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# Results Presentation January-June 2022

October 2022

## Legal notice

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

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

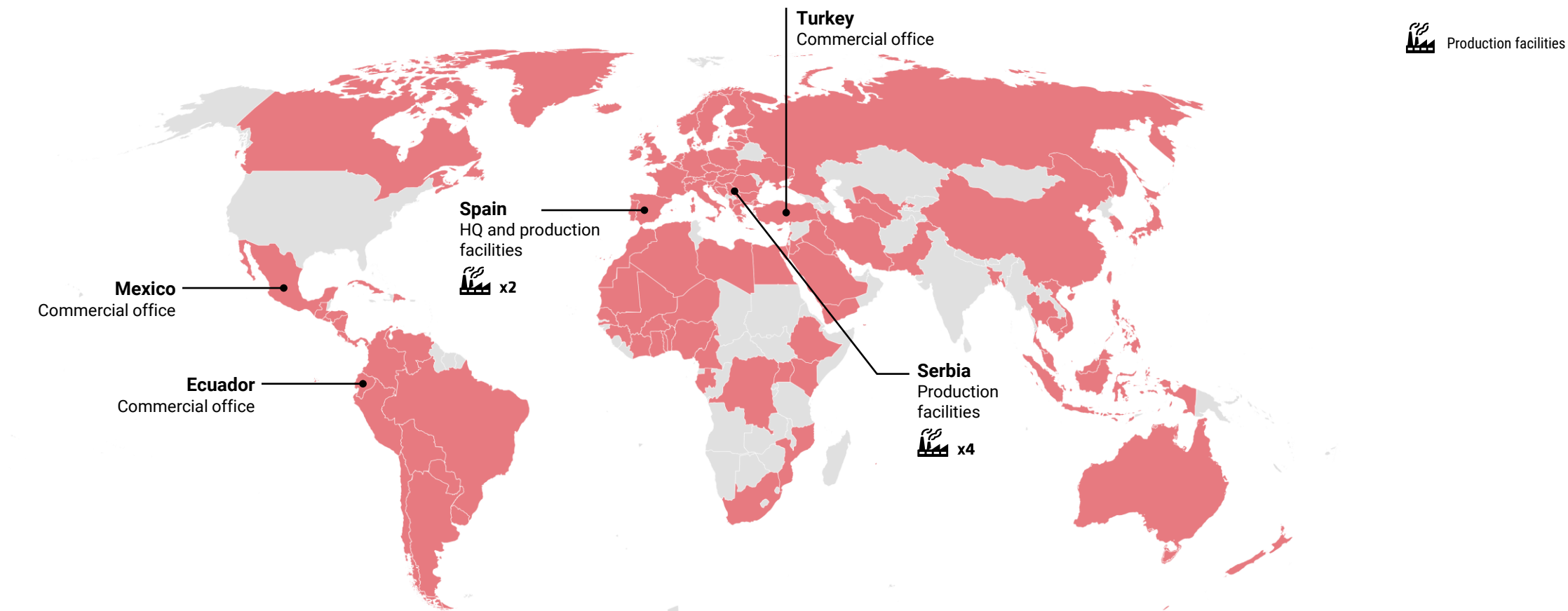
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**An integrated global company in the Animal and Human Health industry with an extensive portfolio of trusted long-term partnerships with Tier-1 clients and a diversified portfolio of products and businesses, in both Animal and Human Health.**



**A worldwide network to leverage on for future growth**

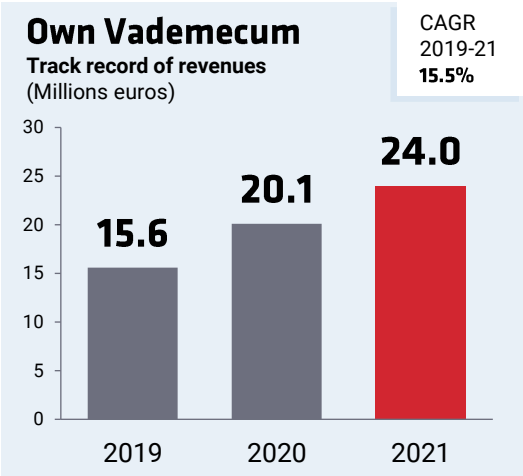
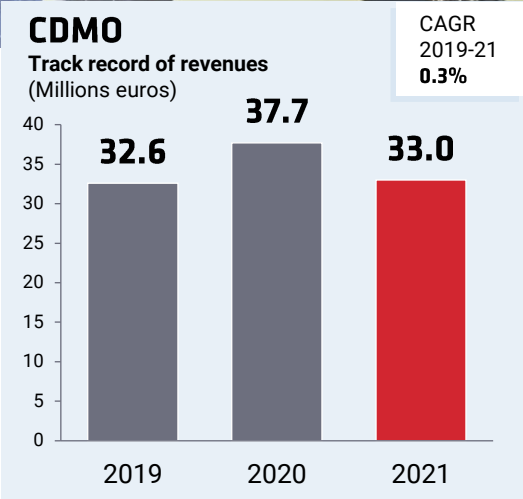
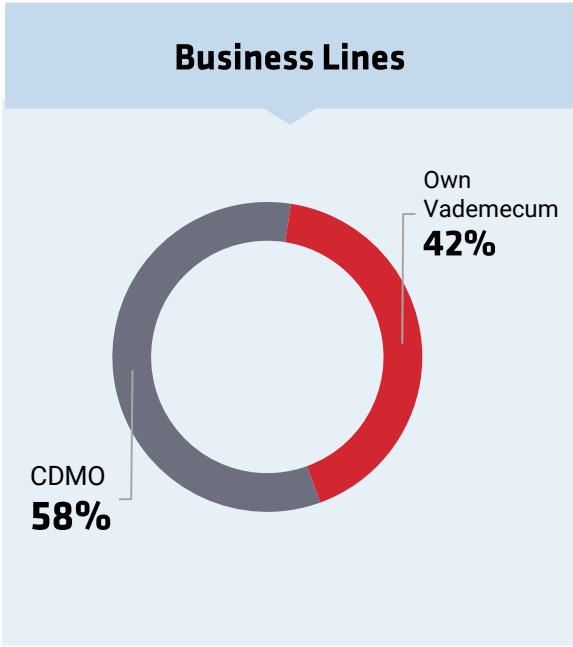
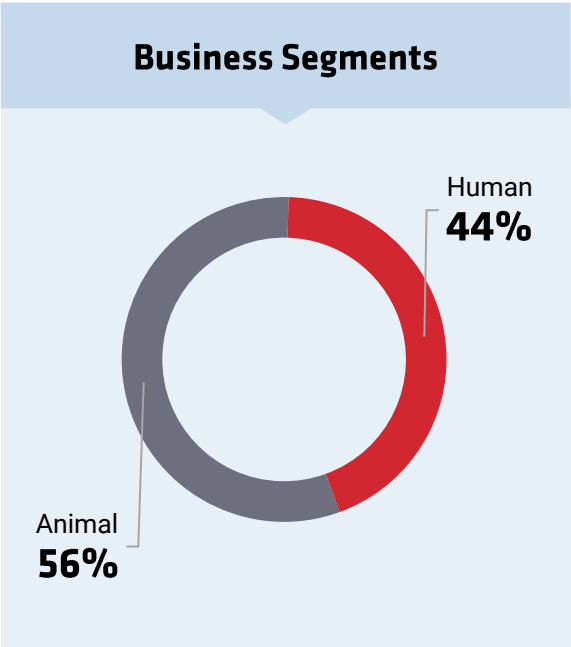
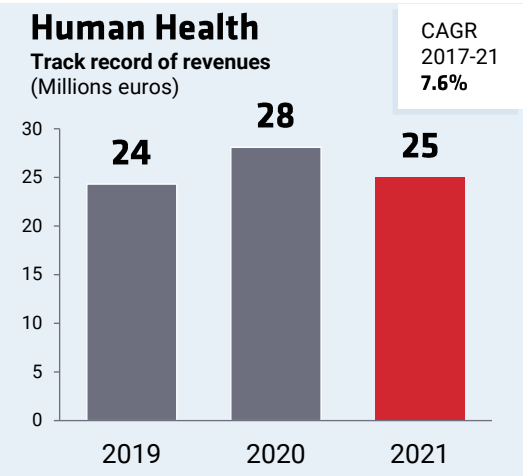
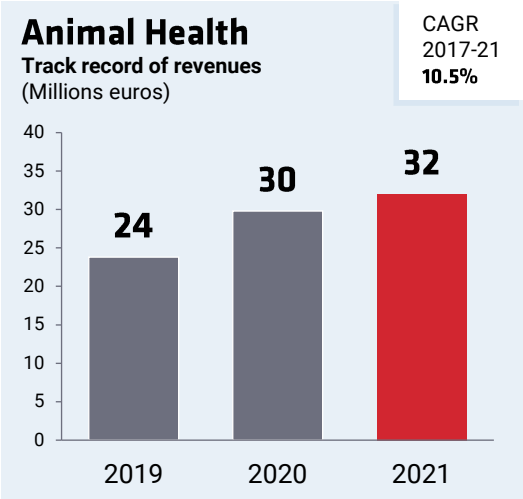
# Key figures at December 2021

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



Revenue	Adj. EBITDA	R&D Investment	Market cap.	Net Debt	Net Debt/ Adj. EBITDA
57	7.6	2.2	36.1	42.2	5.5x
Millions euros	Millions euros	Millions euros	Millions euros	Millions euros	
(60% intl.)			(06/24/22)		
+300 Clients			+460 Employees		MAAs >870

# A growth story in Animal Health and Human Health businesses.





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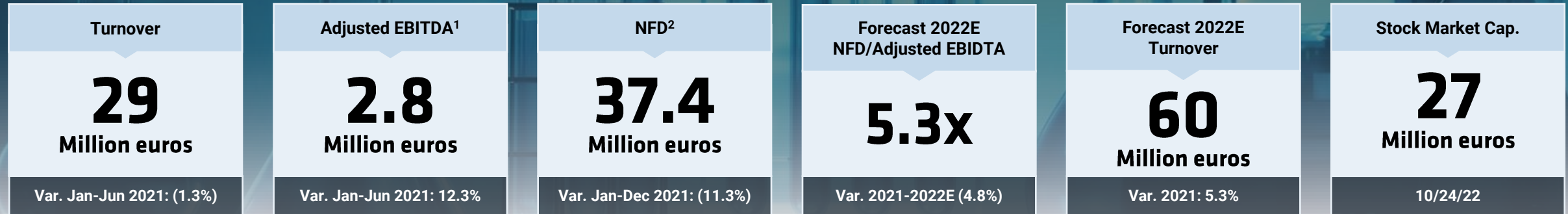
# Main macropolitical factors conditioning results

- 1 Lack of supplies, impact of **Covid-19** (E.g. injectable filters).
- 2 **War of Ukraine**
- 3 **Energy crisis.**
- 4 **Interest rate** incresing.
- 5 High rates of **inflation.**
- 6 **Price increases of production factors** (row materials, energy...).
- 7 **Devaluation** of Turkish Lira.

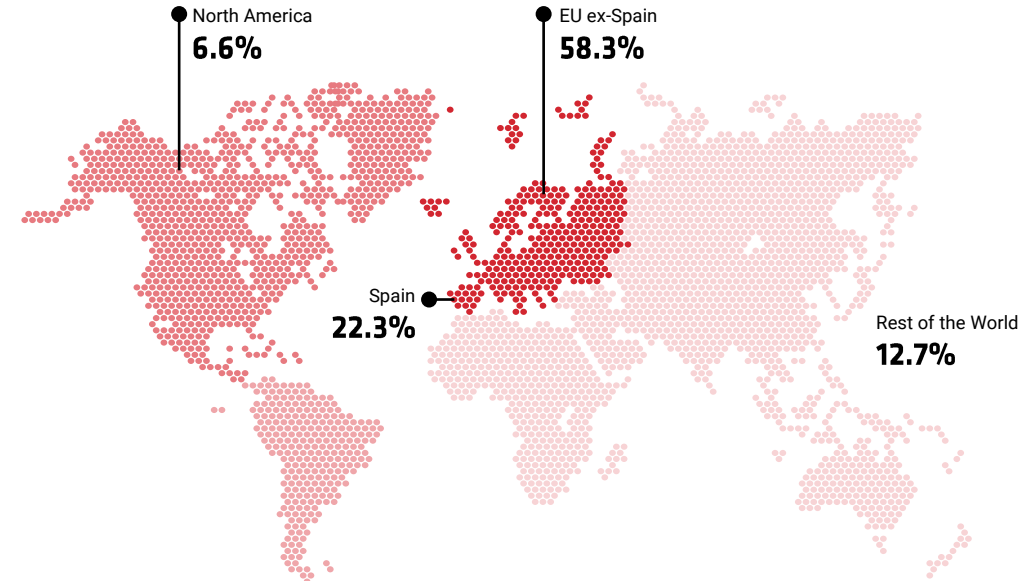
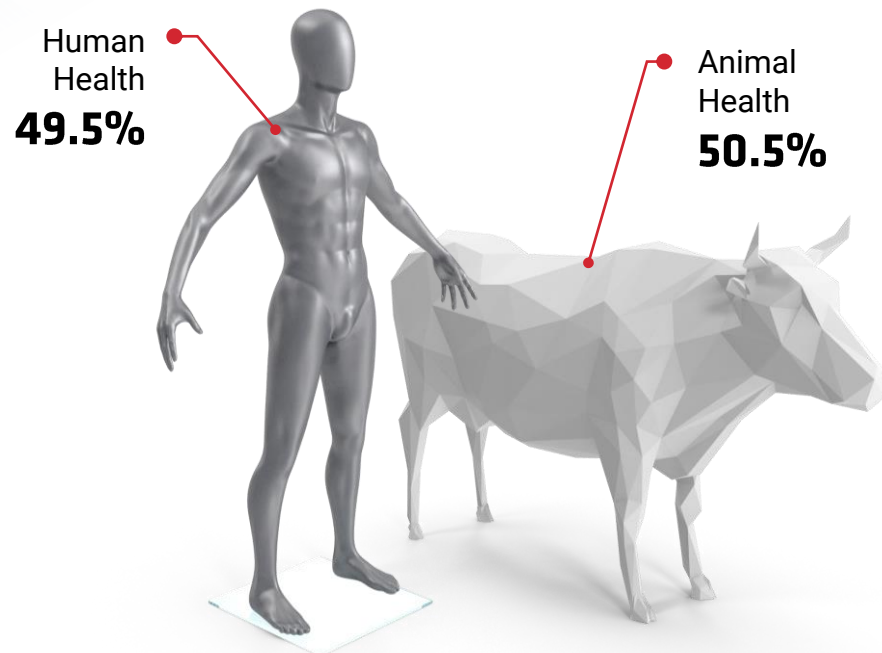


# Labiana at a glance: sales stability and EBITDA growth

## FINANCIAL HIGHLIGHTS AT JUNE 2022



## MAIN OPERATING FIGURES



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

# We confirm the targets for the Business Plan 2022-2026, and we present estimates for 2022-year end.

## TARGETS 2022-2026E

Turnover

**>120**  
Million euros

Adj. EBITDA

**22**  
Million euros

CapEx

**5**  
Million euros

anually

Net Debt

**<3** times  
NFD/EBITDA

## FORECAST 2022E

Turnover

**60**  
Million euros

(+5.3%)

NFD/Adj. EBITDA

**5.3x**

Net Debt

**36.5**  
Million euros

# Stable performance of Turnover

## TURNOVER

29,446,237€

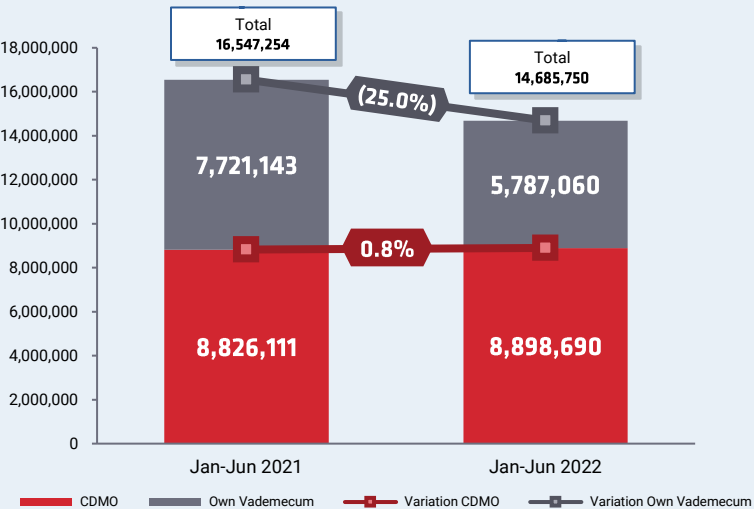
Jan-Jun 2021

29,061,187€

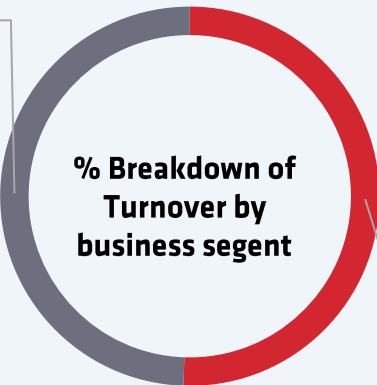
Jan-Jun 2022

### Evolution and distribution of net sales in Animal Health

Figures expressed in euros



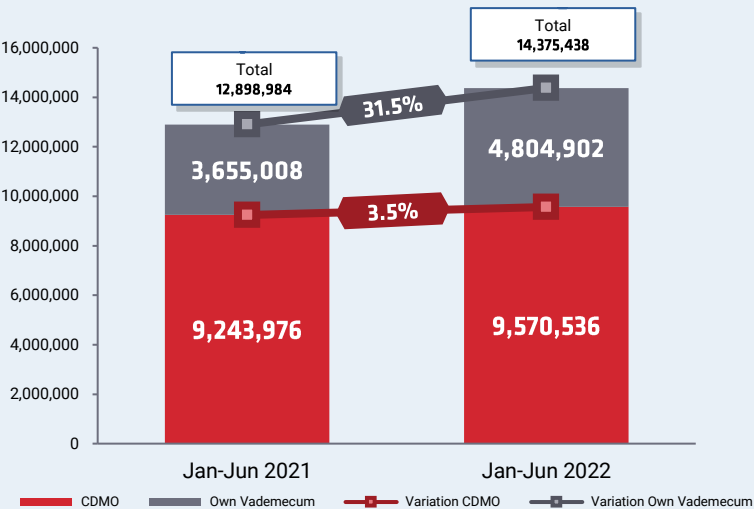
Human Health  
49.5



Animal Health  
50.5

### Evolution and distribution of net sales in Human Health

Figures expressed in euros



# Efficiency and productivity gains enhance EBITDA

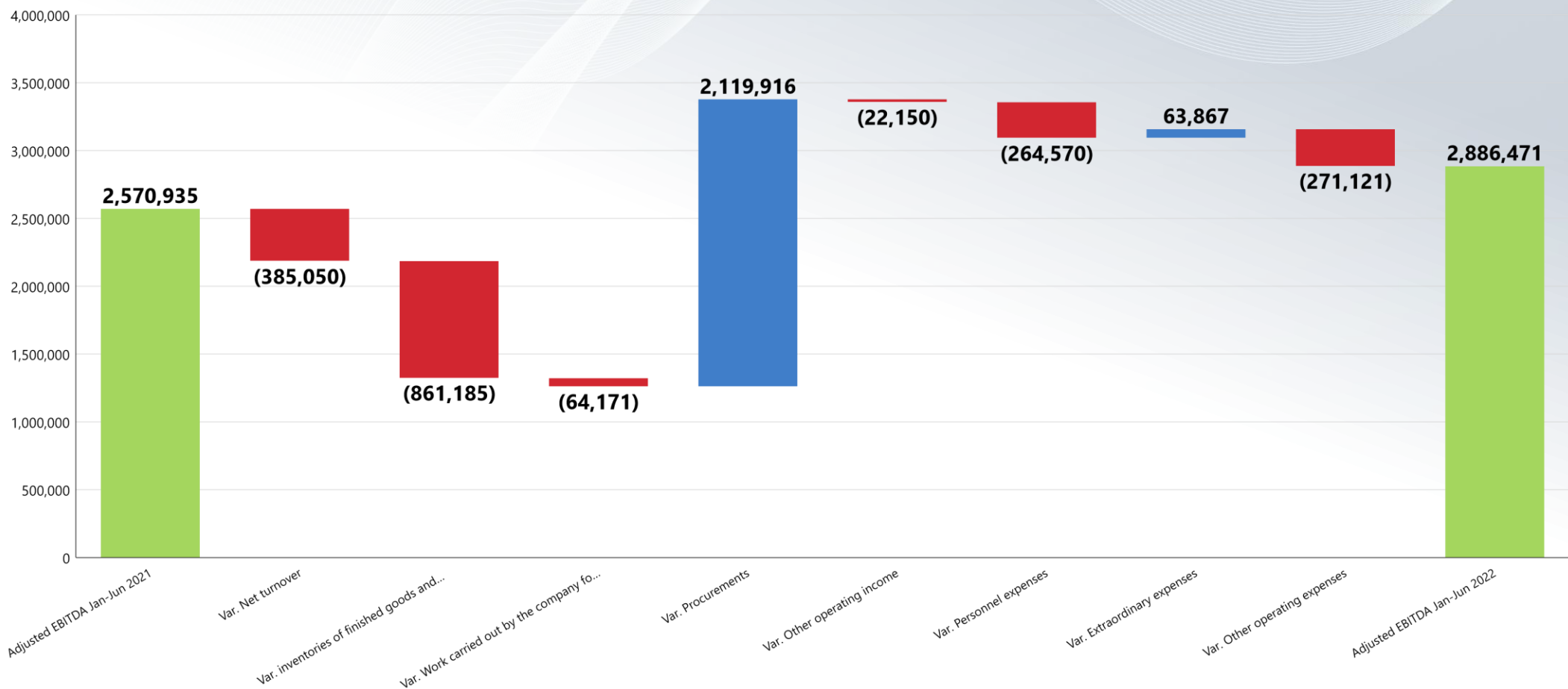
## Adjusted EBITDA

2,570,935€

Jan-Sep 2021

2,886,471€

Jan-Sep 2022





# Operating milestones for the period and after closing period

**Launching first generic of oxitetraciclina injectable 30mg/l.**



**Approval of final report by the Congress about cannabis medical application al**  
(Labiana presence through equity investment in Trichome Pharma).



**Building microbiology lab in Serbia**



**Increase of 15 million capacity of steriles for ampoules**  
(Corberá facilities).





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# Macroeconomic and industry tailwinds



## Macro-global

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



## Regulation

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



## Pets

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



## Competitive landscape

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



## Livestock

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



## Human

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

# Strategic Priorities



1

Proactive looking for **CDMO** profitable projects.

2

Expand its **export** business.

3

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

4

Focus on the **Fosfomycin** businesss.

5

Develop **public tenders** channel.

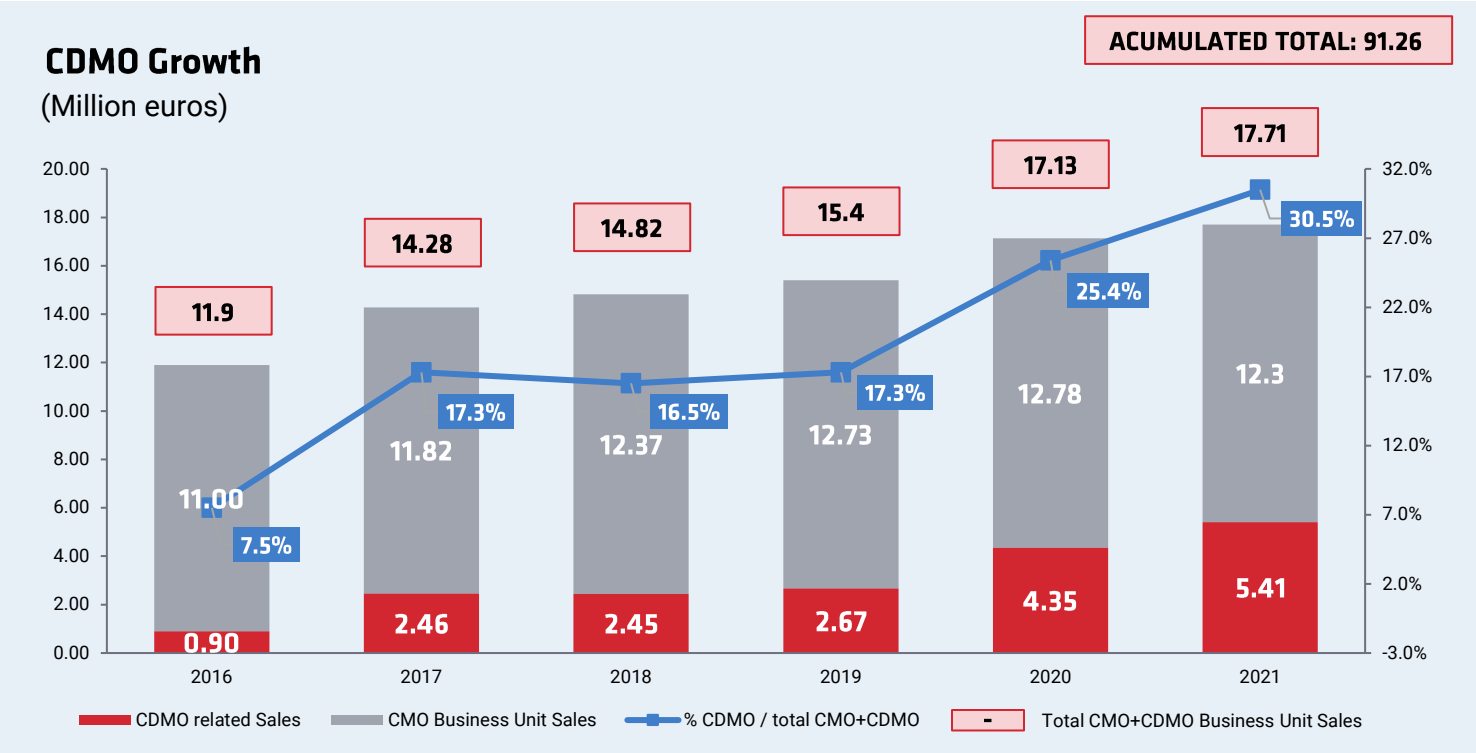
6

Unlock **value through synergies** from the recent acquisitions.

7

Foster **inorganic growth** by selective acquisitions.

# 1. Continue developing proprietary commercial platform to push CDMO growth



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

**Growth Drivers**

**Manufacturing** more products for **existing** clients.

Increase **volumes** to gain **efficiency**.

Promote **cross-selling** between **human** and **animal** divisions.

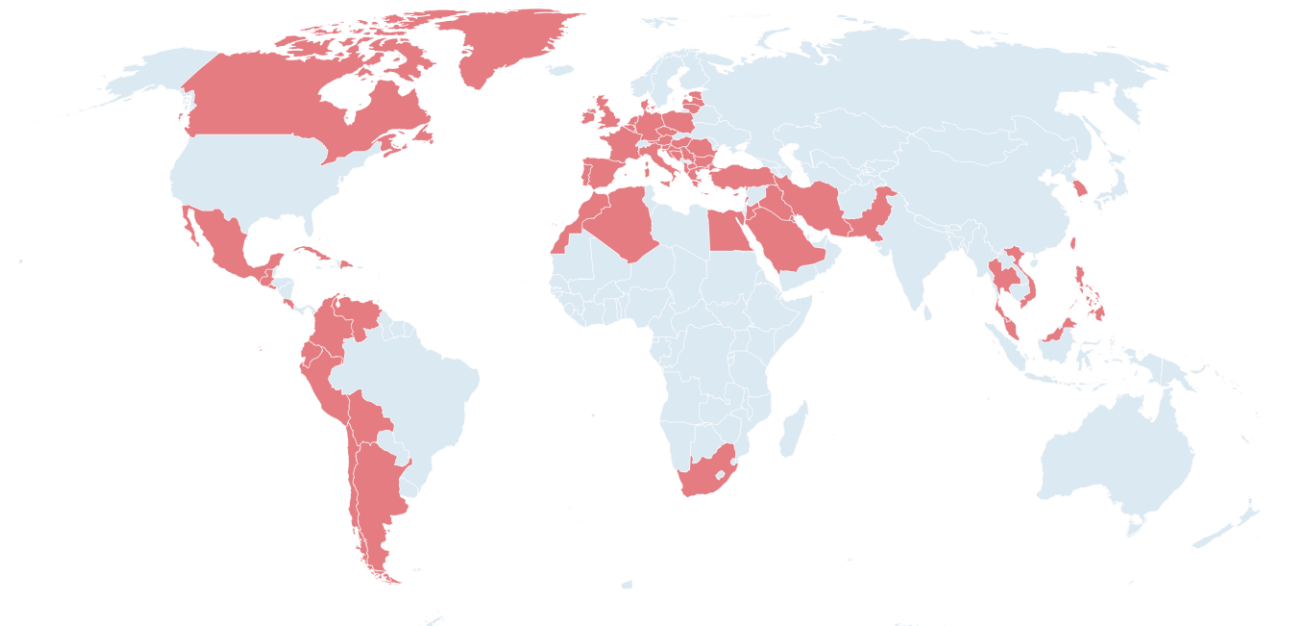
**Leverage** CDMO-Customer relationship to **develop** new business, products, and licensing in-agreements.

Penetrate **new** clients.

The growth will come from **fostering** the **relationship** with the **existing clients** and from bringing **new clients**

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

### Labiana Registered Animal Products Map



### Action Lines

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

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



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

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

 # Cumulative new products in the pipeline

**G:** Generic

**FG:** First Generic

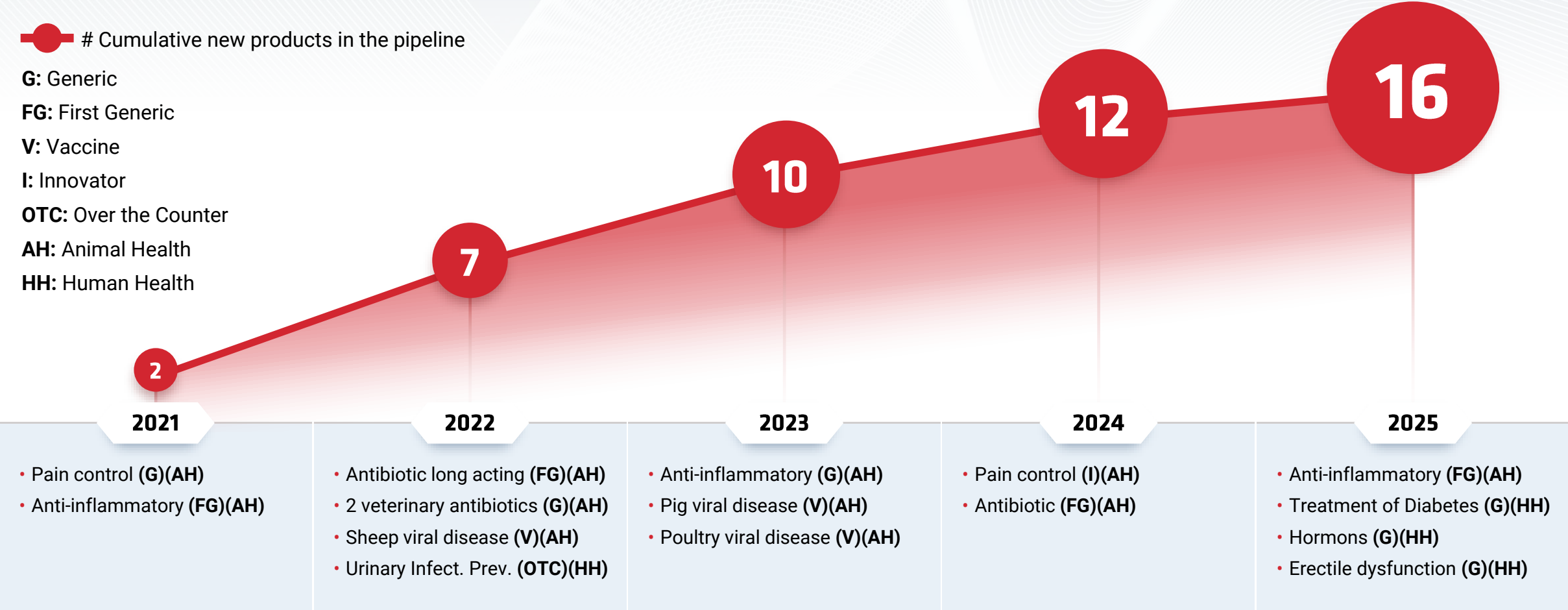
**V:** Vaccine

**I:** Innovator

**OTC:** Over the Counter

**AH:** Animal Health

**HH:** Human Health



## 4. Focus on the Fosfomicin Business

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

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



### Action Lines

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

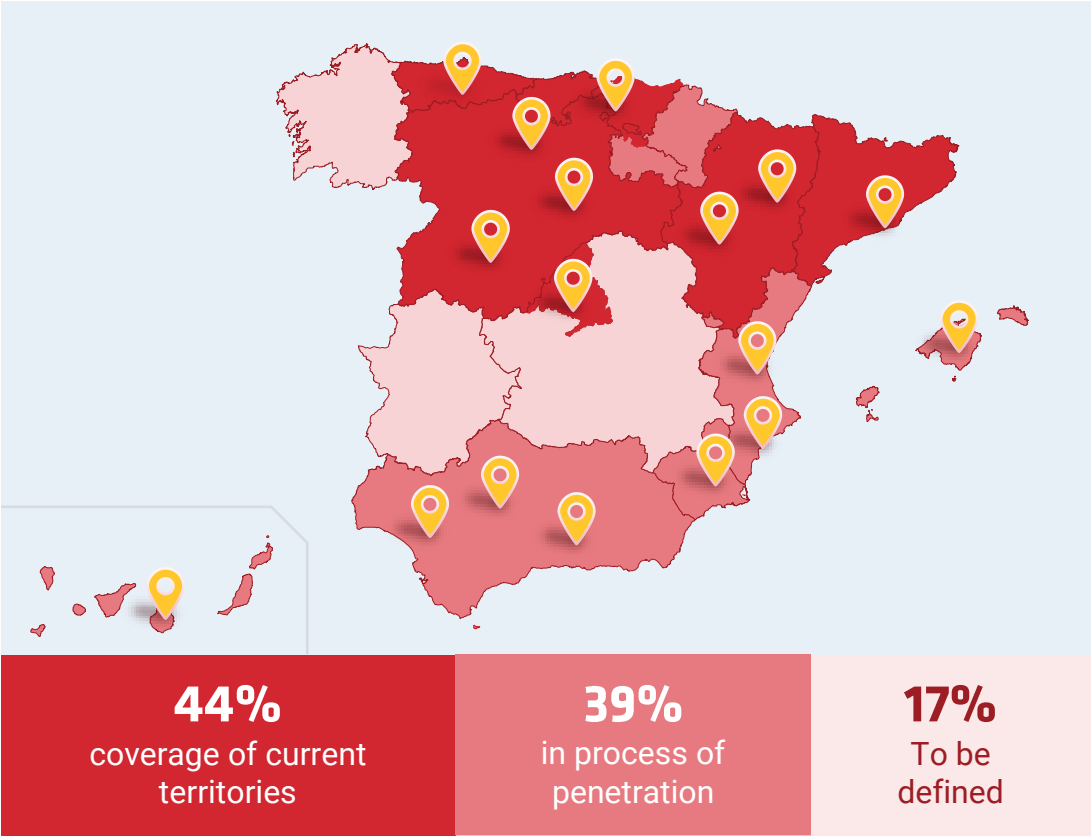
# 5. Develop Public Tenders Channel

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



## Customers

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



## Partners

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



## 6. Unlock value through Synergies from the recent acquisitions



**Livestock**



**Human**



**Pets**

### Areas of Synergies

Commercial  
organization

Low cost  
production basis

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

Distribution partner  
for the Balkans and  
Turkey

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

Unlock value of  
learning curve across  
divisions and plants

# 7. Foster inorganic growth by selective acquisitions

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

- I

New products
- II

Add know-how
- III

New markets
- IV

Unlock target companys' asset value through integration in Labiana

Highly fragmented Health sector in SMEs segment

Animal



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

Human



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



# Business Plan: Revenue and EBITDA

## Targets for 2026E

### Revenues > €120mn

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

### EBITDA c.€22mn

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

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# Why invest in Labiana?



## A **growth** story

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

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



## Unique **strengths**

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



## **Favorable industry dynamics** and prospects

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



# Thank you. ■

## Contact

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