



Interim Management
Report on Laboratorios
Farmacéuticos
Rovi, S.A. and
subsidiaries

(Together with Condensed Consolidated
Interim Financial Statements and Interim
Management Report on Laboratorios
Farmacéuticos Rovi, S.A. and subsidiaries for
the year ended 30 June 2021)



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

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Laboratorios Farmacéuticos Rovi, S.A. (the Company) and subsidiaries (together the Group) as at 30 June 2021, which comprise the condensed consolidated interim income statement, the condensed consolidated interim statements of total comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements (the condensed consolidated interim financial statements). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2021 has not been prepared, in all material respects, in accordance with ISA 34 "Interim Financial Reporting", adopted by the European Union, set out in article 12 of Royal Decree 1362/2007 for the preparation of condensed consolidated interim financial statements.



Emphasis of matter

We draw your attention to the accompanying note 2, which states that the accompanying condensed consolidated interim financial statements does not include all the information that would be required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standard adopted by the European Union. The accompanying condensed consolidated interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2020. This matter does not modify our conclusion.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2021 contains such explanations as the Management of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the condensed consolidated interim financial statements presented, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial information. We have verified that the accounting information contained therein is consistent with that disclosed in the consolidated interim financial information for the six-month period ended 30 June 2021. Our work as auditors is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Group.

Paragraph on Other Matters

This report has been prepared at the request of the Directors in relation to the publication of the six-monthly financial report required by article 119 of the amended text of the Securities Market Law, approved by Royal Legislative Decree 4/2015 of 23 October 2015 and developed by Royal Decree 1362/2007 of October 19.

KPMG Auditores, S.L.

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

(Signed on original in Spanish)

José Ignacio Rodríguez Prado

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

27 July 2021

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

Condensed consolidated interim financial statements
for the six-month period ended 30 June, 2021

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

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

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

	Note	30 June 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	7	159,426	155,395
Intangible assets	8	39,690	41,413
Investment in a joint venture	9	1,942	1,812
Deferred income tax assets	14	3,753	11,105
Equity securities	10	72	71
Financial receivables	12	65	65
		204,948	209,861
Current assets			
Inventories	11	198,263	227,199
Trade and other receivables	12	107,884	76,401
Current income tax assets		4,139	7,803
Financial derivatives		736	-
Prepaid expenses		1,529	13
Cash and cash equivalents	13	126,746	53,162
		439,297	364,578
Total assets		644,245	574,439

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

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

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

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

	Note	30 June 2021	31 December 2020
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital	15	3,364	3,364
Share premium		87,636	87,636
Legal reserve		673	673
Treasury shares	15	(26,520)	(20,185)
Retained earnings and voluntary reserves		287,688	241,158
Profit for the period		51,023	61,057
Other reserves		(2)	(3)
Total equity		403,862	373,700
LIABILITIES			
Non-current liabilities			
Financial debt	17	67,249	68,421
Deferred income tax liabilities	14	455	929
Contract liabilities	18	2,830	5,788
Deferred income	19	2,476	2,712
		73,010	77,850
Current liabilities			
Financial debt	17	5,584	6,022
Trade and other payables	16	123,774	91,364
Current income tax liabilities		914	-
Contract liabilities	18	36,616	25,005
Deferred income	19	485	498
		167,373	122,889
Total liabilities		240,383	200,739
Total equity and liabilities		644,245	574,439

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (Thousands of euros)

	Note	Six-month period ending 30 June	
		2021	2020
Revenue	20	290,050	191,129
Changes in inventories of finished goods and work in progress	11	437	36,835
Raw materials and consumables used		(136,735)	(116,238)
Employee benefit expenses		(44,710)	(36,552)
Other operating expenses		(35,716)	(33,343)
Amortization	7 & 8	(10,672)	(9,541)
Recognition of government grants on non-financial non-current assets and other		586	601
OPERATING PROFIT		63,240	32,891
Finance income		65	2
Finance costs		(456)	(851)
Impairment and gain or loss on measurement of financial instruments		1,004	800
Exchange difference		(74)	21
FINANCE COSTS - NET		539	(28)
Share of profit of joint venture	9	130	(22)
PROFIT BEFORE INCOME TAX		63,909	32,841
Income tax	22	(12,886)	(3,248)
PROFIT FOR THE PERIOD		51,023	29,593
Earnings per share (basic and diluted) attributable to shareholders of the Company (euros):			
- Basic and diluted	23	0.92	0.53

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

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

	Note	Six-month period ending 30 June	
		2021	2020
Profit for the period		51,023	29,593
Items that may subsequently be reclassified to profit and loss			
+ Changes in value of equity securities	10	1	(1)
Other comprehensive income for the period, net of tax		1	(1)
Total comprehensive income for the period		51,024	29,592

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY AT 30 JUNE, 2020 (Thousands of euros)

	Share capital (Note 15)	Share premium (Note 15)	Legal reserve	Treasury shares (Note 15)	Retained earnings and voluntary reserves	Profit for the period	Other reserves	TOTAL EQUITY
Balance at 1 January 2020	3,364	87,636	673	(10,341)	201,784	39,273	(3)	322,386
Total comprehensive income for the period	-	-	-	-	-	29,593	(1)	29,592
2019 profit transfer	-	-	-	-	39,273	(39,273)	-	-
Acquisition of treasury shares (Note 15)	-	-	-	(9,654)	-	-	-	(9,654)
Reissue of treasury shares (Note 15)	-	-	-	7,121	2,783	-	-	9,904
Other movements	-	-	-	-	15	-	-	15
Balance at 30 June 2020	3,364	87,636	673	(12,874)	243,855	29,593	(4)	352,243

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY AT 30 JUNE, 2021 (Thousands of euros)

	Share capital (Note 15)	Share premium (Note 15)	Legal reserve	Treasury shares (Note 15)	Retained earnings and voluntary reserves	Profit for the period	Other reserves	TOTAL EQUITY
Balance at 1 January 2021	3,364	87,636	673	(20,185)	241,158	61,057	(3)	373,700
Total comprehensive income for the period	-	-	-	-	-	51,023	1	51,024
2020 profit transfer	-	-	-	-	39,684	(39,684)	-	-
Dividends	-	-	-	-	-	(21,373)	-	(21,373)
Acquisition of treasury shares (Note 15)	-	-	-	(24,622)	-	-	-	(24,622)
Reissue of treasury shares (Note 15)	-	-	-	18,287	6,545	-	-	24,832
Other movements	-	-	-	-	301	-	-	301
Balance at 30 June 2021	3,364	87,636	673	(26,520)	287,688	51,023	(2)	403,862

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

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

	Note	Six-month period ending 30 June	
		2021	2020
Cash flows from operating activities			
Profit before income tax		63,909	32,841
Adjustments for non-monetary transactions:			
Amortisation	7 & 8	10,672	9,541
Finance income		(65)	(23)
Valuation allowance	11 & 12	4,386	117
Adjustments for changes in value of financial instruments		(1,661)	(533)
Result from derecognition of financial assets and liabilities		657	(267)
Finance expense		456	851
Grant on non-financial assets and income from distribution licences	19 & 20	(3,505)	(2,217)
Other current assets (anticipated expenses)		(1,516)	-
Share of profit of joint venture	9	(130)	22
Changes in working capital:			
Trade and other receivables		(31,961)	5,768
Inventories		24,437	(77,325)
Trade and other payables		10,681	12,668
Other collections and payments:			
Proceeds from toll manufacturing services	18	12,363	400
Proceeds from distribution licences	18	145	5
Interest payment		(4)	(188)
Income tax cash flow		(1,518)	3,334
Net cash generated from (used in) operating activities		87,346	(15,006)
Cash flows from investing activities			
Purchases of intangible assets	8	(157)	(32)
Purchases of property, plant and equipment (it does not include right of use)	7	(11,253)	(7,280)
Proceeds from sale of property, plant and equipment	7	-	14
Interest received		65	2
Net cash flows generated from (used in) investing activities		(11,345)	(7,296)
Cash flows from financing activities			
Repayments of financial debt		(3,071)	(10,184)
Proceeds from financial debt	17	588	253
Interest paid		(144)	(15)
Purchase of treasury shares	15	(24,622)	(9,654)
Reissue of treasury shares	15	24,832	9,904
Net cash generated from (used in) financing activities		(2,417)	(9,696)
Net (decrease) increase in cash and cash equivalents		73,584	(31,998)
Cash and cash equivalents at the beginning of the period		53,162	67,426
Cash and cash equivalents at the end of the period	13	126,746	35,428

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

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

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

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a pharmaceutical business group (hereinafter, "ROVI", the "Rovi Group" or the "Group"), engaged in the production and marketing of pharmaceutical products, some of which were developed in-house. The Group's main products are low-molecular-weight heparins, which are marketed in a number of different countries.

In June 2021, the company Norbel Inversiones, S.L. sold part of its holding in the Company's share capital. After this reduction, Norbel Inversiones, S.L. holds 60.11% of the shares of Laboratorios Farmacéuticos Rovi, in comparison with the 63.11% that it held previously. This company, which has its registered office at Calle Julián Camarillo, 35, Madrid, files consolidated annual financial statements with the Madrid Companies Registry.

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

Changes in the consolidated group

No changes took place in the consolidated group during the first six months of 2021 and 2020.

2. Bases of preparation

These condensed consolidated interim financial statements for the six-month period ended 30 June, 2021 have been prepared in accordance with International Financial Reporting Standard No. 34 "Interim Financial Reporting" and should be read in conjunction with the consolidated annual financial statements of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries for the 2020 reporting period, prepared in accordance with the International Financial Reporting Standards endorsed by the European Union (IFRS-EU). These interim financial statements do not include all the information required for full financial statements in accordance with IFRS-EU. However, they include a series of explanatory notes that provide details of the events and transactions considered significant in order to understand the changes in the financial position and the Group's performance since the last annual financial statements. Significant changes in accounting policies are described in Note 3.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

These interim financial statements were approved by the Company's Board of Directors on 27 July, 2021.

Bases of preparation of the consolidated interim financial statements

The consolidation procedures applied are described in the consolidated annual financial statements of Rovi for the 2020 reporting period.

3. Accounting policies

Except as described below, related to share-based payments, the accounting policies applied in preparing the condensed consolidated interim financial statements for the six-month period ended 30 June, 2021 are the same as those used in preparing the consolidated annual financial statements for the year ended 31 December, 2020 (the policy for recognising and measuring corporate income tax in the interim period is explained in Note 22), as described in said consolidated annual financial statements, and no significant estimates inconsistent with those made in the 2020 reporting period have been made.

Share-based payments for goods and services

The Group recognizes the goods or services received or acquired in a transaction with share-based payments when the goods are obtained or the services received. If the goods or services are received in a transaction with share-based payments that are settled through equity instruments, an increase in equity is recognised while, if they are settled in cash, a liability is recognised, with its balancing item in either profit or loss or the assets in the consolidated statement of financial position.

The Group recognises transactions with share-based payments settled through Group equity instruments, including capital increases with non-monetary contributions, as well as the increase in equity related thereto, at the fair value of the goods or services received, unless said fair value cannot be reliably estimated, in which case the value is determined in accordance with the fair value of the equity instruments handed over.

Equity instruments handed over in consideration for services provided by Group employees or third parties who provide similar services are measured in accordance with the fair value of the equity instruments handed over.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

- (i) Share-based payments to employees settled through the issue of equity instruments

Payments to employees settled through the issue of equity instruments are recognised by applying the following criteria:

- If the equity instruments awarded vest immediately when awarded, the services received are charged to profit and loss, with the resulting increase in equity.
- If the equity instruments awarded vest when the employees have completed a certain period of service, the services received are recognised during the vesting period and credited to equity accounts.

The Group determines the fair value of the instruments awarded to employees on the date they are awarded.

Market conditions and other conditions that do not determine vesting are considered when measuring the fair value of the instrument. The rest of the vesting conditions are considered by adjusting the number of equity instruments included in determining the amount of the transaction, in such a way that, finally, the amount recognised for the services received is based on the number of equity instruments that will eventually vest. Consequently, the Group recognises the amount for the services received during the vesting period based on the best estimate of the number of instruments that will vest and said estimate is reviewed in accordance with the rights expected to vest.

Once the services received and the related increase in equity have been recognised, no additional adjustments are made to equity after the vesting date, although the relevant reclassifications in equity are made.

If the Group retains equity instruments in order to pay the withholding on the employee's income into the Public Treasury, the entire plan is treated as settled in equity instruments, except for the portion of the retained instruments that exceeds the fair value of the tax obligation.

4. Critical accounting estimates and judgements

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

While preparing these condensed interim financial statements, the matters where management has exercised its judgement significantly and the key sources of uncertainty in the estimates were the same as those applied in the consolidated annual financial statements for the annual reporting period ended 31 December, 2020.

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

5. Financial risk management

Financial risk factors

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

The condensed interim financial statements do not include all the information and breakdowns of the financial risk management that are mandatory for annual financial statements and, therefore, must be read in conjunction with the Group's annual financial statements for the period ended 31 December, 2020. There have been no changes in risk management or in any risk management policy in comparison with the date of the financial statements for the preceding annual reporting period.

Liquidity risk

There have been no significant changes in the non-discounted contractual cash flows for financial liabilities in comparison with the date of the financial statements for the preceding annual reporting period. To reinforce its financial position and ensure the Group's liquidity, ROVI signed credits policies for 45 million euros in the first half of 2020. At 30 June, 2021 ROVI has not renewed these credit policies upon expiration.

Fair value estimation

Measurement of financial instruments at market price is classified into:

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

Measurements at market prices of the Group's financial instruments recorded at fair value, the totality of which are classified as equity securities (Note 10), are classified as Level 1.

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

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

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

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

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

6. Operating segment reporting

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

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

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

The segment information used by the Management Committee for the six-month period ended 30 June, 2021 and the reconciliation thereof with the figures shown in the income statement and the results of the segments reported are as follows:

	Manufacturing	Marketing	Other	TOTAL	Inter-segments transactions	Consolidated figures
Total segment revenues	206,853	236,021	-	442,874	(152,824)	290,050
Profit / (loss)	39,971	35,726	(9)	75,688	(24,665)	51,023
Corporate income tax	13,317	(427)	(3)	12,887	(1)	12,886
Profit / (loss) before tax	53,288	35,299	(12)	88,575	(24,666)	63,909
Finance costs - net	337	(25,550)	-	(25,213)	24,674	(539)
Amortisation	4,272	6,400	-	10,672	-	10,672
EBITDA (*)	57,897	16,149	(12)	74,034	8	74,042
Amortization	(4,272)	(6,400)	-	(10,672)	-	(10,672)
EBIT (**)	53,625	9,749	(12)	63,362	8	63,370

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LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Condensed consolidated interim financial statements for the six-month period ended 30 June, 2021

The segment information used by the Management Committee for the six-month period ended 30 June, 2020 and the reconciliation thereof with the figures shown in the income statement and the results of the segments reported are as follows:

	Manufacturing	Marketing	Other	TOTAL	Inter-segments transactions	Consolidated figures
Total segment revenues	116,040	219,292	-	335,332	(144,203)	191,129
Profit / (loss)	9,674	52,393	(10)	62,057	(32,464)	29,593
Corporate income tax	3,525	318	(3)	3,840	(592)	3,248
Profit / (loss) before tax	13,199	52,711	(13)	65,897	(33,056)	32,841
Finance costs - net	290	(30,960)	(2)	(30,672)	30,700	28
Amortisation	3,714	5,827	-	9,541	-	9,541
EBITDA (*)	17,203	27,578	(15)	44,766	(2,356)	42,410
Amortization	(3,714)	(5,827)	-	(9,541)	-	(9,541)
EBIT (**)	13,489	21,751	(15)	35,225	(2,356)	32,869

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

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

Inter-segment transactions recognized as “profit / (loss)” for the six-month periods ended 30 June, 2021 and 2020 relate principally to dividends paid between Group companies.

Sales made to external customers in each segment at 30 June, 2021 were as follows:

	Manufacturing	Marketing	Other	TOTAL
Total segment revenues	206,853	236,021	-	442,874
Inter-segment revenues	(112,391)	(40,433)	-	(152,824)
Revenues from external customers (Note 20)	94,462	195,588	-	290,050

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

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

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

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Details of assets and liabilities by segment at 30 June, 2021 are:

	Manufacturing	Marketing	Other	TOTAL
Total assets	359,809	595,621	505	955,935
Of which:				
Investments in Group companies	-	9,489	-	9,489
Increases in non-current non-financial assets	9,282	2,128	-	11,410
Total liabilities	(280,222)	(251,907)	-	(532,129)

The assets of the aggregated segments at 31 December, 2020 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	TOTAL
Total assets	346,206	556,650	514	903,370
Of which:				
Investments in Group companies	-	9,489	-	9,489
Increases in non-current non-financial assets	28,579	11,254	-	39,833
Total liabilities	(281,903)	(227,674)	-	(509,577)

The assets of the aggregated segments at 30 June, 2021 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated figures
Total assets	359,809	595,621	505	(302,201)	(9,489)	644,245

The assets of the aggregated segments at 31 December, 2020 reconcile with the consolidated total assets as follows:

	Manufacturing	Marketing	Other	Intercompany balances	Group investments	Consolidated figures
Total assets	346.206	556,650	514	(319,442)	(9,489)	574,439

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7. Property, plant and equipment

Movement on the property, plant and equipment for the six-month periods ended 30 June, 2021 and 2020 was as follows:

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

	Land and buildings	Technical facilities, machinery and tools	Furniture, fittings and other	IT equipment, vehicles and other	Rights Of Use	In progress	Total
Balance at 01.01.21							
Cost	35,745	229,888	3,449	16,885	24,375	14,675	325,017
Accumulated amortisation	(18,593)	(126,339)	(2,760)	(14,714)	(7,216)	-	(169,622)
Net carrying amount 01.01.21	17,152	103,549	689	2,171	17,159	14,675	155,395
Additions	219	7,393	20	544	1,570	3,077	12,823
Transfers	-	4,615	-	-	-	(4,615)	-
Amortisation charge	(140)	(6,198)	(42)	(487)	(1,925)	-	(8,792)
Balance at 30.06.21							
Cost	35,964	241,896	3,469	17,429	25,945	13,137	337,840
Accumulated amortisation	(18,733)	(132,537)	(2,802)	(15,201)	(9,141)	-	(178,414)
Net carrying amount 30.06.21	17,231	109,359	667	2,228	16,804	13,137	159,426

A majority of the additions recognised in the first six months of 2021 and 2020 related to investments in ROVI's manufacturing plants:

- 1.2 million euros were invested in the Madrid injectables plant, in comparison with the 0.9 million euros invested in the first half of 2020;

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- 2.7 million euros were invested in the San Sebastián de los Reyes injectables plant, in comparison with the 0.7 million euros invested in the first half of 2020;
- 0.5 million euros were invested in the Granada plant, in comparison with the 0.7 million euros invested in the first half of 2020;
- 1.2 million euros were invested in the Alcalá de Henares plant, in comparison with the 0.8 million euros invested in the first half of 2020;
- 2.0 million euros were invested in the industrialisation of ISM[®], in comparison with the 3.1 million euros invested in the first half of 2020;
- 3.1 million euros were invested in the Escúzar plant (the second heparin plant in Granada), in comparison with the 0.4 million euros invested in the first half of 2020; and
- 0.8 million euros were related to investment in maintenance and other, in comparison with the 0.7 million euros of the first half of 2020.

At 30 June, 2021 and 2020, there were no investments for which contracts had been signed that were not recognized in the condensed consolidated financial statements.

At 30 June 2021, the Group held property, plant and equipment with a net carrying amount of 542 thousand euros (571 thousand euros at 31 December, 2020) subject to retention of title.

At 30 June 2021 and 31 December 2020, there were no impairment losses on property, plant and equipment.

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

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8. Intangible assets

Movement on intangible assets for the six-month periods ended 30 June, 2021 and 2020 was as follows:

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

	Develop- ment	Trade- marks and licences	Computer software	Total
Balance at 01.01.21				
Cost	8,886	44,929	12,413	66,228
Accumulated impairment	-	(397)	-	(397)
Accumulated amortisation	(1,399)	(11,748)	(11,271)	(24,418)
Net carrying amount 01.01.21	7,487	32,784	1,142	41,413
Additions	6	-	151	157
Amortisation charge	(227)	(1,344)	(309)	(1,880)
Balance at 30.06.21				
Cost	8,892	44,929	12,564	66,385
Accumulated impairment	-	(397)	-	(397)
Accumulated amortisation	(1,626)	(13,092)	(11,580)	(26,298)
Net carrying amount 30.06.21	7,266	31,440	984	39,690

The caption "Trademarks and licences" includes assets with an indefinite useful life for a value of 5,366 thousand euros at 30 June, 2021 and 31 December, 2020. Management tests these assets annually for indications of impairment, although none has materialized to date. At 31 December, 2020, the recoverable value of these assets was significantly higher than the carrying amount and, therefore, the Group did not re-estimate their recoverable value at 30 June, 2021, since no events that could have eliminated the aforementioned difference had taken place.

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At 30 June, 2021 and 31 December, 2020, the assets included under the “Development” caption were related to the development of a low-molecular-weight heparin -an enoxaparin biosimilar- sales of which commenced in 2017. Commencement of the amortization of this asset was determined by the successful completion, in the first quarter of 2017, of the decentralized procedure used by the Group to apply for marketing authorization in twenty-six European Union countries. The useful life of this intangible asset is 20 years and no indications of impairment had been detected at either 30 June, 2021 or 31 December, 2020.

At 30 June, 2021 and 31 December, 2020, the asset related to the acquisition of the distribution rights of the product Hirobriz® (belonging to the “Marketing” segment), registers losses amounting to 397 thousand euros, as a result of a reduction in the recoverable value below its carrying amount. At 31 December, 2020, the recoverable value of this asset was obtained by projecting the cash flows forecast until the end of the contract (December 2023), applying a discount rate of 6.9%. The margins applied in the cash flow projection are those forecast in accordance with ROVI’s historical knowledge of the revenue and costs generated by this asset. The estimates used at 31 December, 2020 have not changed significantly in 2021.

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

Total research and development expenses incurred in the six-month period ended 30 June, 2021 were 11,887 thousand euros (10,775 thousand euros in the same period of 2020), mainly concentrated on the ISM® platform. Of the total research and development expenditure incurred in the first six months of 2021, 4,262 thousand euros were recognized under the “Employee benefit expenses” caption (3,674 thousand euros in the same period of 2020) and 7,625 thousand euros under “Other operating expenses” (7,101 thousand euros in the same period of 2020).

9. Investments in joint ventures

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

	30 June 2021	30 June 2020
Balance at beginning of period/year	1,812	1,843
Share in profits/(losses)	130	(22)
Balance at end of period/year	1,942	1,821

The nature of this investment in joint ventures at 30 June, 2021 and 31 December, 2020 was as follows:

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

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a) Alentia Biotech, S.L.

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

b) Enervit Nutrition, S.L.

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

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

Condensed financial information

The condensed statements of financial position of Alentia Biotech, S.L. and Enervit Nutrition, S.L. at 30 June, 2021 and 31 December, 2020 and the condensed income statements of the two companies at 30 June, 2021 and 2020 are as follows:

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Condensed statement of financial position	30 June 2021		31 December 2020	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Current				
Cash and cash equivalents	103	15	106	13
Other current assets (excluding cash)	-	3,097	-	2,087
Total current assets	103	3,112	106	2,100
Financial liabilities (excluding trade payables)	-	(587)	-	(926)
Other current liabilities (including trade payables)	-	(1,745)	-	(746)
Total current liabilities	-	(2,332)	-	(1,672)
Non-current				
Property, plant and equipment	-	1	-	17
Intangible assets	-	2,952	-	3,055
Other financial assets	-	-	-	5
Deferred income tax assets	-	151	-	119
Total non-current assets	-	3,104	-	3,196
Financial liabilities	(2,200)	-	(2,200)	-
Deferred tax liabilities	-	-	-	-
Total non-current liabilities	(2,200)	-	(2,200)	-
NET ASSETS	(2,097)	3,884	(2,094)	3,624

Condensed statement of comprehensive income	30 June 2021		30 June 2020	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Revenue	-	3,826	-	2,758
Raw material and consumables used	-	(3,031)	-	(2,057)
Employee benefit expenses	-	(171)	-	(325)
Other operating expenses	(3)	(253)	(1)	(298)
Amortization	-	(105)	-	(107)
Impairment and disposal of fixed assets	-	(6)	-	-
Profit / (loss) before tax	(3)	260	(1)	(29)
Finance costs-net	-	-	-	(1)
Corporate income tax	-	-	-	(14)
Profit / (loss) for the period	(3)	260	(1)	(44)
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	(3)	260	(1)	(44)
Dividends received from joint ventures	-	-	-	-

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Reconciliation of the condensed financial information

Reconciliation of the condensed financial information presented with the carrying amount of the interests in the joint ventures at 30 June, 2021:

Condensed financial information	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
Joint ventures net assets at beginning of period	(2,094)	3,624
Profit / (loss) for the period	(3)	260
Joint ventures net assets at end of period	(2,097)	3,884
Interest in a joint venture	-	1,942
Carrying amount	-	1,942

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

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

10. Equity securities

	30 June 2021	30 June 2020
Beginning of the period	71	70
Net gains/(losses) recognized in equity	1	-
End of the period	72	70
Less: non-current portion	72	70
Current portion	-	-

Equity securities include::

	30 June 2021	31 December 2020
Unlisted securities		
– Variable-income securities (equity securities)	59	59
Listed securities:		
– Investment funds and equity securities	13	12
	72	71

At 30 June, 2021 and 31 December, 2020, these securities were denominated in euros.

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11. Inventories

	30 June 2021	31 December 2020
Raw materials and other consumables	92,618	137,123
Work in progress and semi-finished goods	51,037	31,753
Finished goods produced internally	34,572	53,419
Commercial products	20,036	4,904
	198,263	227,199

In the six-month period ended 30 June, 2021, the Group wrote down the value of its inventories by 4,499 thousand euros as a result of product obsolescence and expiration. The write-down of the value of inventories is recognised under the “Procurements” and “Changes in inventories of finished goods and work in progress” captions of the income statement. During the first six months of 2020, the Group wrote down its inventories by 302 thousand euros.

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

12. Trade and other receivables

The breakdown of trade and other receivables is as follows:

	30 June 2021	31 December 2020
Trade receivables	97,015	63,330
Less: loss allowance	65	(45)
Trade receivables - Net	97,080	63,285
Deposits	1,399	1,399
Other receivables	9,470	11,782
Total	107,949	76,466
Less: non-current portion: financial receivables	65	65
Current portion	107,884	76,401

At 30 June, 2021, deposits included deposits of 1,399 thousand euros at an interest rate lower than 1% (1,399 thousand euros at 31 December, 2020). 1,327 thousand euros of these deposits is pledged in favour of Banco Santander. The Group considers the credit risk associated to these deposits to be low and, therefore, has not recognised any expected losses in relation thereto.

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

	30 June 2021	30 June 2020
Beginning of the period	45	175
Net remeasurement of loss allowance	(110)	7
Amounts written off	-	(5)
End of the period	(65)	177

13. Cash and cash equivalents

	30 June 2021	31 December 2020
Cash at bank and on hand	126,746	53,162
	126,746	53,162

14. Deferred taxes

Gross movement on the deferred tax accounts was as follows:

	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
At 1 January 2020	14,660	(1,078)	13,582
(Charged)/credited to profit and loss	1,305	(1,238)	67
(Charged)/credited to equity	-	-	-
At 30 June 2020	15,965	(2,316)	13,649
	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
At 1 January 2021	11,105	(929)	10,176
(Charged)/credited to profit and loss	(7,352)	474	(6,878)
(Charged)/credited to equity	-	-	-
At 30 June 2021	3,753	(455)	3,298

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15. Share capital, share premium and treasury shares

Share capital and share premium

	<u>No. shares</u>	<u>Face value (euros)</u>	<u>Total share capital</u>
Balance at 1 January, 2020	56,068,965	0.06	3,364
Balance at 31 December, 2020	56,068,965	0.06	3,364
Balance at 1 January, 2021	56,068,965	0.06	3,364
Balance at 30 June, 2021	56,068,965	0.06	3,364

In June 2021, Norbel Inversiones, S.L. reduced its interest in the Company's share capital by 3%. Since this decrease, Norbel Inversiones, S.L. has held 60.11% of the shares of Laboratorios Farmacéuticos Rovi, S.A. Norbel Inversiones, S.L. is owned by Juan López-Belmonte López (20.00%) and Juan, Iván and Javier López Belmonte Encina (26.67% each). Mr Juan López-Belmonte López holds an interest of 12.02% in the Company's share capital, while Messrs Juan, Iván and Javier López-Belmonte Encina each hold 16.03%.

All the shares issued are fully paid up.

Treasury shares

In the first six months of 2021, the Group acquired a total of 524,107 of its own shares (399,724 in the first six months of 2020), paying a sum of 24,622 thousand euros for them (9,654 thousand euros at 30 June, 2020). Likewise, in the first six months of 2021, it sold a total of 530,078 of its own shares (411,045 in the first six months of 2020) for a sum of 24,832 thousand euros (9,904 thousand euros in 2020). These shares had been acquired at a weighted average cost of 18,287 thousand euros (7,121 thousand euros in 2020), giving rise to a profit of 6,545 thousand euros on the sale, which was taken to reserves in 2021 (2,783 thousand euros in 2020). At 30 June, 2021, the Group held 667,683 treasury shares (675,635 at 30 June, 2020).

16. Trade and other payables

	<u>30 June 2021</u>	<u>31 December 2020</u>
Trade payables	71,516	63,452
Dividends payable (Note 24)	21,373	-
Other payables	30,885	27,912
	123,774	91,364

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At 30 June, 2021, the “Other payables” caption included, among others, the following liabilities:

	30 June 2021	31 December 2020
Returns	1,915	1,438
Contribution to Public Health System	14,613	14,096
Others	7	7
	16,535	15,541

Contribution to public health system

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

In 2016 a co-operation agreement was signed between Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government, an agreement which was renewed until 31 December, 2019. ROVI, as a member of Farmaindustria, is subject to this agreement. According to the agreement, in the event that public spending on medicines (excluding generics and biosimilars) exceeds the actual growth rate of the Gross Domestic Product (GDP) of the Spanish economy, the pharmaceutical industry must reimburse the government for said excess in cash. Despite the fact that Farmaindustria and the Spanish government have not yet signed a new collaboration agreement applicable to either 2020 or 2021, the Spanish pharmaceutical industry and ROVI consider that the parties will finally reach an agreement that affects these years. The Group recognise the amounts related to this agreement as a reduction in revenue. Within the contributions to the public health system, 10,439 thousand euros (10,424 thousand euros as at December 31, 2020) related to these collaboration agreements are included.

17. Financial debt

Movement on the financial debt for the six-month periods ended 30 June, 2021 and 31 December, 2020 was as follows:

	30 June 2021	31 December 2020
Non-current financial debt	67,249	68,421
Current financial debt	5,584	6,022
	72,833	74,443

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Movement on the financial debt for the six-month periods ended 30 June, 2021 and 2020 was as follows:

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

Six-month period ending 30 June 2021:	Net carrying amount	Additions	Payments	Net carrying amount
	01.01.2021			30.06.2021
Bank borrowings (a)	45,000	-	-	45,000
Debt with government entities (b)	10,972	508	(728)	10,752
Financial leasing (c)	17,546	1,570	(2,035)	17,081
Derivative financial instruments	925	-	(925)	-
	74,443	2,078	(3,688)	72,833

a) Bank borrowings

The conditions and maturities of loans granted by banks did not change in the first six months of 2021.

At 31 December, 2020, the Group complied with the financial ratios established in the financing agreement signed with the European Investment Bank (EIB). These ratios at said date were certified in the first six months of 2021.

b) Debt with government entities

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

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b.1) Loans received in the first six months of 2021 were the following:

Company	Government entity	Project	Thousands of euros		Years	
			Face value	Initial fair value	Repayment period	Grace period
ROVI	Technological Corporation of Andalusia	(1)	54	46	13	4
ROVI	Technological Corporation of Andalusia	(1)	28	24	12	3
ROVI	Technological Corporation of Andalusia	(1)	158	137	13	3
ROVI	Industrial Technological Development Centre	(1)	148	122	7	1
ROVI	Industrial Technological Development Centre	(1)	200	179	11	4
			588	508		

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

b.2) Loans received in the first six months of 2020 were the following:

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

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

Fair value of financial debt

The carrying amounts and fair values of non-current bank borrowings and debt with government entities at 30 June, 2021 and 31 December, 2020 were as follows:

	Carrying amount		Fair Value	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Bank borrowings	44,473	44,825	43,720	44,072
Debt with government entities	8,546	9,119	8,977	9,757
	53,019	53,944	52,697	53,829

The fair values of current financial debt are equal to their nominal amounts, since the effect of discounting is not significant. The fair values of debt with government entities are based on cash flows discounted at a rate of 1.5%, based on the borrowing rate (1.5% in 2020).

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To calculate the fair value of fixed rate non-current bank borrowings at 30 June, 2021 and 31 December, 2020, the interest rate on the last variable interest loan received by the Company was taken as a reference (Euribor at 3 months plus a 0.844% spread).

c) Financial liabilities for leases

Since 1 January, 2019, as a result of the entry into force of IFRS 16 Leases, the financial debt includes lease liabilities:

The main liabilities recognised under this caption at 30 June, 2021 and 31 December, 2020 were related to:

- Real estate leases: the Group leases certain buildings where it carries out its activities. The amortisation period for the liabilities generated by these leases has been fixed initially at 10 years.
- Vehicles: the Group holds vehicle lease contracts to carry on its activities, the amortisation period of this liability being 3 years.
- Computer equipment: the Group leases certain computer equipment to carry on its activities. The amortisation period fixed for these liabilities is 3 years.

18. Contract liabilities

Movement on contract liabilities in the periods ended 30 June 2021 and 30 June, 2020 were as follows:

a) Distribution licenses

During the six-month period ending 30 June, 2021, new contract liabilities on distribution licenses of 145 thousand euros were recognised (5 thousand euros at 30 June, 2020).

In the first six months of 2021, ROVI recognised total revenue of 2,787 thousand euros from distribution licences (308 thousand euros at 30 June, 2020).

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At 30 June, 2021 and at 31 December, 2020 the contract liabilities related to distribution licences matured as follows:

	30 June 2021	31 December 2020
2021	625	1,080
2022	1,412	1,282
2023	1,077	981
2024	178	74
2025	112	17
2026	24	-
	<hr/> 3,428	<hr/> 3,434
Non-current	2,803	2,354
Current	<hr/> 625	<hr/> 1,080

At 30 June 2021 there were contract liabilities on distribution licences amounting to 666 thousand euros (2,399 thousand euros at 30 June, 2020) for which the timing of revenue recognition in the income statement could not be determined as they are subject to meeting certain milestones with undetermined dates.

b) Other contracts

This caption includes an amount of 26,149 thousand euros (2,943 thousand euros at 31 December, 2020) billed to customers for adapting, fitting out and validating facilities or machinery, either belonging to the Company or acquired or subcontracted from third parties, which had not yet been taken to profit and loss as service revenue at the end of the six-month period because it had not yet accrued under the percentage of completion method. Likewise, it includes an amount of 7,584 thousand euros in 2021 (17,284 thousand euros in 2020) for the reservation of capacity which, at the end of the six-month period, had not yet been taken to profit and loss as service revenue because the contractual milestones determining accrual of the revenue had not yet been reached, although it is expected to reach them in the short term. Finally, this caption includes an amount billed and received for the purchase of production materials that will take place at a later date, the costs of which will be borne by the customer. The recognition of the revenue is linked to the use of said materials in the production process for customers in the future.

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19. Deferred income

	30 June 2021	31 December 2020
Non-current		
Deferred income on grants	2,476	2,712
	<u>2,476</u>	<u>2,712</u>
Current		
Deferred income on grants	485	498
	<u>485</u>	<u>498</u>
	<u>2,961</u>	<u>3,210</u>

Deferred income on grants

Movement on deferred income from grants in the six-month periods ended 30 June, 2021 and 2020 was as follows:

	30 June 2021	30 June 2020
Beginning of the period	<u>3,210</u>	<u>3,669</u>
Net gains/(losses) recognized	(352)	(328)
Additions	107	134
Eliminations	(4)	8
End of the period	<u>2,961</u>	<u>3,483</u>

20. Revenues

The breakdown of revenues is as follows:

	30 June 2021	30 June 2020
Sale of goods (*)	192,801	156,058
Sale of services	94,462	34,763
Revenues from distribution licences	2,787	308
	<u>290,050</u>	<u>191,129</u>

(*) Sale of goods at 30 June, 2021 included 1,438 thousand euros related to promotion services for third-party products (1,521 thousand euros at 30 June, 2020).

The total amount of sale of goods was reduced by 11,071 thousand euros in the first six months of 2021 (16,262 thousand euros at 30 June, 2020) as a consequence of discounts to the National Health System.

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

	30 June 2021	30 June 2020
Prescription pharmaceutical products	174,691	141,380
Contrast agents and other hospital products	17,444	14,372
Other	666	306
	192,801	156,058

The revenue disaggregated by primary geographical market and reportable segment at 30 June, 2021 is shown below:

	Manufacturing	Marketing	TOTAL
Spain	3,514	118,965	122,479
UE	20,325	42,869	63,194
Other countries	70,623	33,754	104,377
	94,462	195,588	290,050

At 30 June, 2020, the breakdown was as follows:

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

21. Other expenses

In the first six months of 2021 the operating revenue was affected by total non-recurring expenses of 1,045 thousand euros as a consequence of COVID-19 (2,470 thousand euros in the same period of 2020). Of this sum, 40 thousand euros is recognised under the "Employee benefit expenses" caption and 1,005 thousand euros under the "Other operating expenses" caption (at 30 June, 2020, the amounts were 1,102 and 1,368 thousand euros, respectively).

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22. Income tax

The tax rate applied in 2021 and 2020 is 25%.

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

	30 June 2021	30 June 2020
Current tax for the period	6,008	3,315
Deferred tax for the period	6,878	(67)
	12,886	3,248

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

The effective tax rate was 20.2% in the first six months of 2021 (9.9% in the same period of 2020).

At 31 December 2020, ROVI's total negative tax bases pending application amounted to 25,460 thousand euros, 8,989 thousand euros of which will be applied in the 2020 corporate income tax and 12,830 thousand euros in the first half of 2021.

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

23. Earnings per share

	30 June 2021	30 June 2020
Profits attributable to company shareholders (thousands of euros)	51,023	29,593
Weighted average number of ordinary shares in issue (thousands)	55,395	55,381
Basic earnings per share (euros per share)	0.92	0.53

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

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24. Dividends

- On 17 June 2021, the General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. approved the distribution of the 2020 profit (71,137 thousand euros), allocating 21,373 thousand euros to dividends and the remainder to retained earnings. At 30 June, 2021, the dividend was pending payment under the caption "Trade and other payables" (Note 16).
- At 30 June, 2020, the Ordinary General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. had not yet been held. It was held on October 20, 2020 and approved the proposed application of the profit for 2019 (25,553 thousand euros), allocating 9,818 thousand euros to dividends and the remainder to retained earnings.

25. Related-party transactions

a) Sales of goods and services

No sales of goods or services took place with related parties in the first six months of 2021 or 2020.

b) Purchases of goods and services

	30 June 2021	30 June 2020
Services received		
– Shareholders and members of the Board of Directors	12	12
– Companies in which Mr. Juan López-Belmonte López holds an ownership interest	1,015	1,017
	1,027	1,029

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

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d) Remuneration of key management and Board members

	30 June 2021	30 June 2020
Salaries and other short-term benefits		
- As members of the Board of Directors	330	255
- As key management	4,525	1,428
Contributions to defined-contribution plans and life insurance premiums		
- Key management	16	15
	4,871	1,698

The remuneration of the executive directors for their management duties are included in the “Key management” section. At 30 June, 2021, the Management Committee was formed by 12 members (12 at 30 June, 2020).

ROVI has a Long-Term Incentive Plan for executive directors for the years 2019 to 2021. The objective of this plan is to provide compensation for the long-term creation of value for the Group, in order to serve the interests of shareholders. Amounts accrued under this Plan are recognised under the “Employee benefit expenses” caption in the income statement, but are not included in the above “Remuneration of key management and Board members” table.

On 17 June, 2021, the Ordinary General Shareholders’ Meeting of Laboratorios Farmacéuticos Rovi, S.A. approved an extraordinary bonus for the Company’s executive directors by awarding them shares from the Company’s treasury share portfolio. The maximum total number of shares to be awarded was determined by multiplying by three (i.e. by the three beneficiaries of the bonus) the result of dividing 985 thousand euros by the average quoted price of the Company share in the 30 trading days immediately before approval of the bonus (54.48 euros), giving an amount of 54,240 treasury shares. The quoted price of the Company share on the day the extraordinary bonus was approved was 56.80 euros and, therefore, the bonus totalled 3,081 thousand euros. The expense is recognised under “Employee benefit expenses” and is included in the above table on “Remuneration of key management and Board members”. At 30 June, 2021, the shares had not been handed over and, therefore, the obligation was shown under “Trade and other payables”.

26. Seasonality

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

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27. Other significant information

a) First six months of 2021

Mr. Juan López-Belmonte Encina has been appointed as new Chairman of the Board of Directors of ROVI

ROVI announced (by publication of the inside information register No. 991 dated 16 July, 2021) that, subsequent to the death of its chairman Mr Juan López-Belmonte López (communicated as stated in point below), the Board of Directors of ROVI had unanimously decided, acting on a proposal and report from the Appointments and Remuneration Committee, to appoint the current Chief Executive Officer, Mr Juan López-Belmonte Encina, as the new chairman of ROVI's Board of Directors. He will combine this position with his current post as Chief Executive Officer.

The Board of Directors has expressed the profound gratitude and respect of the Company and all of its employees towards the former Chairman, Mr. Juan López-Belmonte López. The Appointments and Remunerations Committee has considered that according to the career of Mr. Juan López-Belmonte Encina it is clear that he has unquestionable knowledge to perform the functions as Chairman of the Board, as well as a deep and extensive expertise in the Company, the Rovi Group and the sector in which it develops its activity, making him the suitable candidate to occupy such position. As indicated, Mr. Juan López-Belmonte Encina will continue to act also as a Chief Executive Officer. It is hereby stated that the Company has already appointed a lead independent director, Mr. Marcos Peña Pinto, among its independent directors.

The President of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., Mr. Juan López-Belmonte López, passed away

ROVI announced (by publication of the relevant information number 10575 dated 13th of July of 2021) that the President of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., Mr. Juan López-Belmonte López, passed away.

The First Vice President of the Board, Mr. Javier López-Belmonte Encina, exercised the functions of the presidency until the appointment of the new President in accordance with the provided succession plans and corporate procedures.

The Company will always be grateful for the commendable work carried out by its President and it will honour his example.

ROVI increases its fill-finish capacity for the COVID-19 Vaccine Moderna

ROVI announced (by publication of the inside information number 858 dated 29th of April of 2021) that it will strengthen its collaboration in the fill-finish of the COVID-19 Vaccine Moderna by increasing its fill-finish capacity. To this end, further industrial investments will be made in the ROVI Group's facility in Madrid (Spain).

These investments consist of the installation of two new production lines and equipment for compounding, filling, automatic visual inspection, labelling and packaging that will provide additional fill-finish capacity for the COVID-19 Vaccine Moderna, intended to supply markets outside the United States. These lines, located at ROVI's facility in San Sebastián de los Reyes (Madrid), will come into operation in the fourth quarter of 2021 and be fully operational in the first half of 2022 and will more than double the number of vials for which there is fill-finish capacity at this facility.

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ROVI participates in the manufacture of the active substance of Moderna's COVID-19 vaccine

ROVI announced (by publication of the inside information number 837 dated 12th of April of 2021) that they will strengthen their collaboration for the manufacture of the active substance of the COVID-19 Vaccine Moderna. To this end, further industrial investment will be made in the ROVI Group's facility in Granada (Spain).

This investment consists of the installation of a new line supporting production phases of the active substance of the mRNA vaccine, which are prior and additional to the compounding and fill-finish of the vaccine. This line will have a production capacity equivalent to more than 100 million doses per year and is expected to begin to supply markets outside the United States in the third quarter of 2021.

With this addition, ROVI will extend the activities it performs in the manufacturing process of the COVID-19 Vaccine Moderna: it will take part in the manufacture of the active substance, as well as the compounding, filling and final packaging before the vaccine is distributed for administration to patients.

ROVI has requested to European Medicines Agency (EMA) to "stop the clock" on Day 181 of the Doria® authorisation process.

ROVI announced (by publication of the inside information number 781 dated 2nd of March of 2021) that it has requested to European Medicines Agency (EMA) to "stop the clock" on Day 181 of the authorisation process to provide responses within the framework of the centralised registration procedure.

The purpose of said clock stop is to have sufficient time to repeat the bioavailability study comparing multiple doses of Doria® with oral risperidone, in response to the major observation of the Committee for Medicinal Products for Human Use (CHMP), which states that the study must be performed using the European reference product. The current dossier of Doria® already includes a clinical trial of bioavailability using the oral risperidone medicine marketed in the United States.

ROVI expected the trial using the U.S.A. reference product to be valid for Europe because the two products -the oral risperidone medicine marketed in the European Union and the one marketed in the U.S.A.- can be considered bioequivalents on the basis of the in vitro and in vivo studies that ROVI had conducted and submitted to the EMA. Indeed, the therapeutic indication in schizophrenia for oral risperidone was supported by the same efficacy clinical trials in both territories.

ROVI considers that the additional clinical information requested can be provided in November this year 2021, thus resuming the regulatory process and enabling the EMA to complete its evaluation. Additionally, the EMA includes a second major observation in its Day 180 evaluation, aimed to prevent possible problems related to the lack of flexibility in interrupting the treatment with a long-acting formulation, as well as other minor observations that will be answered on Day 181 of the procedure.

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ROVI does not foresee any additional information requirements from the EMA and aspires to obtain the indication of “treatment of schizophrenia in adults”, which would mean that Doria®, due to its unique pharmacokinetic profile, would not only be indicated for the maintenance treatment of stabilised patients, but could also be used in unstable patients with moderate to severe symptoms who require a fast and prolonged-acting product like Doria®. It would be the only long-acting injectable atypical antipsychotic with said indication in the European Union.

b) First six months of 2020

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28. Events after the reporting date

No significant events have occurred after June 30, 2021, with the exception that Mr. Juan López-Belmonte López, chairman of the Company's Board of Directors, passed away, and the appointment of the new chairman of the Board of Directors. Both events were mentioned in Note 27.

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Interim management report for the six-month period ending 30 June, 2021

Mr. Juan López-Belmonte Encina, as Board of Directors Chairman of Laboratorios Farmacéuticos Rovi, S.A. (Rovi) issues the following management report in accordance with Article 262 and 148.d) of the Spanish Capital Company Act (“Ley de Sociedades de Capital”), 119 of the Securities Market Law and 49 of the Code of Commerce and in accordance with “Guidelines on Alternative Performance Measures” issued by European Securities and Markets Authority (ESMA).

1.- Corporate profile

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

- Low-molecular-weight heparin (LMWH) division. In the first half of 2021, this division represents 45% of group revenue (54% in the same period of 2020). ROVI has two proprietary research products: bemiparin Hibor® and an enoxaparin biosimilar Becat®.
- Other pharmaceutical products division, with a diversified portfolio of both its own and licensed innovative products, protected by patents.
- Global-scale high-value-added contract manufacturing of injectables (prefilled syringes and vials) and oral forms for third parties with differentiated capabilities.

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

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
- International expansion

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

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

- Favour attainment of the Group's strategic objectives.
- Improve the Group's competitiveness by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- Manage risks and opportunities derived from the changing environment responsibly, maximizing the positive impacts of the Group's activities in the different territories where it operates and minimizing any adverse impacts as far as possible.
- Promote a culture of ethical conduct and increase business transparency, in order to generate credibility and confidence among stakeholders, including society as a whole.
- Promote trust relationships and value creation for all stakeholders, providing all of them with a balanced response that integrates their concerns.

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

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

2.- Business performance

€ Million	Six-month period ending		Growth	% Growth
	2021	2020		
Operating revenues	290.1	191.1	98.9	52%
Other income	0.6	0.6	0,0	-2%
Total revenue	290.6	191.7	98.9	52%
Cost of sales	-136.3	-79.4	-56.9	72%
Gross profit	154.3	112.3	42.0	37%
<i>% margin</i>	53.2%	58.8%		-5.6pp
R&D expenses	-11.9	-10.8	-1.1	10%
SG&A	-68.5	-59.1	-9.4	16%
Share of profit/loss of a joint venture	0.1	0,0	0.2	n.a.
EBITDA¹	74,0	42.4	31.6	75%
<i>% margin</i>	25.5%	22.2%		3.3pp
EBIT¹	63.4	32.9	30.5	93%
<i>% margin</i>	21.8%	17.2%		4.7pp
Net profit	51.0	29.6	21.4	72%

[1] See Appendix 1 about Alternative Performance Measures

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

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- Operating revenue increased by 52% to 290.1 million euros in the first half of 2021, driven by (i) the strength of the toll manufacturing business, which grew by 172%, and (ii) the specialty pharmaceutical business, where sales rose 25%. Total revenue increased by 52% to 290.6 million euros in the first half of 2021.
- In February 2021, ROVI announced it expected the operating revenue for the full year 2021 to increase between 20% and 30%, including the production of Moderna's COVID-19 vaccine. As a result of the expansion of the collaboration between ROVI and Moderna, in May the Company announced that, for 2021, they expected to achieve the higher end of this range. With the visibility that the Company has at this moment, ROVI is upgrading its operating revenue guidance for the full year 2021 from the higher end of the 20% to 30% range to the range between 35% and 40%. Notwithstanding, given the uncertainties associated to the development of the COVID-19 pandemic (which ROVI will continue to monitor closely), it is not yet possible to make a precise assessment of the impact that the pandemic will have on this year.
- Sales of the heparin franchise (Low Molecular Weight Heparins (LMWH) and other heparins) increased by 26% to 131.4 million euros in the first half of 2021. Heparin sales represented 45% of operating revenue in the first half of 2021 compared to 54% in the first half of 2020. Sales of LMWH (Enoxaparin biosimilar and Bemiparin) increased by 27% to 127.8 million euros in the first half of 2021. Sales of the enoxaparin biosimilar increased 27% to 62.7 million euros in the first half of 2021 and sales of Bemiparin increased 26% to 65.1 million euros.
- Sales of Neparvis®, launched in December 2016, increased by 30% to 17.9 million euros in the first half of 2021.
- EBITDA increased by 75%, from 42.4 million euros in the first half of 2020 to 74.0 million euros in the first half of 2021, reflecting a 3.3 percentage point rise in the EBITDA margin to 25.5% in the first half of 2021.
- Net profit increased by 72%, from 29.6 million euros in the first half of 2020 to 51.0 million euros in the first half of 2021.

3.- Liquidity and capital resources

3.1 Liquidity

As of 30 June 2021, ROVI had a gross cash position of 129.0 million euros, compared to 54.6 million euros as of 31 December 2020, and net cash of 56.1 million euros (equity securities plus deposits plus financial derivatives plus cash and cash equivalents minus current and non-current financial debt), compared to net debt of 19.8 million euros as of 31 December 2020.

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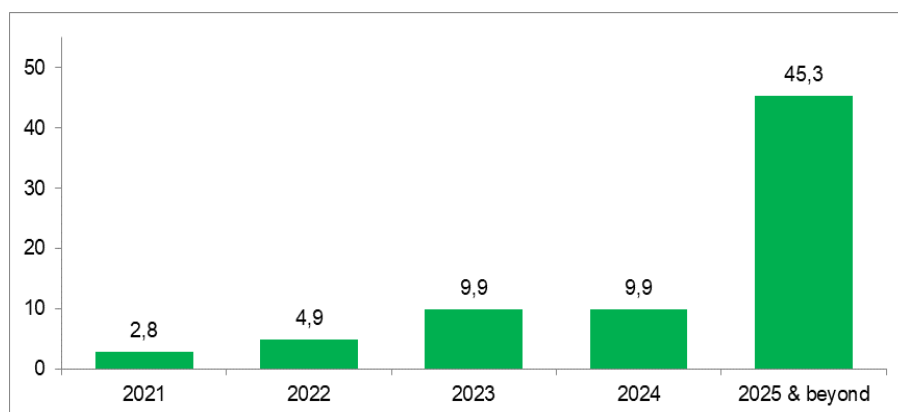
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3.2 Capital resources

As of 30 June 2021, ROVI total debt decreased to 72.8 million euros. Debt with public administration, which is 0% interest rate debt, represented 15% of total debt as of 30 June 2021.

<i>En miles de euros</i>	30 June 2021	31 December 2020
Bank borrowings	45,000	45,000
Debt with public administration	10,752	10,972
Financial Leasing	17,081	17,546
Derivative financial instruments	-	925
Total	72,833	74,443

Debt maturities at 30 June, 2021 are shown in the following graph (millions of euros):



4.- Other significant agreements

Mr. Juan López-Belmonte Encina has been appointed as new Chairman of the Board of Directors of ROVI

ROVI announced (by publication of the inside information register No. 991 dated 16 July, 2021) that, subsequent to the death of its chairman Mr Juan López-Belmonte López (communicated as stated in point below), the Board of Directors of ROVI had unanimously decided, acting on a proposal and report from the Appointments and Remuneration Committee, to appoint the current Chief Executive Officer, Mr Juan López-Belmonte Encina, as the new chairman of ROVI's Board of Directors. He will combine this position with his current post as Chief Executive Officer.

The Board of Directors has expressed the profound gratitude and respect of the Company and all of its employees towards the former Chairman, Mr. Juan López-Belmonte López. The Appointments and Remunerations Committee has considered that according to the career of Mr. Juan López-Belmonte Encina it is clear that he has unquestionable knowledge to perform the functions as Chairman of the Board, as well as a deep and extensive expertise in the Company, the Rovi Group and the sector in which it develops its activity, making him the suitable candidate to occupy such position. As indicated, Mr. Juan López-Belmonte Encina will continue to act also as a Chief Executive Officer. It is hereby stated that the Company has already appointed a lead independent director, Mr. Marcos Peña Pinto, among its independent directors.

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The President of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., Mr. Juan López-Belmonte López, passed away

ROVI announced (by publication of the relevant information number 10575 dated 13th of July of 2021) that the President of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A., Mr. Juan López-Belmonte López, passed away.

The First Vice President of the Board, Mr. Javier López-Belmonte Encina, exercised the functions of the presidency until the appointment of the new President in accordance with the provided succession plans and corporate procedures.

The Company will always be grateful for the commendable work carried out by its President and it will honour his example.

ROVI increases its fill-finish capacity for the COVID-19 Vaccine Moderna

ROVI announced (by publication of the inside information number 858 dated 29th of April of 2021) that it will strengthen its collaboration in the fill-finish of the COVID-19 Vaccine Moderna by increasing its fill-finish capacity. To this end, further industrial investments will be made in the ROVI Group's facility in Madrid (Spain).

These investments consist of the installation of two new production lines and equipment for compounding, filling, automatic visual inspection, labelling and packaging that will provide additional fill-finish capacity for the COVID-19 Vaccine Moderna, intended to supply markets outside the United States. These lines, located at ROVI's facility in San Sebastián de los Reyes (Madrid), will come into operation in the fourth quarter of 2021 and be fully operational in the first half of 2022 and will more than double the number of vials for which there is fill-finish capacity at this facility.

ROVI participates in the manufacture of the active substance of Moderna's COVID-19 vaccine

ROVI announced (by publication of the inside information number 837 dated 12th of April of 2021) that they will strengthen their collaboration for the manufacture of the active substance of the COVID-19 Vaccine Moderna. To this end, further industrial investment will be made in the ROVI Group's facility in Granada (Spain).

This investment consists of the installation of a new line supporting production phases of the active substance of the mRNA vaccine, which are prior and additional to the compounding and fill-finish of the vaccine. This line will have a production capacity equivalent to more than 100 million doses per year and is expected to begin to supply markets outside the United States in the third quarter of 2021.

With this addition, ROVI will extend the activities it performs in the manufacturing process of the COVID-19 Vaccine Moderna: it will take part in the manufacture of the active substance, as well as the compounding, filling and final packaging before the vaccine is distributed for administration to patients.

ROVI has requested to European Medicines Agency (EMA) to "stop the clock" on Day 181 of the Doria® authorisation process.

ROVI announced (by publication of the inside information number 781 dated 2nd of March of 2021) that it has requested to European Medicines Agency (EMA) to "stop the clock" on Day 181 of the authorisation process to provide responses within the framework of the centralised registration procedure.

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The purpose of said clock stop is to have sufficient time to repeat the bioavailability study comparing multiple doses of Doria® with oral risperidone, in response to the major observation of the Committee for Medicinal Products for Human Use (CHMP), which states that the study must be performed using the European reference product. The current dossier of Doria® already includes a clinical trial of bioavailability using the oral risperidone medicine marketed in the United States.

ROVI expected the trial using the U.S.A. reference product to be valid for Europe because the two products -the oral risperidone medicine marketed in the European Union and the one marketed in the U.S.A.- can be considered bioequivalents on the basis of the in vitro and in vivo studies that ROVI had conducted and submitted to the EMA. Indeed, the therapeutic indication in schizophrenia for oral risperidone was supported by the same efficacy clinical trials in both territories.

ROVI considers that the additional clinical information requested can be provided in November this year 2021, thus resuming the regulatory process and enabling the EMA to complete its evaluation. Additionally, the EMA includes a second major observation in its Day 180 evaluation, aimed to prevent possible problems related to the lack of flexibility in interrupting the treatment with a long-acting formulation, as well as other minor observations that will be answered on Day 181 of the procedure.

ROVI does not foresee any additional information requirements from the EMA and aspires to obtain the indication of “treatment of schizophrenia in adults”, which would mean that Doria®, due to its unique pharmacokinetic profile, would not only be indicated for the maintenance treatment of stabilised patients, but could also be used in unstable patients with moderate to severe symptoms who require a fast and prolonged-acting product like Doria®. It would be the only long-acting injectable atypical antipsychotic with said indication in the European Union.

5.- Research and development

ISM® technology platform

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

In January 2020, ROVI announced the commencement of the centralised procedure for registration of Risperidone ISM® with the European Medicines Agency (EMA). Likewise, at its Capital Markets Day held on 24 November 2020, ROVI announced the filing of an NDA (New Drug Application), i.e. a registration dossier to obtain marketing authorisation in the USA, with the FDA (Food and Drug Administration).

In March 2021, ROVI informed about the request of a “clock stop” in the Risperidone ISM® authorization process to provide answers within the framework of the centralized registration procedure. The purpose of said clock stop is to have sufficient time to repeat the bioavailability study comparing multiple doses of Risperidone ISM® with oral risperidone, in response to the major observation of the Committee for Medicinal Products for Human Use (CHMP), which states that the study must be performed using the European reference product. The current Risperidone ISM® dossier already includes a clinical bioavailability trial using the oral risperidone drug marketed in the United States (USA). ROVI expected that the trial using the US reference product would be valid for Europe since the two products (the oral risperidone medicine marketed in the European Union and the one marketed in the U.S.) can be considered bioequivalent based on in vitro and in vivo studies that ROVI had carried out and presented to the European Medicines Agency (EMA). ROVI

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estimates that in November 2021 it will be able to provide the additional clinical data requested and thus restart the regulatory process for the EMA to complete its evaluation.

On the other hand, as previously informed, the Risperidone ISM® dossier is mainly supported by the pivotal clinical trial “PRISMA-3”¹ whose results were published in November of 2020 in the medical journal *npj Schizophrenia*². The PRISMA-3 study demonstrated that Risperidone ISM® provides rapid and progressive reduction of symptoms in patients with acutely exacerbated schizophrenia without need of oral risperidone supplementation or loading doses. According to the authors of the article, Risperidone ISM® represents an effective therapeutic strategy in schizophrenia patients who are admitted to hospital with an acute episode with severe or moderate psychotic symptoms².

The company also announced in July 2019 the completion of an open-label extension (12 additional months) of the PRISMA-3 study³, which is also included in the Risperidone ISM® dossier and further supports the long-term use of Risperidone ISM®.

Furthermore, the company continues the clinical development of Letrozole ISM®, which represents the second candidate using the ROVI’s ISM® technology platform. This new investigational medicine is, to ROVI’s best knowledge, the first long-acting injectable aromatase inhibitor intended for the treatment of hormone-dependent breast cancer. The first phase I clinical trial (the LISA-1 study⁴) of Letrozole ISM® is currently ongoing and due to the study design (“dose escalation”) and its exploratory nature, the finalisation date cannot be anticipated. Nevertheless, preliminary data confirm that this ISM® formulation provides a prolonged release of letrozole which produces a sustained suppression of oestrogenic hormones. The company is planning in the second half of 2021 to discuss with FDA these results as well as the next steps for continuing the clinical development of this novel long-acting injectable aromatase inhibitor.

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

6.- Dividends

ROVI General Shareholders Meeting, on 17 June 2021, approved the payment of a gross dividend of 0.3812 euros per share on 2020 earnings; it means an increase of 118% compared to the dividend on 2019 earnings (€0.1751/share) and represents a 35% pay out (vs 25% pay out last year). This dividend was paid on 7 July 2021.

¹ Study to Evaluate the Efficacy and Safety of Risperidone In Situ Microparticles® (ISM®) in Patients With Acute Schizophrenia (PRISMA-3). [Clinicaltrials.gov#NCT03160521](https://clinicaltrials.gov/ct2/show/NCT03160521) [<https://clinicaltrials.gov/show/NCT03160521>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

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

⁴ Evaluation of IM Letrozole ISM® Pharmacokinetics, Safety, and Tolerability in Healthy Post-menopausal Women (LISA-1). [Clinicaltrials.gov#NCT03401320](https://clinicaltrials.gov/ct2/show/NCT03401320) [<https://clinicaltrials.gov/ct2/show/NCT03401320>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

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7.- Capital expenditure

ROVI invested 11.4 million euros in the first half of 2021, compared to 7.3 million euros in the first half of 2020. Of the amount invested: ha invertido 11,4 millones de euros en el primer semestre de 2021, comparado con los 7,3 millones de euros en el primer semestre de 2020. De dicha inversión hay que destacar lo siguiente:

- 1.2 million euros corresponds to capex related to the Madrid injectables facility, versus 0.9 million euros in the first half of 2020;
- 2.7 million euros were invested in the San Sebastián de los Reyes plant (of which 0.7 million euros relates to maintenance capex and 2.0 million euros relates to investment capex), versus 0.7 million euros in the first half of 2020;
- 0.5 million euros were invested in the Granada facility, versus 0.7 million euros in the first half of 2020;
- 1.2 million euros were invested in the Alcalá de Henares facility, versus 0.8 million euros in the first half of 2020;
- 2.0 million euros corresponds to the ISM® industrialization, versus 3.1 million euros in the first half of 2020;
- 3.1 million euros relates to investment capex regarding the Escúzar plant (the second heparin plant in Granada) versus 0.4 million euros invested in the first half of 2020; and
- 0.8 million euros relates to expenditure on maintenance and other capex, versus 0.7 million euros in the first half of 2020.

8.- Treasury share transactions

In the first six months of 2021, the Group acquired a total of 524,107 of its own shares (399,724 in the first six months of 2020), paying a sum of 24,622 thousand euros for them (9,654 thousand euros at 30 June, 2020). Likewise, in the first six months of 2021, it sold a total of 530,078 of its own shares (411,045 in the first six months of 2020) for a sum of 24,832 thousand euros (9,904 thousand euros in 2020). These shares had been acquired at a weighted average cost of 18,287 thousand euros (7,121 thousand euros in 2020), giving rise to a profit of 6,545 thousand euros on the sale, which was taken to reserves in 2021 (2,783 thousand euros in 2020). At 30 June, 2021, the Group held 667,683 treasury shares (675,635 at 30 June, 2020).

9.- Headcount evolution

At 30 June, 2021 the average Group's headcount reached 1,499 people (1,338 at 30 June, 2020), 783 of whom were women (697 at 30 June 2020).

10.- Environmental information

The Company Laboratorios Farmacéuticos Rovi, S.A. is registered with the SIGRE for the environmental management of packaging recovery. The total waste management expenses in the first half of 2021 amounts to 173 thousand euros (434 thousand euros in the first six-months period of 2020).

The Group company Rovi Pharma Industrial Services, S.A.U., handle the rest of the Group's environmental tasks and incurred waste management expenses of 229 thousand euros in the first six months of 2021 (130 thousand euros in the first half of 2020).

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11.- Outlook for 2021

In February 2021, ROVI announced it expected the operating revenue for the full year 2021 to increase between 20% and 30%, including the production of Moderna's COVID-19 vaccine. As a result of the expansion of the collaboration between ROVI and Moderna, in May the Company announced that, for 2021, they expected to achieve the higher end of this range. With the visibility that the Company has at this moment, ROVI is upgrading its operating revenue guidance for the full year 2021 from the higher end of the 20% to 30% range to the range between 35% and 40%.

The Company forecasts that it will continue to grow at a much higher rate than the Spanish pharmaceutical market expenditure in the first six months of 2021, which, according to the Ministry of Health, Consumption and Social Welfare, showed a growth rate of 3.6%.

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

ROVI expects its growth drivers to be Bemiparin, the license agreements, such as Neparvis® and Volutsa®, the Enoxaparin biosimilar, its existing portfolio of specialty pharmaceuticals, the agreement with Moderna and new contracts in the toll manufacturing area.

12.- Risk management

12.1 Operational risks

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

- Changes in the conditions under which raw materials and other packaging materials needed for manufacturing its products are supplied;
- Failure to complete the Research and Development projects that ROVI is executing successfully or in the expected manner.
- Changes in the prescription criteria or changes in the legislation regulating the market aimed to contain pharmaceutical expense (price control, reference prices, support for generic products, co-payment, purchase platforms, ...);
- Concentration of operations in certain geographical areas.
- Actions on the part of the competition that have an adverse impact on ROVI's sales.
- Ciber attack risk.
- Tax risk inherent to the activity of companies of the size and complexity of the Group.

ROVI is permanently on the alert and is keeping any risks that may have an adverse effect on its business activities under constant surveillance, applying the appropriate policies and mechanisms to manage them and constantly developing contingency plans that can be used to mitigate or offset their impact. Among them, we highlight the fact that the Group (i) continues with the diversification of suppliers of raw materials and other packaging materials necessary for the manufacture of the products; (ii) is continuing with its target of constantly opening up new markets as a result of its international expansion plan; (iii) continues to enhance its processes and controls, including those related to the internationalization process; (iv) is working intensively to maintain a broad and diversified portfolio of products and

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customers; (v) perseveres every year with its savings plan, which has focused mainly on improving the efficiency of its internal and external operating processes; (vi) the Group exercises strict credit control and manages its cash effectively, which ensures that sufficient working capital is generated and maintained to allow its day-to-day operations to be carried out; (vii) the Group has an exhaustive tax risk control system, with external tax advisors who review the preparation and filing of the different taxes as well as the Group's decision-making on tax issues; y (viii) the Group intensifies its work to mitigate the risk of cyberattacks by raising awareness among its staff and conducting cybersecurity reviews.

12.2 Financial risks

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

- *Market risk*

Market risk is divided in:

- a) Foreign exchange risk: this risk is low because (i) virtually all the Group's assets and liabilities are in euros; (ii) a majority of the transactions with foreign parties are carried out in euros; and (iii) transactions for a significant amount in currencies other than the euro are hedged with financial instruments that minimise the impact of exchange-rate risk. At 30 June, 2021, the Group held instruments of this kind for a value of 54,620 thousand euros (13,500 thousand euros at 31 December, 2020), the measurement of which led to recognition of a profit of 736 thousand euros at 30 June, 2021 (at 31 December, 2020 ROVI recognised a loss of 925 thousand euros).
- b) Price risk: the Group is exposed to price risk for equity securities because of investments held by the Group and classified as available for sale on the consolidated statement of financial position. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The portfolio is diversified in accordance with the limits set by the Group. The Group does not use derivatives to hedge price risk.
- c) Interest rate risk: the Group is subject to interest rate risk in respect of cash flows on non-current financial debt transactions at variable rates. Group policy is to try to keep most of its financial debt in the form of debt with government entities by obtaining reimbursable advances on which there is no interest-rate risk and, in the case of bank debt, to obtain cash flows not only at variable rates, but also at fixed rates, thus keeping the impact of interest-rate risk to a minimum.
- d) Raw material price risk: the Group is exposed to changes in the conditions under which raw materials and other packaging materials needed to manufacture its products are supplied. To minimise this risk, the Group maintains a diversified portfolio of suppliers and manages its stock levels efficiently.

- *Credit risk*

Credit risk is managed 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.

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

- *Liquidity risk*

Management 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. 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.

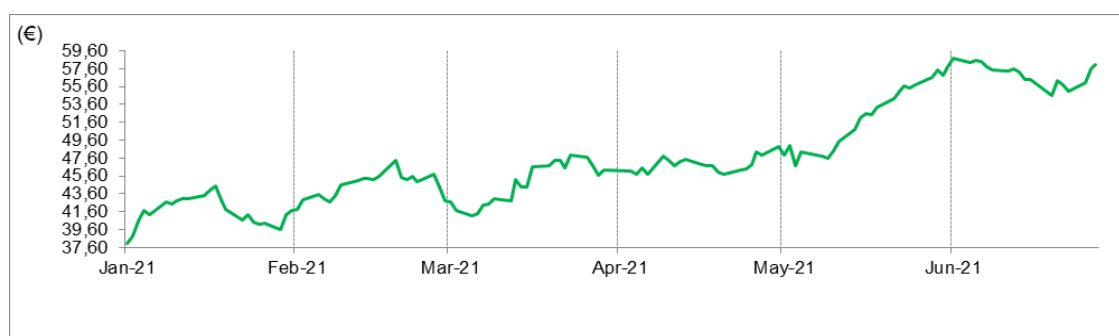
In 2020, ROVI signed credit policies for a total amount of 45 million euros. At 30 June, 2021 ROVI has not renewed these credit policies upon expiration.

13.- Stock market capitalization

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

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.

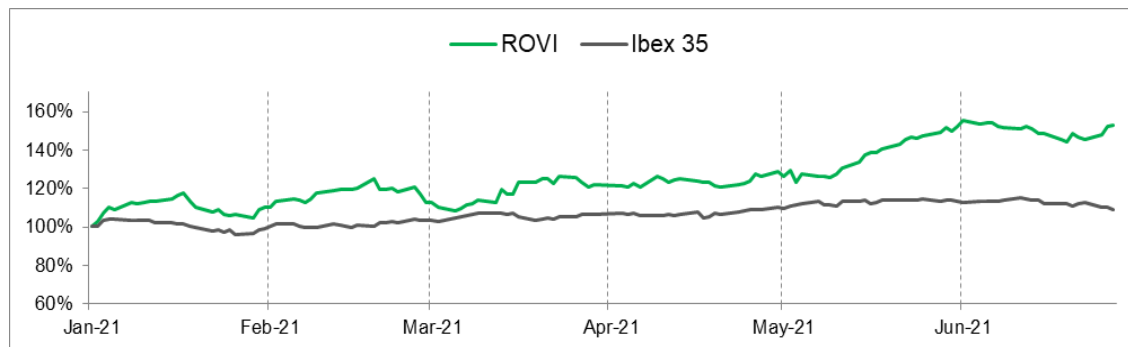
The following graph shows the fluctuations of the share price in the stock market in 2021:



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The following chart shows the performance of the share price of ROVI compared with the IBEX 35 index in the first six-months period of 2021:



14.- Events after balance sheet date

No significant events have occurred after June 30, 2021, with the exception that Mr. Juan López-Belmonte López, chairman of the Company's Board of Directors, passed away, and the appointment of the new chairman of the Board of Directors. Both events were mentioned in Section 4.

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APPENDIX 1

ALTERNATIVE PERFORMANCE MEASURES

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

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

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

The APMs are important for the users of the financial information because they are the measures used by ROVI Management to evaluate the financial performance, the cash flows or the financial situation for making the Group's operating or strategic decisions. These APMs are consistent with the principal indicators used by the investor and analyst communities in the financial markets. In this respect, in accordance with the Guide issued by the European Securities and Markets Authority (ESMA), which has been in force since 3 July, 2016 and concerns the transparency of Alternative Performance Measures, ROVI sets out below information on the APMs included in the consolidated management information at 30 June, 2021 that it considers significant:

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.

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 change in inventories of finished goods and work in progress and raw materials and consumables used.

Gross margin

This APM is a percentage indicator that measures the profit that ROVI obtains from its revenue.

We calculate gross margin as the percentage that the gross profit represents in the revenue.

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June, 2021

EBITDA

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

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

EBITDA "Pre-R&D"

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

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

- Research and Development expenses ("R&D") (see Note 7 to the consolidated annual accounts at 31 December 2020); and
- Non-recurring expenses/income (see Note 23 to the consolidated annual accounts at 31 December 2020).

EBIT

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

We calculate EBIT as profit before taxes and interest.

EBIT "Pre-R&D"

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

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

- Research and Development expenses ("R&D") (see Note 7 to the consolidated annual accounts at 31 December 2020); and
- Non-recurring expenses/income (see Note 23 to the consolidated annual accounts at 31 December 2020).

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES

Interim management report for the six-month period ending 30 June, 2021

Net profit “Pre-R&D”

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

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

- Finance costs-net; and

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

Net debt/cash

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



APPENDIX I

GENERAL

1st

HALF-YEARLY FINANCIAL REPORT FOR THE REPORTING PERIOD

2021

PERIOD END DATE

30/06/2021

I. IDENTIFICATION DETAILS

Corporate name: LABORATORIOS FARMACEUTICOS ROVI, S.A.

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

Tax Id No.

A-28041283

II. INFORMATION SUPPLEMENTING THE PERIODIC INFORMATION PUBLISHED PREVIOUSLY

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

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

Observations on the above statement(s):

Person(s) taking responsibility for this information:

Name/Corporate name	Position
Mr Juan López-Belmonte Encina	Chief Executive Officer
Mr Javier López-Belmonte Encina	First Deputy Chairman
Mr Iván López-Belmonte Encina	Second Deputy Chairman
Mr Marcos Peña Pinto	Coordinator Director
Mr José Fernando de Almansa Moreno-Barreda	Member of the board
Mrs Fátima Báñez García	Member of the board

Date on which this half-yearly report was signed by the pertinent governing body: 27/07/2021



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

ASSETS		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 31/12/2020
A) NON-CURRENT ASSETS	0040	136.403	141.497
1. Intangible assets:	0030	35.504	37.487
a) Goodwill	0031		
b) Other intangible assets	0032	35.504	37.487
2. Property, plant and equipment	0033	51.008	52.130
3. Investment property	0034		
4. Non-current investments in group and associated companies	0035	46.999	45.484
5. Non-current financial investments	0036	1.484	1.484
6. Deferred tax assets	0037	1.408	4.912
7. Other non-current assets	0038		
B) CURRENT ASSETS	0085	456.441	414.030
1. Non-current assets held for sale	0050		
2. Inventories	0055	73.037	74.677
3. Trade and other receivables	0060	286.402	305.206
a) Trade receivables for sales of goods and services	0061	279.016	292.992
b) Other receivables	0062	3.253	3.872
c) Current tax assets	0063	4.133	8.342
4. Current investments in group and associated companies	0064	280	-
5. Current financial investments	0070	736	-
6. Current accruals and prepayments	0071	1.212	3
7. Cash and cash equivalents	0072	94.774	34.144
TOTAL ASSETS (A+B)	0100	592.844	555.527



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 31/12/2020
A) EQUITY (A.1 + A.2 + A.3)	0195	343.041	330.686
A.1) EQUITY	0180	340.824	328.283
1. Capital:	0171	3.364	3.364
a) Authorized capital	0161	3.364	3.364
a) Less: uncalled capital	0162		
2. Share premium	0172	87.636	87.636
3. Reserves	0173	7.032	7.032
4. Less: treasury stock	0174	(26.520)	(20.185)
5. Retained earnings	0178	235.881	179.299
6. Other shareholder contributions	0179		
7. Profit or loss for period	0175	33.431	71.137
8. Less: interim dividend	0176		
9. Other equity instruments	0177		
A.2) ADJUSTMENTS FOR CHANGES IN VALUE	0188	(2)	(3)
1. Available-for-sale financial assets	0181	(2)	(3)
2. Hedging transactions	0182		
3. Other	0183		
A.3) GRANTS, DONATIONS AND LEGACIES RECEIVED	0194	2.219	2.406
B) NON-CURRENT LIABILITIES	0120	59.205	64.135
1. Non-current provisions	0115		
2. Non-current debt:	0116	52.761	53.647
a) Bank borrowings and debentures or other negotiable instruments	0131	44.473	44.825
b) Other financial liabilities	0132	8.288	8.822
3. Non-current debt with group and associated companies	0117		
4. Deferred tax liabilities	0118	3.614	4.700
5. Other non-current liabilities	0135		
6. Non-current accruals	0119	2.830	5.788
C) CURRENT LIABILITIES	0130	190.598	160.706
1. Liabilities associated with non-current assets held for sale	0121		
2. Current provisions	0122	16.535	15.741
3. Current debt:	0123	2.648	2.867
a) Bank borrowings and debentures or other negotiable instruments	0133	527	175
b) Other financial liabilities	0134	2.121	2.692
4. Current debt with group and associated companies	0129	219	184
5. Trade and other payables:	0124	163.962	140.834
a) Trade payables	0125	133.361	135.148
b) Other payables	0126	30.601	5.686
c) Current tax liabilities	0127		
6. Other current liabilities	0136		
7. Current accruals	0128	7.234	1.080
TOTAL EQUITY AND LIABILITIES (A + B + C)	0200	592.844	555.527



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATED PERIOD 30/06/2021	ACCUMULATED PREVIOUS PERIOD 30/06/2020
(+) Net revenue	0205			234.861	220.471
(+/-) Change in inventories of finished products and work in progress	0206			16.043	26.782
(+) Work performed by the company on its assets	0207				
(-) Supplies	0208			(192.217)	(179.652)
(+) Other operating income	0209			2.105	2.051
(-) Employee benefit expenses	0217			(21.260)	(15.945)
(-) Other operating expenses	0210			(28.462)	(28.240)
(-) Amortization and depreciation charges	0211			(5.213)	(4.757)
(+) Allocation of grants for non-financial assets and other	0212			352	329
(+) Excess provisions	0213				
(+/-) Impairment and gains/(losses) on disposal of intangible assets and property, plant & equipment	0214			-	(14)
(+/-) Other gains/(losses)	0215				
= OPERATING PROFIT/(LOSS)	0245			6.209	21.025
(+) Finance income	0250			25.345	31.434
(-) Finance expenses	0251			(315)	(378)
(+/-) Change in fair value of financial instruments	0252			1.004	800
(+/-) Exchange rate differences	0254			(63)	19
(+/-) Impairment and gains/(losses) on disposal of financial instruments	0255				
= FINANCE PROFIT/(LOSS)	0256			25.971	31.875
= PROFIT/(LOSS) BEFORE TAX	0265			32.180	52.900
(+/-) Corporate income tax	0270			1.251	(407)
= PROFIT/(LOSS) FOR PERIOD ON CONTINUING OPERATIONS	0280			33.431	52.493
(+/-) Profit/(loss) for period on discontinued operations, net of tax	0285				
= PROFIT/(LOSS) FOR PERIOD	0300			33.431	52.493

EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290			0.60	0.95
Diluted	0295				



IV. SELECTED FINANCIAL INFORMATION

3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

INDIVIDUAL STATEMENT OF RECOGNIZED INCOME AND EXPENSES (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 30/06/2020
A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)	0305	33.431	52.493
B) INCOME OR EXPENSES CREDITED OR CHARGED DIRECTLY TO EQUITY:	0310	252	310
1. Measurement of financial instruments	0320	-	(1)
a) Available-for-sale financial assets	0321	-	(1)
b) Other income /(expenses)	0323		
2. Cash flow hedges	0330		
3. Grants, donations and legacies received	0340	336	415
4. Actuarial gains and losses and other adjustments	0344		
5. Other income or expenses credited or charged directly to equity	0343		
6. Tax effect	0345	(84)	(104)
C) TRANSFERS TO PROFIT AND LOSS:	0350	(438)	(451)
1. Measurement of financial instruments	0355		
a) Available-for-sale financial assets	0356		
b) Other income /(expenses)	0358		
2. Cash flow hedges	0360		
3. Grants, donations and legacies received	0366	(585)	(601)
4. Other income or expenses credited or charged directly to equity	0365		
5. Tax effect	0370	147	150
TOTAL RECOGNIZED INCOME/(EXPENSES) (A+B+C)	0400	33.245	52.352



IV. SELECTED FINANCIAL INFORMATION

4. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY (1/2)

INDIVIDUAL STATEMENT OF CHANGES IN TOTAL EQUITY (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)

Units: thousands of euros

CURRENT PERIOD		Equity					Adjustments for changes in value	Grants, donations and legacies received	Total equity
		Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the period	Other equity instruments			
Opening balance at 01/01/2021	3010	3.364	273.967	(20.185)	71.137		(3)	2.406	330.686
Adjustments for changes in accounting policies	3011								
Adjustments for errors	3012								
Adjusted opening balance	3015	3.364	273.967	(20.185)	71.137		(3)	2.406	330.686
I. Total recognized income/(expenses)	3020				33.431		1	(187)	33.245
II. Transactions with shareholders or owners	3025		6.545	(6.335)	(21.373)				(21.163)
1. Capital increases/(reductions)	3026								
2. Conversion of financial liabilities to equity	3027								
3. Distribution of dividends	3028				(21.373)				(21.373)
4. Treasury stock transactions (net)	3029		6.545	(6.335)					210
5. Increases/(reductions) due to business combinations	3030								
6. Other transactions with shareholders or owners	3032								
III. Other equity transactions	3035		50.037		(49.764)				273
1. Payments based on equity instruments	3036								
2. Transfers between equity items	3037		49.764		(49.764)				
3. Other changes	3038		273						273
Closing balance at 30/06/2021	3040	3.364	330.549	(26.520)	33.431		(2)	2.219	343.041



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

Units: thousands of euros

PREVIOUS PERIOD		Equity					Adjustments for changes in value	Grants, donations and legacies received	Total equity
		Share capital	Share premium and reserves (1)	Treasury stock	Profit/(loss) for the period	Other equity instruments			
Opening balance at 01/01/2020	3050	3.364	248.006	(10.341)	25.553		(3)	2.750	269.329
Adjustments for changes in accounting policies	3051								
Adjustments for errors	3052								
Adjusted opening balance	3055	3.364	248.006	(10.341)	25.553		(3)	2.750	269.329
I. Total recognized income/(expenses)	3060				52.493		(1)	(140)	52.352
II. Transactions with shareholders or owners	3065		2.783	(2.533)	-				250
1. Capital increases/(reductions)	3066								
2. Conversion of financial liabilities to equity	3067								
3. Distribution of dividends	3068								-
4. Treasury stock transactions (net)	3069		2.783	(2.533)					250
5. Increases/(reductions) due to business combinations	3070								
6. Other transactions with shareholders or owners	3072								
III. Other equity transactions	3075		25.553		(25.553)				
1. Payments based on equity instruments	3076								
2. Transfers between equity items	3077		25.553		(25.553)				
3. Other changes	3078								
Closing balance at 30/06/2020	3080	3.364	276.342	(12.874)	52.493		(4)	2.610	321.931

IV. SELECTED FINANCIAL INFORMATION

**5. INDIVIDUAL STATEMENT OF CASH FLOWS
(PREPARED USING NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)**

Units: thousands of euros

		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 30/06/2020
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)	0435	64.137	(15.996)
1. Profit/(loss) before tax	0405	32.180	52.900
2. Adjustments to profit/(loss)	0410	3.460	10.254
(+) Amortization and depreciation of intangible assets and property, plant and equip	0411	5.213	4.757
(+/-) Other adjustments to profit/(loss) (net)	0412	(1.753)	5.497
3. Changes in working capital	0415	23.898	(82.489)
4. Other cash flows from operating activities:	0420	4.599	3.339
(-) Payment of interest	0421		
(+) Proceeds from dividends	0422		
(+) Proceeds from interest	0423		
(+/-) Proceeds from/(payments for) corporate income tax	0430	(1.516)	3.334
(+/-) Other proceeds from/(payments for) operating activities	0425	6.115	5
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	0460	(1.790)	(3.284)
1. Payments of investments:	0440	(2.126)	(3.746)
(-) Group companies, associates and business units	0441		
(-) Property, plant and equipment, intangible assets and investment property	0442	(2.126)	(3.746)
(-) Other financial assets	0443		
(-) Non current assets and liabilities classified as held for sale	0449		
(-) Other assets	0444		
2. Proceeds from disinvestments	0450	336	462
(+) Group companies, associates and business units	0451	-	146
(+) Property, plant and equipment, intangible assets and investment property	0452	18	14
(+) Other financial assets	0453		
(+) Non current assets and liabilities classified as held for sale	0461		
(+) Other assets	0454	318	302
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3)	0490	(1.717)	(3.301)
1. Proceeds from and (payments for) equity instruments:	0470	210	250
(+) Issue	0471		
(-) Amortization	0472		
(-) Acquisition	0473	(24.622)	(9.654)
(+) Disposal	0474	24.832	9.904
(+) Grants, donations and legacies received	0475		
2. Proceeds from and (payments for) financial liability instruments:	0480	(1.927)	(3.551)
(+) Issue	0481	588	5.815
(-) Repayment and amortization	0482	(2.515)	(9.366)
3. Payment of dividends and remuneration of other equity instruments	0485		
D) EFFECT OF EXCHANGE RATE CHANGES	0492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	0495	60.630	(22.581)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	0499	34.144	51.317
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	0500	94.774	28.736

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 30/06/2020
(+) Cash in hand and at bank	0550	94.774	28.736
(+) Other financial assets	0552		
(-) Less: bank overdrafts repayable on demand	0553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	0600	94.774	28.736



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

ASSETS		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 31/12/2020
A) NON-CURRENT ASSETS	1040	204.948	209.861
1. Intangible assets:	1030	39.690	41.413
a) Goodwill	1031		
b) Other intangible assets	1032	39.690	41.413
2. Property, plant and equipment	1033	159.426	155.395
3. Investment property	1034		
4. Investments accounted for using the equity method	1035	1.942	1.812
5. Non-current financial assets	1036	72	71
a) At fair value with changes in net income	1047	72	71
Of which "Designated upon initial recognition"	1041		
b) At fair value with changes in other comprehensive income	1042		
Of which "Designated upon initial recognition"	1043		
c) At amortised cost	1044		
6. Non-current derivatives	1039		
a) Hedging derivatives	1045		
b) Other	1046		
7. Deferred tax assets	1037	3.753	11.105
8. Other non-current assets	1038	65	65
B) CURRENT ASSETS	1085	439.297	364.578
1. Non-current assets held for sale	1050		
2. Inventories	1055	198.263	227.199
3. Trade and other receivables	1060	112.023	84.204
a) Trade receivables for sale of goods and services	1061	97.080	63.285
b) Other receivables	1062	10.804	13.116
c) Current tax assets	1063	4.139	7.803
4. Current financial assets	1070		
a) At fair value with changes in net income	1080		
Of which "Designated upon initial recognition"	1081		
b) At fair value with changes in other comprehensive income	1082		
Of which "Designated upon initial recognition"	1083		
c) At amortised cost	1084		
5. Current derivatives	1076	736	-
a) Hedging derivatives	1077		
b) Other	1078	736	
6. Other current assets	1075	1.529	13
7. Cash and cash equivalents	1072	126.746	53.162
TOTAL ASSETS (A+B)	1100	644.245	574.439



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 31/12/2020
A) EQUITY (A.1 + A.2 + A.3)	0195	403.862	373.700
A.1) EQUITY	0180	403.864	373.703
1. Capital:	0171	3.364	3.364
a) Authorized capital	0161	3.364	3.364
a) Less: uncalled capital	0162		
2. Share premium	0172	87.636	87.636
3. Reserves	0173	673	673
4. Less treasury stock	0174	(26.520)	(20.185)
5. Retained earnings	0178	287.688	241.158
6. Other shareholder contributions	0179		
7. Profit or loss for period	0175	51.023	61.057
8. Less: interim dividend	0176		
9. Other equity instruments	0177		
A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME	0188	(2)	(3)
1. Items not reclassified to profit and loss for the period	0186		
a) Equity instruments with changes in other comprehensive income	0185		
b) Other	0190		
2. Items that may be reclassified to profit and loss for the period	0187	(2)	(3)
a) Hedging transactions	1182		
b) Hedging differences	1184		
c) Participation in other comprehensive income from investments in J.V. and other	1192		
d) Debt instruments at fair value with changes in other comprehensive income	1191		
e) Other	1183	(2)	(3)
EQUITY ATTRIBUTED TO PARENT COMPANY(A.1 + A.2)	0189	403.862	373.700
A.3) NON-CONTROLLING INTERESTS	0193		
B) NON-CURRENT ASSETS	0120	73.010	77.850
1. Grants	0117		
2. Non-current provisions	1115		
3. Non-current financial liabilities:	1116	67.249	68.421
a) Bank borrowings and debentures or other negotiable securities	1131	44.473	44.825
b) Other financial liabilities	1132	22.776	23.596
4. Deferred tax liabilities	1118	455	929
5. Non-current derivatives	1140		
a) Hedging derivatives	1141		
b) Other	1142		
6. Other non-current liabilities	1135	5.306	8.500
C) CURRENT LIABILITIES	1130	167.373	122.889
1. Liabilities related to current assets held for sale	1121		
2. Current provisions	1122		
3. Current financial liabilities:	1123	5.584	5.097
a) Bank borrowings and debentures or other negotiable securities	1133	527	175
b) Other financial liabilities	1134	5.057	4.922
4. Trade and other payables:	1124	124.688	91.364
a) Trade payables	1125	71.516	63.452
b) Other payables	1126	52.258	27.912
c) Current tax liabilities	1127	914	
5. Current derivatives	1145	-	925
a) Hedging derivatives	1146	-	925
b) Other	1147		
6. Other current liabilities	1136	37.101	25.503
TOTAL EQUITY AND LIABILITIES (A + B + C)	1200	644.245	574.439

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



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LABORATORIOS FARMACEUTICOS ROVI, S.A.

IV. SELECTED FINANCIAL INFORMATION

7. CONSOLIDATED INCOME STATEMENT (UNDER IFRS ADOPTED)

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATED PERIOD 30/06/2021	ACCUMULATED PREVIOUS PERIOD 30/06/2020
(+) Net revenue	1205			290.050	191.129
(+/-) Change in inventories of finished products and work in progress	1206			437	36.835
(+) Work performed by the company on its assets	1207				
(-) Supplies	1208			(136.735)	(116.238)
(+) Other operating income	1209				
(-) Employee benefit expenses	1217			(44.710)	(36.552)
(-) Other operating expenses	1210			(35.716)	(33.343)
(-) Amortization and depreciation charges	1211			(10.672)	(9.541)
(+) Allocation of grants for non-financial assets and other	1212			586	601
(+/-) Impairment of intangible assets and property, plant & equipment	1214				
(+/-) Gains/(losses) on disposal of intangible assets and property, plant & equipment	1216				
(+/-) Other gains/(losses)	1215				
= OPERATING PROFIT/(LOSS)	1245			63.240	32.891
(+) Finance income	1250			65	2
a) Interest income calculated according to the effective interest rate	1262			65	2
b) Other	1263				
(-) Finance expenses	1251			(456)	(851)
(+/-) Change in fair value of financial instruments	1252			1.004	800
(+/-) Gains/(losses) derived from the reclassification of financial assets at amortized cost to financial assets at fair value	1258				
(+/-) Gains/(losses) derived from the reclassification of financial assets at fair value with changes in other comprehensive income to financial assets at fair value	1259				
(+/-) Exchange rate differences	1254			(74)	21
instruments	1255				
(+/-) Gains/(losses) on disposal of financial instruments	1255				
a) Financial instruments at amortised cost	1257				
b) Other	1260				
= FINANCE PROFIT/(LOSS)	1256			539	(28)
(+/-) Profit/(loss) of entities measured using the equity method	1253			130	(22)
= PROFIT/(LOSS) BEFORE TAX	1265			63.909	32.841
(+/-) Corporate income tax	1270			(12.886)	(3.248)
= PROFIT/(LOSS) FOR PERIOD FROM CONTINUING OPERATIONS	1280			51.023	29.593
(+/-) Profit/(loss) for period from discontinued operations, net of taxes	1285				
= CONSOLIDATED PROFIT/(LOSS) FOR PERIOD	1288			51.023	29.593
a) Profit/(loss) attributed to parent company	1300			51.023	29.593
b) Profit/(loss) attributed to non-controlling interests	1289				

EARNINGS PER SHARE		AMOUNT (X.XX euros)	AMOUNT (X.XX euros)	AMOUNT (X.XX euros)	AMOUNT (X.XX euros)
Basic	1290			0.92	0.53
Diluted	1295				



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 30/06/2020
A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)	1305	51.023	29.593
B) OTHER COMPREHENSIVE INCOME - ITEMS NOT RECLASSIFIED TO PROFIT AND LOSS FOR THE PERIOD	1310		
1. Remeasurement (reversal of remeasurement) of property, plant and equipment and intangible assets	1311		
2. Actuarial gains and losses	1344		
3. Share in other recognized comprehensive income from investments in joint ventures and associates	1342		
4. Other income and expenses not reclassified to profit and loss for the period	1343		
5. Tax effect	1345		
C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT AND LOSS FOR THE PERIOD:	1350	1	(1)
1. Available-for-sale financial assets:	1355		
a) Gains/(losses) on remeasurement	1356		
b) Amounts transferred to profit and loss	1357		
c) Other reclassifications	1358		
2. Cash-flow hedges:	1360		
a) Gains/(losses) on remeasurement	1361		
b) Amounts transferred to profit and loss	1362		
c) Amounts transferred at initial value of hedged items	1363		
d) Other reclassifications	1364		
3. Conversion differences:	1365		
a) Gains/(losses) on remeasurement	1366		
b) Amounts transferred to profit and loss	1367		
c) Other reclassifications	1368		
4. Share in other recognized comprehensive income from investments in joint ventures and associates	1370		
a) Gains/(losses) from measurement	1371		
b) Amounts transferred to profit and loss	1372		
c) Other reclassifications	1373		
5. Other comprehensive income and expenses that may subsequently be reclassified to profit and loss for the period:	1375	1	(1)
a) Gains/(losses) on remeasurement	1376	1	(1)
b) Amounts transferred to profit and loss	1377		
c) Other reclassifications	1978		
6. Tax effect	1380		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+B+C)	1400	51.024	29.592
a) Attributed to parent company	1398	51.024	29.592
b) Attributed to non-controlling interests	1399		



IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

CURRENT PERIOD		Equity attributed to parent company					Adjust-ments for changes in value	Non-controlling interests	Total equity
		Equity							
		Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the per. attributed to parent company	Other equity instru-ments			
Opening balance at 01/01/2021	3110	3.364	329.467	(20.185)	61.057		(3)	373.700	
Adjustments for changes in accounting policies	3111								
Adjustments for errors	3112								
Adjusted opening balance	3115	3.364	329.467	(20.185)	61.057		(3)	373.700	
I. Total recognized income/(expenses)	3120				51.023		1	51.024	
II. Transactions with shareholders or owners	3125		6.545	(6.335)	(21.373)			(21.163)	
1. Capital increases/(reductions)	3126								
2. Conversion of financial liabilities to equity	3127								
3. Distribution of dividends	3128				(21.373)			(21.373)	
4. Treasury stock transactions (net)	3129		6.545	(6.335)				210	
5. Increases/(reductions) due to business combinations	3130								
6. Other transactions with shareholders or owners	3132								
III. Other equity transactions	3135		39.985		(39.684)			301	
1. Payments based on equity instruments	3136								
2. Transfers between equity items	3137		39.684		(39.684)				
3. Other changes	3138		301					301	
Closing balance at 30/06/2021	3140	3.364	375.997	(26.520)	51.023		(2)	403.862	

IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

PREVIOUS PERIOD	Equity attributed to parent company					Adjustments for changes in value	Non-controlling interests	Total equity
	Equity							
	Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the per. attributed to parent company	Other equity instruments			
Opening balance at 01/01/2020	3150	3.364	290.093	(10.341)	39.273	(3)		322.386
Adjustments for changes in accounting policies	3151							
Adjustments for errors	3152							
Adjusted opening balance	3155	3.364	290.093	(10.341)	39.273	(3)		322.386
I. Total recognized income/(expenses)	3160				29.593	(1)		29.592
II. Transactions with shareholders or owners	3165		2.783	(2.533)				250
1. Capital increases/(reductions)	3166							
2. Conversion of financial liabilities to equity	3167							
3. Distribution of dividends	3168							
4. Treasury stock transactions (net)	3169		2.783	(2.533)				250
5. Increases/(reductions) due to business combinations	3170							
6. Other transactions with shareholders or owners	3172							
III. Other equity transactions	3175		39.288		(39.273)			15
1. Payments based on equity instruments	3176							
2. Transfers between equity items	3177		39.273		(39.273)			
3. Other changes	3178		15					15
Closing balance at 30/06/2020	3180	3.364	332.164	(12.874)	29.593	(4)		352.243

IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 30/06/2020
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+ 2+ 3 +4)	1435	87.346	(15.006)
1. Profit/(loss) before tax	1405	63.909	32.841
2. Adjustments to profit/(loss)	1410	9.294	7.491
(+) Amortization and depreciation of intangible assets and property, plant and equipment	1411	10.672	9.541
(+/-) Other adjustments to profit/(loss) (net)	1412	(1.378)	(2.050)
3. Changes in working capital	1415	3.157	(58.889)
4. Other cash flows from operating activities:	1420	10.986	3.551
(-) Payment of interest	1421	(4)	(188)
(-) Payment of dividends and remuneration of other equity instruments	1430		
(+) Proceeds from dividends	1422		
(+) Proceeds from interest	1423		
(+/-) Proceeds from/(payments of) corporate income tax	1424	(1.518)	3.334
(+/-) Other proceeds from/(payments for) operating activities	1425	12.508	405
B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)	1460	(11.345)	(7.296)
1. Payments of investments:	1440	(11.410)	(7.312)
(-) Group companies, associates and business units	1441		
(-) Property, plant and equipment, intangible assets and investment property	1442	(11.410)	(7.312)
(-) Other financial assets	1443		
(-) Non current assets and liabilities classified as held for sale	1459		
(-) Other assets	1444		
2. Proceeds from disinvestments	1450	-	14
(+) Group companies, associates and business units	1451		
(+) Property, plant and equipment, intangible assets and investment property	1452	-	14
(+) Other financial assets	1453		
(+) Non current assets and liabilities classified as held for sale	1461		
(+) Other assets	1454		
3. Other cash flows from investing activities	1455	65	2
(+) Proceeds from dividends	1456		
(+) Proceeds from interest	1457	65	2
(+/-) Other proceeds from/(payments for) investing activities	1458		
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)	1490	(2.417)	(9.696)
1. Proceeds from and (payments of) equity instruments:	1470	210	250
(+) Issue	1471		
(-) Amortization	1472		
(-) Acquisition	1473	(24.622)	(9.654)
(+) Disposal	1474	24.832	9.904
2. Proceeds from/ (payments for) financial liability instruments:	1480	(2.483)	(9.931)
(+) Issue	1481	588	253
(-) Repayment and amortization	1482	(3.071)	(10.184)
3. Payment of dividends and remuneration of other equity instruments	1485		
4. Other cash flows from financing activities	1486	(144)	(15)
(-) Payment of interest	1487	(144)	(15)
(+/-) Other proceeds from/(payments for) financing activities	1488		
D) EFFECT OF CHANGES IN EXCHANGE RATES	1492		
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	1495	73.584	(31.998)
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1499	53.162	67.426
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)	1500	126.746	35.428
COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT PERIOD 30/06/2021	PREVIOUS PERIOD 30/06/2020
(+) Cash in hand and at bank	1550	126.746	35.428
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable on demand	1553		
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD	1600	126.746	35.428

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IV. SELECTED FINANCIAL INFORMATION

12. DIVIDENDS PAID

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



IV. SELECTED FINANCIAL INFORMATION

14. SEGMENT REPORTING

Units: thousands of euros

Table 1:

GEOGRAPHICAL AREA		Distribution of net revenue by geographical area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210	160.492	162.639	122.479	104.607
Exports:	2215	74.369	57.832	167.571	86.522
a) European Union	2216	41.341	43.912	63.194	67.414
a.1) Euro zone	2217	41.340	43.909	63.193	67.411
a.2) No Euro zone	2218	1	3	1	3
b) Other countries	2219	33.028	13.920	104.377	19.108
TOTAL	2220	234.861	220.471	290.050	191.129

Table 2:

SEGMENTS		CONSOLIDATED			
		Net revenue		Profit / (loss)	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Manufacturing	2221	206.853	116.040	39.971	9.674
Marketing	2222	236.021	219.292	35.726	52.393
Other	2223			(9)	(10)
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
	2230				
(-) Adjustments and elimination of ordinary revenue between segments	2231	(152.824)	(144.203)	(24.665)	(32.464)
TOTAL	2220	290.050	191.129	51.023	29.593



IV. SELECTED FINANCIAL INFORMATION

15. AVERAGE NUMBER OF EMPLOYEES

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
AVERAGE NUMBER OF EMPLOYEES	2295	529	515	1.499	1.338
Men	2296	233	216	716	641
Women	2297	296	299	783	697

IV. SELECTED FINANCIAL INFORMATION

16. COMPENSATION RECEIVED BY DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS:

Item of compensation:		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Remuneration for membership of Board or Board committees	2310	330	255
Salaries	2311	396	396
Variable cash remuneration	2312	202	192
Share-based remuneration systems	2313	3.081	
Indemnities	2314		
Long-term savings systems	2315	12	12
Other	2316		
TOTAL	2320	4.021	855

SENIOR MANAGEMENT:

		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Total compensation received by senior management	2325	850	843



IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (1/2)

Units: thousands of euros

RELATED-PARTY TRANSACTIONS

		CURRENT PERIOD				
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
EXPENSES AND INCOME						
1) Finance expenses	2340					
2) Rentals	2343		12		1.015	1.027
3) Services received	2344					
4) Purchases of goods (finished or in progress)	2345					
5) Other expenses	2348					
EXPENSES (1+2+3+4+5)	2350		12		1.015	1.027
6) Finance income	2351					
7) Dividends received	2354					
8) Services provided	2356					
9) Sale of goods	2357					
10) Other income	2359					
INCOME (6+7+8+9+10)	2360					

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

		CURRENT PERIOD				
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
OTHER TRANSACTIONS						
1) Trade and other receivables	2341					
2) Loans and credits granted	2342			52		52
3) other collection rights	2346		45			45
TOTAL DEBIT BALANCES (1+2+3)	2347		45	52		97
4) Trade and other payables	2352				249	249
5) Loans and credits received	2353					
6) Other payment obligations	2355		4.529	80		4.609
TOTAL CREDIT BALANCES (4+5+6)	2358		4.529	80	249	4.858



IV. SELECTED FINANCIAL INFORMATION

17. RELATED-PARTY TRANSACTIONS (2/2)

Units: thousands of euros

RELATED-PARTY TRANSACTIONS

		PREVIOUS PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
EXPENSES AND INCOME						
1) Finance expenses	6340					
2) Rentals	6343		12		1.017	1.029
3) Services received	6344					
4) Purchases of goods (finished or in progress)	6345					
5) Other expenses	6348					
EXPENSES (1+2+3+4+5)	6350		12		1.017	1.029
6) Finance income	6351					
7) Dividends received	6354					
8) Services provided	6356					
9) Sale of goods	6357					
10) Other income	6359					
INCOME (6+7+8+9+10)	6360					

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

		PREVIOUS PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
OTHER TRANSACTIONS						
1) Trade and other receivables	6341			6		6
2) Loans and credits granted	6342			46		46
3) other collection rights	6346		44			44
TOTAL DEBIT BALANCES (1+2+3)	6347		44	52		96
4) Trade and other payables	6352				337	337
5) Loans and credits received	6353					
6) Other payment obligations	6355		1.092	80		1.172
TOTAL CREDIT BALANCES (4+5+6)	6358		1.092	80	337	1.509

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V. SEMESTER FINANCIAL INFORMATION

Content of the sections		Individual	Consolidated
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Condensed consolidated interim financial statements	2377	-	X
Completed consolidated interim financial statements	2378	-	-
Interim management report	2379	-	X
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VII. AUDIT REPORT

