850.00	-	161,850.00
Labiana Development, S.L.U.	100	54,506.08	-45,469.27	9,036.81
The Sampling Solutions	2.05	50,000.00	-	50,000.00

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

The summary of shareholders' equity as at 30 June 2023 according to their unaudited interim financial statements of the investees is as follows, in euros:

Society	Date of Balance	Capital Social	Reservations and Others	Subsidies	Result for the year	Total Own Funds
Aquilon CYL, S.L.	30/06/2023	11,647	920,056.82	-	-212,613.47	719,090.35
Trichome Pharma, S.L.	30/06/2023	5,118	549,488.28	-	-170,541.23	384,065.05
The Sampling Solutions	30/06/2023	48,624.07	464,847.97	17,142.12	-235,362.92	278,109.12
Labiana Development, S.L.U.	30/06/2023	54,507.08	-12,182.33	-	-	42,324.75

The summary of shareholders' equity as at 31 December 2022 according to their unaudited interim financial statements of the investees is as follows, in euros:

Society	Date of Balance	Capital Social	Reservations and Others	Subsidies	Result for the year	Total Own Funds
Aquilon CYL, S.L.	31/12/2022	11,647.00	1,300,253.11	282,812.84	-493,459.58	1,101,253.37
Trichome Pharma	31/12/2022	4,711.00	711,445.04	-	-371,561.76	384,065.05
The Sampling Solutions, S.L.	31/12/2022	48,624.07	774,912.60	-	-310,264.63	513,272.04
Labiana Development, S.L.	31/12/2022	54,507.08	-12,182.33	-	-	42,324.75

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

Aquilon CYL, S.L.

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

Thricome Pharma, SL

Trichome Pharma is a leading pharmaceutical company specialising in the cultivation, development and marketing of medical cannabis and hemp-derived products for consumer health and wellness.

The Sampling Solutions, SL

The Sampling Solutions (TSS) is the first company in Europe that, without being a laboratory, is certified to carry out the sampling and *on-site* measurements necessary to detect possible environmental, atmospheric, water, food or hospital contamination, among others, after analysis.

Labiana Development, S.L.U.

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

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

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

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

13.1) Credit risk

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

The Group has a significant concentration of credit risk as it operates mainly in the following areas, with four large multinationals in the sector. However, they are fully solvent companies with which we have been working for a long time, so the credit risk is very diluted.

13.2) Liquidity risk

In recent years, the investee companies of the Group of which the Company is the parent company have had great difficulty in accessing sources of financing due to their insolvency history, having to resort to internally generated resources, contributions from shareholders and loans obtained from public bodies to finance their operations. However, in recent years, the companies have managed to obtain bank financing in the form of credit accounts and discount lines, which have given them greater financial capacity.

The Company has reached a financing agreement with the investment bank, Miralta Finance Bank S.A., the Group's current cash position is delicate, and it is therefore currently in talks with its lenders to obtain new schedules and conditions for refinancing its debt; and, additionally, it is in negotiations with several investment banks to obtain new financing formulas that will enable the Group to meet its present and future payment obligations, its investment needs and to continue with the normal development of its activity.

13.3) Exchange rate risk

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

13.4) Interest rate risk

Since 2015, as detailed above, the Group has had financial debt, both with banks and third parties, the financial cost of which is closely linked to the evolution of market interest rates.

The rise in Euribor in recent months has led to an increase in interest rates. The company is monitoring this situation, but for the time being, it is not considering any type of financial hedging to cover the risk of a significant increase in these rates.

NOTE 14. OWN FUNDS

14.1) Parent Company's Share Capital

At 30 June 2023 and 31 December 2022, the share capital of the Parent Company amounted to 722,125.50 euros and was represented by 7,221,255 shares of 0.10 euros par value each, fully subscribed and paid up, belonging to the same class and series. These shares had equal voting and dividend rights.

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

Capital increases

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

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

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

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

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

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

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

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

At 30 June 2023 and 31 December 2022, the companies holding 10% or more of the Parent Company's share capital are as follows:

	30/06/2023		31/12/2022	
Shareholder	Participation	Number of Actions	Participation	Number of Participations
Bluecolt, S.A	40.39%	2,916,600	40.26%	2,907,277
Ortega Farming, S.L.	14.97%	1,080,685	14.97%	1,081,022
John William Nellis	12.67%	915,238	12.67%	915,238

14.2) <u>Share premium</u>

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

14.3) <u>Parent Company Legal Reserve</u>

The legal reserve is restricted in terms of its use, which is determined by various legal provisions. In accordance with the Capital Companies Act, companies that make profits under this legal form are obliged to set aside 10% of these profits until the reserve fund is equal to one fifth of the subscribed share capital. The purpose of the legal reserve is to offset losses or to increase the share capital by the portion exceeding 10% of the increased share capital, as well as to distribute it to shareholders in the event of liquidation. As at 30 June 2023, the legal reserve was not fully funded.

14.4) <u>Reserves in Consolidated Companies</u>

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

	30/06/2023	31/12/2022
Labiana Life, S.A.U.	-4,428,503.13	2,851,800.80
Labiana Pharmaceuticals, S.L.U.	2,999,090.55	739,780.42
Veterinarski zavod d.o.o. Subotica	-2,307,815.13	282,515.21
Labiana México, S.A de C.V.	-348,645.56	-412,587.67
Zoleant ILAC	-1,983,492.27	-1,055,031.19
Ecuador-Labiana, S.A.	-32,797.79	-21,270.88
L.O. Vaccines, S.L.	-332,190.64	-94,714.68
	-6,434,353.97	**2,290,492.01**

14.5) <u>Own shares</u>

On 4 March 2022, the Company's Shareholders' Meeting resolved to authorise the Board of Directors to derivatively acquire treasury shares under the terms provided for by current legislation. These purchases of treasury shares were made through the liquidity provider GVC Gaesco Valores, S.V., S.A. On 21 June 2022, the Board of Directors of the Company agreed to purchase 60,000 treasury shares of the Company at a price of 5 euros per share for the sole purpose of enabling the liquidity provider to meet its commitments under the Liquidity Agreement.

Given the evolution of the Parent Company's share price since its listing, certain transactions took place in the market. Specifically, transactions with treasury shares carried out by the Group, recognising the results of these transactions in equity as required by current regulations. At 31 December 2022, these results led to a decrease in voluntary reserves of 117,372.38 euros.

During the six months ended 30 June 2023, a total of 12,961 shares have been acquired. As at 30 June 2023, the Parent Company holds 100,677 treasury shares for an amount of 302,031.64 euros (294,725.76 euros at the end of the previous year) at an average market price of 3 euros per share (3.36 euros per share in the previous year).

NOTE 15. STOCKS

The movements in impairment losses on inventories were as follows:

	Exercise 2023	Exercise 2022
Opening Balance	**918,048.43**	**914,551.29**
Correction of the exercise	-	362,844.51
Reversal of the exercise	-	-359,347.37
Closing balance	**918,048.43**	**918,048.43**

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

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

NOTE 16. FOREIGN CURRENCY

The foreign currency balances on the 30 June 2023 are as follows:

	Total Amount in Euro	Amount in US Dollars	Amount in Swiss Francs	Amount in Danish kroner	Amount in Pounds Sterling	Amount in Serbian Dinars	Amount in Mexican Pesos	Amount in Turkish Lira
CURRENT LIABILITIES								
Trade creditors and other accounts payable	3,408,018.69	4,575,211.52	4,090.00	38,457.00	6,088.26	185,635,527.51	7,943,807.00	3,971,107.64
CURRENT ASSETS								
Trade debtors and other receivables	651,657.07	74,941.66	-	-	-	53,506,329.50	2,360,560.00	18,752.17
Treasury	24,513.91	4,599.67	-	-	-	901	283,847.00	122,353.99

The foreign currency balances at year-end 2022 are as follows:

	Total Amount in Euro	Amount in US Dollars	Amount in GBP	Amount in Serbian Dinars	Amount in Mexican Pesos	Amount in Turkish Pounds
CURRENT LIABILITIES						
Trade Creditors and other accounts payable	2,193,024.35	758,488.24	6,678.17	166,185,117.06	22,500.00	1,215,272.11
CURRENT ASSETS						
Trade debtors and other receivables	1,927,305.46	-	-	185,391,596.09	7,334,016.80	-
Treasury	93,503.69	-	-	9,765,150.17	214,295.42	-

Transactions in foreign currencies during the six months ended 30 June 2023 are as follows:

Currency classification									
	Total Amount in Euro	Amount in US Dollars	Amount in Swiss Francs	Amount in GBP	Amount in Mexican Pesos	Amount in Turkish Lira	Amount in Serbian Dinars	Amount in Canadian Dollars	Amount in Danish kroner
Receipt of Goods/Services	3,054,457.57	2,978,171.48	4,090.00	3,077.29	2,408,768.00	-	6,618,865.47	62,000.00	1,150,400.00
Delivery of Goods/Services	432,781.62	124,005.15	-	-	3,895,901.00	-	10,515,346.44	-	-

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

Currency classification									
	Total Amount in Euro	**Amount in US Dollars**	**Amount in Swiss Francs**	**Amount in GBP**	**Amount in Mexican Pesos**	**Amount in Turkish Lira**	**Amount in Serbian Dinars**	**Amount in Canadian Dollars**	**Amount in Danish kroner**
Receipt of Goods/Services	7,698,245.48	5,792,955.23	4,090.00	19,460.40	1,230,839.30	2,337,895.82	292,843,671.93	70,863.00	10,724.00
Delivery of Goods/Services	3,834,975.83	-	-	-	7,898,311.37	-	406,664,600.32	-	-

NOTE 17. TAX POSITION

Details of balances with public authorities at 30 June 2023 and 31 December 2022 are as follows, in euro:

	30/06/2023		31/12/2022	
	To be collected	**To be paid**	**To be collected**	**To be paid**
Non-current:				
Deferred tax assets	1,236,980.83	-	923,429.40	-
Deferred tax liabilities	-	382,699.29	-	399,277.70
	1,236,980.83	**382,699.29**	**923,429.40**	**399,277.70**
Current:				
Value Added Tax	1,310,674.31	50,599.34	1,073,290.04	13,534.06
Personal income tax withholdings	-	227,718.86	-	345,990.64
Corporate taxation	419,628.49	1,281.99	1,788,196.30	-
Social Security Agencies	-	453,401.28	-	404,115.54
	1,730,302.80	**733,001.47**	**2,861,486.34**	**763,640.24**

Fiscal Situation

Under current statutory provisions, tax assessments cannot be considered final until they have been inspected by the tax authorities or the statute of limitations period, which is generally four years, has elapsed. At 30 June 2023, the Group has all taxes to which it is subject from the financial year 2018 up to the six-month period ending 30 June 2023 open for inspection by the tax authorities. Consequently, additional liabilities to those recorded by the companies could arise as a result of any tax audits. However, the Board of Directors of the Parent Company and its tax advisors consider that such liabilities, should they arise, would not be material to the consolidated interim financial statements taken as a whole.

In 2023, the Group is in fiscal consolidation. The parent company that consolidates is Labiana Health, SA and the subsidiaries included in the tax group:

- Labiana Life Sciences, S.A.
- Labiana Pharmaceuticals, S.L.U
- Labiana Development, S.L.

Income tax

The expense over the six months ended 30 June 2023 for income tax has been calculated as follows:

	Result Accountant	(Expenditure)/ Income
Labiana Life, S.A.U.	-1,257,225.34	416,395.60
Labiana Pharmaceuticals, S.L.U.	469,999.24	-157,721.41
Veterinarski zavod d.o.o. Subotica	-1,045,296.27	-
Labiana Health, S.A.	-134,131.72	54,877.24
Labiana México, S.A de C.V.	33,872.92	-
Zoleant ILAC	-123,759.00	-
Ecuador-Labiana, S.A.	-	-
L.O. Vaccines, S.L.	-2,498.12	-
Total	**-2,059,038.29**	**313,551.43**

The 2022 income tax expense as at 30 June was calculated as follows:

	Result Accountant	(Expenditure)/ Income
Labiana Life, S.A.U.	-1,234,607.93	-
Labiana Pharmaceuticals, S.L.U.	1,443,862.92	-360,965.73
Veterinarski zavod d.o.o. Subotica	-567,980.96	-20,118.26
Labiana Health, S.A.	-235,468.05	-
Labiana México, S.A de C.V.	-7,575.57	-
Zoleant ILAC	-376,996.77	-
Ecuador-Labiana, S.A.	-	-
L.O. Vaccines, S.L.	-30,160.92	-
Total	**-1,008,927.28**	**-381,083.99**

The movement in deferred taxes generated and reversed during the six months ended 30 June 2023 is detailed below, in euros:

	Balance at 31/12/2022	Generated	Applied	Regularisation	Balance at 30/06/2023
Deferred tax assets	**923,429.40**	**450,252.04**	**-136,700.61**	**-**	**1,236,980.83**
Tax base credits	-	450,252.04	-	-	450,252.04
Other non-deductible provisions	574,562.53	-	-121,406.47	-	453,156.06
Depreciation deductibility limitation	185,233.47	-	-15,294.14	-	169,939.33
Deductions to be applied	163,633.40	-	-	-	163,633.40
Deferred tax liabilities	**399,277.70**	**-**	**-16,578.41**	**-**	**382,699.29**
Freedom of depreciation	356,912.28	-	-16,578.41	-	340,333.87
Reversal of portfolio value	42,365.42	-	-	-	42,365.42

The movement in deferred taxes generated and cancelled in 2022 is detailed below, in euros:

	Balance at 31/12/2021	Generated	Applied	Regularised	Balance at 31/12/2022
Deferred tax assets	**1,440,423.86**	**756,284.75**	**-841,288.03**	**-431,991.17**	**923,429.41**
Tax base credits	379,758.65	-	-	-379,758.65	-
Other non-deductible provisions	277,808.95	592,651.35	-295,897.76	-	574,562.54
Depreciation deductibility limitation	203,586.44	-	-18,352.97	-	185,233.47
Deductions to be applied	579,269.82	163,633.40	-527,037.30	-52,232.52	163,633.40
Deferred tax liabilities	**322,905.61**	**76,372.09**	**-**	**-**	**399,277.70**
Freedom of depreciation	322,905.61	34,006.67	-	-	356,912.28
Tax effect capital grant	-	42,365.42	-	-	42,365.42

In accordance with the provisions of Chapter II of Title IV of the Corporate Income Tax Regulations, one of the Group companies recorded withholdings from movable capital amounting to 799,033 euros, corresponding to the settlement of royalties (transfer of use of industrial property) made by it to the company Chemo Research, S.L. during the 2022 financial year. This amount has been treated for accounting purposes as an asset account with the tax authorities and must be deducted, subject to the legally established limitations, in the corresponding income tax settlement for the same year.

Activation of tax credits for tax loss carry forwards

In the six months ended 30 June 2023, the Parent Company of the Group has capitalised tax credits for tax loss carry forwards amounting to 450,252.04 euros, as it considers that they will be recoverable in accordance with current legislation.

Activation of deductions to be applied.

In the previous year, the companies comprising the Group decided to recognise tax credits for the deductions generated by the R&D investments made in 2021 and prior years that could not be offset due to the lack of taxable income during the corporate income tax settlement. However, in 2022, two of them decided to regularise the capitalised deductions pending application as they did not have a high probability of recovering them in a period shorter than that established by accounting regulations.

In 2022, the Group recognised current tax assets of Euros 702,396 in respect of R&D deductions, the collection of which it has claimed in advance through the application of article 39.2 of the Corporate Income Tax Act, having decided during the year to monetise all research and development deductions, and having reasonably estimated compliance with the obligations to maintain average headcount and reinvestment.

In addition, the Group already had deductions pending application from previous years.

The breakdown of the capitalised deductions at 30 June 2023 for group companies, together with the date of generation and expiry is as follows:

Year of Origin	Concept	Euros	Expiration
2022	R&D	163,633.40	2040/2041

The breakdown of the deductions not capitalised at 30 June 2023, corresponding to group companies, together with the date of generation and expiry is as follows:

Year of Origin	Concept	Euros	Expiration
2016	R&D	38,173.00	2034/2035
2016	IT	22,447.64	2034/2035
2017	IT	21,298.13	2035/2036
2018	IT	43,605.49	2036/2037
2019	IT	45,917.17	2037/2038
2020	IT	32,070.39	2038/2039
2021	IT	-	2039/2040
2022	R&D	136,039.21	2040/2041
		339,551.03	

NOTE 18. INCOME AND EXPENSES

a) Procurement

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

	2023 (6 months)	2022 (6 months)
Consumption of goods:		
Shopping		
National	301,767.50	271,827.46
Intra-Community	520,283.92	760,132.32
Imports	194,447.41	285,011.64
Change in stock of goods	108,585.48	-266,995.18
	1,125,084.31	**1,049,976.24**
Consumption of raw materials and other consumables:		
Shopping		
National	6,182,372.72	5,205,172.29
Intra-Community	1,666,306.94	1,774,685.59
Imports	2,542,278.85	2,795,180.04
Change in stocks of raw materials	-80,154.34	260,765.57
	10,310,804.17	**10,035,803.49**
Work carried out by other companies	479,067.13	548,575.25
Impairment of raw materials	-	-147,023.22
Total Procurement	**11,914,955.61**	**11,487,331.76**

b) Social charges

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

	2023 (6 months)	2022 (6 months)
Social security to be paid by the company	2,095,956.10	2,025,598.55
Other social expenditure	151,114.32	157,543.74
	2,247,070.42	**2,183,142.29**

NOTE 19. ENVIRONMENTAL INFORMATION

During the six months ended 30 June 2023, the Group has incurred relevant expenses for the minimisation of environmental impact and the protection and improvement of the environment amounting to EUR 107,613.27 (EUR 270,117.50 in financial year 2022). Furthermore, there are no provisions for risks and expenses or contingencies related to the protection and improvement of the environment.

NOTE 20. POST-CLOSING EVENTS

LABIANA HEALTH has signed an agreement with Miralta Finance Bank, S.A. and Blantyre Capital Limited to provide financing to the Company for a maximum amount of 25 million euros.

The main features of the financing contract are:

- Principal: maximum aggregate amount of EUR 25 million, divided into 2 tranches:
    - Tranche A: up to a maximum amount of EUR 20 million.
    - Tranche B: up to a maximum amount of EUR 5 million.

- Purpose and disposition:
    - Tranche A: the first drawdown of this tranche (75%, i.e. EUR 15 million) is earmarked for debt cancellation and the remaining (25%, i.e. EUR 5 million) is to be used for working capital needs and R&D investments.
    - Tranche B: if this tranche is made available to the Borrower, it must be used to finance CAPEX investments. This tranche may be drawn down until 12 months after the date on which it is made available to the Financed Party.

- Maturity: 4 August 2027.

- Interest rate: the outstanding principal amount drawn down shall bear interest at a rate equal to Euribor (with a floor of 0%) plus 5% per annum and shall be due and payable on each interest payment date.

- PIK interest rate: the outstanding principal amount drawn down and the principal amount that has been made available but not yet drawn down shall bear interest at a rate of 7% per annum, to be settled and compounded on each interest payment date.

- Guarantees: the Financing Entities have been granted in favour of (i) a chattel mortgage on Labiana Pharma patents, (ii) a real estate mortgage on Labiana Life and Labiana Pharma real estate, (iii) a pledge on 100% of Labiana Life shares and 100% of Labiana Pharma shares, (iv) a pledge on Labiana shares owned by the Reference Shareholders, representing 55.35% of the share capital, (v) a pledge on credit rights derived from Labiana Health and Labiana Pharma accounts and contracts.

- Required financial ratio: the Financed Party undertakes that, as of December 2024 and during the term of the financing, the Net Permitted Debt/EBITDA ratio will be less than or equal to 6.0x.

- warrant agreement under which it is expected to issue up to 2,256,643 warrants to the Funding Entities to subscribe for up to 2,256,643 shares in the Company representing up to 25% of its share capital. The issuance of warrants by the Company in favour of the Financing Entities will be structured in 2 tranches:

    - Tranche A: issue of 1,805,314 warrants linked to the drawdown of Tranche A of the financing agreement. The issue of these warrants will be submitted for approval at the next Extraordinary General Meeting of Shareholders of the Company.

    - Tranche B: issue of 451,329 warrants linked to the eventual drawdown of Tranche B of the financing agreement. At the forthcoming Extraordinary General Meeting of the Company, it will be submitted for approval to authorise the Board to execute the issuance of these warrants.

    - These warrants will give their holders the option to subscribe to 1 new share for each warrant at a price of 3.90 euros per share.

Thanks to this agreement, the Labiana group has been able to pay off various debts to third parties and credit institutions.

Apart from the above, no significant events have occurred after 30 June 2023 that affect the Group's consolidated interim financial statements at that date.

NOTE 21. CONSOLIDATED RESULT

Details of the consolidated result, as well as the adjustments made to the Parent Company's attributable profit for 2023, are as follows, in euros:

Dependent Company	Individual Company Results	Direct + Indirect Participation	Amortisation of goodwill	Conversion differences	Impairment of Balances and Participating interests Groups	Profit Attributable to Minority Interests	Profit Attributable to the Parent Company
Labiana Health, S.A.	-134,131.72	-	-	-	-	-	-134,131.72
Labiana Life Sciences, S.A.U.	-1,257,225.34	100%	-	-	-	-	-1,257,225.34
Labiana Pharmaceuticals, S.L.U.	469,999.24	100%	-	-	-	-	469,999.24
Veterinarski zavod d.o.o. Subotica	-1,045,296.27	100%	-	4,317.51	-	-	-1,040,978.76
Labiana México, S.A de C.V.	33,872.92	95%	-	-64,824.83	-	-	-30,951.91
Zoleant ILAC	-123,759.00	51%	-	-68	-	60,641.91	-63,185.09
Ecuador-Labiana, S.A.	-	100%	-	887.4	-	-	887.4
L.O. Vaccines, S.L.	-2,498.12	100%	-	-	-	-	-2,498.12
Result attributed to the Parent Company	**-2,059,038.29**		**-**	**-59,687.91**	**-**	**60,641.91**	**-2,058,084.30**

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

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

NOTE 22. PROVISIONS AND CONTINGENCIES

Provisions

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

NOTE 23. GRANTS, DONATIONS AND LEGACIES

Details of grants attributable to the Group are as follows:

	30/06/2023	31/12/2022
Subsidies for subsidised loans	127,096.25	127,096.25

Interest rate subsidies

The Company has received loans from various public bodies at subsidised or zero interest rates, which, in accordance with current accounting regulations, must be recorded at amortised cost, recognising the interest implicit in each transaction. A market interest rate of 3.5% has been used to calculate the amortised cost.

At 30 June 2023, the loans granted by official bodies and collected by the Company at that date are summarised as follows:

Concessionaire	Date Awarded	Amount Awarded	Initial Present Value	Net subsidy at 30/06/2023	Tax effect	Gross grant at 30/06/2023
CDTI	2018	1,279,703.05	1,073,047.74	127,096.25	42,365.42	169,461.66

NOTE 24. RELATED PARTY TRANSACTIONS

24.1) Balances between Related Parties

Details of balances held with related parties as at 30 June 2023 and 31 December 2022 are shown below, in euros:

	30/06/2023	31/12/2022
NON-CURRENT ASSETS	**345,000.00**	**370,000.00**
Other long-term loans	**345,000.00**	**370,000.00**
Ortega Farming, S.L.U.	335,000.00	335,000.00
Montjuïc Horses, S.L.	10,000.00	35,000.00
CURRENT ASSETS	**-**	**11,934.25**
Other long-term loans	**-**	**11,934.25**
Ortega Farming, S.L.U.	-	11,488.36
Montjuïc Horses, S.L.	-	445.89
CURRENT LIABILITIES	**-254,450.00**	**-100,000.00**
Short-term debts	**-254,450.00**	**-100,000.00**
Ortega Farming, S.L.	-254,450.00	-100,000.00

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

24.2) Significant Partners and Shareholders

The most significant transactions carried out during the six months ended 30 June 2023 and during the financial year 2022 with the Partners or Shareholders of the companies, all of which were closed on an arm's length basis, are detailed in Note 14.

24.3) Balances and Transactions with Directors and Senior Management

The amounts received by the Parent Company's Board of Directors during the six months ended 30 June 2023 and the financial year 2022, for any concept, either personally or through companies controlled by them, are detailed below, in euros:

	2023 (6 months)	2022 (6 months)
Salaries, allowances and other remuneration	212,055.48	200,326.18

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

As at 30 June 2023 and 31 December 2022, there are no pension supplement commitments, guarantees or sureties granted in favour of the Parent Company's Board member.

Other information concerning the directors of the parent company.

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

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

The premium paid for the Parent Company's Board of Directors' civil liability insurance for damages caused by acts or omissions in the performance of their duties amounts to 2,362.17 euros (2,362.17 euros in financial year 2022).

NOTE 25. OTHER INFORMATION

The distribution of the group's staff at the end of the six months ended 30 June 2023 and the year ended 31 December 2022, by category, is as follows:

	2023	2022
Directors and Managers	26	25
Professionals and Technicians	215	201
Commercials and Salespeople	24	30
Workers and Subordinates	174	182
Total staff at year-end	**439**	**438**

The distribution of staff as at 30 June 2023 with a disability equal to or greater than 33% is as follows:

		2023	
	Men	Women	Total
Professionals and Technicians	1	4	5
Other	-	-	-
Total staff at year-end	**1**	**4**	**5**

The distribution of staff at 31 December 2022 with a disability equal to or greater than 33% is as follows:

	2022 Men	Women	Total
Professionals and Technicians	1	1	2
Other	-	-	-
Total staff at year-end	**1**	**1**	**2**

The average number of persons employed during the six months ended 30 June 2023 and the financial year 2022, by gender and category, is as follows:

	30/06/2023 Men	Women	Total	31/12/2022 Men	Women	Total
Directors and Managers	15	11	26	15	11	26
Professionals and Technicians	74	142	216	74	137	211
Commercials and Salespeople	12	12	24	16	14	30
Workers and Subordinates	96	77	173	104	78	182
Total staff at end of the exercise	**197**	**242**	**439**	**209**	**240**	**449**

The breakdown of audit fees for the six months ended 30 June 2023 and 2022 is as follows:

	2023 (6 months)	2022 (6 months)
Statutory auditor's fees for the provision of audit services:	43,000	38,500
Statutory auditor's fees for other services (*)	38,000	10,150
Statutory Auditors' network firms' fees for other services (**)	-	37,080
Total	**81,000**	**85,730**

(*) The amount of the fees for other services corresponds to the verification of the limited review of the interim financial statements as at 30 June 2023 and the special report on the report of the Board of Directors in connection with the issue of convertible warrants in June 2023, and the issue of comfort letters for the exit to BME Growth in June 2022.
(**) The amount of the fees of firms in the Statutory Auditor's network for other services than those related to VDD reports.

NOTE 26. SEGMENT REPORTING

The breakdown of revenue from the Group's ordinary activities for the six months ended 30 June 2023 and 2022 by geographic market is shown below:

Description of the activity	2023 (6 months) Euros	%	2022 (6 months) Euros	%
National	8,426,374.41	29.61%	7,737,747.52	26.63%
Rest of the European Union	16,605,355.31	58.35%	16,954,989.57	58.34%
Rest of the World	3,428,877.53	12.05%	4,368,450.48	15.03%
Total	**28,460,607.25**	**100%**	**29,061,187.57**	**100%**

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

Description of the Activity	2023 (6 months) Euros	%	2022 (6 months) Euros	%
Revenue from the sale of goods	25,956,217.16	91.20%	25,693,031.61	88.41%
Income from the provision of services	2,504,390.09	8.80%	3,368,155.96	11.59%
Total	**28,460,607.25**	**100%**	**29,061,187.57**	**100%**

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

	2023 (6 months)	2022 (6 months)
Type of contract		
Fixed price contracts	19,583,644.88	19,380,572.87
Variable contracts	8,876,962.37	9,680,614.70
Total	**28,460,607.25**	**29,061,187.57**

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

	2023 (6 months)	2022 (6 months)
Duration of the contract		
Short-term contracts	4,160,158.65	5,373,121.47
Long-term contracts	24,300,448.60	23,688,066.10
Total (*)	**28,460,607.25**	**29,061,187.57**

	2023 (6 months)	2022 (6 months)
Transfer calendar		
At one point in time	4,022,420.86	3,368,155.96
Over time	24,438,186.39	25,693,031.61
Total	**28,460,607.25**	**29,061,187.57**

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

	2023 (6 months)	2022 (6 months)
Sales channels		
Distributors or wholesalers	3,509,995.86	5,495,044.43
Retailers	1,290,523.01	940,296.50
Direct sales	23,660,088.38	22,625,846.64
Total	**28,460,607.25**	**29,061,187.57**

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CORRESPONDING CONSOLIDATED MANAGEMENT REPORT
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023

LABIANA HEALTH, S.A.
AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT
FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023

The information contained in this report for the period January-June 2023 has been prepared by Labiana Health S.A. (hereinafter Labiana) and presents the Management Report as at 30 June 2023.

The information contained in this earnings report has been prepared by Labiana and includes financial information extracted from the first half-year accounts of Labiana Health, S.A., corresponding to the period January-June 2023, audited by Auren Auditores, S.L.

1. 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.

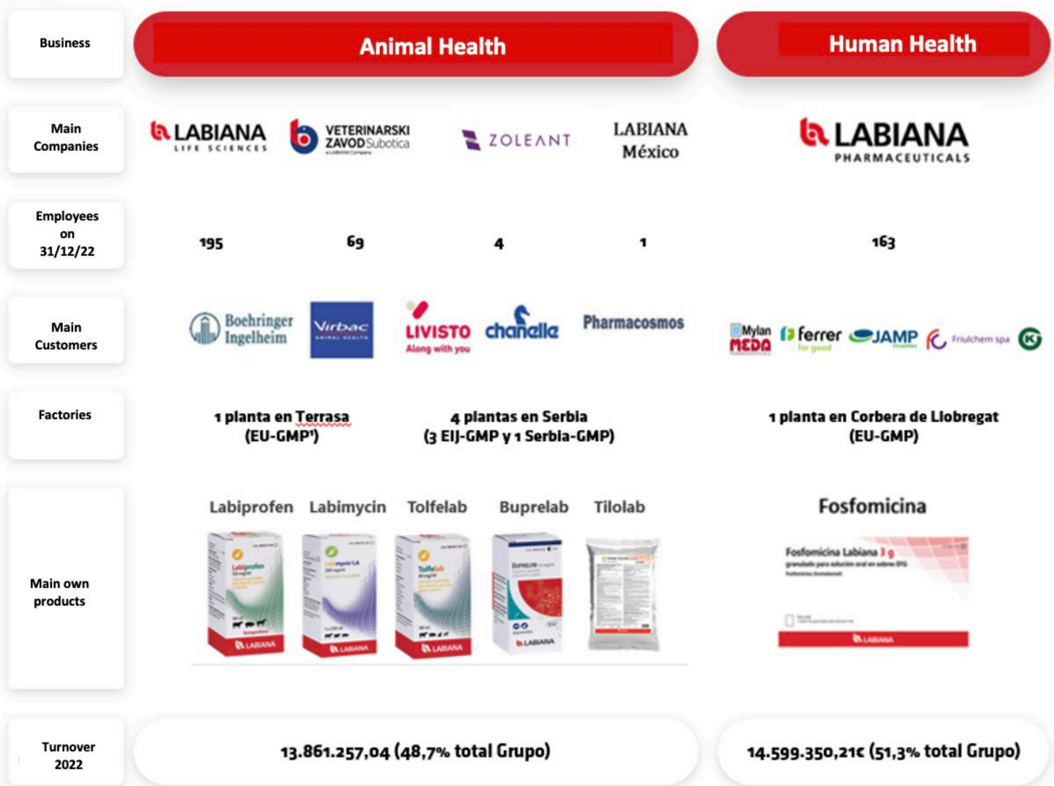
Since its foundation in 1958 as a group specialising in animal nutrition products, Labiana has undergone a continuous process of growth, diversification and internationalisation, becoming today a pharmaceutical group of reference that stands out as:

- CDMO (Contract Development and Manufacturing Organisation) providing third party drug development and manufacturing services in a wide variety of presentations, specialising in solid, sterile, solution and lyophilised dosage forms and special authorisations such as psychotropic, narcotic and hormonal.

- Manufacturer of a wide range of its own products for both animal and human health. Particularly noteworthy is Fosfomycin Trometamol (human health), a product that has been key to Labiana's development and growth in recent years.

Today, Labiana consists of 5 main operating companies employing 439 employees, operates six manufacturing plants (two of which are located in Spain and four in Serbia), works with over 300 leading national and international pharmaceutical groups and has a proprietary drug portfolio of over 50 products including Fosfomycin Trometamol (an antibiotic for urinary tract infections) in human health.

Labiana is structured as follows to address its two reference markets, animal health and human health:



Today, Labiana'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 international distributors for the sale of its own products.

On 24 June 2022, Labiana Health debuted on BME Growth with a funding target of 20 million. However, the unstable situation of the markets, reinforced by the war in Ukraine and the energy and raw material supply crisis, influenced the fundraising process, which finally closed at only €5 million.

Since then, the company has continued to seek the necessary financing to guarantee its growth plan. To this end, Labiana has devoted significant human and material resources to this process of seeking financing, which finally resulted in the signing of a deal with Miralta Finance Bank, S.A. and Blantyre Capital Limited on 4 August, although this operation came four months later than initially planned.

2. MANAGEMENT RESULTS FOR THE FIRST HALF OF THE YEAR 2023

- **Operational and financial results**

On the premise of the delay of the agreement reached in August, we analyse the main differences in the result of the first half of the year compared to the first half of the previous year.

Both the prioritisation of resources and the delay in the financing process have had an impact on *Time to Market*, which is reflected in the operating and financial results for the first half of the year ending 30 June. Revenues amounted to €28.46m, 2.1% lower than in the same period of the previous year (€29.06m).

To this must be added the increase in the cost of materials which could not be passed on directly and immediately to customers and which will continue to normalise during the second half of the year. This increase in costs has meant that the supplies item has increased by 3.7% from €11.49m in the first half of 2022 to €11.91m in the first half of 2023.

It is also necessary to add the lower capitalisation of R&D projects as a consequence of the change in accounting criteria applied from 2022 onwards, from 827.8 thousand euros for the period 2022 to 724.8 thousand euros for the same period in 2023.

This had a direct impact on EBIDTA, which fell from €2.34m in the first half of 2022 to €1.09m in this period.

In addition to this decrease in EBITDA, depreciation and amortisation increased by 25.4% compared to the same period of the previous year due to the closure of R&D projects, such as the start-up of the new synthesis route for Fosfomycin Trometamol, and the amortisation of material investments already in operation, such as Labiana Pharma's new high productivity ampoule line.

The positive note is the reversal of the impairment made in 2022 of an R&D project relating to a biological product also explained in the notes to the report thanks to the entry of a CDTI granted by the Ministry of Science and Innovation. This CDTI improves the economic viability of the project and therefore the decision has been taken to eliminate the impairment.

All this in turn has an impact on the company's EBIT, which has gone from 116.7 thousand euros in 1H22 to 1,127.6 thousand euros in negative for this year.

With regard to exchange rate differences, there was a significant improvement of 92.1% from a loss of 485 thousand euros to an income of 3.2 thousand euros, which was influenced by both the improvement in the exchange rate of the euro against the dollar throughout the period and the corrective measures introduced at Zoleant (the company changed its functional currency to euros to avoid fluctuations) to minimise the effects of the exchange rate in the face of the deflationary process in the Turkish economy.

As for financial expenses, they have increased mainly because of the EURIBOR increases from €1.04m in 1H22 to €1.30m in June 2023.

All these reasons have led the group's result to fall from minus €1.62M to €2.12M.

- **Capital management and financing**

The first half of the year was marked by the prioritisation of resources allocated to the financing operation by Miralta Finance Bank, S.A. and Blantyre Capital Limited, which led to a delay in the company's Time to Market, reducing the turnover for the first half of the year.

The agreement by Labiana Health as group head with Miralta Finance Bank and Blantyre Capital has been explained in detail in the notes to the consolidated financial statements under Subsequent events.

From the point of view of the capital structure and financing, priority was given during this period to the payment of financial debt while the negotiations with Miralta and Blantyre were being finalised, which is reflected in the reduction of the financial debt item from 38.5M€ to 36.26M€, i.e. a reduction of over two million two hundred and fifty thousand euros.

In turn, the fixed asset items have been reduced because of the aforementioned amortisations in the period, with intangible assets falling from 9.04M€ in 1H22 to 8.80M€ in 1H23 and property, plant and equipment from 20.64M€ in 1H22 to 20.44M€ in 1H23.

Of note was the decrease in trade and other receivables due to the entry into force of specific measures to improve the management of customer collections (lower DSO), which resulted in a 9% improvement compared to the previous half year.

On the other hand, trade and other payables increased by 9.9% due to the accrual of employees' bonus payments. This effect will be reversed at the end of the year.

3. EVOLUTION OF BUSINESS SEGMENTS AND MARKETS IN 1S 2023

- **Animal Health (CDMO and Own Vademecum)**

At the end of the first half of FY2023, the animal health division achieved a turnover of €13.86m, representing 48.7% of Labiana Health's total turnover (31.28% of which corresponds to CDMO and 17.42% to product) and 1.83% less than in the same period of the previous year.

Operationally, the animal health division (Labiana Life Sciences, Zavod Subotica and Zoleant), currently has 660 registrations in force with a presence in more than 62 countries. In the first half of the year, 37 new registrations were approved and a further 104 are in the pipeline, of which 31 are expected to be successfully closed in the remainder of the year.

Own Product: In the case of own product, the semester closed with a 7.7% drop compared to the same period of the previous year. In this case there are three main factors to consider:

1. The consequences of the impact of the political situation in Algeria and Iran, which has paralysed the Company's commercial activity in both countries.

2. The decrease in turnover in Chile due to a temporary bureaucratic problem with the distributor, which has been resolved in the second half of the year, restoring supply to this destination, although it has caused a delay in orders from the first to the second half of the year.

3. In Serbia, debt repayment has been prioritised in view of the delay in capital inflows, which has led to a delay in invoicing.

However, although the first half of the year ended with a lower turnover in Animal Health, it is important to bear in mind that:

1. Although the entry into force of the new Regulation on medicines for veterinary use during the previous year was one of the issues that affected turnover during that period, the Company believes that, now that this Regulation has been definitively

implemented and has been assimilated by animal health professionals, it is having a positive effect for Labiana, given that this new Regulation promotes individualised and specific medication for each ailment and animal, and Labiana has the largest injectables factory in Spain and one of the largest in Europe, it may be favoured by this aspect.

2. Labiana is consolidating its own product market in Europe: Due to its proximity, political stability and market prices, Labiana is focusing on European markets in its own vademecum, as shown by the Company's high regulatory activity in this geographic area, where 22 new market authorisations have already been approved in Europe (62% of the total number of MAs approved in 1H23), 24 new MAs have been submitted (representing 57.1% of the total new MAs submitted) and 18 others are in the pipeline. It is expected that at the end of the period the Company will be able to add another 9 new MAs to the total number of active market authorisations it has in Europe.

CDMO: In the case of CDMO, the animal health division has managed to maintain its turnover compared to the first half of the previous year. Of note in this period is the entry of 11 new CDMO projects, some of which have already started production and others have already started their transfer phase.

- **Human Health (CDMO and Own Vademecum)**

During H123, the turnover of the Human Health division increased by 1.83% from €14.37m in H122 to €14.60m in H123.

Own Product: In the foreign market, a new agreement has been signed in Germany, a territory in which the Company now has 2 active MAs, gaining with one of these MAs the tender for two years. In addition, a new Distributor has been incorporated in France, capitalising on a larger *Market Share* in this country.

It is also important to highlight the growth trend of Fosfomycin globally in important markets where Labiana has been for several years, such as Canada, which also affects the sales trend very positively.

As regards the evolution in new territories, such as LATAM, once all the corresponding product transfers and batches have been carried out, Labiana's own product grew by 268% in this geographical area, where fosfomycin was introduced last year.

CDMO: The year 2022 closed with a significant increase in costs that reduced the company's margin as a result of the energy crisis, the shortage of some components derived from Covid19 and the war in Ukraine, in addition to the surplus of product stockpiled by some customers during Covid19.

In the first half of 2023, work continued to normalise the now practically residual effects of some of these impacts, such as the stockpiling of product during Covid19 that still affected some customers, as well as the regularisation of prices. For this reason, the historical rhythm of orders has almost been re-established and the Company has been and continues to work with customers to adapt prices to the new market situation.

4. MANAGEMENT CONCLUSIONS FIRST HALF OF THE YEAR 2023

Labiana Health debuted on BME Growth with a financing target of €20 million. For various reasons beyond the company's control (war in Ukraine, energy crisis or lack of supply of raw materials), this process of raising funding was limited to only €5 million.

To meet this financing need, Labiana has continued to seek the necessary financing to guarantee its growth plan. To this end, Labiana has devoted significant resources to this process of seeking financing, which finally resulted in the signing of a deal with Miralta Finance Bank, S.A. and Blantyre Capital Limited on 4 August.

This operation, scheduled to take place four months earlier, has meant that the outlook for results has been lower than planned at the beginning of the year. Although it is true that in the second half of the year the effect of the agreement with Miralta is already being reflected in the results.

In summary, the reporting period has been a challenging one for Labiana. However, it is crucial to highlight that, despite the adversities, the Group has maintained its commitment to continuous improvement and long-term sustainability.

Our primary focus has been to work tirelessly on improving our EBITDA, understanding that this metric is fundamental to our financial stability and future growth.

Through cost optimisation, revenue diversification and the pursuit of operational efficiencies, we have implemented significant measures that we expect to have a positive impact in the next half year.

It is encouraging to note that our initiatives have already started to show some signs of progress. Despite the losses, we have seen a trend towards stabilisation and, in some cases, slight growth in certain segments of the business. These signs give us confidence in the effectiveness of our strategies and motivate us to press ahead with determination and persistence.

Looking ahead, Labiana is committed to maintaining a disciplined approach to financial management, to continue to seek opportunities for innovation and to strengthen our relationships with customers and business partners. We are aware of the challenges we face, but we also firmly believe in our company's potential to overcome these obstacles and emerge stronger.

We deeply appreciate the hard work and dedication of our team, as well as the continued confidence of our shareholders and customers. With their support and our collective determination, we are confident that we will overcome the current difficulties and achieve our goals.

SUBSEQUENT EVENTS

LABIANA HEALTH has signed an agreement with Miralta Finance Bank, S.A. and Blantyre Capital Limited to provide financing to the Company for a maximum amount of 25 million euros.

The main features of the financing contract are:

- Principal: maximum aggregate amount of EUR 25 million, divided into 2 tranches:
    - Tranche A: up to a maximum amount of EUR 20 million.

  - Tranche B: up to a maximum amount of EUR 5 million.

- Purpose and disposition:
  - Tranche A: the first drawdown of this tranche (75%, i.e. EUR 15 million) is earmarked for debt cancellation and the remaining (25%, i.e. EUR 5 million) is to be used for working capital needs and R&D investments.
  - Tranche B: if this tranche is made available to the Borrower, it must be used to finance CAPEX investments. This tranche may be drawn down until 12 months after the date on which it is made available to the Financed Party.

- Maturity: 4 August 2027.

- Interest rate: the outstanding principal amount drawn down shall bear interest at a rate equal to Euribor (with a floor of 0%) plus 5% per annum and shall be due and payable on each interest payment date.

- PIK interest rate: the outstanding principal amount drawn down and the principal amount that has been made available but not yet drawn down shall bear interest at a rate of 7% per annum, to be settled and compounded on each interest payment date.

- Guarantees: the Financing Entities have been granted in favour of (i) a chattel mortgage on Labiana Pharma patents, (ii) a real estate mortgage on Labiana Life and Labiana Pharma real estate, (iii) a pledge on 100% of Labiana Life shares and 100% of Labiana Pharma shares, (iv) a pledge on Labiana shares owned by the Reference Shareholders, representing 55.35% of the share capital, (v) a pledge on credit rights derived from Labiana Health and Labiana Pharma accounts and contracts.

- Required financial ratio: the Financed Party undertakes that, as of December 2024 and during the term of the financing, the Net Permitted Debt/EBITDA ratio will be less than or equal to 6.0x.

- warrant agreement under which it is expected to issue up to 2,256,643 warrants to the Funding Entities to subscribe for up to 2,256,643 shares in the Company representing up to 25% of its share capital. The issuance of warrants by the Company in favour of the Financing Entities will be structured in 2 tranches:

  - Tranche A: issue of 1,805,314 warrants linked to the drawdown of Tranche A of the financing agreement. The issue of these warrants will be submitted for approval at the next Extraordinary General Meeting of Shareholders of the Company.

  - Tranche B: issue of 451,329 warrants linked to the eventual drawdown of Tranche B of the financing agreement. At the next Extraordinary General Meeting of the Company, it will be submitted for approval to authorise the Board to execute the issuance of these warrants.

  - These warrants will give their holders the option to subscribe to 1 new share for each warrant at a price of 3.90 euros per share.

Thanks to this agreement, the Labiana group has been able to pay off various debts to third parties and credit institutions.

Apart from the above, no significant events have occurred after 30 June 2023 that affect the Group's consolidated interim financial statements at that date.

TREASURY SHARES

As indicated in note 14.5, a total of 12,961 shares have been acquired during the six months ended 30 June 2023. As at 30 June 2023, the Parent Company holds 100,677 treasury shares for an amount of 302,031.64 euros (294,725.76 euros at the end of the previous year) at an average market price of 3 euros per share (3.36 euros per share in the previous year).

FINANCIAL INSTRUMENTS

During the six months ended 30 June 2023 the Group has not used derivative instruments.

DEFERRALS OF PAYMENTS TO SUPPLIERS

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

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

In compliance with current mercantile regulations, the Board of Directors of **LABIANA HEALTH, S.A.** prepares the interim consolidated financial statements and Consolidated Management Report for the six months ended 30 June 2023, comprising the attached sheets 1 to 79.

Madrid, 30 October 2023
The Board of Directors

D. Manuel Ramos Ortega President	Ms. Sandra Villagrasa Clemente Vocal
Mr John Williams Nellis Vocal	D. Ignacio Yañez Minondo Vocal
Mr. Juan Manuel Gil de Escobar Delgado Vocal	Mr Wolfgang Johannes Storf Vocal

LIMITED REVIEW REPORT ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

To the shareholders of LABIANA HEALTH, S.A. on behalf of the Board of Directors:

Introduction

We have carried out a limited review of the accompanying consolidated financial statements (hereinafter the interim financial statements) of LABIANA HEALTH, S.A. (hereinafter the "Parent Company") and subsidiaries (hereinafter the "Group"), which comprise the consolidated balance sheet at 30 June 2023, the consolidated income statement, statement of changes in equity and statement of cash flows, as well as the accompanying notes for the six-month period then ended. The Parent Company's directors are responsible for the preparation of these condensed interim financial statements in accordance with the regulatory financial reporting framework applicable to the entity in Spain (identified in Note 3 of the accompanying explanatory notes) and, in particular, with the accounting principles and criteria contained therein. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

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

Conclusion

As a result of our limited review, which should not be construed as an audit, nothing has come to our attention that causes us to conclude that the accompanying consolidated interim financial statements for the six months ended June 30, 2023 do not present, in all material respects, a true and fair view of the net worth and financial position of LABIANA HEALTH, S. A. and subsidiaries as of June 30, 2023, and their results and cash flows for the six months then ended, in accordance with the applicable financial reporting framework, and that the accompanying consolidated interim financial statements are fairly presented. A. and subsidiaries as of June 30, 2023, as well as their results and cash flows for the six-month period ended on that date, in accordance with the applicable financial reporting framework and, in particular, with the accounting principles and criteria contained therein.

Material uncertainty related to going concern

We draw attention to note 3.d of the notes to the financial statements, which indicates that the Group has been incurring consolidated losses amounting to 9,111 thousand euros in the year ended December 31, 2022 and 2,119 thousand euros in the six months ended June 30, 2023. Additionally, its consolidated working capital at 31 December 2022 and 30 June 2023 is negative by EUR 6,308 thousand and EUR 10,275 thousand, respectively. However, on August 4, 2023, a financing agreement has been closed which has allowed the cancellation of both long-term and short-term debts by extending the repayment terms and which the Group's management expects to be a good basis to start improving the situation by optimizing costs, increasing revenues and seeking operating efficiencies. As mentioned in Note 3.d, these events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern Our conclusion has not been modified in relation to this matter.

Paragraphs on other issues

This report has been prepared at the request of the directors of LABIANA HEALTH, S.A. in connection with the publication of the half-yearly report required by BME GROWTH Circular 3/2020, as amended by Circular 2/2022, on "Information to be provided by companies incorporated for trading in the BME GROWTH segment of BME MTF EQUITY".

AUREN AUDITORES SP, S.L.P.

33512049Z JULIO LOPEZ (R: B87352357)

Firmado digitalmente por 33512049Z JULIO LOPEZ (R: B87352357)
Fecha: 2023.10.31 13:19:50 +01'00'

Julio López Vázquez

31 de octubre de 2023

Instituto de Censores Jurados de Cuentas de España

AUREN AUDITORES SP, S.L.P.

Núm. D012300793

30,00 EUR

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