



Laboratorios
Farmacéuticos
Rovi, S.A.
and subsidiaries

Condensed Consolidated Interim Financial
Statements
Interim Management Report
30 June 2020

(With Limited Review Report Thereon)



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 2020, which comprise 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 limited 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 limited review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation regulating the audit of accounts in Spain 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 on the accompanying condensed consolidated interim financial statements.

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2020 has not been prepared, in all material respects, in accordance with ISA 34 "Interim Financial Reporting", adopted by the European Union, set out in article 12 of Royal Decree 1362/2007 for the preparation of condensed consolidated interim financial statements.



Emphasis of matter

We draw your attention to the accompanying note 2, which states that the accompanying condensed consolidated interim financial statements does not include all the information that would be required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standard 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 2019. 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 2020 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 presented, 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 interim financial information. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated interim financial information for the six-month period ended 30 June 2020. Our work as auditors 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 the Group.

Paragraph on Other Matters

This report has been prepared at the request of the Directors in relation to the publication of the six-monthly financial report required by article 119 of Royal Legislative Decree 4/2015 of 23 October 2015 approving the amended Securities Market Law.

KPMG Auditores, S.L.

On the Spanish Official Register of
Auditors (R.O.A.C.) with No. S0702

(Signed on original in Spanish)

José Ignacio Rodríguez Prado

On the Spanish Official Register of Auditors (R.O.A.C.) with No. 15.825

24 July 2020

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

Condensed consolidated interim financial statements
for the six-month period ended 30 June, 2020

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, 2020

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

	Note	30 June 2020	31 December 2019
ASSETS			
Non-current assets			
Property, plant and equipment	7	131,293	131,608
Intangible assets	8	43,151	45,079
Investment in a joint venture	9	1,821	1,843
Deferred income tax assets	14	15,965	14,660
Equity securities	10	70	71
Financial receivables	12	65	65
		192,365	193,326
Current assets			
Inventories	11	235,834	158,811
Trade and other receivables	12	76,337	81,541
Current income tax assets		3,458	10,104
Financial derivatives		405	-
Prepaid expenses		3	3
Cash and cash equivalents	13	35,428	67,426
		351,465	317,885
Total assets		543,830	511,211

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, 2020

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

	Note	30 June 2020	31 December 2019
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	673
Treasury shares	15	(12,874)	(10,341)
Retained earnings and voluntary reserves		243,855	201,784
Profit for the period		29,593	39,273
Other reserves		(4)	(3)
Total equity		352,243	322,386
LIABILITIES			
Non-current liabilities			
Financial debt	17	69,588	72,104
Deferred income tax liabilities	14	2,316	1,078
Contract liabilities	18	5,166	5,793
Deferred income	19	2,961	3,141
		80,031	82,116
Current liabilities			
Financial debt	17	5,768	12,701
Trade and other payables	16	104,283	91,914
Contract liabilities	18	983	1,566
Deferred income	19	522	528
		111,556	106,709
Total liabilities		191,587	188,825
Total equity and liabilities		543,830	511,211

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (Thousands of euros)

	Note	Six-month period ending 30 June	
		2020	2019
Revenue	20	191,129	177,536
Changes in inventories of finished goods and work in progress	11	36,835	20,880
Raw materials and consumables used		(116,238)	(96,938)
Employee benefit expenses		(36,552)	(36,753)
Other operating expenses		(33,343)	(38,632)
Amortization	7 & 8	(9,541)	(8,715)
Recognition of government grants on non-financial non-current assets and other		601	374
OPERATING PROFIT		32,891	17,752
Finance income		2	3
Finance costs		(851)	(452)
Impairment and gain or loss on measurement of financial instruments		800	134
Exchange difference		21	37
FINANCE COSTS - NET		(28)	(278)
Share of profit of joint venture	9	(22)	(10)
PROFIT BEFORE INCOME TAX		32,841	17,464
Income tax	22	(3,248)	(1,303)
PROFIT FOR THE PERIOD		29,593	16,161
Earnings per share (basic and diluted) attributable to shareholders of the - Basic and diluted	23	0.53	0.29

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

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020

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

	Note	Six-month period ending 30 June	
		2020	2019
Profit for the period		29,593	16,161
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		28,592	16,161

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020

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, 2020

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY AT 30 JUNE, 2020 (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 2020	3,364	87,636	673	(10,341)	201,784	39,273	(3)	322,386
Total comprehensive income for the period	-	-	-	-	-	29,593	(1)	29,592
2019 profit transfer	-	-	-	-	39,273	(39,273)	-	-
Acquisition of treasury shares (Note 15)	-	-	-	(9,654)	-	-	-	(9,654)
Reissue of treasury shares (Note 15)	-	-	-	7,121	2,783	-	-	9,904
Other movements	-	-	-	-	15	-	-	15
Balance at 30 June 2020	3,364	87,636	673	(12,874)	243,855	29,593	(4)	352,243

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020

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

	Note	Six-month period ending 30 June	
		2020	2019
Cash flows from operating activities			
Profit before income tax		32,841	17,464
Adjustments for non-monetary transactions			
Amortization	7 & 8	9,541	8,715
Finance income		(23)	(40)
Valuation allowance	11 & 12	117	917
Adjustments for changes in value of financial instruments		(533)	(134)
Result from derecognition of financial assets and liabilities		(267)	29
Finance expense		851	452
Grant on non-financial assets and income from distribution licences	19 & 20	(2,217)	(1,305)
Share of profit of joint venture	9	22	10
Changes in working capital:			
Trade and other receivables		5,768	(9,640)
Inventories		(77,325)	(28,251)
Other current assets (anticipated expenses)		-	17
Trade and other payables		12,668	16,746
Other collections and payments			
Proceeds from distribution licences	19	405	143
Interest payment		(188)	(14)
Income tax cash flow		3,334	(2,495)
Net cash generated from (used in) operating activities		(15,006)	2,614
Cash flows from investing activities			
Purchases of intangible assets	8	(32)	(14,281)
Purchases of property, plant and equipment	7	(7,280)	(7,789)
Proceeds from sale of property, plant and equipment	7	14	-
Interest received		2	40
Net cash flows generated from (used in) investing activities		(7,296)	(22,030)
Cash flows from financing activities			
Repayments of financial debt		(10,184)	(11,037)
Proceeds from financial debt	17	253	1,516
Interest paid		(15)	(60)
Purchase of treasury shares	15	(9,654)	(1,631)
Reissue of treasury shares	15	9,904	1,797
Net cash generated from (used in) financing activities		(9,696)	(9,415)
Net (decrease) increase in cash and cash equivalents		(31,998)	(28,831)
Cash and cash equivalents at the beginning of the period		67,426	95,511
Cash and cash equivalents at the end of the period	13	35,428	66,680

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020 (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 a number of countries.

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. since then. 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).

Changes in the consolidated group

In 2020 there were no changes in the scope of consolidation.

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 the first half of 2019, this company recorded expenses of 25 thousand euros and, its assets, at June 30, 2019 amounted 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 did not therefore include this company in the scope of consolidation.

In November 2019, the following three Group companies, all of which were 100% held by Laboratorios Farmacéuticos, Rovi, S.A., were merged by absorption: Frosst Ibérica, S.A.U. (absorbing company), Rovit Contract Manufacturing, S.L. and Bemipharma Manufacturing, S.L. (absorbed companies). After this merger, but likewise in 2019, Frosst Ibérica, S.A. changed its corporate name to Rovi Pharma Industrial Services, S.A.U.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020 (thousands of euros)

2. Bases of preparation

These condensed consolidated interim financial statements for the six-month period ended 30 June, 2020 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 2019 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. Significant changes in accounting policies are described in Note 3.

These interim financial statements were approved by the Company's Board of Directors on 24 July, 2020.

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 2019 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, 2020 are the same as those used in preparing the consolidated annual financial statements for the year ended 31 December, 2019 (the policy for recognising and measuring corporate income tax in the interim period is explained in Note 2.18), as described in said consolidated annual financial statements, and no significant estimates inconsistent with those made in the 2019 reporting period have been made.

From among the standards, interpretations and amendments endorsed by the European Union and coming into force from 2020 onwards, the following are applicable to the Group:

- IAS 1 "Financial Statement Presentation" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Amendment) – Definition of "material". The amendments to the definition of material are to make it easier for companies to make materiality judgements. The definition of material helps companies decide whether the information should be included in the consolidated annual financial statements. These amendments clarify said definition and include guidance on how to apply it. Furthermore, the explanations accompanying the definition have been improved and it has been ensured that the definition of material is consistent across all the Standards. The amendments will apply in the annual periods beginning on or after 1 January, 2020, but early application is permitted. The Group will evaluate the content of its consolidated annual financial statements in accordance with the new definition, although no significant changes are expected.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020 (thousands of euros)

- Amendments to the Conceptual Framework for Financial Reporting. The revised version of the Conceptual Framework establishes a series of fundamental concepts that guide the IASB in developing the standards and helps to ensure that the standards are consistent and that similar transactions are treated in the same way. It also helps companies to develop their accounting policies when no specific Standard applies to a transaction. The revised Conceptual Framework includes a new chapter on measurement, improves the definitions and guidance, and clarifies important areas such as prudence and measurement uncertainty. It will apply to preparers who develop accounting policies based on the Conceptual Framework for annual periods beginning on or after 1 January, 2020.

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, 2019.

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, 2019. 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. During the first half of 2020 ROVI has signed credit policies for an amount of 45 million euros, in order to strengthen the Group's financial position and ensure the company's liquidity.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020 (thousands of euros)

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.

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.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020 (thousands of euros)

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 companies in 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.

The segment information used by the Management Committee for the six-month period ended 30 June, 2020 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	116,040	219,292	-	335,332	(144,203)	191,129
Profit / (loss)	9,674	52,393	(10)	62,057	(32,464)	29,593
Corporate income tax	3,525	318	(3)	3,840	(592)	3,248
Profit / (loss) before tax	13,199	52,711	(13)	65,897	(33,056)	32,841
Finance costs - net	290	(30,960)	(2)	(30,672)	30,700	28
Amortization	3,714	5,827	-	9,541	-	9,541
EBITDA (*)	17,203	27,578	(15)	44,766	(2,356)	42,410
Amortization	(3,714)	(5,827)	-	(9,541)	-	(9,541)
EBIT (**)	13,489	21,751	(15)	35,225	(2,356)	32,869

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

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2020 (thousands of euros)

(*) 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, 2020 and 2019 relate principally to dividends paid between Group companies.

Sales made to external customers in each segment at 30 June, 2020 were as follows:

	Manufacturing	Marketing	Other	TOTAL
Total segment revenues	116,040	219,292	-	335,332
Inter-segment revenues	(81,277)	(62,926)	-	(144,203)
Revenues from external customers (Note 20)	34,763	156,366	-	191,129

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 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, 2020 are:

	Manufacturing	Marketing	Other	TOTAL
Total assets	250,571	524,136	531	775,238
Of which:				
Investments in Group companies	-	9,489	-	9,489
Increases in non-current non-financial assets	3,557	3,755	-	7,312
	-	-	-	-
Total liabilities	(201,524)	(203,716)	-	(405,240)

The assets of the aggregated segments at 31 December, 2019 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	TOTAL
Total assets	189,655	420,915	690	611,260
Of which:				
Investments in Group companies	-	9,633	-	9,633
Increases in non-current non-financial assets	15,319	25,206	-	40,525
	-	-	-	-
Total liabilities	(119,723)	(153,013)	(4)	(272,740)

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The assets of the aggregated segments at 30 June, 2020 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated figures
Total assets	250,571	524,136	531	(221,919)	(9,489)	543,830

The assets of the aggregated segments at 31 December, 2019 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated figures
Total assets	189,655	420,915	690	(90,416)	(9,633)	511,211

7. Property, plant and equipment

Movement on the property, plant and equipment for the six-month periods ended 30 June, 2020 and 2019 was as follows:

	Land and buildings	Technical facilities, machinery and tools	Furniture, fittings and other	IT equipment and vehicles	Rights Of Use	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

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	Land and buildings	Technical facilities, machinery and tools	Furniture, fittings and other	IT equipment and vehicles	Rights Of Use	Total
Balance at 01.01.20						
Cost	35,339	207,410	3,402	15,266	24,234	285,651
Accumulated amortization	(18,357)	(115,566)	(2,652)	(13,873)	(3,595)	(154,043)
Net carrying amount 01.01.20	16,982	91,844	750	1,393	20,639	131,608
Additions	476	6,164	12	628	-	7,280
Disposals	-	(60)	-	-	-	(60)
Derecognition of amortization	-	46	-	-	-	46
Amortization charge	(119)	(5,245)	(54)	(382)	(1,781)	(7,581)
Balance at 30.06.20						
Cost	35,815	213,514	3,414	15,894	24,234	292,871
Accumulated amortization	(18,476)	(120,765)	(2,706)	(14,255)	(5,376)	(161,578)
Net carrying amount 30.06.20	17,339	92,749	708	1,639	18,858	131,293

A majority of the additions recognised in the first six months of 2020 and 2019 related to investments in ROVI's manufacturing plants:

- 0.9 million euros were invested in the injectables plant, in comparison with the 0.4 million euros invested in the first half of 2019;
- 0.7 million euros were invested in the San Sebastián de los Reyes plant, in comparison with the 1.1 million euros invested in the first half of 2019;
- 0.7 million euros were invested in the Granada plant, in comparison with the 2.4 million euros invested in the first half of 2019;
- 0.8 million euros were invested in the Alcalá de Henares (Frosst Ibérica) plant, in comparison with the 2.5 million euros invested in the first half of 2019;
- 3.1 million euros corresponds to the ISM® industrialization, versus 0.4 million euros in the first half of 2019;
- 0.4 million euros relates to investment capex regarding the Escúzar plant (the second heparin plant in Granada) versus 0.7 million euros invested in the first half of 2019 (linked to the bought of land for the plant construction); and
- 0.7 million euros were related to plant maintenance investments, in comparison with the 1.2 million euros of the first half of 2019.

At 30 June, 2020 and 2019, there were no investments for which contracts had been signed that were not recognized in the condensed consolidated financial statements.

At 30 June 2020, the Group held property, plant and equipment with a net carrying amount of 622 thousand euros subject to retention of title (628 thousand euros at 31 December, 2019).

At 30 June 2020 and 31 December 2019, there were no impairment losses on property, plant and equipment.

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

8. Intangible assets

Movement on intangible assets for the six-month periods ended 30 June 2020 and 2019 was as follows:

	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
	Development	Trademarks and licences	Computer software	Total
Balance at 01.01.20				
Cost	8,873	44,929	12,080	65,882
Accumulated impairment	-	(341)	-	(341)
Accumulated amortization	(944)	(9,076)	(10,442)	(20,462)
Net carrying amount 01.01.20	7,929	35,512	1,638	45,079
Additions	6	-	26	32
Amortization charge	(227)	(1,346)	(387)	(1,960)
Balance at 30.06.20	-	-	-	-
Cost	8,879	44,929	12,106	65,914
Accumulated impairment	-	(341)	-	(341)
Accumulated amortization	(1,171)	(10,422)	(10,829)	(22,422)
Net carrying amount 30.06.20	7,708	34,166	1,277	43,151

The caption "Trademarks and licences" includes assets with an indefinite useful life for a value of 5,366 thousand euros at 30 June, 2020 and 31 December, 2019. Management tests these assets annually for indications of impairment, although none has materialized to date. At 31 December, 2019, 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, 2020, since no events that could have eliminated the aforementioned difference had taken place.

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

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At 30 June, 2020 and 2019, 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, 2020 or 31 December, 2019.

As a consequence of a reduction in the recoverable value of the asset related to the acquisition of the distribution rights of the product Hirobriz® (belonging to the “Marketing” segment), which fell below its carrying amount, the related impairment loss was recognised at 31 December, 2019. The loss of 341 thousand euros was recognised under the caption “Impairment losses on non-current assets” in the income statement. The recoverable value of this asset was obtained by projecting the cash flows forecast until the end of the contract in December 2023, applying a discount rate of 6.9%. The margins applied in the cash flow projection are those forecast in accordance with ROVI’s historical knowledge of the revenue and costs generated by this asset. The estimates taken into account at December 31, 2019 have not changed in 2020.

The Group holds insurance policies to cover the risks to which the intangible assets are exposed. The insurance cover is considered sufficient.

Total research and development expenses incurred in the six-month period ended 30 June, 2020 were 10,775 thousand euros (14,726 thousand euros in the same period of 2019), mainly concentrated on the ISM® platform. Of the total research and development expenditure incurred in the first six months of 2020, 3,674 thousand were recognized under the “Employee benefit expenses” caption (3,942 thousand euros in the same period of 2019) and 7,101 thousand euros under “Other operating expenses” (10,784 thousand euros in the same period of 2019).

9. Investments in joint ventures

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

	30 June 2020	30 June 2019
Balance at beginning of period/year	1,843	2,038
Share in profits/(losses)	(22)	(10)
Balance at end of period/year	1,821	2,028

The nature of this investment in joint ventures at 30 June, 2020 and 31 December, 2019 was as follows:

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

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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%.

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Condensed financial information

The condensed statements of financial position of Alentia Biotech, S.L. and Enervit Nutrition, S.L. at 30 June, 2020 and 31 December, 2019 and the condensed income statements of the two companies at 30 June, 2020 and 2019 are as follows:

Condensed statement of financial position	30 June 2020		31 December 2019	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Current				
Cash and cash equivalents	107	135	108	133
Other current assets (excluding cash)	-	2,148	-	2,773
Total current assets	107	2,283	108	2,906
Financial liabilities (excluding trade payables)	-	(1,314)	-	(744)
Other current liabilities (including trade payables)	-	(487)	-	(1,758)
Total current liabilities	-	(1,801)	-	(2,502)
Non-current				
Property, plant and equipment	-	19	-	20
Intangible assets	-	3,158	-	3,264
Other financial assets	-	5	-	5
Deferred income tax assets	-	37	-	88
Total non-current assets	-	3,219	-	3,377
Financial liabilities	(2,200)	-	(2,200)	-
Deferred tax liabilities	-	36	-	-
Total non-current liabilities	(2,200)	36	(2,200)	-
NET ASSETS	(2,093)	3,737	(2,092)	3,781
Condensed statement of comprehensive income	30 June 2020		30 June 2019	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Revenue	-	2,758	-	3,543
Raw material and consumables used	-	(2,057)	-	(2,690)
Employee benefit expenses	-	(325)	-	(360)
Other operating expenses	(1)	(298)	-	(405)
Amortization	-	(107)	-	(108)
Profit / (loss) before tax	(1)	(29)	-	(20)
Finance costs-net	-	(1)	-	-
Corporate income tax	-	(14)	-	-
Profit / (loss) for the period	(1)	(44)	-	(20)
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	(1)	(44)	-	(20)
Dividends received from joint ventures	-	-	-	-

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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, 2020:

Condensed financial information	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Joint ventures net assets at beginning of period	(2,092)	3,781
Profit / (loss) for the period	(1)	(44)
Joint ventures net assets at end of period	(2,093)	3,737
Interest in a joint venture	-	1,821
Carrying amount	-	1,821

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.

10. Variable-income securities

	30 June 2020	30 June 2019
Beginning of the period	70	70
Net gains/(losses) recognized in equity	-	-
End of the period	70	70
Less: non-current portion	70	70
Current portion	-	-

Variable-income securities include:

	30 June 2020	31 December 2019
Unlisted securities		
– Variable-income securities (equity securities)	59	59
Listed securities:		
– Investment funds and equity securities	11	11
	70	70

At 30 June, 2020 and 31 December, 2019, these securities were denominated in euros.

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11. Inventories

	30 June 2020	31 December 2019
Raw materials and other consumables	120,489	79,775
Work in progress and semi-finished goods	69,807	42,877
Finished goods produced internally	34,541	24,636
Commercial products	10,997	11,523
	235,834	158,811

In the six-month period ended 30 June, 2020, the Group wrote down the value of its inventories by 302 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" captions of the income statement. During the first six months of 2019, the Group wrote down its inventories by 1,378 thousand 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 2020	31 December 2019
Trade receivables	65,481	71,791
Less: loss allowance	(177)	(175)
Trade receivables - Net	65,304	71,616
Deposits	1,409	1,407
Other receivables	9,689	8,583
Total	76,402	81,606
Less: non-current portion: financial receivables	65	65
Current portion	76,337	81,541

At 30 June, 2020, deposits included deposits of 1,409 thousand euros at an interest rate lower than 1% (1,407 thousand euros at 31 December, 2019). 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.

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

	30 June 2020	30 June 2019
Beginning of the period/year	175	1,099
Net remeasurement of loss allowance	7	(461)
Amounts written off	(5)	-
End of the period/year	177	638

13. Cash and cash equivalents

	30 June 2020	31 December 2019
Cash at bank and on hand	35,428	67,426
	35,428	67,426

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 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
	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
At 1 January 2020	14,660	(1,078)	13,582
(Charged)/credited to profit and loss	1,305	(1,238)	67
(Charged)/credited to equity	-	-	-
At 30 June 2020	15,965	(2,316)	13,649

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15. Share capital, share premium and treasury shares

Share capital and share premium

	No. shares	Face value (euros)	Total share capital (thousands)
Balance at 1 January, 2019	56,068,965	0.06	3,364
Balance at 31 December, 2019	56,068,965	0.06	3,364
Balance at 1 January, 2020	56,068,965	0.06	3,364
Balance at 30 June, 2020	56,068,965	0.06	3,364

In May 2019, the company Norbel Inversiones, S.L. increased its interest in the Company's share capital. After this increase, Norbel Inversiones, S.L. became the holder of 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). Mr Juan López-Belmonte López holds an interest of 12.62% in the Company's share capital, while Messrs Juan, Iván and Javier López-Belmonte Encina each hold 16.83%.

All the shares issued are fully paid up.

Treasury shares

In the first six months of 2020, the Group acquired a total of 399,724 of its own shares (88,315 in the first six months of 2019), paying a sum of 9,654 thousand euros for them (1,631 thousand euros at 30 June, 2019). Likewise, in the first six months of 2020, it sold a total of 411,045 of its own shares (96,765 in the first six months of 2019) for a sum of 9,904 thousand euros (1,797 thousand euros in 2019). These shares had been acquired at a weighted average cost of 7,121 thousand euros (1,260 thousand euros in 2019), giving rise to a profit of 2,783 thousand euros on the sale (537 thousand euros in 2019), which was taken to reserves in 2020. At 30 June, 2020, the Group held 675,635 treasury shares (686,605 at 30 June, 2019).

16. Trade and other payables

At 30 June, 2020, the "Other payables" caption included the following liabilities:

	30 June 2020	31 December 2019
Returns	1,709	1,365
Contribution to the public healthcare system	16,761	8,437
Other liabilities	8	25
	18,478	9,827

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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.

Additionally, this line includes rebates to the National Health System related to the co-operation agreement signed between Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government in 2016 and renewed in December 2017. ROVI, as a member of Farmaindustria, is subject to this agreement. According to the agreement, in the event that public spending on medicines (excluding generics and biosimilar) exceeds the actual growth rate of the GDP of the Spanish economy, the pharmaceutical industry must reimburse the government for said excess in cash. In the last years, the public spending growth rate exceeded the growth rate of the GDP, meaning that the companies subject to the agreement must make the applicable reimbursement.

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, 2020 and 31 December, 2019 was as follows:

	30 June 2020	31 December 2019
Non-current financial debt	69,588	72,104
Current financial debt	5,768	12,701
	75,356	84,805

Movement on the financial debt for the six-month periods ended 30 June, 2020 and 2019 was as follows:

Six-month period ending 30 June 2020:	Net carrying amount 01.01.2020	Additions	Payments	Net carrying amount 30.06.2020
Bank borrowings (a)	52,116	-	(7,116)	45,000
Debt with government entities (b)	11,689	217	(747)	11,159
Financial leasing	20,871	-	(1,674)	19,197
Derivative financial instruments	129	-	(129)	-
	84,805	217	(9,666)	75,356

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Six-month period ending 30 June 2019:	Net carrying amount			Net carrying amount	
	01.01.2019	Additions	Disposals	Payments	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

a) Bank borrowings

The conditions and maturities of loans granted by banks did not change in the first six months of 2020.

At 31 December, 2019, the Group complied with the financial ratios established in the financing agreement signed with the European Investment Bank (EIB). These ratios at said date were certified in the first six months of 2020.

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, therefore, 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 2020 were the following:

Compan	Government entity	Project	Thousands of euros		Years	
			Face value	Initial fair value	Repayment period	Grace period
ROVI	Industrial Technological Development Centre	(1)	68	57	9	4
ROVI	Industrial Technological Development Centre	(1)	58	50	12	3
ROVI	Industrial Technological Development Centre	(1)	127	110	12	3
			253	217		

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

b.2) Loans received in the first six months of 2019 were the following:

Compan	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.

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Fair value of financial debt

The carrying amounts and fair values of non-current bank borrowings and debt with government entities at 30 June, 2020 and 31 December, 2019 were as follows:

	Carrying amount		Fair Value	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Bank borrowings	45,000	45,000	44,748	44,748
Debt with government entities	9,017	9,693	9,628	9,972
	54,017	54,693	54,376	54,720

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 2019).

In the six-month period ended 30 June, 2020, 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 2019, 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, 2020, new contract liabilities on distribution licenses of 405 thousand euros (143 thousand euros at 30 June, 2019) were recognised in relation to new distribution license contracts.

In the first six months of 2020, ROVI recognised total revenue of 1,616 thousand euros (931 thousand euros at 30 June, 2019) for distribution licences.

At 30 June, 2020 and at 31 December, 2019 the contract liabilities related to distribution licences matured as follows:

	30 June 2020	31 December 2019
2020	453	761
2021	1,050	1,050
2022	1,252	1,252
2023	951	951
2024	44	44
2025	-	-
	3,750	4,058
Non-current	2,767	3,297
Current	983	761

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At 30 June 2020 there were contract liabilities on distribution licences amounting to 2,399 thousand euros (2,636 thousand euros at 30 June, 2019), 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 2020	31 December 2019
Non-current		
Deferred income on grants	2,961	3,141
	<u>2,961</u>	<u>3,141</u>
Current		
Deferred income on grants	522	528
	<u>522</u>	<u>528</u>
	<u>3,483</u>	<u>3,669</u>

Deferred income on grants

Movement on deferred income on grants in the six-month periods ended 30 June, 2020 and 2019 was as follows:

	30 June 2020	30 June 2019
Beginning of the period	<u>3,669</u>	<u>4,174</u>
Net gains/(losses) recognized	(328)	(283)
Additions	134	127
Eliminations	8	(39)
End of the period	<u>3,483</u>	<u>3,979</u>

20. Revenues

The breakdown of revenues is as follows:

	30 June 2020	30 June 2019
Sale of goods (*)	156,058	150,859
Sale of services	34,763	26,546
Revenues from distribution licences	308	131
	<u>191,129</u>	<u>177,536</u>

(*) Sales of goods at 30 June, 2020 included 1,521 thousand euros related to promotion services for third-party products (125 thousand euros at 30 June, 2019).

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The total amount of sale of goods was reduced by 16,262 thousand euros in the first six months of 2020 (8,596 thousand euros at 30 June, 2019) 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 2020	30 June 2019
Prescription pharmaceutical products	141,380	132,380
Contrast agents and other hospital products	14,372	16,736
Non-prescription pharmaceutical products	-	1,111
Other	306	632
	156,058	150,859

The revenue disaggregated by primary geographical market and reportable segment at 30 June, 2020 is shown below:

	Manufacturing	Marketing	TOTAL
Spain	4,626	99,981	104,607
UE	24,697	42,717	67,414
Other countries	5,440	13,668	19,108
	34,763	156,366	191,129

At 30 June, 2019, the breakdown was as follows:

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

21. Other expenses

In the first six months of 2020 the operating revenue was affected by total non-recurring expenses of 2,470 thousand euros as a consequence of COVID-19. Of this sum, 1,102 thousand euros is recognised under the "Employee benefit expenses" caption and 1,368 thousand euros under the "Other operating expenses" caption.

22. Income tax

The tax rate applied in 2020 and 2019 is 25%.

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

	30 June 2020	30 June 2019
Current tax for the period	3,315	(2,301)
Deferred tax for the period	(67)	3,501
Adjustment prior years' corporate income tax expense	-	103
	3,248	1,303

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 9.9% in the first six months of 2020, compared with 7.5% in the same period of 2019.

At 31 December 2019, ROVI's total negative tax bases pending application amounted to 34,938 thousand euros, 8,285 thousand euros of which will be applied in the 2019 income tax and 4.090 thousand euros in the first half of 2020.

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 2020	30 June 2019
Profits attributable to company shareholders (thousands of euros)	29,593	16,161
Weighted average number of ordinary shares in issue (thousands)	55,381	55,275
Basic earnings per share (euros per share)	0.53	0.29

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

24. Dividends

- As of June 30, 2020, the Ordinary General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. has not yet been held, where the dividend included in the proposal for the distribution of results included in the annual accounts for the fiscal year 2019 of said Company would have been approved.

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- 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). This dividend was paid out in July 2019.

25. Related-party transactions

a) Sales of goods and services

No sales of goods or services took place with related parties in the first six months of 2020 or 2019.

b) Purchases of goods and services

	30 June 2020	30 June 2019
Services received		
– Shareholders and members of the Board of Directors	12	12
– Companies in which Mr. Juan López-Belmonte López holds an ownership interest	1,017	958
	1,029	970

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.

c) Remuneration of key management and Board members

	30 June 2020	30 June 2019
Salaries and other short-term benefits		
- As members of the Board of Directors	255	255
- As key management	1,428	1,572
Contributions to defined-contribution plans and life insurance premiums		
- Key management	15	14
	1,698	1,841

The remuneration of the executive directors for their management duties are included in the "Key management" section. At 30 June, 2020, the Management Committee was formed by 11 members (13 at 30 June, 2019).

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ROVI has a Long-Term Incentive Plan for executive directors for the years 2019 to 2021. The objective of this plan is to provide compensation for the long-term creation of value for the Group, in order to serve the interests of shareholders.

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.

27. Other significant information

a) First six months of 2020

ROVI informs on the impact of COVID-19 on the company's activities

ROVI reports (by publication of the relevant information number 1365 dated 2nd of April of 2020) that, since the beginning of the propagation of COVID-19, the company has been executing the contingency plans necessary to guarantee the health and safety of its employees and those who work with it, as well as to ensure the continuity of the business and fulfil its responsibility to supply medicines to the hospitals of Spain and Europe.

To this end, the company has adopted a number of initiatives in line with the recommendations made by the authorities. Among them, we highlight the fact that ROVI has reduced the processes that must be performed in person at its facilities to a minimum. Thus, a significant part of the workforce is working from a distance. In the cases where home working is not possible, particularly at the manufacturing plants, ROVI is keeping all its production activities at a kind of normal activity level, with the relevant safety measures, in order to ensure that its medicines continue to be available to patients during the health crisis.

ROVI considers that it is extremely important to keep its manufacturing plants in operation in order to fulfil its responsibility as a pharmaceutical manufacturer. Therefore, the company wishes to acknowledge the commitment and responsibility shown by those of its employees who are physically present at work every day and, for these employees, has approved a bonus of 20% of their salary corresponding to the duration of the State of Alarm decreed by the Spanish government. Likewise, in order to work with the greatest safety and maintain the continuity of the production activities, ROVI recommends avoiding the use of public transport for travelling to the plants and assumes the cost of private transport and parking spaces for those employees who so require.

ROVI's sales behaved in line with company's expectations in the first half of 2020. As a consequence, the company confirms the growth forecasts reported previously for 2020, which placed growth in operating revenue in mid-single-digit figures, i.e. from 0% to 10%. Notwithstanding, given the uncertainties associated to the development of the current situation (which ROVI will continue to monitor closely), it is not yet possible to make a precise assessment of the impact

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that the pandemic will have on the current year. ROVI expects the main negative impact on group sales to take place in the second half of 2020.

Regarding the possible impact of COVID-19 on each one of the areas of the company, the following may be highlighted:

1. The World Health Organisation (WHO) has recommended ROVI's low-molecular-weight heparins (LMWHs), Bemiparin (Hibor®) and the Enoxaparin biosimilar, sales of which accounted for 47% of the company's operating revenue in 2019, as essential medicines for people hospitalised in intensive care units due to COVID-19. For this reason, in view of the habitual use of the product in hospitalised patients, the company believes that there will be a rise in LMWH sales in hospitals during the period of the health crisis. On the other hand, ROVI expects that the significant reduction in the number of surgical operations performed during the period of confinement may, likewise, affect the division's sales. The industrial shutdown that took place in China at the beginning of the year and the current shutdown in Europe, combined with the evolution of African swine fever in China, confirm the price increase in sodium heparin for this first part of the year.
2. A majority of ROVI's innovative products are indicated for the treatment of chronic diseases and therefore, consumption of these products should remain stable in the short term. However, the confinement measures, which favour the habit of staying at home, combined with the fact that it is impossible for the sales force to promote the products among health professionals, could provoke a slowdown in the sales of the pharmaceutical specialities division if the isolation measures adopted in the health crisis were to be prolonged.
3. As we have mentioned previously, as of today's date, production activities remain at normal capacity at all the plants, although productivity has been impaired by the various preventive measures concerning sanitisation and safety in relation to COVID-19. ROVI is very proud and satisfied with its employees' response to this crisis. However, the current situation and its potential impact is so unpredictable and volatile that the foregoing assessment of the plants' operations could be affected in the event of infections within their workforces.
4. R&D activities are continuing and, as of today's date, ROVI is not aware that there will be any kind of delay in the approval process for Doria® in Europe or registration of the medicine in the United States. Notwithstanding, the company understands that the efforts of the European Medicines Agency are currently focused on COVID-19 and does not rule out delays in the approval process for the medicine under the current circumstances. Likewise, for registration of the medicine in the United States, the company depends on third-party assistance, which means that ROVI cannot be certain that the registration application will not be filed later the date reported previously (second half of 2020).

ROVI is continuing with its transformation process and the execution of its strategic plan. To date, the impact of the health crisis has not changed the Group's plans. Said strategic plan focuses on (i) the expansion of its enoxaparin biosimilar, with which it aspires to become a benchmark player in the low-molecular-weight heparin sub-market, and (ii) Doria® and Letrozol®, both of which are candidates that validate its extended-release drug delivery system, ISM®.

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ROVI is also contributing to the provision of new solutions that help to improve the health situation of society overall and has taken the necessary steps to donate a million surgical masks and a thousand special protection suits to the Ministry of Health, Consumption and Social Welfare, taking account of the difficulties that the National Health System is having in accessing individual protection equipment at the present time. With this contribution, ROVI wishes to assist in the indispensable work carried out by the health professionals who are working nonstop to combat the COVID-19 pandemic in Spain.

ROVI announces the commencement of the assessment process to obtain marketing authorisation for Doria® in the European Union

ROVI informed (by publication of the material event number 286374 dated 31st of January of 2020) that, after the conclusion of the validation phase, the European health authorities have commenced the assessment process to grant marketing authorisation for Doria®, a long-acting anti-psychotic injection for the treatment of schizophrenia, based on the ISM® technology patented by ROVI, in the European Union (EU).

ROVI filed its application for marketing authorisation for Doria® with the European health authorities, the European Medicines Agency (EMA), through the Centralised Procedure on 27 December, 2019. After passing the validation phase satisfactorily, the dossier was admitted for evaluation on 30 January, 2020.

It is forecast that the assessment phase of the Centralised Procedure used by the Company to register this medicine in the EU may take around one year. It should, however, be noted that the assessment process is subject to interruptions and delays in the event that the European health authorities require additional information. Likewise, mention should be made of the fact that the outcome of the registration process (which may be positive or negative) cannot be known until it has concluded.

ROVI will continue to provide information on the milestones deemed significant in this authorisation as the calendar for registration of the medicine in the European Union advances, as well as the registration of the same medicine with the U.S. Food and Drug Administration (FDA), which it is planned to commence in the second half of 2020.

b) 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.

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

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

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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.

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.

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

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

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Accordinging 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”.

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.

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,

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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.

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).

28. Events after the reporting date

ROVI informed (by publication of the inside information with register number 322 dated 9 July, 2020) of the collaboration with Moderna, Inc. (Nasdaq: MRNA), a clinical stage biotechnology company pioneering messenger RNA (mRNA) therapeutics and vaccines to create a new generation of transformative medicines, for large-scale, commercial fill-finish manufacturing of Moderna’s mRNA COVID-19 vaccine candidate (mRNA-1273) at ROVI’s facility in Madrid, Spain.

As part of the agreement, ROVI will provide vial filling and packaging capacity by procuring a new production line and equipment for compounding, filling, automatic visual inspection and labeling to support production of hundreds of millions of doses of the vaccine candidate intended in principle to supply markets outside of the U.S. starting in early 2021. ROVI will also hire additional staffing required to support manufacturing operations and production.

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Interim management report for the six-month period ending 30 June 2020

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"), 119 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

The Company is the parent company of a fully-integrated specialized Spanish pharmaceutical group (ROVI or "the Group") engaged in the research and development, contract manufacturing and the marketing of small molecules and biological specialties. The Group has four principal growth pillars:

- Low-molecular-weight heparin (LMWH) division. In 2019 this division represents 47% of group sales. ROVI has two proprietary research products: bemiparin Hibor® and an enoxaparin biosimilar.
- Other pharmaceutical products division, 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
- 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.

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- Improve the Group's competitiveness by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- 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 Group's financial model, has allowed the group 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 2020	H1 2019	Growth	% Growth
Operating revenues	191.1	177.5	13.6	8%
Other income	0.6	0.4	0.2	61%
Total revenue	191.7	177.9	13.8	8%
Cost of sales	-79.4	-76.1	-3.3	4%
Gross profit	112.3	101.9	10.5	10%
<i>% margin</i>	<i>58.8%</i>	<i>57.4%</i>		<i>1.4pp</i>
R&D expenses	-10.8	-14.7	4.0	-27%
Other SG&A	-59.1	-60.7	1.5	-3%
Share of profit/loss of a joint venture	0.0	0.0	0.0	n.a.
EBITDA¹	42.4	26.5	16.0	60%
<i>% margin</i>	<i>22.2%</i>	<i>14.9%</i>		<i>7.3pp</i>
EBIT¹	32.9	17.7	15.1	85%
<i>% margin</i>	<i>17.2%</i>	<i>10.0%</i>		<i>7.2pp</i>
Net profit	29.6	16.2	13.4	83%

[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 8% to 191.1 million euros in the first half of 2020, driven by (i) the strength of the specialty pharmaceutical business, where sales rose 4%, and by (ii) the toll manufacturing business, which grew by 31%. Total revenue increased by 8% to 191.7 million euros in the first half of 2020.
- For 2020, ROVI expects a mid-single-digit growth rate for the operating revenue. Notwithstanding, given the uncertainties associated to the development of the COVID-19 pandemic (which ROVI will continue to monitor closely), it is not yet possible to make a precise assessment of the impact that the pandemic will have on the current year.

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- Sales of the heparin franchise (Low Molecular Weight Heparins (LMWH) and other heparins) increased by 23% to 104.0 million euros in the first half of 2020. Heparin sales represented 54% of operating revenue in the first half of 2020 compared to 48% in the first half of 2019. Sales of LMWH (Enoxaparin biosimilar and Bemiparin) increased by 24% to 101.0 million euros in the first half of 2020. Sales of the enoxaparin biosimilar increased 35% to 49.3 million euros in the first half of 2020 and sales of Bemiparin increased 14% to 51.6 million euros.
- Sales of Neparvis®, launched in December 2016, increased by 43% to 13.8 million euros in the first half of 2020.
- EBITDA increased by 60%, from 26.5 million euros in the first half of 2019 to 42.4 million euros in the first half of 2020, reflecting a 7.3 percentage point rise in the EBITDA margin to 22.2% in the first half of 2020. In the first half of 2020, ROVI booked 2.5 million euros in personnel and other expenses related to the COVID-19 measures implemented.
- Net profit increased by 83%, from 16.2 million euros in the first half of 2019 to 29.6 million euros in the first half of 2020.

3. Liquidity and capital resources

3.1.- Liquidity

As of 30 June 2020, ROVI had a gross cash position of 37.3 million euros, compared to 68.9 million euros as of 31 December 2019, and net debt of 38.0 million euros (equity securities plus deposits plus financial derivatives plus cash and cash equivalents minus current and non-current financial debt), compared to 15.9 million euros as of 31 December 2019.

3.2.- Capital resources

As of 30 June 2020, ROVI total debt decreased to 75.4 million euros. Debt with public administration, which is 0% interest rate debt, represented 15% of total debt as of 30 June 2020.

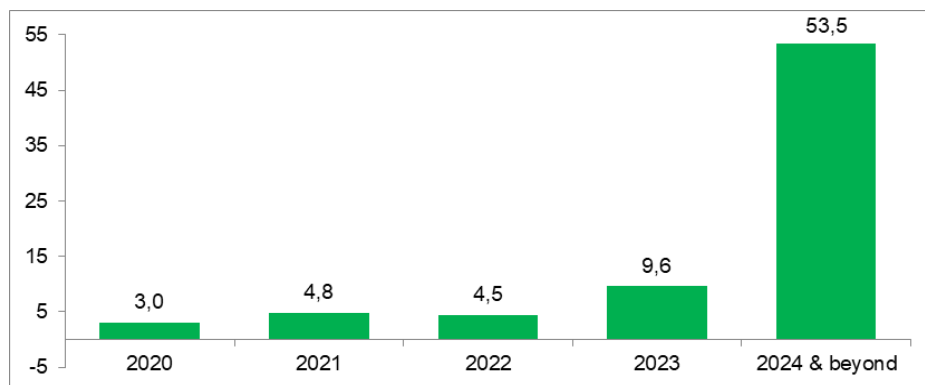
<i>In thousand euros</i>	30 June 20	31 December 19
Bank borrowings	45,000	52,116
Debt with public administration	11,159	11,689
Financial Leasing	19,197	20,871
Derivative financial instruments	-	129
Total	75,356	84,805

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Debt maturities at 30 June 2020 are shown in the following graph (millions of euros):



4. Other significant agreements

ROVI informs on the impact of COVID-19 on the company's activities

ROVI reports (by publication of the relevant information number 1365 dated 2nd of April of 2020) that, since the beginning of the propagation of COVID-19, the company has been executing the contingency plans necessary to guarantee the health and safety of its employees and those who work with it, as well as to ensure the continuity of the business and fulfil its responsibility to supply medicines to the hospitals of Spain and Europe.

To this end, the company has adopted a number of initiatives in line with the recommendations made by the authorities. Among them, we highlight the fact that ROVI has reduced the processes that must be performed in person at its facilities to a minimum. Thus, a significant part of the workforce is working from a distance. In the cases where home working is not possible, particularly at the manufacturing plants, ROVI is keeping all its production activities at a kind of normal activity level, with the relevant safety measures, in order to ensure that its medicines continue to be available to patients during the health crisis.

ROVI considers that it is extremely important to keep its manufacturing plants in operation in order to fulfil its responsibility as a pharmaceutical manufacturer. Therefore, the company wishes to acknowledge the commitment and responsibility shown by those of its employees who are physically present at work every day and, for these employees, has approved a bonus of 20% of their salary corresponding to the duration of the State of Alarm decreed by the Spanish government. Likewise, in order to work with the greatest safety and maintain the continuity of the production activities, ROVI recommends avoiding the use of public transport for travelling to the plants and assumes the cost of private transport and parking spaces for those employees who so require.

ROVI's sales behaved in line with company's expectations in the first half of 2020. As a consequence, the company confirms the growth forecasts reported previously for 2020, which placed growth in operating revenue in mid-single-digit figures, i.e. from 0% to 10%. Notwithstanding, given the uncertainties associated to the development of the current situation (which ROVI will continue to monitor closely), it is not yet possible to make a precise assessment of the impact that the pandemic will have on the current year. ROVI expects the main negative impact on group sales to take place in the second half of 2020.

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Regarding the possible impact of COVID-19 on each one of the areas of the company, the following may be highlighted:

1. The World Health Organisation (WHO) has recommended ROVI's low-molecular-weight heparins (LMWHs), Bemiparin (Hibor®) and the Enoxaparin biosimilar, sales of which accounted for 47% of the company's operating revenue in 2019, as essential medicines for people hospitalised in intensive care units due to COVID-19. For this reason, in view of the habitual use of the product in hospitalised patients, the company believes that there will be a rise in LMWH sales in hospitals during the period of the health crisis. On the other hand, ROVI expects that the significant reduction in the number of surgical operations performed during the period of confinement may, likewise, affect the division's sales. The industrial shutdown that took place in China at the beginning of the year and the current shutdown in Europe, combined with the evolution of African swine fever in China, confirm the price increase in sodium heparin for this first part of the year.
2. A majority of ROVI's innovative products are indicated for the treatment of chronic diseases and therefore, consumption of these products should remain stable in the short term. However, the confinement measures, which favour the habit of staying at home, combined with the fact that it is impossible for the sales force to promote the products among health professionals, could provoke a slowdown in the sales of the pharmaceutical specialities division if the isolation measures adopted in the health crisis were to be prolonged.
3. As we have mentioned previously, as of today's date, production activities remain at normal capacity at all the plants, although productivity has been impaired by the various preventive measures concerning sanitisation and safety in relation to COVID-19. ROVI is very proud and satisfied with its employees' response to this crisis. However, the current situation and its potential impact is so unpredictable and volatile that the foregoing assessment of the plants' operations could be affected in the event of infections within their workforces.
4. R&D activities are continuing and, as of today's date, ROVI is not aware that there will be any kind of delay in the approval process for Doria® in Europe or registration of the medicine in the United States. Notwithstanding, the company understands that the efforts of the European Medicines Agency are currently focused on COVID-19 and does not rule out delays in the approval process for the medicine under the current circumstances. Likewise, for registration of the medicine in the United States, the company depends on third-party assistance, which means that ROVI cannot be certain that the registration application will not be filed later the date reported previously (second half of 2020).

ROVI is continuing with its transformation process and the execution of its strategic plan. To date, the impact of the health crisis has not changed the Group's plans. Said strategic plan focuses on (i) the expansion of its enoxaparin biosimilar, with which it aspires to become a benchmark player in the low-molecular-weight heparin sub-market, and (ii) Doria® and Letrozol®, both of which are candidates that validate its extended-release drug delivery system, ISM®.

ROVI is also contributing to the provision of new solutions that help to improve the health situation of society overall and has taken the necessary steps to donate a million surgical masks and a thousand special protection suits to the Ministry of Health, Consumption and Social Welfare, taking account of the difficulties that the National Health System is having in accessing individual protection equipment at the present time. With this contribution, ROVI wishes to assist in the indispensable work carried out by the health professionals who are working nonstop to combat the COVID-19 pandemic in Spain.

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ROVI announces the commencement of the assessment process to obtain marketing authorisation for Doria® in the European Union

ROVI informed (by publication of the material event number 286374 dated 31st of January of 2020) that, after the conclusion of the validation phase, the European health authorities have commenced the assessment process to grant marketing authorisation for Doria®, a long-acting anti-psychotic injection for the treatment of schizophrenia, based on the ISM® technology patented by ROVI, in the European Union (EU).

ROVI filed its application for marketing authorisation for Doria® with the European health authorities, the European Medicines Agency (EMA), through the Centralised Procedure on 27 December, 2019. After passing the validation phase satisfactorily, the dossier was admitted for evaluation on 30 January, 2020.

It is forecast that the assessment phase of the Centralised Procedure used by the Company to register this medicine in the EU may take around one year. It should, however, be noted that the assessment process is subject to interruptions and delays in the event that the European health authorities require additional information. Likewise, mention should be made of the fact that the outcome of the registration process (which may be positive or negative) cannot be known until it has concluded.

ROVI will continue to provide information on the milestones deemed significant in this authorisation as the calendar for registration of the medicine in the European Union advances, as well as the registration of the same medicine with the U.S. Food and Drug Administration (FDA), which it is planned to commence in the second half of 2020.

5. Research and development

ISM® technology platform

As the company has recently informed (by publication of the material event number 286374 dated 31st of January of 2020), a very important milestone has already been achieved with its long-acting injectable (LAI) antipsychotic Doria® (Risperidone ISM®). After the conclusion of the validation phase, the European health authorities have commenced the assessment process to grant marketing authorisation for this first product based in its leading-edge drug delivery technology, ISM®. In March 2019, the company announced topline results from the pivotal study of Risperidone ISM® “PRISMA-3”¹, 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. Besides, in July 2019, the company announced the completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia. In addition, an open-label extension of the PRISMA-3 study² has already finished, which will provide clinical data on the long-term use of Risperidone ISM® (12 additional months).

¹ 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/ct2/show/NCT03160521) [<https://clinicaltrials.gov/show/NCT03160521>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

² Study to Evaluate the Efficacy and Safety of Risperidone ISM® in Patients With Acute Schizophrenia: Open Label Extension (PRISMA-3_ OLE). [Clinicaltrials.gov# NCT03870880](https://clinicaltrials.gov/ct2/show/NCT03870880) [<https://clinicaltrials.gov/ct2/show/NCT03870880>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

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Furthermore, ROVI informed 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 has prioritized the submission of the Doria® dossier in Europe (already done) and subsequently, filing in the USA, targeting the second half of 2020.

On the other hand, the company already announced the commencement of the clinical development of Letrozole ISM®, which represents the second candidate 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 study¹) 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.

Lastly, ROVI's R&D team has recently started development of a new formulation of Risperidone ISM® for a 3-monthly injection, which would complement the current formulation of Doria® for the maintenance treatment of patients with clinically stable schizophrenia. This development is still in an initial phase.

6. Dividends

In February 2020, ROVI announced it would propose payment of a dividend of 0.1751 euros per share with dividend rights out of the 2019 profit if the Ordinary General Shareholders' Meeting approved the application of the 2019 profit proposed by ROVI's Board of Directors. This proposed dividend would mean an increase of 119% on the dividend paid out of the 2018 profit (€0.0798/share) and represents a 25% pay-out. In May 2020, as a consequence of the COVID-19 crisis and according to what it is established on the Royal Decree 8/2020, of March 17, the ROVI Board of Directors agreed to postpone the holding of its Ordinary General Shareholders Meeting 2020 and put its dividend proposal under review. In this regard, as the Market has been informed by the release of "other relevant information", the Board of Directors agreed to set the date for holding its Ordinary General Shareholders' Meeting in October 2020 and to maintain the proposed dividend of 0.1751 euros per share, which was communicated to the Market in February 2020.

¹ *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) [<https://clinicaltrials.gov/ct2/show/NCT03401320>]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").

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7. Capital expenditure

ROVI invested 7.3 million euros in the first half of 2020, compared to 8.6 million euros in the first half of 2019. Of the amount invested:

- 0.9 million euros corresponds to investment capex related to the injectable facility (Madrid), versus 0.4 million euros in the first half of 2019;
- 0.7 million euros relates to investment capex regarding the San Sebastián de los Reyes plant, versus 1.1 million euros in the first half of 2019;
- 0.7 million euros were invested in the Granada facility, versus 2.4 million euros in the first half of 2019;
- 0.8 million euros were invested in the Alcalá de Henares facility, versus 2.5 million euros in the first half of 2019;
- 3.1 million euros corresponds to the ISM® industrialization, versus 0.4 million euros in the first half of 2019;
- 0.4 million euros relates to investment capex regarding the Escúzar plant (the second heparin plant in Granada) versus 0.7 million euros invested in the first half of 2019 (linked to the bought of land for the plant construction); and
- 0.7 million euros relates to expenditure on maintenance and other capex, versus 1.2 million euros in the first half of 2019.

In addition, in the first half of 2019, ROVI invested 13.5 million euros in the acquisition of Polaramine®.

8. Treasury share transactions

In the course of 2020, ROVI acquired a total of 399,724 of its own shares (88,315 at June 2019), paying the amount of 9,654 thousand euros for them (1,631 thousand euros at June 2019). Likewise, it resold a total of 411,045 of its own shares (96,765 at June 2019) for an amount of 9,904 thousand euros (1,797 thousand euros in 2019). These shares had been acquired at a weighted average cost of 7,121 thousand euros (1,260 thousand euros in 2019), giving rise to a profit of 2,783 thousand euros on the sale (537 thousand euros in 2019), which was taken to reserves. At 30 June, 2020, ROVI held 675,635 treasury shares (686,605 at June 2019).

9. Headcount evolution

At 30 June 2020 the average Group's headcount reached 1,338 people (1,278 at 30 June 2019), 697 of whom were women (690 at 30 June 2019).

10. Environmental information

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

The Group company Rovi Pharma Industrial Services, S.A.U., handle the rest of the Group's environmental tasks and incurred waste management expenses of 130 thousand euros in the first six months of 2020 (99 thousand euros in the first half of 2019).

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11. Outlook for 2020

In 2020, ROVI expects a mid-single-digit growth rate for the operating revenue. The Company forecasts that it will continue to grow in line with the Spanish pharmaceutical market expenditure in the first five months of 2020, which, according to the Ministry of Health, Consumption and Social Welfare, showed a growth rate of 3.4%.

Notwithstanding, given the uncertainties associated to the development of the COVID-19 pandemic (which ROVI will continue to monitor closely), it is not yet possible to make a precise assessment of the impact that the pandemic will have on the current year.

Likewise, the potential increase in the discounts to the National Health System as a result of the COVID-19 impact may affect attainment of these growth forecasts.

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

Likewise, ROVI stopped distributing Norgine B.V. Group products (Sintrom®, Salagen®, Cordiplast® and Estraderm®) at the end of 2019; then no sales related to these products will be booked in 2020. In 2019, sales related to Norgine B.V. Group products amounted to 14.5 million euros.

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 conditions under which raw materials and other packaging materials needed for manufacturing its products are supplied;
- Failure to complete the Research and Development projects that ROVI is executing successfully or in the expected manner.
- Actions on the part of the competition that have an adverse impact on ROVI's sales.
- Changes in the prescription criteria or changes in the legislation regulating the market aimed to contain pharmaceutical expense (price control, reference prices, support for generic products, co-payment, purchase platforms, ...);
- 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 with the diversification of suppliers of raw materials and other packaging materials necessary for the manufacture of the products; (ii) is continuing with its target of constantly opening up new markets as a result of its international expansion plan; (iii) continues to enhance its processes and controls, including those related to the

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internationalization process; (iv) is working intensively to maintain a broad and diversified portfolio of products and customers; (v) perseveres every year with its savings plan, which has focused mainly on improving the efficiency of its internal and external operating processes; (vi) 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; (vii) the Group 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: this risk is low because (i) virtually all the Group's assets and liabilities are in euros; (ii) a majority of the transactions with foreign parties are carried out in euros; and (iii) transactions for a significant amount in currencies other than the euro are hedged with financial instruments that minimise the impact of exchange-rate risk. At 30 June, 2020, the Group held instruments of this kind for a value of 32,637 thousand euros (26,500 thousand euros at 31 December, 2019), the measurement of which at the 2020 and 2019 reporting date did not lead to recognition of significant losses.
- b) Price risk: the Group is exposed to price risk for equity securities because of investments held by the Group and classified as available for sale on the consolidated statement of financial position. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The portfolio is diversified in accordance with the limits set by the Group. The Group does not use derivatives to hedge price risk.
- c) Interest rate risk: the Group is subject to interest rate risk in respect of cash flows on non-current financial debt transactions at variable rates. Group policy is to try to keep most of its financial debt in the form of debt with government entities by obtaining reimbursable advances on which there is no interest-rate risk and, in the case of bank debt, to obtain cash flows not only at variable rates, but also at fixed rates, thus keeping the impact of interest-rate risk to a minimum.
- 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. To minimise this risk, the Group maintains a diversified portfolio of suppliers and manages its stock levels efficiently.

- *Credit risk*

Credit risk is managed by groups. The credit risk arises from cash and cash equivalents, deposits held at call in banks and financial institutions, equity securities and trade receivables.

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The banks and financial institutions with which the Group works generally have independent ratings. If customers have been independently rated, such ratings are used. If this is not the case, then the Group assesses the risk on the basis of the customer's financial position, historical experience and a series of other factors. In those cases in which there is no doubt as to the customer's financial solvency, the Group elects not to set credit limits

- *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.

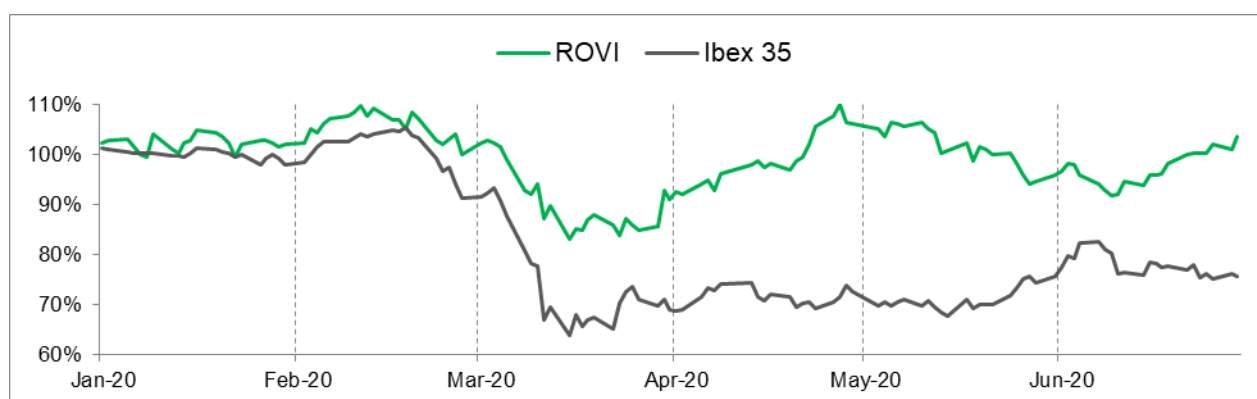
13. Stock market capitalization

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 2020:



The following chart shows the performance of the share price of ROVI compared with the IBEX 35 index in 2020:



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14. Events after balance sheet date

ROVI informed (by publication of the inside information with register number 322 dated 9 July, 2020) of the collaboration with Moderna, Inc. (Nasdaq: MRNA), a clinical stage biotechnology company pioneering messenger RNA (mRNA) therapeutics and vaccines to create a new generation of transformative medicines, for large-scale, commercial fill-finish manufacturing of Moderna's mRNA COVID-19 vaccine candidate (mRNA-1273) at ROVI's facility in Madrid, Spain.

As part of the agreement, ROVI will provide vial filling and packaging capacity by procuring a new production line and equipment for compounding, filling, automatic visual inspection and labeling to support production of hundreds of millions of doses of the vaccine candidate intended in principle to supply markets outside of the U.S. starting in early 2021. ROVI will also hire additional staffing required to support manufacturing operations and production.

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APPENDIX 1

ALTERNATIVE PERFORMANCE MEASURES

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APPENDIX 1

ALTERNATIVE PERFORMANCE MEASURES

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 at 30 June 2020 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 excluding expenses related to COVID-19 ("recurrent EBITDA")

This is an indicator that has emerged from the global health crisis due to the COVID-19 virus (coronavirus) in 2020. Management considers it to be useful because it evaluates recurring results without taking the extraordinary expenses incurred as a consequence of the health crisis into account.

EBITDA excluding expenses related to is calculated as EBITDA excluding the expenses related to COVID-19, i.e. it shows the profit before deduction of interest, tax, impairment, amortisation, depreciation and expenses related to COVID-19.

EBITDA "Pre-R&D"

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

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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.

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 derivative financial instruments, plus cash and cash equivalents, less current and non-current financial debt.



APPENDIX I

GENERAL

1st

HALF-YEARLY FINANCIAL REPORT FOR THE REPORTING PERIOD

2020

PERIOD END DATE

30/06/2020

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



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 Marcos Peña Pinto	Coordinator Director
Mr José Fernando de Almansa Moreno- Barreda	Director
Mrs Fátima Báñez García	Director

Date on which this half-yearly report was signed by the pertinent governing body: 24/07/2020



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 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) NON-CURRENT ASSETS	0040	134.110	138.744
1. Intangible assets:	0030	39.493	41.587
a) Goodwill	0031		
b) Other intangible assets	0032	39.493	41.587
2. Property, plant and equipment	0033	47.811	46.742
3. Investment property	0034		
4. Non-current investments in group and associated companies	0035	38.138	42.826
5. Non-current financial investments	0036	1.481	1.482
6. Deferred tax assets	0037	7.187	6.107
7. Other non-current assets	0038		
B) CURRENT ASSETS	0085	380.623	276.732
1. Non-current assets held for sale	0050		
2. Inventories	0055	115.453	67.749
3. Trade and other receivables	0060	235.823	157.608
a) Trade receivables for sales of goods and services	0061	228.318	142.350
b) Other receivables	0062	4.061	5.169
c) Current tax assets	0063	3.444	10.089
4. Current investments in group and associated companies	0064	203	55
5. Current financial investments	0070	405	-
6. Current accruals and prepayments	0071	3	3
7. Cash and cash equivalents	0072	28.736	51.317
TOTAL ASSETS (A+B)	0100	514.733	415.476



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 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) EQUITY (A.1 + A.2 + A.3)	0195	321.931	269.329
A.1) EQUITY	0180	319.325	266.582
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	7.032
4. Less: treasury stock	0174	(12.874)	(10.341)
5. Retained earnings	0178	181.674	153.338
6. Other shareholder contributions	0179		
7. Profit or loss for period	0175	52.493	25.553
8. Less: interim dividend	0176		
9. Other equity instruments	0177		
A.2) ADJUSTMENTS FOR CHANGES IN VALUE	0188	(4)	(3)
1. Available-for-sale financial assets	0181	(4)	(3)
2. Hedging transactions	0182		
3. Other	0183		
A.3) GRANTS, DONATIONS AND LEGACIES RECEIVED	0194	2.610	2.750
B) NON-CURRENT LIABILITIES	0120	62.585	62.803
1. Non-current provisions	0115		
2. Non-current debt:	0116	53.781	54.329
a) Bank borrowings and debentures or other negotiable instruments	0131	45.000	45.000
b) Other financial liabilities	0132	8.781	9.329
3. Non-current debt with group and associated companies	0117		333
4. Deferred tax liabilities	0118	3.638	2.348
5. Other non-current liabilities	0135		
6. Non-current accruals	0119	5.166	5.793
C) CURRENT LIABILITIES	0130	130.217	83.344
1. Liabilities associated with non-current assets held for sale	0121		
2. Current provisions	0122	18.477	9.827
3. Current debt:	0123	1.949	9.138
a) Bank borrowings and debentures or other negotiable instruments	0133	-	7.116
b) Other financial liabilities	0134	1.949	2.022
4. Current debt with group and associated companies	0129	168	156
5. Trade and other payables:	0124	108.640	63.457
a) Trade payables	0125	103.279	56.674
b) Other payables	0126	5.361	6.783
c) Current tax liabilities	0127		
6. Other current liabilities	0136		
7. Current accruals	0128	983	766
TOTAL EQUITY AND LIABILITIES (A + B + C)	0200	514.733	415.476



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 30/06/2020	ACCUMULATED PREVIOUS PERIOD 30/06/2019
(+) Net revenue	0205			220.471	177.409
(+/-) Change in inventories of finished products and work in progress	0206			26.782	11.948
(+) Work performed by the company on its assets	0207				
(-) Supplies	0208			(179.652)	(135.490)
(+) Other operating income	0209			2.051	1.571
(-) Employee benefit expenses	0217			(15.945)	(18.083)
(-) Other operating expenses	0210			(28.240)	(32.017)
(-) Amortization and depreciation charges	0211			(4.757)	(4.639)
(+) Allocation of grants for non-financial assets and other	0212			329	283
(+) Excess provisions	0213				
(+/-) Impairment and gains/(losses) on disposal of intangible assets and property, plant & equipment	0214			(14)	-
(+/-) Other gains/(losses)	0215				
= OPERATING PROFIT/(LOSS)	0245			21.025	982
(+) Finance income	0250			31.434	17.034
(-) Finance expenses	0251			(378)	(303)
(+/-) Change in fair value of financial instruments	0252			800	134
(+/-) Exchange rate differences	0254			19	71
(+/-) Impairment and gains/(losses) on disposal of financial instruments	0255				
= FINANCE PROFIT/(LOSS)	0256			31.875	16.936
= PROFIT/(LOSS) BEFORE TAX	0265			52.900	17.918
(+/-) Corporate income tax	0270			(407)	1.478
= PROFIT/(LOSS) FOR PERIOD ON CONTINUING OPERATIONS	0280			52.493	19.396
(+/-) Profit/(loss) for period on discontinued operations, net of tax	0285				
= PROFIT/(LOSS) FOR PERIOD	0300			52.493	19.396

EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290			0.95	0.35
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 30/06/2020	PREVIOUS PERIOD 30/06/2019
A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)	0305	52.493	19.396
B) INCOME OR EXPENSES CREDITED OR CHARGED DIRECTLY TO EQUITY:	0310	310	67
1. Measurement of financial instruments	0320	(1)	-
a) Available-for-sale financial assets	0021	(1)	-
b) Other income /(expenses)	0323		
2. Cash flow hedges	0330		
3. Grants, donations and legacies received	0340	415	89
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	(104)	(22)
C) TRANSFERS TO PROFIT AND LOSS:	0350	(451)	(213)
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	(601)	(283)
4. Other income or expenses credited or charged directly to equity	0365		
5. Tax effect	0370	150	70
TOTAL RECOGNIZED INCOME/(EXPENSES) (A+B+C)	0400	52.352	19.250

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 01/01/2020	3010	3.364	248.006	(10.341)	25.553		(3)	2.750	269.329
Adjustments for changes in accounting policies	3011								
Adjustments for errors	3012								
Adjusted opening balance	3015	3.364	248.006	(10.341)	25.553		(3)	2.750	269.329
I. Total recognized income/(expenses)	3020				52.493		(1)	(140)	52.352
II. Transactions with shareholders or owners	3025		2.783	(2.533)					250
1. Capital increases/(reductions)	3026								
2. Conversion of financial liabilities to equity	3027								
3. Distribution of dividends	3028								
4. Treasury stock transactions (net)	3029		2.783	(2.533)					250
5. Increases/(reductions) due to business combinations	3030								
6. Other transactions with shareholders or owners	3032								
III. Other equity transactions	3035		25.553		(25.553)				
1. Payments based on equity instruments	3036								
2. Transfers between equity items	3037		25.553		(25.553)				
3. Other changes	3038								
Closing balance at 30/06/2020	3040	3.364	276.342	(12.874)	52.493		(4)	2.610	321.931

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 01/01/2019	3050	3.364	235.163	(8.812)	15.581		(3)	3.128	248.421
Adjustments for changes in accounting policies	3051								
Adjustments for errors	3052								
Adjusted opening balance	3055	3.364	235.163	(8.812)	15.581		(3)	3.128	248.421
I. Total recognized income/(expenses)	3060				19.396			(146)	19.250
II. Transactions with shareholders or owners	3065		537	(371)	(4.474)				(4.308)
1. Capital increases/(reductions)	3066								
2. Conversion of financial liabilities to equity	3067								
3. Distribution of dividends	3068				(4.474)				(4.474)
4. Treasury stock transactions (net)	3069		537	(371)					166
5. Increases/(reductions) due to business combinations	3070								
6. Other transactions with shareholders or owners	3072								
III. Other equity transactions	3075		11.107		(11.107)				
1. Payments based on equity instruments	3076								
2. Transfers between equity items	3077		11.107		(11.107)				
3. Other changes	3078								
Closing balance at 30/06/2019	3080	3.364	246.807	(9.183)	19.396		(3)	2.982	263.363

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

Units: thousands of euros

		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)	0435	(15.996)	(2.428)
1. Profit/(loss) before tax	0405	52.900	17.918
2. Adjustments to profit/(loss)	0410	10.254	5.247
(+) Amortization and depreciation of intangible assets and property, plant and equipment	0411	4.757	4.639
(+/-) Other adjustments to profit/(loss) (net)	0412	5.497	608
3. Changes in working capital	0415	(82.489)	(23.255)
4. Other cash flows from operating activities:	0420	3.339	(2.338)
(-) Payment of interest	0421		
(+) Proceeds from dividends	0422		
(+) Proceeds from interest	0423		
(+/-) Proceeds from/(payments for) corporate income tax	0430	3.334	(2.481)
(+/-) Other proceeds from/(payments for) operating activities	0425	5	143
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	0460	(3.284)	(18.780)
1. Payments of investments:	0440	(3.746)	(18.877)
(-) Group companies, associates and business units	0441		(1.479)
(-) Property, plant and equipment, intangible assets and investment property	0442	(3.746)	(17.398)
(-) Other financial assets	0443		
(-) Non current assets and liabilities classified as held for sale	0449		
(-) Other assets	0444		
2. Proceeds from disinvestments	0450	462	97
(+) Group companies, associates and business units	0451	146	
(+) Property, plant and equipment, intangible assets and investment property	0452	14	
(+) Other financial assets	0453		
(+) Non current assets and liabilities classified as held for sale	0461		
(+) Other assets	0454	302	97
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3)	0490	(3.301)	(8.183)
1. Proceeds from and (payments for) equity instruments:	0470	250	166
(+) Issue	0471		
(-) Amortization	0472		
(-) Acquisition	0473	(9.654)	(1.631)
(+) Disposal	0474	9.904	1.797
(+) Grants, donations and legacies received	0475		
2. Proceeds from and (payments for) financial liability instruments:	0480	(3.551)	(8.349)
(+) Issue	0481	5.815	1.516
(-) Repayment and amortization	0482	(9.366)	(9.865)
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	(22.581)	(29.391)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	0499	51.317	83.787
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	0500	28.736	54.396

		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD			
(+) Cash in hand and at bank	0550	28.736	54.396
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable on demand	0553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	0600	28.736	54.396



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

ASSETS		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) NON-CURRENT ASSETS	1040	192.365	193.326
1. Intangible assets:	1030	43.151	45.079
a) Goodwill	1031		
b) Other intangible assets	1032	43.151	45.079
2. Property, plant and equipment	1033	131.293	131.608
3. Investment property	1034		
4. Investments accounted for using the equity method	1035	1.821	1.843
5. Non-current financial assets	1036	70	71
a) At fair value with changes in net income	1047	70	71
Of which "Designated upon initial recognition"	1041		
b) At fair value with changes in other comprehensive income	1042		
Of which "Designated upon initial recognition"	1043		
c) At amortised cost	1044		
6. Non-current derivatives	1039	-	-
a) Hedging derivatives	1045		
b) Other	1046		
7. Deferred tax assets	1037	15.965	14.660
8. Other non-current assets	1038	65	65
B) CURRENT ASSETS	1085	351.465	317.885
1. Non-current assets held for sale	1050		
2. Inventories	1055	235.834	158.811
3. Trade and other receivables	1060	79.795	91.645
a) Trade receivables for sale of goods and services	1061	65.304	71.616
b) Other receivables	1062	11.033	9.925
c) Current tax assets	1063	3.458	10.104
4. Current financial assets	1070	405	-
a) At fair value with changes in net income	1080	405	
Of which "Designated upon initial recognition"	1081		
b) At fair value with changes in other comprehensive income	1082		
Of which "Designated upon initial recognition"	1083		
c) At amortised cost	1084		
5. Current derivatives	1076	-	-
a) Hedging derivatives	1077		
b) Other	1077		
6. Other current assets	1075	3	3
7. Cash and cash equivalents	1072	35.428	67.426
TOTAL ASSETS (A+B)	1100	543.830	511.211

IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

LIABILITIES AND EQUITY

		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 31/12/2019
A) EQUITY (A.1 + A.2 + A.3)	0195	352.243	322.386
A.1) EQUITY	0180	352.247	322.389
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	673
4. Less treasury stock	0174	(12.874)	(10.341)
5. Retained earnings	0178	243.855	201.784
6. Other shareholder contributions	0179		
7. Profit or loss for period	0175	29.593	39.273
8. Less: interim dividend	0176		
9. Other equity instruments	0177		
A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME	0188	(4)	(3)
1. Items not reclassified to profit and loss for the period	0186		
a) Equity instruments with changes in other comprehensive income	0185		
b) Other	0190		
2. Items that may be reclassified to profit and loss for the period	0187	(4)	(3)
a) Hedging transactions	1182		
b) Hedging differences	1184		
c) Participation in other comprehensive income from investments in J.V. and others	1192		
d) Debt instruments at fair value with changes in other comprehensive income	1191		
e) Other	1183	(4)	(3)
EQUITY ATTRIBUTED TO PARENT COMPANY(A.1 + A.2)	0189	352.243	322.386
A.3) NON-CONTROLLING INTERESTS	0193		
B) NON-CURRENT ASSETS	0120	80.031	82.116
1. Grants	0117		
2. Non-current provisions	1115		
3. Non-current financial liabilities:	1116	69.588	72.104
a) Bank borrowings and debentures or other negotiable securities	1131	45.000	45.000
b) Other financial liabilities	1132	24.588	27.104
4. Deferred tax liabilities	1118	2.316	1.078
5. Non-current derivatives	1140		
a) Hedging derivatives	1141		
b) Other	1142		
6. Other non-current liabilities	1135	8.127	8.934
C) CURRENT LIABILITIES	1130	111.556	106.709
1. Liabilities related to current assets held for sale	1121		
2. Current provisions	1122		
3. Current financial liabilities:	1123	5.768	12.572
a) Bank borrowings and debentures or other negotiable securities	1133		7.116
b) Other financial liabilities	1134	5.768	5.456
4. Trade and other payables:	1124	104.283	91.914
a) Trade payables	1125	73.168	68.770
b) Other payables	1126	31.115	23.144
c) Current tax liabilities	1127		
5. Current derivatives	1145	-	129
a) Hedging derivatives	1146		129
b) Other	1147		
6. Other current liabilities	1136	1.505	2.094
TOTAL EQUITY AND LIABILITIES (A + B + C)	1200	543.830	511.211

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LABORATORIOS FARMACEUTICOS RO

IV. SELECTED FINANCIAL INFORMATION

7. CONSOLIDATED INCOME STATEMENT (UNDER IFRS ADOPTED)

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATE D PERIOD	ACCUMULATE D PREVIOUS PERIOD
(+) Net revenue	1205			191.129	177.536
(+/-) Change in inventories of finished products and work in progress	1206			36.835	20.880
(+) Work performed by the company on its assets	1207				
(-) Supplies	1208			(116.238)	(96.938)
(+) Other operating income	1209				
(-) Employee benefit expenses	1217			(36.552)	(36.753)
(-) Other operating expenses	1210			(33.343)	(38.632)
(-) Amortization and depreciation charges	1211			(9.541)	(8.715)
(+) Allocation of grants for non-financial assets and other	1212			601	374
(+/-) Impairment of intangible assets and property, plant & equipment	1214				
(+/-) Gains/(losses) on disposal of intangible assets and property, plant & equipment	1216				
(+/-) Other gains/(losses)	1215				
= OPERATING PROFIT/(LOSS)	1245			32.891	17.752
(+) Finance income	1250			2	3
a) Interest income calculated according to the effective interest rate	1262			2	3
b) Other	1263				
(-) Finance expenses	1251			(851)	(452)
(+/-) Change in fair value of financial instruments	1252			800	134
(+/-) Gains/(losses) derived from the reclassification of financial assets at amortized cost to financial assets at fair value	1258				
(+/-) Gains/(losses) derived from the reclassification of financial assets at fair value with changes in other comprehensive income to financial assets at fair value	1259				
(+/-) Exchange rate differences	1254			21	37
instruments	1255				
(+/-) Gains/(losses) on disposal of financial instruments	1255			-	-
a) Financial instruments at amortised cost	1257				
b) Other	1260				
= FINANCE PROFIT/(LOSS)	1256			(28)	(278)
(+/-) Profit/(loss) of entities measured using the equity method	1253			(22)	(10)
= PROFIT/(LOSS) BEFORE TAX	1265			32.841	17.464
(+/-) Corporate income tax	1270			(3.248)	(1.303)
= PROFIT/(LOSS) FOR PERIOD FROM CONTINUING OPERATIONS	1280			29.593	16.161
(+/-) Profit/(loss) for period from discontinued operations, net of taxes	1285				
= CONSOLIDATED PROFIT/(LOSS) FOR PERIOD	1288			29.593	16.161
a) Profit/(loss) attributed to parent company	1300			29.593	16.161
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			0.53	0.29
Diluted	1295				

IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)	1305	29.593	16.161
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		
a) Gains/(losses) on remeasurement	1356		
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	(1)	0
a) Gains/(losses) on remeasurement	1376	(1)	0
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	29.592	16.161
a) Attributed to parent company	1398	29.592	16.161
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 01/01/2020	3110	3.364	290.093	(10.341)	39.273		(3)	322.386	
Adjustments for changes in accounting policies	3111								
Adjustments for errors	3112								
Adjusted opening balance	3115	3.364	290.093	(10.341)	39.273		(3)	322.386	
I. Total recognized income/(expenses)	3120				29.593		(1)	29.592	
II. Transactions with shareholders or owners	3125		2.783	(2.533)				250	
1. Capital increases/(reductions)	3126								
2. Conversion of financial liabilities to equity	3127								
3. Distribution of dividends	3128								
4. Treasury stock transactions (net)	3129		2.783	(2.533)				250	
5. Increases/(reductions) due to business combinations	3130								
6. Other transactions with shareholders or owners	3132								
III. Other equity transactions	3135		39.288		(39.273)			15	
1. Payments based on equity instruments	3136								
2. Transfers between equity items	3137		39.273		(39.273)				
3. Other changes	3138		15					15	
Closing balance at 30/06/2020	3140	3.364	332.164	(12.874)	29.593		(4)	352.243	

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 01/01/2019	3150	3.364	275.028	(8.812)	17.895		(3)	287.472	
Adjustments for changes in accounting policies	3151								
Adjustments for errors	3152								
Adjusted opening balance	3155	3.364	275.028	(8.812)	17.895		(3)	287.472	
I. Total recognized income/(expenses)	3160				16.161			16.161	
II. Transactions with shareholders or owners	3165		537	(371)	(4.474)			(4.308)	
1. Capital increases/(reductions)	3166								
2. Conversion of financial liabilities to equity	3167								
3. Distribution of dividends	3168				(4.474)			(4.474)	
4. Treasury stock transactions (net)	3169		537	(371)				166	
5. Increases/(reductions) due to business combinations	3170								
6. Other transactions with shareholders or owners	3172								
III. Other equity transactions	3175		13.403		(13.421)			(18)	
1. Payments based on equity instruments	3176								
2. Transfers between equity items	3177		13.421		(13.421)				
3. Other changes	3178		(18)					(18)	
Closing balance at 30/06/2019	3180	3.364	288.968	(9.183)	16.161		(3)	299.307	

IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3 +4)	1435	(15.006)	2.614
1.Profit/(loss) before tax	1405	32.841	17.464
2. Adjustments to profit/(loss)	1410	7.491	8.644
(+) Amortization and depreciation of intangible assets and property, plant and equipment	1411	9.541	8.715
(+/-) Other adjustments to profit/(loss) (net)	1412	(2.050)	(71)
3. Changes in working capital	1415	(58.889)	(21.128)
4. Other cash flows from operating activities:	1420	3.551	(2.366)
(-) Payment of interest	1421	(188)	(14)
(-) Payment of dividends and remuneration of other equity instruments	1430		
(+) Proceeds from dividends	1422		
(+) Proceeds from interest	1423		
(+/-) Proceeds from/(payments of) corporate income tax	1424	3.334	(2.495)
(+/-) Other proceeds from/(payments for) operating activities	1425	405	143
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)	1460	(7.296)	(22.030)
1. Payments of investments:	1440	(7.312)	(22.070)
(-) Group companies, associates and business units	1441		
(-) Property, plant and equipment, intangible assets and investment property	1442	(7.312)	(22.070)
(-) Other financial assets	1443		
(-) Non current assets and liabilities classified as held for sale	1459		
(-) Other assets	1444		
2. Proceeds from disinvestments	1450	14	
(+) Group companies, associates and business units	1451		
(+) Property, plant and equipment, intangible assets and investment property	1452	14	
(+) Other financial assets	1453		
(+) Non current assets and liabilities classified as held for sale	1461		
(+) Other assets	1454		
3. Other cash flows from investing activities	1455	2	40
(+) Proceeds from dividends	1456		
(+) Proceeds from interest	1457	2	40
(+/-) Other proceeds from/(payments for) investing activities	1458		
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)	1490	(9.696)	(9.415)
1. Proceeds from and (payments of) equity instruments:	1470	250	166
(+) Issue	1471		
(-) Amortization	1472		
(-) Acquisition	1473	(9.654)	(1.631)
(+) Disposal	1774	9.904	1.797
2. Proceeds from/ (payments for) financial liability instruments:	1480	(9.931)	(9.521)
(+) Issue	1481	253	1.516
(-) Repayment and amortization	1482	(10.184)	(11.037)
3. Payment of dividends and remuneration of other equity instruments	1485		
4. Other cash flows from financing activities	1486	(15)	(60)
(-) Payment of interest	1487	(15)	(60)
(+/-) 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	(31.998)	(28.831)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1499	67.426	95.511
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	1500	35.428	66.680

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT PERIOD 30/06/2020	PREVIOUS PERIOD 30/06/2019
(+) Cash in hand and at bank	1550	35.428	66.680
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable on demand	1553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	1600	35.428	66.680



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						
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	162.639	135.218	104.607	114.349
Exports:	2215	57.832	42.191	86.522	63.187
a) European Union	2216	43.912	37.120	67.414	56.622
a.1) Euro zone	2217	43.909	33.841	67.411	48.843
a.2) No Euro zone	2218	3	3.279	3	7.779
b) Other countries	2217	13.920	5.071	19.108	6.565
TOTAL	2220	220.471	177.409	191.129	177.536

Table 2:

SEGMENTS		CONSOLIDATED			
		Net revenue		Profit / (loss)	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Manufacturing	2221	116.040	90.157	9.674	14.792
Marketing	2222	219.292	185.593	52.393	20.729
Other	2223			(10)	(20)
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
(-) Adjustments and elimination of ordinary revenue between segments	2231	(144.203)	(98.214)	(32.464)	(19.340)
TOTAL	2220	191.129	177.536	29.593	16.161



IV. SELECTED FINANCIAL INFORMATION

15. AVERAGE NUMBER OF EMPLOYEES

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE NUMBER OF EMPLOYEES	2295	515	502	1.338	1.278
Men	2296	216	218	641	588
Women	2297	299	284	697	690

IV. SELECTED FINANCIAL INFORMATION

16. COMPENSATION RECEIVED BY DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS:

Item of compensation:		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Remuneration for membership of Board or Board committees	2310	255	255
Salaries	2311	396	383
Variable cash remuneration	2312	192	191
Share-based remuneration systems	2313		
Indemnities	2314		
Long-term savings systems	2315	12	12
Other	2316		
TOTAL	2320	855	841

SENIOR MANAGEMENT:

		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Total compensation received by senior management	2325	843	864

IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (1/2)

Units: thousands of euros

RELATED-PARTY TRANSACTIONS

		CURRENT 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	2340					
2) Rentals	2343		12		1.017	1.029
3) Services received	2344					
4) Purchases of goods (finished or in progress)	2345					
5) Other expenses	2348					
EXPENSES (1+2+3+4+5)	2350		12		1.017	1.029
6) Finance income	2351					
7) Dividends received	2354					
8) Services provided	2356					
9) Sale of goods	2357					
10) Other income	2359					
INCOME (6+7+8+9+10)	2360					

		CURRENT PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
OTHER TRANSACTIONS						
Financing agreements: loans & capital contributions (lender)	2372					
Financing agreements: loans & capital contributions (borrower)	2375					
Guarantees and guarantee deposits furnished	2381					
Guarantees and guarantee deposits received	2382					
Commitments acquired	2383					
Dividends and other profits distributed	2386					
Other transactions	2385					

		CURRENT PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
OTHER TRANSACTIONS						
1) Trade and other receivables	2341			6		6
2) Loans and credits granted	2342			46		46
3) other collection rights	2346		44			44
TOTAL DEBIT BALANCES (1+2+3)	2347		44	52		96
4) Trade and other payables	2352				337	337
5) Loans and credits received	2353					
6) Other payment obligations	2355		1.092	80		1.172
TOTAL CREDIT BALANCES (4+5+6)	2358		1.092	80	337	1.509

IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (2/2)

Units: thousands of euros

RELATED-PARTY TRANSACTIONS		PREVIOUS PERIOD				
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
EXPENSES AND INCOME						
1) Finance expenses	6340					
2) Rentals	6343		12		958	970
3) Services received	6344					
4) Purchases of goods (finished or in progress)	6345					
5) Other expenses	6348					
EXPENSES (1+2+3+4+5)	6350		12		958	970
6) Finance income	6351					
7) Dividends received	6354					
8) Services provided	6356					
9) Sale of goods	6357					
10) Other income	6359					
INCOME (6+7+8+9+10)	6360					

OTHER TRANSACTIONS		PREVIOUS PERIOD				
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
Financing agreements: loans & capital contributions (lender)	6372					
Financing agreements: loans & capital contributions (borrower)	6375					
Guarantees and guarantee deposits received	6382					
Commitments acquired	6383					
Dividends and other profits distributed	6386					
Other transactions	6385					

OTHER TRANSACTIONS		PREVIOUS PERIOD				
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
1) Trade and other receivables	2341			6		6
2) Loans and credits granted	2342			46		46
3) other collection rights	2346		44			44
TOTAL DEBIT BALANCES (1+2+3)	2347		44	52		96
4) Trade and other payables	2352				298	298
5) Loans and credits received	2353					
6) Other payment obligations	2355		1.295	80		1.375
TOTAL CREDIT BALANCES (4+5+6)	2358		1.295	80	298	1.673

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V. SEMESTER FINANCIAL INFORMATION

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Condensed consolidated interim financial statements	2377	-	X
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Interim management report	2379	-	X
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VII. AUDIT REPORT

