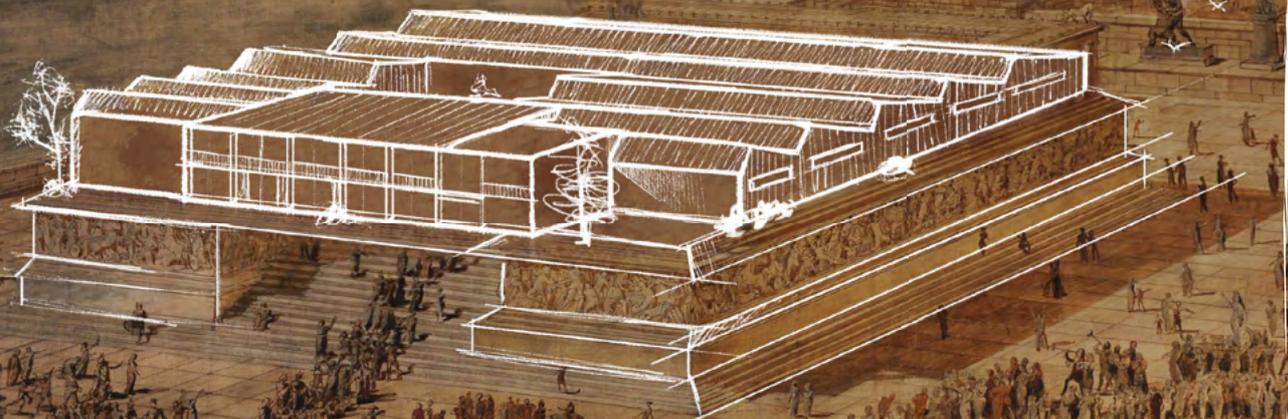


20

Galenicum

ANNUAL REPORT 2022



believe in life

20

In 2003, three friends founded their own pharmaceutical company in Barcelona. They had met at university and shortly after starting their careers, they were looking for an adventure together. They never imagined that, twenty years later, they would still be enjoying this adventure, and close friendship.

Galenicum is the proud result of connection, boldness and determination over two decades. Breaking into such a complex and capital intensive industry has been neither easy nor fast. It has taken lots of effort, risks and continuous reinvestment of the earnings generated back into the company to keep moving forward and expanding across the value chain. Today, the company supplies medicines to over 50 countries.

So much growth, so much change, but the purpose of the company remains the same: to improve the quality and affordability of medicines. As the company evolves, its ambition is to make an impact by getting involved in more complex R&D projects and embedding ESG into the business.

This year Galenicum celebrates 20 years of life, full of ups and downs. We still have lots to learn, lots to risk, lots to enjoy. Thank you to everyone that has taken part in our story so far.

Happy 20th anniversary!

I

A DISTINCTIVE PHARMACEUTICAL COMPANY



GALEN

129 – c. AD 216

Greek physician, surgeon and philosopher in the Roman Empire. Considered one of the most complete medical researchers of the Ancient Age, his thought exerted a profound influence on European medicine for more than a thousand years.

THE GRAND JOURNEY

Our adventure began in Barcelona in 2003, when three friends in their twenties decided to start up in the pharmaceutical sector. At a time when the dot-coms were proliferating, Galenicum broke into a fairly traditional space.

Even though in the beginning, the business of Galenicum was limited to trading of active pharmaceutical ingredients (APIs) for generics' companies in Spain, the activity very quickly expanded to encompass the full value chain, including: research and development, regulatory affairs, manufacturing and supply of a broad range of medicines in any part of the world.

Our positioning as 'specialty pharma' sums up our ambition in research and development, as well as in operations to fulfil our purpose: to keep improving the quality and affordability of medicines worldwide.

An entrepreneurial free-spirit along with a close, reliable and flexible service to clients, have driven our growth. Today, Galenicum is an ecosystem of several businesses with commercial presence in over 50 countries.

Value chain.

Galenicum provides products and services to clients in the pharmaceutical industry across the value chain.



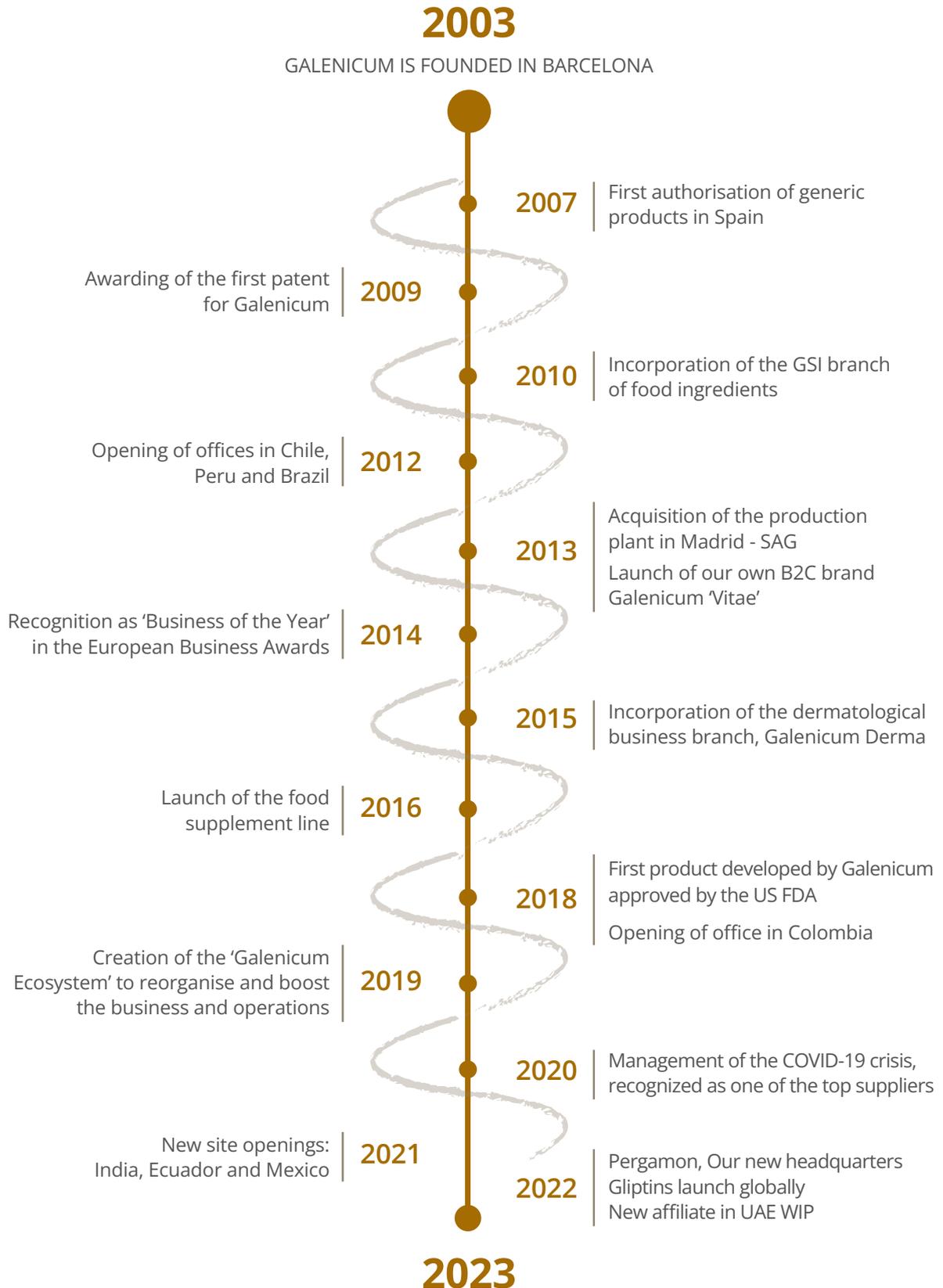
The Grand Journey.

'The Grand Journey' is the first episode of a trilogy of short films around the renovation of an old industrial warehouse, which has become the new Galenicum headquarters and R&D Center.

You can watch it with an English voice-over at <https://www.youtube.com/watch?v=bPSYNWFnrw> or with a Spanish voice-over at <https://www.youtube.com/watch?v=YuQrGI81I6o>.



THE FIRST TWENTY YEARS



COMMITTED TO OUR VALUES

We are who we are and stand where we stand because of our values.

Our values reflect the essence of our culture, which we want to preserve regardless of time and business scale.

Challenge, Connection and Commitment are our core values. Energy, Adaptability and Creativity are the values that boost them. All these 6 values have

not been decided by chance, but were identified by a group of over 100 employees as distinctive of Galenicum. Moreover, we added Integrity into the list, the value that encompasses them all, and transcends into the legal space.

Our values contribute to continue gaining ground in our business purpose, but they also guide our day-to-day behaviours, decisions and relationships within and outside our organisation.

CORE VALUES



CHALLENGE

The history of our company is proof of this.



CONNECTION

Partners, customers and suppliers; we are all people beyond our roles in the workplace.



COMMITMENT

Engagement with the company purpose across the organization. Giving the extra mile.

BOOSTER VALUES



ADAPTABILITY

We understand change as an opportunity. We listen and adapt to keep improving.



ENERGY

Passionate and strongly committed to our company's projects and growth.



CREATIVITY

Remarkable at our R&D department, but truly spread across all areas in the organisation.

ENCOMPASSING VALUE



INTEGRITY

Do 'the right thing', even when nobody is watching

Committed People.

We are proud of our distinctive cultural DNA, which we revealed in an internal workshop with over 100 employees.

Watch: <https://www.youtube.com/watch?v=JDz-DKivvd8>



BUSINESS ECOSYSTEM

The Galenicum Ecosystem was established to articulate, organize and take advantage of synergies across our different businesses.

Galenicum ecosystem I. There are 4 different Galenicum businesses operating in the pharma sector.



Galenicum ^{believe in life} axium

- **B2B model:** We develop, license and supply to other pharma companies globally providing high quality products and taking care of the entire value chain.
- Broad portfolio comprising different therapeutic areas and technologies.
- Sales team based in Barcelona, with global reach.

Info and contacts: www.galenicumaxium.com

Galenicum ^{believe in life} SAG

- **B2B model:** We produce and supply high quality FDFs for pharma companies globally.
- Manufacturing facilities nearby Madrid, ready to produce over 120 million packs per year.
- Multipurpose site with different technologies: solids, liquids, nasal sprays, creams and ointments.

Info and contacts: www.galenicumsag.com

Galenicum ^{believe in life} Vitae

- **B2C model:** We in-license high quality FDFs and commercialise them under our own brand 'Vitae'.
- Third party distribution deals across Latam, Middle East and Asia.
- Sales teams in Chile, Peru, Colombia and Ecuador covering pharmacies and hospitals.

Info and contacts: www.galenicumvitae.com

Galenicum ^{believe in life} Derma

- **B2C model:** We develop and in-license high quality dermatological products and commercialise them under our own brand 'Galenicum Derma.'
- Third party distribution deals for international expansion.
- Sales team covering the whole territory of Spain .

Info and contacts: www.galenicumderma.com

BUSINESS ECOSYSTEM

The Galenicum Ecosystem was established to articulate, organize and take advantage of synergies across our different businesses.

Galenicum ecosystem II. There are 2 different Galenicum businesses operating in the fields of plants and animals.



protekting

phytosanitary products

- **B2B model:** focused on products and services to help our clients protect and grow crops efficiently.
- We offer high quality and innovative phytosanitary products, as well as turnkey solutions for the entire value chain.

Info and contacts: www.protekting.com

VETILEA

- **B2B2C model:** we partner with vets to sell our products directly and they prescribe the products to the pet owners.
- Nutraceutical products for animal health.
- Sales reps are covering Central Spain, Galicia, Catalonia and Balearic Islands, and the internal sales team is covering the rest of Spain.

Info and contacts : www.vetilea.com

A BROAD PORTFOLIO

From Galenicum we offer our clients a broad portfolio of products that cover the majority of therapeutic areas. We represent our range through an image inspired by Leonardo da Vinci's 'Vitruvian Man' that offers the opportunity to visualize the 14 Anatomical Therapeutic Chemical (ATC) Classification System groups through the human body.

The colours are related to both the ATC code and to our medicine/product in this group.

Our commitment to provide high quality medicines at an accessible price leads us to pursue continuous improvements in both the characteristics of the product and the manufacturing process.

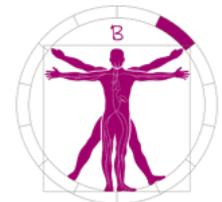
For example, in the development of injectables and reduced-dose formulations in various treatment areas such as diabetes, oncology and the central nervous system (CNS).

We are working to be world leaders in gliptins, metformin and paracetamol, which are amongst the most 'essential' medicines globally.

ATC code. The Anatomical Therapeutic Chemical coding is a unique code assigned to a medicine according to the organ or system it works on. It is maintained by the World Health Organization. Galenicum Vitae business uses the ATC color coding in the packaging of its products for quick differentiation.



ALIMENTARY TRACK
& METABOLISM



BLOOD & BLOOD
FORMING ORGANS



CARDIOVASCULAR
SYSTEM



DERMATOLOGICALS



GENITO URINARY
SYSTEM AND
SEX HORMONES
& METABOLISM



ANTI-INFECTIVES
FOR SYSTEM USE



ANTINEOPLASTIC AND
IMMUNOMODULATING
AGENTS



MUSCULO-SKELETAL
SYSTEM



NERVOUS
SYSTEM



RESPIRATORY
SYSTEM



SENSORY
ORGANS



VARIOUS

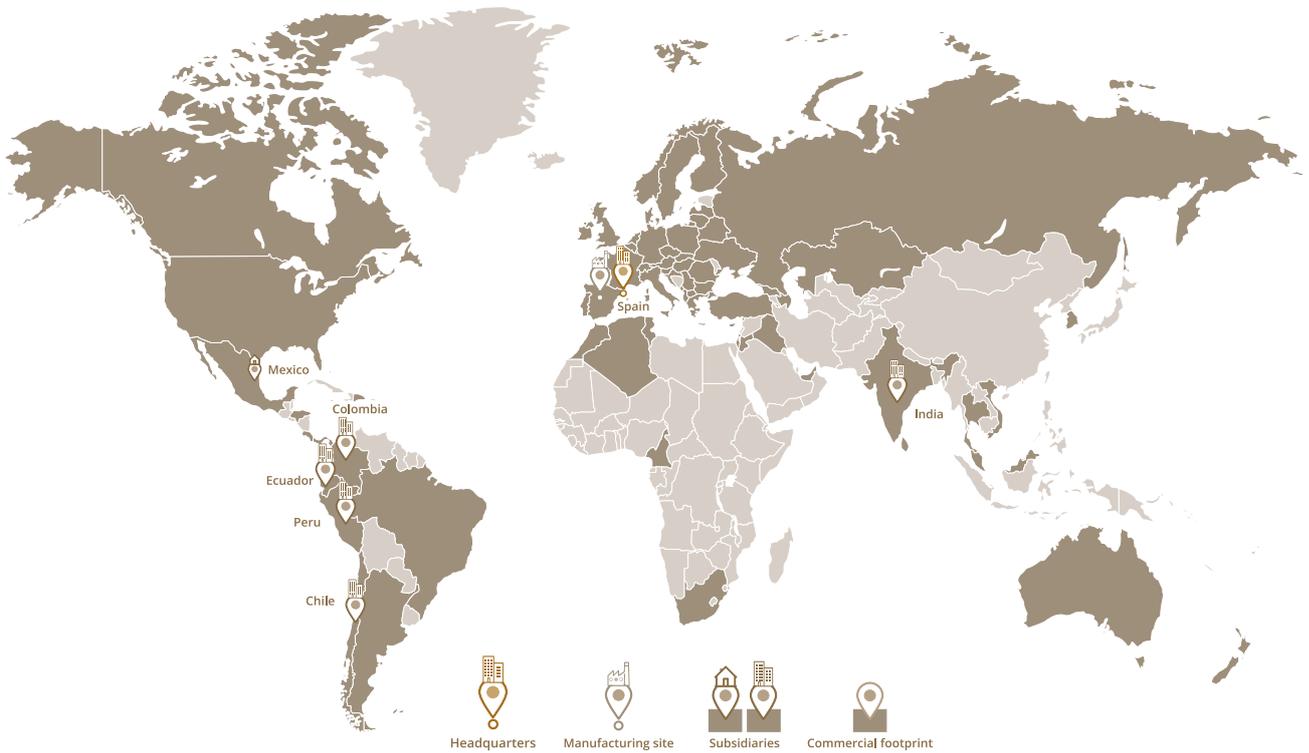
GLOBAL FROM LOCAL

Our company was founded in Barcelona in 2003, where we have our Headquarters and R&D centre. Our manufacturing facility is in San Agustín del Guadalix, near Madrid.

From those two main sites in Spain we manage all our global operations and commercial agreements that reached 58 countries this past year, mainly through our B2B deals with important pharmaceutical laboratories worldwide.

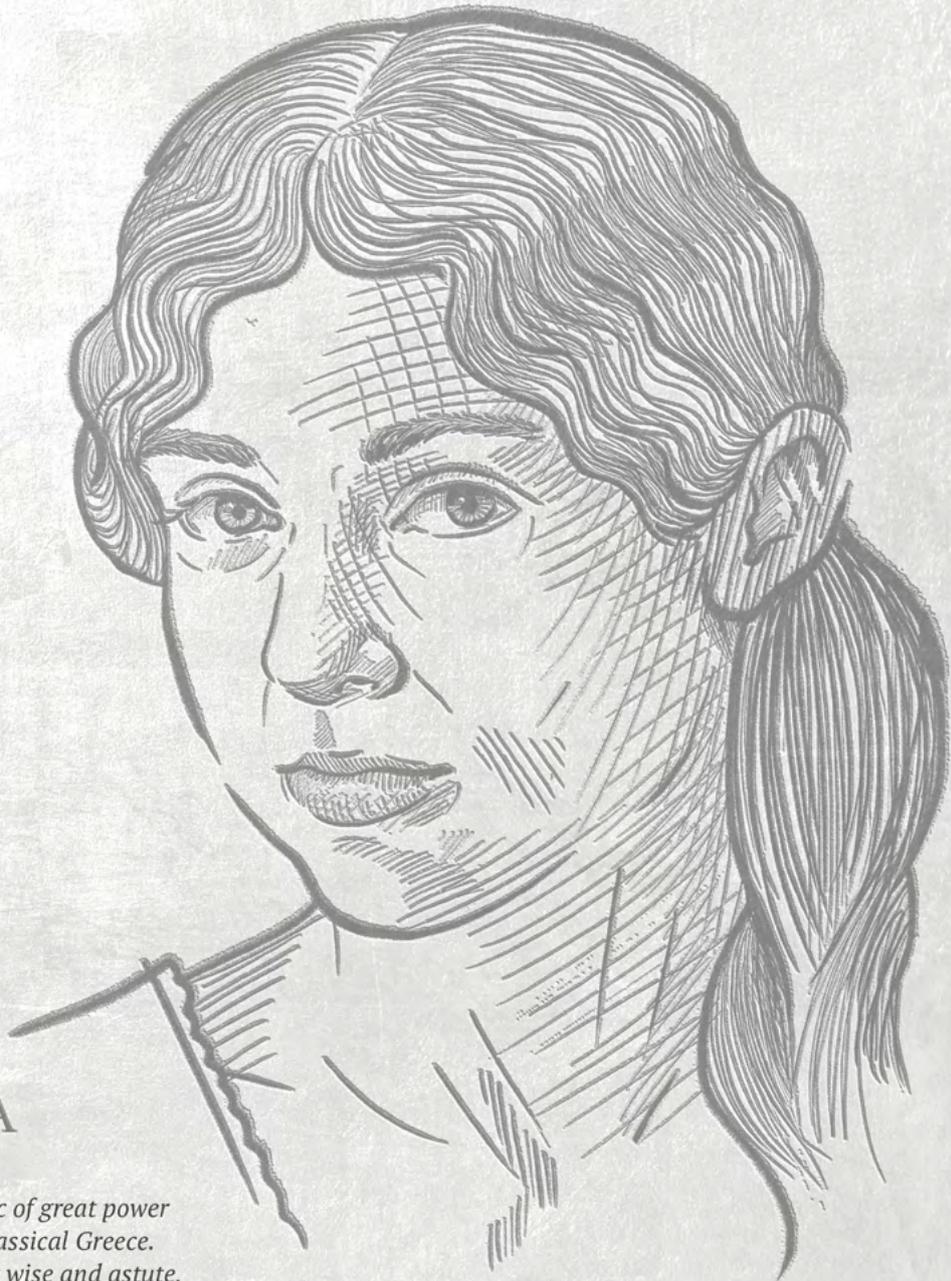
Additionally, we have a significant presence in Latin America, with local businesses and offices in Santiago (Chile), Lima (Peru), Medellín (Colombia), Quito (Ecuador), and Mexico City (Mexico).

We are getting ready for our future launch in United Arab Emirates.



II

STORIES OF 2022



ASPASIA

c. 470 – 428 BC

A master of rhetoric of great power and influence in Classical Greece. Described as highly wise and astute, she drew the admiration of philosophers, artists and democrats of her time for her outstanding role in the cultural life of Athens.

STORY 1

SETTLED IN PERGAMON

Pergamon is our brand-new headquarters and R&D center located in Esplugues de Llobregat, Barcelona. Why name it Pergamon? This is the ancient city where Galen was born in 129 AD, and it is Galen who inspired the name of our company, Galenicum.

The name emerged from an internal competition that prompted over 60 name suggestions for the new space and proved the high level of creativity within our team!

The project has taken over 3 years to complete, from its concept to getting planning permits and finally building. It was led by the talented H Arquitectes whose work was complemented with specialty support in different areas, such as the lab facility designed and installed by HibLab. The total investment surpassed 10 Million Euros.

Homage to science and culture

The reference to the classics goes beyond the name 'Pergamon' to incorporate a few aspects from that time, such as a physical *agora* as a central point, and the mutual respect for science and culture. Galenicum is a pharmaceutical company and science is at its core, but our new offices and R&D center embraces culture equally.

Sustainability in a natural climate

The building's heavy structure enables interior climatic conditions to be better than those outside, while the exceptional light and diaphanous conditions of the old warehouse have also been optimized. Innovative design and energy efficiency systems allow the temperature and comfort of the different spaces to be managed naturally reducing the need for artificial conditioning.

Working spaces all around

Pergamon's different work spaces are carefully designed and distributed to offer maximum functionality and comfort. A great example is the welcome hall, the cloister, the restaurant and all the interior patios for all the office sections. The "square donut"-shape inspires teams to organize work around a natural environment, combining both industrial and human dimensions.



Images courtesy of Ariadna Pujol

STORY 1

SETTLED IN PERGAMON

Today Pergamon has over 150 Galenicum employees (among the +600 staff within the Galenicum group), and numerous year-round visitors. The 4,000sqm facility is divided into 5 parts:

The lobby

Step through the main entrance from Carrer Sant Gabriel into a spacious multipurpose space that includes an Agora where we hold our broader meetings, debates and training sessions.

The office space

There are 5 office sections distributed around an open-air cloister. Each office section is dedicated to different teams working around their respective interior gardens.

The Lab

A fully equipped R&D lab facility with the latest technology is located at the -1 floor, but still enjoys natural light.

The restaurant

Our own restaurant named *Popina* is one of the favourite spots, it is also a great place to work outside of meal hours.

The gym

A well-equipped gym for internal use. It includes a room for training assisted classes and pilates, and a room with machines and weights.



Images courtesy of Ariadna Pujol

STORY 2

GLIPTINS: A MULTIDIMENSIONAL LAUNCH

Gliptins are a relatively new class of oral diabetes drugs. They work by blocking the action of DPP-4, an enzyme which destroys the hormone incretin. Incretins help the body produce more insulin only when it is needed and reduce the amount of glucose being produced by the liver when it is not needed.

It's been all hands on deck for our business units Axium, SAG and VITAE as we have worked to achieve a huge milestone for Galenicum: the formulation, commercial registration and production of Gliptins:

- **Sitagliptin:** 25, 50 & 100mg
- **Sitagliptin / Metformin:** 50/850 & 50/1000mg
- **Vildagliptin:** 50mg
- **Vildagliptin / Metformin:** 50/850 & 50/1000mg

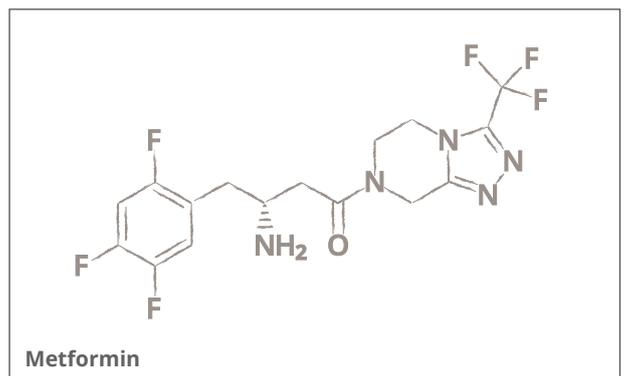
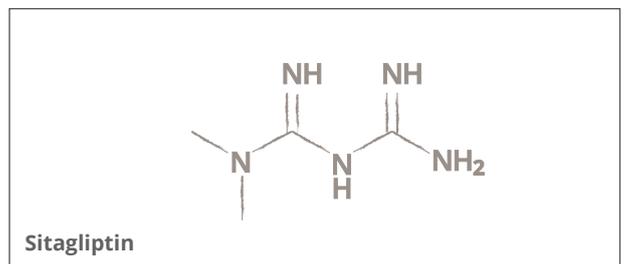
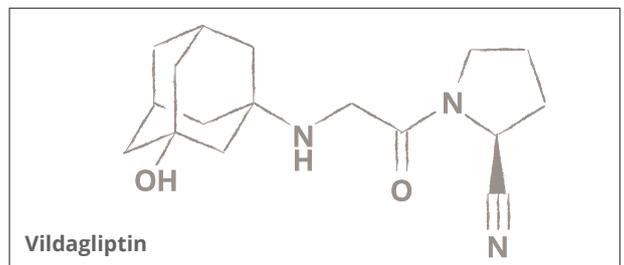
Although the Gliptins project started at our R&D department in 2014, the launch was not possible until 2022 with the expiration of the innovators' patents. When that key moment arrived, all the teams involved had a plan in place to serve interested clients. They also faced a huge challenge in terms of resource management, production, and tight deadlines.

Our R&D team devoted a considerable effort to develop an effective alternative. This new sitagliptin formulation was patented across all Europe. As it was such a valuable patent, it was challenged at the European Patent Office (EPO) by seven different companies. The Oral Hearing of the case took place last October and it confirmed the strength of Galenicum's patent.

There was minimal flexibility in manufacturing lead times, as all clients wanted to launch quickly and gain market share. The organization of factory equipment, packaging lines and resources had to be integrated into the usual production of the plant without negatively affecting our customers in terms of quality or delays, despite challenges raised along nitrosamines.

This project has involved multiple products, clients, markets and functions within our organization. Both agility and adaptability have been critical to successfully execute this complex launch. We are proud and grateful for the team effort.

Gliptins launch in figures:



STORY 3

EMBEDDING ESG INTO THE BUSINESS

The year 2022 marked a significant milestone for Galenicum in terms of our focus on Environmental, Social, and Governance (ESG) issues. We are at the starting point of a journey that will continue for a long time. But we have established the foundations for a new perspective and approach for the company.

As our aim was to embed the ESG strategy into our company, we involved all the employees from the beginning. We organized a workshop with around 30 people from different departments. We identified the areas of impact and took note of the key topics of improvement to target.

Our approach to ESG will be incorporated into our regular business rather than having a separate strategy or team for this, as we believe that this is the best way to make real progress in sustainability. We have also created a new internal role called 'Believer', who are people within different functions in the business to help embed ESG, and commit to pursue specific ESG initiatives.

We also want to join the global movement towards the consecution of the UN SDG goals, so we have identified the areas which have a direct impact and have aligned our strategy to contribute to these goals.

Main SDG contributed to (5 goals):



ESG Workshop with employees.

Thank you to our colleagues who represented the different business areas at the ESG workshop.

Watch: <https://youtu.be/sdZaega410c>



Galenicum's ESG strategy is based on three pillars, inspired by our company motto 'Believe in life':

Believe in our product's life

We aim to take responsibility for the impact of our products, which is why we are continuously rethinking our manufacturing processes by focusing on innovation, supply chain optimization and circular economy.

Believe in a greener life

We want to play the most active role possible in taking care of the planet and ensuring a future for generations to come. We are making a clear commitment to using our resources efficiently and minimizing our impact on the environment

Believe in sharing life

We have the opportunity to grow and improve in health, wellbeing and knowledge. We are committed to promoting fair work practices and ensuring that our employees, suppliers and customers are treated with respect.

These three pillars work together to create a comprehensive strategy for Galenicum to make a positive impact on the communities, environment and society in which we operate.

ESG motto: 'THIS IS LIFE'.

It represents a hopeful look and a bold commitment from Galenicum to people, and the planet we all live in.

Watch: <https://youtu.be/2g8Kdl6AfWc>



STORY 4

NON-STOP GROWTH

AT OUR MANUFACTURING SITE

In recent years, the Galenicum manufacturing site in San Agustin de Guadalix (Madrid) has experienced levels of growth which have exceeded all expectations. To be more specific, in 2022 the plant produced 45% more medicine packs than the year before.

That means more than 70 million medicine packs encompassing several formats- tablets, coated tablets, capsules, semi-solids, granules, liquids, creams and powders- and targeting a broad scope of therapeutic areas. The top products in terms of production volumes during 2022 were the following:

- **Paracetamol.** Analgesic and antipyretic
- **Metformin.** Antihyperglycemic for diabetes type 2
- **Ibuprofen.** Non-steroidal anti-inflammatory
- **Dexketoprofen.** Non-steroidal anti-inflammatory
- **Atorvastatin.** Statin to prevent cardiovascular disease
- **Sitagliptin.** Antidiabetic DPP-4 inhibitor
- **Azelastine.** Antihistaminic
- **Citicoline.** Psychostimulant and nootropic for decline in memory and thinking
- **Dutasteride/Tamsulosin.** 5-a reductase inhibitor + Alpha-1 blocker for benign prostatic hyperplasia (BPH)
- **Lubristesic.** Percutaneous local anaesthetic

The plant has proven to be highly adaptable to meet new market demands. One of the flagship examples has been the rapid and flexible response to the need for higher demand for Paracetamol during COVID and post COVID times.

Beyond coping with the high volume of essential medicines' production, the manufacturing plant is also ready to produce complex products and manage multi-format launches simultaneously, as was the case with Gliptins multidimensional launch which was achieved in 2022.

This significant level of growth has been possible thanks to further investments in machinery, hiring more than 100 people last year, and a preventive and flexible approach to the supply of raw materials. This has proved extremely challenging. The fluctuating availability of raw materials was made worse by transport constraints and the collateral effects of the war in Ukraine. All this has caused changes in the production and management of basic resources, demanding a close follow up of the situation both with our providers and clients.

We expect 2023 to follow a similar trend, with equivalent growth plans and new launches alongside the challenges ahead. We hope to achieve good results and continue our aspiration to become a reference manufacturer of medicines in Europe.

Galenicum SAG Symphony.

Our perspective on the production process at the factory involves harmonizing different departments like instruments in an orchestra, in order to achieve a smooth and efficient workflow.

Watch: <https://youtu.be/ZRtHQ7K0cTI>



STORY 5

INCREMENTAL INNOVATION BUILT ON COMMON SENSE

Science is the driving force of our business. When science is dedicated to improving people's health, innovation is a must.

Incremental innovation in pharma derives from a deep analysis of existing medicines, looking for improvements to benefit patients and/or health professionals. At Galenicum, we have invested in a state-of-the-art R&D laboratory to foster incremental improvements in our product portfolio.

Science is essential to the pharmaceutical sector, but it must be functional to help minimize pain and maximize healing. Sometimes the improvement of our products is based on launching new formulas that include innovations based on other vitally important variables. This is the process of incremental innovation, a way of implementing gradual and systematic improvements in our products.

In order to carry out incremental innovation it is important to fully understand the Life Cycle Management of our products. We must also understand the needs of our clients, who may include not only the patient but also doctors or other hospital personnel. Supply chain management, quality and product life cycle evaluation are key to identifying opportunities for improvement. Applying common sense means understanding the different stakeholders and impact before going ahead with incremental innovation.

The challenge is to combine different variables to make our proposals more efficient or more profitable. It is an evolutionary innovation that often arises from market needs, competition, the optimization of a production process or the improvement of dosages.

Our epicenter is science, but our innovation is also based on common sense.



Images courtesy of Ariadna Pujol

III KEY INDICATORS



HYPATIA

c. 360 – 415 AD

A philosopher and teacher from Alexandria, she made important contributions to mathematics and astronomy. Her commitment to teaching and philosophy have immortalized her as a symbol of thought and reason.

BUSINESSES

 **6**
All Businesses

 **4**
Pharma

 **1**
Plants

 **1**
Animals

PEOPLE

 **90%**
Based in Spain

 **+600**
Employees

 **54%**
Women

REVENUES

 **22%**
CAGR
last 3 years

 **242M**
Aggregated
revenues 2022

 **186M**
Consolidated
revenues 2022

 **21%**
CAGR
next 3 years

REACH

 **48%**
Exports

 **+50**
Countries

 **92%**
Launch success

INVESTMENTS

 **35M**
CAPEX 2022



REVENUES

25%

CAGR
last 3 years

127M

Revenues 2022

23%

CAGR
next 3 years

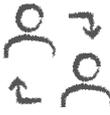
FOOTPRINT

+50

Countries with
ongoing supplies

+65%

Exports



CUSTOMERS

+150

B2B customers

+80

B2B agreements
in 2022

R&D

+90

Marketing
authorizations
granted 2022

+20

Active R&D
projects per year

+70

Active
patents

FDF

+30

Commercial
products

+10

Pharmaceutical
forms

+40

Dossiers ready



API

95

Commercial
products

435

MT distributed

35

Network
of suppliers



REVENUES

25%

CAGR
last 3 years

71M

Revenues 2022

17%

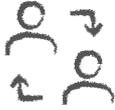
CAGR
next 3 years



FOOTPRINT

+25

Countries with
ongoing supplies



CUSTOMERS

+80

B2B customers



PRODUCED
UNITS

+50

Pharmaceutical
forms

71M



Tablets



Liquids



Capsules



Creams

Total 2022

+300

SKUs



CAPACITY

120M

Packs



REVENUES

38%
CAGR
last 3 years

25M
Revenues 2022

26%
CAGR
next 3 years



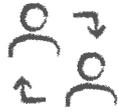
FOOTPRINT

23
Countries

+4
New markets
with distribution
deals



68% vs 22%
Pallets in Sea containers vs
Pallets in planes



CUSTOMERS

+6
Distribution
deals

5.5M
Units sold



PRODUCTS

32
Launched

65
SKUs launched

102
Signed
& to be launched

397
Approved dossiers

281
Dossiers
under evaluation



REVENUES

51%
CAGR
last 3 years

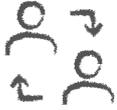
10M
Revenues 2022

18%
CAGR
next 3 years



FOOTPRINT

2
Spain, Chile



CUSTOMERS

+2,000



PRODUCTS

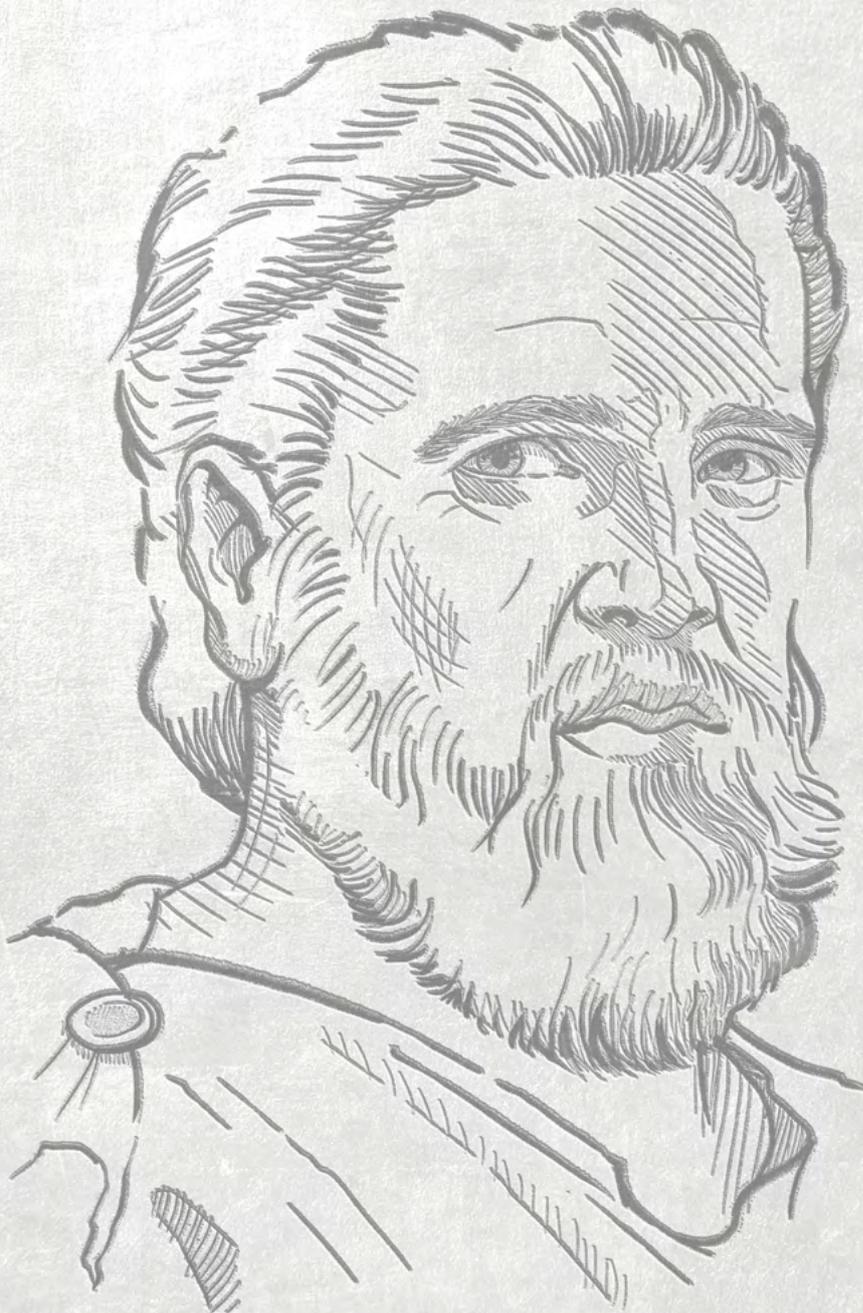
22
Currently
in the market

6
Launches
in 2022

14
Future
launches

IV FINANCIALS WIP

Our financials are subject to audit by Deloitte, and will be released in due course. You will find a new version of this Annual Report with the financials section included by May 2023 in www.galenicum.com.



ARETAEUS

2nd century AD

*Greek physician of the Roman imperial period, contemporary of Galen. He wrote a treatise entitled *On the Causes and Symptoms of Diseases*, one of the most influential medical treatises of Greco-Latin medicine.*



Galenicum | 20 YEARS

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www.galenicum.com

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