



Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

Condensed Consolidated Interim Financial
Statements

Interim Management Report

30 June 2019

(With Limited Review Report Thereon)



KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Independent Auditor’s Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Laboratorios Farmacéuticos Rovi, S.A.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Laboratorios Farmacéuticos Rovi, S.A. (the “Company”) and subsidiaries (together the “Group”) as at 30 June 2019, the condensed consolidated interim income statement, the condensed consolidated interim statements of total comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements (the condensed consolidated interim financial statements). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six months ended 30 June 2019 are not prepared, in all material respects, in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union.



Emphasis of matter

We draw your attention to the accompanying note 2, which states that these condensed consolidated interim financial statements do not include all the information required in complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying condensed consolidated interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2018. This matter does not modify our conclusion.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2019 contains such explanations as the Management of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the condensed consolidated interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the condensed consolidated interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the condensed consolidated interim financial statements for the six-month period ended 30 June 2019. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries.

KPMG Auditores, S.L.
On the Spanish Official Register of
Auditors ("ROAC") with No. S0702

(Signed on original in Spanish)

José Ignacio Rodríguez Prado
On the Spanish Official Register of Auditors ("ROAC") with No. 15.825

29 July 2019

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND
SUBSIDIARIES**

Condensed consolidated interim financial statements
for the six-month period ended 30 June, 2019

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(Thousands of euros)**

	Note	30 June 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	7	121,064	95,837
Intangible assets	8	47,012	34,650
Investment in a joint venture	9	2,028	2,038
Deferred income tax assets	14	12,018	16,036
Equity securities	10	70	70
Financial receivables	12	65	65
		182,257	148,696
Current assets			
Inventories	11	121,734	94,861
Trade and other receivables	12	70,218	60,180
Current income tax assets		8,107	3,414
Financial derivatives		122	17
Prepaid expenses		3	21
Cash and cash equivalents	13	66,680	95,511
		266,864	254,004
Total assets		449,121	402,700

Notes 1 to 28 are an integral part of these condensed consolidated interim financial statements.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Thousands of euros)

	Note	30 June 2019	31 December 2018
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital	15	3,364	3,364
Share premium		87,636	87,636
Legal reserve		673	600
Treasury shares	15	(9,183)	(8,812)
Retained earnings and voluntary reserves		200,659	186,792
Profit for the period		16,161	17,895
Other reserves		(3)	(3)
Total equity		299,307	287,472
LIABILITIES			
Non-current liabilities			
Financial debt	17	34,459	16,589
Deferred income tax liabilities	14	726	1,243
Contract liabilities	18	6,317	6,263
Deferred income	19	3,399	3,621
		44,901	27,716
Current liabilities			
Financial debt	17	14,614	17,635
Trade and other payables	16	89,402	68,165
Contract liabilities	18	317	1,159
Deferred income	19	580	553
		104,913	87,512
Total liabilities		149,814	115,228
Total equity and liabilities		449,121	402,700

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (Thousands of euros)

	Note	Six-month period ending 30 June	
		2019	2018
Revenue	20	177,536	146,309
Changes in inventories of finished goods and work in progress	11	20,880	8,719
Raw materials and consumables used		(96,938)	(70,662)
Employee benefit expenses		(36,753)	(36,266)
Other operating expenses		(38,632)	(35,513)
Amortization	7 & 8	(8,715)	(5,858)
Recognition of government grants on non-financial non-current assets and other		374	754
OPERATING PROFIT		17,752	7,483
Finance income		3	7
Finance costs		(452)	(438)
Impairment and gain or loss on measurement of financial instruments		134	-
Exchange difference		37	-
FINANCE COSTS - NET		(278)	(431)
Share of profit of joint venture	9	(10)	(25)
PROFIT BEFORE INCOME TAX		17,464	7,027
Income tax	22	(1,303)	523
PROFIT FOR THE PERIOD		16,161	7,550
Earnings per share (basic and diluted) attributable to shareholders of the - Basic and diluted	23	0.29	0.15

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019

CONDENSED CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME (Thousands of euros)

	Note	Six-month period ending 30 June	
		2019	2018
Profit for the period		16,161	7,550
Items that may subsequently be reclassified to profit and loss		-	(1)
+ Changes in value of equity securities	10	-	(1)
Other comprehensive income for the period, net of tax		-	(1)
Total comprehensive income for the period		16,161	7,549

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY AT 30 JUNE, 2018 (Thousands of euros)

	Share capital (Note 15)	Legal reserve	Treasury shares (Note 15)	Retained earnings and voluntary reserves	Profit for the period	Other reserves	TOTAL EQUITY
Balance at 1 January 2018	3,000	600	(8,407)	179,255	17,241	(2)	191,687
Total comprehensive income for the period	-	-	-	-	7,550	(1)	7,549
2017 profit transfer	-	-	-	11,206	(11,206)	-	-
Dividends paid	-	-	-	-	(6,035)	-	(6,035)
Acquisition of treasury shares (Note 15)	-	-	(490)	-	-	-	(490)
Reissue of treasury shares (Note 15)	-	-	297	100	-	-	397
Other movements	-	-	-	6	-	-	6
Balance at 30 June 2018	3,000	600	(8,600)	190,567	7,550	(3)	193,114

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY AT 30 JUNE, 2019 (Thousands of euros)

	Share capital (Note 15)	Share premium (Note 15)	Legal reserve	Treasury shares (Note 15)	Retained earnings and voluntary reserves	Profit for the period	Other reserves	TOTAL EQUITY
Balance at 1 January 2019	3,364	87,636	600	(8,812)	186,792	17,895	(3)	287,472
Total comprehensive income for the period	-	-	-	-	-	16,161	-	16,161
2018 profit transfer	-	-	73	-	13,348	(13,421)	-	-
Dividends paid	-	-	-	-	-	(4,474)	-	(4,474)
Acquisition of treasury shares (Note 15)	-	-	-	(1,631)	-	-	-	(1,631)
Reissue of treasury shares (Note 15)	-	-	-	1,260	537	-	-	1,797
Other movements	-	-	-	-	(18)	-	-	(18)
Balance at 30 June 2019	3,364	87,636	673	(9,183)	200,659	16,161	(3)	299,307

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Thousands of euros)

	Note	Six-month period ending 30 June	
		2019	2018
Cash flows from operating activities			
Profit before income tax		17,464	7,027
Adjustments for non-monetary transactions			
Amortization	7 & 8	8,715	5,858
Finance income		(40)	(7)
Valuation allowance	11 & 12	917	2,226
Adjustments for changes in value of financial instruments		(134)	-
Result from derecognition of financial assets and liabilities		29	-
Finance expense		452	438
Grants, income from distribution licences and other deferred incomes	19 & 20	(1,305)	(792)
Share of profit of joint venture	9	10	25
Changes in working capital:			
Trade and other receivables		(9,640)	(7,068)
Inventories		(28,251)	(18,234)
Other current assets (anticipated expenses)		17	-
Trade and other payables		16,746	8,854
Other collections and payments			
Proceeds from distribution licences	19	143	2,910
Interest payment		(14)	-
Income tax cash flow		(2,495)	(2,074)
Net cash generated from (used in) operating activities		2,614	(837)
Cash flows from investing activities			
Purchases of intangible assets	8	(14,281)	(369)
Purchases of property, plant and equipment	7	(7,789)	(4,695)
Proceeds from sale of property, plant and equipment	7	-	12
Interest received		40	95
Net cash flows generated from (used in) investing activities		(22,030)	(4,957)
Cash flows from financing activities			
Repayments of financial debt		(11,037)	(6,677)
Proceeds from financial debt	17	1,516	1,933
Interest paid		(60)	(103)
Purchase of treasury shares	15	(1,631)	(490)
Reissue of treasury shares	15	1,797	397
Net cash generated from (used in) financing activities		(9,415)	(4,940)
Net (decrease) increase in cash and cash equivalents		(28,831)	(10,734)
Cash and cash equivalents at the beginning of the period		95,511	40,700
Cash and cash equivalents at the end of the period	13	66,680	29,966

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Laboratorios Farmacéuticos Rovi, S.A. (the "Parent Company" or the "Company") was incorporated as a public limited company in Madrid on 21 December, 1946. It is entered in the Companies Register of Madrid, page 1,179, sheet 197 of volume 713 of Companies Book 283. Its registered office is located at Calle Julián Camarillo, 35, Madrid and its head office is at the same address in Madrid.

The Company mainly engages in the sale of pharmaceutical products and the distribution of other products for which it holds licences granted by other laboratories for specific periods, in accordance with the terms and conditions contained in the agreements entered into with said laboratories.

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a pharmaceutical business group (hereinafter, "ROVI", the "Rovi Group" or the "Group"), engaged in the production and marketing of pharmaceutical products. The Group's main product is Bemiparin, a low-molecular-weight heparin, which is marketed in various countries.

In October, 2018, the Company carried out a capital increase charged to cash contributions, with exclusion of preferential subscription rights (the "Capital Increase"). The final terms of this increase were as follows:

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares already in issue (the "New Shares").
- The price of issue of the New Shares was fixed at 14.50 per share, 0.06 euros of which related to the par value, while 14.44 euros was the share premium (the "Issue Price").
- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 364,137.90 euros of which related to the nominal and 87,635,854.60 to the share premium.

As a consequence of this Capital Increase, the company Norbel Inversiones, S.L.'s shareholding in Laboratorios Farmacéuticos Rovi, S.L. had dropped from 69.64% to 62.10% (Note 15) at 31 December, 2018.

In May 2019, Norbel Inversiones, S.L. increased its interest in the Company's share capital. As a consequence, Norbel Inversiones, S.L. held 63.11% of the shares of Laboratorios Farmacéuticos Rovi, S.A. at 30 June, 2019 (62.10% at 31 December, 2018). This company, which has its registered office at Calle Julián Camarillo, 35, Madrid, files consolidated annual financial statements with the Madrid Companies Registry.

The Company's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and included in the Spanish Stock Exchange Interconnection System (Continuous Market).

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Changes in the consolidated group

During the year 2019 the company Rovi Biotech sp.z.o.o was established, domiciled at ul. Wincentego Rzymowskiego, 53, Warsaw (Poland) and 100% owned by Laboratorios Farmacéuticos Rovi, S.A.. During fiscal year 2019, this company recorded expenses of 25 thousand euros and, its assets, at June 30, 2019 amount to 492 thousand euros.

On April 8, 2019, the company Rovi Biotech Ltda, established in Bolivia, has been dissolved. The interim financial statements of June 30, 2019 do not therefore include this company in the scope of consolidation.

2. Bases of preparation

These condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 have been prepared in accordance with International Financial Reporting Standard No. 34 "Interim Financial Reporting" and should be read in conjunction with the consolidated annual financial statements of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries for the 2018 reporting period, prepared in accordance with the International Financial Reporting Standards endorsed by the European Union (IFRS-EU). These interim financial statements do not include all the information required for full financial statements in accordance with IFRS-EU. However, they include a series of explanatory notes that provide details of the events and transactions considered significant in order to understand the changes in the financial position and the Group's performance since the last annual financial statements. These are the first interim financial statements to which International Financial Reporting Standard (IFRS) 16 has been applied. Significant changes in accounting policies are described in Note 3.

These interim financial statements were approved by the Company's Board of Directors on 29 July, 2019.

Bases of preparation of the consolidated interim financial statements

The consolidation procedures applied are described in the consolidated annual financial statements of Rovi for the 2018 reporting period.

3. Accounting policies

Except as described below, the accounting policies applied in preparing the condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 are the same as those used in preparing the consolidated annual financial statements for the year ended 31 December, 2018 (the policy for recognising and measuring corporate income tax in the interim period is explained in Note 22), as described in said consolidated annual financial statements, and no significant estimates inconsistent with those made in the 2018 reporting period have been made.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

From among the standards, interpretations and amendments endorsed by the European Union and coming into force from 2019 onwards, the following are applicable to the Group:

- IFRS 16 “Leases” (“IFRS 16”), which replaces IAS 17 “Leases”, IFRIC 4, SIC-15 and SIC-27. It is mandatory for annual periods beginning on or after 1st January, 2019. Early adoption is permitted provided that IFRS 15 is being applied. The core novelty of IFRS 16 is that there will be a single accounting model for lessees, who will include all leases (with some limited exceptions) in their statement of financial position, with an impact similar to those of the current financial leases (right-of-use assets will be depreciated and there will be an interest cost on the lease liability, the cost accruing more quickly under IFRS 16).

IFRS 16 establishes that lessees must recognise a financial liability in the statement of financial position for the present value of the payments to be made over the remaining life of the lease agreement and an asset for the right-of-use of the underlying asset, which is measured taking the amount of the associated liability as a reference, to which the initial direct costs incurred are added. Additionally, the criterion for recognising the lease expense changes, recording it as a depreciation charge for the asset and an interest cost for discounting the lease liability. Regarding the lessor, the standard does not change the accounting substantially and the lessor must continue to classify the lease as an operating or finance lease, depending on the degree to which the risks and rewards of ownership are substantially transferred.

The Group, as a lessor of assets, has evaluated the first application of the Standard, identifying those lease agreements that may fall within the scope of IFRS 16. To do this, the Group:

- Has reviewed the lease agreements and grouped them by type: leases on real estate where it carries out its main activities, vehicle leases and computer equipment leases.
- The exemption from recognition of leases on low-value (less than 5,000 US dollars) and short-term (maturity of twelve months or less) underlying assets has been applied. In the case of computer equipment, the totality has been considered as a single underlying asset and, therefore, the low-value exemption has not been applied.
- In the case of vehicles, the present value of the payments has been determined on the basis of the current seven-month commitment.
- The Group has chosen to apply the modified retrospective approach to the transition, according to which the 2018 reporting period will not be restated.
- The Group has elected to measure the initial right-of-use of the asset at an amount equal to the lease liability at 1 January, 2019 for all the lease agreements.
- To determine the present value of the payments to be made during the remaining lives of the lease agreements and the right-of-use assets for the underlying assets, an incremental discount rate close to the Group's borrowing rate has been applied, which, at the date of initial application, was 1.5%.
- The lease term has been considered taking into account, mainly, the duration of the contracts.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

After the above analysis, the tables below summarise the impacts of the adoption of IFRS 16 on the interim financial statements at 30 June, 2019:

30 June 2019	Note	Amounts without adoption of IFRS 16	Adjustments	As reported
ASSETS				
Non-current assets		159,489	22,768	182,257
Property, plant and equipment	7	98,313	22,751	121,064
Intangible assets		47,012	-	47,012
Investment in a joint venture		2,028	-	2,028
Deferred income tax assets	14	12,001	17	12,018
Equity securities		70	-	70
Financial receivables		65	-	65
Current assets		266,864	-	266,864
Total assets		426,353	22,768	449,121

30 June 2019	Note	without adoption of IFRS 16	Adjustments	As reported
EQUITY				
Total patrimonio neto		299,358	(51)	299,307
LIABILITIES				
Non-current liabilities		25,792	19,109	44,901
Financial debt	17	15,350	19,109	34,459
Deferred income tax liabilities	14	726	-	726
Contract liabilities	18	6,317	-	6,317
Deferred income	19	3,399	-	3,399
Current liabilities		101,203	3,710	104,913
Financial debt	17	10,904	3,710	14,614
Trade and other payables	16	89,402	-	89,402
Contract liabilities	18	317	-	317
Deferred income	19	580	-	580
Total equity and liabilities		426,353	22,768	449,121

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

30 June 2019	Note	Amounts without adoption of IFRS 16	Adjustments	As reported
Revenue	20	177,536	-	177,536
Changes in inventories of finished goods and work in progress	11	20,880	-	20,880
Raw materials and consumables used		(96,938)	-	(96,938)
Employee benefit expenses		(36,753)	-	(36,753)
Other operating expenses		(40,186)	1,554	(38,632)
Amortization	7 & 8	(7,232)	(1,483)	(8,715)
Recognition of government grants on non-financial non-current assets and other		374	-	374
OPERATING PROFIT		17,681	71	17,752
Finance income		3	-	3
Finance costs		(312)	(140)	(452)
Impairment and gain or loss on measurement of financial instruments		134	-	134
Exchange difference		37	-	37
FINANCE COSTS - NET		(138)	(140)	(278)
PROFIT BEFORE INCOME TAX		17,532	(68)	17,464
Income tax	21	(1,320)	17	(1,303)
PROFIT FOR THE PERIOD		16,212	(51)	16,161

30 June 2019	Note	Amounts without adoption of IFRS 16	Adjustments	As reported
Changes in working capital:				
Trade and other payables	16	87,987	1,415	89,402
Finance expense		312	140	452
Net cash generated from (used in) operating activities		88,300	1,554	89,854
Net cash flows generated from (used in) investing activities		(22,030)	-	(22,030)
Repayments of financial debt		(9,483)	(1,554)	(11,037)
Net cash generated from (used in) financing activities		(7,861)	(1,554)	(9,415)
Net (decrease) increase in cash and cash equivalents		(28,831)	-	(28,831)
Cash and cash equivalents at the beginning of the period		95,511	-	95,511
Cash and cash equivalents at the end of the period	13	66,680	-	66,680

In the light of the Group's activity and structure, no other amendments to IFRS that come into force during the annual periods ending 31 December, 2019 are expected to have a material effect on the Group.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

4. Estimates and significant accounting judgements

The preparation of interim financial statements requires management to exercise its judgement and make estimates and assumptions that affect the application of the accounting policies and the amounts presented in the assets and liabilities and the revenues and expenses. The actual figures may differ from these estimates.

While preparing these condensed interim financial statements, the matters where management has exercised its judgement significantly and the key sources of uncertainty in the estimates were the same as those applied in the consolidated annual financial statements for the annual reporting period ended 31 December, 2018.

5. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all the information and breakdowns of the financial risk management that are mandatory for annual financial statements and, therefore, must be read in conjunction with the Group's annual financial statements for the period ended 31 December, 2018. There have been no changes in risk management or in any risk management policy in comparison with the date of the financial statements for the preceding annual reporting period.

Liquidity risk

There have been no significant changes in the non-discounted contractual cash flows for financial liabilities in comparison with the date of the financial statements for the preceding annual reporting period.

Fair value estimation

Measurement of financial instruments at market price is classified into:

- Level 1. Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2. Observable inputs for the asset or liability, either directly observable (i.e. prices) or indirectly observable (i.e. price-based), other than the quoted prices included in Level 1.
- Level 3. Inputs for the asset or liability not based on observable market data (i.e. non-observable inputs).

Measurements at market prices of the Group's financial instruments recorded at fair value, the totality of which are classified as available for sale (Note 10) and are not material for the Group, are classified as Level 1.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the annual reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of reimbursable advances without a rate of interest or with a subsidised interest rate is determined by applying the interest rate curve in force at the date of receipt of the advance to the reimbursements to be made and adding the spread normally applied in loans to the Group. For financial reporting purposes, fair value is calculated at the end of each reporting period by applying the interest rate curve in force at each year end to the payments outstanding and adding the corresponding spread. For loans at variable rates of interest, fair value has been regarded as coinciding with the amount for which they are recognised (Note 17). Measurement of reimbursable advances without an interest rate at market prices is classified as Level 2.

The fair value of the following financial assets and liabilities is approximately the same as their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables

6. Operating segment reporting

The Group's operating segments have been determined taking into account the information used by the Management Committee for decision making. This information is divided in accordance with whether it is generated by manufacturing activities or marketing activities, regardless of the geographical area where they take place. Therefore, segment identification does not stem so much from the geographical distribution of the business but rather from a differentiation between types of activity.

Thus, the segment called "manufacturing" obtains its revenue from contracts for rendering services that consist of completing the production process of pharmaceutical products for external entities and the manufacture of products to be subsequently marketed by other segments, while the "marketing" segment has the principal activity of the sale of the Group's own products or those marketed under a licence agreement to third parties.

The segment called "Other" includes other service provision activities and research and development services that are not significant for the Group.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

The segment information used by the Management Committee for the six-month period ended 30 June, 2019 and the reconciliation thereof with the figures shown in the income statement and the results of the segments reported are as follows:

	Manufacturing	Marketing	Other	TOTAL	Inter-segments transactions	Consolidated figures
Total segment revenues	90,157	185,593	-	275,750	(98,214)	177,536
Profit / (loss)	14,792	20,729	(20)	35,501	(19,340)	16,161
Corporate income tax	3,066	(846)	(7)	2,213	(910)	1,303
Profit / (loss) before tax	17,858	19,883	(27)	37,714	(20,250)	17,464
Finance costs - net	62	(16,394)	-	(16,332)	16,610	278
Amortization	3,279	5,436	-	8,715	-	8,715
EBITDA (*)	21,199	8,925	(27)	30,097	(3,640)	26,457
Amortization	(3,279)	(5,436)	-	(8,715)	-	(8,715)
EBIT (**)	17,920	3,489	(27)	21,382	(3,640)	17,742

The segment information used by the Management Committee for the six-month period ended 30 June, 2018 and the reconciliation thereof with the figures shown in the income statement and the results of the segments reported are as follows:

	Manufacturing	Marketing	Other	TOTAL	Inter-segments transactions	Consolidated figures
Total segment revenues	64,531	143,985	-	208,516	(62,207)	146,309
Profit / (loss)	6,637	13,082	(4)	19,715	(12,165)	7,550
Corporate income tax	1,118	(1,694)	(1)	(577)	54	(523)
Profit / (loss) before tax	7,755	11,388	(5)	19,138	(12,111)	7,027
Finance costs - net	7	(11,923)	-	(11,916)	12,347	431
Amortization	2,296	3,562	-	5,858	-	5,858
EBITDA (*)	10,058	3,027	(5)	13,080	236	13,316
Amortization	(2,296)	(3,562)	-	(5,858)	-	(5,858)
EBIT (**)	7,762	(535)	(5)	7,222	236	7,458

(*) EBITDA is calculated as the profit / (loss) before tax, finance costs, depreciation and amortisation.

(**) EBIT is calculated as the profit / (loss) before tax and finance costs.

Inter-segment transactions recognized as "profit / (loss)" for the six-month periods ended 30 June, 2019 and 2018 relate principally to dividends paid between Group companies.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Sales made to external customers in each segment at 30 June, 2019 were as follows:

	Manufacturing	Marketing	Other	TOTAL
Total segment revenues	90,157	185,593	-	275,750
Inter-segment revenues	(63,611)	(34,603)	-	(98,214)
Revenues from external customers (Note 20)	26,546	150,990	-	177,536

Sales made to external customers in each segment at 30 June, 2018 were as follows:

	Manufacturing	Marketing	Other	TOTAL
Total segment revenues	64,531	143,985	-	208,516
Inter-segment revenues	(41,490)	(20,717)	-	(62,207)
Revenues from external customers (Note 20)	23,041	123,268	-	146,309

Sales to external customers are broken down by product type and geographical area in Note 20.

Details of assets and liabilities by segment at 30 June, 2019 are:

	Manufacturing	Marketing	Other	TOTAL
Total assets	268,450	490,229	1,406	760,085
Of which:				
Investments in Group companies	-	9,745	-	9,745
Increases in non-current non-financial assets	4,655	17,415	-	22,070
Total liabilities	(214,505)	(229,716)	(6)	(444,227)

The assets of the aggregated segments at 31 December, 2018 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	TOTAL
Total assets	202,858	410,771	581	614,210
Of which:				
Investments in Group companies	-	8,899	-	8,899
Increases in non-current non-financial assets	11,014	15,445	-	26,459
Total liabilities	(147,128)	(166,664)	(6)	(313,798)

The assets of the aggregated segments at 30 June, 2019 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated figures
Total assets	268,450	490,229	1,406	(301,219)	(9,745)	449,121

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

The assets of the aggregated segments at 31 December, 2018 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated figures
Total assets	202,858	410,771	581	(202,611)	(8,899)	402,700

7. Property, plant and equipment

Movement on the property, plant and equipment for the six-month periods ended 30 June, 2019 and 2018 was as follows:

	Land and buildings	Technical facilities, machinery and tools	Furniture, fittings and other	IT equipment and vehicles	Total
Balance at 01.01.18					
Cost	34,296	168,410	3,236	13,721	219,663
Accumulated amortization	(17,900)	(98,178)	(2,442)	(12,087)	(130,607)
Net carrying amount 01.01.18	16,396	70,232	794	1,634	89,056
Additions	-	4,282	33	380	4,695
Disposals	-	(16)	-	-	(16)
Derecognition of amortization	-	4	-	-	4
Amortization charge	(115)	(4,000)	(55)	(474)	(4,644)
Balance at 30.06.18					
Cost	34,296	172,676	3,269	14,101	224,342
Accumulated amortization	(18,015)	(102,174)	(2,497)	(12,561)	(135,247)
Net carrying amount 30.06.18	16,281	70,502	772	1,540	89,095

	Land and buildings	Technical facilities, machinery and tools	Furniture, fittings and other	IT equipment and vehicles	Rights Of Use (Note 3)	Total
Balance at 01.01.19						
Cost	34,296	183,855	3,297	14,540	-	235,988
Accumulated amortization	(18,129)	(106,425)	(2,567)	(13,030)	-	(140,151)
Net carrying amount 01.01.19	16,167	77,430	730	1,510	-	95,837
Additions	682	6,812	8	287	-	7,789
IFRS 16 Impact 01.01.19	-	-	-	-	24,234	24,234
Amortization charge	(114)	(4,699)	(56)	(444)	(1,483)	(6,796)
Balance at 30.06.19						
Cost	34,978	190,667	3,305	14,827	24,234	268,011
Accumulated amortization	(18,243)	(111,124)	(2,623)	(13,474)	(1,483)	(146,947)
Net carrying amount 30.06.19	16,735	79,543	682	1,353	22,751	121,064

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

A majority of the additions recognised in the first six months of 2019 and 2018 related to investments in ROVI's manufacturing plants:

- 0.8 million euros were invested in the injectables plant, in comparison with the 0.9 million euros invested in the first half of 2018;
- 1.1 million euros were invested in the San Sebastián de los Reyes plant, in comparison with the 0.9 million euros invested in the first half of 2018;
- 2.4 million euros were invested in the Granada plant, in comparison with the 1.2 million euros invested in the first half of 2018;
- 2.5 million euros were invested in the Alcalá de Henares (Frosst Ibérica) plant, in comparison with the 1.2 million euros invested in the first half of 2018; and
- 1.0 million euros were related to plant maintenance investments, in comparison with the 0.5 million euros of the first half of 2018.

At 30 June, 2019 and 2018, there were no investments for which contracts had been signed that were not recognized in the condensed consolidated financial statements.

At 30 June 2019, the Group held property, plant and equipment with a value of 600 thousand euros subject to retention of title (640 thousand euros at 31 December 2018).

At 30 June 2019 and 31 December 2018, there were no impairment losses on property, plant and equipment.

The Group holds several insurance policies to cover the risks the property, plant and equipment is exposed to. The insurance cover is considered sufficient.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

8. Intangible assets

Movement on intangible assets for the six-month periods ended 30 June 2019 and 2018 was as follows:

	Development	Trademarks and licences	Computer software	Total
Balance at 01.01.18				
Cost	8,737	21,920	10,548	41,205
Accumulated amortization	(308)	(4,865)	(8,954)	(14,127)
Net carrying amount 01.01.18	8,429	17,055	1,594	27,078
Additions	47	10	312	369
Amortization charge	(90)	(787)	(337)	(1,214)
Balance at 30.06.18				
Cost	8,784	21,930	10,860	41,574
Accumulated amortization	(398)	(5,652)	(9,291)	(15,341)
Net carrying amount 30.06.18	8,386	16,278	1,569	26,233
	Development	Trademarks and licences	Computer software	Total
Balance at 01.01.19				
Cost	8,860	30,930	11,484	51,274
Accumulated amortization	(489)	(6,432)	(9,703)	(16,624)
Net carrying amount 01.01.19	8,371	24,498	1,781	34,650
Additions	6	13,998	277	14,281
Amortization charge	(227)	(1,294)	(398)	(1,919)
Balance at 30.06.19				
Cost	8,866	44,928	11,761	65,555
Accumulated amortization	(716)	(7,726)	(10,101)	(18,543)
Net carrying amount 30.06.19	8,150	37,202	1,660	47,012

The caption "Trademarks and licences" includes assets with an indefinite useful life for a value of 5,366 thousand euros at 30 June, 2019 and 31 December, 2018. Management tests these assets annually for indications of impairment, although none has materialized to date. At 31 December, 2018, the recoverable value of these assets was significantly higher than the carrying amount and, therefore, the Group did not re-estimate their recoverable value at 30 June, 2019, since no events that could have eliminated the aforementioned difference had taken place.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Additionally, this caption contains ROVI's investment of 13.5 million euros in the acquisition of Polaramine® in the first half of 2019.

At 30 June, 2019 and 2018, the assets included under the "Development" caption were related to the development of a low-molecular-weight heparin -an enoxaparin biosimilar- sales of which commenced in 2017. Commencement of the amortization of this asset was determined by the successful completion, in the first quarter of 2017, of the decentralized procedure used by the Group to apply for marketing authorization in twenty-six European Union countries. The useful life of this intangible asset is 20 years and no indications of impairment had been detected at either 30 June, 2019 or 31 December, 2018.

There were no impairment losses on intangible assets at either 30 June, 2019 or 31 December, 2018.

Total research and development expenses incurred in the six-month period ended 30 June, 2019 were 14,726 thousand euros (16,769 thousand euros in the same period of 2018). These expenses were mainly concentrated on the ISM® platform. Of the total research and development expenditure incurred in the first six months of 2019, 3,942 thousand were recognized under the "Employee benefit expenses" caption (4,932 thousand euros in the first half of 2018) and 10,784 thousand euros under "Other operating expenses" (11,837 thousand euros in the same period of 2018).

9. Investments in joint ventures

Movement on investments in joint ventures in the period was as follows:

	30 June 2019	30 June 2018
Balance at beginning of period/year	2,038	2,054
Share in profits/(losses)	(10)	(25)
Balance at end of period/year	2,028	2,029

The nature of this investment in joint ventures at 30 June, 2019 and 31 December, 2018 was as follows:

Name	Country of incorporation	% interest	Nature of the relationship	Measurement method
Alentia Biotech, S.L.	Spain	50%	a)	Equity
Enervit Nutrition, S.L.	Spain	50%	b)	Equity

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

a) Alentia Biotech, S.L.

In 2010, the company Alentia Biotech, S.L. (Alentia) was created, 100% held by ROVI. In February 2012, the effective sale of 50% of the shares in Alentia Biotech, S.L. by Laboratorios Farmacéuticos Rovi, S.A. to Grupo Ferrer Internacional, S.A. took place and Alentia became a joint venture held by these two companies at 50% each.

b) Enervit Nutrition, S.L.

In the first half of 2016, ROVI contributed assets consisting of the distribution rights of the *EnerZona* products in Spain and the know-how related to the promotion, distribution and sale of these products to a newly-created subsidiary (Enervit Nutrition, S.L.), which was the vehicle responsible for promoting these products. Said company was incorporated in January 2016 with an initial share capital of 3 thousand euros, 100%-held by Laboratorios Farmacéuticos Rovi, S.A. It was incorporated with the intention of marketing the *EnerZona* products, for which ROVI held exclusive marketing rights in Spain, and exploring and, if applicable developing, new market possibilities for dietetic and food supplements.

ROVI and Enervit S.p.A. agreed to create a joint venture between them to carry out the project. To do this, under certain agreements, ROVI lost control of its subsidiary Enervit Nutrition, S.L, which, instead of being 100%-owned by ROVI, became a joint venture under joint control with Enervit, S.p.A. The agreements were signed on 16 March 2016.

In July 2018, Enervit S.p.A. exercised a call option it held on 1% of the shares of Enervit Nutrition, S.L. for a sum of 50 thousand euros. When the option was exercised, the value at which these shares were recognised in ROVI was 40 thousand euros, generating a profit of 10 thousand euros on the transaction. With this sale, ROVI's percentage interest in Enervit Nutrition, S.L. dropped from 51% to 50%.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Condensed financial information

The condensed statement of financial position and condensed statement of comprehensive income for Alentia Biotech, S.L. and Enervit Nutrition, S.L. at 30 June, 2019 and 31 December, 2018 are as follows:

	30 June 2019		31 December 2018	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Condensed statement of financial position				
Current				
Cash and cash equivalents	102	112	102	245
Other current assets (excluding cash)	6	2,803	6	2,542
Total current assets	108	2,915	108	2,787
Financial liabilities (excluding trade payables)	-	(733)	-	(1,342)
Other current liabilities (including trade payables)	-	(1,545)	-	(910)
Total current liabilities	-	(2,278)	-	(2,252)
Non-current				
Property, plant and equipment	-	20	-	21
Intangible assets	-	3,371	-	3,478
Other financial assets	-	5	-	5
Deferred income tax assets	-	37	-	37
Total non-current assets	-	3,433	-	3,541
Financial liabilities	(2,200)	-	(2,200)	-
Other liabilities	-	(14)	-	-
Total non-current liabilities	(2,200)	(14)	(2,200)	-
NET ASSETS	(2,092)	4,056	(2,092)	4,076

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Condensed statement of comprehensive income	30 June 2019		30 June 2018	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Revenue	-	3,543	-	3,869
Raw material and consumables used	-	(2,690)	-	(2,729)
Employee benefit expenses	-	(360)	-	(532)
Other operating expenses	-	(405)	(2)	(517)
Amortization	-	(108)	-	(107)
Profit / (loss) before tax	-	(20)	(2)	(16)
Finance costs-net	-	-	-	(27)
Corporate income tax	-	-	-	(6)
Profit / (loss) for the period	-	(20)	(2)	(49)
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	(20)	(2)	(49)
Dividends received from joint ventures	-	-	-	-

Reconciliation of the condensed financial information

Reconciliation of the condensed financial information presented with the carrying amount of the interests in the joint ventures at 30 June, 2019:

Condensed financial information	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Joint ventures net assets at beginning of period	(2,092)	4,076
Profit / (loss) for the period	-	(20)
Joint ventures net assets at end of period	(2,092)	4,056
Interest in a joint venture	-	2,028
Carrying amount	-	2,028

Enervit Nutrition, S.L. and Alentia Biotech, S.L. are private entities and, therefore, no quoted market price is available for their shares.

The Group has no commitments or contingent liabilities in relation to its joint ventures.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

10. Variable-income securities

	30 June 2019	30 June 2018
Beginning of the period	70	69
Net gains/(losses) recognized in equity	-	-
End of the period	70	69
Less: non-current portion	70	69
Current portion	-	-

Variable-income securities include:

	30 June 2019	31 December 2018
Unlisted securities		
– Variable-income securities (equity securities)	59	59
Listed securities:		
– Investment funds and equity securities	11	11
	70	70

At 30 June, 2019 and 31 December, 2018, these securities were denominated in euros.

11. Inventories

	30 June 2019	31 December 2018
Raw materials and other consumables	40,461	36,134
Work in progress and semi-finished goods	47,849	23,912
Finished goods produced internally	19,130	22,187
Commercial products	14,143	12,628
Advance of suppliers	151	-
	121,734	94,861

In the six-month period ended 30 June, 2019, the Group wrote down the value of its inventories by 1,378 thousand euros as a result of product obsolescence and expiration. The write-down of the value of inventories is recognised under the “Procurements” and “Changes in inventories of finished goods and work in progress” caption of the income statement. During the first six months of 2018, the Group wrote down its inventories by 2,304 thousand euros.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

The inventories purchase/sale commitments for the Group at the end of the period were as normal in its course of its business. Management estimates that meeting these commitments will not generate losses for the Group. The Group holds insurance policies to cover the risks the inventories are exposed to. The insurance cover is considered sufficient.

12. Trade and other receivables

The breakdown of customers and other accounts receivable is as follows:

	30 June 2019	31 December 2018
Trade receivables	63,778	52,052
Less: loss allowance	(638)	(1,099)
Trade receivables - Net	63,140	50,953
Deposits	1,396	1,394
Other receivables	5,747	7,898
Total	70,283	60,245
Less: non-current portion: financial receivables	65	65
Current portion	70,218	60,180

At 30 June, 2019, deposits included deposits of 1,396 thousand euros at an interest rate lower than 1% (1,394 thousand euros at 31 December, 2018). 1,327 thousand euros of these deposits is pledged in favour of Banco Santander. The Group considers the credit risk associated to these deposits to be low and, therefore, has not recognised any expected losses in relation thereto.

Movement on the reserve for customer bad debts during the periods reported was as follows:

	30 June 2019	30 June 2018
Beginning of the period/year	1,099	1,837
Net remeasurement of loss allowance	(461)	(78)
Amounts written off	-	(304)
End of the period/year	638	1,455

13. Cash and cash equivalents

	30 June 2019	31 December 2018
Cash at bank and on hand	66,680	95,511
	66,680	95,511

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

14. Deferred taxes

Gross movement on the deferred tax accounts was as follows:

	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
At 1 January 2018	11,893	(1,438)	10,455
(Charged)/credited to profit and loss	1,290	501	1,791
(Charged)/credited to equity	-	-	-
At 30 June 2018	13,183	(937)	12,246
	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
At 1 January 2019	16,036	(1,243)	14,793
(Charged)/credited to profit and loss	(4,018)	517	(3,501)
(Charged)/credited to equity	-	-	-
At 30 June 2019	12,018	(726)	11,292

15. Share capital, share premium and treasury shares

Share capital and share premium

	No. shares	Face value (euros)	Total share capital (thousands)
At 1 January, 2018	50,000,000	0.06	3,000
Balance at 31 December, 2018	56,068,965	0.06	3,364
At 1 January, 2019	56,068,965	0.06	3,364
Balance at 31 December, 2019	56,068,965	0.06	3,364

In October 2018, the Company conducted a capital increase charged to cash contributions with exclusion of preferential subscription rights ("the Capital Increase"). The final terms of this increase were as follows:

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares that were already in issue (the "New Shares").
- The price of issue of the New Shares was fixed at 14.50 per shares, 0.06 euros of which related to the nominal value, while 14.44 euros was the share premium (the "Issue Price").

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 364,137.90 euros of which related to the nominal value and 87,635,854.60 to the share premium.

As a consequence of this Capital Increase, the company Norbel Inversiones, S.L.'s shareholding in Laboratorios Farmacéuticos Rovi, S.L. dropped from 69.64% to 62.10% at 31 December, 2018.

In May 2019, Norbel Inversiones, S.L. increased its interest in the Company's share capital, as a result of which, at 30 June, 2019, Norbel Inversiones, S.L. held 63.11% of the shares of Laboratorios Farmacéuticos Rovi, S.A. Norbel Inversiones, S.L. is owned by Juan López-Belmonte López (20.00%) and Juan, Iván and Javier López Belmonte Encina (26.67% each). Therefore, at 30 June, 2019, Mr Juan López-Belmonte López held an interest of 12.62% in the share capital of Laboratorios Farmacéuticos Rovi, S.A. (12.42% at 31 December, 2018), while Messrs Juan, Iván and Javier López-Belmonte Encina each held 16.83% (16.56% at 31 December, 2018).

All the shares issued are fully paid up.

Treasury shares

In the first six months of 2019, the Group acquired a total of 88,315 of its own shares (29,923 in the first six months of 2018)), paying the sum of 1,631 thousand euros for them (490 thousand euros at 30 June, 2018). Likewise, in the first six months of 2019, it sold a total of 96,765 of its own shares (24,069 in the first six months of 2018) for a sum of 1,797 thousand euros (397 thousand euros in 2018). These shares had been acquired at a weighted average cost of 1,260 thousand euros (297 thousand euros in 2018), giving rise to a profit of 537 thousand euros on the sale (100 thousand euros in 2018), which was taken to reserves in 2019. At 30 June, 2019, the Group held 686,605 treasury shares (691,037, at 30 June, 2018).

16. Trade and other payables

	30 June 2019	31 December 2018
Trade payables	68,501	47,875
Dividends payable (Note 24)	4,474	-
Other payables	16,427	20,290
	89,402	68,165

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

At 30 June, 2019, the "Other payables" caption included the following liabilities:

	30 June 2019	31 December 2018
Returns	857	898
Contribution to the public healthcare system	6,346	6,222
Other liabilities	98	107
	7,301	7,227

Contribution to public health system

In Spain, in accordance with Law 29/2006, all companies that sell prescription pharmaceuticals or other health products paid with public funds must make payments of between 1.5% and 2.0% of their sales (depending on the volume) into the National Health System. This is a levy aimed to adjust the margin on a regulated activity through the price intervention established by the Law. The Group recognises the contribution to the public health system as a reduction in revenue when the sale is made. Sums accrued but not yet paid are recognised under the "Other payables" caption.

Although these amounts should not be considered as returns or refunds to customers, they are recognised as a reduction in revenue because the objective of the Law is to regulate the prices and margins obtained for these products.

17. Financial debt

The breakdown of financial debt at 30 June, 2019 and 31 December, 2018 was as follows:

	30 June 2019	31 December 2018
Non-current financial debt	34,459	16,589
Current financial debt	14,614	17,635
	49,073	34,224

Movement on the financial debt for the six-month periods ended 30 June, 2019 and 2018 was as follows:

Six-month period ending 30 June 2019:	Net carrying amount 01.01.2019	IFRS 16 Impact 01.01.19	Additions	Payments	Net carrying amount 30.06.2019
Bank borrowings (a)	22,716	-	-	(8,845)	13,871
Debt with government entities (b)	11,508	-	1,275	(400)	12,383
Financial leasing	-	24,234	-	(1,415)	22,819
	34,224	24,234	1,275	(10,660)	49,073

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Six-month period ending 30 June 2018:	Net carrying amount				Net carrying amount
	01.01.2018	Additions	Disposals	Payments	30.06.2018
Bank borrowings (a)	30,938	-	-	(5,032)	25,906
Debt with government entities (b)	12,299	1,615	(7)	(1,355)	12,552
	43,237	1,615	(7)	(6,387)	38,458

a) Bank borrowings

The conditions and maturities of loans granted by banks did not change in the first six months of 2019.

At 31 December, 2018, the Group complied with the financial ratios established in the financing agreement signed with the European Investment Bank (EIB). These ratios were certified in the first six months of 2019.

b) Debt with government entities

Since 2001, the Company has been receiving reimbursable grants from different Ministries to finance a number of R&D projects. These transactions do not accrue interest and have been recognised at their initial fair values. The difference between the initial fair value and the face value accrues at market interest rates (Euribor and the interest rate on Spanish Treasury debt plus a spread in accordance with the Group's risk).

b.1) Loans received in the first six months of 2019 were the following:

Company	Government entity	Project	Thousands of euros		Years	
			Face value	Initial fair value	Repayment period	Grace period
ROVI	Industrial Technological Development Centre	(1)	160	136	3	4
ROVI	Industrial Technological Development Centre	(1)	644	548	10	4
ROVI	Industrial Technological Development Centre	(1)	712	591	10	4
			1,516	1,275		

(1) Finances the projects to develop drugs with ISM technology.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

b.2) Loans received in the first six months of 2018 were the following:

Company	Government entity	Project	Thousands of euros		Years	
			Face value	Initial fair value	Repayment period	Grace period
ROVI	Industrial Technological Development Centre	(1)	4	3	10	4
ROVI	Industrial Technological Development Centre	(1)	160	136	7	3
ROVI	Industrial Technological Development Centre	(1)	956	799	7	3
ROVI	Industrial Technological Development Centre	(1)	734	611	7	3
ROVI	Industrial Technological Development Centre	(1)	79	66	7	3
			1,933	1,615		

(1) Finances the projects to develop drugs with ISM technology.

Fair value of financial debt

The carrying amounts and fair values of non-current bank borrowings and debt with government entities at 30 June, 2019 and 31 December, 2018 were as follows:

	Carrying amount		Fair Value	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Bank borrowings	4,999	7,113	4,999	7,061
Debt with government entities	10,351	9,476	11,147	10,002
Financial leasing	19,109	-	19,109	-
	34,459	16,589	35,255	17,063

The fair values of current financial debt are equal to their nominal amounts, since the effect of discounting is not significant. The fair values are based on cash flows discounted at a rate of 1.5%, based on the borrowing rate (1.5% in 2018).

In the six-month period ended 30 June, 2019, the fair value and the carrying amount of bank borrowings coincide, since the effect of discounting is not significant. To calculate the fair value of fixed-rate non-current bank borrowings at the end of 2018, the interest rate on the last variable-interest-rate loan received by the Company was taken as a reference: Euribor at 3 months plus a spread of 0.844%.

18. Contract liabilities

During the six-month period ending 30 June 2019 new contract liabilities on distribution licenses of 143 thousand euros (2,910 thousand euros at 30 June, 2018) were recognized in relation to new distribution licenses contracts.

In the first six months of 2019, ROVI recognised total revenue of 931 thousand euros (38 thousand euros at 30 June, 2018) for distribution licences.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

At 30 June, 2019 and at 31 December, 2018 the contract liabilities related to distribution licences matured as follows:

	30 June 2019	31 December 2018
2019	154	359
2020	1,015	703
2021	1,123	992
2022	1,261	1,192
2023	442	872
2024	3	-
	<hr/> 3,998	<hr/> 4,118
Non-current	3,681	3,759
Current	<hr/> 317	<hr/> 359

At 30 June 2019 there were contract liabilities on distribution licences amounting to 2,636 thousand euros (3,605 thousand euros at 30 June, 2018), for which the timing of revenue recognition in the income statement could not be determined as they are subject to meeting certain milestones with undetermined dates.

19. Deferred income

	30 June 2019	31 December 2018
Non-current		
Deferred income on grants	3,399	3,621
	<hr/> 3,399	<hr/> 3,621
Current		
Deferred income on grants	580	553
	<hr/> 580	<hr/> 553
	<hr/> 3,979	<hr/> 4,174

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Deferred income on grants

Movement on deferred income on grants in the six-month periods ended 30 June, 2019 and 2018 was as follows:

	30 June 2019	31 December 2018
Beginning of the period	4,174	4,656
Net gains/(losses) recognized in the P&L account	(283)	(405)
Additions	127	374
Eliminations	(39)	(6)
End of the period	3,979	4,619

20. Revenues

The breakdown of revenues is as follows:

	30 June 2019	30 June 2018
Sale of goods (*)	150,859	123,230
Sale of services	26,546	23,041
Revenues from distribution licences	131	38
	177,536	146,309

(*) Sales of goods at 30 June 2019 included 125 thousand euros related to promotion services for third-party products.

The total amount of sale of goods was reduced by 8,596 thousand euros in the first six months of 2019 (8,070 thousand euros at 30 June, 2018) as a consequence of discounts to the National Health System.

The breakdown of "Sale of goods" by product group (in the marketing segment) was as follows:

	30 June 2019	30 June 2018
Prescription pharmaceutical products	132,380	106,681
Contrast agents and other hospital products	16,736	15,334
Non-prescription pharmaceutical products	1,111	742
Other	632	473
	150,859	123,230

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

The revenue disaggregated by primary geographical market and reportable segment at 30 June 2019 is shown below:

	Manufacturing	Marketing	TOTAL
Spain	5,744	108,605	114,349
EU	19,502	37,120	56,622
Other countries	1,300	5,265	6,565
	26,546	150,990	177,536

At 30 June 2018 the breakdown was as follows:

	Manufacturing	Marketing	TOTAL
Spain	5,411	98,318	103,729
EU	16,979	17,233	34,212
Other countries	651	7,717	8,368
	23,041	123,268	146,309

21. Other expenses

In the first half of 2018, operating profit was affected by non recurring expenses of 2,636 thousand euros related to:

- The study and analysis of potential corporate operations, amounting to 1,542 thousand euros. This amount was recognized under the "Other operating expenses" caption.
- A compensation for a substantial change to the Frosst Ibérica employees' working conditions, amounting to 1,094 thousand euros. This amount was recognized under the "Employee benefit expenses" caption.

22. Income tax

The tax rate applied in 2019 and 2018 is 25%.

The breakdown of the corporate income tax expense in the income statement is as follows:

	30 June 2019	30 June 2018
Current tax for the period	(2,301)	1,269
Deferred tax for the period	3,501	(1,791)
Adjustment prior years' corporate income tax expense	103	(1)
	1,303	(523)

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

The income tax expense recognised in the interim financial statements is the result of multiplying the profit before tax for the period reported by Management's best possible estimate of the effective tax rate forecast for the entire annual period. As such, the effective tax rate in the interim financial statements may differ from Management's estimate of the effective tax rate for the consolidated annual financial statements.

The effective tax rate was 7.5% in the first six months of 2019, compared with -7.4% in the same period of 2018.

At 31 December 2018, ROVI's total negative tax bases amounted to 36,335 thousand euros, 1,424 thousand euros of which will be applied in the 2018 income tax and 982 thousand euros in the first half of 2019.

One of the consequences of possible different interpretations of current tax legislation is that additional liabilities could arise as a result of an inspection. However, the directors consider that, if any such liabilities were to arise, they would not have a material effect on the financial statements.

23. Earnings per share

	30 June 2019	30 June 2018
Profits attributable to company shareholders (thousands of euros)	16,161	7,550
Weighted average number of ordinary shares in issue (thousands)	55,275	49,316
Basic earnings per share (euros per share)	0.29	0.15

There has been no event that could cause a dilution of the earnings per share.

24. Dividends

- On 12 June 2019, the General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. approved the distribution of the 2018 profit, which included a gross dividend per share of 0.0798 euros, representing a maximum dividend of 4,474 thousand euros. At 30 June, 2019, this amount was recognised under the caption "Trade and other payables" (Note 16).
- On 29 May 2018, the General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. approved the distribution of the 2017 profit, which included a gross dividend per share of 0.1207 euros, representing a maximum dividend of 6,035 thousand euros. At 30 June, 2018, this amount was recognised under the caption "Trade and other payables" (Note 16). This dividend was paid out in July 2018.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

25. Related-party transactions

a) Sales of goods and services

	30 June 2019	30 June 2018
Sale of goods:		
– Joint ventures	-	62
	-	62

b) Purchases of goods and services

	30 June 2019	30 June 2018
Services received		
– Joint ventures	-	100
– Shareholders and members of the Board of Directors	12	12
– Companies in which Mr. Juan López-Belmonte López holds an ownership interest	958	1,017
Purchases of goods:		
– Joint ventures	-	41
	970	1,170

Services received from entities in which Mr Juan López-Belmonte López holds an ownership interest relate mainly to operating leases provided by the companies Inversiones Borbollón, S.L. and Norba Inversiones, S.L.

The services recognized under the “Joint Ventures” caption at 30 June, 2018 related to product promotion services received.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

c) Remuneration of key management and Board members

	30 June 2019	30 June 2018
Salaries and other short-term benefits		
- As members of the Board of Directors	255	255
- As key management	1,572	1,533
Contributions to defined-contribution plans		
- Key management	14	14
	1,841	1,802

The remuneration of the executive directors for their management duties are included in the “Key management” section. At 30 June, 2019, the Management Committee was formed by 13 members (13 at 30 June, 2018).

As of June 30, 2018 ROVI had a Long-Term Incentive Plan for executive directors for the years 2016 to 2018. The objective of this plan was compensation for the long-term creation of value for the Group, in order to serve the interests of shareholders. The amounts accrued by said plan as of December 31, 2018 have been paid in the first quarter of 2019.

On May 29, 2018, the General Meeting of Shareholders approved a new Incentive Plan for the years 2019 to 2021, with similar characteristics to the end. The amounts accrued by this plan during the first half of 2019 have been recorded as of June 30, 2019.

26. Seasonality

The Group has no sales that are subject to significant variations in the course of its annual reporting period. The Group's principal products are sold on a regular basis throughout the year.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

27. Other significant information

a) First six months of 2019

ROVI announces completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia

ROVI informed (by publication of the relevant fact number 279907 dated 5th of July of 2019) about the conclusion of the PRISMA-3¹ and BORIS² studies, thus completing the Clinical Research Program for Risperidone ISM®, in which more than 679 subjects participated. All the data collected and analyzed in this Program will be included in the registration dossier to apply for marketing authorization for Doria® for the treatment of schizophrenia in the European Union and United States, in a first phase, and, subsequently, in other countries.

As the company announced on 19 March, 2019, the final results of the pivotal PRISMA-3 clinical study confirm the superiority of Risperidone ISM®, a novel investigational antipsychotic for the treatment of schizophrenia with once-monthly injections, in comparison with the placebo. The prespecified primary efficacy endpoint in the study was the mean total score on the Positive and Negative Syndrome Scale (PANSS) after twelve weeks. The reductions in comparison with the baseline values obtained in the PANSS with monthly doses of 75 mg or 100 mg of Risperidone ISM® were statistically higher than those observed with placebo ($p < 0.0001$).

Likewise, both dosage strengths of Risperidone ISM® (75 mg and 100 mg, once monthly) showed reductions that were statistically higher than those of the placebo ($p < 0.0001$) in the total score on the Clinician Global Impression-Severity (CGI-S) scale, at week 12, which was the prespecified key secondary efficacy endpoint in the study.

Additionally, ROVI will include long-term safety data on more than 100 patients exposed to at least one year of treatment with Doria® in the registration dossier, as recommended in the International Conference on Harmonization (ICH) Guideline E1.

Lastly, ROVI has also announced the completion of the BORIS clinical trial, aimed to compare the bioavailability of multiple doses of oral risperidone with multiple doses of Risperidone ISM® in stable schizophrenic patients. The results of this study will provide support to the registration of Doria® with the FDA (Food and Drug Administration) and EMA (European Medicines Agency) as a hybrid application^{3,4}, i.e. based partly on own studies and partly on previously done with reference medicine.

“After successfully completing the Doria® Clinical Trial Program, we are now closer to marketing it and hope to file an application for marketing authorization for Doria® with the EMA and FDA in the very near future”, said Juan López-Belmonte, ROVI’s CEO. “Once again, I want to thank all the patients, their caregivers and the investigators for their participation in this extensive clinical program and we hope that we will soon be able to contribute to the therapeutic arsenal to combat this severe, chronic and disabling disease”.

¹ <https://clinicaltrials.gov/ct2/show/NCT03160521>

² <https://clinicaltrials.gov/ct2/show/NCT03527186>

³ NDA 505(b)(2) Section of Federal Food, Drug, and Cosmetic Act

⁴ Hybrid Application, Article 10(3) – Directive 2001/83/EC

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

ROVI will market TEVA's osteoporosis treatment for adults Tetridar® (teriparatide) in Spain

ROVI informed (by publication of the relevant fact number 276997 dated 11th of April of 2019) about the future marketing of Teva Pharmaceutical Industries Ltd. (TEVA)'s medicine Tetridar® (teriparatide) for the treatment of osteoporosis in adults in Spain.

Tetridar®, an injection containing the active substance teriparatide, is used to increase bone strength and reduce the risk of fracture by stimulating bone formation.

Marketing of this pharmaceutical by ROVI is expected to commence in the third quarter of 2019. Under the agreement between the two companies, ROVI will be responsible for the promotion and distribution of Tetridar® in Spanish territory for a five-year period as of the date on which marketing commences, which may subsequently be extended for a further five years.

Osteoporosis is a disease that weakens bones and makes them fragile. This disease is especially frequent in post-menopausal women, but may also affect men. In addition, osteoporosis often occurs in patients treated with corticosteroids.

According to the data of the specialised healthcare management consultant Iqvia, in the twelve months up to February 2019 (MAT February 2019), sales of the original teriparatide molecule in Spain totalled 69.2 million euros.

ROVI Announces Positive Topline Results from Phase 3 study of Doria® in Patients with Schizophrenia

ROVI informed (by publication of the relevant fact number 276197 dated 19th of March of 2019) about topline results from the pivotal study PRISMA-3, a multicenter, randomized, placebo-controlled phase 3 trial of Doria® (Risperidone ISM®), a novel investigational once-monthly injectable antipsychotic for the treatment of schizophrenia. In this study, patients treated with once-monthly doses of either 75 mg or 100 mg of Doria®, obtained statistically significant reductions from baseline ($p < 0.0001$) compared to placebo in the Positive and Negative Syndrome Scale (PANSS) total score at week 12, which was the prespecified primary efficacy endpoint in the trial. As expected, the final clinical report will be available by June 2019.

“The positive results of the PRISMA-3 study provide the clinical evidence that Risperidone ISM® allows for a meaningful control of schizophrenia symptoms in patients with an acute illness exacerbation, using once-monthly injection and without needing loading doses or oral supplementation” stated Christoph Correll, M.D., Professor of Psychiatry and Molecular Medicine at the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell in Hempstead, New York. “In view of these results that also documented a favorable safety profile consistent with data known from oral risperidone, I believe that Risperidone ISM®, if approved, may represent a first-line therapeutic option for those schizophrenia patients in whom prescribers, patients and families consider risperidone to be the treatment of choice”.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

Both doses of Risperidone ISM® (once-monthly 75 mg and 100 mg), compared to placebo, also showed statistically significant improvement ($p < 0.0001$) in the total score of the Clinical Global Impressions-Severity scale (CGI-S) at 12 weeks, which was the pre-specified key secondary efficacy endpoint in the study.

"It is a great satisfaction to have obtained such good and robust efficacy and safety results with Doria®, which we consequently hope will allow us to make rapid progress with the registration in the US and Europe," said Juan Lopez-Belmonte, CEO of ROVI. "We want to especially thank patients, their caregivers and investigators for their participation in the study, since they have allowed us to get closer to being able to offer a novel therapeutic option that can help improve the management of schizophrenia, a still all too often serious, chronic and disabling disease".

Based on these positive results, and the remaining data of the product, ROVI is progressing in its plans to submit an NDA (New Drug Application) to the FDA (Food and Drug Administration) in the second half of 2019.

ROVI acquires rights to Dexchlorpheniramine Maleate in the Spanish and French markets

ROVI informed (by publication of the relevant fact number 274737 dated 15th of February of 2019) that it has reached an agreement with a subsidiary of Merck Sharp and Dohme ("MSD") whereby it acquires certain rights to MSD's dexchlorpheniramine maleate product line in Spain and France, allowing it to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the brand name POLARAMINE®, and cream, marketed under the brand name POLARACREM™) and, in France, in its injectable form (ampoules).

This line of products belongs to a group of medicines known as antihistamines used for symptomatic treatment of seasonal and perennial allergic rhinitis; vasomotor rhinitis; allergic conjunctivitis; mild, uncomplicated allergic cutaneous manifestations of urticaria or angioedema; and reactions to blood or plasma. It is also indicated, together with adrenalin or other appropriate measures, for treatment of anaphylactic reactions after the acute manifestations have been controlled. These products often relieve cutaneous manifestations such as allergic eczema, atopic and contact dermatitis, insect bites, dermographisms and drug reactions.

According to MSD, net sales of these products in Spain and France, were approximately 6.3 million US dollars in 2017.

ROVI paid MSD 13.5 million euros for the product.

Under this agreement, this line of products will be marketed directly by ROVI in Spain in its different pharmaceutical forms and, in France, in its injectable form, when the administrative procedures to authorise the transfer of the marketing authorisations have been concluded at the Spanish Medicines Agency and the French Agency for the Safety of Medicines and Health Products.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

ROVI acquires Falithrom® for the German market

ROVI informed (by publication of the relevant fact number 273591 dated 9th of January of 2019) about the acquisition of Falithrom®, which was owned by Hexal AG (“Hexal”), a company belonging to the Sandoz division of Novartis, to be directly marketed by ROVI in Germany.

Falithrom® is used for the prevention and treatment of thromboembolic disease including venous thrombosis, thromboembolism, and pulmonary embolism as well as for the prevention of ischemic stroke in patients with atrial fibrillation (AF).

According to IQVIA, the 2017 net sales of the product in Germany totalled around 3.5 million euros. ROVI will pay Hexal nine million euros for the product.

Under this agreement, Falithrom® will be directly marketed by ROVI in Germany as soon as the administrative processes to authorize the transfer of the marketing authorization are completed before the Federal Institute for Drugs and Medical Devices (BfArM).

b) First six months of 2018

ROVI commences marketing of its enoxaparin biosimilar in Germany and the United Kingdom and reaches a distribution and marketing agreement with Hikma

ROVI reported (in price-sensitive information dated 7 March, 2017, with register No. 249265) the completion, with a positive result of the decentralised procedure used by the Company to apply for marketing authorisation for a low-molecular-weight heparin (enoxaparin biosimilar) in twenty-six European Union countries.

In the decentralised procedure, Germany acted as Reference Member State (RMS). The national phase of the registration process, which is likely to conclude with the granting of marketing authorisation by the respective competent national authorities in each country, commenced in the first half of 2017 and continued throughout 2017 and for the first six months of 2018.

In September 2017, ROVI informed the market, by publishing price-sensitive information (register No. 256121) of the commencement of marketing of its enoxaparin biosimilar in Germany, the first country in which ROVI launched the biosimilar and one of the main countries of the enoxaparin market in Europe (in terms of both volume and value). In the first half of 2018, ROVI began to market its enoxaparin biosimilar in the United Kingdom and Italy.

At 30 June, 2018, the countries that had approved the national registration of the enoxaparin biosimilar were Germany, France, the United Kingdom, Italy, Spain, Portugal, Belgium, Finland, Norway, Sweden, Austria, Hungary, Slovenia, Estonia, Latvia, Slovakia, Bulgaria, Romania, Croatia, the Czech Republic and Denmark.

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

In April 2018, ROVI signed an agreement with Hikma Pharmaceuticals PLC, a listed multinational pharmaceutical group, for the exclusive distribution and marketing of its enoxaparin biosimilar in 17 MENA (Middle East and North Africa) countries⁵: Saudi Arabia, Jordan, Algeria, Egypt, Tunisia, Sudan, Syria, Yemen, Iraq, Oman, United Arab Emirates, Kuwait, Qatar, Bahrain, Libya, Palestine and Lebanon.

Likewise, in June 2018, ROVI announced signature of an agreement with Sandoz, a division of Novartis AG and a world leader in generic medicines and biosimilars, for the distribution and marketing of its enoxaparin biosimilar in 14 countries/regions (Australia, New Zealand, Philippines, Hong Kong, Singapore, Vietnam, Malaysia, Canada, South Africa, Brazil, Colombia, Argentina, Mexico and Central America). Under this agreement, ROVI granted Sandoz an exclusive licence to market the product in three of these countries: Hong Kong, Singapore and Vietnam.

In addition to Europe, as of July 2018, ROVI had agreements signed for the marketing of its enoxaparin biosimilar in 45 countries.

ROVI will continue to report on the milestones it considers important in the authorisation process, as the calendar for registration of the medicine advances in each country.

ROVI updates on the progress of the pivotal PRISMA 3 study of DORIA® (Risperidone ISM®)

ROVI reports that, after a pre-specified interim analysis of the pivotal PRISMA-3 study of the monthly injectable formulation of Risperidone®, the name of which is DORIA®, a Data Monitoring Committee (DMC) has recommended continuing with the clinical trial without the need to increase the number of randomised patients currently envisaged.

The PRISMA-3 study is a multicentre, randomised, double-blind, placebo-controlled clinical trial to evaluate the efficacy and safety of once-monthly intramuscular injections of DORIA® in patients with acute exacerbation of schizophrenia⁶. Patient recruitment commenced in May 2017, as we reported previously in price-sensitive information published on 25 October, 2017, with register No. 257753.

As planned, the Company conducted an open-label interim analysis at the moment when approximately 50% of the randomised patients had reached day 85 of the study (or had withdrawn previously), in order to re-estimate the size of the sample necessary for the final analysis. In this respect, an independent Data Monitoring Committee received the unblinded data from the interim analysis and concluded that the clinical trial could continue without increasing the size of the study sample, sending the results to ROVI in blinded format.

Consequently, the Company plans to file an NDA (*New Drug Application*) -United States registration dossier- in the second half of 2019.

⁵ The agreement does not include Morocco and the distribution is semi-exclusive in Lebanon.

⁶ <https://clinicaltrials.gov/ct2/show/NCT03160521>

Free translation of the condensed consolidated interim financial statements issued in Spanish and prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2019 (thousands of euros)

28. Events after the reporting date

No significant event has taken place since 30 June, 2019.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

Mr. Juan López-Belmonte López, as Board of Directors Chairman of Laboratorios Farmacéuticos Rovi, S.A. (Rovi) issues the following management report in accordance with Article 262 and 148.d) of the Spanish Capital Company Act ("Ley de Sociedades de Capital"), 116.bis of the Securities Market Law and 49 of the Code of Commerce and in accordance with "Guidelines on Alternative Performance Measures" issued by European Securities and Markets Authority (ESMA).

1.- Corporate profile

ROVI is a fully-integrated specialized Spanish pharmaceutical company engaged in the research and development, contract manufacturing and the marketing of small molecules and biological specialties. The company has three principal growth pillars:

- Pharmaceutical products, with a diversified portfolio of both its own and licensed innovative products, protected by patents.
- Contract manufacturing of prefilled syringes and oral forms.
- A sound, low-risk R&D policy.

The growth of these pillars provides ROVI with a defensive profile that has allowed it to increase profits over recent years, in spite of the difficult environment that exists in the sector, hampered by the cuts in public pharmaceutical spending.

ROVI enjoys a series of competitive advantages that have allowed it to position itself as one of the principal leaders in its market niche, in a sector which, moreover, has high entry barriers.

- Unique knowledge of low-molecular-weight heparins (LMWH)
- Infrastructure with operating advantages
- Diversified portfolio protected by patents
- Low-risk innovation
- International expansion

All the companies that form the ROVI Group are aware of the health improvements their products provide and would like to meet certain social demands in relation to the impact of their activities on society and the environment. Therefore, ROVI's economic development must be compatible with its conduct in relation to ethics, society, the workplace, the environment and respect for human rights.

Awareness of these values, which express the Group's commitment in relation to business ethics and corporate responsibility, making them known to others and implementing them provide guidance for the actions of ROVI's Board of Directors and other governing bodies in their relations with stakeholders. For this purpose, the Group has support tools the objectives of which are to:

- Favour attainment of the Group's strategic objectives.
- Improve the Group's competitiveness by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

- Manage risks and opportunities derived from the changing environment responsibly, maximizing the positive impacts of the Group's activities in the different territories where it operates and minimizing any adverse impacts as far as possible.
- Promote a culture of ethical conduct and increase business transparency, in order to generate credibility and confidence among stakeholders, including society as a whole.
- Promote trust relationships and value creation for all stakeholders, providing all of them with a balanced response that integrates their concerns.

The business model, supported by the company's financial model, has allowed the company to achieve high revenues and cash flows, as well as high profitability for the interested parties, on a sustainable basis.

For more information, please visit: www.rovi.es

2.- Business performance

€ Million	H1 2019	H1 2018	Growth	% Growth
Operating revenues	177.5	146.3	31.2	21%
Other income	0.4	0.8	-0.4	-50%
Total revenue	177.9	147.1	30.8	21%
Cost of sales	-76.1	-61.9	-14.1	23%
Gross profit	101.9	85.1	16.7	20%
<i>% margin</i>	<i>57.4%</i>	<i>58.2%</i>		<i>-0.8pp</i>
R&D expenses	-14.7	-16.8	2.0	-12%
Other SG&A	-60.7	-52.4	-8.3	16%
Other income	0.0	-2.6	2.6	n.a.
Share of profit/loss of a joint venture	0.0	0.0	0.0	-60%
EBITDA¹	26.5	13.3	13.1	99%
<i>% margin</i>	<i>14.9%</i>	<i>9.1%</i>		<i>5.8pp</i>
EBIT¹	17.7	7.5	10.3	138%
<i>% margin</i>	<i>10.0%</i>	<i>5.1%</i>		<i>4.9pp</i>
Net profit	16.2	7.6	8.6	114%

[1] See Appendix 1 about Alternative Performance Measures

Note: certain numerical figures included in this document have been rounded. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.

- Operating revenue increased by 21% to 177.5 million euros in the first half of 2019, driven by the strength of the specialty pharmaceutical business, where sales rose 22%, strongly outperforming the market, and by the toll manufacturing business, which grew by 15%. Total revenue increased by 21% to 177.9 million euros in the first half of 2019.
- For the second time this year, ROVI is upgrading its operating revenue guidance for the full year 2019, from low-double-digit growth rate to high-double-digit growth rate.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

- On July 5, 2019, ROVI informed about the conclusion of the PRISMA-3² and BORIS³ studies, thus completing the Clinical Trial Program that will support the application for the marketing authorisation for Doria[®] for the treatment of schizophrenia in the European Union and United States, in a first phase, and, subsequently, in other countries.
- Preliminary data of the Letrozole ISM[®] phase I clinical trial (the LISA-1 study⁴) confirm that this ISM[®] formulation provides a prolonged release of letrozole which produces a sustained suppression of oestrogenic hormones.
- As of 30th June 2019, all the European Union countries (26 countries) where ROVI had applied for the national registration of the enoxaparin biosimilar had approved such registration.
- Sales of the Low Molecular Weight Heparin (LMWH) franchise (enoxaparin biosimilar and Bemiparin) increased by 43% to 81.7 million euros in the first half of 2019. LMWH sales represented 46% of operating revenue in the first half of 2019 compared to 39% in the first half of 2018. Sales of the enoxaparin biosimilar increased four times to 36.5 million euros in the first half of 2019 and sales of Bemiparin increased 5% to 35.5 million euros in Spain.
- Sales of Neparvis[®], launched in December 2016, increased by 63% to 9.6 million euros in the first half of 2019.
- EBITDA increased by 99%, from 13.3 million euros in the first half of 2018 to 26.5 million euros in the first half of 2019, reflecting a 5.8 percentage point rise in the EBITDA margin to 14.9% in the first half of 2019.

3.- Liquidity and capital resources

3.1 Liquidity

As a result of the IFRS16 application, as of 30 June 2019, ROVI had gross cash position of 68.1 million euros, compared to 97.0 million euros as of 31 December 2018, and net debt of 19.1 million euros (equity securities plus deposits plus cash and cash equivalents minus short term and long term financial debt), compared to 62.8 million euros as of 31 December 2018.

3.2 Capital resources

As a result of the application of IFRS 16 as of 30 June 2019, ROVI had total debt of 49.1 million euros. Debt with public administration, which is 0% interest rate debt, represented 25% of total debt as of 30 June 2019:

<i>In thousand euros</i>	30 June 19	31 December 18
Bank borrowings	13,871	22,716
Debt with public administration	12,383	11,508
Financial Leasing	22,819	-
Total	49,073	34,224

² <https://clinicaltrials.gov/ct2/show/NCT03160521>

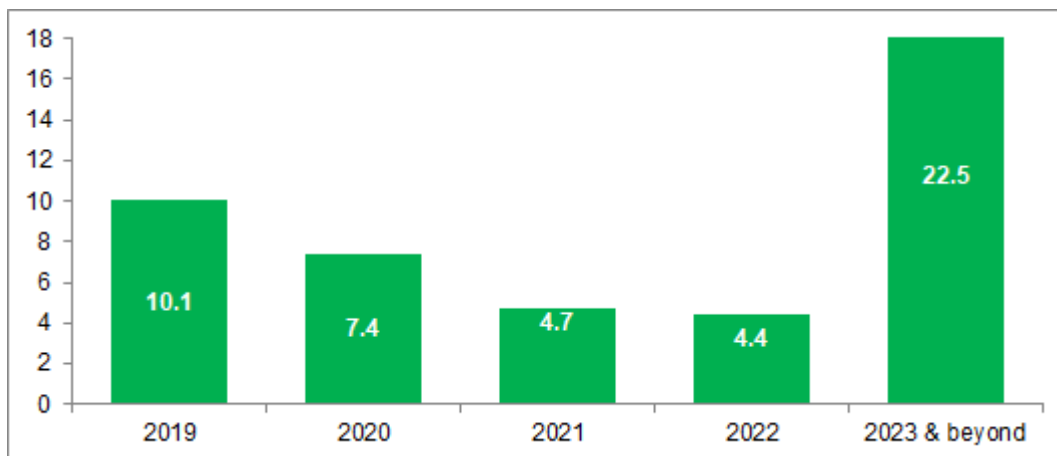
³ <https://clinicaltrials.gov/ct2/show/NCT03527186>

⁴ Evaluation of IM Letrozole ISM[®] Pharmacokinetics, Safety, and Tolerability in Healthy Post-menopausal Women (LISA-1). Clinicaltrials.gov#NCT03401320 [<https://clinicaltrials.gov/ct2/show/NCT03401320>].

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

Debt maturities at 30 June, 2019 are shown in the following graph (millions of euros):



3.3 Analysis of contractual obligations and items off the statement of financial position

In the first half of 2018, in the ordinary course of activities, in order to manage its own transactions and financing, the Group has carried out certain transactions that are not included on the statement of financial position, such as operating leases. The Group's objective is to optimize the financing costs that are involved in determined financial transactions and, therefore, on certain occasions, has chosen operating leases rather than the acquisition of assets.

4.- Other significant agreements

ROVI announces completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia

ROVI informed (by publication of the relevant fact number 279907 dated 5th of July of 2019) about the conclusion of the PRISMA-3¹⁰ and BORIS¹¹ studies, thus completing the Clinical Research Program for Risperidone ISM®, in which more than 679 subjects participated. All the data collected and analyzed in this Program will be included in the registration dossier to apply for marketing authorization for Doria® for the treatment of schizophrenia in the European Union and United States, in a first phase, and, subsequently, in other countries.

As the company announced on 19 March, 2019, the final results of the pivotal PRISMA-3 clinical study confirm the superiority of Risperidone ISM®, a novel investigational antipsychotic for the treatment of schizophrenia with once-monthly injections, in comparison with the placebo. The prespecified primary efficacy endpoint in the study was the mean total score on the Positive and Negative Syndrome Scale (PANSS) after twelve weeks. The reductions in comparison with the baseline values obtained in the PANSS with monthly doses of 75 mg or 100 mg of Risperidone ISM® were statistically higher than those observed with placebo ($p < 0.0001$).

¹⁰ <https://clinicaltrials.gov/ct2/show/NCT03160521>

¹¹ <https://clinicaltrials.gov/ct2/show/NCT03527186>

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

Likewise, both dosage strengths of Risperidone ISM® (75 mg and 100 mg, once monthly) showed reductions that were statistically higher than those of the placebo ($p < 0.0001$) in the total score on the Clinician Global Impression-Severity (CGI-S) scale, at week 12, which was the prespecified key secondary efficacy endpoint in the study.

Additionally, ROVI will include long-term safety data on more than 100 patients exposed to at least one year of treatment with Doria® in the registration dossier, as recommended in the International Conference on Harmonization (ICH) Guideline E1.

Lastly, ROVI has also announced the completion of the BORIS clinical trial, aimed to compare the bioavailability of multiple doses of oral risperidone with multiple doses of Risperidone ISM® in stable schizophrenic patients. The results of this study will provide support to the registration of Doria® with the FDA (Food and Drug Administration) and EMA (European Medicines Agency) as a hybrid application^{12,13}, i.e. based partly on own studies and partly on previously done with reference medicine.

“After successfully completing the Doria® Clinical Trial Program, we are now closer to marketing it and hope to file an application for marketing authorization for Doria® with the EMA and FDA in the very near future”, said Juan López-Belmonte, ROVI’s CEO. “Once again, I want to thank all the patients, their caregivers and the investigators for their participation in this extensive clinical program and we hope that we will soon be able to contribute to the therapeutic arsenal to combat this severe, chronic and disabling disease”.

ROVI will market TEVA’s osteoporosis treatment for adults Tetridar® (teriparatide) in Spain

ROVI informed (by publication of the relevant fact number 276997 dated 11th of April of 2019) about the future marketing of Teva Pharmaceutical Industries Ltd. (TEVA)’s medicine Tetridar® (teriparatide) for the treatment of osteoporosis in adults in Spain.

Tetridar®, an injection containing the active substance teriparatide, is used to increase bone strength and reduce the risk of fracture by stimulating bone formation.

Marketing of this pharmaceutical by ROVI is expected to commence in the third quarter of 2019. Under the agreement between the two companies, ROVI will be responsible for the promotion and distribution of Tetridar® in Spanish territory for a five-year period as of the date on which marketing commences, which may subsequently be extended for a further five years.

Osteoporosis is a disease that weakens bones and makes them fragile. This disease is especially frequent in post-menopausal women, but may also affect men. In addition, osteoporosis often occurs in patients treated with corticosteroids.

According the data of the specialised healthcare management consultant Iqvia, in the twelve months up to February 2019 (MAT February 2019), sales of the original teriparatide molecule in Spain totalled 69.2 million euros.

¹² NDA 505(b)(2) Section of Federal Food, Drug, and Cosmetic Act

¹³ Hybrid Application, Article 10(3) – Directive 2001/83/EC

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

ROVI Announces Positive Topline Results from Phase 3 study of Doria® in Patients with Schizophrenia

ROVI informed (by publication of the relevant fact number 276197 dated 19th of March of 2019) about topline results from the pivotal study PRISMA-3, a multicenter, randomized, placebo-controlled phase 3 trial of Doria® (Risperidone ISM®), a novel investigational once-monthly injectable antipsychotic for the treatment of schizophrenia. In this study, patients treated with once-monthly doses of either 75 mg or 100 mg of Doria®, obtained statistically significant reductions from baseline ($p < 0.0001$) compared to placebo in the Positive and Negative Syndrome Scale (PANSS) total score at week 12, which was the prespecified primary efficacy endpoint in the trial. As expected, the final clinical report will be available by June 2019.

"The positive results of the PRISMA-3 study provide the clinical evidence that Risperidone ISM® allows for a meaningful control of schizophrenia symptoms in patients with an acute illness exacerbation, using once-monthly injection and without needing loading doses or oral supplementation" stated Christoph Correll, M.D., Professor of Psychiatry and Molecular Medicine at the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell in Hempstead, New York. "In view of these results that also documented a favorable safety profile consistent with data known from oral risperidone, I believe that Risperidone ISM®, if approved, may represent a first-line therapeutic option for those schizophrenia patients in whom prescribers, patients and families consider risperidone to be the treatment of choice".

Both doses of Risperidone ISM® (once-monthly 75 mg and 100 mg), compared to placebo, also showed statistically significant improvement ($p < 0.0001$) in the total score of the Clinical Global Impressions-Severity scale (CGI-S) at 12 weeks, which was the pre-specified key secondary efficacy endpoint in the study.

"It is a great satisfaction to have obtained such good and robust efficacy and safety results with Doria®, which we consequently hope will allow us to make rapid progress with the registration in the US and Europe," said Juan Lopez-Belmonte, CEO of ROVI. "We want to especially thank patients, their caregivers and investigators for their participation in the study, since they have allowed us to get closer to being able to offer a novel therapeutic option that can help improve the management of schizophrenia, a still all too often serious, chronic and disabling disease".

Based on these positive results, and the remaining data of the product, ROVI is progressing in its plans to submit an NDA (New Drug Application) to the FDA (Food and Drug Administration) in the second half of 2019.

ROVI acquires rights to Dexchlorpheniramine Maleate in the Spanish and French markets

ROVI informed (by publication of the relevant fact number 274737 dated 15th of February of 2019) that it has reached an agreement with a subsidiary of Merck Sharp and Dohme ("MSD") whereby it acquires certain rights to MSD's dexchlorpheniramine maleate product line in Spain and France, allowing it to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the brand name POLARAMINE®, and cream, marketed under the brand name POLARACREM™) and, in France, in its injectable form (ampoules).

This line of products belongs to a group of medicines known as antihistamines used for symptomatic treatment of seasonal and perennial allergic rhinitis; vasomotor rhinitis; allergic conjunctivitis; mild, uncomplicated allergic cutaneous manifestations of urticaria or angioedema; and reactions to blood or plasma. It is also indicated, together with adrenalin or other appropriate measures, for treatment of anaphylactic reactions after the acute manifestations have been controlled. These products often relieve cutaneous manifestations such as allergic eczema, atopic and contact dermatitis, insect bites, dermographisms and drug reactions.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

According to MSD, net sales of these products in Spain and France, were approximately 6.3 million US dollars in 2017. ROVI paid MSD 13.5 million euros for the product.

Under this agreement, this line of products will be marketed directly by ROVI in Spain in its different pharmaceutical forms and, in France, in its injectable form, when the administrative procedures to authorise the transfer of the marketing authorisations have been concluded at the Spanish Medicines Agency and the French Agency for the Safety of Medicines and Health Products.

ROVI acquires Falithrom® for the German market

ROVI informed (by publication of the relevant fact number 273591 dated 9th of January of 2019) about the acquisition of Falithrom®, which was owned by Hexal AG ("Hexal"), a company belonging to the Sandoz division of Novartis, to be directly marketed by ROVI in Germany.

Falithrom® is used for the prevention and treatment of thromboembolic disease including venous thrombosis, thromboembolism, and pulmonary embolism as well as for the prevention of ischemic stroke in patients with atrial fibrillation (AF).

According to IQVIA, the 2017 net sales of the product in Germany totalled around 3.5 million euros. ROVI will pay Hexal nine million euros for the product.

Under this agreement, Falithrom® will be directly marketed by ROVI in Germany as soon as the administrative processes to authorize the transfer of the marketing authorization are completed before the Federal Institute for Drugs and Medical Devices (BfArM).

5.- Research and Development

ISM® technology platform

ROVI has made meaningful progress in the development of its long-acting injectable (LAI) antipsychotic Risperidone ISM®, the first candidate for its leading-edge drug delivery technology, ISM®. In March 2019, the company announced topline results from the pivotal study of Risperidone ISM® "PRISMA-3"¹⁵, which showed that primary and key secondary efficacy endpoints were achieved with both doses tested for the treatment of patients with acute exacerbation of schizophrenia (see section 4). Besides, the company very recently announced the completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia (see section 4).

¹⁵ Study to Evaluate the Efficacy and Safety of Risperidone In Situ Microparticles® (ISM®) in Patients With Acute Schizophrenia (PRISMA-3). Clinicaltrials.gov#NCT03160521 [<https://clinicaltrials.gov/show/NCT03160521>].

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

Furthermore, ROVI informs of the decision to expand its industrial capabilities for the manufacture of Doria® with the incorporation of a second line for the manufacture of the syringe containing the solvent. The addition of this second line also provides the company with the necessary flexibility to the company to initiate the preparation of the industrial filling processes of Letrozole ISM®, which will require the installation of a specific filling machine. As a result, ROVI will prioritize the submission of the Doria® dossier in Europe, which it plans to file by 1Q2020; consequently, filing in the USA has been rescheduled for 2020.

Lastly, as previously informed, the company started the human testing with Letrozole ISM®, which represents the second candidate on clinical development using the Rovi's ISM® technology platform. This new investigational medicine is, to our best knowledge, the first long-acting injectable aromatase inhibitor intended for the treatment of hormone-dependent breast cancer. The first phase I clinical trial (the LISA-1 study¹⁶) of Letrozole ISM® is currently ongoing and due to the study design ("dose escalation") and its exploratory nature, the finalisation date cannot be anticipated. Nevertheless, preliminary data confirm that this ISM® formulation provides a prolonged release of letrozole which produces a sustained suppression of oestrogenic hormones. The company will be gathering more clinical data from this trial during the following months to better characterise the pharmacological profile of Letrozole ISM®; afterwards, in 2020, ROVI is planning to discuss with regulatory authorities these results as well as the next steps for continuing the clinical development of this novel long-acting injectable aromatase inhibitor.

6.- Dividends

The ROVI General Shareholders Meeting, on 12 June 2019, approved the payment of a gross dividend of 0.0798 euros per share on 2018 earnings.

7.- Capital expenditure

ROVI invested 8.6 million euros in the first half of 2019, compared to 5.1 million euros in the first half of 2018. Of this amount:

- 0.8 million euros corresponds to investment capex related to the injectable facility, versus 0.9 million euros in the first half of 2018;
- 1.1 million euros relates to investment capex regarding the San Sebastián de los Reyes plant, versus 0.9 million euros in the first half of 2018;
- 2.4 million euros were invested in the Granada facility, versus 1.2 million euros in the first half of 2018;
- 2.5 million euros were invested in the Alcalá de Henares (Frosst Ibérica) facility, versus 1.2 million euros in the first half of 2018; and
- 1.8 million euros relates to expenditure on maintenance and other capex, versus 0.8 million euros in the first half of 2018.

In addition, in the first half of 2019, ROVI invested 13.5 million euros in the acquisition of Polaramine® (see section 4).

¹⁶ Evaluation of IM Letrozole ISM® Pharmacokinetics, Safety, and Tolerability in Healthy Post-menopausal Women (LISA-1). Clinicaltrials.gov#NCT03401320 [<https://clinicaltrials.gov/ct2/show/NCT03401320>].

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

8.- Treasury shares transaction

In the first six months of 2019, the Group has acquired a total of 88,315 treasury shares (29,923 during the first six months of 2018), paying the sum of 1,631 thousand euros for them (490 thousand euros at 30 June 2018). In the first six months of 2019, a total of 96,765 treasury shares were sold (24,069 in the first six months of 2018) for a sum of 1,797 thousand euros (397 thousand euros in 2018). These shares had been acquired at a weighted average cost of 1,260 thousand euros (297 thousand euros in 2018), giving rise to a profit of 537 thousand euros on the sale, which has been taken to reserves in 2019 (100 thousand euros in 2018). At 30 June 2019, 686,605 treasury shares were held (691,037 at 30 June 2018).

9.- Headcount evolution

At 30 June 2019 the average Group's headcount reached 1,278 people (1,198 at 30 June 2018), 690 of whom were women (664 at 30 June, 2018).

10.- Environmental information

The Company Laboratorios Farmacéuticos Rovi, S.A. is registered with the SIGRE for the environmental management of packaging recovery.

The Group companies Rovi Contract Manufacturing, S.L. and Frosst Ibérica, S.A. handle the rest of the Group's environmental tasks and incurred waste management expenses of 65 thousand euros and 34 thousand euros, respectively, in the first six months of 2019 (78 thousand euros and 41 thousand euros, respectively, in the first half of 2018).

11.- Outlook for 2019

For the second time this year, ROVI is upgrading its operating revenue guidance for the full year 2019, from low-double-digit growth rate to high-double-digit growth rate. The Company forecasts that it will continue to grow at a higher rate than Spanish pharmaceutical market expenditure in the first five months of 2019, which, according to the Ministry of Health, Consumption and Social Welfare, showed a growth rate of 3%.

This upgrade is mainly due to the positive performance of Bemiparin in Spain and the good prospects for Enoxaparin biosimilar sales. Likewise, ROVI expected to stop distributing Merus Labs products (Sintrom®, Salagen®, Cordiplast® and Estraderm®) as of the third quarter of 2019 but will finally continue to distribute them for the fourth quarter of 2019.

ROVI expects its growth drivers to be Bemiparin, the latest license agreements (Tetridar®, Neparvis®, Volutsa® and Orvatez®), the Enoxaparin biosimilar, its existing portfolio of specialty pharmaceuticals, new products recently acquired (Falithrom® and Polaramine®) and new contracts in the toll manufacturing area.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

12.- Risk management

12.1 Operational risks

The main risk factors to which the Group considers itself to be exposed in respect of meeting its business objectives are the following:

- Changes in the legislation regulating the market aimed to contain pharmaceutical expense (price control, reference prices, support for generic products, co-payment, purchase platforms, ...);
- Finalization of contractual relationships with customers representing a significant part of its sales or renewal in less favourable conditions than the current ones;
- Changes in the conditions under which raw materials and other packaging materials needed for manufacturing its products are supplied;
- Late payment on the part of the public authorities in the short term; and
- Tax risk inherent to the activity of companies of the size and complexity of the Group.

ROVI is permanently on the alert and is keeping any risks that may have an adverse effect on its business activities under constant surveillance, applying the appropriate policies and mechanisms to manage them and constantly developing contingency plans that can be used to mitigate or offset their impact. Among them, we highlight the fact that the Group (i) continues, every year, to apply an internal saving policy that is principally based on improving the efficiency of its internal and external operating processes; (ii) is working intensively to maintain a broad and diversified portfolio of products and customers; (iii) is continuing with its target of constantly opening up new markets as a result of its international expansion plan; and (iv) the Group exercises strict credit control and manages its cash effectively, which ensures that sufficient working capital is generated and maintained to allow its day-to-day operations to be carried out; and (v) The Company has an exhaustive tax risk control system, with external tax advisors who review the preparation and filing of the different taxes as well as the Group's decision-making on tax issues.

12.2 Financial risks

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The main detected and managed risks of the Group are detailed below:

- *Market risk*

Market risk is divided in:

- a) Foreign exchange risk: is very low as virtually all assets and liabilities of the Group are in euros, with no subsidiary out of the Euro zone. Additionally the majority of the foreign transactions are carried out in euros.
- b) Price risk: the Group is exposed to price risk by its short-term and long-term financial investments. To manage the price risk arising from the investments, the Group diversifies its portfolio.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

c) Interest rate risk: The Group is subject to an interest rate risk in respect of cash flows on long-term borrowing transactions at variable rates. The risk, however, is slight since most of the Group's debt consists of refundable advances from official organisations on which there is no interest rate risk.

d) Raw material price risk: the Group is exposed to changes in the conditions under which raw materials and other packaging materials needed to manufacture its products are supplied.

- Credit risk

Credit risk is managed by groups. The credit risk arises from cash and cash equivalents, long-term financial investments, deposits held at call in banks and financial institutions and equity securities, as well as from wholesalers and retailers, including accounts receivables and committed transactions. The Group monitors the solvency of these assets by reviewing external credit ratings and qualifying internally assets which are not externally rated.

It should be mentioned here that despite this management work, the Regional Government continue to be extremely slow in making payments for pharmaceutical supplies, to the detriment of companies operating in this sector. Despite this, the Group's financial position is sound and its liquidity unaffected.

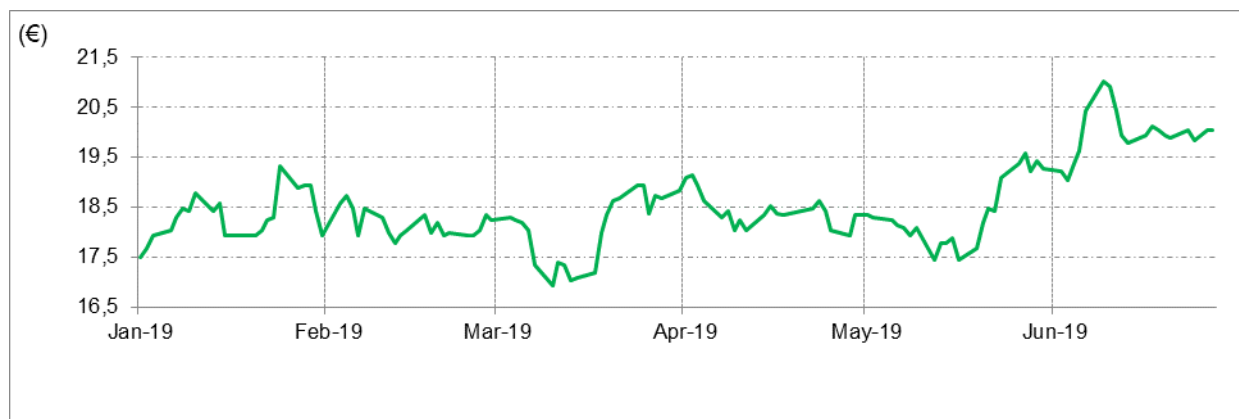
- Liquidity risk

Management monitors the liquidity estimates of the Group according to the expected cash flows; therefore, the Group always has sufficient cash and trade securities to confront its liquidity requirements.

13.- Stock market capitalization

On the December 5th 2007, ROVI carried out an Initial Public Offering (IPO) of shares initially intended for qualified investors in Spain and to qualified institutional investors abroad. The face value of the operation, without including the shares corresponding to the green shoe purchase option, was 17,389,350 shares already issued and in circulation with a nominal value of 0.06 euros per share, giving a total nominal amount of 1,043,361 euros. The offering price for the operation was 9.60 euros per share.

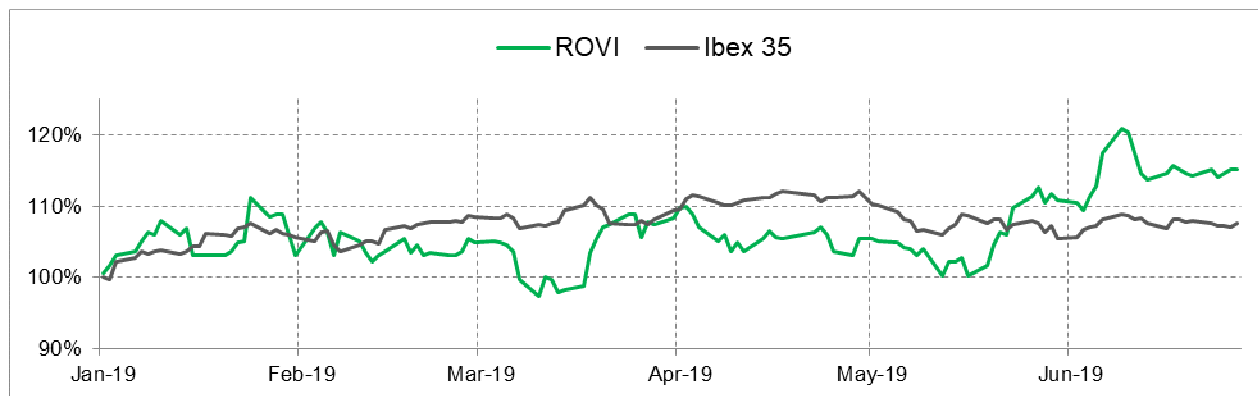
The following graph shows the fluctuations of the share price in the stock market in 2019:



LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

The following chart shows the performance of the share price of ROVI compared with the IBEX 35 index in the first half of 2019:



14.- Events after balance sheet date

No significant events have taken place since 30 June 2019.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

APPENDIX 1

ALTERNATIVE PERFORMANCE MEASURES

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

ROVI's financial information contains figures and measures prepared in accordance with the applicable accounting legislation, as well as another series of measures prepared in accordance with established reporting standards, which are known as Alternative Performance Measures (APMs)

These APMs are considered adjusted figures in comparison with those that are reported under International Financial Reporting Standards endorsed by the European Union (IFRS-EU), which is the reporting framework applicable to the consolidated financial statements of the ROVI Group and, therefore, the reader should consider them to supplement the latter, but not replace them.

The APMs are important for the users of the financial information because they are the measures used by ROVI Management to evaluate the financial performance, the cash flows or the financial situation for making the Group's operating or strategic decisions. These APMs are consistent with the principal indicators used by the investor and analyst communities in the financial markets. In this respect, in accordance with the Guide issued by the European Securities and Markets Authority (ESMA), which has been in force since 3 July, 2016 and concerns the transparency of Alternative Performance Measures, ROVI sets out below information on the APMs included in the consolidated management information for the year ended 31 December 2018 that it considers significant:

EBITDA

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) is an indicator that measures the group's operating profit before interest, taxes, impairment, depreciation and amortization have been deducted. Management uses it to assess the results over time, allowing a comparison with other companies in the sector.

We calculate EBITDA as profit before taxes, interest, depreciation and amortization.

EBITDA "Pre-R&D"

This APM is used by ROVI to show EBITDA from the on-going business.

We calculate EBITDA "Pre-R&D" as EBITDA excluding:

- Research and Development expenses ("R&D"); and
- Non-recurring expenses/income.

EBIT

EBIT (Earnings Before Interest and Taxes) is an indicator that measures the group's operating profit before interest and tax are deducted. Like the preceding indicator, Management uses it to assess the results over time, allowing a comparison with other companies in the sector.

We calculate EBIT as profit before taxes and interest.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June 2019

EBIT “Pre-R&D”

This APM is used by ROVI to show EBIT from the on-going business.

We calculate EBIT “Pre-R&D” as operating profit for the period excluding:

- Research and Development expenses (“R&D”) ; and
- Non-recurring expenses/income .

Net profit “Pre-R&D”

This APM is used by ROVI to show the profit for the period related to the on-going business.

We calculate Net profit “Pre-R&D” as EBIT “Pre-R&D” plus:

- Finance costs-net; and
- Income tax. Net profit “Pre-R&D” income tax is calculated by applying the same effective tax rate as reported in the income statement of the period.

Net debt/cash

Net Financial Debt or Net Debt is the main indicator used by Management to measure the Group’s indebtedness. It is composed of equity securities, plus deposits, plus cash and cash equivalents, less current and non-current financial debt.



APPENDIX I

GENERAL

1st

HALF-YEARLY FINANCIAL REPORT FOR THE REPORTING PERIOD

2019

PERIOD END DATE

30/06/2019

I. IDENTIFICATION DETAILS

Corporate name: LABORATORIOS FARMACEUTICOS ROVI, S.A.

Registered address: c/ Julián Camarillo, 35, 28037 Madrid

Tax Id No.

A-28041283

II. INFORMATION SUPPLEMENTING THE PERIODIC INFORMATION PUBLISHED PREVIOUSLY

Explanation of the main changes in respect of the periodic information published previously (to be completed only in the cases set out in section B) of the instructions

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III. STATEMENT(S) OF THOSE RESPONSIBLE FOR THE INFORMATION

To the best of our knowledge, the condensed annual financial statements presented, prepared in accordance with the applicable accounting principles, provide a true and fair view of the equity, financial situation and results of the issuer and/or the companies included in the consolidation considered overall, and the interim management report includes an accurate analysis of the information required.

Observations on the above statement(s):

Person(s) taking responsibility for this information:

Name/Corporate name	Position
Mr Juan López-Belmonte López	Chairman
Mr Juan López-Belmonte Encina	Chief Executive Officer
Mr Iván López-Belmonte Encina	First Deputy Chairman
Mr Javier López-Belmonte Encina	Second Deputy Chairman
Mr Enrique Castellón Leal	Coordinator Director
Mr José Fernando de Almansa Moreno- Barreda	Director
Mr Marcos Peña Pinto	Director

Date on which this half-yearly report was signed by the pertinent governing body: 29/07/2019



IV. SELECTED FINANCIAL INFORMATION

1. INDIVIDUAL STATEMENT OF FINANCIAL POSITION (PREPARED USING NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

ASSETS		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 31/12/2018
A) NON-CURRENT ASSETS	0040	109.993	99.549
1. Intangible assets:	0030	43.772	31.618
a) Goodwill	0031		
b) Other intangible assets	0032	43.772	31.618
2. Property, plant and equipment	0033	41.889	41.284
3. Investment property	0034		
4. Non-current investments in group and associated companies	0035	16.262	14.379
5. Non-current financial investments	0036	1.482	1.480
6. Deferred tax assets	0037	6.588	10.788
7. Other non-current assets	0038		
B) CURRENT ASSETS	0085	368.714	314.411
1. Non-current assets held for sale	0050		
2. Inventories	0055	55.639	37.195
3. Trade and other receivables	0060	258.530	193.373
a) Trade receivables for sales of goods and services	0061	247.650	184.738
b) Other receivables	0062	2.773	5.221
c) Current tax assets	0063	8.107	3.414
4. Current investments in group and associated companies	0064	24	36
5. Current financial investments	0070	122	17
6. Current accruals and prepayments	0071	3	3
7. Cash and cash equivalents	0072	54.396	83.787
TOTAL ASSETS (A+B)	0100	478.707	413.960



IV. SELECTED FINANCIAL INFORMATION

1. INDIVIDUAL FINANCIAL STATEMENTS (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 31/12/2018
A) EQUITY (A.1 + A.2 + A.3)	0195	263.363	248.421
A.1) EQUITY	0180	260.384	245.296
1. Capital:	0171	3.364	3.364
a) Authorized capital	0161	3.364	3.364
a) Less: uncalled capital	0162		
2. Share premium	0172	87.636	87.636
3. Reserves	0173	7.032	6.959
4. Less: treasury stock	0174	(9.183)	(8.812)
5. Retained earnings	0178	152.139	140.568
6. Other shareholder contributions	0179		
7. Profit or loss for period	0175	19.396	15.581
8. Less: interim dividend	0176		
9. Other equity instruments	0177		
A.2) ADJUSTMENTS FOR CHANGES IN VALUE	0188	(3)	(3)
1. Available-for-sale financial assets	0181	(3)	(3)
2. Hedging transactions	0182		
3. Other	0183		
A.3) GRANTS, DONATIONS AND LEGACIES RECEIVED	0194	2.982	3.128
B) NON-CURRENT LIABILITIES	0120	23.937	24.440
1. Non-current provisions	0115		
2. Non-current debt:	0116	14.964	16.131
a) Bank borrowings and debentures or other negotiable instruments	0131	4.999	7.113
b) Other financial liabilities	0132	9.965	9.018
3. Non-current debt with group and associated companies	0117		
4. Deferred tax liabilities	0118	2.656	2.046
5. Other non-current liabilities	0135		
6. Non-current accruals	0119	6.317	6.263
C) CURRENT LIABILITIES	0130	191.407	141.099
1. Liabilities associated with non-current assets held for sale	0121		
2. Current provisions	0122	7.300	7.226
3. Current debt:	0123	10.765	17.496
a) Bank borrowings and debentures or other negotiable instruments	0133	8.872	15.603
b) Other financial liabilities	0134	1.893	1.893
4. Current debt with group and associated companies	0129	150	141
5. Trade and other payables:	0124	172.875	115.877
a) Trade payables	0125	162.897	110.174
b) Other payables	0126	9.978	5.703
c) Current tax liabilities	0127		
6. Other current liabilities	0136		
7. Current accruals	0128	317	359
TOTAL EQUITY AND LIABILITIES (A + B + C)	0200	478.707	413.960



IV. SELECTED FINANCIAL INFORMATION

2. INDIVIDUAL INCOME STATEMENT (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATED PERIOD 30/06/2019	ACCUMULATED PREVIOUS PERIOD
(+) Net revenue	0205			177.409	147.077
(+/-) Change in inventories of finished products and work in progress	0206			11.948	108
(+) Work performed by the company on its assets	0207				
(-) Supplies	0208			(135.490)	(96.349)
(+) Other operating income	0209			1.571	5.369
(-) Employee benefit expenses	0217			(18.083)	(17.041)
(-) Other operating expenses	0210			(32.017)	(32.429)
(-) Amortization and depreciation charges	0211			(4.639)	(3.822)
(+) Allocation of grants for non-financial assets and other	0212			283	404
(+) Excess provisions	0213				
(+/-) Impairment and gains/(losses) on disposal of intangible assets and property, plant & equipment	0214			-	(8)
(+/-) Other gains/(losses)	0215				
= OPERATING PROFIT/(LOSS)	0245			982	3.309
(+) Finance income	0250			17.034	12.808
(-) Finance expenses	0251			(303)	(430)
(+/-) Change in fair value of financial instruments	0252			134	
(+/-) Exchange rate differences	0254			71	
(+/-) Impairment and gains/(losses) on disposal of financial instruments	0255				
= FINANCE PROFIT/(LOSS)	0256			16.936	12.378
= PROFIT/(LOSS) BEFORE TAX	0265			17.918	15.687
(+/-) Corporate income tax	0270			1.478	1.322
= PROFIT/(LOSS) FOR PERIOD ON CONTINUING OPERATIONS	0280			19.396	17.009
(+/-) Profit/(loss) for period on discontinued operations, net of tax	0285				
= PROFIT/(LOSS) FOR PERIOD	0300			19.396	17.009

EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290			0.35	0.34
Diluted	0295				



IV. SELECTED FINANCIAL INFORMATION
3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
INDIVIDUAL STATEMENT OF RECOGNIZED INCOME AND EXPENSES (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 30/06/2018
A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)	0305	19.396	17.009
B) INCOME OR EXPENSES CREDITED OR CHARGED DIRECTLY TO EQUITY:	0310	67	276
1. Measurement of financial instruments	0320		
a) Available-for-sale financial assets	0021		
b) Other income /(expenses)	0323		
2. Cash flow hedges	0330		
3. Grants, donations and legacies received	0340	89	368
4. Actuarial gains and losses and other adjustments	0344		
5. Other income or expenses credited or charged directly to equity	0343		
6. Tax effect	0345	(22)	(92)
C) TRANSFERS TO PROFIT AND LOSS:	0350	(213)	(304)
1. Measurement of financial instruments	0355		
a) Available-for-sale financial assets	0356		
b) Other income /(expenses)	0358		
2. Cash flow hedges	0360		
3. Grants, donations and legacies received	0366	(283)	(404)
4. Other income or expenses credited or charged directly to equity	0365		
5. Tax effect	0370	70	100
TOTAL RECOGNIZED INCOME/(EXPENSES) (A+B+C)	0400	19.250	16.981



IV. SELECTED FINANCIAL INFORMATION
4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (1/2)
INDIVIDUAL STATEMENT OF CHANGES IN TOTAL EQUITY (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

CURRENT PERIOD		Equity					Adjustments for changes in value	Grants, donations and legacies received	Total equity
		Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the period	Other equity instruments			
Opening balance at 01/01/2019	3010	3.364	235.163	(8.812)	15.581		(3)	3.128	248.421
Adjustments for changes in accounting policies	3011								
Adjustments for errors	3012								
Adjusted opening balance	3015	3.364	235.163	(8.812)	15.581		(3)	3.128	248.421
I. Total recognized income/(expenses)	3020				19.396			(146)	19.250
II. Transactions with shareholders or owners	3025		537	(371)	(4.474)				(4.308)
1. Capital increases/(reductions)	3026								
2. Conversion of financial liabilities to equity	3027								
3. Distribution of dividends	3028				(4.474)				(4.474)
4. Treasury stock transactions (net)	3029		537	(371)					166
5. Increases/(reductions) due to business combinations	3030								
6. Other transactions with shareholders or owners	3032								
III. Other equity transactions	3035		11.107		(11.107)				
1. Payments based on equity instruments	3036								
2. Transfers between equity items	3037		11.107		(11.107)				
3. Other changes	3038								
Closing balance at 30/06/2019	3040	3.364	246.807	(9.183)	19.396		(3)	2.982	263.363



IV. SELECTED FINANCIAL INFORMATION
4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (2/2)
INDIVIDUAL STATEMENT OF CHANGES IN TOTAL EQUITY (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

PREVIOUS PERIOD		Equity					Adjustments for changes in value	Grants, donations and legacies received	Total equity
		Share capital	Share premium and reserves (1)	Treasury stock	Profit/(loss) for the period	Other equity instruments			
Opening balance at 01/01/2018	3050	3.000	138.434	(8.407)	18.673		(2)	3.489	155.187
Adjustments for changes in accounting policies	3051								
Adjustments for errors	3052								
Adjusted opening balance	3055	3.000	138.434	(8.407)	18.673		(2)	3.489	155.187
I. Total recognized income/(expenses)	3060				17.009		(1)	(27)	16.981
II. Transactions with shareholders or owners	3065		100	(193)	(6.035)				(6.128)
1. Capital increases/(reductions)	3066								
2. Conversion of financial liabilities to equity	3067								
3. Distribution of dividends	3068				(6.035)				(6.035)
4. Treasury stock transactions (net)	3069		100	(193)					(93)
5. Increases/(reductions) due to business combinations	3070								
6. Other transactions with shareholders or owners	3072								
III. Other equity transactions	3075		12.638		(12.638)				
1. Payments based on equity instruments	3076								
2. Transfers between equity items	3077		12.638		(12.638)				
3. Other changes	3078								
Closing balance at 30/06/2018	3080	3.000	151.172	(8.600)	17.009		(3)	3.462	166.040



IV. SELECTED FINANCIAL INFORMATION
5. INDIVIDUAL STATEMENT OF CASH FLOWS
(PREPARED USING NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 30/06/2018
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)	0435	(2.428)	(1.647)
1. Profit/(loss) before tax	0405	17.918	15.687
2. Adjustments to profit/(loss)	0410	5.247	6.091
(+) Amortization and depreciation of intangible assets and property, plant and equipment	0411	4.639	3.822
(+/-) Other adjustments to profit/(loss) (net)	0412	608	2.269
3. Changes in working capital	0415	(23.255)	(24.259)
4. Other cash flows from operating activities:	0420	(2.338)	834
(-) Payment of interest	0421		
(+) Proceeds from dividends	0422		
(+) Proceeds from interest	0423		
(+/-) Proceeds from/(payments for) corporate income tax	0430	(2.481)	(2.076)
(+/-) Other proceeds from/(payments for) operating activities	0425	143	2.910
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	0425	(18.780)	(5.886)
1. Payments of investments:	0440	(18.877)	(6.004)
(-) Group companies, associates and business units	0441	(1.479)	(3.404)
(-) Property, plant and equipment, intangible assets and investment property	0442	(17.398)	(2.600)
(-) Other financial assets	0443	-	-
(-) Other assets	0444		
2. Proceeds from disinvestments	0450	97	118
(+) Group companies, associates and business units	0451		
(+) Property, plant and equipment, intangible assets and investment property	0452	-	12
(+) Other financial assets	0453		
(+) Other assets	0454	97	106
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3)	0490	(8.183)	(4.810)
1. Proceeds from and (payments for) equity instruments:	0470	166	(93)
(+) Issue	0471		
(-) Amortization	0472		
(-) Acquisition	0473	(1.631)	(490)
(+) Disposal	0474	1.797	397
(+) Grants, donations and legacies received	0475		
2. Proceeds from and (payments for) financial liability instruments:	0480	(8.349)	(4.717)
(+) Issue	0481	1.516	1.933
(-) Repayment and amortization	0482	(9.865)	(6.650)
3. Payment of dividends and remuneration of other equity instruments	0485		
D) EFFECT OF EXCHANGE RATE CHANGES	0492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	0495	(29.391)	(12.343)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	0499	83.787	35.526
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	0500	54.396	23.183

		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 30/06/2018
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD			
(+) Cash in hand and at bank	0550	54.396	23.183
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable on demand	0553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	0600	54.396	23.183



IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNDER IFRS ADOPTED) (1/2)

Units: thousands of euros

ASSETS		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 31/12/2018
A) NON-CURRENT ASSETS	1040	182.257	148.696
1. Intangible assets:	1030	47.012	34.650
a) Goodwill	1031		
b) Other intangible assets	1032	47.012	34.650
2. Property, plant and equipment	1033	121.064	95.837
3. Investment property	1034		
4. Investments in group and associated companies accounted for using the equity me	1035	2.028	2.038
5. Non-current financial investments	1036	70	70
6. Deferred tax assets	1037	12.018	16.036
7. Other non-current assets	1038	65	65
B) CURRENT ASSETS	1085	266.864	254.004
1. Non-current assets held for sale	1050		
2. Inventories	1055	121.734	94.861
3. Trade and other receivables	1060	78.325	63.594
a) Trade receivables for sale of goods and services	1061	63.140	50.953
b) Other receivables	1062	7.078	9.227
c) Current tax assets	1063	8.107	3.414
4. Current derivatives	1070	122	17
5. Other current assets	1075	3	21
6. Cash and cash equivalents	1072	66.680	95.511
TOTAL ASSETS (A+B)	1100	449.121	402.700



IV. SELECTED FINANCIAL INFORMATION

6. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNDER IFRS ADOPTED) (2/2)

Units: thousands of euros

LIABILITIES AND EQUITY

		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 31/12/2018
A) EQUITY (A.1 + A.2 + A.3)	0195	299.307	287.472
A.1) EQUITY	0180	299.310	287.475
1. Capital:	0171	3.364	3.364
a) Authorized capital	0161	3.364	3.364
a) Less: uncalled capital	0162		
2. Share premium	0172	87.636	87.636
3. Reserves	0173	673	600
4. Less treasury stock	0174	(9.183)	(8.812)
5. Retained earnings	0178	200.659	186.792
6. Other shareholder contributions	0179		
7. Profit or loss for period	0175	16.161	17.895
8. Less: interim dividend	0176		
9. Other equity instruments	0177		
A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME	0188	(3)	(3)
1. Items not reclassified to profit and loss for the period	0186		
2. Items that may be reclassified to profit and loss for the period	0187	(3)	(3)
a) Available-for-sale financial assets	1181		
b) Hedging transactions	1182		
c) Hedging differences	1184		
d) Other	1183	(3)	(3)
EQUITY ATTRIBUTED TO PARENT COMPANY(A.1 + A.2)	0189	299.307	287.472
A.3) NON-CONTROLLING INTERESTS	0193		
B) NON-CURRENT ASSETS	0120	44.901	27.716
1. Grants	0117		
2. Non-current provisions	1115		
3. Non-current financial liabilities:	1116	34.459	16.589
a) Bank borrowings and debentures or other negotiable securities	1131	4.999	7.113
b) Other financial liabilities	1132	29.460	9.476
4. Deferred tax liabilities	1118	726	1.243
5. Other non-current liabilities	1135	9.716	9.884
C) CURRENT LIABILITIES	1130	104.913	87.512
1. Liabilities related to current assets held for sale	1121		
2. Current provisions	1122		
3. Current financial liabilities:	1123	14.614	17.635
a) Bank borrowings and debentures or other negotiable securities	1133	8.872	15.603
b) Other financial liabilities	1134	5.742	2.032
4. Trade and other payables:	1124	89.402	68.165
a) Trade payables	1125	68.501	47.875
b) Other payables	1126	20.901	20.290
c) Current tax liabilities	1127		
5. Other current liabilities	1136	897	1.712
TOTAL EQUITY AND LIABILITIES (A + B + C)	1200	449.121	402.700

This English version has been translated by the entity itself at its sole responsibility and cannot be considered to be official.



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LABORATORIOS FARMACEUTICOS ROVI, S.A.

IV. SELECTED FINANCIAL INFORMATION

7. CONSOLIDATED INCOME STATEMENT (UNDER IFRS ADOPTED)

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATED PERIOD 30/06/2019	ACCUMULATED PREVIOUS PERIOD 30/06/2018
(+) Net revenue	1205			177.536	146.309
(+/-) Change in inventories of finished products and work in progress	1206			20.880	8.719
(+) Work performed by the company on its assets	1207				
(-) Supplies	1208			(96.938)	(70.662)
(+) Other operating income	1209				-
(-) Employee benefit expenses	1217			(36.753)	(36.266)
(-) Other operating expenses	1210			(38.632)	(35.513)
(-) Amortization and depreciation charges	1211			(8.715)	(5.858)
(+) Allocation of grants for non-financial assets and other	1212			374	754
(+/-) Impairment and gains/(losses) on disposal of intangible assets and property, plant & equipment	1214				
(+/-) Other gains/(losses)	1215				
= OPERATING PROFIT/(LOSS)	1245			17.752	7.483
(+) Finance income	1250			3	7
(-) Finance expenses	1251			(452)	(438)
(+/-) Change in fair value of financial instruments	1252			134	
(+/-) Exchange rate differences	1254			37	
(+/-) Impairment and gains/(losses) on disposal of financial instruments	1255				
= FINANCE PROFIT/(LOSS)	1256			(278)	(431)
(+/-) Profit/(loss) of entities measured using the equity method	1253			(10)	(25)
= PROFIT/(LOSS) BEFORE TAX	1265			17.464	7.027
(+/-) Corporate income tax	1270			(1.303)	523
= PROFIT/(LOSS) FOR PERIOD FROM CONTINUING OPERATIONS	1280			16.161	7.550
(+/-) Profit/(loss) for period from discontinued operations, net of taxes	1285				
= CONSOLIDATED PROFIT/(LOSS) FOR PERIOD	1288			16.161	7.550
a) Profit/(loss) attributed to parent company	1300			16.161	7.550
b) Profit/(loss) attributed to non-controlling interests	1289				

EARNINGS PER SHARE		AMOUNT (X.XX euros)	AMOUNT (X.XX euros)	AMOUNT (X.XX euros)	AMOUNT (X.XX euros)
Basic	1290			0.29	0.15
Diluted	1295				



IV. SELECTED FINANCIAL INFORMATION

8. CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (UNDER IFRS ADOPTED)

Units: thousands of euros

		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 30/06/2018
A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)	1305	16.161	7.550
B) OTHER COMPREHENSIVE INCOME - ITEMS NOT RECLASSIFIED TO PROFIT AND LOSS FOR THE PERIOD	1310		
1. Remeasurement (reversal of remeasurement) of property, plant and equipment and intangible assets	1311		
2. Actuarial gains and losses	1344		
3. Share in other recognized comprehensive income from investments in joint ventures and associates	1342		
4. Other income and expenses not reclassified to profit and loss for the period	1343		
5. Tax effect	1345		
C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT AND LOSS FOR THE PERIOD:	1350	-	(1)
1. Available-for-sale financial assets:	1355	-	(1)
a) Gains/(losses) on remeasurement	1356	-	(1)
b) Amounts transferred to profit and loss	1357		
c) Other reclassifications	1358		
2. Cash-flow hedges:	1360		
a) Gains/(losses) on remeasurement	1361		
b) Amounts transferred to profit and loss	1362		
c) Amounts transferred at initial value of hedged items	1363		
d) Other reclassifications	1364		
3. Conversion differences:	1365		
a) Gains/(losses) on remeasurement	1366		
b) Amounts transferred to profit and loss	1367		
c) Other reclassifications	1368		
4. Share in other recognized comprehensive income from investments in joint ventures and associates	1370		
a) Gains/(losses) from measurement	1371		
b) Amounts transferred to profit and loss	1372		
c) Other reclassifications	1373		
5. Other comprehensive income and expenses that may subsequently be reclassified to profit and loss for the period:	1375		
a) Gains/(losses) on remeasurement	1376		
b) Amounts transferred to profit and loss	1377		
c) Other reclassifications	1978		
6. Tax effect	1380		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+B+C)	1400	16.161	7.549
a) Attributed to parent company	1398	16.161	7.549
b) Attributed to non-controlling interests	1399		

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (UNDER IFRS ADOPTED) (1/2)

Units: thousands of euros

CURRENT PERIOD		Equity attributed to parent company					Adjustments for changes in value	Non-controlling interests	Total equity
		Equity							
		Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the per. attributed to parent company	Other equity instruments			
Opening balance at 01/01/2019	3110	3.364	275.028	(8.812)	17.895		(3)	287.472	
Adjustments for changes in accounting policies	3111								
Adjustments for errors	3112								
Adjusted opening balance	3115	3.364	275.028	(8.812)	17.895		(3)	287.472	
I. Total recognized income/(expenses)	3120				16.161			16.161	
II. Transactions with shareholders or owners	3125		537	(371)	(4.474)			(4.308)	
1. Capital increases/(reductions)	3126								
2. Conversion of financial liabilities to equity	3127								
3. Distribution of dividends	3128				(4.474)			(4.474)	
4. Treasury stock transactions (net)	3129		537	(371)				166	
5. Increases/(reductions) due to business combinations	3130								
6. Other transactions with shareholders or owners	3132								
III. Other equity transactions	3135		13.403		(13.421)			(18)	
1. Payments based on equity instruments	3136								
2. Transfers between equity items	3137		13.421		(13.421)				
3. Other changes	3138		(18)					(18)	
Closing balance at 30/06/2019	3140	3.364	288.968	(9.183)	16.161		(3)	299.307	

IV. SELECTED FINANCIAL INFORMATION

9. CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY (UNDER IFRS ADOPTED) (2/2)

Units: thousands of euros

PREVIOUS PERIOD	Equity attributed to parent company					Adjustments for changes in value	Non-controlling interests	Total equity
	Equity							
	Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the per. attributed to parent company	Other equity instruments			
Opening balance at 01/01/2018	3150	3.000	179.855	(8.407)	17.241	(2)		191.687
Adjustments for changes in accounting policies	3151							
Adjustments for errors	3152							
Adjusted opening balance	3155	3.000	179.855	(8.407)	17.241	(2)		191.687
I. Total recognized income/(expenses)	3160				7.550	(1)		7.549
II. Transactions with shareholders or owners	3165		100	(193)	(6.035)			(6.128)
1. Capital increases/(reductions)	3166							-
2. Conversion of financial liabilities to equity	3167							-
3. Distribution of dividends	3168				(6.035)			(6.035)
4. Treasury stock transactions (net)	3169		100	(193)	-			(93)
5. Increases/(reductions) due to business combinations	3170							-
6. Other transactions with shareholders or owners	3172							-
III. Other equity transactions	3175		11.212		(11.206)			6
1. Payments based on equity instruments	3176				-			
2. Transfers between equity items	3177		11.206		(11.206)			-
3. Other changes	3178		6		-			6
Closing balance at 30/06/2018	3180	3.000	191.167	(8.600)	7.550	(3)		193.114

IV. SELECTED FINANCIAL INFORMATION

10. CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) (UNDER IFRS ADOPTED)

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 30/06/2018
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3 +4)	1435	2.614	(837)
1.Profit/(loss) before tax	1405	17.464	7.027
2. Adjustments to profit/(loss)	1410	8.644	7.748
(+) Amortization and depreciation of intangible assets and property, plant and equip	1411	8.715	5.858
(+/-) Other adjustments to profit/(loss) (net)	1412	(71)	1.890
3. Changes in working capital	1415	(21.128)	(16.448)
4. Other cash flows from operating activities:	1420	(2.366)	836
(-) Payment of interest	1421		
(-) Payment of dividends and remuneration of other equity instruments	1430		
(+) Proceeds from dividends	1422		
(+) Proceeds from interest	1423	(14)	-
(+/-) Proceeds from/(payments of) corporate income tax	1424	(2.495)	(2.074)
(+/-) Other proceeds from/(payments for) operating activities	1425	143	2.910
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)	1460	(22.030)	(4.957)
1. Payments of investments:	1440	(22.070)	(5.064)
(-) Group companies, associates and business units	1441		
(-) Property, plant and equipment, intangible assets and investment property	1442	(22.070)	(5.064)
(-) Other financial assets	1443		
(-) Other assets	1444		
2. Proceeds from disinvestments	1450	-	12
(+) Group companies, associates and business units	1451	-	-
(+) Property, plant and equipment, intangible assets and investment property	1452	-	12
(+) Other financial assets	1453		
(+) Other assets	1454		
3. Other cash flows from investing activities	1455	40	95
(+) Proceeds from dividends	1456		
(+) Proceeds from interest	1457	40	95
(+/-) Other proceeds from/(payments for) investing activities	1458		
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)	1490	(9.415)	(4.940)
1. Proceeds from and (payments of) equity instruments:	1470	166	(93)
(+) Issue	1471		
(-) Amortization	1472		
(-) Acquisition	1473	(1.631)	(490)
(+) Disposal	1774	1.797	397
2. Proceeds from/ (payments for) financial liability instruments:	1480	(9.521)	(4.744)
(+) Issue	1481	1.516	1.933
(-) Repayment and amortization	1482	(11.037)	(6.677)
3. Payment of dividends and remuneration of other equity instruments	1485		
4. Other cash flows from financing activities	1486	(60)	(103)
(-) Payment of interest	1487	(60)	(103)
(+/-) Other proceeds from /(payments for) financing activities	1488		
D) EFFECT OF CHANGES IN EXCHANGE RATES	1492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	1495	(28.831)	(10.734)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1499	95.511	40.700
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	1500	66.680	29.966

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT PERIOD 30/06/2019	PREVIOUS PERIOD 30/06/2018
(+) Cash in hand and at bank	1550	66.680	29.966
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable on demand	1553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	1600	66.680	29.966

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IV. SELECTED FINANCIAL INFORMATION

12. DIVIDENDS PAID

		CURRENT PERIOD			PREVIOUS PERIOD		
		% of nominal value	Euros per share (X.XX)	% of nominal value	% of nominal value	Euros per share (X.XX)	Amount (thousand euros)
Ordinary shares	2158						
Other shares (non-voting, redeemable, etc.)	2159						
Total dividends paid	2160					0	
a) Dividends charged to profit and loss	2155						
a) Dividends charged to reserves or share premium	2156						
c) Dividends in kind	2157						



IV. SELECTED FINANCIAL INFORMATION

14. SEGMENT REPORTING

Units: thousands of euros

Table 1:

GEOGRAPHICAL AREA		Distribution of net revenue by geographical area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210	135.218	122.128	114.349	103.729
Exports:	2215	42.191	24.949	63.187	42.580
a) European Union	2216	37.120	17.233	56.622	34.212
a.1) Euro zone	2217	33.841	16.398	48.843	30.574
a.2) No Euro zone	2218	3.279	835	7.779	3.638
b) Other countries	2217	5.071	7.716	6.565	8.368
TOTAL	2220	177.409	147.077	177.536	146.309

Table 2:

SEGMENTS		CONSOLIDATED			
		Net revenue		Profit / (loss)	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Manufacturing	2221	90.157	64.531	14.792	6.637
Marketing	2222	185.593	143.985	20.729	13.082
Other	2223			(20)	(4)
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
elimination of	2231	(98.214)	(62.207)	(19.340)	(12.165)
TOTAL	2220	177.536	146.309	16.161	7.550



IV. SELECTED FINANCIAL INFORMATION

15. AVERAGE NUMBER OF EMPLOYEES

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE NUMBER OF EMPLOYEES	2295	502	461	1.278	1.198
Men	2296	218	191	588	534
Women	2297	284	270	690	664

IV. SELECTED FINANCIAL INFORMATION

16. COMPENSATION RECEIVED BY DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS:

Item of compensation:		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Fixed compensation	2310	371	365
Variable compensation	2311	351	191
Per diem	2312		
Bylaw-stipulated items	2313		
Transactions with shares and/or other financial instruments	2314	12	12
Other	2315	255	255
TOTAL	2320	989	823

SENIOR MANAGEMENT:

		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Total compensation received by senior management	2325	864	979



IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (1/2)

Units: thousands of euros

RELATED-PARTY TRANSACTIONS

		CURRENT PERIOD				Total
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	
EXPENSES AND INCOME						
1) Finance expenses	2340					
2) Management or collaboration agreements	2341					
3) Transfers of R&D and licence agreements	2342					
4) Rentals	2343		12		958	970
5) Services received	2344					
6) Purchases of goods (finished or in progress)	2345					
7) Measurement corrections for bad or doubtful debts	2346					
8) Losses on the retirement or disposal of assets	2347					
9) Other expenses	2348					
EXPENSES (1+2+3+4+5+6+7+8+9)	2350		12		958	970
10) Finance income	2351					
11) Management or collaboration agreements	2352					
12) Transfers of R&D and licence agreements	2353					
13) Dividends received	2354					
14) Rentals	2355					
15) Services provided	2356					
16) Sale of goods (finished or in progress)	2357					
17) Profit on the retirement or disposal of assets	2358					
18) Other income	2359					
INCOME (10+11+12+13+14+ 15+16+17+18)	2360					

		CURRENT PERIOD				Total
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	
OTHER TRANSACTIONS						
Purchase of PPE, intangible assets or other assets	2371					
Financing agreements: loans & capital contributions (lender)	2372					
Finance leases (lessor)	2373					
Repayment or cancellation of loans & rental agreements (lessor)	2377					
Sale of PPE, intangible assets or other assets	2374					
Financing agreements: loans & capital contributions (borrower)	2375					
Finance leases (lessee)	2376					
Repayment or cancellation of loans & rental agreements (lessee)	2378					
Guarantees and guarantee deposits furnished	2381					
Guarantees and guarantee deposits received	2382					
Commitments acquired	2382					
Commitments / guarantees cancelled	2384					
Dividends and other profits distributed	2386					
Other transactions	2385					

		CURRENT PERIOD				Total
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	
OTHER TRANSACTIONS						
1) Trade and other receivables	2341					
2) Loans and credits granted	2342			46		46
3) other collection rights	2346		44		33	77
TOTAL DEBIT BALANCES (1+2+3)	2347		44	46	33	123
4) Trade and other payables	2352				336	336
5) Loans and credits received	2353					
6) Other payment obligations	2355	3.539	824	80		4.443
TOTAL CREDIT BALANCES (4+5+6)	2358	3.539	824	80	336	4.779



IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (2/2)

Units: thousands of euros

RELATED-PARTY TRANSACTIONS		PREVIOUS PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
EXPENSES AND INCOME						
1) Finance expenses	6340					
2) Management or collaboration agreements	6341					
3) Transfers of R&D and licence agreements	6342					
4) Rentals	6343		12		1.017	1.029
5) Services received	6344				100	100
6) Purchases of goods (finished or in progress)	6345				41	41
7) Measurement corrections for bad or doubtful debt	6346					
8) Losses on the retirement or disposal of assets	6347					
9) Other expenses	6348					
EXPENSES (1+2+3+4+5+6+7+8+9)	6350		12		1.158	1.170
10) Finance income	6351					
11) Management or collaboration agreements	6352					
12) Transfers of R&D and licence agreements	6353					
13) Dividends received	6354					
14) Rentals	6355					
15) Services provided	6356					
16) Sale of goods (finished or in progress)	6357				62	62
17) Profit on the retirement or disposal of assets	6358					
18) Other income	6359					
INCOME (10+11+12+13+14+ 15+16+17+18)	6360				62	62

OTHER TRANSACTIONS		PREVIOUS PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
Purchase of PPE, intangible assets or other assets	6371					
Financing agreements: loans & capital contributions (lender)	6372					
Finance leases (lessor)	6373					
Repayment or cancellation of loans & rental agreements (lessor)	6377					
Sale of PPE, intangible assets or other assets	6374					
Financing agreements: loans & capital contributions (borrower)	6375					
Finance leases (lessee)	6376					
Repayment or cancellation of loans & rental agreements (lessee)	6378					
Guarantees and guarantee deposits furnished	6381					
Guarantees and guarantee deposits received	6382					
Commitments acquired	6383					
Commitments / guarantees cancelled	6384					
Dividends and other profits distributed	6386					
Other transactions	6385					

OTHER TRANSACTIONS		PREVIOUS PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
1) Trade and other receivables	2341					
2) Loans and credits granted	2342			46		46
3) other collection rights	2346		44		33	77
TOTAL DEBIT BALANCES (1+2+3)	2347		44	46	33	123
4) Trade and other payables	2352				323	323
5) Loans and credits received	2353					
6) Other payment obligations	2355		1.827	100		1.927
TOTAL CREDIT BALANCES (4+5+6)	2358		1.827	100	323	2.250