



Report of January-June 2023 Results

October 2023

Information

The information contained in this report corresponding to the period January-June 2023 has been prepared by Labiana Health, S.A. (hereinafter, Labiana) in accordance with the provisions of article 17 of Regulation (EU) No 596/2014 on market abuse and in article 227 of Law 6/2023, of March 17, on Securities Markets and Investment Services, as well as in Circular 3/2020 of the BME Growth segment of BME MTF Equity (hereinafter "BME Growth"), we inform you of the following information related to Labiana Health, S.A. and presents the Consolidated Results Report as of June 30, 2023.

I. Content of the Consolidated Results Report January-June 2023

- I. The Results Report runs from page 4 to page 29 and contains the review of the management of the company's activity and results during the period January-June 2023, as well as its comparison with the same period in 2022. This The report also contains, among other information, information related to the business model and foreseeable evolution, risk management and relevant events of the period and after closing.
- II. The information related to Labiana's Corporate Governance is included in the Management Report on page 19 as content of section 6 dedicated to policies and actions aimed at protecting the environment, social impact and improving governance practices (ESG).

This Report is complemented by the Audit Report as of June 30, 2023 of Labiana Health, S.A. and subsidiaries and the interim consolidated financial statements for the period January-June 2023 of Labiana Health, S.A., which contain the January-June 2023 consolidated management report, formulated by the Board of Directors on October 30, 2023, as well as the balance sheet and individual income statement for the period January-June 2023 of Labiana Health, S.A..

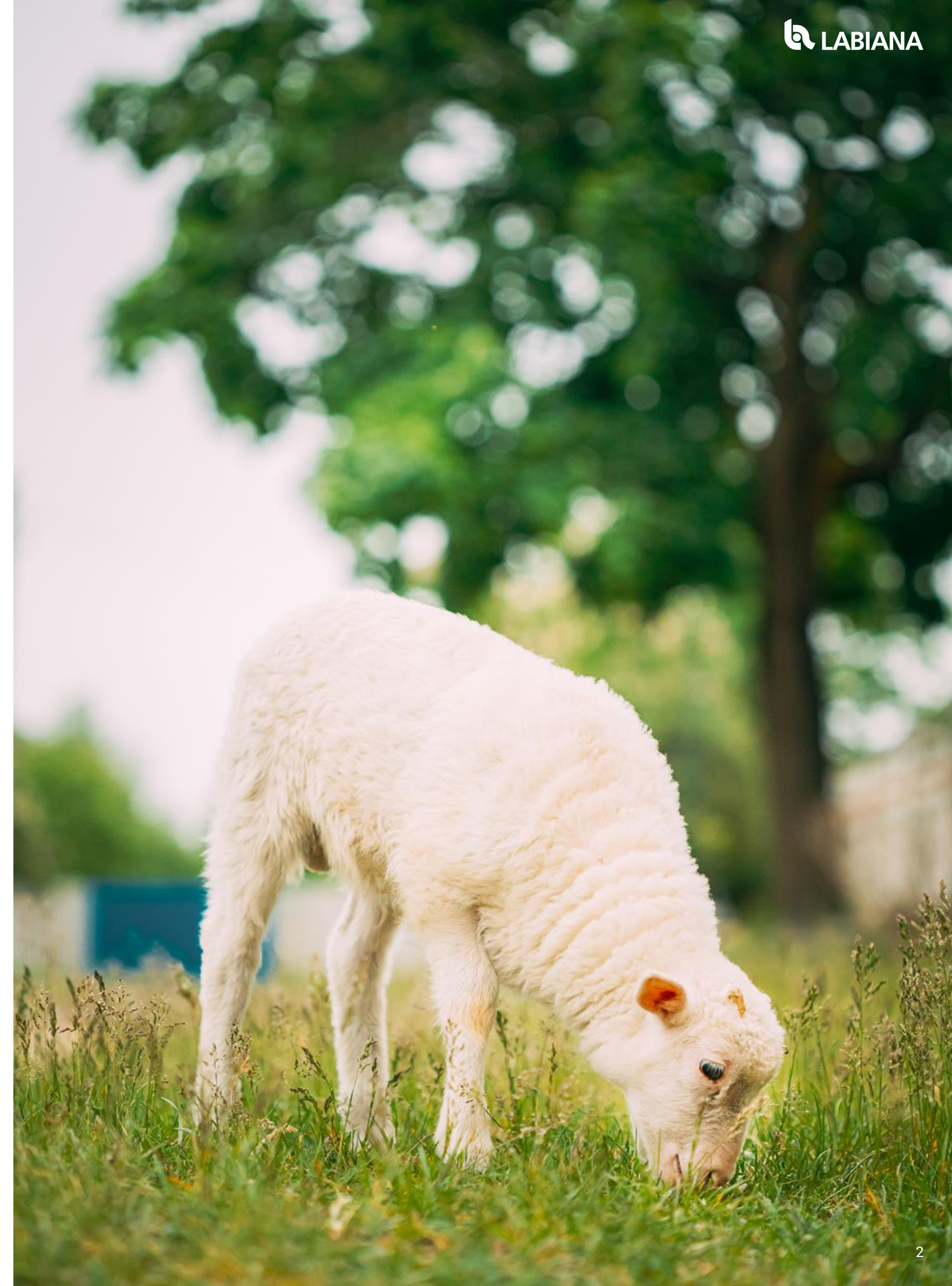
Legal Note and Prospective Information

The information contained in this Results Report has been prepared by Labiana and includes financial information extracted from the first semester accounts of Labiana Health, S.A., corresponding to the period January-June 2023, audited by Auren Auditores, as well as statements relating to future forecasts.

The information and statements relating to future forecasts about Labiana do not constitute historical facts, being based on assumptions that are considered reasonable, and are subject to risks and uncertainties, many of which are difficult to foresee and are, in general, beyond control of Labiana. In this way, shareholders and investors are warned that these risks could cause actual results and developments to differ from those initially anticipated in the future information and projections.

With the exception of the financial information referred to, the information and any opinions and statements contained in this document have not been verified by independent third parties and, therefore, no warranty is given either implicitly or explicitly as to the fairness, accuracy, completeness or correction of the information or the opinions and statements expressed therein.

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



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1 Labiana Health in H1 2023 at a glance

MAIN FINANCIAL FIGURES



Turnover

€28.5M

Var. H1 2022: (2.1%)



Adjusted EBITDA¹

€1.2M

Var. H1 2022: (56.8%)



Net Financial Debt²

€34.6M

Var. 06.30.2022: (3.9%)



% Adjusted EBITDA Margin

4.4%

Var. H1 2022: (5.5 p.p.)



NFD/Adjusted EBITDA

5.8x

Var. H1 2022: 0.78 p.



Cash flow from operations

€3.3M

Var. H1 2022: c.s.

MAIN OPERATIVE FIGURES



Human Health

€14.6M

Var. H1 2022: 1.6%



Animal Health

€13.9M

Var. H1 2022: (5.6%)



>300
Customers

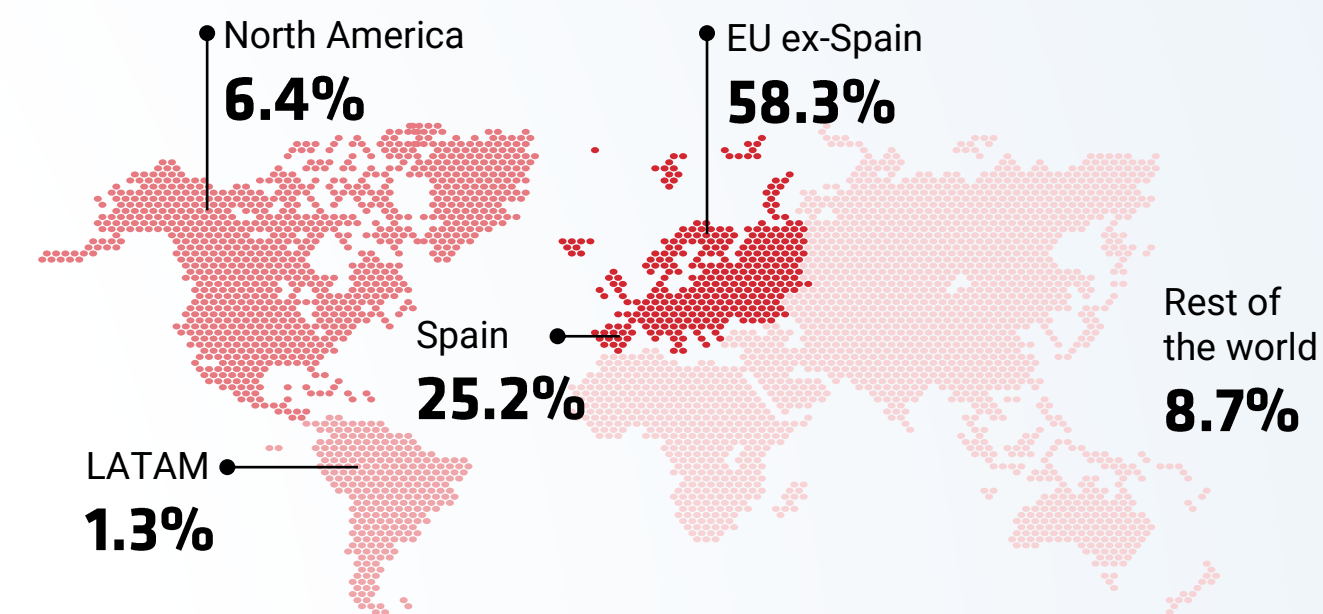


>430
Employees



MAAs >660

% Geographic distribution in H1 2023



1. EBIT and EBITDA Adjusted as earnings before interest, taxes, depreciation and amortization deducting extraordinary expenses derived from the increase in material costs derived from inflation caused by international conflicts and increases in the price of energy and raw materials; the expenses derived from the IPO; expenses arising from the VTZ/LSEE merger; expenses of the non-acquisition process of Laboratorios Ovejero and the impact on the cost caused by the devaluation of the Turkish lira on the gross margin (sales and cost of sales) in our subsidiary in Turkey in 2022, while in 2023 they are the derivatives of the Miralta process and the search for advisors (advisors for the entire process).

2. Net Financial Debt as of 06.30.2023.

1 Labiana Health in H1 2023 at a glance

1.2 Executive Summary

During the first six months of 2023, Labiana Health had to face a very challenging global economic and financial environment as a result of the impacts of factors such as growing inflation, the rise of reference interest rates, the instability generated by the war of Ukraine, and the energy crisis that, to minimize its effects, forced the company to prioritize resources and operations.

In addition, it is worth remembering that Labiana Health debuted on the BME Growth market in June 2022 with a goal of raising funds in the amount of €20M through a capital increase that finally materialized in only €5M.

With this reference context, during this first half of 2023, both the prioritization of resources and the delay in the financing process have had an impact on the time to market with the consequent impact on the operational and financial results of this period.

Thus, the company's consolidated income reached €28.5M, 2.1% less than in the same period of the previous year.

By business segments, this slight decrease was due to the evolution of sales in the animal health division, which had a turnover of €13.86M, 5.6% less than in the first half of 2022. Although the CDMO product line maintained its sales level, it is the own product division that, due to different factors discussed below, recorded lower revenues, going from €5.78 million in 1H22 to €4.96M in 1H23.

For its part, the human health division continued to show expansionary behavior. Sales grew by 1.6% to reach €14.6M and now represent 51.3% of total

consolidated revenues. In this case, it is the own product line that drives the division's sales with a growth of 13.4%.

On the other hand, the increase in material costs stands out as a result of the effect of growing inflation, which has not been directly and immediately passed on to customers, although it is expected that this situation will normalize during the second half of the year. This factor, which has had its main impact on the supplies item, largely explains the fall in EBITDA for the period, which went from €2.34M in 1H22 to €1.09M in this first half, that is, a decrease of 53,3%.

From the point of view of capital management, the company has made a great effort to reduce its gross financial debt, achieving a decrease of €2.26M in the last 12 months, which places the balance of net financial debt at the end of June at almost €34.59M, 3.9% lower than that registered at the end of 2022. However, the net financial debt coverage indicator has worsened from a level of 5.01 times the adjusted EBITDA at the end of June 2022 to 5.79 times at the end of the first half of 2023, taking as reference the pro forma adjusted EBITDA of the last twelve months.

As mentioned at the beginning, after joining the BME Growth stock exchange platform last June 2022, Labiana had to adapt its strategic plan based on the resources raised and, simultaneously, continue the search for alternative financing sources. , a process that concluded on August 21 with the signing of the financing agreement with Miralta Finance Bank, S.A. and Blantyre Capital Limited for a maximum aggregate amount of €25M. Despite the delay in the conclusion of this agreement, the incorporation of this financing is already producing the desired effects in the second half of 2023 in the normalization of the company's financial flows and operations.

2 Labiana Health, company profile

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

Since its founding in 1958 as a group specialized in animal nutrition products, the Group has experienced a continuous process of growth, diversification and internationalization, becoming today a leading pharmaceutical group that stands out as:

- **CDMO** (Contract Development and Manufacturing Organization) providing services to third parties in the development and manufacturing of medicines in a wide variety of presentations, with specialization in solid, sterile, solution and lyophilized pharmaceutical forms and special authorizations such as psychotropic, narcotic and hormonal drugs. Currently, CDMO (animal + human health) represents €18.05M of Labiana's total turnover in 2022.
- **Manufacturer** of a wide catalog of its own products for both animal and human health until reaching a sales figure of €10.41M in 2022. Fosfomicin Trometamol (human health) stands out especially, a product that has been key in the development and growth of Labiana in recent years.

Today, Labiana is made up of five main operating companies employing a workforce of 439 employees operating six manufacturing plants (two of which are located in Spain and four in Serbia), working with more than 300 leading pharmaceutical groups national and international and have a portfolio of their own medicines of more than 50 products, among which Fosfomicin Trometamol (antibiotic for urinary infections) stands out in human health.

Currently, the Group's products are sold in more than 150 countries globally, thanks to its GMPs (Good Manufacturing Practices) in Spain and Serbia, its international subsidiaries in Serbia, Turkey, Ecuador, and Mexico, its growing network of multinational clients, and its licensing agreements with international distributors for the sale of its own products.

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



3 Management results for January-June 2023

3.1 Operational and financial results

The first six months of fiscal 2023 (1H23) have been a real challenge for Labiana Health from a management point of view as a consequence, on the one hand, of the complex global economic environment explained, among other factors, by growing inflation, rising interest rates, the war in Ukraine and the energy crisis, and on the other hand, by financial tensions such as consequence of not having achieved the capital raising objectives in the expansion last June 2022.



It is worth remembering that the company debuted in the BME Growth market with a goal of obtaining financing of €20M through a capital increase that finally materialized in only €5M in the midst of an unstable market and macroeconomic environment that, among other things, consequences for Labiana meant a lack of supply of raw materials.

After this incorporation into the BME Growth market, Labiana had to adapt its strategic plan based on the resources raised and, simultaneously, continue the search for alternative financing sources, a process that, 4 months after the planned date, concluded on August 21 with the signing of the financing agreement with Miralta Finance Bank, S.A. and Blantyre Capital Limited for a maximum aggregate amount of €25M.

With this reference context, during this first half of 2023, both the prioritization of resources and the delay in the financing process have had an impact on the time to market with the consequent impact on the operational and financial results of the first half. Thus, the income for said period amounted to €28.46M, 2.1% below that corresponding to the same period of the previous year.

To this evolution we must add the increase in material costs that have not been able to be passed on directly and immediately to customers and that will normalize during the second half of the year. This increase in costs has meant, for example, that the Supplies item has suffered an increase of 3.7%, going from €11.49M in 1H22 to €11.91M in this 1H23.

Consolidated Income Statement	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
Net Turnover	28,460,607.25	29,061,187.57	(2.1)
Var. inventories of finished goods and work in progress	(83,505.06)	(166,771.11)	(49.9)
Work carried out by the company for its assets	724,842.02	827,798.50	(12.4)
Procurements	(11,914,955.61)	(11,487,331.77)	3.7
Other operating income	1,268.43	8,973.84	(85.9)
Personnel expenses	(10,302,504.78)	(9,929,158.38)	3.8
Other operating expenses	(5,795,031.94)	(5,978,856.15)	(3.1)
Gross operatin profit (EBITDA)	1,090,720.31	2,335,842.50	(53.3)
Depreciation of fixed assets	(2,692,084.38)	(2,147,372.58)	25.4
Excess provisions	0.00	7,470.82	(100.0)
Impairment and gains/losses on disposals of fixed assets	477,178.60	(261,175.61)	c.s.
Other results	(3,396.35)	(51,480.97)	(93.4)
Differences on consolidation of companies	0.00	0.00	0.0
Operating profit (EBIT)	(1,127,581.82)	(116,715.84)	n.s.
Financial income	5,325.89	436,124.56	(98.8)
Financial expenses	(1,303,298.00)	(1,039,517.55)	25.4
Foreign exchange differences	3,292.30	(485,981.84)	c.s.
Change in fair value of financial instruments	(10,016.01)	(32,507.43)	(69.2)
Profit before tax	(2,432,277.64)	(1,238,598.11)	96.4
Income taxes	313,551.43	(381,083.99)	c.s.
Net consolidated profit/loss	(2,118,726.21)	(1,619,682.10)	30.8
Net profit attributable to minority interests	60,641.91	184,728.42	(67.2)
Total net income attributable to the company	(2,058,084.30)	(1,434,953.68)	43.4
Adjusted EBITDA¹	1,246,293.92	2,886,471.10	(56.8)
Adjusted EBIT ¹	(972,008.21)	433,912.76	c.s.

1. EBIT and Adjusted EBITDA as earnings before interest, taxes, depreciation and amortisation less extraordinary expenses arising from the increase in material costs due to inflation caused by international conflicts and price rises in energy and raw materials; expenses arising from the IPO; expenses arising from the VTZ/LSEE merger; expenses from the non-acquisition process of Laboratorios Ovejero and the impact of the cost impact of the Turkish lira devaluation on the gross margin (sales and cost of sales) in our Turkish subsidiary in 2022, while in 2023 they are those derived from the Miralta process and the search for advisors (advisors for the whole process).

3 Management results for January-June 2023

3.1 Operational and financial results



It is also worth highlighting the lower capitalization of R&D projects as a result of the change in accounting criteria applied as of fiscal year 2022, going from 827 thousand euros in 1H22 to 724 thousand euros in 1H23.

All of this has had a direct effect on EBITDA, which has gone from €2.34M in 1H22 to €1.09M in this period. It should be noted that, through cost optimization, income diversification and the search for operational efficiencies, significant measures have been implemented that are already having a positive impact in the second half, as a trend towards stabilization and, in some cases, slight growth in certain business segments.

To this decrease in EBITDA we must add the increase in amortizations of 25.4% compared to the same period of the previous year explained by the closure of R&D projects, such as the launch of the new route. Synthesis for Fosfomycin Trometamol, and material investments that are already operational, such as the new high-productivity line of Labiana Pharma ampoules.

The positive note is the reversal of the deterioration carried out in 2022 of an R&D project related to a biological product thanks to the entry of a CDTI project granted by the Ministry of

Science and Innovation. This CDTI improves the economic viability of the project and that is why the decision has been made to eliminate the impairment, taking the item Impairment and results from disposals of fixed assets for a negative amount of 261 thousand euros to a positive reversal of 477 thousand euros.

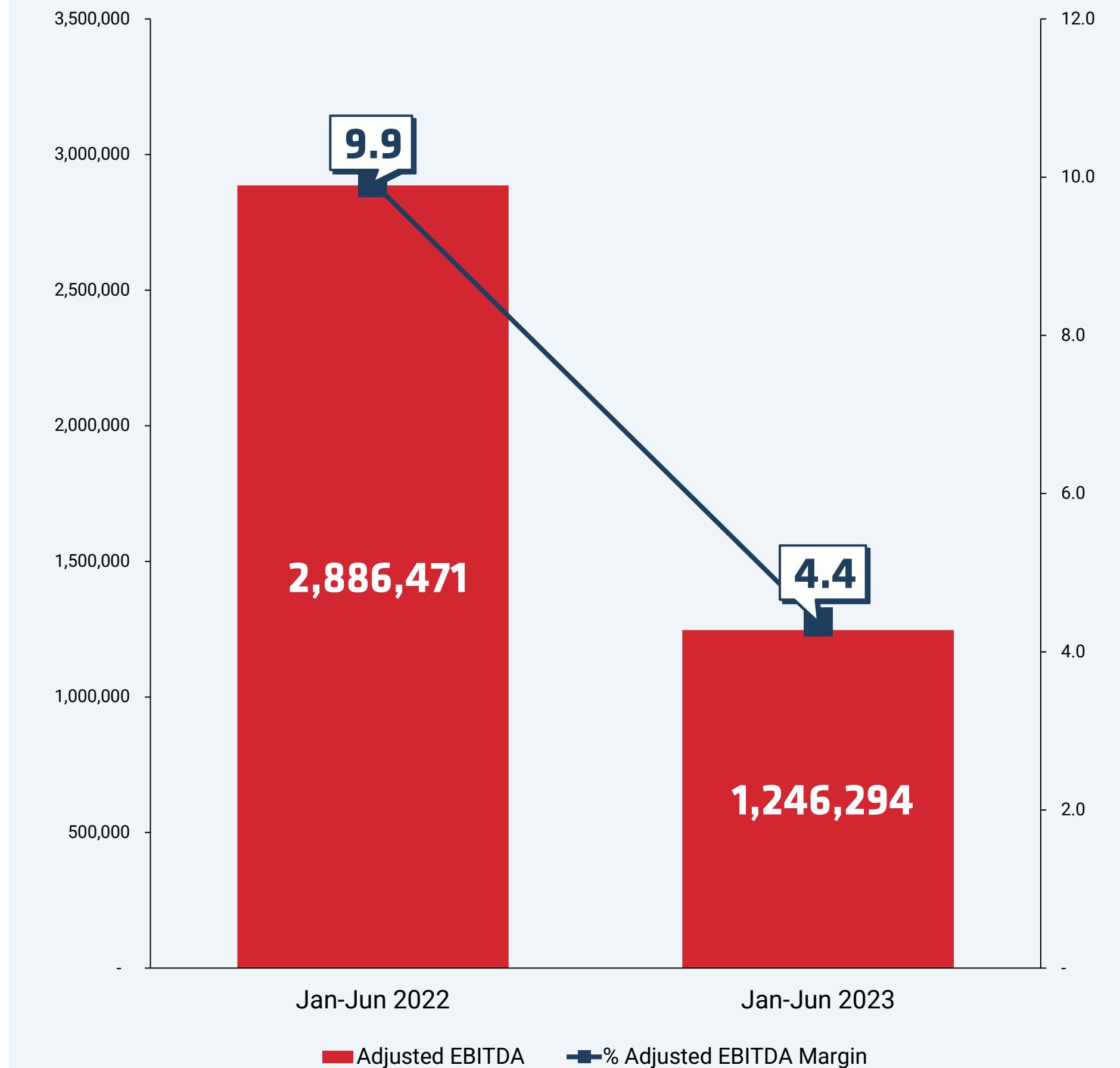
All of this in turn has an impact on the company's EBIT, which implies going from losses before interest and taxes of 117 thousand euros in 1H22 to a negative €1.12M for this year.

Regarding the exchange differences item, there is a significant improvement of 92.1%, going from a loss of 485 thousand euros to an income of 3.2 thousand euros, which has been influenced by both the improvements of the exchange rate of the euro against the dollar throughout the period, such as the corrective measures at the accounting level that have been introduced in Zoleant (the company has changed its functional currency to euros to avoid fluctuations) to minimize the effects of the exchange rate against the process of deflation that the Turkish economy is experiencing.

Regarding financial expenses, they have increased as a result of the Euribor increases, going from €1.04M in 1H22 to €1.30M as of June 2023.

Adjusted EBITDA and Adjusted EBITDA Margin Evolution

Figures expressed in euros



3 Management results for January-June 2023

3.1 Operational and financial results

Financial Figures	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
Net Turnover	28,460,607.25	29,061,187.57	(2.1)
EBITDA	1,090,720.31	2,335,842.50	(53.3)
Adjusted EBITDA ¹	1,246,293.92	2,886,471.10	(56.8)
EBIT	(1,127,581.82)	(116,715.84)	n.s.
Adjusted EBIT ¹	(972,008.21)	433,912.76	c.s.
Net Profit	(2,058,084.30)	(1,434,953.68)	43.4
Cash Flow from Operations ²	3,268,515.58	(1,240,715.76)	c.s.
Capital Expenditure (CapEx) ²	(1,809,248.43)	1,108,901.82	c.s.
Free Cash Flow	47,036.49	649,266.77	(92.8)
Net Financial Debt ³	34,590,445.52	35,999,007.45	(3.9)

1. EBIT and EBITDA Adjusted as earnings before interest, taxes, depreciation and amortization deducting extraordinary expenses derived from the increase in material costs derived from inflation caused by international conflicts and increases in the price of energy and raw materials; the expenses derived from the IPO; expenses arising from the VTZ/LSEE merger; expenses of the non-acquisition process of Laboratorios Ovejero and the impact on the cost caused by the devaluation of the Turkish lira on the gross margin (sales and cost of sales) in our subsidiary in Turkey in 2022, while in 2023 they are the derivatives of the Miralta process and the search for advisors (advisors for the entire process).

2. Net Financial Debt as of 06.30.2023.

Financial Indicators	Figures expressed in euros		
	Jan-Jun 2023	Jan-jun 2022	Var. p.p.
% Adjusted EBITDA Margin	4.4	9.9	(5.6)
Net Financial Debt / Net Equity ¹	7.4	3.0	4.4
Net Financial Debt / LTM Adjusted EBITDA ²	5.8	5.0	0.8

1. Calculated ratios at 06.30.23 and 12.31.22

2. Pro forma Adjusted EBITDA for the last 12 months.

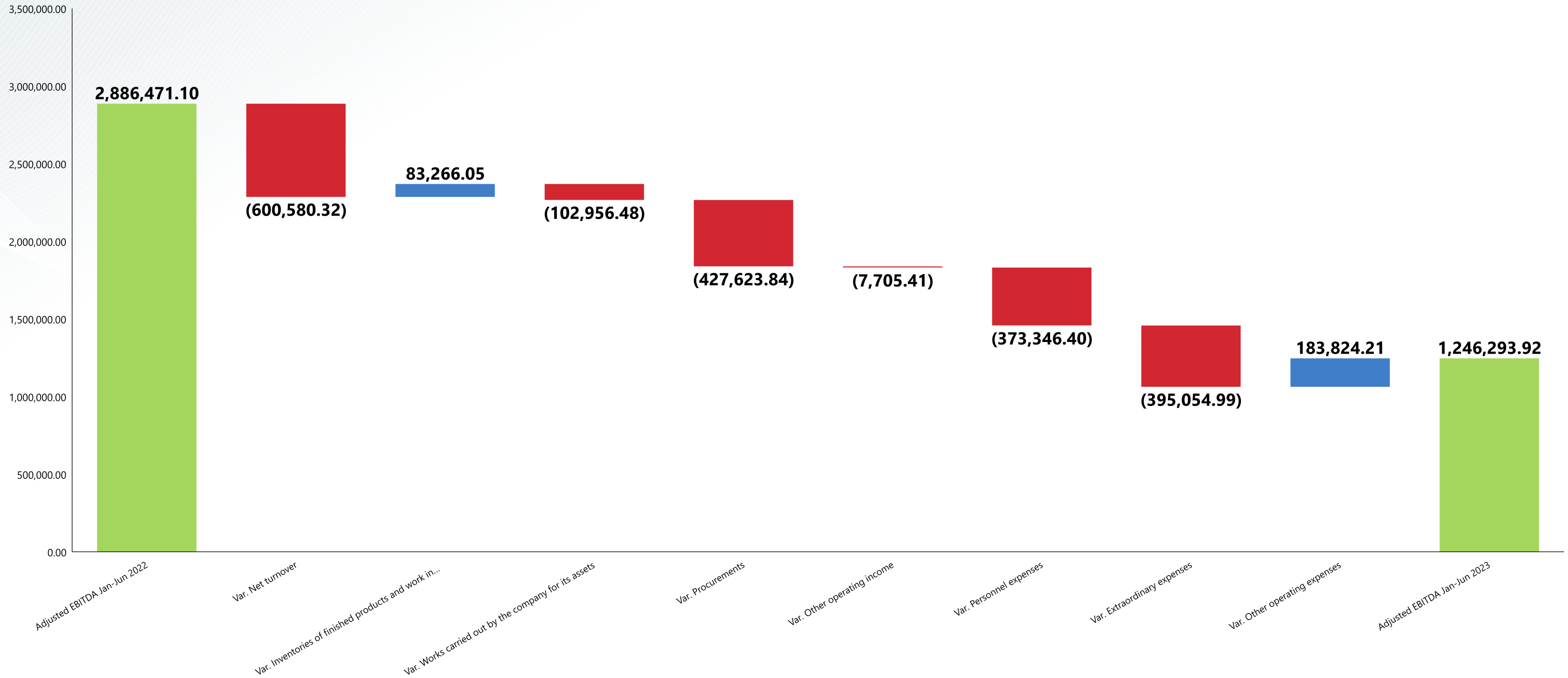


3 Management results for January-June 2023

3.1 Operational and financial results

Adjusted EBITDA Evolution Jan-Jun 2022 vs. Jan-Jun 2023

Figures expressed in euros



3 Management results for January-June 2023

3.2 Capital management and financing

As already mentioned, after joining the BME Growth market last June 2022, Labiana had to adapt its strategic plan based on the resources raised and, simultaneously, continue the search for alternative financing sources, which, as communicated to the Market, materialized on 21 August with the signing of the financing agreement with Miralta Finance Bank, S.A. and Blantyre Capital Limited.

From the point of view of capital structure and financing, the company has carried out a notable effort to reduce its debt, which has meant reducing the balance of gross financial debt by €2.26M, going from €38.52M. at the end of December 2022 to €36.26M at the end of June 2023.

From the point of view of assets, the Fixed Assets items have been reduced as a result of the amortizations of the period already mentioned, with intangible assets going from €9.04M at the end of December 2022 to €8.80M at the end of June 2022. 2023 and property, plant and equipment from €20.64M at the end of December 2022 to €20.44M at the end of June 2023.

The item of Deferred tax assets goes from 923 thousand euros at the end of December 2022 to 1,237 thousand euros at the end of June 2023. This increase is motivated by the revaluation of the impairment of the R&D projects contemplated in the adjustments made due to the reformulation of the annual accounts for the 2022 financial year.

The decrease of 9% in the item of Trade debtors and other accounts receivable is notable as a result of the entry into force of specific measures to improve the management of customer collections (lower DSO), going from €11.9M at closing from December 2022 to €10.8M at the end of June 2023.

However, the heading of Commercial creditors and other accounts payable has registered an increase of 9.9% in this first half of the year, which is already being reversed in the second half of the year after the entry into force of the Miralta financing agreement . Finance Bank, S.A. and Blantyre Capital Limited .

It is worth highlighting that despite the reduction in debt, the worse performance of Adjusted EBITDA has led to a worsening of the net financial debt coverage ratio, which goes from a level of 5.0 times at the end of the first half of 2022 to 5.8 times at the end of the first half of 2023, taking into account the pro forma Adjusted EBITDA of the last twelve months for its calculation.

Consolidated Balance Sheet	Figures expressed in euros		
	Jun 2023	Dec 2022	% Var.
Non-current assets	31,895,634.97	32,022,310.16	(0.4)
Intangible assets	8,793,022.06	9,044,489.59	(2.8)
Property, plant and equipment	20,436,540.18	20,636,467.23	(1.0)
Long-term financial investments	1,429,091.90	1,417,923.95	0.8
Deferred tax assets	1,236,980.83	923,429.40	34.0
Current assets	25,824,151.33	28,756,929.50	(10.2)
Inventories	13,036,278.78	13,832,903.19	(5.8)
Trade and other receivables	10,833,377.45	11,907,729.61	(9.0)
Short-term financial investments	61,445.87	23,382.62	162.8
Short-term accruals and deferrals	227,219.77	472,076.15	(51.9)
Cash and cash equivalents	1,665,829.46	2,520,837.93	(33.9)
Total assets	57,719,786.30	60,779,239.66	(5.0)
Total equity	4,661,533.45	6,906,651.35	(32.5)
Non-current liabilities	16,959,316.79	18,807,861.04	(9.8)
Long-term provisions	76,904.36	82,333.66	(6.6)
Long-term financial debt	16,499,713.14	18,326,249.68	(10.0)
Deferred tax liabilities	382,699.29	399,277.70	(4.2)
Current liabilities	36,098,936.07	35,064,727.28	2.9
Short-term financial debt	19,756,561.84	20,193,595.70	(2.2)
Trade and other payables	16,338,940.13	14,871,131.58	9.9
Short-term accruals and deferrals	3,434.10	0.00	0.0
Total liabilities	57,719,786.31	60,779,239.67	(5.0)

3 Management results for January-June 2023

3.3 Cash flow generation

The cash flow from operating activities generated in the first six months of fiscal year 2023 amounted to €3.3 million compared to a negative flow of €1.2 million in the same period of the previous year. In the evolution of this parameter, the following factors must be highlighted:

Regarding cash flow from investment activities, the company continues to focus on its R&D&i activities to expand its own product portfolio, which has led to a disbursement of 667 thousand euros. At the same time, the adaptation and updating of manufacturing plants is the key for Labiana to continue offering quality products. This fact explains the investment in facilities during the period worth €1.1M. All of this has contributed to the company closing the first half of 2023 with a negative cash flow from investment activities of €1.8M.

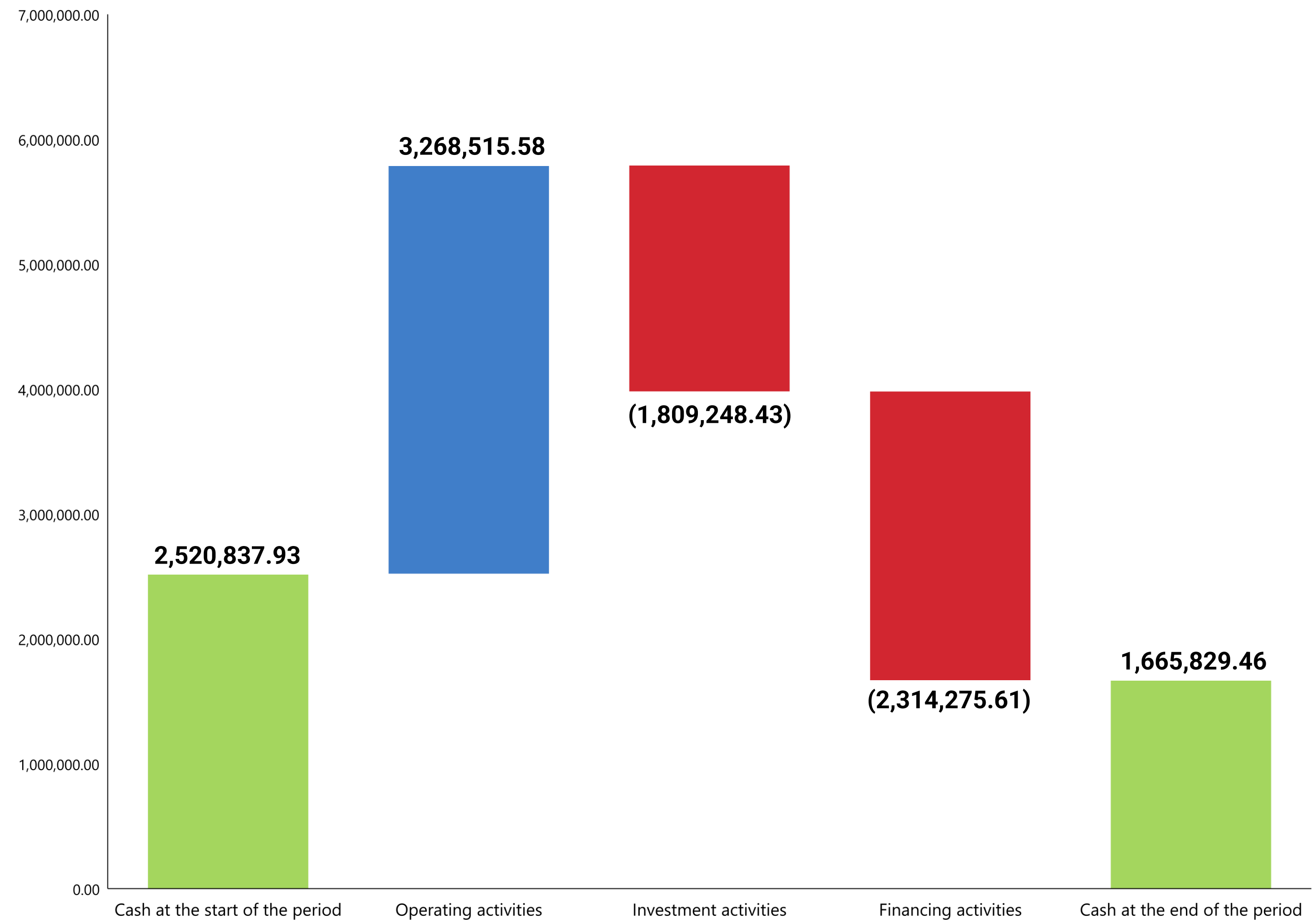
Finally, as explained above, Labiana's priority has been to reduce its debt, which at the end of the period has meant a decrease in flows from financing activities of €2.3M.

1. Increase in prices: the increase in generalized costs caused by inflation due to the war conflict in Ukraine, which still persists, and the energy crisis have caused an increase in the costs of raw materials and supplies in general, which has meant an increase in the Creditors item, which ended 1H23 at €1.5M.

2. Reduction in customer balance: Labiana has decreased its billing mainly due to the geopolitical situation in Iran and Algeria, deferrals of orders from Chile, the prioritization of debt management in Serbia which has led to a delay in billing and deferral of human health CDMO orders due to problems beyond the company's control in the supply of the Flurazepam API. This means that the item Customer balance receivable at the end of 1H23 has decreased by 511 thousand euros compared to the end of the previous year.

Consolidated Cash Flow statements January-June 2023

Figures expressed in euros



3 Management results for January-June 2023

3.3 Cash flow generation

Cash Flows from Operating Activities	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
Consolidated profit before tax	(2,432,277.64)	(1,238,598.11)	96.4
Adjustments to consolidated result	3,473,250.26	2,809,855.96	23.6
Depreciation of fixed assets	2,692,084.37	2,408,548.19	11.8
Valuation adjustments for impairment	(402,821.63)	(147,023.22)	174.0
Capital grants taken to income	(5,429.32)	(55,062.00)	(90.1)
Gains/losses from disposals of fixed assets	8,447.26	0.00	0.0
Financial income	(5,325.89)	(436,124.56)	(98.8)
Financial expenses	1,303,298.00	1,039,517.55	25.4
Other income and expenses	(117,002.53)	0.00	0.0
Changes in working capital	2,063,536.72	(1,992,866.72)	c.s.
Inventories	801,693.09	(2,414,768.86)	c.s.
Debtors and other receivables	(511,077.62)	(4,163,960.47)	(87.7)
Other current assets	244,856.38	(414,700.58)	c.s.
Creditors and other accounts payable	1,524,630.77	4,971,434.10	(69.3)
Other current liabilities	3,434.10	29,129.09	(88.2)
Other consolidated cash flows from operating activities	164,006.24	(819,106.89)	c.s.
Interest payments	(1,303,298.00)	(1,039,517.55)	25.4
Interest receipts	5,325.89	436,124.56	(98.8)
Income tax payments (receipts)	1,461,978.35	(199,217.84)	c.s.
Other payments (receipts)	0.00	(16,496.06)	(100.0)
Total Cash Flows from Operating Activities	3,268,515.58	(1,240,715.76)	c.s.

Cash Flows from Investing Activities	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
Payments for investments	(1,839,815.31)	(2,403,682.84)	(23.5)
Intangible assets	(666,689.24)	(872,557.25)	(23.6)
Property, plant and equipment	(1,133,910.87)	(1,044,625.59)	8.5
Other financial assets	(39,215.20)	(486,500.00)	(91.9)
Proceeds from divestments	30,566.88	3,512,584.66	(99.1)
Intangible assets	10,411.07	0.00	0.0
Property, plant and equipment	20,155.81	0.00	0.0
Other financial assets	0.00	3,512,584.66	(100.0)
Total cash flows from investing activities	(1,809,248.43)	1,108,901.82	c.s.

Cash flows from financing activities	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
Proceeds and payments for equity instruments	(40,689.22)	4,866,895.00	c.s.
Issue of equity instruments	0.00	5,166,895.00	(100.0)
Acquisition of treasury stocks	(40,689.22)	(300,000.00)	(86.4)
Proceeds and payments for financial liability instruments	(2,273,586.39)	(1,982,954.44)	14.7
Issuance of bank borrowings	760,839.01	0.00	0.0
Issuance of other debt with Group companies	0.00	1,500,000.00	(100.0)
Repayment and amortisation of bank debt	(1,420,152.86)	(550,900.34)	157.8
Repayment and redemption of other debts	(1,614,272.54)	(2,932,054.10)	(44.9)
Total cash flows from financing activities	(2,314,275.61)	2,883,940.56	c.s.
Net increase/decrease in cash or cash equivalents	(855,008.46)	2,752,126.62	c.s.
Cash or cash equivalents at the beginning of the year	2,520,837.93	3,283,159.26	(23.2)
Cash or cash equivalents at the end of the year	1,665,829.46	6,035,285.88	(72.4)

Free Cash Flow calculation	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
EBITDA	1,090,720.31	2,335,842.50	(53.3)
Capex for the period	(1,809,248.43)	1,108,901.82	c.s.
Investment in working capital	2,063,536.72	(1,992,866.72)	c.s.
Net financial interest payment	(1,297,972.11)	(603,392.99)	115.1
Corporate income tax payment	0.00	(199,217.84)	(100.0)
Free cash flow	47,036.49	649,266.77	(92.8)



4 Evolution of business segments and markets in H1 2023

Distribution of revenues by business segments

	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
Turnover	28,460,607.25	29,061,188.00	(2.1)
Animal Health	13,861,257.04	14,685,750.00	(5.6)
CDMO	8,902,807.00	8,898,690.00	0.0
Own Vademecum	4,958,450.04	5,787,060.00	(14.3)
Human Health	14,599,350.21	14,375,438.00	1.6
CDMO	9,148,567.53	9,570,536.00	(4.4)
Own Vademecum	5,450,782.68	4,804,902.00	13.4

% Distribution of revenues by business segments

	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	Var. p.p.
Turnover	100.0	100.0	0.0
Animal Health	48.7	50.5	(1.8)
CDMO	31.3	30.6	0.7
Own Vademecum	17.4	19.9	(2.5)
Human Health	51.3	49.5	1.8
CDMO	32.1	32.9	(0.8)
Own Vademecum	19.2	16.5	2.6



4 Evolution of business segments and markets in H1 2023

4.1 Animal Health

Health 's total turnover (31.28% being which corresponds to CDMO and 17.42% which corresponds to own product) and a drop of 5.6% compared to the same period of the previous year.

From an operational point of view, currently the animal health division (Labiana Life Science , Zavod Subotica and Zoleant), has 660 registrations in force with a presence in more than 62 countries. In the first period of the year, 37 new registrations have been approved and another 104 are in process, of which 31 are expected to be successfully closed in the remainder of the year.

Own Product: In the case of own product, the first half of 2023 closed with a decrease in sales of 14.3% compared to the same period of the previous year. In this case, the three main explanatory factors of this evolution are:

1. The consequences of the impact of the political situation in Algeria and Iran that has paralyzed the company's commercial activity in both countries.
2. The decrease in billing in Chile due to a temporary bureaucratic problem at the distributor that has already been resolved in the second semester, restoring supply to this destination, although it has caused a transfer of its orders from the first to the second semester.
3. In Serbia, debt management has been prioritized given the lower inflow of capital that has led to lower turnover.

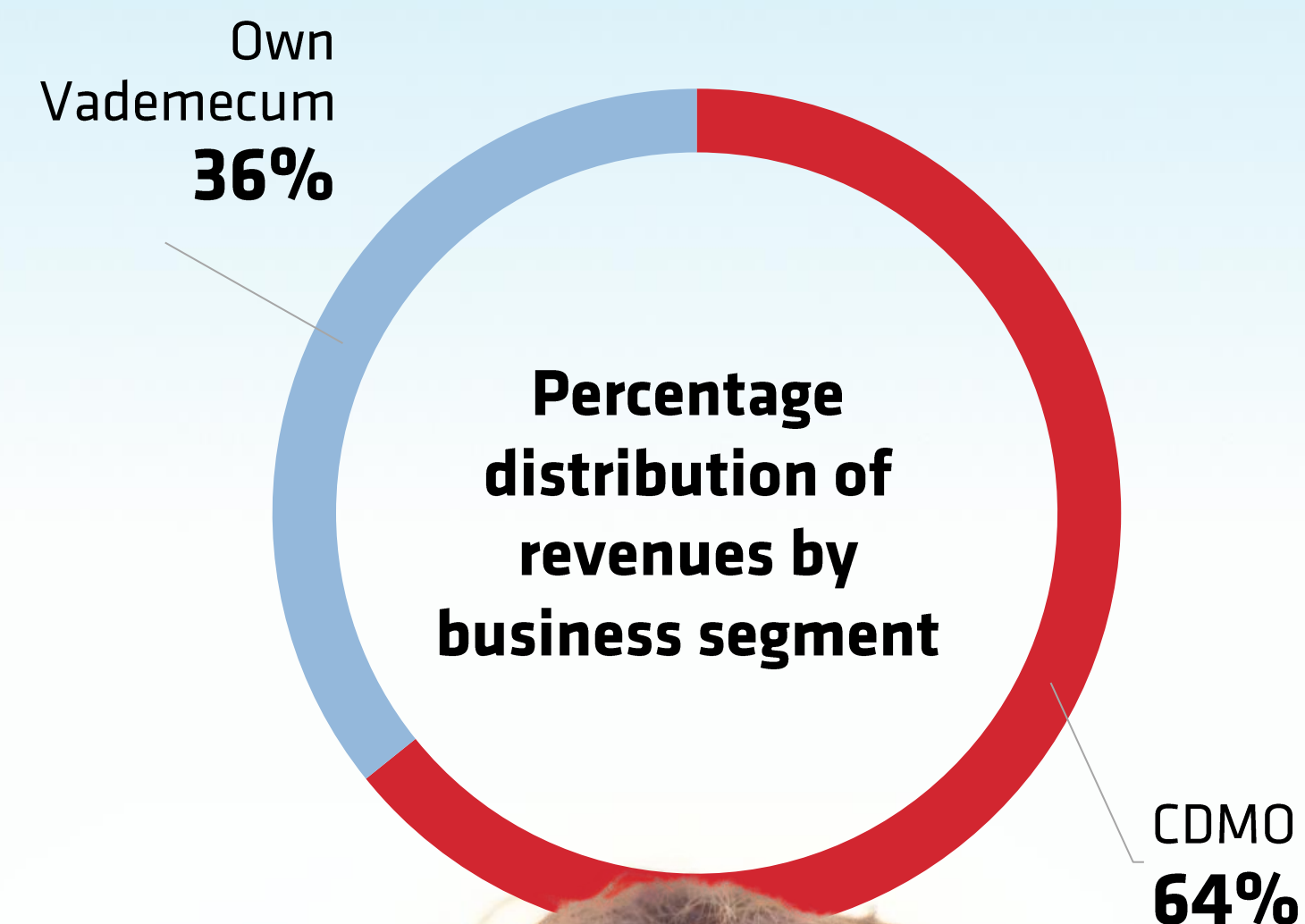
However, although this first half of 2023 shows lower turnover from the Animal Health division, it is important to keep in mind that:

1. Although the entry into force of the new Regulation on veterinary medicines during the previous year was one of the issues that affected the billing for said period, the company estimates that, once this Regulation has been definitively and assimilated by animal health professionals, is having a positive effect for Labiana since this new Regulation promotes individualized and specific medication for each ailment and animal and Labiana has the largest injectable factory in Spain and one of the main ones in Europe. Not in vain, in a market situation like the current one, in which the livestock census has decreased and costs have increased, and with its own vademecum in which the top 10 products in turnover are injectable, the company has grown by 12 % in the livestock segment in Spain.
2. The market for its own product in Europe is consolidated. Due to proximity, political stability and market prices, Labiana is betting on the European markets in its own vademecum, as indicated by the company's high regulatory activity in this geographical

area in which in this first half it has already approved 22 new market authorizations in the European territory (62% of the total MAs that have been approved in the animal health division in 1H23), 24 new MAs have been presented (representing 57.1% of the total new MAs presented) and are another 18 are in process. It is expected that at the end of the year the company will be able to add another 9 new ones to the total number of active market authorizations it has in the European territory.

CDMO: In the case of CDMO, the animal health division has managed to maintain its sales level compared to the first half of the previous year. In this period, the entry of 11 new CDMO projects stands out, some of which have already started production and others have already begun their transfer phase.

Animal Health



4 Evolution of business segments and markets in H1 2023

4.2 Human Health

During H1 2023, the turnover of the Human Health division has increased by 1.6%, going from €14.37M in H1 2022 to €14.60M in H1 2023.

Own Product: Labiana grows 13.4% compared to the same period of the previous year.

As far as Europe is concerned, there has been a slight deferral of production from the first to the second semester, which entails a reduction in turnover of 2.1%. However, in this period a new agreement has also been closed in Germany, a territory in which the company already has 2 active MAs, gaining with one of these MAs the tender for two years and, additionally, a new distributor has been incorporated in France, thus capturing a greater market share in this country.

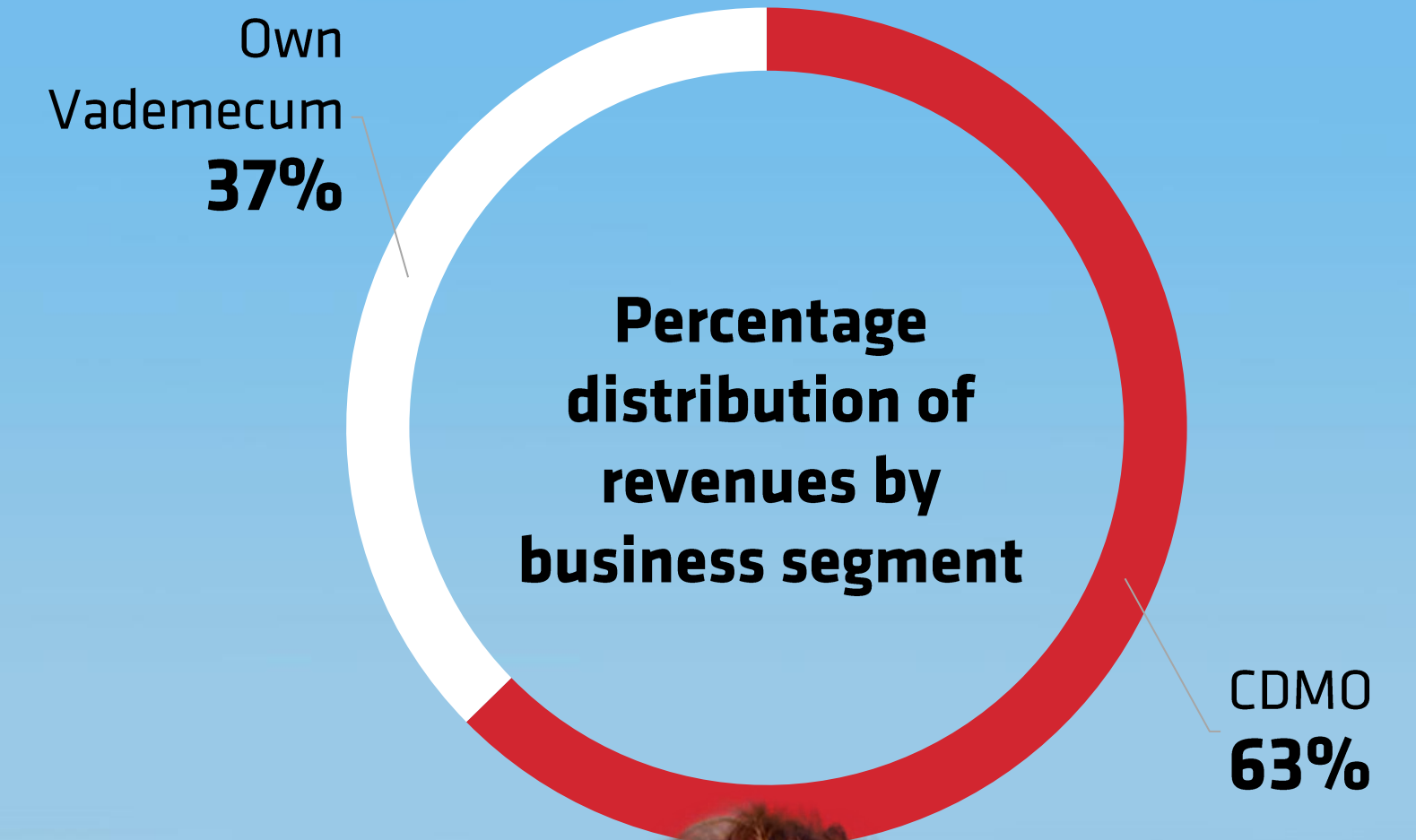
It is also important to highlight the growth trend of Fosfomycin globally in important markets such as Canada where Labiana has been present for several years. It must be taken into account that, although in the first period of the year in Canada there has been a deferral of orders from the first to the second semester that has been reflected in a reduction in the billing of the first semester in the North American region, at the close of this report, normal operations have already been restored with an increase over the total sales of the previous year corresponding to that country, which the company values very positively in terms of sales evolution.

Within the North American area, in the case of the US, the transfer of the patent by Labiana maintains its leadership position in the market as the best-selling generic. Both the price and the number of units remain stable since the previous year.

Regarding evolution in new territories, such as LATAM, Fosfomycin Trometamol was introduced last year. If we compare both periods, we can see that, in absolute value, the amount of sales in this region decreases comparing 1H22 to 1H23. It is important to explain that 1H22 billing comes from 80% of transfer services and pilot lots necessary during any development process in a new client or destination and that only 20% of 1H22 billing came from direct sales of product. In the first half of 2023, 100% of the turnover already comes from direct product sales, which represents an increase of 268% compared to the income for this concept in 1H22 and an indication that the activity in LATAM in 2023 already comes purely of the manufacturing of the final product. It should also be noted that in 2023 there has also been an increase in the number of clients compared to the same period of the previous year.

Finally, in the case of Spain, it is worth highlighting the contract that has been closed with Cinfa for the distribution with its own brand of Labiana's Fosfomycin in the national market through its important network of pharmacies, which has led to an increase of the billing of 14.5% in this first period of the year compared to the same period of the previous year.

Human Health



4 Evolution of business segments and markets in H1 2023

4.3 Geographic markets

Distribution of revenues by geographic markets

	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	% Var.
Turnover	28,460,607.25	29,061,187.57	(2.1)
Spain	7,176,895.59	6,951,578.89	3.2
EU ex-Spain	16,605,355.31	16,954,989.57	(2.1)
North America	1,822,072.11	1,463,322.21	24.5
LATAM	375,223.98	180,009.10	108.4
Rest of the world	2,481,060.26	3,511,287.80	(29.3)

% Distribution of revenues by geographic markets

	Figures expressed in euros		
	Jan-Jun 2023	Jan-Jun 2022	Var. p.p.
Turnover	100.0	100.0	0.0
Spain	25.2	23.9	1.3
EU ex-Spain	58.3	58.3	0.0
North America	6.4	5.0	1.4
LATAM	1.3	0.6	0.7
Rest of the world	8.7	12.1	(3.4)

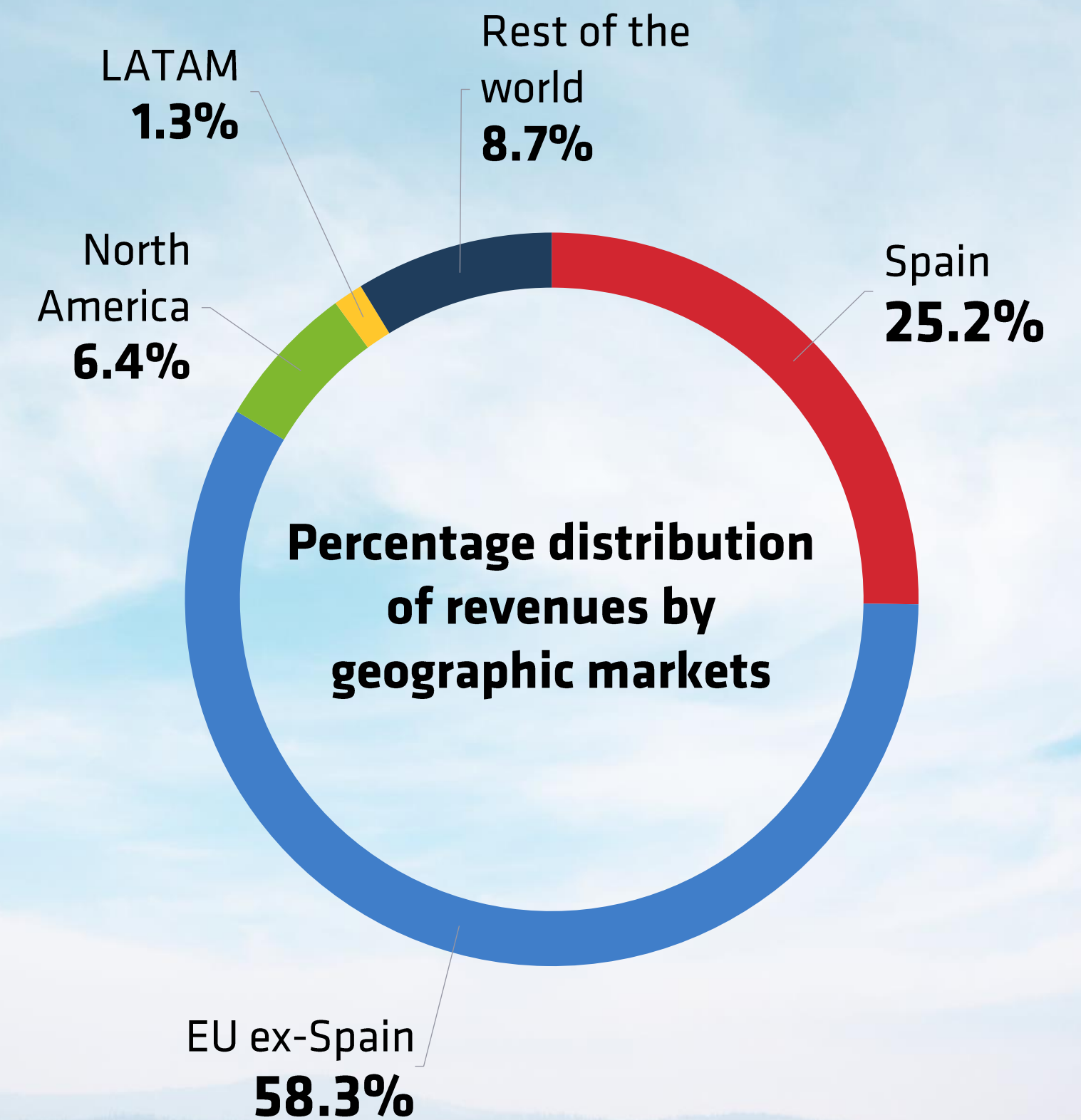
In the case of Spain, there has been a significant growth of 3.2%, going from €6.95M in 1H22 to €7.17M in 1H23 thanks to a higher turnover of own products, both in the animal health division and in human.

In Europe, billing remains practically stable with a slight decrease of 2.1% compared to 1H22, which is mainly due to the deferral of production from the first to the second half of the Human Health CDMO division as a result of the delay in supply of the Flurazepam API outside the company, which at the closing of this report has already been restored.

Regarding North America as a whole, there is an increase of 24.5% motivated by the growth of Animal Health in this geographical area, despite the fact that in Human Health there was a deferral of orders from the first to the second semester.

In LATAM as a whole there is a growth of 108.4% despite the fact that in Chile in the Animal Health division the first semester began with a decrease in billing in this country due to an update of health records at the request of the health authorities that have meant a deferral of orders from the first to the second semester.

In the rest of the world there is lower turnover with a decrease of 29.3% mainly motivated by the political situation in Iran and Algeria that has paralyzed the company's commercial activity in both countries and by the decrease in sales of Zavod already mentioned that they mainly affect this territory.



5 Compliance with the business plan

The company has decided not to present forecasts for fiscal year 2023 given the uncertainty generated by a complex global macroeconomic and geopolitical environment.

Labiana Health, in its objective of positioning itself as a reference group in the human health and animal health markets, is in the process of reformulating the strategic priorities published on the occasion of its incorporation into BME Growth in June 2022, the review of which may give rise to a modification, replacement or reinforcement of these, or even the incorporation of new strategic developments given the business opportunities that are being identified. The completion of this process may involve an update of the equity story, both in terms of the description of the business model, as well as the new business plan and its financing, as well as the preparation of new financial projections, which, when the time comes, would be communicated to the Market together with their respective hypotheses, prior approval of the Board of Directors.



The company maintains its commitments in terms of sustainability, environment and governance.

Below are some of the most notable aspects during this first semester of activity:

1. Certification in the ISO 14001:2015 and ISO 45001:2018 standards at the Labiana Life plant in September, which accredit the environmental management and management of occupational health and safety systems. Currently, work continues to obtain these certifications at the Labiana Pharmaceuticals plant .
2. Regarding the carbon footprint, an indicator that measures the impact on global warming, during 2023, Labiana has hired the services of an engineering company to carry out the corresponding energy audit, as well as to calculate the carbon footprint of its facilities in Spain. During the first semester, both the energy audit and the carbon footprint measurement corresponding to the activity for fiscal year 2022 were carried out. In this way, Labiana now has a more accurate tool than the one it had been using until now (MITECO) that it allows you to learn more about how to manage and improve your carbon footprint, as well as to make decisions about measures that help achieve a progressive reduction of it, reducing the impact of your activity.
3. Within the Electrical Consumption Reduction Plan, a new study of outdoor lighting has been initiated to reduce light pollution, both through the use of high-efficiency lamps and by controlling the areas to be illuminated by adapting the lighting to real needs. of each area.
4. The implementation of the new preventive/corrective system program for the maintenance department has

been completed, which has made it possible to eliminate 100% of the paper used for this task by replacing it with a computerized system through mobile devices.

5. During the first half of 2023, the amount of waste generated, compared to the same period in 2022, has decreased by 8%.
6. Labiana continues to support young people and groups at risk of social exclusion through its #LabianaIncorpora program:
 - Giving opportunities to young people by helping them in their first job and offering continued and paid training in our company. Maintaining an average of 16 interns on staff.
 - Hiring and betting on people at risk of social exclusion such as those over 45 years of age. In 2023, 5 men and 2 women who are in this situation have joined.
 - Promoting the incorporation of people from the area, especially in the Corbera plant where access is more difficult, complying with our environmental commitment, betting on the conciliation of our workers and their well-being and compatibility with work and their free time . In this first semester, 4 new workers from the area have joined.
7. Improvement plan, conflict detection and approach to HR department workers. During 2023, this project has been prioritized and strengthened by conducting daily interviews with staff with the aim of being able to

influence their well-being in the company and, above all, detect possible conflicts to always offer the best solution. During these first months of 2023, several campaigns have been developed to raise awareness about the environment and social issues of great importance, in addition to offering activities to promote teamwork and a good environment.

8. We continue to focus on stability and quality of work and proof of this is that the percentage of staff with permanent contracts has increased by 96% and continues to be 100% full-time. As of June 30, 2023, Labiana has a total of 418 employees, of which 56% are women and the majority are between 31 and 50 years old.
9. In this first period of the year, specific training on equality, sexual and gender-based harassment and good leadership has been provided to all the middle managers of Labiana Life and Pharma .
10. Igualia group, an entity specialized in equality and workplace harassment solutions for companies, has managed to provide training for the entire staff on sexual violence awareness that will be given during the month of October and November of the current exercise.
11. The company continues to maintain conciliation measures, flexible hours, and the possibility of remote work one day a week. During the first semester, the teleworking contract has been implemented for all those positions that allow the full development of their functions remotely. This makes it easier to modify schedules to help reconcile the personal lives of the company's workers.

12. During this period of 2023, there have been several information campaigns that the company has carried out to raise awareness about different aspects related to sustainability, the environment and safety and hygiene at work:

- World Day for Safety at Work
- International Mother Earth Day
- World Environment Day
- Tips for a Healthy Summer
- World Recycling Day
- World Water Day
- International Day of Biological Diversity

7 Risk management

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

1. Credit Risk: the Group's credit risk is mainly attributable to its commercial debts. The amounts are reflected in the balance sheet net of provisions for bad debts, estimated by Group Management based on the experience of previous years and its assessment of the current economic environment.

The Group has a significant concentration of credit risk given that it basically works with four large multinationals in the sector. However, they are fully solvent companies with which they have been working for a long time, therefore, the credit risk is highly diluted.

2. Liquidity Risk: in recent years, the investee companies of the Group of which the company is the parent had had great difficulties in accessing financing sources due to their bankruptcy history, having to resort to internally generated resources, contributions of partners and loans obtained from public organizations to finance their operations. However, in recent years, the aforementioned companies have managed to obtain bank financing lines in the form of credit accounts and discount lines, which have allowed them to have greater financial capacity.

Company has reached a financing agreement with the financial investment entity, Miralta Finance Bank S.A., the current treasury situation of the Group is delicate, which is why it is currently in talks with its lenders to obtain new schedules and conditions for refinancing your debt; and on the other hand, additionally, it is in negotiations with several investment entities to obtain new financing formulas that allow the Group to meet its present and future payment obligations, its investment needs and to continue with the normal

development of the business. activity.

3. Exchange Rate Risk: the Group operates internationally and, therefore, is exposed to exchange rate risk due to currency operations, especially the dollar. Foreign exchange risk arises from future business transactions, assets and liabilities recognized in businesses. The Group does not use any type of coverage as it considers that there is no high risk given the average collection period of the clients with whom it operates in currency.

4. Interest Rate Risk: since 2015, as detailed above, the Group has financial debt, both from banks and from third parties, the financial cost of which is closely linked to the evolution of market interest rates.

The rise in the Euribor in recent months has created an increase in interest. The company is monitoring this situation, but at the moment, it is not considering carrying out any type of financial coverage to cover the risk of a significant increase in these rates.



8 Significant events during the period and after the reporting period



January 20

Authorization of Ataxxa to reduce the risk of Leishmania infection.

ATAXXA is a veterinary medicine that is administered in the form of a pipette, it prevents infestations by mites and insects and reduces the risk of Leishmania infection. infantum through transmission by sandflies (Phlebotomus perniciosus). In the second half of 2022, it has received authorization to reduce the risk of Leishmania infection.

February 22

Change of Registered Advisor.

The company communicated the agreement with NORGESTION, S.A. for the resolution of the Registered Advisor contract and informed of the appointment of VGM Advisory Partners, SLU as new Registered Advisor.

March 6-10

Congreso Internacional de Ovino, Sevilla.

Asistencia al Congreso Internacional de Ovino que se celebra cada dos años en una ciudad diferente del mundo.

March 15-17

PROPET, Madrid.

Participation with its own stand at PROPET, the largest fair in the pet sector in Spain, in which a new product portfolio was presented, among which is Labiatonic, a vitamin complex for pets.



March 28-31

Figan, Zaragoza.

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

March

Appointment of M^a Jesús Crespo, director of R&D and Regulatory Affairs of Labiana Life, as president of the Business Association for Health, Nutrition and Well-being (ADIPREM).



April 24

Signing of Agreement of Intent.

Labiana announced the signing of an agreement of intent with Miralta Finance Bank, S.A. and Blantyre Capital Limited to provide financing to the company for a total amount of €20M.



April 24

Signing of the Transparency Agreement in Animal Experimentation.

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

April 26

Appointment of new Secretary of the Board of Directors.

The appointment of Mr. Santiago Tomás Pujo as the new Secretary of the Board of Directors was announced.

May 2

Suspension of trading in the company's shares.

Spanish Stock Exchanges and Markets (BME) announced the suspension of trading in Labiana shares after the company reported that it would not be able to submit the complete audited annual financial information for the year 2022 within the deadline established by the regulations due to a delay in the audit work by its auditor, BDO.

June 29

Publication of audited individual and consolidated annual accounts without qualifications.

The Company reported that the process of obtaining the audit of the individual and consolidated annual accounts for fiscal year 2022 ended without reservations, publishing the Audit Report of Consolidated Annual Accounts issued by an independent auditor of Labiana Health, S.A. and Subsidiary Companies, and the Consolidated Non-Financial Information Statements.

8 Significant events during the period and after the reporting period

July 3

The suspension of trading in the shares of Labiana Health, S.A. is withdrawn.

After verification of the information disseminated by Labiana Health, S.A. through which it made public the annual financial statements corresponding to the year 2022 along with the corresponding audit report, BME Growth proceeded to withdraw the suspension of the trading of the Company's shares.

August 8

Obtaining certification to manufacture products intended for clinical trials (MEI or IMP).

This authorization enables Labiana to develop and manufacture medicines regardless of their development phase, from the preclinical and clinical phases to marketing.

August 21

Signs financing agreement with MiraltaFinanceBank , S.A. and Blantyre Capital Limited.

On August 21, 2023, the company informed the Market of the signing of the financing contract with Miralta Finance Bank, S.A. and Blantyre Capital that will reinforce Labiana's growth and business plan.

September 8

Implementation of ISO 14001:2015 and ISO 45001:2028 standards in Labiana Life.

September 2023, the certification that accredits the environmental management system and the occupational health and safety systems management system of the Labiana Life plant was achieved.

October 4

Celebration of General Meeting of Shareholders.

The company held its General Meeting of Shareholders for the examination and approval of the individual and consolidated annual accounts, their corresponding individual and consolidated management reports, examination and approval of the Consolidated Non-Financial Information Statement, examination and approval of the proposal for application of the result of the financial year (all at the end of December 31, 2022), approval of the corporate management and actions of the Board of Directors during the financial year closed on December 31, 2022 and appointment of a new auditor of the Company's accounts to the years 2023, 2024 and 2025.

October 17

Share repurchase plan.

Communication to the BME Growth market of the approval agreement by the company's Board of Directors held on September 25, 2023 of a Share Repurchase Program (the "Repurchase Program"), pursuant to the authorization contained in the sixth agreement of the General Meeting of Shareholders held in a session on March 4, 2022, for the derivative acquisition of the company's own shares.

October 24

New authorization.

Market authorization has been granted for Spain and Croatia for Labixxin100 mg/ml, tulathromycin injection solution as active substance for cattle, pigs and sheep (Spain as RMS). Labixxin is a type D antibiotic that the EMA recommends using as a first-line treatment, whenever possible, to avoid bacterial resistance.

October 24-26

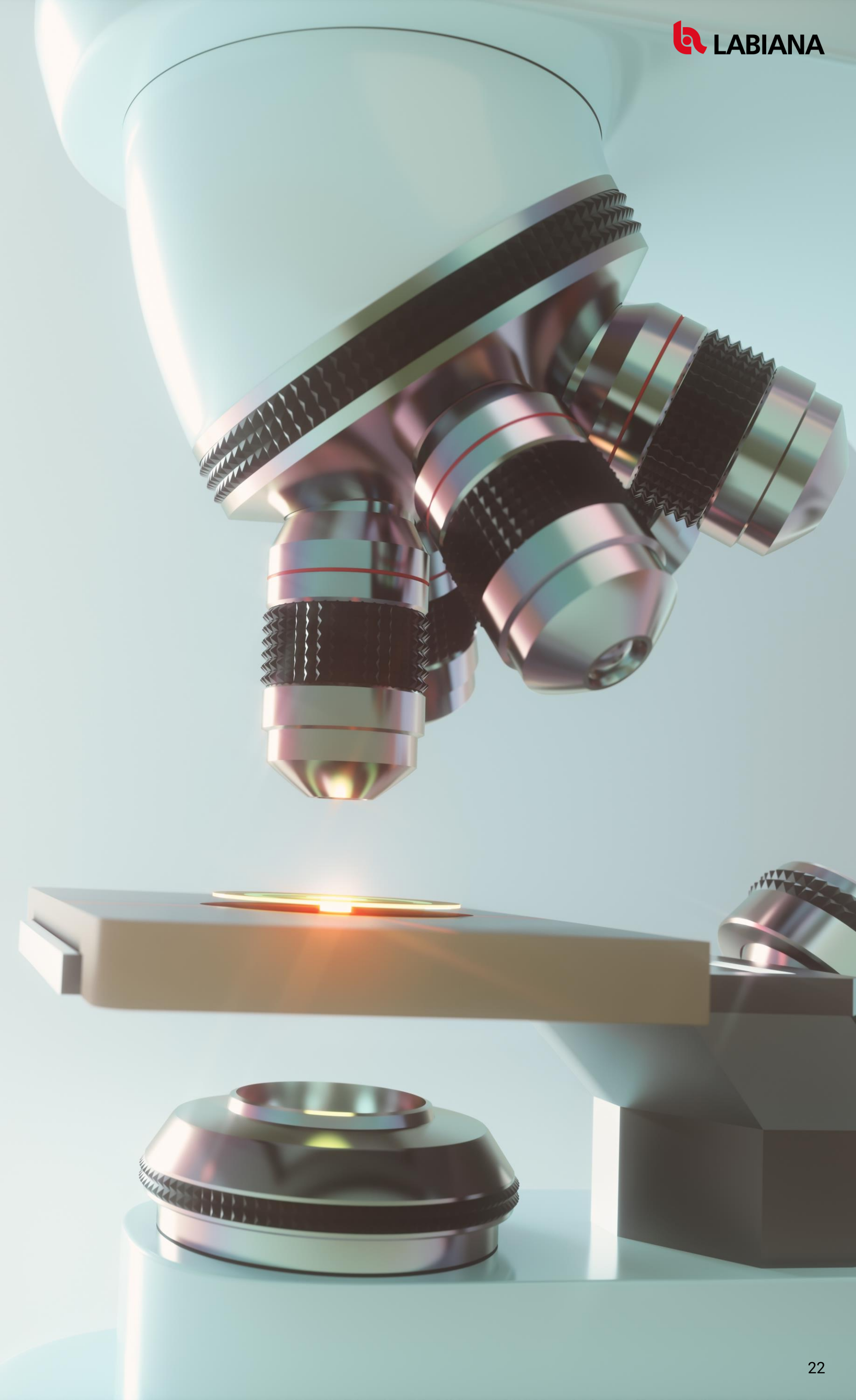
Participation in CPHi.

For yet another edition, Labiana has participated in CPHi , the most important annual fair for the pharmaceutical industry, which on this occasion was held in Barcelona, which has allowed the company to take advantage of the opportunity to attend, both at the stand and in the plant, the visits of clients who attended the event.

October 30

Appointment of new General Director of Labiana Health.

Among the measures adopted to improve the management and optimization of resources and that will allow the company to strengthen executive business management, Ms. Sandra Villagrana has been appointed, General Director of Labiana Health, reporting directly to the Board and the presidency and with powers in the direction and management of the different animal health and veterinary divisions. These functions are in addition to those she currently performs as General Director of Labiana Pharmaceuticals.



9 R&D activity and registrations

R&D and registration activity continues as normal. Regarding the work of Registries, the following tables reflect the activity in authorizations and markets during the first half of 2023 in each of the divisions.

HUMAN HEALTH	Active MAs	MAs in progress	Approved 2023	Presented 2023	Approvable 2023	Planned Presentation 2023
1. Spain	4	0	0	0	0	0
2. Europe ex/Spain	25	0	1	0	0	1
3. USA	1	0	0	0	0	0
4. LATAM	16	2	0	0	2	0
5. Rest of the world	51	23	6	3	11	0
TOTAL	97	25	7	3	13	1

ANIMAL HEALTH	Active MAs	MAs in progress	Approved 2023	Presented 2023	Approvable 2023	Planned Presentation 2023
1. Spain	31	1	0	0	1	0
2. Europe ex/Spain ¹	117	18	22	24	9	0
3. USA	0	0	0	0	0	0
4. LATAM	72	8	0	2	3	4
5. Rest of the world	440	77	15	18	18	9
TOTAL	660	104	37	44	31	13

1. Includes UK and other non-EU countries.

10 Foreseeable developments

The company is in the process of reviewing its Strategic Plan, taking into account the changes registered in the last year in the global macroeconomic and geopolitical environment, such as the significant growth in inflation rates, component supply problems that have affected the normal functioning of operations, or also the rise in interest rates that conditions capital management and the allocation of resources.

Likewise, the reformulation of the 2022 annual accounts adds another determining factor when establishing Labiana's strategic priorities that may involve, for example, the review of operations in Serbia and Turkey, as well as giving new impetus to the is committed to new business opportunities that affect both developing product segments, for example the pet business or medical cannabis, and geographic markets, for example the Nordic countries in Europe.

This review of the company's Strategic Plan could give rise to new forecasts that, if necessary, would be communicated to the market along with their respective hypotheses, prior approval by the Board of Directors. In this sense, the company has not published forecasts for the 2023 financial year.

11 Acquisition and disposal of treasury shares

As of June 30, 2023, the Parent Company holds 100,677 treasury shares for an amount of 302,031 euros at an average market price of 3 euros per share.



12 Consolidation perimeter

The Parent Company owns, directly or indirectly, shares in various national companies and holds, directly and indirectly, control over them. As indicated in Note 2 of the Annual Accounts Report, the Parent Company already held the shares of the subsidiaries in previous years. However, since it was domiciled outside of Spain, it was not required to prepare consolidated annual accounts. Therefore, as of January 1, 2018, the first consolidation of the Group companies was carried out. For accounting purposes, this date coincides with the moment in which a partial division and merger was carried out between two of the dependent companies described in the subsequent section.

The detail of the Subsidiaries included in the consolidation scope in the period January-June 2023 by the global integration method is as follows:

	% of Direct Participation	% of Indirect Participation	Consolidation Method Applied
Labiana Life Sciences, S.A.U.	100	-	Global integration
Labiana Pharmaceuticals, S.LU.	100	-	Global integration
Veterinarski zavod d.o.o. Subotica	-	100	Global integration
Labiana México, S.A de C.V.	-	95	Global integration
Zoleant ILAC	-	51	Global integration
Ecuador-Labiana, S.A.	-	99	Global integration
L.O. Vaccines, S.L.	-	100	Global integration

The purpose of the investee companies that are part of the consolidation scope as of June 30, 2023, is the following:

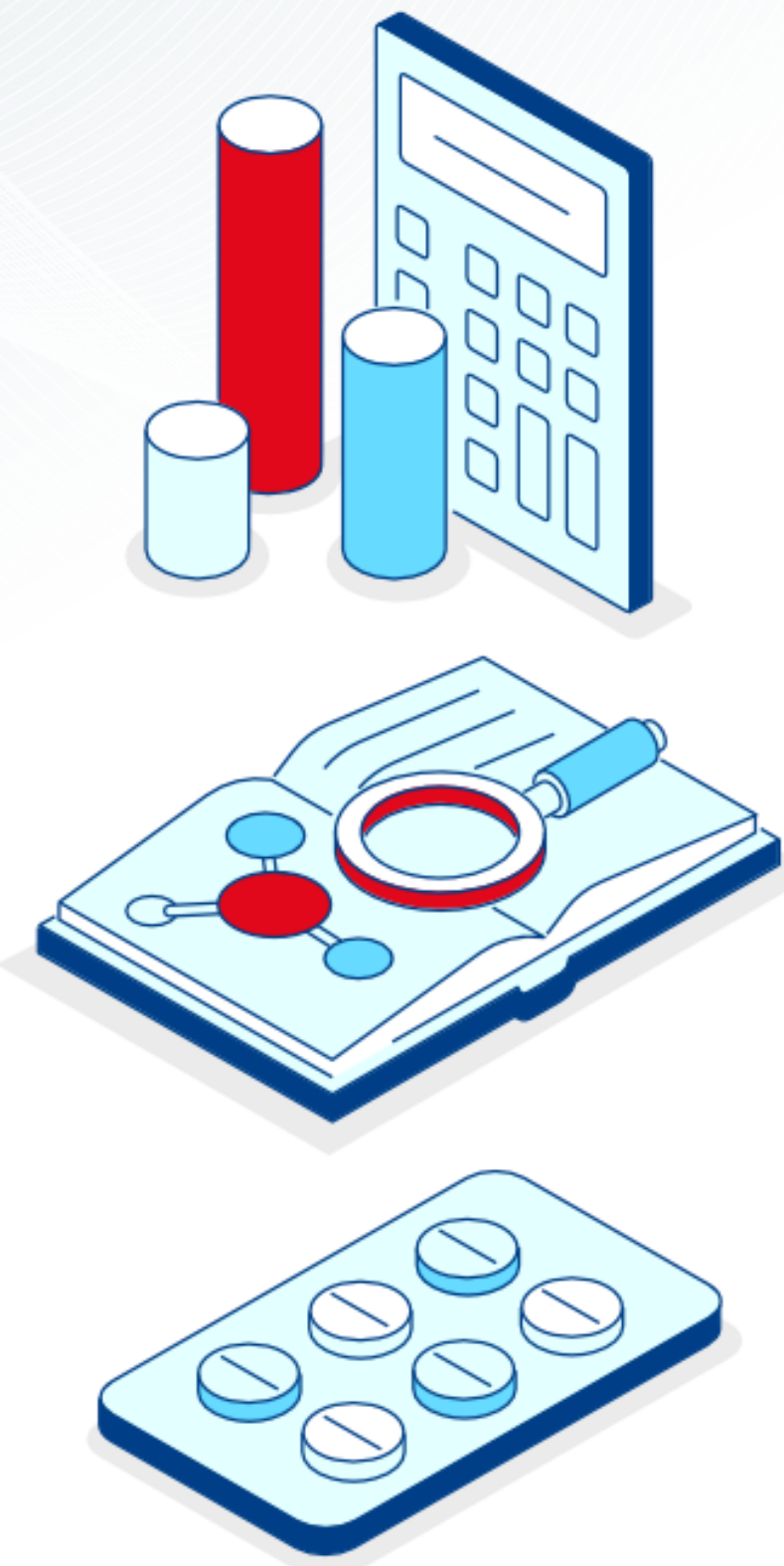
- **Labiana Life Sciences, S.A.U.**
Its main activity consists of the manufacture and marketing of its own veterinary products, the provision of manufacturing services for veterinary pharmaceutical products for third parties, the provision of services aimed at the renewal of product registrations, the creation and updating of dossiers and advice on procedures with health authorities for own and third-party products, the development of new veterinary pharmaceutical products, and reformulations of existing products, as well as any other activity related to the aforementioned corporate purpose. His current address is in Madrid, Calle Serrano, number 93.
- **Labiana Pharmaceuticals, S.L.U.**
Its main activity consists of the provision of manufacturing services for 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 their own, the development of new human pharmaceutical products, and reformulations of existing products, as well as any other activity related to the aforementioned corporate purpose. Its industrial facilities are located in Corbera de Llobregat (Barcelona).
- **Veterinarski zavod a.d., Subotica**
Its main activity consists of the manufacturing, research and development, marketing, storage and packaging of pharmaceutical and veterinary biological products. On December 8, 2021, took place the merger by absorption of Labiana South East Europe d.o.o. Beograd-Vracar and Veterinarski zavod a.d., Subotica being the absorbing company, Labiana South East Europe d.o.o. Beograd-Vracar. However, it has changed its corporate name to Veterinarski zavod d.o.o. Subotica.
- **Labiana de Mexico, S.A. de C.V.**
Its main activity consists of the marketing of pharmacological products and the marketing of veterinary instruments. His current address is in the city of Tejería (Veracruz, Mexico).
- **Zoleant ILAC**
Its main activity is the manufacture, research and development, marketing, storage and packaging of animal pharmaceuticals. Its current registered office is in the Republic of Turkey, being its corporate purpose.
- **L.O. Vaccines, S.L.**
This company was created to carry out the Ovejero operation but, as the acquisition did not take place, it has no had any activity.

The financial year of the Parent Company and Subsidiaries begins on January 1 and ends on December 31 of each year. The latest Annual Accounts prepared correspond to those of the financial year ending on December 31, 2022.



13 Labiana Health in the Stock Market

Labiana Health 's share during the first nine months of 2023 registered a strong adjustment in the price as a consequence, on the one hand, of the persistence since its incorporation into the BME Growth market (June 24, 2022) of a stock market environment and complex macroeconomic situation, and on the other, the negative reading that the market made due to the impact of the reformulation of the accounts corresponding to the 2022 financial year.



Indeed, in terms of variables exogenous to the company, the continuity of the war conflict in Ukraine, the maintenance of high inflation rates, the new increases in interest rates, and more recently the Middle East crisis, are factors that did not contribute to the reduction of uncertainty and volatility in the markets, and on the contrary negatively affected their liquidity and the behavior of the reference indexes.

Regarding Labiana Health 's own factors, it should be noted that the stock price suffered a severe correction starting in early July 2023 as a result of the market's negative interpretation of the reformulation of accounts for the 2022 financial year, which entailed significant adjustments. negative effect, both on the Income Statement and on the Consolidated Balance Sheet, close to €7M, although without impact on the generation of cash flow. It should be noted that the contracting of the security was suspended between May 2 and June 30, 2023 due to the failure to meet the

delivery deadline for the audit of the annual accounts for the year 2022 as a result of the operational difficulties experienced by the external auditor in its internal work processes, contracting that resumed on July 3, 2023, once the corresponding audit was completed along with the reformulation of the annual accounts.

In this sense, in the period of the first nine months of 2023 the Labiana share fell 61.9% to close the month of September at 1.6 euros with a capitalization of €9.2M, while the indices reference, Ibex GrowthMarket15 and Ibex Growth Market All Share fell 18.1% and 9.2% respectively.

In terms of liquidity, the value registered average daily trading levels in shares of 1,595 titles compared to 1,387 in 2022, and average daily cash trading levels of 3,731 euros compared to 5,825 euros in 2022, an evolution that was conditioned by the price correction recorded in the period.

Share price (euros)	Jan-Sep 2023	2022
Open ¹	3.36	5.00
Low	1.28	2.96
High	3.44	4.75
Close	1.28	3.90
Average	2.76	3.94

1. Labiana entered BME Growth on 24 June 2022 at an exit price of €5.0 per share

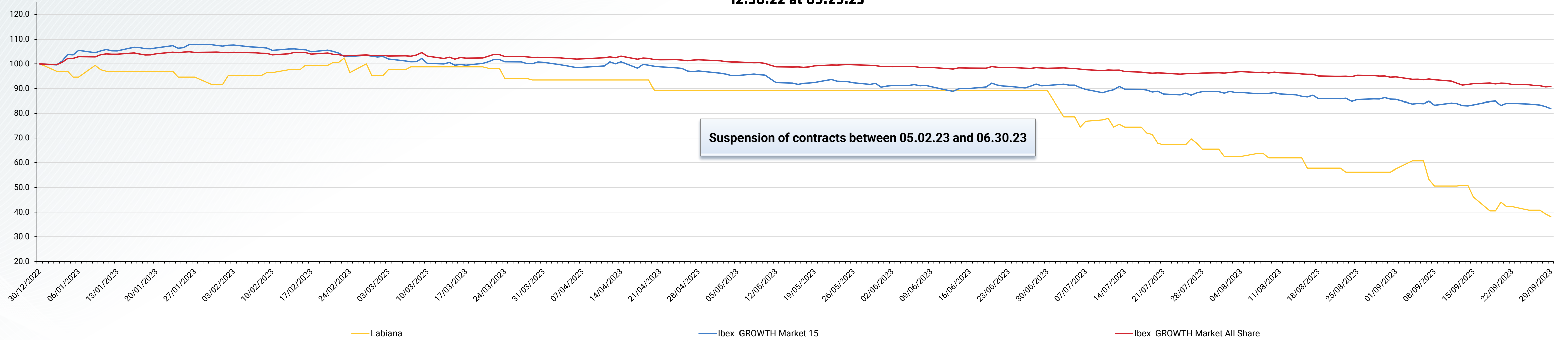
Other stock market indicators	Jan-Sep 2023	2022
Market capitalisation (euros)	9,243,206	28,162,895
Number of shares	7,221,255	7,221,255
Nominal value (euros/shares)	0.1	0.1
Accumulated volume (number of shares)	226,552	187,229
Average volume (number of shares)	1,595	1,387
Accumulated turnover (euros)	529,826	786,371
Average volume (euros)	3,731	5,825

Labiana Health vs Indexes	Jan-Sep 2023	2022 ¹
LABIANA	(61.9%)	(32.8%)
Ibex Growth Market 15	(18.1%)	1.6%
Ibex Growth Market All Share	(9.2%)	0.5%

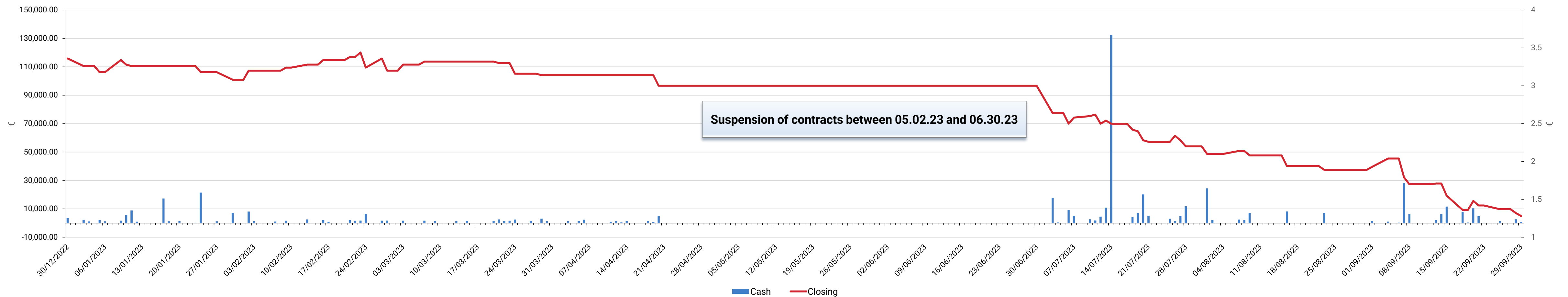
1. % change in closing price for the period from 06.24.2022 to 12.30.2022

13 Labiana Health in the Stock Market

Labiana Health vs Ibex Growth Market 15 and Ibex Growth Market All Share
12.30.22 at 09.29.23



Labiana Health: Evolution of share price and cash volume
12.30.22 at 09.29.23



14 Glossary

API: the active ingredient (API).

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

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

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

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

Dossier, Registry, Registration Dossier: file containing all the confidential scientific and technical documents and the information to request the Marketing Authorization of the Product in the Territory. The Registration Dossier is classified as confidential information.

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

Generic: any medicine that has the same qualitative and quantitative composition of

active ingredients and the same pharmaceutical form, and whose bioequivalence with the reference medicine has been demonstrated by appropriate bioavailability studies. The generic medicine is a medicine that bases its authorization on the demonstration of bioequivalence with a previously authorized medicine and for which the data protection period has expired (that is, at least ten years have passed since its authorization).

Metaphylaxis: administration of a medicinal product to a group of animals after diagnosis of a clinical disease in part of the group, in order to treat the clinically diseased animals and to control the transmission of the disease to animals in close contact and in danger and which may already be subclinically infected.

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

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

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

Adjusted EBITDA: profit before interest, taxes, depreciation and amortization deducting extraordinary expenses derived from the increase in material costs derived from inflation caused by international conflicts and increases in the price of energy and raw materials; the expenses derived from the IPO; expenses arising from the VTZ/LSEE merger; expenses of the non-acquisition process of Laboratorios Ovejero and the impact on the cost caused by the devaluation of the Turkish lira on the gross margin (sales and cost of sales) in our subsidiary in Turkey in 2022, while

in 2023 they are the derivatives of the Miralta process and the search for advisors (advisors for the entire process).

LTM Adjusted EBITDA: pro forma adjusted EBITDA for the last 12 months.

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

CapEx: expenditure made by a company on investment goods.

ROI, return on investment: measurement used to know what the company earns through its investments.

ROIC, return on investment in capital: measure used to know what the company earns through the capital invested.

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

Solvency ratio: indicator that allows the ability of a company to meet all its obligations.

NFD, net financial debt: is the sum of long- and short-term financial debt (includes debts with credit institutions and third parties) minus cash (balances in Banks)

Equity: net worth.

Management Buy Out (MBO): process by which the managers who manage a company decide to acquire ownership of its property.



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