

Caring for today and tomorrow

Business update
Q1 2023



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Highlights



Business

Performance in the quarter **in line with expectations**. **International markets**, both direct sales and licensing, continue to be the growth drivers.



Financial situation

Increase in profit and **strong balance sheet** that allows us to self-financing our investment priorities: R&D&I and new production plants for pharmaceuticals and animal nutrition.



R&D

Favorable decision on the Calcifediol patent by the European Patent Office (EPO).
Approval for the commercialization of **Bilastine ODT 20 mg**.
Submission for registration of **Calcifediol weekly**.



ESG

Implementation of the **strategic measures** as planned for 2023 are on track.



The European Patent Office (EPO) takes a favorable decision on the Calcifediol patent

The opposition to the European Patent for **calcifediol** (Hidroferol) soft capsule was resolved on April 19th with a decision in favor of Faes Farma. The maximum scope of protection covered by the patent is maintained in all EPO member countries and patents consolidated in LATAM territories (Mexico, Brazil, Colombia, Chile and Peru) and other countries such as China, the United States and Canada.

Although the decision may be appealed (it will eventually become final in August 2025), **the validity of the patent will be extended until February 2036.**

Authorization Bilastine Bucodispersible

Authorization in January 2023 from the BfArM (regulatory agency) for the commercialization of Bilastine 20 mg ODT based on two bioequivalence studies of this formulation.

Calcifediol weekly dose clinical trial

Completed in January 2023 the clinical report of the trial that demonstrated the efficacy and safety of the weekly doses of Calcifediol (75 mcg, 100 mcg and 125 mcg). These data are the basis for the registration dossier submitted to the AEMPS (Spanish Medicines Agency) in April for the marketing authorization of Calcifediol weekly.

Key figures

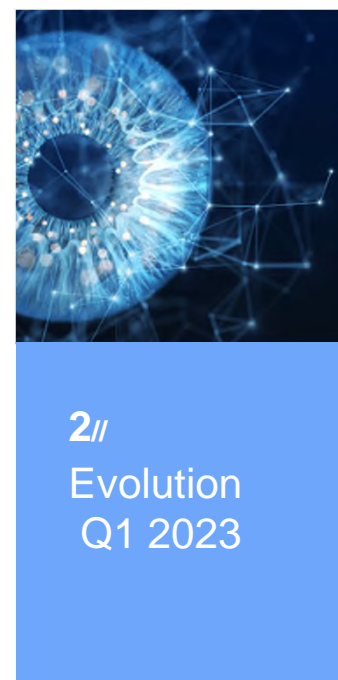
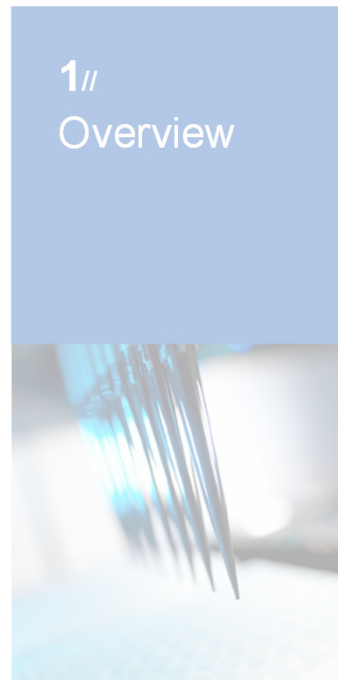
Total Income	+4% 130 M€	EBITDA	+3% 37 M€
Income top 3 molecules	+11% 55 M€	EBIT	+3% 32,5 M€
International income	+13% 76 M€	Net Profit	+4% 27,6 M€

*Earnings before interest, taxes and amortization

**Earnings before tax and financial income

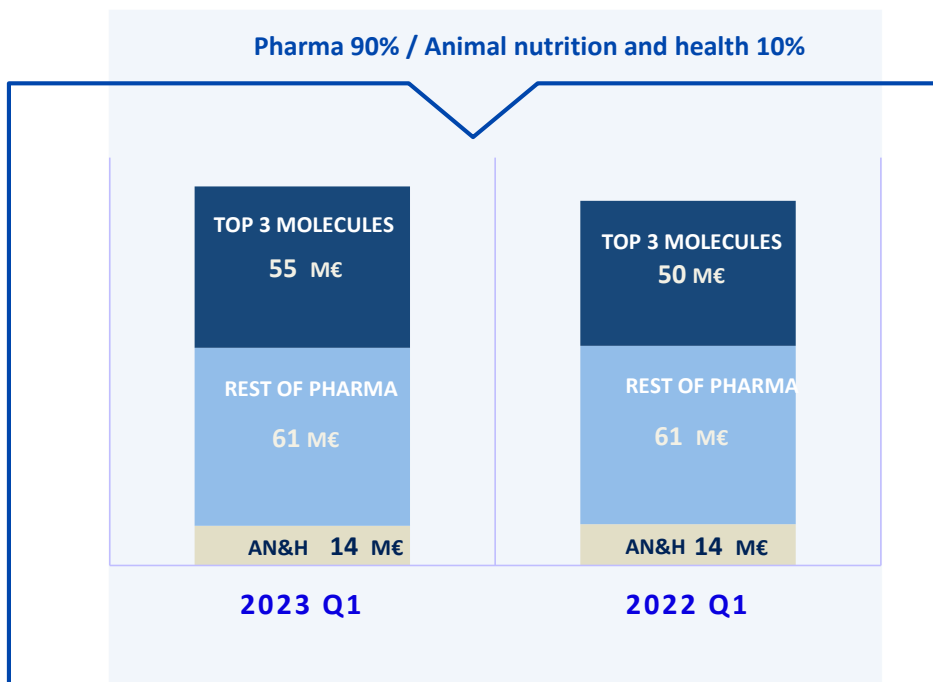


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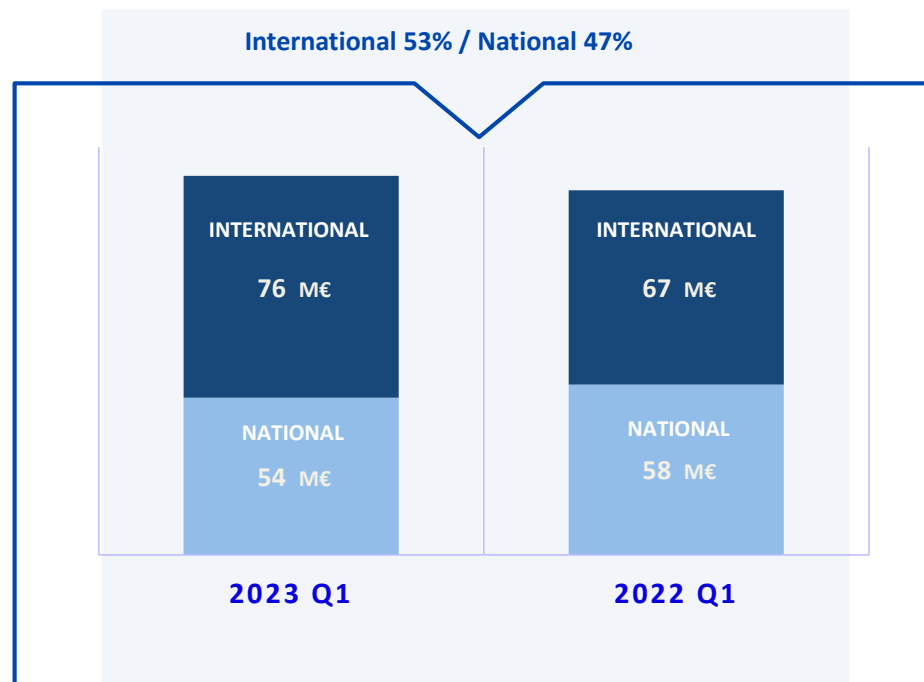


Growth momentum continues in key molecules and in international markets

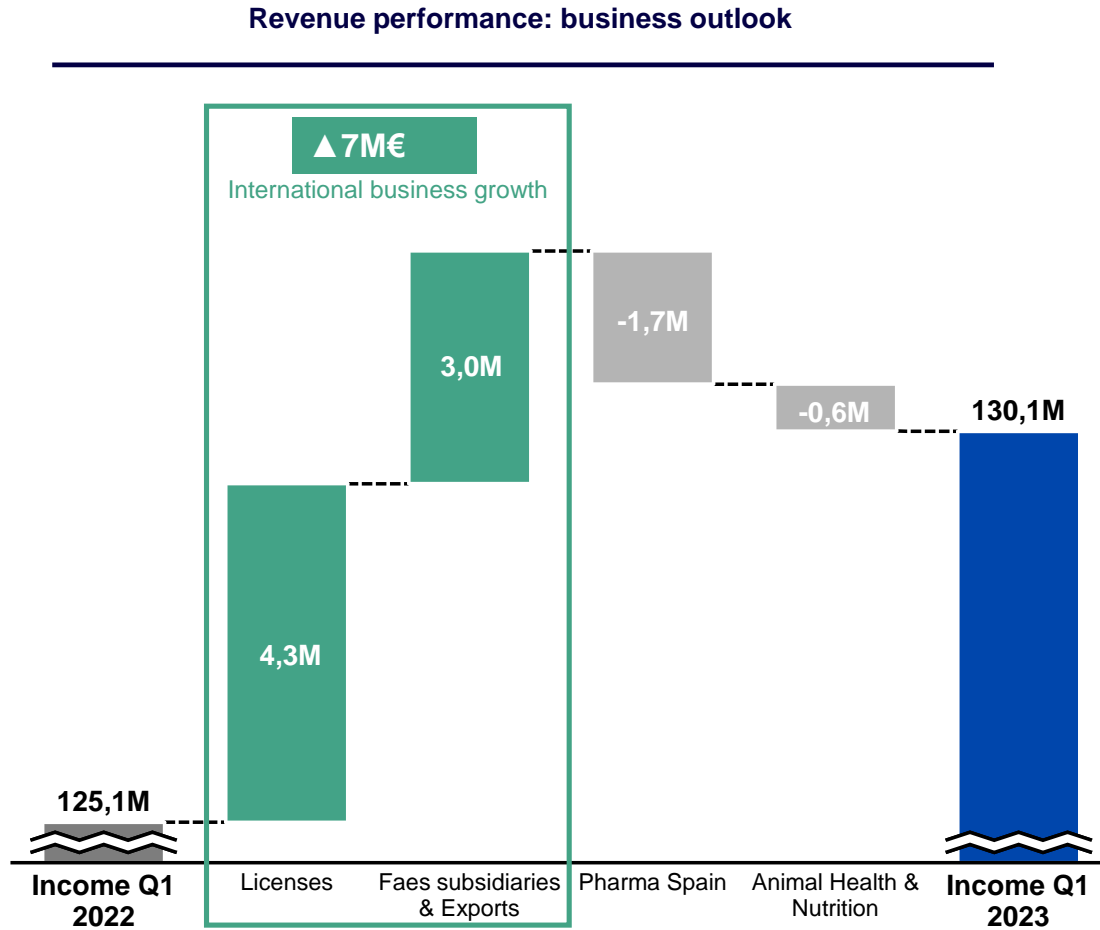
Total income by portfolio line



Total income national vs international



Sales evolution in strategic business areas



Sales evolution key molecules

BILASTINE	+11% 37 M€	Overall growth: Good performance of the European/Asia Pacific market and growth in Japan of local sales. In Spain, sales in units continued to perform positively, while also sales value is back to growth in 2023.
CALCIFEDIOL	+17% 14,4 M€	The company continues to perform well in the markets in which it operates. Growth in Spain (8%) and the first sales via our new partner in Poland and Eastern Europe.
MESALAZINE	-3,5% 4 M€	Growth in subsidiaries Portugal and LATAM offset by a stock adjustment effect of our license partner in Poland in 2022.

Spain Pharma- Sales in line with expectations despite challenges



M€	2023 Q1	2022 Q1	%var
Spain Pharma	41,6	43,4	-4%
Prescription	27,5	28,7	-4%
Bilastine	4,1	4,0	
Calcifediol	11,3	10,5	
Mesalazine	1,8	1,8	
Other Products	10,4	12,4	
Healthcare & Consumer	14,1	14,6	-3%

Data are rounded

Highlights Q1 2023

- ✓ **Evolution in line** with expectations.
- ✓ **Prescription:** Good performance of Hidroferol. Continued strong growth in the respiratory line, largely offsetting the end of Ristaben & Ristfor license.
- ✓ **Healthcare y Consumer** are suffering from the delay in sales due to a one-time issue at the logistics operator.




Pharma International (without licenses) – Continues its positive growth trend

M€	2023 Q1	2022 Q1	%var
International (without licenses)	40,2	37,2	8%
Subsidiaries LATAM	20,0	18,1	11%
Central America Dominican	6,3	5,6	
Colombia	3,8	5,1	
Chile	4,6	4,3	
Mexico	2,7	1,2	
Ecuador	1,7	1,2	
Peru	0,8	0,7	
Subsidiaries Europe	10,5	9,9	5%
Portugal	8,2	7,4	
Italy	2,3	2,5	
Exports & Africa	9,8	9,2	6%

Data are rounded



Highlights Q1 2023

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Latam subsidiaries: overall growth in most markets. Mexico positively impacted by the strong expansion of the sales force at the end of 2022. In Colombia, the reform of the healthcare system is straining the business, an effect that we expect to be temporary.
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Subsidiaries Europe: Portugal continues to grow, driven by Deflazacort, Calcifediol and OTC products.
- 
 Widespread launches of **calcifediol** in several countries. Launch of **mesalazine** in some countries in the export area.




Licenses - good overall performance of the different licenses

M€	2023 Q1	2022 Q1	%var
Licenses	34,6	30,3	14%
Bilastine	28,0	25,3	10%
Other products	6,6	4,9	34%

Data are rounded



Highlights Q1 2023

-  Overall **license growth** in line with estimates.
-  **Bilastine**: Highlights include revenue growth from Europe/Asia Pacific (+70%) and strong local sales growth in recent months in Japan.
-  **Other products:**
 - Calcifediol** (+69%) with first revenues from new partner in Poland and Eastern Europe. New registration application expected in Brazil in 2024.
 - Citicoline**, strong local sales growth in Italy.
 - Mesalazine** was impacted by a stock adjustment in Poland.

Animal nutrition and health - First quarter with demand challenges

M€	2023 Q1	2022 Q1	%var
Animal nutrition and health	13,6	14,2	-4%
Ingaso Farm	7,9	8,1	
Tecnovit	5,0	4,8	
Capselos	0,4	0,8	
LATAM Subsidiaries	0,3	0,5	

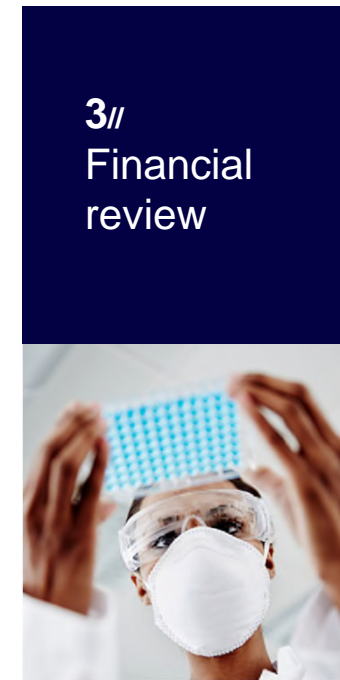
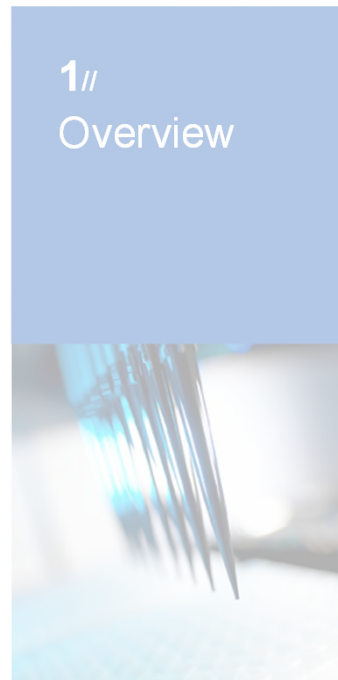
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Highlights Q1 2023

- ✓ **Ingaso:** sales are suffering due to the decrease in the number of pigs in Spain, a situation that is expected to improve in the second half of the year.
- ✓ **Tecnovit:** improved sales due to diversification into other species.
- ✓ **Capselos :** decline in sales of human products, expected to recover in Q2.
- ✓ **Filiales Latam:** change of business model towards distributor sales.

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Income statement

Thousand €	2023 Q1	% of sales	2022 Q1	% of sales	%change
Ordinary income (sales)	118.450		116.210		1,9%
Other operating income	11.612	9,8%	8.908	7,7%	30,4%
Tota Income	130.062	109,8%	125.118	107,7%	4,0%
Cost of sales	-39.149	-33,1%	-41.690	-35,9%	-6,1%
Gross margin	90.913	76,8%	83.428	71,8%	9,0%
Personnel expenses	-26.286	-22,2%	-22.786	-19,6%	15,4%
Other operating expenses	-27.469	-23,2%	-24.723	-21,3%	11,1%
Depreciation and impairment fixed asset	-4.610	-3,9%	-4.315	-3,7%	6,8%
EBIT	32.548	27,5%	31.604	27,2%	3,0%
Financial gain/losses	28		182		-84,6%
Profit before tax	32.576	27,5%	31.786	27,2%	2,5%
Corporate tax	-4.897	-4,1%	-5.015	-4,3%	-2,4%
Net Profit	27.679	23,3%	26.771	22,9%	3,4%
Profit to the Parent Company	27.615		26.619		3,7%

- **Gross margin improvement** due to favorable product mix and other operating income growth
- **Increase in expenses** as we estimate related to commercial investments and inflation

Outlook 2023. In 2023, our business will continue to grow, but we are facing relevant impacts to our P&L

Business Impacts 2023

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- Faes LATAM Growth:** ▲ ~20% in income and EBITDA
- Stabilization** of the Animal Health and Nutrition business
- Growth** of the respiratory franchise (Elipta) and Healthcare & Consumer channels in Spain

↓

- Increased investment in R&D&I** to drive key projects
- Reinforcement of commercial structure** in key geographies to support launches and growth plans
- General context of cost inflation**

Total Income	Growth of ~5,5% vs. 2022	
	2022: 462M€	2023E: 485M€ - 490M€
EBITDA before R&D&I	Growth of ~4,0% vs. 2022	
	2022: 135M€	2023E: 138M€ - 142M€
EBITDA	MAINTAINING 2022 level	
	2022: 121M€	

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