Auditor's Report on Laboratorios Farmacéuticos Rovi, S.A.

(Together with the annual accounts and directors' report of Laboratorios Farmacéuticos Rovi, S.A. for the year ended 31 December 2024)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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

Independent Auditor's Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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

REPORT ON THE ANNUAL ACCOUNTS

Opinion

We have audited the annual accounts of Laboratorios Farmacéuticos Rovi, S.A. (the "Company"), which comprise the balance sheet at 31 December 2024, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 to the annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from the sale of goods (Euros 540,516 thousand) See notes 2.b.1.1, 3.15.a and 22.a.1 to the annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Company's sales of goods are from sales of pharmaceutical products, contrast agents and other hospital products, where control is transferred to the customer and performance obligations are met when the goods are made available to customers or upon delivery to the end customer. Due to the significance of the amount of sales revenue, the possibility of revenue being recognised in an incorrect period and the inherent risk of material misstatement, this has been considered a key audit matter.	Our audit procedures included the following: - We obtained an understanding of the process of recognising revenue from the sale of goods and assessed the design and implementation of key controls related to the recognition of revenue from the sale of goods either shortly before or shortly after the reporting date. - We performed a test using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of sales transactions during the year, individually matching the revenue to the orders and delivery notes. - We performed tests of detail on the revenues recognised for a selection of transactions either shortly before or shortly after the reporting date and checking whether the transactions were recognised in the appropriate period. - We obtained external confirmation for a sample of outstanding invoices, performing alternative procedures, where applicable, based on delivery notes or evidence of subsequent collection, and confirmations of balances and transactions with Group companies, - We also assessed whether the disclosures included in the annual accounts meet the requirements of the financial reporting framework applicable to the Company.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Other Information: Directors' Report

Other information solely comprises the 2024 directors' report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility regarding the information contained in the directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the directors' report with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned annual accounts. Also, assess and report on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts in such a way that they give a true and fair view of the equity, financial position and financial performance of the Company in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the preparation and presentation of the annual accounts.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors[2].

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

We communicate with the audit committee of Laboratorios Farmacéuticos Rovi, S.A. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit committee with a statement that we have complied with the ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

From the matters communicated to the audit committee of the entity, we determine those that were of most significance in the audit of the annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital file of Laboratorios Farmacéuticos Rovi, S.A. for 2024 in European Single Electronic Format (ESEF) comprising an XHTML file with the annual accounts for the aforementioned year, which will form part of the annual financial report.

The Directors of Laboratorios Farmacéuticos Rovi, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the directors' report.

Our responsibility consists of examining the digital file prepared by the Company's Directors, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the annual accounts included in the aforementioned digital file fully corresponds to the annual accounts we have audited, and whether the annual accounts have been formatted, in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital file examined fully corresponds to the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 24 February 2025.

Contract Period

We were appointed as auditor by the shareholders at the ordinary general meeting on 24 June 2024 for a period of one year, from the year ended 31 December 2024.

Previously, we had been appointed for a period of one year, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

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

(Signed on original in Spanish)

Begoña Pradera Goiri

On the Spanish Official Register of Auditors ("ROAC") with No. 22,614

24 February 2025

LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Annual Accounts and Management Report
for the Annual Period ended 31 December 2024

TABLE OF CONTENTS OF THE ANNUAL REPORT OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Free translation of the Annual Accounts originally issued in Spanish and prepared in accordance with "Plan General de Contabilidad" approved by Royal Decree 1514/007 of 16th November. In the event of discrepancy, the Spanish version prevails.

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Financial Position at 2024 and 2023
(Thousand euros)

	Note	31 December	
		2024	2023
NON-CURRENT ASSETS		**180,316**	**161,972**
Intangible assets	5	**26,674**	**27,248**
Property, plant and equipment	6	**44,256**	**47,071**
Non-current assets in group and associated companies	8 & 9	**106,553**	**84,982**
Equity instruments		56,527	31,981
Credits to group companies	7 & 31	50,026	53,001
Non-current financial investments		**1,588**	**1,436**
Equity instruments	7 & 11	—	25
Other financial assets	7 &10	1,588	1,411
Deferred tax assets	21	**1,245**	**1,235**
CURRENT ASSETS		**306,493**	**302,406**
Inventories	12	**130,097**	**119,569**
Trade and other receivables		**112,829**	**119,411**
Trade receivables, sales of goods and services	7 & 10	52,958	56,584
Trade receivables, group and associated companies	7 & 10	55,956	57,827
Sundry debtors	7 & 10	1	26
Employee benefit expenses		9	43
Other credits with public authorities	23	3,905	4,931
Current investments in group and associated companies	7 & 10	**44,948**	**48,842**
Credits to companies		3,054	887
Other assets		41,894	47,955
Current accruals and prepayments		**2,062**	**1,561**
Cash and cash equivalents	7 & 13	**16,557**	**13,023**
TOTAL ASSETS		**486,809**	**464,378**

Notes 1 to 35 attached hereto are an integral part of these Annual Accounts.

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Financial Position at 2024 and 2023
(Thousand euros)

		31 December	
EQUITY	**Note**	**2024**	**2023**
Equity		**60,284**	**89,322**
Fondos propios		**59,283**	**87,975**
Capital	14	3,074	3,241
Share premium	14	87,636	87,636
Reserves	15	7,032	7,032
(Treasury shares)	15	(5,545)	(107,676)
Retained earnings	15	(108,460)	85,671
Profit for the year	16	75,546	12,071
Adjustments for changes in value		**(28)**	**(20)**
Foreign exchange differences		(28)	(20)
Grants, donations and legacies received	17	**1,029**	**1,367**
NON-CURRENT ASSETS		**157,655**	**143,899**
Non-current debt		**80,503**	**38,557**
Bank borrowings	7 & 18	70,659	31,250
Other financial liabilities	7 & 18	9,844	7,307
Non-current debt with group and associated companies	7 & 18	**72,500**	**99,800**
Deferred tax assets	21	**2,834**	**4,111**
Non-current accruals	19	**1,818**	**1,431**
CURRENT LIABILITIES		**268,870**	**231,157**
Current provisions	20	**14,116**	**8,235**
Current debt		**17,823**	**8,004**
Bank borrowings	7 & 18	16,280	6,495
Other financial liabilities	7 & 18	1,543	1,509
Current debt with group and associated companies	7 & 18	**18,578**	**2,216**
Trade and other payables		**217,989**	**212,378**
Trade payables	7 & 18	34,129	34,460
Trade payables, group and associated companies	7 & 18	173,114	162,635
Sundry creditors	7 & 18	65	2,516
Employees (outstanding remuneration)	7 & 18	6,567	5,851
Current income tax liabilities	23	1,871	5,177
Other debt with public authorities	23	2,243	1,739
Current accruals	19	**364**	**324**
TOTAL EQUITY AND LIABILITIES		**486,809**	**464,378**

Notes 1 to 35 attached hereto are an integral part of these Annual Accounts.

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Income Statement for the annual periods ended 31 December 2024 and 2023
(Thousand euros)

	Note	Year ended 31 December	
		2024	2023
CONTINUING OPERATIONS			
Net sales	22	**566,634**	**575,661**
Sales of goods		540,516	551,271
Sales of services		26,118	24,390
Change in inventories of finished products and work in progress	12	**(18,789)**	**10,567**
Procurements		**(406,840)**	**(454,079)**
Raw materials and consumables used	22 b)	(405,122)	(451,197)
Inventory write-down	12	(1,718)	(2,882)
Other operating income		**15,415**	**10,284**
Ancillary and current management income	22 c)	14,845	9,962
Operating grants recognised in profit and loss	22 d)	570	322
Employee benefit expenses	22 e)	**(50,949)**	**(46,690)**
Wages, salaries and similar remuneration		(41,685)	(38,001)
Welfare charges		(9,264)	(8,689)
Other operating expenses		**(82,923)**	**(75,765)**
External services	22 f)	(74,829)	(71,100)
Taxes		(8,157)	(4,866)
Losses, impairment and changes in trade provisions	22 g)	63	201
Amortisation and depreciation charges	5 & 6	**(9,408)**	**(10,226)**
Allocation of grants for non-financial assets and other	17	**330**	**192**
Impairment and gains/(losses) on disposal of intangible assets and other	6	**31**	**(72)**
Gains (losses) on sales and other		31	(72)
OPERATING PROFIT/(LOSS)		**13,501**	**9,872**
Finance income		65,566	1,423
Finance expenses		(5,043)	(2,205)
Change in fair value of financial instruments		—	28
Foreign exchange differences		25	(104)
Impairment and gains/(losses) on disposal of financial instruments		(190)	1,097
FINANCE COSTS - NET	24	**60,358**	**239**
PROFIT BEFORE TAX		**73,859**	**10,111**
Income tax	23	1,687	1,960
PROFIT FOR THE YEAR	16	**75,546**	**12,071**

Notes 1 to 35 attached hereto are an integral part of these annual accounts.

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Changes in Equity for the annual periods ended 31 December 2024 and 2023 (Thousand euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES (thousand euros)

	Note	Year ended 31 December	
		2024	2023
PROFIT FOR THE YEAR	16	**75,546**	**12,071**
Income and expenses credited or charged directly to equity		**329**	**23**
Foreign exchange differences		(8)	(35)
Grants, donations and legacies received	17	449	78
Tax effect	21	(112)	(20)
Transfers to profit and loss		**(675)**	**(382)**
Changes in financial instruments		—	3
Grants, donations and legacies received	17	(900)	(514)
Tax effect	21	225	129
TOTAL RECOGNISED INCOME AND EXPENSES		**75,200**	**11,712**

Notes 1 to 35 attached hereto are an integral part of these Annual Accounts.

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Changes in Equity for the annual periods ended 31 December 2024 and 2023
(Thousand euros)

B) STATEMENT OF TOTAL CHANGES IN EQUITY (thousand euros)

	Share capital (Note 14)	Share premium (Note 14)	Reserves (Note 15)	Treasury shares (Note 15)	Retained earnings (Note 15)	Profit for the year (Note 16)	Adjustments for changes in value	Grants, donations and legacies received (Note 17)	TOTAL
BALANCE, END OF 2022	**3,241**	**87,636**	**7,032**	**(27,561)**	**116,922**	**39,116**	**12**	**1,694**	**228,092**
Total recognised income and expenses	—	—	—	—	—	12,071	(32)	(327)	11,712
– Distribution of profit for 2022	—	—	—	—	(29,933)	29,933	—	—	—
– Distribution of dividends	—	—	—	—	—	(69,049)	—	—	(69,049)
– Transactions with treasury shares (net)	—	—	—	(80,115)	(1,146)	—	—	—	(81,261)
– Other movements	—	—	—	—	(172)	—	—	—	(172)
BALANCE, END OF 2023	**3,241**	**87,636**	**7,032**	**(107,676)**	**85,671**	**12,071**	**(20)**	**1,367**	**89,322**
Total recognised income and expenses	—	—	—	—	—	75,546	(8)	(338)	75,200
– Distribution of profit for 2023	—	—	—	—	(44,380)	44,380	—	—	—
– Distribution of dividends	—	—	—	—	—	(56,451)	—	—	(56,451)
– Operations with treasury shares (net)	—	—	—	(50,332)	2,545	—	—	—	(47,787)
– Capital reduction	(167)	—	—	152,463	(152,296)	—	—	—	—
BALANCE, END OF 2024	**3,074**	**87,636**	**7,032**	**(5,545)**	**(108,460)**	**75,546**	**(28)**	**1,029**	**60,284**

Notes 1 to 35 attached hereto are an integral part of these Annual Accounts.

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Cash Flows for the annual periods ended 31 December 2024 and 2023
(Thousand euros)

	Note	Year ended 31 December	
		2024	2023
Profit before income tax		73,859	10,111
Adjustments to profit		(44,619)	14,635
Changes in working capital		66,655	69,389
Other cash flows from operating activities		(42,458)	(39,931)
Cash flows generated (used) in operating activities	25	**53,437**	**54,204**
Payments of investments		(32,034)	(8,876)
Proceeds from disinvestments		3,982	58,631
Cash flows generated (used) in investing activities	26	**(28,052)**	**49,755**
Proceeds from and payments of financial liabilities		82,387	(7,839)
Dividend payments and remuneration of other equity instruments		(56,451)	(69,049)
Transactions with treasury shares		(47,787)	(81,261)
Cash flows generated (used) in financing activities	27	**(21,851)**	**(158,149)**
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		**3,534**	**(54,190)**
Cash and cash equivalents at beginning of year	13	13,023	67,213
Cash and cash equivalents at end of year	13	16,557	13,023

Notes 1 to 35 attached hereto are an integral part of these Annual Accounts.

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Notes to the Annual Accounts for the period 2024
(Thousand euros)

1. General information

Laboratorios Farmacéuticos Rovi, S.A. (hereinafter, "ROVI" or "the Company") was incorporated in Madrid on 21 December, 1946 with the corporate purpose of the production and sale of pharmaceutical products in national territory. Its registered office and tax address are at Calle Julián Camarillo, 35, Madrid.

The Company's principal activity is the research and sale of its own 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, and the provision of manufacturing services to third parties.

The annual accounts for 2024 include the financial statements of the permanent establishment of Laboratorios Farmacéuticos Rovi, S.A. in Portugal, created in 1998, the permanent establishment created for value-added tax purposes in Germany in 2017, and the permanent establishment in Poland, which was set up in 2018.

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a consolidated group, the consolidated annual accounts of which for 2024 will be presented under International Financial Reporting Standards (IFRS-EU). In accordance with the provisions of Royal Decree 1159/2010 of 17 September, the Company prepares consolidated annual accounts for its group. On 24 February 2025, the consolidated annual accounts of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries at 31 December 2024 were issued, showing a profit of 136.876 thousand euros and equity, including the net profit for the year, of 581,540 thousand euros (170,299 thousand euros and 543,494 thousand euros, respectively, at 31 December 2023).

At 31 December 2024 the company Norbel Inversiones, S.L.held 58.19% of the shares of Laboratorios Farmacéuticos ROVI, S.A. (Note 14). At 31 December 2023, Norbel Inversiones, S.L. held 55.19% of the shares of Laboratorios Farmacéuticos ROVI, S.A. Norbel Inversiones, S.L., with registered office at Calle Julián Camarillo, 35, Madrid, files consolidated annual accounts with the Madrid Companies Registry.

The Company's shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and are included in the Spanish Stock Exchange Interconnection System (IBEX35).

These annual accounts were issued by the Board of Directors on 24 February 2025 and are pending approval at the forthcoming General Shareholders' Meeting. Notwithstanding, the directors of the Company expect the annual accounts to be approved without any changes.

2. Bases of presentation

a) True and fair view

The annual accounts have been prepared using the Company's accounting records and are presented in accordance with current mercantile legislation and the policies established in the "Plan General de Contabilidad" ("General Chart of Accounts"), approved by Royal Decree 1514/2007, and the amendments and interpretations issued after its entry into force, to present fairly the equity, the financial position and the results of the Company, as well as the accuracy of the cash flows included in the statement of cash flows. When preparing them, the format and markup requirements of Delegated Regulation EU 2019/815 of the European Commission and Delegated Regulation EU 2022/352 of the European Commission were also followed.

b) Critical accounting estimates and judgements

The preparation of the annual accounts requires the Company to use certain estimates and judgements in relation to the future that are continuously assessed and are based on historical experience and other factors, including expectations of future events deemed reasonable under the circumstances.

The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are outlined below.

b.1) Revenue recognition

b.1.1) *Sales of goods*

The Company has recognised the total sales of goods marketed in 2024 as revenue and, where applicable, has claimed late-payment interest from the public authorities. The buyer has the right to return the goods sold. Although the Company believes that, based on previous experience, the level of returns will not be very meaningful, it has recognised ordinary revenue for its sales together with the related provision against ordinary revenue for estimated returns. If the estimates changed by 1%, changes in revenue would not be significant.

b.1.2) *Sales of services*

The Company's principal sales of services are the provision of manufacturing services to third parties. In these services, control is deemed to be transferred to the customer and the service obligations are considered to have been fulfilled based on the percentage of completion of the work performed, in accordance with the defined milestones. In the event that the percentage of completion includes a determined acquisition of assets, the margin is not recognised until they are finally installed.

Occasionally, before providing the manufacturing service, ROVI carries out work to adapt, fit out and validate the facilities and machinery –which may be either its own or acquired or subcontracted from third parties– without which it would not be possible to provide the service under the conditions required by the customers. Revenue is calculated on the basis of the percentage of completion of the work performed. Additionally, if the percentage of completion includes a determined acquisition of assets, the margin is not recognised until they are finally installed.

Determining the percentage of completion of the service provision takes account of Management's best estimate regarding meeting the defined milestones and the costs incurred or yet to be incurred in relation to the work to be performed. Likewise, the Company must make a technical evaluation of whether the work to adapt, fit out and validate the facilities and machinery has been performed when determining the time at which they are ready for production.

b.2) Capitalisation of development expenses

ROVI considers that its development project for a low-molecular-weight heparin, an enoxaparin biosimilar, has met all the requirements since the last quarter of 2014, when the application to obtain marketing authorisation for this biosimilar in Europe was filed with the European health authorities. Therefore, from that time until the beginning of the effective marketing of this biosimilar in Europe, all the expenses incurred in this project were capitalised. The commencement of the amortisation of this asset was determined by the completion, with a favourable result, of the decentralised procedure used by the Company to apply for marketing authorisation in twenty-six European Union countries in the first quarter of 2017. These assets have a useful life of 20 years, which is consistent with the term of pharmaceutical product patents. ROVI considers that it will obtain a positive return on the aforementioned development over said period.

For the rest of the Research and Development projects that it is undertaking, ROVI considers that the requirements established in the rules on capitalisation of the associated development expenses have not yet been met.

b.3) Provisions for discounts, commercial transaction, contributions to the public health system and others subject to a high degree of uncertainty

The provisions for returns, discounts, contributions to the public health system and other commercial transactions are recognised under "Current provisions" (Note 20). The provision is Management's best estimate based on both the Company's historical information related to product obsolescence, the regulatory framework and product cycles, and an assessment of the potential risks inherent to the activity.

c) Grouping of items

In order to facilitate an understanding of the statement of financial position, income statement, statement of changes in equity and statement of cash flows, the items on these statements are presented in groups and the required breakdowns are included in the relevant Notes to the annual accounts.

3. Accounting policies

3.1 Intangible assets

a) Research and development expenses

Research expenditure is recognised as an expense when incurred, while the development costs incurred in a project are recognised as intangible assets when the following requirements are met:

- The project is viable from a technical and commercial point of view.
- Sufficient technical and financial resources are available to complete it.
- The costs incurred can be reliably determined, and
- Profits are likely to be generated.

The Company considers that, in the case of the development of pharmaceutical products, for new products developed under patent, the aforementioned requirements are met when the drugs have been approved for marketing by the health authorities or, for biosimilars or generics, when the application for marketing authorisation is filed.

When the carrying amount of an asset is higher than its recoverable amount, its value is immediately written down to the recoverable amount.

In the event that the favourable circumstances of the project that have allowed the development expenses to be capitalised were to change, the portion that has not yet been amortised is taken to profit and loss in the reporting period in which the change in circumstances takes place.

These assets have a useful life of 20 years, which is consistent with the term of pharmaceutical product patents. The Company considers it will obtain a positive return on the aforementioned development over said period.

b) Licences and trademarks

Product licences and trademarks are shown at acquisition cost. Those that have a finite useful life are carried at cost less accumulated amortisation less recognised impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives, which are between 10 and 15 years. Amortisable assets are tested for impairment whenever any event or change in circumstances indicates that their carrying amount may not be recoverable.

c) Computer software

Licences for computer software acquired from third parties are capitalised on the basis of the cost incurred in acquiring them and preparing them to use the specific programme. These costs are amortised over their estimated useful lives (from 4 to 10 years).

Expenses related to software maintenance are recognised as an expense when incurred.

3.2 Property, plant and equipment

Items included in property, plant and equipment are measured at purchase price or production cost less accumulated depreciation less recognised impairment losses, adjusted in accordance with Law 9/1983 of 13 July, promulgated by the Administration. In addition, the Company applied the balance sheet restatement at 31 December 1996, in accordance with Royal Decree Law 7/1996 of 7 June.

The costs of expansion, modernisation or improvement of items included in property, plant and equipment are included in the asset as an increase in its value only when they represent an increase in its capacity, productivity or useful life and provided it is possible to know or estimate the carrying amounts of the elements that have been derecognised in the inventory because they have been replaced.

Major repair costs are capitalised and are depreciated over their estimated useful lives, while recurring maintenance expenses are recognised in profit and loss in the period in which they are incurred.

Depreciation of property, plant and equipment, except for land, which is not depreciated, is calculated systematically using the straight-line method in accordance with the estimated useful lives, taking into account the actual impairment suffered as a result of the use and enjoyment of the items. The estimated useful lives are:

Buildings - 40 years
Technical facilities and equipment and furniture – between 4 and 14 years
Other facilities, fittings and equipment and furniture – between 5 and 10 years
Other property, plant and equipment – between 4 and 5 years

The assets' residual values and useful lives are reviewed and, if appropriate, adjusted at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Losses and gains on disposals of property, plant and equipment are calculated by comparing the proceeds with the carrying amount and are recognised in profit and loss.

3.3 Impairment losses on non-financial assets

Intangible assets that have an indefinite useful life or intangible assets that are not in a condition to be used are not subject to amortisation and are tested annually for impairment.

Assets subject to amortisation/depreciation are reviewed for impairment considering various internal and external circumstances, including:

- Observable indications of a decline in market value.
- Assessment of any events that may have an adverse effect, both external (e.g. inflation or changes in the legal environment) or internal (e.g. restructuring plans or the asset is idle).
- Increase in the asset's market interest rate.
- Information on the asset's obsolescence or physical damage to the asset.
- Evidence from internal reports indicating that the asset's performance will be worse than expected.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). Non-financial assets (other than goodwill) that have suffered impairment are reviewed at each reporting date to see whether the impairment has been reversed.

3.4 Financial assets

a) Classification of financial assets

The Company classifies its financial assets into the following categories:

1) Financial assets at amortised cost: financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They are included in current assets, except for maturities at more than 12 months after the reporting date, which are classified as non-current assets. Financial assets held at amortised cost are included in "Credits to companies" and "Trade and other receivables" in the statement of financial position.

   Bank deposits maturing at more than 90 days and less than 12 months are included in this category.

   Securities representing debt with fixed or determinable payments and fixed maturities that are traded on an active market and that company management has the positive intention and ability to hold to maturity are also recognised in this category. If the Company were to sell other than an insignificant amount of these financial assets, the assets would be reclassified as financial assets at fair value through equity. These financial assets are included in non-current assets, except for those with maturities at less than 12 months after the reporting date, which are classified as current assets.

These financial assets are recognised initially at fair value, including transaction costs directly attributable to them, and subsequently measured at amortised cost, recognising the interest accrued in accordance with the effective interest rate, defined as the discount rate that equals the carrying amount of the instrument to the totality of its estimated cash flows until maturity. Notwithstanding the foregoing, credits for trading operations maturing at more than one year are measured, both upon initial recognition and subsequently, at their face value, provided that the effect of not discounting the flows is not significant.

At least at the end of the reporting period, the measurement adjustments required due to impairment will be made if there is objective evidence that not all the amounts outstanding will be received.

The amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate upon initial recognition. Impairment losses and, if applicable, the reversal thereof are recognised in profit and loss.

2) Financial assets at cost: this category includes investments in the equity of group and associated companies and investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be reliably estimated. They are measured at cost less, if applicable, the cumulative amount of any impairment losses. Notwithstanding, when an investment exists prior to the classification as a group, multi-group or associated company, the carrying amount before being thus classified is deemed to be an investment cost. Previous value adjustments recorded directly in equity remain there until they are derecognised.

If there is objective evidence that the carrying amount is not recoverable, the applicable value adjustments will be made for the difference between the carrying amount and the recoverable amount, defined as the higher of the fair value less cost to sell and the present value of the cash flows derived from the investment. Unless there is other evidence of the recoverable amount, when estimating the impairment of these investments, the equity of the investee adjusted by any tacit capital gains that may exist at the measurement date, will be used. The value adjustment and, if applicable, the reversal thereof, will be recognised in profit and loss in the period in which it takes place.

3) Financial assets at fair value through equity: this category includes securities representing debt and equity instruments not classified in any of the preceding categories. They are included in non-current assets unless Management intends to dispose of the investment within the 12 months after the end of the reporting period.

They are measured at fair value, recognising any changes that take place directly in the equity until the asset is disposed of or impaired, when the losses and gains accumulated in the equity are taken to profit and loss, provided it is possible to determine the aforementioned fair value. Otherwise, they are recognised at cost less impairment losses.

For financial assets at fair value through equity, value adjustments are made if there is objective evidence that they have been impaired as the result of a reduction or delay in the estimated future cash flows in the case of debt instruments acquired, or the non-recoverability of the carrying amount of the asset in the case of investments in equity instruments. The value adjustment is the difference between the cost or amortised cost less, if applicable, any value adjustment previously recognised in profit and loss, and the fair value at the time the measurement is made. In the case of equity instruments measured at cost because it is not possible to determine their fair value, the value adjustment is determined in the same way as for investments in the equity of group, multi-group and associated companies.

If there is objective evidence of impairment, the Company recognises the accumulated losses from a decrease in the fair value which were previously recognised in equity in profit and loss. Impairment losses on equity instruments recognised in profit and loss are not reversed through profit and loss.

The fair values of listed investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company fixes a fair value using measurement techniques that include the use of recent transactions between interested and duly-informed parties, references to other instruments that are substantially the same, methods employing the discount of estimated future cash flows and option price-fixing models, making maximum use of data observable in the market and placing as little confidence as possible in the Company's subjective considerations.

Financial assets are derecognised in the statement of financial position when all the risks and rewards of ownership of the asset are substantially transferred. In the specific case of receivables, this is deemed to take place, in general, when the risks of default and delinquency are transferred.

4) Financial assets at fair value through profit and loss: these are assets with which the Company will operate in the short term. Basically, they include derivatives not designated as hedges. These assets are recognised, both initially and in subsequent measurements, at fair value, the resulting gains and losses being recognised in profit and loss.

b) Derecognition of financial assets

The Company applies the criteria of derecognising financial assets to part of a financial asset or to part of group of similar financial assets or to a financial asset or to a group of similar financial assets.

Financial assets are derecognised in the accounts when the rights to receive cash flows related to them have expired or been transferred and the Company has substantially transferred the risks and rewards of ownership. Likewise, financial assets are derecognised in circumstances where the Company retains the contractual rights to receive the cash flows from them only when contractual obligations that determine payment of said flows to one or more recipients have been assumed and the following requirements are met:

- Payment of the cash flows depends on their having been received previously;
- The Company cannot pledge or sell the financial asset; and
- The cash flows received on behalf of the final recipients are remitted without significant delay and the Company is not able to reinvest the cash flows. An exception is made for investments in cash or cash equivalents made by the Company during the settlement period, running from the date on which the cash flows are received and the remittance date agreed with the final recipients, provided that any interest accrued is attributed to the final recipients.

Derecognition of a financial asset in full implies the recognition of a gain or loss for the difference between its carrying amount and the total consideration received, net of transaction costs, including any assets acquired or liabilities assumed and any loss or gain deferred in equity.

3.5 Financial derivatives and hedge accounting

Financial derivatives are measured, both initially and in subsequent measurements, at their fair value. The method for recognising any resulting losses or gains depends on whether the derivative has been designated as a hedge and, where applicable, the type of hedge.

Fair value hedges

The changes in the fair values of the derivatives that are designated and eligible as fair value hedges are recognised in profit and loss, together with any change in the fair value of the hedged asset or liability that is attributable to the risk hedged.

3.6 Cash and cash equivalents

This caption includes cash in hand, current bank accounts and temporary deposits and acquisitions of assets that meet all the following requirements: they can be converted into cash; their maturity does not exceed three months at the time of acquisition; they are not subject to a significant risk of change in value; and they form part of the Company's normal cash management policy.

3.7 Inventories

Inventories are measured at the lower of cost or net realisable value. The acquisition cost includes the amount invoiced by the seller after deduction of any discount or price reduction plus all additional expenses incurred until the goods are in place for sale, e.g. transport costs, customs duty or insurance. The net realisable value is defined as the amount that could be obtained by selling it on the market, deducting the applicable estimated costs to sell.

The cost of finished goods and work in progress comprises design, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Since the group's inventories do not need a period of more than a year to be ready for sale, their cost does not include any finance costs.

The group uses the weighted average cost method to measure the value of the inventories.

Finally, when the net realisable value of inventories is lower than their acquisition price or production cost, the appropriate adjustments are made to their value and taken to profit and loss as an expense.

3.8 Equity

Share capital is represented by ordinary shares.

The costs of issuing new shares or options are shown directly in equity as a reduction in reserves.

When treasury shares are purchased, the consideration paid, including any directly attributable incremental cost is deducted from the equity until the shares are cancelled, reissued or resold. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity.

The Company classifies a financial instrument acquired as a financial liability, in full or in part, when its real economic nature represents a direct or indirect contract obligation for the Company to deliver cash or another financial asset or to exchange financial assets or liabilities with another entity under potentially unfavourable conditions.

Contracts that impose an obligation on the Company to acquire its own equity instruments, in cash or by delivering a financial asset, are recognised in reserves as a financial liability at the present value of the amount to be paid. Transaction costs are likewise recognised as a decrease in reserves.

3.9 Financial liabilities

a) Financial liabilities at amortised cost

The Company classifies all liabilities in this category except when they must be measured at fair value through profit and loss. The category includes trade and non-trade debits. These debits are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date.

These debts are recognised initially at fair value, net of transaction costs directly incurred, and are subsequently stated at amortised cost applying the effective interest rate method. The effective interest rate is the discount rate that makes the carrying amount of the instrument equal to the expected flow of future payments forecast until maturity of the liability.

Notwithstanding the foregoing, trade debits maturing at no more than one year that do not have a contract interest rate are measured, both initially and subsequently, at their face value when the effect of not discounting the cash flows is not significant.

b) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are those held for trading that the Company has irrevocably designated in this category and certain hybrid financial liabilities.

These financial liabilities are measured, both initially and in subsequent measurements, at their fair value, recognising any changes in profit and loss for the period.

Transaction costs directly allocable to issuance are recognised in profit and loss in the period in which they arise.

3.10 Grants received

Grants are recognised at fair value when it is reasonably certain that the grant will be received and the Company meets all the conditions established for receiving it. Grants associated to reimbursable advances are recognised when the advances are granted.

Reimbursable grants are recognised as liabilities until they meet the conditions not to be considered non-reimbursable, while non-reimbursable grants are recognised as income directly in equity on a systematic and rational basis in correlation with the expenses derived from the grant.

In this respect, a grant is considered non-reimbursable when there is an individual decision to award the grant, all the conditions fixed for awarding it have been met and there is no reasonable doubt that it will be received. Monetary grants are recognised at the fair value of the amount awarded and non-monetary grants at the fair value of the item received. In both cases, the values refer to the time of recognition.

Non-reimbursable grants related to the acquisition of intangible assets, property, plant and equipment and real estate investments are allocated as income for the period in proportion to the amortisation or depreciation of the related assets or, if applicable, when the assets are disposed of, there is a value adjustment for impairment or they are derecognised in the statement of financial position. Non-reimbursable grants related to specific expenses are recognised in profit and loss in the same period as the related expenses are accrued, while those awarded to offset an operating deficit are recognised in the period in which they are granted, except when they are intended to offset operating deficits in future periods, in which case they will be allocated to the period in question.

3.11 Current and deferred taxes

The income tax charged (credited) is the amount accrued in the year for this item comprising both current and deferred income tax charged (credited).

Both the current and deferred income tax charged (credited) is recognised in profit and loss. Notwithstanding, the tax effect related to items recognised directly in the equity is recognised in equity.

Current income tax assets and liabilities will be measured at the amounts it is expected to pay to or recover from the tax authorities in accordance with current legislation or legislation that has been approved but not yet published at the reporting date.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred income tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor tax profit or loss. Deferred income tax is determined using the rules and tax rates that have been approved or are on the point of approval at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be offset.

3.12 Employee benefits

a) Pension commitments

The Company holds individual defined-contribution plans exclusively on behalf of certain employees.

A defined-contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal, contractual or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all the commitments assumed.

For the defined-contribution plans, the Company pays contributions to privately- or publicly-managed pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Company is not obliged to make any further payments. The contributions are recognised as employee benefits when accrued. Contributions paid in advance are recognised as an asset to the extent to which a cash refund or reduction in future payments is available.

The Company recognises a liability for contributions to be made when, at the end of the reporting period, contributions have accrued but not been settled.

b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as the result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted back to present value.

c) Bonus obligations

The Company recognises a liability and an expense for bonuses based on the estimates of meeting certain corporate targets established for employees.

3.13 Provisions and contingent liabilities

When issuing the annual accounts, the Board of Directors distinguishes between:

- Provisions: credit balances that cover present obligations as a result of past events, the settlement of which is likely to require an outflow of resources, although their amounts and/or times of settlement have not been determined.

- Contingent liabilities: possible obligations as a result of past events, the future materialisation of which depends on whether or not one or more future events take place irrespective of the Company's wishes.

The statement of financial position shows all the provisions for which it is considered more likely than not that settlement will be required. Contingent liabilities are not recognised in the accounts but are reported in the Notes.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to updating is recognised as a finance cost as accrued.

Provisions maturing at one year or less with an insignificant financial effect are not discounted.

When part of the expenditure necessary to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset, provided it is almost certain to be received.

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. No provisions are recognised for future operating losses.

Contingent liabilities are the possible obligations arising from past events the materialisation of which depends on whether one or more future events take place irrespective of the Company’s wishes. These contingent liabilities are not recognised but details are set out in the Notes (Note 28).

3.14 Business combinations

Transactions of merger, spin-off or non-monetary contribution of a business between group companies are recorded applying the rules for transactions with related parties (Note 3.18).

Other merger, spin-off or non-monetary contribution transactions and business combinations arising from the acquisition of all the assets and liabilities of a company or a part of a company that comprises one or more businesses are recognised applying the acquisition method.

For business combinations resulting from the acquisition of shares in the capital of a company, the Company recognises the investment in accordance with the rules for investments in the equity of group, multi-group and associated companies.

3.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, rendering of services and other revenue received in the ordinary course of the Company’s activities. Revenue is shown net of value-added tax returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

a) Sales of goods

The Company sells pharmaceutical products for which it holds a manufacturing and sale licence in the wholesale market and also to retailers. It also acquires and sells pharmaceutical products of other entities.

Sales of goods are recognised when the Company has delivered products to the customer and there is no unfulfilled obligation which could affect the acceptance of the products by the customer. The sale does not take place until the products and the obsolescence and loss risks have been transferred to the customer, the customer has accepted the products in accordance with the sale contract and the acceptance period has finished, or the Company has objective evidence that the necessary criteria have been met for customer acceptance.

The products are sold with volume discounts and customers are entitled to return damaged products or those that have expired. Sales are recognised at the price fixed in the sale contract, net of volume discounts and returns estimated at the date of sale. Volume discounts are measured based on estimated annual purchases. Returns are not significant and they are measured based on the Company's historical experience (Note 2). Invoices are due within a maximum period of 60 days. The Company's practice is generally to claim late-payment interest –calculated on the basis of the actual collection period– from government entities from which receivables are not collected in the short term.

b) Sales of services

The services provided by the Company consist of promoting third-party pharmaceutical products and providing manufacturing services.
In relation to the manufacturing services, the Company holds service agreements related to the performance of certain phases of the production process of pharmaceutical products for other entities. Revenue is recognised as the milestones stipulated in the contract accrue.

Occasionally, before providing the manufacturing service, ROVI, in accordance with certain defined milestones, carries out work to adapt, fit out and validate the facilities and machinery –which may be either its own or acquired or subcontracted from third parties– without which it would not be possible to provide the service under the conditions required by the customer. If the final cost of this work is paid by the customer, ROVI recognises the revenue from the service provided on the basis of the percentage of completion of the work performed, in accordance with the defined milestones. If the percentage of completion includes a determined acquisition of assets, the margin is not recognised until they are finally installed.

c) Interest income

Interest income is recognised in accordance with the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, discounting the estimated future cash flows at the original effective interest rate of the instrument, and continues unwinding the discount as less interest income. Interest income on impaired loans is recognised using the effective interest rate method.

d) Dividend income

Dividend income is recognised in profit and loss when the right to receive payment is established. Notwithstanding the foregoing, if the dividends distributed come from profits generated before the acquisition date, they are not recognised as income and are shown as a decrease in the carrying amount of the investment.

e) Other revenue: granting of exclusive distribution licences

The revenue received from the granting of exclusive distribution licenses for ROVI products to other companies is recognised on an accruals basis in accordance with the substance of the corresponding contracts.

To date, the Company has granted several exclusive licences to third parties to sell its products in specific territories. Under these agreements, ROVI has received a single amount for transfer of licence, with no refund obligation or the possibility of refund under very restrictive terms, when the product has been authorised for distribution in a given territory.

In addition, the Company undertakes, for the term of the contract, to sell the products under contract to the distributor at the prices agreed in the contract. The amount received on the transfer of the licence is recorded as "net sales" on a straight-line basis over the term of the contract. The non-accrued portion is recorded as a non-current liability if it is to be recognised in revenues after a period longer than a year.

3.16 Leases

When the company is the lessee: Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit and loss in the period in which they accrue on a straight-line basis over the lease term.

3.17 Foreign currency transactions

a) Functional and presentation currency

The Company's annual accounts are presented in thousands of euros. The euro is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting-date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss, except when deferred in equity as eligible cash flow hedges and eligible net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency and classified as financial assets at fair value through equity are analysed considering the translation differences resulting from changes in the amortised cost of the security and other changes in its carrying amount. Translation differences relating to variations in the amortised cost are recognised in profit and loss and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit and loss, are presented as part of the gain or loss in the fair value. Translation differences on non-monetary items, such as equity instruments classified as financial assets at fair value through equity, are included in equity.

3.18 Related-party transactions

In general, transactions between group companies are initially recognised at fair value. When applicable, if the agreed price differs from the fair value, the difference is recorded in accordance with the actual economic value of the transaction. Subsequent measurement is in accordance with the provisions set forth in the applicable rules.

Notwithstanding the foregoing, in transactions of the merger, spin-off or non-monetary contribution of a business, the elements that form the business acquired are measured at the amount that corresponds to them, once the transaction has been performed, in the consolidated annual accounts of the group or subgroup.

When the parent company of the group or subgroup and its subsidiary is not involved, the annual accounts to be considered in this respect will be those of the largest group or subgroup of which the assets and liabilities form part the parent company of which is Spanish.

In these cases, any difference that may arise between the net value of the assets and liabilities of the company acquired, adjusted by the balance of the groups of grants, donations and legacies received and adjustments for changes in value, and any amount of capital and/or share premium, if applicable, is recorded in reserves by the absorbing company.

3.19 Contributions to the public health system

As the result of the 2005 General State Budget Act (Law 2/2004 of 27 December), Additional Provision 48, a health tax, levied by the Ministry of Health, came into force on 1 January 2005. This tax applies to individuals and legal entities in Spain engaging in the manufacture and importation of medicines that are officially prescribed in Spanish territory on official National Health System prescriptions. The amounts payable to the Ministry of Health and Consumer Affairs are calculated on a scale fixed by the aforementioned Additional Provision 48, subsequently amended by Additional Provision 6 of Law 29/2006 of 29 July, on Guarantees and Rational Use of Drugs and Healthcare Products. The Company records the accrued health tax as a sales discount when the sale is made.

The tax calculated under Law 29/2006 is paid or settled with a time lag of approximately one year. Sales subject to the tax relate to certain Company products that are placed on the market by third parties through official National Health System prescriptions. This circumstance forces the Company to estimate the outstanding tax obligation and recognise it as a provision in its financial statements.

Similar estimates are applied in Italy, France, United Kingdom and Portugal with their respective national health systems and the Company accounts for the provisions applying similar criteria. Calculating the provision in these territories follows the same principle and, therefore, the judgement likewise consists of estimating the sales subject to the different taxes, which are calculated in accordance with the actual sales indicators of the present and preceding periods.

To calculate the provision, the Group must estimate the sales placed on the market in the year through official prescriptions that are subject to Law 29/2006, to which it will apply the coefficients established in said law. To estimate the sales, the sales history comparing the Company's total sales with the National Health System sales considered will be taken as a basis and this corrective factor will be applied to the sales of said products in the period under consideration.

In 2010, the government approved two packages of measures to reduce pharmaceutical spending. The first one focused on generic products, which are those out of patent, for which it established an average reduction of 25% in the selling price to laboratories. The second package addressed pharmaceutical products under patent. Since that time, a 7.5% discount has been applied to the selling price to the public. The Group recognises the amounts relating to these measures as a decrease in sales.

From 2017 onwards, the Spanish government and the members of Farmaindustria, to which ROVI belongs, signed different agreements whereby the members assumed a commitment to make certain contributions to the public health system. The Company recognised the amounts accrued for these commitments as a reduction in sales. No additional agreement has been signed since the last agreement ended in 2019.

4. Financial risk management

4.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's global risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's Treasury Department, which, following policies approved by the Board of Directors, identifies, assesses and hedges financial risks. This Department identifies, assesses and hedges the financial risks in close co-operation with the Company's operating units. The Audit Committee analyses policies for global risk management, as well as for specific areas such as interest rate risk, liquidity risk and the investment of excess liquidity.

a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is low as (i) virtually all the Company's assets and liabilities are in euros; (ii) the 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 31 December 2024 and 2023, the Company did not hold any instruments of this type.

At 31 December 2024, the Company held assets of 290 thousand zlotys (710 zlotys at 31 December 2023). If the exchange rate at the reporting date had been 10% higher, the value of these assets denominated in zlotys would have decreased by 6 thousand euros (15 thousand euros in 2023) and, if the exchange rate had been 10% lower, their value would have increased by 8 thousand euros (18 thousand euros in 2023).

(ii) Price risk

In 2023, the Company was exposed to price risk on on equity securities because of investments classified in the statement of financial position as held at fair value through equity. These investments were sold in said year and, consequently, the Company did not hold any securities of this kind at the 2024 and 2023 reporting dates.

The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio in accordance with the limits set. The Company does not use derivatives to hedge price risk.

(iii) Cash flow and fair value interest rate risk

The Company is subject to interest rate risk in respect of cash flows on long-term borrowing transactions at variable rates. The Company's policy is to endeavour to obtain a large part of its financial debt from government entities through reimbursable advances, on which there is no interest rate risk. In the case of bank borrowings, it tries to obtain the cash flows not only at variable rates, but also at fixed rates, thus keeping interest rate risk to a minimum.

Had interest rates on financial debt on variable rates at 31 December 2024, with all other variables remaining constant, the grain/(loss) after taxes for the year would have been 108 thousand euros lower or higher, respectively, owing to the difference in interest rates or loans at variable rates (39 thousand euros at 31 December 2023).

b) Credit risk

Credit risk is managed in groups. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as available for sale and trade receivables.

The banks and financial institutions with which the Company works generally have independent ratings. If customers have been independently rated, such ratings are used. If this is not the case, then the Company 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 Company elects not to set credit limits.

At 31 December 2024, the greatest investment in financial assets, including cash and cash equivalents but not including trade receivables, was related to Bankinter, 13,571 thousand euros (6,085 thousand euros with BBVA at 31 December 2023). A significant proportion of trade and other receivables relates to accounts receivable from government entities, on which, in view of their nature, with the information currently available, management considers that there is no credit risk.
In the reporting periods for which information is presented, credit limits were not exceeded and management does not expect losses due to default by any of the aforementioned counterparties.

c) Liquidity risk

Management regularly monitors the liquidity estimates of the Company in accordance with the expected cash flows, so that there is always enough cash and marketable securities to cover liquidity needs.

The following table analyses the Company's financial liabilities grouped by maturity date, based on the periods outstanding at the end of the reporting period through to the maturity dates stipulated in the contracts, including the corresponding interest. The amounts shown in the table relate to cash flows stipulated in the contracts, which have not been discounted. Given that these amounts have not been discounted and that they include future interest accruals, they cannot be matched with figures on the statement of financial position for borrowings, derivatives and trade and other payables.

				Thousand euros
At 31 December 2024	**Less than 1 year**	**Between 1 & 2 years**	**Between 2 & 5 years**	**Over 5 years**
Bank borrowings	17,482	35,919	32,646	4,643
Debt with government entities	1,543	3,340	3,179	1,309
Debt with group and associated companies	20,811	4,466	6,699	74,733
Trade and other payables	213,875	—	—	—
	253,711	**43,725**	**42,524**	**80,685**

				Thousand euros
At 31 December 2023	**Less than 1 year**	**Between 1 & 2 years**	**Between 2 & 5 years**	**Over 5 years**
Bank borrowings	6,686	13,256	19,414	5,739
Debt with government entities	1,724	3,173	4,052	1,690
Debt with group and associated companies	3,584	2,736	4,104	85,472
Trade and other payables	108,111	—	—	—
	120,105	**19,165**	**27,570**	**92,901**

4.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as securities held at fair value through equity or profit and loss) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets is the current bid price.

The fair value of the reimbursable advances without a rate of interest or with a subsidised rate of interest is determined by applying the interest rate curve in force at the date of receipt of the advance to the reimbursements to be made, adding the spread normally applied in loans to the Company. For financial reporting purposes, fair value is calculated at the end of each reporting period by applying the interest rate curve then in force to the outstanding payments 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.

5. Intangible assets

Details of the items included in intangible assets and the movement on these items are as follows:

	Development	Patents, licences and trademarks	Computer software	Total
Balance at 01.01.23				
Cost	9,094	44,075	7,956	61,125
Accumulated impairment	—	(494)	—	(494)
Accumulated amortisation	(2,580)	(20,453)	(7,227)	(30,260)
Carrying amount 01.01.23	**6,514**	**23,128**	**729**	**30,371**
Additions	—	—	485	485
Derecognition of amortisation	—	—	14	14
Amortisation charge	(455)	(2,876)	(291)	(3,622)
Balance at 31.12.23				
Cost	9,094	44,075	8,441	61,610
Accumulated impairment	—	(494)	—	(494)
Accumulated amortisation	(3,035)	(23,329)	(7,504)	(33,868)
Net carrying amount 31.12.23	**6,059**	**20,252**	**937**	**27,248**
Additions	—	949	1,702	2,651
Derecognitions	—	(7)	—	(7)
Derecognition of amortisation	—	3	—	3
Amortisation charge	(455)	(2,473)	(293)	(3,221)
Balance at 31.12.24				
Cost	9,094	45,017	10,143	64,254
Accumulated impairment	—	(494)	—	(494)
Accumulated amortisation	(3,490)	(25,799)	(7,797)	(37,086)
Net carrying amount 31.12.2024	**5,604**	**18,724**	**2,346**	**26,674**

a) Patents, licences and trademarks

Because the recoverable value of the asset related to acquisition of the distribution rights of the product Hirobriz® (belonging to the "Marketing" segment) had dropped below its net carrying amount, in 2023, the Company had recognised impairment of 494 thousand euros. In said year, this asset was fully amortised.

In 2024, licences were purchased from Group companies for 949 thousand euros. In 2023, there were no intercompany transactions for this item.

b) Development

At 31 December 2024 and 2023, the assets included under the "Development" caption correspond to assets related to the development of a low-molecular-weight heparin, biosimilar to enoxaparin, sales of which commenced in 2017. Amortisation of this asset commenced during the first quarter of 2017, determined by the successful completion of the decentralised process used by the Company to apply for marketing authorisation in twenty-six European Union countries. The useful life of this asset is 20 years, and no indications of impairment were noted in either 2024 or 2023.

Total research and development expenses incurred in 2024 were 24,278 thousand euros (23,521 thousand euros in 2023) and were mainly concentrated on the Glycomics and ISM® platforms, the latter of which is a proprietary drug release system belonging to ROVI, the objective of which is to improve patient treatment adherence. Of the total research and development expenses incurred in 2024, 10,045 thousand euros was recognised under the "Employee benefit expense" caption (Note 22.e) (8,665 thousand euros at 31 December 2023) and 14,233 thousand euros under “External services” (Note 22.f) (14,856 thousand euros in 2023).

c) Fully-amortised intangible assets

At 31 December 2024, there were fully-amortised intangible assets that were still in use with a carrying cost of 16,763 thousand euros (15,162 thousand euros at 31 December 2023).

d) Assets affected by guarantees and ownership restrictions

At 31 December 2024 and 2023, there were no significant assets subject to ownership restrictions or pledged to guarantee liabilities..

e) Insurance

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

6. Property, plant and equipment

Details of and movement on the items included in property, plant and equipment are as follows:

	Land and buildings	Technical facilities and other property, plant and equipment	Total
Balance at 01.01.23			
Cost	7,284	101,440	108,724
Accumulated depreciation	(1,824)	(58,615)	(60,439)
Net carrying amount 01.01.23	**5,460**	**42,825**	**48,285**
Additions	100	5,401	5,501
Derecognitions	—	(437)	(437)
Derecognition of depreciation	(7)	333	326
Depreciation charge	(137)	(6,467)	(6,604)
Balance at 31.12.23			
Cost	7,384	106,404	113,788
Accumulated depreciation	(1,968)	(64,749)	(66,717)
Net carrying amount 31.12.2023	**5,416**	**41,655**	**47,071**
Additions	—	3,386	3,386
Derecognitions	(2)	(406)	(408)
Derecognition of depreciation	—	394	394
Depreciation charge	(139)	(6,048)	(6,187)
Balance at 31.12.24			
Cost	7,382	109,384	116,766
Accumulated depreciation	(2,107)	(70,403)	(72,510)
Net carrying amount 31.12.24	**5,275**	**38,981**	**44,256**

At 31 December 2024 and 2023 the additions to property, plant and equipment were mainly related to investments in the Company’s Granada plant and the pilot plants for development of ISM® technology.

In 2024, property, plant and equipment with a cost of 50 thousand euros and accumulated depreciation of 26 thousand euros was sold to Group companies. No sales of property, plant and equipment had been sold to Group companies at 31 December 2023.

a) Impairment losses

In 2024 and 2023, no significant impairment losses were either recognised or reversed in relation to any individual item of property, plant and equipment.

b) Property, plant and equipment acquisition commitments

At 31 December 2024 and 2023, the Company held commitments to acquire property, plant and equipment for 379 and 230 thousand euros, respectively.

c) Fully-depreciated assets

The following assets were fully depreciated but still in use at the end of the reporting period:

	Thousand euros	
	2024	**2023**
Technical installations	9,983	9,845
Machinery	10,761	8,973
Tools	294	294
Furniture	362	362
Computer equipment	1,416	1,449
Transport fleet	24	24
Other property, plant and equipment	11,216	10,056
	34,056	**31,003**

d) Operating leases

The income statement includes operating lease expenses relating to the rental of vehicles and buildings for an amount of 3,559 thousand euros (3,319 thousand euros at 31 December 2023). See Note 22.f.

e) Grants received

The construction of the Granada plant was partly financed by a grant awarded by the Innovation and Development Agency of Andalusia (Innovation, Science and Enterprise Department of the Autonomous Government) for an amount of 5,431 thousand euros (Note 17). This grant was collected in November 2008 and the part that has not yet been allocated to the income statement is recognised under the heading “Grants, donations and legacies received”. This grant began to be allocated to the income statement in the second half of 2009, when depreciation of the assets for which it was granted commenced.

f) Insurance

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

7. Analysis of financial instruments

7.1 Analysis by category

The carrying amounts of each one of the financial instrument categories established in the recognition and measurement rules for "Financial instruments" , except investments in the equity of group, multi-group and associated companies (Note 8), were as follows:

a) Financial assets

			Thousand euros	
	Equity instruments		Credits and other financial assets	
	2024	2023	2024	2023
Financial assets at amortised cost (Nota 10)	—	25	51,614	54,412
Non-current	**—**	**25**	**51,614**	**54,412**
Financial assets at amortised cost (Note 10)	—	—	153,872	163,322
Cash and cash equivalents (Note 13)	—	—	16,557	13,023
Current	**—**	**—**	**170,429**	**176,345**
TOTAL	**—**	**25**	**222,043**	**230,757**

b) Financial liabilities

			Thousand euros	
	Bank borrowings		Financial liabilities	
	2024	2023	2024	2023
Financial liabilities at amortised cost (Note 18)	70,659	31,250	82,344	107,107
Non-current	**70,659**	**31,250**	**82,344**	**107,107**
Financial liabilities at amortised cost (Note 18)	16,280	6,495	233,996	209,187
Current	**16,280**	**6,495**	**233,996**	**209,187**
TOTAL	**86,939**	**37,745**	**316,340**	**316,294**

7.2 Credit rating of financial assets

The credit rating of financial assets which have not yet matured and have suffered no impairment loss can be assessed based on the credit rating assigned by external organisations or by their historical delinquency rates:

		Thousand euros	
Cash and cash equivalents	**Rating**	**2024**	**2023**
	A+	708	1,762
	A	1,756	6,085
	A-	13,610	140
	No rating	483	5,036
	Total cash and cash equivalents (Note 13)	**16,557**	**13,023**

		Thousand euros	
Other non-current financial assets	**Rating**	**2024**	**2023**
	A+	1,392	1,392
	Other	196	19
	Total other non-current financial assets (Nota 10)	**1,588**	**1,411**

At 31 December 2024, the Company held an unrated cash and cash equivalents balance of 479 thousand euros with Bestinver (5,027 at 31 December 2023). None of the financial assets classified as held at fair value through equity has a credit rating. Note 10 “Financial assets at amortised cost” provides details of the credit rating of the balances receivable from public authorities.

8. Interests in Group companies

The companies in which Laboratorios Farmacéuticos Rovi, S.A. held a significant shareholding at 31 December 2024 were:

Corporate name	Address		Shareholding		Voting rights	
		Activity	% Direct	% Indirect	% Direct	% Indirect
Pan Química Farmacéutica, S.A.U	Madrid, C/ Rufino González, 50	(1)	100%	-	100%	-
Gineladius, S.L.U	Madrid, C/ Rufino González, 50	(2)	100%	-	100%	-
Rovi Pharma Industrial Services, S.A.U.	Alcalá de Henares, Avenida Complutense, 140 (Madrid)	(1)	100%	-	100%	-
Bertex Pharma GmbH	Rudolf-Diesel-Ring 6, Holzkirchen (Germany)	(3)	100%	-	100%	-
Rovi Escúzar, S.L.U	Madrid, C/ Julián Camarillo, 35	(1)	100%	-	100%	-
Glicopepton Biotech, S.L.	C/ Julián Camarillo 35, Madrid (Spain)	(4)	51%	-	51%	-
Rovi Biotech GmbH	Bahnhofstrasse 10, 6300 Zug, (Switzerland)	(1)	100%	-	100%	-
Rovi Biotech Limited	Davis House 4th Floor, Suite 425 Robert Street, Croydon, (United Kingdom)	(1)	100%	-	100%	-
Rovi Biotech, S.r.l	Viale Achille Papa 30, Milan (Italy)	(1)	100%	-	100%	-
Rovi, GmbH	Rudolf-Diesel-Ring 6, Holzkirchen (Germany)	(1)	100%	-	100%	-
Rovi, S.A.S.	24 Rue du Drac, Seyssins (France)	(1)	100%	-	100%	-
Rovi Biotech sp.z.o.o.	Ulica Domaniewska 44, Warsaw, Poland	(1)	100%	-	100%	-

(1) Production, marketing and sale of pharmaceutical, healthcare and medicine products
(2) Import, export, purchase, sale, distribution and marketing of articles related to integral female healthcare.
(3) Development, distribution and marketing of pharmaceutical products related to microparticle technologies.
(4) Manufacture and marketing of raw heparin and products with a high nutritional value for animal feed and fertilisers.

Unless otherwise stated, the end of the reporting period for the latest annual accounts was 31 December 2024.

At 31 December 2024 and 2023, none of the group companies in which the Company held at interest was listed on the stock exchange.

The amounts of the capital, reserves, profit or loss for the period and other relevant information, as shown in the individual annual accounts of the companies at 31 December 2024, were as follows:

ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Notes to the Annual Accounts for the period 2024
(Thousand euros)

	% direct interest	Net carrying amount of shareholding	Capital	Reserves	Profit or loss for period	Total equity
Pan Química Farmacéutica, S.A.U.	100%	1,771	601	1,959	373	2,933
Gineladius, S.L.U.	100%	293	30	298	(54)	274
Bertex Pharma GmbH (Nota 29.b)	100%	848	25	38	(10)	53
Rovi Pharma Industrial Services, S.A.U.	100%	7,370	7,816	392,255	133,956	534,027
Rovi Biotech, Limited	100%	6	6	(16)	441	431
Rovi Biotech, S.r.l.	100%	340	10	1,812	341	2,163
Rovi, GmbH	100%	1,575	25	3,357	495	3,877
Rovi S.A.S.	100%	1,510	5	293	193	491
Rovi Biotech sp.z.o.o.	100%	—	21	60	(163)	(82)
Glicopepton Biotech, S.L.	51%	9,950	10	19,415	(11)	19,414
Rovi Escúzar, S.L.U.	100%	13,590	30	11,969	2,424	14,423
Rovi Biotech, GmbH	100%	183	18	180	(15)	183
		37,436				

In 2024, the Company made shareholder contributions of 5,632 thousand euros (2,891 thousand euros in 2023) to Glicopepton Biotech, S.L. In 2023, there was also a shareholder contribution to Rovi Escúzar, S.L.U. by converting credits of 5,000 euros.

In 2024, the Company tested the shares of the companies Bertex Pharma GmbH, Rovi Biotech sp.z.o.o. and Rovi Biotech Gmbh for impairment, giving rise to impairment of 10 thousand euros, 81 thousand euros and 86 thousand euros, respectively, recognised under the caption "Impairment losses on shareholdings" in profit and loss (378 thousand euros, 406 thousand euros and 0 euros, respectively, in 2023). To estimate the impairment of these investments, the equity of the investee was considered and adjusted by any tacit capital gains that existed at the measurement date.

	31 December 2023	Impairment of shareholding		31 December 2024
		Provisions	Reversals	
Bertex Pharma GmbH	858	(10)	—	848
Rovi Biotech, GmbH	269	(86)	—	183
Rovi Biotech sp.z.o.o.	81	(81)	—	—

At 31 December 2023, the data were as follows:

	% direct interest	Carrying amount of shareholding	Capital	Reserves	Profit or loss for period	Total equity
Pan Química Farmacéutica, S.A.U.	100%	1,771	601	1,727	232	2,560
Gineladius, S.L.U.	100%	293	30	359	(61)	328
Bertex Pharma GmbH (Nota 29.b)	100%	858	25	50	(12)	63
Rovi Pharma Industrial Services, S.A.U.	100%	7,370	7,816	304,641	151,163	463,620
Rovi Biotech, Limited	100%	6	6	(147)	131	(10)
Rovi Biotech, S.r.l.	100%	340	10	1,430	382	1,822
Rovi, GmbH	100%	1,575	25	2,689	668	3,382
Rovi S.A.S.	100%	1,510	5	141	152	298
Rovi Biotech sp.z.o.o.	100%	81	21	150	(90)	81
Glicopepton Biotech, S.L.	51%	4,318	10	8,448	(76)	8,382
Rovi Escúzar, S.L.U.	100%	13,590	30	12,677	(708)	11,999
Rovi Biotech, GmbH	100%	269	18	190	(7)	201
		31,981				

	31/12/2022	Impairment of shareholdings		31 December 2023
		Provisions	Reversals	
Bertex Pharma GmbH	1,236	(378)	—	858
Rovi Biotech sp.z.o.o.	487	(406)	—	81

The companies in which interests were held at 31 December 2024 and 2023 show an equity situation consistent with the fact that their activity had commenced recently and the Company's holdings in these entities should not be regarded as impaired at the reporting dates of said years. It is forecast that these companies will generate profits in forthcoming years and, therefore, the Company does not consider any additional investments in group companies to exist.

9. Interests in associated companies and joint ventures

The nature of investments in joint ventures at 31 December 2024 and 2023 was as follows:

Name	Country of incorporation	% interest	Nature of relationship	Measurement method
Enervit Nutrition, S.L. (1)	Spain	50%	a)	Company sold
Terafront Farmatech, S.L. (2)	Spain	25.5%	b)	Equity

(1) Company sold in 2023.

(2) Company incorporated in 2024.

a) 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. The company’s corporate purpose was the purchase, manufacturing, storage and marketing of sports-related nutritional food products and intermediary services in the sale thereof.

ROVI and Enervit S.p.A. agreed to create a joint venture between them to carry the project out. To do this, under certain agreements, Enervit Nutrition, S.L, instead of being 100%-owned by ROVI, became a joint venture under joint control with Enervit, S.p.A. The agreements were signed in 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. With this sale, ROVI's percentage interest in Enervit Nutrition, S.L. dropped from 51% to 50%.

On 6 November 2023, the shares the Company held in Enervit Nutrition, S.L. were sold. This meant that an amount of 3 thousand euros was derecognised in interests in joint ventures and had a positive impact of 1,797 thousand euros on the profit for the year ended 31 December 2023.

b) Terafront Farmatech, S.L.

On 13 March 2024, the Group incorporated this company together with Innvierte Economía Sostenible, SICC S.M.E., S.A. (a company controlled by the Spanish public authorities through the Technical Development and Innovation Centre - CDTI-) and Insud Pharma, S.L. Its corporate purpose is specialty pharmaceutical manufacturing. The Company holds 25.5% of the shares The investment was made through a fully paid-up capital contribution of 255 thousand euros and a shareholder contribution of 18,836 thousand euros, which was paid up in December 2024 after certain milestones established in the Strategic Plan had been met, as agreed in the Shareholders' Agreement signed on 13 March 2024.

Condensed financial information on joint ventures

The condensed financial information of Enervit Nutrition, S.L. and Terafront Farmatech, S.L. at 31 December 2024 and 2023 is as follows:

	31 December 2024	31 December 2023
Condensed balance sheet	**Terafront Farmatech, S.L.**	**Enervit Nutrition, S.L.**
Current		
Cash and cash equivalents	74,867	—
Other current assets (excluding cash)	19	—
Total current assets	**74,886**	**—**
Financial liabilities (excluding trade payables)	—	—
Other current liabilities (including trade payables)	(109)	—
Total current liabilities	**(109)**	**—**
Non-current		
Property, plant and equipment	—	—
Intangible assets	—	—
Other financial assets	—	—
Deferred tax assets	—	—
Total non-current assets	**—**	**—**
Financial liabilities	—	—
Other liabilities	—	—
Total non-current liabilities	**—**	**—**
NET ASSETS	**74,777**	**—**

	31 December 2024	31 December 2023
Condensed statement of comprehensive income	**Terafront Farmatech, S.L.**	**Enervit Nutrition, S.L.**
Revenue	—	5,727
Procurements and changes in inventories	—	(4,777)
Employee benefit expenses	—	(351)
Other operating expenses	(90)	(448)
Amortisation and depreciation	—	(335)
Operating profit/(loss)	**(90)**	**(184)**
Finance costs - net	—	—
Income tax	—	—
Profit/(loss) for the period	**(90)**	**(184)**
Other comprehensive income	**—**	**—**
TOTAL COMPREHENSIVE INCOME	**(90)**	**(184)**
Dividends received from joint ventures	—	—

10. Financial assets at amortised cost

	Thousand euros	
	2024	**2023**
Non-current loans and receivables		
– Deposits (a)	1,327	1,327
– Bank receivables (b)	65	65
– Credits to group companies (Note 31.i)	50,026	53,001
– Guarantee deposits	196	19
– Shares	—	25
	51,614	54,437
Current loans and receivables		
– Trade receivables (c)	52,958	56,584
– Receivables from group companies (Note 31.i)	100,904	106,669
– Sundry debtors	1	26
– Employeees	9	43
	153,872	**163,322**

a) Deposits

At 31 December 2024 and 2023, “Deposits” included deposits at interest rates ranging from 2% to 3% pledged in favour of Banco Santander. The Company considers the credit risk associated to these deposits to be low and, therefore, no expected losses associated thereto were recognised.

b) Non-current bank receivables

The amount included in “Non-current bank receivables” relates to the payments made to Banco Santander under a debt assumption agreement whereby this bank assumed the payment of a reimbursable advance granted to the Company by government entities (Note 18.b).

c) Trade receivables

Management considers that the fair value of financial assets at amortised cost does not differ significantly from their current value, since they comprise principally balances receivable at less than one year and are subject to possible interest charges if they are not paid within said period.

At 31 December 2024, the balance receivable for the social security authorities and government entities was 12,234 thousand euros (11,934 thousand euros at 31 December 2023), geographically distributed as follows:

	Rating 2024	Balance 2024	Rating 2023	Balance 2023
Portugal	A-	2,227	BBB+	1,463
Catalonia	BB	1,657	BB	1,579
Valencia	BB	4,333	BB	2,317
Madrid	A-	695	A-	2,029
Aragón	BBB+	253	BBB+	926
Basque Country	AA-	460	AA-	229
Andalusia	BBB+	649	BBB+	1,312
Canary Islands	A	142	A	150
Cantabria	BBB	245	BBB	269
Castilla La Mancha	BBB-	82	BBB-	87
Other	—	1,491	—	1,573
		12,234		**11,934**

At 31 December 2024, there were matured receivables amounting to 16,231 thousand euros (11,207 thousand euros at 31 December 2023), although they had suffered no impairment. Of both the 2024 and 2023 amounts, almost the entire debt aged over six months related to social security authorities and government entities.

The ageing analysis of matured balances is as follows:

	Thousand euros	
	2024	**2023**
Up to 3 months	17,201	12,071
From 3 to 6 months	(1,270)	(1,047)
From 6 months to 1 year	250	159
Over 1 year	50	24
	16,231	**11,207**

Total matured debt due from social security authorities and government entities at 31 December 2024 was 3,758 thousand euros, versus the 4,349 thousand euros that existed at 31 December 2023. This amount was geographically distributed as follows:

	Thousand euros	
	2024	**2023**
Spain	3,373	3,464
Portugal	385	885
	3,758	**4,349**

Matured receivables that had been impaired at 31 December 2024 were 168 thousand euros (244 thousand euros at 31 December 2023). The ageing of impaired receivables was as follows:

	Thousand euros	
	2024	**2023**
From 6 to 9 months	6	7
Over 9 months	162	237
	168	**244**

Movement on the provision for impairment of trade receivables was as follows:

	Thousand euros	
	2024	**2023**
Balance at beginning of period	**244**	**417**
Net remeasurement of loss allowance	(63)	(201)
Derecognition due to non-recoverability	(13)	28
Balance at end of period	**168**	**244**

Recognition and reversal of adjustments to the carrying amounts of trade receivables due to impairment are included in "Losses, impairment and change in trade provisions" in the income statement. Usually, the amounts charged to the impairment account are derecognised when further recovery of cash is not expected.

The maximum exposure to credit risk at the reporting date is the fair value of each of the previously mentioned accounts receivable categories. The Company does not hold any guarantee as insurance.

11. Financial assets at fair value through equity

At 31 December 2024 and 2023, there were no financial assets held at fair value through equity.

Movement on the financial assets at fair value through equity in 2024 and 2023 was as follows:

	Thousand euros	
	2024	**2023**
Balance at beginning of period	**—**	**5**
Derecognitions		(5)
Balance at end of period	**—**	**—**
Less: non-current portion	—	—
Current portion	—	—

The maximum credit risk exposure at the reporting date was the fair value of the debt securities classified as financial assets at fair value through equity.

12. Inventories

	Thousand euros	
	2024	**2023**
Trade inventories	82,466	50,501
Raw materials and other consumables	23,301	25,949
Finished goods	18,706	37,921
Work in progress	5,624	5,198
	130,097	**119,569**

In 2024, adjustments for impairment increased by 1,718 thousand euros (increase of 2,882 thousand euros en 2023), the total amount of these adjustments being 12,265 thousand euros at 31 December 2024 (10,547 thousand euros at 31 December 2023).

Inventory purchase/sale commitments at the end of the reporting period were as normal in the course of business and management considers that meeting these commitments will not generate losses for the Company.

The Company holds several insurance policies to cover the risks the inventories are exposed to. The insurance cover is considered sufficient.

13. Cash and cash equivalents

	Thousand euros	
	2024	**2023**
Cash and bank and in hand	16,557	13,023
	16,557	**13,023**

14. Share capital and share premium

a) Share capital

In 2024 and 2023, the number of shares, their face value and the share capital were as follows:

	No. shares	Face value (euros)	Total share capital (thousand euros)
Balance at 1 January 2023	54,016,157	0.06	3,241
Balance at 31 December 2023	54,016,157	0.06	3,241
Balance at 31 December 2024	51,235,762	0.06	3,074

All the shares issued are fully paid up.

In September 2024, Laboratorios Farmacéuticos Rovi, S.A. executed the share capital reduction through cancellation of treasury shares (Note 15) provided for in the Buy-Back Programme approved by the Company in 2023. The capital was reduced by a total amount of 166,823.70 euros (2,780,395 with a face value of 0.06 euros). On the same date, the shares were delisted from the Stock Exchange Interconnection System and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

Shareholders owning direct or indirect significant interests of more than 3% in the share capital of Laboratorios Farmacéuticos Rovi, S.A. of which the Company was aware, according to the information in the official records of the National Securities Market Commission at 31 December 2024 were the following

Shareholder	% direct	% indirect	TOTAL
Norbel Inversiones, S.L.	58,186	-	58,186
Indumenta Pueri, S.L.	-	5,057	5,057

These figures were as follows at 31 December 2023:

Accionista	% direct	% indirect	TOTAL
Norbel Inversiones, S.L.	55,191	-	55,191
Indumenta Pueri, S.L.	-	5,057	5,057

Norbel Inversiones, S.L. did not carry out any transactions with Company shares in the year ended 31 December 2024, although its percentage interest increased as a result of the capital reduction mentioned above. Due to this reduction, at 31 December 2024, Norbel Inversiones, S.L. held 58.19% of the shares of Laboratorios Farmacéuticos Rovi, S.A., compared with the 55.19% it had held at 31 December 2023. At 31 December 2024 and 2023, Norbel Inversiones, S.L. was owned by Messrs Juan, Iván and Javier López-Belmonte Encina (33.33% each). Therefore, at 31 December 2024, the interest of Messrs Juan, Iván and Javier López-Belmonte Encina in the Company was 19.39% each (18.40% at 31 December 2023).

b) Share premium

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

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly- issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares already in issue (the "New Shares").

- The price of issue of the New Shares was fixed at 14.50 euros per share, 0.06 euros of which related to the face value, while 14.44 euros was the share premium ("Issue Price")-

- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 367,137.90 euros of which related to the nominal value and 87,635,854.60 to the share premium.

15. Reserves and retained earnings

a) Reserves

	Thousand euros	
	2024	**2023**
Legal reserves and reserves required by the Bylaws:		
– Legal reserve	673	673
	673	673
Other reserves:		
– Non-distributable special reserve	5,036	5,036
– Voluntary reserves	472	472
– Revaluation reserve Royal Decree-Law 7/96	851	851
	6,359	6,359
	7,032	**7,032**

Legal reserve

According to the Capital Companies Act, an amount equal to 10% of the profit for the year must be allocated to the legal reserve until at least 20% of the share capital is covered. The balance of the legal reserve may be used to increase the share capital provided that the portion of the balance used for this purpose does not exceed 10% of the capital after the increase. Except for this purpose, until it exceeds 20% of the share capital, this reserve may only be used to offset losses when insufficient other reserves are available for this purpose.

Non-distributable special reserve

On 6 July, 1994, the universal Extraordinary General Meeting of Shareholders resolved to reduce the share capital by 5,036 thousand euros by the write-off of 837,853 shares. Shareholders' contributions were not refunded in this reduction and, consequently, a special reserve for the same amount was created. This reserve, which will receive the same treatment as the legal reserve, may only be used to offset losses when no other reserves are available for this purpose.

Revaluation reserve Royal Decree-Law 7/1996 of 7 June

The balance of the "Revaluation reserve" comes from the balance sheet restatement regulated in article 5 of Royal Decree-Law 7/1996 of 7 June. The balance of this account is available and property, plant and equipment items related to this reserve had been fully depreciated at 31 December 2024 and 2023.

Dividends that reduce the balance of available reserves to an amount lower than the total research and development expense balances that have not yet been amortised may not be distributed (Note 5).

Additionally, in 2023, adjustments were made to balances related to deferred tax assets and liabilities from previous years.

b) **Retained earnings**

In 2024, retained earnings increased or decreased as follows:

- On 24 June 2024, the General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. passed a resolution to approve the proposal for application of the Company's profit for 2023 (12,071 thousand euros), allocating it to dividends in its entirety. Additionally, it was resolved to allocate 47,547 thousand euros of the freely-available reserves recognised under the "Retained earnings" caption to dividends to be distributed among the shares entitled to receive them. The dividend on the treasury shares held by ROVI at the time of the distribution was 3,167 thousand euros.

- The sale of treasury shares in 2024 led to a profit of 2.545 thousand euros, which was recognised under the "Retained earnings" caption. (Note 15.c).

- The share capital reduction (Note 14) carried out by the cancellation of treasury shares (Note 15.c),had a negative impact of 152,296 thousand euros.

In 2023, retained earnings increased or decreased as follows:

- On 14 June 2023, the General Shareholders' Meeting of Laboratorios Rovi, S.A. passed a resolution to approve the proposal for application of the Company's profit for 2022 (39,116 thousand euros), allocating it to dividends in its entirety. Additionally, it resolved to allocate 30,770 thousand euros of the freely-available reserves recognised in the "Retained earnings" item to dividends to be distributed among the shares entitled to receive them. The dividend on the treasury shares held by ROVI at the time of the distribution was 837 thousand euros.

- Adjustments were made to deferred taxes leading to a negative impact of 172 thousand euros on this caption.

- The sale of treasury shares in 2023 led to a loss of 1,146 thousand euros, recognised under the "Retained earnings caption".

c) Treasury shares

At 31 December 2024, the number of treasury shares was 86,264 (2,196,011 at 31 December 2023). In 2024 and 2023, the following movements took place:

	2023	2022
Balance at beginning of period	**2,196,011**	**644,114**
Shares acquired under liquidity contract (c.1)	550,137	1,315,909
Shares sold under liquidity contract (c.1)	(564,563)	(1,312,404)
Shares acquired under Buy-Back Programmes (c.2)	685,074	1,548,392
Shares for capital reduction in Buy-Back Programmes (c.2)	(2,780,395)	—
Balance at end of period	**86,264**	**2,196,011**

c.1) Liquidity contract

Under the liquidity contract that ROVI had signed, 550,137 shares were acquired (1,315,909 in 2023), for which a total sum of 40,796 thousand euros was paid (52,813 thousand euros in 2023). Likewise, a total of 564,563 shares were resold (1,312,404 in 2023) for a sum of 41,921 thousand euros (52,639 thousand euros in 2023). Said shares had been acquired at a weighted average cost of 39,376 thousand euros (53,785 thousand euros in 2023), giving rise to a profit of 2,545 thousand euros on the sale (loss of 1,146 thousand euros in 2023), which was taken to reserves.

On 30 June 2024, the Company's Board of Directors approved the use of 546,929 shares related to the liquidity contract within the framework of the capital reduction executed in September.

c.2) Share buy-back programme

ROVI informed the market (through publication of inside information disclosure No. 1926 of 26 July 2023) that, effective as of 26 July 2023, a buy-back programme had commenced with the following conditions:

- Purpose and scope: the cancellation of ROVI shares (capital reduction) while, at the same time, increasing ROVI's shareholder remuneration by increasing the earnings per share.

- Term: from 26 July 2023 for a twelve-month period.

- Maximum monetary amount: up to 130,000,000 euros, The maximum price per share could not exceed the amount provided for in article 3.2. of Delegated Regulation 20216/1052.

- Maximum number of shares to be acquired: 2,700,000 shares in the Company, representing approximately 5% of ROVI's share capital at 26 July 2023.

- Trading volume to be taken as a reference: the trading volume to be taken as a reference for the purposes of article 3.3 of Delegated Regulation 2016/1052 throughout the Buy-Back Programme would be 25% of the average daily trading volume of the ROVI shares at the trading venue where the purchase was made during the twenty trading days prior to the date of purchase.

At 13 June 2024, ROVI had executed the whole of the Buy-Back Programme, having acquired a total of 2,233,466 shares during the term of the programme for a sum of 129,999 thousand euros. The Buy-Back Programme was executed as follows:

- In 2024, ROVI executed 37.62% of the Buy-Back Programme, acquiring 685,074 shares for an amount of 48,912 thousand euros.

- In 2023, ROVI executed approximately 62.38% of the Buy-Back Programme, acquiring a total of 1,548,392 shares and paying 81,087 thousand euros.

On 30 June, the Board authorised the Company to use 546,929 shares from the liquidity programme with an acquisition price of 22,464 thousand euros within the framework of the capital reduction charged to treasury shares planned for September.

Said capital reduction (Note 14) was recorded in the Companies Register on 12 September 2024 for an amount of 167 thousand euros through the cancellation of 2,780,395 treasury shares. On the same date, the shares were delisted from the Stock Exchange Interconnection System and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The weighted average cost of the cancelled treasury shares was 152,463 thousand euros and the difference was taken to "Retained earnings" and "Voluntary reserves" (Note 15.b) for an amount of 152,296 thousand euros.

d) Dividends

On 24 June 2024, the General Shareholders' Meeting approved the application of the 2023 profit, which included a dividend to be distributed to the shareholders for an amount of 59,618 thousand euros (1.1037 euros gross per share). The dividend was paid out in July 2024.

On 24 June 2023, the General Shareholders' Meeting approved the application of the 2022 profit, which included a dividend to be distributed to the shareholders for an amount of 69,886 thousand euros (1.2938 euros gross per share). The dividend was paid out in July 2023.

16. Profit for the period

The proposed application of profit to be submitted to the General Shareholders' Meeting is as follows:

	Euros	
	2024	**2023**
Basis of application		
Profit for the period	75,545,645.86	12,071,013.68
Retained earnings	—	47,546,618.80
	75,545,645.86	59,617,632.48
Application		
Retained earnings	27,635,084.81	—
Dividends	47,910,561.05	59,617,632.48
	75,545,645.86	59,617,632.48

17. Grants, donations and legacies received

Movement on this heading was as follows:

	Thousand euros	
	2024	**2023**
Beginning of period (net of tax)	**1,367**	**1,694**
Increases/(decreases) (net of tax)	337	59
Allocation to profit and loss (net of tax)	(675)	(386)
End of period (net of tax)	**1,029**	**1,367**

Details of non-reimbursable capital grants shown on the statement of financial position under the caption “Grants, donations and legacies received”, not including the tax effect, are as follows:

Awarding entity	Thousand euros	Purpose	Date awarded
(1) Andalusian Autonomous Govt.	859	Construction of Granada plant (Note 6.d)	2008
(2) Andalusian Autonomous Govt.	362	Construction bemiparin lines in Granada	2012 & 2014
Miscellaneous govt. entities	151	Miscellaneous projects	2001 onward
	1,372		

(1) Non-reimbursable grant granted by the Andalusian Innovation and Development Agency (Innovation, Science and Enterprise Department) for 5,431 thousand euros. This grant was received in November 2008 and recognition in profit and loss commenced in 2009, when the assets for which it was granted began to be depreciated. The amount recognised for this grant under the caption “Grants, donations and legacies received” at 31 December 2024 was 859 thousand euros (1,154 thousand euros at 31 December 2023).

(2) Relates to two non-reimbursable grants granted by the Andalusian Innovation and Development Agency in the years 2012 and 2014 for construction of two new bemiparin lines at the Granada plant. The first of them, for 585 thousand euros, began to be recognised in profit and loss in 2013 and the amount recognised under the “Grants, donations and legacies received” caption at 31 December, 2022 was taken to profit and loss in full. The second of the grants, for a total amount of 1,171 thousand euros, began to be recognised in profit and loss in May 2015 and, at the 2024 reporting date, showed a balance of 362 thousand euros under the "Grants, donations and legacies received" caption (446 thousand euros at 31 December 2023).

18. Financial liabilities

	Thousand euros	
	2024	**2023**
Non-current financial liabilities at amortised cost		
– Bank borrowings (a)	70,659	31,250
– Debt with government entities (b)	9,844	7,307
– Non-current debt with group and associated companies (Note 31.i)	72,500	99,800
	153,003	138,357
Current financial liabilities at amortised cost		
– Bank borrowings (a)	16,280	6,495
– Debt with government entities (b)	1,543	1,509
– Current debt with group and associated companies (Note 31.i)	18,578	2,216
– Trade payables	34,090	34,336
– Trade payables with group and associated companies (Note 31.i)	176,022	164,801
– Sundry creditors	65	2,516
– Employees	3,698	3,809
	250,276	215,682
	403,279	**354,039**

Delay in payment to suppliers

Details of payments for trading transactions performed during the reporting period and outstanding at the reporting date in relation to the maximum legal periods provided for in Law 15/2010, amended by Law 11/2013 and Law 18/2022, are as follows:

	2024	**2023**
	Días	**Días**
Average payment period to suppliers	132	67
Ratio of transactions paid	155	56
Ratio of transactions outstanding	75	92

	2024	**2023**
Total payments made (thousand euros)	513,646	444,079
Total payments outstanding (thousand euros)	202,310	188,871

	2024	**2023**
Amount of invoices paid in less than 60 days (thousand euros)	217,744	218,159
No. of invoices paid in less than 60 days	15,871	13,197
% No. of invoices paid in less than 60 days/Total No. of invoices paid	42%	49%
% amount of invoices paid in less than 60 days/Total amount of invoices paid	72%	69%

The Company sets out below the same information excluding the effect of transactions with Group companies:

	2024	2023
	Days	Days
Average payment period to suppliers	42	49
Ratio of transactions paid	43	51
Ratio of transactions outstanding	26	33

	2024	2023
Total payments made (thousand euros)	238,442	300,162
Total payments outstanding (thousand euros)	26,919	26,019

	2024	2023
Amount of invoices paid in less than 60 days (thousand euros)	224,791	221,283
No. of invoices paid in less than 60 days	14,748	13,481
% No. of invoices paid in less than 60 days/Total No. of invoices paid	94%	74%
% amount of invoices paid in less than 60 days/Total amount of invoices paid	91%	73%

Sundry creditors

This caption also includes amounts billed to manufacturing service customers for activities to adapt, fit out and validate the facilities and machinery –which may belong to ROVI or be acquired or subcontracted from third parties– that, at the reporting date, had not yet been taken to profit and loss as revenue from services provided, since they had not yet accrued in accordance with the percentage of completion. The total amount was 8 thousand euros (37 thousand euros at 31 December 2023).

Fair value of non-current debt

The carrying amounts and fair values of non-current debt were as follows:

				Thousand euros
	Carrying amount		Fair value	
	2024	2023	2024	2023
Bank borrowings	70,659	31,250	70,094	26,877
Debt with government entities	9,844	7,307	6,873	6,873
Debt with group and associated companies	72,500	99,800	72,517	72,517
	153,003	138,357	149,484	106,267

The fair values of current financial debt are equal to their corresponding nominal amounts since the effect of discounting is not significant. The fair values are based on cash flows discounted at a rate based on the market rate of the financial debt.

To calculate the fair value of fixed-rate non-current bank borrowings and the debt with group and associated companies at the 2024 and 2023 reporting dates,the interest rate on the latest variable-rate loan received by the Company was taken as a reference: Euribor 3 months plus a 0.844% spread..

The carrying amounts of the Company's debt are in euros.

a) Bank borrowings

Bank borrowings at 31 December 2024 comprised the following bank loans:

2024

						TOTAL
Entity	**EIB**	**EIB**	**EIB**	**Santander**	**BBVA**	
Face value	**5,000**	**40,000**	**10,000**	**25,000**	**25,000**	
Interest rate	**Eur3+0.844%**	**0.681%Fixed**	**Eur3+0.65%**	**3.03% Fixed**	**3.49% Fixed**	
2025	739	5,737	75	4,791	4,752	16,280
2026	714	5,714	—	4,922	4,908	16,258
2027	714	5,714	1,071	5,071	5,081	17,651
2028	536	5,714	1,429	5,225	5,261	18,165
2029	—	5,714	1,429	2,669	2,702	12,514
2030 onward	—	—	6,071	—	—	6,071
	2,703	28,593	10,075	22,678	22,704	86,939
Non-current	1,964	22,856	10,000	17,887	17,952	70,659
Current	739	5,737	75	4,791	4,752	16,280

At 31 December 2023, bank loans matured as follows:

2023

	a)	b)	TOTAL
Entity	**EIB**	**EIB**	
Face value	**5,000**	**40,000**	
Interest rate	**Eur3+0.844%**	**0.681% Fixed**	
2024	754	5,741	6,495
2025	714	5,714	6,428
2026	714	5,714	6,428
2027	714	5,714	6,428
2028	537	5,714	6,251
2029 onward	—	5,715	5,715
	3,433	**34,312**	**37,745**
Non-current	2,679	28,571	31,250
Current	754	5,741	6,495

In December 2017, the European Investment Bank (EIB) granted ROVI a credit line to support its investments in Research, Development and Innovation (R&D&I). The credit line was for 45,000 thousand euros. ROVI could draw down this amount over a term of 24 months as from signature of the agreement and the credit matures in 2029. The credit line provides for a three-year grace period and financial conditions (i.e. applicable interest rates, repayment period, etc.) that are favourable to ROVI. As of 31 December, 2019, ROVI had drawn down the entirety of this credit line in:

a) A draw-down of 5,000 thousand euros in 2018 at an annual interest rate of Euribor at 3 months plus 0.844%.
b) A draw-down of 40,000 thousand euros in 2019 at a fixed annual interest rate of 0.681%.

In the first half of 2024 and 2023, compliance as of 31 December 2023 and 2022, respectively, with the ratios established in this financing agreement was certified. At 31 December 2024, ROVI met the ratios established, although this will not be certified until after these annual accounts have been issued.

In 2024, the Group received a new loan of 10,000 euros from the European Investment Bank (EIB) at an interest rate of Euribor 3 months plus a spread of 0.65%, maturing at 10 years with a three-year grace period, and two further loans of 25,000 thousand euros each from BBVA and Banco Santander at fixed interest rates of 3.49% and 3%, respectively, maturing at 5 years with no grace period.

Finally, at 31 December 2024, ROVI held three credit lines: the first signed in September 2023 for 20,000 thousand euros, the second signed in March 2024 for 20,000 thousand euros, both at a rate of Euribor 3 months + 0.50%, while the third line was signed in June 2024 for the same amount of 20,000 thousand euros at a rate of Euribor 3 months + 0.65%. In March 2024, the Group drew 9,000 thousand euros on one of these credit lines, repaying it in April. At 31 December 2024, an amount of 186 thousand euros had been drawn.

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. The amounts recognised as financial liabilities at amortised cost for this item at 31 December 2024 totalled 7,307 thousand euros (8,214 thousand euros at 31 December 2023).The transactions do not accrue interest and have been recognised at their initial fair values. The difference between the initial fair value and the face value accrues at market interest rates (Euribor and the interest rate on Spanish Treasury debt plus a spread in accordance with the Company's risk). This means that this debt accrues interest at effective interest rates ranging from 2.9% to 4.9%.

b.1) Advances received in 2024:

In 2024 the Company received various reimbursable advances from different entities, details of which are shown below:

			Thousand euros		Years	
Company	Government entity	Project	Face value	Initial fair value	Repayment period	Grace period
ROVI	Industrial Technological Development Centre	(1)	134	121	12	5
ROVI	Industrial Technological Development Centre	(2)	413	352	14	3
ROVI	Technological Corporation of Andalusia Foundation	(1)	10	8	12	3
ROVI	State Research Agency	(3)	10	7	10	4
ROVI	Industrial Technological Development Centre	(1)	1,465	1,465	10	3
ROVI	Industrial Technological Development Centre	(1)	2,020	2,020	10	3
			4,042	**3,973**		

(1) Funds projects to develop a prolonged-release drug delivery technology.
(2) Funds projects to develop a biosimilar
(3) Funds projects for the glycomics area.

In 2024, two advances were received from the Industrial Technological Development Centre (CDTI) for amounts of 1,465 and 2,020 thousand euros, respectively, subject to an interest rate of 4.228%.

b.2) Advances received in 2023:

In 2023, the Company received various reimbursable advances from different entities, details of which are shown below::

			Thousand euros		Years	
Company	Entity	Project	Face value	Initial fair value	Repayment period	Grace period
ROVI	Centro para el Desarrollo Tecnológico Industrial	(1)	349	297	14	2
ROVI	Centro para el Desarrollo Tecnológico Industrial	(2)	153	136	8	0
ROVI	Ministerio de Ciencia e Innovación	(1)	81	61	9	3
ROVI	Ministerio de Ciencia e Innovación	(1)	81	58	9	3
ROVI	Fundación Corporación Tecnológica de Andalucía	(1)	43	36	12	3
ROVI	Fundación Corporación Tecnológica de Andalucía	(1)	18	15	12	3
ROVI	Fundación Corporación Tecnológica de Andalucía	(1)	10	9	12	3
			735	**612**		

(1) Funds the projects to develop a prolonged drug-release technology.
(2) Funds the projects to develop a biosimilar.

At 31 December 2024 and 2023, debt with government entities matured as follows:

	Thousand euros	
Year	**2024**	**2023**
2024	—	1,509
2025	1,543	1,447
2026	1,587	1,535
2027	1,400	1,332
2028	1,499	1,070
2029	1,155	607
2030 onward	4,203	1,316
	11,387	**8,816**
Non-current	9,844	7,307
Current	1,543	1,509

19. Current and non-current accruals

	Thousand euros	
	2024	**2023**
Non-current	1,818	1,431
Current	364	324
	2,182	**1,755**

The current and non-current accruals caption records the amounts received for the assignment of the rights to market low-molecular-weight heparins in a number of countries. The Company defers the revenue over the terms of the contracts, which have a duration of between 10 and 15 years.

In 2024, new deferred revenues of 793 thousand euros (255 thousand euros in 2023) were recognised in relation to new distribution contracts. In 2024 ROVI recognised revenue from the granting of distribution licences for a total amount of 365 euros (339 thousand euros in 2023).

20. Other provisions

Movement on the current provisions recognised in the statement of financial position was as follows:

	Returns	Contributions to public health system	Other	Total
At 1 January 2023	**2,165**	**2,868**	**115**	**5,148**
Additions	1,586	6,649	—	8,235
Applications	(2,165)	(2,868)	(115)	(5,148)
At 31 December 2023	**1,586**	**6,649**	**—**	**8,235**
Additions/(Reversals)	1,459	12,330	327	14,116
Applications	(1,586)	(6,649)	—	(8,235)
At 31 December 2024	**1,459**	**12,330**	**327**	**14,116**

Returns

The Company estimates a provision for product returns considering the average return rate of recent years (Note 2.b.1).

Contribution to public health system

As stated in Note 3.19, in Spain, in accordance with Law 29/2006, all companies that sell prescription pharmaceuticals or other healthcare 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 every four months. This is a levy aimed to adjust the margin on a regulated activity through the price intervention established by the Law. The Company recognises the contribution to the public health system as a reduction in revenue when the sale is made. The sums accrued but not yet paid are recognised under the "Other provisions" caption. Additionally, there are other provisions of the same nature in Italy and Portugal.

At 31 December 2024 and 2023, no amounts had been recognised as contributions to the public health service related to the collaboration agreement between Farmaindustria and the Spanish government (Note 3.19), since no agreement had been signed since the previous one for the years 2017 to 2019.

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

The amounts of the provisions recognised in the statement of financial position are the reporting-date best estimate of the payments necessary to meet the present obligation, after consideration of the risks and uncertainties related to the provision and, when significant, the financial effect produced by the rebate, provided that the payments that will be made in each period can be reliably determined. The rebate rate is determined before tax, considering the time value of money and the specific risks that were not taken into account in the future flows related to the provision at each reporting date.

One-off obligations are measured in accordance with the most likely individual outcome. If the obligation involves a significant group of similar items, it will be measured by weighting the possible outcomes by the likelihood that they will occur. If there is a continuous range of possible outcomes and each point of the range has the same likelihood as the rest of the points, the obligation is measured at the average amount.

21. Deferred taxes

Details of deferred taxes are as follows:

	Thousand euros	
	2024	**2023**
Deferred tax assets		
– Temporary differences	1,245	1,235
	1,245	1,235
Deferred tax liabilities		
– Temporary differences	(2,834)	(4,111)
	(2,834)	(4,111)
Net deferred taxes	**(1,589)**	**(2,876)**

Deferred income tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets against current tax liabilities and intends to settle the net amounts or realise the asset and cancel the liability simultaneously. Deferred tax assets and liabilities were as follows:

	Thousand euros	
	2024	**2023**
Deferred tax assets:		
– Deferred tax assets to be recovered at more than 12 months	801	733
– Deferred tax assets to be recovered at less than 12 months	444	502
	1,245	1,235
Deferred tax liabilities		
– Deferred tax liabilities to be recovered at more than 12 months	(960)	(1,368)
– Deferred tax liabilities to be recovered at less than 12 months	(1,874)	(2,743)
	(2,834)	(4,111)
Net deferred taxes	**(1,589)**	**(2,876)**

Movement on net deferred taxes was as follows:

	Thousand euros	
	2024	**2023**
Balance at beginning of period	**(2,876)**	**(3,268)**
(Charged)/credited to profit and loss	1,174	455
Tax charged directly in equity	113	(63)
Balance at end of period	**(1,589)**	**(2,876)**

Movement on deferred tax assets and liabilities during the period without taking the offsetting of balances into account was as follows:

Deferred tax liabilities	Grants, donations and legacies received	Freedom of amortisation/ depreciation	Other	Total
At 1 January 2023	**(560)**	**(250)**	**(3,697)**	**(4,507)**
Charged/(credited) to profit and loss	—	50	383	433
Tax charged in equity	109	(9)	(137)	(37)
At 31 December 2023	**(451)**	**(209)**	**(3,451)**	**(4,111)**
Charged/(credited) to profit and loss	—	28	1,136	1,164
Tax charged in equity	113	—	—	113
At 31 December 2024	**(338)**	**(181)**	**(2,315)**	**(2,834)**

The “Other” column shows mainly deferred tax liabilities related to intragroup margins that were adjusted when settling the corporate income tax of the tax group headed by the Company.

Deferred tax liabilities credited to profit and loss in 2024 for 50 thousand euros (58 thousand euros charged to profit and loss in 2023) in the "Freedom of amortisation/depreciation" column related principally to the application of the free amortisation/depreciation system associated to the assets attached to R&D activity and maintaining jobs.

Deferred tax assets	Measurement of financial assets at fair value through equity	Provisions	Other	Total
At 1 January 2023	**(1)**	**555**	**685**	**1,239**
Charged/(credited) to profit and loss	1	(145)	166	22
Tax charged in equity	—	(16)	(10)	(26)
At 31 December 2023	**—**	**394**	**841**	**1,235**
Charged/(credited) to profit and loss	—	(32)	42	10
At 31 December 2024	**—**	**362**	**883**	**1,245**

The column “Other” shows, among other items, the deferred tax asset relating to the tax effect of 30% of the annual amortisation and depreciation expense that was not tax deductible in the periods 2013 and 2014 in accordance with Royal Decree-Law 16/2012 of 27 December, whereby various tax measures aimed to consolidate public finance and stimulate economic activity were adopted.

Deferred taxes charged in equity in the year were as follows:

	Thousand euros	
	2024	**2023**
Grants, donations and legacies received	113	109
	113	**109**

22. Revenue and expenses

a) Net sales

The net amount of the sales from the Company's ordinary activities was geographically distributed as follows:

	%	
Market	**2024**	**2023**
Spain	77 %	77 %
Germany	3 %	4 %
Italy	5 %	6 %
France	1 %	1 %
Portugal	2 %	1 %
Greece	1 %	2 %
Other	11 %	10 %
	100 %	100 %

a.1) Sales

The breakdown of sales by product group was as follows:

	Thousand euros	
	2024	**2023**
Specialty pharmaceuticals	285,118	287,712
Contrast agents and other hospital products	53,021	45,673
Distribution licensing	365	339
Sales to other group companies (Note 31.a)	202,007	217,514
Other	5	33
	540,516	551,271

The total amount of sales of goods was reduced by 13,039 thousand euros in 2024 (14,523 thousand euros in 2023) as a result of the rebates to the National Health System (Nota 3.19). The total amount of rebates to the National Health System did not include any revenue in relation to the collaboration agreement between Farmaindustria and the Spanish government in 2024 or 2023 (Note 20).

a.2) Sales of services

At 31 December 2024, sales of services included a reverse of 1,557 thousand euros relating to the work to adapt, fit out and validate the facilities and machinery –which may either belong to ROVI or be acquired or subcontracted from third parties– for customers in order to subsequently provide manufacturing services and reserve the manufacturing capacity agreed with them (21,822 thousand euros at 31 December 2023). The rest of all services were related to other group companies at 31 December 2024 (1,600 thousand euros at 31 December 2023).

b) Goods, raw materials and other consumables used

	Thousand euros	
	2024	**2023**
Purchases	434,439	434,822
Change in inventories	(29,317)	16,375
	405,122	**451,197**

c) Ancillary and current management income

This caption includes principally revenue from administration services rendered and the assignment of the sales force to other group companies (Note 31.a).

d) Operating grants recognised in profit and loss

In 2024, the Company obtained and recognised as net income government grants of 570 thousand euros (322 thousand euros in 2023) awarded to cover principally expenses for the period in certain R&D projects.

e) Employees

	Thousand euros	
	2024	2023
Wages, salaries and similar	41,685	38,001
Employee benefits		
– Pension contributions and provisions (Note 30.a)	6	6
– Other welfare charges	9,258	8,683
	50,949	46,690

The "Wages, salaries and similar" caption included termination payments of 31 thousand euros (338 thousand euros in 2023).

The average number of employees in the period was, by category, as follows:

	2024	2023
Executive directors	3	3
Managers	18	20
Research	347	352
Sales	199	190
Administrative	126	121
	693	686

Likewise, the distribution of the Company's employees by gender at the end of the reporting period was as follows:

	2024			2023		
	Men	Women	Total	Men	Women	Total
Executive directors	3	—	3	3	—	3
Managers	9	8	17	9	11	20
Research	140	210	350	142	213	355
Sales	95	104	199	90	103	193
Administrative	45	82	127	45	81	126
	292	404	696	289	408	697

At 31 December 2024, there were 15 employees with a disability rating equal to or higher than 33% (14 at the 2023 reporting date).

f) External services

The breakdown of the external services item was as follows:

	Thousand euros	
	2024	2023
Advertising costs	15,141	15,649
Services from third parties	14,614	11,497
Utilities	5,620	6,174
Transport and warehouse expenses	3,389	3,283
Repairs and maintenance	4,874	3,873
Operating leases	3,559	3,319
Other operating expenses	27,632	27,305
	74,829	71,100

g) Research and development expenses

Total research and development expenses incurred in 2024 were 24,278 thousand euros (23,521 thousand euros in 2023), focused mainly on the Glycomics and ISM® platforms. The latter of these is a proprietary drug-release system belonging to ROVI, the objective of which is to improve patient treatment adherence. Of the total research and development expense incurred in 2024, 10,045 thousand euros was recognised under the "Employee benefit expenses" caption (8,665 thousand euros at 31 December 2023) and 14,233 thousand euros under "Other operating expenses" (14,856 thousand euros in 2023).

23. Income tax and tax situation

Balances with the public authorities at 31 December 2024 and 2023 were as follows:

	Thousand euros			
	2024		2023	
	Debit	Credit	Debit	Credit
Public Treasury, VAT	3,239	—	2,512	—
Public Treasury, personal income tax	—	1,205	—	823
Withholdings	50	—	1,244	—
Corporate income tax	—	1,871	—	5,177
Social security	—	1,038	—	895
Other balances with the public authorities	616	—	1,175	21
	3,905	**4,114**	**4,931**	**6,916**

The heading “Other balances with public authorities” includes accounts receivable from government entities for the following items:

	Thousand euros	
	2024	2023
Grants awarded but not yet received	616	1,175
	616	**1,175**

On 1 August 2007, the Company became the parent of tax group 362/07. Applying the tax consolidation system provided for in the corporate income tax regulations, ROVI, the tax group parent, included debt of 1,588 thousand euros with group companies resulting from a tax effect (Note 31.i) in its statement of financial position (661 thousand euros in 2023), as well as credits with group companies of 41,894 thousand euros resulting from a tax effect (47,955 thousand euros in 2023).

At 31 December 2024, the reconciliation between the net income and expenses for the period and the tax profit was as follows:

Thousand euros

	Income statement			Income and expenses credited/ (charged) directly in equity		
Balance income and expenses			**75,546**			**(346)**
	Increases	Decreases	Total	Increases	Decreases	Total
Corporate income tax			(1,687)			(113)
Permanent differences						
– Individual	619	(60,373)	(59,754)	—	—	—
– Due to tax consolidation	—	—	—	—	—	—
Temporary differences						
– Individual						
– originating in the period	1,727	—	1,727	—	—	—
– originating in previous periods	362	(1,842)	(1,480)	—	—	—
– Due to consolidation						
– originating in the period	—	(8,396)	(8,396)	—	—	—
– originating in previous periods	12,846	—	12,846	—	—	—
Taxable income			18,802			(459)

At 31 December 2023, the reconciliation between the net income and expenses for the period and the tax profit was as follows:

Thousand euros

	Income statement			Income and expenses credited/ (charged) directly in equity		
Balance income and expenses			**12,071**			**(359)**
	Increases	Decreases	Total	Increases	Decreases	Total
Corporate income tax			(1,960)			(109)
Permanent differences						
– Individual	1,287	—	1,287	—	—	—
– Due to tax consolidation	—	—	—	—	—	—
Temporary differences						
– Individual						
– originating in the period	1,854	—	1,854	—	—	—
– originating in previous periods	963	(2,517)	(1,554)	—	—	—
– Due to consolidation						
– originating in the period	—	(12,274)	(12,274)	—	—	—
– originating in previous periods	13,715	—	13,715	—	—	—
Taxable income			13,139			(468)

Individual permanent differences relate to non-tax deductible expenses and the transfer of intangible assets. At 31 December 2024, the balance contained in the decreases within individual permanent differences corresponds to the consideration as deductible of 95% of the dividend income with the subsidiary, Rovi Pharma Industrial Services, S.A.U. in the amount of 63,550 thousand euros.

Individual temporary differences relate to application of freedom of amortisation/depreciation associated to the assets attached to the R&D activity, expenses recognised in the accounts but temporarily non-deductible, and the free amortisation/depreciation associated to maintaining jobs.

Temporary differences due to consolidation relate to eliminations and additions resulting from transactions between companies belonging to the tax group.

Corporate income tax expense comprises:

	Thousand euros	
	2024	**2023**
Current corporate income tax	(4,774)	(3,315)
Tax credits	4,278	4,573
Deferred taxes	1,174	455
Adjustment income tax previous years	1,204	477
Withholdings borne in other countries	(195)	(230)
	1,687	**1,960**

Current corporate income tax is the result of applying a tax rate of 25% to the taxable income.

The Company generated tax credits of 4,278 thousand euros in 2024 (4,573 thousand euros in 2023), although it was not entitled to offset tax credits from previous years (neither were there any amounts pending application at 31 December 2023). In 2024, tax credits of 4,278 thousand euros were applied (4,573 thousand euros in 2023) and, therefore, there were no tax credits pending application in future years (neither were there any tax credits pending application in future years at 31 December 2023).

The amount settled by the Company as payments on account of the corporate income tax of companies belonging to the tax group was 39,474 thousand euros in 2024 (41,050 thousand euros in 2023). The consolidated current tax for 2024, after deduction of the payments on account and withholdings for the period, generated a current tax payable of 1,871 thousand euros (receivable of 5,213 thousand euros in 2023).

At 31 December 2024, the following taxes were open to review/inspection by the tax authorities for the periods stated:

	Years
Corporate income tax	2020-23
Value-added tax	2021-24
Transfer tax	2021-24
Personal income tax	2021-24

On 13 November 2024, Laboratorios Farmacéuticos Rovi, S.A. was notified by the Large Taxpayers Central Office, Tax and Customs Control Unit, in relation to the following items and periods:

- Corporate income tax for the years 2020toa 2022.
- Value-added tax from September 2020 to December 2022.
- Withholdings/payments on account of earned income, income from professional activities and income from business activities from September 2020 to December 2022.
- Withholdings on account of non-residents' income tax from September 2020 to December 2022.

Taking account of the fact the the actions in the inspection procedure have consisted merely of requesting information, it was not possible to estimate the outcome of this procedure as of 31 December 2024.

As a consequence of, among other things, possible different interpretations of current tax legislation, additional liabilities could arise as the result of an inspection. At any event, the Directors consider that any such liabilities would not have a significant effect on the annual accounts.

24. Finance income and costs

	Thousand euros	
	2024	**2023**
Finance income:		
Gains and losses on equity instruments		
– In group and associated companies (Note 31.f)	63,550	—
Gains and losses on marketable securities and other financial instruments		
– In group and associated companies (Note 31.f)	1,816	911
– Of third parties	200	512
	65,566	1,423
Finance costs:		
Debt with third parties	(1,986)	(650)
Debt with Group companies (Note 31.h)	(3,057)	(1,555)
	(5,043)	(2,205)
Change in fair value of financial instruments		
Derivatives	—	28
	—	28
Foreign exchange differences:		
Foreign exchange differences	25	(104)
	25	(104)
Impairment and proceeds on disposal of financial instruments		
Proceeds from disposals and other	(190)	1,097
	(190)	1,097
Finance income/(costs)	**60,358**	**239**

At 31 December 2023 and 2024, the Company did not hold any financial derivatives.

In 2024, a negative impact of 177 thousand euros was recognised for impairment of the shares in the companies Bertex Pharma GmbH, Rovi Biotech sp.z.o.o y Rovi Biotech Gmbh, as well as 94 thousand euros for impairment of the credit that the Company held with Rovi Biotech sp.z.o.o., which was partially mitigated by the recognition of a profit on the sale of some shares at amortised cost for 56 thousand euros and financial investments of 25 thousand euros . In 2023, the caption "Impairment and proceeds from disposals of financial instruments" was affected principally by a positive impact of 1,797 thousand euros related to the sale of the company Enervit Nutrition, S.L., 50% of which had, until then, been held the Company (Note 9) and a negative impact related to the allowance for impairment of the shares in the companies Bertex Pharma GmbH and Rovi Biotech sp.z.o.o. for a total amount of 784 thousand euros (Note 8).

Finance income received from group and associated companies relates to dividends received from companies belonging to Rovi Pharma Industrial Services, S.A.U., of which the Company is the parent. In 2024, dividends of 63,550 thousand euros were received and were offset at the reporting date (in 2023, no income was received for this item).

Regarding gains and losses on marketable securities and other financial instruments of third parties, at 31 December 2024, the Company had recognised finance income of 200 thousand euros relating to the settlement of deposits (512 thousand euros at 31 December 2023).

25. Cash flows from operating activities

	Thousand euros	
	2024	**2023**
Pre-tax profit for the year	73,859	10,111
Adjustment to the profit		
– Amortisation/depreciation of intangible assets/property, plant & equipment	9,408	10,226
– Finance income (Note 24)	(65,566)	(1,423)
– Finance costs (Note 24)	5,043	2,205
– Foreign exchange differences	(25)	104
– Adjustments for change in value of financial instruments	—	(28)
– Gain or loss on derecognition or disposal of financial instruments	190	(1,097)
– Net change in provisions (Note 20)	5,881	3,087
– Grants for non-financial assets and distribution licence revenue	(1,205)	(1,120)
– Other revenue and expenses	1,655	2,681
	29,240	**24,746**
Changes in working capital		
– Inventories	(12,246)	2,926
– Debtors and other receivables	6,277	(29,047)
– Creditors and other payables	72,624	95,510
	66,655	**69,389**
Other cash flows from operating activities		
– Income tax received (paid)	(43,251)	(40,186)
– Other amounts received (paid) (Note 19)	793	255
	(42,458)	(39,931)
Cash flows generated (used) in operating activities	**53,437**	**54,204**

26. Cash flows from investing activities

	Thousand euros	
	2024	**2023**
Payments for investments		—
– Group and associated companies (Note 8)	(25,997)	(2,890)
– Intangible assets (Note 5)	(2,651)	(485)
– Property, plant and equipment (Note 6)	(3,386)	(5,501)
	(32,034)	(8,876)
Amounts received for disinvestments		
– Group and associated companies	3,772	57,929
– Other financial assets	81	82
– Property, plant and equipment and intangible assets (Note 6)	18	97
– Other assets (Note 24)	111	523
Cash flows generated (used) in investing activities	**3,982**	**58,631**

27. Cash flows from financing activities

	Thousand euros	
	2024	**2023**
Amounts received from and paid for financial liability instruments		
a) Issue		
– Debt with group and associated companies	34,083	19,800
– Other debt (Note 18)	4,052	734
	131,035	20,534
b) Reimbursement and repayment		
– Bank borrowings	(43,788)	(6,429)
– Debt with group and associated companies	(1,555)	(19,650)
– Other debt	(1,535)	(1,908)
– Interest payments	(1,770)	(386)
	(48,648)	(28,373)
Dividend payments and remuneration of other equity instruments		
– Dividends (Note 15.b and d)	(56,451)	(69,049)
– Transactions with treasury shares (Note 15.c)	(47,787)	(81,261)
	(104,238)	(150,310)
Cash flows generated (used) in financing activities	**(21,851)**	**(158,149)**

28. Contingencies

At 31 December 2024, the Company held bank guarantees amounting to 2,776 thousand euros (2,791 thousand euros in 2023). These guarantees were granted principally to enable group companies to participate in public tenders and to receive grants and reimbursable advances.

29. Commitments

a) Operating lease commitments

The minimum future payments under non-cancellable operating leases at 31 December 2024 were 2,771 thousand euros (4,975 thousand euros at 31 December 2023), 2,355 thousand euros of which related to payments due at less than one year (3,266 thousand euros at less than one year at 31 December 2023). (Nota 22.f)

The operating lease expense recognised in profit and loss in 2024 was 3,559 thousand euros (3,319 thousand euros in 2023).

b) Acquisition of Bertex Pharma GmbH

Future payment commitments derive from the agreement to purchase assets through the acquisition of the company Bertex Pharma GmbH that took place in 2007. The purchase agreement fixes a variable component that will depend upon the successful completion of clinical trials for the development of products and the subsequent marketing.

b.1) If the development and marketing are performed internally:

- 350 thousand euros after successfully completing the development of phase 1 clinical trials. Part of this amount, 100 thousand euros, was settled in 2011, while 250 thousand euros were settled in 2014;
- A payment of 200 thousand euros after successfully completing the development of phase 2 clinical trials. This payment was made in 2016;
- A payment of 300 thousand euros after successfully completing the development of clinical trials of phase 3. This payment was made in 2020;
- A payment of 200 thousand euros upon commencement of the marketing of any pharmaceutical product. This payment was made in 2022.

– A payment of 200 thousand euros upon commencement of the marketing of any pharmaceutical product in any of the main markets (United States, Japan, Germany, France, Italy or the United Kingdom). This payment was made in 2022.

b.2) If the development or marketing is performed by third parties:

– 5% of the revenues obtained by ROVI from the development and marketing of the products by third parties (net of direct or indirect production costs and administration expenses).

Payments for the internal development or marketing detailed in section a) exclude those performed under section b) and vice versa, but if ROVI completes clinical development phases 1 and 2 and entrusts the subsequent phases to a third party or performs them for a third party, this clause will apply, but the payments made for phases 1 and 2 under section a) will be deducted.

The work and clinical trials for development of the products mentioned in point a) above are progressing as planned.

30. Remuneration of the Board of Directors and senior management

At 31 December 2024, The Board of directors was formed by the following members:

Mr Juan López-Belmonte Encina	Chairman and Chief Executive Officer
Mr Javier López-Belmonte Encina	First Deputy Chairman
Mr Iván López-Belmonte Encina	Second Deputy Chairman
Mr Marcos Peña Pinto	Coo-ordinating Director
Ms Marina del Corral Téllez	Director
Ms Teresa Corzo Santamaría	Director
Ms Fátima Báñez García	Director

The non-director secretary was Mr Gabriel Núñez Fernández.

a) In compliance with the provisions of article 28 of the Regulations of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., the following information is provided with respect to the members of the Board of Directors at 31 December 2024:

1. An individual breakdown of the remuneration of each director, including, where applicable:

   a. Per diem expenses or other fixed compensation received as director and additional remuneration received as chair or member of any Board committee. The amounts for 2024 and 2023 were as follows:

	Thousand euros	
	2024	**2023**
D. Juan López-Belmonte Encina	180	180
D. Javier López-Belmonte Encina	80	80
D. Iván López-Belmonte Encina	80	80
Dña. Marina del Corral Téllez	80	80
Dña. Teresa Corzo Santamaría	80	80
D. Marcos Peña Pinto	80	80
Dña. Fátima Báñez García	80	80
	660	660

   b. None of the directors has received remuneration corresponding to shares in profits or bonuses.

   c. Contributions made to defined-contribution pension plans in the director's favour (Note 3.12); or increases in the vested rights of the director in the case of contributions to defined-benefit plans (no defined-benefit plans exist):

	Thousand euros	
	2024	**2023**
Mr Juan López-Belmonte Encina	2	2
Mr Javier López-Belmonte Encina	2	2
Mr Iván López-Belmonte Encina	2	2
	6	6

d. Any severance payments agreed or paid in the event of termination of mandate: not applicable.

e. Remuneration received as a director of other group companies: not applicable.

f. Remuneration for the performance of senior management functions received by executive directors. This remuneration of this kind for 2024 and 2023 was as follows:

g.

	Thousand euros			
	2024		**2023**	
	Fijo	**Variable**	**Fijo**	**Variable**
Mr Juan López-Belmonte Encina	849	616	743	421
Mr Javier López-Belmonte Encina	286	287	248	224
Mr Iván López-Belmonte Encina	281	286	247	223
	1,416	1,189	1,238	868

The variable remuneration of the executive directors included the amounts accrued for their annual variable item and those accrued under the Long-Term Incentive Plan 2022-2024.

h. Any item of compensation other than the above, irrespective of its nature or the group company that paid it, especially when classified as a related transaction or when its omission would distort the true and fair view of the total compensation received by the director: not applicable.

Information on the relationship, in the last year, between compensation received by executive directors and results or other measurements of the Company's performance is shown below:

	Thousand euros	
	2024	**2023**
Retribución de consejeros ejecutivos		
Remuneration of executive directors	2,605	2,106
Profit attributable to parent company	75,546	12,071
Remuneration of executive directors/Profit attributable to parent company	3.45%	17.45%

b) Remuneration and loans to senior management

The total remuneration paid to members of senior management in 2024, excluding the remuneration received by the executive directors described in points a)1.c and a)1.f above, was 2,349 thousand euros (1,659 thousand euros in 2023).

No loans were granted to members of senior management in the last two years.

The Company holds a liability insurance policy for directors and senior management. A premium of 205 thousand euros accrued for this policy in 2024 (180 thousand euros in 2023).

c) Conflicts of interest on the part of the directors

In compliance with their duty to avoid situations where conflict with the Company's interests exists, the directors who held office on the Board of Directors during the year met the obligations set forth in article 228 of the revised text of the Capital Companies Act. Likewise, both they and the persons related to them refrained from entering into the situations of conflict of interest provided for in article 229 of said Act.

31.Other operations with related parties

Transactions with group and other related companies are conducted under normal market terms and conditions, in accordance with the agreements in place between the parties.

a) Sales of goods and services

	Thousand euros	
	2024	**2023**
Net sales:		
– Sales of goods to subsidiaries (Note 22.a)	202,007	217,514
– Sales of services to subsidiaries (Note 22.a)	27,675	1,600
	229,682	219,114
Ancillary and other current management income		
– Subsidiaries (Note 22.c)	14,787	9,894
	14,787	9,894
	244,469	**229,008**

The services that ROVI provides to its subsidiaries are principally administration and management services.

	Thousand euros	
	2024	**2023**
Purchase of goods:		
– Subsidiaries	247,466	235,701
	247,466	235,701
Purchase of services		
– Subsidiaries	9,193	8,699
– Directors	18	25
– Entities in which the López-Belmonte Encina family holds an interest	1,025	1,564
	10,236	10,288
	257,702	**245,989**

Purchases of services from companies in which the López-Belmonte-Encina family holds an interest related to operating lease payments to the companies Norba Inversiones, S.L. and Lobelvia Inversiones, S.L.

c) Sales of intangible assets and property, plant and equipment

In 2024, intangible assets and property, plant and equipment with a cost of 50 thousand euros and accumulated depreciation of 26 thousand euros was sold to group companies. No property, plant and equipment was sold to group companies in 2023.

d) Purchases of intangible assets/property, plant and equipment

In 2024, intangible assets were purchased from group companies for 948 thousand euros. In 2023, no intangible assets or property, plant and equipment was purchased from group companies.

e) Dividends paid

Dividends paid to the company Norbel Inversiones, S.L. in 2024 were 32,903 thousand euros (38,571 thousand euros in 2023). Additionally, dividends of 3,832 thousand euros were paid to other significant shareholders (4,917 thousand euros in 2023).

f) Dividends received

In 2024, the Company received dividends of 63,550 thousand euros from Rovi Pharma Industrial Services,S.A.U. In 2023, the company did not receive any amount for this item (Note 24).

g) Capital contributions

In 2024, the Company made a capital contribution of 5,632 thousand euros to Glicopepton Biotech, S.L.(2,891 thousand euros at 31 December 2023).

On 13 March 2024, the Company made a fully paid-up capital contribution of 255 thousand euros to Terafront Farmatech, S.L. as well as a shareholder contribution of 18,836 thousand euros, which was paid up in December 2024 after certain milestones determined in the Strategic Plan had been met, as agreed in the Shareholders' Agreement.

En 2023, the Company increased its interest in Rovi Escúzar, S.L.U. by 5,000 thousand euros through a shareholder contribution carried out by converting credits.

h) Other transactions

In 2024, loans were reduced by 2,975 thousand euros (Increase of 14,650 thousand euros in 2023). Financial interest accrued on these loans was 1,816 thousand euros in 2024 (910 thousand euros in 2023).

In 2023, the Company signed two new loans with the companies Gineladius, S.L.U. and Rovi GmbH, for which the agreed interest rates are 2.26% and 1.72% respectively. The loan with Gineladius, S.L.U. is for 600 thousand euros and matures at 10 years, while the loan with Rovi GmbH was repaid in 2023.

The only loan at 31 December 2022 was to Rovi Escúzar, S.L.U. It matures in 2029 and has an interest rate of 1.71%.

The shareholder contributions to Rovi Escúzar, S.L.U. that took place in 2024 and 2023, explained in point g) of this Note and Note 8, were made through non-monetary contributions and the offsetting of loan balances that ROVI held with its subsidiary at the time of the transaction.

Likewise, in 2022, the Company received a loan from its subsidiary Rovi Pharma Industrial Services, S.A.U. for 80,000 euros, which increased by 19,800 thousand euros in 2023 and decreased by 7,500 thousand euros in 2024. This loan had accrued interest of 3,057 thousand euros at 31 December 2024 (1,555 thousand euros at 31 December 2023). It matures in 2032 and the agreed interest rate is 1.71%.

On 6 November 2023, the shares the Company held in Enervit Nutrition, S.L. were sold for 3 thousand euros, with a positive impact of 1,797 thousand euros on profit and loss.

Finally, on 7 November 2024, the Company signed cash pooling agreements with the Group companies at an interest rate of 0%, irrespective of the position in favour or against, while the contract is in force. At 31 December 2024, credit balances of 743 and 532 thousand euros with Rovi Escúzar, S.L.U. and Pan Química Farmacéutica, S.L.U., respectively, and debit balances of 13,762 and 172 thousand euros with Rovi Pharma Industrial Services, S.A.U. and Gineladius, S.L.U., respectively, were recognised in the Company's statement of financial position. At 31 December 2023, there were no amounts for this item.

i) Balances at the reporting date derived from sales and purchases of goods and services

Thousand euros

	2024		2023	
	Debit balance	**Credit balance**	**Debit balance**	**Credit balance**
Purchases/sales of goods or services				
– Subsidiaries	55,956	173,114	57,827	162,635
– Entities in which the López-Belmonte Encina family holds an interest	—	38	—	124
	55,956	173,152	57,827	162,759
Income tax charge				
– Subsidiaries (Note 23)	41,894	1,588	47,955	661
	41,894	1,588	47,955	661
Loans granted at fair value				
– Subsidiaries	50,026	72,500	53,001	99,800
	50,026	72,500	53,001	99,800
Interest				
– Subsidiaries	1,779	3,028	887	1,555
	1,779	3,028	887	1,555
Cashpooling				
– Subsidiaries	1,275	13,962	—	—
	1,275	13,962	—	—
Other items				
– Directors	—	2,564	—	1,801
– Senior management	—	306	—	241
	—	2,870	—	2,042
TOTAL	**150,930**	**267,100**	**159,670**	**266,817**

In 2023, ROVI offset debit and credit balances with group companies. The balances receivable by the Company for dividends, credit balances and trade debtors were affected by this offset, as well as corporate income tax debit balances.

32. Environmental information

Any operation the main purpose of which is to minimise the environmental impact and protect and improve the environment is considered an environmental activity.

No investments were made in systems, equipment or facilities for environmental activities in either 2024 or 2023.

In 2024, in order to contribute to the protection and improvement of the environment, the Company incurred expenses of 971 thousand euros for waste disposal (1,071 thousand euros in 2023).

At the reporting date, the Company was not aware of any possible environmental contingencies that might be significant.

33. Events after the reporting date

No significant events have taken place since the 2024 reporting date.

34. Fees of account auditors

The fees accrued by KPMG Auditores, S.L. for audit services and other audit-related services (consisting of a limited-scope review of the interim financial statements, a review of compliance with the ratios for financing contracts, a review of the system for internal control over financial reporting, a review of the supporting account for grants and, only in 2024, additional review work and a review of payment compliance in relation to suppliers) provided to Laboratorios Farmacéuticos Rovi, S.A. in 2024 were 295 thousand euros and 144 thousand euros, respectively (130 thousand euros and 52 thousand euros, respectively, in 2023).

Additionally, in 2024, KPMG Auditores, S.L. provided Laboratorios Farmacéuticos Rovi, S.A. with other services, consisting of a review of the non-financial information, for a sum of 126 thousand euros (in 2023, this service was provided by other firms from the network of KPMG Auditores, S.L. for a sum of 53 thousand euros).

35. Other relevant information

ROVI informed the market (in inside information publication number 2595 of 7 February 2024) in relation to the preliminary close of the 2024 financial year. Regarding the year-end EBITDA levels forecast by the market consensus for 2024, ROVI announced that said EBITDA levels were expected to be between 10 and 15% lower than the EBITDA levels forecast by the market consensus.

ROVI informed the market (in inside information publication number 2415 of 24 October 2024) of the evaluation it had made in the previous few months of the strategic alternatives for increasing the value of its assets, which had included the possibility that ROVI might carry out a corporate transaction in relation to its contract manufacturing business (CDMO). The process attracted offers from several international investment funds and industrial companies, which submitted various proposals for the CDMO business. However, ROVI announced that, after analysing and evaluating the non-binding offers received, it had decided that, given the strength, strong performance and prospects of this business, at present, the best way to maximise value for the shareholder was to continue to execute the Company’s independent strategic plan, protecting and developing the CDMO business within the current structure of the ROVI Group, without the entry of external investors.

After completion of the Buy-Back Programme, ROVI announced that, as of 12 June 2024, the transactions under the liquidity contract signed between the Company and Bestinver, S.V., S.A. to manage the Company's treasury share portfolio would be resumed. The market had been informed of this on 5 April 2022 through the pertinent publication of relevant information (register number 15427). The liquidity contract had been suspended when the Buy-Back Programme commenced for the duration of the Programme, as provided for in provision 5.2.c) of CNMV Circular 1/2017 of 26 April. Likewise, the Company and Bestinver, S.V., S.A. agreed to modify the securities and cash balances associated to the liquidity contract in the terms announced to the market in the publication of other relevant information dated 31 July 2024 (number 30064).

On 12 September 2024, ROVI informed the market (in other relevant information publication number 30484) that the 2,780,395 treasury shares acquired in the context of the Buy-Back Programme had been cancelled and delisted, effective 13 September 2024, from the Stock Exchange Interconnection System and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. Consequently, the Company's share capital was now 3,074,145.72 euros, divided into 51,235,762 ordinary shares with a par value of 0.06 euros each, conferring a total of 51,235,762 voting rights (one per share). As a result of the cancellation of the aforementioned shares, the shareholders automatically increased their percentage interests in ROVI's share capital.

ROVI informed the market (in relevant information publication number 27772 of 2 April 2024) of the marketing authorisation for Risvan® (Risperidone ISM®) in the United States to treat schizophrenia in adults. However, ROVI has now made the decision not to market Risvan® (Risperidone ISM®) in the United States, after assessing the uncertainties and opportunities associated to this launch.

LABORATORIOS FARMACÉUTICOS ROVI, S.A.

2024 Management report

The Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (ROVI or "the Company") issues the following management report in accordance with Article 262, 148 d) and 526 of the Spanish Capital Company Act ("Ley de Sociedades de Capital"), 61 bis of the Securities Market Law.

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 three main growth pillars:

- Pharmaceutical specialties, split in two areas:
  - Prescription products: With two divisions: Low-molecular-weight heparin division (LMWH) and own and licensed product division.
  - Diagnostic imaging contrast agents and other hospital products.
- Contract manufacturing: Specialists in solutions for prefilled syringes, solid oral forms and vials.
- R&D, split in three areas:
  - Innovative drug release technology, ISM®.
  - Glycomics area.
  - Multilayer technology for urethral catheters.

As a result of a combination of factors, among which the Group's stability, due to the growth of its recurring business and its strong financial position, sound strategy and clear pillars of growth may be highlighted, the Company's reactive profile has been reinforced. This has allowed operating revenue to rise year after year, materialising in growth of 26% in 2022.

In addition, ROVI has a sound, low-risk R&D policy, where the patented ISM® platform (internally-developed and patented innovative drug-release technology which allows the prolonged release of the compounds administered by injection) opens up new channels of growth. The Company allocates a large part of its resources to research, in order to remain in the vanguard in both the product area and the manufacturing and development systems area.

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

In all its business lines, ROVI as a group is aware that its activity does not consist only of the health improvements provided by its products but that, additionally, it wishes to respond to the social and environmental demands related to the impact of its activity. To achieve this, ROVI's economic development must be compatible with its conduct in respect of ethical, social, labour and environmental issues, and respect for human rights.

For more information, please see Integrated Report or visit: www.rovi.es

2. Business evolution

Total revenue fell 2% to 566.6 million euros in 2024.

Sales of LMWH remained stable up to 234 million euros in 2024. LMWH (enoxaparin biosimilar and bemiparin) sales represented 41% of operating revenue in 2024 and 2023.

Sales of Bemiparin in Spain (Hibor®) shown a reduction of 3% to 95,9 million euros in 2024. Sales of Bemiparin in Spain (Hibor®) fell by 8% to 58.6 million euros in 2024. Enoxaparin biosimilar decreased by 1% to 138 million euros in 2024.

Sales of Neparvis®, a specialty product from Novartis, launched in Spain in December 2016, indicated for the treatment of adult patients with symptomatic chronic heart failure and reduced ejection fraction, increased 13 % to 51,4 million euros in 2024, compared to 45,5 million euros in 2023.

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, decreased by 24% to 9,4 € million euros in 2024 mainly due to a product price reduction of 47% in the second quarter of 2023.

Sales of Vytorin®[1] and Orvatez®, specialty products from Organon & Co. ("Organon") indicated as adjunctive therapy to diet in patients with hypercholesterolemia, decreased 19 % to 21,5 million euros in 2024, compared to 2023. This decrease was mostly caused by the entry of generics into the market, which resulted in a product price reduction by competitors. ROVI consequently dropped the price of Orvatez® by 40% in October 2024.

Sales of Okedi®, the first ROVI product based on its leading-edge drug delivery technology, ISM®, and indicated for the treatment of schizophrenia in adults for whom tolerability and effectiveness has been established with oral risperidone, it has increase:

- In Spain, the product is available in 100% of the autonomous communities and is marketed in 92% of hospitals. Additionally, 62% of psychiatrists that were approached, attended educational activities carried out by ROVI. Likewise, the capture of market share in the retail and hospital markets is progressing favourably.

- In Portugal, the product's performance is envolving very positively. In 2024, Okedi® was being marketed in 85% of the country's hospitals, booking sales in all of them.

ROVI ceased to promote and distribute Xelevia® (sitagliptin) and Velmetia® (sitagliptin and metformin), two antidiabetic drugs from Merck Sharp and Dohme ("MSD"), as of 31 January 2024. Sales of both products were 1,2 million euros in 2024 compared to 12,1 million euros in 2023.

Sales of contrast imaging agents and other hospital products increased by 16 % to 53,0 million euros in 2024.

CMO sales are 26,1 million euros in 2024 along the same line as previous year.

Furthermore, in 2024, the Pharmaceutical Industry Strategy for the period 2024-2028 was approved. This Strategy seeks to integrate innovation, production and access to medicines, considering sustainability and the control of health spending. It acknowledges that the pharmaceutical sector is of crucial importance for both people's health and quality of life and the global economy. Prepared by an inter-ministerial group and the main employers' associations in the sector, it focuses on three key aspects: equitable access to medicines, the sustainability of the National Health System, and promoting the industry's innovation and competitiveness. It falls within the framework of Spain's Recovery, Transformation and Resilience Plan and contributes to the European Pharmaceutical Strategy. At the 2024 year end, the specific future impacts that may result from this Strategy were unknown.

3. Liquidity and capital resources

3.1 Liquidity

As of 31 December 2023, ROVI had gross cash position of 113,1 million euros (available-for-sale financial assets plus deposits plus financial derivatives plus cash and cash equivalents minus short term and long term financial debt), compared to 116,3 million euros as of 31 December 2023, and net debt (available-for-sale financial assets plus deposits plus financial derivatives plus cash and cash equivalents minus short term and long term financial debt minus debt with group companies) of 76,3 million euros, compared to a net debt of 32,4 million euros as of 31 December 2023.

3.2 Capital resources

As of 31 December 2023, ROVI had total debt of 189,4 million euros (148.6 million euros as of 31 December 2023). Debt with public administration, which is 0% interest rate debt, represented 6% of total debt (6% in December 2023).

In thousand euros	**2024**	**2023**
Bank borrowings	86,939	37,745
Debt with public administration	11,387	8,816
Financial liabilities for leases	91,078	102,016
Total	**189,404**	**148,577**

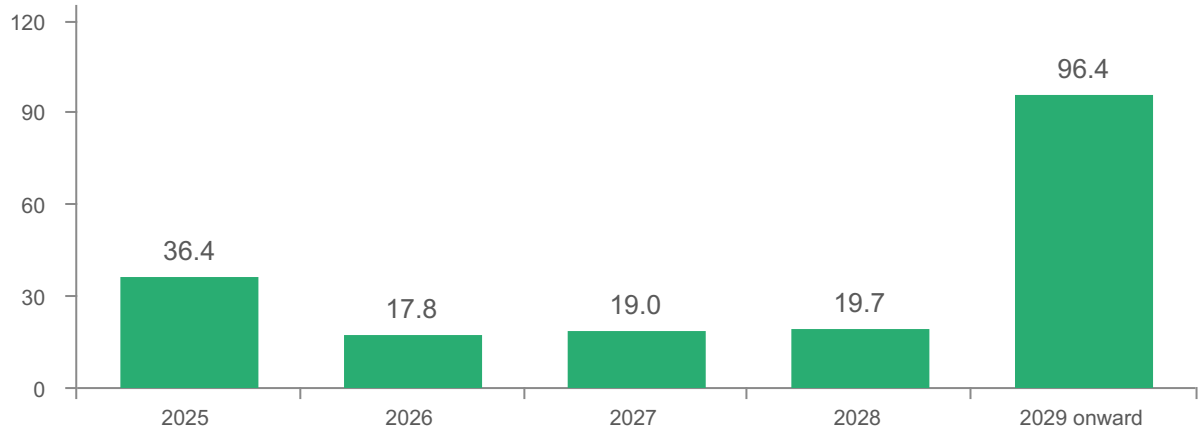
[1] ROVI ceased to distribute Vytorin® as of 31 January 2023.

As of 31 December 2024, loans from credit institutions increased by €49.2 million. In December 2017, ROVI announced that the European Investment Bank had granted it a loan to support its investments in Research, Development and Innovation. The amount of the loan was EUR 45 million. At 31 December 2024, ROVI had EUR 45 million available against this credit facility: EUR 5 million at a floating interest rate of 3-month Euribor + 0.844% (the last interest rate paid was 4.112% in January 2025) and EUR 40 million at a fixed interest rate of 0.681%. In October 2021, the variable interest loan started to amortise (quarterly instalments) and its current outstanding balance is EUR 2.3 million. In February 2023, the fixed rate loan also started to amortise (quarterly instalments) and has a current outstanding amount of EUR 28.6 million. The variable-rate loan matures in 2028 and the fixed-rate loan matures in 2029; both include a 3-year grace period.

In July 2022, ROVI announced that the European Investment Bank had granted it a new loan, different from the previous one, to support its investments in Research, Development and Innovation. The amount of the loan amounts to 50 million euros with a 10-year repayment period and includes a 3-year grace period and a 2-year drawdown period. At 31 December 2024, ROVI had drawn down 10 million euro at a variable rate of 3-month Euribor + 0.655% (the last interest rate paid was 3.856% in January 2025). No additional amount will be drawn down on this loan as the 2-year period for drawing down additional amounts expired in July this year.

Lastly, at 31 December 2024, ROVI held three credit lines: the first signed in September 2023 for 20,000 thousand euros, the second signed in March 2024 for 20,000 thousand euros, both at a rate of Euribor 3 months + 0.50%, while the third line was signed in June 2024 for the same amount of 20,000 thousand euros at a rate of Euribor 3 months + 0.65%. In March 2024, the Company drew 9,000 thousand euros on one of these credit lines, repaying it in April. At 31 December 2024, an amount of 186 thousand euros had been drawn.

Debt maturities at 31 December 2024 are shown in the following graph (millions of euros):



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

In the normal course of business, in order to manage its own operations and financing, the Group has traditionally leased certain assets. The accounting record of these transactions did not affect the Group's statement of financial position but did affect the income statement. However, since 2019, when International Financial Reporting Standard 16 Leases (IFRS 16) came into force, this type of transaction has been included in the Group's statement of financial position: a liability is recognised for the total value of the payments to be made over the remaining term of the lease contract and a right-of-use asset is recognised for the underlying asset. Therefore, the payments to which the Group is committed in these transactions are recognised in the statement of financial position. The minimum future payments to be made for non-cancellable operating leases at 31 December, 2024 were 2,771 thousand euros (4,975 thousand euros at 31 December, 2023), of which 2,355 thousand euros are related to maturities at less than one year (3266 thousand euros at less than one year at 31 December, 2023).

4. Key operating and financial events

4.1 ROVI informs on some of the results expected by the market consensus

ROVI informed the market (by publication of the inside information number 2595 dated 7 February 2024) that in the context of the preliminary closing of the year 2024, and in relation to the Company's EBITDA levels at the end of said year, the Company forecasts that said EBITDA levels will be lower, within a range of between 10% and 15%, than the 2024 EBITDA levels according to the market consensus.

This revision of the market consensus in relation to the EBITDA is due basically to lower expected activity in the contract manufacturing business (CDMO) during the fourth quarter of 2024.

Following the publication of the 2024 full-year results, ROVI maintains its previously announced guidance for the current year 2025 as set out in the Outlook section above.

4.2 ROVI completes the strategic review of its CDMO business

ROVI informed the market (by publication of the inside information number 2415 dated 24 October 2024) on the assessment it had made in the previous months of strategic alternatives for its assets, including a potential corporate transaction of ROVI relating to its third party contract development and manufacturing business ("CDMO") that after the assessment and analysis of the non-binding offers received by investment funds and industrial companies, ROVI's Board of Directors concluded that, given the strength, momentum and prospects of this business, the best way to maximize value for shareholders at this time is to continue executing on the Company's standalone strategic plan, with the interest of the CDMO business best served and developed under the current ROVI group structure, with no entry of third party investors.

Over the past five years, ROVI has invested substantial capital to build global leadership in sterile fill & finish (F&F) capacity and technology services. With these recent investments, and with current expansions underway, ROVI expects to significantly increase its current sterile capacity at its FDA and EMA / EU GMP Annex-1 compliant facilities in Spain. This will allow ROVI to continue to capitalize on the imbalance between the available capacity and the rising demand across the sterile fill & finish market, building on recent momentum with the addition of a high-volume product from a global pharmaceutical customer and the good drive in commercial activity and alliance opportunities across strategic high-growth modalities – including innovative biologics, biosimilars, vaccines and novel modalities for pre-filled syringes and cartridges.

"The Board of Directors appreciates all of the hard work put into the strategic review process by the Company and its advisors. I am pleased with the process that was undertaken, which has ultimately made us conclude that the CDMO business will drive the highest shareholder value within the current ROVI Group structure" said Mr. Juan López-Belmonte Encina, Chairman and CEO of ROVI. "We remain excited about the near- and long-term potential of our globally leading CDMO business to became a world leader, given the attractive market dynamics and the pride we take in supporting the manufacture of medicines that are able to prolong the life of millions of people" added Mr. Javier López-Belmonte Encina, Vice President and CFO of ROVI.

4.3 ROVI's Share Buy-Back Programme

ROVI informed (by publication of the inside information number 1926 dated 26th of July 2023) that the Company launched, effective as of 26 July, 2023, a share buy-back programme (the "Buy-Back Programme"), in accordance with the following terms:

- Purpose and scope: the Buy-back Program's purpose is to redeem own shares of ROVI (share capital reduction) and, at the same time, boost the remuneration of the ROVI shareholder by increasing the profit per share.

- Term: from 26 July 2023, and for a period of 12 months.

- Maximum monetary amount: up to 130,000,000 euros, provided that the maximum price per share may not exceed that provided for by article 3.2 of Delegated Regulation 2016/1052.

  The authorization granted by the general shareholders' meeting of the Company on 17 June 2021 established (a) a minimum price for the acquisition corresponding to the nominal value of the acquired shares and (b) a maximum price for the acquisition corresponding to a price not above the highest between (i) the last transaction carried out on the market by independent parties and (ii) the highest price of a purchase order amongst those contained in the orders book.

- Maximum number of shares to be acquired: 2,700,000 shares of the Company, representing approximately 5% of the Company's share capital on 26 July 2023.

- Trading volume to be considered as reference: the trading volume to be taken as a reference for the purposes of the provisions of article 3.3 of Delegated Regulation 2016/1052 for the entire duration of the buy-back program was 25% of the average daily volume of ROVI's shares on the trading venue on which the purchase carried out during the twenty trading days prior to the date of the purchase.

On 11 June 2024, ROVI concluded the Buy-Back programme, having acquired 2,233,466 shares for an amount of 130 million euros, representing approximately 4.13% of the share capital.

As announced when the Buy-Back Programme commenced, the purpose of the Programme was to cancel shares of ROVI through a reduction of capital while, at the same time, contributing to ROVI's shareholder remuneration by increasing the earnings per share. The capital was reduced by cancelling 2,780,395 shares. These shares corresponded to (i) the shares repurchased within the framework of the aforementioned Buy-Back Programme, and (ii) part of the existing treasury shares, which totalled 546,929. The capital reduction was approved at the Ordinary General Shareholders' Meeting held on 24 June 2024 and executed by entering the pertinent deed of capital reduction into public record.

In addition, after completion of the Buy-back Programme, ROVI informed of the resumption, as of 12 June 2024, of transactions under the liquidity contract signed between the Company and Bestinver, S.V., S.A. for management of the Company's treasury shares, of which the market was informed on 5 April 2022 in the pertinent announcement of other relevant information (register number 15427). When the Buy-Back Programme commenced, the liquidity contract was suspended for the duration of the Programme, in accordance with CNMV Circular 1/2017 of 26 April, Provision Five, 2.c). Likewise, the Company and Bestinver, S.V., S.A. decided to modify the balances of securities and cash associated to the Liquidity Contract in the terms reported to the market as other relevant information on 31 July 2024 (with number 30064).

On 12 September 2024, ROVI informed (by publication of other relevant information number 30484) that the 2,780,395 shares that had been cancelled in the capital reduction approved by the General Shareholders' Meeting, had been delisted from the Stock-Exchange Interconnection System (Sistema de Interconexión Bursátil) and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges effective 13 September 2024. As a result, the share capital of the Company is now EUR 3,074,145.72, divided into 51,235,762 ordinary shares, with a nominal value of EUR 0.06 each, which grant a total of 51,235,762 voting rights (one per share). The new amount of the share capital, after the cancellation and delisting of the mentioned shares, has now been recorded in the registers of the National Securities Market Commission and Iberclear. As a result of the cancellation of these shares, the shareholders automatically increased their percentage interest in the share capital.

4.4 ROVI receives the FDA's approval of Risvan® as a treatment for schizophrenia

ROVI informed (by publication of the other relevant information number 27772 dated 2nd April 2024) that the U.S. Food and Drug Administration (FDA) had authorised the marketing of Risvan® (Risperidone ISM®) for the treatment of schizophrenia in adults.

Risperidone ISM® is a prolonged-release injectable antipsychotic developed and patented by ROVI for the treatment of schizophrenia in adults, which, as of the first injection, provides immediate and sustained plasmatic drug levels and does not require loading doses or supplementation with oral risperidone.

This approval is based on the positive results of the pivotal PRISMA-3 study on the efficacy and safety of Risperidone ISM® in schizophrenia patients([2]). The results obtained in this study show that the two different doses (75 mg and 100 mg once a month) have achieved the prespecified primary and secondary efficacy endpoints for treatment of patients with moderate to severe symptoms of schizophrenia. The primary efficacy endpoint, the PANSS([3]) 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, in comparison with the placebo. Significantly improved mean changes for the secondary endpoint, the CGI-S([4]) 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, from the beginning until day 85. 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

[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

[3] Positive and Negative Syndrome Scale: the Positive and Negative Syndrome Scale is a medical scale based on a semi-structured interview that rates the severity of the symptoms of schizophrenia patients in three domains: positive symptoms, negative symptoms and general psychopathology symptoms.

[4] Clinical Global Impression-Severity scale: la escala de Impresión Clínica Global–Gravedad rates the severity of schizophrenia through a question put to the doctor: "Considering your total clinical experience with this particular population, how mentally ill is the patient at this time?".

prolactin (7.8%), headaches (7.3%), hyperprolactinemia (5%) and weight increase (4.8%). No important new or unexpected safety information was reported. Likewise, patients who successfully completed the double-blind period were offered the opportunity to continue in a long-term, open-label 12-month extension phase with once every four weeks injections of Risperidone ISM® (75 mg or 100 mg). New, clinically stable patients ("de novo" patients) were also able to enter this open phase of the study. Long-term treatment was observed to be effective, safe and well tolerated in adult patients with schizophrenia, regardless the initial severity of the disease or whether they had been treated previously with Risperidone ISM® during an acute exacerbation or switched from stable doses of oral risperidone([5]). Likewise, Risperidone ISM® provided a swift and sustained improvement in functioning (both social and personal) and health-related quality of life. These findings, together with a quick onset of effectiveness, could help strengthen the therapeutic alliance and possibly lead to an earlier hospital discharge. Furthermore, the patient's functioning either continued to improve or remained stable with long-term treatment([6]).

Notwithstanding, as mentioned above, ROVI has decided not to market Risvan® (Risperidone ISM®) in the United States after assessing the uncertainties and opportunities associated to this launch. The main factors that contributed to this decision were:

- The prioritisation of the Company's investments in the CDMO business and the clinical development of a new quarterly formulation of Letrozole (Letrozole LEBE).
- The absence of a partner that furnishes the Company with the capacities and structure necessary to ensure adequate continuous distribution of Risvan® in the United States market, in order to thus maximise the benefits of this innovative prolonged-release, long-acting injectable drug therapy for the patients and take advantage of all the potential for expansion and commercial development that the schizophrenia field offers.
- The delay in the launch, which coincides with a forecast price reduction in the area of long-acting injectables (LAIs) for the treatment of schizophrenia in the United States and potential amendments to United States legislation or policy regarding the pharmaceutical industry, jeopardising the expected profitability of Risvan®.
- The United States market lacks regulatory differentiation or specification on the technical data sheet of prolonged-release, long-acting injectables that share the indication "Treatment of schizophrenia in adult patients", which does not favour the positioning of Risvan® in a market with strong competitors. To this, it would be necessary to add the time and cost of the pharmacokinetic studies required to evaluate exposure to Risvan® similar to the daily administration of 6mg of oral risperidone.

ROVI has, therefore, chosen to focus on the European development of Okedi®, where there are less uncertainties, and expects this product to reach potential global sales of between 100 and 200 million euros in upcoming years.

4.5 ROVI, Insud Pharma and Innvierte (CDTI) create a company for the research and development of advanced therapies

ROVI informed (by publication of the other relevant information number 27397 dated 12th March 2024) of the agreement that has been concluded with Insud Pharma S.L. and Innvierte Economía Sostenible SICC, SME, S.A. (investment company of Centro para el Desarrollo Tecnológico Industrial EPE – CDTI) to incorporate, together with these two entities, a limited company (Sociedad de responsabilidad limitada) engaged in the research and development of advanced therapies.

This agreement, which was approved at the meeting of the Council of Ministers held on 12 March 2024, falls within the framework of the Vanguard Health Strategic Project for Economic Recovery and Transformation (PERTE), promoted by the Spanish Government. This PERTE concerns the creation of a public-private investment vehicle to develop advanced, innovative and/or emerging medicines, therapies and/or technologies. The goal is to favour the deployment of the technical and industrial capacities necessary to generate a high performance healthcare system intended to protect health by providing an immediate and flexible response to healthcare challenges and favouring sustainability.

The share capital of this new entity will be 49% held by the Ministry of Science, Innovation and Universities through the company Innvierte, while Insud Pharma and ROVI will hold 25.5% each. The shareholders undertake to make an initial combined contribution of 74,867,346.94 euros. The investment will be made in accordance with the needs of the projects defined in the future and will be subject to the shareholders' approval of the relevant business plan. Such investment could reach 220 million euros, which would be contributed by the public and private investors that are participating.
It is planned that Innvierte's contributions could be made with European "Next Generation EU" funds, which include the EU Recovery and Resilience Facility established in Regulation (EU) 2921/241 of the European Parliament and of the Council of 12 February 2021.

[5] Filts Y, Litman RE, Martínez J, Anta L, Naber D, Correll CU. Long-term efficacy and safety of once-monthly Risperidone ISM® in the treatment of schizophrenia: Results from a 12-month open-label extension study. Schizophr Res. 2021 Nov 27;239:83-91.

[6] Litman R, Naber D, Anta L, Martínez J, Filts Y, Correll CU. Personal and Social Functioning and Health-Related Quality of Life in patients with Schizophrenia Treated with the Long-Acting Injectable Antipsychotic Risperidone ISM. Neuropsychiatr Dis Treat. 2023 Jan 25;19:219-232.

Juan López-Belmonte, Chairman and CEO of ROVI, highlights the fact that this agreement "represents an opportunity to help place Spain in a leading position in the clinical research of new therapies, with the capacity to translate this research into manufacturing and thus improve the availability of new therapies to patients. At ROVI, we are delighted to place our knowledge and experience at the service of this great public-private alliance that reinforces our commitment to innovation".

5. Research and development

ISM® technology platform

Okedi® (Risperidone ISM®) is the first ROVI product based in its leading-edge drug delivery technology, ISM®. It is a novel antipsychotic for the treatment of schizophrenia with once-monthly (every 28 days) 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.

On 15 February 2022, the European Commission authorised the marketing of Okedi® (Risperidone ISM®) for the treatment of schizophrenia in adults for whom tolerability and effectiveness has been established with oral risperidone, and it was launched in 2022 in Germany, UK and Spain and in 2023 in Portugal, Italy, Austria, Greece and Serbia.

On 21 March 2024, ROVI received authorisation from Health Canada for the marketing of Okedi® (Risperidone ISM®) for the treatment of schizophrenia in adults throughout Canada. ROVI has likewise obtained approval for marketing in Australia.

On 29 March 2024, ROVI reported that the United States Food and Drug Administration (FDA) had authorised the marketing of Risvan® (Risperidone ISM® for the treatment of schizophrenia in adults in the United States. Additionally, as a postmarketing commitment, the FDA required to conduct a pharmacokinetic study that will evaluate exposure of Risvan® approximate to daily administration of 6 mg oral risperidone. It was planned to review and agree the protocol for the clinical study previously with the FDA and submit the final study report by July 2026, although this additional study would not affect the approval or marketing of the product.

However, ROVI has decided not to market Risvan® (Risperidone ISM®) in the United States after assessing the uncertainties and opportunities associated to this launch. The main factors that have contributed to this decision are:

- The prioritisation of the Company's investments in the CDMO business and the clinical development of a new quarterly formulation of Letrozole (hereinafter, Letrozole LEBE).

- The absence of a partner that furnishes the Company with the capacities and structure necessary to ensure adequate continuous distribution of Risvan® in the United States market, in order to thus maximise the benefits of this innovative prolonged-release, long-acting injectable drug therapy for the patients and take advantage of all the potential for expansion and commercial development that the schizophrenia field offers.

- The delay in the launch, which coincides with a forecast price reduction in the area of long-acting injectables (LAIs) for the treatment of schizophrenia in the United States and potential amendments to United States legislation or policy regarding the pharmaceutical industry, jeopardising the expected profitability of Risvan®.

- The United States market lacks regulatory differentiation or specification on the technical data sheet of prolonged-release, long-acting injectables that share the indication "Treatment of schizophrenia in adult patients", which does not favour the positioning of Risvan® in a market with strong competitors. To this, it would be necessary to add the time and cost of the pharmacokinetic studies required to evaluate exposure to Risvan® similar to the daily administration of 6mg of oral risperidone.

ROVI has chosen to focus on the European development of Okedi®, where there are less uncertainties, and expects this product to reach potential global sales of between 100 and 200 million euros in upcoming years.

Likewise, ROVI's R&D team is progressing in the development of a new formulation of Risperidone for a 3-monthly injection, which would complement the current 4-weekly formulation of Risperidone ISM® for the maintenance treatment of adult patients with clinically stable schizophrenia. The Company is currently conducting a phase I clinical trial to evaluate the safety, tolerability, and pharmacokinetics of various candidate formulations at different dose strengths and injection sites[7].

[7] Rovi. Pharmacokinetics, Safety and Tolerability of Different Formulations and Dose Strengths of Quarterly Risperidone (QUAR) in Patients With Schizophrenia (QUARTZ). NIH, Clinicatrials.gov #NCT06276361. Available at (accessed 04Feb2025): https://clinicaltrials.gov/study/NCT06276361.

Lastly, the Company decided to begin the clinical development of a new three-monthly formulation of letrozole (Letrozole LEBE), rather than the initially-planned annual formulation of Letrozole ISM®, the objective of which is to reach plasma levels of letrozole similar to administration of oral daily doses of Femara® 2.5 mg.

Accordingly, ROVI is currently carrying out a phase I clinical trial in Europe to evaluate the pharmacokinetics, safety and tolerability of single ascending doses of Letrozole LEBE, at different strengths, in voluntary healthy post-menopausal women (LEILA-1 study[8]). This first clinical trial of Letrozole LEBE began in July 2023.

6. Dividends

On 24 June 2024, the General Shareholders' Meeting approved the application of the 2023 profit, which included a dividend to be distributed to the shareholders for an amount of 59,618 thousand euros (1.1037 euros gross per share). The dividend was paid out in July 2024.

On 24 June 2023, the General Shareholders' Meeting approved the application of the 2022 profit, which included a dividend to be distributed to the shareholders for an amount of 69,886 thousand euros (1.2938 euros gross per share). The dividend was paid out in July 2023.

7. Capital expenditure

ROVI invested EUR 6 million in property, plant and equipment in 2024, compared to EUR 6.4 million in the previous year.

In property, plant and equipment, most of the additions relate to investments in the Company's plant in Granada and investments in pilot plants for the development of ISM® technology.

8. Treasury shares transactions

At 31 December 2024, the number of treasury shares was 86,264 (2,196,011 at 31 December 2023). In 2024 and 2023, the following movements took place:

	2023	2022
Balance at beginning of period	**2,196,011**	**644,114**
Shares acquired under liquidity contract (c.1)	550,137	1,315,909
Shares sold under liquidity contract (c.1)	(564,563)	(1,312,404)
Shares acquired under Buy-Back Programmes (c.2)	685,074	1,548,392
Shares for capital reduction in Buy-Back Programmes (c.2)	(2,780,395)	—
Balance at end of period	**86,264**	**2,196,011**

c.1) Liquidity contract

Under the liquidity contract that ROVI had signed, 550,137 shares were acquired (1,315,909 in 2023), for which a total sum of 40,796 thousand euros was paid (52,813 thousand euros in 2023). Likewise, a total of 564,563 shares were resold (1,312,404 in 2023) for a sum of 41,921 thousand euros (52,639 thousand euros in 2023). Said shares had been acquired at a weighted average cost of 39,376 thousand euros (53,785 thousand euros in 2023), giving rise to a profit of 2,545 thousand euros on the sale (loss of 1,146 thousand euros in 2023), which was taken to reserves.

On 30 June 2024, the Company's Board of Directors approved the use of 546,929 shares related to the liquidity contract within the framework of the capital reduction executed in September.

c.2) Share buy-back programme

ROVI informed the market (through publication of inside information disclosure No. 1926 of 26 July 2023) that, effective as of 26 July 2023, a buy-back programme had commenced with the following conditions:

– Purpose and scope: the cancellation of ROVI shares (capital reduction) while, at the same time, increasing ROVI's shareholder remuneration by increasing the earnings per share.

[8] Rovi. Evaluation of the Pharmacokinetics, Safety, and Tolerability of IM Letrozole LEBE in Healthy Post-menopausal Women (LEILA-1). NIH, Clinicatrials.gov #NCT06315205. Available at (accessed 04Feb2025): https://clinicaltrials.gov/study/NCT06315205]

- Term: from 26 July 2023 for a twelve-month period.

- Maximum monetary amount: up to 130,000,000 euros, The maximum price per share could not exceed the amount provided for in article 3.2. of Delegated Regulation 20216/1052.

- Maximum number of shares to be acquired: 2,700,000 shares in the Company, representing approximately 5% of ROVI's share capital at 26 July 2023.

- Trading volume to be taken as a reference: the trading volume to be taken as a reference for the purposes of article 3.3 of Delegated Regulation 2016/1052 throughout the Buy-Back Programme would be 25% of the average daily trading volume of the ROVI shares at the trading venue where the purchase was made during the twenty trading days prior to the date of purchase.

At 13 June 2024, ROVI had executed the whole of the Buy-Back Programme, having acquired a total of 2,233,466 shares during the term of the programme for a sum of 129,999 thousand euros. The Buy-Back Programme was executed as follows:

- In 2024, ROVI executed 37.62% of the Buy-Back Programme, acquiring 685,074 shares for an amount of 48,912 thousand euros.

- In 2023, ROVI executed approximately 62.38% of the Buy-Back Programme, acquiring a total of 1,548,392 shares and paying 81,087 thousand euros.

On 30 June, the Board authorised the Company to use 546,929 shares from the liquidity programme with an acquisition price of 22,464 thousand euros within the framework of the capital reduction charged to treasury shares planned for September.

Said capital reduction (Note 14) was recorded in the Companies Register on 12 September 2024 for an amount of 167 thousand euros through the cancellation of 2,780,395 treasury shares. On the same date, the shares were delisted from the Stock Exchange Interconnection System and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The weighted average cost of the cancelled treasury shares was 152,463 thousand euros and the difference was taken to "Retained earnings" and "Voluntary reserves" (Note 15.b) for an amount of 152,296 thousand euros.

9. Headcount

The average number of employees during 2024 has been 693 (686 in 2023).

10. Outlook for ROVI Group for 2025

For 2025, ROVI expects its operating revenue to decrease by a mid-single-digit percentage (between 0% and 10%) in comparison with 2024. Notwithstanding, this guidance is calculated using certain factors that could be relevant to the estimates and that are difficult to specify at the present time. They include, among others, the following:

- First, as of today's date, the Company is unable to forecast how the demand and production might evolve for the vaccination campaigns that will take place in 2025.

- Second, it is hoped that the expansion of the compounding, aseptic filling, inspection, labelling and packaging capacities at the ROVI facilities in Madrid and the current high market demand for contract manufacturing services (CDMO) will favour obtaining new business, with the resulting sales impact. This would have to be considered but is impossible to estimate at this time.

11. Risk management

11.1 Operating risk

11.1 Operating risk

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

- Concentration of operations in specific customers.
- Risk of cyberattacks.
- Incidents related to the quality of the products sold by ROVI and incidents in the clinical trials of medicines, side effects of the products sold by ROVI or incorrect management of the notifications in this respect.
- Failure to conclude successfully – or as expected – the Research & Development projects that ROVI is conducting.
- Impact of the current geopolitical, socio-political and macroeconomic threats.
- Changes in the prescription criteria or market regulations intended to contain pharmaceutical spending.
- Difficulty in attracting, motivating or retaining personnel.
- Changes in the supply conditions of the necessary manufacturing materials or the products that ROVI markets.
- Failure to comply with the regulations applicable to the industry and/or ROVI's activities.
- Risk derived from adapting to climate change requirements and regulations.
- Tax risk inherent to the activity of companies of the Group's size and complexity.

ROVI monitors and remains permanently alert to any risks that may adversely affect its business activities, applying the appropriate policies and measures to manage them and constantly developing contingency plans that can reduce or offset their impact. Among these, special attention should be drawn to the fact that the Group (i) continues to improve its processes and controls, including those related to the manufacturing processes and those arising from internationalisation; (ii) is working intensively to maintain broad and diversified portfolios of both products and customers; (iii) continues to pursue its goal of constantly opening up new markets as a result of its international expansion project; (iv) is intensifying its efforts to mitigate the risk of cyberattack by raising awareness among its employees and conducting cybersecurity reviews; (v) is continuing with the diversification of its suppliers of raw materials and other packaging materials necessary to manufacture its products; (vi) continues striving to improve its personnel policies; (vii) has started to quantify the risk derived from climate change; and (viii) continues to monitor regulatory compliance, including compliance with the regulations applicable in the different geographical areas where it operates.

11.2 Finance risk

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.

b. Price risk: the Group is exposed to price risk for equity securities because of investments held by the Group and classified as equity securities 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 on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as equity securities and trade receivables.

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 periodically monitors the liquidity estimates of the Company in accordance with the expected cash flows. ROVI maintains sufficient cash and marketable securities to meet its liquidity requirements. In 2017, ROVI signed a financing agreement with the European Investment Bank, which it could draw down over the two years following signature of the agreement for a total amount of 45 million euros. As of 31 December, 2019, ROVI had drawn the full amount of this loan.

Additionally, in July 2022, the BEI granted ROVI a credit for a total amount of 50 million euros to finance R&D&I activities related to new developments of the prolonged drug release technology ISM®. The credit will be available to ROVI for a term of 24 months as of signature of the contract and the loan will mature 10 years after the drawdown date. The loan provides for a three year grace period and financial conditions (i.e. the applicable interest rates, repayment periods, etc.) favourable to ROVI. The Group had not drawn any of this loan at 31 December, 2023.

In 2024, the Group received a new loan of 10,000 euros from the European Investment Bank (EIB) at an interest rate of Euribor 3 months plus a spread of 0.65%, maturing at 10 years with a three-year grace period, and two further loans of 25,000 thousand euros each from BBVA and Banco Santander at fixed interest rates of 3.49% and 3%, respectively, maturing at 5 years with no grace period.

Finally, at 31 December 2024, ROVI held three credit lines: the first signed in September 2023 for 20,000 thousand euros, the second signed in March 2024 for 20,000 thousand euros, both at a rate of Euribor 3 months + 0.50%, while the third line was signed in June 2024 for the same amount of 20,000 thousand euros at a rate of Euribor 3 months + 0.65%. In March 2024, the Group drew 9,000 thousand euros on one of these credit lines, repaying it in April. At 31 December 2024, an amount of 186 thousand euros had been drawn.

12. 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.

Additionally, in 2018, a capital increase was carried out through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares that were already in issue.

LABORATORIOS FARMACÉUTICOS ROVI, S.A.

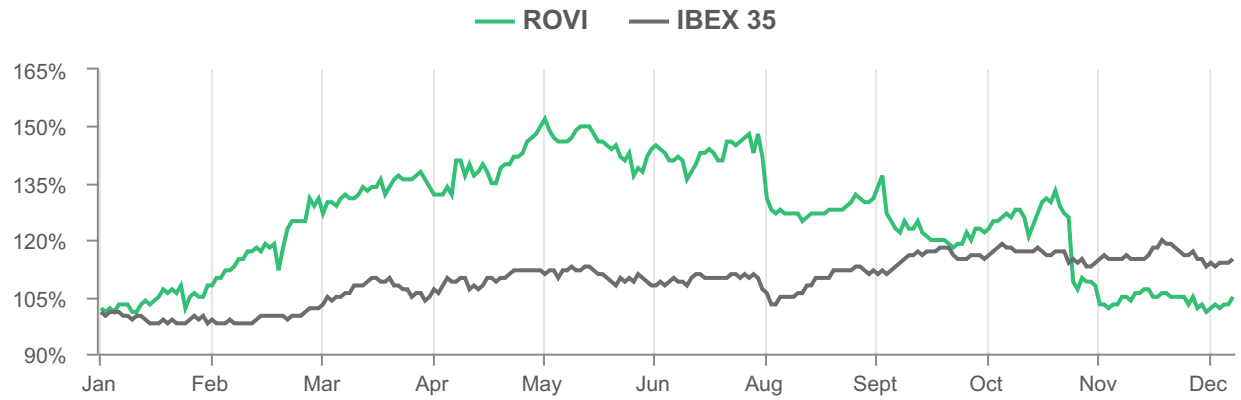
2024 Management report

In July 2022, Laboratorios Farmacéuticos Rovi, S.A. reduced its capital by cancelling treasury shares (Note 16) as planned in the Buy-back Programmes approved by the Company in 2021 and 2022. The total amount of the capital reduction was 123,168.48 euros (2,052,808 shares with a par value of 0.06 euros each).The following graph shows the fluctuations of the share price in the stock market in 2022.

In September 2024, Laboratorios Farmacéuticos Rovi, S.A. has reduced its capital by cancelling treasury shares as planned in the Buy-back Program approved by the Company in 2023. The total amount of the capital reduction was 166,823.70 euros (2,780,395 shares with a par value of 0.06 euros each).

The following graph shows the fluctuations of the share price in the stock market in 2024:

The following chart shows the performance of the share price of RVI compared with the IBEX 35 index in 2024:



13. Average payment method

Details of payments for trading transactions performed during the reporting period and outstanding at the reporting date in relation to the maximum legal periods provided for in Law 15/2010, amended by Law 11/2013 and Law 18/2022, are as follows:

	2024	2023
	Días	Días
Average payment period to suppliers	132	67
Ratio of transactions paid	155	56
Ratio of transactions outstanding	75	92

	2024	2023
Total payments made (thousand euros)	513,646	444,079
Total payments outstanding (thousand euros)	202,310	188,871

	2024	2023
Amount of invoices paid in less than 60 days (thousand euros)	217,744	218,159
No. of invoices paid in less than 60 days	15,871	13,197
% No. of invoices paid in less than 60 days/Total No. of invoices paid	42%	49%
% amount of invoices paid in less than 60 days/Total amount of invoices paid	72%	69%

The Company sets out below the same information excluding the effect of transactions with Group companies:

	2024	2023
	Days	Days
Average payment period to suppliers	42	49
Ratio of transactions paid	43	51
Ratio of transactions outstanding	26	33

	2024	2023
Total payments made (thousand euros)	238,442	300,162
Total payments outstanding (thousand euros)	26,919	26,019

	2024	2023
Amount of invoices paid in less than 60 days (thousand euros)	224,791	221,283
No. of invoices paid in less than 60 days	14,748	13,481
% No. of invoices paid in less than 60 days/Total No. of invoices paid	94%	74%
% amount of invoices paid in less than 60 days/Total amount of invoices paid	91%	73%

14. Research and development

Total research and development expenses incurred in 2024 were 24,278 thousand euros (23,521 thousand euros in 2023), focused mainly on the Glycomics and ISM® platforms. The latter of these is a proprietary drug-release system belonging to ROVI, the objective of which is to improve patient treatment adherence. Of the total research and development expenses incurred in 2024, 10,045 thousand euros was recognised under the "Employee benefit expenses" caption (8,665 thousand euros at 31 December 2023) and 14,233 under "Other operating expenses (14,856 thousand euros 2023).

15. Corporate government annual report

The Annual Corporate Governance Report prepared by Laboratorios Farmacéuticos Rovi, S.A. for the year 2023 is an integral part of this Management Report, although it is presented as a separate document.

The document will be available on 25 February 2025 en https://www.cnmv.es/portal/consultas/ee/informaciongobcorp.aspx?nif=A-28041283&lang=es

16. Annual Report on director´s remuneration

The Annual Report on Directors' Remunerations prepared by Laboratorios Farmacéuticos Rovi, S.A. for the year 2023 is an integral part of this Management Report, although it is presented as a separate document.

The document will be available on 25 February 2025 en https://www.cnmv.es/portal/consultas/ee/informaciongobcorp.aspx?TipoInforme=6&nif=A-28041283

17. Events after reporting date

No significant events have taken place since the 2024 reporting date.

18. Non-Financial Information Statement and Sustainability Reporting

The Statement of Non-financial information and sustainability information, of which the Company is the parent company, the ROVI Group, which includes all the information requirements of the Statement of Non-Financial Information, in compliance with the reporting duties set forth in Law 11/2018, of 28 December, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Act 22/2015, of 20 July, on the Auditing of Accounts, in relation to non-financial information and diversity, is an integral part of the consolidated management report of Laboratorios Farmacéuticos Rovi, S. A. and subsidiaries at 31 December 2024.

The Individual Annual Accounts of Laboratorios Farmacéuticos Rovi, S.A. ("**Rovi**" or the "**Company**") (which comprise the balance sheet, the income statement, the statement of changes in shareholders' equity, the statement of cash flows and notes), as well as the individual management report of the Company (which comprises the Annual Corporate Governance Report and the Annual Directors' Remuneration Report) for the fiscal year ended on 31 December 2024 and which precede this document, have been issued by the Board of Directors at its meeting of 24 February 2025 following the formatting requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (European Single Electronic Format - ESEF) and in Commission Delegated Regulation (EU) 2022/352 of 29 November 2021, as amended, whose members sign below in accordance with Article 253 of the Royal Legislative Decree 1/2010, of 2 July, approving the restated text of the Spanish Companies Law (*Ley de Sociedades de Capital*), and Article 37 of the Spanish Commercial Code:

Madrid, 24 February 2025

Mr. Juan López-Belmonte Encina
Chairman and Chief Executive Officer (Consejero Delegado)

Mr. Javier López-Belmonte Encina
1st Vice Chairman

Mr. Iván López-Belmonte Encina
2nd Vice Chairman

Mr. Marcos Peña Pinto
Lead Independent Director

Ms. Fátima Báñez García
Director

Ms. Marina del Corral Téllez
Director

Ms. María Teresa Corzo Santamaría
Director

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

The members of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. ("**Rovi**" or the "**Company**"), at its meeting held on 24 February 2025, and in accordance with Article 8.1.b) of Royal Decree 1362/2007 of 19 October, state that, to the best of their knowledge, the Individual Annual Accounts, as well as the Consolidated Annual Accounts of the Company and its subsidiaries, for the fiscal year ended on 31 December 2024, issued by the Board of Directors at the abovementioned meeting of 24 February 2025, and prepared in accordance with applicable accounting standards, present a fair view of the equity, financial condition and results of operations of the Company and its subsidiaries included within the scope of consolidation, taken as a whole, and that the management reports supplementing the individual and consolidated annual accounts (the latter including the corresponding Non-Financial Information Statement and Sustainability Reporting) contain a fair assessment of the corporate performance and results and of the position of Rovi and of the subsidiaries included within its scope of consolidation, taken as a whole, as well as a description of the main risks and uncertainties they face.

Madrid, 24 February 2025

Mr. Juan López-Belmonte Encina
Chairman and Chief Executive Officer (Consejero Delegado)

Mr. Javier López-Belmonte Encina
1st Vice Chairman

Mr. Iván López-Belmonte Encina
2nd Vice Chairman

Mr. Marcos Peña Pinto
Lead Independent Director

Ms. Fátima Báñez García
Director

Ms. Marina del Corral Téllez
Director

Ms. María Teresa Corzo Santamaría
Director

Auditor's Report on Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries for the year ended 31 December 2024)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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

REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

Opinion

We have audited the consolidated annual accounts of Laboratorios Farmacéuticos Rovi, S.A. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated balance sheet at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from services rendered to third parties (Euros 336,221 thousand) See notes 2.21.b, 4.2, 20.b and 22.b to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
The Group provides, inter alia, manufacturing and packaging services to third parties. In certain cases, the Group undertakes to reserve production capacity at its plants in exchange for financial consideration and, in addition, prior to the provision of this manufacturing service, and in accordance with certain defined milestones, the Group carries out adjustment, overhaul and validation work on its facilities and machinery assumed by the customer. The provision of these different types of services requires the application of judgement, among other aspects, to determine the performance obligation, the allocation of the price and the time at which the obligation is satisfied and revenue is recognised. Due to the high level of judgement applied in identifying the different types of performance obligations, allocating transaction prices and making the estimates used in applying the percentage of completion for contracts that are recognised over time, and taking into account the significance of the revenue recognised in the income statement and the contractual liabilities still to be recognised in the income statement at year end, this has been considered a key audit matter.	Our audit procedures included the following: - We evaluated the design and implementation of the key controls associated with the processes of recognising manufacturing and packaging services revenue, revenue using the percentage of completion method, and revenue from production capacity reservations. - We obtained and analysed the framework agreements for the provision of services and assessed the appropriate identification of distinct performance obligations, the allocation of the transaction price to each of them and the reasonableness of the revenue recognition criteria applicable to each of the obligations identified. - We obtained and evaluated contracts for the reservation of production capacity at the facilities in exchange for financial consideration and analysed the appropriate recognition thereof as revenue based on the terms of the contracts and, where necessary, the recognition of contractual liabilities that defer revenue recognition until milestones are met.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Recognition of revenue from services rendered to third parties (Euros 336,221 thousand) See notes 2.21.b, 4.2, 20.b and 22.b to the consolidated annual accounts	
Key audit matter	*How the matter was addressed in our audit*
	- Where revenue for the provision of services is recognised over time, we have checked that the percentage of completion method applied is appropriate in accordance with applicable accounting standards. To this end, we selected a sample of all contracts in force, partially based on quantitative and qualitative criteria, partially randomly selected to assess the reasonableness of the estimates of the percentage of completion and applied in revenue recognition, checking the costs incurred against supporting documentation and assessing the reasonableness of any judgements made by the Group. - With regard to manufacturing and packaging revenue, we performed a test using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of service transactions during the year, individually matching the revenue to the orders and delivery notes. In addition, using statistical sampling techniques, we selected a sample of transactions and evaluated their existence and accuracy by means of a bank statement. - We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Recognition of revenue from the sale of goods (Euros 427,163 thousand) See notes 2.21.a, 4.2 and 22.a to the consolidated annual accounts.	
Key audit matter	*How the matter was addressed in our audit*
The Group's sales of goods are from sales of pharmaceutical products, contrast agents and other hospital products, where control is transferred to the customer and performance obligations are met when the goods are made available to customers or upon delivery to the end customer. Due to the significance of the amount of sales revenue, the possibility of revenue being recognised in an incorrect period and the inherent risk of material misstatement, this has been considered a key audit matter.	Our audit procedures included the following: - We obtained an understanding of the process of recognising revenue from the sale of goods and assessed the design and implementation of key controls related to the recognition of revenue from the sale of goods either shortly before or shortly after the reporting date. - We performed a test using computer-assisted audit techniques enabling us to assess the existence and accuracy of a large volume of sales transactions during the year, individually matching the revenue to the orders and delivery notes. - We performed tests of detail on the revenues recognised for a selection of transactions either shortly before or shortly after the reporting date and a checking whether the transactions were recognised in the appropriate period. - We obtained external confirmation for a sample of outstanding invoices, performing alternative procedures, where applicable, based on delivery notes or evidence of subsequent collection. - We also assessed whether the disclosures included in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Information: Consolidated Directors' Report

Other information solely comprises the 2024 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors' report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement and certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as specified in the Spanish Audit Law, have been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors' report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

Directors' and Audit Committee's Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent's audit committee is responsible for overseeing the preparation and presentation of the consolidated annual accounts.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts_

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

– Plan and execute the audit of the Group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with the ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, safeguarding measures adopted to eliminate or reduce the threat.

From the matters communicated to the audit committee of the Parent, we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format

We have examined the digital files of Laboratorios Farmacéuticos Rovi, S.A. and its subsidiaries for 2024 in European Single Electronic Format (ESEF), which comprise the XHTML file that includes the consolidated annual accounts for the aforementioned year and the XBRL files tagged by the Company, which will form part of the annual financial report.

The Directors of Laboratorios Farmacéuticos Rovi, S.A. are responsible for the presentation of the 2024 annual financial report in accordance with the format and mark-up requirements stipulated in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the "ESEF Regulation"). In this regard, they have incorporated the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration by means of a reference thereto in the consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the Directors of the Parent, in accordance with prevailing legislation regulating the audit of accounts in Spain. This legislation requires that we plan and perform our audit procedures to determine whether the content of the consolidated annual accounts included in the aforementioned digital files fully corresponds to the consolidated annual accounts we have audited, and whether the consolidated annual accounts and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

In our opinion, the digital files examined fully correspond to the audited consolidated annual accounts, and these are presented and marked up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Additional Report to the Audit Committee of the Parent

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 24 February 2025.

Contract Period

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 24 June 2024 for a period of one year, from the year ended 31 December 2024.

Previously, we had been appointed for a period of one year, by consensus of the shareholders at their general meeting, and have been auditing the annual accounts since the year ended 31 December 2017.

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

(Signed on original in Spanish)

Begoña Pradera Goiri

On the Spanish Official Register of Auditors ("ROAC") with No. 22,614

24 February 2025

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSDIARIES

Consolidated Annual Accounts and
Consolidated Management Report
at 31 December 2024

CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Thousand euros)

	Note	31 December	
		2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	286,622	253,652
Intangible assets	**7**	33,950	33,902
Investments in joint ventures and associates	**10**	19,516	567
Deferred tax assets	**19**	2,263	2,343
Equity securities	**9 & 11**	—	24
Financial receivables	**9 & 13**	65	65
		342,416	**290,553**
Current assets			
Inventories	**12**	329,954	337,968
Trade and other receivables	**9 & 13**	129,471	143,314
Current income tax assets	**28**	81	—
Prepaid expenses		2,687	2,727
Financial assets at amortised cost		227	—
Cash and cash equivalents	**9 & 14**	27,186	25,322
		489,606	**509,331**
Total assets		**832,022**	**799,884**

Notes 1 to 36 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Thousand euros)

	Note	31 December	
		2024	2023
EQUITY			
Equity attributed to parent company		**572,028**	**539,387**
Share capital	15	3,074	3,241
Share premium	15	87,636	87,636
Legal reserve	16	673	673
Treasury shares	16	(5,545)	(107,676)
Retained earnings and voluntary reserves	16	349,332	385,199
Profit for the year	16	136,881	170,335
Accumulated other comprehensive income	16	(23)	(21)
Non-controlling interests	16	**9,512**	**4,107**
Total equity		**581,540**	**543,494**
LIABILITIES			
Non-current liabilities			
Financial debt	18	90,719	52,242
Deferred tax liabilities	19	366	1,515
Contract liabilities	20	1,819	1,431
Deferred income	21	927	1,359
		93,831	**56,547**
Current liabilities			
Financial debt	18	23,691	13,185
Trade and other payables	17	125,328	141,895
Current tax liabilities	27	2,384	5,255
Contact liabilities	20	4,803	39,044
Deferred income	21	445	464
		156,651	**199,843**
Total liabilities		**250,482**	**256,390**
Total equity and liabilities		**832,022**	**799,884**

Notes 1 to 36 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED INCOME STATEMENT
(Thousand euros)

		31 December	
	Note	**2,024**	**2,023**
Revenue	**5 & 22**	763,749	829,509
Change in inventories of finished products and work in progress	**23**	57,851	18,552
Raw materials and consumables used	**23**	(343,902)	(359,641)
Work carried out by the Group on non-current assets	**6**	648	3,865
Employee benefit expenses	**24**	(135,659)	(122,807)
Other operating expenses	**25**	(135,967)	(125,674)
Amortisation and depreciation	**6 & 7**	(28,015)	(24,331)
Recognition of government grants on non-financial, non-current assets and other		840	781
OPERATING PROFIT		**179,545**	**220,254**
Finance income		259	1,504
Finance costs		(2,350)	(948)
Impairment and gain or loss on measurement of financial instruments		81	(191)
Exchange differences		296	(86)
FINANCE COSTS - NET	**27**	**(1,714)**	**279**
Share of profit in joint ventures and associates	**10**	**(141)**	**(125)**
PROFIT BEFORE TAX		**177,690**	**220,408**
Income tax	**28**	(40,814)	(50,109)
PROFIT FOR THE YEAR		**136,876**	**170,299**
Attributable to			
– Parent company		136,881	170,335
– Non-controlling interests		(5)	(36)
Earnings per share (basic and diluted) attributed to the shareholders of the Company			
– Basic and diluted	**29**	2.67	3.20

Notes 1 to 36 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Thousand euros)

	Note	31 December	
		2024	2023
Profit for the year		**136,876**	**170,299**
Items that may subsequently be reclassified to profit and loss		**(2)**	**(13)**
Exchange differences	**11**	—	7
Changes in value of equity securities		(2)	(18)
Tax effect		—	(2)
Other comprehensive income (net of taxes)		**(2)**	**(13)**
Total comprehensive income for the year		**136,874**	**170,286**
Attributable to:			
– Owners of parent company		136,879	170,322
– Non-controlling interests		(5)	(36)

Notes 1 to 36 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Thousand euros)

	Share capital (Note 15)	Share premium (Note 15)	Legal reserve (Note 16)	Treasury shares (Note 16)	Retained earnings and voluntary reserve (Note 16)	Profit for the year (Note 16)	Accumulated other comprehensive income (Note 16)	Non-controlling interests (Note 16	TOTAL EQUITY
Balance at 31 December 2022	**3,241**	**87,636**	**673**	**(27,561)**	**256,362**	**199,669**	**(8)**	**1,367**	**521,379**
Total comprehensive profit for the year	—	—	—	—	—	170,335	(13)	(36)	**170,286**
Transfer of 2022 profit	—	—	—	—	130,620	(130,620)	—	—	**—**
Dividends 2022 (Note 16.c)	—	—	—	—	—	(69,049)	—	—	**(69,049)**
Acquisition of treasury shares (Note 16.d)	—	—	—	(133,900)	—	—	—	—	**(133,900)**
Reissue of treasury shares (Note 16.d)	—	—	—	53,785	(1,146)	—	—	—	**52,639**
Non-controllling interests	—	—	—	—	—	—	—	2,776	**2,776**
Other movements (Note 16.c)	—	—	—	—	(637)	—	—	—	**(637)**
Balance at 31 December 2023	**3,241**	**87,636**	**673**	**(107,676)**	**385,199**	**170,335**	**(21)**	**4,107**	**543,494**
Total comprehensive profit for the year	—	—	—	—	—	136,881	(2)	(5)	**136,874**
Transfer of 2023 profit	—	—	—	—	113,884	(113,884)	—	—	**—**
Dividends 2023 (Note 16.c)	—	—	—	—	—	(56,451)	—	—	**(56,451)**
Acquisition of treasury shares (Note 16.d)	—	—	—	(89,708)	—	—	—	—	**(89,708)**
Reissue of treasury shares (Note 16.d)	—	—	—	39,376	2,545	—	—	—	**41,921**
Capital reduction (Note 15)	(167)	—	—	152,463	(152,296)	—	—	—	**—**
Non-controlling interests	—	—	—	—	—	—	—	5,410	**5,410**
Balance at 31 December 2023	**3,074**	**87,636**	**673**	**(5,545)**	**349,332**	**136,881**	**(23)**	**9,512**	**581,540**

Notes 1 to 36 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CASH FLOWS
(Thousand euros)

	Note	31 December	
		2024	2023
Cash flows from operating activities			
Profit before income tax		177,690	220,408
Adjustments for non-monetary transactions:			
Amortisation and depreciation	**6 & 7**	28,015	24,331
Finance income	**27**	(259)	(1,504)
Valuation allowance	**12 & 13**	(4,117)	3,232
Adjustments for changes in value of derivatives		—	(28)
Gain or loss on derecognitions of financial assets and liabilities		(81)	219
Exchange differences	**27**	(296)	86
Finance expenses	**27**	2,350	948
Grants, distribution licences and other deferred income		(1,206)	(1,119)
Share of profits in joint ventures	**10**	141	125
Loss on sale or other disposal of property, plant & equipment and intangible assets		4,394	—
Changes in working capital:			
Trade and other receivables		13,410	19,471
Inventories		11,871	(29,294)
Other current assets (prepaid expenses)		40	(702)
Trade and other payables		(16,361)	(23,923)
Other collections and payments:			
Cash flow from contract manufacturing services	**20**	(33,876)	(58,402)
Proceeds from distribution licences	**20**	793	255
Cash flow from taxes		(44,230)	(40,856)
Net cash generated (used) in operating activities		**138,278**	**113,247**
Cash flows from investing activities			
Purchases of intangible assets	**7**	(3,100)	(1,393)
Purchases of property plant and equipment	**6**	(59,119)	(53,794)
Proceeds from sale of property, plant and equipment	**6**	37	382
Proceeds from sale of financial investments		80	88
Interest received		134	1,489
Investments in associates and joint ventures	**10 c)**	(19,090)	(600)
Proceeds from sale of interests in associates and joint ventures		—	1,800
Net cash flows generated (used) in investing activities		**(81,058)**	**(52,028)**
Cash flows from financing activities			
Repayments of financial debt		(51,711)	(13,654)
Proceeds from financial debt	**18**	96,952	734
Interest paid		(1,769)	(388)
Purchase of treasury shares	**16 d)**	(89,708)	(133,900)
Reissue of treasury shares	**16 d)**	41,921	52,639
Dividends paid	**16 c)**	(56,451)	(69,049)
Capital contributions to subsidiaries		5,410	2,776
Net cash flows generated (used) in financing activities		**(55,356)**	**(160,842)**
Net (decrease)/increase in cash and cash equivalents		**1,864**	**(99,623)**
Cash and cash equivalents at beginning of year	**9 & 14**	**25,322**	**124,945**
Cash and cash equivalents at end of year	**9 & 14**	**27,186**	**25,322**

Notes 1 to 36 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

1. General information

Laboratorios Farmacéuticos Rovi, S.A. (the “parent company" or "the Company") was incorporated as a public limited company (“sociedad anónima”) in Madrid on 21 December 1946. It is entered in the Companies Register of Madrid, sheet 1,179, folio 197 of volume 713 of Companies Book 283. Its registered office and the tax address are at Julián Camarillo, 35, Madrid (Spain).

The Company’s principal activity is the sale of its own 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, as well as providing manufacturing services to third parties.

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a pharmaceutical business group (hereinafter, “ROVI” or “Rovi Group” or “Group”) engaged in the production and sale of pharmaceutical products, some of which were developed in-house. Low-molecular-weight heparins, which are marketed in various countries, are the Group’s main products.

The Company’s shares are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and included in the Spanish Stock Exchange Interconnection System (IBEX35).

As of 31 December 2024, the company Norbel Inversiones, S.L. held 58.19% of the shares of Laboratorios Farmacéuticos Rovi, S.A. (Note 15). As of 31 December 2023, the company Norbel Inversiones, S.L. held 55.19% of the shares of Laboratorios Farmacéuticos Rovi, S.A. Norbel Inversiones, S.L., with registered office at Calle Julián Camarillo, 35, Madrid, files consolidated annual accounts with the Madrid Companies Registry.

These consolidated annual accounts were approved by the Board of Directors on 24 February 2025 and are pending approval by the General Meeting of Shareholders. Nevertheless the directors of the Company expect the consolidated annual accounts to be approved without any changes

Changes in the consolidated group

The main changes in 2024 has been:

- On 13 March 2024, the company Terafront Farmatech, S.L., with registered address at Calle Julián Camarillo, 35 Madrid (Spain), joined the consolidated group. This company is 25.5% held by Laboratorios Farmacéuticos Rovi, S.A. and is consolidated using the equity method.

The main changes in 2023 were:

- On 24 July, the company Cells IA Technologies, S.L., with registered address at Calle José Ortega y Gasset 25 bajo, Madrid (Spain), was included in the consolidated group. This company is 26% held by Gineladius, S.L.U. and is consolidated using the equity method.

- On 6 November, the company Enervit Nutrition, S.L. was sold. This company had been 50% held by Laboratorios Farmacéuticos Rovi, S.A. and consolidated by the equity method. The transaction had a negative effect of 301 thousand euros on profit and loss.

2. Summary of key accounting policies

The principal accounting policies applied in the preparation of these consolidated annual accounts are set out below. These policies have been consistently applied to all the reporting periods presented in these consolidated annual accounts.

2.1 Bases of presentation

These consolidated annual accounts for 2024 (and those for 2023 presented for comparative purposes) have been prepared under the International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union pursuant to the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and, likewise, in accordance with the format and markup requirements of Delegated Regulation EU 2019/815 of the European Commission and Delegated Regulation EU 2022/352 of the European Commission, according to which all companies governed by the Law of a Member State of the European Union whose shares are listed on a regulated market of any of the Member States must present their consolidated annual accounts for the reporting periods starting on or after 1 January 2005 in accordance with the IFRS endorsed by the European Union.

The consolidated annual accounts have been prepared, in general, under the historical cost convention, except for financial derivatives.

The preparation of consolidated annual accounts in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated annual accounts are disclosed in Note 4.

2.2 New standards and amendments and interpretations of existing ones

a) Standards, amendments and interpretation mandatory for all annual periods starting on or after 1 January 2024

In 2024, the following standards and amendments to existing standards were endorsed by the European Union and came into force on 1 January 2024, They have either been applied by ROVI or may affect the Group in the future.

- IAS 1 (Amendment) "Presentation of Financial Statements", the objective of which is to clarify the classification of current and non-current liabilities. Specifically, it focuses on liabilities from loan arrangements subject to covenants and regulates how they should be broken down in the financial statements.

- IFRS 16 (Amendment) "Leases". The objective of this amendment is to specify how a seller-lessee should subsequently measure revenue from contracts with customers in transactions that meet the requirements of IFRS 15 to be accounted for as a sale.

- IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures". The amendment of these two standards states that information about reverse factoring (confirming) agreements that enables users of financial statements to assess the effects of such agreements on the liabilities, cash flows and the Group's exposure to liquidity risk must be disclosed.

The entry into force of the rules mentioned above has not had a significant impact on ROVI.

b) Standards, amendments and interpretations that have not yet come into force but have been endorsed by the European Union

At the date of signature of these consolidated annual accounts, the International Accounting Standards Board (IASB) and the International Financial Standards Interpretations Committee (IFRIC) had published the standards, amendments and interpretations described below, application of which is mandatory from 2025 onwards. ROVI considers the following could be applicable to the Group, although they have not been adopted early:

- IAS 21 "The Effects of Changes in Foreign Exchange Rates". With this amendment, the IASB seeks to provide greater clarity when there is a long-term lack of exchangeability between two currencies. The IASB proposes that this rule should come into effect on 1 January 2025. No significant impacts on ROVI are expected.

c) Standards, amendments and interpretations of existing standards that have not yet been endorsed by the European Union

At the date of signature of these consolidated annual accounts, the International Accounting Standards Board (IASB) and the International Financial Standards Interpretations Committee (IFRIC) had published the standards, amendments and interpretations described below which have not yet been endorsed by the European Union. ROVI considers that the following could be applicable to the Group:

- IFRS 18 "Presentation and Disclosure in Financial Statements". The standard is intended to enhance the way in which entities present their financial statements. The standard introduces new categories and subtotals in the income statement that will make the information more comparable, it will include new requirements for the aggregation and disaggregation of relevant information to ensure there is no concealment and it will introduce consistent performance measures. The date of entry into force of this standard proposed by the IASB is 1 January 2027. ROVI will analyse the potential effects of the standard.

- IFRS 19 "Subsidiaries without Public Accountability: Disclosures". This new standards imposes reduced requirements when preparing the financial statements of subsidiaries without public accountability. The date of entry into force of this standard proposed by the IASB is 1 January 2027. No significant effects on ROVI are expected.

- IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures". The amendments to these two standards focus on, first, a post-implementation review of the impairment requirements in IFRS 9, finding the results to be correct but seeing the need to open a new project in order to improve the credit risk disclosure requirements in IFRS 7 and, second, amending the two standards so that they can adapt to the characteristics of contracts to buy or sell renewable energy. The date of entry into force of this standard proposed by the IASB is 1 January 2026. No significant effects on ROVI are expected.

2.3 Consolidation principles

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group holds control. The Group controls an entity when it is exposed to or entitled to obtain variable yields from its involvement in the entity and is able to use its power over said entity to influence these yields. Subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

The Group uses the purchase method to account for business combinations. The consideration transferred for acquisition of a subsidiary corresponds to the fair value of the assets transferred, liabilities incurred with the previous owners of the acquiree and equity instruments issued by the Group. The consideration transferred includes the fair value of any asset or liability coming from a contingent consideration agreement. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are measured initially at their acquisition-date fair value. For each business combination, the Group may elect to recognise any non-controlling interest in the acquired entity at fair value or for the non-controlling entity's proportional part in the amounts recognised for the acquiree's identifiable net assets.

Acquisition-related costs are recognised as expenses in the period in which they are incurred.

If the business combination takes place in stages, the acquisition-date carrying amount of the acquirer's previously-held interest in the equity of the acquiree is remeasured at acquisition-date fair value. Any loss or gain arising from this remeasurement is recognised in profit and loss.

Any contingent consideration to be transferred by the Group is recognised at acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration that are considered an asset or liability are recognised in accordance with IFRS 9 in profit and loss. Contingent considerations classified as equity are not remeasured and their subsequent settlement is recognised in equity.

The financial statements of companies with a functional currency other than the euro are translated as follows:

- Asset and liabilities are translated at the exchange rate on the reporting date.

- Revenue and expenses are translated at the average exchange rate for the period if there have been no significant changes in the exchange rate during the period.

- Translation differences resulting from applying the above criteria are recognised as exchange differences in equity.

Inter-company transactions and balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated. When necessary, the amounts shown for subsidiaries have been adjusted to adapt them to Group accounting policies.

Appendix 1 to these Notes lists the particulars of the fully-consolidated subsidiaries. All subsidiaries and associates have the same annual period as the parent company.

b) Joint arrangement and associates

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11, joint arrangements are classified into either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and has determined them to be joint ventures. Joint ventures are accounted for using the equity method.

In addition, the Group classifies a company as an associate when it has significant influence, in accordance with IAS 28. Significant influence is determined by the percentage interest and other qualitative factors, such as representation on the board of directors or equivalent governing body, participation in the policy-making process, material transactions between the investor and the investee, interchange of managerial personnel or the provision of essential technical information. Associates are also accounted for using the equity method.

Under the equity method, interests in joint ventures are initially recognised at cost and are then adjusted to recognise the Group's share in post-acquisition profits and losses and movements in other comprehensive income. When the Group's share in the losses of a joint venture equals or exceeds its interests in joint ventures (including any long-term interest that, substantially, forms part of the Group's net investment in joint ventures), the Group does not recognise additional losses unless it has acquired obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence that the assets transferred have suffered an impairment loss. The accounting policies for joint ventures have been modified where necessary to ensure consistency with the policies adopted by the Group.

2.4 Segment reporting

Operating segment reporting is presented consistently with the internal information presented to the chief decision-making authority. The chief decision-making authority, which is responsible for allocating resources to the operating segments and assessing the performance of said segments, has been identified as the Management Committee, which makes the strategic decisions.

2.5 Foreign currency transactions

a) Functional and presentation currency

Items included in the annual accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated annual accounts are presented in euros, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates in force at the transaction dates or, if the items have been remeasured, the measurement dates.

Foreign currency losses and gains that result from the settlement of these transactions are recognised in profit and loss, except if deferred in the case of eligible cash flow hedges or eligible net investment hedges. Foreign currency losses and gains relating to loans and cash and cash equivalents are shown as "Finance costs – net". Other foreign currency losses and gains are shown as "Other net gains/(losses)".

Changes in the fair value of monetary securities denominated in foreign currency and classified as equity securities are analysed considering the translation differences resulting from changes in the amortised cost of the security and other changes in its carrying amount. Translation differences relating to variations in the amortised cost are recognised in profit and loss and the other changes in the carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit and loss, are recognised in profit and loss as part of the fair value gain or loss. Translation differences on non-monetary items measured at fair value, such as equity instruments classified as equity securities, are included in other comprehensive income.

2.6 Property, plant and equipment

Items included in property plant and equipment are recognised at cost less depreciation and, when appropriate, less accumulated impairment losses, except in the case of land, which is presented net of impairment losses, if these exist.

Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. Repair and maintenance expenses are charged to profit and loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to gradually reduce their acquisition costs to their residual values over their estimated useful lives:

Buildings - 40 years

Technical facilities and machinery – between 4 and 14 years

Other facilities, fittings and equipment and furniture – between 5 and 10 years

Other property, plant and equipment – between 4 and 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Property, plant and equipment in progress includes elements under adaptation, construction or assembly. Property, plant and equipment in progress is recognised at its acquisition cost and is not depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are measured by comparing proceeds with carrying amount and are recognised in profit and loss.

Rights of use

For leases that meet the requirements of IFRS 16, the Group recognises an asset for the right of use of the underlying asset, which it measures by taking the amount of the associated liability as a reference and adding the initial direct costs incurred.

These assets are depreciated on a straight-line basis over the estimated useful life of each one of them.

2.7 Intangible assets

a) Patents and industrial property. Trademarks and licences

Patents and industrial property and trademarks and licences bought from third parties are shown at historical cost. In general, they have a finite useful life and are carried at cost less accumulated amortisation. The amortisation of those with finite useful lives is calculated using the straight-line method to allocate the cost of these assets over their useful lives, which are estimated at between 10 and 15 years. Amortisable assets are tested for impairment whenever any event or change in circumstances indicates that their carrying amount may not be recoverable.

There are trademarks and licences with indefinite useful lives, which are tested for impairment annually. An impairment loss is recognised when the asset's carrying amount exceeds its recoverable value. The recoverable value is the higher of the asset's fair value less costs to sell and its value in use. In order to assess impairment losses, assets are grouped at the lowest level for which there are separately identifiable cash inflows that are largely independent (cash-generating units). Previous impairment losses on non-financial assets (other than goodwill) are reviewed at each reporting date to see whether they can be reversed.

Intangible assets in progress are shown at cost less impairment provision, if applicable.

b) Computer software

Computer software maintenance costs are recognised as expenses when incurred. Development expenses directly attributable to designing and testing computer programmes that are identifiable and unique and may be controlled by the Group are recognised as intangible assets when the following conditions are met:

- It is technically possible to complete the production of the intangible asset so that it can be available for use or sale;
- Management intends to complete the intangible asset to be used or sold;
- The Group has the capacity to use or sell the intangible asset;
- It is possible to show evidence of how the intangible asset will generate probable economic benefits in the future.
- There are proper technical, financial or other resources available to complete the development and to use or sell the intangible asset; and
- It is possible to measure reliably the expenditure attributable to the intangible asset during development.

Directly attributable costs that are capitalised as part of the computer software include the costs of the employees developing said programmes and an appropriate percentage of overheads.

Expenses that do not meet these criteria are recognised as expenses when incurred. Expenditure on an intangible asset initially recognised in profit and loss will not subsequently be recognised in intangible assets.

Computer software has a useful life of from 4 to 10 years.

c) Research and development expenses

Research expenditure is recognised as an expense when incurred. Costs incurred in development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following requirements are met:

- It is technically possible to complete the production of the intangible asset so that it can be available for use or sale;
- Management intends to complete the intangible asset to be used or sold;
- There is the capacity to sell or use the intangible asset;
- It is possible to show evidence of how the intangible asset will generate probable economic benefits in the future.
- There are proper technical, financial or other resources available to complete the development and to use or sell the intangible asset; and
- It is possible to measure reliably the expenditure attributable to the intangible asset during development.

The Group considers that, in the case of the development of pharmaceutical products, the aforementioned requirements are met when the drugs have been approved for marketing by the health authorities in the case of new products developed under patent, or, in the case of biosimilars or generics, when the application for marketing authorisation is filed.

The cost of assets generated internally by the Group is measured following the same principles as established for determining the production cost of inventories. Production costs are capitalised by crediting the costs attributable to the asset to accounts under the heading “Work performed by the Group on non-current assets” in the consolidated income statement (consolidated statement of comprehensive income).

These assets have a useful life of 20 years, consistent with the term of pharmaceutical product patents. ROVI expects to obtain a positive return on the development during said period.

2.8 Borrowing costs

General and specific interest costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are those that necessarily require a substantial time period before they are ready for their planned use or to be sold, are added, if applicable, to the cost of these assets until the time when said assets are substantially ready for their intended use or to be sold.

Finance income obtained from the temporary investment of specific loans while they are waiting to be used on the qualifying assets is deducted from capitalisable interest costs.

The rest of the interest costs are expensed in the annual period in which they are incurred.

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life and those that are not in a usable condition are not amortised and are tested annually for impairment.

Amortisable assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, including, among others:

- Observable indications of a decrease in market value.
- Evaluation of any events that may have had an adverse effect, be they external (e.g. inflation or changes in the legal environment) or internal (e.g. restructuring plans or when the asset is idle).
- Increases in the asset's market interest rates.
- Information on the obsolescence or physical deterioration of the asset.
- Evidence from internal reports indicating that the asset's performance will be worse than expected.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent (cash-generating units). Previous impairment losses on non-financial assets (other than goodwill) are reviewed at each reporting date to see whether they can be reversed.

2.10 Financial instruments

Financial instruments are classified upon initial recognition as financial assets or financial liabilities, in accordance with the economic nature of the contract and the definitions of financial asset and financial liability set out in IAS 32 "Financial Instruments: Presentation".

Financial instruments are recognised when the Group becomes an obliged party under a contract or legal transaction in accordance with the provisions thereof. The Group recognises financial instrument purchase or sale transactions through conventional contracts, defined as those in which the reciprocal obligations of the parties must be performed within a time frame established by regulations or market conventions and which cannot be offset against each other at the contract or settlement date, depending on the type of asset.

For measurement purposes, the Group classifies financial instruments in the categories of financial assets and liabilities carried at fair value through profit and loss. The Group designates a financial asset or liability as fair value through profit and loss upon initial recognition if, by so doing, it eliminates or significantly reduces an inconsistency in the measurement or recognition that would arise otherwise, i.e. if the assets or liabilities or the recognition of the gain or loss thereon were measured on different bases.

The Group holds forward contracts for the purchase or sale of foreign currency. Some of these insurance contracts are considered derivative financial instruments that meet the conditions to be considered hedging instruments. Hedges that cover foreign currency risk on the fair value of monetary financial assets and liabilities in foreign currency, including both changes in the market value of the financial instruments designated as hedges and changes in the market value of the hedged item caused by the hedged risk, are charged or credited to profit and loss, as appropriate.

Acquisition of own equity instruments

The Group classifies a financial instrument acquired as a financial liability, in full or in part, when its real economic nature represents a direct or indirect contract obligation for the Group to deliver cash or another financial asset or to exchange financial assets or liabilities with another entity under potentially unfavourable conditions.

Contracts that impose an obligation on the Group to acquire its own equity instruments, in cash or by delivering a financial asset, are recognised in reserves as a financial liability at the present value of the amount to be paid. Transaction costs are likewise recognised as a decrease in reserves.

2.11 Financial assets

a) Classification of financial assets

The Group classifies its financial assets in the following categories: financial assets at amortised cost and financial assets at fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities longer than 12 months after the end of the reporting period, which are classified as non-current assets. Financial assets at amortised cost are classified as “Trade and other receivables” and “Financial receivables”.

Deposits in financial institutions maturing at more than 90 days and less than 12 months are included in this category as current assets.

Trade receivables are measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Impairment of financial assets at amortised cost

Significant financial difficulties of the debtor, the probability that the debtor will become insolvent or require financial reorganisation and default or delinquency in payments are considered indicators that a trade receivable is impaired. Impairment of financial assets, including loans and receivables, is measured using the expected credit loss model.

The Group measures provisions for losses at a sum equivalent to the expected losses over the life of the asset.

Provisions for losses on financial assets measured at amortised cost are presented separately as a reduction in the gross carrying amount of the asset.

In relation to trade receivables, risk exposures in each group are segmented on the basis of the customer type (government or non-government) and the age of the debt:

- The balance receivable from public authority customers relates to receivables from government entities, regarding which, based on their nature and the information currently available, ROVI considers the credit risk to be low and, therefore, does not recognise any expected losses in relation thereto. The Group is entitled to claim late-payment interest originating from delay in collecting these balances from government entities.

- The balance with non-government entities includes mainly wholesalers, contract manufacturing customers, other pharmaceutical companies and private centres. The provision for impairment of balances with non-government customers is measured in accordance with the age of the debt.

Additionally, the provision for impairment includes all those customer balances for which there are indications of impairment, even if six months have not yet elapsed since their due date.

Impairment losses are recognised in the income statement as “Other operating expenses”. When a receivable becomes unrecoverable, it is written off against the amount of the impairment. Subsequent recovery of amounts previously written off is recognised as a credit item in “Other operating expenses”.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivatives that are either designated in this category or not classified in any of the other possible categories. They are included in non-current assets under the name of "Equity securities" unless Management intends to dispose of the investment within 12 months of the end of the reporting period or are measured at cost because it is not possible to estimate the fair value reliably.

Purchases and sales of investments are recognised on the trade date, i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets at fair value through other comprehensive income are subsequently carried at fair value through other comprehensive income. Investments are derecognised when the rights to receive cash flows from the investments have expired or been transferred and the Group has substantially transferred all risks and rewards of ownership.

Dividends from equity instruments classified as financial assets at fair value through other comprehensive income are recognised in profit and loss as "Finance costs-net" when the Group's right to receive payment is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value on the basis of an analysis of discounted cash flows.

b) Derecognition of financial assets

The Group applies the criteria for derecognising financial assets to part of a financial asset or to part of a group of similar financial assets or to a financial asset or to a group of similar financial assets.

Financial assets are derecognised in the accounts when the rights to receive cash flows related to them have expired or been transferred and the Group has substantially transferred the risks and rewards of ownership. Likewise, if the Group retains the contractual rights to receive the cash flows from the financial assets, these financial assets are derecognised only when contractual obligations that determine payment of said flows to one or more recipients have been assumed and the following requirements are met:

- Payment of the cash flows depends on their having been received previously;
- The Group cannot sell or pledge the financial asset; and
- The cash flows received on behalf of the final recipients are remitted without significant delay and the Group is not able to reinvest the cash flows. An exception is made for investments in cash or cash equivalents made by the Group during the settlement period, running from the date on which the cash flows are received and the remittance date agreed with the final recipients, provided that any interest accrued is attributed to the final recipients.

Derecognition of a financial asset in full implies the recognition of a gain or loss for the difference between its carrying amount and the total consideration received, net of transaction costs, including any assets acquired or liabilities assumed and any loss or gain deferred in other comprehensive income.

2.12 Inventories

Inventories are measured at the lower of acquisition price and net realisable value. The acquisition price includes the amount invoiced by the seller after deduction of any discount or price reduction, plus all the additional expenses incurred until the goods are in place for sale, e.g. transport costs, customs duties or insurance. The net realisable value is defined as the amount that may be obtained from selling the goods on the market after deduction of the estimated costs to sell.

The cost of finished goods and goods in progress includes raw materials, direct labour, other direct costs and general manufacturing costs (based on normal operating capacity). Since the Group's inventories do not require a time period of longer than a year to be in selling condition, no financial expenses are included in their cost.

The Group uses the weighted average cost method to determine the value of the inventories.

Finally, when the net realisable value of the inventories is lower than its acquisition price or production cost, the appropriate corrections to the value are made and recognised as an expense in profit and loss.

2.13 Cash and cash equivalents

This caption includes amounts held in cash, current bank accounts and deposits and temporary acquisitions of assets that meet all the following requirements: they can be converted into cash, their maturity does not exceed three months at the time of acquisition, they are not subject to a significant risk of change in value, and they form part of the Company's normal treasury management policy.

2.14 Share capital

The subscribed share capital is represented by ordinary shares.

Incremental costs directly attributable to the issue of new shares, face value reductions or the cancellation of existing shares are shown in equity as a deduction, net of tax, from the proceeds.

When any Group company purchases shares in the Company (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's shareholders until the shares are cancelled, reissued or resold. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect, is included in equity attributable to the Company's shareholders.

2.15 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants relating to reimbursable advances are recognised when these advances are granted to the Group.

Government grants relating to costs are deferred and recognised in profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit and loss on a straight-line basis over the expected lives of the related assets.

Reimbursable advances at zero interest rate or those with a subsidised interest rate are recognised at fair value at the time they are received, subsequently being recognised at amortised cost. The difference between the fair value and the face value is registered as "Recognition of government grants on non-financial assets and others" if the loans are financing incurred expenses or are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the useful life of the assets which have been funded with said loans.

2.16 Trade payables

Trade payables are payment obligations for goods or services acquired from suppliers in the ordinary course of business. The payables are classified as current liabilities if they mature at one year or less (or if they mature within a normal operating cycle, if longer). Otherwise, they are shown as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.17 Financial debt

Liabilities recognised as financial debt are broken down as follows:

a) Financial liabilities at amortised cost

Financial liabilities at amortised cost are recognised initially at fair value less transaction costs incurred. Subsequently, they are measured at amortised cost, any difference between the funds obtained (less the costs necessary to obtain them) and the repayment value is recognised in profit and loss over the period of the borrowings in accordance with the effective interest rate method.

Financial liabilities at amortised cost are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Commissions paid for obtaining a credit line are recognised as debt transaction costs, provided that it is likely that part or all of the line will be drawn down. In this case, the commissions are deferred until the line is drawn down. To the extent that it is unlikely that all or part of the credit line will be drawn down, the commission will be capitalised as an advance payment for liquidity services and amortised over the period for which the credit is available.

b) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss are recognised initially at fair value. Transaction costs directly attributable to purchase or issue are subsequently recognised as an expense when incurred. The initial value of a financial instrument is usually the transaction price, unless said price contains items other than the instrument, in which case the Group determines the fair value.

After initial recognition, they are recognised at fair value through profit and loss. Changes in the fair value include the interest component and dividends. The fair value is not reduced by any transaction costs that may be incurred if the instrument is sold or otherwise disposed of.

The Group classifies derivatives not designated as hedges as financial liabilities at fair value through profit and loss.

2.18 Current and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax expense is calculated on the basis of the laws enacted or substantively enacted at the end of the reporting period in the countries in which the Group operates and in which taxable income is generated. Management regularly assesses the positions adopted in the tax returns in relation to situations where the applicable tax regulations are subject to interpretation and, if necessary, sets up provisions in accordance with the amounts it is expected to pay to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual accounts. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset when, and only when, there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same entity or taxpayer or on different entities or taxpayers which intend to settle current tax assets and liabilities for their net amount.

2.19 Employee benefits

a) Pension plan obligations

The Group holds an individual defined-contribution plan exclusively on behalf of certain Group employees. A defined-contribution plan is a pension plan under which the Group pays fixed contributions into an external fund and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For the defined-contribution plans, the Group pays contributions into pension insurance plans managed publicly or privately on a mandatory, contract or voluntary basis. Once the contributions have been paid, the Group holds no further payment obligations. The contributions are recognised as employee benefits when accrued. Benefits paid in advance are recognised as an asset to the extent that cash is refunded or future payments are reduced.

b) Termination payments

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises these benefits on the earlier of the following dates: (a) when the Group can no longer withdraw the offer of said benefits; or (b) when the entity recognises restructuring costs within the scope of IAS 37 and this means termination benefits must be paid. When an offer is made in order to encourage voluntary redundancies on the part of the employees, the termination benefits are measured in accordance with the number of employees who are expected to accept the offer. The benefits that will not be paid within the twelve months following the end of the reporting period are discounted back to their present value.

c) Bonus obligations

The Group recognises a liability and an expense for bonuses based on the estimates of fulfilment of certain corporate targets established for employees.

2.20 Provisions

Provisions are defined as credit balances that cover current obligations arising from past events, settlement of which is likely to give rise to an outflow of resources but for which the amount and/or time of settlement have not been determined.

The statement of financial position shows all the provisions for which it is considered more likely than not that the obligation will have to be settled. If a contingent liability exists, it is not recognised in the accounts but is reported in the Notes.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision when updated is recognised as a finance cost as accrued.

Provisions maturing at one year or less that do not have a significant financial effect are not discounted.

When a portion of the payment necessary to settle the provision is expected to be reimbursed by a third party, the reimbursement is recognised as an independent asset provided it is almost certain to be received.

Provisions for restoration of the environment, restructuring costs and litigations are recognised when the Group has a legal or substantive current obligation as the result of past events, an outflow of resources is likely to be necessary to settle the obligation, and the amount can be estimated reliably. Restructuring provisions include penalties for lease cancellation and termination payments to employees. No provisions are recognised for future operating losses.

2.21 Revenue recognition

The Group recognises revenue for the amount of the transaction price corresponding to the considerations the Group expects to be entitled to receive for the transfer of goods or provision of services to a customer and other revenue obtained in the ordinary course of the Group's activities promised to a customer. These may be fixed or variable amounts or a combination of the two. Revenue is presented net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when it satisfies an obligation by transferring goods or services to the customer and the latter obtains control of said asset. At the beginning of the contract, the Group determines whether it will settle the obligations over a period of time or at a point in time, depending on the specific conditions for each one of the Group's activities, as described below.

In accordance with IFRS 15, the Group follows the five-step model to determine when and how much revenue should be recognised. The steps are as follows:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the price to the performance obligations in the contract.
- Determine the criterion for revenue recognition when a performance obligation is satisfied..

In this respect, for each performance obligation identified, the Group determines whether it will satisfy the obligation over time or at a point in time.

a) Sales of goods

The Group's "Sales of goods" are derived from the sale of pharmaceutical products, contrast agents and other hospital products, and other non-prescription pharmaceutical products, where control transfers to the customers and the performance obligations are satisfied when the goods are made available to other pharmaceutical companies or, for the remaining customers, at the time of delivery. Invoices are usually due in a maximum period of 60 days.

IFRS 15 states that that an entity that grants the right to return the product should recognise revenue for the amount of the consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer, as well as a refund liability and an asset for the right to recover the goods. ROVI recognises revenue net of the estimated returns at the date of sale, while also recognising a refund liability. The Group does not recognise an asset for the right to recover the goods because, in the light of its experience and the type of product sold, returned items can no longer form part of the Group's inventories.

The amount of revenue recognised is adjusted for expected returns, which are estimated considering the average returns rates of recent years.

Discounts granted to government customers are recorded as a deduction from revenue at the time the related revenues are recorded. Where appropriate, a liability is calculated on the basis of historical experience, which requires the use of judgement by the management.

Therefore, ROVI's revenue from sales of products is subject to variable consideration for rebates, refunds and returns. This variable consideration is only recognised if it is highly probable that there will be no significant reversal in the amount of the cumulative revenue recognised when the uncertainty associated with the variable consideration subsequently disappears.

b) Sales of services

The main services provided by the Group consist of manufacturing and packaging services for third parties (contract manufacturing). In this service, control is deemed to be transferred to the customer and the performance obligations are deemed to have been completed when the manufactured and packaged goods are made available to the customer. Invoices are usually payable between 30 and 120 days.

Occasionally, before providing the manufacturing service, ROVI, in accordance with certain defined milestones, carries out work to adapt, fit out and validate the facilities and machinery –which may be either its own or acquired or subcontracted from third parties– without which it would not be possible to provide the service under the conditions required by the customers. Therefore, if the final cost of this work is paid by the customer, ROVI recognises the revenue from each one of the services provided on the basis of the percentage of completion of the work performed, in accordance with the milestones defined for each one of them. If the percentage of completion includes a determined acquisition of assets, the margin is not recognised until they are finally installed.

ROVI has entered into commitments with certain customers to reserve production capacities at its plants in exchange for a financial consideration. The reservation of capacity is defined as a contract whereby ROVI receives advance payments from customers with whom a performance obligation exists, consisting of being ready to produce, over a period of time, certain production volumes. This production is reserved and is not carried out if the customer does not request it.

The capacity reservations are settled annually and therefore, do not entail any estimates.

The Group recognises the amounts collected as a liability, which is derecognised and recognised as revenue when the performance obligation is met in the following scenarios:

- If the customer has requested the whole of the reserved production, the Group will not recognise any revenue for the reservation of capacity and will refund the amounts received for this item.

- If the customer requests part of the reserved production, the amounts that must be refunded to the customer and those that the Group can recognise as revenue for the reservation of capacity will be evaluated in accordance with certain ranges defined in the contract.

- If the customer does not request any of the reserved production, the Group will recognise revenue for all the amounts received in relation to the reservation of capacity, since there will be no obligation to refund these payments.

The advance payments operate as a "minimum payment for the production service", i.e. even if the manufacturing volumes agreed by contract are not finally reached, the Group will have the right to at least the payments it has received.

c) Interest income

Interest income is recognised in accordance with the effective interest method.

d) Dividend income

Dividend income is recognised when the right to receive payment is established.

e) Other revenue: granting of exclusive distribution licences

Occasionally the Group grants licenses to other pharmaceutical companies to sell its products on an exclusive basis in a specific territory and also promises to manufacture the pharmaceutical product for the customer. For these agreements, the Group collects a single down-payment for the transfer of the license, which is either non-refundable or may be refunded to the customer under very strict terms if the product is finally not authorised for distribution in the agreed territory. In these contracts signed with third parties whereby ROVI grants the distribution licenses, the obligations arising from the granting of these licenses are always linked to the obligation to supply and manufacture the product, since no other entity can manufacture it. As the customer cannot benefit from the licence unless ROVI manufactures the product, the licence and the manufacturing service cannot be separated and, therefore, the Group recognises them as a single service obligation.

Additionally, in these types of contracts the Group has an enforceable right to payment for performance completed to date, as the entity would be entitled to an amount that at least compensated the Group for its performance completed to date in the event that the customer or another party were to terminate the contract for reasons other than the entity's failure to perform as promised. Consequently, the Group recognises the revenue over time and defers revenue from the granting of product distribution licenses over the number of units produced.

2.22 Leases

When a Group company is the lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight-line basis over the period of the lease.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated annual accounts in the period in which the dividends are approved by the Company's shareholders.

2.24 Contributions to the public health systems and other discounts

As the result of the 2005 General State Budget Act (Law 2/2004 of 27 December), Additional Provision 48, a health tax, levied by the Ministry of Health, came into force on 1 January 2005. This tax applies to individuals and legal entities in Spain engaging in the manufacture and importation of medicines that are officially prescribed in Spanish territory on official National Health System prescriptions. The amounts payable to the Ministry of Health and Consumer Affairs are calculated on a scale fixed by the aforementioned Additional Provision 48, subsequently amended by Additional Provision 6 of Law 29/2006 of 29 July on Guarantees and Rational Use of Drugs and Healthcare Products. The Group records the accrued health tax as a sales discount when the sale is made.

The tax calculated under Law 29/2006 is paid or settled with a time lag of approximately one year. Sales subject to the tax relate to certain Group products that are placed on the market by third parties that do not belong to the Group through official National Health System prescriptions. This circumstance forces the Group to estimate the outstanding tax obligation and recognise it as a provision in its financial statements.

To calculate the provision, the Group must estimate the sales placed on the market in the year through official prescriptions that are subject to Law 29/2006, to which it will apply the coefficients established in said law. To estimate the sales, the sales history comparing the Company's total sales with the National Health System sales considered will be taken as a basis and this corrective factor will be applied to the sales of said products in the period under consideration.

Similar estimates are applied in Italy, France, United Kingdom and Portugal with their respective national health systems and the Group accounts for the provisions applying similar criteria. Calculating the provision in these territories follows the same principle and, therefore, the judgement likewise consists of estimating the sales subject to the different taxes, which are calculated in accordance with the actual sales indicators of the present and preceding periods.

Additionally, the Group calculates and books a liability for discounts applied in Germany. It is a discount for sales volume agreed by contract with private customers that are usually mutual or other insurance companies. This amount is calculated in accordance with the conditions set out in the contract, based on the estimated sales with each customer in the period considered. In this case, since payment is made after the accrual period, the Group makes an estimate based on the outstanding amount and recognises it as a provision. In this case, the judgement focuses mainly on estimating the sales volume during the period covered by the contract and is made in accordance with forecast sales based on historical records and knowledge of the customers, to which the percentage discount determined in the conditions of the contract is applied.

In 2010, the government approved two packages of measures to reduce pharmaceutical spending. The first one focused on generic products, which are those out of patent, for which it established an average reduction of 25% in the selling price to laboratories. The second package addressed pharmaceutical products under patent. Since that time, a 7.5% discount has been applied to the selling price to the public. The Group recognises the amounts relating to these measures as a decrease in sales.

From 2017 onwards, the Spanish government and the members of Farmaindustria, to which ROVI belongs, signed different agreements whereby the members assumed a commitment to make certain contributions to the public health system. The Group recognised the amounts accrued for these commitments as a reduction in sales. No additional agreement has been signed since the last agreement ended in 2019.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Group's risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the group Treasury Department following policies approved by the Board of Directors. Group Treasury identifies, assesses and hedges financial risks in close co-operation with the Group's operating units. The Audit Committee analyses policies for global risk management, as well as policies covering specific areas, such as, interest rate risk, liquidity risk and the investment of excess liquidity.

a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is low because (i) most of the Group's assets and liabilities are in euros; (ii) a large part 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 31 December 2024 and 2023, the Group did not hold any instruments of this kind.

At 31 December 2024, there were assets of 6,500 pounds sterling, 718 thousand zlotys and 190 thousand Swiss francs on the balance sheet (4,919 thousand pounds sterling, 1,208 thousand zlotys and 212 thousand Swiss francs at 31 December 2023). If the exchange rate at the reporting date had been 10% higher, the value in euros of the assets denominated in pounds sterling, zlotys and Swiss francs would have decreased by 746 thousand euros (561 thousand euros in 2023) and, if the exchange rate had been 10% lower, their value would have increased by 912 thousand euros (685 thousand euros at 31 December 2023).

At 31 December 2024, there were liabilities of 6,137 thousand pounds sterling, 3,623 thousand zlotys and 18 thousand Swiss francs on the balance sheet (4,929 thousand pounds sterling, 3,136 thousand zlotys and 26 thousand Swiss francs at 31 December 2023). If the exchange rate at the reporting date had been 10% higher or lower, these liabilities would have decreased or increased by 751 and 919 thousand euros, respectively (584 and 714 thousand euros at 31 December 2023), with the corresponding effect on profit and loss.

(ii) Price risk

The Group was exposed to price risk for equity securities because of investments held by the Group and classified as equity securities in 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.

At 31 December 2024 and 2023, a change in the listed price of equity securities would have had no significant effect on the Group's statement of financial position.

(iii) Cash-flow interest-rate risk

The Group is subject to interest rate risk in respect of cash flows on non-current financial debt with banks obtained 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.

Had interest rates on financial debt at variable rates been 1% higher or lower at 31 December 2024, with all other variables remaining constant, the gain/loss after taxes for the period would have decreased or increased by 108 thousand euros, respectively, owing to the difference in interest expense on loans at variable rates (39 thousand euros at 31 December 2023).

b) Credit risk

Credit risk is managed in groups. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as equity securities and trade receivables.

To assess the credit risk on receivables, the Group periodically evaluates its customer portfolio considering two blocks: government and non-government. Government customers are defined as all those that are government entities for which, given their nature, a low credit risk is considered to exist. Most of these customers are in the healthcare sector and are hospitals and medical clinics whose transactions are regulated by law. With regard to non-government customers, the Group includes in this category all private customers, such as wholesalers, manufacturing customers and other pharmaceutical companies, and assesses them on the basis of the age of their debt, their financial position and their credit rating (if available).

The contracts the Group signs with its customers have an average term of between 3 and 5 years, which allows a considerable stable flow of revenue to be generated. Likewise, due to the credit quality of the private customers, as well as the Group's internal systems and the collection periods established, there was no significant impact on the Group in either 2024 or 2023.

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.

A 31 December 2024, the greatest investment in financial assets, including cash and cash equivalents and apart from trade receivables, was related to Bankinter, 13,631 thousand euros (16,381 thousand euros with BBVA at 31 December 2023). A significant portion of trade and other receivables related to accounts receivable from government entities, on which, in view of their nature, Management considers there to be no credit risk (Note 13).

c) Liquidity risk

Management periodically monitors the liquidity estimates of the Group in accordance with the expected cash flows. The Group maintains sufficient cash and marketable securities to meet its liquidity requirements.

The following table analyses the Group's financial liabilities grouped by maturity dates based on the periods outstanding at the end of the reporting period through to the maturity date stipulated in the contract, including the corresponding interest. The amounts shown in the table relate to cash flows stipulated in the contract, which have not been discounted. Given that these amounts have not been discounted and that they include future interest accruals, they cannot be matched with figures on the statement of financial position for financial debt and trade and other payables.

At 31 December 2024	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
Bank borrowings (Note 18)	17,482	35,919	32,646	4,643
Debt with government entities (Note 18)	1,562	2,987	3,575	3,282
Trade suppliers (Note 17)	86,851	—	—	—
Lease liabilities (Note 18)	6,331	7,151	3,630	—
Other payables (Note 17)	38,477	—	—	—
	150,703	46,057	39,851	7,925

At 31 December 2023	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
Bank borrowings (Note 18)	6,647	13,178	18,583	—
Debt with government entities (Note 18)	1,565	3,277	3,188	1,309
Trade suppliers (Note 17)	107,593	—	—	—
Lease liabilities (Note 18)	5,728	8,500	5,956	—
Other payables (Note 17)	34,302	—	—	—
	155,835	24,955	27,727	1,309

3.2 Capital risk management

The Group's objective in relation to the management of capital is to maintain a low level of gearing that will make it easier for the Group to obtain third-party financing if required in order to make new investments. Part of the Group's third-party financing takes the form of reimbursable advances from government entities, which do not generate interest payments since they are subsidised.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt/cash divided by net equity. Net debt/cash is calculated as total financial debt less cash and cash equivalents. Equity is as shown under the relevant caption in the statement of financial position, as shown in the consolidated annual accounts.

The leverage index or gearing ratio at 31 December 2024 and 2023 were as follows:

	2024	2023
Financial debt (Note 18)	114,410	65,427
Less: Cash and cash equivalents (Note 14)	(27,186)	(25,322)
Less: Equity securities (Note 11)	—	(24)
Less: Deposits (Notes 9 & 13)	(1,930)	(1,440)
Less: Financial assets at amortised cost (Notes 8 & 32)	(227)	—
Net debt /(cash)	**85,067**	**38,641**
Equity	581,540	543,494
Leverage Index / Gearing ratio	**14.6%**	**7.1%**

3.3 Fair value estimate

Measurement of financial instruments at market price is classified into:

- Level 1. Quoted prices on active markets for identical instruments.
- Level 2. Observable inputs for the instrument, either directly observable (prices) or indirectly observable (price-based).
- Level 3. Inputs not based on observable market data.

Measurements at market prices of the Group's financial assets recorded at fair value, the totality of which are classified as financial assets at fair value through other comprehensive income, recognised in the statement of financial position as "equity securities" (Note 11), are classified at Level 1.

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

The fair value of the 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 the end of each reporting period 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 18). Measurement of reimbursable advances without an interest rate at market price is classified as Level 2.

4. Critical accounting estimates and judgements

Critical accounting estimates and judgements are continuously assessed and are based on historical experience and other factors, including expectations of future events deemed reasonable under the circumstances.

4.1 Significant estimates and judgement

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are outlined below.

a) Recoverability of intangible assets

Under the caption “Trademarks and licences”, assets with indefinite useful lives were recognised for an amount of 5,366 thousand euros at 31 December 2024 and 2023. Management reviews these assets for indications of impairment on an annual basis, although there have been none to date. The recoverable value, which was higher than the carrying amount at the end of both reporting periods, has been obtained by projecting the forecast cash flows for the following five years.

b) Capitalisation of development expenses

The Group considers that its development project for a low-molecular-weight heparin, a biosimilar of enoxaparin, has met all the requirements mentioned in note 2.7.c) since last quarter of 2014, when an application was filed with the European health authorities to obtain authorisation for the marketing of this biosimilar in Europe. Therefore, from that time until the effective commercialisation in Europe of this biosimilar, all the expenses incurred in this project were capitalised. Amortisation of this asset commenced at the end the first quarter of 2017 with the favourable outcome of the decentralised process used by the Group to apply for marketing authorisation in twenty-six European Union countries. These assets have a useful life of 20 years, which is consistent with the term of pharmaceutical product patents. ROVI considers that it will obtain a positive return on said development over that period.

For the rest of the Research and Development projects that ROVI is conducting, the Group considers that the requirements established in the rules on capitalisation of the associated development expenses have not yet been met.

c) Provisions for discounts, returns, commercial transactions and contributions to the public health system (Note 17).

The “Other payables” caption includes the provisions for returns, discounts, contributions to the public health system and other commercial transactions. The provision is Management’s best estimate based on both the historical information available to the Company, related to product obsolescence, the regulatory framework and the product cycles, and an assessment of the potential risks inherent to the activity (Note 2.24).

d) Climate change

The Group recognises the serious threat that global warming represents and has undertaken to act in four different areas: the reduction of greenhouse gas emissions, the reduction of non-greenhouse gas emissions, carbon neutrality and promoting renewable energies.

Continuing to follow the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), the Group has analysed its potential risks and opportunities to design a strategy focused on minimising its environmental impact in the short, medium and long terms (2030, 2045 and 2070, respectively). To this end, the Group conducts a qualitative identification based on two types:

- Physical: these are defined as the risks and opportunities derived from the increase in external extreme weather events (acute) or the long-term impacts and the change in the characteristics of the climate (chronic).

- Transition: these are defined and the risks and opportunities derived directly or indirectly from the process of adjusting to a lower-carbon and more sustainable economy.

In 2022, possible acute physical climate risks were identified for each one of the production plants, including extreme heat and wind events, freeze-thaw events, floods and ground movements, among others. To assess impact scenarios, the scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC) in its latest report of August 2021 were considered: a global temperature increase of 2ºC and, likewise, scenario RCP 8.5, which represents a temperature increase of between 3.2 and 5.5ºC in comparison with pre-industrial levels, which is the most unfavourable scenario from a climate standpoint.

With regard to chronic physical climate risks, in 2023, the Group identified the risk of water stress, the impact of which could affect the industrial facilities in Spain. The scenarios assessed took scenarios RCP 2.6 and 8.5 as a reference. The results of the analysis revealed that the most crucial region where ROVI's production centres are located in relation to the water stress risk is Granada, where a significant increase in the risk is expected in the medium and long term in the conditions described in scenario 8.5. The two Granada plants currently have a significant climate risk of water stress for 2050 and could suffer interruptions in their activity due to a potential lack of supply.

Finally, regarding transition risks, the Group identifies the greatest significant risk to derive from a price increase in greenhouse gas (GHG) emissions. For the analysis, two scenarios were compared: the Stated Policies Scenario (base scenario: Stated Policies Scenario – STEPS) and the Net Zero Emissions by 2050 Scenario (NZS) of the IEA (International Energy Agency), for two time horizons: 2030 and 2050.

Regarding the possible financial impact of these climate risks on economic activity, the Group makes its assessment using of a probability and impact matrix on the basis of the different scenarios mentioned above, the results of which for 2024 and 2023 were as follows:

Material climate risk	Potential financial impact	Classification	Time horizon
Physical risks			
Extreme temperature events	Equipment failure	Low	Short, medium and long term
Water stress	Interruption of production activity due to a potential lack of supply	Low	Short term
		Moderate	Medium term
Transition risks			
Cost increase in CO_2 emissions	Operating cost increase due to price increase in fossil fuels	Insignificant	Short, medium and long term

The financial classification of the risks described is as follows:

- Insignificant: <2.0 million euros (1,8 million euros for 2023)/<0.25% of net revenue.

- Low: 2.0-11.8 million euros(1.8-11 million euros for 2023)/0.25-1.5% of net revenue.

- Moderate: 11.8-23.6 million euros(11-22.1 million euros for 2023)/1.5-3% of net revenue.

The Group is monitoring and applying the climate change estimates and assumptions in its consolidated financial statements. At 31 December 2024 and 2023, no impairment of financial assets had materialised and it had not been necessary to set aside any provision.

Supplementary information may be found in the Management Report

4.2 Critical judgements in applying accounting policies

Revenue recognition

The Group has recognised the revenue from the total sales of goods marketed in 2024 and 2023 at face value and has, when applicable, claimed late payment interest from the public authorities. The buyer has the right to return the goods sold. Although the Group believes that, based on previous experience, the level of returns will not be very meaningful, ROVI has recognised ordinary revenue from its sales together with the related provision against ordinary revenue for estimated returns. If the estimate changes by 1%, changes in revenue will be not significant.

Revenue recognised for the work to adapt, fit out and validate the facilities and machinery –which may be either owned by ROVI or acquired or subcontracted from a third party–- prior to provision of a manufacturing service was calculated in accordance with the percentage of completion of the work to be carried out. Additionally, if the percentage of completion includes a determined acquisition of assets, the margin is not recognised until they are finally installed.

Furthermore, revenue from reservations of capacity is recognised when the circumstance agreed by contract occurs (Note 2.21.b).

Determining the percentage of completion of the service provision takes account of Management's best estimate regarding meeting the defined milestones and the costs incurred and yet to be incurred in relation to the work to be performed. Likewise, the Group must make a technical evaluation of whether the work to adapt, fit out and validate the facilities and machinery has been carried out when determining the time at which they are ready for production.

5. Segment reporting

The Group's operating segments have been determined on the basis of the information used by the Management Committee for decision-making. This information is divided in accordance with whether it was generated by manufacturing or marketing activities, irrespective of the geographical area where the activities took place. Therefore, segment identification does not relate so much to the geographical distribution of the business but to a differentiated type of activity.

Thus, the segment called "Manufacturing" obtains its income from service contracts that relate to the finalisation of the pharmaceutical product production process for external entities and the manufacture of products to be subsequently marketed by other group companies, while the "Marketing" segment, which also includes the research and development activities carried on by the Group, has the principal activity of purchasing and subsequently selling pharmaceutical products.

The heading "Other" includes other service activities that are not significant for the Group. The segment information used by the Management Committee for 2024 was as follows:

	Manufacturing	Marketing	Other	Aggregated total	Inter-segment transactions	Consolidated total
Total segment revenues	600,351	427,528	—	1,027,879	(264,130)	763,749
Profit/(loss)	170,352	41,458	(181)	211,629	(74,753)	136,876
Income tax	43,789	604	(18)	44,375	(3,561)	40,814
Profit/(loss) before tax	**214,141**	**42,062**	**(199)**	**256,004**	**(78,314)**	**177,690**
Finance costs (net)	(1,219)	(60,633)	26	(61,826)	63,540	1,714
Amortisation/depreciation	18,775	9,268	21	28,064	(49)	28,015
EBITDA (*)	**231,697**	**(9,303)**	**(152)**	**222,242**	**(14,823)**	**207,419**
Amortisation/depreciation	(18,775)	(9,268)	(21)	(28,064)	49	(28,015)
EBIT (**)	**212,922**	**(18,571)**	**(173)**	**194,178**	**(14,774)**	**179,404**

The information for 2023 was as follows:

	Manufacturing	Marketing	Other	Aggregated total	Inter-segment transactions	Consolidated total
Total segment revenues	644,407	420,232	—	1,064,639	(235,130)	829,509
Profit/(loss)	187,406	(21,620)	(73)	165,713	4,586	170,299
Income tax	49,573	(982)	(9)	48,582	1,527	50,109
Profit/(loss) before tax	**236,979**	**(22,602)**	**(82)**	**214,295**	**6,113**	**220,408**
Finance costs (net)	(1,536)	1,630	6	100	(379)	(279)
Amortisation/depreciation	15,200	9,149	—	24,349	(18)	24,331
EBITDA (*)	**250,643**	**(11,823)**	**(76)**	**238,744**	**5,716**	**244,460**
Amortisation/depreciation	(15,200)	(9,149)	—	(24,349)	18	(24,331)
EBIT (**)	**235,443**	**(20,972)**	**(76)**	**214,395**	**5,734**	**220,129**

(*) EBITDA is calculated as profit before tax, interest, depreciation and amortisation.
(**) EBIT is calculated as profit before tax and interest.

Inter-segment transactions included on the “Finance costs (net)” line are principally dividends paid between Group companies.

Each segment’s sales to external customers in 2024 were as follows:

	Manufacturing	Marketing	Other	TOTAL
Total segment revenues	600,351	427,528	—	1,027,879
Inter-segment revenues	(264,130)	—	—	(264,130)
Revenues from external customers	336,221	427,528	—	763,749

In 2023 sales to external customers were as follows:

	Manufacturing	Marketing	Other	TOTAL
Total segment revenues	644,407	420,232	—	1,064,639
Inter-segment revenues	(235,130)	—	—	(235,130)
Revenues from external customers	409,277	420,232	—	829,509

At 31 December 2024, the breakdown of assets and liabilities by segment was as follows:

	Manufacturing	Marketing	Other	Aggregated total
Total assets	**789,545**	**483,188**	**2,162**	**1,274,895**
Of which:				
Investments in Group companies	—	32,050	—	32,050
Increases in non-current non-financial assets	59,442	6,128	—	65,570
Total liabilities	**(193,130)**	**(445,233)**	**(1,954)**	**(640,317)**

The assets of the aggregated segments at 31 December 2024 can be reconciled with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated TOTAL
Total assets	789,545	483,188	2,162	(410,823)	(32,050)	832,022

At 31 December 2023, the breakdown of assets and liabilities by segment was as follows:

	Manufacturing	Marketing	Other	Aggregated total
Total assets	**774,459**	**461,080**	**1,040**	**1,236,579**
Of which:				
Investments in Group companies	—	26,428	—	26,428
Increases in non-current non-financial assets	51,212	9,770	—	60,982
Total liabilities	**(257,385)**	**(398,469)**	**(648)**	**(656,502)**

The assets of the aggregated segments at 31 December 2023 can be reconciled with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated TOTAL
Total assets	774,459	461,080	1,040	(410,267)	(26,428)	799,884

The following tables show the revenue and total assets of the Group by geographical area

Net revenue	**2024**	**2023**
Spain	277,011	273,355
European Union	146,107	143,645
OECD countries	304,760	380,883
Rest	35,871	31,626
	763,749	**829,509**

Total assets	**2024**	**2023**
Spain	770,900	740,727
Portugal	6,300	4,737
Germany	23,520	27,278
Italy	18,400	15,537
UK	7,839	5,660
France	4,693	5,438
Switzerland	202	229
Poland	168	278
	832,022	**799,884**

Virtually all the investment in property, plant and equipment in 2024 and 2023 was made in Spain.

6. Property, plant and equipment

Details of the movements on the different categories of property, plant and equipment are shown in the following table:

	Land and buildings	Technical facilities, machinery and tools	Furniture, fittings and other	IT equipment and vehicles	Rights of use	Property, plant and equipment in progress	Total
Balance at 01.01.23							
Cost	45,119	280,489	3,876	19,412	32,807	40,174	421,877
Accumulated depreciation	(19,199)	(151,975)	(2,943)	(16,863)	(15,356)	—	(206,336)
Net carrying amount 01.01.23	**25,920**	**128,514**	**933**	**2,549**	**17,451**	**40,174**	**215,541**
Additions	8,269	40,613	414	1,662	5,795	2,836	59,589
Retirements	—	(427)	—	(354)	—	—	(781)
Eliminations from depreciation	(6)	93	—	279	—	—	366
Transfers	7,257	26,702	462	120	—	(34,541)	—
Depreciation charge	(405)	(14,345)	(124)	(1,297)	(4,892)	—	(21,063)
Balance at 31.12.23							
Cost	60,645	347,377	4,752	20,840	38,602	8,469	480,685
Accumulated depreciation	(19,610)	(166,227)	(3,067)	(17,881)	(20,248)	—	(227,033)
Net carrying amount 31.12.23	**41,035**	**181,150**	**1,685**	**2,959**	**18,354**	**8,469**	**253,652**
Additions	6,552	42,897	378	1,218	3,351	8,074	62,470
Retirements	(2)	(10,661)	(40)	(508)	(106)	—	(11,317)
Eliminations from depreciation	—	6,233	39	518	—	—	6,790
Transfers	7,602	(2,105)	11	26	—	(5,534)	—
Depreciation charge	(871)	(16,535)	(215)	(1,340)	(6,012)	—	(24,973)
Balance at 31.12.24							
Cost	74,797	377,508	5,101	21,576	41,847	11,009	531,838
Accumulated depreciation	(20,481)	(176,529)	(3,243)	(18,703)	(26,260)	—	(245,216)
Net carrying amount 31.12.24	**54,316**	**200,979**	**1,858**	**2,873**	**15,587**	**11,009**	**286,622**

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Additions recognised in 2024 and 2023 mostly relate to investment in ROVI's manufacturing plants, principally:

- 2.8 million euros was invested in the Madrid injectables plant, compared with the 2.6 million euros invested in 2023.
- 3.3 million euros was invested in the San Sebastián de los Reyes injectables plant, compared with the 2.6 million euros invested in 2023.
- 1.5 million euros was invested in the Granada plant, compared with the 1.2 million euros invested in 2023.
- 3.7 million euros was invested in the Alcalá de Henares plant, compared with the 4.3 million euros invested in 2023.
- 3.2 million euros was invested in the industrialisation of ISM®, compared with the 9.1 million euros invested in 2023.
- 1.9 million euros was invested in the construction, currently in progress, of the new heparin plant in Escúzar (Granada), compared with the 6.3 million euros invested in 2023.
- 8,1 million euros was invested in the Glicopepton Biotech, S.A. plant, compared to the 2.8 million euros invested in 2023.
- 2.6 thousand euros was invested in maintenance and other, compared to the 2.2 thousand euros invested in 2023.
- 35.3 million euros was invested in the new vial filling line andthe expansion of operations at the Madrid, San Sebastián de los Reyes and Alcalá de Henares plants, compared with the 24.0 million invested in 2023.

Property, plant and equipment in progress includes the assets related to the construction of the production plant at Glicopepton Biotech, S.L.

At 31 December 2024, the Group had generated internally additions of 648 thousand euros (3.865 thousand euros at 31 December 2023).

Additionally, at 31 December 2024, the Group had dismantled one of the production lines, the derecognition of which gave rise to a loss of 4,240 thousand euros.

Rights of use totalled 15,587 thousand euros at 31 December 2024 (18,354 thousand euros in 2023). The principal item within rights of use relates to real property leases. In 2024, additions of 3,351 thousand euros were recognised for new lease agreements (5,795 thousand euros at 31 December 2023).

At 31 December 2024, the Group held property, plant and equipment for a net carrying amount of 343 thousand euros subject to retention of title (400 thousand euros at 31 December 2023).

At 31 December 2024 and 2023, the Group held acquisition commitments of 706 and 489 thousand euros, respectively, for property, plant and equipment.

In 2024 and 2023, there was no impairment of property, plant and equipment.

The Group holds insurance policies to cover to risks to which the property, plant and equipment is exposed. This insurance cover is considered sufficient to cover the net carrying amount of the assets included in this category.

7. Intangible assets

Movement on intangible assets was as follows:

	Development	Trademarks and licences	Computer software	Total
Balance at 01.01.23				
Cost	8,899	44,929	13,791	67,619
Accumulated impairment	—	(494)	—	(494)
Accumulated amortisation	(2,296)	(16,617)	(12,468)	(31,381)
Net carrying amount 01.01.23	**6,603**	**27,818**	**1,323**	**35,744**
Additions	—	—	1,393	1,393
Impairment	—	—	—	—
Amortisation charge	(442)	(2,373)	(453)	(3,268)
Balance at 31.12.23				
Cost	8,899	44,929	15,184	69,012
Accumulated impairment	—	(494)	—	(494)
Accumulated amortisation	(2,738)	(18,960)	(12,918)	(34,616)
Net carrying amount 31.12.23	**6,161**	**25,475**	**2,266**	**33,902**
Additions	—	—	3,100	3,100
Derecognitions	—	(34)	(1)	(35)
Eliminations from amortisation	—	25	—	25
Amortisation charge	(442)	(1,949)	(651)	(3,042)
Balance at 31.12.24				
Cost	8,899	44,895	18,283	72,077
Accumulated impairment	—	(494)	—	(494)
Accumulated amortisation	(3,180)	(20,884)	(13,569)	(37,633)
Net carrying amount 31.12.24	**5,719**	**23,517**	**4,714**	**33,950**

At 31 December 2024 and 2023, all the Group's intangible assets belonged to the marketing segment.

The Group has not recognised any intangible assets relating to performing contracts with customers.

Development

At 31 December 2024 and 2023, the assets included under the "Development" caption correspond to assets related to the development of a low-molecular-weight heparin, an enoxaparin biosimilar, sales of which commenced in 2017. Amortisation of this asset commenced during the first quarter of 2017, with the favourable result of the decentralised process used by the Group to apply for marketing authorisation in twenty-six European Union countries. The useful life of this asset is 20 years, and no indications of impairment were noted in either 2024 or 2023.

Trademarks and licences

Under the caption "Trademarks and licences", assets with indefinite useful lives were recognised for an amount of 5,366 thousand euros at 31 December 2024 and 2023. Management reviews these assets for indications of impairment on an annual basis, although there has been none to date. The recoverable value, which was higher than the carrying amount at the end of both reporting periods, was obtained by calculating the value in use by projecting the forecast cash flows for the following five years. In the cash flow projections as of 31 December 2024, a discount rate of 8% was applied (8.7% at the end of 2023) and, for each year, the margins forecast on the basis of the characteristics of the manufacturing of the product in said year were used. A change of 10% in the discount rate applied or in the cash flows used as a basis would not have led to any impairment of the asset.

Because the recoverable value of the asset related to acquisition of the distribution rights of the product Hirobriz® (belonging to the "Marketing" segment) had dropped below its net carrying amount, the Company had recognised impairment of 494 thousand euros at 31 December 2023. In 2024 and 2023, this asset was fully amortised and no additional impairment was recognised in profit and loss.

The Group holds insurance policies to cover to risks to which the intangible assets are exposed. This insurance cover is considered sufficient to cover the net carrying amount of the assets included in this category.

Total research and development expenses incurred in 2024 were 25,752 thousand euros (24,923 thousand euros in 2023) and were mainly concentrated on the Glycomics and ISM® platforms, the latter of which is a proprietary drug release system belonging to ROVI. Of the total research and development expenses incurred in 2024, 10,983 thousand euros was recognised under the "Employee benefit expenses" heading (Note 24) (9,518 thousand euros at 31 December 2023) and 14,769 thousand euros under "Other operating expenses" (Note 25) (15,405 thousand euros in 2023).

8.Financial instruments by category

Financial instruments by category	2024	2023
FINANCIAL ASSETS		
Non-current financial assets	**65**	**89**
Financial receivables (Note 13)	65	65
Equity securities (Note 11)	—	24
Current financial assets	**144,270**	**151,457**
Trade and other receivables (Note 13)	116,857	126,135
Financial assets at amortised cost (Note 32)	227	—
Cash and cash equivalents (Note 14)	27,186	25,322
FINANCIAL LIABILITIES		
Non-current financial liabilities	**92,538**	**53,673**
Contract liabilities (Note 20)	1,819	1,431
Financial debt (Note 18)	90,719	52,242
Current financial liabilities	**146,201**	**187,998**
Contract liabilities (Note 20)	4,803	39,044
Financial debt (Note 18)	23,691	13,185
Trade and other payables (Note 17)	117,707	135,769

At 31 December 2024 and 2023, all the financial assets fell within the category of financial assets at amortised cost, except the equity securities at 31 December 2023, which were in the category of financial assets at fair value through other comprehensive income. In "Trade and other receivables, the balance receivable from the public authorities is excluded from the above table.

All the financial liabilities at 31 December 2024 and 2023 fell within the category of financial liabilities at amortised cost, except the financial derivatives, which were included in current financial debt and belong to the category of financial liabilities at fair value through profit and loss. In trade and other payments, the balance payable to the public authorities is excluded from the above table.

9. Credit rating of financial assets

The credit quality of financial assets which have not yet matured and which have suffered no impairment loss can be assessed based on the credit rating assigned by organisations external to the Group or, in the case of unrated customers, by separating those corresponding to Social Security authorities and government entities which, due to their nature, are not subject to impairment:

Cash and cash equivalents	**Rating**	**2024**	**2023**
	A+	2,016	1,307
	A	10,372	16,381
	A-	13,758	226
	BBB+	—	20
	BBB	487	2,268
	Not rated	553	5,120
	Total cash and cash equivalents (Note 14)	**27,186**	**25,322**

Financial receivables	**Rating**	**2024**	**2023**
	A	65	65
	Total financial receivables (Note 13)	**65**	**65**

Equity securities	**Rating**	**2024**	**2023**
	Not rated	—	24
	Total equity securities (Note 11)	**—**	**24**

Trade receivables	**Rating**	**2024**	**2023**
	AA	1,121	979
	A1	2,582	330
	Public centres and institutions (Note 13)	16,539	16,223
	Other (wholesalers, pharmacies, hospitals)	94,934	107,536
	Total trade receivables (Note 13)	**115,176**	**125,068**

Other deposits	**Rating**	**2024**	**2023**
	A+	1,327	1,327
	Not rated	603	113
	Total other deposits (Note 13)	**1,930**	**1,440**

10. Investment in joint ventures and associates

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

	2024	**2023**
Balance at beginning of year	**567**	**2,193**
Additions	19,090	600
Eliminations	—	(2,101)
Share in profits	(141)	(125)
Balance at end of year	**19,516**	**567**

The nature of investment in joint ventures at 31 December 2024 and 2023 was as follows:

Name	Country of incorporation	% interest	Nature of relationship	Measurement method
Enervit Nutrition, S.L. (1)	Spain	50%	a)	Company sold
Cells IA Technologies, S.L. (2)	Spain	26%	b)	Equity
Terafront Farmatech, S.L. (3)	Spain	25.5%	c)	Equity

(1) Company sold in 2023.

(2) Interest acquired in 2023.

(3) Company incorporated in 2024.

a) 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. The company's corporate purpose was the purchase, manufacturing, storage and marketing of sports-related nutritional food products and intermediary services in the sale thereof.

ROVI and Enervit S.p.A. agreed to create a joint venture between them to carry the project out. To do this, under certain agreements, Enervit Nutrition, S.L, instead of being 100%-owned by ROVI, became a joint venture under joint control with Enervit, S.p.A. The agreements were signed in 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. With this sale, ROVI's percentage interest in Enervit Nutrition, S.L. dropped from 51% to 50%.

On 6 November 2023, the Group sold the shares it held in Enervit Nutrition, S.L. This meant that the company left the consolidated group and an amount of 2,101 thousand euros was derecognised in interests in joint ventures, with a negative effect of 301 euros on the profit for the year ended 31 December 2023.

b) Cells IA Technologies, S.L.

On 24 July 2023, the Group acquired 26% of the shares in the company Cells IA Technologies, S.L. through the company Gineladius, S.L.U., including it in the consolidated group using the equity method. The interest was acquired by contributing capital and share premium for an amount of 600 thousand euros to the company. The corporate purpose of this company is computer system maintenance and software design and development, including all the previous phases, in particular in relation to medical activity.

c) Terafront Farmatech, S.L.

On 13 March 2024, the Group incorporated this company together with Innvierte Economía Sostenible, SICC S.M.E., S.A. (a company controlled by the Spanish public authorities through the Technical Development and Innovation Centre -CDTI-) and Insud Pharma, S.L. Its corporate purpose is specialty pharmaceutical manufacturing. The Group holds 25.5% of the shares through Laboratorios Farmacéuticos Rovi, S.A. and the company is consolidated in ROVI's financial statements by the equity method. The investment was made through a fully paid-up capital contribution of 255 thousand euros and a shareholder contribution of 18,835 thousand euros, which was paid up in December 2024 after certain milestones established in the Strategic Plan had been met, as agreed in the Shareholders' Agreement signed on 13 March 2024.

Condensed financial information on joint ventures

The condensed financial information on Cells IA Technologies, S.L. and Terafront Farmatech, S.L. at 31 December 2024 and 2023 is as follows:

	31 December 2024		31 December 2023	
Condensed balance sheet	**Cells IA Technologies, S.L.**	**Terafront Farmatech, S.L.**	**Cells IA Technologies , S.L.**	**Enervit Nutrition, S.L.**
Current				
Cash and cash equivalents	3	74,867	472	—
Other current assets (excluding cash)	302	19	16	—
Total curent assets	**305**	**74,886**	**488**	**—**
Financial liabilities (excluding trade payables)	(226)	—	—	—
Other current liabilities (including trade payables)	(76)	(109)	(17)	—
Total current liabilities	**(302)**	**(109)**	**(17)**	**—**
Non-current				
Property, plant and equipmen	4	—	5	—
Intangible assets	10	—	19	—
Other financial assets	—	—	—	—
Deferred tax assets	32	—	7	—
Total non-current assets	**46**	**—**	**31**	**—**
Financial liabilities	—	—	—	—
Other liabilities	—	—	—	—
Total non-current liabilities	**—**	**—**	**—**	**—**
NET ASSETS	**49**	**74,777**	**502**	**—**

	31 December 2024		31 December 2023	
Condensed statement of comprehensive income	**Cells IA Technologies , S.L.**	**Terafront Farmatech, S.L.**	**Cells IA Technologies , S.L.**	**Enervit Nutrition, S.L.**
Revenue	195	—	—	5,727
Procurements and changes in inventories	—	—	—	(4,777)
Employee benefit expenses	(368)	—	(45)	(351)
Other operating expenses	(290)	(90)	(76)	(448)
Amortisation and depreciation	(14)	—	(7)	(335)
Operating profit/(loss)	**(477)**	**(90)**	**(128)**	**(184)**
Finance costs - net	**—**	—	—	—
Income tax	**24**	—	—	—
Profit/(loss) for the period	**(453)**	**(90)**	**(128)**	**(184)**
Other comprehensive income	**—**	**—**	**—**	**—**
TOTAL COMPREHENSIVE INCOME	**(453)**	**(90)**	**(128)**	**(184)**
Dividends received from joint ventures	—	—	—	—

Reconciliation of the condensed financial information

Reconciliation of the condensed financial information presented with the carrying amounts of the interests in the joint ventures at 31 December 2024 and 2023:

	31 December 2024		31 December 2023	
Condensed financial information	**Cells IA Technologies, S.L.**	**Terafront Farmatech, S.L.**	**Cells IA Technologies, S.L.**	**Enervit Nutrition, S.L.**
Net assets of the joint ventures at the beginning of the year	**502**	**—**	**—**	**4,386**
Profit/(loss) of joint ventures for the year	(453)	(90)	(128)	(184)
Additions		74,867	30	—
Capital contribution and share premium		—	600	—
Derecognitions			—	(4,202)
Net assets of joint ventures at the end of the year	**49**	**74,777**	**502**	—
Share in joint ventures	449	19,068	567	—
Carrying amount	**449**	**19,068**	**567**	—

Cells IA Technologies, S.L. and Terafront Farmatech S.L. are private entities and, therefore, no quoted market price is available for their shares.

In the specific case of Cells IA Technologies, the amount of “Share in joint ventures” includes the value of the extra price paid upon acquisition of the 25% interest.

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

11. Equity securities

The breakdown of these financial assets, measured at cost, is as follows:

	2024	2023
Balance at beginning of year	**24**	**9**
Net gains/(losses) recorded in equity	56	1
Derecognitions	(80)	(10)
Additions	—	24
Balance at end of year	**—**	**24**
Less: non-current portion	—	24

The maximum credit risk exposure at the reporting date was the fair value of the debt securities classified as equity securities.

	2024	2023
Non-listed securities		
– Variable-income securities (equity securities)	—	24
	—	**24**

At 31 December 2024 and 2023, these securities were denominated in euros.

12. Inventories

	2024	2023
Raw materials and other consumables	106,187	169,368
Work in progress and semi-finished goods	128,415	80,505
Finished goods produced internally	72,825	62,884
Commercial inventories	22,527	25,211
	329,954	**337,968**

In 2024, the Group reduced the value of its inventories by 3,857 thousand euros (3,270 thousand euros in 2023) due to obsolescence and expiration and the measurement of the products according to the profit expected from their sale. The reduction in value of inventories is recognised under the captions “Raw materials and consumables used” and “Change in stocks of finished goods and work in progress” in the income statement. At 31 December 2024, the provision for the reduction of the Group’s inventories was 21,815 thousand euros (25,672 thousand euros in 2023).

The Group did not recognise any inventories related to the performance of contracts with customers.

The inventories purchase/sale commitments for the Group at the end of the reporting 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.

13. Trade and other receivables

The breakdown of trade and other receivables is as follows:

	2024	2023
Trade receivables	115,176	125,068
Less: loss allowance	(349)	(518)
Trade receivables - Net (13.a)	114,827	124,550
Other receivables	2	27
Receivables with related parties (Note 32)	30	10
Deposits (13.b)	1,930	1,440
Employee advances	133	173
Public authorities (13.c)	12,614	17,179
Total	129,536	143,379
Less: non-current portion: financial receivables	65	65
Current portion	129,471	143,314

a) Trade receivables

Management considers that the fair value of trade and other receivables does not differ significantly from their recognised values, since they consist principally of balances receivable at less than one year and are subject to possible interest charges if they are not collected within said period.

The carrying amounts of receivables are denominated in euros, pounds sterling, zlotys and Swiss francs.

At 31 December 2024, the balance receivable from the Social Security authorities and other government entities was 16,359 thousand euros (16,223 thousand euros at 31 December 2023), geographically distributed as follows:

	Rating 2024	Balance 2024	Rating 2023	Balance 2023
Portugal	A-	2,227	BBB+	1,463
Italy	BBB	695	BBB	2,032
Catalonia	BB	4,305	BB	4,286
Valencia	BB	4,333	BB	2,317
Madrid	A-	1,657	A-	1,579
Galicia	A	649	A	1,312
Aragón	BBB+	82	BBB+	87
Basque Country	AA-	245	AA-	269
Andalusia	BBB+	152	BBB+	288
Canary Islands	A	253	A	926
Cantabria	BBB	460	BBB	229
Castilla la Mancha	BBB-	142	BBB-	150
Castilla y León	Baa1	442	Baa1	570
Other		897		715
		16,539		**16,223**

At 31 December 2024, there were matured receivables amounting to 44,134 thousand euros (35,536 thousand euros at 31 December 2023), although they had suffered no impairment. For both the 2024 and 2023 amounts, virtually all the debt aged over six months related to Social Security authorities and government entities.

The ageing analysis of trade receivables due for payment is as follows:

	2024	2023
Up to 3 months	38,042	35,318
From 3 to 6 months	3,113	(986)
From 6 months to one year	2,695	971
Over one year	284	233
	44,134	35,536

The total matured debt due from government entities at 31 December 2024 was 4,445 thousand euros, compared with the 5,519 thousand euros that was outstanding at 31 December 2023. This amount was geographically distributed as follows:

	2024	2023
Spain	3,373	3,464
Portugal	385	885
United Kingdom	—	—
France	233	187
Italy	454	983
	4,445	5,519

In addition, regarding non-government customers, the Group includes in this category all those private customers, such as wholesalers, manufacturing customers or other pharmaceutical customers, which are assessed on the basis of the age of their debt, their financial position and their credit rating (if available).

Contracts signed by the Group with its customers have an average term of between 3 and 5 years, which allows a considerable stable flow of revenue to be generated. In the manufacturing segment, there are certain customers with whom there is a higher volume of transactions, with outstanding balances amounting to 21% of total trade receivables at 31 December 2024 (30% at 31 December 2023).

However, due to the credit ratings of the customers who form part of this segment, as well as the Group's internal systems and the collection periods established, there was no significant impact for the Group in the years ended 31 December 2024 and 2023.

Matured receivables that had been impaired at 31 December 2024 totalled 349 thousand euros (518 thousand euros at 31 December 2023). Movement on the provision for the impairment of trade receivables was as follows:

	2024	2023
Balance at beginning of year	**518**	**536**
Net remeasurement of loss allowance	(262)	(39)
Derecognition due to non-collectability	93	21
Balance at end of year	**349**	**518**

The ageing of these accounts was as follows:

	2024	2023
Over 9 months	349	518
	349	**518**

b) Deposits

At 31 December 2024, deposits included deposits of 1,930 thousand euros (1,440 thousand euros at 31 December 2023) bearing interest at a rate ranging from 2% to 3%. At 31 December 2024 and 2023, 1,327 thousand euros of these deposits was pledged to Banco Santander. The Group considers these deposits as low credit risk and, therefore, no expected losses have been recorded.

c) Public authorities

Balances included under this caption at 31 December 2024 and 2023 relate the following items:

	2024	2023
Value-added tax	11,876	14,760
Withholding tax	50	1,244
Subvenciones pendientes de cobro	688	1,175
	12,614	**17,179**

Maximum credit exposure at the date this information is presented is the value recognised for each one of the categories of receivables mentioned above. The Group does not hold any guarantee as security.

14. Cash and cash equivalents

The breakdown of cash and cash equivalents at the 2024 y 2023 reporting dates is as follows:

	2024	2023
Cash at bank and in hand	21,180	25,322
Cash equivalents	6,006	—
	27,186	**25,322**

15. Share capital and share premium

a) Share capital

In 2024 and 2023, the number of shares, their face value and the share capital were as follows:

	No. shares	Face value (euros)	Total share capital (thousand
Balance at 1 January 2023	54,016,157	0.06	3,241
Balance at 31 December 2023	54,016,157	0.06	3,241
Balance at 31 December 2023	51,235,762	0.06	3,074

All issued shares were fully paid up.

In September 2024, Laboratorios Farmacéuticos Rovi, S.A. reduced its capital by cancelling treasury shares (Note 16), as per the Buy-Back Programme approved by the Company in 2023. The capital reduction was for a total amount of 166,823.70 euros (2,780,395 shares with a face value of 0.06 euros each). On the same date, the shares were delisted from the Stock Exchange Interconnection System and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

Shareholders owning significant direct or indirect interests of more than 3% in the share capital of Laboratorios Farmacéuticos Rovi, S.A. of which the Company is aware, according to the information in the official records of the National Securities Market Commission at 31 December 2024, were the following:

Shareholder	% direct	% indirect	TOTAL
Norbel Inversiones, S.L.	58.186	—	58.186
Indumenta Pueri, S.L.	—	5.057	5.057

At 31 December 2023, this information was as follows: era la siguiente:

Shareholder	% direct	% indirect	TOTAL
Norbel Inversiones, S.L.	55.191	—	55.191
Indumenta Pueri, S.L.	—	5.057	5.057

Norbel Inversiones, S.L. did not carry out any transactions with Company shares in the year ended 31 December 2024, although its percentage interest increased as a result of the capital reduction mentioned above. Due to this reduction, at 31 December 2024, Norbel Inversiones, S.L. held 58.19% of the shares of Laboratorios Farmacéuticos Rovi, S.A., compared with the 55.19% it had held at 31 December 2023. At 31 December 2024 and 2023, Norbel Inversiones, S.L. was owned by Messrs Juan, Iván and Javier López-Belmonte Encina (33.33% each). Therefore, at 31 December 2024, the interest of Messrs Juan, Iván and Javier López-Belmonte Encina in the Company was 19.39% each (18.40% at 31 December 2023).

b) Share premium

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

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares already in issue (the “New Shares”).

- The price of issue of the New Shares was fixed at 14.50 euros per share, 0.06 euros of which related to the face value, while 14.44 euros was the share premium (“Issue Price”)-

- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 367,137.90 euros of which related to the nominal value and 87,635,854.60 to the share premium.

16. Other information on reserves and non-controlling interests

a) Legal reserve

The legal reserve, which totalled 673 thousand euros at 31 December 2024 and 2023, was set up in accordance with article 274 of the Capital Companies Act ("Ley de Sociedades de Capital"), which states that 10% of the profit for the period must be allocated to the legal reserve until at least 20% of the share capital is covered. The legal reserve is not available for distribution. Should the legal reserve be used to offset losses in the event of no other reserves being available for this purpose, it must be replenished with future profits.

b) Other accumulated comprehensive income

These reserves include the accumulated changes in the value of equity securities (Note 11) net of amounts taken to profit and loss for impairment and exchange rate differences.

c) Retained earnings and voluntary reserves

In 2024, retained earnings increased and/or decreased as follows:

- On 24 June 2024, the General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. passed a resolution to approve the proposal for application of the Company's profit for 2023 (12,071 thousand euros), allocating it to dividends in its entirety. Additionally, it was resolved to allocate 47,547 thousand euros of the freely-available reserves recognised under the "Retained earnings" caption to dividends to be distributed among the shares entitled to receive them. The dividend on the treasury shares held by ROVI at the time of the distribution was 3,167 thousand euros. The difference between the Group's profit in 2023 (170,335 thousand euros) and the dividend distributed to the shareholders net of treasury shares (56,451 thousand euros) increased the "Retained earnings and voluntary reserves" caption by 113,884 thousand euros.

- The sale of treasury shares in 2024 led to a profit of 2,545, thousand euros, which was recognised in the "Retained earnings" account (Note 16.d).

- The share capital reduction (Note 15) carried out by the cancellation of treasury shares (Note 16.d) had a negative impact of 152,296 thousand euros.

In 2023, retained earnings increased and/or decreased as follows:

- On 14 June 2023, the General Shareholders' Meeting of Laboratorios Rovi, S.A. passed a resolution to approve the proposal for application of the Company's profit for 2022 (39,116 thousand euros), allocating it to dividends in its entirety. Additionally, it resolved to allocate 30,770 thousand euros of the freely-available reserves recognised in the "Retained earnings" item to dividends to be distributed among the shares entitled to receive them. The dividend on the treasury shares held by ROVI at the time of the distribution was 837 thousand euros. The difference between the Group's profit in 2022 (199,669 thousand euros) and the dividend distributed to the shareholders net of treasury shares (69,049 thousand euros) increased the "Retained earnings and voluntary reserves" caption by 130,620 thousand euros.

- Adjustments were made to deferred taxes leading to a negative impact of 637 thousand euros on this caption (Note 19).

- The sale of treasury shares in 2023 led to a loss of 1,146 thousand euros, which was recognised in the retained earnings account (Note 16.d).

Retained earnings at 31 December 2024 and 2023 included restricted reserves amounting to 1,704 thousand euros relating to legal reserves in group companies other than the Company itself. Also included was a special restricted reserve of 5,036 thousand euros at 31 December 2024 and 2023 set up by ROVI in 1994, when the share capital was reduced without contributions being refunded to shareholders. This reserve is treated in the same way as the legal reserve and may only be used to offset losses if there are no other reserves available for this purpose.

Dividends that reduce the balance of available reserves to an amount lower than the total development expense balances that have not yet been amortised may not be distributed (Note 7).

d) Treasury shares

At 31 December 2024, the number of treasury shares was 86,264 (2,196,011 at 31 December 2023). In 2024 and 2023, the following movements took place:

	2024	2023
Balance at beginning of year	**2,196,011**	**644,114**
Shares acquired under liquidity contract (d.1)	550,137	1,315,909
Shares sold under liquidity contract (d.1)	(564,563)	(1,312,404)
Shares acquired under buy-back programmes (d.2)	685,074	1,548,392
Shares for capital reduction in buy-back programmes (d.2)	(2,780,395)	—
Balance at end of year	**86,264**	**2,196,011**

d.1) Liquidity contract

Under the liquidity contract that ROVI had signed, 550,137 shares were acquired (1,315,909 in 2023), for which a total sum of 40,796 thousand euros was paid (52,813 thousand euros in 2023). Likewise, a total of 564,563 shares were resold (1,312,404 in 2023) for a sum of 41,921 thousand euros (52,639 thousand euros in 2023). Said shares had been acquired at a weighted average cost of 39,376 thousand euros (53,785 thousand euros in 2023), giving rise to a profit of 2,545 thousand euros on the sale (loss of 1,146 thousand euros in 2023), which was taken to reserves.

On 30 June 2024, the Company's Board of Directors approved the use of 546,929 shares related to the liquidity contract within the framework of the capital reduction executed in September.

d.2) Share buy-back programme

ROVI informed the market (through publication of inside information disclosure No. 1926 of 26 July 2023) that, effective as of 26 July 2023, a buy-back programme had commenced with the following conditions:

- Purpose and scope: the cancellation of ROVI shares (capital reduction) while, at the same time, increasing ROVI's shareholder remuneration by increasing the earnings per share.

- Term: from 26 July 2023 for a twelve-month period.

- Maximum monetary amount: up to 130,000,000 euros, The maximum price per share could not exceed the amount provided for in article 3.2. of Delegated Regulation 20216/1052.

- Maximum number of shares to be acquired: 2,700,000 shares in the Company, representing approximately 5% of ROVI's share capital at 26 July 2023.

- Trading volume to be taken as a reference: the trading volume to be taken as a reference for the purposes of article 3.3 of Delegated Regulation 2016/1052 throughout the Buy-Back Programme would be 25% of the average daily trading volume of the ROVI shares at the trading venue where the purchase was made during the twenty trading days prior to the date of purchase.

At 11 June 2024, ROVI had executed the whole of the Buy-Back Programme, having acquired a total of 2,233,466 shares during the term of the programme for a sum of 129,999 thousand euros. The Buy-Back Programme was executed as follows:

- In 2024, ROVI executed 37.62% of the Buy-Back Programme, acquiring 685,074 shares for an amount of 48,912 thousand euros.

- In 2023, ROVI executed approximately 62.38% of the Buy-Back Programme, acquiring a total of 1,548,392 shares and paying 81,087 thousand euros.

On 30 June, the Board authorised the Company to use 546,929 shares from the liquidity programme with an acquisition price of 22,464 thousand euros within the framework of the capital reduction charged to treasury shares planned for September.

Said capital reduction (Note 15) was recorded in the Companies Register on 12 September 2024 for an amount of 167 thousand euros through the cancellation of 2,780,395 treasury shares. On the same date, the shares were delisted from the Stock Exchange Interconnection System and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The weighted average cost of the cancelled treasury shares was 152,463 thousand euros and the difference was taken to "Retained earnings" and "Voluntary reserves" (Note 16.c) for an amount of 152,296 thousand euros.

e) Dividends

On 24 June 2024, the General Shareholders Meeting approved the application of the 2023 profit, which included a dividend to be distributed to the shareholders for an amount of 59,618 thousand euros (1.1037 euros gross per share). The dividend was paid out in July 2024.

On 14 June, 2023, the General Shareholders Meeting approved the application of the 2022 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 69,886 thousand euros (1.2938 euros gross per share). This dividend was paid out in July 2023.

f) Application of profit

The proposed application of the profit of the parent company for the period 2024 that will be submitted to the General Meeting of Shareholders, determined on the basis of generally-accepted accounting principles in Spain, together with the application approved for 2023 based on the profit of the parent company, is as follows:

	2024	2023
Basis of application		
Profit for the year	75,546	39,116
Retained earnings	—	30,770
	75,546	**69,886**
Application		
Dividends	47,911	69,886
Resultados de ejercicios anteriores	27,635	—
	75,546	**69,886**

g) Non-controlling interests

In 2022, the company Glicopepton Biotech, S.L. was incorporated, 51% held by Laboratorios Farmacéuticos Rovi, S.A. and fully consolidated (Note 1). This led to recognition of non-controlling interests which, at 31 December, 2024, totalled 9,512 thousand euros (4,107 thousand euros at 31 December 2023).

17. Trade and other payables

	2024	2023
Trade payables	75,061	101,045
Payables to related parties (Note 32 e)	3,077	2,299
Outstanding remuneration	7,521	7,598
Public authorities	7,621	6,126
Trade payables, reverse factoring (confirming)	11,790	6,548
Other payables	20,258	18,279
	125,328	**141,895**

At 31 December 2024 and 2023, the "Other payables" caption included the following liabilities, among others:

	2024	2023
Contributions to public health systems and other discounts	18,046	15,107
Returns	1,554	1,644
Other commercial transactions	658	1,528
	20,258	**18,279**

Reverse factoring (confirming) agreements

The Group has several confirming lines with BBVA with a limit of 15,000 thousand euros. There are three types under the following conditions: non-sustainable confirming subject to Eur90+0.85%, segment B subject to Eur90+0.80% and confirming C subject to Eur90+0.75%. Additional information on the confirming agreements is shown below:

	2024		2023	
	Non-current	Current	Non-current	Current
Carrying amount of outstanding liabilities payable by the Group	—	11,790	—	6,548
Carrying amount of liabilities paid by banks to suppliers	—	1,375	—	—
Range of maturity dates of liabilities subject to confirming agreements	Jan-Feb 2025		Jan-Feb 2024	
Range of maturity dates of liabilities that do not form part of confirming agreements	Jan-Feb 2025		Jan-Feb 2024	

Other payables

This caption shows the provision and other trade payables recognised by the Group.

In view of the macroeconomic context marked by inflation, especially in the last few years, ROVI reviewed the financial performance of its contracts and found that adequate profits are still being and, therefore, it was not necessary to earmark provisions for onerous contracts.

Contributions to public health systems and other discounts

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

Additionally, there were liabilities in other European countries in which the Group operates (see Note 2.24) with similar characteristics to those described in the previous paragraph that also form party of this caption.

At 31 December 2024 and 2023, no amounts had been recognised in relation to the collaboration agreement between Farmaindustria and the Spanish government (Note 2.24), since no agreement has been signed since the agreement in force for the years 2017 to 2019.

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

Delay in payments to suppliers

Details of payments for commercial transactions performed during the reporting period and outstanding at the reporting date in relation to the maximum legal periods provided for in Law 15/2010, amended by Law 11/2013 and Law 18/2022, are as follows:

	2024	2023
	Days	Days
Average payment period to suppliers	47	55
Ratio of transactions paid	49	58
Ratio of transactions outstanding	31	32

	2024	2023
Total payments made (thousand euros)	423,547	597,378
Total payments outstanding (thousand euros)	51,144	77,505

	2024	2023
Invoices paid in less than 60 days (thousand euros)	388,106	379,217
No. of invoices paid in less than 60 days	33,867	26,888
% No. of invoices paid in less than 60 days/Total No. invoices paid	90%	62%
% Amount of invoices paid in less than 60 days/Total amount of invoices paid	92%	64%

18. Financial debt

Non-current	**2024**	**2023**
Bank borrowings	70,659	31,250
Debt with government entities	9,844	7,325
Financial liabilities for leases	10,216	13,667
	90,719	52,242
Current		
Bank borrowings	16,280	6,495
Debt with government entities	1,562	1,565
Financial liabilities for leases	5,849	5,125
	23,691	13,185
	114,410	**65,427**

a) Bank borrowings

In December 2017, the European Investment Bank (EIB) granted ROVI a credit line to support its investments in Research, Development and Innovation (R&D&I). The credit line was for 45,000 thousand euros. ROVI could draw down this amount over a term of 24 months as from signature of the agreement and the credit matures in 2029. The credit line provides for a three-year grace period and financial conditions (i.e. applicable interest rates, repayment periods, etc.) that are favourable to ROVI. As of 31 December 2020, ROVI had drawn down the entirety of this credit line in:

a) A draw-down of 5,000 euros in 2018 at an annual interest rate of Euribor 3 months plus 0.844%.
b) A draw-down of 40,000 thousand euros in 2019 at a fixed annual interest rate of 0.681%.

In the first half of 2024 and 2023, compliance as of 31 December 2023 and 2022, respectively, with the financial ratios fixed in this financing agreement was certified. At 31 December 2024, ROVI met the ratios fixed, although this will be certified after these consolidated annual accounts have been issued.

In 2024, the Group received a new loan of 10,000 euros from the European Investment Bank (EIB) at an interest rate of Euribor 3 months plus a spread of 0.65%, maturing at 10 years with a three-year grace period, and two further loans of 25,000 thousand euros each from BBVA and Banco Santander at fixed interest rates of 3.49% and 3%, respectively, maturing at 5 years with no grace period.

Finally, at 31 December 2024, ROVI held three credit lines: the first signed in September 2023 for 20,000 thousand euros, the second signed in March 2024 for 20,000 thousand euros, both at a rate of Euribor 3 months + 0.50%, while the third line was signed in June 2024 for the same amount of 20,000 thousand euros at a rate of Euribor 3 months + 0.65%. In March 2024, the Group drew 9,000 thousand euros on one of these credit lines, repaying it in April. At 31 December 2024, an amount of 186 thousand euros had been drawn.

At 31 December 2024, this loan matured as follows:

2024

						TOTAL
Entity	**EIB**	**EIB**	**EIB**	**Santander**	**BBVA**	
Face value	**5,000**	**40,000**	**10,000**	**25,000**	**25,000**	
Interest rate	**Eur3+0.844%**	**0.681% Fixed**	**Eur3+0.655%**	**3.03% Fixed**	**3.49% Fixed**	
2025	739	5,737	75	4,791	4,752	16,280
2026	714	5,714	—	4,922	4,908	16,258
2027	714	5,714	1,071	5,071	5,081	17,651
2028	536	5,714	1,429	5,225	5,261	18,165
2029	—	5,714	1,429	2,669	2,702	12,514
2030 onward	—	—	6,071	—	—	6,071
	2,703	28,593	10,075	22,678	22,704	86,939
Non-current	1,964	22,856	10,000	17,887	17,952	70,659
Current	739	5,737	75	4,791	4,752	16,280

At 31 December 2023, the loan matured as follows:

2023

			TOTAL
Entity	**EIB**	**EIB**	
Face value	**5,000**	**40,000**	
Interest rate	**Eur3+0.844%**	**0.681% Fixed**	
2023	754	5,741	6,495
2024	714	5,714	6,428
2025	714	5,714	6,428
2026	714	5,714	6,428
2027	537	5,714	6,251
2028 onward	—	5,715	5,715
	3,433	34,312	37,745
Non-current	2,679	28,571	31,250
Current	754	5,741	6,495

b) Debt with government entities

b.1) Since 2001, the Company has been receiving reimbursable advances from different Ministries to finance a number of R&D projects. The amounts recorded as non-current financial debt for this item at 31 December 2024 amounted to 9,844 thousand euros (7,325 thousand euros at 31 December 2023). The transactions do not accrue interest and have been recognised at their initial fair values. The difference between the initial fair value and the face value accrues at market interest rates (Euribor and the interest rate on Spanish Treasury debt plus a spread in accordance with the Group's risk). This means that this debt accrues interest at effective interest rates ranging from 2.9% to 4.9%.

b.2) Breakdown of advances received

b.2.1) Advances received in 2024:

In 2024, the different Group companies received various reimbursable advances from different entities, details of which are given below:

			Thousand euros		Years	
Company	Government entity	Project	Face value	Initial fair value	Repayment period	Grace period
ROVI	Industrial Technological Development Centre	(1)	134	121	12	5
ROVI	Industrial Technological Development Centre	(2)	413	352	14	3
ROVI	Technological Corporation of Andalusia Foundation	(1)	10	8	12	3
ROVI	State Research Agency	(3)	10	7	10	4
ROVI	Industrial Technological Development Centre	(1)	1,465	1,465	10	3
ROVI	Industrial Technological Development Centre	(1)	2,020	2,020	10	3
			4,052	**3,973**		

(1) Funds projects to develop prolonged-release drug delivery technology.
(2) Funds projects to develop a biosimilar.
(3) Funds projects for the glycomics area.

In 2024, two advances were received from the Industrial Technological Development Centre (CDTI) for amounts of 1,465 and 2,020 thousand euros, respectively, subject to an interest rate of 4.228%.

b.2.2) Advances received in 2023:

In 2023, the different Group companies received various reimbursable advances from different entities, details of which are given below:

			Thousand euros		Years	
Company	Government entity	Project	Face value	Initial fair value	Repayment period	Grace period
ROVI	Industrial Technological Development Centre	(1)	349	297	14	2
ROVI	Industrial Technological Development Centre	(2)	152	136	8	0
ROVI	Ministry of Science and Innovation	(1)	81	60	9	3
ROVI	Ministry of Science and Innovation	(1)	81	58	9	3
ROVI	Technological Corporation of Andalusia Foundation	(1)	43	36	12	3
ROVI	Technological Corporation of Andalusia Foundation	(1)	18	15	12	3
ROVI	Technological Corporation of Andalusia Foundation	(1)	10	9	12	3
			734	**611**		

(1) Funds projects to develop prolonged-release drug delivery technology.
(2) Funds projects to develop a biosimilar.

At 31 December 2024 and 2023, debt with government entities matured as follows:

Debt with government entities

Year	2024	2023
2024	—	1,565
2025	1,562	1,465
2026	1,587	1,535
2027	1,400	1,341
2028	1,499	1,070
2029 onward	1,155	607
	4,203	1,307
Non-current	11,406	8,890
Current	9,844	7,325

Fair value of the financial debt

The carrying amounts and fair value of non-current bank borrowings and debt with government entities at 31 December 2024 and 2023 were as follows:

	Carrying amount		Fair value	
	2024	2023	2024	2023
Bank borrowings	70,659	31,250	70,094	26,877
Debt with government entities	9,844	7,325	9,406	6,891
	80,503	**38,575**	**79,500**	**33,768**

The fair values of current financial debt are equal to their corresponding nominal amounts since the effect of discounting is not significant. The fair values are based on cash flows discounted at rate based on the market rate of the financial debt..

c) Finance lease liabilities

As of 1 January 2019, as a consequence of the entry into force of IFRS Leases (Note 2.2.a), financial debt includes the lease liabilities.

The main liabilities recognised at 31 December 2024 and 2023 under this caption related to:

- Real estate leases: the Group holds leases on certain properties where it carries out its activities. The payment period of the liabilities generated by these leases has initially been fixed at 10 years.

- Vehicles: to carry on its activities, the Group holds leases on vehicles. The payment period for this liability is 3 years.

- Computer equipment: the Group leases certain computer equipment for its activities. The payment period established for these liabilities is 3 years.

At 31 December 2024 and 2023, financial liabilities for leases matured as follows:

Finance leases:

Year	2024	2023
2024	—	5,125
2025	5,849	4,890
2026	3,697	3,002
2027	3,015	2,892
2028	2,927	2,881
2029 onward	577	2
	16,065	18,792
Non-current	10,216	13,667
Current	5,849	5,125

d) Derivative financial instruments

At 31 December 2024 and 2023, l the Company did not hold any balance for derivative financial instruments, although it did use them in both periods. Financial derivatives are not classified as hedges and, therefore, fall within the category of financial liabilities at fair value through profit and loss.

19. Deferred taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority. A breakdown of the estimated periods for offsetting is as follows:

	2024	2023
Deferred tax assets		
– Deferred tax assets to be recovered at more than 12 months	294	550
– Deferred tax assets to be recovered within 12 months	1,969	1,793
	2,263	**2,343**
Deferred tax liabilities		
– Deferred tax liabilities to be settled at more than 12 months	195	897
– Deferred tax liabilities to be settled within 12 months	171	618
	366	**1,515**

Net movement on the deferred tax accounts was as follows:

	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
At 1 January 2023	**2,078**	**(677)**	**1,401**
(Charged)/credited to profit and loss (Note 28)	515	(451)	64
(Charged)/credited to equity	(250)	(387)	(637)
At 31 December 2023	**2,343**	**(1,515)**	**828**
(Charged)/credited to profit and loss (Note 28)	(80)	1,149	1,069
At 31 December 2024	**2,263**	**(366)**	**1,897**

Movement on the deferred tax assets was as follows:

	Negative tax bases	30% amortiz. 13&14	Provisions	Other	Total
At 1 January 2023	**—**	**516**	**1,529**	**33**	**2,078**
(Charged)/credited to profit and loss	288	(140)	81	286	515
(Charged)/credited to equity	—	(234)	(16)	—	(250)
At 31 December 2023	**288**	**142**	**1,594**	**319**	**2,343**
(Charged)/credited to profit and loss	(56)	(142)	305	(187)	(80)
At 31 December 2024	**232**	**—**	**1,899**	**132**	**2,263**

The amounts for deferred tax assets shown in the column "30% amortisation/depreciation 13 & 14" relate to the tax effect of the 30% of the amortisation/depreciation charge for the period, which was not tax deductible in the years 2013 and 2014, as established in Royal Decree-Law 16/2012 of 27 December, whereby various measures intended to consolidate public finance and stimulate economic activity were adopted. Additionally, the column "Provisions" shows the amounts related to booking non-tax deductible provisions in the years reported. Lastly, the column "Other" shows, among other concepts, the effect of the non-deductibility in 2023 of 50% of the negative tax bases contributed to the Spanish consolidated tax group by certain companies (Note 28), in accordance with additional provision 19 of Law 27/2024 of 27 November on Corporate Income Tax.

Movement on the deferred tax liabilities was as follows:

	Freedom of amortisation/ depreciation	Other	Total
At 1 January 2023	**51**	**626**	**677**
Charged/(credited) to profit and loss	(71)	522	451
At 31 December 2023	269	118	387
Charged/(credited) to profit and loss	**249**	**1,266**	**1,515**
(Charged)/credited to profit and loss	(49)	(1,100)	(1,149)
At 31 December 2024	**200**	**166**	**366**

The deferred tax liabilities described as "Other" show the liabilities arising from the elimination of margins on internal inventory and fixed-asset transactions, as well as the net deferred tax related to application of IFRS 16 "Leases". Regarding the deferred tax assets and liabilities arising from application of IFRS 16 "Leases, at 31 December 2024, it showed a net liability position of 120 thousand euros (110 thousand euros at 31 December 2023), composed of 3,896 thousand euros of assets and 4,016 thousand euros of liabilities (4,588 thousand euros of assets and 4,498 thousand euros of liabilities at 31 December 2023).

The deferred tax liabilities included as "Freedom of amortisation/depreciation" refer to the application of the free amortisation/ depreciation system associated to assets attached to R&D activity and maintaining jobs.

20. Contract liabilities

Movement on contract liabilities in 2024 and 2023 was as follows:

	Distribution licences	**Other contracts**	**Total**
At 1 January 2023	**1,839**	**114,607**	**116,446**
Additions	255	76,912	77,167
(Charged)/credited to profit and loss	(339)	(152,799)	(153,138)
At 31 December 2023	**1,755**	**38,720**	**40,475**
Additions	793	66,274	67,067
(Charged)/credited to profit and loss	(365)	(100,555)	(100,920)
At 31 December 2024	**2,183**	**4,439**	**6,622**

a) Distribution licences

In 2024, new contract liabilities of 793 thousand euros (255 thousand euros in 2023) were recognised in relation to agreements granting distribution licences.

In 2024, ROVI recognised revenue from distribution licences for a total amount of 365 thousand euros (339 thousand euros in 2023) (Note 22).

At 31 December 2024 and 2023, contract liabilities related to distribution licences had the following estimated maturities:

Year	2024	2023
2024	—	324
2025	364	257
2026	256	149
2027	197	96
2028	55	53
2029 onward	9	8
	881	887
Non-current	517	563
Current	364	324

At 31 December 2024, there were contract liabilities related to distribution licences for an amount of 1,302 thousand euros for which the time at which they would be recognised in the income statement could not be determined, since they were subject to meeting certain milestones for which no dates had been fixed (868 thousand euros at 31 December 2023).

b) Other contracts

This caption includes sums totalling 3,239 thousand euros (37,520 thousand euros in 2023) billed to customers for the adaptation, fitting-out and validation of the facilities and machinery –either owned by ROVI or acquired or subcontracted from third parties– that, at the year end, had not yet been taken to profit and loss as revenue from services provided, since these sums had not yet accrued in accordance with the percentage of completion. Likewise, it includes 1,200 thousand euros in 2024 (1,200 thousand euros in 2023) for reserved capacity, which had not yet been taken to consolidated profit and loss at the 2024 reporting date. It will be allocated when and as the contract conditions that determine accrual of the revenue from services are satisfied (Note 2.21.b). No amounts had been billed and received for the purchase of materials as of 31 December 2024. Mention should be made of the fact that the contract liabilities included under this caption are expected to materialise in the short term.

21.Deferred income

	2024	2023
Non-current	927	1,359
	927	1,359
Current	445	464
	445	464
	1,372	**1,823**

The deferred income caption recognises sums collected for grants received from government entities, which are classified into two broad blocks:

	2024	2023
a) Deferred revenue from non-reimbursable capital grants	1,321	1,725
b) Deferred revenue from reimbursable capital grants	51	98
	1,372	**1,823**

a) Deferred revenue from non-reimbursable capital grants

These are taken to profit and loss in proportion to the amortisation charge in the period for the assets whose purchase is subsidised. The most significant non-reimbursable grants that have not yet been taken to profit and loss are related to construction of the Granada bemiparin plant, which came into operation in 2009. In said reporting period, the allocation of a non-reimbursable grant of 5,431 thousand euros, awarded by the Innovation and Development Agency of Andalusia (Innovation, Science and Business Department), to profit and loss commenced. This grant was received in November 2008. The amount recognised for this grant under the caption "Current and non-current deferred revenues from grants" at 31 December 2024 was 859 thousand euros (1,154 thousand euros at 31 December 2023).

b) Deferred revenue from reimbursable grants

These relate to grants with an implicit interest rate derived from recognising reimbursable grants awarded at a zero interest rate at fair value (Note 18.b). The most significant amounts recognised as deferred revenues in relation to reimbursable grants awarded by government entities relate mainly to a number of research and development projects. They are taken to profit and loss on the basis of accrual of the expenses for which the reimbursable grant was awarded.

22. Revenues

Revenues are broken down into the following items:

	2024	2023
Sales of goods	427,163	419,893
Sales of services	336,221	409,277
Revenue from distribution licences (Note 20)	365	339
	763,749	**829,509**

a) Sales of goods

At 31 December 2024, revenue from services to promote third-party products is not included (292 thousand euros at 31 December 2023).

Additionally, at 31 December 2024, the "Sales of goods caption included 3,146 thousand euros (6.013 thousand euros at the 2023 reporting date) relating to royalties received on the basis of enoxaparin distribution agreements signed with third parties.

Total sales of goods fell by 13,039 thousand euros in 2024 (14,523 thousand euros in 2022) as a consequence of the rebates furnished to the National Health System (Note 2.24). Of the total amount of discounts to the National Health System, no revenue related to the collaboration agreement signed between Farmaindustria and the Spanish government was recognised in either 2024 or 2023 (Note 17).

Details of "Sales of goods" by product group are as follows:

	2024	2023
Specialty pharmaceuticals	373,046	373,186
Contrast agents and other hospital products	53,021	45,673
Other	1,096	1,034
	427,163	**419,893**

b) Sales of services

Details of sales of services are as follows:

	2024	2023
Manufacturing of medicines	310,099	384,883
Manufacturing of active ingredients	26,122	24,394
	336,221	**409,277**

At 31 December 2024, the "Sales of services" caption included 100.555 thousand euros (152,799 thousand euros at 31 December 2023) relating to the work to adapt, fit out and validate the facilities and machinery, which may be either owned by ROVI or acquired or subcontracted from third parties, to subsequently provide manufacturing services to certain customers, as well as reserved manufacturing capacity as agreed with customers (Note 2.21.b). Additionally, the Group recognised 26,241 thousand euros for the manufacture of active substances in 2024 (24,394 thousand euros en 2023).

c) Breakdown by geographical market and segment

The breakdown of net revenue by primary geographical market and segment at 31 December 2024 was as follows:

	Manufacturing	Marketing	TOTAL
Spain	7,274	269,737	277,011
European Union	46,658	99,449	146,107
Other countries	282,289	58,342	340,631
	336,221	**427,528**	**763,749**

At 31 December 2023, the breakdown was as follows:

	Manufacturing	Marketing	TOTAL
Spain	6,232	267,123	273,355
European Union	39,965	103,680	143,645
Other countries	363,080	49,429	412,509
	409,277	**420,232**	**829,509**

At 31 December 2023, the Group had a manufacturing segment customer whose billing accounted for 37% of total Group billing (38% in the year ended 31 December 2022).

Sales in 2024 and 2023 were made principally in euros.

23. Procurements and change in inventories of stock of finished goods and work in progress

The breakdown of goods consumed, raw materials and other consumables is as follows:

	2024	2023
Good consumed	22,355	25,596
Raw materials consumed and other consumables	322,287	328,030
Work performed for other companies	3,117	2,745
Impairment of goods, raw materials and other procurements	(3,857)	3,270
	343,902	**359,641**

Additionally, in 2024, the company recognised a sum of 57,851 thousand euros in its income statement for changes in inventories of finished goods and work in progress (18,552 thousand euros in 2023) (Note 12).

24. Employee benefit expenses

Employee benefit expenses may be summarised as follows:

	2024	2023
Wages and salaries	109,029	98,550
Social security costs	26,624	24,251
Pension costs - defined-contribution pension plans	6	6
	135,659	**122,807**

At 31 December 2024, total employee benefit expenses included expenses of 10,983 thousand euros (9,518 thousand euros at 31 December 2023, Nota 7)

The “Wages and salaries” figure included termination payments of 1,581 thousand euros in 2024 and 758 thousand euros in 2023.

The average number of employees was as follows

	2024	2023
Management	37	41
Administrative	318	325
Sales	342	308
Production and plant	1,357	1,199
Research	125	223
	2,179	2,096

At 31 December 2024, the Group’s total headcount was 2,197 people (2,111 at 31 December 2023) of which 1,154 were women (1,135 at 31 December 2023). Management positions were held by 12 women in 2024 (14 women in 2023).

At 31 December 2024, the Group’s total headcount included 30 people with a disability rating of 33% or higher (35 at 31 December 2023).

25.Other operating expenses

	2024	2023
Advertising costs	21,737	21,754
Services from third parties	17,688	16,223
Utilities	27,739	31,986
Transport and warehouse expenses	9,214	8,233
Repairs and maintenance	10,636	8,941
Operating leases	860	2,462
Other taxes	8,975	5,764
Other operating expenses	39,118	30,311
	135,967	**125,674**

Total operating expenses at 31 December 2024, including R&D-related expenses of 14,769 thousand euros (15,405 thousand euros at 31 December 2023, Note 7), most of which were recognised under the “Other operating expenses” caption.

The “Other operating expenses” caption includes 4,240 thousand euros for the dismantling of one of the Group’s production lines (Note 6).

26. Operating leases

At 31 December 2024 and 2023, there were no minimum future payments on non-cancellable operating leases.

27. Finance income/costs

	2024	2023
Interest income	26	7
Other finance income	233	1,497
Total finance income	259	1,504
Interest paid	(1,988)	(667)
Other finance costs	(362)	(281)
Total finance costs	(2,350)	(948)
Proceeds on disposal of financial instruments	81	(219)
Change in fair value of financial instruments	—	28
Impairment and gain/(loss) on measurement of financial instruments	81	(191)
Exchange differences	296	(86)
	296	(86)
Net finance income/(costs)	**(1,714)**	**279**

The caption “Other finance costs” shows the finance costs derived from application of IFRS 16 “Leases” (Note 2.2.a).

At 31 December 2023, the Group recognised a cost of 301 thousand euros on the sale of the company Enervit Nutrition, S.L., 50% held by Laboratorios Farmacéuticos Rovi, S.A. (Note 10) and sale of the shares the Group held in BBVA (Note 11). These amounts are included under the caption “Impairment and gain/(loss) on measurement of financial instruments”.

28. Income tax

In 2024 and 2023, the corporate income tax return was submitted jointly for the following group companies, the company Laboratorios Farmacéuticos Rovi, S.A. being the parent of tax group 362/07:

- Rovi Pharma Industrial Services, S.A.U.
- Pan Química Farmacéutica, S.A.U.
- Gineladius, S.L.U.
- Rovi Escúzar, S.L.U.

Income tax expense breaks down as follows:

	2024	2023
Current tax	(42,593)	(50,603)
Deferred tax (Note 19)	1,069	64
Adjustment corporate income tax expense prior years	905	659
Withholding taxes paid abroad	(195)	(229)
	(40,814)	**(50,109)**

The tax on the Group's pre-tax profit differs from the notional amount that would have been calculated using the 25% tax rate applicable to the profits of the consolidated companies as follows:

	2024	2023
Profit before tax	177,690	220,408
Tax calculated at domestic tax rate of 25%	(44,422)	(55,102)
Share of profits in joint ventures	(35)	(31)
Movement on negative tax bases	(56)	288
Adjustment corporate income tax expense prior years	905	659
Non-tax deductible expenses	(929)	(372)
Tax differences in results of subsidiaries	(517)	(221)
R&D tax credits used	4,459	4,923
Movement on capitalised R&D tax credits	(24)	(23)
International double taxation tax credit	(195)	(230)
Income tax expense	**(40,814)**	**(50,109)**

The non-deductible expenses and non-taxable income captions include principally the permanent differences of the companies at individual level, mainly related to donations.

The current tax for Spain, Portugal, United Kingdom and Italy for for 2024, after deducting the amount of payments on account and withholdings during the year, generated a current tax payable of 2,384 thousand euros, while current income tax in Germany and Austria generated a receivable of 81 thousand euros (payable of 5,255 thousand euros at 31 December 2023 for all the tax jurisdictions).

Tax credits

The Group generated tax credits of 4,435 thousand euros in 2024 (4,900 thousand euros in 2023) and was likewise entitled to offset tax credits of 24 thousand euros from previous years (23 thousand euros at 31 December 2023). In 2024, tax credits of 4,459 thousand euros were applied (4,923 thousand euros in 2023), meaning that there were thus no further tax credits to be offset in future years (tax credits of 24 thousand euros were pending application at 31 December 2023).

Negative tax bases

At 31 December 2024, the Group had recognised negative tax bases amounting to 232 thousand euros (288 thousand euros at 31 December 2023).

Pillar Two

ROVI falls within the scope of Pillar Two. Pillar Two was agreed within the Inclusive Framework of the initiative against base erosion and profit shifting (BEPS) of the OECD and the G-20 and approved through the Model Rules on 14 December 2021.

The Model Rules and, in short, Pillar Two have established a global minimum tax of 15%. Thus, Pillar Two require the affected groups to calculate their effective tax rate for each jurisdiction in which they operate in accordance with specific rules. Regarding jurisdictions in which the effective rate is lower than 15%, the Group must settle an additional tax corresponding to the difference between the effective tax rate of the jurisdiction in question and the minimum 15% rate.

The Council of the European Union adopted Directive 2022/2523, thus incorporating this initiative into the European legal framework. This Directive substantially includes the content of the Model Rules

The process of transposing the Directive into Spanish legislation concluded with the approval of Law 7/2024 of 20 December and the year starting 1 January 2024 was the first year of application.

As of the 2024 reporting date, the Group made an analysis of its potential exposure to the income tax derived from Pillar Two, based on applying the Transitional Safe Harbour provisions, and concluded that the top-up tax provided for in Law 7/2024 was not applicable. Likewise, a transitional regime was established that provides that the top-up tax is not payable in the tax periods commencing between 31 December 2023 and 31 December 2026, in which country information is submitted by admissible country, jurisdiction and period. This country by country information is submitted by Norbel Inversiones, S.L. (the Spanish parent company of the Norbel Group) to the Spanish authorities and, on the basis thereof, at 31 December 2024, ROVI met the Transitional Safe Harbour requirements for application of the simplified rate in the jurisdictions in which it operates, finding that the top-up tax provided for in Law 7/2024 of 20 December was not applicable.

The following taxes are open to inspection for the periods mentioned:

	Years
Corporate income tax	2020-23
Value-added tax	2021-24
Transfer tax	2021-24
Personal income tax	2021-24

On 13 November 2024, Laboratorios Farmacéuticos Rovi, S.A. and Rovi Pharma Industrial Services, S.A. were notified of the commencemnt of inspection and investigation actions by the Large Taxpayers Central Office, Office of Tax and Customs Control, in relation to the following items and periods:

- Corporate income tax for the years 2020 to 2022
- Value-added tax from September 2020 to December 2022.
- Withholdings/payments on account of earned income and income from professional and business activities from September 2020 to December 2022.
- Withholdings on account of non-residents' income tax from September 2020 to December 2022.

Considering the fact that the actions taken in the inspection procedure have merely consisted of requesting information, it was not possible to estimate the outcome of the procedure as of 31 December 2024.

As a result of, among other things, possible different interpretations of current tax legislation, additional liabilities could arise as the result of an inspection. At any event, the directors consider that any such liabilities would not have a significant effect on the consolidated annual accounts.

29. Earnings per share

Basic and diluted

The basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares in issue during the period.

To determine the number of shares in issue for 2024 and 2023, the weighted average number of shares was calculated without taking the treasury shares that existed at any given moment into account.

	2024	2023
Profit attributable to the Company's shareholders	136,881	170,335
Weighted average number of ordinary shares in issue (thousands)	51,210	53,192
Basic and diluted earnings per share (euros per share)	2.67	3.20

At 31 December 2024 and 2023, there were no shares with potential diluting effects.

30. Contingencies

At 31 December 2024, the Group held bank guarantees amounting to 3,009 thousand euros (2,989 thousand euros in 2023). These guarantees were granted principally to enable Group companies to participate in public tenders and to receive grants and reimbursable advances.

31. Commitments

Acquisition of Bertex Pharma GmbH

Future payment commitments derive from the agreement to purchase assets through the acquisition of the company Bertex Pharma GmbH that took place in 2007. The purchase agreement fixes a variable component that will depend upon the successful completion of clinical trials for the development of products and the subsequent marketing.

The commitments related to this transaction are:

a) If the development and marketing are performed internally:

– 350 thousand euros after successfully completing the development of phase 1 clinical trials. Part of this amount, 100 thousand euros, was settled in 2011, while 250 thousand euros were settled in 2014;
– A payment of 200 thousand euros after successfully completing the development of phase 2 clinical trials. This payment was made in 2016;
– A payment of 300 thousand euros after successfully completing the development of clinical trials of phase 3. This payment was made in 2020;
– A payment of 200 thousand euros upon commencement of the marketing of any pharmaceutical product. This payment was made in 2022.
– A payment of 200 thousand euros upon commencement of the marketing of any pharmaceutical product in any of the main markets (United States, Japan, Germany, France, Italy or the United Kingdom). This payment was made in 2022.

b) If the development or marketing are performed by third parties:

– 5% of the revenues obtained by ROVI from the development and marketing of the products by third parties (net of direct or indirect production costs and administration expenses).

Payments for the internal development or marketing detailed in section a) exclude those performed under section b) and vice versa, but if ROVI completes clinical development phases 1 and 2 and entrusts the subsequent phases to a third party or performs them for a third party, this clause will apply, but the payments made for phases 1 and 2 under section a) will be deducted.

The work and clinical trials for development of the products mentioned in point a) above are progressing as planned.

32. Related-party balances and transactions

The Group is controlled by Norbel Inversiones, S.L., which, at 31 December 2024 and 2023, held 58.19% of the shares of the parent company. At 31 December 2024 and 2023, Norbel Inversiones, S.L. belonged to Messrs Juan, Javier and Iván López-Belmonte Encina.

a) Purchases of goods and services

	2024	2023
Purchases of services		
– Directors who are also shareholders	18	25
– Entities in which the López-Belmonte Encina family hold an interest	2,739	2,676
	2,757	**2,701**

	2024	2023
Sales of services:		
– Associated companies	100	25
	100	**25**

Purchases of services from companies in which the López-Belmonte-Encina family holds an interest related to operating lease payments to the companies Norba Inversiones, S.L. and Lobelvia Inversiones, S.L.

Sales of services to associates companies corresponds to the provision of services between the companies Gineladius, S.L. and Cells IA Technologies, S.L.

b) Director and senior management remuneration

b.1) Director remuneration

	2024	2023
Wages, salaries and other current benefits	3,265	2,766
Contributions to defined-contribution pension plans (Notes 22 and 34.a)1.c)	6	6
	3,271	**2,772**

The "Wages, salaries and other current benefits" line includes the remuneration of the executive directors for performing senior management functions (Note 34.1.f) and the remuneration agreed for the directors as members of the Board of Directors (Note 34.1.a).

At 31 December 2021, ROVI had a Long-Term Incentive Plan for the executive directors for the years 2019 to 2021. The purpose of this plan was to reward the long-term creation of value for the Group in the interests of the shareholders. The amounts accrued under this Plan were recognised under the "Employee benefit expenses" caption in the income statement and are included in the above "Director and senior management remuneration" table. The amounts accrued under this plan at 31 December 2021 had been partially settled at 31 December 2022 and payment was completed in 2023.

At 31 December 2024 and 2023, ROVI had a Long-Term Incentive Plan for the executive directors for the years 2022 to 2024. The purpose of this plan is to reward the long-term creation of value for the Group in the interests of the shareholders. The amounts accrued under this Plan are recognised under the "Employee benefit expenses" caption in the income statement and are included in the above "Director and senior management remuneration" table.

b.2) Senior management remuneration

Members of the Management Committee and the Internal Audit Manager are deemed to be senior management. The following table shows the annual remuneration of those who were members of the Management Committee but not of the Board of Directors at the end of each reporting period:

	2024	2023
Wages, salaries and other current benefits	2,649	1,926
	2,649	**1,926**

At 31 December 2024, the Management Committee was formed by 15 members (13 members at 31 December 2023), three of whom were also members of the Board of Directors.

c) Dividends paid

Dividends paid to the company Norbel Inversiones, S.L. in 2024 were 32,903 thousand euros (38,571 thousand euros in 2023). Additionally, dividends of 3,832 thousand euros were paid to other significant shareholders (4,917 thousand euros in 2023).

d) Other transactions

In 2023, the company Gineladius, S.L.U. contributed capital and share premium of 600 thousand euros to the associated company Cells IA Technologies, S.L.

Additionally, Gineladius, S.L.U. granted one credit line to Cells IA Technologies, S.L.U. for 900 thousand euros at a fixed interest rate of 1.72%, on which no amount was drawn in either year, and another credit line granted in 2024 for 225 thousand euros at a fixed annual interest rate of 3.08%, the entire amount of which has been drawn, accruing interest of 2 thousand euros.

On 13 March 2024, the Group made a capital contribution to the company Terafront Farmatech, S.L., which was fully paid up for a sum of 255 thousand euros, and a shareholder contribution of 18,836 thousand euros.

e) Balances at the reporting date

	2024	2023
Payables to related parties (Note 17):		
– Senior management	356	291
– Directors	2,564	1,802
– Entities in which the López-Belmonte Encina family holds an interest	157	206
	3,077	**2,299**

	2024	2023
Receivables from related parties (Note 13)		
– Associated companies	257	10
	257	**10**

33. Fees of account auditors and their group or related companies

The fees for the services provided by the audit firm KPMG Auditores, S.L. for the annual account audits of the Group and the other companies belonging to its group in the years ended 31 December were as follows, irrespective of when they were invoiced:

	Thousand	
	2024	2023
Audit services	415	229
Other review services	144	52
Other services	126	53
	685	**334**

"Other review services" for 2023 and 2024 includes services which are required to be provided by the account auditors under the applicable regulations and relate to a limited-scope review of the financial statements at 30 June, a review of compliance with financial ratios for financing agreements, and a review of the system for internal control over financial reporting. Additionally, in 2024, it also includes a review of the integrated report of the Rovi Group, additional review work carried out by the account auditors, and analyses related to compliance with the average period of payment to suppliers. Lastly, in 2023, it likewise included the review of an account supporting the details of grants.

"Other services" includes a review of the Non-Financial Information Statement and Sustainability Reporting of the ROVI Group for 2024 and a review of the Non-Financial Information Statement of the ROVI Group for 2023.

Additionally, other entities belonging to KPMG International provided professional services to the Group during the years ending 31 December, as follows:

	Thousand euros	
	2023	2023
Audit services	89	78
Other review services	9	9
	98	**87**

"Other review services" relates to reviews of the packaging declarations of one of the Group companies for 2024 and 2023.

Lastly, the audit work carried out by companies independent of the firm KPMG totalled 16 thousand euros (15 thousand euros in 2023).

34. Director remuneration

At 31 December 2024 and 2023, the members of the Board of Directors were as follows:

Mr Juan López-Belmonte Encina	Chairman and Chief Executive Officer
Mr Javier López-Belmonte Encina	First Deputy Chairman
Mr Iván López-Belmonte Encina	Second Deputy Chairman
Mr Marcos Peña Pinto	Coordinating Director
Ms Marina del Corral Téllez	Director
Ms Teresa Corzo Santamaría	Director
Ms Fátima Báñez García	Director

The non-director secretary is Mr Gabriel Núñez Fernández.

a) In accordance with the provisions of article 28 of the Regulations of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., the following information is provided with respect to the members of the Board of Directors at 31 December 2024**:**

1. Individual breakdown of the remuneration of directors, including, where applicable

   a. Per diem expenses or other fixed remuneration received as director and additional remuneration received as chair or member of any board committee. The amounts for 2024 and 2023 were as follows:

	2024	2023
Mr Juan López-Belmonte Encina	180	180
Mr Javier López-Belmonte Encina	80	80
Mr Iván López-Belmonte Encina	80	80
Ms Marina del Corral Téllez	80	80
Ms Teresa Corzo Santamaría	80	80
Mr Marcos Peña Pinto	80	80
Ms Fátima Báñez García	80	80
	660	660

   b. No director received remuneration from profit-sharing or premiums, and the reason why they were awarded.

   c. Contributions made to defined-contribution pension plans in the directors' favour (Note 2.19 a); or increases in the vested rights of the director in the case of contributions to defined-benefit plant (no defined-benefit plans exist).

	2024	2023
Mr Juan López-Belmonte Encina	2	2
Mr Javier López-Belmonte Encina	2	2
Mr Iván López-Belmonte Encina	2	2
	6	6

   d. No director received any severance payments agreed to or paid upon termination of his or her term of office.

   e. No director received any remuneration as a director of other group companies.

f. Remuneration for the performance of senior management functions received by executive directors. The remuneration of this nature for 2024 and 2023 was as follows:

	2024		2023	
	Fixed	**Variable**	**Fixed**	**Variable**
Mr Juan López-Belmonte Encina	849	616	743	421
Mr Javier López-Belmonte Encina	286	287	248	224
Mr Iván López-Belmonte Encina	281	286	247	223
	1,416	1,189	1,238	868

The variable remuneration of the executive directors includes the amounts accrued as variable remuneration and the sums accrued under the Long-Term Incentive Plan.

g. In 2024 and 2023, no item of remuneration existed other than the above, irrespective of its nature or the group company paying it, particularly including related-party transactions and any items the omission of which would distort the true and fair view of the total remuneration received by the director.

2. At 31 December 2024 and 2023, there were no awards to the directors of shares, options or any other equity instruments tied to the value of the share that were pending accrual.

3. Information on the relationship between the remuneration received by the executive directors and the results or other measurements of the Company's performance.

	2024	**2023**
Remuneration of executive directors	2,605	2,106
Profit of parent company	75,546	12,071
Remuneration of executive directors/Profit attributable to parent company	3.45%	17.45%

The Group holds a liability insurance policy for directors and senior management. In 2024, a premium of 205 thousand euros accrued for this policy (180 thousand euros in 2023).

b) Conflicts of interest on the part of the directors

In compliance with their duty to avoid situations where conflict with the Company's interests exists, the directors who held office on the Board of Directors during the period met the obligations set forth in article 228 of the Revised Text of the Capital Companies Act. Likewise, both they and the persons related to them refrained from entering into the situations of conflict of interests provided for in article 229 of said Act.

35. Events after the reporting date

On 27 January 2025, the Group, through the company Gineladius, S.L., took part in a capital increase with share premium of Cells IA Technologies for an amount of 2,250 thousand euros, which allowed it to increase its percentage interest in the company's share capital from the 26% it had held until then to 50%. On the same day, through two purchase transactions with the other two shareholders of Cells IA Technologies, S.L., increased its interest in the company's share capital to 94.995%, having paid a sum of 1,440 thousand euros. Additionally, there is a contingent price of up to 1,560 thousand euros that depends on certain milestones being met.

As a result of the transactions described above, Gineladius acquired control of Cells IA Technologies, S.L. on said date and, therefore, the equity method of consolidation was no longer applied and the company became fully consolidated.

36. Other significant information

ROVI informed the market (in inside information publication number 2595 of 7 February 2024) in relation to the preliminary close of the 2024 financial year. Regarding the year-end EBITDA levels forecast by the market consensus for 2024, ROVI announced that said EBITDA levels were expected to be between 10 and 15% lower than the EBITDA levels forecast by the market consensus.

ROVI informed the market (in inside information publication number 2415 of 24 October 2024) of the evaluation it had made in the previous few months of the strategic alternatives for increasing the value of its assets, which had included the possibility that ROVI might carry out a corporate transaction in relation to its contract manufacturing business (CDMO). The process attracted offers from several international investment funds and industrial companies, which submitted various proposals for the CDMO business. However, ROVI announced that, after analysing and evaluating the non-binding offers received, it had decided that, given the strength, strong performance and prospects of this business, at present, the best way to maximise value for the shareholder was to continue to execute the Company's independent strategic plan, protecting and developing the CDMO business within the current structure of the ROVI Group, without the entry of external investors.

In addition, after completion of the Buy-back Programme, ROVI informed of the resumption, as of 12 June 2024, of transactions under the liquidity contract signed between the Company and Bestinver, S.V., S.A. for management of the Company's treasury shares, of which the market was informed on 5 April 2022 in the pertinent announcement of other relevant information (register number 15427). When the Buy- Back Programme commenced, the liquidity contract was suspended for the duration of the Programme, in accordance with CNMV Circular 1/2017 of 26 April, Provision Five, 2.c). Likewise, the Company and Bestinver, S.V., S.A. decided to modify the balances of securities and cash associated to the Liquidity Contract in the terms reported to the market as other relevant information on 31 July 2024 (with number 30064).

On 12 September 2024, ROVI informed (by publication of other relevant information number 30484) that the 2,780,395 shares that had been cancelled in the capital reduction approved by the General Shareholders' Meeting, had been delisted from the Stock-Exchange Interconnection System (Sistema de Interconexión Bursátil) and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges effective 13 September 2024. As a result, the share capital of the Company is now EUR 3,074,145.72, divided into 51,235,762 ordinary shares, with a nominal value of EUR 0.06 each, which grant a total of 51,235,762 voting rights (one per share). The new amount of the share capital, after the cancellation and delisting of the mentioned shares, has now been recorded in the registers of the National Securities Market Commission and Iberclear. As a result of the cancellation of these shares, the shareholders automatically increased their percentage interest in the share capital.

ROVI informed (by publication of the inside information number 2207 dated 25th April 2024) that its subsidiary, ROVI's wholly owned CDMO platform, ROVI Pharma Industrial Services, S.A.U. (hereinafter "ROIS") had entered into an agreement to support the manufacture of pre-filled syringes for a global pharmaceutical company.

ROVI informed (by publication of the other relevant information number 27772 dated 2nd April 2024) that the U.S. Food and Drug Administration (FDA) had authorised the marketing of Risvan® (Risperidone ISM®) for the treatment of schizophrenia in adults. Notwithstanding, ROVI has decided not to market Risvan® (Risperidone ISM®) in the United States after assessing the uncertainties and opportunities associated to this launch.

APPENDIX 1

Subsidiaries included in the consolidated group

		Ownership interest			
Corporate name	Registered address	2023	2022	Activity	Auditor
Pan Química Farmacéutica, S.A.U	C/ Rufino González 50, Madrid (Spain)	100%	100%	(1)	A
Gineladius, S.L.U	C/ Rufino González 50, Madrid (Spain)	100%	100%	(2)	N/A
Rovi Pharma Industrial Services, S.A.U.	Avda. Complutense 140 , Alcalá de Henares (Spain)	100%	100%	(1)	A
Rovi Escúzar, S.L.U	C/ Julián Camarillo 35, Madrid (Spain)	100%	100%	(1)	A
Glicopepton Biotech, S.L.	C/ Julián Camarillo 35, Madrid (Spain)	51%	51%	(4)	A
Rovi Biotech GmbH	Bahnhofstrasse 10, Zug, (Switzerland)	100%	100%	(1)	N/A
Bertex Pharma GmbH	Rudolf-Diesel-Ring 6, Holzkirchen (Germany)	100%	100%	(3)	N/A
Rovi Biotech Limited	Davis House 4th Floor, Suite 425 Robert Street, Croydon, (United Kingdom)	100%	100%	(1)	B
Rovi Biotech, S.r.l	Viale Achille Papa 30, Milán (Italy)	100%	100%	(1)	E
Rovi, GmbH	Rudolf-Diesel-Ring 6, Holzkirchen (Germany)	100%	100%	(1)	C
Rovi, S.A.S.	Rue du Drac 24, Seyssins (France)	100%	100%	(1)	D
Rovi Biotech sp.z.o.o.	Ulica Domaniewska 44, Warsaw, Poland	100%	100%	(5)	N/A

The percentage ownership interests have been rounded up or down to two decimal points.

Unless stated otherwise, the closing date of the latest annual accounts is 31 December.

Activity:
(1) Production, marketing and sale of pharmaceutical, healthcare and medicine products.
(2) Import-export, purchase, sale, distribution and marketing of articles related to integral female healthcare.
(3) Development, distribution and marketing of pharmaceutical products related to micro-particle technologies.
(4) Production and marketing of raw heparin and products with a high nutritional value for animal feed and fertilisers.
(5) In liquidation process

Auditor:

A Auditor in 2024 and 2023: KPMG Auditores, S.L.
B Auditor in 2024 and 2023: Dains, LLP.
C Auditor in 2024 and 2023: KPMG AG.
D Auditor in 2024 and 2023: KPMG, S.A.
E Auditor in 2024 and 2023: KPMG SpA.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Management Report 2024

1.- CORPORATE PROFILE AND BUSINESS MODEL

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 three main growth pillars:

- Pharmaceutical specialties, split in two areas:
  - Prescription products: With two divisions: Low-molecular-weight heparin division (LMWH) and own and licensed product division.
  - Diagnostic imaging contrast agents and other hospital products.
- Contract manufacturing: Specialists in solutions for prefilled syringes, solid oral forms and vials.
- R&D, split in three areas:
  - Innovative drug release technology, ISM®.
  - Glycomics area.
  - Multilayer technology for urethral catheters.

As a result of a combination of factors, among which the Group's stability, due to the growth of its recurring business and its strong financial position, sound strategy and clear pillars of growth may be highlighted, the Company's reactive profile has been reinforced.

In addition, ROVI has a sound, low-risk R&D policy, where the patented ISM® platform (internally-developed and patented innovative drug-release technology which allows the prolonged release of the compounds administered by injection) opens up new channels of growth. The Company allocates a large part of its resources to research, in order to remain in the vanguard in both the product area and the manufacturing and development systems area.

ROVI enjoys a series of competitive advantages that have allowed it to position itself as one of the principal leaders in itsmarket 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

In all its business lines, ROVI as a group is aware that its activity does not consist only of the health improvements provided by its products but that, additionally, it wishes to respond to the social and environmental demands related to the impact of its activity. To achieve this, ROVI's economic development must be compatible with its conduct in respect of ethical, social, labour and environmental issues, and respect for human rights.

For more information, please see Integrated Report, which is part of this Management Report, or visit: www.rovi.es

2.- BUSINESS PERFORMANCE AND SIGNIFICANT MATTERS

2.1.- Business performance

€ Million	2024	2023	Variation	% Variation
Operating revenues (1)	763.7	829.5	(65.8)	-8%
Other income (2)	0.9	0.8	0.1	8%
Total revenue (3)	**764.6**	**830.3**	**(65.7)**	**-8%**
Cost of sales (4)	(286.1)	(341.1)	55.0	-16%
Gross profit (5)	**478.5**	**489.2**	**(10.7)**	**-2%**
% gross margin (11)	*62,7%*	*59.0%*		*(3,7pp)*
R&D Expenses (6)	(25.8)	(24.9)	(0.8)	3%
SG&A (7)	(245.2)	(219.7)	(25.5)	12%
Share of profit on Join Venture	(0.1)	(0.1)	(0.02)	n.a
EBITDA (8)	**207.4**	**244.5**	**(37.0)**	**-15%**
% EBITDA margin (11)	*27.2%*	*29.5%*		*(2,3pp)*
EBIT (9)	**179.4**	**220.1**	**(40.7)**	**-19%**
% EBIT margin (11)	*23.5%*	*26.5%*		*(3,0pp)*
Net Profit (10)	**136.9**	**170.3**	**(33.4)**	**-20%**

(1) Operating revenue refers to revenue.
(2) Other income includes the recognition of government grants on non-financial non-current assets and other.
(3) Total revenue calculated as revenue plus the recognition of government grants on non-financial non current assets and other.
(4) Cost of sales calculated as the amount of procurements plus that correspond to the change in inventories of finished goods and work in progress and raw materials and consumables used.
(5) Gross profit calculated as revenue plus the recognition of government grants on non-financial non current assets and other less change in inventories of finished goods and work in progress and raw materials and consumables used.
(6) R&D expenses are calculated as the sum of employee benefit expenses and other operating expenses related to scientific research and technological development.
(7) SG&A calculated as the amount of employee benefit expenses plus other operating expenses plus work carried out by the Group on non-current assets" minus research & development expenses.
(8) EBITDA calculated as profit before interest, taxes, depreciation and amortization.
(9) EBIT calculated as profit before taxes and interest.
(10) Net profit refers to profit for the year.
(11)The gross margin and the EBITDA and EBIT margins are calculated as the result of dividing the gross profit, the EBITDA and the EBIT, respectively, by revenue, expressed as a percentage.

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 in 2024 was 763.7 million euros, a 8% decrease on 2023. This decrease was mainly caused by a drop in contribution of the CDMO business, sales of which fell to 336.2 million euros from 409.3 million euros in 2023, due to: (i) lower revenues from the manufacture of the COVID-19 vaccine in comparison to 2023, when ROVI had booked higher income related to the production of the "pandemic" COVID-19 vaccine; and, (ii) lower revenues related to the activities to prepare the plant for production of the vaccine under the agreement with Moderna. Furthermore, ROVI invoiced less than forecast in the contract manufacturing business (CDMO) in the fourth quarter of 2024, basically because a provision that had not been initially expected was charged to revenue. It is a circumstance limited to 2024 and does not affect or alter the guidance for 2025.

However, sales of the specialty pharmaceutical business increased 2% to 427.5 million euros, compared to 420.2 million euros in 2023. Total revenue fell 8% to 764.6 million euros in 2024.

Sales outside Spain decreased 12% in 2024, compared to 2023, to 486.7 million euros, mainly due to the decrease in sales from the CDMO business. Sales outside Spain represented 64% of operating revenue in 2024 compared to 67% in 2023.

Sales of prescription-based pharmaceutical products remained stable at 373.4 million euros in 2024.

Sales of the heparin franchise (Low Molecular Weight Heparins and other heparins) decreased by 1% to 248.7 million euros in 2024. Heparin sales represented 33% of operating revenue in 2024 compared to 30% in 2023.

Sales of Low Molecular Weight Heparins (LMWH) (enoxaparin biosimilar and bemiparin) slightly decreased by 0.2% to 241.6 million euros in 2024 mostly due to a decrease in enoxaparin biosimilar sales.

Sales of the enoxaparin biosimilar decreased 2% to 145.2 million euros in 2024 mainly due to lower orders from partners over the year. However, the fourth quarter was the strongest quarter of the year in terms of sales, due to a higher concentration of orders from partners. Indeed, sales increased 37% to 43.6 million euros in the fourth quarter of 2024 compared to the third quarter of the year and rose 10% in the fourth quarter of 2024 compared to the fourth quarter of 2023.

Bemiparin sales increased by 2% to 96.4 million euros in 2024. International sales of bemiparin increased by 16% to 37.8 million euros, mainly linked to higher orders from partners in China, Greece and Turkey. Sales of bemiparin in Spain (Hibor®) showed a decrease of 5% to 58.6 million euros in 2024 compared to 2023, mainly due to lower penetration of the product in the prophylaxis segment.

Sales of Okedi®, the first ROVI product based on its leading-edge drug delivery technology, ISM®, and indicated for the treatment of schizophrenia in adults for whom tolerability and effectiveness has been established with oral risperidone, totalled 28.8 million euros in 2024. Okedi® sales increased by 101% in 2024 compared to 2023. In the fourth quarter of 2024 the product was launched in Finland and was approved in Canada by Health Canada. In addition, in January 2025, it was launched in the rest of the Nordic countries and will be followed by Australia, Taiwan and the Netherlands.

The product is currently been marketing in Germany, UK, Spain, Portugal, Italy, Austria, Greece and Serbia.

- In Germany, the product continues to be received very favourably in the medical education and dissemination activities carried out by ROVI. At present, the product is being marketed in 100% of the territory we were targeting. ROVI continues to organise training events for German doctors, which have had a great impact in the sector.

- In Spain, the product is available in 100% of the autonomous communities and is marketed in 92% of hospitals. Additionally, 62% of psychiatrists that were approached, attended educational activities carried out by ROVI. Likewise, the capture of market share in the retail and hospital markets is progressing favourably.

- In Portugal, the product's performance is envolving very positively. In 2024, Okedi® was being marketed in 85% of the country's hospitals, booking sales in all of them.

- In Italy, the long acting inyectables (LAI) market continued to expand. By the end of 2024, Okedi® was available in 95% of the main hospitals, booking sales in 87% of them.

- Okedi® was launched in Austria in the fourth quarter of 2023 and since then, the penetration of the product has been positive. In 2024, the product was being marketed in 85% of the territory we had targeted.

In November 2024, ROVI announced that Risvan® (Risperidone ISM®), a product indicated for the treatment of schizophrenia in adults, will not be marketed in the United States, following an assessment of the uncertainties and opportunities associated to this launch. Nevertheless, ROVI has chosen to focus on the European development of Okedi® and expects this product to reach potential global sales of between 100 and 200 million euros in upcoming years.

Sales of Neparvis®, a specialty product from Novartis, launched in Spain in December 2016, indicated for the treatment of adult patients with symptomatic chronic heart failure and reduced ejection fraction, increased 13% to 51.4 million euros in 2024, compared to 45.5 million euros in 2023.

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, decreased by 24% to 9.4 million euros in 2024 mainly due to a product price reduction of 47% in the second quarter of 2023.

Sales of Vytorin®[1] and Orvatez®, specialty products from Organon & Co. (“Organon”) indicated as adjunctive therapy to diet in patients with hypercholesterolemia, decreased 19% to 21.5 million euros in 2024, compared to 2023. This decrease was mostly caused by the entry of generics into the market, which resulted in a product price reduction by competitors. ROVI consequently dropped the price of Orvatez® by 40% in October 2024.

ROVI ceased to promote and distribute Xelevia® (sitagliptin) and Velmetia® (sitagliptin and metformin), two antidiabetic drugs from Merck Sharp and Dohme ("MSD"), as of 31 January 2024. Sales of both products were 1.2 million euros in 2024 compared to 12.1 million euros in 2023.

Sales of contrast imaging agents and other hospital products increased by 16% to 53.0 million euros in 2024.

In the fourth quarter of 2024, the Company signed a strategic agreement with Pulse Medical Technology, a Chinese company specialised in the development of innovative technology for the diagnosis and treatment of patients with panvascular diseases. Under this agreement, ROVI will market two software packages for the diagnosis and evaluation of coronary artery disease: Angioplus Core and CTA plus. The software is already being marketed in Spain and Portugal, having been available since the last quarter of 2024.

Additionally, ROVI continues to advance in the artificial intelligence field. In January 2025, ROVI acquired a majority position in Cells IA Technologies, S.L., a pioneering company in the development of artificial intelligence-assisted diagnosis in the pathological anatomy area. Pathological anatomy, an essential medical specialty in the diagnosis and staging of many diseases, is destined to become one of the disciplines with the greatest potential for transformation as a result of the new digital technologies. This agreement with Cells IA represents an opportunity for ROVI in its goal to contribute to improving healthcare through the development of artificial intelligence solutions.

CDMO sales fell by 18% to 336.2 million euros in 2024 in comparison to 2023, mainly due to (i) lower revenues from the manufacture of the COVID-19 vaccine in comparison to 2023, when ROVI had booked higher income related to the production of the "pandemic" COVID-19 vaccine; and, (ii) lower revenues related to the activities carried out to prepare the plant for production of the vaccine under the agreement with Moderna.

Over the past five years, ROVI has invested substantial capital to build global leadership in sterile fill & finish (F&F) capacity and technology services. With these recent investments, and with current expansions underway, ROVI expects to significantly increase its current sterile capacity at its FDA and EMA / EU GMP Annex-1 compliant facilities in Spain. This will allow ROVI to continue to capitalize on the imbalance between the available capacity and the rising demand across the sterile fill & finish market, building on recent momentum with the addition of a high-volume product from a global pharmaceutical customer and the good drive in commercial activity and alliance opportunities across strategic high-growth modalities – including innovative biologics, biosimilars, vaccines and novel modalities for pre-filled syringes and cartridges.

Other income (subsidies) increased by 0.1 million euros to 0.8 million euros in 2024 compared to 2023, mainly due to higher subsidies received in the year.

Gross profit decreased 2% to 478.5 million euros in 2024 compared to 2023. However, the gross margin increased from 59.0% in 2023 to 62.7% in 2024, an increase of 3.7 percentage points. This increase was mainly due to: (i) the decrease in the contribution to the manufacturing business (CDMO) of revenue relating to activities to prepare the plant to produce medicines under the agreement with Moderna, which contributed lower margins to Group sales; (ii) the increased contribution to the CDMO business by existing customers (excluding Moderna), which contributed high margins; and (iii) the increased contribution of sales of Okedi®, which likewise added high margins.

In 2024, raw material prices for low-molecular-weight heparins (LMWH) fell 54% compared to 2023. Notwithstanding, in spite of the decrease in LMWH raw material prices, the impact on the gross margin was negative in 2024. However, a positive impact on the gross margin is expected from 2025 onwards.

R&D expenses increased 3% to 25.8 million euros in 2024. They were mainly related to (i) the development of the phase I of Letrozole LEBE, which began in July 2023, and (ii) the development of the phase I of a new formulation of Risperidone ISM® for a 3-monthly injection, which began in September 2023.

SG&A expenses increased 12% to 245.2 million euros in 2024 compared to the previous year. This increase was a consequence of:

- higher "Employee benefit expenses (excl. R&D)", which increased 10% in 2024 versus 2023 resulting mostly from (i) a wage increase of 10.3% in accordance with the XX General Collective Agreement for the Chemical Industry 2021-2023, and (ii) a 3% wage rise due to the entry into force of the XXI Collective Agreement of the Chemical Industry 2024-2026[1] in November 2024; and

- an increase of 13% in "Other operating expenses (excl. R&D)" due to Okedi®'s launch in Europe and to non-recurrent expenses. The latter includes (i) the process for a strategic assessment of the contract manufacturing business; and (ii) the dismantling of the sodium heparin production plant in San Sebastián de los Reyes subsequent to the investment in a new plant in Escúzar, approved by the European authorities in June 2024. Nevertheless, "Other operating expenses (excl. R&D and non-recurrent expenses)" increased by 5% in comparison to 2023.

Furthermore, in 2024, the Pharmaceutical Industry Strategy for the period 2024-2028 was approved. This Strategy seeks to integrate innovation, production and access to medicines, considering sustainability and the control of health spending. It acknowledges that the pharmaceutical sector is of crucial importance for both people's health and quality of life and the global economy. Prepared by an inter-ministerial group and the main employers' associations in the sector, it focuses on three key aspects: equitable access to medicines, the sustainability of the National Health System, and promoting the industry's

innovation and competitiveness. It falls within the framework of Spain's Recovery, Transformation and Resilience Plan and contributes to the European Pharmaceutical Strategy. At the 2024 year end, the specific future impacts that may result from this Strategy were unknown.

Depreciation and amortisation expenses increased by 15% to 28.0 million euros in 2024, as a result of the new property, plant and equipment and intangible asset purchases made during the last year.

Net financial cost amounted to 1.7 million euros in 2024, compared to net financial income of 0.3 million euros in 2023. This decrease was mainly due to (i) lower financial income, and (ii) higher financial expenses due to the increase in financial debt (please see page 19 for further detail).

The effective tax rate was 23.0% in 2024 compared to 22.7% in 2023.

EBITDA totalled 207.4 million euros in 2024, a decrease of 15% compared to 2023, reflecting a 2.3 percentage point decrease in the EBITDA margin, which decreased to 27.2% in 2024 from 29.5% in 2023.

EBIT decreased by 19% to 179.4 million euros in 2024, reflecting a 3.0 percentage point decrease in the EBIT margin, which decreased to 23.5% in 2024 from 26.5% in 2023.

Net profit decreased by 20%, from 170.3 million euros in 2023 to 136.9 million euros in 2024.

Non-controlling interests refer to ROVI's partners in Glicopepton Biotech, S. L.

EBITDA "Pre-R&D", calculated excluding R&D expenses, decreased by 13%, from 269.4 million euros in 2023 to 233.2 million euros in 2024, reflecting a 1.9 percentage point decrease in the EBITDA margin to 30.5% in 2024 (see "Pre-R&D costs" columns of the table below). Likewise, recognising the same amount of R&D expenses in 2024 as in 2023, EBITDA would have decreased by 15% to 208.2 million euros, reflecting a 2.2 percentage point decrease in the EBITDA margin to 27.3% in 2024, down from 29.5% in 2023 (see "Flat R&D costs" columns of the table below).

EBIT "Pre-R&D", calculated excluding R&D expenses, decreased by 16%, from 245.1 million euros in 2023 to 205.2 million euros in 2024, reflecting a 2.7 percentage point decrease in the EBIT margin to 26.9% in 2024 (see "Pre-R&D costs" columns of the table below). Likewise, recognising the same amount of R&D expenses in 2024 as in 2023, EBIT would have decreased by 18% to 180.2 million euros, reflecting a 2.9 percentage point decrease in the EBIT margin to 23.6% in 2024, down from 26.5% in 2023 (see "Flat R&D costs" columns of the table below).

Net profit "Pre-R&D", calculated excluding R&D expenses, decreased by 17%, from 189.6 million euros in 2023 to 156.7 million euros in 2024 (see "Pre-R&D costs" columns of the table below). Likewise, recognising the same amount of R&D expenses in 2024 as in 2023, net profit would have decreased by 19% to 137.5 million euros (see "Flat R&D costs" columns of the table below) in 2024.

2.2.- Outlook for 2025

For 2025, ROVI expects its operating revenue to decrease by a mid-single-digit percentage in comparison with 2024. Notwithstanding, this guidance is calculated using certain factors that could be relevant to the estimates and that are difficult to specify at the present time. They include, among others, the following:

- First, as of today's date, the Company is unable to forecast how the demand and production might evolve for the vaccination campaigns that will take place in 2025.

- Second, it is hoped that the expansion of the compounding, aseptic filling, inspection, labelling and packaging capacities at the ROVI facilities in Madrid and the current high market demand for contract manufacturing services (CDMO) will favour obtaining new business, with the resulting sales impact. This would have to be considered but is impossible to estimate at this time.

2.3. Key operating and financial events

2.3.1 ROVI informs on some of the results expected by the market consensus

ROVI informed the market (by publication of the inside information number 2595 dated 7 February 2024) that in the context of the preliminary closing of the year 2024, and in relation to the Company's EBITDA levels at the end of said year, the Company forecasts that said EBITDA levels will be lower, within a range of between 10% and 15%, than the 2024 EBITDA levels according to the market consensus.

This revision of the market consensus in relation to the EBITDA is due basically to lower expected activity in the contract manufacturing business (CDMO) during the fourth quarter of 2024.

Following the publication of the 2024 full-year results, ROVI maintains its previously announced guidance for the current year 2025 as set out in the Outlook section above.

2.3.2 ROVI completes the strategic review of its CDMO business

ROVI informed the market (by publication of the inside information number 2415 dated 24 October 2024) on the assessment it had made in the previous months of strategic alternatives for its assets, including a potential corporate transaction of ROVI relating to its third party contract development and manufacturing business ("CDMO") that after the assessment and analysis of the non-binding offers received by investment funds and industrial companies, ROVI's Board of Directors concluded that, given the strength, momentum and prospects of this business, the best way to maximize value for shareholders at this time is to continue executing on the Company's standalone strategic plan, with the interest of the CDMO business best served and developed under the current ROVI group structure, with no entry of third party investors.

Over the past five years, ROVI has invested substantial capital to build global leadership in sterile fill & finish (F&F) capacity and technology services. With these recent investments, and with current expansions underway, ROVI expects to significantly increase its current sterile capacity at its FDA and EMA / EU GMP Annex-1 compliant facilities in Spain. This will allow ROVI to continue to capitalize on the imbalance between the available capacity and the rising demand across the sterile fill & finish market, building on recent momentum with the addition of a high-volume product from a global pharmaceutical customer and the good drive in commercial activity and alliance opportunities across strategic high-growth modalities – including innovative biologics, biosimilars, vaccines and novel modalities for pre-filled syringes and cartridges.

"The Board of Directors appreciates all of the hard work put into the strategic review process by the Company and its advisors. I am pleased with the process that was undertaken, which has ultimately made us conclude that the CDMO business will drive the highest shareholder value within the current ROVI Group structure" said Mr. Juan López-Belmonte Encina, Chairman and CEO of ROVI. "We remain excited about the near- and long-term potential of our globally leading CDMO business to became a world leader, given the attractive market dynamics and the pride we take in supporting the manufacture of medicines that are able to prolong the life of millions of people" added Mr. Javier López-Belmonte Encina, Vice President and CFO of ROVI.

2.3.3 ROVI's Share Buy-Back Programme

ROVI informed (by publication of the inside information number 1926 dated 26th of July 2023) that the Company launched, effective as of 26 July, 2023, a share buy-back programme (the "Buy-Back Programme"), in accordance with the following terms:

1. Purpose and scope: the Buy-back Program's purpose is to redeem own shares of ROVI (share capital reduction) and, at the same time, boost the remuneration of the ROVI shareholder by increasing the profit per share.

2. Term: from 26 July 2023, and for a period of 12 months.

3. Maximum monetary amount: up to 130,000,000 euros, provided that the maximum price per share may not exceed that provided for by article 3.2 of Delegated Regulation 2016/1052.

   The authorization granted by the general shareholders' meeting of the Company on 17 June 2021 established (a) a minimum price for the acquisition corresponding to the nominal value of the acquired shares and (b) a maximum price for the acquisition corresponding to a price not above the highest between (i) the last transaction carried out on the market by independent parties and (ii) the highest price of a purchase order amongst those contained in the orders book.

4. Maximum number of shares to be acquired: 2,700,000 shares of the Company, representing approximately 5% of the Company's share capital on 26 July 2023.

5. Trading volume to be considered as reference: the trading volume to be taken as a reference for the purposes of the provisions of article 3.3 of Delegated Regulation 2016/1052 for the entire duration of the buy-back program was 25% of the average daily volume of ROVI's shares on the trading venue on which the purchase carried out during the twenty trading days prior to the date of the purchase.

On 11 June 2024, ROVI concluded the Buy-Back programme, having acquired 2,233,466 shares for an amount of 130 million euros, representing approximately 4.13% of the share capital.

As announced when the Buy-Back Programme commenced, the purpose of the Programme was to cancel shares of ROVI through a reduction of capital while, at the same time, contributing to ROVI's shareholder remuneration by increasing the

earnings per share. The capital was reduced by cancelling 2,780,395 shares. These shares corresponded to (i) the shares repurchased within the framework of the aforementioned Buy-Back Programme, and (ii) part of the existing treasury shares, which totalled 546,929. The capital reduction was approved at the Ordinary General Shareholders' Meeting held on 24 June 2024 and executed by entering the pertinent deed of capital reduction into public record.

In addition, after completion of the Buy-back Programme, ROVI informed of the resumption, as of 12 June 2024, of transactions under the liquidity contract signed between the Company and Bestinver, S.V., S.A. for management of the Company's treasury shares, of which the market was informed on 5 April 2022 in the pertinent announcement of other relevant information (register number 15427). When the Buy-Back Programme commenced, the liquidity contract was suspended for the duration of the Programme, in accordance with CNMV Circular 1/2017 of 26 April, Provision Five, 2.c). Likewise, the Company and Bestinver, S.V., S.A. decided to modify the balances of securities and cash associated to the Liquidity Contract in the terms reported to the market as other relevant information on 31 July 2024 (with number 30064).

On 12 September 2024, ROVI informed (by publication of other relevant information number 30484) that the 2,780,395 shares that had been cancelled in the capital reduction approved by the General Shareholders' Meeting, had been delisted from the Stock-Exchange Interconnection System (Sistema de Interconexión Bursátil) and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges effective 13 September 2024. As a result, the share capital of the Company is now EUR 3,074,145.72, divided into 51,235,762 ordinary shares, with a nominal value of EUR 0.06 each, which grant a total of 51,235,762 voting rights (one per share). The new amount of the share capital, after the cancellation and delisting of the mentioned shares, has now been recorded in the registers of the National Securities Market Commission and Iberclear. As a result of the cancellation of these shares, the shareholders automatically increased their percentage interest in the share capital.

2.3.4 ROVI announces agreement to manufacture pre-filled syringes

ROVI informed (by publication of the inside information number 2207 dated 25th April 2024) that its subsidiary, ROVI's wholly owned CDMO platform, ROVI Pharma Industrial Services, S.A.U. (hereinafter "ROIS") had entered into an agreement to support the manufacture of pre-filled syringes for a global pharmaceutical company.

Under the terms of the agreement, ROIS will provide a high-speed production line at the ROIS' San Sebastián de los Reyes facility in Madrid, with an estimated annual capacity of 100 million units. The agreement includes the technology transfer for aseptic filling and has a commercial production term of five years subject to the terms of the agreement, beginning on the date of manufacture of the first commercial lot. After the technology transfer and regulatory approval, commercial production is expected to commence in 2026. As from 2027, which is expected to be the first full recurrent manufacturing year, the ROVI´s Group CDMO division expects to have a positive revenues increase impact ranging between 20% and 45% over 2023 sales.

ROIS is well-equipped to support the production of pre-filled syringes given its deep expertise in the current good manufacturing practice (cGMP) production of sterile injectable products across both vials and pre-filled syringes.

Juan López-Belmonte Encina, Chairman and Chief Executive Officer of ROVI, said: "We are delighted to be able to support in the manufacture of medicine that is able to prolong the life of millions of people. Our proven experience in the manufacture of high-valued-added injectables and the expansion of our production capacities have positioned us to help meet the rapidly growing demand, which requires a high degree of technological capability."

2.3.5 ROVI receives the FDA's approval of Risvan® as a treatment for schizophrenia

ROVI informed (by publication of the other relevant information number 27772 dated 2nd April 2024) that the U.S. Food and Drug Administration (FDA) had authorised the marketing of Risvan® (Risperidone ISM®) for the treatment of schizophrenia in adults.

Risperidone ISM® is a prolonged-release injectable antipsychotic developed and patented by ROVI for the treatment of schizophrenia in adults, which, as of the first injection, provides immediate and sustained plasmatic drug levels and does not require loading doses or supplementation with oral risperidone.

This approval is based on the positive results of the pivotal PRISMA-3 study on the efficacy and safety of Risperidone ISM® in schizophrenia patients[1]. The results obtained in this study show that the two different doses (75 mg and 100 mg once a month) have achieved the prespecified primary and secondary efficacy endpoints for treatment of patients with moderate to severe symptoms of schizophrenia. The primary efficacy endpoint, the PANSS[2] total score (mean difference, CI: 95%), improved

[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

[2] Positive and Negative Syndrome Scale: the Positive and Negative Syndrome Scale is a medical scale based on a semi-structured interview that rates the severity of the symptoms of schizophrenia patients in three domains: positive symptoms, negative symptoms and general psychopathology symptoms.

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, in comparison with the placebo. Significantly improved mean changes for the secondary endpoint, the CGI-S[3] 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, from the beginning until day 85. 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. Likewise, patients who successfully completed the double-blind period were offered the opportunity to continue in a long-term, open-label 12-month extension phase with once every four weeks injections of Risperidone ISM® (75 mg or 100 mg). New, clinically stable patients ("de novo" patients) were also able to enter this open phase of the study. Long-term treatment was observed to be effective, safe and well tolerated in adult patients with schizophrenia, regardless the initial severity of the disease or whether they had been treated previously with Risperidone ISM® during an acute exacerbation or switched from stable doses of oral risperidone[4]. Likewise, Risperidone ISM® provided a swift and sustained improvement in functioning (both social and personal) and health-related quality of life. These findings, together with a quick onset of effectiveness, could help strengthen the therapeutic alliance and possibly lead to an earlier hospital discharge. Furthermore, the patient's functioning either continued to improve or remained stable with long-term treatment[5]

Notwithstanding, as mentioned above, ROVI has decided not to market Risvan® (Risperidone ISM®) in the United States after assessing the uncertainties and opportunities associated to this launch. The main factors that contributed to this decision were:

- The prioritisation of the Company's investments in the CDMO business and the clinical development of a new quarterly formulation of Letrozole (Letrozole LEBE).

- The absence of a partner that furnishes the Company with the capacities and structure necessary to ensure adequate continuous distribution of Risvan® in the United States market, in order to thus maximise the benefits of this innovative prolonged-release, long-acting injectable drug therapy for the patients and take advantage of all the potential for expansion and commercial development that the schizophrenia field offers.

- The delay in the launch, which coincides with a forecast price reduction in the area of long-acting injectables (LAIs) for the treatment of schizophrenia in the United States and potential amendments to United States legislation or policy regarding the pharmaceutical industry, jeopardising the expected profitability of Risvan®.

- The United States market lacks regulatory differentiation or specification on the technical data sheet of prolonged-release, long-acting injectables that share the indication "Treatment of schizophrenia in adult patients", which does not favour the positioning of Risvan® in a market with strong competitors. To this, it would be necessary to add the time and cost of the pharmacokinetic studies required to evaluate exposure to Risvan® similar to the daily administration of 6mg of oral risperidone.

ROVI has, therefore, chosen to focus on the European development of Okedi®, where there are less uncertainties, and expects this product to reach potential global sales of between 100 and 200 million euros in upcoming years.

2.3.6 ROVI, Insud Pharma and Innvierte (CDTI) create a company for the research and development of advanced therapies

ROVI informed (by publication of the other relevant information number 27397 dated 12th March 2024) of the agreement that has been concluded with Insud Pharma S.L. and Innvierte Economía Sostenible SICC, SME, S.A. (investment company of Centro para el Desarrollo Tecnológico Industrial EPE – CDTI) to incorporate, together with these two entities, a limited company (Sociedad de responsabilidad limitada) engaged in the research and development of advanced therapies.

This agreement, which was approved at the meeting of the Council of Ministers held on 12 March 2024, falls within the framework of the Vanguard Health Strategic Project for Economic Recovery and Transformation (PERTE), promoted by the Spanish Government. This PERTE concerns the creation of a public-private investment vehicle to develop advanced, innovative and/or emerging medicines, therapies and/or technologies. The goal is to favour the deployment of the technical and industrial capacities necessary to generate a high performance healthcare system intended to protect health by providing an immediate and flexible response to healthcare challenges and favouring sustainability.

[3] Clinical Global Impression-Severity scale: la escala de Impresión Clínica Global–Gravedad rates the severity of schizophrenia through a question put to the doctor: "Considering your total clinical experience with this particular population, how mentally ill is the patient at this time?".

[4] Filts Y, Litman RE, Martínez J, Anta L, Naber D, Correll CU. Long-term efficacy and safety of once-monthly Risperidone ISM® in the treatment of schizophrenia: Results from a 12-month open-label extension study. Schizophr Res. 2021 Nov 27;239:83-91.

[5] Litman R, Naber D, Anta L, Martínez J, Filts Y, Correll CU. Personal and Social Functioning and Health-Related Quality of Life in patients with Schizophrenia Treated with the Long-Acting Injectable Antipsychotic Risperidone ISM. Neuropsychiatr Dis Treat. 2023 Jan 25;19:219-232.

The share capital of this new entity will be 49% held by the Ministry of Science, Innovation and Universities through the company Innvierte, while Insud Pharma and ROVI will hold 25.5% each. The shareholders undertake to make an initial combined contribution of 74,867,346.94 euros. The investment will be made in accordance with the needs of the projects defined in the future and will be subject to the shareholders' approval of the relevant business plan. Such investment could reach 220 million euros, which would be contributed by the public and private investors that are participating.

It is planned that Innvierte's contributions could be made with European "Next Generation EU" funds, which include the EU Recovery and Resilience Facility established in Regulation (EU) 2921/241 of the European Parliament and of the Council of 12 February 2021.

Juan López-Belmonte, Chairman and CEO of ROVI, highlights the fact that this agreement "represents an opportunity to help place Spain in a leading position in the clinical research of new therapies, with the capacity to translate this research into manufacturing and thus improve the availability of new therapies to patients. At ROVI, we are delighted to place our knowledge and experience at the service of this great public-private alliance that reinforces our commitment to innovation".

2.4.- Research and development

ISM® platform

Okedi® (Risperidone ISM®) is the first ROVI product based in its leading-edge drug delivery technology, ISM®. It is a novel antipsychotic for the treatment of schizophrenia with once-monthly (every 28 days) 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.

On 15 February 2022, the European Commission authorised the marketing of Okedi® (Risperidone ISM®) for the treatment of schizophrenia in adults for whom tolerability and effectiveness has been established with oral risperidone, and it was launched in 2022 in Germany, UK and Spain and in 2023 in Portugal, Italy, Austria, Greece and Serbia.

On 21 March 2024, ROVI received authorisation from Health Canada for the marketing of Okedi® (Risperidone ISM®) for the treatment of schizophrenia in adults throughout Canada. ROVI has likewise obtained approval for marketing in Australia.

On 29 March 2024, ROVI reported that the United States Food and Drug Administration (FDA) had authorised the marketing of Risvan® (Risperidone ISM® for the treatment of schizophrenia in adults in the United States. Additionally, as a postmarketing commitment, the FDA required to conduct a pharmacokinetic study that will evaluate exposure of Risvan® approximate to daily administration of 6 mg oral risperidone. It was planned to review and agree the protocol for the clinical study previously with the FDA and submit the final study report by July 2026, although this additional study would not affect the approval or marketing of the product.

However, ROVI has decided not to market Risvan® (Risperidone ISM®) in the United States after assessing the uncertainties and opportunities associated to this launch. The main factors that have contributed to this decision are:

- The prioritisation of the Company's investments in the CDMO business and the clinical development of a new quarterly formulation of Letrozole (hereinafter, Letrozole LEBE).

- The absence of a partner that furnishes the Company with the capacities and structure necessary to ensure adequate continuous distribution of Risvan® in the United States market, in order to thus maximise the benefits of this innovative prolonged-release, long-acting injectable drug therapy for the patients and take advantage of all the potential for expansion and commercial development that the schizophrenia field offers.

- The delay in the launch, which coincides with a forecast price reduction in the area of long-acting injectables (LAIs) for the treatment of schizophrenia in the United States and potential amendments to United States legislation or policy regarding the pharmaceutical industry, jeopardising the expected profitability of Risvan®.

- The United States market lacks regulatory differentiation or specification on the technical data sheet of prolonged-release, long-acting injectables that share the indication "Treatment of schizophrenia in adult patients", which does not favour the positioning of Risvan® in a market with strong competitors. To this, it would be necessary to add the time and cost of the pharmacokinetic studies required to evaluate exposure to Risvan® similar to the daily administration of 6mg of oral risperidone.

ROVI has chosen to focus on the European development of Okedi®, where there are less uncertainties, and expects this product to reach potential global sales of between 100 and 200 million euros in upcoming years.

Likewise, ROVI's R&D team is progressing in the development of a new formulation of Risperidone for a 3-monthly injection, which would complement the current 4-weekly formulation of Risperidone ISM® for the maintenance treatment of adult patients with clinically stable schizophrenia. The Company is currently conducting a phase I clinical trial to evaluate the safety, tolerability, and pharmacokinetics of various candidate formulations at different dose strengths and injection sites[6].

Lastly, the Company decided to begin the clinical development of a new three-monthly formulation of letrozole (Letrozole LEBE), rather than the initially-planned annual formulation of Letrozole ISM®, the objective of which is to reach plasma levels of letrozole similar to administration of oral daily doses of Femara® 2.5 mg.

Accordingly, ROVI is currently carrying out a phase I clinical trial in Europe to evaluate the pharmacokinetics, safety and tolerability of single ascending doses of Letrozole LEBE, at different strengths, in voluntary healthy post-menopausal women (LEILA-1 study[7]. This first clinical trial of Letrozole LEBE began in July 2023.

2.5.- Stock market capitalisation

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.

Additionally, in 2018, a capital increase was carried out through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares that were already in issue.

In July 2022, Laboratorios Farmacéuticos Rovi, S.A. reduced its capital by cancelling treasury shares as planned in the Buy-back Programmes approved by the Company in 2021 and 2022. The total amount of the capital reduction was 123,168.48 euros (2,052,808 shares with a par value of 0.06 euros each).The following graph shows the fluctuations of the share price in the stock market in 2022.

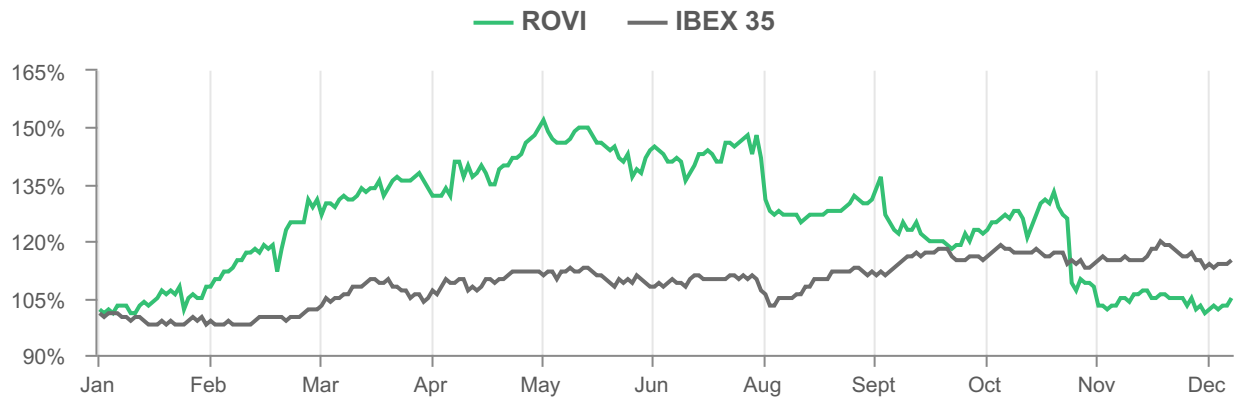
In September 2024, Laboratorios Farmacéuticos Rovi, S.A. has reduced its capital by cancelling treasury shares as planned in the Buy-back Program approved by the Company in 2023. The total amount of the capital reduction was 166,823.70 euros (2,780,395 shares with a par value of 0.06 euros each).

The following graph shows the fluctuations of the share price in the stock market in 2024:.

[6] Rovi. Pharmacokinetics, Safety and Tolerability of Different Formulations and Dose Strengths of Quarterly Risperidone (QUAR) in Patients With Schizophrenia (QUARTZ). NIH, Clinicatrials.gov #NCT06276361. Available at (accessed 04Feb2025): https://clinicaltrials.gov/study/NCT06276361.

[7] Rovi. Evaluation of the Pharmacokinetics, Safety, and Tolerability of IM Letrozole LEBE in Healthy Post-menopausal Women (LEILA-1). NIH, Clinicatrials.gov #NCT06315205. Available at (accessed 04Feb2025): https://clinicaltrials.gov/study/NCT06315205]

The following chart shows the performance of the share price of RVI compared with the IBEX 35 index in 2024:



3.- FINANCIAL INFORMATION

3.1- Liquidity and capital resources

3.1.1- Liquidity

As of 31 December 2024, ROVI had a gross cash (equity securities plus deposits plus financial derivatives plus cash and cash equivalents) position of 29.3 million euros, compared to 26.8 million euros as of 31 December 2023, and net debt of 85.1 million euros (equity securities plus deposits plus financial derivatives plus cash and cash equivalents minus current and noncurrent financial debt), compared to a net cash of 38.6 million euros as of 31 December 2023.

3.1.2.- Capital resources

Debt with public administration represented 10% of total debt as of December 2024 (14% as of December 2023).

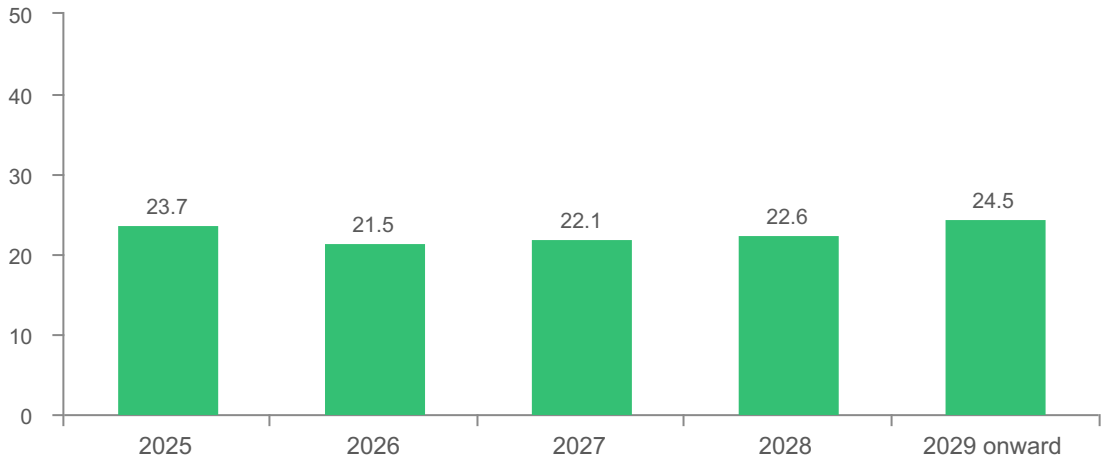
In thousand euros	2024	2023
Bank borrowings	86,939	37,745
Debt with public administration	11,406	8,890
Financial liabilities for leases	16,065	18,792
Derivatives	—	—
Total	114,410	72,166

As of December 31, 2024, bank borrowings increased by 49.2 million euros. In December 2017, ROVI announced the European Investment Bank (EIB) had granted it a loan to support its investments in Research, Development and Innovation. The loan was for 45 million euros. As of December 31, 2024, ROVI had drawn 45 million euros against this credit line; 5 million euros at a variable interest rate of Euribor at 3 months + 0.844% (the latest interest rate paid was 4.112% in January 2025) and 40 million euros at a fixed interest of 0.681%. Repayment of the variable interest loan started in October 2021 (quarterly repayments) and its current outstanding balance is 2.3 million euros. Likewise, repayment of the fixed interest loan started in February 2023 (quarterly repayments) and its current outstanding balance is 28,6 million euros. The credit at a variable interest matures in 2028 and the credit at a fixed interest matures in 2029, both includes a grace period of 3 years.

In July 2022, ROVI announced that the European Investment Bank had granted it a new credit line –in addition to the previous one– to support its investments in research, development and innovation. This credit line was for 50 million euros with a ten-year repayment period and included a three-year grace period, with a drawdown period of two years. At 31 December 2024, ROVI had drawn down 10 million euros of this credit at a variable rate of Euribor 3 months + 0.655% (the latest interest rate paid being 3.856% in January 2025). No further sums will be drawn against this credit line since the two-year period for drawing additional amounts ended in July this year.

Additionally, ROVI signed three credit policies: one in September 2023 for 20 million euros and another in March 2024 for 20 million euros, both with conditions of Euribor 3 months + 0.50%. In June 2024, a third policy was signed, also for 20 million euros, at Euribor 3 months + 0.65%, as well as two loans of 25 million euros each at fixed rates of 3% and 3.49%, respectively. As of 31 December 2024, ROVI had drawn down 0.2 million euros against the total of all the credit lines.

Debt maturities at 31 December, 2024 are shown in the following graph (millions of euros):



3.1.3- Analysis of contractual obligations and items off the statement of financial position

In the normal course of business, in order to manage its own operations and financing, the Group has traditionally leased certain assets. The accounting record of these transactions did not affect the Group's statement of financial position but did affect the income statement. However, since 2019, when International Financial Reporting Standard 16 Leases (IFRS 16) came into force, this type of transaction has been included in the Group's statement of financial position: a liability is recognised for the total value of the payments to be made over the remaining term of the lease contract and a right-of-use asset is recognised for the underlying asset. Therefore, the payments to which the Group is committed in these transactions are recognised in the statement of financial position.

Regarding the contracts that are still recognized as operating leases because they do not meet the requirements for IFRS 16 to apply, at 31 December, 2024 and 2023, there were no minimum future payments due on these non-cancellable operating leases.

3.2.- Capital expenditure

ROVI invested 62.4 millon euros in 2024, compared to 55.2 millon euros in 2023. A majority of the additions recognised in 2024 and 2023 are related to investments in ROVI´s manufacturing plants, principally

- 2.8 million euros was invested in the Madrid injectables plant, compared with the 2.6 million euros invested in 2023.
- 3.3 million euros was invested in the San Sebastián de los Reyes injectables plant, compared with the 2.6 million euros invested in 2023.
- 1.5 million euros was invested in the Granada plant, compared with the 1.2 million euros invested in 2023.
- 3.7 million euros was invested in the Alcalá de Henares plant, compared with the 4.3 million euros invested in 2023.
- 3.2 million euros was invested in the industrialisation of ISM®, compared with the 9.1 million euros invested in 2023.
- 1.9 million euros was invested in the construction, currently in progress, of the new heparin plant in Escúzar (Granada), compared with the 6.3 million euros invested in 2023.
- 8,1 million euros was invested in the Glicopepton Biotech, S.A. plant, compared to the 2.8 million euros invested in 2023.
- 2.6 thousand euros was invested in maintenance and other, compared to the 2.2 thousand euros invested in 2023.

– 35.3 million euros was invested in the new vial filling line andthe expansion of operations at the Madrid, San Sebastián de los Reyes and Alcalá de Henares plants, compared with the 24.0 million invested in 2023.

3.3.- Treasury shares transactions

At 31 December 2024, the number of treasury shares was 86,264 (2,196,011 at 31 December 2023). In 2024 and 2023, the following movements took place:

	2024	2023
Balance at beginning of year	**2,196,011**	**644,114**
Shares acquired under liquidity contract (a 1)	550,137	1,315,909
Shares sold under liquidity contract (a.1)	(564,563)	(1,312,404)
Shares acquired under buy-back programmes (a.2)	685,074	1,548,392
Shares for capital reduction in buy-back programmes (a.2)	(2,780,395)	—
Balance at end of year	**86,264**	**2,196,011**

a.1) Liquidity contract

Under the liquidity contract that ROVI had signed, 550,137 shares were acquired (1,315,909 in 2023), for which a total sum of 40,796 thousand euros was paid (52,813 thousand euros in 2023). Likewise, a total of 564,563 shares were resold (1,312,404 in 2023) for a sum of 41,921 thousand euros (52,639 thousand euros in 2023). Said shares had been acquired at a weighted average cost of 39,376 thousand euros (53,785 thousand euros in 2023), giving rise to a profit of 2,545 thousand euros on the sale (loss of 1,146 thousand euros in 2023), which was taken to reserves.

On 30 June 2024, the Company's Board of Directors approved the use of 546,939 shares related to the liquidity contract within the framework of the capital reduction executed in September.

a.2) Share buy-back programme

ROVI informed the market (through publication of inside information disclosure No. 1926 of 26 July 2023) that, effective as of 26 July 2023, a buy-back programme had commenced with the following conditions:

– Purpose and scope: the cancellation of ROVI shares (capital reduction) while, at the same time, increasing ROVI's shareholder remuneration by increasing the earnings per share.

– Term: from 26 July 2023 for a twelve-month period.

– Maximum monetary amount: up to 130,000,000 euros, The maximum price per share could not exceed the amount provided for in article 3.2. of Delegated Regulation 20216/1052.

– Maximum number of shares to be acquired: 2,700,000 shares in the Company, representing approximately 5% of ROVI's share capital at 26 July 2023.

– Trading volume to be taken as a reference: the trading volume to be taken as a reference for the purposes of article 3.3 of Delegated Regulation 2016/1052 throughout the Buy-Back Programme would be 25% of the average daily trading volume of the ROVI shares at the trading venue where the purchase was made during the twenty trading days prior to the date of purchase.

At 11 June 2024, ROVI had executed the whole of the Buy-Back Programme, having acquired a total of 2,233,466 shares during the term of the programme for a sum of 129,999 thousand euros. The Buy-Back Programme was executed as follows:

– In 2024, ROVI executed 37.62% of the Buy-Back Programme, acquiring 685,074 shares for an amount of 48,912 thousand euros.

– In 2023, ROVI executed approximately 62.38% of the Buy-Back Programme, acquiring a total of 1,548,392 shares and paying 81,087 thousand euros.

On 30 June, the Board authorised the Company to use 546,929 shares from the liquidity programme with an acquisition price of 22,464 thousand euros within the framework of the capital reduction charged to treasury shares planned for September.

Said capital reduction was recorded in the Companies Register on 12 September 2024 for an amount of 167 thousand euros through the cancellation of 2,780,395 treasury shares. On the same date, the shares were delisted from the Stock Exchange Interconnection System and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The weighted average cost of the cancelled treasury shares was 152,463 thousand euros and the difference was taken to "Retained earnings" and "Voluntary reserves" for an amount of 152,296 thousand euros.

3.4.- Dividends

On 24 June 2024, the General Shareholders Meeting approved the application of the 2023 profit, which included a dividend to be distributed to the shareholders for an amount of 59,618 thousand euros (1.1037 euros gross per share). The dividend was paid out in July 2024.

On 14 June, 2023, the General Shareholders Meeting approved the application of the 2022 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 69,886 thousand euros (1.2938 euros gross per share). This dividend was paid out in July 2023.

4.- RISK MANAGEMENT

4.1.- Operating risks

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

- Concentration of operations in specific customers.
- Risk of cyberattacks.
- Incidents related to the quality of the products sold by ROVI and incidents in the clinical trials of medicines, side effects of the products sold by ROVI or incorrect management of the notifications in this respect.
- Failure to conclude successfully – or as expected – the Research & Development projects that ROVI is conducting.
- Impact of the current geopolitical, socio-political and macroeconomic threats.
- Changes in the prescription criteria or market regulations intended to contain pharmaceutical spending.
- Difficulty in attracting, motivating or retaining personnel.
- Changes in the supply conditions of the necessary manufacturing materials or the products that ROVI markets.
- Failure to comply with the regulations applicable to the industry and/or ROVI's activities.
- Risk derived from adapting to climate change requirements and regulations.
- Tax risk inherent to the activity of companies of the Group's size and complexity.

ROVI monitors and remains permanently alert to any risks that may adversely affect its business activities, applying the appropriate policies and measures to manage them and constantly developing contingency plans that can reduce or offset their impact. Among these, special attention should be drawn to the fact that the Group (i) continues to improve its processes and controls, including those related to the manufacturing processes and those arising from internationalisation; (ii) is working intensively to maintain broad and diversified portfolios of both products and customers; (iii) continues to pursue its goal of constantly opening up new markets as a result of its international expansion project; (iv) is intensifying its efforts to mitigate the risk of cyberattack by raising awareness among its employees and conducting cybersecurity reviews; (v) is continuing with the diversification of its suppliers of raw materials and other packaging materials necessary to manufacture its products; (vi) continues striving to improve its personnel policies; (vii) has started to quantify the risk derived from climate change; and (viii) continues to monitor regulatory compliance, including compliance with the regulations applicable in the different geographical areas where it operates.

4.2.- 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:

4.2.1.- 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.

b) Price risk: the Group is exposed to price risk for equity securities because of investments held by the Group and classified as equity securities 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.

4.2.2.- Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as equity securities and trade receivables.

To assess the credit risk on receivables, the Group periodically evaluates its customer portfolio considering two blocs: government and non-government. Government customers are defined as all those that are government entities for which, given their nature, a low credit risk is considered to exist. Most of these customers are in the healthcare sector and are hospitals and medical clinics whose transactions are regulated by law. With regard to non-government customers, the Group includes in this category all private customers, such as wholesalers, manufacturing customers and other pharmaceutical companies, and assesses them on the basis of the age of their debt, their financial position and their credit rating (if available).

The contracts the Group signs with its customers have an average term of between 3 and 5 years, which allows a considerable stable flow of revenue to be generated. Likewise, due to the credit quality of the private customer, as well as the Group's internal systems and the collection periods established, there was no significant impact on the Group in either 2023 or 2022.

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.

4.2.3.- Liquidity risk

Management periodically monitors the liquidity estimates of the Company in accordance with the expected cash flows. ROVI maintains sufficient cash and marketable securities to meet its liquidity requirements.

5.- AVERAGE PAYMENT PERIOD

Details of payments for trading transactions performed during the reporting period and outstanding at the reporting date in relation to the maximum legal periods provided for in Law 15/2010, amended by Law 11/2013 and Law 18/2022, are as follows:

	2024	2023
	Days	Days
Average payment period to suppliers	47	55
Ratio of transactions paid	49	58
Ratio of transactions outstanding	31	32

	2024	2023
Total payments made (thousand euros)	423,547	597,378
Total payments outstanding (thousand euros)	51,544	77,505

	2024	2023
Amount of invoices paid in less than 60 days (thousand euros)	388,106	379,217
No. of invoices paid in less than 60 days	33,867	26,888
% No. of invoices paid in less than 60 days/Total No. of invoices paid	90%	62%
% amount of invoices paid in less than 60 days/Total amount of invoices paid	92%	64%

6.- RESEARCH AND DEVELOPMENT EXPENSES

Total research and development expenses incurred in 2024 were 25,752 thousand euros (24,923 thousand euros in 2023) and were mainly concentrated on the Glycomics and ISM® plantforms, the latter of which is a proprietary drug release system, belonging to ROVI, the objective of which is to improve patient treatment adherence. Of the total research and development expenses incurred in 2024, 10,983 thousand euros was recognised under the “Employee benefit expenses” heading (9,518 thousand euros at 31 December 2023) and 14,769 thousand euros under “Other operating expenses” (15,405 thousand euros in 2023).

7.- HEADCOUNT

The average number of employees during 2024 has been 2,179 (2,096 in 2023)

8.- CORPORATE GOVERNMENT ANNUAL REPORT

The Annual Corporate Governance Report prepared by Laboratorios Farmacéuticos Rovi, S.A. for the year 2024 is an integral

part of this Management Report, although it is presented as a separate document.

The document will be available on 25 February, 2025 at https://www.cnmv.es/portal/consultas/ee/informaciongobcorp.aspx?nif=A-28041283&lang=es

9.- ANNUAL REPORT ON DIRECTORS´ REMUNERATIONS

The Annual Report on Directors' Remunerations prepared by Laboratorios Farmacéuticos Rovi, S.A. for the year 2023 is an integral part of this Management Report, although it is presented as a separate document.

The document will be available on 25 February 2025 en https://www.cnmv.es/portal/consultas/ee/informaciongobcorp.aspx?TipoInforme=6&nif=A-28041283

10.- NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY REPORTING

The Non-Financial Information Statement and Sustainability Reporting is an integral part of this Management Report, and can be found after Annex 1 “Alternative Performance Measures”.

11.- EVENTS AFTER BALANCE SHEET DATE

On 27 January 2025, the Group, through the company Gineladius, S.L., took part in a capital increase with share premium of Cells IA Technologies for an amount of 2,250 thousand euros, which allowed it to increase its percentage interest in the company’s share capital from the 26% it had held until then to 50%. On the same day, through two purchase transactions with the other two shareholders of Cells IA Technologies, S.L., increased its interest in the company’s share capital to 94.995%, having paid a sum of 1,440 thousand euros. Additionally, there is a contingent price of up to 1,560 thousand euros that depends on certain milestones being met.

As a result of the transactions described above, Gineladius acquired control of Cells IA Technologies, S.L. on said date and, therefore, the equity method of consolidation was no longer applied and the company became fully consolidated.

ANNEX 1

ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRSs") taken from our financial statements, this document includes certain alternative performance measures ("APMs") as defined in the ESMA (European Securities and Markets Authority) Guidelines on Alternative Performance Measures of 5 October, 2015 (ESMA/2015/1415), as well as some non-IFRS financial indicators. The financial measures contained in this document that are considered APMs or non-IFRS financial indicators have been prepared on the basis of the ROVI Group's financial information but are not defined or set out in detail within the framework of the applicable financial information and have not been audited or reviewed by ROVI's auditors.

These APMs are considered figures that have been adjusted in respect of those that are presented in accordance with the International Financial Reporting Standards endorsed by the European Union (IFRS-EU), which form the applicable accounting framework for the consolidated financial statements of the ROVI Group. Therefore, the reader should consider them to complement the latter but not to replace them.

ROVI uses these APMs and non-IFRS financial indicators to plan, oversee and assess its performance. ROVI considers the APMs and non-IFRS financial indicators to be useful to allow the management team and investors to compare the past or future financial performance, the financial situation and the cash flows. Notwithstanding, these APMs and non-IFRS financial indicators are considered complementary and are not intended to replace IFRS measures. Furthermore, other companies, including some in ROVI's sector, may calculate such measures differently, which reduces their usefulness for comparative purposes.

This document contains information on the alternative performance measures (APMs) and non-IFRS financial indicators used by ROVI, including their definitions and a reconciliation between the applicable management indicators and the financial information set out in the consolidated financial statements prepared under IFRSs. The document is available on ROVI's website and may be accessed on the following link: (https://www.rovi.es/en/shareholders-investors/financial-business-information).

In this respect, in accordance with the Guidelines issued by the European Securities and Markets Authority (ESMA), in force since 3 July, 2016, in relation to the transparency of Alternative Performance Measures, ROVI provides below information concerning the APMs it considers significant that are included in this press release:

- **Operating revenue**

This APM shows the revenue that the group generates from its main business activities.

Operating revenue refers to revenue.

- **Other revenue**

Other revenue shows the grants obtained by the Group to develop its R&D&I and other projects.

Other revenue refers to the recognition of government grants on non-financial non-current assets and other.

- **Total revenue**

This APM shows all the group's revenues.

We calculate total revenue as revenue plus the recognition of government grants on non-financial non-current assets and other.

- **Cost of sales**

The cost of sales reflects the cost involved in producing or acquiring the products or services that ROVI sells.

The cost of sales is calculated as the amount of raw materials and consumables used plus that corresponding to the changes in inventories of finished goods and work in progress.

- **Gross profit**

Gross profit is an indicator that measures the direct profit that ROVI obtains from carrying out its income-generating activities.

We calculate gross profit as total revenue less cost of sales.

- **Gross margin or gross profit as % of operating revenue**

This APM is a percentage indicator that measures the direct profit that ROVI obtains from its operating revenue.

We calculate gross margin or gross profit as % of operating revenue as the percentage that the gross profit represents in the revenue (operating revenue).

- **Research & Development ("R&D") Expenses**

R&D expenses reflect expenses related to scientific research and technological development carried out by ROVI.

R&D expenses are calculated as the sum of employee benefits expenses and other operating expenses related to scientific research and technological development.

- **SG&A Expenses**

Selling, General & Administrative (SG&A) Expenses is an indicator that measures expenses related to the general internal operations and management of the company.

SG&A calculated as the amount of employee benefit expenses plus other operating expenses plus work carried out by the Group on non-current assets" minus research & development expenses.

- **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 margin or EBITDA as % of operating revenue**

This APM is a percentage indicator that measures the operating profit that ROVI obtains from its operating revenue before interest, taxes, impairment, depreciation and amortization are deducted.

We calculate EBITDA margin or EBITDA as % of operating revenue as the percentage that the EBITDA represents in the revenue (operating revenue).

- **EBITDA "Pre-R&D"**

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

We calculate EBITDA "Pre-R&D" as EBITDA excluding: R&D expenses and non-recurring income and expenses.

- **EBIT**

EBIT (Earnings Before Interest and Taxes) is an indicator that measures the group's operating profit before interest and tax are deducted. Like EBITDA, 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 margin or EBIT as % of operating revenue**

This APM is a percentage indicator that measures the operating profit that ROVI obtains from its operating revenue before interest and tax are deducted.

We calculate EBIT margin or EBIT as % of operating revenue as the percentage that the EBIT represents in the revenue (operating revenue).

- **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 income and expenses.

- **Net profit**

Net profit is an indicator that measures the group´s profit for the period.

We calculate Net profit as EBIT plus finance costs-net and income tax.

- **Net profit as % of operating revenue**

This APM is a percentage indicator that measures the profit for the period that ROVI obtains from its operating revenue.

We calculate net profit as % of operating revenue as the percentage that the net profit represents in the revenue (operating revenue).

- **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.

- **Gross cash position**

Gross cash position is an indicator that measures the amount of cash the group has at a specific point in time.

We calculate gross cash position as equity securities plus deposits plus financial derivatives plus financial assets at amortised cost plus cash and cash equivalents.

- **Net debt (-)/cash (+)**

Net cash, also measured as 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 financial derivatives, plus financial assets at amortised cost, plus cash and cash equivalents, less current and non-current financial debt.

- **Capex**

Capex is an indicator used to better understand the investments made by the group in its operations.

We calculate Capex as purchases of property, plant and equipment and intangible assets.

- **Capex as % of operating revenue**

This APM is a percentage indicator that measures the group's investments in property, plant and equipment, and intangible assets to its operating revenues.

We calculate Capex as % of operating revenue as the percentage that the purchases of property, plant and equipment and intangible assets represents in the revenue (operating revenue).

- **Free Cash Flow (FCF)**

Free cash flow is an indicator that measures cash flow generation from operating and investment activities and is useful for evaluating the funds available for paying shareholder dividends and servicing debt.

We calculate free cash flow as net cash generated from or used in operating activities less purchases of property, plant and equipment and intangible assets ("Capex") plus proceeds from sale of property, plant and equipment and intangible assets plus interest received.

- **FCF as % of operating revenue**

This APM is a percentage indicator that measures the group's cash flow generation from operating and investment activities relative to its operating revenues.

We calculate FCF as % of operating revenue as the percentage that the free cash flow represents in the revenue (operating revenue).

Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

Limited Assurance Report Issued by an Assurance Provider on the Consolidated Non-Financial Information Statement (NFIS) and Sustainability Reporting

31 December 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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

Limited Assurance Report Issued by an Assurance Provider on the Consolidated Non-Financial Information Statement and Sustainability Reporting of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries for 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

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

Limited Assurance Conclusion

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the Consolidated Non-Financial Information Statement (hereinafter NFIS) of Laboratorios Farmacéuticos Rovi, S.A. (hereinafter the Entity) and its subsidiaries (hereinafter the Group) for the year ended 31 December 2024, which forms part of the consolidated Directors' Report of the Group.

The content of the NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, specifically including the sustainability reporting prepared by the Group for the year ended 31 December 2024 (hereinafter the sustainability reporting) in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (CSRD). This sustainability reporting has also been subject to limited assurance review.

Based on the procedures conducted and the evidence we have obtained, no issues have come to our attention that would lead us to believe that:

a) the Group's Non-Financial Information Statement for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the European Sustainability Reporting Standards (ESRS) or other criteria in accordance with each subject matter in the "Annex II: Content Index Law 11/2018 and ESRS" of the aforementioned statement;

b) the sustainability reporting as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying note "ESRS 2. General Information", including:

- That the description provided of the process to identify the sustainability reporting included in note "1.4. Impact, risk and opportunity management" is consistent with the process in place and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Compliance with the ESRS.

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- Compliance of the disclosure requirements, included in subsection "European Union Taxonomy" of the environmental section of the sustainability reporting with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Basis for Conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 issued by the Spanish Institute of Registered Auditors on assurance engagements on non-financial information and considering the content of the note published by the ICAC on 18 December 2024 (hereinafter generally accepted professional standards).

The procedures applied in a limited assurance engagement are less extensive compared to those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those standards are described in more detail in the Responsibilities of the assurance provider section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1), which requires a quality management system to be designed, implemented and operated that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' Responsibilities

The preparation of the NFIS included in the consolidated directors' report of the Group, and the content thereof, is the responsibility of the Directors of Laboratorios Farmacéuticos Rovi, S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and the selected ESRS and other criteria described in accordance with each subject matter in the "Annex II: Content Index Law 11/2018 and ESRS" of the aforementioned statement.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of Laboratorios Farmacéuticos Rovi, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

(Signed on original in Spanish) In the event of discrepancy, the Spanish-language version prevails.)

In relation to sustainability reporting, the entity's Directors are responsible for developing and implementing a process to identify the information to be included in sustainability reporting in accordance with the CSRD, the ESRS and article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the sustainability disclosures themselves in note "1.4. Management of impacts, risks and opportunities". This responsibility includes:

- Understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment;
- Identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term;
- Evaluating the materiality of the impacts, risks and opportunities identified;
- Making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of sustainability reporting, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance with the CSRD, compliance with the ESRS and compliance with the disclosure requirements included in subsection "European Union Taxonomy" of the environmental section of the sustainability reporting with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors determine is relevant to enable the preparation of sustainability reporting that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability reporting and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

Inherent Limitations in the Preparation of the Information

In accordance with the ESRS, the entity's Directors are required to prepare prospective information based on assumptions, which are to be included in the sustainability reporting, about events that may occur in the future, as well as possible future actions, if any, that the Group may take. The actual outcome may differ significantly from the estimate, as it refers to the future and future events often do not occur as expected.

In determining sustainability disclosures, an entity's management interprets legal and other terms that are not clearly defined and may be interpreted differently by other people, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

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Responsibilities of the Assurance Provider

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and sustainability reporting are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report containing our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we apply our professional judgement and maintain an attitude of professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and sustainability reporting is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures in which it is most likely that material misstatements arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and sustainability reporting in which material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Carried Out

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and extent of the procedures selected depend on professional judgement, including an identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and sustainability reporting.

Our work has consisted of making inquiries of management, as well as of the different units and components of the Group that have participated in the preparation of the NFIS and sustainability reporting, reviewing the processes for compiling and validating the information presented in the NFIS and sustainability reporting and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance review process:

- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the note "1.4 Management of

impacts, risks and opportunities ", considering the content required by prevailing mercantile legislation.

- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information related to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.

In relation to the assurance on sustainability reporting process:

- Making inquiries of Group personnel:
  - To gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
  - To understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents); and the review of the Group's internal documentation on its process.
- Gaining, through inquiries with Group personnel, an understanding of the entity's processes for collecting, validating and presenting information relevant to the preparation of its sustainability reporting.
- Assessing the consistency of the evidence obtained from our procedures on the Group-implemented process to determine the information to be included in sustainability reporting with the description of the process included in such disclosures, and assessing whether the Group-implemented process identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessing whether all the information identified in the Group-implemented process to determine the information to be included in sustainability reporting is effectively included.
- Assessing the consistency of the structure and presentation of sustainability reporting with the provisions of the ESRS and the rest of the sustainability reporting framework applied by the Group.
- Conducting inquiries of relevant personnel and analytical procedures on information disclosed in the sustainability reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.
- Performing, where appropriate, substantive sampling procedures on the information disclosed in the selected sustainability reporting, considering information in which material misstatements are likely to arise, whether due to fraud or error.
- Procuring, where applicable, the reports issued by accredited independent third parties accompanying the consolidated Directors' Report in compliance with EU regulations and, in relation to the information to which they refer and in accordance with generally accepted professional standards, confirming, exclusively, the accreditation of the assurance provider and that the scope of the report issued complies with EU regulations.

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- Procuring, where appropriate, the documents containing the information included by reference, the reports issued by auditors or assurance providers of such documents and, in accordance with generally accepted professional standards, confirming, exclusively, that, as regards the document to which the information included by reference, the conditions described in the ESRS for including information by reference in the sustainability reporting are met.
- Procuring a representation letter from the Directors and management regarding the NFIS and sustainability reporting.

Other Information

Entity management is responsible for the other information. The other information comprises the consolidated annual accounts and other information included in the consolidated Directors' Report, but does not include either the auditor's report on the consolidated annual accounts or the assurance reports issued by accredited independent third parties required by EU law on specific disclosures contained in the sustainability reporting and accompanying the consolidated Directors' Report.

Our assurance report does not cover the other information and we do not express any assurance conclusions about it.

In connection with our assurance engagement on the sustainability reporting, our responsibility consists of reading the other information identified above and, in doing so, consider whether there is a material inconsistency between the other information and the sustainability reporting or the knowledge we have obtained during the assurance engagement that could be indicative of material misstatements in the sustainability reporting.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Marta Contreras Hernández

24 February 2025

Non-Financial Information Statement and Sustainability Reporting

Laboratorios Farmacéuticos ROVI S.A. and Subsidiaries

General information

1. ESRS 2 General Information

This Consolidated Non-Financial Information Statement and Sustainability Reporting (hereinafter, the "Report") sets out information on environmental, social and governance aspects of Laboratorios Farmacéuticos ROVI, S.A. (hereinafter, "ROVI", "the Grupo", "ROVI Group" or "the Company") in order to disclose a faithful, relevant, understandable, comparable and verifiable representation of how the Group addresses sustainability questions.

In this Report, the Board of Directors of Laboratorios Farmacéuticos ROVI, S.A. seeks to comply with the content of Law 11/2018 on Non-Financial Information and Diversity and, voluntarily, with the requirements of Corporate Sustainability Reporting Directive (CSRD[1]) and the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG).

a. Basis for preparation

◦ Disclosure Requirement BP-1: General basis for preparation of the Report

The information disclosed in this document refers to the consolidated Group perimeter in accordance with the perimeter included in its consolidated annual accounts for 2024. Likewise, all the consolidated subsidiaries are exempted from individual or consolidated sustainability reporting (see article 19a and article 29a(8) of Directive 2013/34/EU). The corporate structure of Laboratorios Farmacéuticos ROVI, S.A. that is fully consolidated[2] within the perimeter of this Report is set out below:

Laboratorios Farmacéuticos Rovi S.A.	% shareholding
Rovi Pharma Industrial Services, S.A.U.	100%
Pan Química Farmacéutica, S.A.U.	100%
Gineladius, S.L.	100%
Bertex Pharma GmbH	100%
Rovi Biotech sp.z.o.o.	100%
Rovi Escúzar, S.L.U.	100%
Rovi Biotech Limited	100%
Rovi Biotech, S.r.l.	100%
Rovi, GmbH	100%
Rovi, S.A.S.	100%
Rovi Biotech GmbH	100%
Glicopepton Biotech, S.L.	51%

The main objective of sustainability-related legislation is to ensure that users of the sustainability statement have transparent and reliable information on the positive and negative impacts that the Company generates on society and the environment, as well as the risks it should mitigate and the opportunities it can take. In this context, ROVI undertakes to break down, throughout the Statement, the extent to which the assessment of the materiality of the impacts risks and opportunities (IROs) includes both its own operations and the upstream and/or downstream value chain. Likewise, it undertakes to describe the

[1] At the date of preparation of this Report, the Corporate Sustainability Reporting Directive (CSRD) has not been transposed into Spanish legislation and the period allowed for so doing has passed. In this respect, the Group presents its sustainability reporting in accordance with the ESRS voluntarily, following the recommendations of the National Securities Market Commission (CMNV) in its communication dated 27 November 2024.

[2] ROVI holds interests in a number of companies that are consolidated by the equity method. These companies belong to two main categories: joint ventures and associated entities, the latter of which form part of the Group's value chain.

extent to which its policies, actions and targets encompass the whole value chain and to include data on both its own operations and the upstream and downstream value chain in the information on metrics.

Additionally, to comply in relation to disclosure of classified or sensitive information, as well as details of intellectual property, know-how or the results of innovation, ROVI confirms that it ensures that transparency of its clinical trials and, therefore, has not omitted any specific piece of information with regard to said trials. This decision reflects the Group's commitment to the transparency and comprehensiveness of all communications and operations, ensuring that all stakeholders have access to material information on ROVI and its advances. Notwithstanding, the Group will not disclose information deemed sensitive and/or confidential in relation to the R&D&I or artificial intelligence projects (Cells IA) on which it is working.

Lastly, ROVI's situation does not justify the application of exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

◦ Disclosure Requirement BP-2: Disclosures in relation to specific circumstances

In relation to the disclosure of specific information, when identifying the impacts risks and opportunities, ROVI has kept the long-, medium- and short-term time horizons defined by the ESRS:

- Short term: < 1 year (current reporting period).
- Medium term: 1-5 years (as of end of current reporting period).
- Long term: > 5 years.

Additionally, ROVI will disclose all the standards that have been found to be material as a result of the double materiality assessment and may not apply any of the exemptions mentioned in Appendix C of ESRS 1 since it had more than 750 employees in 2024. Furthermore, the Company will include the information derived from other European Union legislation in this Report (see the list of datapoints included in cross-cutting and topical standards derived from other European Union legislation in IRO-2).

Regarding incorporation by reference, information referenced to the Consolidated Annual Accounts that is related to the following disclosure requirements has been included:

- ESRS 2 IRO-1 of E1 (datapoint AR 15) related to the financial effects of climate-related risks.
- E1-3 (datapoint DR 29c) related to European Union Taxonomy.
- S1-6 (datapoint DR 50f) related to the number of employees.

Regarding the disclosure of quantitative material, the Group has made estimates for the following requirements:

Value chain (upstream and downstream)

Topical Standard	Disclosure Requirement	Metrics / Monetary amounts	Basis for preparation	Level of accuracy at present and in the future	Pages
ESRS E1 Climate change	E1 – 6: Gross scopes 1, 2 and 3 and Total GHG emissions	Gross Scope 3 GHG emissions (waste transportation)	Following the guidance of ISO 14064.	Regarding the calculation methodology, the level of accuracy is limited, although the data sources are reliable and the footprint is audited doubly by a third party. Through the Teimas platform, it is expected to improve the system for recording waste and, thus, the level of accuracy of the data will increase.	75

Own operations

In relation to the measurement assumptions, estimates and judgements applied, ROVI has sought to achieve the greatest precision possible, ensuring that the estimation is consistent and representative within the global context of the Company.

Topical Standard	Disclosure Requirement	Metrics / Monetary amounts	Information of sources of measurement uncertainty	Pages
ESRS E1 Climate change	E1 – 5: Energy consumption and mix	Fuel consumption from crude oil and petroleum products - mobile sources.	If no invoice is available, consumption was estimated following the methodology set out in the Corporate Environmental Reporting Manual.	74
ESRS E1 Climate change	E1 – 5: Energy consumption and mix	Fuel consumption from crude oil and petroleum products - stationary sources.	If no invoice is available, consumption was estimated following the methodology set out in the Corporate Environmental Reporting Manual.	74
ESRS E1 Climate change	E1 – 5: Energy consumption and mix	Fuel consumption from natural gas.	If no invoice is available, consumption was estimated following the methodology set out in the Corporate Environmental Reporting Manual.	74
ESRS E1 Climate change	E1 – 5: Energy consumption and mix	The energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors.	If no invoice is available, consumption was estimated following the methodology set out in the Corporate Environmental Reporting Manual.	74
ESRS E1 Climate change	E1 – 5: Energy consumption and mix	Electricity consumption in Kwh.	Consumption for some months was estimated by extrapolating the invoices from previous months and, occasionally, the figure was extrapolated from one country to another, taking the number of persons into account.	74
ESRS E3 Water and marine resources	E3 – 4: Water consumption	Total water consumption in m^3.	Consumption for some months was estimated by extrapolating the invoices from previous months,the meter readings and, occasionally, the figure was extrapolated from one country to another, taking the number of persons into account.	86
ESRS E3 Water and marine resources	E3 – 4: Water consumption	Water intensity: total water consumption in own operations en m^3 per million euros revenue.	If no invoice is available, consumption was estimated following the methodology set out in the Corporate Environmental Reporting Manual.	86
ESRS E3 Water and marine resources	E3 – 4: Water consumption	Total water reused and stored in m^3.	If the figure is not available, consumption was estimated following the methodology set out in the Corporate Environmental Reporting Manual.	86
ESRS E5: Use of resources and circular economy	E5 – 5: Resource outflows	Total amount of waste generated.	The paper and cardboard consumption for December was estimated based on consumption in previous years.	93
ESRS E5: Use of resources and circular economy	E5 – 5: Resource outflows	The total amount by weight diverted from disposal, with a breakdown between hazardous waste and non-hazardous waste and disclosure of the following waste treatment types: i. preparation for reuse; ii recycling; iii. other recovery alternatives.	The paper and cardboard consumption for December was estimated based on consumption in previous years.	93

Lastly, throughout the report, ROVI will disclose comparative information in relation to 2023, in accordance with Law 11/2018 on non-financial information and diversity. Likewise, mention should be made of the fact that no comparative information will be disclosed in cases where the information is not comparable due to changes in the presentation or breakdown or in the calculation methodology. Likewise, Annex II of the report sets out the information required by Law 11/2018 that is not included among the requirements of the ESRS.

b. Governance

◦ Disclosure Requirement GOV-1: The role of the administrative, management and supervisory bodies

The objective of this Disclosure Requirement is to provide an understanding of the composition of the administrative, management and supervisory bodies, their roles and responsibilities, and their access to expertise and skills in relation to sustainability matters.

The General Shareholders' Meeting is the highest governance and deliberative body. The administrative, management and supervisory bodies of ROVI are, basically, the Board of Directors and the two board committees, i.e. the Nomination and Remuneration Committee (NRC) and the Audit Committee. Furthermore, apart from the Board, the Company has, internally, a Management Committee and a Sustainability Committee.

The Board of Directors is the Company's highest decision-making body, except in matters reserved to the General Shareholders' Meeting. Regarding its composition, the Board is formed by seven directors, three of whom are executive directors, while four are non-executive. Likewise, three of the four non-executive members are independent, representing 42.86% of the total.

Likewise, ROVI extends its commitment to diversity to its governing bodies in the broadest sense, covering aspects such as age, gender, knowledge and experience, among others. In terms of gender, an example of this commitment can be seen in the composition of the Board of Directors, three of whose seven members are women, 42.86%. The committees (NRC and Audit Committee) are composed of a majority of women (66% of their members, two of three), women account for 30.76% of the Management Committee (four of a total of thirteen) and 71.4% of the Sustainability Committee members are women (four of seven). In terms of diversity of age, knowledge and experience, the administrative, management and supervisory bodies are likewise diverse. Specifically, their members have wide experience in the pharmaceutical sector and in relation to the products and geographical locations where the Company operates.

It should be noted that no representative of the workers forms part of the Board of Directors.

ROVI has three directors with experience in sustainability matters, specifically in social and good governance issues:

- Mr Marcos Peña Pinto, coordinating director and member of the Audit Committee and the Nomination and Remuneration Committee, has held different roles in relation to social and employment matters. Between 1991 and 1996, Secretary-General for Health at the Ministry of Health and Consumer Affairs and Secretary General for Employment and Labour Relations at the Ministry of Labour. Likewise, between 2005 and 2006, he was appointed an expert member of the Economic and Social Council, which he chaired until April 2020.
- Ms Fátima Báñez García, chair of the Nomination and Remuneration Committee and member of the Group's Audit Committee, was Minister of Employment and Social Security in the Spanish government from December 2011 to June 2018 and Minister of Health, Social Services and Equality from August to November 2016. Until 2024, Ms Bañez was a member of the Board of Directors of AVANGRID, INC. as an independent director and Chairman of said company's Governance and Sustainability Committee. At present, she is a member of the Board of Iberdrola Energía International as an external director, having been appointed in the current year 2025.
- Ms Marina del Corral Téllez, a proprietary director of ROVI, completed the Senior Business Management Programme (PADE) of the University of Navarra and the Good Corporate Management Programme of the Instituto de Consejeros y Administradores. Currently, she is also Director General of the Círculo Empresarial de Atención a las Personas (CEAPS) (Business Circle for Attention to Persons).

Additionally, the Board of ROVI reviews its training plan annually in order to ensure the continuous training and updating of its directors. Likewise, mention should be made of the fact that, in 2024, the Board of Directors received specific training on sustainability matters in relation to the regulatory environment (CSRD), the implications for sustainability reporting, the double materiality results, the changes introduced by Organic Law 2/2024 of 1 August on Equal Representation and a Balanced

Presence of Women and Men, as well as the new Audit Committee governance features introduced by Technical Guide 1/2024 on Audit Committees at Public-Interest Entities.

The functions attributed to the Board of Directors by the applicable laws and the Company's internal regulations include the following:

- Issuing the annual accounts and management report and proposing the distribution of the Company's profit to the General Shareholders' Meeting.
- Approving the general policies and strategies and the organisation necessary to implement them, including the strategic plan, management goals and annual budget, among other items.
- Overseeing and verifying that management meets the goals established and respects the Company's corporate purpose and interests.
- Supervising the preparation of the financial and non-financial information.
- Calling the General Shareholders' Meeting, preparing the agenda and motions, and publishing the related announcements.

ROVI has two committees among its advisory and information bodies. The Nomination and Remuneration Committee focuses on providing advice to ROVI's Board of Directors and supervision of the composition, operation and remuneration of the Board and the Company's senior management. Proposals to the Board to integrate sustainability-related performance into the incentive systems for directors and members of senior management would depend, if applicable, on this Committee. Likewise, the Committee's functions include reviewing the social and environmental-related aspects of the Sustainability Policy, ensuring that it is oriented towards value creation. In this respect, attention should be drawn to the fact that the Commission must carry out its functions with a critical attitude, always maintaining its independence and verifying that the information published on the corporate website regarding director remuneration meets the legal requirements, taking account of the applicable good governance recommendations.

In addition, the responsibilities of ROVI's Audit Committee include the supervision and control of the processes of preparing and presenting financial information and the efficacy of the risk control and management systems. Regarding its role in risk control and management, the Committee has the following functions:

- Conducting periodic reviews and monitoring of the internal risk control and management systems, evaluating their efficacy to ensure that the main risks are identified, managed and notified appropriately.
- Overseeing and assessing the process of preparing and presenting the financial information and ensuring it is complete.
- Regularly identifying the internal information and control systems and overseeing the Risk Control and Management Policy.
- Identifying the different types of financial and non-financial risk at corporate level, including operating, technological, legal social, environmental, political and reputational risks, among others.
- Overseeing the operation of and compliance with the Crime Prevention Model.
- Reporting on related-party transactions and ensuring auditor independence and the independence and efficacy of the internal audit service.
- Ensuring the independence of the reviewer.

During the year, the Audit Committee Regulations were amended to include aspects from the CNMV's new Technical Guide on Audit Committees, which introduced novelties mainly in relation to the treatment of sustainability reporting and its related risks.

Thus, the Audit Committee oversees both financial and non-financial risks, including sustainability-related risks. To fulfil this function, the Committee's roles in relation to sustainability have been defined, recommending mechanisms for coordination between the bodies that hold responsibilities in these matters. Furthermore, it is suggested that Committee members should have knowledge of sustainability. The CNMV's Technical Guide also includes sustainability as a topic that should form part of

the Committee's training and adapts its terminology to the CSRD, using terms like "sustainability reporting" and "non-financial risks" in a broad sense.

Furthermore, the Company's senior management is formed by the Management Committee, composed of fourteen key managers including the Internal Audit Manager, 31% of whom are women. Its primary function is to represent the main areas of the Group and conduct the ordinary management of the Company.

Lastly, ROVI has an internal Sustainability Committee, which was created to implement and supervise the goals of the first Environmental, Social and Governance Master Plan 2023-2025 (hereinafter, ESG Master Plan"), which was approved by the Board of Directors at the end of 2022. This Plan fixed ROVI's sustainability roadmap to align its goals and actions with the Company's strategy and set the guidelines, criteria and principles for applying the Environmental and Social Sustainability Policy, likewise approved by the Board at the end of 2022. The Committee chair reports annually to the board committees on fulfilment of the goals of the ESG Master Plan and, likewise annually, submits the same information to the Board of Directors.

The Committee is composed of the heads of the areas with appropriate knowledge of the functions required. The members appointed are:

- Finance Manager, as the chair.
- Head of ESG, as the secretary.
- Safety and Environment Manager.
- Human Resource Manager.
- Head of Compliance.
- Quality Manager of the non-industrial area (Laboratorios Farmacéuticos Rovi, S.A.).
- Internal Audit Manager.

Mention should be made of the fact that, to date, the person responsible for supervising impacts, risks and opportunities has not been appointed, notwithstanding the supervisory tasks that correspond to the Audit Committee, the Sustainability Committee and Internal Audit and the fact that this topic may be reviewed within the framework of updating the ESG Master Plan, which will conclude in 2025.

◦ Disclosure Requirement GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies.

The objective of this Disclosure Requirement is to enable an understanding of how administrative, management and supervisory bodies are informed on sustainability matters and how these matters were addressed during the reporting period.

The Sustainability Committee is responsible for annually informing ROVI's Board of Directors on the advances in the ESG Master Plan and any other relevant sustainability-related matter and, therefore, it is aware of the Company's material impacts, risks and opportunities. In 2024,the Sustainability Committee reported the results of the double materiality process at the December board meeting. At that meeting a presentation that encompassed a summary of the double materiality assessment process, with its corresponding phases and its final results in terms of material topics, sub-topics and sub-sub-topics.

After the ESG Master Plan has been updated in 2025, the Board of Directors will consider the material impacts, risks and opportunities derived from the results of the double materiality assessment by reviewing and approving said Plan (it should be noted that the ESG Master Plan is independent of corporate strategy and is intended to address sustainability topics.

In 2024, the Board of Directors did not take the material impacts, risks and opportunities into account when supervising the Company's sustainability strategy, since the ESRS approved in said year were first analysed internally and, furthermore, the ESG Master Plan is in force until 2025. When the ESG Master Plan has been updated, the Board of Directors will use it to consider the material impacts, risks and opportunities (take account of the fact that the ESG Master Plan is independent of the corporate strategy intended to address sustainability-related topics).

Lastly, the Sustainability Committee is responsible for addressing mainly topics concerning ESG-related material impacts, risks and opportunities at its quarterly meetings. In 2024, the list of IROs that were considered material as a result of the double materiality process conducted by ROVI were addressed. Further details of this list are given under the different topical standards. Additionally, the Audit Committee also considers the sustainability risks included on the corporate risk map, which was updated in 2024 with the negative impacts and risks derived from the double materiality assessment.

◦ Disclosure Requirement GOV-3: Integration of sustainability-related performance in incentive schemes

The objective of this Disclosure Requirement is to inform on the inclusion of sustainability-related criteria in the incentive schemes for administrative, management and supervisory bodies.

ROVI's Director Remuneration Policy, which establishes the remuneration criteria for board members, duly reviews the most updated, habitual and valued criteria of the pharmaceutical industry.

Special mention should be made of the fact that the variable remuneration of the executive directors includes social, environmental and corporate governance-related sustainability indicators, such as compliance with the Company's codes of conduct and internal procedures. These criteria represent 10% of the variable remuneration, The following three goals are among them, each of which is assigned to an executive director:

- Implementation of an Internal Control over Non-Financial Reporting (ICNFR) system.
- Offsetting 100% of Scopes 1 and 2 emissions and 20% of Scope 3.
- Compliance with the Code of Good Practice for the Pharmaceutical Industry.

Lastly mention should be made of the fact that ROVI's Director Remuneration Policy, in accordance with article 529 novodecies of the Corporate Enterprises Act, was approved at the Company's General Shareholders' Meeting on 14 June, 2022 and applied to the years 2022, 2023 and 2024. On 25 June 2024, the General Shareholders' Meeting approved the Remuneration Policy that will be applicable for 2025, 2026 and 2027.

◦ Disclosure Requirement GOV-4: Statement on due diligence

The objective of this Disclosure Requirement is to facilitate an understanding of the Group's due diligence process with regard to sustainability matters.

Due diligence, as described in ESRS 1, Chapter 4, is an ongoing process that allows companies, in this case, ROVI, to prevent, mitigate and account for the actual and potential negative impacts related to the environment and the people in the value chain.

This process, derived from the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, provides the basis for the Group to assess its sustainability-related impacts, risks and opportunities.

Although the ESRS does not mandate any specific behavioural requirements, it does require cross-cutting and topical disclosures that explain how the due diligence steps are integrated in governance, strategy and business model, cooperation with stakeholders, assessment of impacts, the adoption of measures to mitigate them and monitoring the efficacy of these measures, as per the requirements established in ESRS 2 and the rest of the topical standards.

In this respect, to comply with the due diligence process, ROVI took the preparation of its double materiality assessment as a starting point (see section 1.4. Impact, risk and opportunity management) to determine which impacts, risks and opportunities are material for the Company.

Key Due Diligence Elements	Sections of Report
a) Integration of due diligence in governance, strategy and business model.	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies. ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes. ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.
b) Engagement with stakeholders affected in all key stages of due diligence.	ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies. ESRS 2 SBM-2: Interests and views of stakeholders. ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities. ESRS 2 MDR-P: Policies adopted to address material sustainability Topical ESRS: Reflecting the different stages and purposes of stakeholder engagement throughout the due diligence process.
c) Identification and assessment of adverse impacts.	ESRS 2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities. ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.
d) Adoption of measure to address said adverse impacts.	ESRS 2 MDR-A:Actions and resources in relation to material sustainability matters. Topical ESRS: Reflecting the range of actions, including transition plans, through which material impacts are addressed.
e) Monitoring efficacy of efforts and communication.	ESRS 2 MDR-M: Metrics in relation to material sustainability matters. MDR-T: Tracking effectiveness of policies and actions through targets. Topical ESRS: In relation to metrics and targets.

◦ Disclosure Requirement GOV-5: Risk management and internal controls over sustainability reporting

The objective of this Disclosure Requirement is to disclose the main characteristics of the risk management and internal control system in relation to the sustainability reporting process.

In 2023, ROVI implemented an Internal Control over Non-Financial Reporting (ICNFR) system, where the whole organisation was involved. This system allowed the Company:

- To structure and formalise controls over non-financial reporting to detect any possible irregularities and allow them to be corrected.
- To provide the Board of Directors with reasonable certainty when performing its annual function of issuing the Report.
- To ensure the transparency and reliability of the processes of generating, preparing and reporting said information.
- Comply with all applicable regulations.

The design and implementation of the ICNFR system was performed as an extension of the Internal Control over Financial Reporting (ICFR) system, which is also in place in the Group, following the COSO2013 methodological framework, in order to ensure that the information is reported accurately and in accordance with international standards.

Regarding the risks noted, the following main risks were identified:

- Failures in data compilation or calculation.
- Incorrect data consolidation
- Failures in automatic reading system.

To facilitate the implementation and monitoring of the ICNFR system, ROVI has a technological platform that allows comprehensive and homogeneous management. This has benefited the different areas of the Company involved in the reporting process, since it allows them to:

- Reduce the risk of data processing errors, ensuring the quality and reliability of the data.
- Centralise and optimise the compilation of data and supporting evidence for the verification process.
- Automate indicator calculation and report generation.
- Monitor compliance with the internal control system established in real time.

To make the internal control system that has been implemented more robust, ROVI has developed two reporting manuals, one on the environment and the other on human resources, in order to facilitate the way in which sustainability information is obtained.

Lastly, mention should be made of the fact that, once the ICNFR system had been adopted, the Group's administrative, management and supervisory bodies were informed and it was not considered necessary to implement a periodic notification process.

c. Strategy

◦ Disclosure Requirement SBM-1: Strategy, business model and value chain

The objective of this Disclosure Requirement is to disclose the elements of the Group's strategy that relate to or impact sustainability matters, the business model and the value chain.

ROVI is a pan-European company focusing on innovative products and enjoys stability, soundness and experience.

The Group is present directly in Spain, Portugal, Germany, France, United Kingdom, Italy, Austria and Poland and has been listed on the Barcelona, Bilbao, Valencia and Madrid Stock Exchanges since 2007 and on the Ibex-35 since December 2021. In relation to employees by geographical region, details are shown in the following table:

Number of employees by geographical region	
Spain	2,072
United Kingdom	3
Germany	52
Italy	44
France	6
Poland	1
Austria	4
Portugal	15

ROVI bases its growth on three different areas. First, the specialty pharmaceutical area, where the Group holds a portfolio of its own and licensed products with more than 40 items. The products are indicated for both the treatment and diagnosis of different complaints in nine therapeutic areas: cardiology, osteoarticular/women's health, anaesthesia/pain, diagnostic imaging contrast agents, central nervous system, urology, endocrinology, respiratory and primary healthcare.

Second, the contract manufacturing area, where ROVI provides manufacturing services to the highest standards of quality and competitiveness.

Lastly, ROVI invests in R&D&I, which is the line of work devoted to the research, development and innovation of products, principally focused on drug release technology.

The **pharmaceutical specialty area** may be classified into two large blocks or divisions:

I. Prescription products

i. Own product division

Low-molecular-weight heparins (LMWHs)

ROVI aspires to become a world leader in the LMWH field. To this end, it continues committed to the potential of this division and is investing to become a vertically integrated company in all the phases of LMWH production, ranging from the manufacture of the active ingredient to the aseptic filling of the syringes and final packaging, at the Group's manufacturing and packaging plants in Spain. In this respect, it has two products from its own research: bemiparin and the enoxaparin biosimilar.

- Bemiparin

  Bemiparina is a low-molecular-weight heparin indicated for the prevention and treatment of venous thromboembolisim (VTE). Notwithstanding, due to its differential pharmacological characteristics, bemiparin is considered a second-generation LMWH, with a longer average life than other LMWHs, which means that it only need be administered every 24 hours. This leads it to have important clinical implications due to its possible significance in special populations, such as oncological patients, patients with kidney failure, the elderly, etc., in whom greater complexity is associated to managing VTE.

  ROVI developed this molecule in the nineties and is the sales leader in Spain with with a market share of 31%. Its success and international expansion, currently with presence in 64 countries due to its network of strategic partnerships, is, to a large extent, due to its recognition as one of the principal therapeutic options worldwide for the treatment of venous thrombosis.

- Enoxaparin biosimilar

  The enoxaparin biosimilar, launched in 2017, is an anticoagulant that also forms part of the low-molecular-weight heparin group. This medicine is used to treat and prevent venous thromboembolism.

  Regarding the marketing strategy for the product, ROVI set up several subsidiaries in Europe (France, United Kingdom, Germany, Italy and Poland), which, together with Spain and Portugal, cover 75% of the European enoxaparin market and provide a highly usable pan-European infrastructure.

  In relation to distribution, ROVI distributes the enoxaparin biosimilar directly through its subsidiaries or, in countries where ROVI is not directly present, through local partners.

  ROVI has launched its enoxaparin biosimilar in 41 countries and has signed distribution agreements for the product in over 90.

Okedi®

Okedi® (Risperidone ISM®) is ROVI's first innovative own product based on its leading-edge drug-delivery technology, ISM® and is indicated for the treatment of schizophrenia in adults for whom tolerability and effectiveness have been established with oral risperidone.

The objective of ISM® technology is to replace daily drug administration in patients who are undergoing long-term treatments for certain chronic pathologies by a prolonged-release long-acting injection. This has an important competitive advantage over its competitors, since it is the only prolonged-release long-acting injectable that has been proven to be a swift as the oral medicine and to reach efficacy on day 8 with no oral supplements or loading doses.

In February 2022, Okedi® was approved by the EMA and, since then, ROVI has launched the product in a number of European countries. In 2022, in Germany, United Kingdom and Spain and, in 2023, in Portugal, Italy, Austria, Greece and Serbia. Additionally, in 2024, Okedi® was launched in Finland and approved for marketing in the USA (under the trademark Risvan®), Canada and Australia, which opened up new growth opportunities in the field of prolonged-release long-acting injectables to treat schizophrenia all over the world.

In November 2024, ROVI announced that Risperidone ISM® (Risvan®) would not be marketed in the United States, subsequent to an assessment of the risks and opportunities associated to this launch. ROVI is, therefore, committed to the European development of Okedi® and hopes to reach potential global sales of between 100 and 200 million euros with this product in upcoming years.

ii. Licensed product division

The products marketed under licensing agreements that are most prominent in terms of their contribution to Group sales are set out below:

Neparvis®

In 2016, ROVI began to market Neparvis® (sacubitril/valsartan) under a co-marketing system with Novartis. It is a product indicated for the treatment of adult patients with symptomatic chronic heart failure with reduced ejection fraction (the percentage of blood leaving the left ventricle of the heart).

Orvatez®

In 2015, ROVI began to market Orvatez® (ezetimibe/atorvastatin) under a co-marketing system with Organon. It is a product that decreases the levels of c-LDL (“bad cholesterol”) and is indicated to reduce the risk of cardiovascular events in patents with coronary heart disease and a history of acute coronary syndrome. Orvatez® is also indicated for adult patients with hypercholesterolemia as an adjunctive therapy to diet.

Volutsa®

In 2015, ROVI began to market Volutsa® (solifenacin succinate and tamsulosin hydrochloride) under a co-marketing system with Astellas Pharma. It is a product indicated for the treatment of moderate to severe storage systems (urgency, increased micturition frequency) and voiding systems associated with benign prostatic hyperplasia (BPH) in men who are not responding adequately to monotherapy treatment.

With regard to discontinued products, ROVI ceased to promote and distribute Xelevia® (sitagliptin) and Velmetia® (sitagliptin and metformin) as of 31 January, 2024. Both these medicines are antidiabetic drugs from Merck Sharp and Dohme ("MSD").

II. Diagnostic imaging contrast agents and other hospital products

ROVI is a market leader in diagnostic imaging contrast agents and other hospital products (computed tomography, magnetic resonance imaging, ultrasound scans, etc.).

The portfolio of this division includes licensed products from Bracco, such as Iomeron® and Iopamiro® (for computed tomography and other interventions), Multihance® and Prohance® (for magnetic resonance imaging), and Sonovue® (for ultrasounds). In addition, it carries products from ACIST, such as EmpowerCTA+®, EmpowerMR® yand CT Exprès (contrast injection systems and compatible disposable material).

The range of hospital products is completed by Fibrilin®, a healthcare product for the care and maintenance of intravenous catheters.

Additionally, ROVI reinforces this area with investment agreements, such as the agreement between Gineladius, a ROVI Group subsidiary, with Cells IA Technologies, S.L. This pioneering company is engaged in the development of artificial intelligence (IA)-assisted diagnostic solutions in the pathological anatomy field. This medical specialty, essential in the diagnosis and staging of many diseases, is set to undergo significant transformation due to the new digital technologies. The

agreement with Cells IA represents an opportunity for ROVI to contribute to improving healthcare by developing IA solutions and its commitment to research and new technologies.

The **contract manufacturing area (CDMO) i**s one of ROVI's main growth catalysts. The Group manages the activity of this division, which is the support for the development and manufacturing of high-value-added products for third parties, through its subsidiary ROVI Pharma Industrial Services (hereinafter, ROIS). The high capacity of the ROIS facilities allows the Group to offer a wide range of CDMO services, including compounding, aseptic filling and terminal sterilisation, inspection, installation of safety devices, labelling, packaging, serialisation and aggregation, for different injectable pharmaceutical forms, such as prefilled syringes, vials and cartridges, as well as manufacturing and packaging services for solid products. ROIS stands out in the market because it provides top-level specialisation in highly complex injectable products, such as vaccines, biologics and biosimilares, as well as excellence and flexibility in technology transfer processes.

ROVI's strategy with its customers in this division is to reach long-term agreements of between 3 and 10 years, based on mutual trust and generating visibility in the business through a stable flow of revenue.

In this context, since the first COVID-19 vaccines were launched in December 2020, ROVI, as a manufacturer of the Moderna vaccine, has been a fundamental pillar when providing a swift, flexible and efficient response to COVID-19 all over the world.

In February 2022, ROVI signed a ten-year agreement with Moderna, becoming the latter's preferred partner for manufacture of the active ingredient and the fill-and-finish of mRNA vaccines. This partnership has strengthened ROVI's strategic position in the CDMO sector, allowing it not only to produce the COVID-19 and RSV (respiratory syncytial virus) vaccines, but also to invest in increasing its capacities to produce a higher volume of pharmaceutical units in the future.

In 2023, one of the main milestones achieved in this division was the approval by the U.S. Food and Drug Administration (FDA) of ROVI's injectables plants in Madrid, San Sebastián de los Reyes and Alcalá de Henares for fill-and-finish of syringes of Moderna's COVID-19 mRNA vaccine. This approval has allowed ROVI to produce the COVID-19 vaccines for distribution in the United States from 2023 onwards.

Additionally, in January 2024, the Granada plant was approved by the FDA for manufacture of the active ingredient of the Moderna COVID-19 mRNA vaccine.

Over the last five years, ROVI has invested significant capital in this area to construct a global leadership in sterile fill-and-finish capacity and technological services and be able to produce more pharmaceutical units in the future.

In April 2024, as a result of its proven experience in manufacturing high-value-added injectables and the expansion of its production capacities, ROVI signed an agreement to contribute to the manufacture of prefilled syringes for a global pharmaceutical company. This production will be carried out on a latest-generation high-speed filing line with an estimated annual capacity of 100 million units at the facilities of ROVI's subsidiary ROIS in Madrid. After the technology transfer and regulatory approval, commercial production is expected to commence in 2026. As of 2027, which is expected to be the first full year of recurring production, the ROVI Group's contract manufacturing division (CDMO) expects to achieve an increase in revenue of between 20% and 45% compared with 2023 sales. This agreement allows the Group to help meet the growing demand for a product that requires a high degree of technological capabilities.

ROIS is one of the main companies in the CDMO sector for high-value-added injectables. At the end of 2024, its facilities had a capacity of between 450 and 500 million prefilled syringes and 120 million vials and it exported to over 45 countries, with international sales representing over 95% of its revenue.

Within the CDMO business, the following types of product were being manufactured at the end of 2024:

Injectables

There are very few competitors in this market due to the entry barriers, the biological nature of most new drugs and the aseptic conditions necessary for the filling of prefilled syringes, vials and cartridges in microbiologically-controlled cleanrooms. At present, ROVI is one of the main prefilled syringe manufacturers in Europe in terms of annual production volume. The Madrid and San Sebastián de los Reyes centres are specialised in filling and inspecting parenteral solutions in

prefilled syringes of 0.5 ml to 20 ml (filled from 0.1 ml to 20 ml) and vials of 2 ml to 20 ml. This syringes and vials are filled in aseptic conditions in cleanrooms (Grade A), plus terminal sterilisation if so required, with the possibility of adding safety devices to the syringes. The plants hold certifications from EMA, FDA, ANVISA, PMDA, KFDA, China and the Gulf States, among others, as well as the certifications SO9001, ISO14001 and ISO 45001.

This business line has become more important since 2020, especially after the agreement with Moderna for the filling and packaging of the COVID-19 vaccine for markets outside the United States. This Agreement was reinforced in 2021 and, in 2022, it was consolidated by a long-term (ten-year) collaboration agreement to increase the compounding, aseptic filling, inspection, labelling and packaging capacities at the ROVI plants in Madrid, San Sebastián de los Reyes and Alcalá de Henares. As a result, investments have been made to increase the manufacturing capacity in Madrid and this agreement also allows ROVI to provide service for any future mRNA candidate vaccines of the Moderna Group.

As of 31 December 2024, ROVI has an annual production capacity of between 450 and 500 million syringes and 120 million vials. This capacity has been achieved as a result of installing new equipment for compounding, filling, automatic visual inspection, labelling and packaging at the San Sebastián de los Reyes industrial complex.

Solid oral forms

Thanks to the advanced technology in the manufacture of oral forms, ROVI produces tablets and sachets at its Alcalá de Henares plant. This plant, also approved by the authorities of Europe, United States, Japan, Mexico, Brazil, Russia and the Gulf States, among others, has 83,000 square metres. In addition to manufacturing solid products, it has packaging capacity for both solid forms and injectables. With storage capacity of 9,000 pallets, the plant is a centre of packing excellence, operating 16 lines, 50% of which are dedicated to injectables. In 2024, four new lines with cardboard technology (plastic free technology) were installed.

Additionally, ROVI is investing in two assembly lines that will be installed in 2026 and 2027 in order to assemble cartridges in pens or syringes in autoinjectors and thus be able to increase the services it offers its customers.

Lastly, regarding the **line of work dedicated to research, development and innovation (R&D&I)**, ROVI is focusing on its innovative drug-delivery technology, ISM®. Long-acting injectables (LAIs) are becoming the benchmark for the care of some complaints, such as schizophrenia, instead of the oral treatment. This technology is intended to obtain new pharmaceutical products with delivery systems controlled through long-acting injectables. The objective is to replace daily drug administration in patients who are undergoing long-term treatment for certain chronic pathologies, such as schizophrenia or some types of cancer.

The ISM® technology is currently exclusive to ROVI and is patent protected until 2033. Intended to overcome most of the disadvantages of prolonged-release oral or parenteral formulations, it has advantages such as simpler administration, higher encapsulation efficiency, greater stability of the active ingredient, greater control in the initial release of the drug, reduction in treatment frequency, etc.

At present, ROVI is developing this technology along two major lines:

Risperidone ISM®

Indicated for treatment of schizophrenia in patients for whom tolerability and effectiveness have been established with oral risperidone.

In February 2022, years of development and research resulted in the approval of its first product: Okedi® (Risperidone ISM®), which is now being marketed in several European countries.

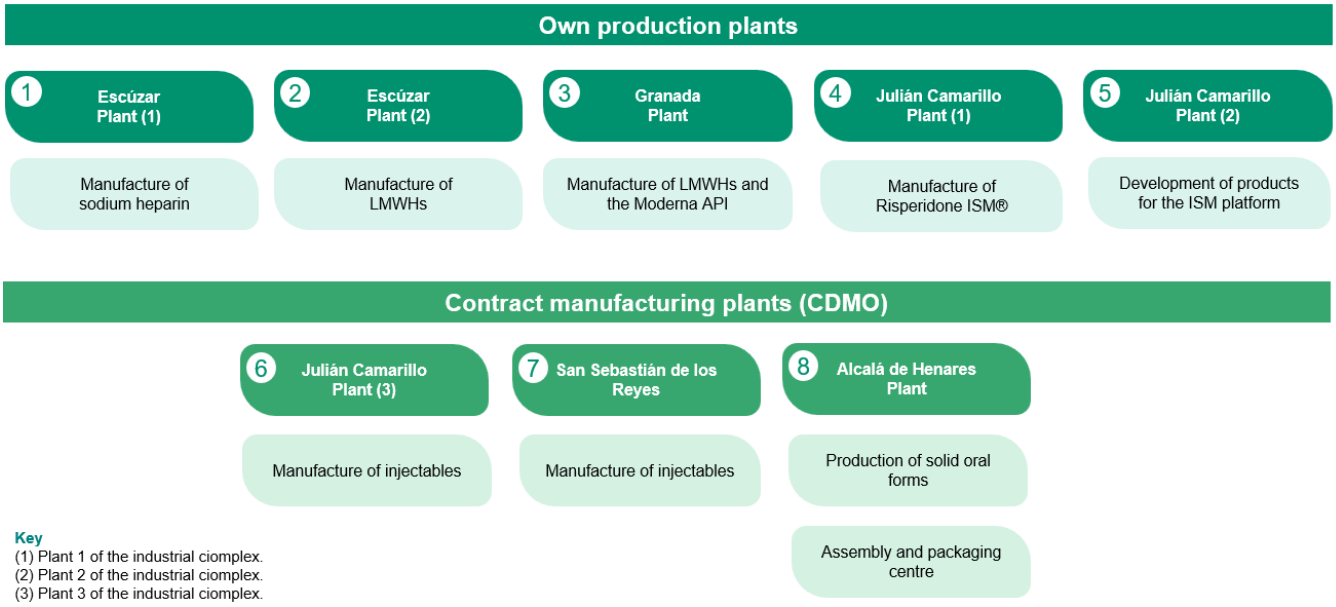
The innovative effort in this line is continuing with the development of three-monthly Risperidone ISM®, which will complement the current four-weekly formulation of Risperidone ISM® for the maintenance treatment of patients with clinically stable schizophrenia. Currently, the Company is conducting a phase I clinical trial to evaluate the safety, tolerability and pharmacokinetics of various candidate formulations with different dose concentrations and injection sites.

Letrozole LEBE

Indicated for the treatment of hormone-dependent breast cancer, it is a novel inhibitor of the enzyme aromatase, responsible for a fundamental step in the biosynthesis of oestrogens, which must be taken by breast cancer patients after the disease has been cured. The competitive advantage of this technology is that the inhibitor would no longer be taken orally but would be administered through a long-acting injection, reducing the frequency of the injections administered at present.

In this respect, ROVI is progressing with the clinical development of phase I of Letrozole LEBE, a three-monthly formulation to treat hormone-dependent breast cancer, the objective of which is to reach bioequivalence in the plasma levels of the drug in comparison with the daily oral administration of a dose of 2.5 mg. Results are expected in the first half of 2025.

ROVI's industrial footprint



In Andalusia, ROVI has three plants for its own manufacturing: two, in Granada and Escúzar, dedicated to the production of the active ingredient of low-molecular-weight heparins, and the new plant, also in Escúzar, dedicated to heparin sodium production. ROVI is, therefore, prepared and vertically integrated for the production of a medicine that, like sodium heparin, is classified as essential by the World Health Organisation and is, furthermore, one of the drugs included in the European Union Critical Medicine Alliance, in which ROVI participates. Additionally, ROVI has two plants in Madrid engaged in production of medicines based on its ISM® technology, in which it has invested 35.6 million euros in the last five years. At the first plant, the Company produces Risperidone ISM®, while the second manufactures products under development that use highly potent active ingredients.

In addition, ROVI has three plants engaged is contract manufacturing: specifically, two injectables manufacturing plants located in San Sebastián de los Reyes and Madrid and a third plant, located in Alcalá de Henares, that produces solid oral forms and is a centre of excellence for assembly and packaging. Additionally, the Granada plant also manufactures the active ingredient of messenger RNA vaccines.

Likewise, ROVI continues to be committed to the vertical integration of its value chain in order to achieve strategic autonomy in its medicine manufacturing process. In this respect, the Group is making significant investments in the construction of a new plant in Huesca engaged in transforming pig mucosa into crude heparin, which is expected to come into operation in 2026.

In accordance with Appendix C of ESRS 1 (List of phased-in Disclosure Requirements), ROVI will not break down either the total revenue or the intercompany revenue by significant ESRS sector in this Report. The Appendix states that this information must be reported starting from the application date specified in a Commission Delegated Act to be adopted pursuant to article 29b(1) third subparagraph, point ii) of Directive 2013/34/EU. Said Delegated Act has not been published at the date of preparation of this Report.

Regarding the significant ESRS sectors, ROVI belongs to the sector “manufacture of pharmaceutical goods” (NACE Code 21), which includes “the manufacture of basic pharmaceutical products and pharmaceutical preparations”. The Company does not carry out any activities related to the fossil fuel sector, the production of chemical products, controversial weapons or the growing and production of tobacco.

In addition, ROVI does not currently have any sustainability objectives related to significant product or service groups, customer categories, geographical areas or stakeholder relations. Likewise, neither does it provide details of aspects of the Group’s strategy that could affect sustainability matters, such as possible challenges and solutions. It does not, therefore include an assessment of said elements.

However, ROVI must comply with the ESRS disclosures since it is not based in an EU Member State that allows for an exemption from the disclosure of the information to which article 18, paragraph 1, sub-point (a) of Directive 2013/34/EU refers.

ROVI has a business model that integrates all the production processes through its five manufacturing complexes (Alcalá de Henares, Granada, Escúzar, Madrid and San Sebastián de los Reyes).

Regarding the Group’s inflows, raw materials are the essential elements. Therefore, it is essential to manage them efficiently and control them strictly, starting with the selection of the supplier and receiving and using the materials, and ending when they leave the Group facilities. The main raw materials used are active ingredients, excipients and solvents for manufacturing.

In terms of current and forecast benefits for customers, investors and other stakeholders, the main objective of ROVI and all the professionals who form part of the Company is to ensure the quality, safety and efficacy of the products the Group places on the market, especially benefiting the end consumers and, from a financial viewpoint, the investors via dividends.

ROVI’s value chain is divided into three main parts, upstream, own operations and downstream, in which a total of ten different activities take place:

- Upstream: procurement of goods and services, purchasing of finished pharmaceutical products and strategic manufacturing agreements.
- Own operations: pre-manufacturing of medicines and technology (R&D&I), manufacturing of own and third-party products, commercial activity, and out-licensing.
- Downstream: distribution, customers, product use, reuse or end of useful life.

◦ Disclosure Requirement SBM-2: Interests and views of stakeholders

The objective of this Disclosure Requirement is to disclose how stakeholders’ interests and views inform the Company’s strategy and business model.

ROVI seeks to transmit trust and credibility among its stakeholders through its commitment to transparency, ensuring that the responsibility acquired by the Company in its mission, vision and values extends to and is accepted by all its stakeholders, promoting active dialogue and strengthening its relationship with them. Thus, it achieves harmonisation between its business identity and stakeholder expectations by adapting, as far as possible, Group policies and strategies to stakeholder interests, concerns and needs.

I. Stakeholder engagement

ROVI strives to maintain permanent, constructive dialogue with its stakeholders as a fundamental part of its business strategy. To achieve this, it uses different communication channels that allow it, not only to strengthen its relations with stakeholders, but also to identify the topics that are most important to them in relation to the Company’s activity. In this respect, ROVI’s objective is to understand the positive and negative impacts it is having on its stakeholders and the risks and opportunities to which its activity may be exposed. ROVI considers the following stakeholders to be of key importance:

- **Employees**

The Group's workforce is of key importance to ROVI and, therefore, their interests and concerns are taken into consideration in the Group's strategy and business model.

Communication mechanisms

- Physical and digital mailboxes. The physical mailboxes are located at the Company's facilities and their purpose is to facilitate anonymous communication about improvements identified by employees.
- Feedback from the Performance Team on the analysis of suggestions received through the physical and digital mailboxes.
- Confidential communication mechanisms (canaletico@rovi.es), through which any irregularities considered unlawful or criminal or that constitute a breach of the principles set out in ROVI's Code of Ethics may be reported.
- Training, tutorials and meetings.
- On-boarding process for new employees.
- Annual and quarterly publications.
- Skills and knowledge assessment.
- Human Resources Department (HR).
- Notification of relevant facts by email.
- Employee Experience Survey.

Area of relationship

The Human Resources Department is responsible for relations with employees, keeping in close touch with them through training and development policies and plans, performance evaluation, employee experience surveys and proactive listening, among other items, in order to adapt to their needs and promote their well-being and professional and personal development.

Likewise, the Performance Team, made up of company and employee representatives at each Group site, conduct, among other functions, a quarterly review of employee suggestions and issue feedback reports, which are received by all Group employees.

- **Suppliers**

Suppliers are an essential stakeholder group for ROVI, since they are indispensable to its activity. ROVI seeks services, raw materials and products that provide the Company with the maximum value-added under contracts aligned with the Group's specific Code of Ethics for Suppliers

Communication mechanisms

- Meetings, phone calls and emails with suppliers and contractors.
- Visits to ROVI facilities by suppliers and vice versa.
- Sending newsletters
- Sector conferences
- Sustainability-related performance evaluation systems such as the EcoVadis platform.
- Corporate website.

Area of relationship

The Plant Purchasing Department is responsible for managing relations with suppliers of goods and services and follows procedures that have been established to select and manage them, ensuring compliance with the commitments and requirements set out in the Group's Code for Suppliers. Approximately 80% of purchases are managed by this Department, while the remaining 20% is managed by other departments. Likewise, it is mandatory for all suppliers to complete a

sustainability questionnaire before any contract is signed, thus ensuring a commitment to sustainable and responsible practices.

- **Shareholders and investors**

ROVI strives to create sustainable value for its shareholders and investors in the short, medium and long term.

Communication mechanisms

- Policy on Communication with Shareholders, Institutional Investors and Proxy Advisors.
- Direct investor communication channels:
  – ir@rovi.es
  – web form at www.rovi.es/contacto
- Automatic sending of relevant information on the Company by email.
- Annual and quarterly reports.
- General Shareholders' Meeting.
- Investor Relations Department.
- Corporate website: section for investors and shareholders.

Area of relationship

The Investor Relations Department plays a crucial role in constructing and maintaining sound relations with the Group's investors and analysts. This link is essential, since these players play a fundamental strategic role in the analysis of the Group and its access to financing. They are, therefore, a stakeholder group of primary importance to ROVI.

- **Customers**

ROVI's customers, including large pharmaceutical laboratories in the contract manufacturing activity, are a stakeholder group of fundamental interest to the Company since they collaborate in the common goal of developing medicines:

Communication mechanisms

- Meetings, phone calls and emails with customers.
- Customer visits to ROVI facilities.
- Attendance at pharmaceutical sector trade fairs.
- Yearly and half-yearly publications.
- Corporate website.

Area of relationship

ROVI's Senior Management is responsible for managing strategic relations with the most important customers. Regarding day-to-day operations, the Industrial Department is responsible for these relations while, in the subsidiaries, this task is carried out by the country managers. The Supply Chain area handles relations with wholesalers and the Hospital area handles hospital tender processes.

- **Patients and healthcare professionals**

Patients and healthcare professionals are a stakeholder group of fundamental interest to the ROVI and the Group's intention is to provide products and services based on quality, safety and improving the health of society.

Communication mechanisms

- Pharmacovigilance channel in the event an adverse reaction to a medicine.
- Training events and congresses with healthcare professionals.
- Yearly and half-yearly publications.

- Corporate website.

Area of relationship

ROVI's Sales Network and Marketing Department handle relations with healthcare professionals, These interactions are crucial, since healthcare professionals are essential to the organisation's mission, playing a vital role in providing healthcare services and in the consumption and use of ROVI's products.

Likewise, ROVI's Pharmacovigilance Department is responsible for contacting the professionals after receiving notification of an adverse reaction or any safety-related information on ROVI's products, playing a fundamental role in ensuring the safety of the patients who use the Company's products once they have been marketed.

- **Scientific community**

ROVI seeks to engage with the scientific community in order to remain at the forefront in terms of advanced knowledge and innovative discoveries that enable it to develop new medicines and therapies, in addition to validating and reinforcing the credibility of its products through independent research.

Communication mechanisms

- Collaborative scientific publications.
- Conferences and seminars.
- Scholarship and grant programmes.

Area of relationship

The R&D area and the Medical Department have a close relationship with the scientific community, one of the main groups of stakeholders. These departments are in constant contact with scientists, academics and the Administration, facilitating the exchange of knowledge and collaboration on research projects.

- **Society**

The Group seeks to make an active contribution to social progress, always taking respect for the environment into consideration.

Communication mechanisms

- Environmental and Social Sustainability Policy.
- Corporate procedure (SOPc813 "Communication, participation and consultation") for queries, complaints, etc.
- Participation in sector forums.
- Annual and quarterly publications.
- Meetings with local authorities.
- Corporate website (Quality, Environmental and Health and Safety certifications).

Area of relationship

As part of its commitment to society, ROVI engages with a number of entities through the Communication and Corporate Social Responsibility area, maintaining an active involvement, since it collaborates closely with several NGOs, foundations and associations. This area works to establish strategic partnerships that allow the development of initiatives and projects that have a positive impact on the community. Likewise, the Environment area holds meetings with local authorities to avoid any impact on the environment in which ROVI operates.

- **Public and regulatory bodies**

Relations with public and regulatory bodies are of fundamental importance to ROVI, since it seeks to establish channels for collaboration with the authorities in order to obtain approval for the manufacture and marketing of its products, with the ultimate purpose of promoting an improvement in people's health.

Communication mechanisms

- Transparency and Ongoing Communication Policy.
- Yearly and quarterly publications.
- Collaboration through alliances at local, regional, autonomous community, national and international level with governmental organisations, essentially the health authorities.
- Membership of sector associations at national and international level.
- Corporate website.

Area of relationship

The Compliance area has a sound and transparent relationship with public and regulatory bodies, the latter of which are key players in the pharmaceutical sector. The Department's objective is to ensure the quality and safety of the pharmaceutical products, promoting trust and collaboration with the regulatory authorities for the sake of public well-being.

Likewise, the Manufacturing, R&D and Registrations areas have a solid relationship with regulatory bodies to ensure implementation of and compliance with the requirements necessary for manufacturing and marketing ROVI's products.

i. Interests and views of stakeholders

ROVI established proactive dialogue with its key stakeholders during the double materiality assessment by engaging them in the different phases of the process in order to understand their expectations and views. In this respect, attention should be drawn to the fact that they participated in three of the four phases of the project:

Identification phase

Representatives of the workforce participated in the IRO identification phase due to both their technical knowledge in areas that were important to ROVI and their transversal knowledge of the Company. The main objective of this phase was to validate the initial impacts, risks and opportunities identified by ROVI's ESG area and to include any additional IROs proposed by representatives who are experts in the respective areas.

Assessment phase

During the IRO assessment phase, the scope of participation was broadened by including both internal and external stakeholders. At this stage two different methods of participation were implemented: questionnaires in interview format and focus groups. Each of these methods included a contextualisation exercise on the new regulations, explaining the importance of the participation of those involved, the scales used and the methodology necessary to carry out the assessment process.

In relation to the internal representatives, 15 of ROVI'S area managers contributed to the assessment process through questionnaires, focusing solely on evaluating the IROs related to their area of specialisation. Regarding the workforce, 21 employees took part in a focus group, focusing solely on assessing the impacts as affected groups. These employees belonged to the following areas: Safety and Environment, Human Resources, Marketing, Salesforce, Compliance, Legal, International, Internal Audit, IT, Investor Relations, Quality, Communication, Hospital Network and Group subsidiaries.

In addition, 13 entities representing external stakeholders took part through various questionnaires, assessing the impacts, risks and opportunities in accordance with their relationship with the Group. Additionally, the Group Finance and ESG areas assessed all the risks and opportunities, providing their expert view on the matter.

In this respect, the following table has been prepared to provide a visual representation of the number of participants (49) involved in the assessment process and the specific elements evaluated by each group of stakeholders:

Stakeholders[3]	Number	IRO Evaluation
	Internal	
Area managers	15	IROs area of knowledge
Workforce	21	Impacts
	Own operations	
Shareholders and investors	2	Risks and opportunities
Suppliers	3	Impacts
Customers	3	Impacts
Healthcare professionals, customers, scientific community	3	Impacts
Society	2	Impacts

Determination phase

Lastly, after the analysis of the results obtained in the assessment phase, the material topics and IROs were determined with the internal stakeholders. The objective of the determination phase is to understand the interests and views of the stakeholders in the assessments conducted and to validate the material matters and IROs with them. Said assessments provided valuable information on stakeholder views, needs and expectations.

ii. Consideration of stakeholder views

ROVI is aware of the need to take the interests, concerns and suggestions of the stakeholder groups into consideration and, therefore, undertakes to analyse the issues raised, be they positive or negative, in order to develop implementation or mitigation measures in its strategy and business model. The approach seeks, firstly, to make a contribution and generate positive impacts on the environment in which it operates, in addition to exploring the opportunities identified in the double materiality process. Furthermore, it seeks to reduce or mitigate any possible negative impacts that it may have on its stakeholders, society or the environment, as well as to manage the risks identified.

In this respect, ROVI undertakes to integrate the interests and views of its stakeholders that materialised in the results of the double materiality assessment into the design of its new ESG Master Plan in 2025. This is likely to help strengthen the relationship with stakeholders, who will see that their main priorities and concerns have been addressed proactively. This ongoing process will ensure that the strategy is in line with stakeholder expectations and will contribute to the sustainable development of the Company.

iii. Process of reporting to the administrative , management and supervisory bodies

In order to ensure the correct implementation of the double materiality process and adopt a comprehensive standpoint on sustainability, ROVI actively engaged several area heads in decision-making related to said assessment. This included the validation of impacts, risks and opportunities, the assessment thereof, the selection of the stakeholders who took part during the year and, lastly, the validation of results.

Communication with area managers took place through periodic meetings and the results of the study were shared with the different Group departments. During these meetings, the main concerns of the stakeholders on sustainability issues were transmitted.

To meet the commitment to transparency and ensure smooth communication with the administrative and supervisory bodies, the final results were shared with Senior Management when the double materiality process ended and presented to the Board of Directors of the Group in December 2024. These results will allow said bodies to make informed decisions and contribute to an appropriate management of sustainability-related impacts, adopt measures to mitigate the risks identified and take

[3] Regulatory bodies were not engaged due to their status as public bodies.

advantage of the opportunities observed, once the targets and metrics of the ESG Master Plan (2023-2025) have been updated when it expires in 2025.

Thus, it is ensured that the administrative, management and supervisory bodies are informed of the views and interests of the stakeholders affected on the impacts generated by ROVI in relation to sustainability matters and are involved in the measures to be taken to address such concerns.

◦ Disclosure Requirement SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model.

The objective of this Disclosure Requirement is to provide an understanding of the material impacts, risks and opportunities as they result from the Group's double materiality assessment.

In relation to material impacts, risks and opportunities, ROVI undertakes to provide detailed information under the relevant topical ESRS. This information will include a brief description of the material impacts, risks and opportunities identified through the assessment, specifying their place in the value chain and the relevant time horizons. Regarding impacts, the actual or potential, negative or positive impacts on people and the environment will be described. The Group's involvement in these impacts, through either its own activities or its business relations will also be described.

Likewise, it is important to highlight the fact that all the IROs originate from or are related to the Group's strategy and business model, since an understanding of the Company and the sector was the principal basis for the assessment. Both the risks and the opportunities identified in the double materiality assessment could impact the Group negatively or positively from a economic-financial perspective and, therefore, it is essential to have control and mitigation mechanisms in place for the risks and monitoring mechanisms to allow advantage to be taken of the opportunities.

Additionally, the Group has a Business Continuity Plan, designed in order to manage efficiently any incidents that affect the availability of products and/or services in the different departments or business units of ROVI. This Plan defines the roles, responsibilities and measures necessary to manage incidents efficiently, highlighting the importance of the internal and external communication channels. Its main objectives include a swift recovery from continuity incidents, minimising the impact of interruptions on critical technological services and providing guidance on responding to emergencies. Additionally, the Plan helps determine the need or otherwise to activate protocols to resume services and recover operations, limiting the duration of the incidents and the damage they cause.

As an essential part of this Plan, an assessment of business continuity risks was made to understand and address the possible vulnerabilities that could affect ROVI's operations. In the course of this assessment, a variety of business-specific risks were identified that could have a significant impact on the ability to maintain the continuity of ROVI's activities, processes or services if a disruptive event were to occur due to materialisation of the threats assessed (of natural, human, technological or supplier-related origin). The most significant threats were: pandemic, epidemic, disease, natural disasters, fire, power outage, loss of external communication, toxic contamination, chemical or electrical explosion, strike or sabotage.

After the assessment, a response and recovery procedure was developed to address the unavailability of locations, human resources, technologies and suppliers. Likewise, among the key preventive actions, the following may be highlighted: the implementation of working from home, planning staggered shifts to reduce the concentration of people in one place, and a review of critical personnel and suppliers to ensure the continuity of operations, among others.

Additionally, a brief summary of the material impacts, risks and opportunities is set out below, including a description of where said IROs are concentrated in relation to the business model and the value chain.

To determine its material IROs and topics, ROVI used a methodology consisting of four main phases: understanding, identification, assessment and understanding of IROs. This methodology will be explained in detail under Disclosure Requirement IRO-1.

As a result of the IRO identification phase, nine of the ten topical ESRS have associated IROs on a preliminary basis, prior to the assessment phase. The tenth topical ESRS, S3 Affected communities, was discarded during the understanding phase

because the Group's activity has no impact on communities who live adjacent to the Company's operations (local communities) or those who live at a distance. Neither does it have any impact on indigenous peoples in its business relations across the value chain. The principal community on which the Group has an impact is deemed to be the consumers or end-users who acquire its products.

Additionally, IROs linked to an entity-specific topic of the Group called "Digitalisation and artificial intelligence" have been identified, due to its recent upsurge and potential impact on the Group's activity.

Preliminary list of topics

ESRS codification	Topic	Sub-topic
ESRS E1	Climate change	Climate change adaptation Climate change mitigation Energy
ESRS E2	Pollution	Air pollution Water pollution Soil pollution Pollution of living organisms and food resources Substances of concern Microplastics
ESRS E3	Water and marine resources	Water
ESRS E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss Impacts on the state of species
ESRS E5	Resource use and circular economy	Resource inflows, including resource use Resource outflows related to products and services Waste
ESRS S1	Own workforce	Working conditions Equal treatment and opportunities for all Other work-related rights
ESRS S2	Workers in the value chain	Working conditions Equal treatment and opportunities for all Other work-related rights
ESRS S4	Consumers and end-users	Information-related impacts on consumers and/or end-users Personal safety of consumers and/or end users Social inclusion of consumer s and/or end-users
ESRS G1	Business conduct	Corporate culture Whistleblower protection Animal welfare Political influence and lobbying activities Management of relationships wit h suppliers including payment practices Corruption and bribery

A total of 164 impacts, 32 opportunities and 64 risks are associated to the above topics, meaning that a total of 260 IROs were identified, resulting from both ROVI's own operations and its upstream and downstream value chain.

Subsequently, as a result of the assessment and determination process, eight of the ten topical ESRS were found to be material, since they were associated with impacts, risks and/or opportunities that exceeded the established threshold (for details of the rationale applied by the Group to determine the threshold, see Disclosure Requirement IRO-1O). The topical standard ESRS E4 Biodiversity and ecosystems was found not to be material, since none of the impacts, risks and opportunities associated to said topic exceeded the materiality threshold established after the assessment phase. Likewise the following two sub-sub-topics were also excluded because they did not exceed said threshold:

- S1 - Working conditions: Working time.
- S4 - Information-related impacts for consumers and/or end-users: Privacy.

Resulting list of material topics

ESRS Codification	Topic	Sub-topic
ESRS E1	Climate change	Climate change adaptation Climate change mitigation Energy
ESRS E2	Pollution	Air pollution Water pollution Soil pollution Substances of very high concern Microplastics
ESRS E3	Water and marine resources	Water[4]
ESRS E5	Resource use and circular economy	Resource inflows, including resource use Resource outflows related to products and services Waste
ESRS S1	Own workforce	Working conditions Equal treatment and opportunities for all Other work-related rights
ESRS S2	Workers in the value chain	Working conditions Equal treatment and opportunities for all Other work-related rights[5]
ESRS S4	Consumers and end-users	Personal safety of consumers and/or end users Social inclusion of consumer s and/or end-users Information-related impacts on consumers and/or end-users[6]
ESRS G1	Business conduct	Corporate culture Whistleblower protection Animal welfare Political influence and lobbying activities Management of relationships wit h suppliers including payment practices Corruption and bribery

Additionally, the entity-specific topic “Digitalisation and artificial intelligence” was identified as material since it had three opportunities that exceeded the established threshold.

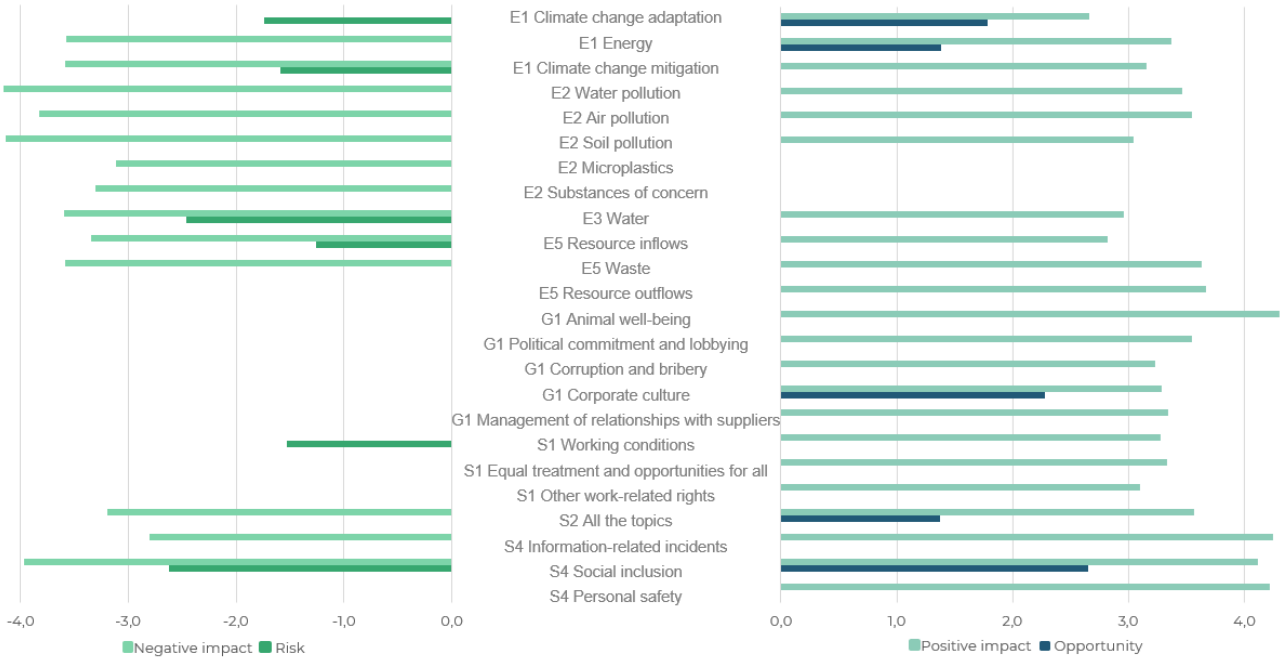
A total of 121 impacts, 9 opportunities and 13 risks were found to be associated to the topics mentioned above after applying the materiality threshold established, making a total of 143 material IROs for the Group.

These topics were considered material because they met the criterion from the impact perspective or the financial perspective or both. This double consideration ensures that the topics are not only material for stakeholders but are also critical for the organisation’s financial performance and long-term sustainability.

The importance of the material IROs is represented in the bar chart that shows the scores broken down by material sub-topic (above the established threshold) on a scale from 01 to 05. On the left, the negative impacts and risks are shown and, on the right, the positive impacts and opportunities.

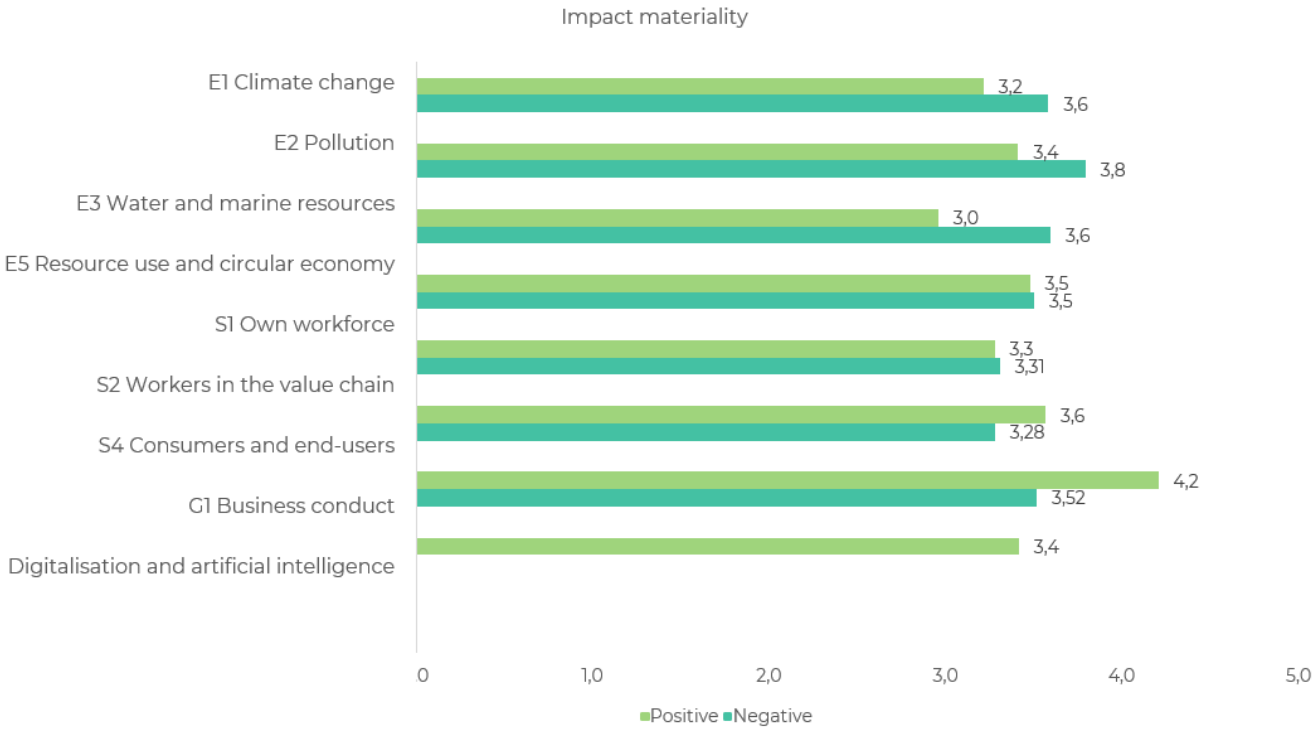
[4] The material sub-sub-topics as they result from ESRS E2 Water and marine resources were “water consumption” and “water discharges”..
[5] The sub-topic “working time was excluded since it was not material as it was below the established threshold.
[6] The sub-topic “privacy” was excluded since it was not material as it was below the established threshold.

IRO Chart[7]



For greater detail, the impact materiality and financial materiality are shown below by topic to provide a visual representation of the topics that were finally considered material and those that were not and, additionally, to highlight the most important ones.

Impact materiality by topic

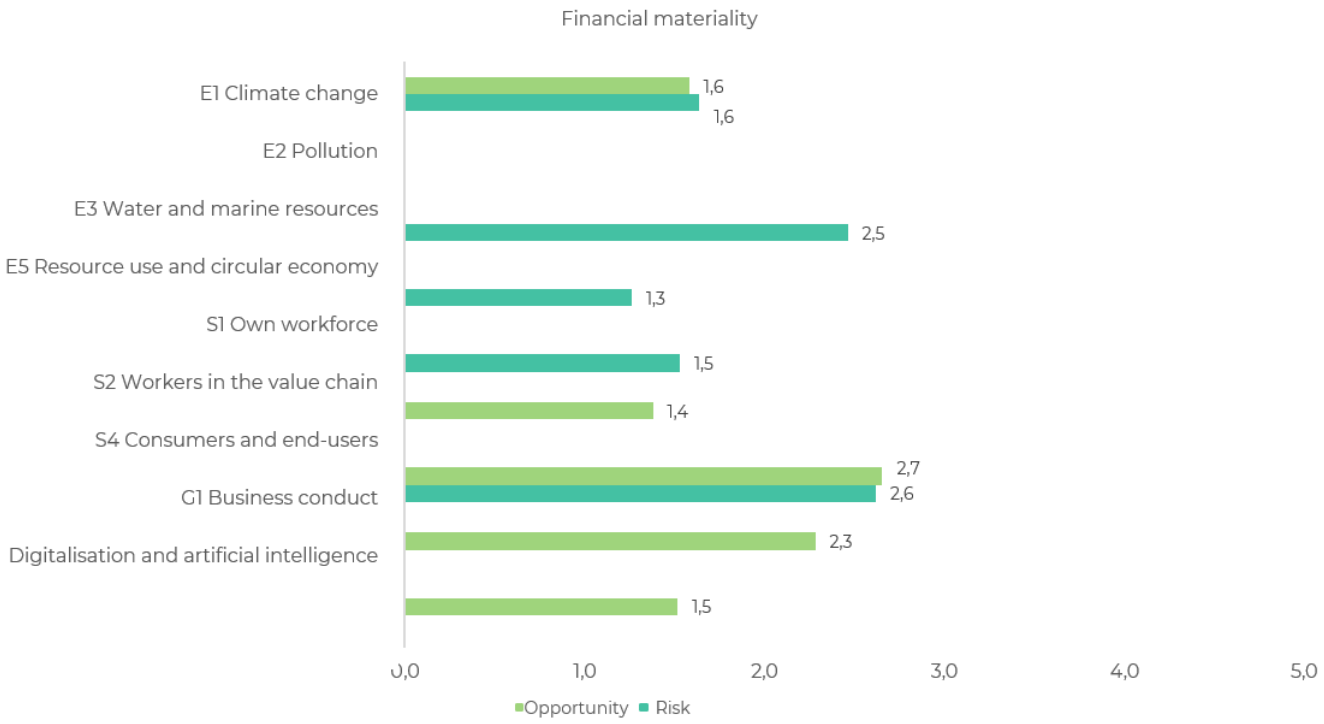


In relation to impact materiality, in standard environmental terms, the most material topics were: “Pollution” (E2) in relation to negative impacts and “Resource use and circular economy” (E5) in relation to positive impacts. In the social standards, “Consumers and end-users” (S4) stood out in positive impacts and tied with the topics “Workers in the value chain” (S2) and

[7] The entity-specific topic is not shown in this chart since it is a non-mandatory own topic.

"Own workforce" (S1) in respect of negative impacts. The governance standard "Business conduct" also stood out for the importance of its positive impacts.

Financial materiality by topic



Additionally, for the financial materiality represented through the risks and opportunities, among the environmental standards, the risks associated to "Water and marine resources" (E3) were material. In the social standards, the most material matter in terms of both risks and opportunities was, once again, "Consumers and end-users" (S4). The governance standard "Business conduct" (G1) also stood out because of its importance in relation to opportunities. Lastly, the Group's entity-specific standard, "Digitalisation and artificial intelligence" was considered material in terms of opportunities.

Number of material IROs in relation to own operations and those of the value chain

ESRS Topic	Across the value chain*		Upstream		Own operations			Downstream			Total
	Impact	Risk	Impact	Risk	Impact	Opportunity	Risk	Impact	Opportunity	Risk	
E1 Climate change	6	1	3	-	10	2	2	3	-	-	27
E2 Pollution	2	-	2	-	2	-	-	7	-	-	13
E3 Water and marine resources	1	-	-	-	4	-	1	-	-	-	6
E5 Resource use and circular economy	1	-	2	1	2	-	-	3	-	-	9
S1 Own workforce	-	-	-	-	24	-	3	-	-	-	27
S2 Workers in the value chain	2	-	3	-	-	2	-	-	-	-	7
S4 Consumers and end-users	2	-	1	-	15	-	3	4	1	2	28
G1 Business conduct	1	-	1	-	16	1	-	-	-	-	19
Digitalisation and artificial intelligence	-	-	-	-	-	3	-	-	-	-	3
Total	**15**	**1**	**12**	**1**	**73**	**8**	**9**	**17**	**1**	**2**	**139**

(*) Means that the impact, risk or opportunity may materialise anywhere in the value chain (upstream, own operations or downstream).

E1 Climate change

Regarding climate change, a total of 27 IROs: 8 negative impacts, 14 positive, 2 opportunities and 3 risks were found to be material.

Some of the resulting impacts relate to ROVI's active involvement in being able to adapt to climate change and, therefore, the Company has implemented a plan against water stress at the two manufacturing complexes located in a risk area and

increased its use of renewable energy in the operations at all the complexes. In spite of these efforts, the use of non-renewable energy by some suppliers and in the transport chain continues to be a challenge for the Group. In this respect, the Company has also intensified control over energy consumption, promoting energy efficiency.

Additionally, ROV faces challenges and opportunities in its approach to the fight against climate change. The commitment to energy-efficient practices and a reduction in emissions may lead to an improvement in the Group's reputation and attract investors, but the lack of adaptation and collaboration of partners who have no commitment in this respect represents a risk for the Company. Furthermore, investment in own fleets of electric vehicles and the decarbonisation requirements of some markets present both material opportunities and risks.

E2 Pollution

Regarding pollution, a total of 13 IROs: 8 negative impacts and 5 positive impacts were found to be material.

Some of the negative impacts identified refer to the extensive use of pigs to extract mucosa as the raw material for heparins and the resulting water pollution (effluents) and air pollution (pollutant gas emissions, such as ammonia), or the use of plastic in the supply chain, which contributes to generating microplastics. However, ROVI has taken positive measures, such as the renewal of the wastewater treatment system, which helps avoid the pollution of effluents, and the reuse of water for watering, in order to take advantage of local water resources.

E3 Water and marine resources

Regarding water and marine resources, a total of 6 IROs: 3 negative impacts, 2 positive impacts and 1 risk were found to be material. Attention should be drawn to the fact that, in the case of ROVI, there is no consumption of marine resources, since only freshwater is used in the production process and at the offices.

In relation to water consumption and discharge, ROVI has implemented monthly control procedures to analyse and manage water consumption, establishing specific targets that have a positive impact on water resources. However, the use of water in its industrial operations, especially in high water-stress areas, contributes negatively to exhausting the local water supply. This impact exists across the value chain, including suppliers, pharmaceutical laboratories and hospitals, which consume a significant volume of water. In spite of these challenges, ROVI is committed to responsible water management, including treatment, reuse and discharge measures to mitigate the environmental impact on local water resources.

Additionally, the main risk resulting from water consumption is related to the dependence on water resources in high water-stress areas, since there could be supply disruptions, which could jeopardise the daily production capacity. In order to mitigate this risk, ROVI is working on a contingency plant to guarantee the continuity of its operations.

E5 Resource use and circular economy

Regarding resource use and circular economy, a total of 9 IROs: 3 negative impacts, 5 positive impacts and 1 risk were found to be material.

In the value chain, both suppliers and business partners depend, to a large extent, on the extraction of non-renewable resources to manufacture certain products, which has a negative impact on resource use and the circular economy. However, ROVI also obtains raw materials from renewable sources, such as vegetable products, animals and biotechnological crops, which generates a positive impact on resource use. Furthermore, ROVI prioritises correct waste management, maximising recovery and recycling, as shown in both 2023 and 2024 with the recovery of 100% of hazardous medicine waste. Even so, the challenges persist, with medicines managed incorrectly and ending up in dumps, exacerbating the environmental problem.

Likewise, one of the main risks ROVI faces is in relation to dependence on suppliers, especially if activities are interrupted or slowed down as a result of problems in the supply of essential raw materials due to force majeure. This situation could have a significant impact on the continuity of operations. In this respect, to mitigate the risk of a heparin shortage, ROVI is constructing a plant in Huesca through a joint venture. This project favours business verticality, in addition to transforming the current livestock farming production process into a high-value-added biotechnological process based on a circular economy model: first , the creation of both economic and technological value in successfully transforming pig mucosa into a

high-value-added technological product like heparin, and, second, the development of new animal feed supplements and fertilisers.

S1 Own workforce

Regarding the Company's own workforce, a total of 29 IROs: 26 positive impacts and 3 risks were found to be material.

With regard to impacts arising from employee relations, ROVI shows a strong commitment to the work-life balance, implementing policies that include flexible working and disconnection from work measures, which significantly improves employee well-being. Furthermore, social dialogue and smooth communication through the works councils are encouraged, allowing employees to take an active part in the decisions that affect them. ROVI also stands out for offering stable employment conditions, such as permanent contracts, which reinforces the sense of belonging and secure employment among the workers. In turn, it is committed to respect for human and work-related rights, thus reinforcing an ethical and responsible work environment.

The main material risks concern the potential drain of highly-qualified talent because the salaries offered are less competitive than those of the competition or if it were not possible to maintain the Group's current employment characteristics in the future, which would affect talent attraction and retention.

S2 Workers in the value chain

Regarding value chain workers, a total of 8 IROs: 5 negative impacts, 1 positive impact and 2 opportunities were found to be material.

The Group has adhered to the EcoVadis platform, which evaluates suppliers in relation to ESG aspects, such as environment, human rights and work-related practices, ethics and sustainable purchasing, facilitating continuous improvement and regulatory compliance. In addition, although ROVI seeks to ensure respect for human rights through a Code of Ethics, not all the suppliers have adhered to it and the absence of appropriate proceedings could unleash material negative impacts in this respect.

The material opportunities are related to implementation of ESG audit programmes across the value chain to strengthen the Group's reputation by showing its commitment to responsible practices. Likewise, establishing a sustainable purchasing policy could not only enhance ROVI's reputation, but also optimise costs, since it would promote purchasing practices that minimised the environmental and social impact.

S4 Consumers and end-users

In relation to consumers and end-users, a total of 29 IROs: 4 negative impacts, 19 positive impacts, 5 risks and 1 opportunity were found to be material.

As part of its essential activity, ROVI is especially sensitive to compliance with the regulations associated to clinical trials and, therefore, provides an Informed Consent Form in these trials, reviewed by an independent Ethics Committee, ensuring that the participants have full information. This has a positive impact on access to quality information. In this respect, a lack of complete information could have a negative impact on patient safety and health.

Additionally, if competitors get in before ROVI in R&D&I projects or register substitute products first, this may reduce ROVI's profitability and revenue. However, researching into specific health needs offers ROVI opportunities to innovate and grow, enhancing its reputation and value in the eyes of the investors.

G1 Business conduct

With regard to business conduct, a total of 19 IROs: 18 positive impacts and 1 opportunity were found to be material.

Some of the positive impacts identified are related to ROVI's efforts to ensure animal welfare in its research by complying with the guidelines of the Animal Testing Policy, likewise working to replace tests using animals by in vitro studies and mathematical models. Furthermore, the Group is strongly committed to business ethics, which is reflected in the zero

tolerance policy on bribery and corruption and the strict adherence to free market and competition regulations. The Code of Ethics and the policies related to engaging and paying suppliers emphasise transparency and integrity, promoting a positive impact on corporate culture and regulatory compliance. Moreover, ROVI integrates into its operations ESG aspects that are set out in the CNMV's good governance recommendations and has an ethics channel for reporting irregularities, reinforcing the commitment to sustainability and good governance.

In relation to material opportunities, ROVI's R&D&I area has launched projects to automate the ISM® technology and optimise heparin manufacturing. These initiatives, if successfully implemented, could reduce costs and increase the margins on these products, representing a significant opportunity for the Group.

Digitalisation and artificial intelligence (entity-specific)

The Group's entity-specific topic "Digitalisation and artificial intelligence", was taken into consideration in the double materiality assessment due to the global upsurge of both these matters in the pharmaceutical industry. This phenomenon is driven by several key factors, such as the personalisation of medicine, the optimisation of clinical trials and also the optimisation of the supply chain, among others. In this respect, a total of 3 opportunities were found to be material in relation to digitalisation and artificial intelligence.

The use of artificial intelligence may facilitate the discovery and development of new drugs and an improvement in diagnosis and treatment. It could also reduce dependence on studies in animals and clinical trials, providing a cost reduction and a swifter development of treatments. Furthermore, implementation of the *Pharma 4.0*[8]could allow production to be optimised, increasing efficiency and reducing costs, which would represent a significant opportunity for ROVI.

Current financial effects

Attention should be drawn to the fact that, if any sustainability-related material risk or opportunity were to materialise, it would be reflected in the Group's consolidated annual accounts it were to exceed their materiality threshold, affecting the assets or the liabilities, as applicable. Likewise, a risk or opportunity that was material in terms of sustainability might not be material in financial terms and, therefore, would not be reflected in the Group's annual accounts. In 2024, no risks or opportunities were identified that were material from a sustainability standpoint and required adjustments to the values stated for the consolidated assets or liabilities in the consolidated annual accounts.

d. Management of impacts, risks and opportunities

This chapter establishes Disclosure Requirements that enable an understanding of, firstly, the processes to determine the material impacts, risks and opportunities and, secondly, the information that the Company has included in its Report as a result of the double materiality assessment.

i. Information on the materiality assessment process

◦ Disclosure Requirement IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

The objective of this Disclosure Requirement is to contextualise the process that has been conducted to identify the material aspects from a double materiality perspective. The Group has used the rules of the standards set out in the ESRS as a basis, applying a methodology that is divided into the phases listed below:

a) Understanding phase

The understanding phase is crucial for an exhaustive and complete comprehension of the Group's operations and structure. This initial stage involves a strict analysis of the business model, thus attaining an in-depth understanding of the business lines and the specific activities carried on by each one of them by geographical area.[9]

[8] This refers to a process for integrating technological and digital advances into the pharmaceutical sector.
[9] The analysis of IROs focused on the activity of manufacturing and marketing of own and third-party medicines in Spain. In the other regions where the Group operates, only the marketing activity is carried on, which has already been taken into consideration within the main area of the Group's operations. In this respect, the IRO analysis was conducted on a consolidated basis for the group Laboratorios Farmacéuticos ROVI and subsidiaries, without distinguishing between geographical locations.

Likewise, this analysis is complemented by the review of a variety of documents that are important for the Group, in addition to interviews with representatives of key business areas, enabling an understanding of how each segment contributes to the global value created by the Group.

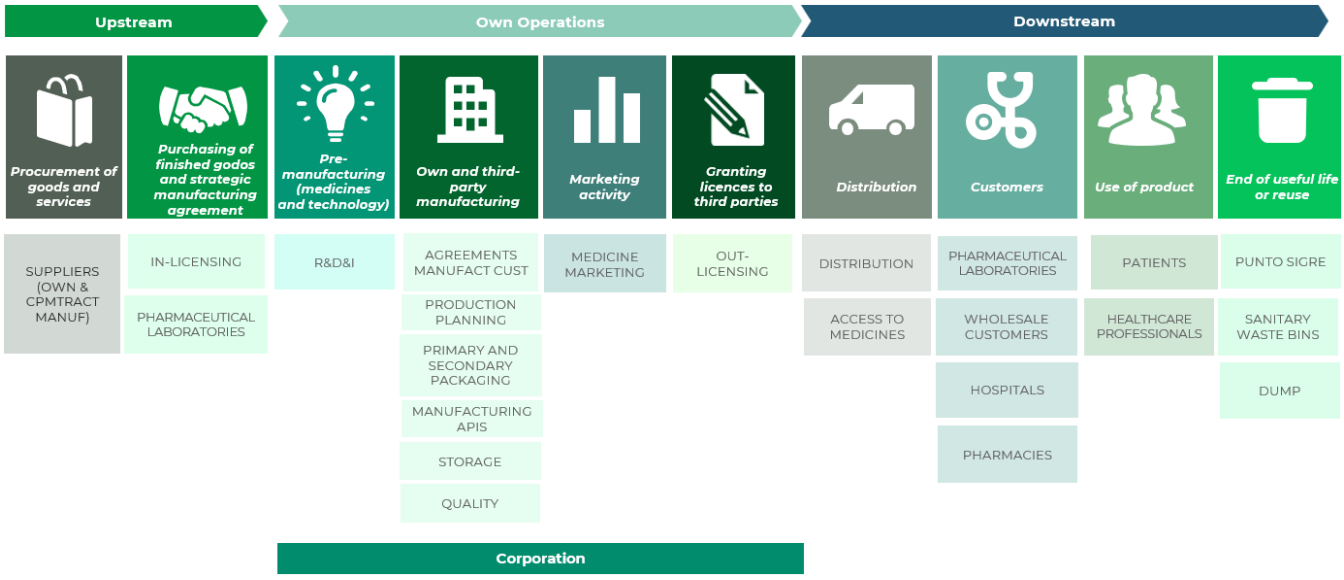
Business lines

Specialty pharmaceuticals	Contract manufacturing business (CDMO)	R&D
• Prescription products. • Contrast agents for diagnostic imaging and other hospital products.	• Manufacture of active ingredients and contract manufacturing. • Fill-and-finish of injectables. • Manufacturing and packaging of solid oral forms.	• Innovative drug delivery technology (ISM®). • Glycomics area • Multi-layer technology for urethral catheters.

Additionally, to obtain a full understanding that allows identification of IROs associated with the results of business relations, an analysis was conducted of the Group's value chain, defined as the set of interconnected activities, resources and relations that are linked to the business model and the external environment in which the Company operates.

The participants in the upstream value chain, such as suppliers, play a vital role in providing the products, raw materials or services necessary to create the Group's end products, specifically medicines and technology. In addition, the participants in the downstream value chain are those who take part in the distribution or the use and consumption of ROVI's products, such as, for example, patients and healthcare professionals, who are those who finally use or recommend the products offered by the Company.

Value chain



Another prominent aspect of this phase was defining the key stakeholders, including all the entities that are influenced or impacted by the Group's operations. Identifying these stakeholder groups is crucial in developing strategies that respond effectively to the dynamics of the environment and the expectations of those affected. For details of the key stakeholder groups identified and engaged in the assessment, see Disclosure Requirement SBM-2.

Finally, as the last step in the understanding phase, a work team composed of representatives of ROVI's strategic areas was formed, marking the beginning of the impact, risk and opportunity identification phase. This meticulous process not only helped the Group's priorities in sustainability-related matters to emerge, but also assisted in establishing a sound basis for

future strategies, ensuring that the Group's decisions are in line with the long-term trends and challenges of the pharmaceutical industry.

b) Identification phase

The identification phase focuses on identifying the positive or negative impacts that ROVI generates on both its own operations and across its value chain, as well as the financial risks and opportunities resulting from the critical aspects of the sector and global sustainability trends.

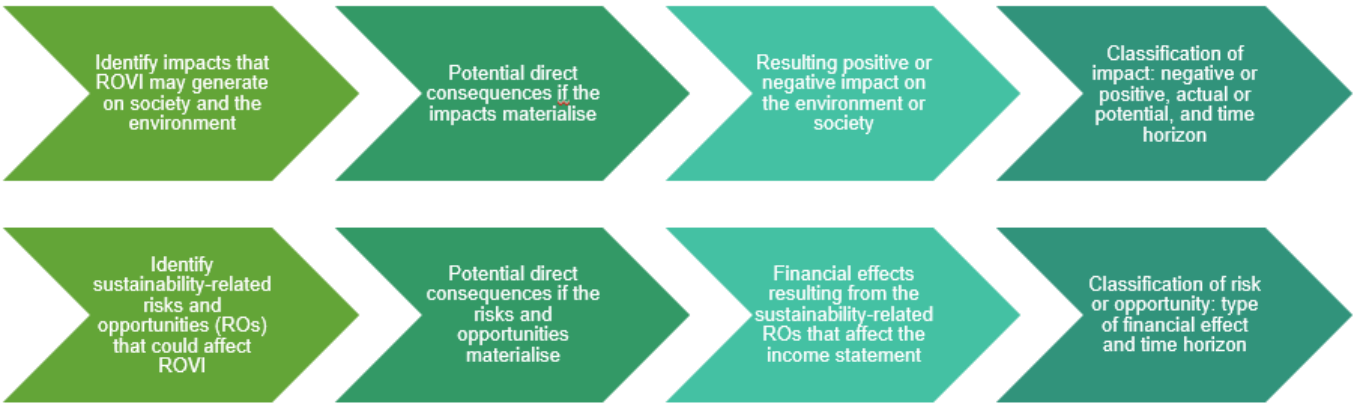
The process of identifying impacts, risks and opportunities took place in several steps:

- Understanding of the Group and its operations. Based on a detailed analysis of the Group and its value chain, a number of IROs related to the different stages were identified (upstream, own operations, downstream).
- Sector analysis. Analysing the Codes of Good Practice of the sector together with other scientific documents and sector reports, specific IROs were identified at sector level for the Group's different activities.
- Analysis of internal sources. Different internal Group sources, such as the codes of ethics and corporate policies, allowed IROs related to the Group's activities to be identified.
- Analysis of external sources. External sources such as SASB (Sustainability Accounting Standards Board), WBSCSD (World Business Council for Sustainable Development), WEF (World Economic Forum) and sector legislation also contributed to identifying IROs associated to the Group.
- Sustainability ratings. The responses to several sustainability indices in which ROVI participates, such as MSCI and Sustainalytics, were used to identify IROs linked to different sustainability-related matters.
- Corporate risk map. Sustainability-related matters included in the Group's corporate risk map were used as inputs to identify risks in the double materiality context.
- ESG Master Plan 2023-2025.

After an exhaustive analysis of internal and external sources in order to identify IROs, they were classified as follows:

Classification of IROs	Classification of impacts	I+D+I
• Sector-agnostic, entity-specific standards. • ESRS topics, sub-topics and sub-sub-topics. • Business lines: specialty pharmaceuticals, contract manufacturing (CDMO) and R&D, • Value chain level: upstream, own operations, downstream • Activities of the business lines represented in the value chain graphic. • Description of the impact, risk or opportunity.	• Type: positive or negative • Likelihood: actual, potential • Time horizons: – Short term: <1 year – Medium term: 1-5 years – Long term: >5 years	• Type: risk or opportunity • Likelihood: potential • Time horizons: – Short term: <1 year – Medium term: 1-5 years – Long term: >5 years • Type of financial effect: – Company's performance – Financial situation – Cash flows – Cost of capital or access to financing

Thus, the steps taken to identify IROs can be seen in the following flowcharts, the first of which shows the methodology for impact identification, while the second shows the risk and opportunity identification methodology:



First, ROVI identified the positive and negative impacts and, once an exhaustive list had been obtained, the risks and opportunities resulting from the impacts detected initially were identified when relevant.

When all the impacts, risks and opportunities had been identified, listed and classified, with their respective topical ESRS and sub-(sub-)topics, meetings were held with the representatives of each of the areas involved (15 area managers of ROVI) to validate the initial list proposed by ROVI's ESG area and detect any possible additional IROs.

c) Assessment phase

The objective of the assessment phase is to determine which matters are material for the Group, establishing a mechanism to assess the impacts, risks and opportunities. To carry out the assessment, the assessment scales that are shown on ROVI's corporate risk maps were used, in order to align the materiality assessment with the Company's internal processes and the assessment procedure established by the ESRS.

ROVI has maintained the formula recommended by the ESRS, which is severity multiplied by likelihood for impact materiality and financial effect multiplied by likelihood for financial materiality.

Additionally, ROVI has taken into consideration the recommendations of the OECD Guidelines and the United Nations Guiding Principles on human rights-related matters, which say that, when the severity of a negative impact is greater than the likelihood of its occurrence, the severity will prevail over the likelihood. After analysing the results, a total of 11 impacts associated to human rights-related topics were identified, 5 of which were negative. In this respect, ROVI has used a formula of prevalence of severity and found that 4 (of the 5 negative impacts) were material. Notwithstanding, ROVI has undertaken to monitor the 5 negative impacts, which are included in the Human Rights Policy developed by the Company.

Impact assessment

When assessing the impacts, four variables are taken into account: magnitude, scope, irremediable character of the impact, which, together, form the concept of severity, and likelihood. Likewise, impact assessments differ depending on whether they are positive or negative, actual or potential.

- Magnitude: refers to the intensity or size of the impact on the environment or society and is measured on a scale of 1 to 5, where 1 is a minor impact and 5 is a very severe impact.
- Scope: refers to the extent or repercussion of the impacts, be it negative or positive. For environmental impacts, scope may refer to the extent of the damage or a specific geographical perimeter. For social impacts, it may imply the number of persons affected positively or negatively. Scope is measured on a scale of 1 to 5, where 1 is the minimum scope and 5 is global scope.
- Irremediable character of the impact: refers to the ease or difficulty in remediating a negative impact and the extent to which the environment can be restored or the previous situation of the people affected re-established. It is measured from 1 to 5, where 1 indicates a minimal need for remediation and 5 indicates the maximum difficulty of remediation.
- Likelihood: refers to the probability that an impact will materialise and is measured on a scale of 1 to 5, where 1 is unlikely and 5 is certain.

Impact materiality assessment scales

Severity			Likelihood
Positive and negative impacts		Negative impacts	Potential impacts
Impact magnitude	Impact scope	Irremediable character of impact	Probability of occurrence
Minor impact on environment and/or society	Minimal impact on environment and/or society	No corrective measures are necessary to restore the previous situation	It is unlikely that the impact will materialise
Moderate impact on environment and/or society	Limited impact on environment and/or society	Easy to restore a situation equivalent to the previous one	It is possible that the impact will materialise
Medium impact on environment and/or society	Moderate impact on environment and/or society	Not easy to restore a situation equivalent to the previous one	It is likely that the impact will materialise
Severe impact on environment and/or society	Generalised impact on environment and/or society	Difficult to restore a situation equivalent to the previous one	It is very likely that the impact will materialise
Very severe impact on environment and/or society	Global impact on environment and/or society	Very difficult to restore a situation equivalent to the previous one	It is certain that the impact will materialise

Risk and opportunity assessment

The risk and opportunity assessment considers two main variables, financial effect and likelihood:

- Financial effect: refers to the effects derived from environmental, social or governance factors that may affect, either negatively (risk) or positively (opportunity), the Company's financial situation, financial performance, cash flows, access to financing or cost of capital in the short, medium or long terms. The financial effect is measured on a scale of 1 to 5, where 1 is minor and 5, very severe.
- Likelihood: refers to the probability that a risk or opportunity will materialise and is measured on a scale of 1 to 5, where 1 is unlikely and 5, certain. Risks and opportunities are always potential by definition.

Financial materiality assessment scales

Financial effect		Likelihood
Risks and opportunities		Potential risks and opportunities
Potential magnitude of financial effect[10]		Probability of occurrence
< 2.0 million €	The financial effect is minor	It is unlikely that the risk or opportunity will materialise
2.0 -11.8 million €	The financial effect is moderate	It is possible that the risk or opportunity will materialise
11.8 – 23.6 million €	The financial effect is major	It is likely that the risk or opportunity will materialise
23.6 – 47.3 million €	The financial effect is severe	It is very likely that the risk or opportunity will materialise
>47.3 million €	The financial effect is very severe	It is certain that the risk or opportunity will materialise

Finally, after establishing the assessment scales, the impacts, risks and opportunities were assessed by the sample selected from the internal and external stakeholder groups. All the large blocks of ROVI stakeholders were taken into consideration, consisting of the heads of ROVI's different areas, the workforce, shareholders and investors, suppliers, customers, healthcare professionals, the scientific community, patients and society. The scope of the interviews conducted and questionnaires distributed can be consulted under Disclosure Requirement SBM-2.

[10] The financial ranges were calculated in accordance with the figures of the Group's Consolidated Annual Accounts for 2023. Specifically, they were calculated as r recognised in the income statement.

d) Determination phase

The objective of the determination phase is to identify and specify which topics are material for the Group. First, the assessments of the internal and external stakeholder groups were analysed. Subsequent to the analysis, the IROs that had been assessed were weighted, assigning 60% to the assessment of the Company's ESG team and 40% to the assessment of the rest of the internal and external stakeholder groups.

Based on said weighting and an analysis of the consolidated results, a materiality threshold was defined. This was defined in accordance with the maximum and minimum values obtained for the two types of materiality:

- Impact materiality: a minimum value of 0.6 and a maximum value of 4.7 were obtained. Therefore, the results are scattered along the scales established,[11] resulting in very heterogeneous impacts levels among all the topics.
- Financial materiality: a minimum value of 0.3 and a maximum value of 3.5 were obtained. Therefore, the results are more concentrated on medium-low values, indicating low risk levels among all the topics.

Due to the difference between the values obtained for impacts and for risks and opportunities, two thresholds were established in order to determine the topics, sub-topics and sub-sub-topics that were material from the impact perspective, the financial perspective or both.

- Impact materiality: the threshold selected was the 50th percentile, which was the figure that is at the half-way point of the distribution. The value of the 50th percentile for the values obtained was 2.6, meaning that the impacts above this threshold were considered material and those below it were not considered material.
- Financial materiality: the threshold selected was the 30th percentile. The value of the 30th percentile for the scores obtained was 1.2,meaning that the risks and opportunities above this threshold were considered material and those below it were not considered material.

The reason for establishing a lower percentile for financial materiality was because the values obtained are lower on a scale of 1 to 5 compared to impact materiality. Therefore, if the 50th percentile had been selected, the risks and opportunities would have been minimal.

Additionally, mention should be made of the fact that the double materiality process changed considerably in comparison with the previous process conducted in 2022, due to the publication of the ESRS standards in July 2023.

- The previous assessment did not consider the value chain but only the Group's own operations.
- The previous materiality only considered possible impacts generated by ROVI's activity, but did not identify risks and opportunities associated to sustainability-related matters.
- The assessment methodology did not consider the variables of severity or likelihood for the impacts, but focused on the general importance of the matters.

In view of the foregoing, the present assessment means that the Group has made a significant effort to strictly comply with the provisions set out in the ESRS. In this respect, ROVI hopes to review its double materiality assessment in the medium term (1 to 5 years) depending on the advances in the sector and whether there are any significant changes in the business model, operations or Group perimeter.

Lastly, mention should be made of the fact that ROVI will integrate the process and results of the double materiality assessment into the Company's ICNFR system when it has previous reporting years that allow risks and controls to be detected. This integration will be intended to ensure the quality and reliability of the processes of generating, preparing and reporting non-financial information.

[11] Possibility of obtaining a maximum of [(5*5) = 25] / 5 = 5 and a minimum of [(1*1) = 1] / 5 = 0.2.

◦ Disclosure Requirement IRO-2: Disclosure requirements in ESRS covered by the undertaking's Report

The objective of this Disclosure Requirement is to establish the criteria that the Company must follow to ensure transparency in its Report. The purpose of said criteria is to provide an understanding of the Disclosure Requirements included in the Statement and highlight the topics that have been omitted as not material as a result of the materiality assessment.

The list of Disclosure Requirements results from the meticulous assessment process of all the topics, sub-topics and sub-sub-topics established in AR 16 of ESRS 1, based on the double materiality principle.

Of all the topics listed in AR 16 of ESRS 1, topic A3 "Affected communities" was considered as not applicable to ROVI from the beginning of the assessment. This was because the Group's activity has no impact on communities living adjacent to the Company's operations (local communities) or those living at a distance. Neither does it have any impact on indigenous peoples in its relations across the value chain. The main group on which the Group has an impact is considered to be the consumers or end-users who acquire its products. In this respect, since the aforementioned topic had been discarded since the understanding phase, no associated impacts, risks or opportunities were identified.

Likewise, the following sub-(sub-)topics were also excluded from the beginning of the assessment for the following reasons:

- **E3 - Water withdrawals**: the Group's activity does not imply direct water withdrawals but the consumption of water from the public water network at the different locations where it has direct presence, as well as the different locations across the value chain. In this respect, the withdrawal is included in water consumption and discharge.
- **E3 - Water discharges in the oceans:** the Group's activity does not generate direct discharges in the oceans but in the local water resources in the areas where it is present (mostly discharged into the public sewerage system or, in the case of the San Sebastián de los Reyes plant, into the river). In relation to the value chain, 91% of Group suppliers are European and, therefore, comply with the regulations on the sanitation and treatment of water and discharges in the public water network of their country. Likewise, the limit placed by ROVI on its value chain does not consider possible discharges that end up in the ocean after consumption by patients.
- **E3 - Extraction and use of marine resources:** neither the Group's activity nor the activities of the participants in its value chain are related to the withdrawal and/or use of marine resources. This has been checked with the list of Group suppliers and the list of raw materials consumed by ROVI.
- **E4 – Climate change:** neither the Group's activity nor the activities of the participants in its value chain are located in areas of high biological diversity in which climate change could drive a loss of biodiversity due to their activity.
- **E4 – Direct exploitation:** the Group does not carry out direct exploitation of organisms (animals/plants) for food purposes that has an impact on biodiversity loss. Although heparin suppliers do directly exploit pigs, it is not considered that said species can be linked to this sub-sub-topic since it does not involve direct exploitation that generates an impact on biodiversity loss.
- **E4 – Alien invasive species:** neither the Group's activity nor the activities of the participants in its value chain work with species whose introduction and/or spread by human action outside their natural distribution threatens biological diversity, food security, and human health and well-being.
- **E4 – Global species extinction risk:** neither the Group's activity nor the activities of the participants in its value chain generate impacts on local species or represent a global extinction risk for any species.
- **E4 - Land degradation:** neither the Group's activity nor the activities of the participants in its value chain are considered intensive in land use.
- **E4 – Desertification:** neither the Group's activity nor the activities of the participants in its value chain generate land degradation in arid, semi-arid or dry sub-humid areas.
- **E4 – Soil sealing:** neither the Group's activity nor the activities of the participants in its value chain involve activities related to soil sealing.

- **E4 – Impacts and dependencies on ecosystem services:** the Group's activity does not impact the benefits that people obtain from ecosystems. Additionally, in terms of resource procurement where the Group has the capacity to control and act, an exhaustive analysis was conducted of the list of raw materials used. In particular, the origin of two specific raw materials was examined since they could come from areas of high biological diversity or anthropogenic plantations. This impact is considered in the sub-topic "Direct impact drivers of biodiversity loss".
- **S1 and S2 – Adequate housing:** the Group has no control over the availability of adequate housing, with a suitable size and design to meet the minimum needs of the low-income families of value chain workers. Regarding its own workers, ROVI complies with the Workers' Statute and Royal Decree 231/2020 on the minimum interprofessional wage. Furthermore, 100% of its employees are covered by the collective labour agreement, which ensures that all of them have access to adequate housing. Regarding the value chain workers, the Code of Ethics for Suppliers specifies that the remuneration that the supplier pays to its employees must meet the following minimum requirements: adequate housing, access to drinking water and access to bathrooms.
- **S2 - Water and sanitation:** the Group cannot control the availability or sustainable management of water for the value chain workers.
- **S3 – Affected communities:** the Group's activity does not impact communities living adjacent to the Company's operations (local communities) or those living at a distance. Neither does it have any impact on indigenous peoples in its relations across the value chain. The main group on which the Group has an impact is considered to be the consumers or end-users who acquire its products. To verify the non-applicability of this standard, an exhaustive analysis was conducted of the list of raw materials used, finding that, although there are two raw materials that may come from areas of high biological diversity or anthropogenic plantations, there is no direct correlation between the extraction of these raw materials and negative impacts on communities.
- **S4 – Freedom of expression:** neither the Group's activity nor the activities of its partners restrict the freedom or opinion or expression of the consumers or end-users since the sector is highly regulated.

In this respect, all the topics listed above were discarded and the IRO assessment focused on the rest of the matters considered in the list of AR 16 (ESRS 1). The process conducted to assess said topics may be consulted under Disclosure Requirement IRO-1.

Of the total impacts, risks and opportunities assessed associated to the rest of the topics and sub-(sub-)topics established by the ESRS, the following topics and sub-(sub-)topics were not found to be material for the Group:

Topics:

- **E4 Biodiversity and ecosystems:** the topic was not considered material, probably because ROVI minimises use of natural resources from areas of great biodiversity or vulnerable to biodiversity loss. Furthermore, the Group has effective control mechanisms and systems in place (environmental impact studies, strict compliance with water discharge regulations through the integrated environmental authorisations and adhesion to Punto SIGRE, among others).

Sub-(sub-)topics

- **E2 - Pollution of living organisms and food resources.**
- **E2 - Substances of very high concern.**
- **S1 - Working conditions - Working time.**
- **S4 - Information-related impacts for consumers and/or end-users - Privacy.**
- **G1 - Whistleblower protection.**

Additionally, the sub-sub-topic "Discrimination" (S4) was assessed initially, although it was finally decided that neither the Group's activity nor the activities of its collaborators can impact the discrimination or non-discrimination against consumers and end-users because the sector is highly regulated. In this respect, ROVI cannot control the prices of the medicines it markets, since said control is exercised by the Inter-ministerial Pricing Commission (Ministry of Health) in Spain and, in the other countries where ROVI's products are marketed, by the pertinent body in each jurisdiction. Additionally, ROVI, like the

rest of the sector entities, complies with the obligation to include the trade mark on the packaging of the medicines it manufactures in Braille, as required by the Spanish Agency of Medicines and Medical Devices (AEMPS).

In relation to the way in which ROVI decided which information it should disclose on material IROs, the ESG area determined a materiality threshold. This threshold may be consulted under Disclosure Requirement IRO-1.

Thus, on the basis of the threshold defined, the material topics and associated IROs were determined, engaging the internal stakeholder groups to ensure they were consistent. As a result of the aforementioned process, the table of the Disclosure Requirements met in this Report is set out below:

	Disclosure Requirement	Section in which reported	Pages
General information - ESRS 2			
1. Bases for the general information	BP-1: General basis for preparation of the Report	a) Basis for preparation	1
	BP-2: Disclosures in relation to specific circumstances	a) Basis for preparation	2
2. Governance	SRS 2 GOV-3: integration of sustainability-related performance in incentive schemes	b) Governance	4
	GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	b) Governance	6
	GOV-3: Integration of sustainability-related performance in incentive schemes	b) Governance	7
	GOV-4: Statement on due diligence	b) Governance	7
	GOV-5: Risk management and internal controls over sustainability reporting	b) Governance	8
3. Strategy	SBM-1: Strategy, business model and value chain	c) Strategy	9
	SBM-2: Interests and views of stakeholders	c) Strategy	15
	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	c) Strategy	21
4. Management of impacts, risks and opportunities	IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	d) Management of impacts, risks and opportunities	28
	IRO-2: Disclosure requirements in ESRS covered by the undertaking's Report	d) Management of impacts, risks and opportunities	34
	MDR-P: Policies adopted to manage material sustainability matters	d) Management of impacts, risks and opportunities	45
	MDR-A: Actions and resources in relation to material sustainability matters	d) Management of impacts, risks and opportunities	45
5. Metrics and targets	MDR-M: Metrics in relation to material sustainability matters	e) Metrics and targets	46
	MDR-T: Tracking effectiveness of policies and actions through targets	e) Metrics and targets	46
Environmental information- E1, E2, E3, E5			
European Union Taxonomy			
Background	-	European Union Taxonomy	47
Eligibility assessment	-	European Union Taxonomy	49
Alignment assessment	-	European Union Taxonomy	52
Calculation of key indicators	-	European Union Taxonomy	53
Results	-	European Union Taxonomy	56

	Disclosure Requirement	Section in which reported	Pages
E1 - Climate change			
1. Governance	ESRS 2 GOV-3: integration of sustainability-related performance in incentive schemes	ESRS E1 Climate change	63
2. Strategy	E1-1: Transition plan for climate change mitigation	ESRS E1 Climate change	63
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS E1 Climate change	63
3. Management of impacts, risks and opportunities	ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts	ESRS E1 Climate change	65
	E1-2: Policies related to climate change mitigation and adaptation	ESRS E1 Climate change	69
	E1-3: Actions and resources in relation to climate-change policies	ESRS E1 Climate change	70
4. Metrics and targets	E1-4: Targets related to climate change mitigation and adaptation	ESRS E1 Climate change	73
	E1-5: Energy consumption and mix	ESRS E1 Climate change	74
	E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions	ESRS E1 Climate change	75
	E1-7: AGHG removals and GHG mitigation projects financed through carbon credits	ESRS E1 Climate change	77
	E1-8: Internal carbon pricing	ESRS E1 Climate change	78
	E1-9: Anticipated financial effects for material physical and transition risks and potential climate-related opportunities	ESRS E1 Climate change	78
E2 - Pollution			
1. Management of impacts, risks and opportunities	ESRS 2 IRO-1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	ESRS E2 Pollution	79
	E2-1: Policies related to pollution	ESRS E2 Pollution	80
	E2-2: Actions and resources related to pollution	ESRS E2 Pollution	80
2. Metrics and targets	E2-3: Targets related to pollution	ESRS E2 Pollution	81
	E2-4: Pollution of air, water and soil	ESRS E2 Pollution	82
	E2-5: Substances of concern and substances of very high concern	ESRS E2 Pollution	82
	E2-6: Anticipated financial effects from material pollution-related risks and opportunities.	ESRS E2 Pollution	82
E3 - Water and marine resources			
1. Management of impacts, risks and opportunities	ESRS 2 IRO-1: Description of the processes to identify and assess material impacts,rsks and opportunities related to water and marine resources	ESRS E3 Water and marine resources	83
	E3-1: Policies related to water and marine resources	ESRS E3 Water and marine resources	83
	E3-2: Actions and resources related to water and marine resources	ESRS E3 Water and marine resources	84

	Disclosure Requirement	Section in which reported	Pages
E3 - Water and marine resources			
2. Metrics and targets	E3-3: Targets related to water and marine resources	ESRS E3 Water and marine resources	85
	E3-4: Water consumption	ESRS E3 Water and marine resources	86
	E3-5: Anticipated financial effects from material water and marine resources-related risks and opportunities	ESRS E3 Water and marine resources	87
E5 - Resource use and circular economy			
1. Management of impacts, risks and opportunities	ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	ESRS E5 Resource use and circular economy	88
	E5-1: Policies related to resource use and circular economy	ESRS E5 Resource use and circular economy	89
	E5-2: Actions and resources related to resource use and circular economy	ESRS E5 Resource use and circular economy	89
2. Metrics and targets	E5-3: Targets related to resource use and circular economy	ESRS E5 Resource use and circular economy	91
	E5-4: Resource inflows	ESRS E5 Resource use and circular economy	92
	E5-5: Resource outflows	ESRS E5 Resource use and circular economy	93
	E5-6: Anticipated financial effects from material resource use and circular economy-related opportunities	ESRS E5 Resource use and circular economy	98
Social information - S1, S2, S4			
S1 - Own workforce			
1. Strategy	ESRS 2 SBM-2: Interests and views of stakeholders	ESRS S1 Own workforce	99
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S1 Own workforce	99
2. Management of impacts, risks and opportunities	S1-1: Policies related to own workforce	ESRS S1 Own workforce	103
	S1-2: Processes for engaging with own workers and workers' representatives about impacts	ESRS S1 Own workforce	104
	S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	ESRS S1 Own workforce	105
	S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	ESRS S1 Own workforce	106

	Disclosure Requirement	Section in which reported	Pages
S1 - Own workforce			
3. Metrics and targets	S1-5: Targets related to managing material negative impacts, advancing positive impacts,and managing material risks and opportunities	ESRS S1 Own workforce	107
	S1-6: Characteristics of the undertaking's employees	ESRS S1 Own workforce	108
	S1-7: Characteristics of non-employee workers in the undertaking's own workforce.	ESRS S1 Own workforce	111
	S1-8: Collective bargaining coverage and social dialogue	ESRS S1 Own workforce	112
	S1-9: Diversity metrics	ESRS S1 Own workforce	112
	S1-10: Adequate wages	ESRS S1 Own workforce	113
	S1-11: Social protection	ESRS S1 Own workforce	114
	S1-12: People with disabilities	ESRS S1 Own workforce	114
	S1-13: Training and skills development metrics	ESRS S1 Own workforce	114
	S1-14: Health and safety metrics	ESRS S1 Own workforce	115
	S1-15: Work-life balance metrics	ESRS S1 Own workforce	117
	S1-16: Compensation metrics (pay gap and total compensation)	ESRS S1 Own workforce	118
	S1-17: Incidents, complaints and severe human rights impacts	ESRS S1 Own workforce	118
S2 - Workers in the value chain			
1. Strategy	ESRS 2 SBM-2:Interests and views of stakeholders	ESRS S2 Workers in the value chain	120
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S2 Workers in the value chain	120
2. Management of impacts, risks and opportunities	S2-1: Policies related to value chain workers	ESRS S2 Workers in the value chain	122
	S2-2: Processes for engaging with value chain workers about impacts	ESRS S2 Workers in the value chain	123
	S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns	ESRS S2 Workers in the value chain	124
	S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers and effectiveness of those actions	ESRS S2 Workers in the value chain	124
3. Metrics and targets	S2-5: Targets related to managing material negative impacts, advancing positive impacts,and managing material risks and opportunities	ESRS S2 Workers in the value chain	125
Consumers and end-users			
1. Strategy	ESRS 2 SBM-2:Interests and views of stakeholders	ESRS S4 Consumers and end-users	126
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS S4 Consumers and end-users	126

	Disclosure Requirement	Section in which reported	Pages
Consumers and end-users			
2. Management of impacts, risks and opportunities	S4-1: Policies related to consumers and end-users	ESRS S4 Consumers and end-users	129
	S4-2: Processes for engaging with consumers and end users about impacts	ESRS S4 Consumers and end-users	130
	S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	ESRS S4 Consumers and end-users	131
	S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-usersand effectiveness of those actions	ESRS S4 Consumers and end-users	132
3. Metrics and targets	S4-5: Targets related to managing material negative impacts, advancing positive impacts,and managing material risks and opportunities	ESRS S4 Consumers and end-users	135
4. Company-specific information		Company-specific information (end of chapter ESRS S4)	136
Governance information - G1			
G1 - Business conduct			
1. Governance	ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies	ESRS G1 Business conduct	140
	ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	ESRS G1 Business conduct	141
2. Management of impacts, risks and opportunities	G1-1: Corporate culture and business conduct policies and corporate culture	ESRS G1 Business conduct	142
	G1-2: Management of relationships with suppliers	ESRS G1 Business conduct	144
	G1-3: Prevention and detection of corruption and bribery	ESRS G1 Business conduct	145
3. Metrics and goals	G1-4: Confirmed incidents of corruption or bribery	ESRS G1 Business conduct	146
	G1-5: Political influence and lobbying activities	ESRS G1 Business conduct	146
	G1-6: Payment practices	ESRS G1 Business conduct	147

Additionally, ROVI sets out below a detailed table with the datapoints included in the ESRS derived from other European Union legislation

List of datapoints included in cross-cutting and topical standards that derive from other European Union legislation

Disclosure Requirement and related datapoint	Sustainable Finance Disclosure Regulation reference[12]	Pillar 3 reference[13]	Benchmark Regulation reference[14]	EU Climate Law reference[15]
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816(5), Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6)Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818(7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book –	Delegated Regulation (EU) 2020/1818, Article 6	

[12] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
[13] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
[14]Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
[15]Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1). (5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1). (6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324,19.12.2022, p.1.). (7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

Disclosure Requirement and related datapoint	Sustainable Finance Disclosure Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38climático) apartado 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II	

Disclosure Requirement and related datapoint	Sustainable Finance Disclosure Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1			
ESRS2 - SMB-3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1			
ESRS2 - SMB-3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1			
ESRS2 - SMB-3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1			
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1			
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1			
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1			
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I			
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I			

Disclosure Requirement and related datapoint	Sustainable Finance Disclosure Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I			
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I			
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I			
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I			
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	

Disclosure Requirement and related datapoint	Sustainable Finance Disclosure Regulation reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1			
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1			
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) ESRS S3-4	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1			
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1			
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1			
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	IIndicator number 15 Table #3 of Annex 1			
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1			

ii. Disclosure Requirement on policies and actions

This Disclosure Requirement on policies and actions required in relation to each topical standard will be disclosed under each topical standard since the legislation requires specific policies and actions in environmental, social and governance matters. The disclosure requirements are as follows:

- Disclosure requirement - Policies MDR-P: Policies adopted to manage material sustainability matters.
- Disclosure Requirement - Actions MDR-A: Actions and resources in relation to material sustainability matters.

e) Metrics and targets

This Disclosure Requirement on goals required in relation to each topical standard will be disclosed under each topical standard when the legislation requires specific targets in environmental, social and governance matters. The disclosure requirements are as follows:

- Disclosure requirement - Metrics MDR-M: Metrics in relation to material sustainability matters.
- Disclosure requirement - Targets MDR- T: Tracking effectiveness of policies and actions through targets.

Environmental information

1. European Union Taxonomy

a. Background

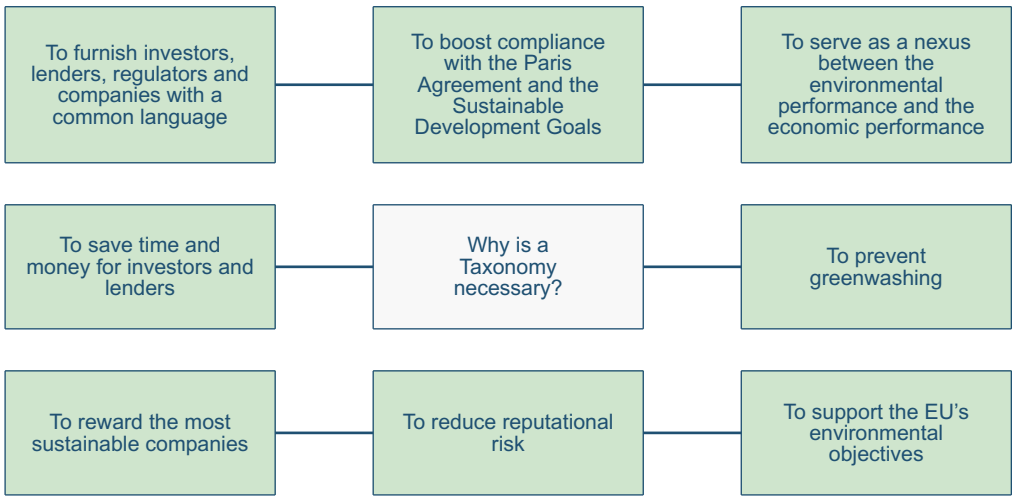
In its package of initiatives of 11 December 2019 known as the European Green Deal, the European Commission adopted an ambitious set of general measures to help improve the flow of money towards sustainable activities throughout the European Union. Since they allow investments to be redirected towards more sustainable technologies and companies, these measures will help Europe achieve climate neutrality by 2050.

One of these measures is the Taxonomy Regulation, Regulation (EU) 2020/852, which was followed by two delegated regulations to supplement it. First, Delegated Regulation 2021/2139 of 4 June 2021, which established a list of economic activities that qualify as contributing substantially to climate change mitigation or climate change adaption while causing no significant harm to any of the other environmental objectives. Second, Delegated Regulation 2021/2178 of 6 July 2021 described the key indicators to be disclosed by companies subject to the obligation to publish Non-Financial Statements under articles 19a and 29a of Directive 2013/34. As a result of the foregoing, a classification system for sustainable economic activities was established, defining what is and what is not sustainable on the basis of objective criteria. Thus, a common language was constructed for investors and companies in order to, first, direct investments towards more sustainable technologies and companies with a substantial positive impact on the climate and the environment and, second, promote compliance with the EU's climate objectives, the Paris Agreement and the Sustainable Development Goals of the United Nations.

In 2023, various changes were made to the EU taxonomy regulatory framework. First, on 27 June, Delegated Regulation (EU) 2023/2485 was approved, which established additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation.

Additionally, on 27 June 2023, Delegated Regulation 2023/2486 was published, which established the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems.

In short, the EU taxonomy establishes a series of harmonised criteria to determine whether an activity is sustainable, taking account of existing market practices and advice from a group of technical experts, thus laying the foundations for a series of standards and labels for sustainable financial products.



The Taxonomy establishes two screening criteria:

- **Eligible activities**: an economic activity carried on by a company is eligible when it meets the description of one of the activities listed in the annexes of Delegated Regulation 2021/2139 of 4 June 2021 or one of the activities listed in the

annexes of Delegated Regulation 2023/2486 of 27 June 2023. Eligibility is potential in nature, i.e. an eligible activity is one that could be green in accordance with the EU taxonomy.

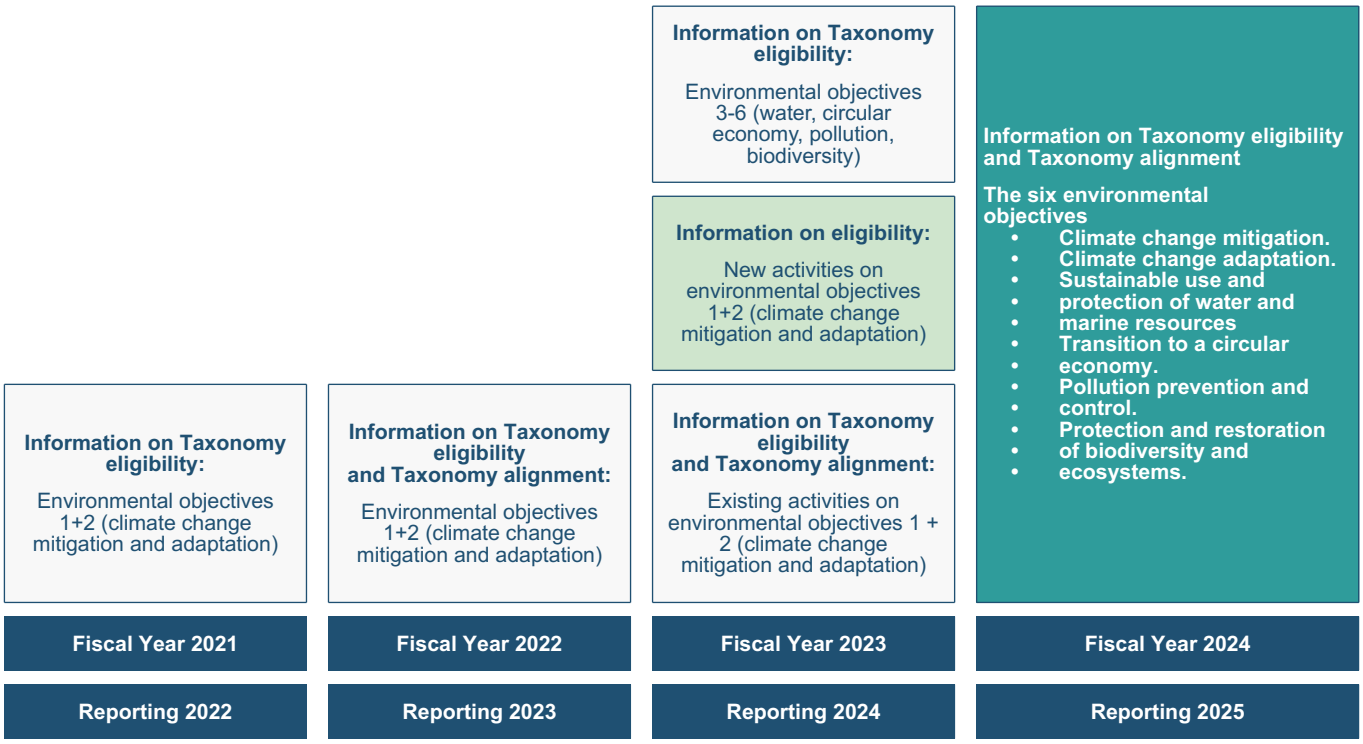
- **Aligned activities**: the alignment of an activity indicates its substantial contribution to one or more of the environmental activities defined by the European Commission. This concept is the result of meeting, not only the requirements contained in the definitions of the activities, but also the technical screening criteria of a substantial contribution, the principle of doing no significant harm (DNSH) to any other objectives (depending on the objective of the activity being screened) and some minimum social safeguards.

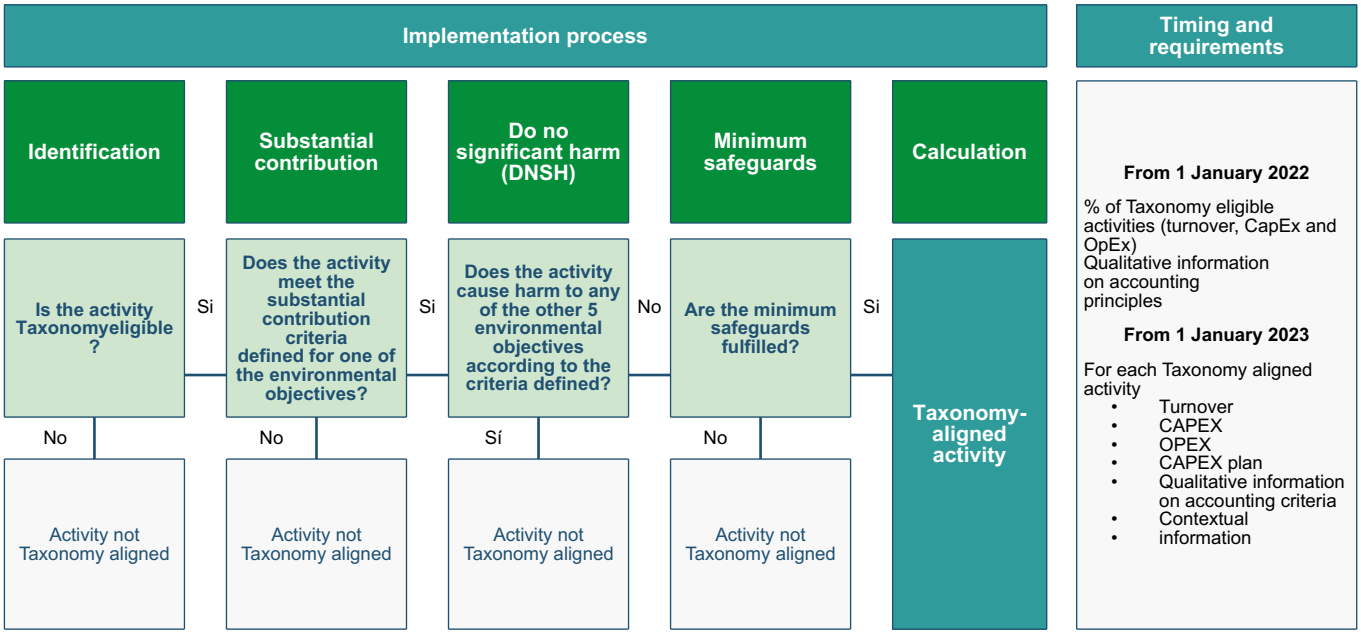
Likewise, Regulation 2021/2178 establishes the key economic indicators must that be disclosed: the percentages of the company's turnover, CapEx and OpEx represented by eligible or aligned activities.

For the 2022 reporting, non-financial companies (which include the ROVI Group) had to disclose their KPIs considering the eligibility and alignment of their taxonomy activities pursuant to the Climate Change Mitigation Annex.

For the 2023 reporting, companies had to disclose the eligibility and alignment of all their economic activities related to compliance with the Climate Change Mitigation and Adaptation objectives. Notwithstanding, in relation to the rest of the objectives, the ROVI Group only screened the eligibility of the new activities included in the annexes of Delegated Regulation 2023/2486.

For the 2024 reporting, companies subject to the disclosure of Taxonomy information have to disclose the eligibility and alignment in relation to all the environmental objectives. In this respect, ROVI will continue to disclose the eligibility of its economic activities in the Mitigation Annex and the Pollution Annex, as in previous years. Notwithstanding, in relation to the alignment of activities, the Group will only disclose the alignment of the activities in the Mitigation Annex since, after an internal assessment, it has been found impossible to report alignment of the revenue-generating activities (1.1 and 1.2 of the Pollution Annex), since it does not have an analysis of the water footprint for the production processes in accordance with the standard ISO 14046:201419. In this respect, it should be noted that the Group undertakes to carry out said analysis in 2025.





b. Eligibility screening

In 2024, eligibility screening was conducted by segregating in accordance with the Annexes applicable to the ROVI Group. Likewise, the eligibility screening of the activities was conducted considering the information provided by different departments of ROVI in the different business areas.

◦ Eligible activities

In this respect, the activities that are considered eligible for ROVI in 2024 in accordance with the Delegated Regulation of 4 June 2021 and its Climate Change Mitigation Annex are the following:

- **Activity 5.4**: “Renewal of waste water collection and treatment”.
- **Activity 7.3:** “Installation, maintenance and repair of energy efficiency equipment”.
- **Activity 7.4:** “Installation, maintenance and repair of charging stations for electric vehicles in buildings”.
- **Activity 7.5**: “Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of buildings”.
- **Activity 7.6**: “Installation, maintenance and repair of renewable energy technologies”.

In addition, the activities that are considered eligible for ROVI in 2024 in accordance with the Delegated Regulation of 27 June 2023 and its Pollution Prevention Annex are the following:

- **Activity 1.1:** “Manufacture of active pharmaceutical ingredients (API) or active substances”.
- **Activity 1.2:** “Manufacture of medicinal products”.

It should be noted that, once the eligibility of the above mentioned activities had been determined, no differences from the activities reported in previous years were found. This is due to the fact that there had been no changes in the Group’s business model.

◦ Approach and assumptions

The approach and assumptions applied to determine the eligibility of the activities listed above are set out below. In this respect, the starting point should be the fact that ROVI’s main activity is the production and marketing of pharmaceutical products and, therefore, a large part of its turnover, as well as its CapEx and OpEx, is linked to the Group’s production process itself.

◦ Climate Change Mitigation Annex

Activity 5.4: "Renewal of waste water collection and treatment". As a result of the activity of its industrial complexes, in 2024, ROVI made an investment in the treatment of wastewater at its Escúzar complex. Likewise, the Group incurred maintenance expenses in relation to the catch basins at some of its industrial complexes (specifically Alcalá de Henares, San Sebastián de los Reyes and Julián Camarillo). In this respect, this activity is considered eligible as a result of the aforementioned investment and maintenance expenses.

Activity 7.3: "Installation, maintenance and repair of energy efficiency equipment". In 2024, ROVI, committed to the energy efficiency of its facilities, invested in assets that enabled it to meet this commitment at most of its industrial complexes. In this respect, the principal actions were the installation of LED luminaires and the replacement of equipment by new, more efficient equipment (heat pumps, air-conditioning systems and sunscreen vinyl, among others).

The criterion followed was for all the CapEx items related to replacements by more energy- efficient equipment were eligible, apart from those items that had the sole purpose of cooling related to the production process, "process cooling". In this connection, said cooling often affects the entire facility where the production process is taking place and, therefore, the Regulation on Thermal Installations in Buildings (RITE) is not met. In this situation, said items are not deemed eligible because they lose the potential measured through these indicators.

Likewise, ROVI incurred maintenance expenses for different types of equipment, such as coolers, boilers and air-conditioning systems, at its industrial complexes. In the same way as for the CapEx items, ROVI carried out exhaustive screening to identify the specific ratios that can be applied at its facilities (offices and common areas, not including spaces solely for use in the production process).

Therefore, the investment made to implement said measures, except those linked solely to the production process, as well as the maintenance expenses incurred, contributed to determining the eligibility of this activity.

Activity 7.4: "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)". In 2024, ROVI installed charging points for electric vehicles at its San Sebastián de los Reyes complex.

Therefore, the investment made in said installation contributed to determining the eligibility of this activity. Likewise, maintenance was carried out on the charging points that already existed at said industrial complex.

Activity 7.5: "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings". In 2024, ROVI continued with measures such as the installation of presence detectors and the use of a platform (the DEXMA platform) to monitor energy consumption, in order to promote energy saving at its complexes and offices. Likewise, ROVI incurred expenses in relation to the maintenance of the consumption monitoring platform and the maintenance of the energy management system at its Granada complex in accordance with ISO 50001.

Therefore, the investment made to implement said measures, together with the maintenance expenses, contributed to determining the eligibility of this activity.

Activity 7.6: "Installation, maintenance and repair of renewable energy technologies". In 2024, ROVI, committed to the use of renewable energy technologies, invested heavily in expanding the photovoltaic installations at the San Sebastián de los Reyes industrial complex. Likewise, in order to make the installations more efficient, ROVI incurred maintenance expenses on the solar panels at the complexes that have them.

Therefore, both the maintenance expenses and the installation of new panels contributed to determining the eligibility of the activity.

◦ Pollution Prevention Annex

Activity 1.1: "Manufacture of active pharmaceutical ingredients (API) or active substances".As a pharmaceutical company, ROVI generates revenue from the manufacture of active substances at its Granada and Escúzar complexes. At these complexes, ROVI manufactures, firstly, the active ingredient of the Moderna vaccine. Secondly, it manufactures the active ingredient of bemiparin and enoxaparin for the subsequent manufacture of its own products. Notwithstanding, the revenue from

the sale of bemiparin and enoxaparin is intercompany revenue, since it is received by Laboratorios Farmacéuticos ROVI on the sale to ROVI Pharma Industrial Services.

Activity 1.2: "Manufacture of medicinal products". As a pharmaceutical company, ROVI generates revenue from the manufacture of medicines using its own active ingredients that it produces (bemiparin and enoxaparin) or using active ingredients produced by a third party, adding the required excipients.

In this respect, both activities generate revenue, in addition to having CapEx and OpEx associated to them. Consequently, the eligibility of the two activities is determined on the basis of the revenue obtained and the CapEx and OpEx incurred by the Group in 2024.

The following table shows the rationale applied by the Group to compute each one of the indicators to the taxonomy activity that is applicable as per the Pollution Prevention Annex:

		Turnover	CapEx	OpEx
Manufacture of active ingredients	For the Moderna vaccine	Activity 1.1.	Activity 1.1.	Activity 1.1.
	Bemiparin and Enoxaparin	Intercompany	Activity 1.2. (*)	Activity 1.2. (*)
Manufacture of medicinal products	Own API + added excipients	Activity 1.2.	Activity 1.2.	Activity 1.2.
	Third-party API + added excipients	Activity 1.2.	Activity 1.2.	Activity 1.2.

*Note: The assumption adopted is that the CapEx items for for the manufacture of own API are computed in activity 1.2, since the purpose of this API is to manufacture a medicine (considering the activity overall).

Non-eligible as Taxonomy activities		
Healthcare material	Medicine packaging	Medicine distribution

Summary of eligible activities as numerator

		Turnover	CapEx	OpEx
Climate Change Mitigation	5.4. Renewal of waste water collection and treatment	x	✓	✓
	7.3. Installation, maintenance and repair of energy efficiency equipment	x	✓	✓
	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	x	✓	✓
	7.5. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	x	✓	✓
	7.6. Installation, maintenance and repair of renewable energy technologies	x	✓	✓
Pollution Prevention	1.1. Manufacture of active pharmaceutical ingredients (API) or active substances	✓	✓	✓
	1.2. Manufacture of medicinal products	✓	✓	✓

c. Alignment screening

After the process to identify the eligible activities pursuant to the Mitigation Annex.[16] the following were analysed:

- Technical criteria for substantial contribution to climate change mitigation/adaptation.
- Causing no significant harm to any of the other environmental objectives (DNSH).
- Minimum social safeguards.

The alignment screening of the activities was carried out considering the information provided by different departments of ROVI in different business areas.

Technical criteria for substantial contribution to climate change mitigation:

In accordance with Annexes I and II and Delegated Regulation 2021/2139 of 4 June 2021, for each CapEx and OpEx item associated to an eligible activity in 2024, compliance with the technical screening criteria for substantial contribution to climate change mitigation set in said Annexes for each activity has been analysed. In this respect:

- **For activity 7.3.** "Installation, maintenance and repair of energy efficiency equipment", eligible CapEx and OpEx items meet both the applicable minimum requirements set out in the national transposition of Directive 2010/31/ EU and the classification in the two highest classes of energy efficiency in accordance with Regulation (EU) 2017/1369, when applicable. Likewise, it was determined that each one of the items mentioned complies with at least one of the individual measures set out in the regulations (see activity 7.3 in Annex I of the Delegated Regulation of 4 June 2021, specifically the "Technical screening criteria" section).
- **For activity 7.4**. "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)", Annex I of Delegated Regulation 2021/2139 of 4 June 2021 does not establish any additional requirements.
- **For activity 7.5**. "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings", it was determined that each one of the CapEx and OpEx items complies with at least one of the individual measures established in the legislation (see activity 7.5 of Annex I of Delegated Regulation 2021/2139 of 4 June 2021, specifically the "Technical screening criteria" section).
- **For activity 7.6**. "Installation, maintenance and repair of renewable energy technologies", it was determined that each one of the CapEx and OpEx items complies with at least one of the individual measures established in the legislation (see activity 7.6 of Annex I of Delegated Regulation 2021/2139 of 4 June, 2021, specifically the "Technical screening criteria" section).

◦ DNSH:

Pursuant to Annexes I and II of Delegated Regulation 2021/2139 of 4 June 2021, for each CapEx and OpEx item linked to an eligible activity in 2024, compliance with the requirements ("Do no significant harm") established in said Annex for each activity was analysed. In this respect:

- **For activity 7.3.** "Installation, maintenance and repair of energy efficiency equipment", all the eligible CapEx and OpEx items comply with the requirements established in Appendix A[17] and Appendix C[18].
- **For activity 7.4.** "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)", all eligible CapEx items meet the requirements established in Appendix A (see footnote 25).
- **For activity 7.5.** "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings", all eligible CapEx and OpEx items meet the requirements established in Appendix A (see footnote 17).

[16] As mentioned at the beginning of this chapter, ROVI is not disclosing the alignment of the Pollution Annex activities in 2024 because they do not comply with the principle of "do not significant harm" to the rest of the environmental objectives (no water footprint analysis is available).
[17] ROVI has an analysis of physical climate risks and an adaptation plan for the risks identified as material. For further details, see IRO-1 and SBM-3 of ESRS E1 Climate Change.
[18] None of the activities has given rise to the manufacture, commercialisation or use of any of the substances listed in Appendix C.

- **For activity 7.6.** "Installation, maintenance and repair of renewable energy technologies", all eligible CapEx and OpEx items meet the requirements established in Appendix A (see footnote 17).

◦ Minimum social safeguards:

The minimum social safeguards are set out in article 18 of Delegated Regulation 2020/852, which states:

	Minimum safeguards
1	The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.
2	When implementing the procedures referred to in paragraph 1 of this Article, undertakings shall adhere to the principle of 'do no significant harm' referred to in point (17) of Article 2 of Regulation (EU) 2019/2088."

In this respect, the requirements are divided into four core topics: Human Rights, Bribery/Corruption, Taxation and Fair Competition.

- **Human rights**: ROVI holds a firm commitment to protect human rights and strives to ensure that the activities carried out within its sphere of influence do not violate human rights. To this end, it has different tools and mechanisms intended to ensure that this commitment is met (for further details, see the information included in the topical ESRS of the social block).
- **Corruption**: ROVI is committed to "zero tolerance" of bribery and corruption, rejecting any action that includes these practices as a way to pursue its own interests (for further details, see Disclosure Requirements G1-3 and G1-4 of ESRS G-1).
- **Taxation**: ROVI holds a commitment to meet all tax requirements and apply the best tax practices, always reporting transparently on its activities and meeting its tax obligations responsibly and efficiently (for further details, see Annex 1, information relating to "Other: financial performance").
- **Fair competition**: ROVI is firmly committed to achieving long-term success through fair competition, not resorting to any practices that affect the free market, as stated in its own Code of Ethics. Therefore, it promotes ethical business management that respects competition law and avoids any unfair practice that means obtaining unfair advantages or that could affect free competition.

d. Calculation of key indicators

In line with the content of Annex I of the Delegated Regulation of 6 July 2021, non-financial companies must disclose the percentage of turnover, CapEx and OpEx of their eligible and aligned activities in 2024 for the all the environmental objectives Taking the first article of said Annex as a basis, ROVI has calculated these indicators.

Likewise, it should be noted that the factors necessary to avoid double accounting were taken into account throughout the work process:

- The main information sources were the accounting and management information used in the consolidated income statement, based on the external reporting format for the National Securities Market Commission (CNMV).
- To analyse this accounting information, the subtotals were checked to ensure that the complete information was included at all times.

◦ Calculation of the percentage of turnover

The proportion of turnover to which article 8(2), point (a), of Regulation (EU) 2020/852 refers, shall be calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator) as defined in article 2, point (5), of Directive 2013/34/EU. The turnover shall cover the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a) as adopted by Commission Regulation (EC) No 1126/2008.

Revenue-generating activities for ROVI in 2024 were activities 1.1. "Manufacture of active pharmaceutical ingredients (API) or active substances" and 1.2. "Manufacture of medicinal products" from the Pollution Prevention Annex. In this respect, ROVI has considered the aggregate of the eligible turnover of these two activities to be the numerator.

The process to calculate the amounts of the numerator consisted of an exhaustive analysis of all the revenue generated by the the company ROVI Pharma Industrial Services, S.A.U. in 202[19]4. Every item was examined individually, considering the reason why the revenue was received, discarding any items that did not fall within the description of the activities, with the ultimate purpose of finding out which specific items were eligible and to which activity they should be allocated.

The amounts used as the denominator correspond to the consolidated net turnover of the ROVI Group disclosed in its Consolidated Annual Accounts ("Consolidated Income Statement" section).

◦ Calculation of the percentage of CapEx

It is calculated as the numerator divided by the denominator, the denominator covering the additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year, excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations.

For non-financial undertakings applying international financial reporting standards (IFRS) as adopted by Regulation (EC) No 1126/2008, CapEx shall cover costs that are accounted based on:

- IAS 16 Property, Plant and Equipment, paragraphs 73, (3) point (i) and point (iii);
- IAS 38 Intangible Assets, paragraph 118, (e), point (i);
- IAS 40 Investment Property, paragraphs 76, points (a) and (b) (for the fair value model);
- IAS 40 Investment Property, paragraph 79 (d), points (i) and (ii) (for the cost model);
- IAS 41 Agriculture, paragraph 50, points (b) and (e);
- IFRS 16 Leases, paragraph 53, point (h).

For non-financial undertakings applying national generally accepted accounting principles (GAAP), CapEx shall cover the costs accounted under the applicable GAAP that correspond to the costs included in the capital expenditure by non-financial undertakings applying IFRS.

Leases that do not lead to the recognition of a right-of-use over the asset shall not be counted as CapEx.

The numerator equals to the part of the capital expenditure included in the denominator that is any of the following:

I. Related to assets or processes that are associated with Taxonomy-aligned economic activities;

II. Part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ('CapEx plan') under the conditions specified in the second subparagraph of point 1.1.2.2 of Annex I of the Delegated Regulation of 6 July, 2021 (relative to the 'CapEx plan');

III. Related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3. to

[19] In 2024, all the contract manufacturing process was billed through said company while, in 2023, it was invoiced through the company Laboratorios Farmacéuticos Rovi, S.A.

7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

For ROVI, the eligible activities with associated CapEx in 2024 were the following

Climate Change Mitigation Annex	Pollution Prevention Annex
Activity 5.4. Activity 7.3. Activity 7.4. Activity 7.5. Activity 7.6.	Activity 1.1. Activity 1.2.

To analyse the numerator, ROVI screened all the items added to CapEx in 2024.

- For CapEx items related to the Mitigation Annex, ROVI conducted an exhaustive screening, which consisted of verifying that each one of the invoices associated to the CapEx items added met the description contained in the Taxonomy regulations, therefore allocating the value shown on the invoices to the CapEx numerator.[20]
- For CapEx items related to the Pollution Prevention Annex, ROVI calculated the totality of the CapEx items added without making a detailed screening at invoice level, since the CapEx added is, in its entirety, assumed to contribute to either the manufacture of the active substance or the manufacture of a medicine. This screening was performed by segregating each CapEx item added by cost centre.

In the course of the screening, double accounting of items was avoided, computing the items that are directly related to the description of each taxonomy activity with each activity.[21]

The denominator corresponds to the Group's total CapEx, which includes investments in both property, plant and equipment and intangible assets, as well as right-of-use assets, disclosed in the Consolidated Annual Accounts (in the section "Increases in non-current non-financial assets").[22]

◦ Calculation of the percentage of OpEx

The proportion of OpEx to which article 8(2), point b), of Regulation (EU) 2020/852 refers shall be calculated as the numerator divided by the denominator as specified in points 1.1.3.1 and 1.1.3.2 of the Annex 1 to the Delegated Regulation of 6 July, 2021, the latter covering direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Additionally, non-financial companies that apply national GAAP and are not capitalising right-of-use assets shall include lease costs in the OpEx.

The numerator equals to the part of the operating expenditure included in the denominator that is any of the following:

i. Related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development;

ii. Part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of point 1.1.3.2 of Annex I to the Delegated Regulation of 6 July, 2021 relative to 'CapEx plan').

[20] In cases where the invoices that make up the CapEx items are not related in their entirety with any activity described in the regulation.
[21] For example, the LED luminaires of a new building constructed to expand ROVI's production capacity were computed to activity 7.3 of the Mitigation Annex, while the rest of the investment made in the construction of said building was computed to activity 1.1/1.2 depending on whether it related to active ingredient or medicinal product manufacturing.
[22] The CapEx figure used includes the additions related to rights of use recognised in accordance with International Financial Reporting Standard (IFRS) 16 "Leases".

iii. Related to the purchase of output from Taxonomy- aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

For ROVI, the OpEx indicator considers solely costs related to research and development, short-term leases and maintenance and repairs. ROVI does not consider individual building renovation measures and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the company or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets as OpEx.

In this respect, for ROVI the eligible activities with associated OpEx in 2024 were the following:

Climate Change Mitigation Annex	Pollution Prevention Annex
Activity 5.4. Activity 7.3. Activity 7.4. Activity 7.5. Activity 7.6.	Activity 1.1. Activity 1.2.

To analyse the OpEx numerator, ROVI screened the following accounts: “622. Repairs and maintenance” and “621 Leases and royalties”, as well as the account relating to R&D equipment maintenance.

- To screen the activities included in the Mitigation Annex, ROVI worked with each one of the persons responsible for its industrial complexes in order to identify items directly related to the activities mentioned in said Annex through an exhaustive screening.
- To screen the activities in the Pollution Prevention Annex, in line with the criterion followed to analyse the CapEx. ROVI segregated all the items that should be considered in the Taxonomy screening and discarded those that were not applicable. Likewise, mention should be made of the fact that the R&D-related operating expenses relate, in their entirety, to activity 1.2. “Manufacture of medicinal products”.

In the course of the screening, double accounting of items was avoided, computing the items that are directly related to the description of each taxonomy activity with each activity.

The denominator includes total R&D expenses, repair and maintenance expenses and operating lease expenses disclosed in ROVI’s consolidated Annual Accounts (sections “Other operating expenses” and “Research and Development expenses”).

e. Results

The proportion of eligible and non-eligible activities in accordance with European Union Taxonomy is shown below:

% Eligibility		
Turnover **37.535 %** (286,673.99 thousand euros)	**CapEx** **71.987%** (47,201.94 thousand euros)	**OpEx** **26.667 %** (9,933.05 thousand euros)

% Non-eligibility		
Turnover **62.465 %** (477,075.01 thousand euros)	**CapEx** **28.013 %** (18,368.06 thousand euros)	**OpEx** **73.333 %** (27,314.95 thousand euros)

% Alignment		
Turnover **0 %**	**CapEx*** **1.269 %** (832.35 thousand euros)	**OpEx*** **0.394 %** (146.88 thousand euros)

% Non-alignment		
Turnover* **100 %**	**CapEx*** **98.731 %** (64,737.64 thousand euros)	**OpEx*** **99.606 %** (37,101.11 thousand euros)

(*) In 2024, ROVI does not report the alignment figures for activities 1.1. and 1.2. of the Pollution Prevention Annex since no water footprint is available.

Turnover

Financial Year 2024	Economic activities	A. Taxonomy - elegible activities	A.1. Environmentally sustainable activities (Taxonomy-aligned)	Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	Of which Enabling	Of which Transitional	A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	Manufacture of active pharmaceutical ingredients (API) or active substances (*)	Manufacture of medicinal products (*)	Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned activities) (A.2)	A Turnover of Taxonomy eligible activities (A.1+A.2)	B . Taxonomy -Non-elegible activities	Turnover of Taxonomy non eligible activities (B)	Total
2024	Code							PPC 1.1	PPC 1.2					
	Turnover (€)			-	-	-		19,593,522	267,080,464	286,673,985	286,673,985		477,075,014	**763,749,000**
	Proportion of Turnover 2024			0%	0%	0%		2.565%	34.970%	37.535%	37.535%		62.465%	**100%**
Substantial contribution criteria	Climate Change Mitigation			0%	0%	0%		N/EL	N/EL	0%	0%			
	Climate Change Adaptation			0%	0%			N/EL	N/EL	0%	0%			
	Water			0%	0%			N/EL	N/EL	0%	0%			
	Pollution			0%	0%			EL	EL	37.535%	37.535%			
	Circular Economy			0%	0%			N/EL	N/EL	0%	0%			
	Biodiversity			S	0%			N/EL	N/EL	0%	0%			
DNSH criteria ("Does not significantly harm")	Climate Change Mitigation			S	S	S								
	Climate Change Adaptation			S	S	S								
	Water			S	S	S								
	Pollution			S	S	S								
	Circular Economy			S	S	S								
	Biodiversity			S	S	S								
	Minimum Safeguards			S	S	S								
	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023			0%	0%	0%		2.747%	33.265%	36.012%	36.012%			
	Category enabling activity				F									
	Category transitional activity					T								

(*) ROVI will not report alignment in 2024

(*) In 2024, ROVI is not reporting alignment figures for activities 1.1 and 1.2 of the Pollution Prevention Annex, given that it does not have an analysis of the water footprint.

CapEx

Financial Year 2024	Economic activities		Installation, maintenace and repair of energy efficiency equipment	Installation maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance and repair of renewable energy technologies	CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	Of which Enabling	Of which Transitional
2024	Code	A. Taxonomy - elegible activities / A.1. Environmentally sustainable activities (Taxonomy-aligned)	CCM 7.3	CCM 7.4	CCM 7.5	CCM 7.6			
	CapEx (€)		690,912	8,591	90,517	42,336	832,357	832,357	-
	Proportion of CapEx 2024		1.054%	0.013%	0.138%	0.065%	1.269%	1.269%	—%
Substantial contribution criteria	Climate Change Mitigation		S	S	S	S	1.269%	1.269%	—%
	Climate Change Adaptation		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Water		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Pollution		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Circular Economy		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Biodiversity		N/EL	N/EL	N/EL	N/EL	0%	0%	
DNSH criteria ("Does not significantly harm")	Climate Change Mitigation		S	S	S	S	S	S	S
	Climate Change Adaptation		S	S	S	S	S	S	S
	Water		S	S	S	S	S	S	S
	Pollution		S	S	S	S	S	S	S
	Circular Economy		S	S	S	S	S	S	S
	Biodiversity		S	S	S	S	S	S	S
	Minimum Safeguards		S	S	S	S	S	S	S
	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023		0.581%	0.008%	0.099%	1.457%	2.145%	2.145%	0%
	Category enabling activity		F	F	F	F		F	
	Category transitional activity								T

CapEx

Financial Year 2024	Economic activities	A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	Manufacture of active pharmaceutical ingredients (API) or active substances (*)	Manufacture of medicinal products (*)	Installation, maintenance and repair of energy efficiency equipment	CapEx of Taxonomy eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (A.2)	A. CapEx of Taxonomy eligible activities (A.1+A.2)	B . Taxonomy -Non-elegible activities	CapEx of Taxonomy non eligible activities (B)	Total
2024	Code		PPC 1.1	PPC 1.2	CCM 5.4					
	CapEx (€)		120,152	46,224,004	25,426	46,369,582	47,201,939		18,368,061	**65,570,000**
	Proportion of CapEx 2024		0.183%	70.496%	0.039%	70.718%	71.987%		28.013%	**100%**
Substantial contribution criteria	Climate Change Mitigation		N/EL	N/EL	N/EL	0.039%	1.308%		(*) In 2022, this activity did not require eligibility screening.	
	Climate Change Adaptation		N/EL	N/EL	N/EL	0%	0%			
	Water		N/EL	N/EL	N/EL	0%	0%			
	Pollution		N/EL	N/EL	N/EL	70.679%	70.679%			
	Circular Economy		N/EL	N/EL	N/EL	0%	0%			
	Biodiversity		N/EL	N/EL	N/EL	0%	0%			
DNSH criteria ("Does not significantly harm"	Climate Change Mitigation									
	Climate Change Adaptation									
	Water									
	Pollution									
	Circular Economy									
	Biodiversity									
	Minimum Safeguards									
	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023		0.030%	68.457%	N/A	68.516%	70.661%			
	Category enabling activity									
	Category transitional activity									

(*) In 2024, ROVI is not reporting alignment figures for activities 1.1 and 1.2 of the Pollution Prevention Annex, given that it does not have an analysis of the water footprint.

OpEx

Financial Year 2024	Economic activities	A. Taxonomy - elegible activities / A.1. Environmentally sustainable activities (Taxonomy-aligned)	Installation, maintenance and repair of energy efficiency equipment	Installation, maintenance and repairs of electric vehicle charging points in buildings (and in parking spaces adjacent to buildings)	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance and repair of renewable energy technologies	OpEx of environmentally sustainable activities (Taxonomy aligned) (A.1)	Of which Enabling	Of which Transitional
2024	Code		CCM 7.3	CCM 7.4	CCM 7.5	CCM 7.6			
	OpEx (€)		127,912	2,869	8,095	8,007	146,883	146,883	0
	Proportion of OpEx 2024		0.343%	0.008%	0.022%	0.021%	0.394%	0.394%	0%
Substantial contribution criteria	Climate Change Mitigation		S	S	S	S	0.394%	0.394%	0%
	Climate Change Adaptation		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Water		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Pollution		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Circular Economy		N/EL	N/EL	N/EL	N/EL	0%	0%	
	Biodiversity		N/EL	N/EL	N/EL	N/EL	0%	0%	
DNSH criteria ("Does not significantly harm"	Climate Change Mitigation		S	S	S	S	S	S	S
	Climate Change Adaptation		S	S	S	S	S	S	S
	Water		S	S	S	S	S	S	S
	Pollution		S	S	S	S	S	S	S
	Circular Economy		S	S	S	S	S	S	S
	Biodiversity		S	S	S	S	S	S	S
	Minimum Safeguards		S	S	S	S	S	S	S
	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023		0.081%	N/A	0.041%	0.013%	0.136%	0.136%	0%
	Category enabling activity		F	F	F	F		F	
	Category transitional activity								T

OpEx

Financial Year 2024	Economic activities	A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	Manufacture of active pharmaceutical ingredients (API) or active substances (*)	Manufacture of medicinal products (*)	Renewal of waste water collection and treatment	OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy aligned activities) (A.2)	A. OpEx of Taxonomy eligible activities (A.1+A.2)	B . Taxonomy -Non-elegible activities	OpEx of Taxonomy non eligible activities (B)	Total
2024	Code		PPC 1.1	PPC 1.2	CCM 5.4					
	OpEx (€)		248,173	9,498,144	39,847	9,786,164	9,933,047		27,314,953	**37,248,000**
	Proportion of OpEx 2024		0.666%	25.500%	0.107%	26.273%	26.667%		73.333%	**100%**
Substantial contribution criteria	Climate Change Mitigation		N/EL	N/EL	EL	0.107%	0.501%	(*) In 2022, this activity did not require eligibility screening		
	Climate Change Adaptation		N/EL	N/EL	N/EL	0%	0%			
	Water		N/EL	N/EL	N/EL	0%	0%			
	Pollution		EL	EL	N/EL	26.166%	26.166%			
	Circular Economy		N/EL	N/EL	N/EL	0%	0%			
	Biodiversity		N/EL	N/EL	N/EL	0%	0%			
DNSH criteria ("Does not significantly harm"	Climate Change Mitigation									
	Climate Change Adaptation									
	Water									
	Pollution									
	Circular Economy									
	Biodiversity									
	Minimum Safeguards									
	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023		1.325%	24.063%	0.061%	25.459%	25.595%			
	Category enabling activity									
	Category transitional activity									

(*) In 2024, ROVI is not reporting alignment figures for activities 1.1 and 1.2 of the Pollution Prevention Annex, given that it does not have an analysis of the water footprint.

	Proportion of turnover/Total turnover		Proportion of CapEx/Total CapEx		Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%	1.27%	1.31%	0.39%	0.50%
CCA	0%	0%	0%	0%	0%	0%
WTR*	0%	0%	0%	0%	0%	0%
CE	0%	0%	0%	0%	0%	0%
PPC	0%	37.54%	0%	70.68%	0%	26.17%
BIO	0%	0%	0%	0%	0%	0%

(*) In 2024, ROVI is not reporting alignment figures for activities 1.1 and 1.2 of the Pollution Prevention Annex, given that it does not have an analysis of the water footprint.

Nuclear related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

2. ESRS E1. Climate change

The objective of this chapter is to provide an understanding of how ROVI's activity affects climate change, taking account of material actual or potential, positive or negative impacts, and the mitigation efforts that are being implemented in line with the Paris Agreement.

Likewise, details are given of the Group's plans and capacity to adapt its strategy and business model in line with the transition to a sustainable economy and to contribute to limiting global warming to 1.5ºC. The actions taken by ROVI to prevent, mitigate or remediate any actual or potential, positive or negative impacts and to address the material risks and opportunities are also described.

a. Governance

◦ Disclosure Requirement related to ESRS 2 GOV-3: integration of sustainability-related performance in incentive schemes

The objective of this Disclosure Requirement is to disclose to report users how ROVI integrates sustainability-related matters into the incentive system of its governing, management and supervisory bodies.

In this respect, the variable remuneration of one of the executive members of the Board of Directors considers climate change-related environmental criteria. Specifically, the target is linked to offsetting 100% of Scopes 1 and 2 CO_2 emissions and 20% of Scope 3 emissions and represents 10% of the variable remuneration of the board member to whom it is assigned.

b. Strategy

◦ Disclosure Requirement E1-1: Transition plan for climate change mitigation

The objective of this Disclosure Requirement is to disclose the mitigation efforts that ROVI is making or plans to make to ensure that its strategy and business model are compatible with the transition to a sustainable economy and with limiting global warming to 1.5ºC in line with the Paris Agreement.

At present, ROVI has a corporate action framework that promotes actions to avoid, reduce and offset greenhouse gas emissions but it has not formally drawn up a transition plan at corporate level that includes GHG emission reduction targets. Said framework includes assessing and proposing energy-saving and efficiency measures, the definition of a renewable energy and guarantee of origin management plan, possibilities of taking action in relation to the supply chain and other indirect emission sources, and the definition of offsetting strategies and capture alternatives, among other items.

Notwithstanding, in 2024, ROVI worked on specific studies at the Alcalá de Henares and San Sebastián de los Reyes industrial plants in order to establish greenhouse gas emission reduction measures. These facilities were selected initially because they are those that generate the most Scope 1 emissions, but the plan will be rolled out to all the plants at a later date, given that many of the proposed actions can be extrapolated to the rest of the facilities.

In this respect, the results of the studies conducted at the aforementioned two plants in 2024 will allow the Group to assess its capacity to prepare a corporate transition plan, although no specific date has yet been set for preparing, approving and adopting such a plan.

◦ Disclosure Requirement related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The objective of this Disclosure Requirement is to describe the resilience of ROVI's strategy and business model in relation to climate change.

As the starting point of the resilience analysis, ROVI assessed the climate-related physical and transition hazards to determine the possible risks to which it could be exposed.

The physical risks arise from the increase in extremes of weather (acute) or long-term effects due to changes in climate patterns (chronic), while the transition risks arise directly or indirectly from the process of adapting to a lower-carbon economy which is more sustainable from an environmental point of view. In this respect, the risks described below were identified as material:

Physical climate risks

- Equipment failure arising from periods of temperature extremes (acute physical risk).
- Water stress at the Granada and Escúzar plants (chronic physical risk).

With regard to potential equipment failures, in order to increase the Group's operational resilience in future events related to heat extremes, ROVI drew up an adaptation plan which identified all the equipment and installations whose operations could be affected if the temperature rose above 42.3ºC at the Madrid plants or 43.5ºC at the Granada plants. For each piece of equipment or installation, a set of specific prevention and/or adaptation measures were proposed, which are currently being taken into consideration.

In addition to operational resilience, ROVI has considered its strategic resilience (planning and financial resources) in the event of possible climate change-related changes, events or uncertainties. In this respect, the contract manufacturing agreements with strategic customers and the opening of the Group's new Escúzar plant in 2023 for the manufacture of the active ingredient of heparins require ROVI to anticipate the climate-related risks identified and to make monetary investments in assets that enable it to be resilient.

Regarding water-stress risk, the result of the analysis indicates that the plants located in Granada and Escúzar could see a decrease in their production capacity due to potential cuts in the water supply. Therefore, the engineering teams at both these plants have developed an adaptation plan with the objective of implementing the actions during 2025. This plan encompasses a number of measures, which include the possibility of increasing the water storage volume, as well as the water reduction targets established for the Granada and Escúzar complexes: reductions of 1.5% and 2.5%, respectively.

Climate-related transition risks

The assessment of climate-related transition risks analyses how the transition towards a low-carbon, resilient economy could affect the macroeconomic trends linked to the Group, its consumption and its energy mix, as well as its technology deployment. Notwithstanding, in the case of ROVI, the only potentially significant risk, an increase in the cost of CO_2 emissions, was not found to be material in the scenarios and time horizons considered (short, medium and long term). Therefore, no mitigation plan was developed.

General Business Continuity Plan

In addition, in order to reinforce the Group's resilience in both operational and strategic terms, in 2024, ROVI approved a General Business Continuity Plan. As mentioned previously, a key element of this Plan was a business continuity risk assessment, in order to identify and assess any possible threats or vulnerabilities that could jeopardise ROVI's operations. This study allowed a series of inherent risks to be identified that could have a significant impact on ROVI's capacity to guarantee the continuity of its activities, processes or services in the event of disruptive events arising from the natural, industrial, human, technological or supplier-related threats identified.

Regarding climate change-related threats, the following may be highlighted: torrential rains, blizzards, heatwaves, power cuts and flooding, among others. When assessing these risks, priority was placed upon those that represent the greatest threats to the continuity of ROVI's business and safeguards were proposed to verify and/or assess the inherent risks identified with results: very serious, serious, high, moderate and, in some cases, minor, ruling out insignificant results.

The result of this risk assessment is allowing ROVI to identify key areas for improvement of the four assets evaluated that sustain the processes (locations, human resources, technologies and suppliers), as well as the capacity to swiftly recover from unexpected interruptions. Likewise, the assessment covers the entire value chain, since it takes account of suppliers (upstream) and business continuity (which has an impact on both the Group's own operations and downstream).

Risks identified in the double materiality analysis

Lastly, mention should be made of the fact that, in the double materiality assessment, apart from considering the risks identified in the climate-related risk assessment, ROVI identified additional risks such as the interruption of activity due to a lack of adaptation measures, an increase in the entry barriers to operating in certain countries and/or participating in public tender offers, and failure to meet Scope 3 emission reduction targets, which are considered transition risks. In 2025, ROVI will update its ESG Master Plan (2023-2025), taking account of the results of the double materiality assessment and, thus, management of material impacts, risks and opportunities.

c. Impact, risk and opportunity management

- Disclosure Requirement related to ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

In relation to the process followed by ROVI to determine the material climate change-related impacts, risks and opportunities, see ESRS 2 IRO-1, where the four phases of the double materiality assessment are described: understanding, identification, assessment and determination.

As a result of the double materiality assessment conducted, the material climate change-related impacts, risks and opportunities are set out below:

Value chain level	Sub-topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Climate change adaptation	Adaptation plan for climate-related water-stress risk at its Granada centres.	Positive impact	Actual	< 1 year
Upstream	Energy	Suppliers and pharmaceutical companies with agreement with ROVI use non-renewable energy to produce part of the goods and services they supply to the Group.	Negative impact	Actual	< 1 year
Upstream	Energy	Suppliers and pharmaceutical companies with agreement with ROVI use renewable energy to produce part of the goods and services they supply to the Group.	Positive impact	Actual	< 1 year
Own operations	Energy	ROVI's monthly electricity and gas consumption control procedures that allow energy-savings targets to be set.	Positive impact	Actual	< 1 year
Own operations	Energy	Production of renewable energy through solar panels and purchasing 100% renewable energy for all its industrial complexes and main offices.	Positive impact	Actual	< 1 year
Own operations	Energy	ROVI's consumption of fossil fuels (natural gas and diesel oil) to carry on its activity.	Negative impact	Actual	< 1 year
Downstream	Energy	Adhesion to "Punto SIGRE" in order to recover energy from medicine waste.	Positive impact	Actual	< 1 year
Across the value chain	Energy	Consumption of non-renewable energy for the vehicles used across the value chain.	Negative impact	Actual	< 1 year
Across the value chain	Energy	Consumption of renewable energy for the vehicles used across the value chain.	Positive impact	Actual	< 1 year
Across the value chain	Energy	Intensive energy use to store active ingredients and medicines at an appropriate temperature.	Negative impact	Actual	< 1 year
Across the value chain and own operations	Energy	Use of renewable energy to store active ingredients and medicines at an appropriate temperature.	Positive impact	Actual	< 1 year
Own operations	Climate change mitigation	Extensive use of antibiotics in pigs (from which heparin is obtained).	Negative impact	Actual	< 1 year
Own operations	Climate change mitigation	ROVI's energy efficiency strategy reduces carbon emissions and contributes to the fight against climate change.	Positive impact	Actual	< 1 year

Value chain level	Sub-topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Climate change mitigation	Climate Change Policy objectives: reduction in emissions of GHGs and other gases, carbon neutrality, and transition towards 100%-renewable energy.	Positive impact	Actual	< 1 year
Own operations	Climate change mitigation	.All ROVI's industrial plants and main offices avoided 100% of Scope 2 CO2 emissions in their carbon footprint in 2024.	Positive impact	Actual	< 1 year
Own operations	Climate change mitigation	ROVI's initiatives to offset emission it cannot reduce (Scope 1 and part of Scopes 2 and 3).	Positive impact	Actual	< 1 year
Own operations	Climate change mitigation	ROVI's participation in offset projects.	Positive impact	Actual	< 1 year
Own operations	Climate change mitigation	Obtaining the MITECO "Calculate and Compensate" seal and the Bureau Veritas Certificate of verification of the carbon footprint.	Positive impact	Actual	< 1 year
Downstream	Climate change mitigation	Adhesion to "Punto SIGRE", which saves the emission of around 1,400 tonnes of CO_2.	Positive impact	Actual	< 1 year
Downstream	Climate change mitigation	Non-recycled products ("Punto SIGRE" or specific bin) that end up in dumps.	Negative impact	Actual	< 1 year
Across the value chain	Climate change mitigation	Inability to implement more ambitious decarbonisation measures across the value chain.	Negative impact	Potential	> 5 years
Across the value chain	Climate change mitigation	ROVI's business relations across its value chain (upstream and downstream) that generate GHG emissions.	Negative impact	Actual	< 1 year
Own operations	Climate change adaptation	Strong commitment to environmental sustainability and the Group's leadership in the fight against climate change.	Opportunity	Potential	1-5 years
Own operations	Climate change adaptation	Lack of analysis and investment in climate change adaptation measures by ROVI.	Risk	Potential	1-5 years
Own operations	Energy	Investing in an electric commercial vehicle fleet and ceasing to use vehicles with combustion engines.	Opportunity	Potential	> 5 years
Own operations	Climate change mitigation	The growing concern about climate change is leading to a Decarbonisation Plan being required by certain countries, which could represent an entry barrier and a risk for ROVI, as it would be unable to participate in public tender offers.	Risk	Potential	1-5 years
Across the value chain	Climate change mitigation	Working with value chain participants (difficulty in meeting the Scope 3 emission reduction target).	Risk	Potential	> 5 years

Regarding the climate-related risk assessment, the Group has analysed its climate change management by identifying and assessing its physical and transition risks, in addition to its opportunities. The process for determining said risks and opportunities is described below:

1. Physical climate risks

Acute physical climate risks

ROVI's assessment of climate-related physical risks considered the hazards described in Commission Delegated Regulation (EU) 2021/2139 and its scope encompassed the Group's five industrial production complexes in Spain in addition to commercial relations with Group suppliers who are considered critical, either because they manufacture ad hoc for ROVI or because they are unique suppliers, among other criteria. These suppliers are located in Germany, Hungary, Mexico, the United States and China.

In this respect, ROVI examined whether its assets (production plants) and business activities (medicine manufacturing and business relations) could be exposed to said physical risks. It also analysed ROVI's five most critical suppliers.

In 2022, the physical hazards to which the production plants of ROVI and its five main critical suppliers might be exposed due to their geographic location were identified: extreme winds, freeze-thaw cycles, floods due to the overflow of bodies of surface water, river overflows, coastal floods, forest fires and land movements. A total of seven acute physical risks were assessed.

The climate scenarios considered for the assessment were those proposed by the Intergovernmental Panel on Climate Change (IPCC) in its August 2021 report. A scenario with a global temperature increase of 2ºC or less (RCP 2.6) was chosen following the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). A scenario in excess of 2ºC was also included, specifically RCP 8.5, which considers an increase of between 3.2 and 5.5ºC in comparison with pre-industrial levels, this being the most adverse scenario from a climate standpoint. For both scenarios, the probability of occurrence and potential impact of each one of the climate-related risks identified were assessed and 2030, 2045 and 2070[23] were established as time horizons for their materialisation. The scale used to assess them was as follows:

- High risk = %MVAR[24] > 1.0%
- Moderate risk = 0.2% < MVAR < 1.0%
- Low risk = %MVAR < 0.2%

In this respect, none of the risks described above was considered significant for the plants of either ROVI or its five critical suppliers since all the MVARs were lower than 0.2% in the short, medium and long terms.

In addition, a separate assessment of the risk of equipment failure due to heat extremes was conducted, for which a different measuring scale was used, based on a threshold heat temperature established at the 99th percentile of the maximum annual temperature at the specific location of each asset.

The results under an RCP 8.5 scenario show that the percentage failure due to heat extremes increases by an average of 17.89% in 2030 and 52.72% in 2050 for all the assets analysed. Likewise, under an RCP 2.6 scenario, the percentage failure due to heat extremes increases by an average of 14.01% in 2030 and 25.09% in 2050.

Chronic physical climate risks

In 2023, water stress was identified as the potential chronic climate-related physical hazard that could affect the company's five industrial facilities, since all of them are located in Spain, which is considered a country with high water stress. A drought could lead to a water shortage and possible supply cuts, which would affect the production process at ROVI's industrial facilities.

The climate scenarios assessed were the same as those used for acute physical risks: scenarios RCP 2.6 and 8.5, as were the time horizons of 2030, 2045 and 2070. The threshold used to define the Group's need to review its drought management alternatives was double the drought risk in the base year, 1990, when the drought level showed a return period of 1 in 20 (5% annual probability).

The results of the assessment indicated the most critical region in relation to water-stress risk for ROVI's production centres was Granada, where a significant increase in the medium and long terms is forecast under scenario 8.5, the worst scenario, also known as "business as usual", in which emissions continue to grow during the 21st century.

However, the water-stress risk was not considered material for the three plants located in Madrid until the year 2070 under the conditions of RCP 8.5, the most adverse scenario.

2. Climate-related transition risks

Regarding the climate-related transition risks, ROVI likewise follows the recommendations of the TCFD. In this context, the Group identified and assessed the transition risks and opportunities that could have an effect at corporate level. The

[23] No calculation has been made as to how the time horizons are linked to the forecast useful life of its assets, the strategic planning horizons or the capital allocation plans.
[24] Maximum Value-At-Risk.

assessment used the scenarios of the World Energy Outlook (WEO) report of the International Energy Agency (IEA), which relate to the corresponding scenarios in the fifth IPCC report that were used in the acute physical climate risk assessment conducted by ROVI.

The Group identified the following risks related to its operations in 2023:

Regulatory risks

- New, stricter climate change-related regulations that could affect operating and supply chain costs, as well as an increase in reporting obligations.
- New carbon taxes.
- Orders and regulations concerning the existing products and services (net zero healthcare systems).

Technological risks

- Costs of transition towards low-emission technology.

Reputational risks

- Inability to respond to the requests for enhanced reports on climate change-related management and goals (particularly from banks and funds).
- Increase in stakeholders' demands for information, concerns and expectations, requiring the Company to devote a larger amount of resources to responding.

Market risks

- Increase in efforts to adapt to customers' growing interest in environmental and climate change-related problems means a potential increase in the demand for sustainable products, particularly in terms of sustainable packaging.
- The higher demand for raw materials driven by the transition to a low-carbon economy, which decreases their availability, thus increasing competition and prices. This translates into higher supply costs of, for example, materials derived from petrochemical products and pharmaceutical reagents (e.g. organic molecules used as raw materials and pharmaceutical reagents).

Regulatory opportunities

- The use of energy sources that generate a lower volume of emissions and more efficient technology in order to achieve the decarbonisation of the company.
- Design of more efficient distribution processes that lead to a reduction in Scope 3 emissions and the resulting decrease in the costs associated to purchasing fossil fuels.

Reputational opportunity

- Improvements in packaging design, reducing the amount of plastic materials and including more ecological ones, given the growing pressure from society and the regulation of the use of plastics.

After the process to identify the risks and opportunities, the assessment was made using a probability and impact matrix. The scale used was as follows:

- Major risk: < -0.6
- Moderate risk: -0.5 to -0.6
- Low risk: -0.2 to -0.4
- Minimal risk/opportunity: 0 to -0.1
- Minor opportunity: 0.2 to 0.4
- Moderate opportunity: 0.5 to 0.6
- Major opportunity: > 0.6

The only transition risk deemed material based on the thresholds considered (major risk) was the increase in the cost of CO_2 emissions.

In this respect, according to the socioeconomic scenarios presented by the IEA, a constant increase in carbon prices in upcoming years was considered. Even though the pharmaceutical sector was not affected directly by the carbon mechanisms, an increase in these prices could cause indirect operating costs related to obtaining energy for operations and transport as well as the materials and raw materials that ROVI will continue to purchase in the future. The quantification of the carbon mechanisms was calculated in accordance with the cost of electricity and key raw materials, derived from the increase in the carbon prices applicable to companies with high greenhouse gas emissions.

The potential additional costs of the price of fuel, electricity and materials have been estimated under two different climate scenarios (STEPS: Stated Policy Scenario, and NZS: Net-Zero Scenario) for two time horizons: medium term (2030) and long term (2050).

The results of the assessment find that it will not be until 2050 that a slight increase can be expected associated to the consumption of fuels, electricity and materials derived from the carbon mechanism in the most restrictive net zero scenario. For this reason, ROVI has not deemed it necessary to develop a mitigation plan for this risk.

In the assessment of transition risks, ROVI has not identified any assets or business activities that are incompatible with, or that require significant effort to be compatible with, a transition towards a climate neutral economy.

Finally, it should be noted that the climate scenarios used are compatible with the basic climate-related assumptions used in the consolidated annual accounts (see chapter 4. Critical accounting estimates and judgements of the Consolidated Annual Accounts[25]).

◦ Disclosure Requirement E1-2: Policies related to climate change mitigation and adaptation

The objective of this Disclosure Requirement is to disclose the Group's climate change-related policies.

ROVI has a Corporate Climate Change Policy in line with its commitment to combatting climate change, signed by the company chairman. Through this Policy, ROVI undertakes to promote a corporate culture that encourages raising awareness among all its stakeholders of the magnitude of the challenge and the benefits associated to tackling a solution, identifying specific aspects in the areas of climate change mitigation and adaptation. The scope of the Policy encompasses all group companies.

The Policy was updated in 2024 to reflect that latest developments and advances in climate change mitigation and adaptation.

In this context, ROVI has three principles for action that guide the implementation of its commitment to mitigate climate change:

- **AVOID:** the Group's priority is to achieve a net result of zero GHG emissions, balancing the amount of tCO_2eq emitted into the air with the removal of emissions via different channels. To this end, ROVI is working on measures that allow the transition towards renewable energy sources.
- **REDUCE**: the basis for neutrality is attained by implementing emission reduction measures. In this respect, ROVI is working on energy efficiency projects and decarbonisation plans oriented towards implementing measures that allow a reduction in the consumption of energy from fossil fuels. Likewise, alternatives in the composition of raw materials are under consideration in order to choose those with less environmental impacts and efficient waste management is promoted, prioritising recovery over elimination.
- **COMPENSATE**: Scopes 1 and 2 emissions that cannot be avoided or reduced are offset in their totality and Scope 3 emissions are gradually being offset through socially and environmentally responsible projects.

[25] The financial scale approved by the Audit Committee in October 2024 was the scale used to assess the risks in the double materiality assessment, which is consistent with the financial quantification of the climate risks described in the Consolidated Annual Accounts:

Insignificant risk: < 0.25% of net sales (2 million euros)

Low risk: 0.25 – 1.5% of net sales (2.0 – 11.8 million euros)

Moderate risk: 1.5% - 3% of net sales (11.8 – 23.6 million euros)

High risk: 3% - 6% of net sales (23.6 – 47.3 million euros)

Severe risk: 6% - 10% of net sales (47.3 – 78.8 million euros)

Very severe risk: ≥ 10% of net sales (> 78.8 million euros)

Likewise, the Climate Change Policy sets the principles for action directly related to the material topics derived from the double materiality assessment: climate change mitigation and adaptation and energy, and also addresses management of the physical and transition-related climate change risks.

Additionally, ROVI also has the Energy Policy for the Granada complex, which was approved by the Group's Industrial Manager and establishes the principles and commitments oriented to reduce energy consumption-related greenhouse gas emissions for all the employees at said centre. Furthermore, the policy refers to implementing an energy management system that permits conscious use of energy resources.

◦ Disclosure Requirement E1-3: Actions and resources in relation to climate-change policies

The objective of this Disclosure Requirement is to disclose the actions that ROVI has taken or plans to take to fight climate change.

As mentioned in relation to Disclosure Requirement E1-1, ROVI does not have a transition plan at corporate level and, therefore, for the moment, cannot disclose mitigation actions with specific targets for the years 2030 and 2050 as required by this Disclosure Requirement. Notwithstanding, in 2024, ROVI worked on specific studies intended to identify and plan potential actions to reduce its carbon footprint and keep in line with the global decarbonisation targets at the Alcalá de Henares and San Sebastián de los Reyes plants, which are those that generate most of the Group's emissions.

Likewise, ROVI is working on the main decarbonisation levers to reach the GHG emission reduction targets, such as energy-efficiency measures, the use of renewable energy and an analysis of fuel changes, among others. In this respect, ROVI has installed solar panels and vehicle charging points at the San Sebastián de los Reyes industrial complex. These actions entailed taxonomy[26] CapEx of €46,628.64 and €10,394.72, respectively.

By obtaining the certification of the Escúzar industrial complex under the standard ISO 14001, in 2024, the Group had its entire environmental management system certified. This action entailed a total expense of €4,791.60.

The actions[27] taken by ROVI to reduce its GHG emissions in line with the management of material impacts, risks and opportunities are described below:

Scope 1

To continue the Group's energy-saving project, in 2024, energy-efficiency measures were implemented through specific actions at each one of the industrial complexes.

Julián Camarillo Complex:

- Monitoring and analysis of energy consumption data through the monitoring and invoice platform. The associated taxonomy CapEx totals €2,655.95.
- Modelisation of gas consumption through a regression analysis as part of the energy audit pursuant to Royal Decree 56/2016, which is mandatory every four years. The associated OpEx totals €5,004.86.
- Monitoring of the main consumptions of the project for the new ISM plant. The associated CapEx totals €673.49.
- Incorporation of hot water consumption of the development chambers to the hot water boiler, instead of the hot water circuit generated from steam. The associated CapEx totals €9,529.23.
- Monitoring the steam consumption of the heat exchangers. The associated taxonomy CapEx totals €4,845.59.
- Control of the times of operation of the air treatment units in building D. This action did not require the Group to make a significant investment.

[26] Taxonomy CapEx or OpEx refers to those items that meet the description of activities 7.3, 7.4, 7.5 or 7.6 of the Climate Change Mitigation Annex of the European Taxonomy.
[27] Some of the energy efficiency-related actions implemented at the plants will be repeated, since they consist of measures that affect both Scope 1 and 2.

Alcalá de Henares Complex

- Monitoring the main consumptions of the Building 3 extension. The associated taxonomy CapEx totals €14,039.63.
- Revamping the small boiler. The associated CapEx totals €14,489.75.
- Monitoring hot water consumption for Building 1. The associated taxonomy CapEx totals €8,715.63.
- Study of the steam consumption of the roller (building 28) and installation of a meter. The associated taxonomy CapEx totals €19,335.62.
- Modelisation of gas consumption through a regression analysis as part of the energy audit pursuant to Royal Decree 56/2016, which is mandatory every four years. The associated OpEx totals €5,345.18.
- Replacement of the laboratory autoclave that consumes steam by an electric one. The associated CapEx totals €120,279.35.

San Sebastián de los Reyes Complex:

- Monitoring and analysis of energy consumption data through the monitoring and invoice platform. The associated taxonomy CapEx totals €2,008.60.
- Monitoring of steam consumption. The associated taxonomy CapEx totals €2,320.18.
- Modelisation of gas consumption through a regression analysis as part of the energy audit pursuant to Royal Decree 56/2016, which is mandatory every four years. The associated OpEx totals €5,404.16.

Granada Complex

- Monitoring, analysis and continuous improvement of the plant's energy performance by maintaining the Energy Management System certified under ISO 50001. The associated taxonomy OpEx totals €4,307.60.
- Monitoring of 7 steam flow meters via screen and network. The associated taxonomy CapEx totals €4,194.02.
- Thermal insulation for thermoregulation of the R2B and R2C reactors (production tanks that have a "jacket" that controls the temperature of the product inside). The associated taxonomy CapEx totals €2,307.62.
- Thermal insulation of steam flow meters. The associated taxonomy CapEx totals €3,961.88.
- Audit of the steam line and replacement of defective steam traps. The associated taxonomy CapEx totals €672.49.
- New climate compensation curve to allow modification of the set point of the hot water circuit for air-conditioning in accordance with the outside temperature. This action did not require the Group to make a significant investment.
- New climate compensation curve to allow modification of the set point of ATU 1 in accordance with the outside temperature. This action did not require the Group to make a significant investment.
- Installation of sunscreen vinyl on the glass windows of the ground floor. The associated taxonomy CapEx totalled €3.233.54.

Escúzar Complex:

- Monitoring and analysis of energy consumption data through the monitoring and invoice platform. The associated taxonomy CapEx totals €2,262.70.

Furthermore, in 2024, the maintenance processes related to refrigerant gases were optimised and, in line with this measure, the Climate Change Policy promotes the use of gases with a lower atmospheric warming power at the new facilities.

In addition, regarding direct emissions arising from natural gas consumption, the Group is evaluating the thermal energy of the facilities to determine how to replace this energy source (natural gas), especially at the San Sebastián de los Reyes and Alcalá de Henares plants, which are those that make the greatest contribution to Scope 1 emissions, as mentioned previously.

Scope 2

ROVI consumes renewable energy at practically all its work centres, including all its production centres and the Group's main offices, thus contributing to a decrease in the indirect emissions associated to purchasing electricity. Additionally, in 2024, self-consumption of energy reached 6% due to the photovoltaic panels installed in previous years.

In this context, different energy efficiency measures were taken at the five industrial production complexes:

Julián Camarillo Complex:

- Monitoring and analysis of energy consumption data through the monitoring and invoice platform. The associated taxonomy CapEx is shown above in Scope 1.
- Modelisation of electricity consumption through a regression analysis as part of the energy audit pursuant to Royal Decree 56/2016, which is mandatory every four years. The OpEx on this audit is shown above in Scope 1.
- Separation of the lighting switches for the two areas of the floors in building H and control of the times the luminaires in this building are turned on and off. The associated taxonomy CapEx totals €1,671.25.
- Replacement of LED luminaires in the technical rooms in building A. The associated taxonomy CapEx totals €8,522.27.

Alcalá de Henares Complex:

- Installation of LED luminaires in the outdoor lighting on the technical roofs (buildings 19, 28, 32) and the indoor lighting of building 1. The associated taxonomy CapEx totals €8,127.16.
- Installation of LED luminaires in the indoor lighting of building 1. The associated taxonomy CapEx totals €80,805.87.
- Installation of photovoltaic panels on building 3. The associated taxonomy CapEx totals €762.30.
- Modelisation of electricity consumption through a regression analysis as part of the energy audit pursuant to Royal Decree 56/2016, which is mandatory every four years. The OpEx on this audit is shown above in Scope 1.
- Improving the control of the chillers (pressure control). The associated CapEx totals €2,225.43.

San Sebastián de los Reyes Complex:

- Monitoring and analysis of energy consumption data through the monitoring and invoice platform. The associated taxonomy CapEx is shown above in Scope 1.
- Modelisation of electricity consumption through a regression analysis as part of the energy audit pursuant to Royal Decree 56/2016, which is mandatory every four years. The OpEx on this audit is shown above in Scope 1.
- Installation of LED luminaires in building A (vial packaging area). The associated taxonomy CapEx totals €5,217.54.

Granada Complex:

- Monitoring, analysis and continual improvement of the plant's energy performance by maintaining the Energy Management System certificate under ISO 50001. The associated taxonomy OpEx is shown above in Scope 1.
- Installation of network analysers and monitoring of electricity consumption in 7 chillers. The associated taxonomy CapEx totals €11,295.35.
- Installation of network analysers and monitoring of electricity consumption in 4 chillers. The associated taxonomy CapEx totals €7,695.60.
- Installation of a presence detector in the canteen in order to control the lighting. The associated taxonomy CapEx totals €963.10.
- Elimination of the 3-way bypass valves in heat batteries in the ATUs of the hot water circuit and speed control of the recirculation pumps. The associated taxonomy CapEx totals €5,531.87.
- New climate compensation curve to allow modification of the set point of ATU 1 in accordance with the outside temperature. This action did not require the Group to make a significant investment.
- Changing the return temperature set point of the cold sub-loop of the WFI 1 loop to a temperature set point that requires less energy. This action did not require the Group to make a significant investment.
- Installation of sunscreen vinyl on the glass windows on the ground floor. The associated taxonomy CapEx is shown above in Scope 1.

Escúzar Complex:

- Monitoring and analysis of energy consumption data through the monitoring and invoice platform. The associated taxonomy CapEx is shown above in Scope 1.

Scope 3:

Regarding waste management, ROVI is striving to reduce and, ultimately, eliminate all destructive treatments, replacing them by recovery processes. It is also promoting the transportation of this waste to treatment centres closer to the facilities where they are generated. Additionally, from 2024 onwards, the logistics operators engaged by the Group will be required to submit decarbonisation plans. If they do not have such plans, the will be obliged to prepare them during the first two years that they work with ROVI.

Furthermore, alternative packaging materials are being evaluated to replace the present ones. The Group already has four lines that package products in cardboard, rather than plastic, for one of its main customers and is also working on the viability of introducing recycled and recyclable plastic blisters for some products.

Objectives for the current year

In spite of the existence of the above actions, including both those implemented and those under analysis, ROVI does not monitor the reductions in GHG emissions that have been achieved or forecast. Notwithstanding, in 2024, the Group focused on attaining a series of specific goals, such as mitigating 100% of the CO_2 emissions generated in 2023 at each centre due to electricity and fuel consumption (Scopes 1 and 2 of the carbon footprint). The expense associated to this totalled €50,616. Additionally, there are specific objectives for each industrial complex:[28]

Julián Camarillo:

- Not to increase electricity consumption in proportion to production volume by more than 5% compared to 2023.

Alcalá de Henares:

- Not to increase electricity consumption by more than 16% or natural gas consumption by more than 4% in proportion to the increase in production volume compared with 2023.

Granada y Escúzar:

- Generation of at least 200,000 kWh/year more of energy for self-consumption in 2024 compared to the total energy consumed at each plant in 2023.

Lastly, mention should be made of the fact that the actions described above will be reflected, where appropriate, with the relevant taxonomy activities and key results indicators. Details may be consulted in the European Taxonomy chapter (eligible and aligned activities). The consolidated CapEx figures for 2024 may be consulted in Note 6 “Property Plant and Equipment” and Note 7 “Intangible Assets” of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 “Other Operating Expenses”.

d. Metrics and targets

◦ Disclosure Requirement E1-4: Targets related to climate change mitigation and adaptation

The objective of this Disclosure Requirement is to disclose the focus adopted by ROVI to support its climate change-related procedures and address the impacts and risks associated to the resources.

At present, ROVI does not have measurable targets aimed at specific GHG emission reduction targets in order to address management of the climate-related impacts and risks identified since, as mentioned previously, the Group does not have a corporate transition plan. However, the ROVI Group has a commitment to adhere to the SBTi Initiative (Science Based Targets Initiative)[29] in 2025.

Notwithstanding, even though no targets have been fixed for the years 2030 and 2050, the Group will continue with the annual corporate goal of reducing 100% of the Scopes 1 and 2 emissions that have not been avoided or reduced, as well as increasing

[28] No specific goals have been established for the San Sebastián de los Reyes plant.
[29] The Science Based Targets are a set of targets defined to establish a clear route to reducing greenhouse gas emissions.

the reduction of Scope 3 emissions. Thus, the efficacy of its climate change policy and the actions related to the IRO's identified in the double materiality assessment are monitored.

Lastly, mention should be made of the fact that the energy consumption targets are defined at the beginning of the year, once the energy consumed in the preceding period has been analysed (in the case of Escúzar, said goal has now been defined, oriented to generating at least 260,528 kWh/year more energy for self-consumption in 2025 compared to the total energy consumed in the industrial complex in 2024 and, for the Granada Complex, the goal is to reduce electricity and gas consumption by 2.2% and 2.87%, respectively, compared to 2024).

◦ Disclosure Requirement E1-5: Energy consumption and mix

The objective of this Disclosure Requirement is to provide a clear understanding of the Group's energy consumption and mix. Companies operating in high climate impact sectors must provide a more detailed disaggregation of their energy consumption from fossil fuels. Under this framework, ROVI belongs to a high climate impact sector given that pharmaceutical product manufacturing is classified in section C of the statistical classification of economic activities of the European Union, NACE, corresponding to the manufacturing industry.

The information on the company's total energy consumption in its own operations is set out below, disaggregated into the total consumption of energy from fossil fuels and renewable sources, in addition to the percentage of the type of energy in the global energy mix. Attention should be drawn to the fact that 100% of the electricity consumed by all the ROVI Group's production complexes and its main offices are from renewable sources with guarantee of origin.

Energy consumption by origin (MWh)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Fuel consumption from coal and coal products	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fuel consumption from crude oil and petroleum products	0.00	0.00	0.00	15.62	41.45	8,222.52	8,279.59
Fuel consumption from natural gas	4,129.70	3,708.62	4,848.13	9,531.18	13,718.35	0.00	35,935.98
Fuel consumption from other fossil sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumption of purchased or acquired electricity from non-renewable sources	0.00	0.00	0.00	0.00	0.00	109.43	109.43
Total energy consumption from fossil sources	4,129.70	3,708.62	4,848.13	9,546.80	13,759.80	8,331.95	44,325.00
Proportion of fossil sources in total energy consumption (%)	*0.54*	*0.46*	*0.43*	*0.50*	*0.56*	*0.93*	*0.56*
Fuel consumption from nuclear sources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proportion of nuclear sources in total energy consumption (%)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Fuel consumption from renewable sources including biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renewable sources, etc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	3,553.53	4,420.67	6,386.42	9,393.17	11,015.70	633.77	35,403.26
Consumption of self-generated non-fuel renewable energy	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total renewable energy consumption	3,553.53	4,420.67	6,386.42	9,393.17	11,015.70	633.77	35,403.26

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Proportion of renewable sources in total energy consumption (%)	46.25	54.38	56.85	49.59	44.46	7.07	44.40
Total energy consumption (MWh)	7,683.23	8,129.29	11,234.55	18,939.97	24,775.50	8,965.73	79,728.26

In 2023, energy consumption, including electricity, natural gas, fuel for stationary combustion sources and fuel for mobile combustion sources, was 71,007,947.50 KwH and in 2022, 63,333,105.00 KwH.

Likewise, ROVI produces renewable energy through photovoltaic panels that have been installed since 2022 at the Alcalá de Henares and Granada plants and 2023 at the Julián Camarillo, San Sebastián de los Reyes and Escúzar plants.

Energy generation (MWh)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Renewable energy generated	254.09	456.99	218.63	239.17	984.80	0.00	2,153.68
Non-renewable energy generated	0.00	0.00	0.00	0.00	0.00	0.00	0.00

In 2023, 757,796 KWh of photovoltaic energy was produced, 446,487 KWh in 2022.

The energy intensity associated to said activities is set out below:

Energy intensity

	2024
Total energy consumption Mwh from the manufacture of pharmaceutical products/net revenue[30]	104.39

◦ Disclosure Requirement E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

The objective of this disclosure requirement is to disaggregate ROVI's GHG emissions in total and by scope.

The information on total GHG emissions is set out below, including both those produced directly by the Group's own operations and those derived from upstream and downstream phases of the value chain. Likewise, this information is provided with other disclosures required for a greater understanding.

GHG emissions

	Retrospective					Milestones and target years		
	2022	2023	2024	Variation 2023-2024	Annual % target / Base year	2030	2025	Annual % target / Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO2eq)*	7,561.36	8,240.43	9,565.80	26.51%	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)*	-	-	-	-	-	-	-	-

[30] The net revenue figure can be consulted in Note 22 to the Group's Annual Accounts.

	Retrospective					Milestones and target years		
	2022	2023	2024	Variation 2023-2024	Annual % target / Base year	2030	2025	Annual % target / Base year
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO2eq)**	7,982.96	8,389.16	9,243.18	15.79%	-	-	-	-
Gross market-based Scope 2 GHG emissions (tCO2eq)	668.19	50.84	37.46	(94.39)%	-	-	-	-
Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (tCO2eq)	10,645.40	10,347.43	12,099.63	13.66%	-	-	-	-
1. Purchased goods and services (Optional sub-category: Cloud computing and data centre services)	5,426.42	5,554.16	5,186.28	(4.43)%	-	-	-	-
(Optional sub-category: Cloud computing and data centre services)	-	-	-	-	-	-	-	-
2 Capital goods	-	-	-	-	-	-	-	-
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	-	-	-	-	-	-	-	-
4 Upstream transportation and distribution	156.33	272.72	130.46	(16.55)%	-	-	-	-
5 Waste generated in operations	1,907.31	2,034.44	3,352.12	75.75%	-	-	-	-
6 Business travel	92.37	459.85	578.03	525.78%	-	-	-	-
7 Employee commuting	2,568.43	1,555.74	2,377.91	(7.42)%	-	-	-	-
8 Upstream leased assets	-	-	-	-	-	-	-	-
9 Downstream transportation	494.54	470.52	474.83	(3.99)%	-	-	-	-
10 Processing of sold products	-	-	-	-	-	-	-	-
11 Use of sold products	-	-	-	-	-	-	-	-
12 End-of-life treatment of sold products	-	-	-	-	-	-	-	-
13 Downstream leased assets	-	-	-	-	-	-	-	-
14 Franchises	-	-	-	-	-	-	-	-
15 Investments	-	-	-	-	-	-	-	-
Total GHG emissions								
Total location-based GHG emissions (Tn CO_2eq)	26,189.72	26,977.02	30,908.61	18.02%	-	-	-	-
Total market-based GHG emissions (Tn CO_2eq)	18,874.95	18,638.70	21,702.89	14.98%	-	-	-	-

In 2023, 7,859 tCO_2eq. of Scope 1 (6,693tCO_2eq. in 2022), 36 tCO_2eq. of Scope 2 (616 tCO_2eq. in 2022) and 11,059 tCO_2eq. of Scope 3 (10,352 tCO_2eq. in 2022) were reported.

Scopes 1 and 2 biogenic GHG emissions

Regarding Scopes 1 and 2 biogenic emissions, ROVI confirms that it does not generate such emissions.

GHG intensity based on net revenue

	2024
Total location-based emissions (tCO2e) / net revenue*	12.10
Total market -based emissions(tCO2e) / net revenue*	0.05

" The net revenue figure can be consulted in Note 22 to the Group's Annual Accounts.

To calculate the tonnes of CO_2 eq. emitted into the air, the emission factors provided by the Ministry for the Ecological Transition and the Demographic Challenge for electricity, natural gas and diesel oil published in 2024, DEFRA 2024, Catalan Climate Change Office 2024 and SimaPRO were used.

Regarding the methodology and assumptions used, the Group follows a procedure structured to consolidate and assess GHG emission.

- Limits of the organisation: the GHG emissions are consolidated using the control approach, recording 100% of the emissions from the operations controlled directly by ROVI. This calculation includes categories 1, 2, 3 and 4:
  - Category 1: consumption in stationary installations (natural gas and diesel oil), fluorated gas leaks/refills and the vehicle fleet controlled by ROVI.
  - Category 2: Category 2: electricity consumption.
  - Category 3: internal/external mobility (upstream and downstream) and waste transportation.
  - Category 4: consumption of raw materials and overnight stays.
- Direct GHG emissions and removals: direct emissions of CO_2, CH_4, N_2O_3, NF_3, SF_6 and other GHG (HFC, PFC) are quantified separately in tonnes of CO_2eq. Currently, no GHG removals are recorded.
- Indirect GHG emissions: the assessment of significant indirect GHG emissions follows Annex H of ISO 14064-1 2019, considering five qualitative criteria:
  - Level of influence: ability to measure and reduce emissions of this category.
  - Risk or opportunity: impacts on regulations, reputation or access to markets.
  - Utility for users: facilitates reliable decisions for the intended users.
  - Absence of uncertainty: traceable and accurate date for calculations.
  - Essential activity: associated to outsourced core business activities.

Regarding the assessment methodology, compliance with the above five criteria is verified and, if at least three are favourable, the last criterion, the quantitative magnitude, is analysed, determining whether the category represents a significant weight in the total carbon footprint. In this respect, indirect emissions whose estimated value exceeds 5% of the total (direct and indirect) are included in the inventory and said phase defines the final list of indirect GHG emission sources. For the calculation process, ROVI combines the Company's activity data with the emission factors obtained for relevant official sources each year. This results of this calculation are expressed in tonnes of CO_2 equivalent (CO_2eq).

◦ Disclosure Requirement E1-7: GHG removals and GHG mitigation projects financed through carbon credits

The objective of this Disclosure Requirement is to enable an understanding of the actions taken by ROVI to mitigate GHG emissions into the atmosphere through projects financed by carbon credits.

In 2024, ROVI carried out two national and international CO_2 offset projects.

With a national scope, ROVI took part in a project called “Ibereucaliptos, S.A.”, which consists of a forest restoration and sustainable forest management project. The objective is to recover the land affected by a fire in 2019 on the “El Vinagre” property, located in the municipalities of Paterna del Campo and Berrocal in the province of Huelva. As a result of this project, ROVI obtained the “Compensate” seal associated to the Carbon Footprint Register of the Ministry for the Ecological Transition and Demographic Challenge (MITERD). The carbon credits from this tCO_2 removal project come from biogenic sinks and represented a total cost of €49,676.55, offsetting a total of 1,500 tCO_2.

With an international scope, ROVI participated in the Zhejiang Tangcun hydroelectric project, which is a project to expand the 9.13 MW plant to 32 MW. This project uses the flow of water from the existing reservoir to improve production efficiency and increase the amount of electricity generated. The carbon credits from this tCO_2 reduction project come from the United Nations Framework Convention on Climate Change and represented a total cost of $10,064.25, offsetting a total of 13,500 tCO_2.

In this respect, the total amount of emissions removed as a result of the offset projects in which ROVI participated is shown below:

Carbon credits cancelled in the reporting year

	2022
Total tonnes of tCO2	15,000
Proportion of removal projects	10%
Proportion of reduction credits (%)	90%
Recognised quality standard MITERD	10%
Recognised quality standard UNFCCC (%)	90%
Proportion of projects in EU (%)	10%
Proportion of carbon credits that may be considered applicable adjustments (%)	-

ROVI has not defined the total amount of carbon credits outside the Company’s value chain that it intends to cancel in the future.

◦ Disclosure Requirement E1-8: Internal carbon pricing

ROVI does not currently have an internal carbon pricing system and, therefore, the disclosure of the rest of the information associated to this Disclosure Requirement is not applicable.

◦ Disclosure Requirement E1-9: Anticipated financial effects for material physical and transition risks and potential climate-related opportunities

In accordance with Appendix C of ESRS 1 (list of phased-in Disclosure Requirements), in the present year, ROVI is applying the exemption from disclosing the quantification of the anticipated financial effects in monetary terms related to physical and transition risks, given that the company may omit the information to which this Disclosure Requirement refers in the first year of preparation of its Report. Additionally, ROVI may disclose only qualitative information for the first three years of preparation of the statement. Neither will it provide a description of the effects considered or the basic assumptions used to quantify the anticipated financial effects.

3. ESRS E2. Pollution

The objective of this chapter is to disclose how ROVI's activity affects pollution of air, water and soil, taking account of material actual or potential, positive or negative impacts.

Likewise, the policies adopted to prevent or mitigate the actual or potential negative impacts and address the associated risks and opportunities are disclosed. The actions taken by the Group to address the prevention, control, elimination or reduction of pollution are also described.

a. Management of impacts, risks and opportunities

◦ Disclosure Requirement related to ESRS 2 IRO-1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

In relation to the process followed by ROVI to identify the material pollution-related impacts, risks and opportunities, see Disclosure Requirement ESRS 2 IRO-1, which describes the four phases of the double materiality assessment: understanding, identification, assessment and determination. Likewise, ROVI has no impact on adjacent communities either in its own operations or in any part of its value chain (see explanation under Disclosure Requirement IRO-2) and, therefore, it has not been necessary to consult such communities.

As a result of the double materiality assessment, the pollution-related impacts[31] found to be material are described below:

Value chain level	Sub-topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Upstream	Water pollution	Extensive use of antibiotics in pigs (from which heparin is obtained).	Negative impact	Actual	< 1 year
Own operations	Water pollution	ROVI's correct management of wastewater.	Positive impact	Actual	< 1 year
Downstream	Water pollution	Medicines that are not recycled through "Punto Sigre" that end up in dumps.	Negative impact	Actual	< 1 year
Downstream	Water pollution	Classification process at "Punto SIGRE" with the objective of "zero discharge".	Positive impact	Actual	< 1 year
Upstream	Air pollution	Emission of pollutant gases such as ammonia (NH3) derived from the extensive use of pigs (from which heparin is obtained).	Negative impact	Actual	< 1 year
Own operations	Air pollution	Treatment system for volatile organic compounds (VOCs) that helps avoid air pollution.	Positive impact	Actual	< 1 year
Downstream	Air pollution	Toxic compounds released by the incineration of medicine waste to recover energy.	Negative impact	Actual	< 1 year
Downstream	Soil pollution	Incineration of medicine waste to recover energy avoids soil pollution.	Positive impact	Actual	< 1 year
Across the value chain	Air pollution	Emissions into t he air due to transportation of raw materials and finished goods by ROVI.	Negative impact	Actual	< 1 year
Downstream	Soil pollution	Reduction in soil pollution by energy recovery carried out at "Punto SIGRE" classification plants.	Positive impact	Actual	< 1 year
Downstream	Soil pollution	Contribution to soil pollution by medicines not recycled at the "Punto SIGRE" that end up in dumps.	Negative impact	Actual	< 1 year
Accross the value chain	Microplastics	Generation of microplastics due to heavy consumption of plastic across the whole value chain of the pharmaceutical sector.	Negative impact	Actual	< 1 year
Downstream	Substances of concern	Medicines or medical devices (eg. syringes) no recycled at the "Punto SIGRE" or through specific bins tend to end up in dumps.	Negative impact	Actual	< 1 year

[31] The fact that no material risks or opportunities have been identified should be taken into account.

◦ Disclosure Requirement E2-1: Policies related to pollution

The objective of this Disclosure Requirement is to disclose the Group's pollution-related policies.

ROVI does not currently have a corporate policy that specifically addresses the prevention and control of pollution or addresses aspects such as the pollutants or specific substances emitted by the industrial activity, the way in which a contribution can be made to the EU action plan ("Zero pollution for air, water and soil") or how to reduce the pollution footprint to contribute to the targets of said action plan.

In this respect, neither does any corporate policy address the mitigation of negative impacts or the prevention of incidents and emergency situations derived from pollution or the minimisation or replacement of substances of concern and very high concern.

Notwithstanding, the Environmental Management Policy and the Environmental and Social Sustainability Policy address ROVI's impact on the environment in general terms, including the prevention of pollution.

The Group has emission and discharge control procedures in place and specific environmental monitoring plans based on the environmental authorisations. The monitoring plans consider topics such as the control of pollutant emissions to air and the remediation of environmental damages, as well as soil pollution by the Company.

These procedures form the management framework that ROVI uses for operational decision-making on pollution-related aspects. Likewise, the procedures are reviewed periodically, allowing ROVI to comply with the different environmental rules and standards.

◦ Disclosure Requirement E2-2: Actions and resources related to pollution

The objective of this Disclosure Requirement is to disclose the actions that ROVI has taken or planned in relation to pollution management.

At present, the actions taken to manage pollution do not include commitments related to the upstream or downstream phases of the value chain, since the Group is unable to take action in relation to these phases. In this respect, ROVI's activity focuses on addressing the pollution generated directly by its own operations.

It is important to mention that the activity of ROVI that could potentially generate a material pollution-related impact is carried out at its five industrial plants. In this respect, ROVI complies with the environmental or specific emission authorisations that it holds and does not exceed any of the thresholds established, meaning that the actions taken are mainly preventive.

Notwithstanding, at the plants that are most critical from a pollution standpoint, additional internal controls are developed, in addition to the regulations set out below:

Pollution of air

In relation to air pollution, the controls in place at the plants are established in accordance with the power of the boilers, which are the main emission points. Exceptionally, at the Granada and Escúzar plants, work has been carried out to achieve the following air pollution objectives:

- Elimination of the emissions of volatile organic compounds (VOCs) generated through the manholes of trucks during the loading process of solvent waste tankers. This elimination has only been achieved at the Granada Complex, representing an investment of €2,272.19 for ROVI.
- Keeping, as of December 2024, the Total Organic Carbon levels (TOC, emission source P1G4) 12% below the applicable legal limits established in Royal Decree 117/2003 on the limitation of volatile organic compound emissions due to the use of solvents in certain activities (20 mg/m3). This action represented an expense of €139,700.
- Reduction, compared to 2023, in the amount (kg/h) of the diffuse emissions caused by the raw material and waste storage installations on the tank farm. This action involved a total expense of €3,167.40 for the Group (€1,200 for the Escúzar Complex, with a reduction of at least 30%, and €1,967.40 for the Granada Complex).

Likewise, in 2024, ROVI began to carry out controls of the boiler emissions more often than required by the regulations. Furthermore, the Group's control procedures began to be conducted annually at all its locations. Previously, these procedures were not carried out annually, but it was decided to adopt this frequency to ensure more exhaustive monitoring.

Pollution of water

Regarding water pollution, visual inspections are conducted in all the areas where chemical products may be stored to ensure they are in good condition and avoid possible accidental discharges.

Likewise, in 2012 at the Julián Camarillo plant, two diesel oil tanks were removed, leaving two pockets of diesel oil in the soil. ROVI commenced a monitoring process to control the amount of diesel oil present in the pockets and assess the progress of the remediation system implemented, while, at the same time, checking the groundwater to confirm that there had been no impact on it. At present, after several years of work, levels considerably lower than those required by current regulations have been achieved and, therefore, the conclusion of this process has been requested.

Pollution of soil

Soil pollution is not considered material for ROVI in its own operations.. Notwithstanding, the Group has a control process to prevent soil pollution which, depending on the plant, is carried out every 5-8 years.

Additionally, at the San Sebastián de los Reyes plant, work was carried out in 2024 to increase by 100% the actions aimed at supervising the use of absorbents to control minor spills. The expense associated to this action totalled €653.70.

Microplastics

At present, ROVI does not take any action that enables it to understand whether, as a result of either its production process or the subsequent marketing and distribution of medicines, it might generate microplastics that could potentially pollute the environment.

Lastly, it should be noted that the consolidated CapEx figures for 2024 may be consulted in Note 6 "Property Plant and Equipment" and Note 7 "Intangible Assets" of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 "Other Operating Expenses".

b. Metrics and targets

◦ Disclosure Requirement E2-3: Targets related to pollution

The objective of this Disclosure Requirement is to disclose the targets set by ROVI to support the pollution-related actions taken and to address the material impacts associated to them.

Regarding air pollution, the Group's approach focuses on ensuring that pollutant emissions are within the legal limits and, in many cases, they are kept well below those limits.

Notwithstanding, for 2025, the Escúzar Complex has set a target of eliminating, compared to 2024, he emissions of volatile organic compounds (VOCs) generated through the manholes of trucks during the loading process of solvent waste tankers. Likewise, for both the Escúzar and Granada Complexes, a goal has been set to maintain, as of December 2025, the VOC emission levels (emission source P1G4) 10% and 12%, respectively, below the applicable legal limits established in Royal Decree 117/2003 on the limitation of volatile organic compound emissions due to the use of solvents in certain activities (20 mg/m3).

In general terms, given that the industrial environment in Spain is highly regulated from an environmental standpoint, ROVI monitors the possible pollutants of air, water and soil and keeps the pollutant emissions below the established legal limits. Therefore, ROVI does not consider it necessary to set specific targets related to the control of air pollutants, emissions to water, pollution of soil and substances of concern and very high concern, as occurs with other environmental aspects.

In general, at all the plants, emissions to air come from combustion points, such as boilers, which are habitually below the limits permitted.

◦ Disclosure Requirement E2-4: Pollution of air, water and soil

The objective of this Disclosure Requirement is to identify the pollutants that ROVI emits as a result of its industrial activity, as well as the microplastics it generates. This information is set out below:

Other significant emissions to air, soil and water (Kg/year)

Regarding the pollutants emitted to air, water and soil listed in Annex II of Regulation (EU) 166/2006, the amounts emitted are not reported since, in 2024, the applicable threshold values specified in said Annex were not exceeded. Attention should be drawn to the fact that the data are gathered from regulatory spot measurements and the calculation is made in accordance with the Recovery, Transformation and Resilience Plan.

In 2023, 9,589 kg/year of NOx ((9,759 in 2022) and 1,445 kg/year of SOx (1,551 in 2022) were emitted.

◦ Disclosure Requirement E2-5: Substances of concern and substances of very high concern

This Disclosure Requirement requires information on total amount of substances of concern generated as a result of the production, use, distribution, marketing, importation and exportation of pharmaceutical or healthcare products. For 2024, ROVI will not report information in this respect since, as a result of the double materiality assessment, only one negative impact, related to substances of concern downstream, was found to be material (end of the useful life of ROVI products).

◦ Disclosure Requirement E2-6: Anticipated financial effects from material pollution-related risks and opportunities.

ROVI has not identified any material pollution-related risks or opportunities and, therefore, the quantification of their anticipated financial effects would not be applicable.

4. ESRS E3. Water and marine resources

The objective of this chapter is to provide an understanding of how ROVI affects water resources,[32] taking account of material actual or potential, positive or negative impacts.

Additionally, the actions taken to prevent negative impacts and protect water resources, as well as those to manage the risks and opportunities, are described, together with their results.

a. Impact, risk and opportunity management

◦ Disclosure Requirement related to ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources

In relation to the process followed by ROVI to identify the material impacts, risks and opportunities related to water resources, see Disclosure Requirement IRO-1 in ESRS 2, which describes the four phases of the double materiality assessment: understanding, identification, assessment and determination. Likewise, ROVI has no impact on adjacent communities either in its own operations or in any part of its value chain (see explanation under Disclosure Requirement IRO-2) and, therefore, it has not been necessary to consult such communities. In addition, it should be emphasised that neither the the Group's activity nor the activities of its value chain has any impact on the oceans or marine resources (see explanation under Disclosure Requirement IRO-2).

As a result of the double materiality analysis conducted, the impact and risks[33] that have been found to be material in relation to water resources are set out below:

Value chain level	Sub-(sub-)topic	Description IRO	Impact/Risk/ Opportunity	Actual/ potential	Time horizon
Own operations	Water consumption	Monthly control procedures for deviations in water consumption, establishing specific consumption targets.	Positive impact	Actual	< 1 year
Own operations	Water consumption	Water consumption by ROVI for its industrial activity, since it could affect the local water supply and increase water stress.	Negative impact	Actual	< 1 year
Own operations	Water consumption	Dependence on water for medicine manufacturing being more critical in centres in high water-stress areas.	Negative impact	Actual	< 1 year
Across the value chain	Water consumption	Heavy water consumption by suppliers, other pharmaceutical laboratories and other participants in the value chain.	Negative impact	Actual	< 1 year
Own operations	Water discharges	ROVI's sustainable water management.	Positive impact	Actual	< 1 year
Own operations	Water consumption	The dependence on water resources in areas with high water stress could affect the daily production capacity.	Risk	Potential	< 1 year

◦ Disclosure Requirement E3-1: Policies related to water and marine resources

The objective of this Disclosure Requirement is to enable an understanding of the Group's water resource-related policies.

At present, ROVI does not have a corporate water resource-related policy that specifically considers questions such as the use and sourcing of water resources in its own operations, water treatment as a step towards more sustainable sourcing of water or the prevention and abatement of the water pollution resulting from its activity, although these are implicit in ROVI's sustainable and efficient resource management.

[32] Neither the activities of the Group nor those of the value chain participants are related to marine resource-related practices and, therefore, ROVI need not disclose information related to marine resources since this aspect is not related to the Company's activity.
[33] No material opportunities were identified.

Notwithstanding, the Environmental Management Policy and the Environmental and Social Sustainability Policy consider the sustainable use of resources, including water resources. However, the impacts and risks identified as material for ROVI are not considered explicitly.

Likewise, ROVI has two manufacturing facilities located in Granada that are currently subject to water-stress climate risk, which will become significant in 2050 and could give rise to interruptions in the activity due to a potential lack of supply. ROVI, in its Environmental Management Policy, confirms its commitment to establishing plans for mitigating and reducing water consumption in locations in areas identified as subject to high water-stress. Furthermore, these locations are included under a certified environmental management system and a water-stress risk mitigation plan that establishes specific measures to mitigate an interruption in manufacturing caused by a potential cut in the water supply to the Granada facilities, as well as water consumption reduction targets.

◦ Disclosure Requirement E3-2: Actions and resources related to water and marine resources

The objective of this Disclosure Requirement is to enable an understanding of the actions taken or planned by ROVI to manage the use of water resources.

ROVI has five industrial production facilities in which the water necessary for manufacturing is consumed, which may have an impact on water resource availability. Notwithstanding, attention should be drawn to the fact that water consumption has not been identified as a significant environmental aspect at the Alcalá de Henares facility (production of tablets and sachets and packaging of injectables) and, therefore, no additional actions have been implemented other than the control, monitoring and measurement of the consumption.

Likewise, as a general principle common to all the facilities, in new projects or the acquisition of new water-intensive equipment, ROVI always strives to optimise and reduce the use of water.

Regarding specific actions at the rest of the facilities, in 2024 ROVI took the following actions related to sustainable water management:

Granada and Escúzar Complexes

At the two Granada centres located in areas of high water stress, in 2024, ROVI worked on a mitigation plan in order to be ready in the event a water-scarcity scenario. This plan sets out the risks derived from the analysis and suggests measures to counter them.

In this respect, for 2025, a measure has been proposed involving the installation of a water storage tank with a capacity of 40 m^3 at both facilities. This tank will have a central unit and a chlorine recirculation pump, intended to feed the existing drinking water reserve tank and thus guarantee the water supply in risk situations. The CapEx associated to this project is estimated at €65,000.

Julián Camarillo Complex

At the Julián Camarillo complex, in compliance with the obligations arising from the Madrid City Council's Ordinance for the Management and Efficient Use of Water and Green Zones, ROVI updated the Sustainable Water Management Plan of ROVI (2022-2025) in 2022. These plans are submitted every four years and are validated by the City Council.

Noteworthy actions from this current plan were carried out in 2024, such as the implementation of thermal insulation to cover the steam tubes to avoid heat losses at one of the production buildings or weekly meter readings to furnish greater control over water consumption. The CapEx associated to the insulating blankets totalled €1,620 in 2024 and that associated to the insulation jackets was €1,138.

Likewise, in 2024, the Installation Maintenance Department carried out a weekly check of the meters and daily monitoring and leak repair activity in the technical area, in addition to other periodic checks of the installations

Lastly, set points, thermostats and time schedules were established so that equipment such as the chiller were not operating constantly, in order to optimise the use of this equipment.

San Sebastián de los Reyes Complex

At the San Sebastián de los Reyes centre, in order to optimise the use of water resources, starting in 2023 and continuing in 2024, water meters were installed on the watering tanks and the most water-intensive equipment. This allows the reused water to be quantified and permits an evaluation of consumption data in order to establish a reduction and optimisation plan with robust measures. The CapEx associated to the meters and installing them totalled €10,344 in 2024.

In relation to the reuse of water, ROVI has a condensate recovery system at the plants to feed water to the boilers. Additionally, 100% of the water rejected by the vial washers and the water purifying plants is stored for watering and this use is included in the Integrated Environmental Authorisation.

It should be noted that the consolidated CapEx figures for 2024 may be consulted in Note 6 “Property Plant and Equipment” and Note 7 “Intangible Assets” of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 “Other Operating Expenses”.

b. Metrics and targets

◦ Disclosure Requirement E3-3: Targets related to water and marine resources

The objective of this Disclosure Requirement is to enable an understanding of the approach ROVI has adopted to support its water resources-related procedures and address the impacts and risks associated to said resources.

At present, the Group only has measurable time-bound and outcome-oriented targets to manage the material impacts and risks identified at the Julián Camarillo complex as a result of the Sustainable Water Plan (2022-2025). This Plan is required by law and has been validated by the relevant authority. Additionally, for the San Sebastián de los Reyes complex, the objective of reducing water consumption by 2% compared to 2024 has been established.

At this production complex, ROVI uses water as a necessary input for two purposes. First, commercial consumption and, second, consumption for industrial use. A forecast annual reduction target of 10-15% of the initial annual consumption (2022) has been established for commercial consumption. This goal is absolute and is not based on scientific evidence (% of water consumed). The latest Sustainable Water Use and Management Plan estimated a reduction of 10-15% for the period 2022-2025. As of 31 December 2024, the reduction in consumption had been 23% compared with the 2020 consumption. This reduction was basically due to the replacement of one chiller by a chiller providing a higher performance and, therefore, lower water consumption.

Notwithstanding, at the rest of the plants ROVI monitors the efficacy of actions related to the IROs identified, in order to optimise the use of water resources in its production processes, in spite of the fact that, given the sector in which it operates, a reduction in water consumption is complex, since water is an essential resource in medicine manufacturing.

Likewise, the Group plans to establish specific short- and medium-term targets adapted to the particular features of each location where it operates. First, for the Julián Camarillo complex, short-term targets will be set within the framework of preparing the new Sustainable Water Management Plan. In addition, for the San Sebastián de los Reyes and Alcalá de Henares complexes, medium-term targets will be defined depending on the needs of each location.

Regarding the Granada complexes, ROVI undertakes to set specific water consumption reduction targets in the medium term, aligned with the need to adapt to the water stress risk in the region.

◦ Disclosure Requirement E3-4: Water consumption

The objective of this Disclosure Requirement is to provide an understanding of ROVI's water consumption.

In 2024, ROVI's water consumption totalled 227,272.23m³, 53,811.80 m³ of which was consumed in high water-stress areas. Additionally, the specific technical requirements for water to be used in injectables manufacturing, or even in equipment cleaning operations, limits the Company's capacity to recycle the water employed in the process considerably. In 2024, ROVI did not recycle any water but did reuse 2,472.00 m³ for activities such as watering. Additionally, 7,858.00 m³ of water was stored. The figures for the variations in the water stored will be shared next year, since the meters were installed in the tanks in 2024.

Water consumption (m³)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Total	**23,844.80**	**29,967.00**	**36,867.84**	**69,214.08**	**61,023.00**	**6,355.52**	**227,272.23**

218,584 m3 of water was consumed in 2023 and 206,487 m3 in 2022.

Water consumption in high water-stress areas (m³)

2024	Escúzar	Granada	Total
Total	**23,844.80**	**29,967.00**	**53,811.80**

Water reused and stored (m³)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Reused water	0.00	0.00	0.00	2,472.00	0.00	0.00	2,472.00
Stored water	0.00	0.00	0.00	7,858.00	0.00	0.00	7,858.00
Total	**0.00**	**0.00**	**0.00**	**10,330.00**	**0.00**	**0.00**	**10,330.00**

Water intensity

	2024
Water (m3) / million EUR revenue[34]	**70.46**

To obtain these figures, ROVI has considered the water consumption at the offices in Spain and the foreign subsidiaries, as well as the water consumption associated to its production process. In 2024, the Company's water intensity was 70.46m³ per million euros of revenue.

ROVI uses direct meter readings to calculate the water consumption. Notwithstanding, since some of these devices were installed in 2024, the consumption for the months where no direct readings were available has been estimated. Likewise, the figures for January and December are also estimates since the invoices are issued every two months. The estimates are made by calculating the daily consumption (Σ consumption of the year/Σ days in the year) and subsequently extrapolating to the number of days in the month.

[34] The net revenue figure can be found in Note 22 to the Group's Consolidated Accounts.

◦ Disclosure Requirement E3-5: Anticipated financial effects from material water and marine resources-related risks and opportunities

In accordance with Appendix C of ESRS 1 (List of phased-in Disclosure Requirements), in the present year, ROVI will not disclose the quantification of the anticipated financial effects related to water resources in monetary terms, given that the Company may omit the information related to said Disclosure Requirement in the first year of preparation of the Report. Additionally, ROVI may disclose only qualitative information for the first three years of preparation. Neither will it provide a description of the effects considered or the basic assumptions used to quantify the anticipated financial effects.

5. ESRS E5. Resource use and circular economy

The objective of this chapter is to enable an understanding of how ROVI affects resource use and circular economy, in terms of material actual or potential, positive or negative impacts.

Likewise, the Company's plans and its capacity to adapt its strategy and business model in line with circular economy principles, including minimising waste, prolonging the useful lives of the products, materials and other resources, and efficient use in the production and consumption processes. The actions taken by ROVI to prevent, mitigate or remediate negative impacts and address material risks and opportunities are also described.

a. Impact, risk and opportunity management

◦ Disclosure Requirement related to ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

In relation to the process followed by ROVI to identify the material resource use and circular economy-related impacts, risks and opportunities, see ESRS 2 IRO-1, where the four phases of the double materiality assessment are described: understanding, identification, assessment and determination. Likewise, ROVI has no impact on adjacent communities either in its own operations or in any part of its value chain (see explanation under Disclosure Requirement IRO-2) and, therefore, it has not been necessary to consult such communities.

As a result of the double materiality analysis conducted, the impact and risks[35] that have been found to be material in relation to resource use and the circular economy are set out below:

Value chain level	Sub-topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Upstream	Resource inflows, including use of the resources	Value chain participants purchase raw materials, supplies and equipment for their products that depend on the extraction/mining of non-renewable resources.	Negative impact	Actual	< 1 year
Upstream	Resource inflows, including use of the resources	ROVI and some value chain participants obtain raw materials from renewable resources.	Positive impact	Actual	< 1 year
Own operations	Waste	Commitment to correct waste treatment and recycling, prioritising e minimisation and recovery.	Positive impact	Actual	< 1 year
Downstream	Waste	Hospitals ensure correct environmental management of medicine packaging and waste through sanitary bins.	Positive impact	Actual	< 1 year
Downstream	Waste	Medicines that are not recycled at the "Punto SIGRE" tend to end up in dumps due to the complexity of the urban waste recycling process.	Negative impact	Actual	< 1 year
Downstream	Waste	ROVI has adhered to "Punto Sigre", which strives to ensure correct environmental management of medicine packaging and waste.	Positive impact	Actual	< 1 year
Across the value chain	Waste	The healthcare product and medicine manufacturing process generates waste throughout the product's life cycle.	Negative impact	Actual	< 1 year
Own operations	Resource outflows	ROVI ensures that the parts of its packaging that can be recycled/reused are reused, while those that cannot are eliminated appropriately with energy recovery.	Positive impact	Actual	< 1 year
Upstream	Resource inflows, including use of the resources	Suppliers' dependence on key raw materials may represent a risk for the Group is ROVI's activity is halted or slowed down.	Risk	Potential	1-5 years

[35] The fact that no material opportunities have been identified should be taken into account.

◦ Disclosure Requirement E5-1: Policies related to resource use and circular economy

The objective of this Disclosure Requirement is to enable an understanding of the Group's policies related to resource use and circular economy.

ROVI currently has two corporate policies that consider resource use and circular economy. First, the Environmental and Social Sustainability Policy addresses efficient resource management in general terms. Second, the Environmental Management Policy includes an analysis of the raw materials used in the Group's processes with the objective of seeking sustainable alternatives. Both policies have been signed by the company chairman and encompass all Group companies.

Likewise, the principles for action that these policies establish are directly linked to the material topics derived from the double materiality assessment: resource inflows, resource outflows and waste.

◦ Disclosure Requirement E5-2: Actions and resources related to resource use and circular economy

The objective of this Disclosure Requirement is to enable an understanding of the actions taken or planned by ROVI to manage resource use and circular economy.

ROVI is aware of the key role played by raw materials in its value chain. Mention should be made of the fact that, although ROVI does not currently have formally established criteria on sustainable purchasing, the Group has processes that ensure correct purchasing management and control. These processes are essential to the Company's activities, starting with supplier selection and the reception and use of raw materials[36] and ending when the waste generated leaves ROVI's facilities.

In this respect, in 2022, the Group incorporated the company Glicopepton Biotech, S.L., a joint venture aimed to achieve greater vertical integration in the supply of heparins. The objectives of this project focus on transforming the current livestock production process into a high-value-added biotechnological process based on a circular economy model. With this initiative, it is hoped to reduce dependence on the suppliers of one of the main raw materials used, pig mucosa for heparin production, decrease raw material prices and, furthermore, improve product traceability.

Additionally, different alternatives are being studied to replace the type of materials used in the product packaging process. ROVI currently has four production lines that have replaced plastic packaging by cardboard packaging for one of its customers. Likewise, studies are being conducted to assess the viability of using blister packaging manufactured with recycled and recyclable plastic for certain products.

Furthermore, ROVI recognises that waste generation is an inherent consequence of the medicine manufacturing process and therefore, in addition to striving to manage it appropriately, also implements various processes intended to minimise waste generation during the production processes and recover the waste generated.

In this respect, in 2024, 100% of the waste from rejected medicines (hazardous waste) from the industrial complexes was recovered and 12.05% of the non-hazardous waste generated, including paper, cardboard and the plastic trays and racks for syringes and vials, practically all the rest being treated in recovery processes.

Regarding the waste management system of the Group's own operations, ROVI is focusing its efforts on reducing and, finally, eliminating all waste destruction treatments, replacing them by recovery processes. Furthermore, it is considering taking this waste to treatment centres closer to the facilities where they are generated. In this context, in 2024, the Group updated its waste management programme in order to identify the treatments applied more efficiently. The OpEx associated to this update was €17,899.20.

In 2024, ROVI also worked on minimising waste generation at its industrial production complexes through annual initiatives:

[36] The main raw materials used come from active ingredients, excipients and solvents for manufacturing.

Julián Camarillo Complex:

- Reduction in consumption of plastic associated to medicine waste packaging by 20% in the period from August to December 2024 (and hence a reduction in generation of the waste “medicine mixture for inertisation”).
- 3% reduction in generation of biosanitary waste compared to 2023.
- Reduction in generation of wash water waste by implementing technical and organisational measures in the current waste management process.
- Implementation of technical measures in machinery to reduce rejected medicine waste.

Alcalá de Henares Complex:

- No plastic waste generation in the implementation of two new syringe packaging lines by using only paper and cardboard as packaging materials. Work was carried out in this respect in 2024 and one of the new lines in undergoing the validation process.
- 5% reduction is laboratory reagent waste.

San Sebastián de los Reyes Complex:

- 3% reduction in the generation of biosanitary waste compared to 2023.
- 10% reduction in the office consumption of paper for photocopies (due to decrease in waste copies/worker) compared to 2022.

Granada Complex:

- Reduction, compared to 2023, of the relative value (tonnes/year) of the “halogenated solvent” waste derived from the LMWH manufacturing process.
- Reduction of “industrial paper” waste generated by disposable gowns used in the production areas and laboratory of the complex. To this end, in 2024, ROVI considered the new hires who could use this type of gown and acquired cloth gowns for all positions where use of disposable gowns was not indispensable.
- Reduction in “office paper” waste by reducing the amount of printing, as well as the waste produced at the photocopiers. In this respect, in 2024, a personal identification system was implemented in the complex’s printers, intended to prevent waste related to printed documents. Thus, analysing both the absolute figures and those relative to the number of employees, the attainment of this objective can be confirmed.

Escúzar Complex:

- Reduction, compared to 2023, of the relative value (tonnes/year) of the “halogenated solvent” waste generated as a result of the LMWH manufacturing process.

Furthermore, in 2024, the Group applied the Prevention and Ecodesign Business Plan (PEPE 2024-2028), in which environmental and packaging management improvement measures were put in place for the period 2024-2028 in relation to improving recycling and minimising the impact associated to packaging. The preparation of this Plan involved an expense of €302.5 euros for ROVI.

Among the measures related to correct management of the useful life of medicines, the Group has adhered to SIGRE, an entity responsible for ensuring appropriate environmental management of packaging and medicine waste generated in homes through close collaboration between the pharmaceutical industry, pharmacies and pharmaceutical distribution companies. This initiative involved total expenses of €88,303.92 for ROVI.

As a novelty, SIGRE has extended its services to become a mixed Collective System of Extended Producer Responsibility, managing not only domestic packaging, but also the industrial and commercial part, to which ROVI adhered in 2024. Likewise, due to the nature of its activity, the subsidiary ROVI Pharma Industrial Services (ROIS) is in the process of adhering solely to the industrial part. This action involved payment of a pre-adhesion fee of €3,630 by the Group.

During 2024, ROVI also implemented an initiative concerning the recovery and recycling of vials, called “Plan Recicla”. In collaboration with the hospitals with which agreements are held, the Group collects the glass vials and waste contrast medium liquid from its customers in order to recover them at a recycling plant, allowing energy to be obtained.

Likewise, in respect of the objective of increasing the amount of non-hazardous waste recycled compared to 2023 by 10%, the distribution area succeeded in increasing the figure by 23.08%. This action involved an operating expense of €1,597.20 for the Company.

Finally, it should be noted that the consolidated CapEx figures for 2024 may be consulted in Note 6 “Property Plant and Equipment” and Note 7 “Intangible Assets” of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 “Other Operating Expenses”.

b. Metrics and targets

◦ Disclosure Requirement E5-3: Targets related to resource use and circular economy

The objective of this disclosure requirement is to enable an understanding of the targets fixed by ROVI to support actions related to resource use and circular economy and address the associated material impacts and risks.

At present, ROVI does not have measurable time-bound and outcome-oriented targets to handle the impacts and risk related to the material topic derived from the double materiality assessment: resource inflows. In this respect, purchasing criteria do not include environmental objectives related to resource use and circular economy, such as an increase in circular product design, an increase in the circular material use rate, the minimisation of primary raw materials or sustainable sourcing and use of renewable resources, among others.

Additionally, the Group is currently working on definition of a new waste minimisation plan for the period 2025-2028 with time-bound and outcome-oriented targets to address the material impacts related to the material topics resource and waste outflows.

Likewise, as a result of failure to meet certain objectives for the period 2020-2024, those on which ROVI will continue to work in future years are set out below:[37]

Alcalá de Henares Complex:

- 5% reduction in biosanitary waste compared to 2024.
- 2% reduction in the plastic used in shrink-wrapping the finished product compared to 2023.

San Sebastián de los Reyes Complex:

- Improving the automatic tank washing system to reduce generation of the waste “basic solutions”.

Julián Camarillo Complex:

- Reduction in consumption of plastic associated to medicine waste packaging by 20% (and hence reducing generation of the waste “medicine mixture for inertisation”).
- Reduction in the waste “filters”.

Granada Complex:

- Reduction in the waste “basic solutions” generated as rejection by new VOC treatment equipment. The study of the metrics involved in the VOC treatment system will be expanded in order to find whether the measures adopted are correct and lead to the expected reduction in the waste, the targeted limit of which has not yet been defined.
- Reduction, compared to 2024, of the relative value (tonnes/year) of the “halogenated solvent” waste derived from the LMWH manufacturing process.

[37] All these objectives will be reviewed annually and may be discarded if the Group considers this necessary.

Escúzar Complex:

- Reduction, compared to 2024, of at least 5% in the amount of waste generated corresponding to EWC 160506 Laboratory reagents.
- Reduction, compared to 2024, of at least 10% in the kg/MIU of hazardous waste generated corresponding to EWC 150202 Contaminated waste.
- Reduction, compared to 2024, of at least 2% of hazardous waste generated corresponding to EWC 15202 Contaminated absorbents, used to contain leaks or accidental spills (Waste Minimisation Plan).
- Reduce, compared to 2024, at least 20% (in relative value Tn/year) the amount of non-hazardous saline waste (EWC 161002) in proportion to the total non-hazardous waste generated in the sodium heparin production process.

◦ Disclosure Requirement E5-4: Resource inflows

The objective of this Disclosure Requirement is to describe the resource inflows used by ROVI to carry on its industrial activity. The goods and services important to the Company include the raw materials necessary for medicine manufacturing, such as active ingredients, excipients and manufacturing consumables, as well as the containers and packaging necessary for the primary and secondary packaging process.

This information is set out below:

Total weight of the materials (tonnes)

	Total
Biological[38]	1,202.59
Technical	4,034.12
Active ingredients	68.10
Excipients	392.90
Reagents	0.01
Primary packaging materials	791.70
Secondary packaging materials	1,910.41
Tertiary packaging materials	871.00
Total	**5,236.71**

In 2023, the total weight of the materials was 3,998 tonnes and in 2022, 4,928 tonnes.

Total weight of biological products (%)

	2024
Biological	**23%**

Total raw material is expressed in tonnes and total %, classified by biological and technical material and then by active ingredient, excipient and primary and secondary packaging materials:

[38] Recycled paper and cardboard from certified forests (leaflets and boxes)

- Technical material is all raw material of synthetic origin.
- Biological material: refers to its natural origin. In this respect, the recycled paper and cardboard and paper from certified forests used for packaging (the leaflet paper and virgin cardboard boxes) are considered raw materials.

Reused and recycled components and materials (tonnes) (%)

	2024
Total reused or recycled secondary components (tonnes)	-
Total reused or recycled secondary components (%)	-
Secondary intermediate products (tonnes)[39]	-
Secondary intermediate products (%)	-
Secondary materials (tonnes)	3,113
Secondary materials (%)	*100%*

Component: raw material for manufacturing the product that is sold (e.g. blisters, leaflets, cases, syringes. stems, etc.).

Secondary material: any material used for handling or distributing the product (e.g. pallets, boxes, plastics, etc.).

◦ Disclosure Requirement E5-5: Resource outflows

The objective of this Disclosure Requirement is to enable an understanding of how ROVI contributes to the circular economy by recirculating resources and how its waste management process works.

Due to the nature of its activity, ROVI does not establish measures on the forecast durability of the products placed on the market or the repairability of said products as required by the regulations. The Group's activity focuses on specialty pharmaceuticals and, therefore, the products have specific durability periods and periods for consumption.

Notwithstanding, regarding packaging and packing measures, the Group is analysing alternatives for replacing packaging by similar packaging containing a percentage of recycled material.

Additionally, the following table shows the information on the total waste [40] from the Group's own operations:

Hazardous waste generated (tonnes)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Discarded electrical and electronic equipment other that that specified in Codes 21 01 21 and 20 01 23 containing hazardous components	0.00	0.08	0.00	0.00	0.00	0.00	0.08
Other acids	1.92	8.53	0.36	0.00	0.00	0.00	10.81
Other bases	7.04	1,306.21	50.21	20.80	0.35	0.00	1,384.60

[39] Not applicable to the pharmaceutical industry (process waste that is again reused).
[40] Special mention should be made of the fact that the waste flows and the materials present in them are specific to the pharmaceutical industry, in which the Group carries on its activity, and none of the waste is classified as radioactive waste. For example, the hazardous waste derived from ROVI's activity contains materials such as acids, solvents, lead batteries, mercury-containing batteries and fluorescent tubes, among others. In addition, some of the materials included in the non-hazardous waste are plastics and rubber, paper and cardboard and ink, metal and wood wastes, among others.

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Spent activated carbon	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Organic halogenated solvents, washing liquids and mother liquors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other organic halogenated solvents, washing liquids and mother liquors	0.00	0.00	1.87	0.04	0.00	0.00	1.91
Sludges from on-site effluent treatment containing hazardous substances	0.00	0.00	0.00	0.00	13.12	0.00	13.12
Solid wastes containing hazardous substances	0.00	0.00	54.68	87.99	116.81	14.32	273.80
Waste paint and varnish containing organic solvents or other hazardous substances	0.00	0.00	0.00	0.00	0.04	0.00	0.04
Sludges from paint or varnish containing organic solvents or other hazardous substances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Waste printing toner containing hazardous substances	0.00	0.00	0.00	0.00	0.16	0.00	0.16
Waste adhesives and sealants containing organic solvents or other hazardous substances	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acids not otherwise specified	0.00	0.00	0.00	3.53	0.00	0.00	3.53
Mineral-based non-chlorinated engine, gear and lubricating oils	0.23	0.47	0.02	0.25	0.00	0.00	0.96
Sludges from oil/water separators	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other fuels (including mixtures)	0.00	0.00	0.00	0.00	0.05	0.00	0.05
Other halogenated solvents and solvent mixtures	1,150.12	1,479.95	0.29	0.00	0.24	0.00	2,630.60
Other solvents and solvent mixtures	24.46	1.12	0.00	0.00	17.44	0.00	43.02
Packaging containing residues of or contaminated by hazardous substances	12.20	12.89	6.51	13.02	6.73	0.00	51.35
Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	2.16	2.42	6.66	7.57	28.89	8.76	56.46
Discarded equipment containing chlorofluorocarbons, HCFC, HFC	0.00	0.00	0.00	0.00	0.00	0.39	0.39
Discarded equipment containing hazardous components other than those mentioned in 16 02 09 to 16 02 12	0.00	0.12	1.08	1.73	2.66	0.88	6.47
Inorganic wastes containing hazardous substances	0.00	0.00	0.27	0.98	0.00	0.00	1.25
Gases in pressure containers (including halons) containing hazardous substances	0.00	0.00	0.00	0.00	1.05	0.00	1.06
Laboratory chemicals, consisting of or containing hazardous substances, including mixtures of laboratory chemicals	0.32	4.89	1.50	0.31	1.44	0.89	9.35

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Lead batteries	0.00	0.00	0.00	0.00	0.33	0.00	0.33
Ni-Cd batteries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mercury-containing batteries	0.00	0.00	0.00	0.00	0.02	0.00	0.02
Aqueous sludges containing hazardous substances.	27.47	1.56	0.00	0.00	0.00	0.00	29.03
Construction materials containing asbestos	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wastes whose collection and disposal is subject to special requirements in order to prevent infection	0.09	1.27	0.00	9.12	1.47	9.70	21.64
Chemicals consisting of or containing hazardous substances	0.00	0.00	44.53	24.50	11.17	15.67	95.87
Cytoxic or cytostatic medicines	0.00	0.00	0.00	0.00	0.00	0.30	0.30
Fluorescent tubes and other mercury-containing waste	0.00	0.02	0.03	0.31	0.42	0.00	0.78
Discarded equipment containing chlorofluorocarbons	0.00	0.13	0.00	0.00	0.00	0.00	0.13
Bulky appliances containing hazardous components	0.00	0.24	0.00	0.00	0.00	0.00	0.24
Saturated or spent ion exchange resins	0.00	0.00	0.00	1.77	0.00	0.00	1.77
Aqueous washing liquids and mother liquors	0.00	0.00	0.00	11.48	0.00	0.00	11.48
Absorbents, filter materials, wiping cloths and protective clothing other than those mentioned in 15 02 02	0.00	0.00	5.18	0.00	0.00	0.00	5.18
Non-CRT non-LED monitors and screens	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Medical device waste	0.00	0.00	0.00	0.00	0.00	0.36	0.36
Medicines other than those mentioned in Code 180108	0.00	0.00	0.00	0.00	0.00	0.47	0.47
Psychotropic and narcotic waste	0.00	0.00	0.00	0.00	0.00	1.97	1.97
Total 2024	**1,226.00**	**2,819.89**	**173.16**	**183.39**	**202.38**	**53.70**	**4,658.53**

In 2023, the total weight of hazardous waste generated was 5,163 tonnes and in 2022, 5,223 tonnes.

Non-hazardous waste generated (tonnes)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Waste printing toner other than those mentioned in 08 03 17	0.00	0.00	0.13	0.48	0.40	0.11	1.12
Paper and cardboard packaging	0.00	1.64	0.00	0.00	0.00	0.00	1.64
Plastic packaging	0.82	0.84	0.00	0.00	0.00	0.00	1.66
Wooden packaging	3.00	0.00	0.00	0.00	0.00	0.00	3.00

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Metallic packaging	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Medicines other than those mentioned in 18 01 08	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plastic and rubber	0.00	5.98	0.00	0.00	0.00	0.00	5.98
Paper and cardboard	5.95	9.54	90.90	107.65	262.16	3.72	479.91
Biodegradable kitchen and canteen waste	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	0.00	0.09	0.00	0.00	0.00	0.00	0.09
Wood other than that mentioned in 20 01 37	0.00	0.00	0.00	0.00	11.38	0.00	11.38
Bulky waste	0.00	0.00	20.16	79.78	385.62	0.00	485.56
Composite packaging	1.98	0.00	0.00	0.00	0.00	0.00	1.98
Mixed packaging	0.00	3.14	0.00	0.00	0.00	0.00	3.14
Absorbents, filter materials, wiping cloths and protective clothing other than those mentioned in 15 02 02. Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	3.14	2.24	0.00	0.00	0.00	0.00	5.38
Aqueous liquid wastes other than those mentioned in 16 10 01	1,191.22	969.88	0.00	0.00	1.98	0.00	2,163.08
Aqueous concentrates other than those mentioned in 16 10 03	116.12	0.00	0.00	92.82	0.00	0.00	208.94
Discarded electrical and electronic equipment other than that mentioned in 20 01 21, 20 01 23 and 20 01 35	0.00	0.09	0.00	0.00	0.00	0.00	0.09
Plastics	0.00	11.92	205.28	195.02	424.82	0.00	837.04
Metals	0.79	0.00	0.00	0.00	14.98	0.00	15.77
Non-ferrous metal	0.00	2.86	0.00	0.00	0.00	0.00	2.86
Waste ink	0.00	0.00	0.00	0.02	0.00	0.01	0.03
Wood	3.00	0.00	0.00	0.00	0.00	0.00	3.00
Sludges from treatment of urban waste water	0.00	0.00	0.00	73.00	0.00	0.00	73.00
Mixed municipal waste	0.00	14.21	0.00	0.00	0.00	0.00	14.21
Mixed construction and demolition waste other than those mentioned in codes 17 09 01, 17 09 02 and 17 09 03	98.00	0.00	0.03	74.87	215.83	0.00	388.73

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribution	Total
Biodegradable waste	0.00	0.00	0.00	55.92	3.88	0.00	59.80
Mixtures of concrete, bricks, tiles and ceramics other than those mentioned in code 17 01 06	0.00	77.00	0.00	321.90	0.00	0.00	398.90
Discarded equipment other than those mentioned in codes 16 02 09 to 16 02 13	0.00	0.03	0.00	0.00	0.00	0.00	0.03
Concrete	0.00	0.00	0.00	35.72	0.00	0.00	35.72
Bituminous mixtures other than those mentioned in code 17 03 01	0.00	0.00	0.00	23.70	0.00	0.00	23.70
Total	**1,424.02**	**1,099.46**	**316.50**	**1,060.88**	**1,321.04**	**3.84**	**5,225.74**

In 2023, the total weight of hazardous waste generated was 4,215 tonnes and in 2022, 3,703 tonnes.

Hazardous waste not intended for disposal (tonnes)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribución	Total
Preparation for reuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recycling	452.76	0.00	3.91	97.51	5.99	1.27	561.45
Other recovery operations	27.52	455.35	108.89	13.26	150.88	0.00	755.89
Total	**480.28**	**455.35**	**112.80**	**110.77**	**156.87**	**1.27**	**1,317.34**

In 2023, the total weight of hazardous waste not intended for disposal generated was 4,898 tonnes and in 2022, 546 tonnes.

Non-hazardous waste not intended for disposal (tonnes)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribución	Total
Preparation for reuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Recycling	0.08	17.16	91.03	181.16	700.74	3.72	993.88
Other recovery operations	111.84	17.14	225.44	786.91	614.45	0.12	1,755.90
Total	**111.92**	**34.30**	**316.47**	**968.07**	**1,315.19**	**3.84**	**2,749.78**

In 2023, the total weight of non-hazardous waste not intended for disposal generated was 2,729 tonnes. The 2022 figure is not available

Total percentage of non-recycled waste

	2024
Total percentage of non-recycled waste	25.89%

Hazardous waste intended for disposal (tonnes)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribución	Total
Incineration (with energy recovery)	0.00	0.00	0.29	0.00	34.05	33.63	67.98
Incineration (without energy recovery)	0.00	0.00	54.54	58.20	0.00	1.06	113.80
Dump	0.00	0.05	5.53	14.42	7.33	17.73	45.06
Other disposal operations	745.72	2,363.04	0.00	0.00	3.76	0.00	3,112.52
Total	**745.72**	**2,363.09**	**60.36**	**72.62**	**45.14**	**52.43**	**3,339.36**

Management of the liquid halogenated waste generated at the Granada plants changed and a high percentage of this waste was treated for disposal, as opposed to the recovery alternative that had been applied in previous years. The main reason was a change in the criterion for accepting it on the part of the current waste management companies. At present, the waste in question has a high percentage of water, which makes recovery treatments inviable because of the low yield. ROVI is currently seeking new recovery treatment alternatives to manage this waste.

Non-hazardous waste intended for disposal (tonnes)

2024	Escúzar	Granada	Madrid	SSRR	Alcalá de Henares	Distribución	Total
Incineration (with energy recovery)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Incineration (without energy recovery)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dump	0.00	0.00	0.00	0.00	1.98	0.00	1.98
Other disposal operations	1,310.48	969.88	0.00	92.82	0.00	0.00	2,373.18
Total	**1,310.48**	**969.88**	**0.00**	**92.82**	**1.98**	**0.00**	**2,375.16**

The hazardous and non-hazardous waste data are expressed in tonnes and managed through the waste record kept at each one of the industrial complexes, which gives details of the identification of the waste, the LER code and the type of treatment, distinguishing between: treatment R (waste not intended for disposal) and treatment D (waste intended for disposal).

◦ Disclosure Requirement E5-6: Anticipated financial effects from material resource use and circular economy-related risks and opportunities

Pursuant to Appendix C of ESRS 1 (List of phased-in Disclosure Requirements), this year ROVI will not disclose the quantification of the anticipated financial effects in monetary terms of material from risks related to material resource use and circular economy related risks, since the Company may omit this information in the first year of preparation of the Report. Additionally, ROVI may disclose only qualitative information for the first three years of preparation. Neither will it provide a description of the effects considered or the basic assumptions used to quantify the anticipated financial effects.

Social information

1. ESRS S1. Own workforce

The objective of this chapter is to specify information on how ROVI impacts its own workforce through its own operations and to explain the material risks derived from the material impacts.

Additionally, details are given of the actions taken, and the result of such actions, to prevent, mitigate or remediate actual or potential negative impacts and how the Group addresses matters such as working conditions, equal treatment and opportunities and other work-related rights.

This chapter discusses the Group's own workforce, including, therefore, both employees, with whom the Group has a direct employment relationship, and non-employees, who may be self-employed workers or workers provided by companies specialising in employment-related activities.

a. Strategy

◦ Disclosure Requirement related to ESRS 2 SBM-2: Interests and views of stakeholders

The objective of this Disclosure Requirement is to explain how the interests, views and rights of people in ROVI's own workforce inform its strategy and business model.

ROVI recognises the importance of the role played by the professionals of its own workforce and, therefore, includes a commitment to human capital as one of the basic pillars of its business strategy, always taking their interests and views into consideration through the works councils and communication mechanisms that are in place. To this end, it takes account of aspects related to the material sub-topics derived from the double materiality assessment: working conditions, equal treatment and opportunities for all and other work-related rights.

In this respect, ROVI promotes the professional and personal development of its employees with two main objectives: to ensure their well-being and meet both individual and collective expectations.

Additionally, the Group drives the creation of a team of workers that is diverse, committed and ethical, emphasising the importance of the values that the professionals project towards other people. In order to promote these values, which are intrinsic to the Company and its treatment of its workforce, ROVI seeks inclusion and access to equitable conditions for all the workers, as well as effective equality between men and women.

Likewise, ROVI considers internal talent to be a key pillar for its development and, therefore, has specific training plans in place to meet the needs detected among the workers of each complex or work centre.

Lastly, mention should be made of the fact that the Group is actively and regularly involved in a number of sector forums and meetings, such as Farmaindustria and PDFarma, which allows it to keep up-to-date on the best practices related to management of its workers.

◦ Disclosure Requirement related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The objective of this Disclosure Requirement is to provide an understanding of the material impacts and risks[41] derived from ROVI's double materiality assessment in relation to its own workforce.

ROVI has conducted a double materiality assessment in which it analysed its context, taking account of its strategy and business model, in order to find out the aspects that could impact its own workforce. As a result of said assessment, the impacts and risks that were found to be material in relation to the people in ROVI's own workforce are set out below:

[41] Note that no material opportunities were identified.

Value chain level	Sub-(sub-)topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Work-life balance	The work-life balance drives the best employment practices.	Positive impact	Actual	< 1 year
Own operations	Social dialogue	Smooth communication with employees through various communication channels and works councils.	Positive impact	Actual	< 1 year
Own operations	Secure employment	Ensuring that stability materialises in Group employment: mostly permanent employment, low turnover and not affected by seasonality.	Positive impact	Actual	< 1 year
Own operations	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Meetings with works councils to defend workers' rights and internal communication.	Positive impact	Actual	< 1 year
Own operations	Collective bargaining, including rate of workers covered by collective agreements	Commitment to collective bargaining to always seek the best solution for both parties.	Positive impact	Actual	< 1 year
Own operations	Collective bargaining, including rate of workers covered by collective agreements	Restricting freedom of collective bargaining between the employees and works councils.	Negative impact	Potential	< 1 year
Own operations	Collective bargaining, including rate of workers covered by collective agreements	All ROVI employees in Spain are subject to the Collective Agreement of the Chemical Industry and, in the European subsidiaries, to the collective agreements of each location.	Positive impact	Actual	< 1 year
Own operations	Adequate wages	Commitment to the well-being of its workers and measures to ensure adequate wages.	Positive impact	Actual	< 1 year
Own operations	Adequate wages	The Remuneration Committee, which supervises the remuneration of executives and promotes fair and transparent remuneration.	Positive impact	Actual	< 1 year
Own operations	Adequate wages	Director Remuneration Policy that ensures adequate, transparent and fair wages.	Positive impact	Actual	< 1 year
Own operations	Adequate wages	Wage rise for all employees under the collective agreement (average wage rise of 4.6%).	Positive impact	Actual	< 1 year
Own operations	Health and safety	Occupational Risk Prevention Policy and ISO 45001:2015 certification for employee health and safety.	Positive impact	Actual	< 1 year
Own operations	Health	Employee accidents due to failure of health and safety control mechanisms.	Negative impact	Potential	< 1 year
Own operations	Diversity	Principles of equality, objectivity and impartiality in attracting and retaining talent.	Positive impact	Actual	< 1 year
Own operations	Employment and inclusion of persons with disabilities	Measures to integrate persons with disabilities in the workplace, generating synergies among employees.	Positive impact	Actual	< 1 year

Value chain level	Sub-(sub-)topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Employment and inclusion of persons with disabilities	Agreements to develop support programmes for the workplace inclusion of persons with intellectual disabilities.	Positive impact	Actual	< 1 year
Own operations	Employment and inclusion of persons with disabilities	Service agreements with special employment centres for inclusion of persons with disabilities in the workplace.	Positive impact	Actual	< 1 year
Own operations	Training and skills development	Ongoing training and development: ROVI's Training and Development Policy establishes how to identify needs and plan training actions.	Positive impact	Actual	< 1 year
Own operations	Gender equality and equal pay for work of equal value	ROVI promotes real equality of of treatment and opportunities, using a number of mechanisms to reject all discrimination.	Positive impact	Actual	< 1 year
Own operations	Gender equality and equal pay for work of equal value	Equal wages for work of equal value: application of wage policy when hiring and in wage reviews.	Positive impact	Actual	< 1 year
Own operations	Gender equality and equal pay for work of equal value	Absence of discrimination on the Management Committee reflects the commitment to the equal opportunities policy.	Positive impact	Actual	< 1 year
Own operations	Measures against violence and harassment in the workplace	Training in equality and harassment in the workplace for non-employee workers (temporary employment company workers).	Positive impact	Actual	< 1 year
Own operations	Measures against violence and harassment in the workplace	ROVI rejects any form of violence, harassment or abuse: Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment.	Positive impact	Actual	< 1 year
Own operations	Privacy	Commitment to human and work-related rights (privacy) in its Code of Ethics and integration of the fundamental principles among its professionals.	Positive impact	Actual	< 1 year
Own operations	Forced labour	Commitment to human and work-related rights (prohibition of forced labour) in its Code of Ethics and integration of the fundamental principles among its professionals.	Positive impact	Actual	< 1 year
Own operations	Child labour	Commitment to human and work-related rights (prohibition of child labour) in its Code of Ethics and integration of the fundamental principles among its professionals.	Positive impact	Actual	< 1 year
Own operations	Social dialogue, collective bargaining, freedom of association	Failure to comply with agreements with works councils in respect of social dialogue, collective bargaining and freedom of association.	Risk	Potential	< 1 year
Own operations	Secure employment	Failure to maintain the current characteristics of employment could lead to loss of talent.	Risk	Potential	1-5 years
Own operations	Adequate wages	Salaries less competitive than those of the competition could increase turnover and loss of talent.	Risk	Potential	1-5 years

All these impacts and risks derive from ROVI's business model itself and its commitment to its workforce. In this respect, to continue working for the well-being of its stakeholders, in particular, its own workforce, the Group integrates matters such as working conditions, equal treatment and opportunities for all and other work-related rights into its strategy.

Regarding material positive impacts that affect ROVI's own workforce, they derive from different activities carried on by the Company in all the geographical regions where it operates:

- Disclosure of internal policies: the Group's policies are made public to ensure that all its workforce knows them and that the framework for action that governs the conduct of all Group professionals is guaranteed. In addition to being available on the corporate website, they are communicated through the Workday platform and specific training sessions.
- System of evaluation by objectives: the Group has a system of evaluation by objectives addressed at workers in senior management, management and supervisory positions. At the beginning of the first quarter of the year, the employee and his or her direct supervisor establish the objectives for the new year jointly and evaluate the attainment of the previous year's objectives, thus determining the amount of the associated variable remuneration. Furthermore, the supervisors provide feedback on performance and achievements.
- Encouraging professional development: ROVI actively promotes people's development, focusing especially on young professionals, providing opportunities for them to grow within the organisation.
- Internal promotion: when vacancies arise, the Group prioritises identifying and taking advantage of the capabilities of the professionals already within the organisation, thus fostering internal promotion and the growth of its employees.

Regarding potential negative impacts, ROVI does not currently have a transition plan that entails significant restructuring changes derived from decarbonisation and, therefore, no material negative impacts that could affect the workforce are foreseen.

As regards risks related to working conditions, specifically practices such as forced or compulsory labour or child labour, no significant cases have been detected. This is because ROVI has a Human Rights Policy aligned with European legislation, where these issues are addressed. Moreover, all its workers are either covered by a collective agreement or, where this is not the case, by the relevant labour legislation, both in Spain or abroad.

Likewise, ROVI considers that the material risks derived from impacts on its own workforce are unlikely to materialise due to its firm commitment to collective bargaining, social dialogue and the implementation of policies that ensure competitive employment conditions, including attractive salaries.

In relation to people in ROVI's own workforce who could be significantly affected[42] by the Company's activities, a distinction was made between two main categories:

- Employees, who have a direct employment relationship with the Company and carry on their activities within the framework established by this contractual relationship.
- Non-employees within the operational structure. First, there are temporary employment company (ETT) workers, whose services are engaged through an indirect employment relationship with the ETT as the intermediary. Most of these workers carry out tasks related to filling injectables and manufacturing solid products, which are usually concentrated in periods with a higher seasonal demand. Additionally, ROVI's non-employee workers include one self-employed person, who holds the position of Security Manager and is responsible for coordinating the Company's surveillance services.

In this context, the wage conditions are equivalent for both employees and non-employees. However, in other work-related aspects, they are governed by the employment conditions of their company.

Likewise, the Company's own workforce includes certain groups of workers that, due to their jobs, run a greater risk of injury. In the case of ROVI, these would be the employees who work with chemical products. However, for all jobs in the Group, an assessment of risks at work is conducted in order to prepare an action plan in this respect where necessary.

Lastly, some workers are identified as "basic risk group", which includes women who are pregnant or breast-feeding or have recently given birth and work in contexts where there is some risk. This group has a specific protocol. Likewise, anybody who, in accordance with the criteria set out in internal procedures, is considered "especially sensitive personnel" may inform the relevant department of his or her situation. This will allow a protocol to review their case to commence and, if necessary, limitations or adaptations to be made to their job.

[42] It was determined that all the negative impacts were considered to be general, since they could affect an extensive group of people in ROVI's own workforce and are not limited to individual or specific cases.

b. Management of impacts, risks and opportunities

◦ Disclosure Requirement S1-1: Policies related to own workforce

The objective of this Disclosure Requirement is to explain the Group's policies related to its own workforce.

Regarding its commitment to people, ROVI has a number of policies in place related to its workforce, covering aspects closely related to the material impacts and risks derived from the double materiality assessment:

- Human Rights Policy: sets out ROVI's commitment to complying with international standards on respect for human rights, establishing principles and specific rules to prevent its activities from having a negative impact on these rights. This policy also seeks to implement the measures necessary to prevent and identify any violation and provide adequate mitigation or remediation measures when necessary. The policy has been signed by the Company chairman and is applicable to all Group companies.
- Code of Ethics: defines the basic requirements of the business conduct expected of the Group's workforce and acts as guidance in relations with other employees, customers, shareholders and suppliers, among other stakeholders. In this Code, ROVI establishes its commitment to non-discrimination based on race, nationality, social origin, age, gender, civil status, sexual orientation, ideology, political opinions, religion or any other personal, physical or social characteristic of its workers. The Code, which is the basis for all the Group's policies and procedures, has been signed by the Group chairman and is applicable to all the workers in ROVI's own workforce.
- Occupational Risk Prevention Management Policy: defines the the implementation of the health and safety system that focuses on technological innovations to guarantee safe and healthy working conditions that, as far as possible, allow workplace hazards to be eliminated and risks reduced. Likewise, it has been signed by the Company chairman and applies to all the Group's work centres.
- Environmental and Social Sustainability Policy: establishes ROVI's principles for action, commitments, objectives and strategies, encompassing various aspects, such as support, by adopting and disseminating it, for the integration of the principles of the United Nations Global Compact and other international instruments, especially in the areas of human rights, workplace practices, the environment and the fight against corruption. Methods to monitor compliance with the policies and management of the associated risks are also included. This policy covers all Group companies and has been approved by the Company chairman.
- Work-Life Balance Policy: includes work-life balance measures concerning flexible working and wage complements. This policy was reviewed by the Company's Human Resources Manager and is applied to the entire workforce.
- Director Remuneration Policy: determines the principles upon which director remuneration is based, including moderation and adaptation to the best market practices, proportionality and compatibility. This policy was established by ROVI's Nomination and Remuneration Committee for the Group's executive directors.
- Equality Plan: established in accordance with article 87 of the Workers' Statute regarding the negotiation of collective bargaining agreements, with the objective of setting the goals necessary to continue to improve application of the principle of equality between men and women in the companies that belong to the Group. The Plan will be in force until 2026 for the workers at all the Group's national work centres[43] and has been signed by the Group's Human Resources Manager.
- Training Policy: establishes the procedures that the Human Resources Department and the departments of other areas must follow to identify needs and plan training actions. Furthermore, it defines the actions necessary for the proper implementation, development, organisation and delivery of training courses. This policy was approved by the Company's Human Resources Department.
- Protocol for Preventing and Handling Cases of Moral and Sexual Harassment: includes the preventive measures and procedures for acting in harassment cases, rejecting any kind of violence, physical, sexual, psychological or moral harassment, the abuse of authority in the workplace or any other conduct that creates a atmosphere that is intimidatory or offensive with respect to the employees' rights. The content of this protocol is mandatory for all members of Group companies and any person who interacts with the Company.

[43] At the time the Equality Plan was signed, ROVI Escúzar had not yet become a Group company, although all the obligations derived from the equality legislation are respected.

- Working Day Register Policy: establishes the rules for recording the hours worked, ensure legal compliance, transparency and the limits on working hours, contributing to the well-being of the employees and avoiding workplace conflicts. ROVI's Policy covers different situations in line with the type of work, encompassing all the Company's national work centres, and was approved by the Group's Human Resources Manager.
- Policy on Use of ICT Resources: defines the rules and procedures that must be followed in the use of the information technology and communication resources provided by ROVI. It also sets out the personal data protection functions and obligations that must be fulfilled by anyone who accesses and processes such data under ROVI's responsibility. This policy was signed by the Company chairman and applies to all Group companies.

Additionally, ROVI reaffirms its commitment to the Universal Declaration of Human Rights, encouraging its employees to integrate its principles into their day-to-day activity. Likewise, the Group promotes the adoption and implementation of the United Nations Global Compact, of which it is a member, as well as other international instruments, such as the provisions of the Fundamental Conventions of the International Labour Organisation. These commitments encompass respect for freedom of association, the right to collective bargaining, the elimination of forced labour and child labour, equal opportunities, non-discrimination and the creation of a fair, violence-free work environment that complies with current legislation.

In line with its commitment to equality, ROVI addresses the elimination of discrimination through the Equality Plan and the Harassment Protocol, in addition to ensuring that all the policies are made known to new employees when they join the Group. Furthermore, periodic training is provided on preventing the harassment of workers. At present, a Protocol against harassment of the LGBTI community is under preparation and is pending revision and agreement with the Works Council.

ROVI also demonstrates its commitment to the workplace inclusion of people with disabilities through measures set out in its Corporate Social Responsibility Manual. These actions include raising awareness among employees to combat the discrimination and barriers that people with disabilities face. In this respect, the Group organises corporate volunteering activities in collaboration with non-profit entities, providing employees with a direct perspective on the daily challenges that these people encounter.

In the employment area, ROVI promotes hiring people with disabilities to reduce the risk of social and financial exclusion. To this end, it establishes agreements and support programmes aimed at the inclusion of people with intellectual disabilities in the workplace. Furthermore, it strives to ensure full integration, eliminating physical barriers at the workstations and facilitating access and the usability of the tools and products needed for the jobs. Likewise, ROVI constantly strives to make its work centres accessible to everyone, ensuring safety, comfort and autonomy. To this end, all new plans for building and renovation works include this idea, paying special attention to adapting spaces and tools to the specific needs of each employee. However, to date, ROVI has not made any policy commitments in relation to workers belonging to groups at special risk of vulnerability.

Lastly, in order to ensure proper application of discrimination-related policies, ROVI has the Code of Ethics mentioned previously, which sets out the principles for preventing and mitigating discrimination in the Group and promoting diversity and inclusion.

◦ Disclosure Requirement S1-2: Processes for engaging with own workers and workers' representatives about impacts.

The objective of this Disclosure Requirement is to enable an understanding of the processes that ROVI has in place to engage with its own workforce.

In this context, ROVI establishes a relationship with the representatives of its workers through social dialogue, based on transparency, legal compliance and permanent respect. This engagement process allows the Company to understand the workers' perspectives and take them into account in its decision-making process, even though the Group does not evaluate the efficacy of this engagement.

Smooth communication is maintained through, among other means, regular meetings for negotiation, information and consultation, allowing agreements to be monitored and incidents to be solved efficiently. The final goal of this communication is for incidents to be solved through negotiation and agreement, only taking matters to court as a last resort.

ROVI also makes the Ethics Channel available to its own workforce as a communication mechanism whereby its employees, among other stakeholders, may report any irregularity they detect in the Group in relation to regulatory compliance or ethics. The Works Council takes part in the investigation of the case unless the whistleblower expressly requests otherwise. The concerns and worries of the workforce are also expressed at meetings with the Works Council.

The ultimate responsibility for handling these cases is held by the Human Resources Manager, the Internal Audit Manager and the Head of Compliance. In the case of the relationship with the workers' representatives, it is held by the Human Resources Manager. Likewise, no formal evaluation is currently made in relation to engagement with the Company's own workforce.

Additionally, ROVI has suggestion boxes intended to enable the workforce to communicate improvements they have identified on an anonymous basis. The Performance Team checks the content of these suggestion boxes from time to time and, once they have analysed it, provides the employees with feedback.

Finally, ROVI takes the members of its workforce with disabilities into consideration by implementing accessibility measures at all its centres, ensuring an accessible and equitable workplace environment for all its employees and promoting a culture of diversity and inclusion within the Company.

◦ Disclosure Requirement S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns

The objective of this Disclosure Requirement is to enable an understanding of the processes that ROVI applies to remediate its negative impacts and the channels available to the members of its workforce to raise their concerns.

ROVI has made several internal channels available to its workforce to enable the Company to receive and review suggestions, complaints or queries, using both physical and digital mailboxes to receive such communications.

Regarding processes to help remediate any negative impacts that may be caused, ROVI has the Ethics Channel, as mentioned before. The Group has appointed an external manager of the Ethics Channel, who receives all the communications, allowing whistleblowers to remain anonymous if they so wish, while still having access to a secure mailbox.

To ensure the privacy of the whistleblowers who use the Channel, ROVI has established the following criteria:

- The Policy on the Internal Whistleblowing and Whistleblower Protection System, approved by the Board of Directors and published on the Group's website, ensures the confidentiality of all communications submitted through the Ethics Channel.
- Channel users are protected by the right to confidentiality and non-retaliation.

The reports are subsequently investigated and resolved by the Ethics Channel Management Committee, formed by the Internal Audit Manager, the Head of Compliance and the Human Resources Manager. Likewise, the Ethics Channel Committee proposes action plans to correct any infringements declared to be proven during the investigation. The cases received through the Ethics Channel are notified to the Audit Committee every four months and an annual summary report is submitted to the Board of Directors.

ROVI's own workers know of the existence of this channel and the Ethics Channel Policy, which was updated in 2024, since they are available on the ROVI Group website under the "Ethics Channel" section. However, ROVI does not evaluate the degree of trust that its workers place in these mechanisms.

Likewise, the person responsible for Corporate Social Responsibility at ROVI periodically checks the physical and digital mailboxes and shares the information with the departments responsible and, when applicable, the Social Performance Team. This team has a meeting with management and workers' representatives at least every six months to inform them of the communications it has received, analyse the information, provide feedback to the employees and plan actions. Each year, a report compiling all the communications and the measures adopted is prepared and distributed to all employees through internal channels. In 2024, 117 communications were received through this channel.

Finally, regarding health and safety, ROVI has a procedure called SOPc811 Accident Investigation, which allows workers to identify and report unsafe actions and conditions. This system enables specific action plans to be implemented to address any situations detected, thus reinforcing prevention and promoting a safer work environment.

◦ Disclosure Requirement S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The objective of this Disclosure Requirement is to inform on the actions related to impacts on ROVI's own workers, as well as the Company's approach to the material risks related to them.

In 2024, ROVI implemented several actions to prevent possible negative impacts[44] and risks[45] and promote positive impacts on its own workforce, among which the following initiatives stood out:

Firstly, *Workday* was implemented as a software platform in order to strengthen talent management, a key area for the Company. This tool has permitted an improvement in the management and analysis of own workforce-related data, optimising key processes such as the onboarding experience for new employees and the continuous development of their career plans. The implementation of *Workday* represented an investment of €1,499,185.16 for ROVI.

Likewise, leadership and team management training sessions were conducted for Group professionals who had recently taken on roles with responsibility.

Additionally, ROVI carried out a study in collaboration with its Internal Audit and Human Resources Departments and the external consultant firm *Lukkap*, through which it aims to improve employee experience in relation to human resource management.

At the same time, also in collaboration with *Lukkap*, ROVI is making an analysis of the recent increase in employee turnover. On the basis of the result of this analysis, the Company is working activity to implement strategic measures to halt and reverse this trend, thus reinforcing its commitment to retaining and satisfying its human capital. These two actions with *Lukkap* represented a total expense of €42,425,02.

In the health and safety area, in 2024, the Group conducted an accident prevention campaign for the World Day for Safety and Health at Work. This initiative was notified to all the personnel through a number of channels, such as emails and information screens at the work centres, ensuring an effective reach. The campaign, designed with the slogan "Safety is not a game, but it has its rules", included creative and educational material, as well as an explanatory video, visually attractive computer graphics and a personalised pack of cards, adapted to the central theme. This innovative approach sought to raise awareness among the employees in a way that was dynamic and memorable, reinforcing the importance of complying with safety rules in the workplace.

Also in relation to health and safety, ROVI underwent the audits to certify the non-industrial part of the business under the standard ISO 45001:2015 in the last quarter of 2024.

ROVI likewise worked on the following aspects related to the health and safety of its own workforce at each one of its industrial complexes:

<u>Alcalá de Henares Complex:</u>

- Reduction in the risk of falling to a different level from "moderate" to "tolerable" in maintenance and palletising positions. The installation of tilting guardrails for protection from falls to different levels involved an investment of €7,860.
- Attaining the 2% incidence rate for accidents without days lost for employees.

[44] Mention should be made of the fact that no actions have been taken to remediate negative impacts since none were identified in the double materiality process.
[45] All material risks related to ROVI's own workforce are integrated into the corporate risk map.

San Sebastián de los Reyes Complex:

- 100% increase in the cardioprotection resources in the complex. The associated investment totalled €2,659.58.
- 100% increase in the training actions aimed to improve the performance of personnel in handling and acting with chemical products. In 2024, no significant expense was incurred in implementing this action.

Julián Camarillo Complex:

- 3% reduction in the number of incidents caused by overexertion compared to 2023. In 2024, no significant expense was incurred in implementing this action.

Granada complex:

- Elimination of the manual loading operation of solid chemical products (benzethonium chloride and sodium chloride) in several production tanks. ROVI has been working on this since August 2020 and it has involved an investment of €6,580.
- 5% increase in the first-intervention training of the maintenance technicians with permanent contracts compared to 2023. The contract for this course involved an investment of €1,800.
- Increase, compared to 2023, of 5% (of the total) of the workers in the production/control area with more extensive prevention training, which entailed an investment of €608.
- Reduction of 1 dB in the noise level in the Moderna production rooms (with the process equipment at a standstill) caused by the air-conditioning equipment. This reduction represented an expense of €22,000.

Escúzar complex:

- Increase of at least 10% in the first-intervention training of the maintenance technicians with permanent contracts compared to 2023. This action involved an investment of €1,800.
- Increase, compared to 2023, of 5% (of the total) of the workers with training in occupational risk prevention.This additional training involved an expense of €500 for the Group.
- Increase of at least 10% (of the total) of workers with first-aid training compared to 2022, which entailed an expense of €595.
- Attaining the accident incidence rates of 1% with days lost and 2% without days lost for internal personnel.
- Obtaining the ISO45001 certification, in which a total expense of €6,352.50 was incurred.

In 2024, ROVI took a number of actions to improve the accessibility of its installations. Work to improve accessibility was carried out on the ground floor of the office building in Pozuelo de Alarcón (Madrid), representing an investment of approximately €1,350. This work entailed to construction of an access ramp to the area and the elimination of architectural barriers in the multi-purpose room on said floor. In this context, all the new construction projects executed by ROVI in 2024, such as the expansion of the facilities at its work centres with the new office and general service building constructed in San Sebastián de los Reyes or the new industrial building in Alcalá de Henares, were designed and executed taking account of optimal accessibility.

Lastly, attention should be drawn to the fact that the area responsible for the actions taken in 2024 monitors the degree to which they have been completed and evaluates their efficacy. Likewise, the consolidated CapEx figures for 2024 may be consulted in Note 6 “Property Plant and Equipment” and Note 7 “Intangible Assets” of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 “Other Operating Expenses”.

c. Metrics and targets

◦ Disclosure Requirement S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The objective of this Disclosure Requirement is to inform on the targets set to address the impacts and risks associated to its own workforce.

At present, the Group does not have measurable time-bound and outcome-oriented targets to address management of the material impacts and risks identified and does not plan to establish them in the short term. This is partly because, in its double

materiality process, ROVI did not identify any material negative impact the mitigation or reduction of which it was necessary to address.

Notwithstanding, in relation to health and safety, the Group has set the following objectives:

Alcalá de Henares Complex:

- Reduction in the risk of asphyxia in Laboratories positions from moderate to tolerable in accordance with risk assessments QO-001 and QO-002 revision 03.
- Ergonomic improvements in two Manufacturing tasks to reduce the risk from moderate to tolerable in accordance with the ergonomic assessment ref. 13178399 of Quironprevención.
- Reduction in risk of exposure to chemical agents in Automatic Zone 2 and Plenum from moderate to tolerable in accordance with risk assessments FAB-001 and FB-002 revision 12.

San Sebastián de los Reyes Complex:

- 30% reduction in the risks, from “moderate” to “tolerable”, of the Risk Assessment of Logistics Personnel positions.

Escúzar Complex:

- Increase of at least 10% in the first-intervention training of maintenance technicians with permanent contracts compared to 2024.
- Increase, compared to 2024, of 10% (of the total) of the workers at the complex with more extensive prevention training.
- Increase, compared to 2024, of at least 10% (of the total) of the workers with first-aid training.

Granada Complex:

- Reduction of 1 dB in the noise level in the Moderna production rooms (with the process equipment at a standstill) caused by the air-conditioning equipment.
- Increase, compared to 2024, of 5% (of the total) of the production/control area workers with more extensive prevention training.
- 5% increase (compared to 2024) in the first-intervention training of the logistics maintenance technicians and workers.

At Group level, the following targets have been set for 2025:

- Attaining the accident incidence rates of 1% with days lost and 2% without days lost.
- Attaining an accident rate of 3% for temporary employment company and external employees.

Additionally, ROVI monitors the efficacy of the measures related to the IROs identified by establishing future actions. For 2025 and 2026, the Group has the objective of optimising human capital management and fostering the development of internal talent. To this end, the career plans and performance evaluation systems will be extended to the whole organisation, which will allow potential talent to be identified and provide guidance for development and succession plans based on objective results.

Furthermore, an integrated training plan will be launched through *Workday* and will provide access to freely-available courses, placing special focus on improving the skills of production line workers. This will ensure that all levels of the organisation benefit from these initiatives in the short term.

Likewise, in relation to the material risks identified, the risk map will be updated in 2025 in order to monitor the material risks derived from the double materiality assessment. Furthermore, the Group will include targets related to management of these risks in the ESG Master Plan when it is updated after it expires in 2025.

◦ Disclosure Requirement S1-6: Characteristics of the undertaking’s employees

The objective of this Disclosure Requirement is to describe key characteristics of employees in ROVI’s own workforce.

Information on the employee head count in the Company, with the relevant breakdowns, is set out below:

Total employees by country

2024	Total
Spain	2,072
United Kingdom	3
Germany	52
Italy	44
France	6
Poland	1
Austria	4
Portugal	15
Total	**2,197**

The information provided includes employees who were working at the Spanish work centres and the subsidiaries as of 31 December 2024. The 2023 data are not available.

Number of employees by gender

Unlike previous years, this Report includes the additional categories of “Other” and “Not reported”.

	2024	2023	2022
Men	1,043	976	943
Women	1,154	1,135	1,050
Other	0	ND	ND
Not reported	0	ND	ND
Total	**2,197**	**2,111**	**1,993**

Note: Gender as specified by the employees themselves.

Distribution of types of employment contract by gender

2024	Men	Women	Other	Not reported	Total
Total number of employees					
	1,043	1,154	0	0	2,197
Total permanent employees					
	950	1,044	0	0	1,994
Total temporary employees					
	93	110	0	0	203
Total non-guaranteed hours employees					
	0	0	0	0	0

2024	Men	Women	Other	Not reported	Total
Total full-time permanent employees					
	943	984	0	0	1,927
Total part-time permanent employees					
	7	60	0	0	67
Total temporary full-time employees					
	85	86	0	0	171
Number of temporary part-time employees					
	8	24	0	0	32

Note: Gender as specified by the employees themselves.

In 2023, 1,925 employees were permanent. 1,862 of these were full time, 6 were part time and 57 had reduced working hours. There were 186 temporary employees. In 2022, 1,767 employees were permanent. 1,710 of these were full time, 5 were part time and 52 had reduced working hours. There were 226 temporary employees.

Mention should be made of the fact that ROVI has temporary employees on its payroll, since the following situations are included in this category:

- Partial retirements.
- Training contracts. ROVI offers numerous opportunities to students who have recently completed their first degrees, doctorates or professional training via training contracts.
- Temporary contracts to cover absences due to sickness, paternity, maternity, accidents or leave of absence for care of family members, among others.
- Temporary contracts to cover temporary production needs (increase in orders, vaccination campaigns, etc.), work project of various types depending on the department, audits, etc.

Distribution of employment contract types by region

2024	Spain	United Kingdom	Germany	Italy	France	Poland	Portugal	Austria
Total employees in workforce								
	2,072	3	52	44	6	1	15	4
Total permanent employees								
	1,870	3	52	44	5	1	15	4
Total temporary employees								
	202	0	0	0	1	0	0	0
Total non-guaranteed hours employees								
	0	0	0	0	0	0	0	0
Total permanent full-time employees								
	1,804	3	51	44	5	1	15	4
Total permanent part-time employees								
	66	0	1	0	0	0	0	0
Total temporary full-time employees								
	170	0	0	0	1	0	0	0

2024	Spain	United Kingdom	Germany	Italy	France	Poland	Portugal	Austria
Total temporary part-time employees								
	32	0	0	0	0	0	0	0

People leaving the Company voluntarily by gender

	2024
Men	56
Women	90
Other	0
Not reported	0
Total	**146**

Note: Gender as specified by the employees themselves.

Turnover rate

	2024
Turnover rate	10.74%

The data shown include both people who left the Company voluntarily and dismissals, retirements and deaths.

Lastly, the average number of employees for 2024 will be shown in Note 24 "Employee benefit expenses" of the Consolidated Annual Accounts.

◦ Disclosure Requirement S1-7: Characteristics of non-employees in the undertaking's own workforce

The objective of this Disclosure Requirement is to describe the key characteristics of non-employees in ROVI's workforce.

The following tables show information on the characteristics of the non-employees in the Group's workforce:

Number of non-employees in the workforce by gender

	2024
Men	42
Women	90
Other	0
Not reported	0
Total	**132**

Note: Gender as specified by the non-employee workers themselves.

These data relate to non-employees in the workforce who work at the centres in Spain and at the subsidiaries. ROVI considers non-employees in the workforce to be workers hired through temporary employment companies (ETTs).

Average number of non-employees in the workforce by gender

	2024
Men	121.50
Women	186.67
Other	0.00
Not reported	0.00
Total	308.17

Note: Gender as specified by the non-employee workers themselves.

The figures relate to non-employees in the workforce who work at the centres in Spain and at the subsidiaries. ROVI considers workers hired through a temporary employment company (ETT) to be non-employees in its own workforce.

◦ Disclosure Requirement S1-8: Collective bargaining coverage and social dialogue

The objective of this Disclosure Requirement is to disclose information on the extent to which the working conditions of ROVI's employees are covered by collective bargaining agreements and the extent to which its employees are represented in social dialogue in the European Economic Space.

In the case of Spain, all Group workers are covered by the Collective Agreement of the Chemical Industry, a national agreement that has allowed a general improvement in the conditions of the Workers' Statute. ROVI complies strictly with the regulations and legislation in accordance with the Agreement. Workers at the European subsidiaries follow the collective agreements at each geographical location, except in jurisdictions where general labour law is applicable by law, which affects locations where the Group has a low number of employees.

Information on the Group's collective bargaining coverage and social dialogue is set out below by country:

Collective bargaining coverage and social dialogue

2024	Collective bargaining coverage		Social dialogue
Coverage rate	Employees - EEA	Employees - Non-EEA	Employees - EEA
0-19%			
20-39%			
40-59%			
60-79%			
80-100%	Spain		Spain

In previous years, 100% of the employees in Spain were subject to a collective bargaining agreement.

◦ Disclosure Requirement S1-9: Diversity metrics

The objective of this Disclosure Requirement is to provide a clear picture of the diversity of the Company's employees, highlighting the distribution by gender and age.

The following tables show the information on the gender distribution of the Group's top management and the distribution of the employees in its own workforce by age bracket and professional category:

Percentage of women in top management (women on the Management Committee)

Unlike previous years, this Report includes the additional categories of "Other" and "Not reported".

	2024	2023	2022
Men	9	9	9
Women	4	4	3
Other	0	ND	ND
Not reported	0	ND	ND
Total	**13**	**13**	**12**
%	**30.77%**	**30.77%**	**25%**

Note: gender as specified by top management.

Total employees in own workforce by age

	2024
<30	494
30-50	1,223
>50	480
Total	**2,197**

In this report, the age ranges have been adjusted to meet CSRD requirements and, therefore, the data are not directly comparable with previous years.

	2023	2022
18-30	546	452
31-40	573	558
41-50	599	583
51-60	338	334
>60	55	55
Total	**2,111**	**1,993**

- ### Disclosure Requirement S1-10: Adequate wages

The objective of this Disclosure Requirement is to enable an understanding of whether or not ROVI's employees are paid an adequate wage.

ROVI confirms that all its employees receive an adequate wage in accordance with the benchmarks applicable in each country. Likewise, there are no cases in which employees receive wages lower than the amount defined by the legislation in any of the countries where the Group operates.

◦ Disclosure Requirement S1-11: Social protection

In accordance with Appendix C of ESRS 1 (List of phased-in Disclosure Requirements), ROVI will not disclose the information on social protection in relation to 2024, since the Company may omit the information on said Disclosure Requirement in the first year of preparation of the Report.

◦ Disclosure Requirement S1-12: Persons with disabilities

The objective of this Disclosure Requirement is to disclose how many persons with disabilities there are in the Group's own workforce.

The information on the persons with disabilities in the Group's own workforce is set out below:

Total employees with disabilities in the Group's own workforce by gender

The figures shown relate to the total number of workers with disabilities at 31 December 2024 both at the Spanish centres and in the subsidiaries.

	2024
Men	16
Women	14
Other	0
Not reported	0
Total	**30**
Total (%)	**1.36%**

Note: Gender as specified by the employees themselves.

Unlike previous years, this Report includes the additional categories of "Other" and "Not reported". In 2023, 35 employees had disabilities (37 in 2022).

◦ Disclosure Requirement S1-13: Training and skills development metrics

The objective of this Disclosure Requirement is to enable an understanding of the extent to which ROVI provides training and skills development to its employees.

The following tables show the information on the training and professional performance of the Group's own workforce:

Percentage of employees that received performance reviews (%)

	2024
Men	38.84%
Women	47.11%
Other	-
Not reported	-
Total	**43.18%**

Note: Gender as specified by the employees themselves.

Average number of training hours per employee and by gender

	2024
Men	27.77
Women	28.40
Other	-
Not reported	-
Total	**28.09**

Note: Gender as specified by the employees themselves.

◦ Disclosure Requirement S1-14: Health and safety metrics

The objective of this Disclosure Requirement is to inform on the extent to which ROVI's own workforce is covered by its health and safety management system and the incidents associated to this aspect.

The information on absences, accidents and ill health in the Group related to health and safety is set out below:

Health and safety management system

	2024
% employees covered by a health and safety management system	94.31%
% of NON-employee workers covered by the health and safety management system	100%

Work-related accidents and rates

2024	Men	Women	Total
Number of recordable work-related accidents [46]	43	43	86
Frequency rate - Rate of recordable work-related accidents	14.59%	12.44%	13.43%
Severity rate	0.56%	0.29%	0.41%
Incidence rate	4.12%	3.73%	3.91%

In 2024, recordable work-related accidents included all those notified to the labour authorities, including accidents with and without days lost and those in itinere and not in itinere, unlike 2023, when only those that occurred in the workplace with days lost were reported. Therefore, the number of accidents in previous years and the associated rates are not comparable.

2023	Men	Women	Total
Number of recordable work-related accidents	19	20	39
Frequency rate - Rate of recordable work-related accidents	7,05%	6,42%	6,71%
Severity rate	0,20%	0,29%	0,25%
Incidence rate	1,94%	1,76%	1,84%

2022	Men	Women	Total
Number of recordable work-related accidents	12	15	27
Frequency rate - Rate of recordable work-related accidents	4,83%	5,38%	7,02%
Severity rate	0,13%	0,21%	0,17%
Incidence rate	1,27%	1,42%	1,35%

Other associated metrics

	2024	2023	2022
Number of work-related fatalities	0	0	0
Number of cases of work-related ill health	0	0	0
Number of days lost	33,340	27,055	23,122
Number of days lost to work-related accidents	2,648	ND	ND

[46] Of the total recordable work-related accidents, 18 were in itinere; 38 occurred in the workplace and days were lost, and 30 did not lead to the loss of any days.

Numbers and rates of work-related accidents of non-employee workers (temporary employment company workers) whose work or workplaces are controlled by the organisation

	2024
Number of work-related fatalities	0
Number of recordable work-related accidents	30
Frequency rate - Rate of recordable work-related accidents	52.01%
Severity rate	0.22%
Incidence rate	22.73%
Number of days lost to work-related accidents	128

◦ Disclosure Requirement S1-15: Work-life balance metrics

The objective of this Disclosure Requirement is to provide an understanding of the extent to which ROVI employees are entitled to family-related leave and the extent to which they take it.

The information on the work-life balance metrics of ROVI in 2024 is set out below:

Percentage of employees entitled to family-related leave

	2024
Men	100%
Women	100%
Other	-
Not reported	-
Total	**100%**

Note:: Gender as specified by the employees themselves.

Percentage of employees who took family-related leaves

	2024
Men	6.57%
Women	6.56%
Other	-
Not reported	-
Total	**6.57%**

Note:: Gender as specified by the employees themselves.

◦ Disclosure Requirement S1-16: Remuneration metrics (pay gap and total remuneration)

The objective of this Disclosure Requirement is to allow an understanding of the pay gap between men and women employees and the difference between them and the highest-paid person in the Group.

The information on the Group's remuneration metrics is set out below:

Pay gap

	2024
Pay gap[47]	4.46%

In 2023, the pay gap was 6.35% (7.13% in 2022). Mention should be made of the fact that the figures are not comparable due to a change in the calculation methodology since, previously, the guidelines set out by GRI (Global Reporting Initiative) were applied, calculating the gap as (average men's salary-average women's salary/average men's salary.

Furthermore, when calculating the average remuneration for 2024, the additional item of remuneration in kind was included, which had not been considered in previous years except for the Management Committee. This may affect the interpretation of the evolution of this indicator.

Remuneration ratio

	2024
Remuneration ratio	2,519.21

The data shown relate to employees (men and women) both at the centres in Spain and at the subsidiaries. Regarding the pay gap, the average wage includes the basic wage, the variable remuneration and payment in kind.

◦ Disclosure Requirement S1-17: Incidents, claims and severe human rights impacts

The objective of this Disclosure Requirement is to allow an understanding of work-related incidents or claims and severe human rights impacts within its own workforce.

The necessary information on discrimination-related incidents and human right-related incidents is shown below:

[47] Pay gap calculated as (average gross remuneration level per hour of male employees - average gross remuneration remuneration level per hour for female employees) / average gross remuneration per hour of male employees.

Incidents of discrimination

	2024
Total number of incidents of discrimination (including harassment) - Incidents received	10
• Number of these incidents classified as harassment after an investigation	0
Number of complaints submitted through channels for own workforce	7
Total amount of fines, penalties and compensation for damages (as a result of the incidents and complaints disclosed above)	0

Incidents of human rights discrimination

	2024
Number of severe human rights incidents related to own workforce Human rights incidents received	0
• Number of these incidents classified as human rights violations after an investigation	0
Total amount of fines, penalties and compensation for damages as a result of severe human rights incidents	0

No reports were received through the Ethics Channel in relation to possible human rights violations in the previous years.

2. ESRS S2. Workers in the value chain

The objective of this chapter is to specify the way in which ROVI has impacts on value chain workers connected with its own operations, its business relations or its products. Likewise, this chapter has the objective of addressing the risks and opportunities arising from the previously-identified material impacts.

Additionally, the actions taken to prevent, mitigate or remediate negative impacts and the results of these actions, as well as the Group's approach when addressing topics such as working conditions, equal treatment and opportunities, and other work-related rights.

This chapter will discuss the workers in the Group's upstream and downstream value chain, i.e. all workers who are not included in the "own workforce" (employees and non-employees).

a. Strategy

◦ Disclosure Requirement related to ESRS 2 SBM-2: Interests and views of stakeholders

The objective of this Disclosure Requirement is to enable an understanding of how the interests, views and rights of the workers in ROVI's value chain impact its strategy and business model.

At present, ROVI does not take account of the role that its business model may play in creating, exacerbating or mitigating material impacts on value chain workers. Likewise, the Group has not adapted either its strategy or its business model in accordance with the material impacts identified as a result of the double materiality assessment. Notwithstanding, ROVI operates mainly in Europe and its principal partners belong to the pharmaceutical sector. These circumstances mean that the regulatory environment and supervision of these counterparties are very demanding, thus ensuring an appropriate level of worker protection.

In addition, as a result of the reflection process arising from the new sustainability-related regulatory environment and aware that the impact of its activity may extend beyond its own operations, ROVI will incorporate the impacts and opportunities[48] identified as material when drawing up its next ESG Master Plan when the current Master Plan expires in 2025. In this respect, the strategic pillar "Responsible supply chain management" will be reinforced to include the actions necessary to mitigate negative material impacts and take the opportunities identified.

◦ Disclosure Requirement related to ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The objective of this Disclosure Requirement is to provide an understanding of the material impacts and opportunities as they result from the Group's double materiality assessment in relation to value chain workers.

ROVI conducted a double materiality assessment in which it analysed the context, taking account of its strategy and business model, to find out the aspects that could impact its relations with value chain workers. The impacts and opportunities found to be material in relation to value chain workers as a result of said assessment are set out below:

Value chain level	Topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Upstream	All topics	EcoVadis Platform: evaluates the ESG performance of suppliers in relation to the environment, human rights and labour practices, ethics, and sustainable purchasing.	Positive impact	Actual	< 1 year
Downstream	All topics	In 2023, only 18.3% of Group suppliers were evaluated on the EcoVadis platform.	Negative	Actual	< 1 year
Upstream	All topics	ROVI does not establish sustainable purchasing criteria.	Negative	Actual	< 1 year

[48] Take account of the fact that no material risks have been identified.

Value chain level	Topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Across the value chain	All topics	Low percentage of signatures of Code of Ethics for Suppliers.	Negative	Actual	< 1 year
Across the value chain	All topics	Possibility of infringement of a human or work-related right by a supplier.	Negative	Potential	> 5 years
Across the value chain	All topics	ROVI does not currently have a Human Rights Due Diligence procedure.	Negative	Actual	< 1 year
Own operations	All topics	Implementing ESG audit programmes across the value chain.	Opportunity	Potential	1-5 years
Own operations	All topics	Implementing a sustainable purchasing policy.	Opportunity	Potential	1-5 years

Note: all the topics include the totality of the sub-topics and sub-sub-topics of the standard.

In relation to the material impacts and opportunities identified associated to labour conditions, equal treatment and opportunities, and other work-related rights, they indicate the absence of effective control mechanisms (apart from those that exist for subcontracted workers who work at the Company's facilities) that allow said rights to be correctly monitored across the value chain.

The absence of a Human Rights Due Diligence process hinders the identification of groups of value chain workers who are particularly vulnerable. Consequently, neither can it be determined whether there exists a material risk of child labour or forced or compulsory labour among the value chain workers in countries where respect for human rights may not be guaranteed. Notwithstanding, ROVI has a mandatory questionnaire for suppliers to complete before signing any contract, which addresses issues such as respect for the fundamental rights of their workers.

In addition, in relation to positive impacts, ROVI has identified a material positive impact derived from the processes the Company conducts to control its suppliers' performance in the social, environmental and governance areas through the EcoVadis platform. At present, 27% of the adhered suppliers have been evaluated but the Group's commitment is to increase that percentage in upcoming years.

Finally, material opportunities have been identified, such as the implementation of a sustainable purchasing policy, as well as performing sustainability audits across the value chain. Mention should be made of the fact that, in this respect, there are no material opportunities derived from impacts that affect specific groups of workers.

Regarding the main types of value chain workers that could be materially affected in general terms[49] by the impacts mentioned above, they are as follows:

First, we have workers who provide their services on ROVI sites but do not form part of the Group's own personnel. These are mainly workers who carry out subcontracted services of different types, such as cleaning services, engineering services to repair manufacturing equipment, logistics services, information technology and safety, among others.

It is important to mention that ROVI addresses safety on a comprehensive basis, performing the Coordination of Business Activities (CAE) functions in all the activities carried out by value chain workers who work on Group sites, irrespective of the type of task, job or location. Although no material risk has arisen in relation to this specific category of workers, the Group considers it essential to ensure protection of all workers in any work situation at their work centres.

In addition, we have the workers who provide their services in the upstream and downstream value chain:

[49] It has been determined that all the negative impacts are considered to be general, since they could affect a broad group of value chain workers and are not limited to specific individual cases.

Upstream value chain

In the upstream value chain, a distinction may be made between two large groups of value chain workers. First, we have the workers of Group suppliers and, second, the workers of the pharmaceutical laboratories with which ROVI holds in-licensing agreements, acquiring finished goods to be marketed.

Attention should be drawn to the fact that 90% of the suppliers with which the Group works are European Union members, which ensures that they are aligned with a set of minimum principles and rights, also highlighting the fact that, furthermore, a majority of these suppliers are from Spain. However, the remaining percentage includes suppliers from countries that could be considered critical due to their geographic location and which could be exposed to material risks related to child labour or forced or compulsory labour.

Downstream value chain

In the downstream value chain, a distinction can be made between four large groups of value chain workers depending on the activity or commercial relationship they have with ROVI.

- Workers of the companies that handle the distribution of finished goods.
- Workers of ROVI's main customers, such as hospitals and wholesalers, who form very broad categories that encompass a large volume of workers.
- Workers of the pharmaceutical laboratories for which ROVI manufactures medicines through its company ROVI Pharma Industrial Services.
- Workers of Punto SIGRE and companies responsible for the sanitary waste bins and dumps, as part of the largest category, which encompasses the end of the useful life or the reuse of part of the Company's products.

b. Impact, risk and opportunity management

◦ Disclosure Requirement S2-1: Policies related to value chain workers

The objective of this Disclosure Requirement is to enable an understanding of the Group's policies related to value chain workers.

In 2024, ROVI developed and implemented a Human Rights Policy, which was signed by the company chairman and sets out principles and rules derived from the Group's commitment to international regulations on respect for human rights, in order to prevent its activities and business relations from giving rise or contributing to negative human rights repercussions.

The scope of this policy encompasses ROVI Group workers, as well as the workers of its suppliers, distributors, consultants and other business partners in the value chain, who must ensure their compliance in all aspects related to human rights. In this respect, the aspects covered by the policy include the rights of the value chain workers, which are closely linked to the material impacts and opportunities derived from the double materiality assessment. Likewise, the main rights that the Group undertakes to guarantee in relations with each one of its stakeholder groups are addressed specifically.

Regarding the value chain, ROVI has developed a supplier evaluation procedure that includes metrics related to compliance with the principles set out in the aforementioned policy. This procedure is mandatory before any contract is signed. Additionally, as a mechanism to remediate impacts, ROVI has a confidential Ethics Channel for reporting irregular conduct or conduct that violates human rights.

Furthermore, ROVI considers its suppliers and customers to be an essential group and is committed to relations based on solvency, commitment and alignment with the Company's principles and values. These contractual relationships are based on financial criteria and ESG requirements,which are reflected in the following corporate policies of ROVI, in addition to the aforementioned Human Rights Policy:

- Supplier Evaluation and Approval Procedure, approved by the head of the Quality area.
- Environmental and Social Sustainability Policy, approved by the company chairman.
- Code of Ethics for Suppliers, approved by the company chairman.

Specifically, through the Code of Ethics for Suppliers, which is mandatory, the following principles are established in accordance with ROVI's human rights commitment:

i. Elimination of forced or compulsory labour.[50]
ii. Elimination of child labour.
iii. Respect for freedom of association and collective bargaining.
iv. Equal opportunities and non-discrimination.
v. Promotion of a work environment that is fair and free from any kind of violence.
vi. Respect for current legislation on working hours and remuneration.

Lastly, the Group undertakes to actively support the Universal Declaration of Human Rights and asks both its employees and all its business partners to respect these principles in their day-to-day activities. Furthermore, as a member of the United Nations Global Compact, ROVI promotes the adoption and dissemination of the principles of this Compact, as well as other international instruments, including the International Labour Organisation Fundamental Conventions, which refer to respect for freedom of association and the right to collective bargaining.

◦ Disclosure Requirement S2-2: Processes for engaging with value chain workers about impacts

The objective of this Disclosure Requirement is to disclose the processes that ROVI has in place to engage with value chain workers.

ROVI has an Ethics Channel as a communication mechanism applicable to all its value chain workers. Through this channel, its employees and any stakeholder, including suppliers and customers, may report any irregularity they observe in relation to regulatory compliance or ethics.

However, for non-employee workers on ROVI sites, there is a specific coordinator, designated by the entity that is collaborating with the Group, who acts are a point of contact between the worker and ROVI. This coordinator is the person to whom reports or requests are submitted in relation to the service provided by the worker.

With this type of worker, there is continuous collaboration during the whole of their stay at ROVI's facilities. For workers who provide services at the Group's industrial plants, the management of each complex is responsible for the collaboration with them. For those who work in the non-industrial area, it is the Human Resources Department. The corporate Health and Safety Department oversees compliance with Coordination of Business Activities in both cases.

Regarding interaction with workers who provide their services on ROVI sites, the Coordination of Business Activities procedure is applied, which ensures their health and safety at work. This procedure defines the exchange of information necessary before any job is begun and the safety measures that should be adopted depending on the type of work to be performed.

Additionally, ROVI has a platform that reviews all the documentation received from companies who have been hired or their workers and subsequently authorises external companies to access and work at Group facilities.

Furthermore, there is an incident investigation procedure, which states that, if any subcontracted worker suffers an accident at Group facilities, he or she is obliged to report and record it. To this end, ROVI establishes an accident rate target for workers who are working full time on company sites and, if they are exceeded, an action plan is developed.

In this respect, ROVI evaluates the efficiency of the collaboration on an ongoing basis through an access control monitoring system, the issue of specific work authorisations, safety inspections and internal audits, among other mechanisms.

[50] Forced labour is inherent to human trafficking.

◦ Disclosure Requirement S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns

The objective of this Disclosure Requirement is to enable an understanding of the processes that ROVI has in place to remediate negative impacts and the channels available to value chain workers to raise their concerns.

Regarding processes to help remediate any negative impacts that may be caused, ROVI has the Ethics Channel, as mentioned previously. The Group has appointed an external Ethics Channel manager who receives all the communications, which allows the whistleblowers to remain anonymous if they so wish and provides a secure communications mailbox.

To ensure the privacy of the whistleblowers who use the Channel, ROVI has established the following procedures:

- Policy on the Internal Information System and Whistleblower Protection, approved by the Board of Directors and published on the Group's website. It recognises the confidentiality of all communications taking place through the Ethics Channel.
- Channel users are protected by the rights of confidentiality and non-retaliation.

Reports are subsequently investigated by the Ethics Channel Committee, formed by the Internal Audit Manager, the Head of Compliance and the Human Resources Manager. The Audit Committee is informed of the content of the Ethics Channel every four months and a summarised report is submitted to the Board of Directors annually.

The workers in ROVI's value chain are aware of the existence of this channel as well as the Policy on the Internal Information System and Whistleblower Protection, which was updated in 2024, since they are available on the ROVI Group's website in the "Ethics Channel" section. Additionally, suppliers can find a detailed explanation in the Code for Suppliers and some contracts include a specific clause in this respect.

◦ Disclosure Requirement S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The objective of this Disclosure Requirement is to disclose actions related to impacts on value chain workers and the Company's approach to any material opportunities related to them.

As mentioned previously, ROVI does not have a Human Rights Due Diligence process and, therefore, has not identified any potential adverse impacts that it could be generating on value chain workers. Consequently, it has not taken any specific actions aimed to mitigate risks or take opportunities relating to these workers and neither has it described whether its actions are intended to prevent, mitigate or remediate the negative impacts identified in this area.

Notwithstanding, the Group is making progress towards ensuring the sustainability of the supply chain and preventing any negative impacts on value chain workers by controlling and monitoring its suppliers.

Firstly, it strives to ensure that its suppliers adhere to the Code of Ethics for Suppliers, which establishes the mandatory compliance requirements for any service provider that works with the Group. Its content is equivalent to the requirements of ROVI's internal Code of Ethics.

As a novelty, in 2024, a Sustainable Purchasing Questionnaire, intended for suppliers, was implemented, which, in future years, will help mitigate any potential adverse impacts derived from third parties in the ethical, social and environmental areas. In the supplier engagement process, it is mandatory for the supplier to complete a self-declaration questionnaire before the contract is signed. The questionnaire addresses aspects such as respect for its employees' fundamental rights and this part of the process is essential in order for the supplier to be engaged.

Additionally, since 2020, ROVI has adhered to the EcoVadis platform, a tool that evaluates the performance of the Company's suppliers who have registered with the platform in the following ESG aspects:

- Environment
- Human Rights and Labour Practices
- Ethics
- Sustainable Purchasing

Additionally, the ESG and Quality areas conduct an evaluation of the scores assigned to the suppliers and subcontractors on the EcoVadis platform. This check is specifically aimed at those classified as high-risk suppliers or subcontractors (with a score lower than 25 out of 100), regarding whom ROVI has undertaken to establish an action plan and monitor it continuously. In the event that, when the score is received, it represents a high risk and the contractual relationship with the supplier or subcontractor has not yet commenced, the Group will assess whether or not to begin working with it. The expense associated to the EcoVadis platform totalled €25,965.89.

In this respect, the consolidated CapEx figures for 2024 may be consulted in Note 6 “Property Plant and Equipment” and Note 7 “Intangible Assets” of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 “Other Operating Expenses”.

Lastly, as in 2023, no problems or serious cases related to human rights were reported in the upstream or downstream value chain in 2024.

c. Metrics and targets

◦ Disclosure Requirement S2-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

The objective of this Disclosure Requirement is to enable an understanding of the targets set by ROVI to address the impacts and risks associated to value chain workers.

At present, the Group does not have any measurable time-bound and outcome-oriented targets that must be met in managing the material impacts and opportunities identified and does not plan to establish them in the short term. However, ROVI monitors the efficacy of the measures relating to the IROs identified by establishing future actions.

Regarding the Sustainable Purchasing Questionnaire implemented in 2024, it will be sent to suppliers with whom a business relationship already exists, in order to gradually increase the proportion of suppliers who complete it.

Additionally, as in previous years, in the years to come, ROVI undertakes to strive to achieve the adhesion of a higher number of suppliers to the EcoVadis platform, reviewing their respective scores annually.

Lastly, ROVI will monitor its Human Rights Policy is a similar way to the rest of its policies, identifying the need to revise and update it when necessary.

3. ESRS S4. Consumers and end-users

The objective of this chapter is to specify how ROVI impacts the consumers and end-users of its products, including both positive and negative, actual or potential impacts. Likewise, this chapter aims to explain the risks and opportunities derived from the material impacts.

Additionally, it describes the actions taken, and the result of such actions, to prevent, mitigate or remediate negative impacts and the Group's approach when addressing topics such as information, personal safety and the social inclusion of users and/or end-users.

a. Strategy

◦ Disclosure Requirement related to ESRS 2 SBM-2: Interests and views of stakeholders

The objective of this Disclosure Requirement is to provide an understanding of how the interests, views and rights of ROVI's consumers and end-users inform its strategy and business model.

ROVI's strategy and business model integrate the views, opinions and rights of the consumers and end-users from different perspectives. Group strategy is based on placing "safe, high-quality products that guarantee patient safety on the market". In this respect, the guarantee of product quality and safety is considered an essential pillar of ROVI's business model, encompassing not only the stages before the products are placed on the market, but also the period after they have been used by consumers and end-users.

This commitment materialises in the Quality Manual, which includes all the phases of the life cycle of the Group's products, and in the Quality Policy, where quality is defined as an essential aspect of the Company's activity, highlighting the consumers and end-users as its main priority. ROVI also has a Quality System that provides the Group with the resources necessary for it to work correctly, in order to satisfy the expectations placed on the development of its products at all times, while meeting legal, standard-setting and regulatory requirements.

Likewise, ROVI maintains active and efficient communication with healthcare professionals and patients, which is essential in order to achieve the highest levels of transparency and integrity in all its interactions. The Group, through its Pharmacovigilance procedures, identifies, assesses and prevents the risks associated to the use of the medicines after they have been marketed, in order to ensure end-user safety. Additionally, any safety information related to its products is taken into consideration in order to make any changes that may be necessary to its activity.

ROVI's commitment to the protection of the health and safety of the consumers and end-users of its products is also the basis for the professional development of Group employees, who receive continuous training in this respect. This commitment is likewise reflected in the internal and external audits that are conducted of these aspects, which may entail adjustments to the Company's activities.

Attention should be drawn to the fact that ROVI, in addition to considering the consumers and end-users of its products, also deems certain customers to be a stakeholder group of fundamental importance to the Company, since they make the end-users' access to ROVI's products possible. These include large pharmaceutical laboratories with which ROVI has strategic partnerships through contract manufacturing agreements and wholesale distributors of the products.

◦ Disclosure Agreement related to 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The objective of this Disclosure Requirement is to provide an understanding of the material impacts, risks and opportunities derived from the Group's double materiality assessment in relation to its consumers and end-users.

ROVI conducted a double materiality assessment in which its context was analysed, examining its strategy and business model to detect the aspects that could affect its relationship with these stakeholder groups. As a result of the assessment, the following material impacts, risks and opportunities were identified in relation to consumers and end-users:

Value chain level	Sub- (sub-) topic	Description IROs	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Access to information (quality)	Informed Consent Form for participants in clinical trials reviewed by the Ethics Committee.	Positive impact	Actual	< 1 year
Own operations	Access to information (quality)	Possible lack of necessary information on a clinical trial in which a patient is going to participate.	Negative impact	Potential	< 1 year
Downstream	Access to information (quality)	Availability of information necessary on its products for patients and healthcare professionals.	Positive impact	Actual	< 1 year
Downstream	Access to information (quality)	Unavailability of necessary information on product use for patients and healthcare professionals.	Negative impact	Potential	> 5 years
Own operations	Access to products and services	Promotion of R&D&I: scientific and technological research in collaboration with universities and other bodies.	Positive impact	Actual	< 1 year
Own operations	Access to products and services	Heparin research and development of related medicines over the years.	Positive impact	Actual	< 1 year
Downstream	Access to products and services	Parallel imports of ROVI products released for certain markets at a higher price.	Positive impact	Actual	< 1 year
Downstream	Responsible marketing practices	Ethical Marketing Policy, adhesion to EFPIA Code and the Code of Good Practice for the Pharmaceutical Industry in Spain.	Positive impact	Actual	< 1 year
Own operations	Child protection	Through Terafront, ROVI is defining advanced therapies in all kinds of patients.	Positive impact	Potential	> 5 years
Upstream	Health and safety	Audits and follow-up controls on supplies to ensure product quality and safety.	Positive impact	Actual	< 1 year
Own operations	Health and safety	Investment in development of new products or technologies that have a positive impact.	Positive impact	Actual	< 1 year
Own operations	Health and safety	Clinical development of a new formulation of Letrozole LEBE for women with breast cancer.	Positive impact	Potential	1-5 years
Own operations	Health and safety	Research in the glycomics area of basic importance to knowledge of low-molecular-weight heparins.	Positive impact	Potential	1-5 years
Own operations	Personal safety	Quality Management Policy that ensures patient safety in clinical trials.	Positive impact	Actual	< 1 year
Own operations	Health and safety	Internationalisation of Okedi® for the well-being and quality of life or more people with schizophrenia.	Positive impact	Actual	< 1 year
Own operations	Health and safety	ROVI's strategic partnerships with the health authorities for public-private collaboration.	Positive impact	Actual	< 1 year
Own operations	Health and safety	Strategic partnership with Moderna to manufacture the mRNA COVID-19 vaccine.	Positive impact	Actual	< 1 year
Own operations	Health and safety	Strategic partnership with Moderna to develop future mRNA vaccines.	Positive impact	Potential	1-5 years
Own operations	Health and safety	Adhesion to the European Medicines Verification System: control and traceability of medicines.	Positive impact	Actual	< 1 year
Own operations	Health and safety	Pharmacovigilance system: monitoring to identify, assess and prevent medicine-related risks.	Positive impact	Actual	< 1 year
Own operations	Personal safety	Detection of quality problems in products manufactured and/or marketed by ROVI.	Negative impact	Potential	> 5 years
Across the value chain	Health and safety	Compliance with standards, audits and controls to guarantee customer and patient health and safety.	Positive impact	Actual	< 1 year
Across the value chain	Health and safety	Procedures to identify and handle falsified ROVI medicines in order to treat them correctly.	Positive impact	Actual	< 1 year

Value chain level	Sub- (sub-) topic	Description IROs	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Access to products and services	A competitor getting in first in the research and registration of products in ROVI's R&D projects.	Risk	Potential	< 1 year
Own operations	Access to products and services	A competitor getting in first in the research of products in ROVI's R&D projects.	Risk	Potential	1-5 years
Own operations	Access to products and services	Actions of the competition in approving medicines that replace ROVI products.	Risk	Potential	1-5 years
Downstream	Access to products and services	Loss of traceability due to parallel imports of ROVI products released in other markets.	Risk	Potential	< 1 year
Downstream	Access to products and services	Possible introduction of austerity measures to reduce pharmaceutical spending by the authorities.	Risk	Potential	1-5 years
Downstream	Access to products and services	To research and analyse the priority health needs and diseases in different countries.	Opportunity	Potential	1-5 years

All these impacts, risks and opportunities derive from ROVI's business model and its commitment to people, including the consumers and end-users of the Group's products. In this respect, in order to continue to work for the well-being of its stakeholders, ROVI will integrate matters such as personal safety, social inclusion or information on consumers and end-users into its strategy when the ESG Master Plan expires in 2025, although they are, in fact, intrinsic aspects of the Group's mission and vision.

Regarding positive material impacts, they result from the different activities carried on by the Company in all the geographical areas where it operates and have an equal impact on all the consumers and end-users of ROVI products. These activities include compliance with the commitments to the relevant codes of conduct and policies, effective communication with consumers, the guarantee of safety at all stages of the products through the Quality and Pharmacovigilance procedures and the execution of development projects to continue to provide patients with solutions, among others.

Among the negative impacts identified as material, the potential impact resulting from a possible lack of information on clinical trials and the use of ROVI products stands out, since it could jeopardise patient safety and trigger adverse incidents. Furthermore, parallel imports[51] jeopardise consumer complaints about adverse effects due to the lack of traceability and access to accurate information.

Regarding the types of consumers and end-users who may be materially affected on a generalised basis[52] by both the positive and negative impacts mentioned above, a distinction may be made between the following:

- Healthcare professionals: doctors, nursing staff or pharmacists responsible for prescribing and/or administering the Group's products.
- Patients: they are the end consumers of the products manufactured by ROVI and are one of the main groups.

No ROVI product is intrinsically harmful to people or has an adverse effect on the fundamental rights of the consumers and end-users. Additionally, the Group identifies children and persons with disabilities as consumers who are especially vulnerable to impacts on their health or marketing and sales strategies.

Regarding consumers and end-users who depend on accurate and accessible information in the leaflets and information of the ROVI products, they include both patients and healthcare professionals. In this respect, the packaging process is carried out strictly in accordance with the applicable legislation. The Registrations Department conducts a meticulous review of the packaging material of the products, including the labelling, pack, leaflet and technical data sheet. Subsequently, the Medicines Agency validates this documentation before the product is launched on the market.

[51] Situation in which a third party acquires a ROVI product in a market in order to market it in a different country or region.
[52] It has been determined that all the negative impacts are generalised, since they could affect an extensive group of consumers and/or end-users and are not limited to specific individual cases.

As regards risks and opportunities, several key factors have been identified, including: the possibility of competitors getting in first in the research and registration of products, which could jeopardise the profitability and viability of the R&D&I projects; the approval of substitute medicines, which could have an adverse impact on revenue; the impact of parallel importations on the market share; and the implementation of austerity measures by the public authorities to reduce pharmaceutical spending, with the potential to reduce Group sales significantly.

Most of these risks and opportunities depend on specific impacts. However, the possible risk of austerity measures is an exception, since it does not depend on impacts of the Group itself and is an external measure applied by the regulator.

In addition, ROVI has identified that certain groups of consumers and end-users may be exposed to a higher risk of being harmed by its products. These vulnerable groups include, for example, children and people with visual impairments. The fact that it operates in a highly-regulated sector ensures that ROVI complies with the applicable legislation, which establishes the implementation of specific measures when necessary, such as including information on the labelling or in the leaflet or technical data sheet indicating the specific dose for children and providing information in Braille for people with visual impairments. In this respect, during the manufacturing process, the products undergo various process controls to assess their possible impact on vulnerable groups. Although ROVI does not manufacture products specifically for children, it does produce medicines that can be used with paediatric doses, such as Polaramine®, Medicebran® and Medikinet®.

Lastly, attention should be drawn to the fact that, in the assessment of material risks and opportunities related to possible negative impacts on consumers and end-users, the negative impacts identified affected all users and none of them affected specific user groups.

b. Management of impacts, risks and opportunities

◦ Disclosure Requirement S4-1: Policies related to consumers and end-users

The objective of this Disclosure Requirement is to enable an understanding of the policies that ROVI has in relation to consumers and end-users. In line with its commitment to these groups, ROVI has the following policies, which may be accessed on the corporate website:

- Quality Policy: establishes quality as one of the Group's strategic pillars, highlighting the fact that the consumers and users of its products are its main priority. The policy likewise covers the activities of Medicine and Medical Device Development, Manufacture and Control and Medicine and Medical Device Distribution. This policy, signed by the Company chairman, applies to all Group companies.
- Code of Ethics: this document is the basis for all Group policies and guides the relations with stakeholders, including consumers and end-users. It specifies that ROVI has undertaken to offer its consumers innovative, high-quality products. This Code was signed by the Company chairman and applies to all Group companies.
- Policy on access to medicines: sets out the principles that govern society's access to ROVI's medicines and health services. This document, signed by the chairman and applying to the entire Group, reaffirms ROVI's commitment to access to health.
- Ethical Marking Policy: sets out the ethical criteria that must be incorporated into the marketing strategies to satisfy patient needs, foster social well-being and ensure responsible promotion of the products. This policy, approved by the Compliance Committee, is mandatory for all Group companies.
- Human Rights Policy: sets out the Group's specific principles for acting in relation to the human rights of all the persons who comprise its stakeholders, including consumers and end-users. Likewise, it establishes the means necessary to prevent and identify any human rights violation and lays down appropriate mitigation or remediation measures. Specifically, it describes ROVI's principles in relation to patients and healthcare professionals, pursuing the objective of ensuring the right to health. In line with this commitment, as a member of the United Nations Global Compact, the policy also sets out the responsibility the Group assumes with the International Human Rights Charter and the fundamental conventions of the International Labour Organisation (ILO). This commitment was signed by the Company chairman and is mandatory for all Group companies.
- Pharmacovigilance Policy: sets out the risks associated to use of the medicines marketed once they have been placed on the market, as well as the controls to keep these risks at the lowest level, and the relevant pharmacovigilance

system to detect any possible adverse reaction they may trigger. This policy, signed by the Head of Pharmacovigilance, is mandatory for all the Group companies.

- Pharmacovigilance Privacy Policy: describes the processing of the personal data obtained for pharmacovigilance purposes as a result of the adverse reactions reported. This policy, available on ROVI's corporate website, is applicable to the whole Group and was approved by the Quality and Pharmacovigilance Departments.
- Environmental and Social Sustainability Policy: establishes the principles for acting in relation to ROVI's main stakeholders, which include patients. The commitments are encompassed within the principle of "offering a service based on quality and experience". This policy was signed by the Company chairman and is applicable to all Group companies.
- Policy on the Internal Information System and Whistleblower Defence: establishes, among other items, the guidelines and responsibilities for use of the Group's Ethics Channel. Additionally, it guarantees confidentiality and non-retaliation in relation to all the communications submitted through said channel. This policy was approved by the Board of Directors and is published on ROVI's corporate website.

Additionally, the Group bases its activity of medicine manufacturing and promotion on a series of codes and standards. First, ROVI follows the Quality Manual, which complies with Good Laboratory Practices (GLP). This manual defines the quality system necessary to develop products with the required attributes, in line with the applicable regulations. It also establishes an independent quality structure for the Marketing and Distribution Divisions, as well as Development, Manufacturing and Control This manual applies to the company Laboratorios Farmacéuticos ROVI.

The Company also has a Pharmacovigilance protocol that describes the basic concepts of this practice, such as the communication channels with the Pharmacovigilance Department if a person becomes aware of any possible adverse reaction or safety problem associated with a ROVI medicine. This protocol is applicable to the whole ROVI Group.

Furthermore, the Group follows the recommendations of the World Health Organisation set out in the document *Ethical Criteria for Medicinal Drug Promotion*. It has also adhered to the Code of Conduct of the European Federation of Pharmaceutical Industries and Association (EFPIA), the Code of the association AKG (*Arzneimittel und Kooperation im Gesundheitswesen*) and the Code of the Portuguese Association of the Pharmaceutical Industry (APIFARMA).

Finally, the Group has a series of protocols that regulate the way in which clinical trials for medicines for human use are conducted, based on the requirements of the health agencies. ROVI's quality system ensures compliance with the directives and standards applicable to the pharmaceutical industry in this context, applying the standards on Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP) and Good Clinical Practices (GCP), the last of which is, specifically, an international ethical and scientific quality standard for designing, conducting, recording and reporting trials that involve the participation of human subjects, the objective of which is to provide assurance that the trials are conducted meeting the requirements of the protocol, in accordance with the standard operating procedures (SOPs) and in compliance with the applicable current legislation, seeking mutual recognition of results.

◦ Disclosure Requirement S4-2: Processes for engaging with consumers and end-users about impacts

The objective of this Disclosure Requirement is to enable an understanding of the processes that ROVI has for engaging with consumers and end-users in relation to material impacts, risks and opportunities.

ROVI has adequate and efficient channels for engaging with patients and healthcare professionals, since smooth and active communication is essential for achieving the Group's objective of providing the highest levels of product quality and safety with transparency and integrity in all its interactions. Special mention should be made of the fact that, through this engagement with its consumers and end-users, not only aspects related to negative impacts are addressed, but solutions are also provided to consultations, which make up a large part of the communications received.

In this context, the consultation and complaint control procedure, drawn up by the Quality area, sets out the responsibilities and the treatment that consultations and complaints should be given, indicating that Quality Department personnel are responsible for informing the Quality Manager and managing the investigation of the consultations and complaints in accordance with the

established guidelines. This includes providing solutions to the person making the consultation or complaint, informing them, if seen fit, on the causes and the measures taken, if seen fit, as far as this is possible.

In cases of complaints where patients are involved, it is crucial to notify the Pharmacovigilance Department within a period of no longer than 24 hours as of receipt of the complaint. Likewise, if necessary, the Product Management and the Incident Department are also informed, photographs and/or samples are sent to the manufacturer for inspection and analysis, the related documentation is reviewed and, finally, if necessary, the product would be removed from the market. To close the complaint, when the investigation report is received from the supplier, the Quality Department reviews it and notifies the outcome to the complainant. Furthermore, a weekly report including the complaints received and the status of all those received to date must be sent to the Quality Manager.

These responsibilities ensure systematic and efficient management of the consultations and complaints, guaranteeing adequate communication and accurate documentation on each case.

The relationship that ROVI establishes with healthcare professionals is conducted basically through visits by sales representatives and congresses and training sessions. The Marketing and Medical Departments are responsible for designing the training activities relevant to healthcare professionals. Likewise, all the activities proposed are submitted to a prior internal review to ensure compliance with the applicable internal and external regulations (for example, the Group Ethical Marketing Policy, the Medicines Act in Spain, advertising laws, or the Code of Good Practice for the Pharmaceutical Industry approved by Farmaindustria).

The review of the design of the training activities organised or sponsored by ROVI is assigned to the Deontological Supervision Department which, in turn, forms part of the Group's Regulatory Compliance Department, responsible for this activity.

Subsequently, ROVI conducts an evaluation of the efficacy of compliance with ethical marketing regulations in its interactions with healthcare professionals. This evaluation is twofold:

- The Deontological Supervision Department reviews of the execution of some of the activities approved previously (the activities to be reviewed are selected by sampling).
- The Internal Audit Department conducts quarterly audits to check compliance with the rules of the Code of Good Practice for the Pharmaceutical Industry in the activities carried out by ROVI's sales network. The reports setting out the results of these audits are presented to the Audit Committee, which forwards them to the Compliance Department.

In both cases, the Sales and Marketing Departments are informed of the results of the reviews to enable them to define improvement plans if necessary.

Additionally, ROVI identifies consumers with rare diseases as an especially vulnerable group due to the nature of its business. Thus, the Group has created Terafront Pharmatech, a business collaboration for pharmaceutical innovation with the Ministry of Science, Innovation and Universities, Innvierte Economía Sostenible SICC, SME, S.A. (an investment company of the Centre for the Development of Industrial Technology, CDTI, and Insu Pharma S.L., the purpose of which is the investigation and development of advanced therapies for little-known diseases.

◦ Disclosure Requirement S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The objective of this Disclosure Requirement is to enable an understanding of the processes that ROVI has in place to mitigate or remediate its negative impacts, as well as the channels available to consumers and end-users to raise their concerns.

For ROVI, the main negative impact it could cause is related to product quality, since this has a direct effect on patient health and safety. Therefore, the Group has a number of processes through which it addresses the possible problems that its consumers and end-users might encounter.

First, the Company has the pharmacovigilance processes necessary to adequate monitoring of the benefit/risk balance of the Company's medicines. At ROVI, the Group head of Pharmacovigilance is the qualified person responsible for ensuring this supervision and monitoring. Healthcare professionals, patients or any other person who wishes to report an adverse reaction to

one of the Company's medicines has several channels for contacting the Pharmacovigilance Department, such as telephone, fax, email or the postal service, which appear both on the corporate website and in the product leaflets.

The Pharmacovigilance Department collects this information, evaluates the possible involvement of the Company's medicine and notifies the health authorities when the regulations make this necessary. With the information compiled, if it were necessary, ROVI would contact the health authorities to propose the inclusion of possible new adverse reactions. These reports are monitored individually. The objective of pharmacovigilance is to monitor the safety of medicines to protect the patients, using the information obtained from these reports. In this context, at ROVI, no incident managed by the Pharmacovigilance Department has led to a change in the composition of medicines, the removal of medicines from the market or any related studies being conducted.

In cases of complaints related to adverse effects of products considered "parallel imports", they are handled in the same way as any other case provided they are received through the established channels. In these cases, the fact that it is a parallel import is indicated, in order to contact the importer and, if relevant, investigate whether the problem could have been caused by the conditions in which the product was kept during transport or storage.

Likewise, if the Pharmacovigilance Department of ROVI detects any problem related to its products, it is obliged to inform the health authorities before disclosing any information on the subject publicly.

Furthermore, the Company has a communication channel to allow any patient who has used a ROVI product to report any irregularity related to its use: the Ethics Channel of the ROVI Group, accessible through the corporate website. The way this channel is managed is set out in the Policy on the Internal Information System and Whistleblower Defence, which guarantees confidentiality and the right to non-retaliation of channel users. The tool used allows reports to be submitted anonymously and has a secure communication mailbox. Reports received through the channel are investigated by the Ethics Channel Management Committee, composed of the Internal Audit Manager, the Head of Compliance and the Human Resources Manager. Attention should be drawn to the fact that channel users are protected by the rights to confidentiality and non-retaliation. See Disclosure Requirement G1-1 of ESRS G1 on whistleblower protection.

Regarding the products that ROVI manufactures for third parties, any adverse effect must be notified directly to the pharmaceutical company for which the product is manufactured, unless the contract states otherwise.

Regarding the products that are licensed out,[53] ROVI holds quality and pharmacovigilance agreements with the companies that market its products.Communications related to Group products marketed by a company in a foreign country are managed by ROVI's pharmacovigilance area, ensuring that the Pharmacovigilance Department of the foreign country applies the procedures correctly and makes the appropriate notifications. All the foregoing is verified through periodic audits of their pharmacovigilance systems.

Notwithstanding, ROVI dos not evaluate the degree of trust that its consumers and end-users place in these mechanisms.

- ### Disclosure Requirement S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risk and pursuing material opportunities related to consumers and end-users, and effectiveness of these actions

The objective of this Disclosure Requirement is to provide an understanding on actions related to impacts on consumers and end-users and the Company's approach to the related material risks and opportunities. The scope of these actions encompasses the entire value chain (upstream, downstream and own operations).

In this respect, ROVI has five main areas related to medicine development and production, all of which are oriented to meet the needs of the users of its products: the Quality area, the Intellectual Property area, the Pharmacovigilance area, the Regulatory Compliance area and the R&D&I area.

[53] The licensing-out activity consists of granting licenses to third parties for ROVI's own products, mainly in order to maximise the commercial potential of the R&D that ROVI carries on internally.

Quality area

In 2024, ROVI reviewed the quality-related action plans and objectives that the Group had set for 2023, following the indicators of the consultation and complaints control procedure of the Quality area and the reports prepared in this respect.

In 2024, the Group worked to achieve the objectives set for the year in the Quality area. One of the main objectives was the updating of the document management system OpenText - GxP Suite. This objective was attained through actions such as initial operating tests, the preparation of validation and execution documentation, and the implementation and review of both the related SOPs and employee training. The foregoing represented an expense of €296,000 for ROVI.

In addition, more than 1,000 quality-related training actions were carried out, both general and specific, in addition to the mandatory actions. This training addressed the following topics: regulation of healthcare products and ISO 13485, action in the event of consultations and/or complaints, management and operation of injectors, and Campus ROVI processes. The expense associated to this training was €5,990.

Furthermore, an objective was set consisting of improving the documentary support to respond to consultations by implementing a control of declarations of allergens by product. To this end, a review of the existing documentation was conducted to prioritise the request for the necessary information, product expiry dates were established and a monitoring tool was developed.

Regarding the negative impact related to a lack of necessary information on product use for healthcare professionals or patients, ROVI's Quality area ensures the protection of customer and patient health and safety throughout the life cycle of the products through strict compliance with the Company's internal requirements and the applicable legislation put in place by the regulatory bodies.

Intellectual Property area

The ROVI Group is continuously acting to address parallel importations of its products and ensure the safety of its consumers and end-users. The parallel importation of medicines is a legal practice recognised by the European Union. This practice allows specialised companies to benefit from the free circulation of goods within the European Union and take advantage of the regulated prices in the different European countries. Thus, these companies purchase medicines in countries where prices are lower and sell them in countries where the regulated prices are considerably higher.

ROVI, as a manufacturing laboratory and owner of the registered trade mark, should receive a prior notification from the importer, stating the product it intends to import and its formats, the country where it is acquiring it and the country or countries where it is going to market it. Since the medicine cannot be marketed as is in another European Union Member State if it is not adapted to the destination market, ROVI then requests physical samples of the products to analyse them, in order to ensure that the medicine arrives with the correct aesthetic attributes and that the way it is handled by the importer does not have a negative effect on the brand and, therefore, its owner. In particular, the imported product must have a label on the outside pack stating that it is a parallel import and identifying the importer, the name of the manufacturer and the holder of the marketing authorisation, as well as a unique identifier to verify the origin and authenticity of the product and the updated leaflets in the destination language. The product may not be re-packaged because the end-user must be able to identify the fact that it is imported. Furthermore, the outside pack must have a security seal that shows whether the pack has been opened or manipulated. If these conditions are not met, the Company will raise the relevant objections with the importer and, if the appropriate rectifications are not made, may request precautionary measures, thus preventing the product from being marketed.

Pharmacovigilance area

In 2024, in the Pharmacovigilance area, ROVI worked to ensure that the benefit/risk balance of its medicines remained favourable in order to protect patient health. Attention should be drawn to the fact that no changes were made in relation to procedures that affect the safety of ROVI products. If any notifications were to be received that indicated a change in the benefit/risk balance, the Pharmacovigilance Department would take the relevant measures after they had been notified to and evaluated and approved by the pertinent health authorities.

In addition, the Group carries out annual pharmacovigilance training programmes, which are mandatory for all employees. as part of its continuous training. The pharmacovigilance training courses imparted in 2024 entailed a total expense of €11,105.

Mention should be made of the fact that, if a product safety problem related to parallel imports were to arise, it would be notified directly to the importer, who is responsible for providing a response and, likewise, the Group Pharmacovigilance area would be informed.

International area

In licensing-in processes,[54] one of the main criteria when selecting a product is its safety profile. If, in the course of the evaluation of the clinical trials, any problems were to arise with the product safety data, ROVI would end the process.

Regulatory Compliance area

In 2024, the Group continued to supervise, on a recurring basis, the product promotion projects proposed by the Marketing or Sales areas in respect of ethical marketing. The Regulatory Compliance area conducts a review in which it assesses whether the concept of the activity is in line with the Group's Ethical Marketing Policy, the EFPIA Code, the Farmaindustria Code or, where applicable, the code of the relevant country, among others. Attention should be drawn to the fact that, although ROVI has not formally adhered to the specific codes of some countries, such as Italy or the United Kingdom, it complies with the standards they establish and has a consultant in each country who is an expert in local legislation. In France, the Group is governed directly by national legislation (taking into account regulations like the French Health Code, the Criminal Code and other administrative rules), since there is no specific code. Mention should be made of the fact that, in 2024, ROVI did not carry out any marketing activities in France.

Additionally, in 2024, the corporate Compliance Department conducted internal reviews related to ethical marketing in the Group subsidiaries in Germany, supplementing the supervision carried out by the compliance area in Germany. These reviews entailed an expense of €30,000 euros for ROVI.

In 2024, ROVI also continued with training on its Ethical Marketing Policy, which had been approved in 2023, as set out in one of the strategic goals of the ESG Master Plan. Significant effort was made to ensure that 100% of the employees who have relations with healthcare professionals and healthcare organisations, including those belonging to Group subsidiaries, received this training through the Campus ROVI training platform. Furthermore, training was also provided to recurring suppliers of the Marketing Department to ensure they complied with ROVI's ethical marketing requirements.

R&D&I area

During 2024, ROVI worked on a series of R&D&I[55] actions intended to improve what it offered to consumers and end-users:

First, the Group progressed with the clinical development of formulations of Letrozole LEBE and quarterly Risperidone. Both projects are in phase 1 and preliminary results are expected for February and the end of the first quarter of 2025, respectively. These results will be used to discuss the plan for the clinical trials with the health authorities in order to obtain registration.

Furthermore, there are potential formulations at an exploratory stage that have not yet been made public due to their incipient state.

Regarding the use of Artificial Intelligence (AI), ROVI has integrated this technology in various ways. It is possible to highlight the acquisition of the diagnostics company Cells AI, where AI tools are applied to improve diagnosis, as well as in pathological anatomy. Likewise, artificial intelligence was also used in various aspects of R&D&I projects in 2024.

ROVI has, firstly, begun an evaluation of the use of AI tools to improve the predictive models used in the efficacy studies of the clinical trials prior to registration of the product. It has also considered starting to work with AI tools in the use of production data and quality attributes of the raw and intermediate manufacturing materials in processing heparins, in order to assess whether there is any inter-relationship between the raw material attributes and certain metrics that maximises performance. Additionally, in 2024, the implementation of IA tools in the framework of epilepsy was considered, where collaboration agreements have been signed with companies engaged in seeking new pharmacological objectives for ROVI products in the development phase.

[54] The licensing-in activity consists of the acquisition by ROVI of rights over pharmaceutical products developed by other companies to market and distribute them under its own trade mark or in collaboration with the company that developed them.
[55] Attention should be drawn to the fact that information on R&D&I investments will not be disclosed due to its sensitive nature, in accordance with ESRS 1 (7.7.).

Secondly, with the creation of Terafront Pharmatech, ROVI has begun to work on development of advanced therapies. Attention should be drawn to the fact that the time horizons in this respect depend largely on the authorities, given the composition of the business collaboration. Notwithstanding, in 2024, the structuring of the company and the potential projects with a strong social impact commenced, such as, for example, oncological treatments that do not currently have other therapeutic alternatives.

Lastly, the glycomics area also worked on improving the production process, enhancing product performance and increasing the studies performed.

In relation to the potential negative impact of the possible lack of information on a clinical trial in which a patient is going to participate, ROVI has the following prevention measures:

- Quality Management Policy of ROVI's Development, Manufacturing and Control Division, specialised in the control of medicines from the time they are manufactured until they are placed on the market, including the preclinical phases and clinical trials, ensuring compliance with the relevant regulatory and safety requirements.
- Subject's Informed Consent Form: document in which the subjects and/or their representatives confirm that they agree to take part in a clinical trial. The term "informed" reflects the fact that the subject has received full information on the clinical trial at a prior interview, with the help of the Patient Information Sheet.
- Compliance with Good Clinical Practice (GCP),[56] which encompasses a series of rules intended to guarantee the rights of patients who take part in a clinical trial, ensuring the quality of the data and preventing errors in the clinical research.

The consolidated CapEx figures for 2024 may be consulted in Note 6 "Property Plant and Equipment" and Note 7 "Intangible Assets" of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 "Other Operating Expenses".

Lastly, it should be noted that in 2024, as in 2023, no serious human rights problems or incidents were reported in relation to ROVI's consumers and end-users.

c. Metrics and targets

◦ Disclosure Requirement S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The objective of this Disclosure Requirement is to provide an understanding of the targets set by ROVI to address the impacts, risks and opportunities associated to consumers and end-users.

The Quality area analyses the results of the objectives when the previous year (2024) has finished and, in the first quarter of 2025, work is carried out to establish time-bound and outcome-oriented targets related to product quality, in order to address the material IROs related to consumers and end-users.

In relation to pharmacovigilance, the Group has internal metrics and indicators intended to measure compliance with the time periods for reporting incidents and other safety-related information to the heath authorities, subsidiaries and partners, as well as the compliance of other activities. Additionally, the Department monitors the efficacy of its processes through periodic audits, confirming that the risk-benefit balance of the Group's products remains favourable to the patients, as well as to keep the relevant marketing authorisation.

The final objective of pharmacovigilance is not only to protect users from possible adverse reactions, but also to guarantee safe use of the medicines in special situations, such as during pregnancy, in children, in cases of incorrect use or when a medicine is consumed after its expiry date.

Regarding ethical marketing, ROVI has set the objective of carrying out supervision activities in the subsidiaries of Portugal and Italy from the corporate Compliance Department. These reviews consist of the supervision of product promotion and marketing projects to ensure that they are conducted in line with the Group's Ethical Marketing Policy and the other applicable codes. They are additional to the reviews carried out by the Compliance Departments of the individual countries.

[56] See guide ICH E6(R2) https://www.ema.europa.eu/en/documents/scientific-guideline/ich-guideline-good-clinical-practice-e6r2-step-5_en.pdf

Lastly, in terms of R&D&I, specific time-bound and outcome-oriented objectives will not be disclosed because of the sensitive nature of said information. Notwithstanding, the projects in progress related to the ISM technology platform will continue to advance.

d. Entity-specific information: Digitalisation and artificial intelligence

The objective of this chapter is to provide detailed information on how ROVI takes digitalisation and the use of artificial intelligence (IA) into consideration in the course of its main activities: R&D and the manufacturing and marketing of pharmaceutical and healthcare products.

◦ Governance

The objective of this section is to describe how the Group integrates good governance into its digitalisation and artificial intelligence practices.

At ROVI, digitalisation and artificial intelligence are encompassed within the good corporate governance framework linked to its objective to contribute to the continuing improvement of healthcare and the development of solutions that improve the health of Group patients.

In the digitalisation area, the Company has internal rules and protocols for use of ICT (Information and Communication Technology) resources, backed by a multidisciplinary work team composed of the Head of Information Technology (IT), the Industrial Property Manager and the Compliance Manager. Likewise, the Digital Transformation area, the Industrial area and Automation are responsible for the improvement or development of digital processes. Specifically, the Transformation area detects, defines, designs and develops MVP (Minimum Viable Product)[57] solutions focused on the digital experience of the ROVI employee from the point of view of efficiency in time, procedure and traceability control and information security.

Likewise, regarding artificial intelligence, the Hospitals and Institutional Relations area has developed a digital healthcare project that provides a framework for different initiatives within this new field into which the pharmaceutical industry is expanding.

◦ Strategy

The objective of this section is to provide an understanding of how ROVI's strategy and business model integrate the interests, views and rights of both the consumers and end-users and the other stakeholders.

At a strategic level, digitalisation and artificial intelligence are in a process of development and implementation that will change in accordance with customer needs and the evolution of the sector.

ROVI has conducted a double materiality assessment, in which it analysed its context, examining its strategy and business model to detect the aspects that could impact its relations with stakeholders. The process followed by the Group to determine the material impacts, risks and opportunities related to digitalisation and artificial intelligence is set out under Disclosure Requirement IRO-1 of ESRS 2, where the four phases of the double materiality assessment are described: understanding, identification, assessment and determination.

As a result of said assessment, the opportunities[58] found to be material in relation to digitalisation and artificial intelligence are set out below:

[57] A Minimum Viable Product (MVP) is a simplified version of a product with essential characteristics, designed to validate an idea, obtain user feed-back and make improvements before full development.
[58] It should be noted that no material impacts or risks were identified.

Value chain level	Entity-specific topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Digitalisation and artificial intelligence	Use of AI to discover and develop drugs, improve research processes, reposition medicines and reduce studies (animals) and clinical trials (humans).	Opportunity	Potential	> 5 years
Own operations	Digitalisation and artificial intelligence	In pharmacology, AI optimises clinical trials, improves diagnoses and provide more personalised treatments.	Opportunity	Potential	> 5 years
Own operations	Digitalisation and artificial intelligence	Innovative measures (Pharma 4.0 measures) integrate industrial production with information and communication and create self-governed production processes.	Opportunity	Potential	1-5 years

- Management of impacts, risks and opportunities

Policies related to digitalisation and artificial intelligence

The objective of this Disclosure Requirement is to provide an understanding of the Group's policies related to digitalisation and artificial intelligence.

In this context, ROVI has a Policy on Use of ICT Resources, which sets out the rules of use and procedures that must be applied in the use of information technology and communication resources. The objective is to establish the obligations of the users in relation to security and the use of ICT resources, taking account of the Personal Data Protection regulations, cybersecurity, article 20 of the Workers' Statute on information systems, and the control obligations established in article 31 bis of the Spanish Criminal Code.

The scope of application of the policy covers all persons who work or collaborate with the Company and are ICT resource-users simply because they use them. It is also applicable to any person who processes personal data using the information systems.

This policy, which was approved by the chairman of ROVI, has an annex that Group workers must sign to confirm that they accept it.

Actions and resources related to digitalisation and artificial intelligence

The objective of this Disclosure Requirement is to provide an understanding of actions related to the use of digitalisation and artificial intelligence and ROVI's approach to the related material opportunities. Additionally, it should be noted that the consolidated CapEx figures for 2024 may be consulted in Note 6 "Property Plant and Equipment" and Note 7 "Intangible Assets" of the Consolidated Annual Accounts, while the OpEx figures may be consulted in Note 25 "Other Operating Expenses"

Information systems area

ROVI integrates digitalisation through its IT operations. First, the Group is focusing on reducing the user of paper through comprehensive document management system. This system, which has been implemented at several complexes, seeks to digitalise all procedure-related documents, records and forms, improving the efficiency of the review processes. The new RoviQMS tool surpasses its predecessor because it also manages document copies, marking a significant step in the digital transformation of ROVI's industrial processes. The associated investment totalled €269,000. In 2025, the functionalities of quality event management (change management incidents, CAPAs. etc.) were added.

In addition, the digitalisation initiative extends to the Electronic Batch Record (EBR) system. This system replaces the extensive paper documentation associated to each production batch by electronic records, capturing critical data such as temperatures and pressures. In addition to digitalising the dossier and record books, the EBR system automates processes by integrating with the Company's ERP, downloading the manufacturing orders and notifying the consumption of materials automatically, thus allowing the batch to be checked by exception, ending with the release of batches by the Quality Department in accordance with the regulatory requirements. The Escúzar complex has implemented this system successfully for two products, while, at the same time, development is progressing at the Granada complex and active work is taking place

to implement it at the San Sebastián de los Reyes and Julián Camarillo complexes to come into operation in 2025. The investment made in 2024 totalled €1,650,000.

Furthermore, the Laboratory Information Management System (LIMS) was extended to the Escúzar complex. This is a system for recording information on electronic analyses that facilitates the management of analysis samples and results at all the laboratories, reducing the dependence on paper even further. The scope of the LIMS was expanded at the rest of the complexes. The investment made in 2024 totalled €200,000. In 2025, the electronic notebook function will be incorporated at the Julián Camarillo complex.

Additionally, the integration of Industry 4.0 was another important point for ROVI, involving the capture of signals from different systems and equipment by work centre, including particle monitoring. All these data form part of the batch record[59] and can be used to prevent failures in equipment such as engines or valves through statistical analysis or artificial intelligence. However, no specific plan is yet in place to make use of these capabilities, which means there is room for future progress in predictive maintenance and operating efficiency.

Moreover, ROVI has digitalised a number of processes through tools like Workday or Campus ROVI, which incorporate the employee performance and training processes, respectively. The expense associated to Campus ROVI in 2024 totalled €12,500.

In the artificial intelligence area, attention should be drawn to the fact that ROVI has been exploring the application of non-generative AI for several years, particularly in relation to cybersecurity.

Hospitals and Institutional Relations area

In the AI area, ROVI has also developed a Digital Health project, through which it is undertaking initiatives to address this novel field into which the pharmaceutical industry is expanding. The Group is taking very specific actions that will lead to further development in this area.

The first initiative focuses on the agreement[60] with Cells IA, a start-up that has defined is value proposal in the pathological anatomy area, specialising in diagnostics with artificial intelligence algorithms. This discipline is undergoing a revolution that entails the digitalisation of these samples, which are scanned and converted into digital files. This digitalisation process brings a number of advantages, such as easy storage, task assignation and sharing cases among professionals. In this context, Cells IA develops algorithms that analyse the sample and deliver a diagnosis, which the anatomical pathologist must then review and validate. These algorithms improve the efficiency of the workflow, decreasing the decision-making time, while efficacy increases due to greater accuracy. At present, ROVI has a team of 15 developers working on this project.

Additionally, in 2024, ROVI included non-standard third-party products in its marketing line, consisting of software programmes that, with the help of artificial intelligence, are able to detect, in only a few minutes, the location and severity of cardiac arterial stenosis, as well as characterising the plaque or carrying out virtual planning of the repair of the artery with stents, based on a CT image or angiogram. The Group distributes these software packages in Spain and Portugal. The expense incurred in 2024 totalled €88,410.60.

Furthermore, although ROVI does not currently have a formal AI strategy, ROVI has an IT Policy that governs the use of ICT resources and the use of sensitive information. This policy may require reviews to include references to AI, reflecting the technological panorama that is evolving. Likewise, in 2024, the Group obtained the ISO 27001 certification, that endorses the implementation, maintenance and continuous improvement of ROVI's Information Security Management System.

Transformation, Efficiency and Improvement area

The main objective sought by this area is to innovate and provide solutions based on emerging technologies in the areas of digital identity, change management, cybersecurity, AI, compliance, CSR and Industry 5.0 through the design of digital solutions that place people at the centre of technological development. In this context, technology is not seen as an end in

[59] Batch record refers to the document or system that records the entire manufacturing process of a batch, ensuring traceability and quality.
[60] ROVI has acquired a 26% interest in Cells IA.

itself, but as a means to achieve collective well-being, promoting equality, democracy and sustainability. In this context, ROVI worked on the development of the following initiatives in 2024:

- A digital signature governance model, which organises the different signature processes, the administration of risk, the parties involved, the organisation up to the roles level, responsibilities, presentation lines and communications. This model helps users to reply to day-to-day questions, establishes a system of control over signed documents and ensures they are kept correctly.
- Process mining, which consists of applying specialised algorithms to all digitalised back-office processes to identify trends, patterns and bottlenecks, in order to enhance work flows and other areas where there is room for improvement.
- Implementation of CLM (Contract Lifecycle Management), second version, a platform to review the Group's contracts where, as a result of the process mining initiative mentioned above, a data-based approach has been used to optimise the control management process and to identify points where improvements are required, which will be applied in 2025.

The total expense associated to these three actions in 2024 was €309,120.

◦ Metrics and targets

Targets related to digitalisation and artificial intelligence

The objective of this Disclosure Requirement is to describe the targets set by ROVI to address the opportunities related to digitalisation and artificial intelligence.

At present the Group does not have any measurable time-bound and outcome-oriented targets to manage the material opportunities identified in this respect. Notwithstanding, ROVI continuously monitors the efficacy of the measures implemented in the digitalisation and artificial intelligence area in order to consolidate and expand its activity in this field in upcoming years.

From the IT area, the Group aims to extend implementation of the EBR system to the rest of its industrial complexes, thus driving the batch record digitalisation. Additionally, ROVI is also working on different projects to continue to develop the application of artificial intelligence in its activities.

Furthermore, for 2025, the Hospitals and Institutional Relations area has other objectives, such as the development of the digital identity and the signature policy. This project covers the attributes necessary for a digital signature according to the different security levels, the criteria to be applied and the certification levels required for authorised signatories and/or representatives of the Group in accordance with the company and country. Likewise, it is planned to implement CLM version 3, incorporating artificial intelligence.

Governance information

1. ESRS G1. Business conduct

The objective of this chapter is to specify ROVI's strategy, approach, processes and procedures, as well as its performance in respect of business conduct.

Likewise, details are given of how the Company addresses ethics and corporate culture, including anti-corruption and bribery, management of relationships with suppliers, and the Group's activities and commitments related to exerting political influence.

a. Strategy

◦ Disclosure Requirement related to ESRS 2 GOV-1: The role of administrative, management and supervisory bodies

The objective of this Disclosure Requirement is to provide an understanding of the role and experience of the administrative, management and supervisory bodies in relation to business conduct.

ROVI, as an entity committed to transparency and good corporate governance, encourages its administrative, management and supervisory bodies to play an essential role in promoting ethical and responsible business conduct. ROVI's Board of Directors is responsible for establishing policies and strategies that provide guidance to the Company in meeting its corporate objectives, while, at the same time, ensuring that all the operations are carried out with integrity and in accordance with the applicable legislation. In turn, the management body implements these policies, ensuring that a corporate culture that prioritises social well-being in all its activities is maintained. Finally, the supervisory bodies, such as the Audit Committee and the Compliance Committee, have the task of independently monitoring and evaluating compliance with these policies and procedures, ensuring that ROVI's business conduct remains aligned with ethical and governance standards.

ROVI's internal corporate governance rules are in line with the Good Governance Code of Listed Companies approved by the National Securities Market Commission (CNMV) in 2015 and most recently updated in 2020. Likewise, it complies with the CNMV's Technical Guide 1/2024 on Audit Committees at Public-Interest Entities and Technical Guide 1/2019 on Nomination and Remuneration Committees.

As a result of this approach, ROVI promotes honest conduct in its interactions with its stakeholders, establishing a relationship of mutual trust that helps satisfy their interests, needs and expectations.

Likewise, both the governing bodies and senior management have the necessary experience in business conduct and the members of both were selected on the basis of their knowledge and experience in the specific areas covered by the bodies or committees to which they belong. Specifically, candidates for ROVI's Board of Directors are selected by the Nomination and Remuneration Committee based on their professional qualifications and integrity, as well as their capacity to perform the role and their compatibility status.

ROVI also reviews the training plan annually in order to ensure the directors knowledge is continuously updated. In this respect, the members of the governing bodies receive recurrent training in relation to regulatory compliance and business conduct, which ensures they have full knowledge of these aspects and keeps them updated.

b. Management of impacts, risks and opportunities

◦ Disclosure Requirement related to ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

The objective of this Disclosure Requirement is to provide an understanding of the material impacts and opportunities[61] derived from the Group's double materiality assessment in relation to business conduct.

ROVI conducted a double materiality assessment in which it analysed its context, taking account of its strategy and business model, to find out the aspects that could affect its business conduct. As a result of this assessment, the impacts and opportunities found to be material in this respect are set out below:

Value chain level	Sub-topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Upstream	Animal welfare	Guarantee of animal welfare in research and supplier compliance with Good Laboratory Practice.	Positive impact	Actual	< 1 year
Own operations	Animal welfare	Replacement of studies using animals with in vitro studies or mathematical models. Only engages organisations that ensure animal welfare.	Positive impact	Actual	< 1 year
Own operations	Political commitment and activities of lobbies	Commitment to the free market and compliance with the rules that regulate it.	Positive impact	Actual	< 1 year
Own operations	Corruption and bribery	"Zero tolerance" policy in relation to bribery and corruption to satisfy private interests.	Positive impact	Actual	< 1 year
Across the value chain	Corruption and bribery	Procedures to fight against money-laundering depending on the stakeholder group to which they are applicable.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	The Code of Ethics includes ROVI's commitment to the principles of business ethics and transparency.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Regulatory compliance framework that promotes standards of ethics, quality, professionalism and know-how in the pharmaceutical industry.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Competition Policy: achieve the best result with fair competition and without practices that affect the free market.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Completely transparent tax policy ensures meeting tax obligations with ethical and responsible practices.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	ESG aspects integrated into ROVI's ESG Master Plan, involving the Board of Directors' approval.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Ethics channel available to all employees to report any irregularity.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Safeguarding of and respect for the intellectual and industrial property of ROVI and third parties.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Protection of minority shareholders through the Board.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Mechanisms to avoid conflict: non-executive directors, policies.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	Sustainability objectives of the business, linked to the Board's variable remuneration. ESG Master Plan.	Positive impact	Actual	< 1 year
Own operations	Management of relations with suppliers, including payment practices	Procedures for contracting suppliers required by ROVI in relation to quality and the environment.	Positive impact	Actual	< 1 year

[61] Note that no material risks were identified.

Value chain level	Sub-topic	Description IRO	Impact/Risk/ Opportunity	Actual/ Potential	Time horizon
Own operations	Management of relations with suppliers, including payment practices	Ethics channel available to suppliers and other business partners to report non-compliant conduct.	Positive impact	Actual	< 1 year
Own operations	Management of relations with suppliers, including payment practices	Policy on Supplier Contracting and Payment, homogeneity and efficiency in keeping supplier accounts.	Positive impact	Actual	< 1 year
Own operations	Corporate culture	R&D area: projects for automation of ISM® technology and improvement in heparin manufacturing.	Opportunity	Potential	1-5 years

In relation to the complete double materiality process followed by ROVI to determine the material impacts, risks and opportunities related to the administrative, management and supervisory bodies, see Disclosure Requirement IRO-1 of ESRS 2.

◦ Disclosure Requirement G1-1: Business conduct policies and corporate culture

The objective of this Disclosure Requirement is to enable an understanding of the policies of ROVI with respect to business conduct and corporate culture.

The values on which ROVI's corporate culture is based are established in the corporate Code of Ethics and, to ensure an understanding of and compliance with this Code, the Group promotes these values through specific training and communications. In 2024, online training was carried out through the Campus ROVI platform, which makes learning both easy to access and flexible. Attention should be drawn to the fact that, each year, the Company develops a compliance training plan that specifies the people who will be trained and the aspects on which they will receive training, thus ensuring a personalised and effective approach.

Likewise, the Group has an Ethics Point at all the work centres, where informational leaflets on relevant topics are available, such as the Code of Ethics and the Ethics Channel. Additionally, a communication campaign on compliance is carried out annually. In 2024, this campaign focused on data protection and was disseminated by emails and in messages on the screens located at the work centres. Mention should be made of the fact that these screens show changing information, including content from previous campaigns, thus ensuring continuous access to key topics.

In 2024, ROVI, in collaboration with the consulting firm Lukkap, conducted a study on employee experience. This study was carried out using questionnaires addressed to a number of company workers in order to find out their views on different human resource-related aspects. In this respect, in terms of active listening, individual manager-employee meetings are held annually to share, among other things, the views and alignment of the workers in relation to Group corporate culture.

ROVI also has both physical and digital mailboxes to receive suggestions for improvement or complaints in accordance with the requirements of the standard SA-8000. The Group likewise has an Ethics Channel, consisting of a communication channel available to both employees and any other stakeholders, through which any irregularity concerning regulatory compliance or ethical conduct must be reported.

Furthermore, each year, the Group's Corporate Social Responsibility (CSR) area organises different corporate volunteering activities to encourage the workers to get to know non-profit entities whose work is aimed at integrating persons with disabilities through inclusive leisure activities. These activities favour a closer bond with the entities to which ROVI has made a commitment and promote employee alignment with these charitable causes.

Another initiative organised by the CSR area to foster corporate culture concerns the charity sports events, such as charity runs and walks in Granada and Madrid, or the charity padel tournament organised for the first time in 2024 in collaboration with Fundación A la Par in Madrid. All these activities are received positively by the employees since, in addition to allowing them to

collaborate with charity causes, they provide them with the opportunity to meet workers from other locations or work teams and exchange experiences.

Lastly, within the framework of different awareness campaigns, the CSR area organised contests open to all the workforce, such as:

- Green Ideas, for World Environment Day, in which employees provide advice to contribute to the protection and care of the natural environment.
- Design of the ROVI T-shirt, held in the last quarter of the year for the Companies Race that takes place in December. The participants have the opportunity to submit their proposal for a T-shirt representing the Group's values to be used for volunteering activities the following year.
- "Hidden Goblin", a campaign executed within the framework of raising energy efficiency awareness derived from ISO 50001 for the Granada Complex in the Health Technology Park. In order to raise worker awareness of the impact of day-to-day activities on the complex's energy performance and encourage participation in both proposing ideas for improvement and detecting possible inefficiencies, a campaign was conducted that led to over 40 notifications from ROVI workers, detecting improvement opportunities in the air-conditioning and lighting areas of the complex, which will be studied and included in the Energy Management System.

In relation to business conduct matters and corporate culture, ROVI has the following internal policies associated to its good governance commitment:

- Director Remuneration Policy.
- Policy on the Composition of the Board of Directors.
- Environmental and Social Sustainability Policy.
- Policy on Related-Party and Intragroup Transactions.
- Policy on Communication of Economic-Financial and Non-Financial Information, and Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors.
- Senior Management Remuneration Policy.
- Anti-Bribery and Anti-Corruption Policy.[62]
- Supplier Evaluation and Approval Policy.
- Order Management and Supplier Payment Procedure.
- Succession Plan for the Chairman, Chief Executive Officer and Senior Management.
- Policy on the Internal Information System and Whistleblower Defence (Ethics Channel).
- ROVI Group Policy on Rules of Use of ICT Resources.
- Regulatory Compliance Policy.
- Information Security Policy.
- Competition Policy.
- Policy on Access to Medicines.
- Animal Testing Policy.
- Policy on Prevention of Conflicts of Interest.
- Human Rights Policy.
- Data Protection Policy.

Among these, the Animal Testing Policy states that, although studies using animals cannot be completely eliminated because, even though their impact on research is low, it is essential, ROVI undertakes to apply replacement, reduction and refinement policies when animal testing is carried out, in order to reduce any impact to a minimum.

[62] ROVI's Anti-Bribery and Anti-Corruption Policy is consistent with the United Nations Convention against Corruption.

In this respect, the Group ensures that all its studies using animals are approved by an external Animal Experimentation Ethics Committee, thus guaranteeing animal welfare and minimising stress and suffering. Furthermore, ROVI has voluntarily adhered to the Spanish Agency for Medicines and Medical Devices' (AEMPS) Programme for Compliance with Good Laboratory Practice and, since 2021, has held the certificate for compliance with this Programme, subsequent to inspection and verification by the competent authorities.

Likewise, to apply its Animal Testing Policy correctly, ROVI has a Quality Manual that defines the procedures necessary to ensure compliance with these practices.

The Policy on the Internal Information System and Whistleblower Protection sets out the mechanisms that govern ROVI's ethics channel, including the principles for taking action, the responsibilities and the rights and duties of the whistleblower. This policy guarantees the principle of non-retaliation or threat of retaliation derived from a report submitted in good faith and, therefore, ROVI considers any retaliation to be a serious violation of the Group's principles and values and its Code of Ethics.

In this respect, to ensure the proper operation of the Code of Ethics, ROVI has a communication tool managed by an external manager, the Ethics Channel, which guarantees the confidentiality of all communications, enabling both internal and external reports to be made either anonymously or with identification of the sender. All reports reach the external manager, meaning that the Company never knows the whistleblower's identity, except if the whistleblower him or herself so requests. The external manager makes a preliminary examination of the report and forwards it to the Group's Ethics Channel Committee, which investigates the report in order to reach a conclusion on the report, adopt a decision and notify the decision to the parties involved. This Committee is composed of ROVI's Internal Audit Manager, the Head of Compliance and the Human Resources Manager.

Additionally, every four months, a summary of the reports submitted through the Ethics Channel, their current status and the decisions adopted is sent to the Audit Committee, guaranteeing the confidentiality of the parties. Furthermore, a summary report is submitted to the Board of Directors annually. In 2023, ROVI launched a communication campaign to inform employees of the changes made to the Ethics Channel to adapt it to the provisions of Law 2/2023 of 20 February, regulating the protection of persons who report regulatory violations and the fight against corruption. This campaign took place by email, leaflets and information broadcast on the screens at the work centres. In 2024, this information continued in leaflets and on the screens at the centres and, additionally, online training on the Channel was launched. Likewise, in the onboarding pack for people joining the Company, ROVI also provides the Code of Ethics and specific information on the Ethics Channel. This ensures that all employees acquire proper knowledge and the necessary skills in relation to business conduct.

It should be noted hat ROVI has Internal Regulations on the Ethics Channel, which set out how investigations are conducted and, in general, the entire process for handling the reports received.

Lastly, specific anti-corruption training is provided annually to the groups identified as having the highest risk exposure, in particular, the Sales Network, the Management Committee, the Industrial Committee and the key positions that report to them.

◦ Disclosure Requirement G1-2: Management of relationships with suppliers

The objective of this Disclosure Requirement is to provide an understanding of ROVI's management of its relationships with its suppliers and its impacts on the supply chain.

ROVI recognises the key role of its suppliers in its activity and, therefore, undertakes to establish relationships with them based on solvency, commitment and alignment with the Company's principles and values. These contractual relationships are based on financial requirements, as well as environmental, social and governance criteria, which are set out in ROVI's corporate policies. In this respect, the Group has a mandatory Code of Ethics for Suppliers, which establishes the principles to be followed in accordance with ROVI's commitment to human rights protection.

In this connection, ROVI has a Supplier Evaluation and Approval Procedure, which sets out the criteria that must be applied when selecting the suppliers with whom the Group is going to work, including an initial evaluation of the supplier and further periodic evaluations, in addition to checking the relevant certifications of the suppliers and the raw materials.

In the initial supplier evaluation, a risk assessment is conducted based on the type of activity the supplier will be carrying on, since this may have a significant effect on product quality and/or compliance with the regulations for both the products themselves and ROVI's internal processes. In these cases, the risk assessment may entail audits at the supplier's facilities and/or the inclusion of specific clauses in the quality agreements established between the parties. This leads to the creation to a list of approved suppliers with GMP impact, which is managed by the Quality Department.

The Group does not only assess its suppliers in terms of quality, but also encourages good practices through two main mechanisms:

First, from a quality perspective, ROVI carries out both physical and remote audits to ensure strict control over suppliers who have a direct impact on product quality and safety. This audits allow continuous monitoring of compliance with ROVI's requirements and regulatory standards. Additionally, the Group has an Annual Plan based on a risk assessment, which is used to manage these audits, assessing various metrics of the suppliers. Furthermore, through an annual evaluation, the potential impact of the suppliers on the Company's reputation and the quality of the batches produced are assessed.

Furthermore, from a sustainability perspective, since 2020, ROVI has been using the EcoVadis Platform to evaluate the sustainability performance of its suppliers, covering aspects such as the environment, human rights and work-related practices, ethics and sustainable purchasing. The suppliers complete an extensive questionnaire and the platform makes an external analysis, In order to assign a score of between 0 and 100 to each supplier, which allows ROVI to identify violations and request improvements. The Group's ESG Master Plan includes the goal of increasing the number of suppliers evaluated in accordance with environmental, ethical and good governance criteria, prioritising those located in regions that are sensitive in terms of human rights and invoicing volume. Likewise, in 2024, ROVI implemented a mandatory Sustainable Purchasing Questionnaire for the new suppliers with which it was going to work. In upcoming years, this will help minimise possible negative impacts related to third parties in the ethical, social and environmental spheres. The Supplier Evaluation and Approval Policy includes a self-declaration questionnaire before signature of the contract, which addresses topics such as guaranteeing respect for the fundamental rights of the supplier's employees, as well as ethical conduct and respect for the environment. Completion of this questionnaire is mandatory before ROVI enters into contract with the supplier.

The Group also has the Order Management and Supplier Payment Procedure, which states that suppliers whose annual revenue exceeds 100,000 euros must always have a formally-signed contract and, likewise, specifies how invoices should be sent and recorded and the accepted payment methods, thus ensuring consistency and efficiency in the accounting with suppliers and avoiding payment delays.

In this respect, in 2024, ROVI launched a sustainability-linked confirming programme in collaboration with BBVA to promote these aspects across its value chain. This programme offers financial incentives to suppliers who meet environmental, social and governance criteria evaluated through the EcoVadis Platform. The suppliers who obtain a scores of between 45 and 74 points on this platform will obtain a reduced discount rate on the early payment of invoices and those will scores between 75 and 100 points will receive an even lower rate. Suppliers with scores lower than 45 and those who have not been evaluated will continue with their current financial terms.

To monitor these scores, ROVI will review them twice yearly and decide which suppliers are eligible for the incentives. Suppliers must update their evaluations annually to continue to be eligible. Lastly, the Group will notify the verified scores to BBVA, which will include the eligible suppliers in the incentives programme.

◦ Disclosure Requirement G1-3: Prevention and detection of corruption and bribery

The objective of this Disclosure Requirement is to provide information on ROVI's system to prevent, detect and address allegations or cases related to corruption and bribery.

The Company carries on its activity under the principle of "zero tolerance" of bribery and corruption, ensuring that any action that includes these practices as a way to obtain its own interests is rejected. To tis end, it has two main mechanisms: the Ethics Channel and the Crime Prevention Model. The latter was developed considering ROVI's two principal activities, which are the promotion and sale of medicines and the manufacturing of its own and third-party products. Additionally, every two years, the Group engages an independent third party to review the correct operation of this Model.

In relation to investigation into reports managed through the Ethics Channel Committee, in the event that any member of said body were involved in the process, he or she will be excluded from the relevant investigation. ROVI has an internal model that regulates this type of specific situation. Likewise, communications received from the Ethics Channel are notified to the Audit Committee every four months and a summary report is submitted to the Board of Directors each year.

Regarding policies related to the prevention and detection of corruption and bribery, such as the Anti-Bribery and Anti-Corruption Policy, all ROVI workers are duly informed using a number of mechanisms. First, the relevant information on the policies is shared in the onboarding pack for people joining the Group and, likewise, the policies can be found on the website. Additionally, an information campaign is launched each time a new policy is approved and, if it is complex, specific training is provided if so required.

In this context, in 2024, anti-corruption training was provided to 85.95% of the employees identified as belonging to the group exposed to a risk of corruption. These employees were selected on the basis of the position they hold and also the functions they perform. In particular, in 2024, anti-corruption training was imparted to the Management Committee, the Industrial Committee, all department managers and heads, and persons who, although they report to department managers and heads, have budgetary and decision-making autonomy. Likewise, training was given to all members of the Sales Network and Purchasing Department. The training programme covered topics such as the Anti-Corruption and Anti-Bribery Policy, the Code of Good Practice for the Pharmaceutical Industry, the Code of Ethics and the Crime Prevention Model.

As mentioned previously, ROVI's Management Committee, Audit Committee, Nomination and Remuneration Committee and Board of Directors have training plans that cover regulatory compliance, including aspects related to preventing and detecting corruption and bribery.

In addition, ROVI has a number of anti-money laundering mechanisms designed to ensure that all the Group's financial operations are transparent and legal, in spite of the fact that the Company is not subject to the provisions of article 2 of Law 10/2010 on the Prevention of Money Laundering and Terrorist Financing. These mechanisms address relationships with new customers and suppliers and policies on the daily allowances and expenses of employees.

Lastly, attention should be drawn to the fact that the organisation of congresses by the Group is strictly controlled, specifically following the recommendations of the Code of Good Practice of Farmaindustria, to avoid any possible breaches of anti-corruption or anti-bribery laws. Before any congress is held, ROVI's Deontological Supervision Department (the department responsible for supervision in relation to the Code of Good Practice for the Pharmaceutical Industry) reviews all aspects in detail, ranging from the material that is to be projected or provided to the fees paid to the doctors who provide their services as speakers.

c. Metrics and targets

◦ Disclosure Requirement G1-4: Incidents of corruption and bribery

The objective of this Disclosure Requirement is to provide information on incidents of corruption or bribery during 2024. In this respect, ROVI has not received any convictions or sanctions for infringing the anti-corruption and anti-bribery laws. Notwithstanding, in 2024, the Ethics Channel received a report that could include acts of corruption between individuals and may have caused financial damage to ROVI. At the date of presentation of this Report, the investigation into this incident is still in progress.

◦ Disclosure Requirement G1-5: Political influence and lobbying activities

The objective of this Disclosure Requirement is to provide information on ROVI's activities and commitments related to exercising political influence, including the activities of lobbies related to its impacts.[63]

ROVI carries out this type of activity through Farmaindustria, the national business association for the pharmaceutical industry in Spain, which groups together most of the innovative pharmaceutical laboratories established in Spanish territory, accounting for

[63] Note that no material risks or opportunities have been identified related to political influence and lobbying activities.

practically all sales of patented prescription medicines in Spain. Through this collaboration, ROVI has a positive impact on all its stakeholders, particularly patients and healthcare professionals.

ROVI's CEO, Juan López-Belmonte, as the Group's chief representative, is responsible for supervising ROVI's activities related to Farmaindustria. The aspects covered by this association concern pharmaceutical regulation, in which ROVI collaborates as a member of the association, which makes decisions on a collective basis.

Likewise, ROVI is registered in the EU Transparency Register, due to the Group's intention to adhere to a European Commission working group that deals with matters related to essential medicines. In this case, the contact person is the Group's Head of Communication and Corporate Social Responsibility. Additionally, the Company has adhered to the codes of ethics of the different countries in which it operates, specifically those of Portugal (APIFARMA) and Germany (AKG), in addition to following the recommendations issued by the WHO and EPFIA.

Attention should be drawn to the fact that, in this context, ROVI does not make any direct or indirect contributions to political campaigns, political parties or candidates. Neither does the Group have any member of its administrative, management or supervisory bodies who held a comparable position in the Public Administration in the two years prior to their appointment in their current term of office.

◦ Disclosure Requirement G1-6: Payment practices

The objective of this Disclosure Requirement is to provide an understanding of the Group's payment practices.

In order to ensure sustainability in the supply chain, ROVI monitors its value chain and, consequently, its suppliers and other value chain participants. In 2024, the Company was in constant contact with all its suppliers to ensure proper management and prompt payment of their invoices

In this respect, the Group works with over 2,076 suppliers from 32 different countries. In 2024, the average payment period was 47.48 days, having been 54.70 days in 2023. The Group's usual payment periods are between 30 and 60 days, 90% of payments being made within 60 days, in accordance with the maximum legal periods provided for in Law 3/2004 of 29 December and subsequent amendments thereto, which established measures to fight against late payment in commercial transactions. This figure was calculated applying the criteria set out in the third additional provision of Law 15/2010 of 5 July, amending Law 3/2004 of 29 December whereby measures to combat late payment in commercial transactions were established. Likewise, in 2024, ROVI had no legal proceedings pending due to payment delays of this type.

ANNEX I Additional information

Information on social and work force-related matters

1. Total number and distribution of employees

a. By professional category

	2024
Manual workers	818
Administrative	52
Technical specialists	1,052
Supervisors	158
Managers	78
Directors	26
Management Committee	13
Total	2,197

In this Report, the categories have been adjusted and, therefore, the data are not directly comparable with previous years.

	2023	2022
1	7	7
2	94	123
3	389	382
4	294	289
5	761	658
6	248	237
7	174	185
8	2	4
0	22	17
Filiales	120	91
Total	2,111	1,993

2. Number of dismissals by gender, age and professional category

a. By gender

Unlike previous years, this Report includes the additional categories of “Other” and “Not reported”.

	2024	2023	2022
Men	36	21	18
Women	32	18	15
Other	0	ND	ND
Not reported	0	ND	ND
Total	**68**	**40**	**33**

Note: Gender as specified by the employees themselves.

b. By age

	2024
<30	21
30-50	37
>50	10
Total	**68**

In this Report, the age brackets have been adjusted to meet CSRD requirements and, therefore, the data are not directly comparable with previous years.

	2023	2022
18-30	8	4
31-40	12	10
41-50	13	11
51-60	7	7
>60	0	1
Total	**40**	**33**

c. By professional category

	2024
Manual workers	32
Administrative	2
Technical specialists	26
Supervisors	6
Managers	1
Directors	1
Management Committee	0
Total	68

Note: Gender as specified by the employees themselves.

Unlike the previous year, in this Report the professional categories have been adjusted and, therefore, the data are not directly comparable.

	2023	2022
1	0	0
2	6	2
3	18	1
4	4	1
5	7	5
6	3	1
7	2	1
8	0	0
0	0	0
Subsidiaries	0	0
Total	40	33

3. Absence rate

	2024	2023	2022
Absence rate[64]	4.37%	3.67%	3.41%

[64] The figure reported relates only to Spain

4. Average remuneration and its evolution, disaggregated by gender, age and professional category or equal value

When calculating the average remuneration for 2024, the additional item of remuneration in kind was included, which had not been considered in previous years except for the Management Committee. This may affect the interpretation of the evolution of this indicator.

a. By gender

Unlike previous years, this Report includes the additional categories of “Other” and “Not reported”.

	2024	2023	2022
Men	44,070	39,980	38,385
Women	42,104	37,439	35,647
Other	-	ND	ND
Not reported	-	ND	ND
Total	**43,037**	**38,710**	**37,016**

Note: Gender as specified by the employees themselves.

b. By age

	2024
<30	29,996
30-50	42,759
>50	57,165

In this Report, the age brackets have been adjusted to meet CSRD requirements and, therefore, the data are not directly comparable with previous years.

	2023	2022
18-30 years	27,469	25,460
31-40 years	34,960	32,874
41-50 years	42,113	39,895
51-60 years	54,127	52,181
>60 years	52,303	46,791

c. By professional category and gender

Unlike previous years, this Report includes the additional categories of “Other” and “Not reported”.

2024	Men	Women	Other	Not reported	Total
Manual workers	25,461	25,654	-	-	25,562
Administrative	30,918	34,569	-	-	34,218
Technical specialists	43,532	47,011	-	-	45,304
Supervisors	62,857	58,067	-	-	60,007
Managers	93,593	95,619	-	-	94,580
Directors	143,390	126,175	-	-	138,093
Management Committee	338,323	177,355	-	-	288,794

Note: Gender as specified by the employees themselves.

In this Report, the professional categories have been adjusted and, therefore, the data are not directly comparable with previous years.

	2023		2022	
	Men	Women	Men	Women
1	17,420	18,658	17,935	18,266
2	18,820	19,083	18,207	18,397
3	20,622	21,415	20,084	21,022
4	27,930	26,641	26,989	26,475
5	34,982	34,752	35,244	34,230
6	49,763	43,752	46,540	41,051
7	66,470	59,821	62,801	57,793
8	120,569	110,188	123,418	108,276
0	256,707	139,692	282,829	147,637
Subsidiaries	89,570	72,852	88,937	67,397

5. Average remuneration of the Management Committee

Unlike previous years, this Report includes the additional categories of “Other” and “Not reported”.

	2024	2023	2022
Average remuneration of women (thousand euros)	177,355	187,432	177,258
Average remuneration of men (thousand euros)	338,323	348,301	344,711
Average remuneration of "Other” (thousand euros)	-	ND	ND
Average remuneration of “Not reported” (thousand euros)	-	ND	ND

Note: Gender as specified by the Management Committee members themselves.

Note: The total remuneration paid in 2024 to members of senior management (including the Internal Audit manager) and excluding the remuneration of the executive directors was 2,588 thousand euros (1,926 thousand euros in 2023 and 1,877 thousand euros in 2022).

6. Average remuneration of the Board of Directors

Unlike previous years, this Report includes the additional categories of “Other” and “Not reported”.

	2024	2023	2022
Average remuneration of women (thousand euros)	80	80	135
Average remuneration of men (thousand euros)	848	105	496
Average remuneration of "Other” (thousand euros)	-	ND	ND
Average remuneration of “Not reported” (thousand euros)	-	ND	ND

Note: Gender as specified by the employees themselves.

Explanation of the remuneration difference between men and women on the Board:

Apart from the Chairman, all the board members receive the same remuneration for performing their functions on the Board and there is no discrimination based on gender, age, culture, religion or race. The Executive Directors receive remuneration for their functions consisting of a fixed component and a variable component, the latter of which depends on attaining a series of objectives, both individual and pertaining to the Company, that are evaluated and concern both business and financial aspects and the sustainability area. Inasmuch as the Executive Directors of ROVI are all male, no gender differences are applicable. However, if the total director remuneration is considered (in their capacities as both directors and executives) broken down by gender, there are necessarily differences between the remuneration of men and women directors given that, at present, ROVI has no female executive directors.

Explanation of the remuneration difference between 2024 and 2023

The 2023 remuneration figures of the members of the Board of Directors include only their remuneration in their capacity as directors. Given the requirements of the CSRD Directive, the 2024 calculation includes, in addition to their remuneration as directors, the following items of the remuneration of the Executive Directors: salary, short-term variable remuneration and long-term variable remuneration. This information may be consulted in more detail in the 2024 Annual Director Remuneration Report.

7. Total hours of training by professional category

2024	Total hours of training by professional category	Average hours of training by professional category
Manual workers	23,035.08	27.62
Administrative	1,127.31	21.27
Technical specialists	30,806.31	29.09
Director	4,552.17	28.63
Manager	2,240.80	28.01
Supervisor	491.92	18.92
Management Committee	232.70	17.90
Total	**62,486.29**	**171.44**

In this report, the professional categories have been adjusted and, therefore, the figures are not directly comparable with previous years.

	2023	2022
1	23.85	21.86
2	24.78	18.14
3	30.51	19.59
4	29.84	21.68
5	28.61	31.74
6	30.88	37.24
7	35.76	37.16
8	24.00	25.00
0	11.77	26.76

Information on the fight against corruption and bribery

1. Contributions to foundations and non-profit entities

	2024	2023	2022
Donations (€)	430,418	222,081	125,747

Regarding donations, in 2024, ROVI continued to support solidarity initiatives such as the Serendipia Project of Fundación Empresa y Juventud (Aldeas Infantiles) of Granada (€20,000) or the Liberta Project of Proyecto Hombre Granada (€21,900). Likewise, it continued to collaborate with Fundación para el Desarrollo Integral de los Pueblos (€36.000), Beyond Suncare in its

work to protect the population with albinism and prevent skin diseases in Africa (27.518,40 €), and Fundación Recover (€25,000), by supporting its Telemedicine Programme: Health that Connects, or the Change-m Project.

The Group also implemented the second edition of ROVI + Solidario, an initiative whereby the employees propose non-profit projects and entities to which a total amount of €50,000 euros will be donated. In 2024, thanks to the participation of 495 employees, the winning NGOs were Fundación Síndrome de West, Fundame, Cienciaterapia, Babies Uganda and Fundación 38 Grados.

Additionally, in 2024, the Donations Committee approved aid of €250,000 for the Autonomous Government of the Valencian Community for the victims of the flooding and the repair of the damages it caused. ROVI also signed a collaboration agreement with the entity Colegios del Mundo Unido to provide a scholarship for a Spanish student to study an International Baccalaureate during 2025-2027.

Information on the company

1. Associative and sponsorship actions

	2024	2023	2022
Collaboration agreements (€)	178,381	134,540	56,840
Sponsorhsip (€)	56,000	23,549	43,000

Regarding Social Action sponsorships and collaborations in 2024, ROVI took part in the campaign of Fundación Casa del Corazón to raise awareness of heart failure, “Don’t let it go out” (€5,000), an initiative to raise awareness of the risks of this disease, which affects almost a million people in Spain, by distributing material aimed at early identification of the most frequent symptoms on social media.

In this context, ROVI continued its co-operation with the Digital Mental Health Chair in collaboration with the Universidad Pontificia de Comillas (€60,000), as well as its support for the Summer Integration Campus organised by Unión Deportiva de San Sebastián de los Reyes (€15,000) and the work carried out by the Granada Red Cross through its Flag Day (€4,000). The Group also collaborated with Fundación Cofares in its Charity Golf Tournament and Charity Christmas Concert for a total amount of €28,000.

Additionally, ROVI collaborated with Fundación España Salud and the Official Association of Pharmacists of Madrid for the inclusion of the Alcalá de Henares City Council in the Network of Cardio-Protected Pharmacies (€37,690). With this agreement, 24 defibrillators were installed in pharmacies with extended opening hours, as well others located in areas where there are no other health centres close-by. Likewise, pharmacy employees received training on how to act in an emergency.

Lastly, the Group maintained its agenda of volunteering activities with non-profit entities like Fundación También (skiing campus in Sierra Nevada - €8,500), the Adaptive Descent of the River Sella (€4,500), the Madrid También Solidario Race (€3,000), Fundación Deporte y Desafío (Eco-Hiking and Multi-Activity Days in Madrid and the cycling route through the Lecrin Valley in Granada for a total amount of €14,140), Fundación Granada Integra (Churriana Integra Inclusive Race and canoeing in the Cubillas Reservoir, for a total amount of €1,320) and Fundación Manantial (Mental Health Race in Madrid, for €30,000). Furthermore, in 2024, the first Charity Padel Tournament for ROVI employees took place in collaboration with Fundación A la Par, which attracted approximately a hundred employees from the Madrid centres for a weekend of games and competition (€5,230.90).

2. Complaints received from customers and consumers

	2024
No. of complaints closed	979
No. of complaints inthe process of solution	287

Prior years' figures are not comparable due to a change in the reporting scope. In previous years, only the complaints received by Laboratorios Farmacéuticos ROVI were reported and only at national level. However, in 2024, the scope reported encompasses the whole Group at both national level and at the level of the subsidiaries. 142 complaints were received in 2023 (112 in 2022).

3. Supervisory and audit systems and their results

	2024	2023	2022
Suppliers evaluated (%)	30.27%	18.30%	ND

Other: financial performance

1. Tax information by country (thousand euros)

2024	PBT	CIT	Grants
Spain	256,219	-43,951	840
Portugal	140	-103	0
Poland	-227	0	0
German	758	-281	0
United Kingdom	584	-144	0
Italy	918	-577	0
Switzerland	-15	0	0
France	193	0	0
Total	**258,570**	**-45,056**	**840**

	2023			2022		
2023	**PBT**	**CIT**	**Grants**	**PBT**	**CI**	**Grants**
Spain	197,475	-44,470	781	259,813	-58,545	2,112
Portugal	3	2	0	-132	-20	0
Poland	-172	0	0	-248	0	0
German	1,008	-239	0	988	-241	0
United Kingdom	131	0	0	-110	0	0
Italy	932	-550	0	766	-334	0
Switzerland	-7	0	0	-75	0	0
France	152	0	0	114	0	0
Total	199,522	-45,257	781	261,116	-59,139	2,112

Annex II: Content Index Law 11/2018 and ESRS

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Information required by Law 11/2018	Reporting criteria	Location	Page
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Annex III. ESG Master Plan 2023-2025

In 2022, ROVI drew up its ESG Master Plan 2023-2025, which was approved by the Board of Directors in December. This Plan has allowed the company to establish the strategic priorities to be established in relation to sustainability, transparently demonstrating the commitment to stakeholders as defined in both the Group's Sustainability Policy and ROVI's Mission, Vision and Values.

With a three-year horizon, from 2023 to 2025, the Master Plan focuses on 5 priority pillars, which are composed of 19 strategic goals that materialise in 45 indicators. These goals and indicators were defined by the ESG Department in close collaboration with the heads of ROVI's different areas in order to ensure their integration into the Company's strategy. Furthermore, by creating an ESG Committee, the Plan defines the processes for monitoring the follow-up indicators and the Board is informed annually on the progress made.

The starting point of the Master Plan is the double materiality assessment updated in 2022 (see Chapter 4.4 Materiality), which identified the priority ESG topics that were relevant for the Group and its main stakeholders.

With the information resulting from (i) the double materiality analysis, (ii) the ESG aspects evaluated by the rating agencies, (iii) the disclosure requirements within the different non-financial reporting frameworks, and (iv) present and future regulations, ROVI drew up its Master Plan 2023-2025 with the intention of driving sustainability in the company, highlighting its contribution to attainment of 11 of the 17 Sustainable Development Goals (SDGs) of the United Nations Agenda 2030

The following table shows the extent to which the KPIs were attained in 2023 and 2024. During 2025, work will continue to achieve the pending KPIs of the 2023-2025 Master Plan, while working to develop the new master plan, taking the impacts, risks and opportunities resulting from the double materiality assessment conducted in 2024 as a reference.

Pillar 1: Leadership in governance committed to sustainability			
Strategic goal	**Description of KPI**	**KPI status 2023**	**KPI status 2024**
Drive sustainability in the governance model	Create an ESG Committee that supervises implementation of the Master Plan and reports to the Nomination Committee on its execution. (2023)	Completed	
	Maintain the link between the executive directors' variable remuneration and the non-financial performance. (2023 – 2025)	Completed	Completed
Implement efficient ESG risk management	Integrate ESG risks into the corporate risk map and management (2023)	Completed	In progress[65]
	Identify and quantify the transition-related climate risks. (2023-2024)	In progress	Completed
	Reporting of climate-related risks and opportunities in accordance with TFCD recommendations. (2024)	Completed	
Ensure the quality and reliability of the non-financial information	Implement a System for Internal Control over Non-Financial Information. (2023)		
Adaptation to new sustainable financing models	Increase engagement with ESG rating agencies and achieve constant improvement in the evaluations. (2023 – 2025)	Completed	In progress

[65] In 2025, a further review will be made of the integration of ESG risks into the corporate risk map derived from the results of the update of the double materiality assessment carried out in 2024.

Strategic goal	Description of KPI	KPI status 2023	KPI status 2024
Promote good practices in ethical conduct and compliance	100% of the ROVI Group's employees and the contractors and consultants who provide their services on an ongoing basis trained in the Code of Ethics. (2023 – 2024)	In progress	Completed
	Prepare and distribute an internal Ethical Marketing Policy. (2023)	In progress	Completed
	Establish mechanisms that ensure correct implementation of ethical marketing practices in Spain and the subsidiaries through an audit by an independent third party. (2023 - 2024)	In progress	In progress
	Provide ethical marketing training to 100% of the employees who have relations with healthcare professionals and healthcare organisations. (2023 – 2024)	Completed	
	Provide training to recurrent marketing suppliers to ensure compliance with ROVI's ethical marketing requirements. (2023 – 2024)	Completed	
	Distribute the Anti-Corruption Policy and train 100% of the ROVI Group employees to whom it is applicable in both the content of the Policy and the specific anti-corruption rules in each country. (2023 – 2024)	Pending	Completed
	100% of ROVI Group employees trained in the prevention of harassment. (2023 – 2024)	Completed	

Pillar 2: Sustainable management to combat global environmental challenges			
Strategic goal	**Description of KPI**	**KPI status 2023**	**KPI status 2024**
Attain climate neutrality	In 2023, analyse alternatives for replacing the current fuels in order to study measures to reduce Scope 1 emissions in 2024 and 2025.	In progress	In progress
	Reduction in Scope 2 emissions by installing LED technology in 100% of the outdoor lighting of the production plants. (2025)	Completed	
	Extend the Scope 3 certification to include the emissions of the subsidiaries. (2023)	Completed	
	Install EV chargers at all the work centres. (2023)	Completed	
	Prepare a Sustainable Transport to Work Plan in 2023 to study measures to reduce Scope 3 emissions in 2024 and 2025.	Pending	Pending
	Achieve self-consumption of 7% of the energy produced in 2025 (considering the consumption basis of 2021).	In progress	In progress
	Continue to offset 100% of the Scopes 1 and 2 CO_2 emissions that it has not been possible to avoid or reduce in each period. (2023 – 2025)	Completed	Completed
	Study the possibility of offsetting the Scope 3 CO2 emissions that it has not been possible to avoid or reduce in each period. (2023 – 2025)	Completed	Completed
Integrate circularity into the activities and waste management	Prioritise recycling over recover of non-hazardous waste. (2023 – 2025)	Completed	Completed
	Prioritise the recovery of hazardous waste over destruction treatments. (2023 – 2025)	Completed	Completed
	Study the possibility of replacing the PVC packaging of the vial presentation of ROVI products by recyclable PET: (2023)	In progress	In progress
	Study the possibility of replacing PVC packaging in the syringe presentation of ROVI products in the Hospital/Pharmacy lines by recyclable PET. (2023)	In progress	In progress
Promote sustainable water management	Analyse water consumption at the ROVI plants in 2023 in order to study measures to reduce it in 2024 and 2025.	In progress	In progress

Pillar 3: Key player in caring for persons and integrating specialised and diverse talent			
Strategic goal	**Description of KPI**	**KPI status 2023**	**KPI status 2024**
Ensure that specialised and diverse talent is attracted and retained	Increase the number of hours of training in the programme to develop young talent. (2023 – 2025).	Pending	Pending
	Increase the investment in training young talent. (2023 – 2025)	Pending	Pending
	Implement new protocols in the selection process aimed at responsible hiring. (2023 – 2025)	Completed	
Ensure employee safety, health and well-being	In 2023, analyse and budget programmes to promote employee well-being with the goal of establishing KPI's for the years 2024 and 2025.	Pending	Pending
	Certify the health and safety at work system in the non-industrial area . (2024 – 2025)	In progress	In progress
Promote the continuous development and training of employees	Prepare and implement an employee training plan for each area of the company. (2023 - 2024)	Completed	
	Increase the number of employees who have received some kind of training (2023 — 2025)	Completed	Completed
Ensure equality, diversity and inclusion	100% of the personnel involved in selection processes trained in equality. (2023 – 2025)	Completed	
	Increase the number of women on the Management Committee. (2025).	Completed	Completed
	Take the measures derived from the Equality Plan to avoid pay gaps. (2023 – 2025)	In progress	In progress
Ensure product quality and safety	Increase the number of hours of training in Quality and Pharmacovigilance. (2023 – 2025)	Completed	Completed
Promote access to medicines programmes	Identify organisations that facilitate the supply of medicines in low-to-middle income countries in situations of catastrophe or conflict. Sign collaboration agreements in 2023 and take actions in 2024 and 2025.	In progress	In progress

Pillar 4: Responsible management of the supply chain, ensuring ethical and environmental standards in each one of its links			
Strategic goal	**Description of KPI**	**KPI status 2023**	**KPI status 2024**
Promote supplier alignment with the Company's Sustainability Policies	Gradually increase the number of suppliers evaluated in accordance with environmental, ethical and good governance criteria. (2023 - 2025)	Completed	Completed
Implement due diligence procedures in relation to supply chain sustainability	Annually review the status of the sustainability evaluations received by the suppliers and monitor those in whom deficiencies have been detected. (2023 – 2025)	In progress	Completed
	Implement internal controls for human rights protection, sustainability and due diligence in the supply chain. (2024 – 2025)	Pending	Completed

Pillar 5: Promotion of R&D activities by establishing partnerships with key players			
Strategic goal	**Description of KPI**	**KPI status 2023**	**KPI status 2024**
Establish and renew strategic partnerships	Establish and renew collaboration agreements with research centres and universities in order to drive the R&D of novel therapies and medicines.	Completed	Completed
Increase investment in R&D	Increase R&D expense by 20% compared to the average expense for the period 2020-2022.	In progress	In progress
Promote transparency in the results of clinical trials	Formalise ROVI's position in relation to the transparency of clinical trial results by preparing and distributing a policy. (2023)	Completed	

The Consolidated Annual Accounts of Laboratorios Farmacéuticos Rovi, S.A. ("Rovi" or the "Company") and its subsidiaries (which comprise the balance sheet or the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity, the consolidated statement of cash flows and consolidated notes), as well as the consolidated management report of the group of which the Company is the parent company (which comprises the Annual Corporate Governance Report, the Annual Directors' Remuneration Statement and the Non-Financial Information Statement and Sustainability Reporting) for the fiscal year ended on 31 December 2024 and which precede this document, have been issued by the Board of Directors at its meeting of 24 February 2025 following the formatting (and tagging) requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (European Single Electronic Format - ESEF) and in Commission Delegated Regulation (EU) 2022/352 of 29 November 2021, as amended, whose members sign below in accordance with Article 253 of the Royal Legislative Decree 1/2010, of 2 July, approving the restated text of the Spanish Companies Law (Ley de Sociedades de Capital), and Article 37 of the Spanish Commercial Code:

Madrid, 24 February 2025

Mr Juan López-Belmonte Encina
Chairman and Chief Executive Officer
(Consejero Delegado)

Mr Javier López-Belmonte Encina
1st Vice Chairman

Mr. Iván López-Belmonte Encina
2nd Vice Chairman

Mr. Marcos Peña Pinto
Lead Independent Director

Ms Fátima Báñez García
Director

Ms Marina del Corral Téllez
Director

Ms María Teresa Corzo Santamaría
Vocal

STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

The members of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. ("**Rovi**" or the "**Company**"), at its meeting held on 24 February 2025, and in accordance with Article 8.1.b) of Royal Decree 1362/2007 of 19 October, state that, to the best of their knowledge, the Individual Annual Accounts, as well as the Consolidated Annual Accounts of the Company and its subsidiaries, for the fiscal year ended on 31 December 2024, issued by the Board of Directors at the abovementioned meeting of 24 February 2025, and prepared in accordance with applicable accounting standards, present a fair view of the equity, financial condition and results of operations of the Company and its subsidiaries included within the scope of consolidation, taken as a whole, and that the management reports supplementing the individual and consolidated annual accounts (the latter including the corresponding Non-Financial Information Statement and Sustainability Reporting) contain a fair assessment of the corporate performance and results and of the position of Rovi and of the subsidiaries included within its scope of consolidation, taken as a whole, as well as a description of the main risks and uncertainties they face.

Madrid, 24 February 2025

Mr Juan López-Belmonte Encina
Chairman and Chief Executive Officer

Mr Javier López-Belmonte Encina
1st Vice Chairman

Mr. Iván López-Belmonte Encina
2nd Vice Chairman

Mr. Marcos Peña Pinto
Lead Independent Director

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Director

Ms Marina del Corral Téllez
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Ms María Teresa Corzo Santamaría
Vocal