

# I Executive summary

## I DESCRIPTION OF THE COMPANY

Laboratorio Reig Jofre, S.A. is a company with over 95 years of history that **researches, develops, manufactures, and markets essential pharmaceutical products** for people's health, with a **presence in more than 70 countries** (59% of sales outside Spain). The company has **four production centres**: one in Barcelona (**aseptic production of chemical and biological injectable products**), two in Toledo (**penicillin-derived antibiotics** that require segregated plants due to their potential allergenic effects), and one in Malmö, Sweden (**semi-solid products, topical products, and technologically advanced formulations such as enteral gels**). It also has a logistics centre in Toledo.

Reig Jofre specialises in **niche services with high demand**, with a focus on **profitable growth and cash generation**.

**Internationalisation strategy with low capital requirements.** Its entry into more than eight countries through its own sales teams or through distribution or licensing agreements (reaching more than 70 countries) ensures strong growth for the coming years after having proven successful in the early stages of its international expansion. This reinforces the company's commitment to ensuring access to essential and innovative solutions globally. Reig Jofre has always had the development, manufacturing, and marketing of pharmaceuticals in its DNA and believes in the value of having a European industrial network in healthcare that is technological, sustainable, with a high level of training, a creator of quality jobs, and an exporter.

**High returns on new investment projects.** We estimate that the return on capital employed (ROCE) of the major initiatives recently undertaken, in terms of expansion projects, is highly attractive and will be reflected in the coming fiscal years.

**Past and future growth.** Reig Jofre has managed to grow its sales organically at an annual rate of 11% and its EBITDA at 15% annually from 2019 to 2024. Its EBITDA-to-sales ratio is 11.2% (2024), still far from its future target (15%). Higher value-added services and products are experiencing the greatest growth. For example, the osteoarticular area has increased sales from €16.3 million in 2019 to €70.15 million in 2024 (21% of total sales, with a very high market share in its main markets, as seen in Poland with a 41% share in its Cartexan product) or the CDMO area which has grown sales by 47%, now accounting for 19% of total sales.

**We believe the company will continue to achieve high growth rates and that, at current prices, share appreciation will be in line with operating profit growth over the medium and long term.**

## II MAIN BUSINESS UNITS

Reig Jofre has three business units ("BUs"):

1. **Pharmaceutical Technologies - PHT** (45% of sales in 2024)
2. **Specialty Pharmacare - SPC** (34%)
3. **Consumer Healthcare - CHC** (21%)

### PHT

**Injectables & CMO/CDMO services** - 51% of sales  
**Antibiotics** - 49% of sales

**PLANTS:** Toledo and Barcelona

**INTERNATIONAL REACH:** 63% international sales, 21% non-UE

This business unit **specialises in technology for the manufacturing of sterile, lyophilised injectables and antibiotics**, particularly beta-lactams. Its **objective is to guarantee hospitals' access to essential medicines, relying on advanced industrial capabilities and specialised development teams**. This allows it to offer a portfolio of essential medicines for hospitals, backed by expertise in advanced pharmaceutical technologies that contribute to health through high-value products and an international commercial capacity that facilitates global access.



In 2024, the company **strengthened its commitment to vertical integration in the production of biotechnological medicines<sup>(1)</sup>**, investing €6.6 million in Leanbio, S.L., consolidating its position as a **strategic partner** in the **development of recombinant proteins, antibodies, and advanced therapies.**

Furthermore, the Barcelona injectable plant has **increased the production of its own products and CDMO services**, improving its production capacity. In 2023, Reig Jofre signed a **contract with the European Commission to reserve up to 30% of this plant's capacity** for an initial period of four years, in collaboration with CZ VACCINES, **to guarantee the availability of vaccines in health emergencies.**

Furthermore, the company actively participates in the Critical Medicines Alliance and has 25 of the 179 critical molecules identified by the European Commission, positioning itself favourably to boost the production and development of essential medicines in Europe, an increasingly competitive market.

The global CDMO services market is highly concentrated, with a relatively small number of competitors capable of offering production capacities aligned with demanding industry standards. Among the most notable competitors are Lonza, Catalent (owned by Novo Holdings A/S), Thermo Fisher Scientific, Samsung Biologics, and ROVI. In this context, Reig Jofre focuses its strategy on specific, high-value-added niches where it can provide differentiated support to its clients.

Sales growth for injectables has outpaced that of antibiotics (11% vs. 6% CAGR between 2020 and 2024).

## SPC

**Osteoarticular** – 61% of sales

**Dermatology** – 28% of sales

**PLANTS:** Malmö and Barcelona

**INTERNATIONAL REAH:** 44% international sales

It focuses on the therapeutic areas of osteoarticular and dermatology, offering **essential products for joint pain, tendonitis, and joint problems**, as well as **innovative solutions for onychomycosis, alopecia, and acne.** The strategy for this BU is to create innovative products through incremental innovation that provides value to the consumer or the system (patient and physician).

The company is working on the internationalisation of its products through the

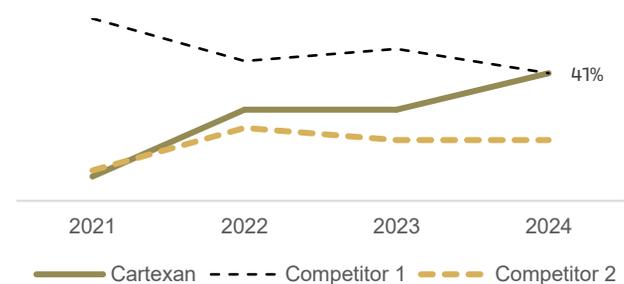
expansion of subsidiaries and distribution and licensing agreements, supported by a sales network of more than 130 representatives specialised in these therapeutic areas. The international expansion of its osteoarticular and dermatological lines has been consolidated through direct sales and agreements with distributors in countries such as Libya, Finland, and Vietnam, while Jordan has begun marketing pharmaceuticals, expanding its portfolio beyond dietary supplements. Furthermore, Azerbaijan was incorporated as a new market this year, and in Sweden, Reig Jofre has experienced significant growth driven by the expansion of its CDMO services and products focused on the production of enteral gel and semi-solid pharmaceuticals with advanced formulations.

The osteoarticular business, acquired in 2019, maintains a solid growth trajectory, with a particular increase in market share in Poland with its Cartexan product.

## GROWTH IN OSTEOARTICULAR PRODUCTS IN POLAND

Market share by value

**A positive evolution of Cartexan towards market leadership**

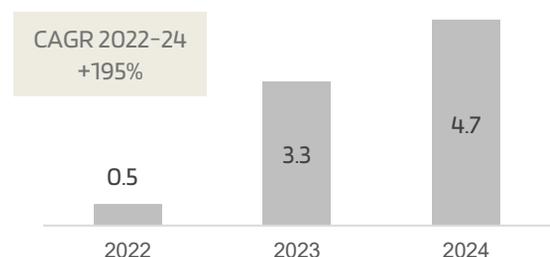


SOURCE: Database PEX

For its part, the Dermatology area continues to consolidate its expansion, driven by the strong performance of its most recent launches, such as DexULac® and Regenail®, innovative treatments targeting onychomycosis and structural nail disorders.

## CICLO-TECH GROWTH (DexULac® and Regenail®)

In millions of euros



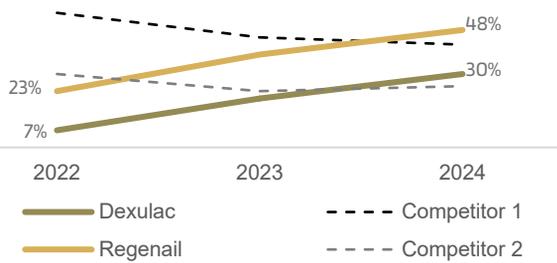
SOURCE: REIG JOFRE

<sup>(1)</sup> Advancing from the fill-and-finish process of pharmaceutical products towards full vertical integration in the development, characterisation, and production of biotechnological active ingredients will allow for the provision of an integrated service in biologics, mRNA, and advanced therapies, supported by its expertise in cutting-edge technology for high-value-added injectables.



## GROWTH IN ONYCHOMYCOSIS IN SPAIN

Market share by value



SOURCE: IQVIA

The UN's CAGR has been 17% from 2019 to 2024.

### CHC

**Forté Pharma Dietary Supplements** – 82% of sales

**ENT (Ear, Nose, and Throat) RJ** – 18% of sales

**INTERNATIONAL REACH:** 73% international sales, 69% Europe (excluding Spain)

This unit strategically focuses on the **OTC ENT segment (ear, larynx, and disinfection)**, as well as on the **development and consolidation of the Forté Pharma brand**, specialising in products aimed at **comprehensive well-being** (sleep, stress management, general health, energy, and weight control, among others). This unit adopts a holistic approach that is aligned with growing consumer demands for prevention and self-care. During the fiscal year, the unit maintained a solid growth trajectory in its key segments, driven by both consistent demand for OTC ENT products and the sustained increase in sales of Forté Pharma-branded nutritional supplements.

In 2024, the Group made the strategic decision to discontinue the distribution of third-party products, with the aim of concentrating its efforts on the development and expansion of its own brand. This measure resulted in annual growth of 14% compared to the previous year. Additionally, the online channel has demonstrated outstanding performance, with compound annual growth (CAGR) of 62% between 2019 and 2024, currently representing 14% of the division's total sales.

### III VALUE PROPOSITION

Reig Jofre's purpose is to universalise essential science-based health solutions from conception, design, scientific development, technological production, and direct and indirect marketing worldwide. It is always based on both science and technology.

1. **Internationalisation: an essential pillar of the company's growth strategy**, aligned with its purpose of offering essential therapeutic solutions to as many people as possible around the world. This commitment is realised through

a **scalable expansion model with attractive profitability**.

55% of its international revenue comes from its direct sales network in Europe (Spain, France, Portugal, Belgium, Sweden, the United Kingdom, Poland, and soon, the Czech Republic). This structure is complemented by an extensive network of commercial partners in more than 70 countries, which strengthens its global reach.

**New subsidiary in the Czech Republic:** Reig Jofre has announced the opening of its RJ Czech Republic subsidiary, which will operate in collaboration with a local partner (LERAM Pharma) and will have a sales team specialised in marketing products from the SPC unit. The subsidiary will progressively expand its portfolio with products from the CHC unit and, in the medium to long term, will incorporate hospital injectables from the PHT unit, subject to licensing. This expansion reaffirms Reig Jofre's scalable and profitable internationalisation model in Europe.

**The Czech market presents an attractive environment for growth:** In 2023, the musculoskeletal prescription segment reached a value of €175 million, and the dermatology segment €77 million, both with double-digit growth rates.

2. **Contract Development and Manufacturing Services (CDMO): increasing productivity, capacity, and efficiency.**

In 2024, the company allocated €16.9 million to industrial capital expenditures (Capex), primarily aimed at strengthening its production capacity. These investments include the construction of a new injectable product line at the Barcelona plant, a new sterile vial line at the Toledo plant, and continuous technological and quality improvement in processes at the Malmö plant. In 2024, construction began on a new injectable and lyophilised product production line at the Barcelona plant, which is scheduled to be operational in 2026.

3. **Profitable growth with proprietary product: full vertical integration in the development, characterisation, and production of biotechnology-based active ingredients.**

Reig Jofre strengthens its position in the biotechnology sector by becoming a strategic partner of LeanBio, boosting its vertical integration in the development and production of recombinant proteins, antibodies, and advanced therapies. The company



is moving from a "fill & finish" model to full integration in the production of biotechnological active ingredients, with an emphasis on biologics, mRNA, and advanced therapies.

In fiscal year 2024, the company invested €6.6 million (€5.8 million convertible loan + €0.8 million stake purchase) in LeanBio, increasing its stake from 10% to 24%. It plans to expand the company's capital to a majority stake that will allow it to integrate its operations into the group, provided that LeanBio fulfils its business plan to build a biotechnological active ingredient factory in Sant Quirze del Vallès (Barcelona). The total planned investment is €35 million in three phases, which is expected to increase the company's installed capacity by 10x (current: 400 m<sup>2</sup>; future: 4,000 m<sup>2</sup>).

To finance this potential majority stake acquisition, Reig Jofre will be able to use the convertible loan that is intended to launch and develop LeanBio's business plan and complete the transaction with an additional stake purchase.

Reig Jofre also holds a 50% stake in Syna Therapeutics, a company dedicated to the development of biosimilar products and innovative molecules, through a joint venture with LeanBio. Syna has established an international distribution agreement for its biosimilar LB-0702, aimed at the treatment of haematological diseases, with Intas Pharmaceutical (Accord Healthcare), a company with a presence in 85 countries. This agreement will cover marketing costs, while Reig Jofre will contribute its expertise in the development and stabilisation of the finished pharmaceutical product, as well as its world-class global production capacity. This drug is in Phase 3 clinical trials and is expected to be launched on the market in 2027.

#### 4. Innovation: therapeutic specialisation, brands, and industrial technology for the development and production of niche drugs.

Reig Jofre is firmly committed to research and development, allocating 5% of its sales to this area. Its commitment is to offer a wide range of value-added products, ranging from prescription treatments to address unmet needs to over-the-counter products and dietary supplements aimed at maintaining health.

### IV MANAGEMENT TEAM FOCUSED ON VALUE CREATION

- Focus on generating operating cash flow to reinvest in projects that offer attractive returns.

- The company prefers to maintain a low debt structure, which gives it flexibility to take advantage of potential inorganic growth opportunities. Although Reig Jofre's growth is not based on a build-up expansion model, it is attentive to inorganic growth opportunities. In the past, in 2009-2010, its first acquisition was in Sweden, when it acquired Bioglan AB (today a key pillar of its growth) for €7 million, an investment that has generated a significant operating profit. In 2015, it carried out a reverse merger with Natraceutical, which allowed for its entry into the stock market and the acquisition of Forté Pharma's business, which has more than doubled its value in the last 10 years. Finally, in 2019, Reig Jofre acquired Bioibérica's pharmaceutical assets for €46 million, a business that has expanded internationally, driving significant growth in its line of osteoarticular products.

### V FINANCIAL DATA

During the period from 2018 to 2024, the company's total revenue registered a compound annual growth (CAGR) of 11.1%. Although all three business units contributed positively to this growth, the performance of the SPC division is particularly noteworthy, showing a significant increase of 20.8% annually, driven primarily by expansion in the osteoarticular and dermatology product lines. The projections by the business unit for the 2025-2031 horizon maintain a trajectory consistent with historical growth rates, with a significant boost from CMO/CDMO services and injectables and the strong performance of the osteoarticular, dermatology, and Forté Pharma products.

Regarding EBITDA, an improvement in the operating margin is estimated, driven by investments focused on production efficiency and optimisation of the product and customer mix, which would allow a margin of 15% to be achieved by the end of the forecast period. Financial costs remain stable compared to 2024 levels, and the highest historical average corporate tax rate has been applied.

Considering the current price<sup>2</sup> and assuming an EV/EBIT multiple of 14x in 2031, an Internal Rate of Return (IRR)<sup>3</sup> is estimated at 20.41%.

#### NOTES:

1. The projections presented are based on internal estimates prepared by Tenvalue and do not represent official company communications except where expressly stated otherwise.

2. Share price €3.23 - date May 27, 2025.

3. Adjusted for net debt and associates.



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