

## **TO THE NATIONAL SECURITIES MARKET COMMISSION**

For the purposes of article 227 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, and related provisions, Faes Farma, S.A. hereby informs the market of the following

### **OTHER RELEVANT INFORMATION**

#### **A) BOARD OF DIRECTORS AGREEMENTS**

At the General Meeting of Shareholders of the Company validly held today on second call, all the proposals of the Board of Directors included in the various items on the Agenda were approved, among which we would highlight the following:

- **Approval of the corporate management, the annual accounts and management report, both of the Company and of its consolidated Group and of the proposed appropriation of profit for the financial year 2023, as well as the Consolidated Non-Financial Information Statement (CNIF) for 2023.**
- **Approval of the appointment of Mr Eduardo Recoder de la Cuadra as executive director, whose incorporation will take place on 1 September and setting the number of directors at ten.**
- **Approval of the Directors' Remuneration Policy for the next three financial years (2025-2027) following the changes incorporated, with a new executive director and the change of category from executive chairman to non-executive chairman.**
- **Consultative vote on the Annual Directors' Remuneration Report for the financial year 2023.**
- **Renewal of the authorisation to the Board of Directors to increase the Company's share capital if so decided.**

#### **B) HIGHLIGHTS**

The main points discussed at today's General Meeting of Shareholders are listed below.

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| <b>HIGHLIGHTS OF THE MEETING</b> |
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1. All the proposals on the agenda of the AGM were approved.
2. Approval of the appointment of Mr Eduardo Recoder de la Cuadra as executive director, leaving the Board composed of 10 members, 40% women and 50% independent directors.
3. On the margins of the agenda, the President highlighted the following issues, which are briefly summarised below:
  - a) A 10% decline in the value of the share in 2023. On the other hand, capitalisation fell by 8.4% due to the effect of the capital increase resulting from the scrip dividend.
  - b) Shareholder remuneration: 0.039 euros cash dividend in January 2024 and 0.116 euros cash dividend to be paid on 8 July 2024, totalling 0.155 euros per share, representing a pay-out of close to 53% of the net profit for 2023.
  - c) Record results in 2023 for the ninth consecutive year, with consolidated revenues of 473.1 M€ (+2.5%), EBITDA of 122 M€ (+1.2%), EBIT of 103 M€ (+1.3%) and consolidated profit of 91.7 M€ (+2.5%), the highest ever.
  - d) Outlook for the end of 2024 of growth between 6% and 8% in revenues and between 3% and 5% in EBITDA, maintaining a level of around 127 to 128 M€.
  - e) In the first quarter of 2024, the percentage growth forecast for this financial year has been achieved and shows that the forecasts have been met.
  - f) Farma España: in 2023, revenues will remain above €161m, growing by 1%, as the Group's main business, and it meets the challenge of offsetting the negative effects of the discontinuation of the diabetes licence and the exit of bilastin generics.  
Highlights:
    - (i) the remarkable performance of bilastin, with growth of more than 10% and sales of almost €39 million, despite the price cuts suffered after the patent expiry in July 2021
    - (ii) the moderate growth of calcifediol, with an increase of 3%, and with sustainable growth forecast for the coming years, and
    - (iii) the significant growth in GSK's respiratory line of 35% in sales and with a long way to go.
  - g) International:
    - Revenues in this area account for more than 55% of the total, outperforming the domestic business thanks to geographic diversification and recent inorganic

investments.

- Significant revenue growth: +22% in OMA, +8% in Latam, +6% in Portugal and +18% in direct exports.
- h) Licensing: With revenues of more than €99.6m, including growth in bilastin (+4%, €84m), it is the Group's most profitable business unit.
- i) Animal nutrition and health: the ongoing health and health challenges in the sector have led to a decline in revenues compared to 2022 mainly due to the increase in animal deaths, although we have been able to recover the margin thanks to improved raw material and energy costs and lower operating expenses.
- j) R&D&I: strengthening of resources, both in terms of staff, with more than 100 people and new recruitment of experienced staff, and in terms of financial resources, with more than €25m. Internal changes to achieve the strategic objectives included in the Faes2025 plan and initiate those envisaged in the Faes2030 plan.
- k) Investments: over €97 million in 2023:
- The new Farma plant in Derio (Bizkaia) is currently in the validation phase to obtain approval from the Spanish Medicines Agency, which is expected to be obtained before the end of this year, while the absorption of the entire Farma production of Lamiako in Derio will take place in 2026.
  - The new plant for speciality feed in Huesca is reaching the last phase of construction and is expected to be commissioned in autumn this year, strengthening the animal nutrition and health business.
- l) ESG (Sustainability):
- In the area of governance, appointment of a new executive director, Eduardo Recoder de la Cuadra, finalising the process of separation of powers, whereby the executive chairman changes his category to non-executive chairman.
  - 54% women in the workforce and 36% in management positions.
  - Update of the 'Third Party Code of Ethics and Conduct'.
  - 50% of independents and 40% of women on the Board of Directors. Board Committees with exclusive participation of independents.

- Business model that integrates sustainability, reflected in the 2023 Non-Financial Report.
- A benchmark in sustainable building for the new pharmaceutical production plant in Derio thanks to the achievement of LEED Gold certification.
- Collaboration in the 'Green Steam' project, aimed at using waste heat from a nearby industry to be used in our production process at Lamiako, thus avoiding the burning of gas and the emission of around 1,250 tonnes of CO2 per year.
- Reinforcement of cybersecurity with the incorporation of dedicated staff and membership of the Basque Artificial Intelligence Association (BAIC) to promote the use of artificial intelligence.
- Participation in the II Dataton of Euskadi winning together with Datua AI the challenge posed on the optimisation of the development of clinical trials by means of generative AI.

25 June 2024