

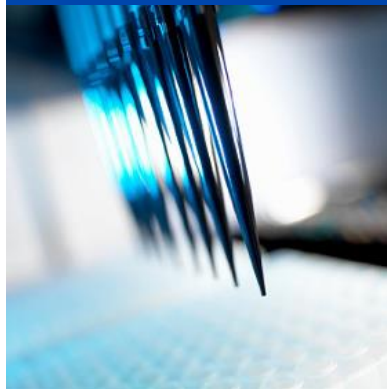
Caring for Today and Tomorrow

Capital Markets Day
29th of March 2023



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Our strategic
pillars

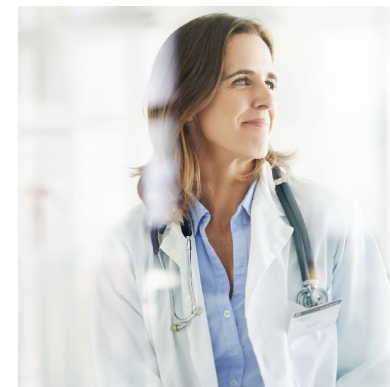


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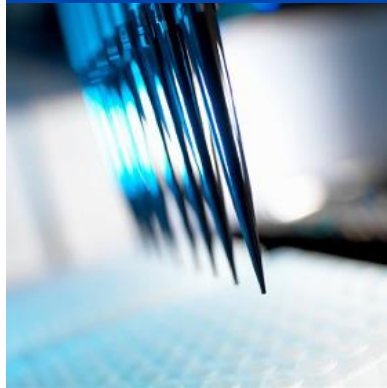


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Faes Farma today

Diversification

~400M€

PHARMA INCOME

~60M€

N&AH INCOME

Profitability

~120M€

EBITDA +6% vs. 2021

Geographic footprint

PRESENCE IN

>130

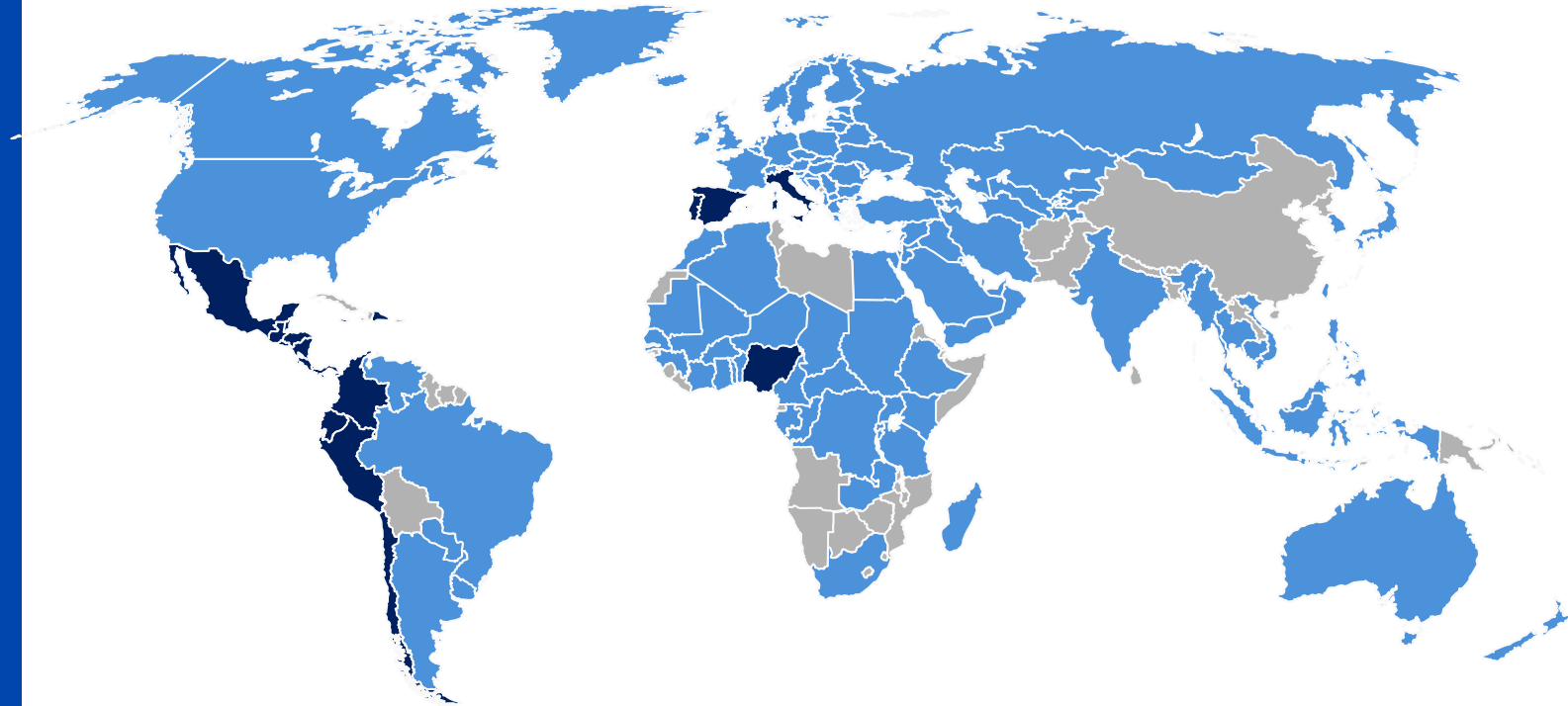
COUNTRIES

Employment

~1.800

Employees

- Direct presence Iberia+subsidiaries
- Presence of Faes products via partners and exports



Our strategic pillars

1//
Growing **STRATEGIC
PRODUCT** lines



2//
Enhancing the value of our
DIRECT SALES MODEL



3//
Focus on
**OPERATIONAL
EXCELLENCE**



Strategic product lines

Pillar I. Growth around our strategic product lines through internationalisation via licences



Bilastine

Leading global antihistamine, with growth potential still to be realized in several markets

Calcifediol

Improved efficacy in the treatment of pro-hormone D

Mesalazine

Treatment for ulcerative colitis with multiple launches planned

Products “tier2”

Other products completing our prescription and OTC portfolio

Internationalisation

...by combining direct sales with a licensing strategy via carefully selected international partners.

Portfolio development

...to further develop our strategic product ranges

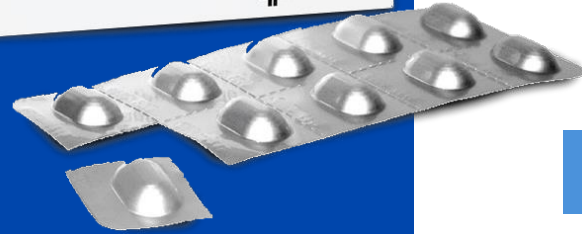
Total income 2022

110M€
+16% vs. 2021

45M€
+7% vs. 2021

15M€
+6% vs. 2021

~230M€
+6% vs. 2021



Strategic product lines

Bilastine. A leading antihistamine that will continue to maintain its important value in the coming years...

Total income
2022

110M€
(+16% vs. 2021)

Doses sold since 2015

5.000M

Leading Brand

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

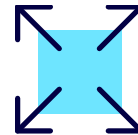
Share of the global antihistamine market

13,9%



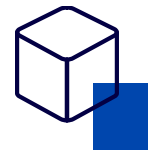
Double-digit growth

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



Launch in a major market

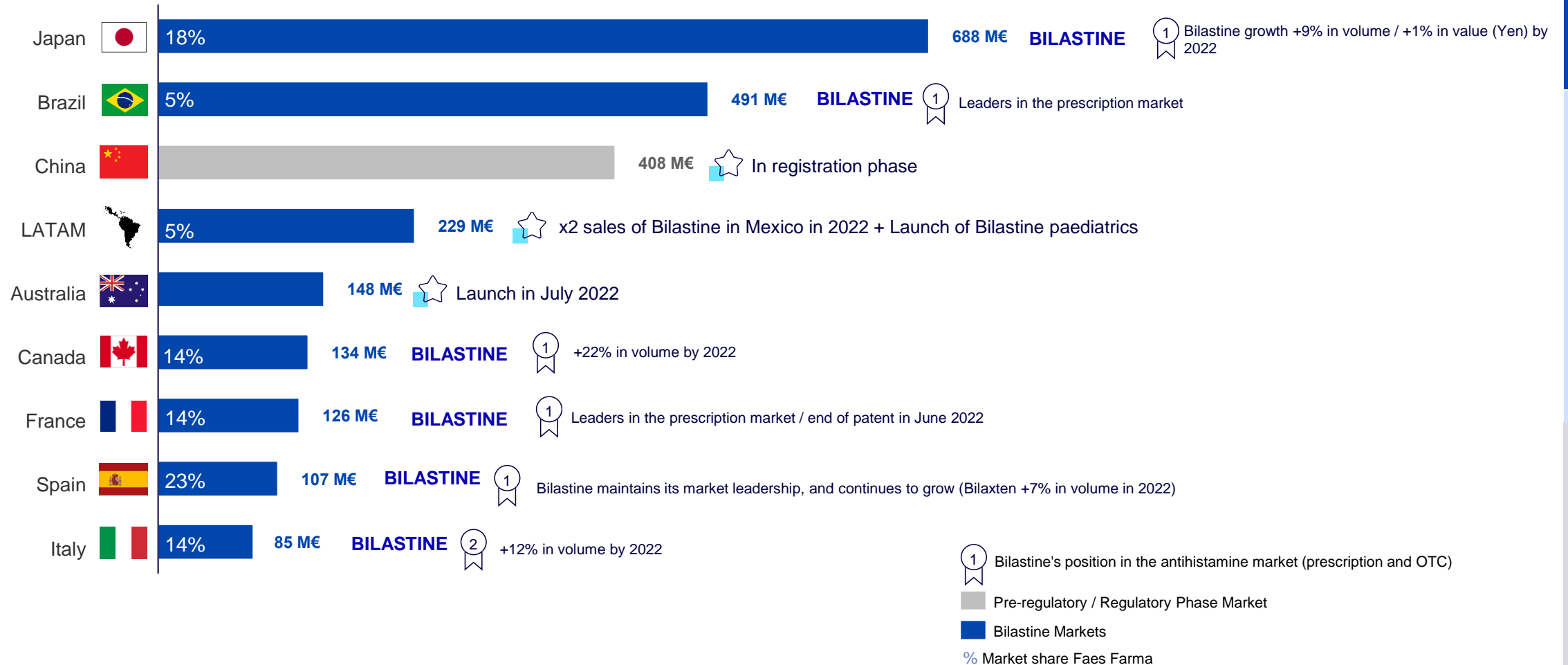
of short-term antihistamines



Development of the widest range of products around a modern antihistamine

Bilastine. ... With a leading position in major global markets and growth potential remaining in key markets

Top antihistamine markets for Faes Farma and presence of Bilastine [R6A, 2022, M€]





Total income 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% of the total market.

Faster action and more predictable results

Strategic product lines

Calcifediol will continue to sustain strong growth in the future ...

Calcifediol will continue to grow in current and newly launched markets



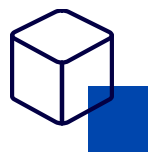
Growth in our main markets

(Spain, Italy, Portugal)



Strong launch in key countries:

Mexico, with a new dedicated sales force

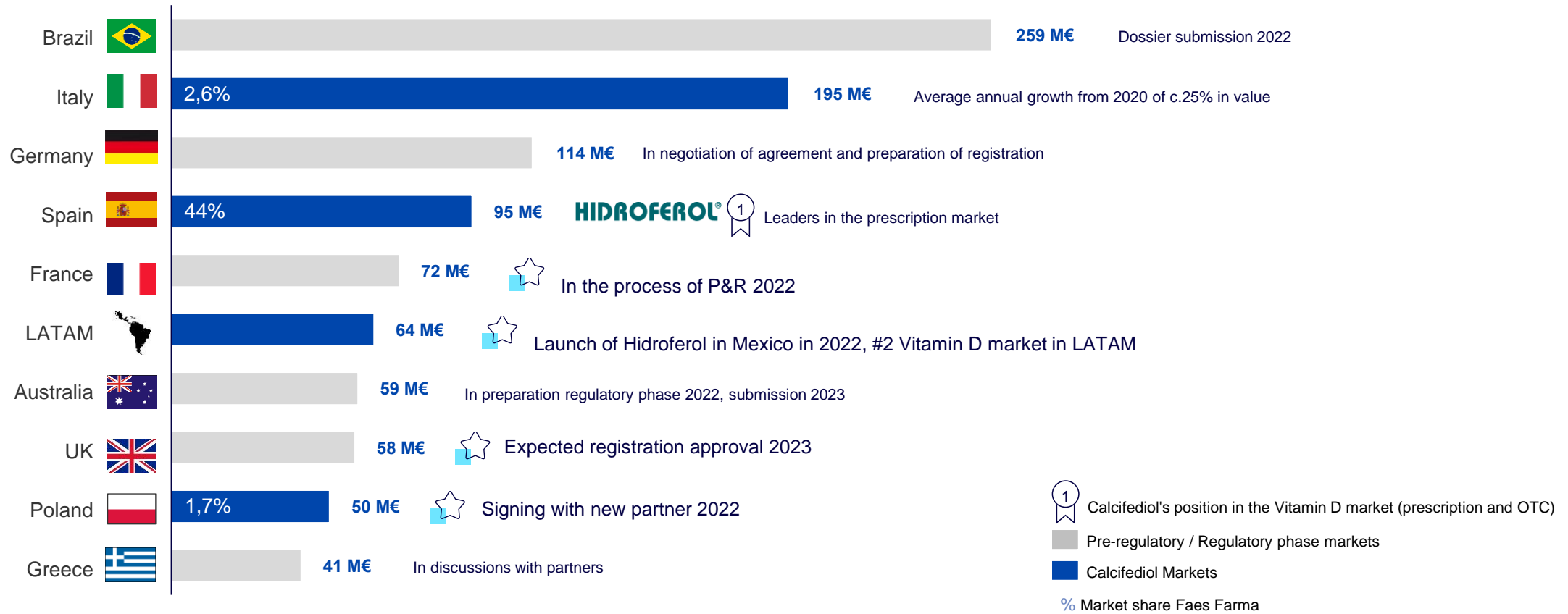


Portfolio development

towards more effective and safer forms, and development of combinations

Calcifediol. ... With ample prospects for growth in new markets globally

Top Faes Farma Vitamin D markets and presence of Calcifediol[2022, M€]





Total income 2022

15M€

Global Mesalazine Market

920M€

Axis of ulcerative colitis treatment

first line in all therapeutic guidelines

Successes 2022

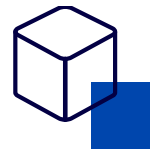
Poland: 10% share in year 2 since launch

Portugal: 23% growth, compared to 8% of the market

Strategic product lines

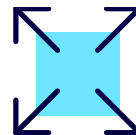
Mesalazine. Basic treatment for mild-moderate ulcerative colitis, with multiple planned launches

Mesalazine will continue to be developed in order to have the widest range of formulations for the molecule



Development of the most complete Mesalazine portfolio:


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



Launches in new European markets in 2022 :

UK, and new licensing agreement in Greece

Pending growth. Our strategic products are yet to be launched in markets worth more than €1.6 billion.

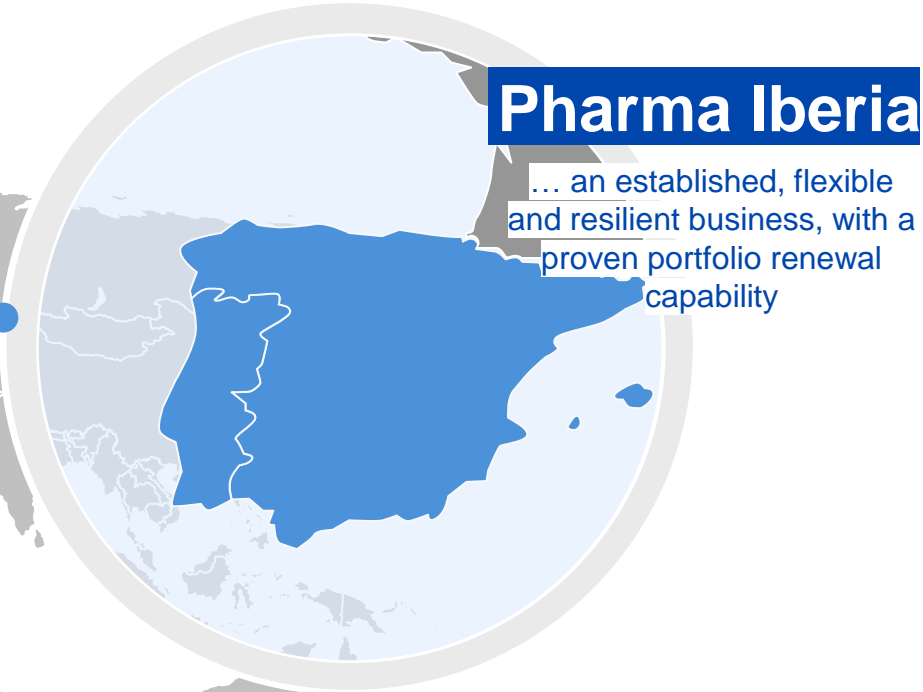
	Bilastine	Calcifediol	Mesalazine	
Current market Market size of current sales presence Faes Farma	~2.870M€	~600M€	~370M€	~3.840M€
New Markets (5 years) Size of markets where there is an agreement and pending launch	~740M€	~700M€	~170M€	~1.610M€ 
Other potential markets Size of other potential markets for the long term		~450M€	~360M€	~810M€

Notes: Market size does not equal potential Faes Farma sales. Bilastine: IQVIA 2022 FY - Total market sales R6A solids, market sales Rx R6A liquids, Rx R1B and Rx S1G; Calcifediol: IQVIA 2022 FY - Total sales of all worldwide markets for Calcifediol, Cholecalcifediol and Ergocalciferol. Excludes Eldecalcitol (Japan); Mesalazine: IQVIA 2022 FY - Total sales of the prescription market for Mesalazine excluding the US, China, Korea, Japan and India markets.

Pillar II. Enhancement and development of our direct sales model

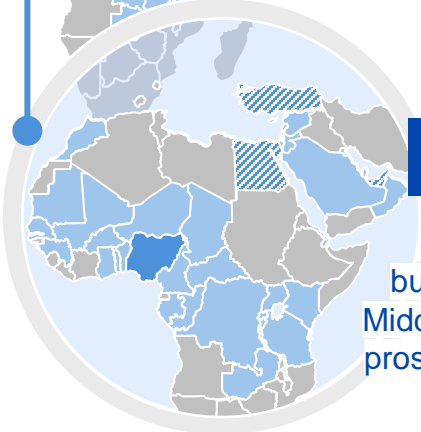
Faes LATAM

... replicating Faes Farma's business model in Spain, with a presence in six of the main LATAM markets



Pharma Iberia

... an established, flexible and resilient business, with a proven portfolio renewal capability



Faes MEA

... consolidating our business platform in the Middle East and Africa, with prospects for further growth in the medium-term

- Direct presence
- Presence via partners
- ▨ Medium-term target markets

Our Pharma Iberia business contributes nearly 50% of the Group's pharma division's turnover...

A consolidated business with a high contribution to the margin...

Spain



160M€ total income

Portugal



31M€ total income

Which, together, account for c.47% of the total revenues of Faes Farma's pharmacy division.

~25% EBITDA margin



Prescription

with a portfolio of proprietary and licensed prescription products that are leaders in Spain and Portugal: Bilaxten, Hidroferol, GSK Respiratory line



Healthcare

dedicated to the market of OTC products in pharmacies (Revenues ▲6% in 2022)



Consumer

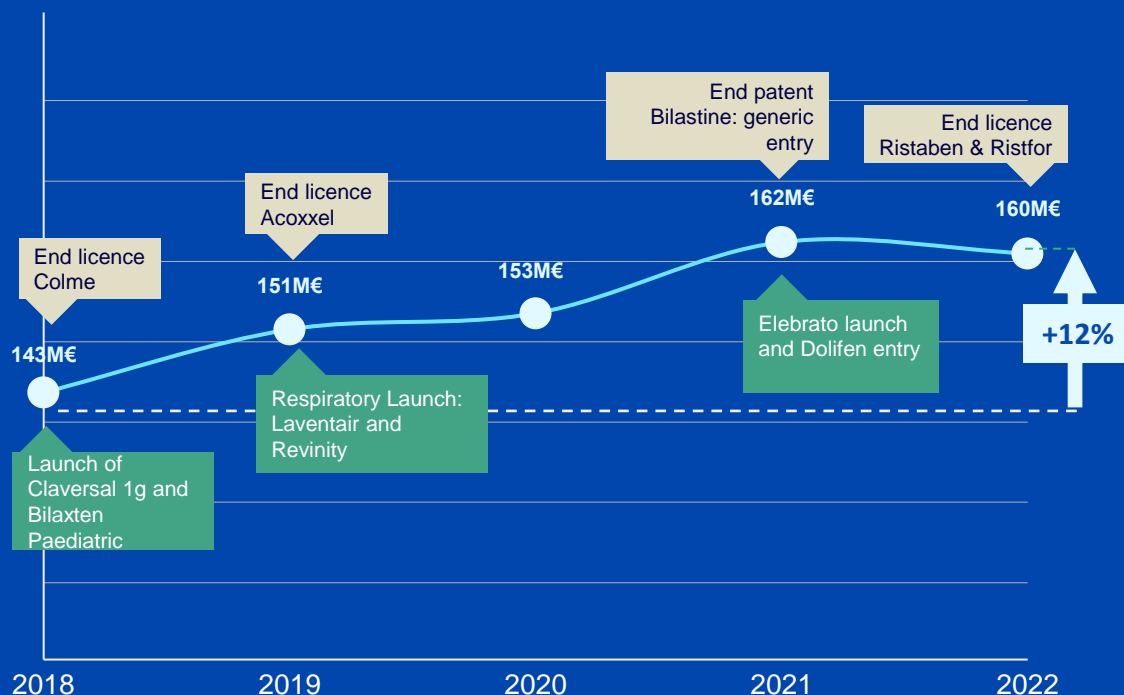
dedicated to the market of OTC products in alternative channels to traditional pharmacies (Revenue ▲15% by 2022)

...diversified into three key businesses: Prescription, Healthcare and Consumer

... and has demonstrated its ability to renew its portfolio and overcome the challenges that have marked recent years

Proven resilience and portfolio renewability

Total revenues Pharma Spain [Prescription, Healthcare, Consumer, 2018 -2022]



Business model: Successful redefinition and reorganisation of the business model

Bilaxten: Volume growth and maintenance of market share in volume after end of patent in June 2021 (16% 2022 vs. 17% 2020, +8% in pcs 2022 despite 12 generic brands)

Hidroferol: Consolidating our position in the Vitamin D market, where Hidroferol is the leading brand (44%), with 11p.p. more market share than the next competitor

Respiratory: Strong growth of the Ellipta line since its launch in 2019 (+63% by 2022 to €18M), with ▲~20% expected in 2023

Healthcare Consumer Business (pharmacies and alternative channels) in expansion, with 3-4 new launches per year.

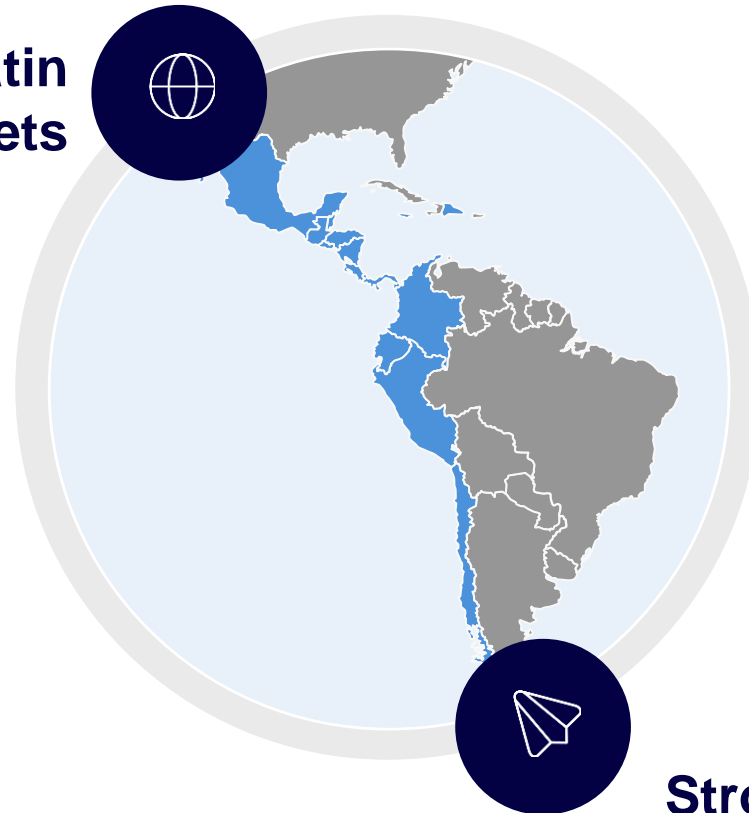
We will continue to grow Faes LATAM, our direct sales platform in Latin America. ...

Presence in six major Latin American markets

Presence in Central America, Colombia, Chile, Mexico, Ecuador and Peru (markets worth c.€20 billion).

Dynamic and growing markets, with less regulatory and pricing pressure than our mature markets

A business with great synergies with our core business: gaining know-how, economies of scale and back-office synergies




 **x2 times revenue figure**
in the last five years

 **x6 times EBITDA figure**
in the last two years

 **Combining the organic growth of our subsidiaries with an inorganic growth strategy**
(BCN Medical – 2019 y Global Farma – 2021)

Strong growth trajectory in recent years

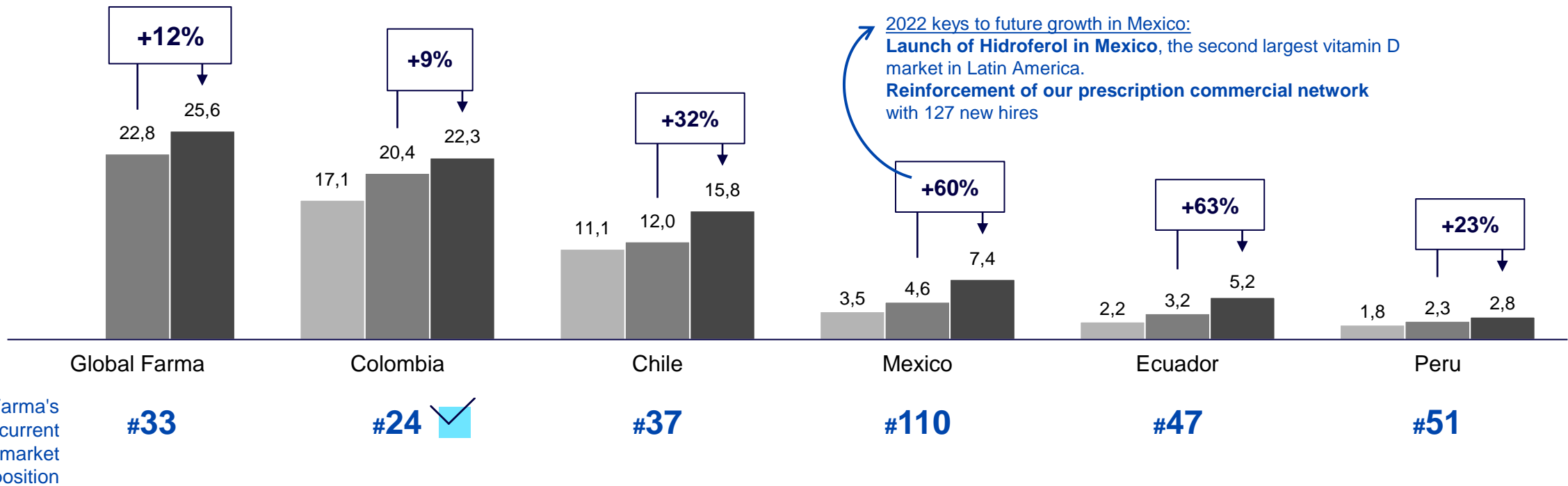
... with the ambition to become one of the Top 25 laboratories in the main markets



Target 2025

Be one of the Top 25 labs in most of our geographies and continue to increase relative EBITDA to 20% by 2025.

Evolution of total revenues of Faes LATAM subsidiaries[2020 – 2022, M€] ■ 2020 ■ 2021 ■ 2022



Faes Farma's current market position

Notes: Top 25 target in all subsidiaries except Mexico, aiming to become one of the top 45. Internal sales data (sell in). IQVIA sales data (sell out). Global Faes data in 2021 and 2022 include the amount corresponding to the CAD distributor, which in 2022 changes from exports to Global Faes.

In parallel, we will continue to develop Faes OMA, adding new markets and growing in existing markets

More than 8 million units sold in the Middle East and Africa region

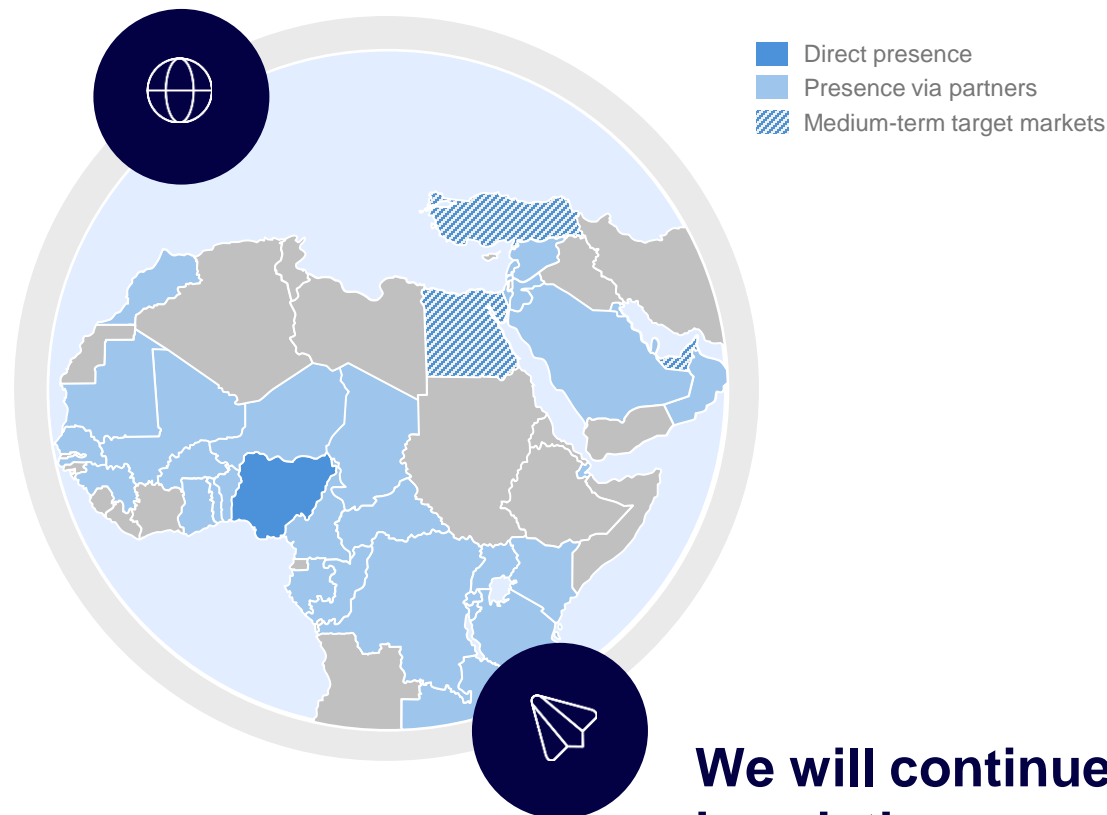


▲ 13% income 2022

We continue to develop our business at OMA :
+ 20% sales Morocco, +45% Arabian Gulf, +40% Nigeria

Direct presence in Nigeria
through our subsidiary, exploring entry opportunities in other key markets

Dynamic and growing markets



We will continue to grow in existing geographies and add new markets.

Pillar III. In a complex macroeconomic environment, we are strengthening our focus on operational excellence



The new **Industrial Plan** will enhance our production capabilities and enable the growth plans

Macro and sectoral context

Relevance of the pharmaceutical industry as a strategic sector for Spain and the EU

Supply chain: Increased tensions and risks

Regulatory requirements and standards

Key objectives of the Industrial Plan



Increasing industrial capacity

- x3 industrial capacity, up to 100M units
- Pharmaceutical production area: 20.000m2
- Quality and microbiology laboratories: 3.000m2
- Robotised warehouse (12,800 positions) and conventional: 10,000m2



Search for efficiencies and production optimisation

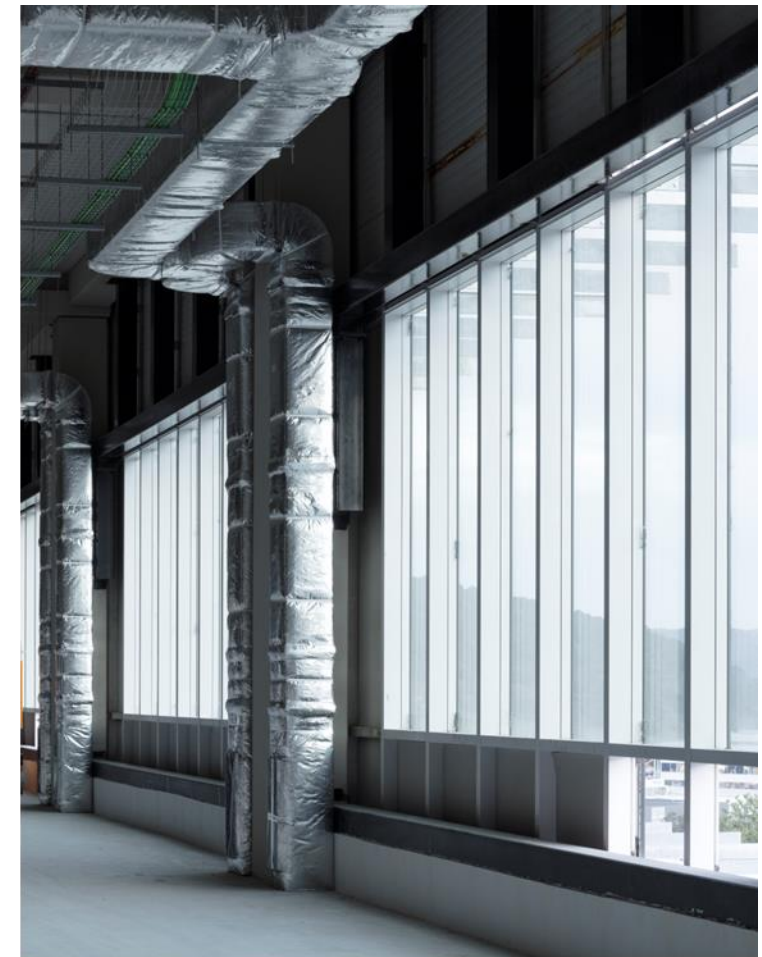
- Manufacturing capacity for new presentations
- Optimisation and centralisation of production capacity and logistics functions.
- Digitalisation and incorporation of new technologies



Mitigating risks in our supply chain

- Alignment with the highest international quality requirements
- Increased resilience and flexibility of production processes
- Reduced dependence on third parties

Work on the new Derio plant continues on schedule with the planned schedule



At the same time, we are developing a plan focused on improving our operational efficiency

Macro and sectoral context

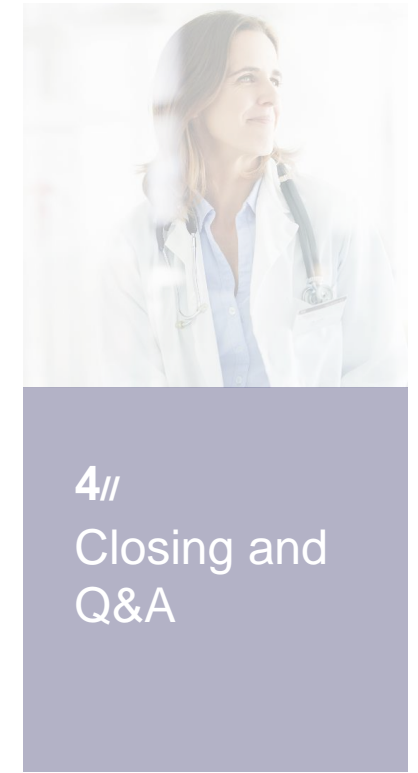
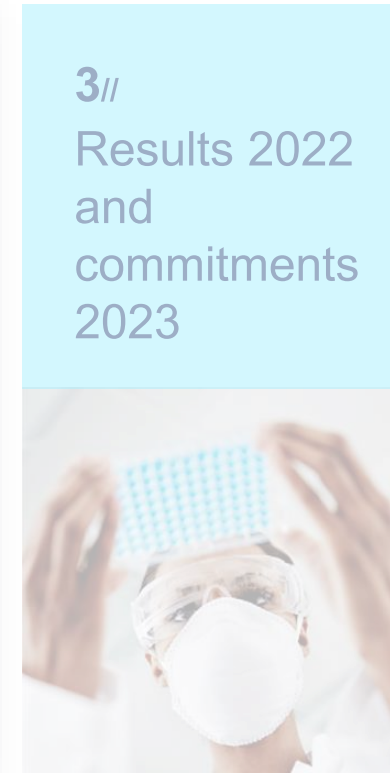
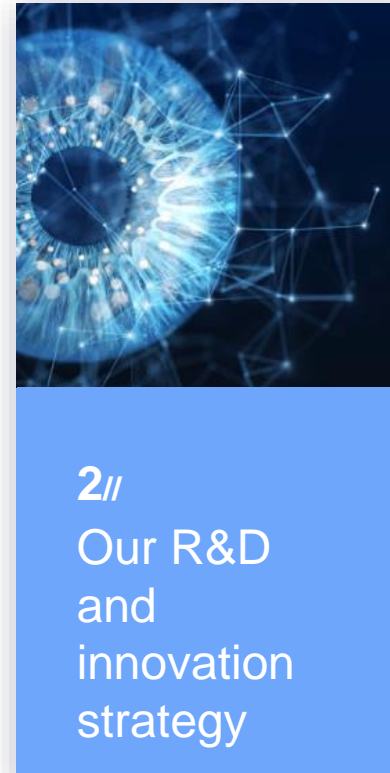
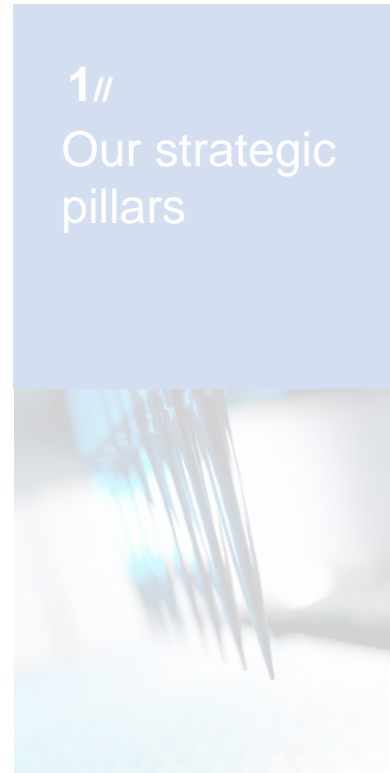
Pressure on margins in the pharmaceutical sector, due to rising commodity prices and the context of generalised inflation.

Increase in interest rates

Key objectives of the Operational Efficiency Plan

- ✓ Optimisation of our **commercial networks**
- ✓ Redefining the business model of the **consumer business**
- 🔄 Synergies following **inorganic operations**
- 🔄 Centralisation of **back office**
- 🔄 **Industrial Plan**
- 🔄 **Working capital** optimisation with a focus on inventory management

2// Our R&D and innovation strategy



Reinforcement and optimisation of R&D&I

Strengthening and optimising our R&D&I department: prioritising value generation for the future

x1.8 dedicated resources vs. 2017

Progressive increase of investment in project and infrastructure development:

- ✓ **x1.8 resources** dedicated in 2022 vs. 2017 (5 years)
- ✓ **+25% resources** dedicated in 2023E vs. 2022
- ✓ **Scientific reinforcement** in the area of Pharmaceutical Innovation and the area of Clinical Research

Key new recruits to reinforce the R&D&I team

Incorporation of senior profiles with international experience for the leadership of key R&D&I areas:



Ignacio Sancho, PhD
Director of Research

20 years of experience in research team management, >15 years of experience in Drug Discovery



José Luis Velada, PhD
Director of Innovation

25 years of experience leading R&D teams in medical devices, pharmaceuticals and consumer healthcare



Inmaculada Gilaberte, MD, PhD
Director of Clinical Research

>20 years of experience in conducting early and late stage clinical research

Flexibility: efficiency, agility and external collaboration

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

- ✓ **Project monitoring scorecard** (KPIs and regular monitoring targets vs. BP)
- ✓ **Detailed project planning:** output optimisation
- ✓ **Multiple decision-making milestones GO / NO GO** during project development

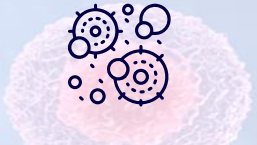



Opening up to external talent:

- ✓ **Collaborations with >10 partners** leading industrialists and academics with national and international outreach

Keeping the focus on optimising the ROI of the R&D&I area

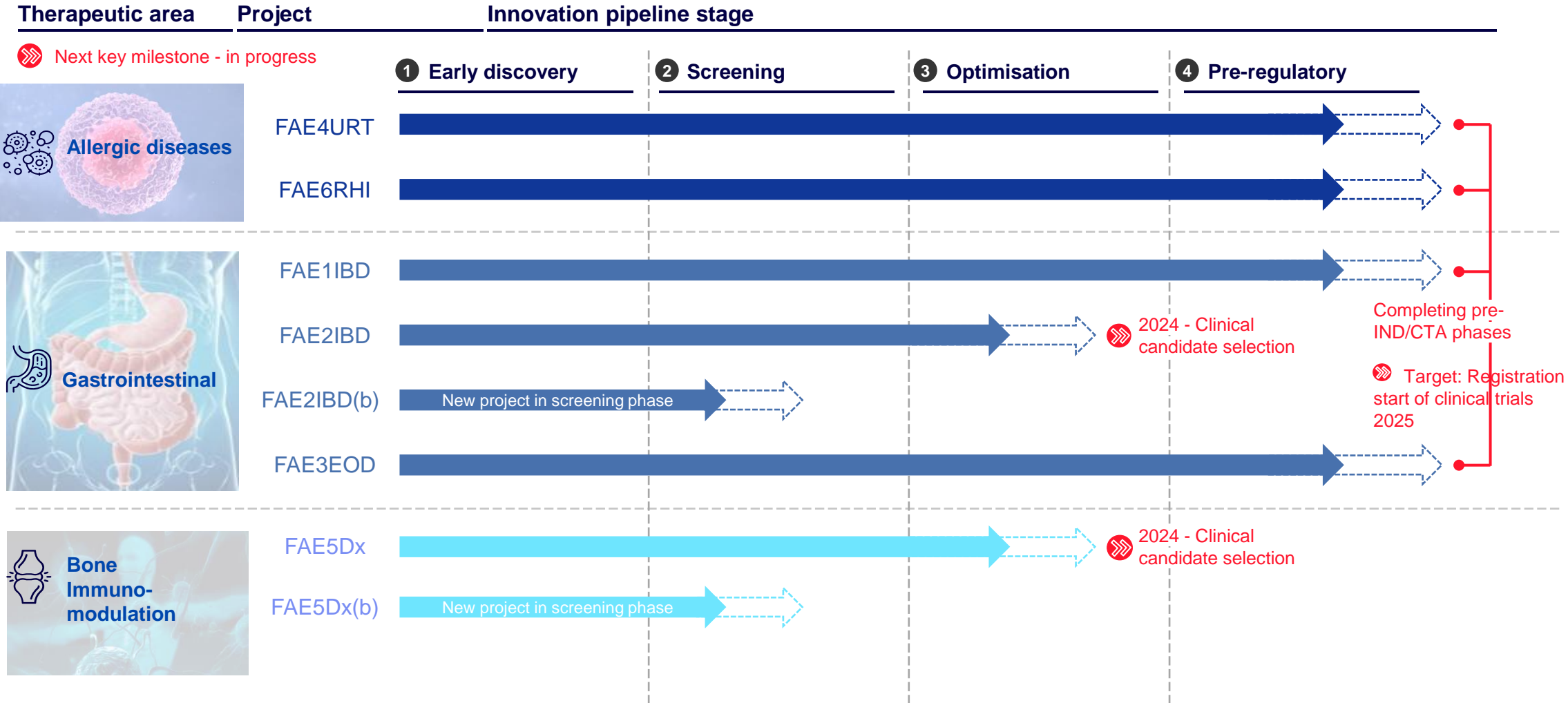
Therapeutic areas

R&D&I focuses on four therapeutic areas with high growth potential

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

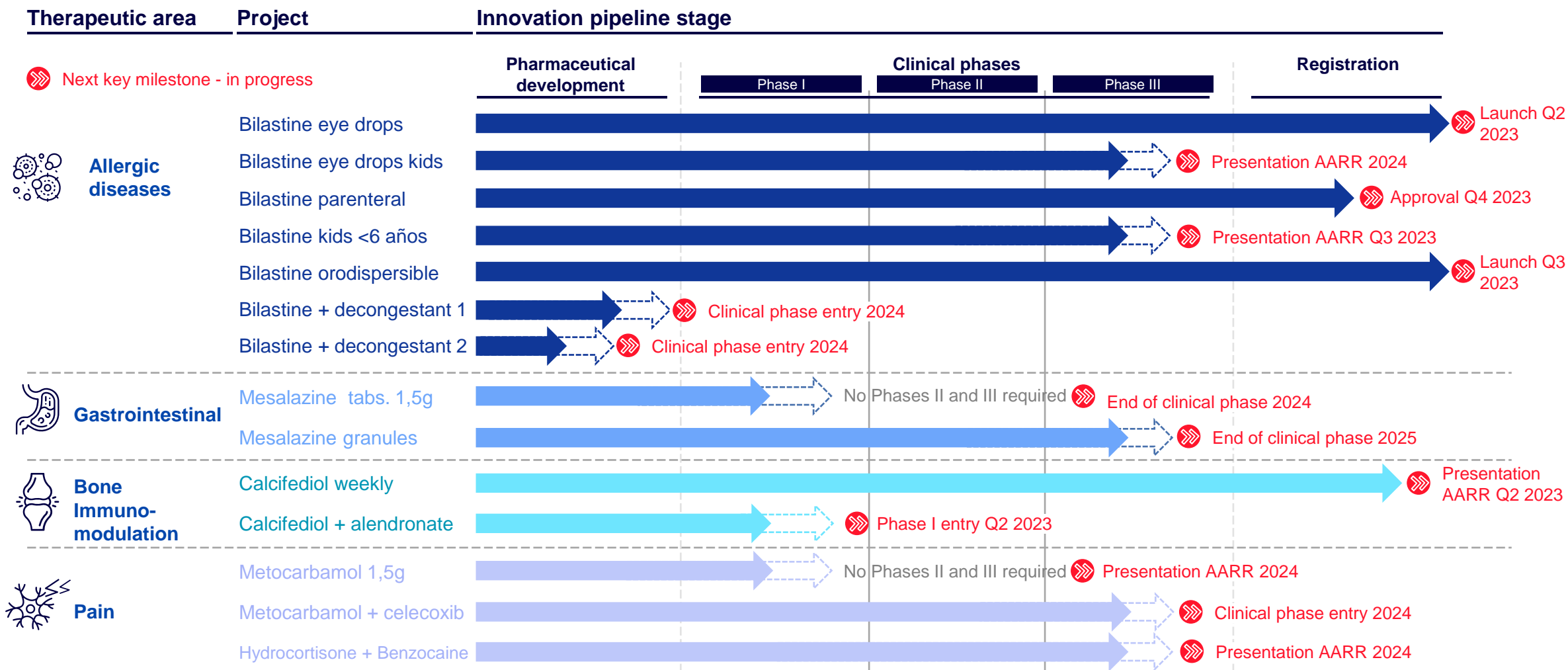
Research pipeline

Promising research pipeline: we continue to advance our key projects and introduce early-stage projects...



Innovation pipeline

Solid innovation pipeline: we continue to develop our product ranges in our target indications



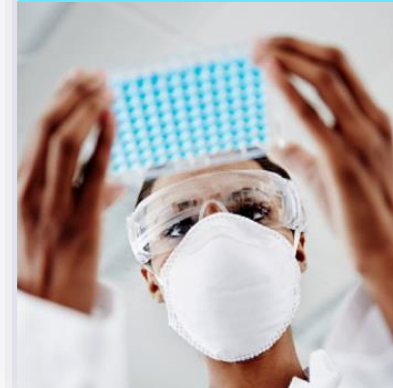
3// Results 2022 and commitments 2023

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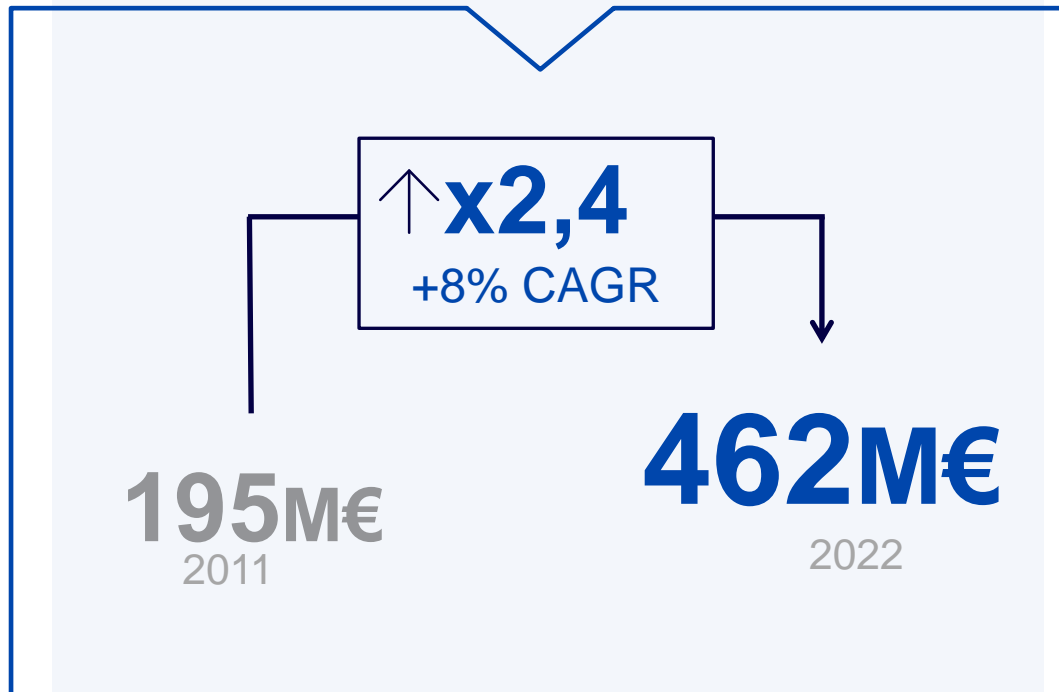
We have met our financial objectives for 2022 ...

	Guidance 2022	Results 2022	
Net Sales	2022E: 422M€ - 437M€ Growth of ~8% vs. 2021 (399M€)	439M€ +10,1%	
PBT Profit before Tax	2022E: 100M€ - 104M€ Growth of ~10% vs. 2021 (94M€)	101M€ +9,1%	
NP Net Profit	2022E: 89M€ - 93M€ Growth of ~11% vs. 2021 (83M€)	89,5M€ +8,6%	

... marking **eleven years of profitable growth** in our business

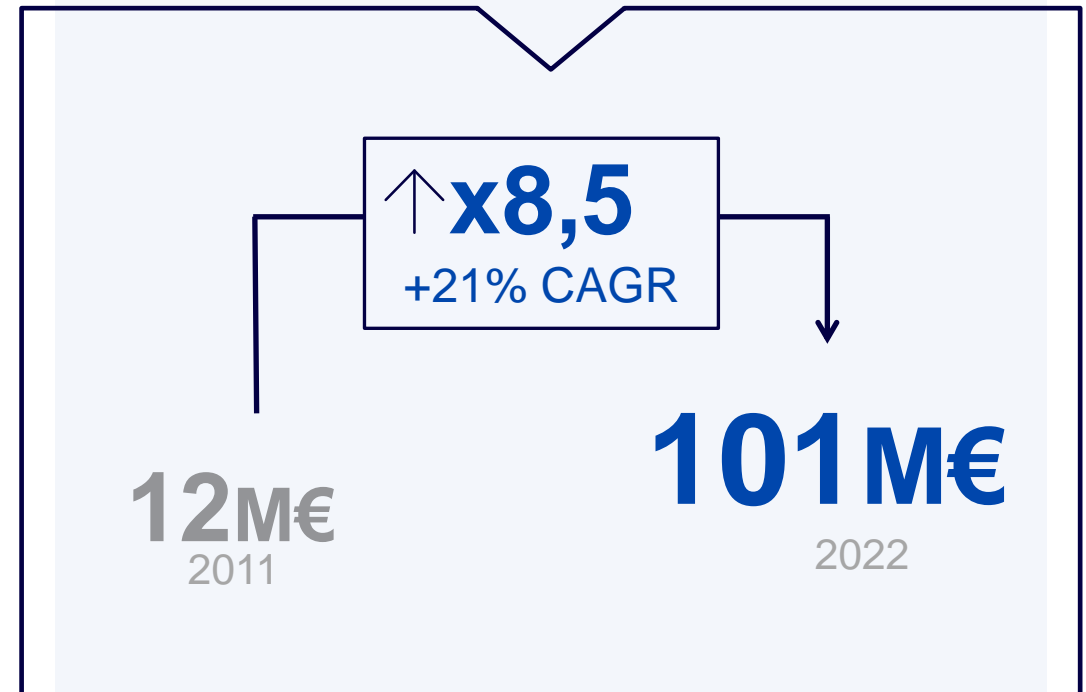
Total income

Evolution 2011-2022



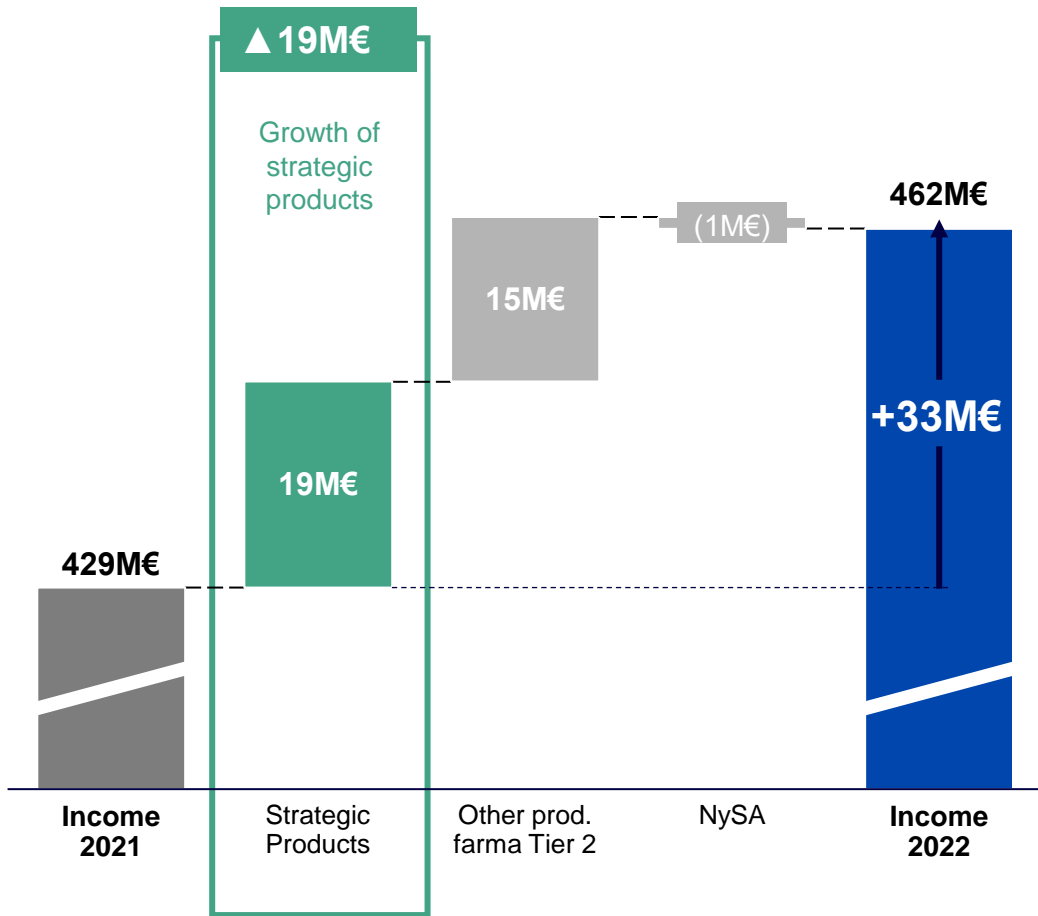
Profit Before Tax

Evolution 2011-2022

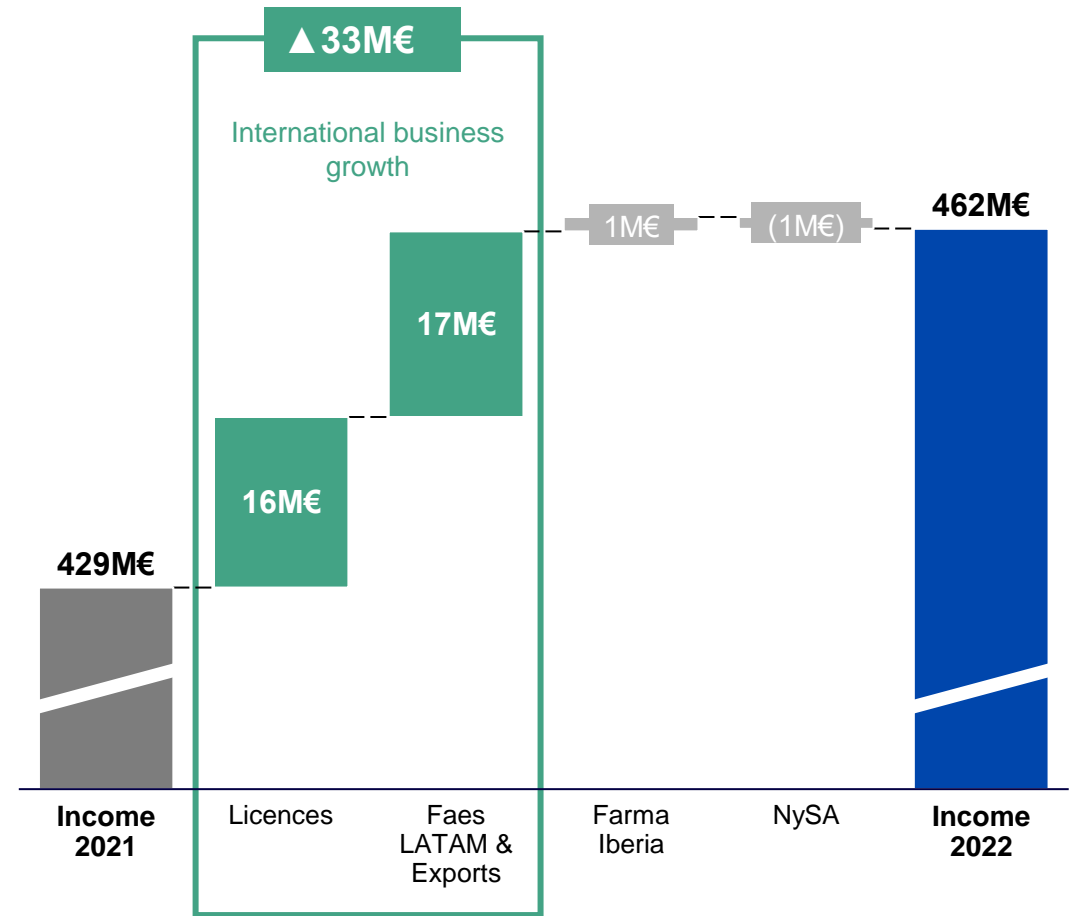


In 2022, growth was fueled by our key growth engines: our strategic products lines and international business

Revenue performance: portfolio perspective



Revenue performance: business area perspective



Note: Faes LATAM & Exports includes the Group's subsidiary in Nigeria, as well as the Colpharma business; Farma Iberia includes the Farma business in Spain and Portugal

Animal Health & Nutrition´s (NySA) has maintained its business in 2022 despite the challenging industry context. Outlook to return to growth in 2023

In 2022, the NySA business has faced a complex macro and sectoral environment....



Geopolitical conflicts, which have led to a rise in the price of raw materials, strongly affecting the entire value chain of the primary sector

Emerging pathologies with an impact on the swine sector, which have resulted in a temporary reduction of the swine herd

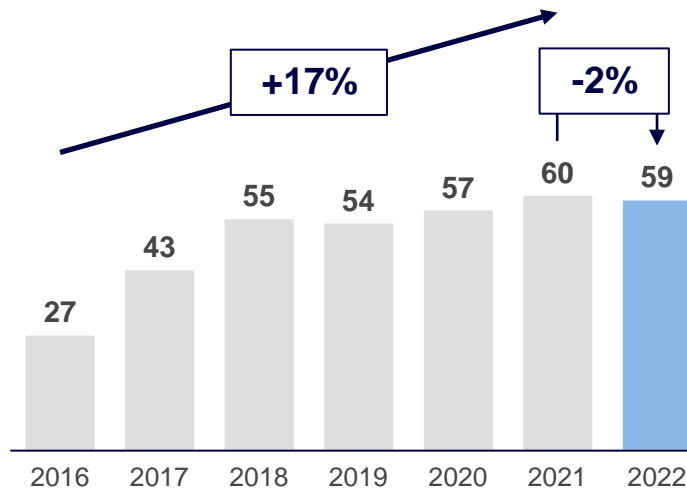


Inflation and general cost increases

- ✓ The outlook for 2023 points to a recovery of the sector, largely due to the stabilization of the raw materials market

... despite this backdrop, NySA has managed to sustain its business volume ...

Evolution income NySA [2016 – 2022, M€]



- ✓ **Objective 2022: Maintain business volume, client base and market share** → We have managed to maintain our topline, with a slight decrease of €1M, with an impact on EBITDA of <€4M.

... with an outlook to get back to growth in 2023

- ✓ **Recovery of business and profitability levels** prior to the 2022 situation.
- ✓ **ISF:** New plant under construction for the manufacture of first-age specialty foods (Start-up 2024)
- ✓ **Analysis of diversification alternatives** in the pet and human health sectors
- ✓ **Continuing to optimize** our international comercial model

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

Business Impacts 2023



Faes LATAM Growth: ▲~20% in income and EBITDA
Stabilization of the Animal Health and Nutrition business
Growth of the respiratory franchise (Ellipta) 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€	

We continue to strengthen our commitment to the integration of ESG into our operations.

Key figures and milestones
ESG: 2022

1// Environment

▼ **10%**
Water consumption in 2022

▼ **48%**
carbon footprint scope 2 in 2022

Eco-efficiency and sustainability in the construction of our new pharmaceutical production plant in Derio: LEED certification



2// Social

54%
Women in the workforce

33,5%
of women in management positions

▼ **1%**
of salary gap at the management level



3// Corporate Governance

Board of Directors

Process initiated to separate duties of the Chairman of the Board and Chief Executive Officer

50%
Independent board members

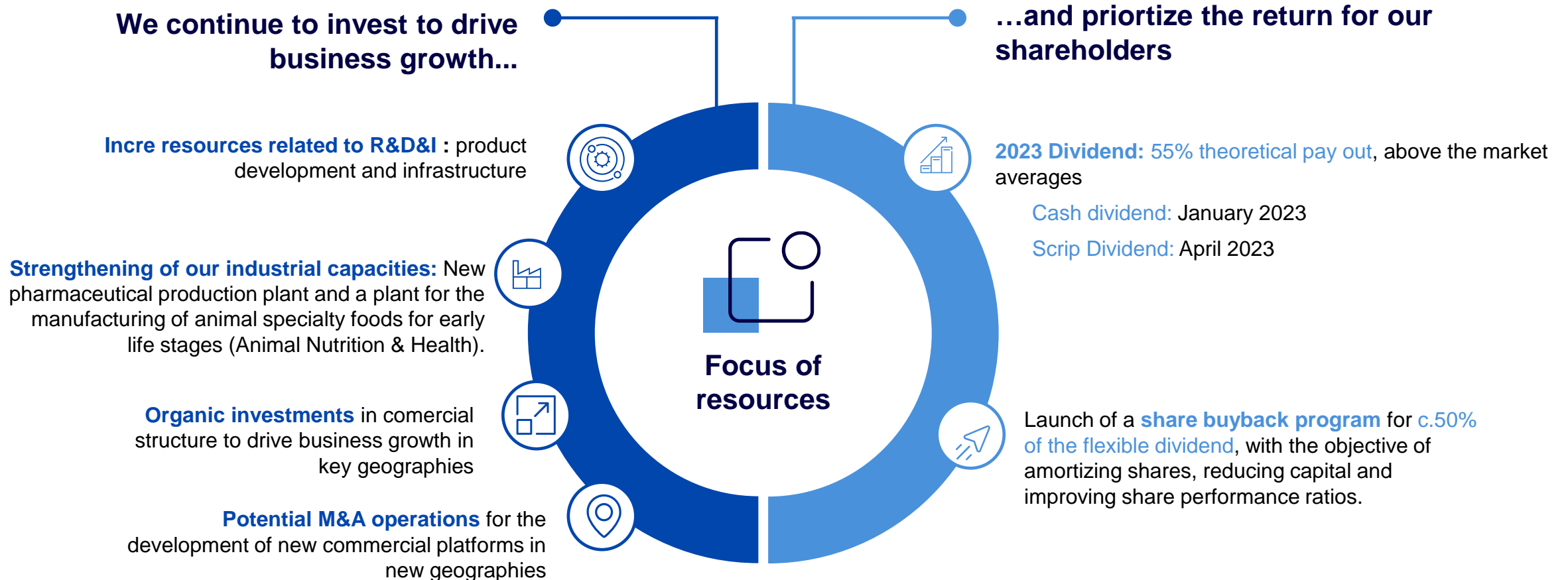
40%
Female board members



Other transversal milestones

Approval of an ESG Strategic Plan.
Appointment of an ESG manager at corporate level.


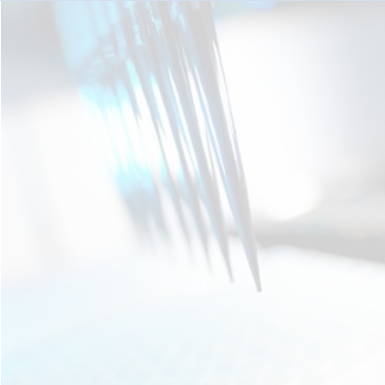
Balancing resource allocation between growth and shareholder return







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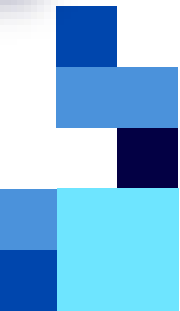


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