

A close-up photograph of a microscope with two objective lenses labeled '40X/0.65 160/0.17' and '10X/0.25 160/0.07'. A person wearing blue nitrile gloves is adjusting the stage of the microscope. The image is set against a dark blue background with a lighter blue square in the top left corner.

EQUITY STORY

2023



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Faes Farma
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Faes Farma at
a glance

Faes Farma at a glance

MORE THAN 1,700 PEOPLE ARE THE FOUNDATION OF FAES FARMA

We believe in professionalism. In teamwork. In honesty. In approachability.

Women



Men



National



International



94%
PERMANENT
CONTRACTS

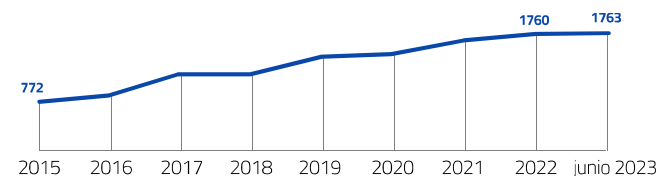
58%
UNIVERSITY
DEGREE

Equity Story 4

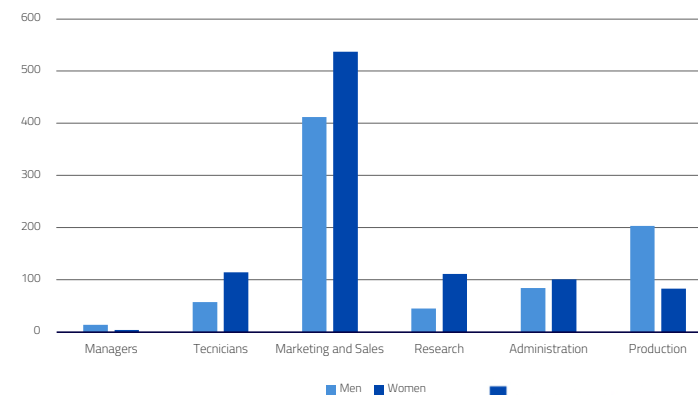
 1.763
PEOPLE

x2
IN 7 YEARS

EMPLOYEE DEVELOPMENT



DISTRIBUTION BY AREA



 FAES FARMA

90 YEARS OF HISTORY

An integrated approach to health with an international vision.



The patient

at the heart of our activities

Animal nutrition and health

to support people's well-being

The environment

its conservation and maintenance, the framework for our actions



OUR PURPOSE

“Caring for health
today
in order to build a
**healthier society
tomorrow**”

Mission

We work to find innovative, honest and quality solutions for the integral care of health and life.

Vision

To become a global healthcare company that is a benchmark in reliability, quality, innovation and sustainability.

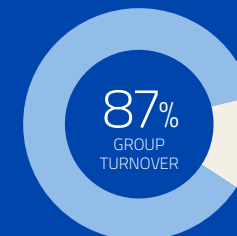
Values

We believe in excellence, innovation, business ethics and sustainability.

WHAT WE DO– PHARMA AND HEALTHCARE

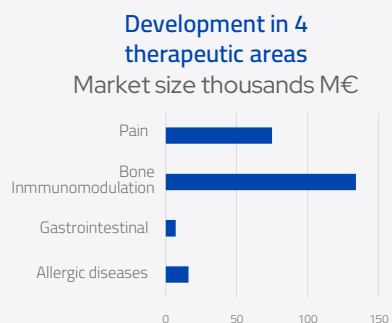
We research, produce and market prescription drugs.

We develop and market **OTC products** (cosmetics, food supplements and medical devices for human use).



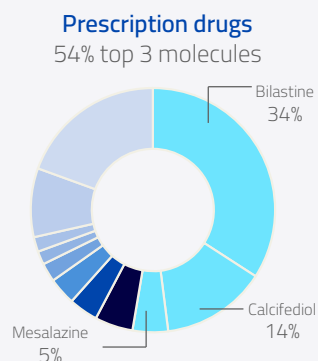
Research

- ✓ R&D&I Centre Spain
- ✓ More than 100 people in R&D&I
- ✓ Annual expenditure of more than 6% of the pharma sales



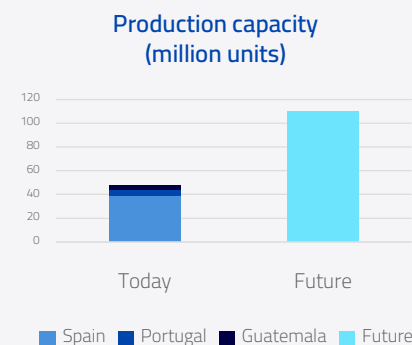
Portfolio

- ✓ 80% prescription drugs
- ✓ 20% OTC products
- ✓ 3 strategic molecules



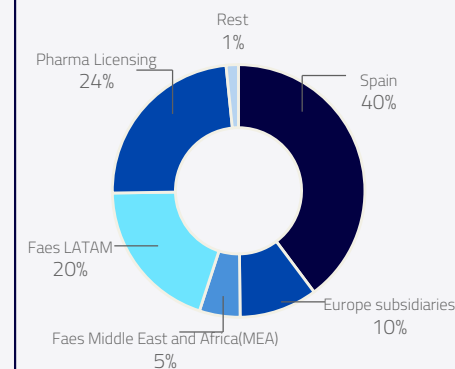
Production

- ✓ >70% of drugs produced in-house
- ✓ Increase own production capacity (objective >100M units)



Commercialisation

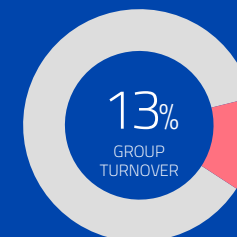
- ✓ +120 countries
- ✓ Own (direct) sales channels
- ✓ Agreements with strategic partners



WHAT WE DO – FARM FAES

Nutrition and animal health reinforcing the one health strategy.

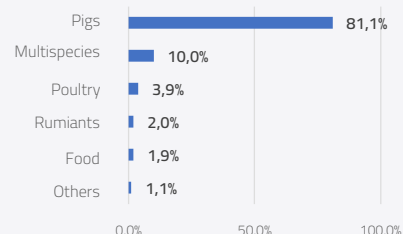
We create high-quality nutritional solutions and strategies for sustainable animal production that feeds the world.



Research

- ✓ Focus on porcine nutrition
- ✓ De-medicalisation and sustainability

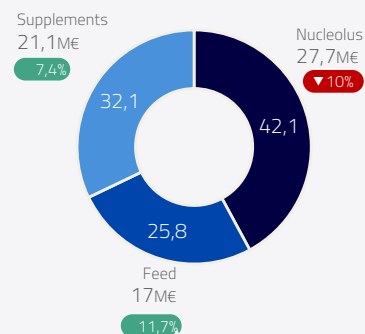
% Sales by species
FARM FAES 2022



Portfolio

- ✓ Focus on 3 types of nutrition products.
- ✓ Expansion into other species, creating a new portfolio of products.

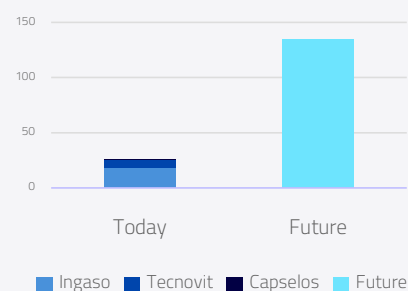
GROSS SALES



Production

- ✓ 3 production plants
- ✓ 26.000 tonnes of annual production
- ✓ Capacity expansion in 2024

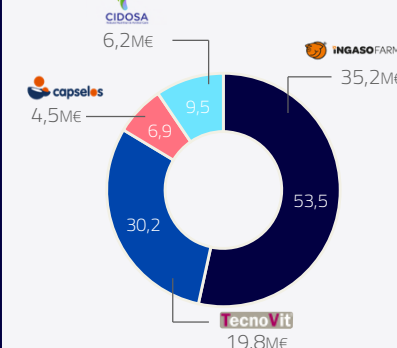
Production capacity
(thousand tonnes)



Commercialisation

- ✓ Spain: 87% of sales
- ✓ International: LATAM exports and subsidiaries.

GROSS SALES (2022)



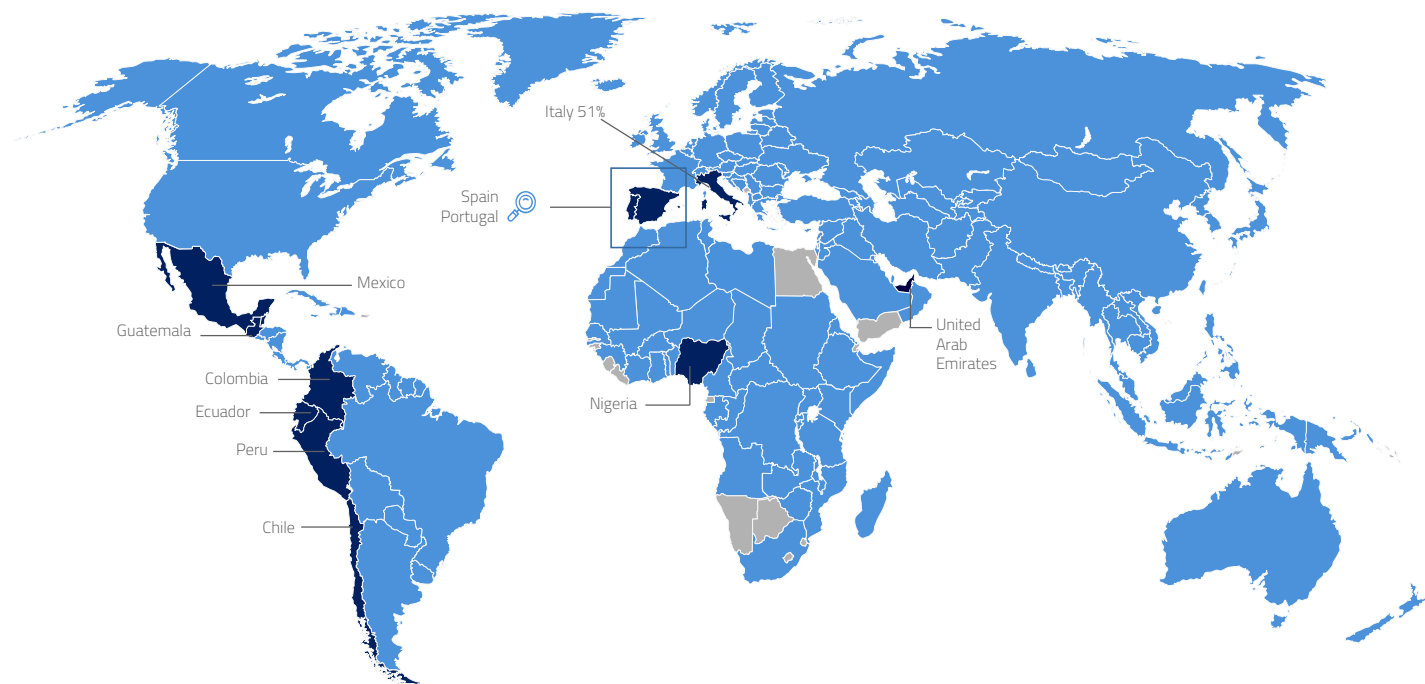
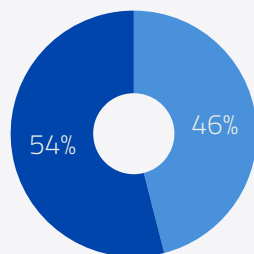
GLOBAL PRESENCE

Our products are sold in more than 130 countries and 5 continents.

- ✓ 3 pharmaceutical production plants + 1 under construction
- ✓ 3 factories for animal nutrition products + 1 under construction
- ✓ 16 offices
- ✓ Subsidiaries in 6 LATAM countries, in Portugal, in Italy, in Nigeria and in the United Arab Emirates
- ✓ +130 countries with marketed or licensed products.

INCOME

■ NATIONAL
■ INTERNATIONAL



■ Presence through subsidiaries
■ Presence through direct sales or partners
■ Medium-term target markets

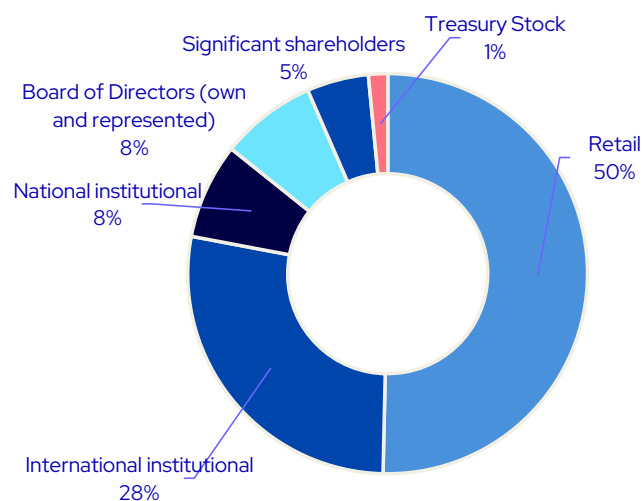
CAPITAL ALLOCATION

We invest in the future through four key levers.



SHARE CAPITAL AND DIVIDENDS

Distribution of shareholders



- ✓ 310.782.825 shares
- ✓ 0,293 € Earnings per share

Commitment to the shareholder

2023 ▶ Scrip dividend + cash + share buy-back = 0,155 €/share

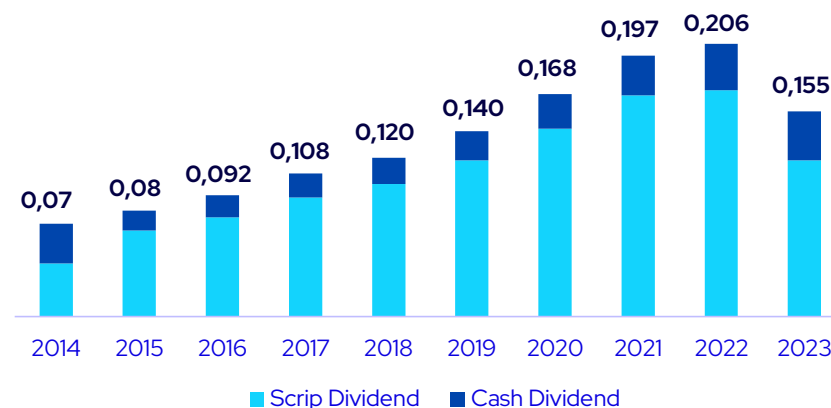
Dividend paid

2022 ▶ 0,206 €/share

2021 ▶ 0,197 €/share

2020 ▶ 0,168 €/share

Dividend development



Updated data 31/12/2022



2//

Growth Strategy

STRATEGIC PRIORITIES IN THE SHORT, MEDIUM AND LONG TERM

We seek to grow in new markets and continue to innovate and improve our producto portfolio.



R+D+I: GROWTH DRIVER

We balance pharmaceutical **innovation** for the creation of new products in the short and medium term with the development of **research** activities in new molecules in the long term. We balance risk, profit potential and growth.



Therapeutic areas

x1.8 resources in 5 years

Progressive increase of investment in project and infrastructure development:

- ✓ **x1,8** dedicated **resources** in 2022 vs. 2017
- ✓ **+25%** dedicated **resources** in 2023 vs. 2022
- ✓ **6%** of Pharma's sales

Three directors to lead R&D&I

Incorporation of 3 senior profiles in the past 3 years with international experience in the leadership of key R&D&I areas:

- ✓ **Research Director of New Molecules**
Discovery and optimisation of new chemical entities
- ✓ **Pharmaceutical Innovation Director**
Expansion of the portfolio through the design of new drugs and pharmaceutical formats.
- ✓ **Clinical Research Director**

Efficiency, Agility and external collaboration

Efficiency in the dedication of resources and permanent and agile review of the project pipeline :





- ✓ **Project monitoring scorecard**
- ✓ **Detailed Project planning**
- ✓ **Multiple GO / NO GO decision making milestones** during project development
- ✓ **Colaborations with >10 partners** leading industrialists and academics with national and international scope

Keeping focus on optimising ROI

R+D+I: FOCUS ON OUR 4 THERAPEUTIC AREAS



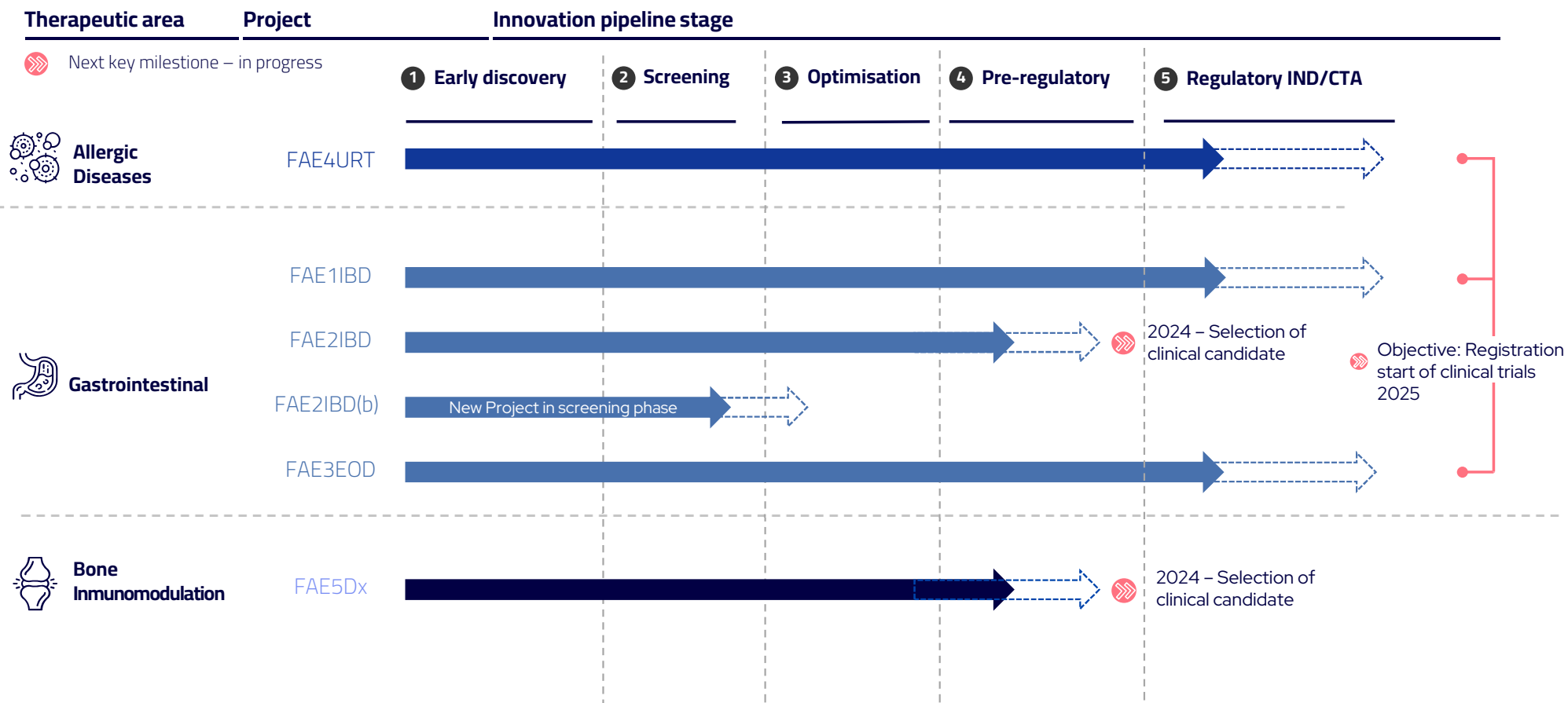
Therapeutic areas

	 Allergic Diseases	 Gastrointestinal	 Bone Immunomodulation	 Pain
Target indications for Faes Farma	Allergic rinitis Allergic rhinoconjunctivitis Rhinosinusitis Chronic urticaria	Ulcerative colitis Eosinophilic oesophagitis	Vitamin D deficiency Osteoporosis Autoimmune diseases	Painful muscle spasms Hemorrhoids Symptoms
Overall target market size indications	~ 16.000 M€ CAGR 22-27 c.+ 4%	~ 7.000 M€ CAGR 22-27 c.+ 7%	~ 134.000 M€ CAGR 22-27 c.+ 4%	~ 75.000 M€ CAGR 22-27 c.+ 4%
Potential	Affect ~25% of the world's population , with increasing prevalence Existence of needs not covered by current treatments New molecules in advanced pre-clinical stages, and new combinations in late-stage pharmaceutical development	In the EU, gastrointestinal inflammatory disease affects c.2.5M people chronically , with increasing prevalence. Promising pipeline of new molecules and development of innovative new formats	>50% of the Spanish population is vitamin D deficient (c.80% over 65 years) Vitamin D deficiency associated with osteoporosis, autoimmune diseases, cardiovascular diseases, etc. Research into new molecules and new formats in late-stage pharmaceutical development	Musculoskeletal pain is responsible for more than 30% of sick leave, affecting between 13% and 47% of the population. Expansion of the portfolio with novel combination in advanced stage of pharmaceutical development

I+D+I: PROMISING RESEARCH PIPELINE



Therapeutic areas



DEVELOPMENT OF OUR STRATEGIC PRODUCTS

We strive to bring solutions to our patients and partners.



Top 3 molecules

	Bilastine	Calcifediol	Mesalazine	"Tier2" products
	Leading global antihistamine, with growth potential still to be realised in several markets	Increased efficacy in the treatment of prohormone D deficiency	Treatment for ulcerative colitis with multiple launches planned	Other products completing our prescription and OTC portfolio
Internationalisation	..by combining direct marketing with a licensing strategy thanks to our carefully selected international partners .			
Total income 2022	110M€ +16% vs. 2021	45M€ +7% vs. 2021	15M€ +6% vs. 2021	~230M€ +6% vs. 2021

BILASTINE

A leading antihistamine that will continue to maintain its high value for years to come



Top 3 molecules

Total income in 2022

110M€
(+16% vs. 2021)

Doses sold since 2015

5.000M

Leading brand

or #2 in several of the world's major markets

Share of the global antihistamine market

13,9%



Double-digit growth

In relevant markets in Asia Pacific, Canada and LATAM, and high single digits in Europe.



Launch in China, a major market



Development of the widest range of products and presentations

CALCIFEDIOL

Will continue to sustain strong future growth in existing and newly launched markets.



Top 3 molecules

Total income in 2022

45M€

Global Vitamin D market

>1.800M€

Growth vs. market

+10pp

Calcifediol has grown at an average annual growth rate of 27% between 2017-2022, compared to 16% for the market.

Faster action and more predictable results



Growth in our current markets

(Spain, Italy, Portugal)



Strong launch in key countries:

Mexico, with new sales force with relevant dedication



Portfolio development

Towards more effective and safer forms, and development of combinations

MESALAZINE

Multiple launches planned to have the widest range of formulations around the molecule.



Top 3 molecules

Total income in 2022

15M€

Global Mesalazine market

920M€

Backbone of ulcerative colitis treatment

First line in all therapeutic guidelines

Successes 2022

Poland: 10% share in year 2 since launch

Portugal: 23% growth, with 8% market share



Development of the most complete Mesalazine portfolio:

tablet, high dose tablet, granules in various doses and topical forms



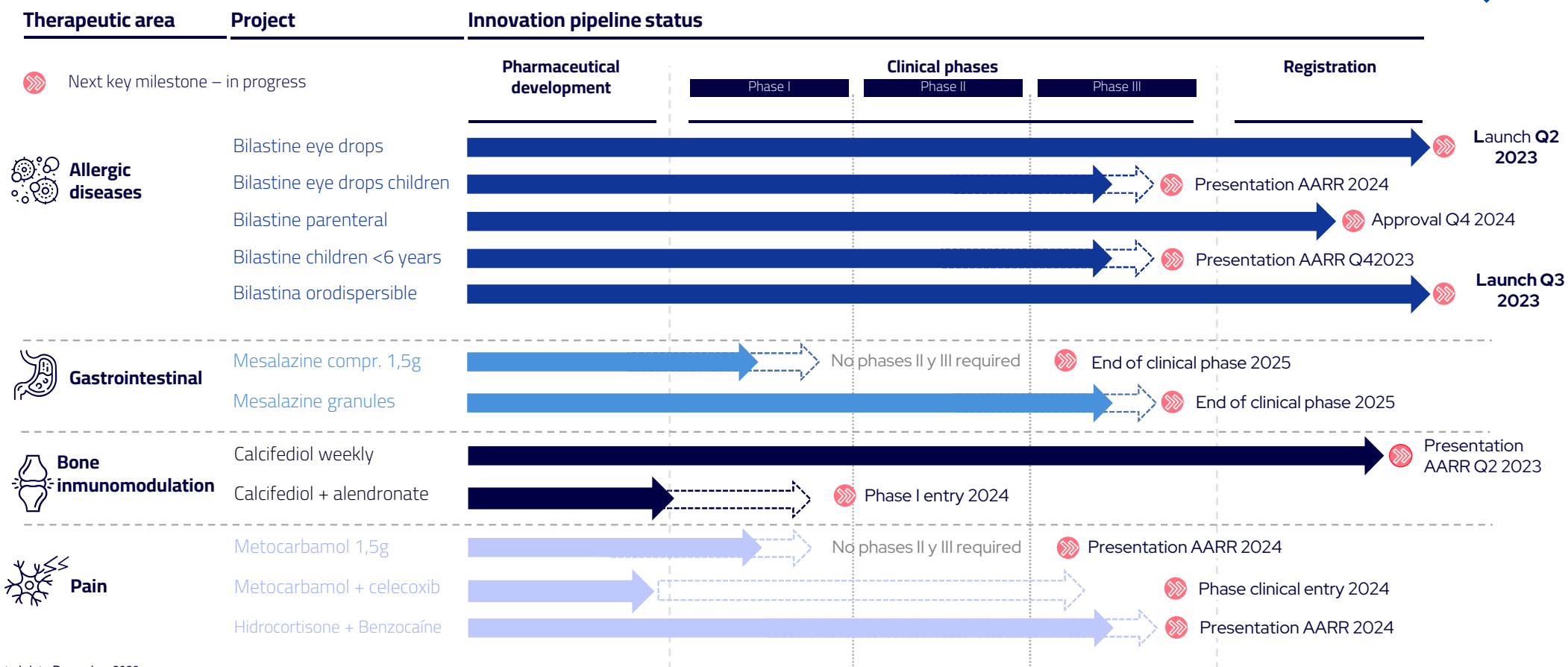
Launches in new European markets:

UK, and new licensing agreement in Greece and Austria

R&D&I: A PIPELINE IN CONTINUOUS DEVELOPMENT IN OUR KEY LINES OF INNOVATION



Top 3 molecules



Updated data December 2023

DIRECT COMMERCIALISATION

Strong positioning in three regions.



Geographical

FAES FARMA LATAM

... Replicating the Faes Farma business model in Spain, with direct presence in six of the main LATAM markets.

- 12 direct commercialisation countries
- 608 people
- 3 visiting networks: medical, pharmacy and institutional



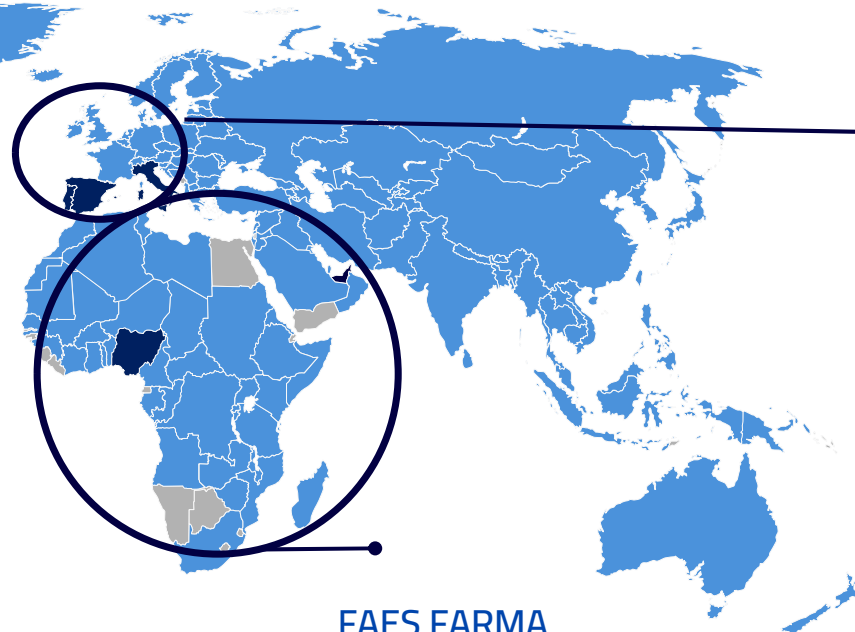
FAES FARMA EUROPE

... A consolidated, flexible and resilient business, with a proven capacity for portfolio renewal.

Spain

Medical visit network:

- 231 people
- Primary care (14.000 doctors), specialists (9.000), pharmacies (10.250 pharmacies).



FAES FARMA MIDDLE EAST - AFRICA

... Consolidating our business platform in the Middle East and Africa, with prospects of driving long-term growth

- 41 countries
- 180 people in external comercial network

- Presence throught subsidiaries
- Presence via direct commercialisatio or partners
- Medium- term target markets

COMMERCIALISATION THROUGH PARTNERS

We build and maintain a global network of partnerships.



Geographical

¿WHAT DO WE DO?

01 Identify Products

- New products.
- Mature products.

02 Geographical Planning

- Registration.
- Prices.
- Prioritise markets.

03 Designing comercial positioning

- Commercial messages.
- Collaboration in:
 - Publications.
 - Phase IV studies.

04 Identify partners

- Laboratories with potential and synergies.

05 Negotiating

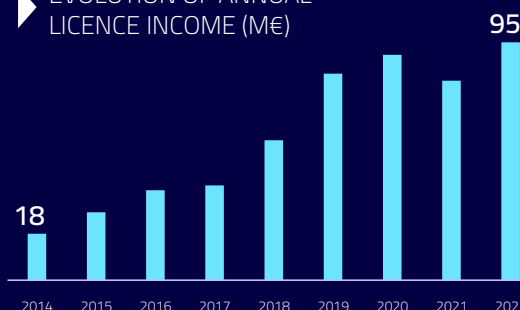
- Contact, negotiation and contract signing.

06 Partnership

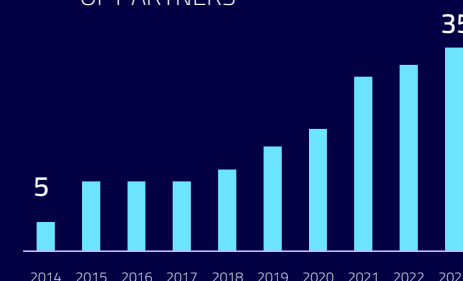
- Day-to-day management of ongoing comercial projects.

- ✓ Maximising Bilastine value
- ✓ Rapid growth in sales of other molecules
- ✓ Diversification in products and projects
- ✓ Partner negotiation strategy

▶ EVOLUTION OF ANNUAL LICENCE INCOME (M€)



▶ EVOLUTION OF THE NUMBER OF PARTNERS



Highly profitable business model with growth potential

- Day-to-day management of ongoing comercial projects.

EFFICIENCY PLAN

A clear efficiency plan aimed at ensuring the company's agility and resilience and accelerating its transformation.



Key enablers

Macro and Industry context

Pressure on margins in the pharmaceutical sector, due to higher *commodity* prices and the context of global general inflation.

Key objectives of the Operational Efficiency Plan

- ✓ Optimisation of our **commercial networks**
- ✓ Redefining the business model of the **consumer business**
- 🔄 Synergies in **inorganic operations**
- 🔄 Centralisation of **corporate functions**
- 🔄 **Industrial Plan** to increase our capacity to 100M units in pharma
- 🔄 Optimisation of **working capital** with focus on inventory management



3//

ESG at the heart of
our business

INTEGRATING SUSTAINABILITY INTO THE BUSINESS MODEL

We meet milestones* and move forward to become an industry benchmark

ESG

10% reduction in water consumption

48% reduction in carbon footprint scope 2

Derio plant: eco-efficiency and sustainability based on **LEED certification**

Pilot project on eco-design in CAPS products (cosmetics, food and medical devices).

Ingaso (Farm Faes) product reference with a **product carbon footprint**

Appointment of a **Corporate Environment Officer**

ESG

54% women in the workforce

1% reduction in the Group's pay gap

In the **"managers"** category, the gap is only **1%.**

Updating our **mission, vision and values**

Launch of **Sustainability training** for all employees in Spain, Portugal and LATAM.

Faes Farma SA Equality Plan approved and registered

ESG

50% of independent directors

40% of female directors

Inclusion of **ESG metrics in variable remuneration** of Senior Management

Progress in the maturity of **ESG reporting:** Environmental Taxonomy and Non-Financial Reporting

Launch of the **ESG governance model** at Group level:

- Appointment of the Head of Sustainability at the corporate level
- Defining responsibilities for the implementation of the ESG Strategy

*Data 2022

ESG at the heart of our business

OUR STRATEGIC ENVIRONMENTAL PLAN

Our Sustainability Policy defines the framework of our responsibility towards the environment

ESG

Environmental management



- ✓ Extension of ISO 14001 Certification to Derio and Farm
- ✓ Formalisation of the environmental scorecard
- ✓ Extending the scope of the Carbon Footprint (Scope 3)
- ✓ Carbon Footprint Emission Reduction Plan Waste
- ✓ Reduction, recovery and management
- ✓ Water efficiency

Product innovation



- ✓ Advice to clients on livestock sustainability and animal welfare (Farm Faes)
- ✓ Product environmental (Farm Faes)
- ✓ Eco-design strategy



OUR STRATEGIC PLAN ON SOCIAL ASPECTS

Respect and care for people is a reflection of our commitment to all employees.

People



- ✓ Alignment of employees with corporate culture and values
- ✓ Training and awareness-raising of employees on ESG
- ✓ Promoting diversity and equal opportunities
- ✓ Formalisation of corporate health and safety management model
- ✓ Strengthening internal communication
- ✓ Transparency in the processes of attracting and promoting talent.
- ✓ Professional development programme for employees
- ✓ Reinforcement of the Faes Farma employer brand
- ✓ Actions aimed at improving work-life balance and promotion at work

Social Contribution

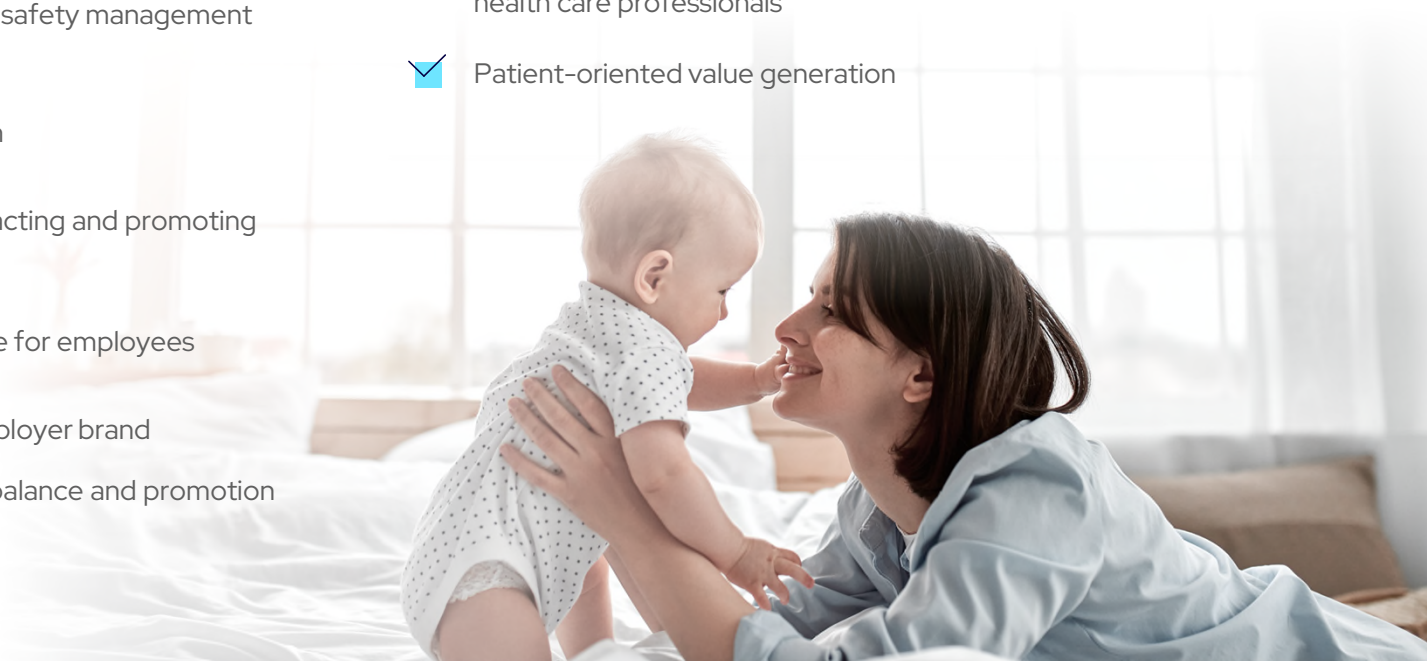


- ✓ Organisation of the corporate social action system

Commitment to the health system



- ✓ A more scientific and collaborative model for relations with health care professionals
- ✓ Patient-oriented value generation



OUR STRATEGIC PLAN ON CORPORATE GOVERNANCE

Our governance is based on the transversal involvement of the entire organisation.

ESG

Good governance and ethics



- ✓ Formalising ESG responsibilities
- ✓ Governance model in the Group's ESG processes
- ✓ Investor relations with an ESG focus
- ✓ EU Taxonomy of Sustainable Finance
- ✓ Climate information reporting initiatives
- ✓ ESG as a communication lever vis-a-vis key stakeholder
- ✓ Corporate ESG standards
- ✓ Establishment of public commitments
- ✓ Access to sustainable financing
- ✓ Adaptation to new non-financial reporting requirements
- ✓ ESG in the Equity Story for new investors and proxy advisors
- ✓ ESG risk analysis and control

Product innovation

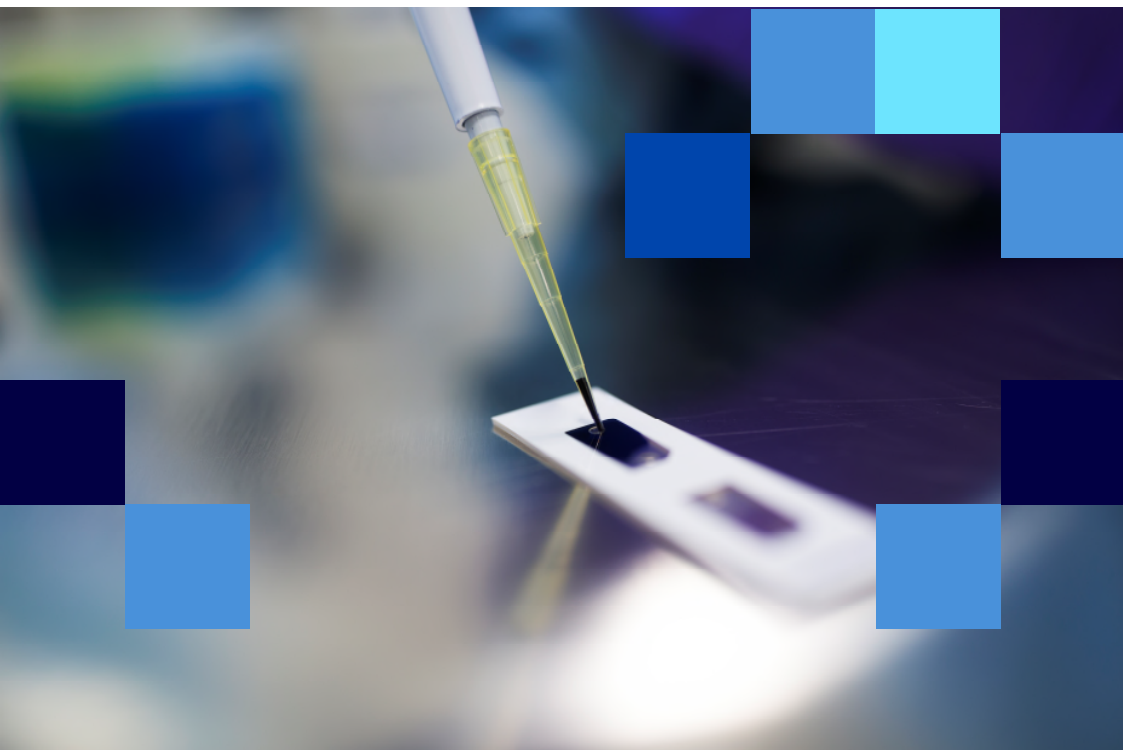


- ✓ Alliances and promotion of R&D projects aimed at health, animal welfare and sustainability (Farm Faes)

Supply chain



- ✓ Monitoring critical suppliers on ESG aspects
- ✓ Driving ESG improvement through suppliers



4//

Faes Farma
today

DIVERSIFIED AND INTERNATIONAL COMPANY

KPIs 2022

► INCOME

+7,7%
€461,7M

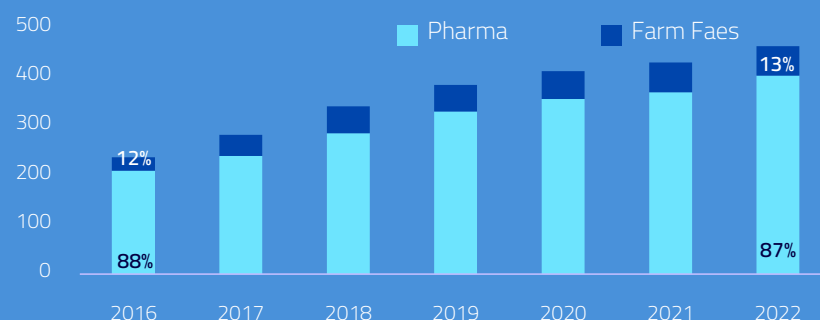
► EBITDA

+6%
€120,7M

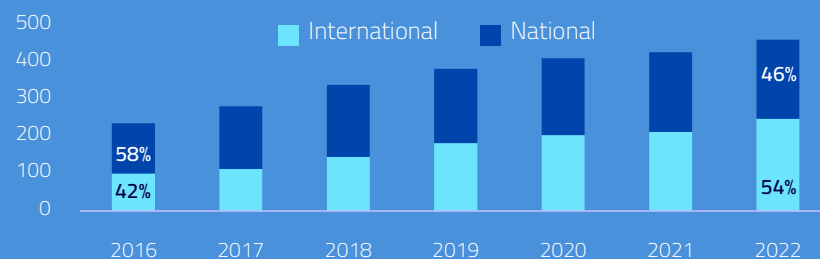
► NET PROFIT

+8,6%
€89,5M

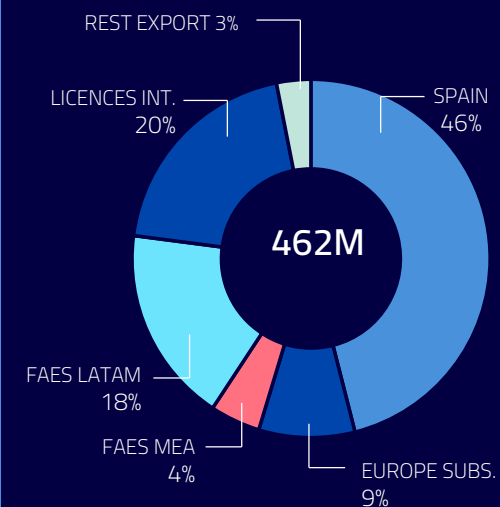
CAGR 2016-2022 // Pharma +12% / Farm Faes +14%



CAGR 2016-2022 // International +16% National +8%



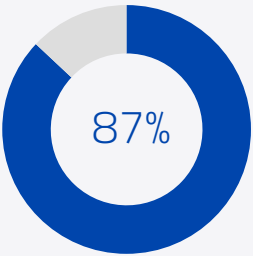
GROUP INCOME BY GEOGRAPHY



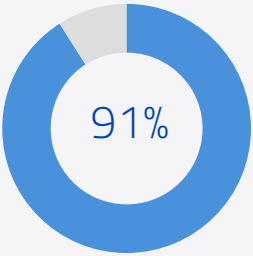
*2022 data

PHARMA: PILLAR OF THE GROUP

► TURNOVER



► Profit before tax (PBT)



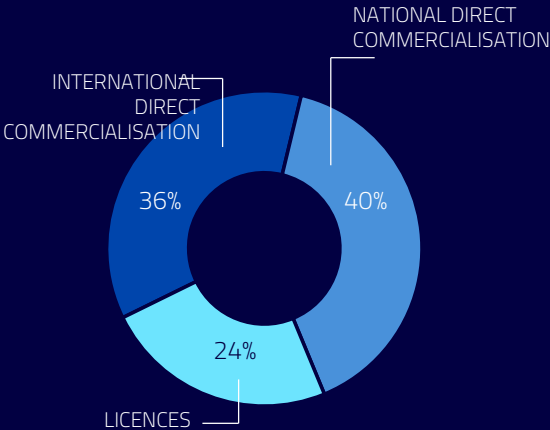
CHALLENGES

- ✓ **Offsetting the impact of the end of bilastine patent** in relevant geographies
- ✓ Implementation of the **Operational Excellence Plan**
- ✓ **Progress in the R&D&I area**
- ✓ **Continue the organic and inorganic growth plan** in the international regions.
- ✓ Acceleration of **Calcifediol’s expansión outside Spain**

DERIO 2024: New pharmaceutical production plant



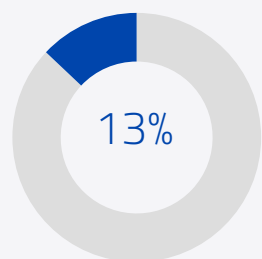
SALES BY BUSINESS AREA



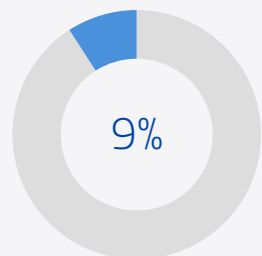
	NATIONAL DIRECT COMMERCIALISATION	INTERNATIONAL DIRECT COMMERCIALISATION	LICENCES	TOTAL
TOTAL INCOME	160,2	146,8	95,5	402,5
GROWTH VS 2021	-1,0%	15,6%	19,7%	9,3%

FARM FAES: ANIMAL NUTRITION, A SUCCES STORY

► TURNOVER



► Profit before tax (PBT)



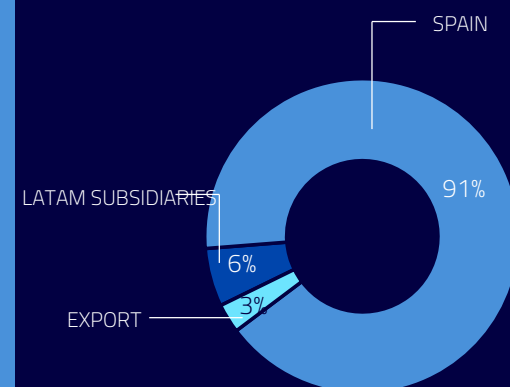
CHALLENGES

- ✓ **Recovery to pre-2022 levels of business and profitability**
- ✓ **ISF:** New plant for the manufacture of speciality foods for the piglet nutrition under construction (Commissioning 2024)
- ✓ **Analysis of diversification alternatives** in other species, aquaculture, poultry and pets.
- ✓ **Continuation of the process of optimising** our business model at the international level

2024: New plant for manufacture of special foods for the early stages of pig



FARM FAES: INCOME BY BUSINESS AREA



FARM FAES INCOME EVOLUTION (2016-2022, M€)





5//

Financial Outlook

STABLE BUSINESS OUTLOOK DESPITE GLOBAL VOLATILITY

	Total income	~4%* 2023E: 475M€ - 485M€
	EBITDA excluding R&D	~4%* 2023E: 138M€ - 142M€
	EBITDA	FLAT YEAR ON YEAR* 2022: 121M€

*vs. 2022



BUSINESS IMPACT



POSITIVE IMPACTS



Growth FAES LATAM:

Double-digit revenue and EBITDA growth

Stabilisation

of the Animal Nutrition and Health business

Growth

of the respiratory franchise (Ellipta) and the Healthcare and Consumer business in Spain.



NEGATIVE IMPACTS



Increased investment effort in R&D&I

for the promotion of key projects

Reinforcement of the commercial structure

in key geographies to support the growth plan

General context of cost inflation

WHY INVEST IN FAES FARMA?

We continue to invest in the growth of our business...

Reinforcement of R&D&I resources

Strengthening our industrial capacities

Organic investments in commercial structure in key geographies

Potential M&A deals for the development of trading platforms in new geographies

Focus of our resources

... prioritising the return to our shareholders

Dividend 2023: $\approx 55\%$ theoretical pay out, exceeding the average of the continuous market

Cash dividend: January 2023

Scrip dividend: April 2023

Launch of a share **buy-back programme** worth **c.50%** of the scrip dividend, with the aim of amortizing shares, reducing capital and improving share performance ratios.



6//

Appendix – Results Faes Farma 9M 2023

OVERVIEW 9M 2023

Highlights



Business Performance

International business areas (+7%), both direct sales and licensing, continue to be the growth drivers. Very positive performance of **bilastine (+12%)** and **calcifediol (+13%)**.



Financial Position

Net profit of 74M€, in the first nine months of the year, in line with same period last year.

EBITDA Outlook for the year remains unchanged.



R&D&I

Launch **of the bilastine ophthalmic an orodispersible format (ODT)** in Spain.

Approval in China for the commercialisation of **Bilastine** (launch 2024).

Advances in **innovation projects** and submission for registration **of Calcifediol weekly**.



ESG

Implementation of the ESG Strategy and regulatory compliance: Analysis of the **eco-design** and actions on product packaging.

OVERVIEW 9M 2023

Key figures

Total Income	+3% 362 M€	EBITDA*	+1% 102 M€
Income top 3 molecules	+10% 142 M€	EBIT**	+1% 87 M€
International income	+6% 204 M€	Net profit	= 74 M€

*Operating profit before depreciation and amortization

**Operating profit

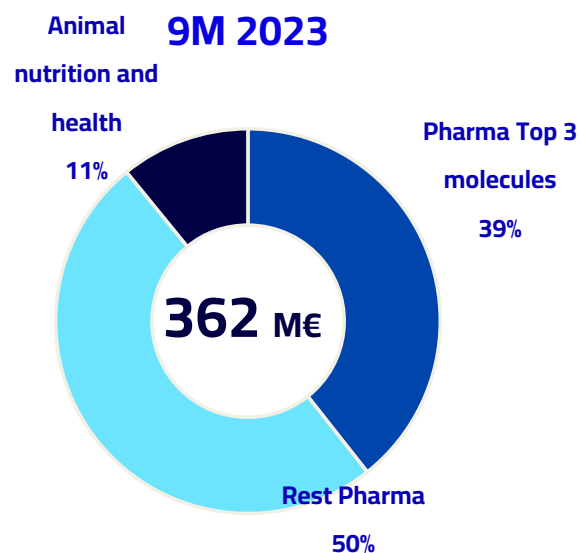


EVOLUTION 9M 2023

Double-digit growth in the main molecules.

Total revenues by portfolio line

Pharma business 89% / Animal nutrition and health 11%



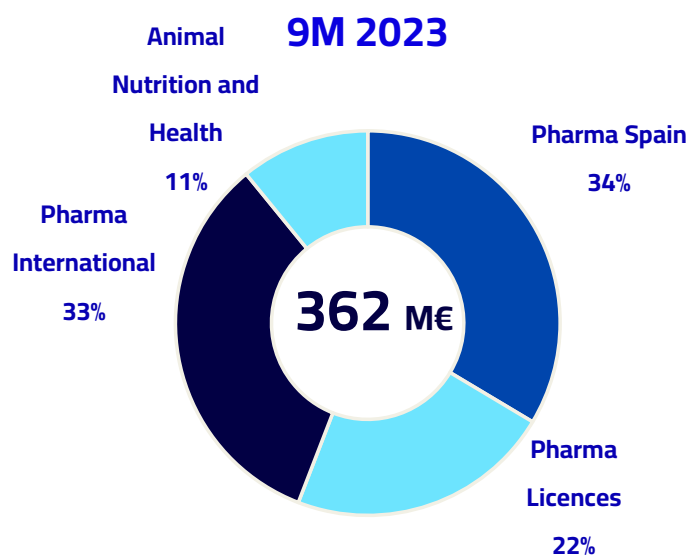
M€

Total income by portfolio line	Q3 2023	Q3 2022	%
Pharma	322,6	308,8	4%
Pharma top 3 molecules	104,1	94,4	10%
Rest of Pharma	218,5	214,5	2%
Animal Nutrition and Health	39,4	43,3	-9%
Total	362,0	352,1	3%

EVOLUTION 9M 2023

Growth driven by pharma and international markets, accounting for 56% of total revenues

Total income by business area



M€

Total income by business area	Q3 2023	Q3 2022	%
Pharma	322,6	308,8	4%
Pharma Spain	121,6	121,5	0%
Pharma International (without licences)	120,3	111,7	8%
Pharma Licences	80,7	75,6	7%
Animal Nutrition and Health	39,4	43,3	-9%
Total	362,0	352,1	3%

Total income by geography*	Q3 2023	Q3 2022	%
International	203,7	191,2	6%
National	158,3	160,8	-2%
Total	362,0	352,1	3%

* **National:** Revenues Pharma Spain + NySA Spain + Licences out Spain

International: Subsidiaries + exports + Licences out (outside Spain)



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