

New
ways
to
care



LABORATOIRES

Pierre Fabre

New ways to care

Pierre Fabre Laboratories Annual Report

2024



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guided by science

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EDITORIAL BY ERIC DUCOURNAU



Pierre Fabre:
relentlessly
innovating

Innovating to generate the vital energy that powers our day to-day actions. Pierre Fabre Laboratories is guided by science, attentive to patients and healthcare professionals, inspired by nature, bolstered by solid partnerships, and driven by the commitment of our employees and our stakeholders trust. We leverage innovation to serve our company purpose: “Every time we care for a single person, we make the whole world better..

Innovating according to a holistic approach that stems from our unique perception of the care continuum. We develop new treatments along with solutions for alleviating their side effects. We are attentive to what patients have to say, so that we can develop evermore effective treatments and health products. We learn from healthcare professionals, and, at the same time, we share our scientific and clinical knowledge with them.

Innovating means boldly investing in the most specialized areas of medical expertise, to meet the vast therapeutic needs in oncology, dermatology and rare diseases. Our willingness to take such risks underscores our determination to open up new, highly promising therapeutic pathways.

Innovating means developing dermo-cosmetic products that are an extension of our medical mission, to help patients and consumers live better. Our brands, at the intersection of cosmetics and medical dermatology, create products to the same high standards of efficacy and safety as those applied to drugs.

Innovating means co-constructing. One conviction underpins everything we do: together, we will progress further and faster for the benefit of patients and consumers.

Innovating means making our CSR policy an ambitious priority through concrete measures: investing to decarbonize our operations and guarantee the responsible sourcing of our natural active ingredients; creating alliances that lead to game-changing transformations in eco-social product design.

Innovating means fighting cancer and rare diseases, to develop best-in-class dermo-cosmetic care products, co-innovating with our stakeholders. These are the **new ways to care** championed by Pierre Fabre Laboratories, which we are proud to share with you in this annual report.

Governance

With distinct, clearly-defined responsibilities, the Supervisory Board and Executive Committee work together closely to deploy our strategic priorities. They take into consideration the opportunities and risks affecting Pierre Fabre Laboratories' main activities: medical care and dermo-cosmetics.

Executive Committee



Éric Ducournau
CEO



Frédéric Ennabli
Dermo-Cosmetics
& Personal Care
Business Unit President



Maud Vimeux
Human Resources
Senior Vice President



Jean-Luc Lowinski
Medical Care
Business Unit
President



Éric Gouy
Administrative, Finance
and Legal Senior
Vice President



Vincent Huraux
Operations Business
Unit President

Supervisory Board

Board members appointed by the General Assembly

- Mrs. Marie-Anne Aymerich
- Mr. Jean-Laurent Bonnafé
- Mr. Jean-François Couret
- Mr. Roch Doliveux
- Mrs. Isabelle Girolami
- Mrs. Marie-France Marchand Baylet
- Mr. Pierre-Yves Revol, representative of Pierre Fabre Participations
- Mrs. Rachel Marouani
- Mr. Olivier Sadran
- Mr. Eduardo Sanchiz

The Foundation delegates management control of the company to Pierre Fabre Participations, which appoints the company's main directors and approves its strategy, while constantly ensuring the perpetuation of our founder's humanist values.

Board members appointed by employees

- Mr. Alexandre Falconnier
- Mrs. Claire Meunier

A unique shareholding structure

Pierre Fabre Laboratories has a unique shareholding structure, in keeping with our founder's commitment to preserving its stability and independence.

A unique share holding structure. Pierre Fabre Laboratories is characterized by a unique shareholding structure: its only shareholders are the Foundation of the same name, and the company's employees, with the Foundation holding the majority share (86%).

This specific structure guarantees the company's independence, and fosters a long-term vision that benefits patients, consumers, employees and all of our stakeholders.

All dividends are channeled into the humanitarian projects run by the Fondation Pierre Fabre.

The Foundation is the majority shareholder.

Fondation Pierre Fabre works tirelessly to improve access to drugs and quality healthcare in the Global South. It focuses on 5 priority areas to improve health: the training of drugs specialists, healthcare access for vulnerable populations, combating sickle-cell disease, dermatology in tropical regions, and e-health. It manages

over 30 programs in Sub-Saharan Africa, South-East Asia, Haiti and Lebanon.



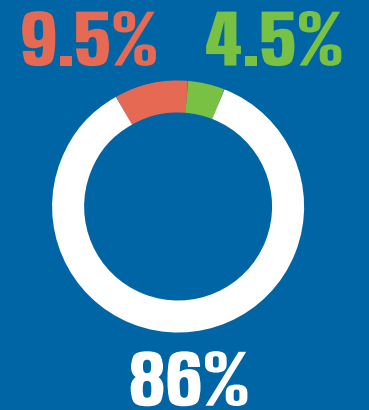
← Scan this QR code to find out more about the programs run by the Foundation.

Employees, the co-owners of the company

Employees, as the second group of shareholders, own 9.5% of the share capital via the Ruscus employee stock ownership scheme. This scheme, launched in France in 2005 and extended to thirteen other countries, offers employees the chance to participate in the company's growth and share in its success.

In 2022, 86% of eligible employees had become shareholders, proof of their confidence in the strategy and success of Pierre Fabre Laboratories. This distinctive model fosters a fair distribution of the value created by each person's hard work, and confirms employees' commitment to preserving it. ●

Breakdown of share capital



86%
FONDATION
PIERRE FABRE

9.5%
EMPLOYEE
STOCK OWNERSHIP
SCHEME

4.5%
TREASURY STOCK

Sickle-Cell Disease Research and Control Center in Bamako (Mali). The Foundation is a recognized leader in the fight against this disease.



Our global presence

In 2023, Pierre Fabre Laboratories generated 70% of its revenue from international sales; a 15-point increase in 10 years. This dynamic growth is driven by new product launches, our ability to adapt to the needs of patients and consumers in every country, and long-standing partnerships with local healthcare professionals.



MEXICO A SUCCESSFUL LAUNCH FOR DARROW

Offering a broad range of dermo-cosmetic products aimed at darker skin types and their needs. Their formulas are developed at the Innovation Center in Rio de Janeiro. Darrow is one of the top three brands prescribed by Brazilian dermatologists.

In 2023, Pierre Fabre launched this brand in Mexico, keeping its fundamental features, such as outstanding value for money, with one or two adjustments tailored to the preferences of Mexican consumers. The launch was a great success, boosted by an influencer marketing strategy and partnerships with Mexican healthcare professionals (dermatologists and pharmacists who are active within their community and/or on social media). In 2023, accounting for Brazil and Mexico, Darrow increased its net sales by almost 30%. ●

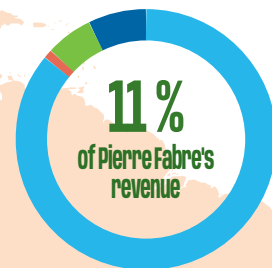


UNITED STATES BUILDING TIES WITH DERMATOLOGISTS

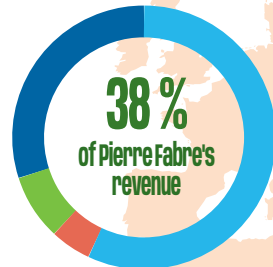
In 2023, Eau Thermale Avène grew at a record rate in the US. This unprecedented growth is down to the extension of its distribution network and a stronger social media presence, along with deeper ties between Pierre Fabre and American dermatologists. A number of them were invited to take a tour of the Avène Hydrotherapy Center. This was a precious opportunity to meet the brand's medical experts and discuss skin pathologies and how they are cared for at the Hydrotherapy Center.

In November 2023, the company also acquired marketing rights in the US for a revolutionary cell therapy aimed at patients suffering from an Epstein-Barr virus-positive post-transplant lymphoproliferative disease. That project led to the creation of a new Medical Care subsidiary in the country, prompting the formation of a team specialized in oncology. ●

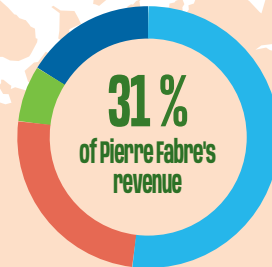
- AMERICAS**
- Dermo-cosmetics: 86%
 - Oncology: 1%
 - Dermatology: 6%
 - Other drugs: 7%



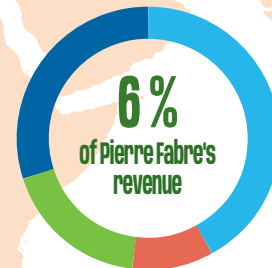
- FRANCE**
- Dermo-cosmetics: 57%
 - Oncology: 5%
 - Dermatology: 8%
 - Other drugs: 30%



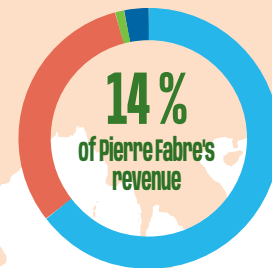
- EUROPE
(OTHER THAN FRANCE)**
- Dermo-cosmetics: 52%
 - Oncology: 25%
 - Dermatology: 7%
 - Other drugs: 16%



- AFRICA,
MIDDLE-EAST, TURKEY**
- Dermo-cosmetics: 42%
 - Oncology: 10%
 - Dermatology: 18%
 - Other drugs: 30%



- ASIA, PACIFIC REGION**
- Dermo-cosmetics: 65%
 - Oncology: 31%
 - Dermatology: 1%
 - Other drugs: 3%



POLAND COMMITMENT TO HEALTHCARE PROFESSIONALS

In Poland, the subsidiary continued its efforts to build close ties with healthcare professionals and scientific societies.

The teams took part in campaigns to raise awareness about melanoma, organized by the Polish Society of Oncology, particularly by getting involved in the "Run away from melanoma" charity race. In 2023, the dermo-cosmetics business posted double-digit growth, driven by influencer marketing, omnichannel communication and distribution, and recommendations from healthcare professionals. The Dexeryl brand and Cicalfate range by Avène, for example, were presented to Polish pediatricians to help them treat babies with dry and irritated skin. ●



CHINA PROMOTING INNOVATION

In China, the cost of oncology research and treatment for continues to rise considerably. By way of example, the country accounts for 24% of all breast cancer cases diagnosed worldwide each year*. Pierre Fabre Laboratories is working with the scientific community to enhance available treatments for those cancers. In 2023, 6,500 Chinese women were treated with Nerlynx, a targeted therapy prescribed to prevent breast cancer relapse.

In parallel, Pierre Fabre is conducting clinical trials to address certain forms of lung and colorectal cancer. A research fund has also been launched in partnership with CSCO, the Chinese Society of Clinical Oncology. In the field of dermo-cosmetics, our China Innovation Center, which opened in 2023, also focuses on developing products and formulas tailored to the needs of Chinese consumers. ●

*Mei Zhang, Heling Bao, Xiao Zhang, Zhengjing Huang, Zhenping Zhao, Chun Li, Maigeng Zhou, Jing Wu, Limin Wang, Linhong Wang. Breast Cancer Screening Coverage — China, 2018–2019[J]. China CDC Weekly, 2023, 5(15): 321–326. doi: 10.46234/ccdcw2023.062



Breakdown of net sales by region and activity

- Dermo-cosmetics
- Oncology
- Dermatology
- Other drugs

Key highlights from 2023



1 In Mexico, Darrow markets product ranges tailored to local needs.



3 Driven by our deep-rooted commitment to promoting the benefits of sport, we launched Spor'Team Pierre Fabre, 100 % "made in Occitania".

1 JANUARY

Mexico: Darrow, the expert brand

for Latin-American skin types, was launched. It is already number two on the Brazilian dermo-cosmetics market.

2 FEBRUARY

Toulouse Oncopole Innovation Center:

new laboratories were opened, specializing in targeted therapies for oncology.

See page 23

3 MARCH

Spor'Team Pierre Fabre was launched:

11 young athletes from the Occitania region received support from Pierre Fabre as they trained to compete in major international competitions.

See page 33

APRIL

Même Cosmetics was acquired.

The No. 1 brand for dermo-cosmetic care products to alleviate the adverse effects of cancer drugs.

APRIL

Partnership with Scorpion Therapeutics

to develop two targeted therapies for the treatment of lung cancer.

JUNE

AFNOR SPEC 2215 was published,

establishing guidelines for informing consumers about the social and environmental impact of cosmetics and healthcare products. This methodology was compiled by the Green Impact Index Consortium.

In Shanghai,

a dermo-cosmetics innovation center was inaugurated, devoted to caring for Asian skin types.

2 New research laboratories were opened at the Toulouse Oncopole.



4 Our Eau Thermale Avène brand continued to grow worldwide.

OCTOBER

11,000

employees attended conferences and workshops held during "Skill Week" focused on data and AI.

Pierre Fabre Laboratories was ranked one of the "World's Best Employers"

by Forbes magazine, for the 3rd year running.

NOVEMBER

United-States: we obtained licensing rights for EBVALLO® ,

an immunotherapy indicated for the treatment of a rare lymphoproliferative disorder.

DECEMBER

€1BN

Eau Thermale Avène joined the prestigious club of cosmetic brands with their net sales.

Prix Galien award

EBVALLO® received this rare distinction in France in the "Advanced Therapy Medicinal Product" category.

JULY

Marking the 10-year anniversary, of the passing of Mr. Pierre Fabre,

a ceremony was held to inaugurate the new headquarters of the Pierre Fabre Foundation.

SEPTEMBER

We acquired the biotech firm Vertical Bio

and its drug candidate VERT-002 for the treatment of lung cancer.

We acquired a stake in MiVé,

a French startup specialized in care products and dietary supplements for female hormonal balance and well-being.

Milestone 2023

2023 marked a new step in the pursuit of our strategic ambitions. Driven by an increase in its investments, the company continued to grow, improving healthcare across the globe.

8

€2.83BN
net sales

€286M
operating profit

€190M
invested in R&D.

- 50% for targeted therapies in oncology.
- 40% for skin treatments and care products.

10.000
employees
in 43 countries.

2nd
largest
dermo-cosmetics
laboratory
in the world.

70%
of revenue
from international sales.

65%
of net sales from
products made with
active ingredients
sourced from nature.

- 21%
energy
consumption (vs 2015).

- 26%
CO2 emissions (vs 2015).

PART 1

New ways to care guided by patients and con- sumers



9

Our value-creation model

Our ultimate goal Contribute to the common good

All profits not reinvested in the company are channeled back into the Fondation Pierre Fabre, a government-recognized, public-interest foundation since 1999, which works to improve access to quality healthcare in the Global South.

Our roadmap “Conquest 2025”

- 1 Innovate to care for 200 million patients and consumers.
- 2 Establish our scientific and medical leadership.
- 3 Optimize our operational excellence.
- 4 Preserve our ecosystems.
- 5 Build our collective future.



A global company

- **2nd largest** global dermo-cosmetics company.
- **70%** of total revenue from international sales.
- **90%** of oncology revenue from international sales.
- **43** subsidiaries on five continents.
- Products distributed in **120 countries**.

Our therapeutic fields

Oncology, Dermatology, Rare diseases, Chronic diseases, Smoking cessation, Consumer health-care, Natural health, Oral health.

Our holistic approach to healthcare

Prevent, Treat, Provide support for pathologies and their side effects

Our brands

Dermo-cosmetics:
Eau Thermale Avène, Ducray, Klorane, A-Derma, René Furterer, Darrow, Dexeryl, MÈME
Oral health:
Elgydium, Arthrodont, Eludril, Inava.

Our mission Constantly innovate to take care.

Our company purpose

Every time we
care for a single person,
we make the whole
world better.



Financial resources

- Net sales: **€2.83** billion (+6% on a constant exchange rate basis).
- Operating profit: **+12%** compared to 2022.
- **100%** of profits reinvested in the company's development*.
- **€200 million** financed by take-up of equity funding for the acquisition of new molecules.

*Except for dividends paid out to the Pierre Fabre Foundation



Investments

Investing in R&D innovation

- **500** employees.
- **42%** of the budget dedicated to skin health (dermatology, dermo-cosmetics).
- **2nd** most innovative laboratory in France in the field of oncology, based on the number of patents filed*.
- **52%** of the budget dedicated to the fight against cancer.
- **5** innovation centers, with a main research unit based on the Toulouse Oncopole campus.

*2002-2021 (source: INPI)

Investing in French production

- **95%** of the products marketed by our international brands are made in France by 2,000 employees at 6 industrial sites.
- **2** major active ingredients used in oncology are currently being relocated to Gaillac (with backing from France Relance 2030).
- **98%** of our drugs are not sourced exclusively in Asia.
- **€250 million** industrial investments planned over the 2023-2027 period.

Investing in employee training

- **5,900** employees attended a training session French data.
- **500** work placement students and trainees hosted in France.
- **4,800** employees took part in the Safety at Work Week.
- **11,000** people attended 43 conferences and workshops held during “Skill Week” focused on Data and AI.
- **10,000** open-access training modules available.



Value creation and sharing

Therapeutic progress

- **The Prix Galien** award for advanced therapy medicinal products was awarded in France to EBVALLO®, the first allogeneic cell therapy marketed in Europe.
- **9** clinical trials in progress over 19 countries.
- **32** real-world evidence studies in progress.
- **50,000** patients enrolled in the ALL study on the impact of dermatological pathologies on quality of life.

Medical knowledge

- **181** scientific publications aimed at improving medical knowledge.
- **30,000** healthcare professionals subscribed to Dermaweb, the leading international website for the exchange of information between dermatologists.
- **38,000** physicians signed up to the Dermatoscopy application, providing assistance for screening and monitoring skin disorders.
- **3,600** pharmacists connected to OncoGuide.com; website, the leading online platform that helps dispensaries treat patients affected by cancer.
- **5,600** requests for medical information from healthcare professionals handled by our teams.

Employee well-being

- Our employee engagement score rose by **1 point** compared to a 2022 (survey conducted with Microsoft Viva Glint across 42 countries).
- Ranked among the **“World’s Best Employers”** by Forbes magazine for the 3rd year running.
- Accident rate (with time off): **4.46**.
- **300** employees took part in colorectal and skin cancer prevention workshops.
- **1,500** employees were involved in humanitarian or environmental projects.

Environmental performance

- Co-creation of the **Green Impact Index** Consortium to inform consumers about the social and environmental impact of products*.
- **26%** reduction in greenhouse gas emissions in scopes 1 and 2 (vs 2015) — 21% reduction in energy consumption in France** (vs 2015).
- **30%** reduction in water consumption in France** (vs 2018).
- **90%** of plant-based active ingredients extracted without solvents or using green solvents.
- CSR policy assessed as **“Outstanding”** by AFNOR Certification***.

*Cosmetic and family health products (AFNOR Spec 2215)
** Industrial and tertiary sites
***Responsibility Europe label (ISO 26 000 standard)

Solidarity at regional level

- **49** associations funded in Occitanie and products donated to 330 local structures.
- Founding member of **Coeur des Entreprises**, an endowment fund bringing together 15 companies committed to fighting poverty in the greater Toulouse region.
- Leading partner of Castres and Lavaur **rugby clubs**.
- **11 local athletes** supported as they trained for international competitions.
- **15 local projects** geared to protecting biodiversity supported in **10** countries by **Klorane Botanical Foundation**.

Fondation Pierre Fabre

- **€20 million** spending commitments in 2023, of which 61% concerned Africa.
- **35 ongoing programs** to provide access to healthcare in 21 countries.
- **49 scholarship** students supported in Asia and Africa, including 10 doctoral students.



“Conquest 2025” A roadmap built around innovation

In 2023, the company set itself a new ambition: to generate more than 3.5 billion euros in revenues by 2025 (4 billion by 2027), while continuing to consolidate its profitability and cash flow. To achieve that ambition, the company drew up a three-year roadmap, “Conquest 2025”.

3 questions for Roch Doliveux, Chairman of the Pierre Fabre SA Supervisory Board



How would you sum up the “Conquest 2025” road-map?

Through their commitment to the Transformation Plan (2019-2022), the teams at Pierre Fabre succeeded in freeing up resources to build the company’s future, in particular by improving its operating efficiency. Those resources allowed us to acquire and develop promising drugs for the treatment of a number of cancers and rare diseases, and invest in our business drivers to take our brands to the next level of growth.

Accelerating our innovation is the very essence of the “Conquest 2025” plan, and goes hand in hand with the continuing efforts to optimize our operational excellence, whilst caring for the planet and our communities.

What aspects of innovation does the company need to focus on?

For our Pharmaceuticals activity, NAVELBINE, BRAFTOVI/MEKTOVI and EBVALLO® are examples of external innovations. The successful build-up of a new drug portfolio relies

on this capacity to attract external innovation and then drive this innovation to the market place. Dermo-cosmetics, on the other hand, has grown mainly through internal innovation. One example being the success of the new sun filter TriAsorB.

To accelerate that innovation, we can count on our medical expertise. But innovation, within the meaning of “Conquest 2025,” goes beyond products themselves and takes full advantage of the infinite possibilities offered by new technologies, which should also boost our operational efficiency.

What guiding principles have been applied over the past 2 years, with regard to the renewal of the Supervisory Board?

We regularly assess the composition of our Supervisory Board to make sure the skills and experience required to guarantee the success and longevity of Pierre Fabre are properly represented. In 2023, Hervé Hoppenot joined the Board, reinforcing our oncology skills, while Florence Parly consolidated international affairs, and Olivier Sadran industrial efficiency and customer service excellence. Those new members supplement the expertise of Jean-Laurent Bonnafé, Eduardo Sanchiz, Marie-Anne Aymerich and Rachel Marouani.

All the Board members share the same passion for the company’s purpose, the same deep-seated attachment to our geographical roots of Occitania, the same admiration for our founder, and a collective pride in enabling our primary shareholder, the Fondation Pierre Fabre, to strive to improve healthcare in the world’s poorest countries. ●

5 pillars to guide our actions for the benefit of patients and consumers



Innovation for the benefit of patients & consumers.

Caring for 200 million patients and consumers by 2025 means introducing new therapies onto the market, developing a portfolio of dermo-cosmetic brands with specialized, complementary positioning, increasing our investments in priority areas (US, Brazil, Mexico, Poland, Benelux) and reinforcing our digital presence and expertise.

A host of actions got underway in 2023, and we are already seeing the first results: an unprecedented one billion in net sales for Eau Thermale Avène, the launch of EBVALLO® in Europe, for the treatment of a rare lymphoproliferative disorder, plus the launch of Darrow in Mexico. ●



Establishing our scientific and medical leadership.

Staying at the forefront of innovation in our priority therapeutic fields (oncology, rare diseases and dermatology) is a major challenge. With that in mind, in 2022 the company made the decision to focus its medical R&D on targeted therapies and to work more closely with innovative biotechs. In 2023, it set up a scientific advisory board made up of international experts in oncology and dermatology. A new active ingredient (STX-721) also entered the clinical development phase in 2023, supplementing two trials already in progress in the field of oncology. ●



Preserving our ecosystems.

The company continues to roll out Green Mission Pierre Fabre, its cross-business approach to naturalness and CSR: the launch of new organically-farmed plant-based active ingredients, a reduced carbon footprint, reduced water consumption, biodiversity protection, eco-social product design and support for local stakeholders. After being awarded the “Outstanding” level of the Responsibility Europe label in 2022 by AFNOR Certification, Pierre Fabre received a B score from the Carbon Disclosure Project in 2023. That is the highest score any company can achieve the first time it undergoes this internationally recognized assessment in the field of decarbonization. ●



Optimize our operational excellence.

Maximizing the availability of our products to improve the service we provide to our customers is a top priority. Our service level performance reached 90% in December 2023 (up nine points compared to January)*. Building on that achievement, we set about modernizing our distribution chain through digitalization and robotization, launching

a new distribution plan in 2023. This consolidates our presence in Muret (Haute-Garonne) and Ussel (Corrèze) and allows for the creation of a third hub in the Loiret, for international shipments. Regarding industry, a new master plan came into effect, to prioritize manufacturing in France through increased production capacities, investments in new technologies and the reduction of our carbon footprint. ●



Building our collective future.

“Conquest 2025” embodies a collective, financial and humanist project that stays true to the company’s purpose. Employees are at the center of our vision. Its fundamental aspects are talent development, upskilling our teams, and internal promotions. It also puts great emphasis on equal opportunities and promoting diversity.

That vision is underpinned by an attractive, motivating work environment, fostering empowerment and supporting change. Lastly, rewarding each person’s contribution to overall performance is essential. For example through changes to our wage policy. As a result of the actions deployed in 2023, the engagement of our 10,000 employees rose by one point compared to 2022, reaching an overall score of 73**.

*Product availability rate measured via TIFI (Turnover Invoiced In First Intention).

**2023 Glint survey.

Gallery of our solutions

Building on its medical expertise for the benefit of patients and consumers, Pierre Fabre innovates tirelessly to develop an increasingly tailored range, from oncology to dermo-cosmetics.

4 M

people use the free Kwit app worldwide. It has already helped 50,000 smokers quit the habit.

14

13

products, 5 dietary supplements and 8 dermo-cosmetic products make up the Miye brand, specializing in hormonal balance and well-being.

Caring for cancer* patients.

As a trailblazer in oncology for over 40 years, Pierre Fabre Laboratories helps improve treatments for patients suffering from diseases for which major therapeutic needs remain unmet.

That commitment is illustrated by the availability in Europe since January 2023 of EBVALLO® for the treatment of a rare lymphoproliferative disorder. In December 2023, Pierre Fabre



Laboratories won the prestigious Prix Galien award in France for this cell therapy, in the "Advanced Therapy Medicinal Product" category. The Galien award recognizes outstanding recent innovations in the field of medicine. ●



* Cancer is the leading cause of premature mortality in France, ahead of cardiovascular diseases. In 2023, 433,136 new cancer cases were diagnosed in France. It is estimated that some 3.8 million people in France today have been diagnosed with cancer. Cancer is the second leading cause of death globally, accounting for nearly 10 million deaths every year.

Treating chronic diseases.

Pierre Fabre Laboratories markets a range of drugs covering a broad spectrum of pathologies in the fields of urology, women's health and rheumatology. As a result, we contribute to the treatment of chronic diseases and deficiencies.

Evidence of our commitment in this area: in 2022, Pierre Fabre signed a licensing agreement with Urovant Sciences for the marketing of vibegron, a key urological drug for the treatment of an overactive bladder, across Europe. its launch is currently being prepared. ●



Pierre Fabre Laboratories is a trailblazer in the treatment of skin diseases and dermo-cosmetics.



A-Derma strengthens its position as a specialist brand for damaged and weakened skin.



Hyaluron Activ BB3 is revolutionizing skin regeneration.

Treating skin diseases.

As experts in the treatment of skin disorders, Pierre Fabre Laboratories develops a host of solutions for dermatological pathologies.

This is the case for atopic dermatitis, psoriasis and acne. Additionally, a new topical formulation was launched by Pierre Fabre in 2023 for actinic keratosis. This cream with 4% Fluorouracil requires just 1 application per day for 4 weeks. The efficacy of this new formula is clinically proven for the treatment of visible lesions and pre-cancerous zones. ●

Caring for skin and hair, promoting oral hygiene.

Determined to bring innovative, effective solutions to the market, Pierre Fabre designs and develops dermo-cosmetics and oral hygiene products, working closely with healthcare professionals.

Two examples illustrate this commitment to excellence: the A-Derma Exomega Allergo range and the Hyaluron Activ B3 day cream.

To effectively meet the needs of patients suffering from atopy, and in particular the 30% who are allergic, A-Derma has enhanced its Exomega range with Allergo: a sterile cosmetics emollient salve that soothes dryness, redness and irritation. In just 2 days, this balm reduces itching on eyelids and dry skin (prone to atopic eczema) by 77%.

Another example, developed through Pierre Fabre Laboratories' cutting-edge dermo-cosmetics expertise, is the Hyaluron Activ B3 day cream by Eau Thermale Avène, which

with its innovative, revolutionary approach to anti-aging. This dermo-cosmetic product, concentrated in Hyaluronic Acid and Niacinamide, acts on the cause of aging to firm up skin and correct wrinkles. The Hyaluron Activ B3 range is revolutionizing skin regeneration: +85% cell regeneration*, wrinkles corrected from 15 days**. It is thus affirming its position as the leader in the dermo-cosmetics market, ranking No. 1 in the anti-aging segment***. Whilst in the field of oral hygiene, Pierre Fabre remained market leader in pharmacies**** within France and Europe. ●

*ex-vivo test

**Perceived results, self-assessment, 65 users

***IQVIA — Pharmatrend PharmaOne - anti-aging/anti-wrinkle cream market (82B5) in pharmacies in France - Year to date October 2023 - value

****Source: IQVIA December 2023

Treating everyday ailments.

Sore throats, urinary infections, painful periods: Pierre Fabre offers a broad range of family health treatments available from pharmacies.

To provide better support for quitting smoking, for example, the company signed a partnership with the Kwit app in October 2023. The aim is to give the app which helps people quit smoking, a new interface to simplify the way patients are treated by healthcare professionals, and improve follow-up via a shared dashboard.

Additionally, the company acquired a stake in the startup MiYé in September 2023. MiYé supports women from puberty to menopause, developing the most natural solutions to care for all skin types affected by hormonal changes. ●

15



“Our conviction:
listening to
patients is
the basis for
developing the
best solutions.”

Núria Pérez-Cullell
Medical Affairs and
Patient & Consumer Relations
Vice President

A comprehensive approach to patient care *with Núria Pérez-Cullell*

Pierre Fabre Laboratories works with the medical ecosystem to offer patients with holistic support throughout their care pathway.

What are the benefits for patients and consumers?

N.P.-C. Here at Pierre Fabre, we take a resolutely transversal approach to healthcare. Our complementary activities, covering medical care and dermo-cosmetics, provide us with a comprehensive vision and understanding of the needs of patients and consumers.

To meet those needs, we work to develop effective, safe care solutions. However, our role does not end there, because our ambition is to provide holistic support — covering prevention, treatment, and patient support before and after treatment.

We firmly believe that in order to develop the best solutions for patients, we have to listen to them. For instance, we launched an epidemiological study in dermatology assisted by 13 professors of dermatology and 12 patient associations. That study, called ALL, is being conducted within 20 countries and involves 50,000 people with dermatological disorders. It is structured to enable longitudinal analysis over 5 years (2023-2027). Every year, it provides us with fresh information about patient expectations, the prevalence of skin diseases and their impact on quality

of life. In another field of great importance to us, oncology, we joined forces with international patient association, ICAN, to draft the protocol for a phase 1 clinical trial to assess the treatment of a specific type of lung cancer, scheduled to start in 2024.

What were some of the most powerful illustrations of this holistic approach in 2023?

N.P.-C. We launched a number of innovative projects that go a long way toward improving healthcare standards. One example is Dermato Expert, a teledermatology solution for reducing delays in the diagnosis of dermatological disorders. I am also very proud of the community we have helped set up on Facebook concerning prostate disorders. This program has already provided 1,500 patients with peer support in an area that remains taboo. ●



↑
Scan to read about Pierre Fabre collaborations with healthcare professionals to improve treatments and support to patients.

New ways to care guided by science





“We’re inventing the future of cosmetics: therapeutic and scientific dermo-cosmetics that changes lives.”

Frédéric Ennabli,
CEO, Pierre Fabre
Dermo-Cosmetics

A medical approach to skin care

Drawing on an unrivaled medical background in the cosmetics industry, Pierre Fabre Laboratories is writing a new chapter in the dermo-cosmetics sector, inventing scientific and therapeutic cosmetics that improve the lives of patients and consumers alike.

In what direction are you taking Pierre Fabre Laboratories’ dermo-cosmetics?

F.E. – The shift we’re making now can be summed up in two words: medical mission. In other words, developing safe, effective products for handling needs and treating pathologies, and ultimately helping consumers and patients to live better. It’s worth remembering that a third of patients affected by skin disease suffer from an associated depressive syndrome, or even actual depression. The aim is not to simply treat physical symptoms, but also to help patients overcome the psychological and social aspects of their skin conditions.

Our mission is to provide dermo-cosmetics, that change lives. This approach is faithful to the original idea of dermo-cosmetics and helps Pierre Fabre Laboratories to stand out from the crowd, while also allowing us to progress. Our main market competitors operate in the cosmetics sector, whereas we come from the field of medicine.

To take just one example, A-Derma’s Epitheliale A.H repair cream was created back in 1993 to aid the post-procedure healing process. This know-how, which is in our genes, gives us a head start in understanding patients and skin pathologies.

We want to capitalize on this by reinvesting in product efficacy and developing high-performance skin care products that can work as a complement to drug treatments, for example in the case of severe acne, or that simply offer superior efficacy compared to conventional cosmetics. This medical mission reflects who we are, explains why we can do better than our competitors, and meets the needs of patients and consumers.

How do you implement this medical approach within your portfolio?

F.E. – We are building a portfolio of cutting-edge brands, each serving a very clear and specific purpose. For example, we are moving our Eau Thermale Avène brand towards a more dermatological vision of skin care, centered on the innovative concept of “skin medicine,” strongly asserting the brand’s expertise in the management of skin pathologies. Our new communication strategy, highlighting the role played by Avène in dermatological consultations, is a good example of this.

As another example, A-Derma is reasserting its position as the specialist brand for damaged and weakened skin, by focusing on repair with Epitheliale, and atopic skin care with Exomega. These two major ranges



perfectly express the therapeutic mission that birthed the brand.

Last but not least, MÈME Cosmetics has just joined our portfolio. MÈME is the benchmark brand for skin weakened by cancer treatments. By offering suitable, safe products that allow people to care for themselves and their appearance, even when affected by cancer, MÈME improves treatment compliance, thus helping patients to heal better.

What other medical actions are you involved in?

F.E. – We are building a bridge between drugs and dermo-cosmetics. We do this by developing product innovations. For example, for patients suffering

from eczema a topical corticosteroid cream in the morning and the A-Derma Exomega Night innovation reduce the use of topical corticosteroids even while soothing the skin, to reduce night-time awakenings by half.

We do this also by demonstrating the added value of our dermo-cosmetics when used together with the vast majority of medicines. Another example: our medical studies prove that Ducray Keracnyl PP reduces acne flare-ups when combined with 7 of the molecules most commonly used in anti-acne drugs.

Through these product innovations and scientific demonstrations, we develop effective health protocols

combining medicines and dermo-cosmetics. We bring them to healthcare professionals — who play a bigger role than ever in everything we do — and ultimately to patients. Who better than Pierre Fabre Laboratories to bring this vision of skin care to life? ●

1,142
patents linked to our
dermo-cosmetics
product portfolio

No. 2
in the dermo-
cosmetics
market



Valued partners of dermatologists

We contribute to medical conferences, publications and the development of collaborative informative tools: Pierre Fabre supports dermatologists to enhance their knowledge and daily practice.

Over the past 40 years, Pierre Fabre Laboratories has built unique ties with dermatologists. Driven by our strong desire to share our expertise and present our latest therapeutic innovations, every year, Pierre Fabre teams take part in scientific events and medical conferences, which are great opportunities to foster that long-standing relationship.

In 2023, Pierre Fabre took part in 52 conferences, in France and abroad, including the unmissable 25th World Congress of Dermatology, which was held in Singapore. In December, during the Journées dermatologiques de Paris (JDP, or Paris Dermatology Days), our teams met over 1,200 dermatologists, and the company ran several symposiums,

including one on the dermatological properties of Avène Thermal Spring Water. Prevention, early detection and treatment of skin cancer: the challenge is to work together to develop future solutions.

Digital innovation for dermatologists.

To tackle this challenge, we also provide dermatologists with digital tools to support them in their everyday practice. Dermaweb, the world's leading website for reliable medical and scientific information and discussions between dermatology professionals, was launched in 1999 and had some 30,000 subscribers worldwide by late 2023.

During 2023, dermatologists embraced the Eczema CARE+ app launched in late 2022 — providing assistance for atopic eczema treatment, powered partly by

30,000
dermatologists registered
on Dermaweb, end 2023.

25
articles published in
scientific journals.

artificial intelligence (AI) and used jointly used by patients and health workers by helping to personalize available treatments.

Recognized scientific expertise.

Motivated by a strong desire to enhance scientific knowledge in dermatology, Pierre Fabre and its experts helped publish 25 scientific journal articles. By way of example, the ALL study is one of the biggest epidemiological studies conducted in the field of dermatology over the past 10 years. Its aim? To collect data about all skin types ("ALL Skins"), all skin diseases ("ALL Dermatoses") and all skin colors ("ALL Colors") to produce the largest private international database. In our survey, 50,552 people, from the adults from 20 countries across all continents (accounting for over half the world's population),

gave confidential answers to 65 questions. With ALL, presented in two major publications*, Pierre Fabre aims to help dermatologists gain a better understanding of the prevalence and impact of skin diseases. This knowledge can ultimately lead to improved treatment approaches. ●

*Journal of the European Academy of Dermatology & Venereology – JEADV

- "The role of physical touch during patient examination in dermatology"

- "Misery Prev sensitive scalp world"

"Partnerships provide a real boost to our work in precision oncology."

Francesco Hofmann,
Head of Research
and Development,
Medical Care

Researchers
from our Innovation
Center at the
Oncopole.



Oncology: a partner- ship-based approach to innovation with Francesco Hofmann

Pierre Fabre Laboratories has adopted a partnership-based approach to accelerate the development of targeted therapies in oncology.

Why work with partners in oncology? Research and development of new cancer treatments is a long, complex and expensive process. Through partnerships, we can significantly scale up our efforts in precision oncology.

As a mid-sized company, we must be strategic in our choices and the allocation of our resources. By working with partners with complementary expertise to ours, we benefit from specialized skills that would be time-consuming and expensive to develop internally. Moreover, this promotes intellectual diversity, through a variety of working methods and experiences that provide valuable inputs to our line of inquiry. With this approach, we are

confident that we will be able to offer new therapeutic options to patients more quickly.

What types of partnerships do you prioritize?
The innovation process requires a long-term approach. Thus, for the discovery of novel targeted therapeutics, we rely at a pre-clinical research stage on external expertise related to "the making of the molecule." As in the partnership forged with UK-based Vernalis, where internally we cover disease biology, concept validation and clinical translation. At a clinical development stage, we are engaged in co-development partnerships, as is the case with the US-based biotechnology company Scorpion Therapeutics (for two novel agents in subtypes of lung cancer).

Finally, some partnerships can also lead to an acquisition, as was the case with Vertical Bio which we acquired in September 2023; we then integrate the entire innovation process.

What objectives are you currently pursuing?
Our R&D efforts are guided by unmet medical needs in targeted indications where patient selection is well defined, such as subsets of solid tumors and onco-hematology. We work on both small molecules and biotherapies.

The objective that we have set for ourselves as part of our strategic roadmap is to have 4 to 6 novel therapeutics in the clinical phase and 8 to 12 discovery programs by 2027. To achieve this ambitious objective, we have strengthened our teams.

We also benefit from the advice of a Scientific Advisory Board made up of 5 internationally renowned experts who meet periodically to provide advice on our R&D strategy and partnerships. ●

At the heart of our targeted oncology research

Unique to France, the Toulouse Oncopole is a medical and scientific campus that brings together researchers, health workers, manufacturers and startups, working to fight cancer. It is where Pierre Fabre Laboratories elected to base its Innovation Center in 2010, and, more specifically, its oncology research and development teams. These teams are 100% focused on developing new therapeutic options, from discovery to clinical trials, through translational research.

Identifying candidates for clinical development. The very first step in any R&D project is to identify and validate therapeutic targets. Diseases arise when one or more bodily functions are impaired. In order to develop a new drug, we need first and foremost to understand what is preventing the body from functioning properly.

In oncology, the therapeutic target might be an abnormal protein linked to a genetic cell mutation, for instance.

Once we have determined the target, the next step involves finding a molecule that will interact with the target to eliminate or inhibit it. Hundreds of thousands of molecules

are tested *in vitro* in the laboratory or *in silico* in computerized simulation models. Compounds that are identified as positive are then optimized to improve their pharmacological properties, leading to the final selection of a candidate for clinical development.

To ensure all those steps run smoothly, a team of around 60 biologists, pharmacologists and medicinal chemistry experts work together in research laboratories. Olivier Geneste, Head of Discovery, explains: "We use advanced technologies, such as genetically-modified cancer cells and genomic-based approaches, to decode the way potential therapeutic targets operate."

The researcher continues: "The partnership we built in 2023 with Vernalis gave us access to innovative screening methods for identifying and refining the molecules that manage to modulate the chosen target. Finally, we characterize the selected molecules for their therapeutic potential in preclinical disease models, along with their pharmacological properties and safety."

Throughout this process, which lasts for 4 to 6 years, other functions provide essential knowledge, such as data science, pharmacokinetics, toxicology, ●●●

● ● ● pharmaceutical development and translational research.

Translational research: determining the biomarkers for cancerous tumors

Translational research bridges the gap between biomedical research (in laboratories) and clinical research (in hospitals). The purpose of this cross-functional discipline is to convert scientific discoveries into concrete treatments for patients. Its experts identify patient groups that are likely to respond effectively to the new treatment. To do so, they analyze the genomic and molecular features of the targeted tumor in those patients. They match specific biological markers (biomarkers) with each type of tumor.

A Pierre Fabre Laboratories internal “bio-base” has been created using tumor biopsies covering a broad range of cancer types and their related oncogenes. Using this collection of tumor tissues, researchers and their teams identify and validate the biomarkers that help choose which patients will be enrolled in the clinical trial of the new treatment.

Catherine Regnier, Head of Translational Research, is thrilled about the benefits: “By developing pioneering therapies targeting different oncogenes combined with specific biomarkers, we are able to offer increasingly personalized medical treatments to care for patients more and more effectively.

Her team is currently characterizing a set of biomarkers to back up the clinical trials of a new monoclonal antibody (known as PFL-002/VERT-002) whose mechanism of action inhibits the c-MET target. In its mutant form, this target is found in patients suffering from a very specific type of lung cancer.

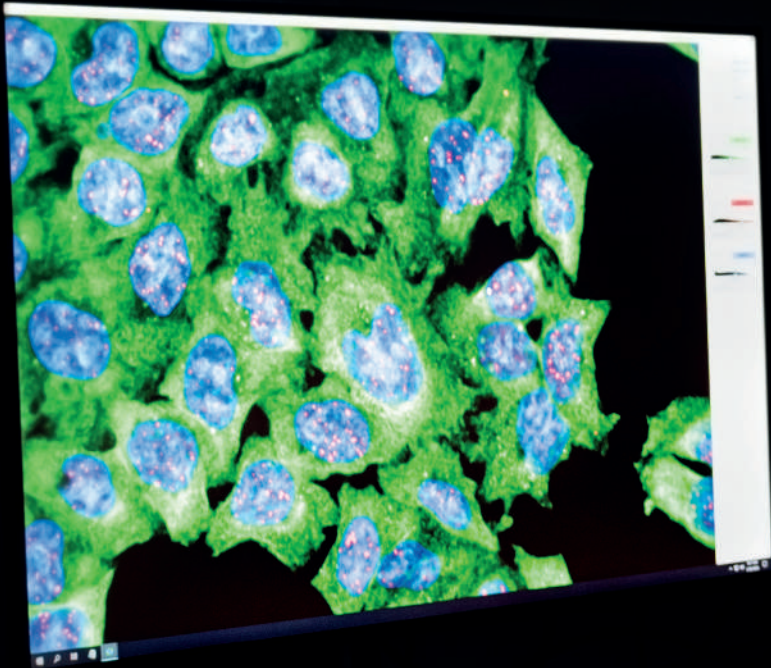
Clinical development: assessing the tolerance profile, safety and efficacy of new therapies

Clinical development is the last phase in the innovation process, and involves three sequential phases.

The goal of phase I is to assess the safety of the clinical candidate and define a recommended dosage and administration plan for patients. Phase II aims to confirm the efficacy

of the drug candidate among a specific patient population. Phase III is designed to assess the long-term efficacy and benefits of the new drug among a larger cohort of patients, against the best therapy currently available. If the results are positive, a marketing authorization application can be submitted to the health authorities.

Before each phase begins, a protocol has to be drawn up for the start of the clinical trial. It lays down the patient enrollment criteria along with the methodology, assessment criteria and phases of the trial. Claire Fabre, Head of Clinical Development, stresses: “Here at Pierre Fabre, we aim for clinical excellence, applying the highest ethical standards. We work closely with health authorities and the hos-



↑
Scan to
view images of
the Pierre Fabre
innovation center
at the Oncopole.

pitals where the clinical trials are conducted, to guarantee the quality of our trials worldwide. We aim for agile operational implementation, so that our oncology trials can be deployed as quickly as possible, based on a clear, innovative scientific rationale. ●

Leveraging data and AI to power R&D

Pierre Fabre capitalizes on advanced technologies to take its research to the next level. Thanks to data science, large volumes of data about molecules and genomes, taken from public and private databases, are analyzed and used by Pierre Fabre researchers. These analyses are used, among other things, to select therapeutic targets and identify biomarkers, to more quickly develop the right treatments for the right patients.

In 2023, Pierre Fabre teams developed proprietary AI for the characterization and sorting of cancer cells. This AI allows us to correctly identify clonal populations, predict resistance mechanisms and separate the tumor environment from the tumor itself, all with the aim of improving the efficacy of our targeted therapies. ●

Rare diseases, *a new area of innovation*

200M
children worldwide
suffer from a rare disease.

Nearly
20,500
pages viewed on
www.hemangiome.com

In keeping with our company purpose, Pierre Fabre Laboratories is playing an increasing role in the treatment of rare diseases, in response to the huge range of unmet medical needs.

Over 300M patients worldwide suffer from a rare disease. There are between 5,000 and 8,000 rare diseases (i.e., diseases that affect less than 1 in 2,000 people), and 95% of them receive no treatment. As such, they are a serious public health challenge across the world. In this area, more than any other, partnerships are essential in order to move forward and develop new treatments.

Treating X-Linked Hypohidrotic Ectodermal Dysplasia (XLHED).

In partnership with the EspeRare Foundation, Pierre Fabre is working to develop an innovative prenatal therapy to treat a rare form of ectodermal dysplasia called XLHED, a genetic disorder affecting 500 newborn boys every year in Europe and the US. The EDELIFE clinical trial involves

women who are pregnant with a male fetus carrying the gene responsible for the disease. It began in late 2021 in Europe and in 2022 in the US. While patient recruitment was difficult at first, as the global birth rate is slowing, it gained pace in late 2023.

Improving the treatment of a very rare lymphoid proliferation.

In oncology, Pierre Fabre has been working with the California-based biotech Atara Biotherapeutics since 2021 to develop a treatment for post transplantation lymphoproliferative disorder linked to the Epstein-Barr virus. EBVALLO® became the first allogeneic immunotherapy aimed at patients affected by this in very rare tumour occurring after surgical graft or spinal cord transplantation when patients receive immunosuppressive agents.

EBVALLO® is recommended as second-line therapy after at least 1 unsuccessful prior treatment in adult patients and pediatric patients (aged 2 and older). It was approved by the European Medicines Agency (EMA) in 2022 and in the United Kingdom in 2023. EBVALLO® has been marketed in Germany and Austria since July 2023. It is also available in France as part of an early access program. ●



↑
**Scan to
find out more about
infantile hemangioma
& ichthyosis.**

PART 3

New ways to care guided by the common good



Caring for employees Leveraging generational diversity to drive business growth

Five generations currently work side by side in the company, which is a real challenge. Tackling that challenge involves creating a cohesive, collaborative culture in which every generation feels included and valued.



At Pierre Fabre, we establish that culture through team-building initiatives and collaborative projects that use everyone's strengths for the benefit of the group, leading to a more inclusive, innovative and effective work environment.

In 2023, Pierre Fabre hosted over 500 young people in France (200 trainees and 300 apprentices), as well as 30 VIEs (international volunteer program). As well as helping train young people — one of our long-standing commitments — the company is building up a special pool of young talent, and thus boosting its capacity for innovation.

A new generation in action.

In September 2023, Pierre Fabre launched the “NEWGEN” program, an initiative sponsored by

the Executive Committee. Made up of 14 employees aged between 25 and 34, from 9 different countries, this in-house think tank aims to capture young people's thoughts on strategic initiatives. In return, it provides an opportunity to boost the skill set and career development of the young talent involved.

After several months of ideation and collaborative work, carried out remotely, the NEWGEN members met up at company headquarters to present their ideas to the Executive Committee. Accompanied by the General Manager of the Benelux subsidiary, and sponsored by the Executive Committee, the NEWGEN

team worked on a variety of initiatives, including the adaptation of the program at the local level and a project advocating for the adoption of AI in oncology.

Promoting intergenerational cooperation.

After observing a growing generational gap leading to frustration and reduced engagement within teams, the Italian subsidiary launched a program to combat ageism in 2023*. The first step involved assessing the as-is situation with regard to perceptions, via discussion groups composed of around 40 employees, followed by a survey designed to uncover any unspoken prejudices. That was followed by an aware-

ness-raising phase. For example, teams used role-play to work on the issue of diversity and inclusion. The experience fostered greater understanding, and gave people the chance to discuss their feelings and concerns — to usher in better day-to-day working practices.

The program is continuing in 2024, targeting managers who are the vital link when it comes to creating a culture of generational diversity. Yet they tend not to be trained for challenges in the fields of recruitment, onboarding and talent retention. ●

*Age-based discrimination and stereotypes.



↑ Scan to find out more about employees' commitments during Green Mission Days.



“The NEWGEN brings me fresh insights in terms of knowledge and strategic vision, and is important international network.”

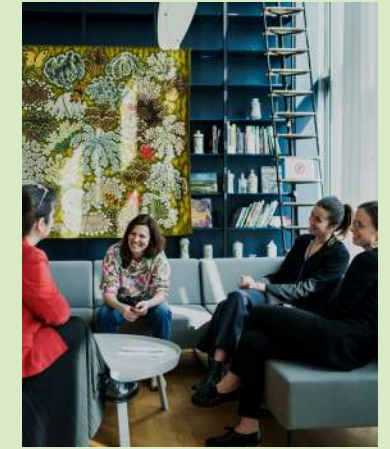
Tarendeep Matharuh, Medical Care UK



“Cultivating tomorrow,” for the successful onboarding of newcomers.



A human adventure whose success depends on each employee.



Intergenerational cooperation: fighting prejudice.



“World's Best Employers”

For the third year running, Pierre Fabre was ranked among the “World's Best Employers” by *Forbes* magazine. In this internationally recognized ranking of the world's best employers, the company made it into the Top 10 for the “Pharma & Biotech” and “Beauty Care” sectors.

A distinction that rewards the progress made in terms of talent development, diversity, inclusion and corporate social responsibility. ●

86% of employees are shareholders

For more than 40 years, employees in France have had a stake in the company's success. Since 2005, via the RUSCUS plan, they have had the option of becoming shareholders. In 2023, there were 8,409, with a growing international share (13 countries eligible for the scheme and 3 in the process of joining). ●

The onboarding process: the foundation for a culture

The company is a human adventure whose success depends on the commitment of its employees. The quality of the onboarding experience for newcomers determines their ability to truly embrace the journey.

With that in mind, the “Cultivating tomorrow” onboarding program seeks to motivate newcomers by immersing them in the company mindset, exploring its history, values and mission. 800 people have already benefited from the program, which is available as an e-learning module, generating a

satisfaction rate of 86%. Since January 2024, the program has been supplemented by an in-person training day, called “En route for tomorrow!”, which places greater emphasis on innovation. This provides an opportunity for newcomers and top management to work together and discuss various topics, to inspire and collectively shape the future. ●



Caring for our ecosystems

Sustainable development is a core commitment of Green Mission Pierre Fabre, which oversees the company's Naturalness and CSR strategy. As the sole manufacturing group to be awarded the "Outstanding" level of AFNOR's Responsibility Europe Certification, the company acts responsibly at all levels, determined to reconcile economic growth, protection of the environment, local presence and humanism.

Pierre Fabre Laboratories unveiled the Green Impact Index in 2021 (a methodology for rating the environmental and social impact of cosmetic products), with the ambition of sharing it with other companies. In 2023, the Green Impact Index Consortium* announced the publication of AFNOR Spec 2215, which provides guidelines for developing responsible products towards the better management of environmental and social impacts** (based on common criteria endorsed by AFNOR).

This tool benefits consumers, to help them make informed choices about the products they buy.

As trailblazers in the distribution of this methodology, Pierre Fabre Laboratories is increasing the share of responsible products every year, for better management of environmental and social issues in its portfolio. By late 2023, 66% of our catalog had obtained a score of A or B (based on net sales), and that figure rose to 80% for dermo-cosmetics and oral health products.

The company takes account of all the Green Impact Index criteria, to design more sustainable products (e.g., environmental criteria covering Packaging, Formulas, Manufacturing and Transportation) and social criteria. In 2023, 100% of those extracts were produced from organic plants or plants farmed without pesticides. In addition, each brand has undertaken a social responsibility or biodiversity protection project. For example, in 2023 Eau Thermale Avène stepped up its efforts to preserve water resources by sharing water-saving practices, making borehole diagnoses and preserving the Avène impluvium in Haut-Languedoc Regional Nature Park. ●

*22 organizations are members of the Green Impact Index Consortium

**AFNOR Spec 2215 concerns cosmetic products, dietary supplements and family health and wellness products.



← Scan to explore the progress made by Eau Thermale Avène in 2023.

Digital Responsibility label

In 2023, the company embarked on a proactive mission to obtain the highest level of the official "Label du Numérique Responsable" (Digital Responsibility Label) for all its activities and subsidiaries. The mission brought together representatives from all of our business units and business partners, working hand in hand to promote a more sustainable, ethical and inclusive digital world.

Sustainable: Reducing our digital carbon footprint is a way of lowering CO2 emissions and preserving water and rare metal resources. Digital tech-

nologies account for 5% of Pierre Fabre Laboratories' carbon footprint.

Ethics: Making digital technology an innovative tool that respects individuals' privacy and improves quality of life for patients, and for healthcare professionals who support them throughout the care pathway.

Inclusive: Promoting the eco-social design of digital services, making sure that all employees, across all company business lines and functions, have access to and are included in digital services. ●



88%
of Pierre Fabre plant-based active ingredients are eco-designed (extracted using green solvents).

4,910
employees were involved in supporting an environmental or humanitarian association.

Organic lavender essential oil

In 2023, Naturactive acquired a new product containing an organic active ingredient: lavender floral water with a Cosmos Bio and Fair Trade certification. This 100% French-sourced lavender illustrates the company's commitment to protecting biodiversity and its determination to foster farming practices that preserve natural resources. ●



Our Soual site, leading the way to decarbonization.

Two-figure consumption decreases.

With regard to energy, the objective is to reduce consumption by 10% between 2019 and 2024. 2023, in keeping with that goal, Pierre Fabre installed voltage regulators in Soual and Avène, and reduce the air exchange rate. These efforts are generating significant, measurable benefits. Energy consumption decreased by 12.8% in 2023 compared to 2019, the equivalent of the energy produced by a wind turbine over 1 year.

Decarbonizing operations, from top to bottom.

To reduce its water consumption, Pierre Fabre has, for example, reduced the authorized flow rate in Avène, replaced its reverse osmosis system** and streamlined watering of the thermal spa's gardens. So how did 2023 shape up overall? We had 24.8% less water consumption compared to 2018, ahead of the objective set for 2024 (-20%). The company is also taking action to cut greenhouse gas emissions. For example, the heating system at all Pierre Fabre sites has now been lowered to 19°C. Based on the expert estimations, lowering the temperature by just 1°C leads to a 7% energy saving.

Pierre Fabre Laboratories is especially vigilant about cutting emissions in the freight and logistics sector, which accounts for 10% of the company's total carbon footprint. Every year — and last year was no exception — Pierre Fabre strives to limit the impact of its upstream (raw materials



Pierre Fabre and "Le cœur des entreprises".

transportation) and downstream (delivery) freight operations.

To this end, the company is keeping the use of air transport to its subsidiaries and distributors to a minimum, procuring materials primarily in France and neighboring countries, increasing biofuels use, optimizing loading operations and reducing the number of separate deliveries. As part of this pledge, via the FRET21 scheme, Pierre Fabre has made a commitment (with the French environment agency ADEME) to achieve a 10% reduction in its CO2 emissions by 2025. ●

*Air condenser: heat exchanger used to cool and condense steam using ambient air flow
**Reverse osmosis system: a filtering system that removes impurities from water.

-75%
target reduction in water consumption at the Soual site between 2023 and 2027.

-30%
target reduction in greenhouse gas emissions between 2015 and 2025 (scopes 1 and 2).

Caring for our local communities

Caring for our local communities means supporting local stakeholders and associations. In the field of sport or charity work, for example.

A Spor'Team putting local athletes on the podium.

In 2023, Pierre Fabre put together our Spor'Team, comprised of 11 top young athletes from the Tarn or Haute-Garonne region. This collective scheme enables athletes the opportunity to share their aspirations at inspiring gatherings. It also provides them with financial support to prepare for and travel

to competitions, as well as access to the Castres Olympique rugby club's facilities and coaching on personal communication. In return, they are a great source of inspiration for company employees, through presentations and discussions at team seminars.

Pierre Fabre joins "Le cœur des entreprises".

In 2023, Pierre Fabre Laboratories responded to an appeal from the Toulouse-based "Le cœur des entreprises". Since February we have been delivering unsold products on a regular basis to UCRM (Union Cépière Robert Monnier), an association that has specialized in social and professional inclusion for 75 years. So 23 employees were given a day off for charity work to put together some 5,000 hygiene kits alongside members of the association. In September, 500 hygiene kits were donated to La Casèla, a safe house run by the Secours Catholique charity in Toulouse to provide refuge to vulnerable women. Lastly, 14,400 tubes of toothpaste were packaged in the Soual plant and donated to the Haute Garonne food bank in December. ●

Investing in industrial decarbonization

Every year, Pierre Fabre further reduces the environmental impact of its activities, as it seeks to embody a more sober, virtuous industrial model. In 2023, the company's efforts led to two-figure reductions in energy and water consumption.

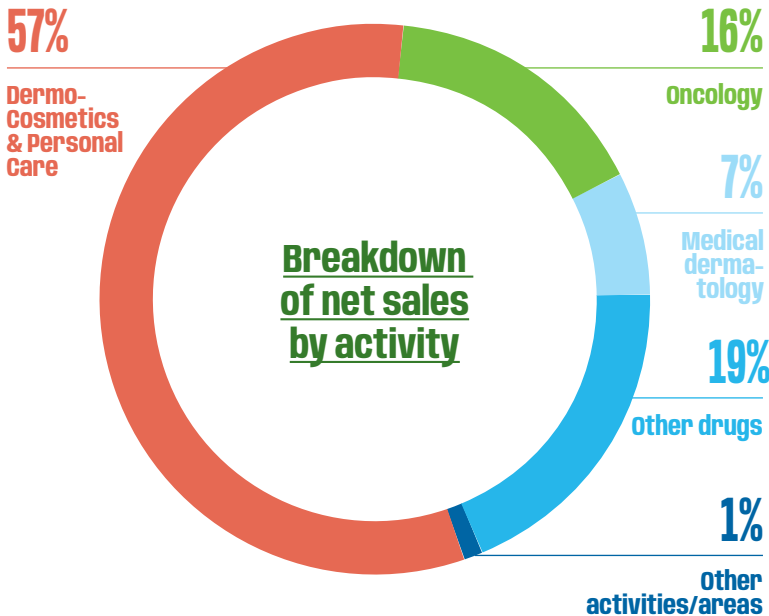
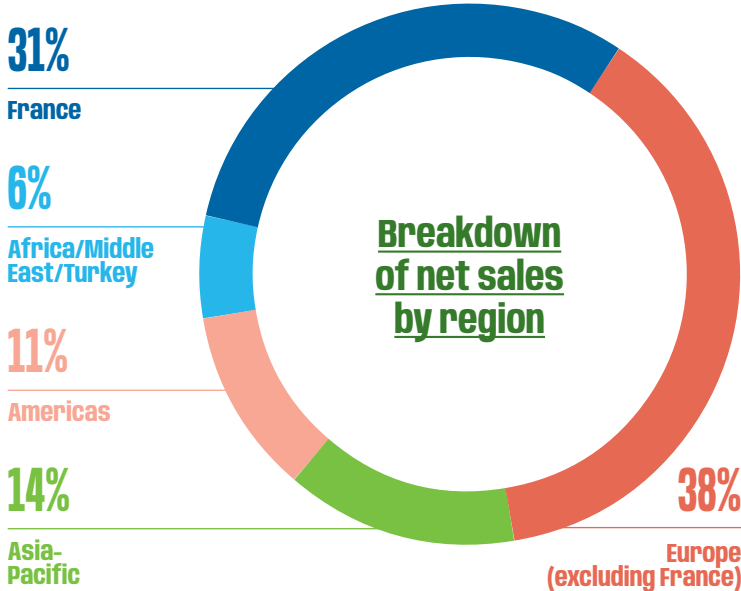
Financial results 2023

The company generated net sales of €2,827M in 2023. On a constant exchange rate basis, that is a 5.9% increase, driven by the two-figure growth of Eau Thermale Avène, Innovative Oncology and Medical Dermatology. The Operating Profit stood at €286M, up 12% compared to the previous financial year.

A stronger international presence

70%

of net sales were international, with our main subsidiaries based in China, Germany, Spain and Italy accounting for a cumulated revenue of more than €700M. Our 5 other priority regions — the US, Mexico, Brazil, Benelux and Poland — achieved a growth of 17%. Our objective of generating over €500M by 2025.



High-growth activities

Dermo-Cosmetics & Personal Care (DC&PC) generated net sales of €1,60M, 57% of total revenue, a 9.9% growth on a constant scope and exchange rate basis.

Eau Thermale Avène obtained revenue above the symbolic €1bn threshold, reaffirming its ranking as the world's No. 2 dermo-cosmetics brand. Ducray, A-Derma, Darrow and Pierre Fabre Oral Care also posted significant growth.

Medical Care generated net sales of €1,174 million, 42% of the company's total revenue, up 4% compared to 2022 on a constant scope and exchange rate basis.

The growth of **Innovative Oncology** was driven by three targeted therapies for the treatment of cancers with specific mutations (melanoma, colorectal cancer and breast cancer). This past year also marked the launch of the world's first allogeneic T-cell immunotherapy available in Europe, for the treatment of a rare lymphoproliferative disorder. ●

Innovation as a driving force

We have invested heavily in innovation. On the one hand, our research and development budget rose by 12% to €190M. On the other, we signed several partnerships and/or acquisitions for a total investment of more than €200M:

Partnership with Scorpion Therapeutics for the co-development of active ingredients STX-721 and STX-241 and the acquisition of a license to market them in Europe and China (treatment for non-small cell lung cancer).

Acquisition of Vertical Bio and its drug candidate VERT-002 (e.g., of non-small cell lung cancer).

Expansion of licensing rights for EBVALLO® (tabelecleucel) to all territories worldwide (treatment of a rare lymphoproliferative disorder).

Acquisition of MÈME Cosmetics, the first-ever brand of dermo-cosmetic care products to alleviate the adverse effects of cancer treatments.

+12%
increase in the R&D budget

€200M
in acquisitions

Assessing, anticipating and controlling risks

The Pierre Fabre S.A. Supervisory Board, the Audit Committee, the Strategic Committee whose members come from the Supervisory Board and the the Excecutive Committee are particularly concerned with planning for, mitigating for and controlling risks.

processes, and by keeping safety stock and up-to-date business continuity plans for all industrial and logistics sites.

Like all businesses, we operate in a global environment affected by systemic risks such as geopolitical, cyber and health-related threats.

As the technological dimension of our business has grown, cyber risks have become increasingly significant. To protect our information systems, Pierre Fabre Laboratories has set up a cybersecurity plan covering all of the company's strategic and operational entities. It is supervised by a specialized team and adheres to a specific framework.

In order to guarantee safe, effective products for patients and consumers, Pierre Fabre Laboratories must predict all risks linked to the quality of its products and the information provided to patients, consumers and health-care professionals.

Quality Management System and Vigilance procedures aim to keep such risks to an absolute minimum at every stage of the life-cycle of the product, be it drug or cosmetic. The company also ensures it has sufficient insurance cover for any claims or complaints made against it. ●



Strategic risks

Strategic risks concern portfolio and innovation risks specific to the pharmaceutical industry.

To build a long-term pipeline of innovative therapeutic active ingredients, Pierre Fabre Laboratories establishes external partnerships for the development of active ingredients, and is strengthening its internal innovation programs in the fields of oncology, dermatology and rare diseases. The teams in charge of external innovation, R&D and business development jointly ensure appropriate due diligence for all scheduled acquisitions and partnerships, along with a holistic integration plan if required. ●

Operational risks

Operational risks include Supply Chain disruptions, contingencies caused by geopolitical unrest, unavailability of information systems ("cyber" risks) and risks related to product quality or safety.

Supply chain disruptions include shortages and issues affecting the supply chain, industrial risks and the potential of shortcomings in our products' distribution and logistics chain. They may be caused by regulatory problems, technical difficulties, failure by a supplier to deliver, natural disasters, pandemics or geopolitical unrest. Pierre Fabre prepares for such difficulties; for example through securely sourcing the most strategic raw materials, continuous improvement of production and supply chain



Conformity risks

Conformity risks essentially concern compliance with the regulations applicable to products, the environment, ethics and compliance. Those regulations change constantly and may differ between corners of the world.

The company operates in highly-regulated environments and may be subject to penalties if it falls short of set requirements. Failure to comply could also damage its reputation.

To plan for those risks, Risk Management, Ethics and Compliance, Quality and Internal Control functions work together within the same department. They are governed by several multidisciplinary bodies.

The main ones include the Quality Committee, the Ethics and Compliance Committee and the new CSRD Committee* (established in response to the new European ESG** regulations). ●

CSRD*: Corporate Sustainability Reporting Directive

ESG**: Environmental, Social and Governance.



Climate and environmental risks

Linked to climate change and biodiversity loss, these risks can threaten the company's longevity.

Pierre Fabre includes climate risks in its strategic planning in order to minimize their negative impacts and seize opportunities linked to the transition to a more sustainable economic model.

In this respect, Pierre Fabre Laboratories has pledged to reduce its environmental footprint in line with the +2°C pathway of the Paris Agreement (2015).

In addition, the company has established measures to drastically reducing energy and water consumption at its industrial and tertiary sites.

By way of example, a dry factory concept is being rolled out at the industrial site in Soual, in the French department of the Tarn, which is highly exposed to the risk of water stress. ●



such as cost inflation, exchange rates and sudden tax increases. The past year was no exception, but the company managed to preserve a healthy financial position, to pursue its long-term investments.

Because of its international presence, Pierre Fabre Laboratories is exposed to the permanent risk of currency fluctuations. Thus the company has set up a currency hedging policy with its specialized partners.

Lastly, given the company's low level of debt and healthy financial position, the cash flow risk — which affects a business's ability to pay its debts — is under control.●



Financial risks

Financial risks include inflation, leading to an increase in the cost of raw materials and energy, and hazards related to the exchange rate, tax increases and cash flow.

Our company operates in growing markets. However, its profitability can be affected by factors

Pierre Fabre, a sharing mindset

On July 20, 2023, to commemorate the 10-year anniversary of the passing of Mr. Pierre Fabre, a ceremony attended by 500 guests was held at the Domaine d'En Doyse in Lavour (Tarn). This was the perfect opportunity to inaugurate the new Fondation Pierre Fabre building, and, first and foremost, celebrate the visionary spirit of the founder of Pierre Fabre Laboratories.

The emotion was palpable that evening in Lavour, under the lush foliage of the En Doyse estate, home of the Fabre family. Relatives, leading figures from the world of politics, charity and science, along with employees, paid tribute to the legacy of a true humanist.

Heirs to a visionary model.

Pierre-Yves Revol, Chairman of the Fondation Pierre Fabre, was first up to speak: "Commemorating is essentially about remembering, uniting in our shared memories of one man. And when that man is someone who did so much for his town, his region and for the wider world, we don't just remember, we also express our gratitude. For some of us, that gratitude will be for time spent in the company of a great man. For others, it will be the chance to be part of an inspiring professional adventure. And we are all grateful for the rare, awe-inspiring legacy he bequeathed to us. The Chairman of the Foundation went on to stress the power and modernity of the business model embodied by Pierre Fabre Laboratories

As we pass the 10-year mark, a whole decade without Pierre Fabre, we are proud to tell him: on this special day, we are adding another stone to the structure you built, a new building for the foundation at En Doyse. Your estate is thriving, surrounded by vines, here on this site that has become a symbol ●●●

Pierre-Yves Revol evoked the legacy of Mr. Pierre Fabre to mark the 10-year anniversary of his passing.



●●● of your openness to the world. Because, ultimately, if your company makes a profit, and it has to redistribute part of that profit, after reinvesting most of it in its own development, it is far better that it goes to those most in need, rather than a handful of people or a financial superpower: that sums up your unique approach to capitalism: capitalism with a human face.

For the benefit of an entire region.

François-Xavier Lauch, Prefect of the Tarn and — in that capacity, Government representative on the Pierre Fabre Foundation Supervisory Board — responded by emphasizing the strong mark made on his region and on French industry. "Pierre Fabre was a major figure in the Tarn and much farther afield, throughout the whole country. Mr. Pierre Fabre quickly established himself as a visionary whose spirit of innovation shaped his company. He taught us the power of determination, hard work, intelligence and passion. His unwaivering courage created a French flagship with global reach, [...] leaving his mark on industrial patriotism here in France, and paving the way towards a sustainable industry.

Sharing a pioneering vision with new generations.

After the speeches, the guests were shown a documentary, "Pierre Fabre, the Spirit of Sharing, recounting the life, beliefs and industrial success story of a great man. Subsequently broadcast to all employees, the documentary provided an opportunity to bring people together at all company sites and all subsidiaries, and for the younger recruits who didn't know Mr. Pierre Fabre personally, it was a chance to gain greater insight into that special sharing mindset that characterizes Pierre Fabre Laboratories. ●

Family, friends, employees and leading figures discovered a new documentary about Mr. Pierre Fabre and his legacy.



"Redistributing profit to those most in need, rather than a handful or people or a financial superpower: that sums up Pierre Fabre's unique approach to capitalism: capitalism with a human face."

Pierre-Yves Revol,
Chairman of the
Fondation Pierre Fabre



← Scan to discover the documentary "Pierre Fabre, the Spirit of Sharing".

New ways to care.



Pierre Fabre
believed that it is
the attention paid
to others that
triggers
innovation.

Inspired by this vision, we innovate relentlessly
to fight cancer and heal skin.

Driven by science and patient needs, we are caring
partners of biotechs, researchers, clinicians, physicians
and pharmacists around the world.

We design and develop our products at the Oncopole
in Toulouse, where we eco-design them based on the
Green Impact Index* and manufacture them in France.

Every year, we pay dividends to the
Pierre Fabre Foundation**, which is recognized as being
of public interest for its programs providing access
to healthcare in developing countries.

**We are Pierre Fabre Laboratories,
we are humanistic innovators.**



LABORATOIRES

Pierre Fabre

New ways to care



*Environmental and social labelling based on AFNOR
Spec 2215 standards.
**86% of Pierre Fabre Laboratories is owned by the
Foundation and secondarily by its employees.

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New ways to care