Full Year 2020 Results

February 24th, 2021

Laboratorios Farmacéuticos Rovi, S.A. and Subsidiaries
Investor Relations

ROVI – Full Year 2020 Financial Results

ROVI reports operating revenue growth of 10% and net profit growth of 55%

- **Operating revenue increased by 10% to 420.0 million euros in 2020, driven by (i) the strength of (i) the toll manufacturing business, which grew by 39%, and (ii) the specialty pharmaceutical business, where sales rose 4%. Total revenue increased by 10% to 421.1 million euros in 2020.**

- **For 2021, ROVI expects the operating revenue to increase between 20% and 30%, including the production of the Moderna's COVID-19 vaccine. 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 this year.**

- **Sales of the heparin franchise (Low Molecular Weight Heparins (LMWH) and other heparins) increased by 14% to 209.3 million euros in 2020. Heparin sales represented 50% of operating revenue in 2020 compared to 48% in 2019. Sales of LMWH (Enoxaparin biosimilar and Bemiparin) increased by 14% to 202.8 million euros in 2020. Sales of the enoxaparin biosimilar increased 25% to 101.4 million euros in 2020 and sales of Bemiparin increased 5% to 101.4 million euros.**

- **Sales of Neparvis®, launched in December 2016, increased by 34% to 29.6 million euros in 2020.**

- **EBITDA increased by 55%, from 60.9 million euros in 2019 to 94.2 million euros in 2020, reflecting a 6.5 percentage point rise in the EBITDA margin to 22.4% in 2020.**

- **Net profit increased by 55%, from 39.3 million euros in 2019 to 61.1 million euros in 2020.**

- **ROVI filed the application to obtain marketing authorisation for Doria® with the United States authority, the FDA (U.S. Food and Drug Administration), on 24 November, 2020.**

- **ROVI will propose to the Shareholders General Meeting a dividend of 0.3812 euros per share with dividend rights on 2020 earnings. This proposed dividend would mean an increase of 118% compared to the dividend on 2019 earnings (€0.1751/share) and represents a 35% pay out (vs 25% pay out last year).**

Madrid (Spain), 24th February 2021, 8:00 AM CET - ROVI released today its financial results for 2020.

Juan López-Belmonte Encina, Chief Executive Officer of ROVI, said "first of all, *I would like to thank health professionals around the world for their efforts in the face of this health crisis and express our condolences for the human losses it is causing. I would also like to thank all ROVI employees for their response to COVID-19. As a pharmaceutical company we are an essential company and the commitment of our staff has allowed us to operate normally. Regarding the 2020 results, we reached 10% operating revenue growth, mainly driven by the strength of the toll manufacturing business, which grew by 39% and by the specialty pharmaceutical business, where sales rose 4%. We forecast continued growth thanks to, among other factors, our flagship product, Bemiparin, which grew by 5%. Likewise, we are already marketing our enoxaparin biosimilar in 19 countries and sales increased by 25% in 2020. We are in a phase of international expansion and hope that our enoxaparin biosimilar will enable us to be present in more than 120 countries in the long term. We are very excited about the potential of our LMHW franchise and aspire to become a benchmark player in this field worldwide. Furthermore, we expect our specialty business in Spain, supported by the good performance of products such as Neparvis®, from Novartis, and Volutsa®, from Astellas, to provide us with a sustainable and profitable growth opportunity in the future. Furthermore, (i) the redirection of the toll manufacturing activities strategy towards high value-added products, backed by the high degree of technological specialisation of our plants in differentiated niches, and (ii) the agreement signed with Moderna, which makes us very proud to be part of the supply chain of its finished vaccine against COVID-19 and help address a solution for this pandemic that affects us all, enabled our toll manufacturing business to increase 39% in 2020. At the same time, we are confident of the potential of our current pipeline of R&D projects, making important investment efforts, since we trust they will be the company's growth engine in the future. We have high hopes of the potential of our long-acting injectable technology (ISM®). We concluded a Phase III trial with our ISM® technology (Risperidone ISM®) and we are currently undergoing a regulatory process in Europe and the United States in order to obtain the marketing authorisation for Doria® (Risperidone ISM®) in both territories. We are also conducting a Phase I study for another candidate, Letrozole, for which preliminary data also show positive results, reflecting our clear commitment to our ISM® technology".*

1. Financial highlights

€ million	2020	2019	Growth	% Growth
Operating revenue	420.0	381.3	38.6	10%
Other income	1.2	1.2	0.0	1%
Total revenue	**421.1**	**382.5**	**38.7**	**10%**
Cost of sales	-178.7	-166.6	-12.0	7%
Gross profit	**242.5**	**215.9**	**26.6**	**12%**
% margin	*57.7%*	*56.6%*		*1.1pp*
R&D expenses	-23.8	-29.3	5.5	-19%
SG&A	-124.4	-125.5	1.1	-1%
Share of profit/loss of a joint venture	0.0	-0.2	0.2	-84%
EBITDA	**94.2**	**60.9**	**33.4**	**55%**
% margin	*22.4%*	*16.0%*		*6.5pp*
EBIT	**74.7**	**42.6**	**32.0**	**75%**
% margin	*17.8%*	*11.2%*		*6.6pp*
Net profit	**61.1**	**39.3**	**21.8**	**55%**

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.

The consolidated financial statements of Grupo ROVI for 2020 and the comparative information for 2019 are attached to this report (see Appendix 1).

2. Performance of the Group

Operating revenue increased by 10% to 420.0 million euros in 2020, driven by the strength of the toll manufacturing business, which grew by 39%, and by the specialty pharmaceutical business, where sales rose 4%. Total revenue increased by 10% to 421.1 million euros in 2020.

€ million	2020	2019	% Growth
Specialty pharmaceutical business	328.4	315.7	4%
Toll manufacturing business	91.6	65.6	39%
Operating revenue	**420.0**	**381.3**	**10%**

Sales of **prescription-based pharmaceutical** products rose 6% to 297.0 million euros in 2020.

€ million	2020	2019	% Growth
Prescription-based pharmaceutical products	**297.0**	**281.0**	**6%**
LMWH franchise	202.8	177.6	14%
Biosimilar of enoxaparin	101.4	80.9	25%
Bemiparin (Hibor)	101.4	96.8	5%
Sales in Spain	68.5	69.6	-2%
International sales	33.0	27.2	21%
Neparvis	29.6	22.0	34%
Ulunar & Hirobriz	11.3	14.6	-22%
Volutsa	14.2	13.3	7%
Vytorin & Absorcol & Orvatez	28.4	31.8	-11%
Medikinet & Medicebran	3.5	5.8	-40%
Other products	26.6	33.7	-21%
Discounts to the National Health System	-19.4	-17.8	9%
Contrast agents and other hospital products	**30.7**	**32.6**	**-6%**
OTC and Other	**0.7**	**2.1**	**-67%**
Total specialty pharmaceutical business	**328.4**	**315.7**	**4%**

Sales of the **heparin franchise** (Low Molecular Weight Heparins and other heparins) increased by 14% to 209.3 million euros in 2020. Heparin sales represented 50% of operating revenue in 2020 compared to 48% in 2019.

€ million	2020	2019	% Growth
LMWH franchise	202.8	177.6	14%
Biosimilar of enoxaparin	101.4	80.9	25%
Bemiparin (Hibor)	101.4	96.8	5%
Sales in Spain	68.5	69.6	-2%
International sales	33.0	27.2	21%
Other heparins[1]	6.5	6.4	2%
Heparins franchise	**209.3**	**184.0**	**14%**

[1] *Other heparins are reported in the "Contrast agents and other hospital products" line.*

Sales of **Low Molecular Weight Heparins (LMWH)** (Enoxaparin biosimilar and Bemiparin) increased by 14% to 202.8 million euros in 2020.

Sales of the **Enoxaparin biosimilar** increased 25% to 101.4 million euros in 2020. ROVI commenced the marketing of its Enoxaparin biosimilar in Germany in 2017; in UK, Italy, Spain, France, Austria, Latvia and Estonia in 2018; in Portugal, Poland, Costa Rica, Finland, and Sweden in 2019; and in South Africa, Israel, Peru, Holland, Panama and the Dominican Republic in 2020.

ROVI's low-molecular-weight heparin (LMWH), **Bemiparin,** showed a positive performance in 2020, with sales up 5% to 101.4 million euros. International sales of Bemiparin increased by 21% to 33.0 million euros. This significant increase was mainly linked to the increase in transfer prices to some partners due to the rise in LMWH raw material prices. Sales of Bemiparin in Spain (**Hibor®**) decreased 2% to 68.5 million euros in 2020 due to the significant reduction in the number of surgical operations performed during the period of lockdown.

Sales of **Neparvis®**, a specialty product from Novartis, launched in December 2016, indicated for the treatment of adult patients with symptomatic chronic heart failure and reduced ejection fraction, increased 34% to 29.6 million euros in 2020, compared to 22.0 million euros in 2019.

Sales of **Hirobriz® Breezhaler®** and **Ulunar® Breezhaler®**, both inhaled bronchodilators from Novartis for patients with respiratory difficulties due to a pulmonary disease known as Chronic Obstructive Pulmonary Disease (COPD), launched in Spain in the fourth quarter of 2014, decreased 22% to 11.3 million euros in 2020, compared to 14.6 million euros in the previous year, mainly due to Ulunar® Breezhaler® price reduction of 18% in 2020.

Sales of **Volutsa®**, a specialty product from Astellas Pharma indicated for the treatment of moderate to severe storage symptoms and voiding symptoms associated with benign prostatic hyperplasia, launched in Spain in February 2015, increased by 7% to 14.2 million euros in 2020.

Sales of **Vytorin®, Orvatez®** and **Absorcol®**, specialty products from Merck Sharp & Dohme ("MSD") indicated as adjunctive therapy to diet in patients with hypercholesterolemia, decreased by 11% to 28.4 million euros in 2020. In this period, Orvatez® price was reduced by 30% due to the entrance of hybrid products formulated with ezetimibe and atorvastatine.

Sales of **Medicebran®** and **Medikinet®**, specialty products from Medice indicated for the treatment of ADHD (Attention Deficit and Hyperactivity Disorder) in children and teenagers, launched in December 2013 and marketed on exclusivity basis by ROVI in Spain, decreased by 40% to 3.5 million euros in 2020. In July 2019, Medikinet® (methylphenidate hydrochloride with a modified release) went out of protection for galenic innovation and its price was reduced by 50.3% on average.

According to IQVIA, Spanish innovative product market increased by 2% in 2020 compared to the previous year. Nevertheless, ROVI prescription-based pharmaceutical product sales increased 6% in 2020, outperforming the market by 4 percentage points.

In 2016, Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government signed a co-operation agreement. After subsequent renewals, this agreement was in force until 31 December, 2019. According to the agreement, in the event that public spending on medicines (excluding generics and biosimilars) exceeded the actual growth rate of the GDP of the Spanish economy, the pharmaceutical industry had to reimburse the government for said excess in cash. Although Farmaindustria and the Spanish government have not yet signed a new co-operation agreement applicable to 2020, the Spanish pharmaceutical industry and ROVI consider that the parties will finally reach an agreement affecting said period. When determining the amount for 2020, ROVI has considered that the pharmaceutical industry will reimburse the amount of the increase in public spending on medicines (excluding generics and biosimilar) estimated by Farmaindustria to the government. The amount recognised for this item as a decrease in sales in 2020 amounts to 6.3 million euros.

Sales of **contrast imaging agents** and other hospital products decreased by 6% to 30.7 million euros in 2020. This fall is mainly due to the significant reduction in the number of diagnostic tests performed during the period of lockdown. Sales of contrast imaging agents and other hospital products increased by 12% in the fourth quarter of 2020 compared to the third quarter of 2020 and by 5% in the fourth quarter of 2020 compared to the fourth quarter of 2019.

Toll manufacturing sales increased by 39% to 91.6 million euros in 2020 as a result of (i) the redirection of our toll manufacturing activities strategy towards high-value-added products and (ii) the booking of the income related to the activities carried on under the agreement with Moderna.

In November 2019, the toll manufacturing management units, ROVI Contract Manufacturing and Frosst Ibérica, merged into a single entity, ROVI Pharma Industrial Services, which furnishes manufacturing services with the highest degree of quality and competitiveness. The total integration of the production processes is expected to allow the company to attain greater synergies and levels of efficiency in its industrial operations.

ROVI has carried on some activities linked to preparing the plant for the COVID-19 vaccine production under the agreement with Moderna and the income related to these activities was booked in the fourth quarter of 2020.

Likewise, by the end of 2021, ROVI expects the toll manufacturing business to have increased by between 10% and 15%, including Moderna activities but excluding the production of the vaccine.

Sales outside Spain increased by 28% to 191.1 million euros in 2020, 52.5 million euros (or 27%) of which related to international subsidiaries, mainly due to the increase in the toll manufacturing business. Sales outside Spain represented 46% of operating revenue in 2020 compared to 39% in 2019.

Other income (subsidies) increased by 1% to 1.2 million euros in 2020, compared to the same period of the previous year.

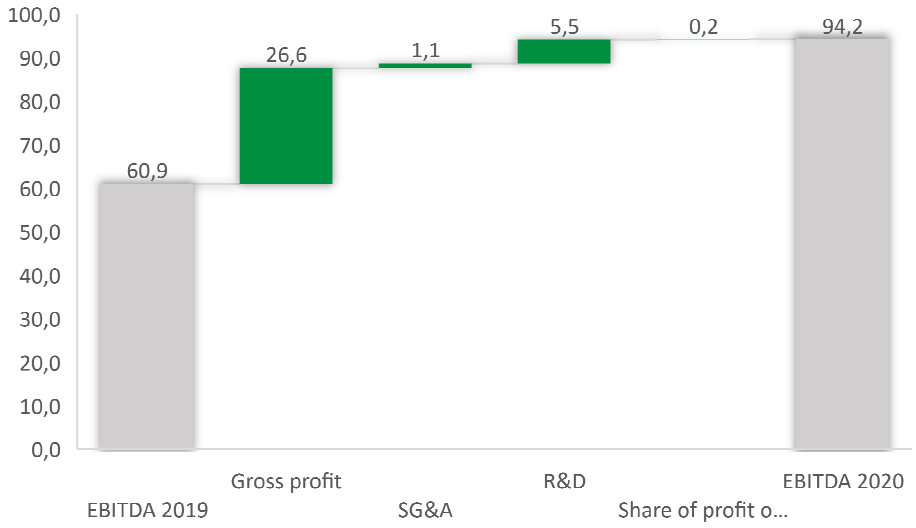
Gross profit increased by 12% to 242.5 million euros in 2020, the gross margin showing an increase of 1.1 percentage points from 56.6% in 2019 to 57.7% in 2020, mainly due to (i) the increase in toll manufacturing sales contributing higher margins to group sales; (ii) the increase in Bemiparin prices in hospitals due to rises in both LMWH raw material prices (caused by the African swine fever) and the demand for the product in hospitals to treat COVID-19; (iii) the improvement in enoxaparin margins in Spain, counteracting the drop in the margin on international sales of enoxaparin; and (iv) the end of the marketing of the Norgine B.V. product portfolio (Sintrom®, Salagen®, Cordiplast® and Estradem®), which had lower margins than the group. These factors with a positive impact on the gross margin offset the 36% increase in the LMWH raw material prices in 2020 compared to the same period last year. ROVI expects LMWH raw material prices to continue to decline in 2021. Nevertheless, despite the potential decrease in LMWH raw material prices, the impact on the gross margin will continue to be negative because of the long LMWH manufacturing process in which the raw material currently used, stocked for several months, was purchased at higher prices.

Research and development expenses (R&D) decreased 19% to 23.8 million euros in of 2020. R&D expenses were mainly related to (i) the preparation of the Doria® registration dossier to be submitted to the U.S. Food and Drug Administration (FDA); (ii) the development of the Letrozole-ISM® Phase I trial; and (iii) the development of a new formulation of Risperidone-ISM® for a 3-monthly injection.

Selling, general and administrative expenses (SG&A) decreased 1% to 124.4 million euros in 2020, despite the booking of 4.0 million euros in personnel and other expenses related to the COVID-19 measures implemented (see section 7.3). Excluding expenses related to COVID-19, SG&A would have decreased by 4% to 120.4 million euros in 2020 mainly as result of a drop in (i) promotion expenses (travel and congress expenses) incurred by the sales force; and (ii) expenses of international subsidiaries (including Portugal), which amounted to 7.7 million euros, compared to 9.1 million euros in 2019, mainly because of the COVID-19 pandemic.

	2020	2019	% Growth
Employee benefit expenses (exc. R&D)	67.4	64.4	5%
Other operating expenses (exc. R&D)	57.0	61.1	-7%
Total SG&A expenses	**124.4**	**125.5**	**-1%**
Expenses related to international subsidiaries	*7.7*	*9.1*	*-15%*
Expenses related to COVID-19	*4.0*	*0.0*	n.a.
Total SG&A expenses excluding expenses related to COVID-19	**120.4**	**125.5**	**-4%**

EBITDA increased to 94.2 million euros in 2020, a rise of 55% compared to the previous year, reflecting a 6.5 percentage point increase in the EBITDA margin, which was up to 22.4% in 2020 from 16.0% in 2019.



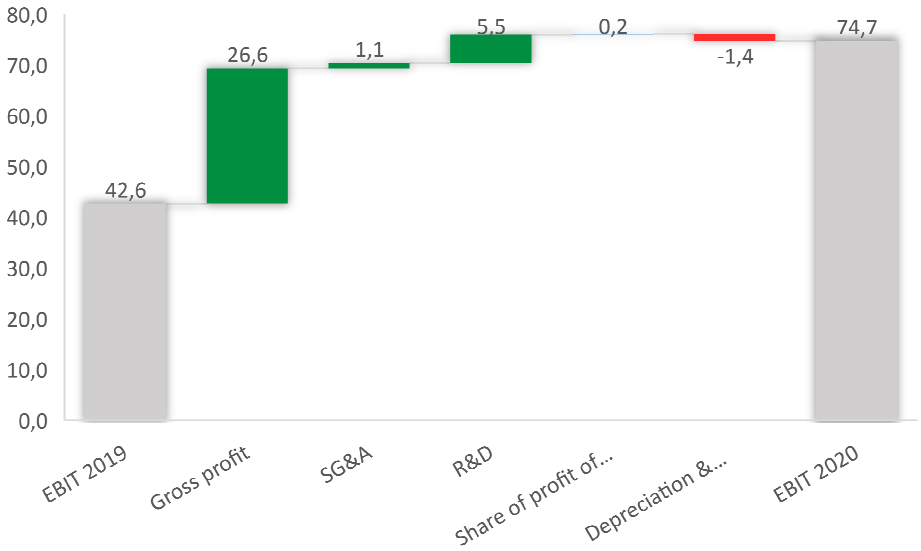
However, EBITDA "Pre-R&D", calculated excluding R&D expenses in 2020 and 2019, increased by 31%, from 90.2 million euros in 2019 to 118.0 million euros in 2020, reflecting a 4.5 percentage point rise in the EBITDA margin to 28.1% in 2020 (see "Pre-R&D costs" columns of the table below). Likewise, recognising the same amount of R&D expenses in 2020 as in 2019, EBITDA would have increased by 46% to 88.7 million euros, reflecting a 5.2 percentage point rise in the EBITDA margin to 21.1% in 2020, up from 16.0% in 2019 (see "Flat R&D costs" columns of the table below).

€ million	Reported		Pre-R&D costs			Flat R&D costs		
	2020	**2019**	**2020**	**2019**	**% Growth**	**2020**	**2019**	**% Growth**
Operating revenue	420.0	381.3	420.0	381.3	10%	420.0	381.3	10%
Other income	1.2	1.2	1.2	1.2	1%	1.2	1.2	1%
Total revenue	**421.1**	**382.5**	**421.1**	**382.5**	**10%**	**421.1**	**382.5**	**10%**
Cost of sales	-178.7	-166.6	-178.7	-166.6	7%	-178.7	-166.6	7%
Gross profit	**242.5**	**215.9**	**242.5**	**215.9**	**12%**	**242.5**	**215.9**	**12%**
% margin	*57.7%*	*56.6%*	*57.7%*	*56.6%*	*1.1pp*	*57.7%*	*56.6%*	*1.1pp*
R&D expenses	-23.8	-29.3	**0.0**	**0.0**	n.a.	**-29.3**	-29.3	0%
SG&A	-124.4	-125.5	-124.4	-125.5	-1%	-124.4	-125.5	-1%
Other expenses	0.0	-0.2	0.0	-0.2	-84%	0.0	-0.2	-84%
EBITDA	**94.2**	**60.9**	**118.0**	**90.2**	**31%**	**88.7**	**60.9**	**46%**
% margin	*22.4%*	*16.0%*	*28.1%*	*23.6%*	*4.5pp*	*21.1%*	*16.0%*	*5.2pp*

EBITDA excluding expenses related to COVID-19 ("recurrent EBITDA") increased to 98.3 million euros in 2020, a rise of 61% compared to the previous year, reflecting a 7.4 percentage point increase in the recurrent EBITDA margin, which was up to 23.4% in 2020 from 16.0% in 2019.

Depreciation and amortisation expenses increased by 8% to 19.6 million euros in 2020, as a result of the new property, plant and equipment and intangible assets purchases made during the last twelve months.

EBIT increased by 75% to 74.7 million euros in 2020, reflecting a 6.6 percentage point rise in the EBIT margin, which was up to 17.8% in 2020 from 11.2% in 2019.



However, EBIT "pre-R&D", calculated excluding R&D expenses in 2020 and 2019, increased by 37%, from 72.0 million euros in 2019 to 98.5 million euros in 2020, reflecting a 4.6 percentage point rise in the EBIT margin to 23.4% in 2020 (see "Pre-R&D costs" columns of the table below). Likewise, recognising the same amount of R&D expenses in 2020 as in 2019, EBIT would have increased by 62% to 69.1 million euros, reflecting a 5.3 percentage point rise in the EBIT margin to 16.5% in 2020, up from 11.2% in 2019 (see "Flat R&D costs" columns of the table below).

€ million	Reported		Pre-R&D costs			Flat R&D costs		
	2020	2019	2020	2019	% Growth	2020	2019	% Growth
Operating revenue	420.0	381.3	420.0	381.3	10%	420.0	381.3	10%
Other income	1.2	1.2	1.2	1.2	1%	1.2	1.2	1%
Total revenue	**421.1**	**382.5**	**421.1**	**382.5**	**10%**	**421.1**	**382.5**	**10%**
Cost of sales	-178.7	-166.6	-178.7	-166.6	7%	-178.7	-166.6	7%
Gross profit	**242.5**	**215.9**	**242.5**	**215.9**	**12%**	**242.5**	**215.9**	**12%**
% margin	*57.7%*	*56.6%*	*57.7%*	*56.6%*	*1.1pp*	*57.7%*	*56.6%*	*1.1pp*
R&D expenses	-23.8	-29.3	**0.0**	**0.0**	n.a.	**-29.3**	-29.3	0%
SG&A	-124.4	-125.5	-124.4	-125.5	-1%	-124.4	-125.5	-1%
Share of profit of a joint venture	0.0	-0.2	0.0	-0.2	-84%	0.0	-0.2	-84%
EBITDA	**94.2**	**60.9**	**118.0**	**90.2**	**31%**	**88.7**	**60.9**	**46%**
% margin	*22.4%*	*16.0%*	*28.1%*	*23.6%*	*4.5pp*	*21.1%*	*16.0%*	*5.2pp*
EBIT	**74.7**	**42.6**	**98.5**	**72.0**	**37%**	**69.1**	**42.6**	**62%**
% margin	*17.8%*	*11.2%*	*23.4%*	*18.9%*	*4.6pp*	*16.5%*	*11.2%*	*5.3pp*

Net finance result amounted to 2.1 million euros (cost) in 2020 compared to 0.8 million euros (cost) in 2019, mainly due to the loss related to exchange-rate derivative financial instruments.

The **effective tax rate** was 15.9% in 2020, compared to 6.2% in 2019, mainly due to (i) the increase of the profit before income tax; (ii) the recognition in 2019 of negative tax bases ROVI had the right to use; and (iii) the decrease of research and development tax credits in 2020 as a result of the decrease in R&D expenses in 2020 compared to the previous year.

As of 31 December 2020, negative tax bases of the Group amounted to 25.5 million euros, of which 9.4 million euros will be used in the 2020 income tax.

Net profit increased by 55%, from 39.3 million euros in 2019 to 61.1 million euros in 2020. However, net profit "pre-R&D", calculated excluding R&D expenses in 2020 and 2019, increased by 21%, from 66.8 million euros in 2019 to 81.1 million euros in 2020 (see "Pre-R&D costs" columns of the table below). Likewise, recognising the same amount of R&D expenses in 2020 as in 2019, net profit would have increased by 44% to 56.4 million euros (see "Flat R&D costs" columns of the table below).

€ million	Reported		Pre-R&D costs			Flat R&D costs		
	2020	**2019**	**2020**	**2019**	**% Growth**	**2020**	**2019**	**% Growth**
Operating revenue	420.0	381.3	420.0	381.3	10%	420.0	381.3	10%
Other income	1.2	1.2	1.2	1.2	1%	1.2	1.2	1%
Total revenue	**421.1**	**382.5**	**421.1**	**382.5**	**10%**	**421.1**	**382.5**	**10%**
Cost of sales	-178.7	-166.6	-178.7	-166.6	7%	-178.7	-166.6	7%
Gross profit	**242.5**	**215.9**	**242.5**	**215.9**	**12%**	**242.5**	**215.9**	**12%**
% margin	*57.7%*	*56.6%*	*57.7%*	*56.6%*	*1.1pp*	*57.7%*	*56.6%*	*1.1pp*
R&D expenses	-23.8	-29.3	**0.0**	**0.0**	n.a.	**-29.3**	-29.3	0%
SG&A	-124.4	-125.5	-124.4	-125.5	-1%	-124.4	-125.5	-1%
Share of profit of a joint venture	0.0	-0.2	0.0	-0.2	-84%	0.0	-0.2	-84%
EBITDA	**94.2**	**60.9**	**118.0**	**90.2**	**31%**	**88.7**	**60.9**	**46%**
% margin	*22.4%*	*16.0%*	*28.1%*	*23.6%*	*4.5pp*	*21.1%*	*16.0%*	*5.2pp*
EBIT	**74.7**	**42.6**	**98.5**	**72.0**	**37%**	**69.1**	**42.6**	**62%**
% margin	*17.8%*	*11.2%*	*23.4%*	*18.9%*	*4.6pp*	*16.5%*	*11.2%*	*5.3pp*
Net profit	**61.1**	**39.3**	**81.1**	**66.8**	**21%**	**56.4**	**39.3**	**44%**
% margin	*14.5%*	*10.3%*	*19.3%*	*17.5%*	*1.8pp*	*13.4%*	*10.3%*	*3.1pp*

ROVI General Shareholders Meeting, on 20 October 2020, approved the payment of a gross dividend of 0.1751 euros per share on 2019 earnings; it means an increase of 119% on the dividend paid out of the 2018 profit (€0.0798/share) and represents approximately a 25% pay-out. This dividend was paid on 19 November 2020.

ROVI will pay a **dividend** of 0.3812 euros per share with dividend rights on 2020 earnings if the Shareholders General Meeting approves the application of the 2020 profit, under proposal of ROVI's Board of Directors. This proposed dividend would mean an increase of 118% compared to the dividend on 2019 earnings (€0.1751/share) and represents a 35% pay out (vs 25% pay out last year).

Javier López-Belmonte Encina, Chief Financial Officer of ROVI, said that "*we are very happy with the results of 2020. We have been able to deliver an operating revenue growth of 10% in a difficult environment thanks to the strength of our leading products, which continue to enjoy good sales prospects, and an EBITDA margin rise of 6.5 percentage points mainly as a result of the operating leverage contribution of our LMWH division, the expansion of our injectables toll manufacturing business and the reduction in operating expenses as a result of the absence of*

promotion during the lockdown period. ROVI's commitment to innovation is reflected in the figures of 2020. We are entering into a new phase of growth and we expect our robust balance sheet to allow us to take advantage of other opportunities to expand our sales base and improve the utilization of our asset base".

3. Balance Sheet items

3.1 Capital expenditure

ROVI invested 39.7 million euros in 2020, compared to 27.0 million euros in 2019. Of the amount invested:

- 3.2 million euros corresponds to capex related to the Madrid injectables facility, versus 1.6 million euros in 2019;
- 8.6 million euros were invested in the San Sebastián de los Reyes plant (of which 2.7 million euros relates to maintenance capex and 5.9 million euros relates to investment capex), versus 4.3 million euros in 2019;
- 2.4 million euros were invested in the Granada facility, versus 5.9 million euros in 2019;
- 3.8 million euros were invested in the Alcalá de Henares facility, versus 8.3 million euros in 2019;
- 9.7 million euros corresponds to the ISM® industrialization, versus 3.5 million euros in 2019;
- 10.1 million euros relates to investment capex regarding the Escúzar plant (the second heparin plant in Granada) versus 1.0 million euros invested in 2019 (linked to the bought of land for the plant construction); and
- 2.0 million euros relates to expenditure on maintenance and other capex, versus 2.4 million euros in 2019.

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

	2020	2019	% Growth
Injectable plant	3.2	1.6	104%
San Sebastián de los Reyes plant	2.7	4.3	-38%
Granada plant	2.4	5.9	-59%
Alcalá de Henares plant (Frosst Ibérica)	3.8	8.3	-55%
Expenditure on maintenance and other capex	2.0	2.4	-18%
Maintenance Capex	**14.0**	**22.5**	**-38%**
ISM industrialisation	9.7	3.5	176%
Escúzar plant	10.1	1.0	n.a.
New vial filling line and scale up of operations	5.9	-	n.a.
Investment Capex	**25.7**	**4.5**	**5.2x**
Total Capex	**39.7**	**27.0**	**47%**
Acquisitions	-	*13.5*	

3.2 Debt

As of 31 December 2020, ROVI total debt decreased to 74.4 million euros. Debt with public administration, which is 0% interest rate debt, represented 15% of total debt as of 31 December 2020.

In thousand euros	31 December 20	31 December 19	Interest rate (%)
Bank borrowings	45,000	52,116	0.336-0.681
Debt with public administration	10,972	11,689	0
Financial liabilities for leases	17,546	20,871	-
Derivative financial instruments	925	129	-
Total	**74,443**	**84,805**	

As of 31 December 2020, bank borrowings decreased by 7.1 million euros. In December 2017, ROVI announced the European Investment Bank (EIB) granted it a loan to support its investments in Research, Development and Innovation. The loan was for 45 million euros. As of 30 September 2019, ROVI had drawn 5 million euros against this credit line at a variable interest rate of Euribor at 3 months + 0.844%. The latest interest rate paid was 0.336% (January 2021). As of 31 December 2019, ROVI had drawn the remaining 40 million euros. The credit matures in 2029, includes a grace period of 3 years with a fixed interest of 0.681%.

Likewise, since the beginning of the COVID-19 crisis, ROVI has signed credit policies for an amount of 45 million euros, in order to ensure the company's liquidity. As of 31 December 2020, ROVI had not used these credit policies. Thus, the Group is in a comfortable position to meet

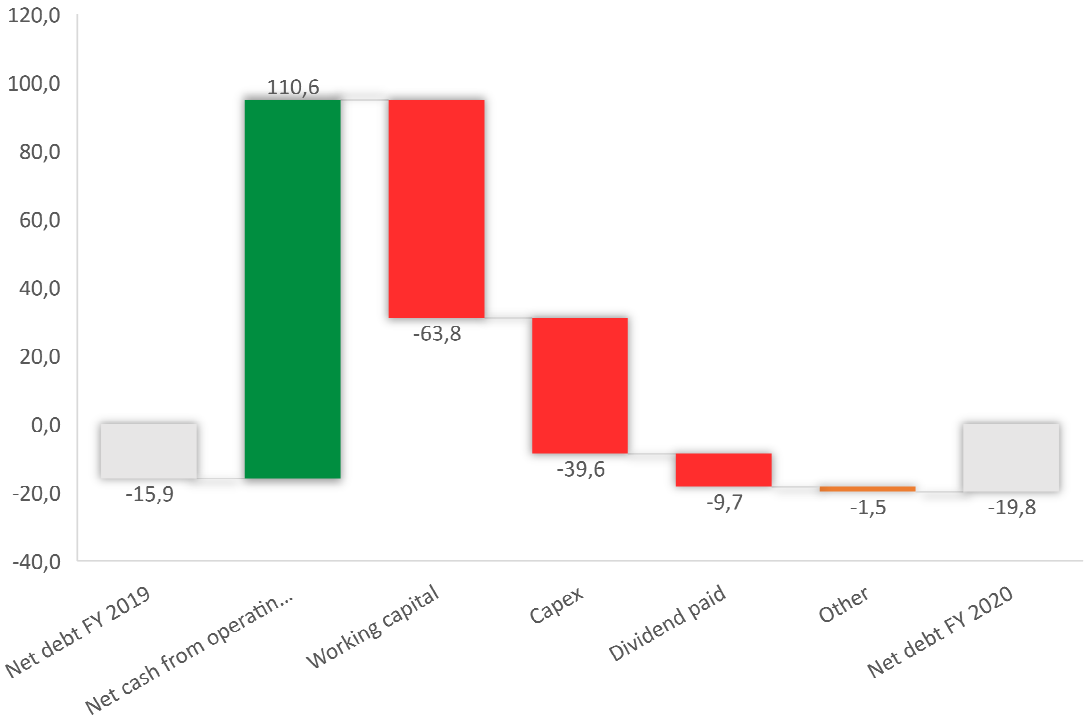
its payment obligations, debt maturities and any additional cash needs in the short and medium term.

3.3 Free cash flow

Free cash flow (net cash generated (used) from operating activities minus (plus) property, plant and equipment and intangible assets purchases (sales) plus interest received) increased to 7.3 million euros in 2020 compared to -49.5 million euros in 2019 mainly due to (i) the booking of 21.6 million euros in the "Proceeds from toll manufacturing services" line mainly due to payments received that are pending to be allocated to the income statement; (ii) the increase of 30.7 million euros in profit before income tax; and (iii) the increase of 7.5 million euros in the "trade and other receivables" item in 2020, compared to a decrease of 20.4 million euros in 2019. These positive impacts were partially offset by (i) the decrease of 70.4 million euros in the "inventories" line in 2020 (mainly as a result of higher heparin stock levels) compared to a decrease of 67.2 million euros in 2019; and (ii) the decrease of 0.8 million euros in the "trade and other payables" item in 2020, compared to an increase of 24.0 million euros in 2019.

3.4 Gross cash position and net debt

As of 31 December 2020, ROVI had a gross cash position of 54.6 million euros, compared to 36.8 million euros as of 30 September 2020 and 68.9 million euros as of 31 December 2019, and net debt of 19.8 million euros (equity securities plus deposits plus financial derivatives plus cash and cash equivalents minus current and non-current financial debt), compared to 38.1 million euros as of 30 September 2020 and 15.9 million euros as of 31 December 2019.



Net cash generated in operating activities amounted to 46.9 million euros in 2020, compared to -9.0 million euros in 2019. Net cash generated from operating activities excluding changes in working capital increased 103% to 110.6 million euros in 2020, from 54.6 million euros in 2019.

3.5 Working capital

Figures included in the balance sheet showed an increase in working capital in 2020 mainly due to (i) an increase of 68.4 million euros in the "inventories" line, mainly due to higher heparin stock levels in 2020; (ii) a decrease of 5.1 million euros in the "trade and other receivables" line; (iii) a decrease of 0.6 million euros in the "trade and other payables" line; and (iii) a decrease of 14.3 million euros in the "cash and cash equivalents" item.

Despite the significant increase in 2020 "inventories" line, heparin stock levels were lower in the fourth quarter of 2020 than in the third and the second quarters of the same year.

As of 31 December 2020, Social Security and Public Administrations total debt with ROVI amounted to 9.4 million euros, of which 4.1 million euros in Spain, 3.6 million euros in Portugal and 1.7 million euros in Italy.

4. Guidance for 2021

For 2021, ROVI expects the operating revenue to increase between 20% and 30%, including the production of the Moderna's COVID-19 vaccine.

The Company forecasts that it will continue to grow at a much higher rate than the Spanish pharmaceutical market expenditure in 2020, which, according to the Ministry of Health, Consumption and Social Welfare, showed a growth rate of 2.6%.

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 this year.

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, the agreement with Moderna and new contracts in the toll manufacturing area.

5. Research and Development update

ISM® technology platform

Doria® (Risperidone ISM®) is the first ROVI's product based in its leading-edge drug delivery technology, ISM®. It is a novel investigational antipsychotic for the treatment of schizophrenia with once-monthly injections which has been developed and patented by Laboratorios Farmacéuticos ROVI S.A. and which, as of the first injection, provides immediate and sustained plasmatic drug levels and does not require loading doses or supplementation with oral risperidone.

In March 2019, the company informed topline results from the pivotal study of Risperidone ISM® "PRISMA-3"[1], and the 27th of November of 2020 announced the online publication in the journal *npj Schizophrenia*[2].

The results obtained in this study show that both doses (75 mg and 100 mg once a month) have achieved the prespecified primary and secondary efficacy endpoints for treatment of

[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/show/NCT03160521]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").*

[2] *Correll, C.U., Litman, R.E., Filts, Y. et al. Efficacy and safety of once-monthly Risperidone ISM® in schizophrenic patients with an acute exacerbation. npj Schizophr 6, 37 (2020). https://doi.org/10.1038/s41537-020-00127-y.*

patients with acute exacerbation of schizophrenia. The primary efficacy endpoint, the PANSS total score (mean difference, CI: 95%), improved significantly with Risperidone ISM® 75 mg and 100 mg from the beginning until day 85, with adjusted differences of -13.0 (17.3 to -8-8; p <0.0001) and -13.3 (-17.6 to -8.9; p<0.0001), respectively. Significantly improved mean changes for the secondary endpoint, the CGI-S score, were also obtained for Risperidone ISM® in comparison with the placebo, -0.7 (-1.0 to -0.5; p<0.0001), for both doses. The significant statistical improvement for both efficacy results was observed as early as 8 days after the first injection. The most frequently reported treatment-emergent adverse events were increased blood prolactin (7.8%), headaches (7.3%), hyperprolactinemia (5%) and weight increase (4.8%). No important new or unexpected safety information was reported. According to the authors of the article, Risperidone ISM® represents an effective therapeutic strategy in schizophrenic patients who are admitted to hospital with an acute episode with severe or moderate psychotic symptoms[2].

The company also announced in July 2019 the completion of an open-label extension of the PRISMA-3 study[1], which provides clinical data on the long-term use of Risperidone ISM® (12 additional months).

Based on these positive results and the other data from the product, ROVI previously announced (by publication of the material event number 286374 dated 31st of January of 2020) the commencement of the centralised procedure for registration with the European Medicines Agency (EMA) in January 2020. Likewise, at its Capital Markets Day held on 24 November, ROVI has just announced the filing of an NDA (New Drug Application), i.e. a registration dossier to obtain marketing authorisation in the USA, with the FDA (Food and Drug Administration).

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 study[2]) 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 is planning in the first half of 2021 to discuss with regulatory

[1] *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]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").*

[2] *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]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").*

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. ESG (Environmental, Social and Governance) Risk Rating 2020

ROVI's ESG aspects have been evaluated by Sustainalytics, a Global Leader in ESG & Corporate Governance, having obtained an "ESG Risk Rating 2020" of 21.8, which places the company at medium risk (between 20 and 30).

The company is at medium risk of experiencing material financial impacts from ESG factors, due to its medium exposure and strong management of material ESG issues. Furthermore, the company has not experienced significant controversies.

ROVI has attained the **second position** out of 360 companies in the sub-industry "pharmaceuticals". The "pharmaceutical industry" includes biotech, phamaceutical and laboratory equipment companies and the "pharmaceutical sub-industry" includes only pharmaceutical companies.

7. Key operating and financial events

7.1 The Journal npj Schizophrenia Publishes the Results of the PRISMA-3 Study of the Efficacy and Safety of Doria® in Schizophrenic Patients

ROVI informed (by publication of the inside information with register number 610 dated 27 November, 2020) of the online publication of the results of the pivotal study PRISMA-3 on the efficacy and safety of Doria® in schizophrenic patients in the journal npj Schizophrenia[1].

The results of the phase III pivotal clinical trial show that the once-monthly injectable antipsychotic Doria® furnishes a significant improvement in the symptomatology and severity of the illness in patients with acute exacerbation of schizophrenia.

[1] Correll, C.U., Litman, R.E., Filts, Y. et al. Efficacy and safety of once-monthly Risperidone ISM® in schizophrenic patients with an acute exacerbation. npj Schizophr 6, 37 (2020). https://doi.org/10.1038/s41537-020-00127-y

Doria® (Risperidone ISM®) is a novel investigational antipsychotic for the treatment of schizophrenia with once-monthly injections which has been developed and patented by Laboratorios Farmacéuticos ROVI S.A. and which, as of the first injection, provides immediate and sustained plasmatic drug levels and does not require loading doses or supplementation with oral risperidone.

The results obtained in this study show that both doses (75 mg and 100 mg once a month) have achieved the prespecified primary and secondary efficacy endpoints for treatment of patients with acute exacerbation of schizophrenia. The primary efficacy endpoint, the PANSS total score (mean difference, CI: 95%), improved significantly with Risperidone ISM® 75 mg and 100 mg from the beginning until day 85, with adjusted differences of -13.0 (17.3 to -8-8; p <0.0001) and -13.3 (-17.6 to -8.9; p<0.0001), respectively. Significantly improved mean changes for the secondary endpoint, the CGI-S score, were also obtained for Risperidone ISM® in comparison with the placebo, -0.7 (-1.0 to -0.5; p<0.0001), for both doses. The significant statistical improvement for both efficacy results was observed as early as 8 days after the first injection. The most frequently reported treatment-emergent adverse events were increased blood prolactin (7.8%), headaches (7.3%), hyperprolactinemia (5%) and weight increase (4.8%). No important new or unexpected safety information was reported.

According to the authors of the article, Risperidone ISM® represents an effective therapeutic strategy in schizophrenic patients who are admitted to hospital with an acute episode with severe or moderate psychotic symptoms.

"We are very pleased with these results, since, not only do they prove that our ISM® technology works, but also because we believe that Doria® will be able to help cover an unmet medical need", said Dr. Ibón Gutierro, ROVI's Corporate R&D Manager. Likewise, Dr. Gutierro explained that "this study is proof that a schizophrenic patient with moderate to severe psychotic symptoms can also be treated with a long-acting injectable antipsychotic like Doria®".

On the basis of these positive results and the other data from the product, ROVI previously announced the commencement of the centralised procedure for registration with the European Medicines Agency (EMA) in January 2020. Likewise, at its Capital Markets Day held on 24 November, ROVI has just announced the filing of an NDA (New Drug Application), i.e. a registration dossier to obtain marketing authorisation in the USA, with the FDA (Food and Drug Administration).

7.2 Moderna and ROVI Announce Collaboration for Outside the United States Fill-Finish Manufacturing of Moderna's COVID-19 Vaccine Candidate

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.

"Moderna is committed to helping address the COVID-19 crisis. We are pleased to partner with ROVI to potentially supply hundreds of millions of doses of finished mRNA-1273, once approved, and help address the need for a vaccine against COVID-19 around the world," said Juan Andrés, Moderna's Chief Technology Operations and Quality Officer*. "ROVI's experience as a global manufacturer of drug product and expertise in fill-finish will be an important partnership for us to establish dedicated supply chains that can meet the needs of different countries and regions. I am delighted to be working with ROVI again".*

"We are very happy about the collaboration with Moderna, whose vaccine against COVID-19 is one of the frontrunners in the race to solve this health crisis. We would be thrilled for ROVI to form part of the solution to this pandemic that is affecting all of us and to support Moderna in supplying it on a wide scale. Our proven experience and capabilities as a toll manufacturer of injectables has allowed us to reach this agreement, which would help strengthen our manufacturing area and would, in all probability, provide us with a significant growth opportunity in the area. Likewise, I would like to thank the Ministry of Health and the Spanish Medicines Agency for making themselves available and providing their support, which has been of fundamental importance, during this entire process", said Juan López-Belmonte, Chief Executive Officer of ROVI.

7.3 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 nine months 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.

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.

ROVI wishes a swift recovery to all those affected by coronavirus and sends special recognition to the health professionals, the State security forces and all the other professionals who, in order to protect all of us, are on the battlefront in the fight against the virus. Likewise, ROVI would like to thank all its employees for their commitment, responsibility, involvement and determination, especially those who continue to travel to its work centres every day.

7.4 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), in 2020.

"*We are continuing to progress with the approval phase of Doria® and are now closer to marketing it. We have confidence in the product's potential and hope that we will soon be able to offer a therapeutic alternative for the treatment of this chronic, serious and progressive disorder*", said Juan López-Belmonte, ROVI's Chief Executive Officer.

About ROVI

ROVI is a pan-European pharmaceutical company specializing and engaging in the research, development, contract manufacturing and marketing of small molecules and biological specialties. The company, in a continuous international expansion process, has subsidiaries in Portugal, Germany, the United Kingdom, Italy, France and Poland and has a diversified marketing portfolio of more than 40 products, among which its flagship product, Bemiparin, already marketed in 58 countries all over the world, should be highlighted. Likewise, in 2017, ROVI commenced the marketing of its enoxaparin biosimilar, developed in-house, in Europe. ROVI continues to develop the ISM® Platform technology, a leading-edge line of research in the field of prolonged drug release with proven advantages. For more information, please visit www.rovi.es

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Forward-looking statements

This news release contains forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance, or achievements of ROVI or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. The statements in this press release represent ROVI's expectations and beliefs as of the date of this press release. ROVI anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while ROVI may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing ROVI's expectations or beliefs as of any date subsequent to the date of this press release.

Alternative performance measures

This press release may include certain Alternative Performance Measures ("APMs") not prepared under IFRS-EU and not reviewed or audited by either the Company's auditors or an independent expert. Furthermore, the way in which the Group defines and calculates these measures may differ from the way in which other companies calculate similar measures. Consequently, they may not be comparable.

APPENDIX 1

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2020 AND 31 DECEMBER 2019

(Thousands of euros)

	31 December 2020	31 December 2019
ASSETS		
Non-current assets		
Property Plant and Equipment	155,395	131,608
Intangible assets	41,413	45,079
Investment in a joint venture	1,812	1,843
Deferred income tax assets	11,105	14,660
Equity securities	71	71
Financial receivables	65	65
	209,861	**193,326**
Current assets		
Inventories	227,199	158,811
Trade and other receivables	76,401	81,541
Current income tax assets	7,803	10,104
Prepaid expenses	13	3
Cash and cash equivalents	53,162	67,426
	364,578	**317,885**
Total assets	**574,439**	**511,211**

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2020 AND 31 DECEMBER 2019

(Thousands of euros)

	31 December 2020	31 December 2019
EQUITY		
Capital and reserves attributable to shareholders of the company		
Share capital	3,364	3,364
Share premium	87,636	87,636
Legal reserve	673	673
Treasury shares	(20,185)	(10,341)
Retained earnings and voluntary reserves	241,158	201,784
Profit for the year	61,057	39,273
Other reserves	(3)	(3)
Total equity	**373,700**	**322,386**
LIABILITIES		
Non-current liabilities		
Financial debt	68,421	72,104
Deferred income tax liabilities	929	1,078
Contract liabilities	5,788	5,793
Deferred income	2,712	3,141
	77,850	**82,116**
Current liabilities		
Financial debt	6,022	12,701
Trade and other payables	91,364	91,914
Contract liabilities	25,005	1,566
Deferred income	498	528
	122,889	**106,709**
Total liabilities	**200,739**	**188,825**
Total equity and liabilities	**574,439**	**511,211**

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE FULL YEARS 2020 AND 2019

(Thousands of euros)

	Full Year	
	2020	**2019**
Revenue	419,961	381,313
Changes in inventories of finished goods and work in progress	17,659	21,414
Raw materials and consumables used	(196,311)	(188,020)
Personnel expenses	(74,429)	(72,512)
Other operating expenses	(73,706)	(81,946)
Amortisation	(19,593)	(18,216)
Impairment of non-current assets	(56)	(341)
Recognition of government grants on non-financial non-current assets and other	1,157	1,151
Share of profits of joint venture	(31)	(195)
OPERATING PROFIT	**74,651**	**42,648**
Finance income	4	51
Finance costs	(1,072)	(927)
Impairment and gain or loss on measurement of financial instruments	(1,041)	159
Exchange difference	39	(51)
FINANCE INCOME/(COSTS) - NET	**(2,070)**	**(768)**
PROFIT BEFORE INCOME TAX	**72,581**	**41,880**
Income tax	(11,524)	(2,607)
PROFIT FOR THE YEAR	**61,057**	**39,273**

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE FULL YEARS 2020 AND 2019

(Thousands of euros)

	Full Year	
	2020	**2019**
Cash flows from operating activities		
Profit before tax	72,581	41,880
Adjustments for non-monetary transactions:		
Amortisation	19,593	18,216
Finance income	(43)	(51)
Valuation allowance	1,772	2,998
Adjustments for changes in value of derivatives	796	146
Gain or loss on derecognition of financial assets and liabilities	245	(305)
Finance expenses	1,072	978
Grants, income from distribution licenses and other deferred incomes	(2,101)	(4,408)
Share of profit of joint venture	31	195
Changes in working capital:		
Trade and other receivables	7,468	(20,409)
Inventories	(70,398)	(67,227)
Other current assets (prepaid expenses)	(10)	18
Trade and other payables	(811)	23,953
Other collections and payments:		
Proceeds from toll manufacturing services	21,617	-
Proceeds from distribution licenses	1,253	3,194
Income tax cash flow	(6,038)	(8,129)
Other payments	(151)	(93)
Net cash generated from (used in) operating activities	**46,876**	**(9,044)**
Cash flows from investing activities		
Purchases of intangible assets	(355)	(14,626)
Purchases of property, plant and equipment	(39,337)	(25,899)
Proceeds from sale of property, plant and equipment	63	2
Interest received	4	51
Net cash generated from (used in) investing activities	**(39,625)**	**(40,472)**
Cash flows from financing activities		
Repayments of financial debt	(13,179)	(21,242)
Proceeds from financial debt	1,430	47,033
Interest paid	(299)	(93)
Purchase of treasury shares	(37,255)	(4,718)
Reissue of treasury shares	37,488	4,871
Dividends paid	(9,700)	(4,420)
Net cash generated from (used in) financing activities	**(21,515)**	**21,431**
Net (decrease) increase in cash and cash equivalents	**(14,264)**	**(28,085)**
Cash and cash equivalents at the beginning of the year	**67,426**	**95,511**
Cash and cash equivalents at the end of the year	**53,162**	**67,426**