

Madrid, 26 June 2024

Pursuant to the provisions of article 17 of Regulation (EU) no. 596/2014 on market abuse and article 228 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, and related provisions, as well as Circular 3/2020 on information to be provided by companies incorporated into trading in the BME Growth segment of BME MTF Equity ("**Circular 3/2020 of BME Growth**"), Labiana Health, S.A. ("**LABIANA**" or the "**Company**") hereby informs you of the following:

PRIVILEGED INFORMATION

The Company communicates that, on 25 June 2024, it has signed with VTZ INVESTMENT CO DOO BEOGRAD (hereinafter VTZ), an agreement to increase the capital of Veterinaski Zavod Subotica Doo (hereinafter Zavod), up until now a subsidiary of the veterinary division of the LABIANA group in Serbia, for the entry into the capital of said company of a new majority shareholder who will hold 90% of its capital, with LABIANA maintaining a holding of 10%. As a result of this, Zavod will no longer consolidate accounts with the LABIANA group, which will mean a reduction in the net debt that the LABIANA group had at 2023 year-end (latest audited figures, which were published in the OIR communication of 26 April 2024) of 8,502,857.39 euros.

The main characteristics of this transaction are as follows:

- There will be a capital increase in which VTZ will make a cash contribution of 2,500,000 euros to Zavod, while LABIANA will contribute an additional 500,000 euros. As a result, the percentage interest in the capital of Zavod will be 90% for VTZ and 10% for LABIANA.
- The destination of these contributions will be: (i) the amount 1,500,000 euros will be used to repay Zavod's most imminent financial debt and; (ii) the remaining 1,500,000 euros will be used by ZAVOD for its working capital and cash-flow needs.
- A corporate guarantee granted by the group's veterinary subsidiary LABIANA group (LABIANA LIFE SCIENCES, S.A.) will be released which until now corresponded to a loan of 906,000 euros granted by Zavod's main creditor financial institution.
- LABIANA's 10% stake in Zavod's capital resulting from the operation is protected from dilution with the requirement of a favourable vote from LABIANA in order to approve future operations to increase or reduce Zavod's capital.
- Tag-along right is incorporated (LABIANA's right to join the sale agreed by the majority partner with a third party under the same conditions that they had agreed upon, either by proportionally distributing the number of shares or shares to be acquired by the third party or by demanding to the latter to acquire more than those initially planned) and Drag-along (by communicating the transfer proposal, the majority partner may force

LABIANA to sell its participation under the same conditions that have been agreed with the buyer), common in this type of operations.

- There is also a right of purchase option of 10% owned by LABIANA in favour of VTZ at the market price determined by a “Big 4” only in the event of: (i) corporate deadlock in the event that the unanimity required to adopt the decisions that the shareholders' meeting must approve unanimously (capital increase or reduction) is not achieved; (ii) breach by LABIANA of its obligations under the Drag-Along clause; as well as a mandatory put option in the event that VTZ fails to comply with its obligations under the Tag-Along clause.
- Zavod shares may not be pledged or taxed in any way except in favour of Zavod's main creditor financial institution, nor may they be transferred in contravention of the regime of Drag-Along, Tag-Along, purchase option and put option.
- The perfection of the operation is subject to compliance with a series of conditions, which must be verified within 30 days from the date of signing the agreement, mainly related to the effective formalization and execution of the different operations that make up the transaction (capitalization of the debt that Zavod maintains against LABIANA, capital increase, payments to financial entities and issuance of the formal document of cancellation of the aforementioned corporate guarantee granted by LABIANA LIFE SCIENCES, S.A.), as well as the confirmation of the approvals of the entities financial entities involved, as well as MIRALTABANK and BLANTYRE CAPITAL (LABIANA financing entities) and the formalization of the renegotiation and improvement of the conditions of Zavod's financial debt.

Through this transaction, LABIANA will manage to reduce the net debt that the group had at 2023 year-end by the 8,502,857.39 euros of debt that Zavod contributed to the accounting consolidation of the group (with 6,680,903.49 euros corresponding to financial debt and 1,821,953.90 to commercial debt), while at the same time maintaining its strategic commitment to expanding its development and manufacturing capabilities for biological products and its commercial ties with Eastern Europe.

In accordance with the provisions of Circular 3/2020 of BME Growth, it is stated that the information communicated has been prepared under the sole responsibility of the Company and its directors.

Mr Manuel Ramos Ortega
Chairman and CEO of
LABIANA HEALTH, S.A.