

REPORT BY THE BOARD OF DIRECTORS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. ON THE PROPOSED CAPITAL REDUCTION BY MEANS OF THE CANCELLATION OF TREASURY SHARES INCLUDED IN ITEM NINE ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF 2024

1. PURPOSE OF THE REPORT

This report has been prepared by the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (“**ROVI**” or the “**Company**”), in accordance with the provisions of articles 286 and 318 of the consolidated text of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), approved by Royal Legislative Decree 1/2010 of 2 July (“the **Corporate Enterprises Act**”), to justify the proposed capital reduction by cancellation of treasury shares which is subjected to the approval of the Ordinary General Meeting of Shareholders as item Nine on its Agenda (the “**Capital Reduction**”).

Under the above articles, the Board of Directors must draft a report justifying the proposal submitted to the General Meeting, as the Capital Reduction represents an amendment of the article of the corporate bylaws which determines the share capital.

2. JUSTIFICATION OF THE PROPOSAL

In the context of the shareholder remuneration policy, the Board of Directors considers the share capital of ROVI should be reduced by the cancellation of treasury shares, as a means of remuneration by which the shareholders will have their percentage share in the Company automatically increased due to the reduction in the number of outstanding ROVI shares if the proposal is approved.

This is a complement to the distribution of cash dividends, which is also proposed at this General Meeting. The reduction in treasury shares by cancellation of the Company’s own shares would increase its earnings per share and thus the percentage ownership of shareholders.

The proposed Capital Reduction will be carried out by amortising the Company’s own shares that are acquired through the share buyback programme that the Company has implemented, as well as the existing treasury shares on the date the buyback programme was implemented, consequently reducing the share capital by the amount corresponding to the par value of said shares. To this end, the Company must have previously acquired all the treasury shares that will be amortised.

In this regard, the Board of Directors of ROVI, using the powers granted by the Company’s General Shareholders’ Meeting held on 17 June 2021, under agenda item thirteen, launched a share buy-back programme on 26 July 2023, pursuant to the provisions of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the “**Buy-Back Programme**”), which is currently in progress.

The purpose of this buy-back programme, which was duly reported to the Spanish National Securities Market Commission (CNMV) and to the market, was to cancel the ROVI treasury shares (by the capital reduction) and, at the same time, to increase the remuneration of ROVI shareholders by an increase in earnings per share.

The cancellation of treasury shares is an instrument commonly used by listed companies for a number of reasons, one of which is to help maintain or reinforce the Company's earnings per share. Therefore, taking into consideration the current level of the Company's treasury shares and its remuneration policy, the Board of Directors considers that the Capital Reduction is the best decision for the Company's current shareholders to increase the net asset value per share of the remaining shares, as well as the earnings per share.

As a result, the Board of Directors has decided to propose the Capital Reduction to the General Meeting of Shareholders.

3. MAIN TERMS AND CONDITIONS OF THE CAPITAL REDUCTION

Through the Capital Reduction, the goal is to reduce the share capital by a maximum of 200,857.14 euros, by amortising a maximum of 3,347,619 treasury shares, each with a par value of 0.06 euros, representing, at most, 6.20% of the Company's share capital at the time the corresponding agreement is adopted by the General Shareholders' Meeting (the "**Maximum Limit**").

The Capital Reduction would be carried out by amortising: (i) the shares that have been or, where applicable, are acquired by the Company for amortisation through the Buy-Back Programme; and (ii) the existing treasury shares on the date the Buy-Back Programme was launched, which totalled 647,619 shares (the "**Treasury Portfolio**").

If the Capital Reduction agreement contained in this report is approved and once the Buy-Back Programme is approved, the Board of Directors (with express powers to replace) (a) would set the terms and conditions, as well as the final number of treasury shares that would be amortised in the Capital Reduction; and (b) amend article 5 of the bylaws, which sets the share capital, to reflect the new level of share capital and the new number of outstanding shares (once the treasury shares whose cancellation is proposed are deducted).

In any case, the maximum number of shares in the Treasury Portfolio to be amortised will be calculated as the difference between the Maximum Limit and the shares actually acquired in the execution of the Buy-Back Programme, if the latter did not reach the Maximum Limit. Thus, the remainder of treasury shares, once the Maximum Limit is reached, would not be subject to amortisation due to the Capital Reduction, and will remain in the treasury portfolio, always within the limits provided for by the applicable legislation.

It is noted that the Capital Reduction would not involve the return of contributions, as the Company itself owns the amortised shares, and it would be carried out on the share capital, with no reserve being created in the terms described in article 335.c of the Corporate Enterprises Act.

As a result, under article 334 of the Corporate Enterprises Act, the Company's creditors whose loans were originated before the date of the last notice of the Capital Reduction resolution, and which have not matured on that date, and until these loans are guaranteed, will have the right to file objections to the Capital Reduction.

The purpose of this capital reduction is to cancel treasury shares.

It is also proposed that the General Meeting ratify the actions carried out by the Board of Directors in relation to the Buy-Back Programme and authorise the Board of Directors to execute the Capital Reduction agreement (with express power of substitution under the provisions of article 249.a.I of the Capital Companies Law), within a period of no more than twelve months from the end of the Buy-Back Programme or, if the latter ends before the Ordinary General Meeting of Shareholders is held, from the approval of the Capital Reduction by the General Meeting. In order to do so, the Board of Directors (with express power of substitution) may determine those aspects that have not been expressly set forth in the Capital Reduction agreement or that are a consequence thereof, and adopt the agreements, publish the announcements, carry out the actions and issue the public or private documents that may be necessary or convenient for the most complete execution of the Capital Reduction.

In particular, it is proposed to authorise the Board of Directors, with express powers of substitution, to adopt the corresponding agreements to modify the Company's Bylaws in order to reflect the new share capital figure and the number of shares resulting from the execution of the Capital Reduction, as well as to undertake the necessary processes and actions so that, once the Capital Reduction agreement is executed, the amortised shares are delisted from the Spanish Stock Exchanges and their accounting records are cancelled.

4. PROPOSED RESOLUTION

The proposed resolution which is being submitted for approval by the Company's Ordinary General Meeting of Shareholders is as follows:

"Deliberation and approval, where appropriate, of a reduction in the share capital by the cancellation of 3,347,619 treasury shares, and the consequent amendment of article 5 of the Corporate Bylaws"

1. Reduction of social capital by amortising treasury shares

*It is proposed to the General Meeting to reduce the social capital of Laboratorios Farmacéuticos Rovi, S.A. (the "**Company**") by a maximum of 200,857.14 euros, by amortising a maximum of 3,347,619 treasury shares, each with a par value of 0.06 euros, representing, at most, 6.20% of the Company's share capital at the time the corresponding agreement is adopted (the "**Capital Reduction**").*

The Capital Reduction would be carried out by amortising:

- (i). the shares that have been or, where applicable, are acquired by the Company for amortisation through the Buy-Back Programme that was launched on 26 July 2023¹ (the "**Buy-Back Programme**"); and*

¹ Within the meaning of (i) the powers granted by the Company's General Shareholders' Meeting on 17 June 2021 under point thirteen of the agenda; and (ii) the stipulations of Regulation 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and of Commission Delegated Regulation (EU) 2016/1052,

- (ii). *the amortisation of the existing treasury shares on the date the Buy-Back Programme was launched, which totalled 647,619 shares (the “Treasury Portfolio”).*

The Board of Directors (with express powers of substitution) shall set the terms and conditions, as well as the final figure of the Capital Reduction.

Once the Board of Directors (or the persons delegated by it) has set the definitive figure for the Capital Reduction, article 5 of the Bylaws, which sets the share capital, shall be amended in order to reflect the new share capital figure and the new number of shares outstanding.

2. Procedure for purchasing the shares that will be amortised

The total number of shares that the Company may amortise will be that resulting from the sum of: (a) the shares acquired through the Buy-Back Programme; and (b) the Treasury Portfolio. This number will be at the most 3,347,619 treasury shares with a par value of 0.06 euros each, representing at most 6.20% of the Company's share capital (the “Maximum Limit”).

Once the Buy-Back Programme is over, the Company's Board of Directors (with express powers of substitution) will set the final number of treasury shares that would be amortised. In any case, the maximum number of shares in the Treasury Portfolio to be amortised will be calculated as the difference between the Maximum Limit and the shares actually acquired in the execution of the Buy-Back Programme, if the latter did not reach the Maximum Limit. Thus, the remainder of treasury shares, once the Maximum Limit is reached, would not be subject to amortisation due to the Capital Reduction, and will remain in the treasury portfolio, always within the limits provided for by the applicable legislation.

3. Procedure for the reduction in progress

The Capital Reduction does not involve the return of contributions to the shareholders, as the Company itself owns the shares which will be cancelled, and it will be carried out on the share capital, with no reserve being created in the terms described in article 335 c) of the Corporate Enterprises Act. As a result, under article 334 of the Corporate Enterprises Act, the Company's creditors whose loans were originated before the date of the last notice of the Capital Reduction resolution, and which have not matured on that date, and until these loans are guaranteed, will have the right to file objections to the Capital Reduction.

The Capital Reduction must be carried out within twelve months from the end of the Buy-Back Programme or, if the programme ends before the Ordinary General Meeting of Shareholders, from the approval of the Capital Reduction by the General Meeting and, in any case, once the period for creditors to exercise their right of objection under Article 334 of the Corporate Enterprises Act expires, as per Article 336 of said Act.

4. Ratification of agreements of the Board of Directors

of 8 March 2016, supplementing Regulation (EU) 596/2014 of the European Parliament and of the Council with regard to technical regulations concerning the conditions applicable to buy-back programmes and stabilisation measures

It is proposed to ratify both the resolutions of the Board of Directors relating to the approval of the Buy-Back Programme, and the actions, declarations and steps relating to the public information on the Buy-Back Programme.

5. Delegate powers

It is proposed to empower the Board of Directors to execute the Capital Reduction agreement (with express power of substitution under the provisions of Article 249.a.I) of the Corporate Enterprises Act) to determine those aspects that have not been expressly set forth in the Capital Reduction agreement or that are a consequence of it, and to adopt the agreements, publish the announcements, carry out the actions and issue the public or private documents that may be necessary or convenient for the fullest execution of the Capital Reduction.

In particular, and merely for illustrative purposes, it is proposed to delegate the following powers to the Board of Directors, with express powers of substitution:

- (a) declare the Capital Reduction closed and executed, establishing, for these purposes, the final number of shares that must be amortised, and therefore the amount by which the Company's share capital must be reduced, in accordance with the rules established in this agreement, and establish any other circumstances needed to carry it out;*
- (b) redraft article 5 of the Corporate Bylaws to reflect the new level of share capital and the number of shares in circulation resulting from the implementation of the capital reduction;*
- (c) carry out any actions, declarations or steps required in relation to the public disclosure of the Buy-Back Programme and the actions that may have to be carried out involving Spanish regulators and stock exchanges; negotiate, agree and enter into all contracts, agreements, commitments or instructions that are necessary or convenient for the best outcome of the Buy-Back Programme and the Capital Reduction;*
- (d) declare the completion of the period for creditors to file objections under the Corporate Enterprises Act, and where necessary, provide for the exercise of the right to file objections by any creditors who may exercise such right in the terms provided for by law;*
- (e) publish the legally required notices, in the terms agreed here and provided for by relevant law;*
- (f) carry out any actions which may be necessary or advisable to execute and formalise the Capital Reduction before any public or private entities and bodies, whether in Spain or abroad, such as, without limitation, the Spanish National Securities Market Commission (CNMV), Spanish stock exchanges, and Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), including the actions of reporting to the market, and the notification, supplementation or rectification of faults or omissions which may prevent or obstruct the full effectiveness of this resolution;*
- (g) appear before the Notary Public of its choice and record the capital reduction agreement and amendment of the Corporate Bylaws as a notarised instrument, together with any other actions that may be required, and approve and formalise any public and private documents that may be necessary or advisable for the full effectiveness of the agreement in any of its aspects and contents, in particular, to correct, clarify, interpret, complete, specify or materialise, as appropriate, the resolution adopted, and in particular, rectify any defects, omissions or errors*

- which may be noted in the verbal or written qualification in the Commercial Registry; and*
- (h) carry out any procedures and actions which may be necessary, and present the required documents before the competent bodies so that once the Company's shares have been cancelled, the deed corresponding to the Capital Reduction has been executed and filed in the Companies Registry, the cancelled shares are excluded from trading in the stock exchanges of Bilbao, Madrid, Barcelona and Valencia, through the Stock Market Interconnection System (Continuous Market) and the corresponding book entries in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) are cancelled.*
 - (i) Expressly authorise the Board of Directors to, in turn, delegate under the provisions of article 249.a I) of the Corporate Enterprises Act, the powers referred to in this agreement”*

Madrid, 7 May 2024