2020

INTEGRATED REPORT

RESEARCHING TO GROW FOR HEALTH.

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FINANCIAL AND NON-FINANCIAL FIGURES

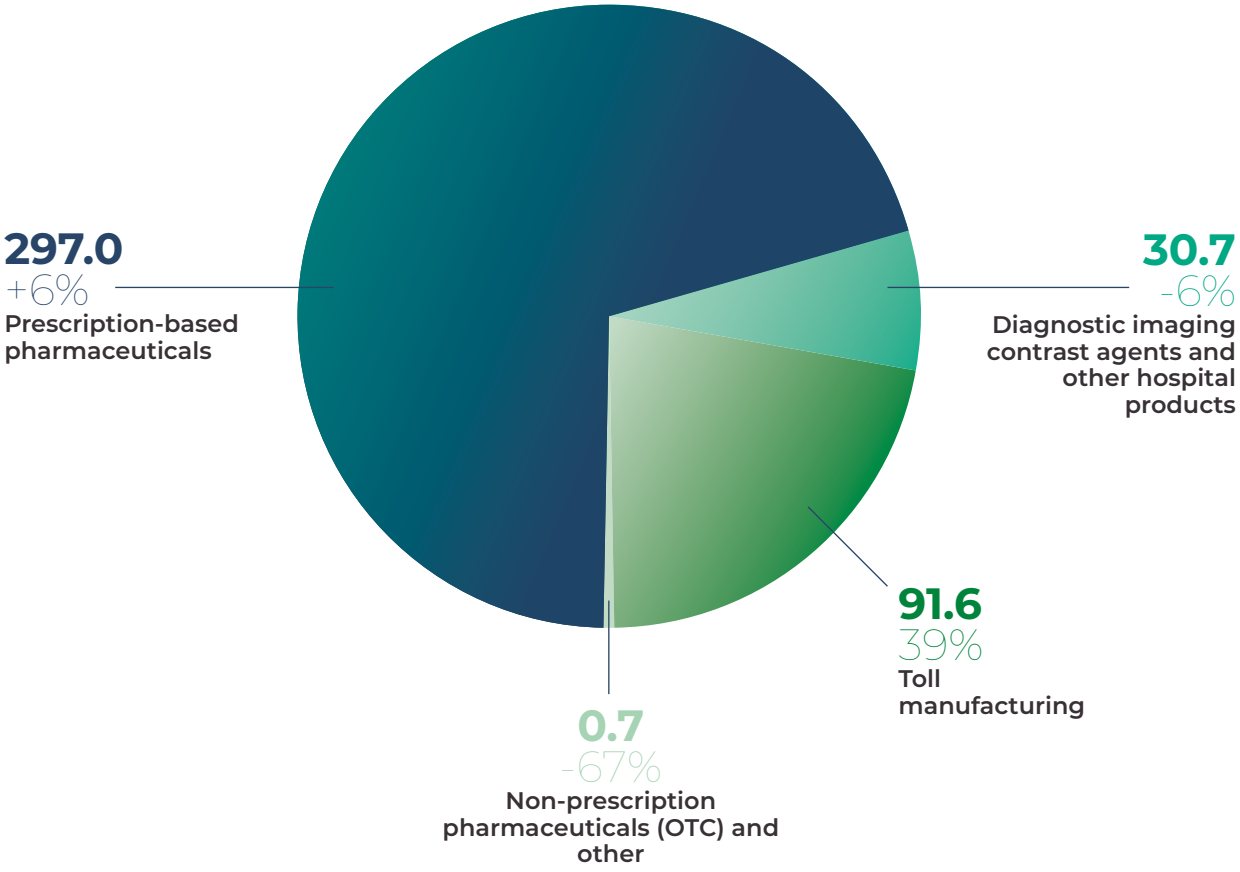
FINANCIAL FIGURES

RESULTS

(million euros)	2020	2019	2018	2017	2016	2015	2014
Revenue	**421.1**	382.5	304.8	277.4	266.7	247.0	240.9
EBITDA	**94.2**	60.9	29.5	29.9	39.3	31.8	36.6
EBIT	**74.7**	42.6	17.5	18.8	28.3	21.8	27.7
Net profit	**61.1**	39.3	17.9	17.2	26.1	19.8	24.1
Capex	**39.7**	40.5	26.4	19.9	18.1	19.9	25.1
Financial debt	**74.4**	84.8	34.2	43.2	33.8	42.8	36.3
Net financial debt	**19.8**	15.9	-62.8	1.1	-9.0	12.1	8.3

SALES BY ACTIVITY

(million euros)

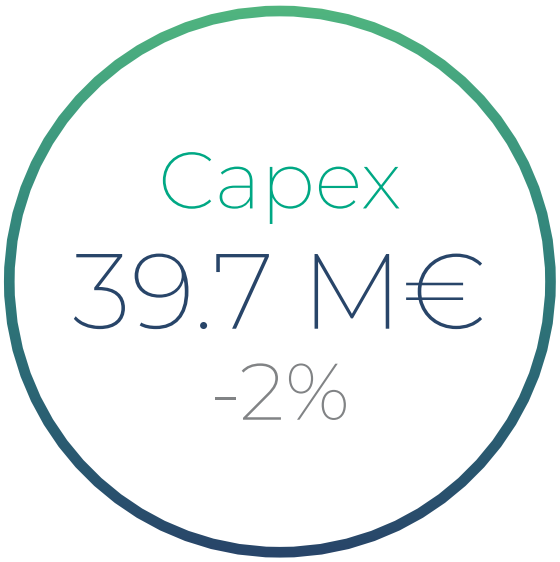


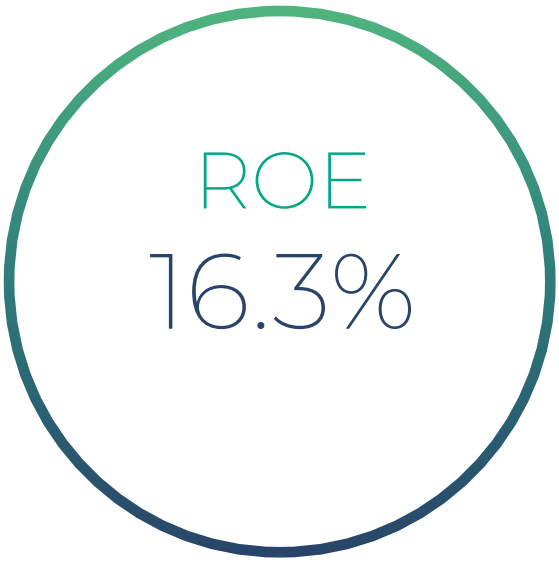
FINANCIAL STRUCTURE

	2020	2019	2018	2017	2016	2015	2014
Net debt/EBITDA	**0.21x**	0.26x	-2.13x	0.04x	-0.23x	0.38x	0.23x
Net debt/Equity	**0.05x**	0.05x	-0.22x	0.01x	-0.05x	0.07x	0.05x

SECURITIES MARKET INFORMATION

	2020	2019
Number of shares	**56,068,965**	56,068,965
Year-end closing price	**37,90**	24,40
Capitalisation at 31/12	**2,125,013,773 euros**	1,368,082,746 euros
Total dividend	**9,818,000 euros**	4,474,000 euros
Dividend per share paid in the year charged to the previous year's profit	0.1751 euros	0.0798 euros
Pay-out (as % of consolidated net profit)	25%	25%
Profit per share	1.09 euros	0.70 euros
PER	34.8	34.9





NON-FINANCIAL FIGURES

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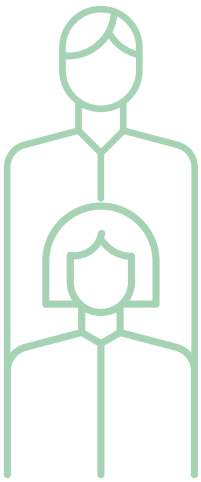
HUMAN RESOURCES



	2020	2019
Number of employees	**1,419**	1,310
Net jobs created	**109**	86
Diversity (men / women)	**747 / 672**	696 / 614
By location		
Spain and Portugal	1,388	1,296
Germany	20	5
France	4	3
Italy	5	4
United Kingdom	1	1
Poland	1	1
Hours of training	**30,824**	28,164
Turnover	**1.27%**	2.98%
Accident rate	**1.27%**	2.78%
Absence rate	**3.34%**	2.52%

ENVIRONMENT

	2020	2019	*Variación*
CO_2 emissions (tonnes)	**12,386**	12,099	*2.4%*
Tonnes CO_2 / million units produced	**169.7**	236.8	*-28.3%*
Hazardous waste generation (tonnes)	**2,420**	2,281	*6.1%*
Non-hazardous waste generation (tonnes)	**5,335**	3,381	*57.8%*
kWh electricity consumed	**21,250,330**	21,148,461	*0.5%*
kWh natural gas consumed	**26,525,520**	23,171,024	*14.5%*
Litres of vehicle fuel consumed	**338,249**	487,660	*-30.6%*
m^3 of water consumed	**150,171**	148,632	*1.0%*
m^3 of water / million units produced	**1,735.8**	2,170.1	*-20.0%*

NOTE:
Due to a change in the method of calculating CO2 emissions into the atmosphere and the kWh of electricity consumed, the figures shown above have undergone a minor change in relation to those reported in the 2019 Integrated Report, in order to allow said indicators to be compared.

COMMUNITY

201-1

ECONOMIC VALUE GENERATED AND DISTRIBUTED

(million euros)	2020	2019	2018	2017	2016
Economic value generated	**421.1**	382.5	304.8	277.4	270.8
Economic value distributed					
Shareholders	**21.4**	9.8	4.5	6.0	9.1
Operating costs	**228.6**	219.2	172.7	154.7	153.5
Society	**11.5**	2.6	-1.2	0.3	1.8
R&D	**23.8**	29.3	32.4	28.3	17.5
Employees	**74.4**	72.5	70.2	64.0	60.5
Providers of capital	**2.1**	0.8	0.8	0.9	0.5
Amortisation and depreciation	**19.6**	18.6	12.0	11.5	11
Reserves (retained value)	**39.7**	29.6	13.4	11.8	17

GROUP PROFILE

ROVI is a specialised, fully-integrated, Spanish pharmaceutical group engaged in the research, development, toll manufacturing and marketing of small molecules and biological specialties, with two major pillars of growth:

→ **THE PHARMACEUTICAL SPECIALTIES AREA.**

which contains three divisions:

- The low-molecular-weight heparin ("LMWH") division, which accounted for 50% of group sales in 2020.
- The pharmaceutical specialties division in Spain, which has a diversified portfolio of its own and licensed innovative products, protected by patents.
- The toll manufacturing division, with high-value-added products.

→ **THE R&D AREA.**

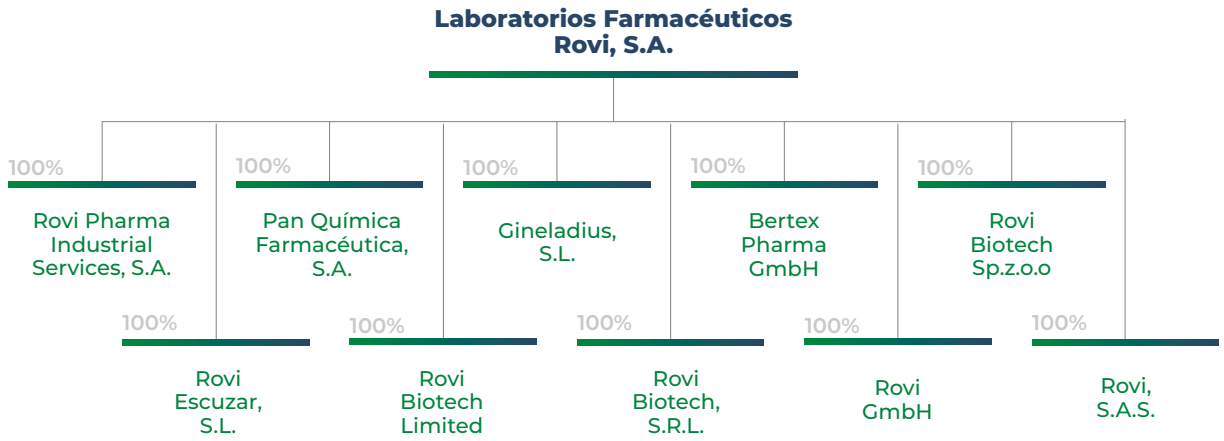
focused on ROVI's proprietary extended-release drug delivery platform ISM®.

All the companies that form the ROVI Group are aware that their activity is conducive to the health improvements provided by their products and wish to provide a response to certain social demands in relation to the impacts of their activities on society and the environment. For this reason, ROVI's economic development must be compatible with its conduct in respect of ethics, society, employment, the environment and respect for human rights.

CORPORATE INFORMATION

Name:	**Laboratorios Farmacéuticos Rovi, S.A.**
Address:	Julián Camarillo, 35. 28037 Madrid. Spain
Telephone:	0034 91 375 62 30
Website:	www.rovi.es
Share capital:	3,364,137.90 euros
Number of shares:	56,068,965
Par value:	€0.06 share
Activity:	Manufacturing and marketing of pharmaceutical products and toll manufacturing services.
Markets:	The ROVI group has direct presence in Spain, Portugal, Germany, France, the United Kingdom, Italy and Poland and is listed on the Barcelona, Bilbao, Valencia and Madrid Stock Exchanges.

CORPORATE STRUCTURE



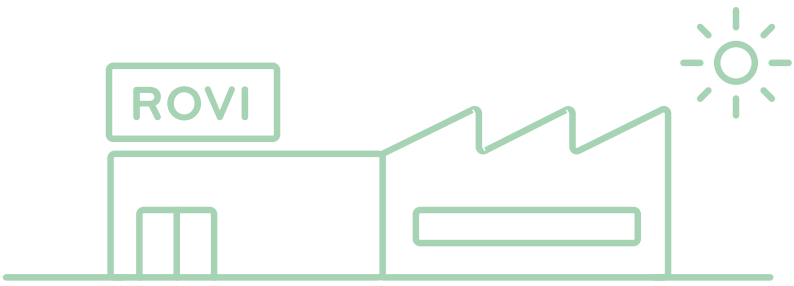
CENTRES AND PLANTS

Corporate name	Registered address	Activity
Laboratorios Farmacéuticos Rovi, S.A.	Madrid, C/Julián Camarillo, 35	A
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	A
Gineladius, S.L.	Madrid, C/Rufino González, 50	B
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	C
Rovi Pharma Industrial Services, S.A.	Alcalá de Henares, Avenida Complutense, 140 Madrid (Spain)	A
Rovi Escúzar, S.L.	Madrid, C/Julián Camarillo, 35	A
Rovi Biotech Limited	10-18 Union Street, London (United Kingdom)	A
Rovi Biotech, S.R.L.	Via Monte Rosa 91, Milan (Italy)	A
Rovi GmbH	Ruhlandstr. 5, Bad Tölz (Germany)	A
Rovi S.A.S.	Rue du Drac, 24. 38180 Seyssins (France)	A
Rovi Biotech sp. z o.o. o Rovi Biotech spółka z o.o.	Mokotów, ul. Rzymowskiego 53, 02-697 Warsaw, Poland	A

A Production, marketing and sale of pharmaceutical, healthcare and medicine products.

B Import, export, purchase, sale, distribution and marketing of articles related to integral female healthcare.

C Development, distribution and marketing of pharmaceutical products related to micro-particle technologies.



SHAREHOLDER COMPOSITION

Percentage

63.11%
Norbel Inversores, S.L.

5.06%
Indumenta Pueri, S.L.

4.92%
T.Rowe Price International Funds, Inc

3.01%
Wellington Management Group, LLP

23.90%
Other

HISTORY

1946 Foundation of the company

1981 Start of research into low-molecular-weight heparins

1998 Launch of Bemiparin on the Spanish market and start-up of operations in Portugal

2002 Internationalisation of ROVI following approval of Bemiparin outside Spain

2003 Increased international coverage to 59 countries

2006 Construction of the Granada R&D&i centre and plant

2009 Strategic agreement with Merck Sharp & Dohme (MSD)

2012 FDA certification of the injectables plant

2013 Agreements to market products from Novartis and Medice

2014 Registration process for an enoxaparin biosimilar with the EMA and FDA

2015 Acquisition of the new injectables plant in San Sebastián de Los Reyes, with which it reinforced its toll manufacturing capacity and secured the growth of Bemiparin and the potential enoxaparin biosimilar

Successful completion of PRISMA-2 study of the clinical development of the new long-acting injectable Risperidone ISM®

2016 Marketing agreement with Novartis for Neparvis®

2017 Commencement of the marketing of an enoxaparin biosimilar in Germany

Beginning of Phase III clinical trial of Doria® (Risperidone ISM®)

2018 Launch of an enoxaparin biosimilar in Spain, France, United Kingdom, Italy, Austria, Estonia and Latvia

2019 Conclusion of the PRISMA-3 and BORIS studies and end of the Clinical Research Programme for Risperidone ISM® (Doria®) in patients with schizophrenia and marketing authorisation application in Europe

2020 Participation in the manufacturing of the active substance and fill-finish for Moderna's COVID-19 vaccine outside the United States

Marketing authorisation application for Doria® in the United States

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LETTER FROM THE CHAIRMAN

Dear Shareholders,

When I wrote my letter to you in 2020, we could not have known the implications and scope that the pandemic, which, at that time, had just broken out, would have. COVID-19 has generated a scenario of great uncertainty, but we have continued to focus closely on executing our strategic plan, where innovation and our bet on the company's transformation play a very important role. Following this plan, we have continued with the expansion of our enoxaparin biosimilar, with which we aspire to become a leading player in the low-molecular-weight heparin sub-market.

It is true that the economic impact of the coronavirus in 2020 was different for each industry. And it is no less true that the pharmaceutical industry was one of the least affected. But it was not a problem-free year, since the collapse of the hospitals and the incidence of coronavirus caused significant delays in the treatment of other pathologies –in spite of the fact that their incidence had not decreased–. In this respect, on behalf of all those of us who form ROVI, I would like to send our warmest wishes and support to all the people whose health has been affected by the situation, either directly or indirectly, and their families and friends, as well as all the healthcare personnel who have shown such admirable professionalism and dedication.

I usually end my text by underlining the constant effort and dedication of ROVI's human team. However, for a year like 2020, please allow me to begin by thanking them for the huge effort they made to keep the business running, overcoming all the difficulties associated to the pandemic at a time when society needed the pharmaceutical industry to respond to a critical situation.

As one of the leading pharmaceutical companies, we have always focused on innovating and discovering new drugs and treatments able to improve people's lives. This is something that could be seen during the health emergency, when ROVI did not hesitate to place all its knowledge and resources at the disposal of society. First, by donating and distributing healthcare material to the professionals who were fighting on the battlefront in the hospitals at the darkest times and, likewise, by collaborating with researchers and sharing its huge knowledge of low-molecular-weight heparins, like Bemiparin, in a clinical trial regarding their safety and efficacy in patients in hospital with COVID-19.

Furthermore, the collaboration agreement we have reached with Moderna represents a very important milestone for ROVI, not only in terms of image and international impact, but also because it allows us to be part of the solution to this global pandemic that is having so many social and economic consequences. From our Madrid facilities, we have been providing support to the production of hundreds of millions of doses of the Moderna vaccine since the beginning of 2021, in order to supply markets outside the United States. This agreement is also a fantastic piece of news for the Spanish pharmaceutical industry overall and society in general, since it furnishes the entire sector with global visibility, as well as the economic activity we are generating through the investment in infrastructures and machinery. It is a great satisfaction to be able to generate so many new jobs, with the ensuing positive impact on our country's economy.

As one of the leading pharmaceutical companies, we have always focused on **innovating and discovering** new drugs and treatments **to improve people's lives**

I must also mention and recognise the tremendous effort and wonderful work carried out by ROVI's management team at all levels, from senior management to the managers and heads of each plant, department and team. These are the people who made it possible for ROVI to implement, in record time, the measures necessary to protect our employees from possible contagions and the mechanisms to keep the business running at full capacity.

In spite of the uncertainty, ROVI had met its objectives at the end of the year, with a 10% growth in revenue, while the net profit and EBITDA had risen by 55%. These results were, without any doubt, excellent in one of the most difficult years for society overall, during which the group contributed with net job creation of employment for 109 people.

The prospects that are opening up for 2021 allow us to be optimistic, with expected growth in operating income of between 20% and 30%, well above the pharmaceutical

spending growth rate in Spain in 2020, which was 2.6%, according to the figures published by the Ministry of Health, Consumer Affairs and Social Welfare. Bemiparin, the distribution licence agreements, such as Neparvis® and Volutsa®, the enoxaparin biosimilar, the existing pharmaceutical specialty portfolio, the agreement with Moderna and the new contracts in the toll manufacturing area will leverage and drive our growth in both 2021 and the years to come.

Neither should we forget that, in 2021, we are in the final stretch of the registration and approval process of one of our products with the highest potential: Doria®. ROVI is betting on the use of long-acting injectables, based on its patented ISM® technology, to enhance the treatment of schizophrenia. If all the deadlines are met, we hope to complete the regulatory process in the United States and Europe in 2021, which will enable us to enter, from 2022 onwards, a market of close to 5,500 million dollars, in which ROVI could become a leading player, in the same way as is already the case in the low-molecular-weight heparin (LMWH) market with Bemiparin and the enoxaparin biosimilar. The ISM® technology is ROVI's major research bet to lay the foundations for the company's following steps and we continue to work tirelessly with other candidates, such as Letrozole ISM®, indicated for the treatment of breast cancer, and the new formulation of risperidone for a three-monthly injection.

Pharmaceutical companies must fix a medium- and long-term strategy that attains objectives such as high-quality employment and an increase in industrial investments, by creating production plants in Spain or renewing and expanding those that already exist. We must also reinforce investment in R&D and help to create a suitable environment in which to better tackle any future pandemics or other health emergencies. These principles of action are, moreover, embedded in ROVI's DNA and we have been progressing in this respect for many years.

I would like to end this letter by thanking all our shareholders and investors for their support. For a further year, they have seen ROVI as a sound project that is growing constantly, is profitable and has a brilliant future, thanks to its bet on innovation, the development of high-value-added agreements and products with tremendous potential.

Juan López-Belmonte López

CHAIRMAN

BUSINESS MODEL

21 __ IDENTITY AND COMMITMENT
32 __ BUSINESS UNITS

IDENTITY AND COMMITMENT

ROVI's mission, vision and values are the guidelines that govern all the decisions made in relation to both business development and the professional performance of its workers, guiding the group's business strategy.

MISSION

We work for the well-being of society and to improve the quality of life of patients and the attention they receive, promoting human health through researching, manufacturing, marketing and distributing medicines and other healthcare products.

VISION

We aspire to be recognised as a benchmark for our work in the research and development of new products and to be perceived as a trusted supplier due to our commitment to the manufacture, marketing and distribution of medicines and healthcare products.

VALUES

Honesty, integrity and ethics

Consistency

Self-criticism

Equity

Justice

Honesty

Legality

Team, co-operation, involvement

Commitment

Co-operation

Empathy

Co-responsibility

Solidarity

Patient benefits

Commitment

Involvement

Empathy

Proximity

Proactiveness

Efficiency

Justice

Objectivity

Balance

Determination

Profitability

Respect

Consideration

Truthfulness

Honesty

Innovation

Proactiveness

Involvement

Creativity

CSR MANAGEMENT AT LABORATORIOS ROVI

Corporate social responsibility (CSR) is a crucial part of ROVI's identity. It is incorporated into its business strategy, since it is a key factor for the company's long-term sustainability and the key tool in reinforcing the relationship and trust between ROVI and its stakeholders. The products the group markets are intended to improve people's health and ROVI thus wishes to respond to these social needs, at the same time as it is careful with the impact and footprint it leaves on society and the environment.

The incorporation of CSR into the management of the ROVI group takes place through the Environmental and Social Sustainability Policy and the Management Committee is responsible for designing, evaluating and making general reviews of this Policy. The Board of Directors has the tasks of overseeing and ensuring that Management meets the goals that have been fixed and respects the company's corporate interests.

In 2017, a permanent internal body, called the Social Responsibility Committee/Social Performance Team, was created, with the capacity to inform, advise and make proposals. Within its sphere of action, as one of the duties assigned to it, this Committee reports annually to the Management Committee and the Nomination and Remuneration Commission on the degree of progress in implementing the CSR Policy and strategy. In 2020, participation in this Social Performance Team was extended to employees at other work centres that had not previously been represented, such as Pozuelo and Alcalá de Henares.

An example of recognition of the effort made to be a responsible company came from the Ministry of Industry, Tourism and Trade and the Ministry of Health, Social Services and Equality, which, in the Profarma Plan, classify the pharmaceutical companies in accordance with their contribution to the Spanish industrial fabric, taking their investment in technology, new manufacturing plants, research efforts, etc. as a reference. In February 2020, the results of Plan Profarma 2019 were issued and ROVI obtained the classification of Excellent for the fourteenth consecutive year.

CSR Policy goals and support tools

ROVI is aware that its economic development must be accompanied by ethical conduct socially, in the labour area, environmentally and in terms of respect for human rights. This is channelled through different action policies which are the materialisation of the commitment to business ethics and the action manual for any member of ROVI's workforce in their relations with stakeholders.

- Environmental and Social Sustainability Policy
- Integrated Management Policy (Environment and Occupational Health and Safety)
- Code of Ethics
- Annual Sustainability Report

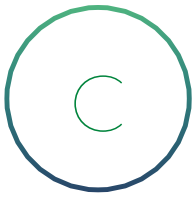
All these elements have a series of action principles that form the backbone of ROVI's day-to-day management and endow it with consistency:

ETHICS.

Follow the guidelines of the **Code of Ethics**, which includes the company's commitment to the principles of business ethics and transparency in all its spheres of action and regulates responsible conduct on the part of all group professionals in the course of their work.

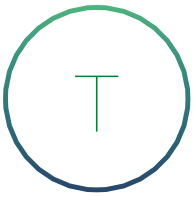
HUMAN RIGHTS

Support the principles of the **United Nations Global Compact** by adopting and transmitting them, as well as those of other international instruments, especially in the areas of human rights, workplace practices, the environment and the fight against corruption.



COMMUNICATION

Foment communication and dialogue channels, as well as promoting the group's relations with shareholders, investors, employees, customers, suppliers and, in general, all its stakeholders. Thus, the group contributes to harmonising business values and social expectations by adapting, as far as possible, the group's policies and strategies to the interests, concerns and needs of stakeholders, using all the communication tools available, including direct contact and the group's corporate website.



TRANSPARENCY

Commitment to transparency as a way to transmit confidence and credibility among stakeholder groups. This will entail:

a. Providing stakeholders with relevant and accurate information, complying with any legal public information requirements that may exist.

b. Preparing and publishing financial and non-financial information, using, in the latter case, an internationally-accepted methodology, and submitting the information to the appropriate internal and external review processes that guarantee the reliability of the information and encourage continuing improvement.

CONTRIBUTION TO SOCIETY

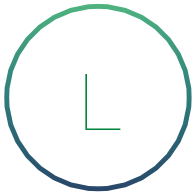
The taxes ROVI pays in the places where it operates are the main contribution that group companies make to sustaining public funds and, therefore, are one of its **contributions to society**.

HONESTY

Promote free market practices, **rejecting any kind of illegal or fraudulent practice** and implementing effective mechanisms to prevent, monitor and penalise irregularities.

ENVIRONMENT

Conservation and promotion of the environment. ROVI carries on its activity with the firm commitment of contributing to sustainability from an environmental standpoint. This commitment materializes by integrating the environment into the different business areas, conserving biodiversity, preventing pollution, managing resources efficiently and adapting to and mitigating climate change, in accordance with the group's Environmental Policy.



LEGALITY.

Compliance with current **legal regulations** in the places where ROVI companies are located.

The action principles applied through the aforementioned tools allow ROVI to achieve its permanent sustainability goals in its day-to-day.

GOALS

- 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.
- Promote trust relationships and value creation for all stakeholders, providing all of them with a balanced and integrating response.
- Manage risks and opportunities derived from the changing environment responsibly, maximising the positive impacts of the group's activities in the different territories where it operates and minimising any adverse impacts as far as possible.
- Promote a culture of ethical conduct and increase business transparency, in order to generate credibility and trust among stakeholders, including society as a whole.

IDENTIFICATION OF AND RELATIONSHIP WITH STAKEHOLDERS

102-40, 102-42, 102-43

ROVI considers CSR to be a commitment acquired with society, given the importance of its activity and products in improving people's health and quality of life. In this respect, the company has identified six groups and a series of goals it pursues in relation to each one of them, establishing different channels through which to communicate with these groups.

During 2020, twenty press releases were published with specific information on the company regarding its financial results, new developments concerning ROVI's research programmes, its response to the COVID-19 pandemic, and activities aimed at updating knowledge of pathologies, among others.

The company appeared in the press -both general and specialised- 3,279 times in 2020, 167% up on the number of appearances in 2019. In 2020, the group continued to develop its corporate profiles in social media (LinkedIn, Twitter and YouTube), through which it informs on new developments, as a supplementary channel for transmitting information of interest on the company.

The Audit Committee's duties include reviewing the corporate social responsibility policy, ensuring that it is oriented toward value creation, and monitoring CSR strategies and policies, assessing the degree to which they are followed. This Committee is also responsible for overseeing and evaluating the processes of relations with the different stakeholder groups.

EMPLOYEES

GOAL

To generate enthusiasm and provide training and motivation.

CHANNELS

Suggestion boxes: these may be found throughout the facilities and are intended to enable employees to submit anonymous communications concerning improvements.

Confidential communication mechanisms for irregularities considered illegal, criminal or a breach of the principles of ROVI's Code of Ethics.

Suggestion boxes

SUPPLIERS

GOAL

To enable them to find in ROVI a partner for mutual benefit.

CHANNELS

A voluntary document called "CSR Commitment" is sent to all the group's suppliers and subcontractors. This document requests certifications or urges them to adopt good practices.

On-site audits which check that:

- Suppliers operate in accordance with national and local regulations.
- There are no significant breaches of workplace safety rules.
- No practices infringing workers' rights exist.

On-site audits

CSR Commitment

SHAREHOLDERS

GOAL

To create more value in a manner that can be sustained in the long term.

CHANNELS

Since the company's IPO, it has reported regularly on all its activities and applies its 'Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors'.

Direct investor communication channels:

→ ***ir@rovi.es***

→ Web form at ***www.rovi.es/contact***

If they so wish, shareholders have the possibility of receiving ROVI's financial information automatically through an e-mail alert system and the group provides regular, prompt and relevant information on the company, such as presentations and legal, economic and financial, and corporate governance aspects, which may be consulted on the corporate website www.rovi.es.

www.rovi.es/contact

ir@rovi.es

CUSTOMERS/ PATIENTS/ PROFESSIONALS

GOAL

To offer products based on quality and experience.

CHANNELS

There is a query channel for information requests from both international partners and direct customers, patients and professionals:

→ ***www.bemimed.com***

In the event of a complaint, the company opens an enquiry immediately in order to identify the cause and prevent any repetition.

www.rovi.es

SOCIETY AND ENVIRONMENT

GOAL

To make an active contribution to social progress and environmental protection.

CHANNELS

The company's environmental policy is based on commitments to continuous improvement, legal compliance and additional voluntary requirements.

In relation to environmental queries, ROVI has a corporate procedure (SOPc813 "Communication, Participation and Consultation") through which it manages communications (queries, complaints, etc.) related to the environment and occupational health and safety.

On the corporate website (www.rovi.es), the quality, environmental and occupational health and safety certifications held by group companies are available to the public.

Finally, ROVI provides constant support to medical research and encourages the prevention and knowledge of certain diseases.

www.rovi.es

PUBLIC AUTHORITIES

GOAL

To create channels for cooperation with the public authorities.

CHANNELS

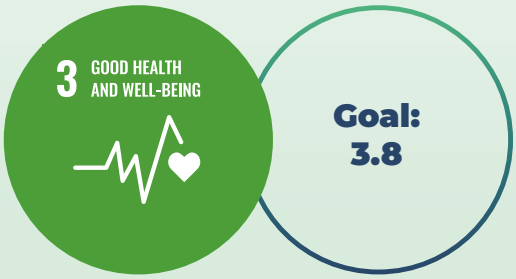
ROVI follows a policy of transparency and constant communication with the public authorities. Furthermore, on the website www.rovi.es, not only can communications and relevant events published be consulted, but also other types of information, such as press releases, regular economic and financial information and audits.

www.rovi.es

The Audit Committee's duties include reviewing the **corporate social responsibility policy**

CONTRIBUTION TO THE SDGs

ROVI is aligned with the goals of the United Nations Global Compact and, on the basis of its activity and the matters identified in its materiality analysis, undertakes to act in favour of the following Sustainable Development Goals:

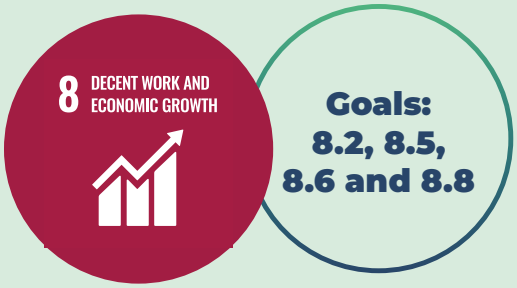


CONTRIBUTION

- Co-operation with Fundación Recover, an NGO that works to improve healthcare in Africa.

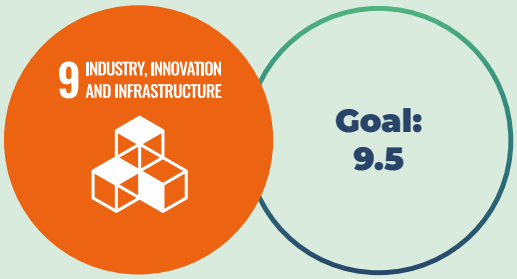
CONTRIBUTION

- Co-operation with academic organisations and centres to promote access to education and employability.



CONTRIBUTION

- Performing a gender breach study.
- Agreements with employment organisations for people with disabilities.
- Investment in R&D activities.
- Execution of policies for prevention of occupational hazards.



CONTRIBUTION

- Development of a new low-molecular-weight heparin manufacturing plant in Granada.

CONTRIBUTION

- Exhaustive control of the consumption indicators at each plant.
- Contracting a provider of energy from renewable sources.

BUSINESS UNITS

ROVI is a pan-European company focused on innovative products that enjoys great stability, with a total of 1,419 employees, sales of 420.0 million euros at the end of 2020 and two major pillars of growth:

PHARMACEUTICAL SPECIALTIES

LMWH

ROVI aspires to become one of the world leaders in low-molecular-weight heparins (LMWH) due to two products from its own research, Bemiparin and an enoxaparin biosimilar.

Pharmaceutical specialties

Diversified portfolio of its own products and long-term patents.

Toll manufacturing

Specialist in prefilled syringe solutions and solid oral forms.

R&D

R&D policy

Sound and low-risk.

Since 2017, the ROVI Group has been facing the challenge of expanding its international presence as result of the launch of the enoxaparin biosimilar, mainly through its recently-created subsidiaries. In forthcoming years, another of the pillars will be the development of the ISM® technology patented by ROVI, whose first product, Doria® (Risperidone ISM®), is already undergoing the approval process in Europe and the United States. It is expected to obtain its marketing authorisation in both territories at the end of 2021 or beginning of 2022. In Europe, ROVI has requested a clock stop in order to respond to a major observation by repeating the BORIS study with the European reference product, Risperdal®. The process is expected to resume in November 2021 to continue with the evaluation and marketing approval in the EU.

A sound strategy and clear growth pillars furnish the company with a defensive profile that has enabled it to increase its profits year after year. In 2020, this translated into growth of 10%.

*CAGR: Compound annual growth rate.

COMPETITIVE ADVANTAGES

ROVI's nature, principles and commitment to the activity it carries on have allowed it to obtain a series of competitive edges that have positioned it as one of the main leaders in its market niche, in a sector which, moreover, has high entry barriers.

Benchmark company in LMWHs

Since it was founded in 1946, ROVI has been engaged mainly in the study and development of drugs based on heparin, a fast-acting anticoagulant.
Since 1981, it has been focusing on its fractioned derivatives, low-molecular-weight heparins (LMWH).
As a result of ROVI's 70 years' experience, its main product, Bemiparin, has positioned itself as one of the principal treatments for venous thromboembolic disease worldwide.

Likewise, in 2017, ROVI launched a biosimilar of enoxaparin, the leading molecule on the market, and aspires to become one of the leading companies in the LMWH field.

Diversified portfolio protected by patents

The company has over 40 products on its portfolio, including both its own and licensed products, for most of which there is growing demand and which are virtually unaffected by the reference pricing system in Spain. They are grouped into nine therapeutic areas and are indicated either for treating different complaints or as diagnostic systems:

- Cardiovascular
- Osteoarticular (women's healthcare)
- Respiratory
- Anaesthesia – pain relief
- Diagnostic imaging contrast agents
- Central nervous system
- Urology
- Endocrinology
- Primary healthcare

ROVI has launched 14 new products since October 2005.

Infrastructure with operating advantages

ROVI is one of the major companies in the toll manufacturing business in the sector and among world leaders in prefilled syringe production. It has one of the largest European plants for manufacturing oral solid forms, exporting to more than 50 countries.

Its production plants in Madrid, Alcalá de Henares and San Sebastián de los Reyes are approved by the European and United States regulators –the European Medicines Agency (EMA) and the Food and Drug Administration (FDA)–.

Low-risk innovation

ROVI operates with a low-risk strategy, concentrating on diseases with extensive medical requirements. The company allocates a large part of its revenue to research, in order to remain in the vanguard in terms of both products and manufacturing and development systems.

INTERNATIONAL PRESENCE

ROVI has its headquarters in Spain but its mindset is clearly international. Expansion continues to be one of the strategic goals in both organisational and business terms, with subsidiaries in France, Germany, Italy, United Kingdom and Poland through which it is -or will be- marketing the enoxaparin biosimilar, among other products. The product is currently present in 19 countries and it is expected to cover 26 European Union member states over the next few years, as well as other areas (North Africa, Middle East, Asia and South America), as a result of a series of distribution agreements signed. ROVI expects to be present in more than 95 countries thanks to these agreements in the long term.

The group operates directly in the following countries:

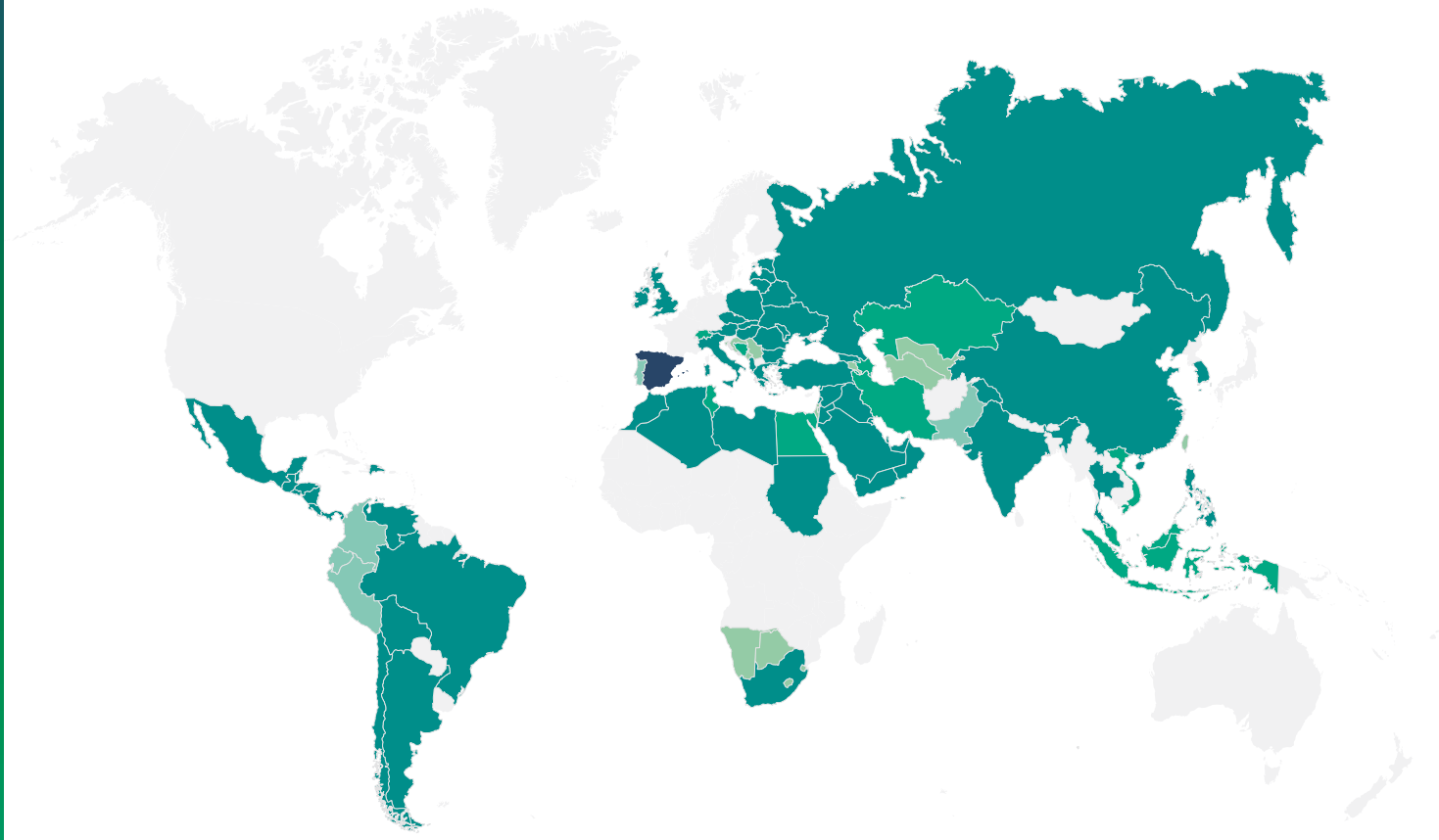
- Spain
- France
- Portugal
- Italy
- Germany
- United Kingdom
- Poland

A large part of its marketing operations take place in Spain, as well as all its manufacturing services and research & development activities.

In these seven countries, ROVI has corporate structures through which it carries on pharmaceutical product marketing activities directly. Additionally, through strategic alliances with international partners, at the end of 2020, ROVI was distributing its main product, Bemiparin, in 58 countries all over the world and the enoxaparin biosimilar in Germany, Austria, Spain, Estonia, France, Italy, Latvia, United Kingdom, Portugal, Poland, Costa Rica, Sweden, Finland, South Africa, Israel, Peru, Netherlands, Panama and the Dominican Republic. Likewise, ROVI has three toll manufacturing plants and exports to over 50 countries.

ROVI expects to be present in **more than 95 countries** in the long term

GLOBAL PRESENCE OF BEMIPARIN



ROVI Group

58 countries with presence through strategic alliances

+65 countries where approval has been obtained

10 countries where authorisation is pending

10 countries where authorisation is in progress

EUROPE

Marketed
Albania
Austria
Belarus
Bulgaria
Czech Republic
Georgia
Greece
Estonia
Hungary
Ireland
Italy
Latvia
Lithuania
Moldavia
Poland
Romania
Russia
Slovakia
Slovenia
Turkey
United Kingdom
Ukraine

Approved
Portugal

Pending
Bosnia & Herzegovina
Kazakhstan
Switzerland
Azerbaijan

In progress
Armenia
Kyrgyzstan
Croatia
Serbia & Montenegro
Tajikistan
Turkmenistan
Uzbekistan

MIDDLE EAST

Marketed
Jordan
Kuwait
Yemen
Bahrain
Syria
Oman
Iraq
Saudi Arabia
Lebanon
Qatar
United Arab Emirates

Pending
Iran

In progress
Israel

ASIA

Marketed
Hong Kong
South Korea
India
China
Philippines
Thailand

Approved
Pakistan

Pending
Indonesia
Malaysia
Vietnam

In progress
Taiwan
Singapore

CENTRAL AND LATIN AMERICA

Marketed
Argentina
Belize
Costa Rica
Dominican Republic
El Salvador
Guatemala
Honduras
Nicaragua
Panama
Venezuela
Chile
Bolivia
Mexico
Brazil

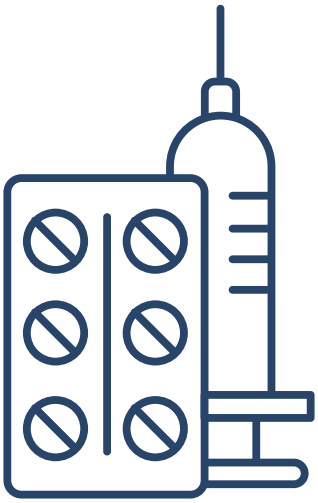
Approved
Ecuador
Peru
Colombia

AFRICA

Marketed
Libya
Algeria
Morocco
South Africa
Sudan

Pending
Tunisia
Egypt

In progress
Botswana
Lesotho
Namibia
Swaziland



PHARMACEUTICAL SPECIALTIES

ROVI has a diversified portfolio comprising over 40 of its own and licensed products, most of which are subject to growing demand, with a defensive profile, since it is not affected by the reference pricing system in Spain. The products are grouped into nine therapeutic areas and are indicated for either the treatment of different complaints or diagnosis:

- **Cardiovascular**
- **Osteoarticular/Women's health**
- **Anaesthesia/ Pain**
- **Diagnostic imaging contrast agents**
- **Central nervous system**
- **Urology**
- **Endocrinology**
- **Respiratory system**
- **Primary healthcare**

ROVI's growth engines are bemiparin, the distribution licence agreements, such as Neparvis® and Volutsa®, the enoxaparin biosimilar, the existing pharmaceutical specialty portfolio, the agreement with Moderna and the new contracts in the toll manufacturing area.

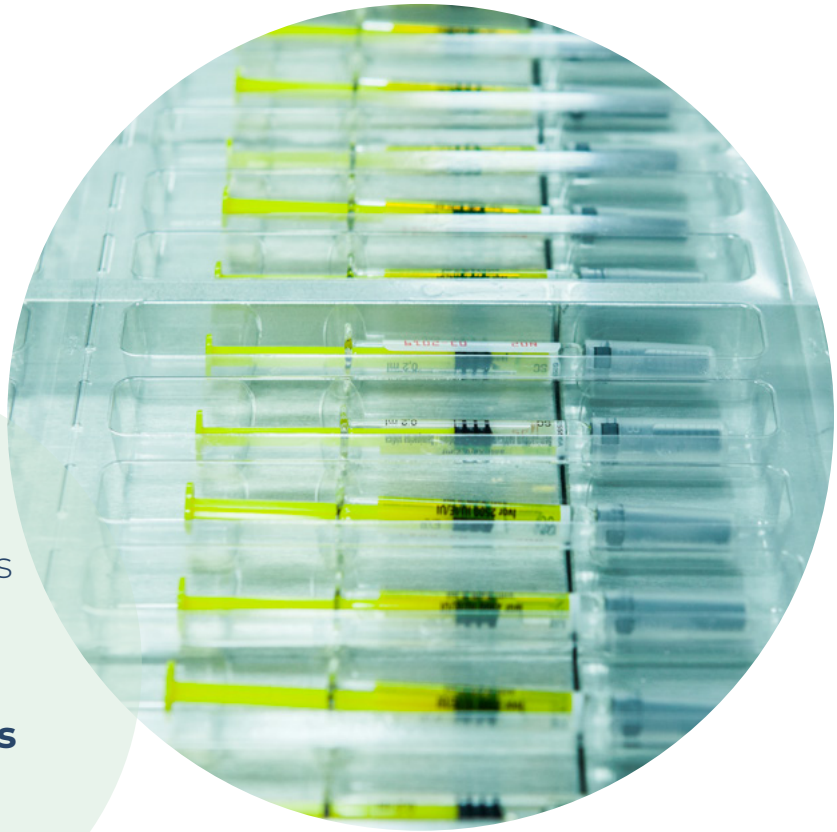
LOW-MOLECULAR-WEIGHT HEPARINS

ROVI aspires to become a world leader in low-molecular-weight heparins (LMWHs). To achieve this, it has two products from its own research: Bemiparin (Hibor®) and the Enoxaparin biosimilar. The low-molecular-weight heparin division accounts for 50% of total group sales.

Hibor®

Hibor® (Bemiparin) is a low-molecular-weight heparin (fast-acting anticoagulant) used to prevent and treat venous thromboembolic disease (VTD) in both surgical and medical patients for the acute and long-term treatment of patients who have suffered VTD. VTD is a serious and potentially fatal process, the main characteristic of which is the formation of a fibrin clot, thrombosis, inside the veins of the deep vein system, with the consequences that may result from the evolution of the venous thrombus, which may grow, progress and fragment. In the event of fragmentation, some of the fragments may reach the lung and cause pulmonary embolism.

Over recent years, Bemiparin has become one of the main treatments for this disease worldwide. Having expanded its presence to 58 countries as the result of a strategic alliance network, Bemiparin is currently one of ROVI's principal products and accounts for 24.14% of the group's operating revenue.



Over recent years Bemiparin has become **one of the main treatments for VTD**

Enoxaparin ROVI

ROVI's enoxaparin sodium biosimilar is an anticoagulant medicine that belongs to the low-molecular-weight heparin group. It is used to treat and prevent deep vein thrombosis and pulmonary embolism. Enoxaparin sales totalled 101.4 million euros in 2020 and already account for 24.14% of ROVI's operating revenue.

In 2017, ROVI began the marketing of its enoxaparin biosimilar (low-molecular-weight heparin) in Germany under the brand name "Enoxaparin Rovi" and extended it to the United Kingdom, Italy, Spain, France, Austria, Latvia and Estonia in 2018. In 2019, it started to be marketed in Portugal, Poland, Costa Rica, Sweden and Finland and, in 2020, ROVI launched it in South Africa, Israel, Holland, Peru, Panama and the Dominican Republic.

Furthermore, also in 2018, ROVI signed an agreement with Biogaran SAS, the leading French pharmaceutical company in generics and biosimilars and a subsidiary of Laboratorios Servier, to market the enoxaparin biosimilar in France on a semi-exclusive basis.

The enoxaparin market totals more than 2,566 million euros worldwide (according to IQVIA MAT Q1 2020 estimates). The European market accounts for 52% of total enoxaparin sales (1,323 million euros). Around 75% of European sales of the product are concentrated in 7 countries: Germany, France, Spain, United Kingdom, Italy, Portugal and Poland (QuintilesIMS-2015 figures), where ROVI is already –or will be– marketing its product through its subsidiaries. ROVI has obtained approval of the respective national registrations of its enoxaparin biosimilar in all the EU countries where it filed applications. In total, the company has signed marketing agreements for its enoxaparin biosimilar in 95 countries.

Outside Europe, in 2018, ROVI signed an agreement with Hikma Pharmaceuticals PLC, a listed multinational pharmaceutical group, for the exclusive distribution and marketing of its enoxaparin biosimilar in 17 countries in the Middle East and North Africa: Saudi Arabia, Jordan, Algeria, Egypt, Tunisia, Sudan, Syria, Yemen, Iraq, Oman, United Arab Emirates, Kuwait, Qatar, Bahrain, Libya, Palestine and Lebanon. Furthermore, ROVI signed an agreement with Sandoz, a division of Novartis AG and a world leader in generic and biosimilar medicines, for the distribution and marketing of its enoxaparin biosimilar in 14 countries or regions (Australia, New Zealand, Philippines, Hong Kong, Singapore, Vietnam, Malaysia, Canada, South Africa, Brazil, Colombia, Argentina, Mexico and Central America). Under this agreement, ROVI grants Sandoz an exclusive licence to market the product in three of these countries, Hong Kong, Singapore and Vietnam.

The group manufactures and packages its enoxaparin biosimilar in Spain thanks to its four production plants. In 2019, ROVI announced the construction of a second plant for the heparin active substance in Granada, in which it will invest 24 million euros up to 2022. This new plant will double the group's LMWH production capacity and will have an initial workforce of 38 employees.

With the enoxaparin biosimilar, ROVI aspires to become one of the main European and, in the medium- and long-term, world players, thanks to the competitive edge provided by the vertical integration of processes within the group, in a market of approximately 1,300 million euros where there are only three other biosimilars, likewise increasing its presence in emerging markets with a potential of 700 million euros.

LICENSED PRODUCTS

The following are the products marketed under licensing agreements that make the greatest contribution to the group's EBITDA.

Neparvis®

ROVI began to market Neparvis® (sacubitril/valsartan) of Novartis in December 2016. This product is indicated in adult patients for treatment of symptomatic chronic heart failure with reduced ejection (the proportion of blood leaving the heart) fraction.

Hirobriz® Breezhaler® and Ulunar® Breezhaler®

In the last quarter of 2014, ROVI began the sale of Hirobriz® Breezhaler® (indacaterol maleate), and Ulunar® Breezhaler® (indacaterol maleate and glycopyrronium bromide) in Spain. Both these active substances are long-acting bronchodilators indicated for the maintenance treatment of Chronic Obstructive Pulmonary Diseases (COPD) in adult patients and administered by inhalations through the Breezhaler device. ROVI markets the two products under licence from Novartis.

Volutsa®

In the first quarter of 2015, ROVI launched the sale of Volutsa® (solifenacin succinate and tamsulosin hydrochloride), an Astellas Pharma product indicated for the treatment of moderate to severe storage symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not responding adequately to monotherapy treatment.

Vytorin®, Orvatez® and Absorcol®

Vytorin® (ezetimibe and simvastatin), Orvatez® (ezetimibe y atorvastatin) and Absorcol® (ezetimibe) are products used as adjunctive therapy to diet in patients with hypercholesterolemia. In 2020, the price of Orvatez® was reduced by 30% due to the entry into the market of hybrid products formulated with ezetimibe and atorvastatin.

Medikinet® and Medicebran®

Medikinet® (methylphenidate hydrochloride with modified release) and Medicebran® (methylphenidate hydrochloride with immediate release) are prescription products indicated for treatment of ADHD (Attention Deficit Hyperactivity Disorder) in children and adolescents. Both products are from the company Medice and ROVI has been distributing them on an exclusive basis in Spain since December 2013.

Falithrom®

In January 2019, ROVI announced the purchase of Falithrom®, which had belonged to Hexal AG, a company belonging to the Sandoz division of Novartis, in order to distribute it directly in Germany. Under this agreement, Falithrom® is marketed directly by the group in Germany.

This product is used for the prevention and treatment of thromboembolic disease, including venous thrombosis and pulmonary embolism, as well as the prevention of ischemic strokes in patients with atrial fibrillation.

Polaramine® y Polaracrem™

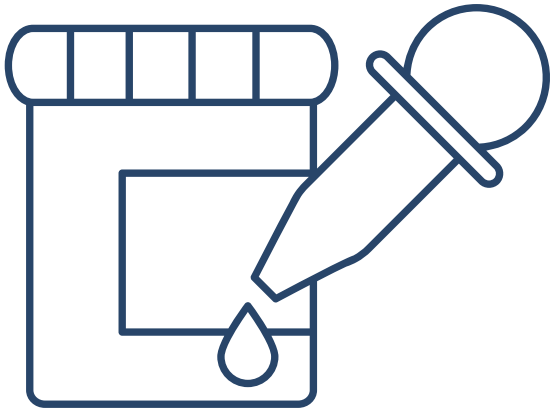
In 2019, ROVI reached an agreement with a subsidiary of Merck Sharp and Dohme ("MSD") whereby it acquired certain rights for MSD's dexchlorpheniramine maleate product line, allowing it to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the trademark POLARAMINE®, and cream, marketed under the trademark POLARACREM™), and in France in its injectable form (ampoules).

This product line belongs to a group of medicines known as antihistamines. They are indicated for the symptomatic treatment of seasonal and perennial allergic rhinitis, vasomotor rhinitis, allergic conjunctivitis, mild, uncomplicated allergic cutaneous manifestations of urticaria or angioedema; and reactions to blood or plasma. It is also indicated, together with adrenalin or other appropriate measures, for treatment of anaphylactic reactions after the acute manifestations have been controlled. These products often relieve cutaneous manifestations such as allergic eczema, atopic and contact dermatitis, insect bites, dermographisms and drug reactions.

CONTRAST AGENTS FOR DIAGNOSTIC IMAGING AND OTHER HOSPITAL PRODUCTS

ROVI is one of the market leaders in the marketing of contrast agents and hospital products for diagnostic imaging (computed tomography, magnetic resonance imaging, ultrasound scan, etc.). This area, which accounts for approximately 7.3% of the company's revenue, comprises a broad product portfolio, including those marketed under licence from Bracco: Iomeron® and Iopamiro® (for computed tomography and intervention), Multihance® and Prohance® (for magnetic resonance imaging), Sonovue® (for ultrasounds), and Bracco Injeenering: EmpowerCTA+®, EmpowerMR® and CT Exprès (contrast injection systems and compatible disposable material).

The hospital product portfolio is completed by healthcare products for care and maintenance of intravenous catheters such as Fibrilin®.



TOLL MANUFACTURING

ROVI PHIS (ROVI Pharma Industrial Services) has a strategic position that allows it to take advantage of the trend among multinational pharmaceutical companies to outsource their manufacturing processes. The high manufacturing capacity available at its facilities allows it to exploit this business line by providing a wide range of toll manufacturing services with a wide range of pharmaceutical forms, including prefilled syringes, vials, tablets, coated tablets, hard capsules and sachets.

ROVI PHIS is now one of the main companies in the high-value-added toll manufacturing business sector, with exports to over 50 countries and international sales that account for more than 90% of the business and a high degree of technical specialisation in the manufacture of vaccines, biological products and biosimilars, all of which have a recognised therapeutic value.

The company has three production plants, two of which are devoted to injectable products (vials and syringes), while one specialises in oral solid forms and secondary packaging. A unique profile in this market, as a result of the unification of all the services within a single company, ROVI Pharma Industrial Services, S. A. U., which is able to offer the customer a wide range of possibilities in accordance with their needs, based on the flexibility furnished by ROVI PHIS's wide range of filling, manufacturing and packaging lines.

The company combines decades of experience of working to the highest and most demanding quality standards at the Madrid, Alcalá de Henares and San Sebastián de los Reyes plants and is able to offer our customers integral solutions with an annual manufacturing capacity of:

- 300 million syringes
- 80 million vials
- 3,000 million tablets
- 300 million hard capsules
- 30 million sachets

ROVI's contracts with its customers have an average term of between 3 and 5 years, which allows a stable flow of considerable revenue to be generated. Furthermore, the long regulatory process that a pharmaceutical company has to undergo to change its manufacturer makes the toll manufacturing business model generate "lifelong customers", as long as the service provided is optimal to meet the customer's needs.

Toll manufacturing is divided into:

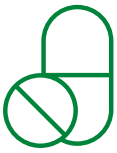
INJECTABLES

ROVI PHIS is currently one of the leading prefilled syringe manufacturers in Europe in terms of the number of units manufactured (filled) per year. With a total annual production capacity of 300 million units, there are very few competitors in this market, due to the entry barriers, the biological nature of the medicines manufactured and the aseptic conditions (handling of the product in sterile, microbiologically-controlled rooms) in which the prefilled syringes are filled.

The company has a plant specialised in the filling and packaging of parenteral solutions in prefilled SCF syringes of from 0.5ml to 20ml (filled from 0.2ml to 20ml) and in vials of from 2ml to 10ml. These syringes and vials are filled in aseptic conditions in cleanrooms (Grade A) and there is also terminal sterilisation if the product so requires. Additionally, there is the possibility of placing safety devices in the syringes. The annual capacity for vials is 80 million. The plant has been approved by the European and United States regulators. It has also been approved by the authorities of Korea, Brazil and the Gulf States and holds the certifications ISO9001, ISO14001 nd OSHAS.

After the agreement signed with Crucell Spain, S.A. and the acquisition of the San Sebastian de los Reyes plant, ROVI PHIS increased its vial and syringe production capacity.

In 2020, this business line took on special importance due to the agreement for the fill-finish of Moderna's COVID-19 vaccine outside the United States. ROVI PHIS provides this fill-finish capacity through the acquisition of three new lines for filling, automatic visual inspection and labelling to support the production of the vaccine to supply markets outside the United States, recruiting the additional personnel necessary to perform the manufacturing and production operations.



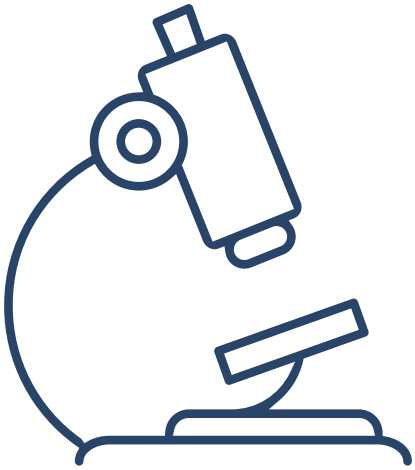
ORAL SOLID FORMS

ROVI has a solid form plant in Alcalá de Henares that has a long tradition in the manufacture of pharmaceutical products and uses the most advanced technology for the manufacture of oral forms (tablets, coated tablets, hard capsules and sachets). The plant, with an area of 83,000 square metres, has a global annual capacity of 3,000 million tablets, 300 million hard capsules and 30 million sachets, using different production lines. Furthermore it has storage capacity for 9,000 pallets.

This plant has likewise been designated as a centre of packaging excellence, bringing together all the packaging capacities for both solid forms and injectables.

To enable it to supply all markets, this plant is approved by the European and United States authorities. It has also been approved by the Japanese, Mexican, Brazilian, Kenyan and Belarusian authorities and those of the Gulf States.

ROVI has a well-protected portfolio composed of **more than 500 patent dossiers**



RESEARCH, DEVELOPMENT AND INNOVATION (R&D&I)

In order to remain in the vanguard in terms of both products and manufacturing and development methods, ROVI maintains its commitment and continues to bet on allocating a significant part of its revenue to its research work. Its strategy follows low-risk principles, focusing on chronic diseases with extensive medical requirements, and setting up international strategic alliances.

COMMITMENT TO RESEARCH AND TECHNOLOGY

Research and development are strategic factors in competing in the market and differentiating the company from other companies in the sector. At the same time, they are the tools that ROVI uses to remain in the vanguard, with a cautious attitude to protect know-how.

As a result of the system of patents and the protection of business secrets and R&D&i results. ROVI has a well-protected portfolio composed of more than 500 patent dossiers, 408 of which are patents that have already been granted, while 98 are in the examination and evaluation phase.

Research and development (R&D) expenses in 2020, mainly related to the ISM® technology platform, dropped to 23.8 million euros, 19% lower than the 29.3 million euros of 2019. These expenses are principally associated to the preparation of the registration dossier of Doria® for filing with the FDA; development of the Phase I of Letrozole-ISM®; and development of the new formulation of Risperidone-ISM® for a three-monthly injection.

ROVI coordinates all its research activity in Spain, distributing it over the Madrid and Granada centres, with three R&D&I centres and two pilot plants for the manufacture of injectable medicines on which research is in progress. Furthermore, it is present in the creation of large strategic national research consortia. Since 2006, it has been a partner in the activities of different consortia within the CENIT programme, the Nanofarma Consortium (2006), the Melius Consortium (2007) and the CeyeC Consortium (2009) and, since 2011, has been actively leading research consortia, such as the SNC_Integra Consortium, the ADELIS Consortium

(2013), the BIOMAP Consortium (2015) and the BLUESPE Consortium (2017), within the framework of the FEDER Programme for Andalusia, co-financed by European Union Structural Funds.

Moreover, the group is very much involved in driving and supporting both academic research and research within the national business fabric through small and medium-sized companies. It holds agreements with several universities to combine efforts and reinforce scientific, technological, educational and knowledge-sharing activities in Spain, constantly co-operating with the University of Granada in research activities and the training of scientific personnel through projects within the framework of the incentives awarded by the Technological Corporation of Andalusia.

The company receives the support of the Ministry of Economy, Industry and Competitiveness for its research and development work through the Torres Quevedo Programme. This programme promotes the recruitment of doctors to carry out industrial research and experimental development programmes or prior viability studies, in order to favour the professional careers of the researchers, stimulate private-sector demand for personnel who are sufficiently qualified to undertake R&D plans and projects, and help consolidate technological companies. As a result of the financing received, the company's workforce has been reinforced by the recruitment of 2 doctors to carry out R&D&i activities within the framework of the following projects

- **Ref.: PTQ-2019-010712**
  Project to improve the purification process in low-molecular-weight heparins.
- **Ref.: PTQ-2019-010542**
  Clinical development of Letrozole ISM®.

Finally, ROVI also receives support from leading entities such as the Industrial Technological Development Centre and the Technological Corporation of Andalusia. In 2020, as in previous years, it received funding for its main research line: the development of new controlled-release systems based on ISM® technology, through the following projects:

- **IDI -20190622**
  "Development of the active substance in order to obtain a prolonged-release injectable system for letrozole" (2019-2020)
- **IDI-20170717**
  "Phase I clinical trial, with single increasing doses of letrozole using a prolonged-release injectable system" (2017-2021)
- **IDI-20200346**
  "Development of a new three-monthly formulation of risperidone" (2019 – 2021)
- **IDI-20170024**
  "Definition of the design space by applying the QbD methodology for ISM® formulations" (2017-2019). Project led from the Granada R&D Centre, co-funded with FEDER Funds.
- **IDI-20210292**
  "Evaluation of the efficacy of Risperidone ISM® in adult patients with acute exacerbation of schizophrenia" (2020 – 2023)
- **IDI-20160109**
  "Evaluation of the efficacy of Risperidone ISM® in adult patients with acute exacerbation of schizophrenia" (2015 – 2019)
- **IDI-20180128**
  "Comparative steady-state bioavailability study of Risperidone ISM® vs. oral Risperidone" (2017-2019)
- **IDI-20170717**
  "Phase I clinical trial, with single increasing doses of letrozole using a prolonged-release injectable system" (2017-2019)

AREAS OF RESEARCH

Although ROVI's portfolio of products in the research and development phase has different aspects, it focuses mainly on three areas: drug release systems, glycomics and medical devices. In this respect, the most significant milestones are, firstly, the development of heparin-based products and other glycosaminoglycans and, secondly, the development of new controlled drug release systems, based on the patented ISM® technology.

Currently, the group has numerous products on its research and development portfolio, focusing mainly on three areas.

Innovative drug-release technology, ISM®

Long-acting injectables (LAIs) are becoming the benchmark drug-release system for the treatment of some complaints, such as schizophrenia, replacing oral treatment, as a result of the improvement in patient adherence to treatment, which ensures an improvement in the application of the treatment and the dose.

In this field, ISM® represents a major optimal alternative for treatment of chronic diseases with unmet medical needs. This technology aims to obtain new pharmaceutical products with controlled-release systems that avoid the daily administration of drugs to patients for the prolonged treatment of certain chronic pathologies, such as schizophrenia or certain types of cancer.

It is a technological platform for the controlled release of drugs patented by ROVI, based on the formation in situ of biodegradable matrices after administration of a carrier liquid, once it has been injected into the patient's organism. The product is presented in a kit with two syringes, one of which contains the polymer and active substance in solid form, while the other contains the liquid required for reconstitution, which is prepared at the time it is used or administered to the patient. The medicine then precipitates in the muscle, giving rise to formation of a solid/semi-solid implant generated by spreading the carrier through the patient's own corporal fluids. This implantable system increases the stability of the composition considerably, avoiding the need for it to be stored in a cool place and allowing clinically significant release profiles to be obtained from the first day after the injection. Furthermore, it has the advantage that these profiles are maintained over time and are reproducible after intramuscular administration, meaning that the treatment does not require any oral supplement or the establishment of initial treatment guidelines.

The ISM® technology is exclusive to ROVI and is designed to overcome most of the disadvantages of oral or prolonged-release injectable formulations, showing numerous advantages, such as a greater ease of administration, greater stability of the active substance and greater control in the initial release of the drug, among other things.

This technology is protected internationally through the patent system until 2033 and ROVI has all the know-how, not only regarding the formulations, but also in respect of production, manufacture and use.

At the date on which this document is prepared, three candidates associated to this technology are under study:

- **Monthly Risperidone ISM®**. Indicated for the treatment of schizophrenia. The registration dossier was filed in 2020 with both the European and United States authorities (EMA and FDA, respectively). It is currently under evaluation in both territories.

- **Letrozole ISM®**. Indicated for the treatment of breast cancer. The development of this product is progressing as planned and it is now in Phase I of its clinical development.

- **Risperidone, three-monthly administration.** It is in the pre-clinical development phase.

These projects represent a significant economic effort for the company, which is supported by the award of grants from the Industrial Technological Development Centre (CDTI) and the Technological Corporation of Andalusia (CTA).

Glycomics area

Glycomics is the study and profiling of the sugars that compose a cell, including the glycosaminoglycans (GAG), which, in addition to their role in regulating blood coagulation, are involved in processes like cell growth, immune response and inflammation. To carry out these functions, the GAGs interact with numerous proteins. Glycomics studies provide very valuable information in this respect, since they allow the receptors that take part in the interaction with each type of GAG to be determined.

The degree of specialisation and knowledge attained in this area, as a result of the in-house development of the low-molecular-weight heparins bemiparin and the enoxaparin biosimilar, allows ROVI to continue working on the expansion of alternative applications, indications and action mechanisms for heparin-derived products and other glycosaminoglycans, based on both anticoagulant and non-anticoagulant activity.

Multilayer technologies for urethral catheters

For a number of years, the company has been working on various lines of development of new devices focused on preventing urethral tract infections, as well as the treatment of ulcers, since, when stents and urethral catheters are used, the high prevalence of bacteria can, in some cases, lead to the appearance of clinical symptoms and complications, including severe sepsis and death. At present, the incidence of urinary tract infection is still very high, as biofilm formation makes it difficult to eradicate microorganisms using antibiotics.

ROVI is continuing with the preclinical development of its multilayer technology, which uses polymeric materials to form a bioerodible system that depends on the bacterial metabolism. It provides significant advantages over the current state of the art, decreasing bacterial adhesion, facilitating biofilm elimination, reducing the appearance of encrustations and, to a large extent, preventing catheter blockage.

The registration dossier for **Monthly Risperidone ISM®** was filed in 2020 with both the European and United States authorities

PRODUCTION PLANTS AND R&D CENTRES

ROVI has three research centres and six manufacturing plants for its own products and services to others. The work performed at these facilities is crucial to the group's business.

R&D&i Production Centre

Madrid injectables plant

296 EMPLOYEES

Annual production capacity:

- 180 million syringes
- 150 million suppositories

Alcalá de Henares plant

336 EMPLOYEES

14 packaging lines
7 of which are for injectables

Annual production capacity:

- Tablets: 3.000 million units
- Hard capsules: 300 million units
- Sachets: 30 millions units

R&D&i Production Centre

R&D&i Centre

Doria® - Risperidone ISM® (Madrid)

58 EMPLOYEES[1]

Pilot plant built to carry out the Doria® clinical trials

Letrozole ISM® (Madrid)

58 EMPLOYEES[1]

Pilot plant built to carry out the Letrozole ISM® clinical trials.

1 Employees shared between the two ISM® manufacturing plants

R&D&i Production Centre

Bemiparin production plant (Granada)

71 EMPLOYEES

Annual production capacity:

- International units (MUIs): 120,000 million units

San Sebastián de los Reyes injectables plant

140 EMPLOYEES

Annual production capacity:

- Syringes: 120 million units
- Vials: 80 million units

Production Centre

STRATEGY

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MARKET ENVIRONMENT

At the date of preparation of this report, a year has elapsed since, in March 2020, the World Health Organization declared the pandemic due to the SARS-COV-2 virus, which, at that time, destroyed all the economic forecasts for 2020 and augured an uncertain year in the economy, health and politics all over the world. The IQVIA Institute, in the course of its constant monitoring of the market, highlights the fact that, in March 2021, although the situation seems to be gradually returning to normal, there are many unknowns to be resolved. We know an increasing amount about the long-term effects of COVID-19 on people's health and, furthermore, it is highly likely that this new disease will be with us over the years to come. This will create a totally new patient population that the pharmaceutical sector must take into account.

While the coronavirus has monopolised the interest of the media and dominated the healthcare efforts of all countries, we should not forget that other diseases have not remitted and, therefore, the pandemic's adverse impact of the diagnosis and treatment of other diseases can still be seen. The decrease of diagnoses in oncology, where early diagnosis and monitoring are of vital importance, is particularly alarming.

As a cause for concern, IQVIA draws attention to how patient access to new therapies is still an unresolved matter in a telemedicine environment. In fact, some medical specialists are increasingly reluctant to prescribe treatments if the consultation is on-line rather than in person.

At the beginning of this year, in the report "The New Decade of Health and Science"[2], IQVIA suggested a first approach as to how the pharmaceutical and hospital industry will be transformed over the years to come. They mention ten specific points and an overview of what awaits us in the next few years

THE BIGGEST PANDEMIC SINCE 1918

The COVID-19 pandemic has so far left a high number of deaths worldwide. To these deaths caused directly by the SARS-COV-2 virus, we must add an uncertain number of fatalities and diseases caused by the global lockdowns and saturation of health systems. The main causes of the increase in deaths during the pandemic, apart from those directly attributable to the virus, have been delays in diagnoses and treatments or failure to perform regular health screenings, the decrease in medical treatments and the increases in mental health disorders, suicides and domestic violence. However, at the same time, the pandemic has been a catalyst for positive change, such as the renewed focus on optimising public health institutions, epidemiological surveillance, preparation and response plans for diseases, and the increase in public awareness of this new type of risk in the western world.

BREAKTHROUGH INNOVATION AT WARP SPEED

The healthcare industry's response to the pandemic has been equal to the task and the sector has carried out extraordinary work to develop new therapeutics, repurpose existing drugs and develop new vaccines to bring COVID-19 to an end. The research community, public health authorities and governments have all participated. Novel pathways for research, development, funding and collaboration have been creating, setting new standards and shorter timelines for discovery and innovation, which can be applied to other diseases in the future. All of this has implications for regulatory agencies and industry companies that are forced to maintain the new page of innovation with agility, flexibility and speed.

THE DIGITALISATION OF THE GLOBAL HEALTHCARE INDUSTRY

The global healthcare industry has been forced to embrace "digital medicine", whether through virtual trials in clinical development, the use of telemedicine and telehealth in patient care and care delivery, or using personal health technologies. The digital transformation has reached an inflection point. An escalation is forecast in techniques such as advanced predictive analysis, person-centric models for patient care and the digitalisation of medicine and treatment delivery.

2 https://www.iqvia.com/insights/the-iqvia-institute/reports/the-new-decade-of-health-and-science

TOWARD A NEW UNDERSTANDING OF DISEASES

The pandemic has fuelled the understanding of health and disease as manifestations of complex clinical and non-clinical factors across biology, genetics, race, age, gender, personal behaviour and social, economic, environmental and cultural dimensions. It has helped unmask the realities of co-morbidities, multi-disease and interconnections between conditions. And it has added further evidence for the need to apply new models to natural history studies and the urgency of moving "upstream" to explore the impact of pre-disease and prodromal disease to enable early diagnosis and interception of disease. Ultimately, this emerging understanding of the complexities and intersectionality of diseases will challenge traditional demarcations of medical specialties and the siloed structures of healthcare provider systems.

OVERCOMING INEQUALITIES IN HEALTH

Efforts are now on track to address the disproportionate enrolment of racial minorities in clinical trials and the optimisation of representative population samples in these clinical trials. However, we must apply scientific rigor to ensure these efforts evolve beyond the declarations of goodwill and formal protocols for improved practice. We must validate desired game-changing efforts through evidence of tangible advances in inclusive clinical research, reduced racial bias, and deployment of diverse medical teams.

FIGHTING THE OPIOID EPIDEMIC

One of the good pieces of new in 2020 was that the double-digit decline in prescription opioid use continued. Expected to reduce usage in the United States to levels not seen since the early 2000s, prescription opioid use completes a 20-year cycle that peaked in 2011 and has declined steadily since. Decreases in prescription opioid use over the past nine years were driven by changes in clinical use, regulatory and reimbursement policies, and in progressively more restrictive legislation enacted since 2012. These significant decreases are remarkable evidence of the positive impact of the collective efforts to reduce the use of prescription opioids by the medical community, public health authorities, and legislators at the state and federal levels. Yet the decade ahead requires sustained focus on illicit opioid use and its underlying social causes, as well as a focus on efforts to develop non-opioid options for effective pain management.

THE VALUE OF HEALTHCARE

The past year has also provided an important recalibration of the value of healthcare systems, where change of trend was seen in the conventional wisdom that healthcare is overly expensive –the U.S. healthcare system, in particular–. Additionally, we have seen a reassessment of the value of ICU capacity and testing capabilities, not to mention front-line healthcare workers. When lives are on the line, there is greater acceptance of the value of R&D and innovation to deliver life-saving or life-prolonging therapies. Likewise, concerns about the price of drugs will remain a focus of payers in the U.S., despite the moderation in average list price increases and net price increases trending lower than inflation. Moreover, the decade ahead should see accelerated movement toward removing the siloed approach to setting drug budgets that is still commonplace in many countries, and recognition of the integrated role that social care plays in healthcare – and related budget implications. While there are inefficiencies, redundancies and overuse of resources in some parts of the healthcare system, promoting a robust healthcare system has been found to be a critical foundation for human health and economic prosperity.

THE ADVENT OF NEW MODALITIES

Efforts to find new vaccines against COVID-19 have led to a novel method, the development of genetically encoded mRNA-based vaccine technology, which is the basis for the vaccines developed by Pfizer/BioNTech and Moderna. Not only is the so-called messenger RNA vaccine an exciting technology for prevention of COVID-19 infections, efforts to apply mRNA- technologies in the fight against infectious diseases, cancer and other diseases will now be catapulted by new investments and projects across R&D initiatives.

THE PROMISE OF HUMAN DATA SCIENCE

We have seen a tsunami of studies demonstrating the capacity of the worldwide research and medical community to pursue new insights when confronted with the threats of a new, unknown disease such as COVID-19. They have been generated using a plethora of methodologies – genomics studies, randomized clinical trials, real world evidence, infection case surveillance, disease modelling predictions and personal behaviour tracking – and benefitting from the combination of traditional clinical research and advanced analytics powered by sophisticated digital technologies. This collaboration between clinical research and data science is not a one-off case. We will see clinical science bond with data science to generate the development of new drugs. This will help to drive better healthcare outcomes, develop new and cheaper products and control the cost increase in the decade ahead, thus reducing inequalities in access to drugs.

A YEAR OF CELEBRATIONS WITH A WORD OF CAUTION

In spite of the pandemic, there are many great achievements to celebrate in healthcare. Yet a major word of caution: when the massive vaccine campaigns have inoculated millions of people against COVID-19, things will quickly swing back to normal, and we will soon begin to forget what we have learnt in this crisis. This is a reflection of a tendency to disregard history and neglect science. When SARS CoV-2 struck, public health officials and governments were scrambling to look for ways to combat the disease outbreak. Once again, history has shown us the importance of listening to science and research. Perhaps the greatest value in the decade ahead will come from cementing the lessons of 2020.

Medicine spending and usage to 2024

According to Global Medicine Spending and Usage Trends[3] (IQVIA's latest report published before the pandemic, which is a valid guide to general market prospects), global medicine use has increased at a 3% compound annual growth rate (CAGR) since 2014, slowing from a 4% rate seen 2009–2014. The majority of medicine use is in pharmerging markets, which have large populations, but have per capita rates of use still markedly lower than in higher income countries. Areas identified as global health priorities, such as diabetes and cardiovascular diseases, have seen significantly increased use of medicines over recent years and global medicine spending is projected to increase at 2–5% annually and exceed 1,100 million dollars in 2024. Most developed and pharmerging markets will see slowing rates of growth in the next five years compared to the last five, with rates between 1–4% and 5–8%, respectively.

New brands will contribute 165,000 million dollars in spending growth up to 2024, up from 126,000 million dollars in the past five years. Manufacturer net prices are expected to grow between 1% and -2% in the United States over the next five years, significantly below historic levels, while in other developed markets, net price declines of -2 to -5% are expected as a result of continued payer and government actions. Approaches to managing overall cost growth trends will face challenges due to uncertainty around the prices and impact on spending of an increasing number of specialty, niche and rare disease medicines.

Notwithstanding, given the uncertainties associated to the evolution of the COVID-19 pandemic (which ROVI will continue to monitor closely), it is not yet possible to make an accurate evaluation of the pandemic's market impact or its specific medium- and long-term effects.

3 https://www.iqvia.com/insights/the-iqvia-institute/reports/global-medicine-spending-and-usage-trends

A look at the future of biosimilars

IQVIA, in its reports "Biosimilars in the United States 2020–2024. Competition, Savings, and Sustainability[4] and The Prospects for Biosimilars of Orphan Drugs in Europe[5]" highlights the especially favourable path ahead for biosimilars, in both Europe and the United States.

With the exponential spending increase expected due to the greater use of biologics, the biosimilar market represents a savings opportunity for healthcare systems. In 2019, biologics accounted for 43% of total medicine spending in the United States. This spending has increased substantially since 2014, with a compound annual growth rate (CAGR) of 14.6%, which is considerably higher than the 1.6% CAGR for small molecules. And, more importantly, this spending was in key therapeutic areas where a higher entrance of biosimilars could have a very significant impact. For the future, the immunological market will be dominated, almost completely, by biologics, making it an attractive area for competition from biosimilars.

The current biologics market in the United States can be segmented into 19% of the market, or 40,000 million dollars, already facing some biosimilar competition, 64% or 135,000 million dollars potentially open to biosimilar competition, and an additional 17% of the market, or 36,000 million dollars, unlikely to ever face biosimilar competitors.

To date, in the United States alone, 13 biosimilars have been approved across 33 molecules, although the biosimilars for two molecules have not yet launched, and 108 additional biosimilars are in development across 22 other molecules. The new wave of this type of products that have been approved and launched, particularly in oncology –the area on which ROVI is focusing the development of Letrozole ISM®–, is driving the change in trend. In some cases, the introduction of biosimilars has generated a 2–4% incremental demand for the molecule. Regulatory bodies, such as the FDA, are encouraging innovation and competition between the biologics and the development of biosimilars, which will continue helping to increase awareness and acceptance of them. These changes indicate that a new, more competitive and healthy, market is coming, where the manufacturers of original products are also accelerating innovation to be able to compete in this new, more demanding market.

But the main promise of the biosimilar market for the future, mentioned at the beginning, is the potential for substantial saving for the system. As more biosimilars enter the market, biosimilar spending is expected to reach 16,000-36,000 in the United States alone. Recently launched biosimilars, like bevacizumab, trastuzumab and rituximab, will account for a share of almost 60% of the volume of their respective molecules at the end of their second year in the market, which shows a significantly higher and swifter acceptance than in the case of previous biosimilars.

In spite of the increase in spending, it is forecast that saving may potentially surpass 10,000 million dollars in the next five years, although the dynamics of volumes and prices are still volatile and great uncertainty continues to exist.

There is a wide range of possible savings –from 69,000 to 140,000 million dollars– awaiting an alignment in the incentives for the different interested parties, including acceptance by physicians and the negotiations between different market players. The competitive actions that will be taken by the manufacturers of innovative medicines and the dynamics that will exist in specialised pharmacy biosimilars, none of which has yet been launched, also remain to be seen.

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4 https://www.iqvia.com/insights/the-iqvia-institute/reports/biosimilars-in-the-united-states-2020-2024

5 https://www.iqvia.com/insights/the-iqvia-institute/reports/the-prospects-for-biosimilars-of-orphan-drugs-in-europe

The fact that physicians who habitually prescribe biosimilars continue to share data on the outcomes of these treatments is the main factor that will help raise awareness, encourage wider use and, probably, play a key role in the future of the biosimilar market. In the oncology field, there is already great acceptance and, with the availability of multiple biosimilars on the market, there is great savings potential in this area for patients. Although more challenges must be overcome regarding prices, biosimilars show the potential, not only to save money, but also to clear the path for future advances to arrive and benefit the patients.

Biosimilars show the potential to clear the path for **future advances to arrive and benefit the patients**

The detection and treatment of cancer and other diseases also affected by COVID-19

The impact of COVID-19 on the health services throughout the world has, in a majority of cases, led to a significant reduction in cancer screening, testing and diagnosis, as IQVIA points out in its special report Cancer Won't Wait[6] published in March 2021.

The delays in diagnosis are impacting cancer treatment and survival and are likely to do so for many years to come. Some types of cancer that will be even more affected are the following: colorecta, oesophagus, lung, liver, bladder, pancreas, stomach, larynx and oropharynx. At present, it is forecast that a delay of three months in the diagnosis will mean a reduction in long-term survival (more than ten years) of 10% in most age groups.

Reduced screenings and testing can be attributed to both health system issues and patient concerns Their concern when faced with a collapsed health system, especially in relation to asymptomatic conditions and preventative measures, have also triggered the steep decline in screenings and testing.

6 https://www.iqvia.com/insights/the-iqvia-institute/reports/cancer-wont-wait

The response to the COVID-19 pandemic has already shown that much can be achieved by embracing innovation and adapting quickly. There is an ongoing need for collaboration at all levels and for organisations to learn quickly and share good practice. There is a shared responsibility to take action, which will require leadership, flexibility and cultural change in order for the lessons from this pandemic to be learned and to achieve greater resilience going forward.

Status and evolution of the pharmaceutical market in Spain

IQVIA's most recent report in this respect (February 2021[7]) at the publication date of this document shows a photograph in which, although the number of pharmacies remains the same, their average billing has dropped by 2.9%, caused, not only by the pandemic, but also by a 1.1% reduction in medicine prices, especially due to the 8.7% fall in the Consumer Health segment, which accounts for 29% of the average billing of a pharmacy. In spite of everything, the current Consumer Health market is growing in both units (+43.1%) and values (+12.2%) and patient care (PAC) has the highest market share, increasing 83.4% in values.

Antidiabetics and antithrombotic agents are the types of medicines with the highest billing and the stabilisation in the penetration of generics continues at around a 40% share in units and a 21% share in values. The protected market accounts for 14.3% of the total medicine market in units and accumulates 38.1% in values (selling price to the public). But if the unprotected market is analysed, the share represented by generics rises to 54% in units and 37% in values.

Evolution and prospects of the schizophrenia market

Schizophrenia is a chronic, progressive disorder that affects 21 million[8] people worldwide and has an increasingly high lifetime prevalence. Long-acting injectable technologies are becoming increasingly critical in this market and are becoming the option preferred by psychiatrists when tackling some of the essential unmet needs of the schizophrenia market. The most important aspect is that they help improve patient adherence to treatment, which, in turn, lowers the rate at which patients stop taking their medication and, thus, reduces relapses and hospitalisations in cases of schizophrenia. Treatment adherence is extremely important because each relapse leads to progressive and irreversible brain damage. Long-acting injectables also reach therapeutic concentrations in plasma in a much faster and more sustained manner.

With regard to the scale of opportunities in the schizophrenia market and long-acting injectables in the United States and Europe:

- United States is the main schizophrenia market, with long-acting injectables sales of 4.200[9] million dollars, although penetration continues to be very low, with 5.8%[10] in terms of units. The injectables market for schizophrenia in the United States grew by 20%[9] from 2015 to 2019.

- Europe: penetration of 8.4% in units in a market of 1,600[9] million euros that grew by 8.5% from 2015 to 2019.

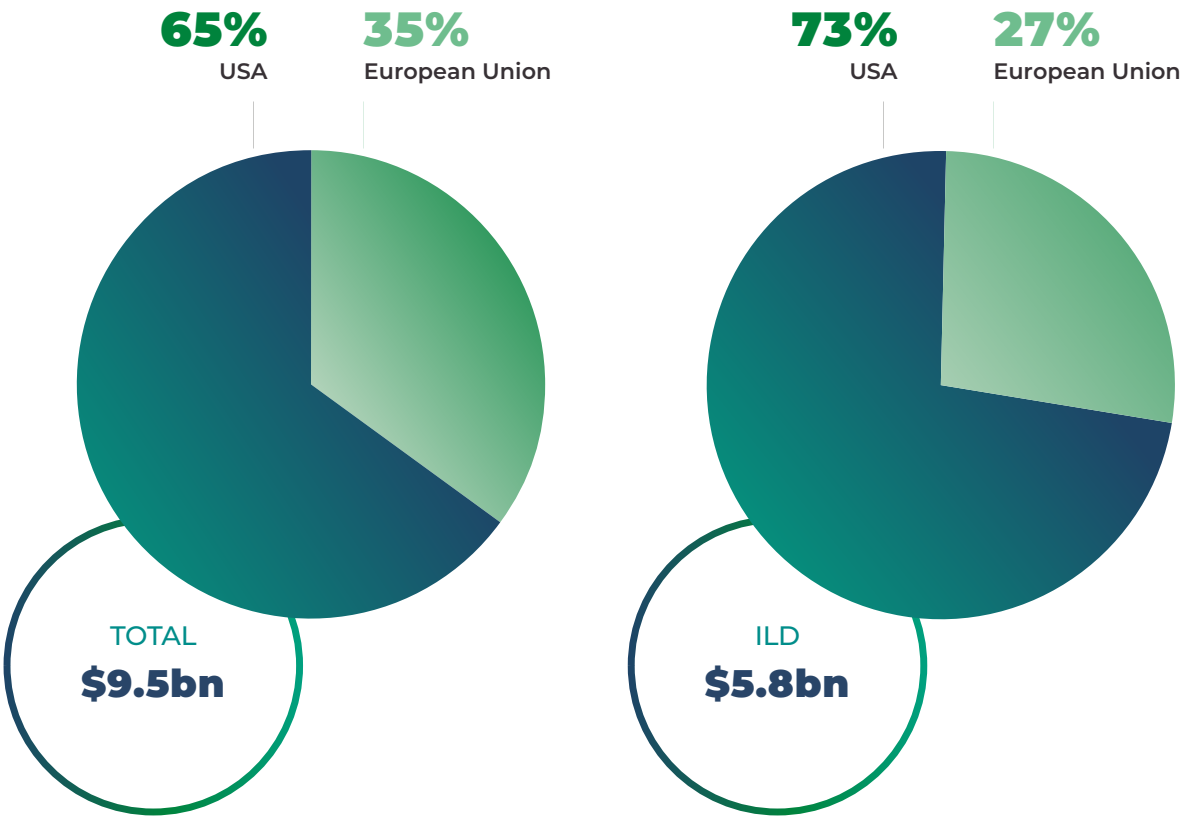
7 https://www.iqvia.com/es-es/locations/spain/library/publications/evolucion-del-mercado-de-la-farmacia-espanola-con-datos-de-febrero-2021

8 Epidemiology data-Kantar Health Epi Database®.

9 Iqvia Midas MAT Q3 2019.

10 Iqvia Midas MAT Q3 2019 and Rovi's monthly treatments estimates

SCHIZOPHRENIA MARKET VALUE US & EU 3Q 2019 MAT



- Largest schizophrenia LAIs market
- MAT Q3 2015- MAT Q3 2019 CAGR of **20.0%**
- **Higher prices** than other markets
- LAIs penetration: **5.8%** (in monthly treatments)

- Second largest schizophrenia LAIs market
- MAT Q3 2015- MAT Q3 2019 CAGR of **8.5%**
- **Relatively low competition** due to fewer drug options
- LAIs penetration: **8.4%** (in monthly treatments)

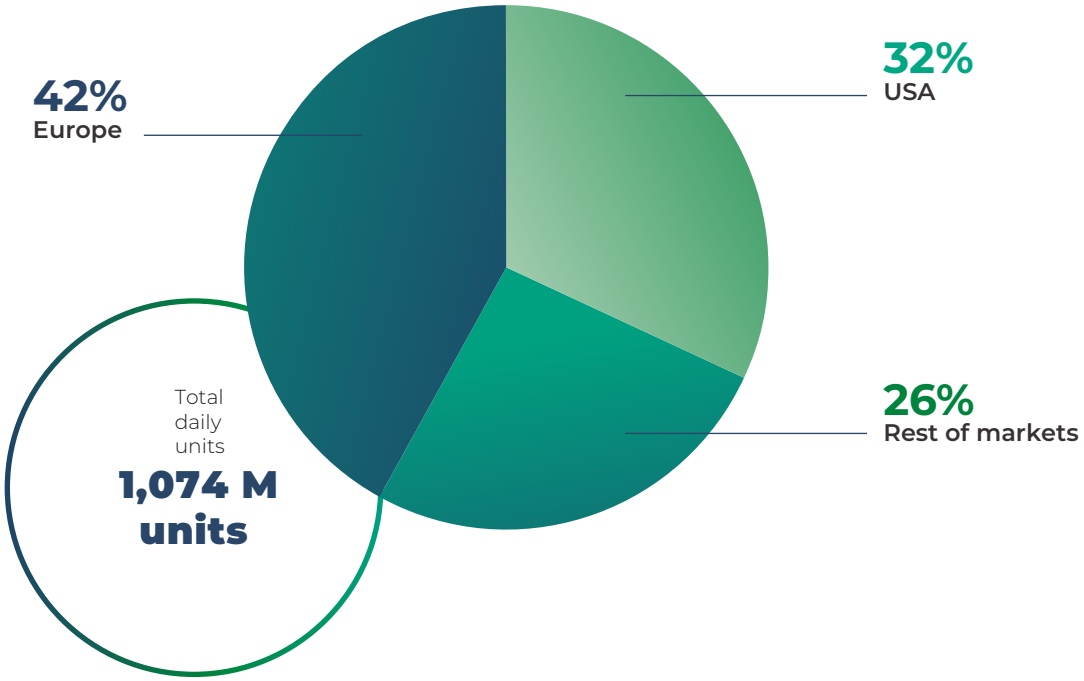
Evolution and prospects of the hormone-dependent breast cancer market

The hormone receptor-positive (HR+) breast cancer market has fairly high lifetime prevalence and is expected to grow significantly over the next ten years. It is forecast that revenue in the United States, Japan and the five most important EU markets will grow by 16.7% between 2015 and 2024[11]. Strict adherence to treatment is required for at least three years to prevent relapses.

LAIs[12] are not present in this market, although the easier dosing system will become the benchmark treatment, given the improved treatment adherence and efficacy. In the graph, the size of the market of oral letrozole and anastrozole, which are aromatase inhibitors, may be seen in units. It is a global market of 1,074 million units (IQVIA, 3Q 2019 MAT), in which Europe represents the largest market share (43%), with the United States in second place (32%).

LETROZOLE AND ANASTROZOLE WORLD MARKET

Daily oral units 3Q 2019 MAT (percentage)



- Largest letrozole and anastrozole oral market

- Second largest letrozole and anastrozole oral market

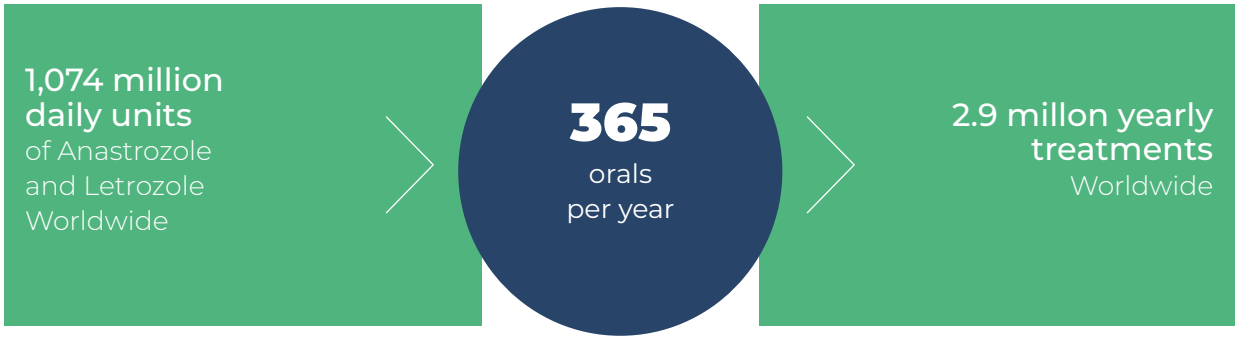
11 Data Surveillance Committee 2017

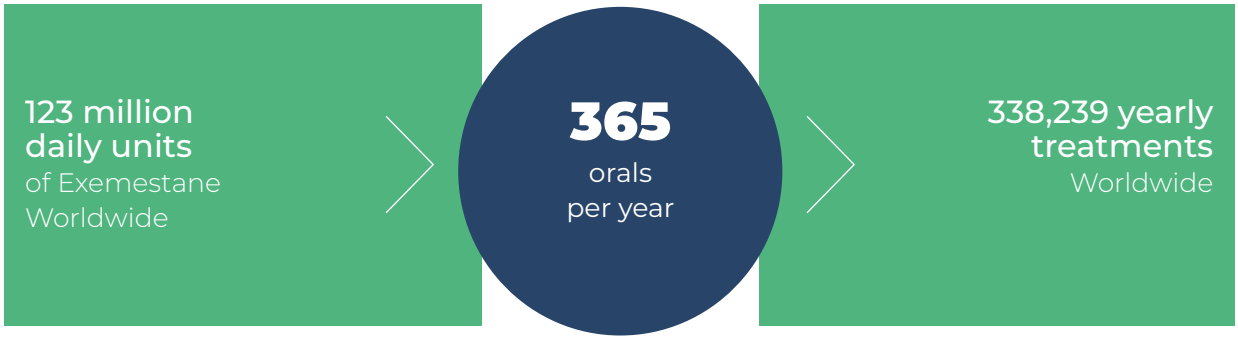
12 LAI means long-acting injectable

The fact that LAIs do not exist in the market leads one to think that they may be a high rate of change from the oral medicine to the injectable. Likewise, there is a high percentage of the dynamic new treatment market that could use LAIs directly.

Additionally, attention should be drawn to the fact that no new molecules are expected to replace the aromatase inhibitors. New treatments appearing in the market will be additional to hormone suppression treatments, since the risk/benefit profile of the aromatase inhibitors is already sufficiently good. No company is researching in this field. The only company researching in the hormone-dependent breast cancer market is ROVI.

According to IQVIA, the global market of letrozole and anastrozole is 1,074 million (3Q 2019 MAT). These units refer to daily tablets which, converted into annual treatments, would give a figure of 2.9 million treatments per year. The potential market for Letrozole-ISM® would be 2.9 million annual treatments. The price of a Letrozole-ISM® injection is unknown but, as may be seen above, it is a very important market in which there are currently no players. In addition, there is a third oral molecule, exemestane, also an aromatase inhibitor, that could be another candidate for replacement by LAIs. This molecule sells 123 million units worldwide (3Q 2019 MAT), which represents 338,239 additional annual treatments that could be added to the potential market of oral letrozole and anastrozole.

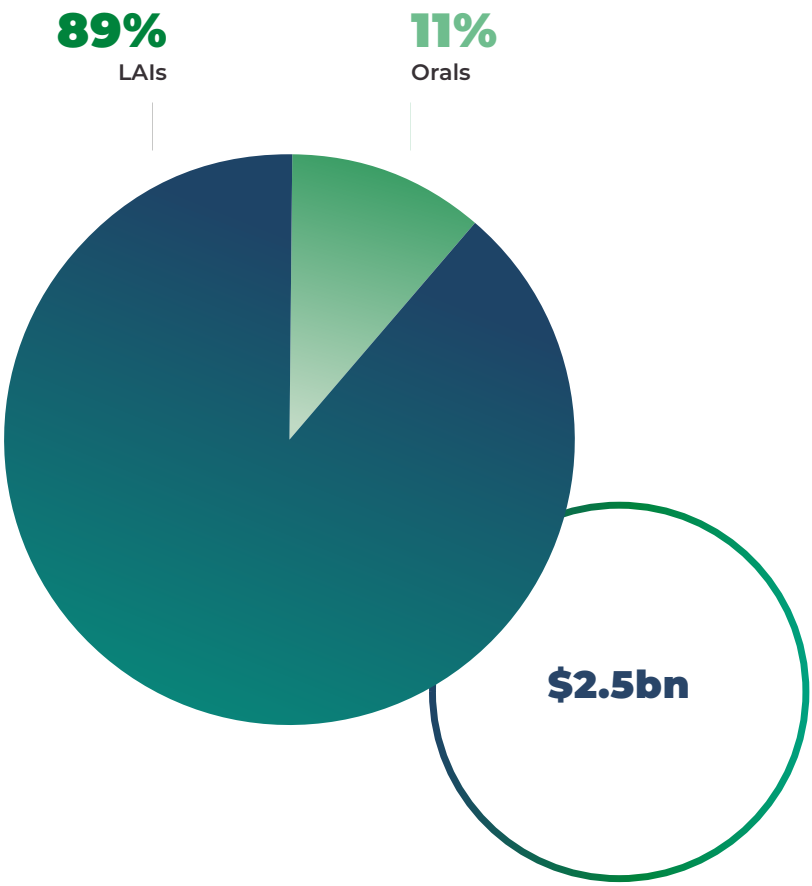




Since there are no competitors in the breast cancer market, the prostate cancer market is shown below. Breast cancer can be compared to prostate cancer because its behaviour is similar in terms of prevalence. Gosrelin, histrelin, degarelix, leuprorelin and triptorelin are the molecules used to treat prostate cancer. These five molecules had a total market, in values, of 2,500 million dollars in the United States and Europe in Q3 2019 MAT (source: IQVIA). Unlike breast cancer, LAIs have a very significant presence in prostate cancer, accounting for 89% of the total market of LAIs and oral treatments in the United States and Europe.

MARKET SHARE OF LAIs IN THE U.S. & EU PROSTATE CANCER MARKET

LAIs and oral drugs in value Q3 2019 MAT (percentage)



STRATEGIC AND FINANCIAL PRIORITIES

For 2020, when the pandemic was just beginning, ROVI expected the operating revenue growth rate to be in mid-single-digit figures. The results finally surpassed this forecast, since it reached 10%, with a final figure of 420.0 million euros.

The company hopes to continue to grow at a higher rate than the 2020 pharmaceutical spending rate in Spain, which was 2.6%, according to the figures published by the Ministry of Health, Consumer Affairs and Social Welfare, and it has shared its forecast for operating revenue growth in 2021, which is between 20% and 30%, including the production of Moderna's vaccine against COVID-19.

In spite of everything, it is a scenario of some uncertainty, associated to the evolution of the pandemic until the plans to vaccinate the population have been completed.

Post-pandemic growth drivers in 2021

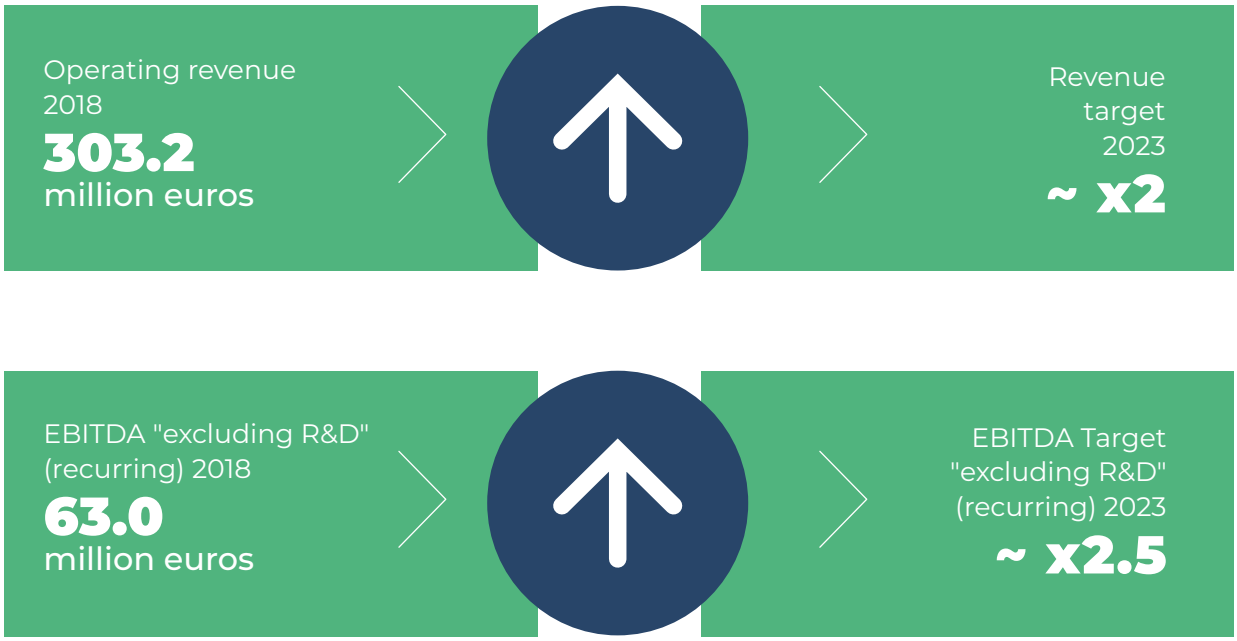
As growth drivers, ROVI has identified bemiparin, the distribution licences, such as Neparvis® and Volutsa®, the enoxaparin biosimilar, the existing pharmaceutical specialty product portfolio, the agreement with Moderna and the new contracts in the toll manufacturing area.

The group trusts that it will continue growing in forthcoming years as a result of the potential of the ROVI R&D product portfolio. The potential of the ISM® technology is significant. A Phase III trial has been concluded, the dossier of which has already been registered in Europe and the United States. Likewise, a Phase I trial is being developed for another candidate, also using the group's own ISM® technology, and the enoxaparin biosimilar is already being marketed in 19 countries, with sales rising by 25% to 101.4 million euros in 2020. ROVI is in an international expansion phase with the goal of its enoxaparin biosimilar being present in more than 120 countries in the long term.

Attention should also be drawn to the potential of ROVI Pharma Industrial Services, the result of the union of the company's toll manufacturing management units (ROVI Contract Manufacturing and Frosst Ibérica), which, in 2020, was responsible for developing the important agreement to manufacture the Moderna vaccine to be distributed in 2021. This unit's sales grew by 39% in 2020, totalling 91.6 million dollars, mainly due to the redirection of toll manufacturing activities toward products with a higher value-added and recognition of the revenue from the activities carried on under the agreement with Moderna.

ROVI expects toll manufacturing sales to rise between 15% and 20% in 2021, including the activities related to the Moderna agreement but excluding production of the vaccine.

LONG-TERM GROWTH FORECASTS



ROVI confirms its growth objectives for 2023. The company expects to double its revenue over a five-year period (from 2018 to 2023). Likewise, it expects the growth in its margins to exceed the growth in revenue in 2023. Recurring EBITDA “without R&D expenses”, which was 63.0 million euros in 2018, will be multiplied by 2.5 in 2023.

R&D&i, effort today for success tomorrow

The sound R&D&i project portfolio is the foundation that cements ROVI’s potential and future growth. It is the reason for the significant investment effort that, year after year, the group devotes to these activities, which, in 2020, was 23.8 million euros. Its main projects are still related to the ISM® technology, belonging exclusively to ROVI, developed in the Phase III trial of Risperidone ISM®, which is currently in the registration phase in the United States and Europe.

Increasingly more studies and research reinforce the idea that long-acting injectables (LAIs) are on the way to becoming a benchmark in the care of schizophrenia, replacing the oral treatment. With its candidates, ROVI is endeavouring to gain a prominent position in the markets for treating this complaint with LAIs in the United States and Europe, which have an estimated total value of 5,800 million dollars, divided into 4,200 million dollars for the largest market (North America) and 1,600 million dollars for the EU (Source: IQVIA).

There is a very attractive opportunity for new competitors in this market able to offer a differentiated LAI, given the attributes of the market, which has three unique characteristics:

- High treatment change rates. Psychiatrists swiftly change patients whose response is deficient due to side effects or relapses until they find the best drug for the patient.
- There are not many psychiatrists focused on the schizophrenia market and a new competitor can cover them with a small sales force.
- The effectivity of LAIs is driving an increasingly early use of them in the treatment protocol, potentially in the early phase or first episode of the disease, rather than only after relapses (for example, at present, they are used after the second relapse when, a few years ago, it was the fourth relapse).

In addition, the company is continuing with the clinical development of Letrozole ISM®, which is the second candidate to use ROVI's ISM® technological platform. This new medicine (in the research phase) is the first long-acting injectable aromatase inhibitor for the treatment of hormone-dependent breast cancer.

The first Phase I clinical trial (the LISA-1[13] study) of Letrozole ISM® is currently underway and, due to the design of the study ("dose escalation") and its exploratory nature, the date of finalisation is not yet known. Notwithstanding, in 2021, ROVI plans to make a consultation with the Food and Drug Administration (FDA) on the clinical development of Letrozole ISM®. Preliminary data confirm that the ISM® formulation provides a prolonged release of letrozole that produces sustained suppression of the oestrogenic hormones.

Finally, attention should be drawn to the advances in the development of a new formulation of Risperidone ISM® for a three-monthly injection, which would complement the present monthly formulation for maintenance treatment in patients with clinically stable schizophrenia.

Long-acting injectables (LAIs) are on the way to becoming a **benchmark** in the care of schizophrenia

13 Evaluation of IM Letrozole ISM® Pharmacokinetics, Safety, and Tolerability in Healthy Post-menopausal Women (LISA-1). Clinicaltrials.gov#NCT03401320 (https://clinicaltrials.gov/ct2/show/NCT03401320). This clinical programme has enjoyed the support of the Industrial Technological Development Centre (CDTI).

ISM® technology: the future of ROVI's products and licences

ROVI's ISM® technology, which is patent-protected until 2033, has been developed in order to overcome the disadvantages of the prolonged release that has existed to date by providing injectable formulations that furnish greater simplicity, efficacy and stability. There is great potential for extensive application of ISM® technology to new chronic therapeutic areas, including psychiatry and oncology. The company's vertical integration and experience in manufacturing prefilled syringes place ROVI in a leading position in the market.

HIGHLIGHTS OF ISM® PLATFORM

CSR STRATEGIC PLAN

ROVI considers CSR to be a key factor in its business strategy and vital in ensuring the company's long-term sustainability. It is an indispensable element to reinforce the confidence of the different stakeholder groups with which it engages and represents a commitment to society, given the nature of the business and the impact of both the business and the products on improving the health and quality of life of people all over the world.

Therefore, the group's activity always takes account of the need to provide responses to certain social demands in view of the impact of ROVI's activity on both society and the environment. To this end, the group has different action policies in place that express its commitment to business ethics, with strong awareness of corporate social responsibility. These policies serve as a guide for the actions taken and decisions made by both the Board of Directors and other business management bodies, as well as all the professionals who form the company.

The ROVI group's General CSR Policy, approved in 2016 and revised in April 2017, sets a series of goals (see page 23) and, to attain them, the following principles have been established:

- **To improve the group's competitiveness** by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- **To manage responsibly the risks and opportunities** derived from the evolution of the environment, as well as to maximise the positive impacts of the group's activity in the different territories where it operates and minimise, as far as possible, the adverse effects.
- **To encourage a culture of ethical behaviour** and increase business transparency, in order to generate credibility and trust among the stakeholders, including society as a whole.
- **To promote trust-based relations** and the creation of value for all stakeholders, providing all of them with a balanced and integrating response.

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE MODEL

The corporate governance of Laboratorios Farmacéuticos ROVI, S.A. (the "Company" or "ROVI") takes the updated recommendations applicable to the Company into account. In particular, its internal regulations are adapted to the Good Governance Code of Listed Companies approved by the National Securities Market Commission (CNMV) in February 2015 and revised in June 2020 (the "Good Governance Code"). This model helps to promote honest behaviour on the part of the Company, which contributes to keeping the trust of stakeholders and ensuring that the interests of all shareholders are defended.

ROVI's main governing bodies are the General Shareholders' Meeting and the Board of Directors. The powers and operation of each of them is regulated in the company's Bylaws and, respectively, in the Regulations of the General Shareholders' Meeting and the Regulations of the Board of Directors, which may be consulted on the company´s website (www.rovi.es). The Board of Directors also has an Audit Committee and a Nomination and Remuneration Commission, reporting and consultative bodies whose respective Regulations are also available on the Company's website (www.rovi.es).

The Board of Directors is ROVI's highest management and oversight body and is responsible for defining corporate strategy and monitoring and ensuring that Management meets the objectives established and respects and promotes the company's corporate purpose and interests. Good governance and the applicable legislation require stakeholders to have access to relevant information in relation to both governance rules and practice and the company's results and financial situation. To this end, each year, ROVI publishes its annual accounts, as well as its Annual Corporate Governance Report and Annual Director Compensation Report. Furthermore, it regularly submits information on the company's most important results to the CNMV and draws up a Management Report that accompanies the Annual Financial Statements, including, in the consolidated version, a statement of non-financial information and diversity with the contents set out in Law 11/2018 of 28 December, which amended the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July on Account Auditing, in relation to non-financial information and diversity. The statement of non-financial information and diversity is reviewed by independent service providers, as required by the applicable legislation. This documentation is available on the corporate website (www.rovi.es).

In addition to the governing bodies mentioned above, ROVI has a Management Committee responsible for the company's day-to-day management and formed by 12 members of senior management, headed by the CEO.

GOVERNING BODIES

GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the company's highest decision-making and control body for the matters within its competence. It meets regularly, at least once a year, at the Ordinary General Meeting, held within the first six months of each year to, if appropriate, approve the corporate management and the annual financial statements for the preceding year and adopt a decision on the application of the profit, although it is likewise competent to deliberate and decide on any other item on the Agenda.

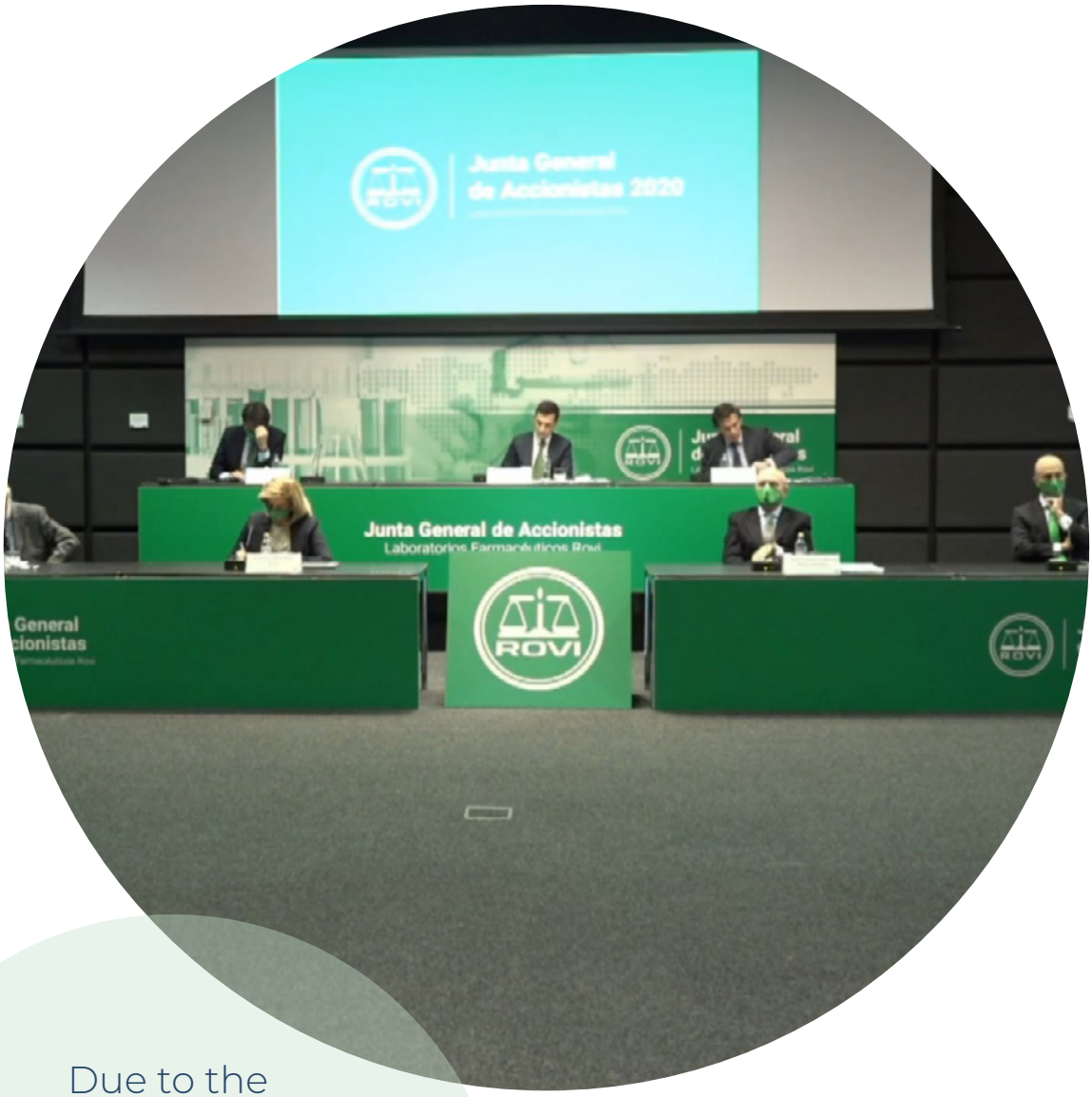
Due to the exceptional circumstances arising from the health crisis caused by the spread of SARS-CoV-2 and the restrictions on movement, in accordance with the special rules issued within this context, ROVI's 2020 Ordinary General Shareholders' Meeting was held on 20 October, 2020.

Extraordinary General Meetings may also be held and meetings that are not considered ordinary general meetings are deemed to be extraordinary general meetings.

Unlimited right to attend

All shareholders, irrespective of the number of shares they hold, are entitled to attend both ordinary and extraordinary general meetings, provided they hold at least one share and that it is registered in their name in the relevant account entry register five days before the date the general meeting is held.

Additionally, in order to attend a general meeting, each shareholder must identify him/herself and show an attendance card, i.e. the certificate issued by the entity responsible for the relevant account entry register or the document which legally proves their status as a shareholder.



Due to the exceptional circumstances arising from the health crisis, **ROVI's 2020 Ordinary General Shareholders' Meeting was held on 20 October, 2020**

2020 Ordinary General Shareholders' Meeting

The most recent Ordinary General Shareholders' Meeting of Laboratorios Farmacéuticos Rovi, S.A. was held electronically in Madrid on 20 October, 2020, on the first call, with a total of 45,630,916 shares in attendance (36,281,600 present and 9,349,316 represented), representing 81.384% of the share capital (64.709% present and 16.675% represented). The following resolutions were passed:

1. Approval of the company's individual annual accounts (statement of financial position, income statement, statement of changes in equity, statement of cash flows and the notes thereto) and the consolidated annual accounts of the company and its subsidiaries (consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the notes thereto), as well as the company's individual management report and the consolidated management report of the company and its subsidiaries, all of which related to the year ended 31 December, 2019.

2. Approval of the statement of non-financial information included in the consolidated management report for the year ended 31 December, 2019.

3. Approval of the proposed application of the individual profit for the year ended 31 December, 2019, which was 25,553,444.85 euros. A resolution was passed to pay a dividend of 0.1751 euros gross per share to each one of the 56,068,965 shares in issue that was entitled to receive it on the pay-out date (9,817,675.77 euros) and allocate 15,735,769.08 euros to retained earnings.

4. Approval of the management and performance of the Board of Directors in the year ended 31 December, 2019.

5. Ratification and re-election of Ms Fátima Báñez García as an independent external director for the bylaw-stipulated term of office.

6. Approval of the maximum annual remuneration of the members of the Board of Directors in their capacity as such for 2020, which was fixed at 660,000 euros.

7. Re-election of KPMG Auditores S.L. as the account auditors of the company and its consolidated group for 2020.

8. Delegation of powers to formalise and register the resolutions passed by the General Meeting and carry out the mandatory filing of the accounts.

9. Consultative approval of the 2019 Annual Director Remuneration Report.

BOARD OF DIRECTORS

The Board of Directors is the company's highest decision-making, oversight and control body, except in matters reserved to the General Shareholders' Meeting. It is currently formed by seven members: three executive directors, one proprietary director and three independent directors. The independent directors were appointed on the basis of their professional merits, ensuring that the selection process did not contain any implicit bias that could suggest discrimination, in particular, gender-based discrimination.

According to the Bylaws, the Board of Directors must be formed by no less than five and no more than 15 members, pursuant to the recommendations of the Code of Good Governance.

As the highest decision-making body, it delegates ordinary business management to the management team and focuses its activities on general supervisory duties. This implies guiding ROVI's policies, controlling management, evaluating the performance of the managers and, in general, adopting the most important decisions on the strategy and running of the company, as well as liaising with shareholders.

In the course of its duties, it strives to ensure the company's regulatory compliance and that it meets its social and ethical duties. Likewise, its functions include ensuring that no one person or small group exercises decision-making power within the company without being submitted to counterweights and controls and that no shareholder is treated more favourably than others.

Its specific responsibilities are set out in article 5 of the Regulations of the Board of Directors

and include, specifically, those of preparing the strategic plan and management objectives and approving the annual budget. Likewise, it defines the structure of the company group, establishes the investment and financing policy and approves the dividend, treasury share, corporate governance and social responsibility policies. It also establishes the risk control and management policy, including tax-related risks, as well as regularly monitoring the internal information and control systems, determining the company's tax strategy, overseeing the preparation of the mandatory financial and non-financial information and approving related transactions in the terms of the law.

In 2020, the Board of Directors met on nine occasions. The percentage attendance (including proxies granted with precise voting instructions) was 100% of total votes.

BOARD OF DIRECTORS

	Position	Type of director	Nomination and Remuneration Commission	Audit Committee
Mr. Juan López-Belmonte López	Chairman	Propietary		
Mr. Juan López-Belmonte Encina	Chief Executive Officer	Executive		
Mr. Javier López-Belmonte Encina	First Deputy Chairman	Executive		
Mr. Iván López-Belmonte Encina	Second Deputy Chairman	Executive		
Mr. José Fernando de Almansa Moreno-Barreda	Director	Independent	Chairman	Member
Mr. Marcos Peña Pinto	Lead Director	Independent	Member	Chairman
Ms. Fátima Báñez García	Director	Independent	Member	Member
Mr. Gabriel Núñez Fernández	Non-director secretary			
Mr. Ignacio Zarzalejos Toledano	Non-director deputy secretary			

The Board of Directors carried out the evaluation of its own performance in 2019 on the basis of a report drawn up for this purpose by the Nomination and Remuneration Commission, in accordance with article 5.7 of the Regulations of the Board of Directors. In this year, the annual evaluation was performed with support from an external advisor – Deloitte Legal, S.L.P.- , in order to furnish the process with a more objective and independent view, following the Code of Good Governance, which recommends this assistance at least once every three years. The evaluation showed the efficiency and proper operation of ROVI's Board of Directors and did not give rise to significant changes in either its internal organisation or the procedures applicable to its activities.

In accordance with article 8.3 of the Regulations of the Board of Directors, the Lead Director, Mr Marco Peña Pinto, is entitled to request a Board meeting be called or that new items be included on the agenda of a Board meeting that has already been called, as well as coordinating and meeting with the non-executive directors and, if applicable, organising the periodic evaluation of the Chairman of the Board. Likewise, he is authorised to chair Board meetings in the absence of the Chairman and Deputy Chairmen; voice the concerns of non-executive directors; maintain contacts with investors and shareholders in order to hear their points of view and form an opinion on their concerns, in particular in relation to the company's corporate governance; and coordinate chairman succession planning. In 2020, the Lead Director held 15 meetings with the other directors, without any executive director being present or represented by proxy.

Equality on the Board of Directors

The company has a Policy regarding the composition of the Board of Directors (formerly called the Director Selection Policy), which is intended to help ensure that the proposals for the appointment and re-election of directors of ROVI are based on a prior analysis of the Board's needs, and that the candidate selection process favours diversity of knowledge, experience, age and gender on the Board, in such a way that decision-making is enriched and plural viewpoints are contributed to the debates on the matters that fall within its competencies. This Policy states that, before the end of 2022, the company will strive for female directors to represent at least 40% of total Board members and that, prior to said date, they will represent no less than 30%.

When selecting candidates for the position of director, the starting point will be an analysis of the needs of the company and its group, which must be made by the Board of Directors with advice and reports from the Nomination and Remuneration Commission (N&RC). The N&RC will assess the skills, knowledge and experience required of the Board candidates. In this respect, the N&RC will define the functions and abilities required of the candidates to fill each vacancy and will also assess the time and dedication needed to perform their tasks properly, always avoiding any kind of implicit bias that might suggest discrimination and, in particular, that hinders the selection of persons of either gender.

Regarding professional qualifications, the Policy requires candidates to have a university degree or at least five years' experience in administration, management, control or advisory functions in public or private entities with a similar size and requirements to the company. Furthermore, as guidance, the Board considers that, in general, directors should not be aged over 80.

DIRECTOR PROFILES

Mr. Juan López-Belmonte López

Mr. López-Belmonte López graduated in Economic and Business Sciences from Universidad Complutense de Madrid in 1969 and is an insurance actuary. He is the Chairman of ROVI and a shareholder of Norbel Inversiones, S.L., of which he holds 20% (this company is, in turn, ROVI's controlling shareholder). He was President of the Madrid Chamber of Commerce from March 2016 to April 2018. Likewise, he has been President of Asociación para el Autocuidado de la Salud (ANEFP) and Vice President of Farmaindustria (the national trade association of the Spanish-based pharmaceutical industry). He was appointed as a director of the company on 27 July, 2007, when ROVI was first listed on the securities markets, and re-elected at the General Meetings of 2012 and 2017. Currently, Mr. López-Belmonte is Chairman and a member of the Board of Directors of Norbel Inversiones, S.L., Norbepa Inversiones, S.L., Lobel y Losa Development, S.L., Inversiones Borbollón, S.L. and Alentia Biotech, S.L.

Mr. Juan López-Belmonte Encina

Mr. Juan López-Belmonte Encina graduated in Economic and Business Sciences, specialising in Auditing, from CEU San Pablo, Madrid in 1993. He joined ROVI in 1994, was appointed General Manager in 2001 and, since October 2007, has been the company's CEO, having been re-elected to his position at the General Meetings of 2012 and 2017. He has been Deputy Chairman of the Governing Council and Management Board of Farmaindustria. Likewise, he was Chairman of the R&D&i Committee of the CEOE (Spanish Confederation of Business Organisations) from March 2015 until the end of 2018. In October 2020, he was appointed President of Farmaindustria (the national trade association of the Spanish-based pharmaceutical industry). He began his professional career working in different professional areas of important international pharmaceutical companies in the United States and United Kingdom. Currently, Mr. López-Belmonte Encina is likewise a shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).

Mr. Javier López-Belmonte Encina

Mr. Javier López-Belmonte Encina graduated in Economic and Business Sciences from Colegio Universitario de Estudios Financieros (CUNEF), Madrid, specialising in Financing, in 1998. He obtained a joint Executive MBA from the University of Brown and the Instituto de Empresa in Madrid in 2017. He joined ROVI in the year 2000 and has been Chief Financial Officer since 2001. He is the First Deputy Chairman of the Board of Directors and was initially appointed as a director of the company on 27 July, 2007, when ROVI was first listed on the securities markets, having been re-elected at the General Meetings of 2012 and 2017. He has been Vice President of the CEIM, a member of its Management Board and Chairman of its Health Commission. Likewise, he has been a member of the Social Council of the Universidad Autónoma de Madrid representing CEIM and a member of the Board of Trustees of Fundación Universidad Autónoma de Madrid, representing the Social Council of the Universidad Autónoma de Madrid. He began his professional career in the banking sector in 1998, working for Argentaria, S.A. in the United Kingdom as an analyst, and in the pharmaceutical sector with Medeva Pharma, also in the United Kingdom. At present, Mr. López-Belmonte Encina is likewise a shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).

Mr. Iván López-Belmonte Encina

Mr. Iván López-Belmonte Encina graduated in Economic and Business Sciences, specialising in Auditing, from CEU San Pablo, Madrid in 1994. From among his postgraduate studies, his Diploma in Advanced Studies, obtained in 2008, which recognised his research proficiency in the Financial Economics and Accounting area, may be highlighted. He joined ROVI in 1995 and has been Corporate Development Manager since September 2007. He is the Second Deputy Chairman of ROVI's Board of Directors and was initially appointed as a director of the company on 27 July, 2007, when ROVI was first listed on the securities markets, having been re-elected at the General Meetings of 2012 and 2017. He began his professional career in Germany, working in companies like Amersham, engaged in nuclear medicine, and Hexal AG, specialised in generics. At present, Mr. López-Belmonte Encina is likewise a shareholder of Norbel Inversiones, S.L. (ROVI's controlling shareholder).

Mr. José Fernando de Almansa Moreno-Barreda

Mr. Almansa is an independent external director of ROVI. He was appointed as an independent director on 9 June, 2015 for the bylaw-stipulated term of four years and was re-elected at the 2019 Ordinary General Meeting. Mr. Almansa holds a degree in Law from the University of Deusto (Bilbao). He joined the Diplomatic Service on 2 December, 1974. Between 1976 and 1992 he held different positions: Secretary of the Spanish Embassy in Brussels, Cultural Attaché at the Spanish Embassy in Mexico, Chief Director of the Coordination Section of the Subdirectorate-General for Eastern Europe, Director of Atlantic Affairs at the Directorate-General of Foreign Policy for Europe and Atlantic Affairs, Political Counsellor to the Permanent Representative of Spain on the North Atlantic Council in Brussels, Minister-Counsellor of the Spanish Embassy in the Soviet Union, Secretary General of the National Commission for the Fifth Centenary of the Discovery of America and Subdirector General for Eastern Europe, reporting to the Directorate-General of Foreign Policy for Europe. From 1993 to 2002, H.M. King Juan Carlos I appointed him as Head of the Royal Household with the rank of minister and he was appointed as a privy councillor of His Majesty King Juan Carlos I. He was a member of the Board of Directors of Telefónica, S.A. from 2003 to 2016, holding the position of chairman of the International Affairs Commission of its Board and forming part of several subsidiaries of Telefónica, S.A. in Latin America as a Board member. Likewise, from 2003 until 2015, he formed part of the Board of the Mexican bank BBVA BANCOMER. Currently, he is a director of Telefónica Móviles México, S.A. de C.V.

Mr. Marcos Peña Pinto

Mr. Peña Pinto holds a law degree from the Universidad Complutense de Madrid and passed the official examination to become a Technical Labour and Social Security Inspector. From 1984 to 1989, Mr. Peña held the position of Labour Attaché at the Spanish Embassy in Italy. Subsequently, from 1991 to 1996, he was the Secretary-General for Health at the Ministry of Health and Consumer Affairs and Secretary General for Employment and Labour Relations at the Ministry of Labour. Between 2005 and 2006, he was appointed an expert member of the Economic and Social Council, which he presided until April 2019. Likewise, Mr. Peña Pinto has been a member of the Council of State due to his position as president of the Economic and Social Council. Regarding his other professional activities, special mention should be made of the fact that Mr. Marcos Peña is specialised in collective bargaining and has held the position of chairman of the Bargaining Committee for many collective labour agreements (e.g. Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, etc.). Furthermore, Mr. Peña Pinto has been an arbitrator and mediator in various labour conflicts on a nationwide scale and is the author of numerous publications, often publishing articles in the written press. He was appointed as an independent director of the company by co-option, accepting his appointment on 9 May, 2019 and being re-elected at the Ordinary General Shareholders' Meeting of 12 June, 2019.

Ms. Fátima Báñez García

Ms. Báñez García holds a combined degree in Law and Economic and Business Sciences from the Universidad Pontificia de Comillas -ICADE E-3- and continued her academic education with a postgraduate degree in Company Administration from the University of Harvard, Boston, MA, likewise completing the Public Management Leadership Programme at the IESE Business School. She was Minister of Employment and Social Security in the Spanish government from December 2011 to June 2018, and provisional Minister of Health, Social Services and Equality from August to November 2016. Also in the public area, she was member of the Spanish Congress of Deputies for Huelva (2009-2019), holding important responsibilities in the economic area of the Popular Parliamentary Group, as well as the position of chairperson of the Foreign Affairs Commission of the Lower House (2018-2019). Previously, from November 1997 to June 2000, she was a member of the Board of Directors of Radio Televisión de Andalucía. She began her professional life in the private sector as head of Corporate Strategy and Development of her family's company group (1993-1997) and returned to private activity as a business consultant and advisor in November 2019. She has extensive international experience, having represented Spain on the EPSCO Council, at the G-20, at the Ibero-American Summits and at meetings of the OECD and ILO, as well as at international employment forums. Currently, Ms Bañez is a director of Iberdrola México, S.A. and chairperson of the CEOE Foundation. She was appointed as a director of the company by co-option and accepted the position on 20 October, 2019.

ROVI will strive for **female directors** to represent at least **40% of total Board members** before the end of 2022

BOARD COMMITTEES AND INTERNAL COMMITTEES

In order to comply with the applicable legislation and enhance its efficiency in performing its duties, the Board of Directors has created two consultative Board committees: (i) the Nomination and Remuneration Commission, and (ii) the Audit Committee.

- **Nomination and Remuneration Commission**.

  It is formed by three directors, all of whom are independent. They are appointed on the basis of their knowledge, skills and experience in relation to the tasks they are required to perform. The chairperson is also an independent director and must be replaced every four years, although he or she can be re-elected when one year has elapsed since they left the position. The Commission's main role is to report and submit proposals on the appointment and dismissal of directors and senior management to the Board of Directors; assess the skills, knowledge and experience necessary on the Board, as well as the time and dedication required from Board members for the proper fulfilment of their duties; prepare and review the criteria that should be followed regarding the composition of the company's management team; and strive to ensure that the remuneration policy for directors and senior management, established by the company is observed and transparent. In 2020, it met on eight occasions, which the company deems sufficient to allow it to carry out its duties correctly.

- **Audit Committee**.

  It is formed by three Board members, all of whom are independent, appointed on the basis of their knowledge and experience in accounting, auditing or risk management, as well as their knowledge, skills and experience in relation to the Committee's other duties. The chairperson is also an independent director, likewise appointed on the basis of his or her knowledge and experience in accounting, auditing or both, and must be replaced every four years, although he or she can be re-elected when one year has elapsed since they left the position. Among other duties, the Committee supervises the process of preparing the financial reporting on the company and the group, ensuring it is complete; regularly reviews the information and internal control systems and risk management policy; reports on related transactions and ensures the independence of the statutory auditors; and strives to ensure the independence and efficacy of the internal audit service. It meets on a quarterly basis to review the financial information which the company, as a listed company, must publish regularly, as well as the mandatory non-financial information. In 2020, the Committee held seven meetings. Therefore, its meetings were sufficiently frequent to allow it to carry out its duties correctly.

MANAGEMENT COMMITTEE

The Management Committee has 12 members drawn from Group senior management who represent ROVI's main organisational areas. Three of them sit on the Board of Directors. The Management Committee, led by the CEO, Mr Juan López-Belmonte Encina, is the body to which the Board of Directors delegates the day-to-day running of the company.

The composition of the Management Committee is as follows:

Mr. Juan López-Belmonte Encina
Chief Executive Officer

Mr. Javier López-Belmonte Encina
Chief Financial Officer

Mr. Iván López-Belmonte Encina
Corporate Development Manager

Mr. Francisco Javier Ángulo García
Human Resources Manager

Ms. Beatriz Ávila Alcalde
Sales Manager. Line B

Ms. Mercedes Benítez del Castillo Sánchez
Legal Department Manager

Mr. Pedro Carretero Trillo
Hospital Network Manager

Mr. Miguel Ángel Castillo San Román
International & Business Development Manager

Mr. Ibón Gutierro Adúriz
Corporate R&D Manager

Mr. Fernando Martínez Garijo
Sales Effectiveness Manager

Mr. Miguel Ángel Ortega Sánchez
Industrial Manager

Ms. Mª Rosario Perucha Pérez
Marketing Manager

It is also stated for the record that, for the purposes of completing the annual corporate governance report, the head of internal audit at ROVI, Ms. Aránzazu Lozano Pirrongelli, is considered a member of senior management.

This Committee reflects ROVI's commitment to promoting a policy of equal opportunities for men and women, avoiding discrimination based on gender or other factors in wages, training, promotion opportunities or any other area within its sphere of action.

The composition of the ROVI's senior management (excluding the executive directors) favours diversity of knowledge, experience and gender, with women accounting for 40% of said senior management.

Remuneration of the Management Committee

The average remuneration of the members of this committee, including fixed and variable remuneration and remuneration in kind, is 264,615 euros for men and 153,713 euros for women. The difference between genders is essentially due to the fact that the men include three executive directors and their salaries reflect part of the additional responsibilities they hold as a result of their positions.

AVERAGE REMUNERATION OF MANAGEMENT COMMITTEE /GENDER

	2020			2019			
	Men	**Women**	**Average**	**Men**	**Women**	**Average**	**Total variation**
Fixed remuneration	188,677 €	116,229 €	152,453 €	179,399 €	113,333 €	146,366 €	4%
Variable remuneration	63,667 €	28,333 €	46,000 €	61,444 €	28,333 €	44,889 €	2%
Payment in kind	12,272 €	9,151 €	10,712 €	10,944 €	6,977 €	8,961 €	20%
AVERAGE TOTAL	**264,615 €**	**153,713 €**	**209,164 €**	**251,787 €**	**148,643 €**	**200,215 €**	**4%**

INTEGRATION OF ESG INTO MANAGEMENT

The company integrates ESG into its governance, management and day-to-day activity. ESG decisions are made by the Board of Directors. In particular, the Board is responsible for approving the company's Environmental and Social Sustainability Policy (formerly Corporate Social Responsibility) in accordance with article 5.3 of the Regulations of the Board of Directors.

In addition, both the Audit Committee, according to article 13 of the Board Regulations and article 10.d) of the Regulations of the Audit Committee, and the Nomination and Remuneration Commission (N&RC), according to article 14.2 of the Board Regulations and article 12.d) of the Regulations of the N&RC, are responsible for reviewing the Environmental and Social Responsibility Policy, in order for it to fulfil its mission of promoting corporate interests, taking account, as appropriate, of the legimate interests of other stakeholder groups and ensuring that it is oriented toward value creation.

In 2020, subsequent to a prior report from the Nomination and Remuneration Commission, the Board of Directors examined and approved the Corporate Social Responsibility Report for 2019, which had been prepared following recommendation 55 of the Good Governance Code. This report was published on ROVI's website in accordance with recommendation 6 of the Good Governance Code.

The Board of Directors is responsible for approving the **company's Environmental and Social Sustainability Policy**

REMUNERATION POLICY

In compliance with article 14 of the Regulations of the company's Board of Directors, which incorporates the provisions of article 529 quindecies, of Royal Legislative Decree 1/2010 of 2 July, whereby the revised text of the Capital Companies Act was approved (the "Capital Companies Act"), the Nomination and Remuneration Commission (N&RC) prepared a remuneration policy for the company's senior management for 2018, which was submitted to the Board of Directors for approval and has been in force since then.

Likewise, in accordance with article 529 novodecies of the Capital Companies Act, at the proposal of the Board of Directors subsequent to a report from the Nomination and Remuneration Commission, the General Shareholders' Meeting of ROVI held on 12 June, 2019 approved the company's Director Remuneration Policy, the text of which was made available to shareholders when the General Meeting was called and which replaced the remuneration policy approved at the General Meeting held on 31 May, 2016. This policy was applied in 2020 and will be in force until 2022, unless the General Meeting decides to amend or replace during the term for which it is in force.

Additionally, within the framework of said Director Remuneration Policy, ROVI's General Shareholders' Meeting held on 20 October, 2020 decided to fix a maximum total global remuneration for the members of the Board of Directors in their capacity as such of 660,000 euros for 2020. This sum will increase annually in accordance with the Consumer Price Index or any index that may replace it in the future, unless the General Meeting approves a different amount. The General Meeting delegated to the Board of Directors the distribution of this sum among its members, taking account of the functions and responsibilities attributed to each director, whether or not they were members of Board committees and any other objective circumstances that the Board might deem relevant.

In compliance with the disclosure obligations set out in article 226 of the revised text of the Securities Market Act, after the meeting of the Board of Directors held on 23 February, 2021, Laboratorios Farmacéuticos ROVI, S.A. published the Annual Director Remuneration Report for 2020, which is available on the corporate website, www.rovi.es.

The Board of Directors distributed 585,000 euros among its members as fixed annual remuneration for 2020 for performing their duties as directors. This remuneration was allocated taking account of the duties and responsibilities attributed to each director and their membership of Board committees, based on the prior proposal submitted by the N&RC.

Likewise, the Board decided to distribute fixed annual remuneration of 834,549 euros among the executive directors for their executive and senior management duties, in accordance with the terms and conditions agreed between the executive directors and the company in their contracts, taking account of the duties and responsibilities exercised by each director, based on the proposal submitted by the N&RC.

Regarding the variable incentive for the executive directors, the Board distributed 403,000 euros at the proposal of the N&RC, taking account of the company's results for 2020 and the targets fixed for each director.

ROVI's General Shareholders' Meeting decided to fix a **maximum total global remuneration** for the members of the Board of Directors of **660,000 euros for 2020**

Likewise, in addition to applying criteria based on parameters such as the evolution of the ROVI group's operating revenue in accordance with the budgeted targets set out in the Business Plan and meeting the strategic goals determined in said Plan, these sums were allocated to the executive directors in accordance with the targets fixed for each director, the investment operations performed and the attainment of strategic alliances during the year that may have helped the company to strengthen its bases for present and future growth, plus the criteria fixed in the Director Remuneration Policy approved by ROVI's General Shareholders' Meeting in 2019, which the company prepared with the advice of Landwell-PricewaterhouseCoopers Tax & Legal Services, S.L. Furthermore, when fixing the annual variable remuneration of the executive directors for 2020, individual non-financial targets related to social and environmental parameters and compliance with Codes of Ethics and Good Practice applicable to the company and its group were taken into account.

Finally, the total remuneration paid to senior management personnel in 2020 (including the head of the internal audit service and excluding the executive directors, was 1,668,000 euros (1,681,000 euros in 2019).

ETHICS FRAMEWORK

ROVI has a Code of Conduct (the "Code of Ethics"), the latest version of which was approved by the Board of Directors on 19 February, 2018, which is the basis of the ethics principles of the company and its group. This Code of Ethics is applicable to all employees, to whom it has been communicated, and has the fundamental objective of providing a framework of guidelines and recommendations that transmits the good practices of ROVI's employees in their day-to-day work to its stakeholders (employees, shareholders, suppliers, customers, patients, professionals, public authorities and society in general), while, at the same time, it provides guidance for making everyday decisions. ROVI considers this Code of Ethics to be an opportunity to put values that identify it as a company into practice, such as mutual respect, the quest for innovation, team work, efficiency, or the competitiveness that always results from scientific excellence.

The Code of Ethics is formally signed by all workers when they join the workforce of any ROVI group company.

ROVI's Code of Ethics includes a specific section on financial integrity and protection of its assets, whereby it undertakes to apply the highest standards of ethics and transparency in its communications, information records and reports concerning its products and activities. This entails the obligation that, when preparing the accounting for the financial statements, books, records and accounts, ROVI will meet legal requirements and will properly apply current accounting principles, in order to provide an accurate picture of its business activities and the group's financial situation.

Additionally, ROVI has an Anti-Bribery and Anti-Corruption Policy, the latest version of which was approved by the Board of Directors on 19 February, 2018. This Policy develops one of the principles of the Code of Ethics, which is to reject any practice that includes bribery or corruption. The Anti-Bribery and Anti-Corruption Policy, also applicable to all ROVI's employees, states that detailed books, records and accounts that accurately show the group's assets and transactions must be kept and that an appropriate system of internal control over financial reporting must be in place.

The body responsible for ensuring compliance with the Code of Ethics is the Regulatory Compliance Function, which was assigned this duty in its charter, approved by the Audit Committee on 25 July, 2017. This permanent internal collective body reports directly to the Audit Committee and is considered an advisory body to said Committee in compliance matters. The Compliance Department is the area responsible for co-ordinating the day-to-day, providing support to the Compliance Committee and informing it of any significant matters.

In 2020, ROVI personnel received training in the Code of Ethics, imparted by the Compliance area. Said training had two main goals:

- **To reinforce the idea that all the employees and members of governing bodies of ROVI are subject to the Code and that it is binding on them.**
- **To provide training on all the action principles contained in the Code of Ethics, with their possible applications and interpretations.**

Additionally, the Compliance Committee approved the "Code of Ethics for Suppliers" on 7 November, 2017. The main objective of this Code is to ensure that ROVI's suppliers and other components of the value chain respect not only current legislation, but also the values of the ROVI's corporate governance system, the principles set out in its Corporate Social Responsibility Policy and other internal rules of ROVI. Use of this Code was implemented during 2020 by some of the departments involved in managing suppliers.

ROVI has "Regulations of the Ethics Channel for Employees and Suppliers", the latest update of which was approved by the Audit Committee on 7 May, 2017. They establish that the management body of ROVI's ethics channels is the Ethics Channel Management Committee, which is likewise responsible for ensuring that all complaints submitted through the channel receive attention and are managed appropriately, in full and confidentially. Said body is responsible for analysing cases of non-compliance and proposing corrective actions. Possible sanctions derived from non-compliance are the responsibility of the Human Resources Department.

ROVI employees may communicate with the Ethics Channel at the e-mail address canaletico@rovi.es, or by physical mail.

Likewise, ROVI has an Ethics Channel for suppliers, partners, external collaborators, etc. that allows them to report any irregularity they may detect or any breach of the ROVI group's Code of Ethics for Suppliers to the organisation. Various mechanisms have been put in place to enable suppliers to communicate with ROVI's Ethics Channel for Suppliers, among which the e-mail address canaleticoproveedores@rovi.es, is included, as well as a physical mailbox at ROVI's offices.

ROVI undertakes to actively support the Universal Declaration of Human Rights and requires its employees to comply with said principles in their day-to-day activity in the group. The company combats workplace discrimination and practices contrary to human

dignity. The group also strives to monitor and control of the Good Governance Code recommendations. Thus, the company has mechanisms to prevent behaviour that is damaging to shareholders and stakeholders, such as the concentration of power, lack of transparency or lack of auditor independence.

ROVI also strives to monitor and control the recommendations of the Unified Good Governance Code for Listed Companies appropriately and, in December 2020, the Audit Committee approved the Regulations of the Audit Committee, in line with the recommendations of the CNMV's Technical Guide 3/2017 on Audit Committees.

Finally, ROVI has Internal Regulations on Conduct in the Securities Markets, the latest version of which was approved by the Board of Directors in May 2019. The purpose of these Regulations is to adjust the actions of the company, its governing bodies and other persons subject to the rules on conduct to securities market-related legislation.

No complaints related to the financial reporting were received in 2020.

Anti-bribery and anti-corruption mechanisms and policies

ROVI has a zero tolerance policy, as reflected in its Code of Ethics, towards any activity or practice involving bribery or corruption as a way to obtain a decision favourable to the company's interests and, therefore, practices intended to do business using undue means will in no case be tolerated. This is complemented by the company's Anti-corruption Policy, which regulates both giving and accepting gifts and must be known and observed by all the professionals who work for the ROVI group, as well as the suppliers with whom the group has relations. In no case may the acceptance or giving of gifts be used as a subterfuge for bribery or the concealment of an unlawful action.

No ROVI employee may offer a third party any type of benefit that is able or intended to unlawfully influence the third party's capacity to adopt objective and lawful business decisions. Likewise, ROVI employees are expressly prohibited from accepting any kind of corruption or bribery offered by a third party. All interaction with health professionals, health organisations, health systems, pharmacies, stores, purchasers, distributors, suppliers, commercial partners, public employees or any other third parties in general must be governed by lawfulness and ethics and in line with ROVI's values, company policies, the applicable laws and industry standards.

ROVI has a Risk Management and Control System, revised in December 2020, which details the mechanisms and general principles of appropriate risk management

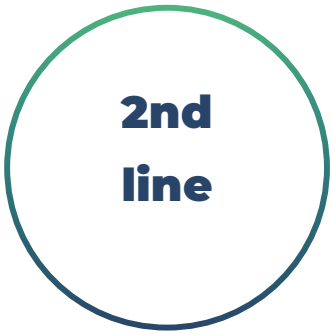
RISK MANAGEMENT

ROVI has a Risk Management and Control System that allows any possible risk that could prevent the attainment of corporate objectives to be identified, classified, assessed and provided with a response.

ROVI follows a risk management and control model based on three lines of defence.

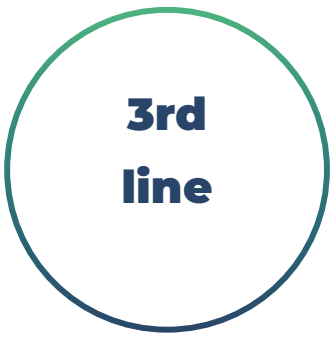
FIRST LINE.

The first line of defence is formed by the group's different operating areas, which, in the course of their day-to-day operations, must identify, classify, assess and monitor the risks, in accordance with the risk level accepted by ROVI.



SECOND LINE.

The second line of defence comprises the risk control and management function. This function is responsible for the implementation of the risk control and management system, cooperating in initially establishing it and, once it is in place, contributing to its enhancement, monitoring its performance and coordinating its development.



THIRD LINE.

The third line of defence is Internal Audit, which supervises the internal control and risk management systems by auditing both the first and second lines of defence.

RESPONSIBILITY FOR RISK CONTROL, MONITORING AND MANAGEMENT

According to the company's Regulations of the Board of Directors, **a full Board meeting** is responsible for approving the Risk Management and Control Policy, including tax-related risks, as well as the regular monitoring of the internal reporting and control systems. As a result of this duty, ROVI has a Risk Management and Control System, the latest version of which was approved by the Board of Directors in December 2020 and which includes the general mechanisms and principles for proper risk management in ROVI.

Audit Committee

According to said Regulations, the duties of the Audit Committee include oversight of the Risk Management and Control Policy for both financial and non-financial risks that affect attainment of the corporate goals. To this end, the Audit Committee regularly reviews and supervises the internal control and risk management systems and the efficacy thereof, so that the main risks can be appropriately identified, managed and made known.

Management

The Audit Committee carries out these duties through Management, which identifies, classifies, assesses and monitors the risks, taking the categories of risk and acceptable risk levels fixed by the Audit Committee into account, and applies the measures in place to mitigate the impact in the event that any risks materialise.

Department responsible for the Risk Control and Management System

The Department responsible for the Risk Control and Management System has the task of implementing the Risk Control and Management System and, once it is in place, contributing to its enhancement, monitoring its performance and coordinating its development. Likewise, it reports to the Audit Committee, each time the latter meets, on the correct operation of the System and/or any risks that may have materialised.

Risk Control and Management Process

The steps that ROVI follows in risk management are as follows:

Determination of the risk assessment scales.

The risk level is established in the risk assessment scales for the variables of probability of occurrence and impact. These scales are approved annually by the Audit Committee in the process of updating ROVI's risk map.

Risk identification and classification.

The different areas of ROVI proceed to identify the internal and external risks that could affect attainment of their objectives. Once identified, risks are classified as follows:

- Strategic: those that affect high-level objectives, directly related to ROVI's strategic plan.
- Operational: those that affect objectives related to the efficiency and efficacy of the operations, including performance- and profitability-related targets.
- Reporting: they affect objectives concerning the reliability of the information provided both internally and externally.
- Compliance: those that affect compliance with the applicable rules and legislation.

Risk assessment.

Each one of the risks identified is assessed in accordance with the variables of probability of occurrence and impact on attainment of ROVI's objectives, in accordance with the assessment scales approved by the Audit Committee. The assessment obtained will determine the position of each risk on the corporate risk map, allowing decisions to be adopted on the actions to take in relation to the risk.

As part of the process, the Audit Committee establishes a risk appetite (the risk level that ROVI is willing to accept to attain its strategic objectives) for each one of the key risks identified and the tolerance (level of variation in the appetite accepted in attaining the objectives), assessing whether the existing risk level exceeds the risk level that ROVI is willing to accept in attaining its strategic objectives, defining response plans when deemed necessary.

Determination of the response to a risk.

Once the risk map has been drawn up, measures are put in place to tackle the risks identified as efficiently and economically as possible, reducing exposure to a minimum. At the same time, mechanisms and procedures are put in place to allow Management to supervise implementation of the neutralisation measures and control their efficacy.

Risk management monitoring.

All the departments have both periodic and continuous information systems capable of duly capturing any changes that have either already taken place or will be taking place in the future that might prevent attainment of objectives under the forecast conditions, as well as the viability, efficiency, efficacy and sufficiency of the responses established for the risks.

Reporting to the Audit Committee.

The Audit Committee is informed regularly on the following aspects of risk management:

- Whether the Risk Control and Management System is operating efficiently or not, taking possible changing conditions, both internal and external, into account.
- Whether Risk Management incidents are detected and solved swiftly.
- Whether the Map has been duly updated with the applicable changes (changes in the risks considered, any applicable new risks, etc.).
- Whether any of the risks included in the Catalogue or any other risk materialised in the preceding period.

Control and management systems in relation to the process of issuing financial information (ICFR)

ROVI's system of Internal Control over Financial Information (ICFR) has the purpose of ensuring a reasonable degree of certainty that the financial reporting is reliable.

The specific risks derived from the financial reporting process fall within the corporate Risk Control and Management System and are covered in its Policy.

For each one of the significant processes identified when drawing up and issuing the financial reporting, the risks that could be generated by errors in the information are identified, covering the objectives of existence and occurrence, completeness, assessment, presentation, breakdown and comparability, and rights and obligations. The processes identified are reviewed and updated annually and, if changes in the management of said processes or the applicable regulations so require, are documented.

The bodies responsible for ICFR are:

- The **Board of Directors**, responsible for the existence and continuity of an appropriate and effective ICFR in accordance with the Regulations of the Board of Directors.
- **Senior Management** performs the functions of implementing and designing the ICFR.
- The **Audit Committee** is the body responsible for overseeing ICFR, as stated in the company's Bylaws, the Regulations of the Board of Directors and the Regulations of Audit Committee, which assigns the following responsibilities to it, among others:
    - To oversee and evaluate the process of preparation and presentation, as well as the completeness, of the financial and non-financial information and the financial and non-financial risk control and management systems of the company or, where applicable, the group.
    - To handle, respond to and take into account, on a timely and appropriate basis, any requirements that the public supervisor of financial information may have sent in the present or previous years.
    - To discuss with the account auditors or audit firms any significant weaknesses in the internal control system noted in the course of the audit, ensuring that their independence is not undermined.
    - To regularly review and supervise the internal control and risk management systems and the efficacy thereof, to ensure that the principal risks are identified managed and made known appropriately.
    - To review the clarity and completeness of all the financial and non-financial reporting that the entity makes public.

RISK MAP

The main risks to which the company considers it is exposed in respect of meeting its business objectives and which, among others, form part of the risks included in the Corporate Risk Map are:

STRATEGIC RISKS:

- Changes in the conditions for the supply of raw materials and other packaging materials necessary for the manufacture of its products.
- Failure to conclude successfully -or as expected- the Research & Development products that are underway at ROVI.
- Changes in the prescription criteria or in the market regulations aimed to contain pharmaceutical spending (price control, reference prices, reinforcement of generic products, co-payment, purchasing platforms).
- Concentración de operaciones en determinadas áreas geográficas.
- Actions by the competition that cause a negative impact on ROVI's sales.

OPERATIONAL RISK:

- Risk of cyberattack.

COMPLIANCE RISK:

- Tax risk inherent to the activity of companies of the size and complexity of the group.

RISKS MATERIALISED IN 2020

The main risks that materialised during the year were the following:

Changes in the general economic situation triggered by the global pandemic caused by COVID-19.

In 2020, the health crisis caused by COVID-19 caused an adverse impact on the global economy. In spite of this, the effect on ROVI was limited to: (i) a reduction in the sales of certain products, mainly contrast agents and other hospital products, used in preparing diagnostic tests, the number of which dropped in 2020; (ii) an increase in expenses related mainly to protection of ROVI's employees (purchase of individual protection equipment, cleaning and disinfection expenses, etc.) and the adaptation of the information systems and equipment to allow remote working; and (iii) a reduction in marketing expense as a result of the reduction in marketing activity due to restrictions affecting medical visits.

The slowdown in consumption or any measures to contain pharmaceutical spending may have a future impact on the pharmaceutical industry overall.

Changes in the conditions for the supply of raw materials and other packaging materials necessary for the manufacture of its products.

The principal raw material for manufacture of our two low-molecular-weight heparins (Bemiparin and the Enoxaparin biosimilar) is sodium heparin, which is obtained from pig mucosa. Therefore, any disease that affects pigs may have an effect on the global heparin market by affecting either the supply or the prices.

Since the end of 2018, there has been an outbreak of swine fever in China, the main producer of pork and pork derivatives worldwide, which the Chinese authorities determined to be "under control" in July 2019. It has affected prices, which have increased since then, although they began to stabilise in the second half of 2020.

Actions taken by the competition that have had an adverse impact on ROVI's sales.

The high level of competitiveness in the pharmaceutical market meant that, in 2020, ROVI's sales were adversely affected by the launch of hybrid and generic products by competitor companies, leading to a price reduction in the ROVI products affected.

The company has applied the supervision and control systems and the response plans to the aforementioned risks and considers them to have operated correctly to forecast and detect the occurrence of these risks and minimise their impact.

Any disease that affects pigs may have an **effect on the global heparin market**

Incident Management and Crisis Resolution

2020 was the first full year of work for the IMCR (Incident Management and Crisis Resolution) work team, which furnishes the company with a work procedure that favours an appropriate sizing and handling of incidents and allows steps to be taken for the early solution of crises at Laboratorios ROVI. It was of key importance to the company in managing and applying the necessary actions to tackle the COVID-19 health crisis.

The team is permanently composed of members of the group's Industrial, Compliance and Communication Departments and, in addition, the heads of other areas whose presence is required to handle and solve any incidents detected may also take part in IMCR.

The procedure initiates when any of the following incidents are detected:

- Reputational risk, in any of its categories, for the company.
- Natural disasters: floods and earthquakes.
- Extortion.
- Threats.
- Workplace or trade union-related incidents or strikes affecting the business.
- Significant environmental or workplace health and safety incidents.
- Serious pharmacovigilance or quality incidents when a product is being marketed.

If any of these situations is detected, an internal communication chain is activated, in order to gather information on the incident, its potential origin and its potential scope. The matter will be passed to the IMCR team so that, after analysing and assessing the incident, it will adopt the appropriate measures in accordance with the specific needs of each incident.

REPORTING PERIOD 2020

99 __ RESULTS FOR THE PERIOD
123 __ CUSTOMERS, PATIENTS AND PROFESSIONALS
128 __ HUMAN RESOURCES
151 __ SUPPLIERS
155 __ SOCIETY AND PUBLIC AUTHORITIES
166 __ ENVIRONMENT

RESULTS FOR THE PERIOD

2020 was a complex and difficult year due to the situation caused by the global coronavirus pandemic and the different actions required from the governments to control its spread. In this environment, ROVI, in spite of the initial uncertainty, surpassed its growth expectation, which had been in mid-single-digit figures, with a 10% increase in operating revenue to 420.0 million euros. This was possible mainly due to the strength of the toll manufacturing business and pharmaceutical specialties.

Sales

While sales dropped slightly in Spain, ROVI's sales outside Spain grew by 28% in 2020, in comparison with the preceding year, totalling 191.1 million euros. 52.5 million euros of this amount (27% of the total) related to sales made at the international offices, mainly due to the increase in sales of the toll manufacturing business. Sales outside Spain accounted for 46% of operating revenue in 2020, in comparison with 39% in 2019.

NET SALES BY GEOGRAPHICAL LOCATION

(thousand euros)	**2020**	**2019**
Spain	**228,821**	232,266
European Union	**127,211**	129,825
OECD countries	**49,437**	11,264
Rest	**14,492**	7,958
Total	**419,961**	**381,313**

Profit

Gross profit rose by 12% in comparison with the preceding year, totalling 242.5 million euros in 2020, with an increase of 1.1 percentage points in the gross margin to 57.7% in 2020, in comparison with 56.6% in 2019, influenced mainly by the increase in toll manufacturing sales and the price rise of bemiparin in hospitals, due to the increase in the price of the raw material of low-molecular-weight heparins (as a result of African swine fever) and the demand for the product in hospitals to treat COVID-19. Other positive factors that explain this increase were the improvement in the margins on enoxaparin in Spain, which offset the fall in international sales, and the end of the marketing of the Norgine B.V. product portfolio, on which the margins were lower (Sintrom®, Salagen®, Cordiplast® and Estraderm®). Furthermore, all these factors helped reduce the negative effect of the 36% price rise in the raw materials for low-molecular-weight heparins in 2020.

Likewise, ROVI's net profit rose by 55% to 61.1 million euros, compared with 39.3 million euros in 2019.

EBITDA

EBITDA rose by 55% in comparison with the preceding year, totalling 94.2 million euros in 2020, reflecting an increase of 6.5 percentage points in the EBITDA margin, which rose from 16.0% in 2019 to 22.4%. EBIT grew by 75% to 74.7 million euros, with a margin that increased from 11.2% in 2019 to 17.8% in 2020.

If we analyse the situation excluding R&D expenses, the EBITDA grew by 31% to 118.0 million euros in 2020, while the EBIT increased by 37% from 72.0 million euros in 2019 to 98.5 million euros in 2020. Lastly, the net profit "without R&D" increased by 21%, from 66.8 million euros in 2019 to 81.1 million euros in 2020.

RESULTS OF THE PHARMACEUTICAL SPECIALTIES BUSINESS

ROVI's sales of prescription-based pharmaceuticals rose by 6% to 279.0 million euros, four percentage points higher than the market, which, according to IQVIA, rose by 2% in 2020 compared with the preceding year.

→ Heparins

Sales of the heparin division (low-molecular-weight heparins –LMWH– and other heparins) increased by 14% to 209.3 million euros. Thus, heparin sales accounted for 50% of the group's operating revenue in 2020, in comparison with 48% in 2019.

→ Enoxaparin biosimilar and Bemiparin

LMWH sales rose by 14% to 202.8 million euros. Sales of the enoxaparin biosimilar increased by 25% in 2020 in comparison with the previous year, totalling 101.4 million euros. Likewise, Bemiparin sales totalled the same figure, 101.4 million euro, showing growth of 5%. In particular, international Bemiparin sales rose by 21% to 33.0 million euros, mainly due to the increase in the transfer prices to some partners as a result of the price rise in the raw material for LMWHs.

Attention should be drawn to the fact that, although the World Health Organisation (WHO) recommended ROVI's low-molecular-weight heparins (LMWHs), Bemiparin (Hibor®) and the enoxaparin biosimilar as essential medicines for hospital patients with COVID-19 in intensive care units, bemiparin (Hibor®) sales dropped slightly in Spain to 68.5 million euros, mainly as a consequence of the significant reduction in the number of surgical operations performed during the lockdown period.

SALES OF OTHER PRESCRIPTION-BASED PRODUCTS IN 2020

→ Nevarpis®

Sales of Neparvis®, a prescription-based product belonging to the company Novartis and indicated in adult patients for treatment of symptomatic chronic heart failure with reduced ejection fraction, which ROVI has been distributing in Spain since December 2016, increased by 34% in 2020, totalling 29.6 million euros.

→ Volutsa®

Sales of Volutsa®, an Astellas Pharma product of the company Astellas Pharma indicated for treatment of moderate to severe storage systems and voiding symptoms associated with benign prostatic hyperplasia, which ROVI has been distributing in Spain since February 2015, rose by 7% to 14.2 million euros.

→ Hirobriz® Breezhaler® and Ulunar® Breezhaler®

Sales of Hirobriz® Breezhaler® and Ulunar® Breezhaler®, both of which are inhaled bronchodilators belonging to Novartis, aimed at patients with respiratory difficulties due to a lung disease known as Chronic Obstructive Pulmonary Diseases (COPD), and which ROVI began to market in Spain in the fourth quarter of 2014, dropped by 22% to 11.3 million euros in 2020, compared with the 14.6 million euros of the previous year, principally due to the 18% reduction in the price of Ulunar® Breezhaler® in 2020.

→ Vytorin®, Orvatez® and Absorcol®

Sales of Vytorin®, Orvatez® y Absorcol®, prescription-based products of the company Merck Sharp & Dohme ("MSD") indicated as adjunctive therapy to diet in patients with hypercholesterolemia, fell by 11%, to 28.4 million euros, in 2020. In said period, the price of Orvatez® dropped by 30% due to the entry into the market of hybrid products formatted with ezetimibe and atorvastatin.

→ Medicebran® and Medikinet®

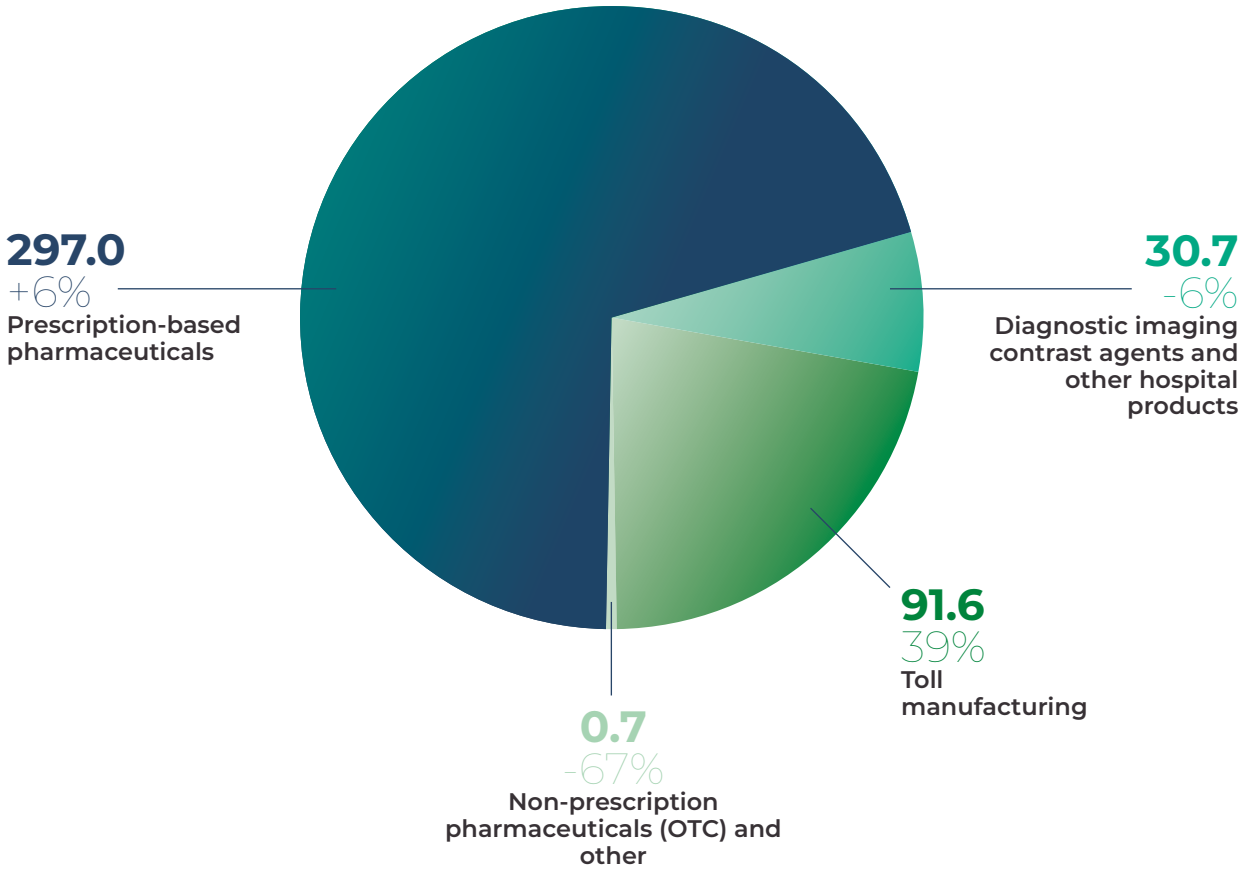
Sales of Medicebran® y Medikinet®, prescription products of the company Medice indicated for treatment of Attention Deficit Hyperactivity Disorder (ADHD) in children and adolescents, dropped by 40% in comparison with the preceding year, falling to 3.5 million euros in 2020. In July 2019, the medical innovation protection of Medikinet® (methylphenidate hydrochloride with modified release) ended and its price fell by an average of 50.3%.

RESULTS

(million euros)	2020	2019	2018	2017	2016	2015	2014
Sales	**421.1**	382.5	304.8	277.4	266.7	247.0	240.9
EBITDA	**94.2**	60.9	29.5	29.9	39.3	31.8	36.6
EBIT	**74.7**	42.6	17.5	18.8	28.3	21.8	27.7
Net profit	**61.1**	39.3	17.9	17.2	26.1	19.8	24.1
Capex	**39.7**	40.5	26.4	19.9	18.1	19.9	25.1
Financial debt	**74.4**	84.8	34.2	43.2	33.8	42.8	36.3
Net financial debt	**19.8**	15.9	-62.8	1.1	-9.0	12.1	8.3

SALES BY ACTIVITY

Million euros



SALES BY PRODUCT

Million euros

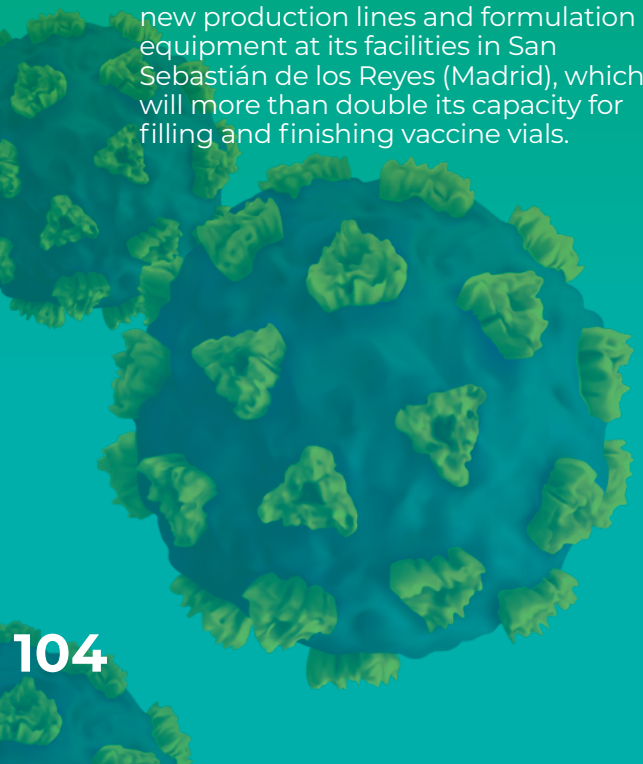
Bemiparin (Hibor®) **101.4**M€ **+5%**	*Enoxaparin* **101.4**M€ **+25%**	*Neparvis®* **29.6**M€ **+34%**	*Volutsa®* **14.2**M€ **+7%**
Vytorin®, Orvatez® & Absorcol® **28.4**M€ **-11%**	*Hirobriz® & Ulunar®* **11.3**M€ **-22%**	*Medicebran® & Medikinet®* **3.5**M€ **-40%**	*Other* **26.6**M€ **-21%**

ROVI and Moderna's vaccine against COVID-19

In July 2020, ROVI announced its collaboration with Moderna in the large-scale manufacture of the fill-finish of Moderna's mRNA vaccine against COVID-19 at ROVI's facilities in Madrid, Spain.

As part of this agreement, ROVI will furnish fill-finish capacity for vials through the acquisition of a new production line and equipment for compounding, filling, automatic visual inspection and labelling, in order to provide support to the production of hundreds of millions of doses of the Moderna vaccine, in principle to supply markets outside the United States, as of the beginning of 2021. Likewise, it will recruit the additional personnel necessary to carry out the manufacturing and production operations.

In April 2021, the collaboration agreement was strengthened for the manufacture of the active ingredient of the vaccine. This entailed a new industrial investment in the ROVI Group's facilities in Granada (Spain) for the installation of a new line to support the production phases of the active ingredient of the mRNA vaccine. That same month, ROVI announced another investment for the installation of two new production lines and formulation equipment at its facilities in San Sebastián de los Reyes (Madrid), which will more than double its capacity for filling and finishing vaccine vials.



TOLL MANUFACTURING, SIGNIFICANT INCREASE IN RESULTS

ROVI undertook an important restructuring of its toll manufacturing business in 2019 with the creation of ROVI Pharma Industrial Services, the result of the union between the toll manufacturing management entities ROVI Contract Manufacturing and Frosst Ibérica.

In 2020, toll manufacturing sales rose by 39% in comparison with the preceding year, totalling 91.6 million euros, mainly due to the reorientation of the toll manufacturing strategy toward products with higher value-added and recognition of the revenue from the activities carried on under the agreement with Moderna. For 2021, toll manufacturing operations are expected to grow by between 15% and 20%, including the activities related to the Moderna agreement but excluding production of the vaccine.

CONTRAST AGENTS, OTHER HOSPITAL PRODUCTS AND OTC PRODUCTS

This group of products obtained sales of 30.7 million euros in 2020, 6% down on 2019, due to the significant drop in the number of diagnostic tests performed during the lockdown period. Diagnostic imaging contrast agent sales and other hospital products increased by 12% in the fourth quarter of 2020 in comparison with the third quarter of the same year and by 5% in the fourth quarter of 2020 in comparison with the fourth quarter of 2019.

SALES BREAKDOWN

Thousand euros	2020	2019	*Variation*
REVENUE	**419,961**	*381,313*	*10.1%*
Sales of goods	**328,403**	*315,663*	*4.0%*
Prescription-based pharmaceuticals	**296,975**	*281,011*	*5.7%*
LMWH franchise	**202,768**	*177,647*	*14.1%*
Enoxaparin biosimilar (Enoxaparin Becat)	**101,353**	*80,863*	*25.3%*
Hibor	**101,416**	*96,784*	*4.8%*
Sales in Spain	**68,464**	*69,627*	*-1.7%*
Sales abroad	**32,951**	*27,157*	*21.3%*
Neparvis	**29,567**	*22,022*	*34.3%*
Ulunar & Hirobriz	**11,336**	*14,563*	*-22.2%*
Volutsa	**14,246**	*13,268*	*7.4%*
Vytorin & Absorcol & Orvatez	**28,390**	*31,805*	*-10.7%*
Medikinet & Medicebran	**3,479**	*5,766*	*-39.7%*
Other products	**26,581**	*33,710*	*-21.1%*
Discounts to National Health System	**-19,393**	*-17,771*	*9.1%*
Contrast agents and other hospital products	**30,736**	*32,556*	*-5.6%*
Non-prescription pharmaceuticals ("OTC") & other	**692**	*2,096*	*-67.0%*
Services provided	**91,557**	*65,650*	*39.5%*

In 2016, Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government signed a co-operation agreement. After subsequent renewals, this agreement was in force until 31 December, 2019.

According to the agreement, in the event that public spending on medicines (excluding generics and biosimilars) exceeded the actual growth rate of the gross domestic product (GDP) of the Spanish economy, the pharmaceutical industry had to reimburse the government for said excess in cash. Although Farmaindustria and the Spanish government have not yet signed a new co-operation agreement applicable to 2020, the Spanish pharmaceutical industry and ROVI consider that the parties will finally reach an agreement affecting said period.

Therefore, ROVI has recognised the estimated amount of this item, which is 6.3 million euros, as a decrease in sales in 2020. ROVI has considered that the pharmaceutical industry will reimburse the amount of the increase in public spending on medicines (excluding generics and biosimilars) estimated by Farmaindustria to the government.

ROVI has considered that the pharmaceutical industry will reimburse to the government the amount of **the increase in public spending on medicines**

SOUND FINANCIAL SITUATION

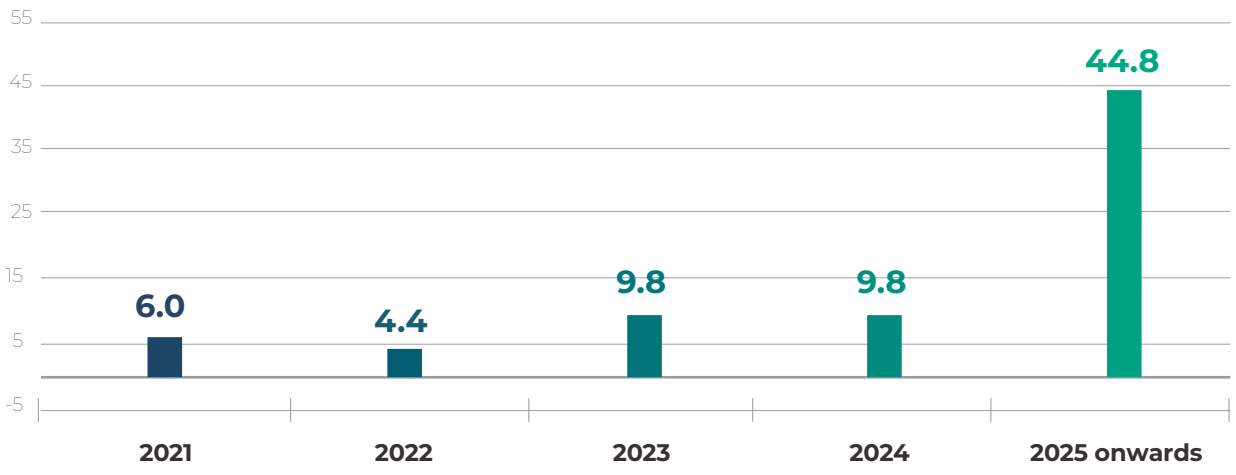
ROVI remains firm in its commitment to maintain low leverage in capital management. At the end of 2020, the company showed a gross cash position of 54.6 million euros, in comparison with 36.8 million euros at 30 September, 2020 and 68.9 million euros at 31 December, 2019. Net debt was 19.8 million euros (equity securities, plus deposits, plus financial derivatives, plus cash and cash equivalents, less current and non-current financial debt), in comparison with 38.1 million euros at 30 September, 2020 and 15.9 million euros at 31 December, 2019.

At 31 December, 2020, bank borrowings had decreased by 7.1 million euros. Debt with government entities, at a 0% interest rate, accounted for 15% of total debt at 31 December, 2020 (14% at 31 December, 2019).

In December 2017, ROVI announced that the European Investment Bank (EIB) had granted it a loan to support its investments in Research, Development and Innovation. The credit was for 45 million euros. At 30 September, 2019, ROVI had drawn down 5 million euros of this credit line at a variable interest rate of EURIBOR at three months + 0.844%. The latest interest rate paid (January 2021) was 0.336%. As of 31 December, 2019, ROVI had drawn down the remaining 40 million euros. This credit matures in 2020 and has a three-year grace period and a fixed interest rate of 0.681%.

DEBT MATURITY

Million euros



DEBT

	2020	2019	2018	2017	2016	2015
Net debt/EBITDA	**0.21x**	0.26x	-2.13x	0.04x	-0.23x	0.38x
Net debt/Equity	**0.05x**	0.05x	-0.22x	0.01x	-0.05x	0.07x

CONSOLIDATED INCOME STATEMENT

Thousands of euros	2020	2019	Variation
Net revenue	419,961	381,313	*10.1%*
Recognition of grants on non-financial fixed assets and other	1,157	1,151	*0.5%*
Total operating revenue	**421,118**	**382,464**	***10.1%***
Cost of sales	-178,652	-166,606	*7.2%*
Gross margin	**242,466**	**215,858**	***12.3%***
%	57.7%	56.6%	*1.1pp*
R&D expenses	-23,801	-29,304	*-18.8%*
Sales, overhead and administrative expenses	-124,390	-125,495	*-0.9%*
Share in profit/(loss) of joint ventures	-31	-195	*-84.1%*
EBITDA	**94,244**	**60,864**	***54.8%***
%	22.4%	16.0%	*6.5pp*
Amortisation or depreciation	-19,593	-18,216	*7.6%*
EBIT	**74,651**	**42,648**	***75.0%***
%	17.8%	11.2%	*6.6pp*
Finance income	4	51	*-92.2%*
Finance costs	-1,072	-927	*15.6%*
Impairment and gain/(loss) on measurement of financial instruments	-1,041	159	*n,a*
Exchange rate differences	39	-51	*n,a*
Net finance costs	**-2,070**	**-768**	***169.5%***
Profit before tax	**72,581**	**41,880**	***73.3%***
Income tax	-11,524	-2,607	*n.a.*
Effective rate	-15.9%	-6.2%	*-9.7pp*
Profit for the year	**61,057**	**39,273**	***55.5%***

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousands of euros	31 Dec. 20	31 Dec. 19
ASSETS		
Non-current assets		
Property, plant & equipment	155,395	131,608
Intangible assets	41,413	45,079
Investment in joint venture	1,812	1,843
Deferred tax assets	11,105	14,660
Equity securities	71	71
Trade and other receivables	65	65
	209,861	193,326
Current assets		
Inventories	227,199	158,811
Trade and other receivables	76,401	81,541
Current tax assets	7,803	10,104
Prepaid expenses	13	3
Cash and cash equivalents	53,162	67,426
	364,578	317,885
TOTAL ASSETS	**574,439**	**511,211**
EQUITY		
Capital and reserves attributable to company shareholders		
Share capital	3,364	3,364
Share premium	87,636	87,636
Legal reserve	673	673
Treasury shares	-20,185	-10,341
Retained earnings and voluntary reserves	241,158	201,784
Profit for the year	61,057	39,273
Other reserves	-3	-3
Total equity	373,700	322,386
LIABILITIES		
Non-current liabilities		
Financial debt	68,421	72,104
Deferred tax liabilities	929	1,078
Contractual liabilities	5,788	5,793
Deferred revenue	2,712	3,141
	77,850	82,116
Current liabilities		
Financial debt	6,022	12,701
Trade and other payables	91,364	91,914
Contractual obligations	25,005	1,566
Deferred revenue	498	528
	122,889	106,709
TOTAL LIABILITIES	**200,739**	**188,825**
TOTAL EQUITY AND LIABILITIES	**574,439**	**511,211**

Cost containment

Sales, overhead and administration expenses dropped by 1% in comparison with the preceding year, totalling 124.4 million euros in 2020, in spite of recognition of 4.0 million euros for employee and other expenses related to the measures of protection against COVID-19.

Excluding the expenses related to COVID-19, sales, overhead and administration expenses would have dropped by 4% to 120.4 million euros in 2020, mainly as a result of the decrease in promotion expenses (travel expenses and congresses) incurred by the sales force and the expenses of international subsidiaries (including Portugal), which were 7.7 million euros, in comparison with 9.1 million euros in 2019, principally due to COVID-19.

Investments

ROVI continues to invest in research and development, to which it devotes a significant effort.

R&D expenses were 23.8 million euros in 2020, mainly related to preparing the registration dossier of Doria® to be filed with the United States authority, the U.S. Food and Drug Administration (FDA), Phase I of Letrozole-ISM®, and the development of the new formulation of Risperidone-ISM® for a three-monthly injection.

Furthermore, the group invested 39.7 million euros in fixed assets in 2020, compared with the 27.0 million euros of 2019. The additions recognised in 2020 mostly related to investments in ROVI's different manufacturing plants. The following may be highlighted:

- 3.2 million euros were invested in the Madrid injectables plant, in comparison with 1.6 million euros in 2019;
- 8.6 million euros were invested in the San Sebastián de los Reyes injectables plant, in comparison with 4.3 million euros in 2019;
- 2.4 million euros were invested in the Granada plant, in comparison with 5.9 million euros in 2019;
- 3.8 million euros were invested in the Alcalá de Henares plant, in comparison with 8.3 million euros in 2019;
- 9.7 million euros were invested in the industrialisation of ISM®, in comparison with 3.5 million euros in 2019;
- 10.1 million euros were invested in construction of the new heparin plant in Escúzar (Granada), in comparison with 1.0 million euros in 2019; and
- 2.0 million euros were invested in maintenance and other assets, in comparison with 2.4 million euros in 2019.

Additionally, in 2019, ROI invested 13.5 million euros in the acquisition of Polaramine®.

EVOLUTION OF THE MAIN R&D PROJECTS: RISPERIDONE AND LETROZOLE

RISPERIDONE ISM®

The first candidate of the ISM® technology expected to be launched in 2022

In March 2019, the company reported topline results of the pivotal study of Risperidone ISM® "PRISMA-3", and on 27 November, 2020, it announced the online publication in the journal npj Schizophrenia[14]. The results obtained in this study show that both doses (75 mg and 100 mg once a month) have achieved the prespecified primary and secondary efficacy endpoints for treatment of patients with acute exacerbation of schizophrenia. The primary efficacy endpoint, the PANSS total score (mean difference, CI: 95%), improved significantly with Risperidone ISM® 75 mg and 100 mg from the beginning until day 85, with adjusted differences with the placebo of -13.0 (17.3 to -8-8; p <0.0001) and -13.3 (-17.6 to -8.9; p<0.0001), respectively.

Significantly improved mean changes for the secondary endpoint, the CGI-S score, were also obtained for Risperidone ISM® in comparison with the placebo of -0.7 (-1.0 to -0.5; p<0.0001) for both doses from the beginning until day 85. The significant statistical improvement for both efficacy results was observed as early as 8 days after the first injection. The significant statistical improvement for both efficacy results could already be observed 8 days after the first injection. The adverse events notified with the greatest frequency were increased prolactin in the blood (7.8%), headaches (7.3%), hyperprolactinemia (5%) and weight increase (4.8%). No important new or unexpected safety information was reported. According to the authors of the article, Risperidone ISM® represents an efficient therapeutic strategy in schizophrenic patients who are admitted to hospital with an acute episode with serious or moderate psychotic symptoms.

In July 2019, the company also announced the completion of an open-label extension of the PRISMA-3 study, which provides clinical data on the long-term use of Risperidone ISM® (12 additional months[15]).

Based on these positive results and other data from the product, ROVI made a prior announcement (in a communication of relevant information dated 31 January, 2020, registration number 286374) of the commencement of the centralised procedure for registration with the EMA. Likewise, at its Capital Markets Day held on 24 November, 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. A final response from the FDA is expected in September 2021, since, after the dossier was filed in September 2020, the FDA completed its review of the application and determined that it was sufficiently complete to allow a substantive review.

Regarding the registration process in the European Union (EU), in March 2021, ROVI requested a clock stop in order to respond to a major observation, which entails repeating the BORIS[16]

14 Correll CU, Litman RE, Filts Y, Llaudó J, Naber D, Torres F, Martínez J. Efficacy and safety of once-monthly Risperidone ISM® in schizophrenic patients with an acute exacerbation. NPJ Schizophr. 2020 Nov 25;6(1):37

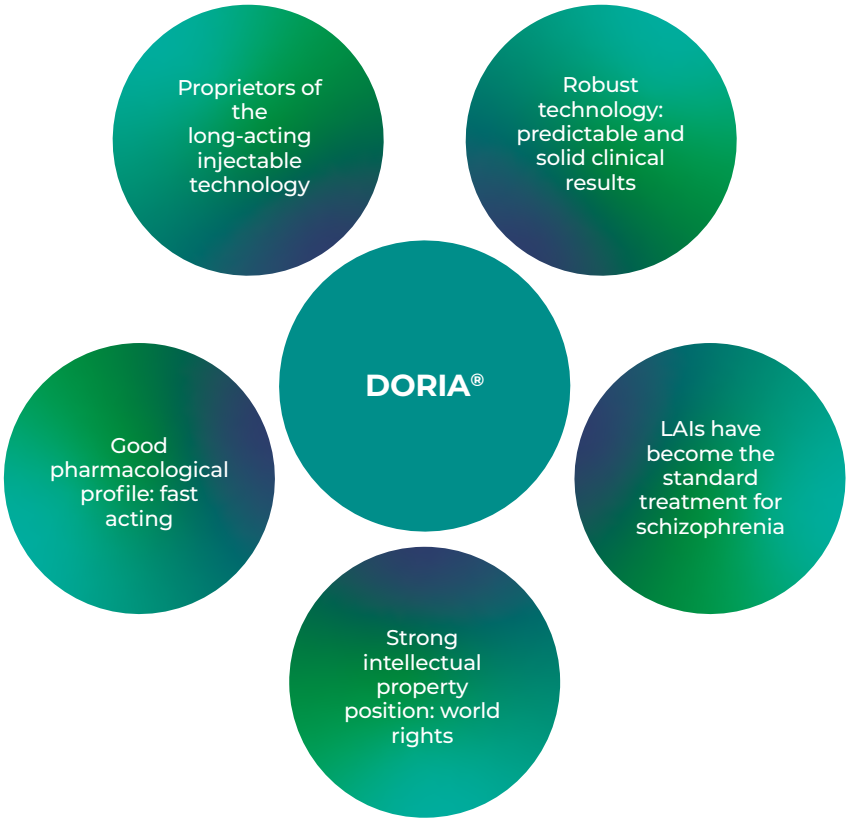
15 Study to Evaluate the Efficacy and Safety of Risperidone ISM® in Patients With Acute Schizophrenia: Open Label Extension (PRISMA-3_OLE). Clinicaltrials.gov# NCT03870880 [https://clinicaltrials.gov/ct2/show/NCT03870880].

16 Comparative Bioavailability of Risperidone. Clinicaltrials.gov# NCT03527186 (https://clinicaltrials.gov/ct2/show/NCT03527186)

comparative bioavailability study using the European reference product. The BORIS study is a phase I clinical trial that compares the pharmacokinetics of Risperidone ISM® with the oral formulation of risperidone (Risperdal®) marketed in the United States. ROVI expected the trial with Risperidal®, marketed in the United States, to be valid because Risperidal®, marketed in the United States, and Risperdal®, marketed in the EU, can be considered bioequivalents, according to the in vitro and in vivo studies performed by the group. Likewise, a second major observation was received from the European authorities related to a potential lack of flexibility upon commencement of the treatment with a prolonged-action formulation.

This is why ROVI has requested a clock stop in the administrative evaluation procedure for this medicine, in order to provide the information necessary to respond to these observations. They are expected to be solved by performing the aforementioned new clinical trial and a proposal for certain changes in the technical document of the medicine. It is expected to be able to provide this new information in November 2021 and the evaluation process will then resume, with the subsequent adoption of the final decision by the European authorities.

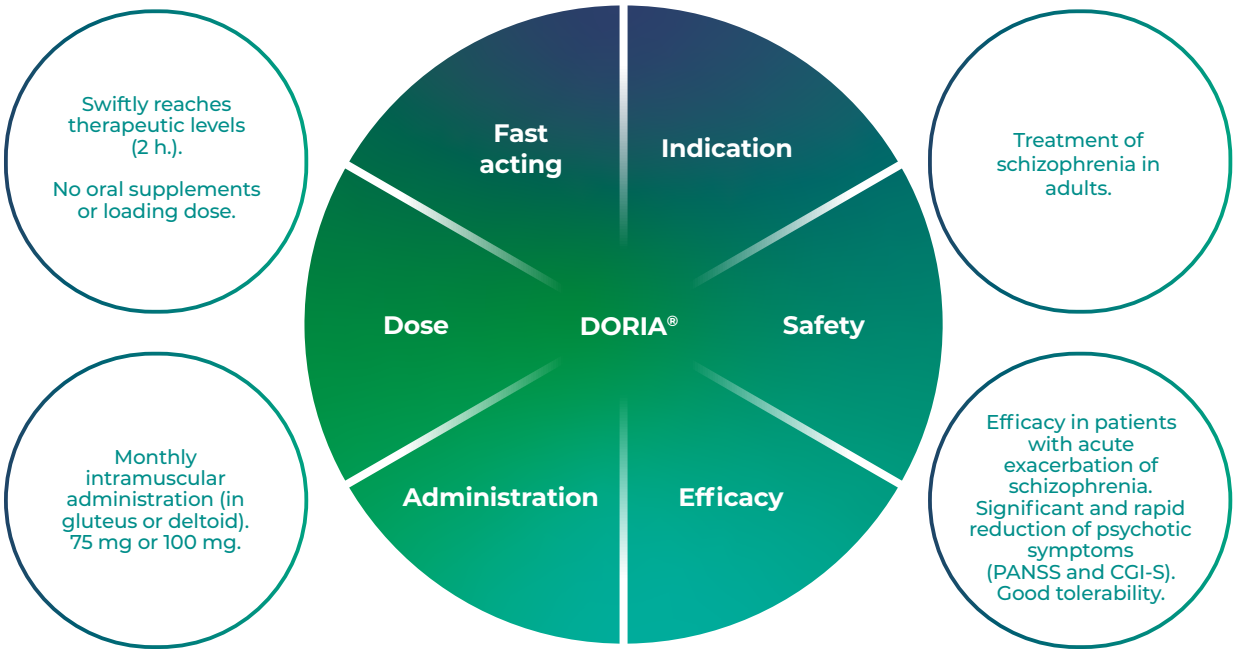
ROVI does not foresee any additional information requirements from the EMA and aspires to obtain the indication of "treatment of schizophrenia in adult patients", which would mean that Risperidone ISM®, due to its unique pharmacokinetic profile, would not only be indicated for the maintenance treatment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



Due to the pharmacokinetic characteristics of Risperidone ISM®, the Prisma-3 study was designed to provide an efficient alternative for managing unstable patients who suffer a relapse with severe or moderate psychotic symptoms. Risperidone ISM® has shown efficiency in severe patients as of day 8 after the first injection and is the only long-acting

atypical injectable antipsychotic that has shown a **reduction in PANSS (and CGI-S) as of day 8 without the need for supplementation with an oral antipsychotic or a loading dose.** This fast commencement of action would be equivalent to that observed with the oral antipsychotics that are usually employed to stabilise schizophrenic patients suffering acute exacerbation of the disease.

Therefore, Risperidone ISM® would be the **only long-acting atypical injectable antipsychotic authorised in Europe to treat adult schizophrenic patients, including unstable patients with moderate to severe psychotic symptoms.**



MONTHLY RISPERIDONE ISM®

The basis of new developments on Risperidone ISM®

ROVI's R&D team has recently commenced development of a new formulation of Risperidone ISM® for a three-monthly injection, which would complement the current monthly formulation for the maintenance treatment of patients with clinically stable schizophrenia. This development is at an initial stage.

LETROZOLE ISM®

Innovation in the breast cancer treatment field

Hormone receptor-positive (HR+) breast cancer accounts for up to 60-65% of all the breast cancers in the world and has a relatively high lifetime prevalence, which is expected to grow significantly over the next ten years.

At present, the treatment of this type of breast cancer is based on daily oral therapy with aromatase inhibitors and letrozole is the most widely-used of this therapeutic group.

Oral aromatase inhibitors comprise a global market of 1,100 million units, in which Europe has the largest market share (42%).

The global market of letrozole and anastrozole represents 2.9 million treatments per year, according to IQVIA-Midas Q3 2019 MAT. In addition, there is a third oral molecule, exemestane, also an aromatase inhibitor, that could be another candidate for replacement by LAIs. This molecule sells 123 million units worldwide, which represents an additional 338,000 treatments per year that could be added to the potential market of oral letrozole and anastrozole. The development of Letrozole ISM®, which is the second candidate to use ROVI's ISM® technological platform, is aimed at this market.

There are no LAIs in this market, but we think that a more convenient administration method (a long-acting injection) could become the standard treatment, since it would improve adherence and, thus, could also have an additional positive effect on efficacy.

The need for continuous hormone suppression in the treatment of HR+ breast cancer, together with early interruption of the treatment and/or failure to adhere to it -which is associated to an increase in mortality- with these oral medicines make letrozole a perfect candidate for our ISM® technology.

This new medicine, still in the research phase, is the first long-acting injectable aromatase inhibitor to treat hormone-dependent breast cancer and has various potential advantages, such as an improvement in the patients' quality of life, a decrease in healthcare costs, an improvement in the treatment adherence rate and a potentially enhanced tolerability profile as a result of a much lower average daily dose than the oral medicine. It is expected that lower effective doses (in comparison with the oral treatment) could reduce the adverse side effects (loss of bone mass, bone/articular/muscular pain, dyslipidaemia) due to lower exposure to the drug. This enhanced safety profile, if demonstrated in the clinical trials, has the potential to likewise have a positive impact on treatment adherence.

ROVI is firmly convinced that medicines targeting hormone receptors provide a unique opportunity to use the ISM® platform. ROVI's objective with Letrozole ISM® is to obtain a long-acting injectable formulation of letrozole that avoids the need for a daily dose. This represents an opportunity for Letrozole ISM®, since it could improve the current treatment and gain market share.

The fact that LAIs do not exist in this market makes us think that there could be a high rate of change from the oral treatment to the injectable treatment. Likewise, a high percentage of the dynamic new treatments market could us the LAI directly.

Furthermore, we do not expect there to be any new molecules that replace the aromatase inhibitors, since the risk/benefit profile of the aromatase inhibitors is already sufficiently optimal. No company is researching in this field. The only company carrying out research into the use of LAIs as a new form of administering aromatase inhibitors is ROVI.

The global market of letrozole and anastrozole represents **2.9 million treatments per year**

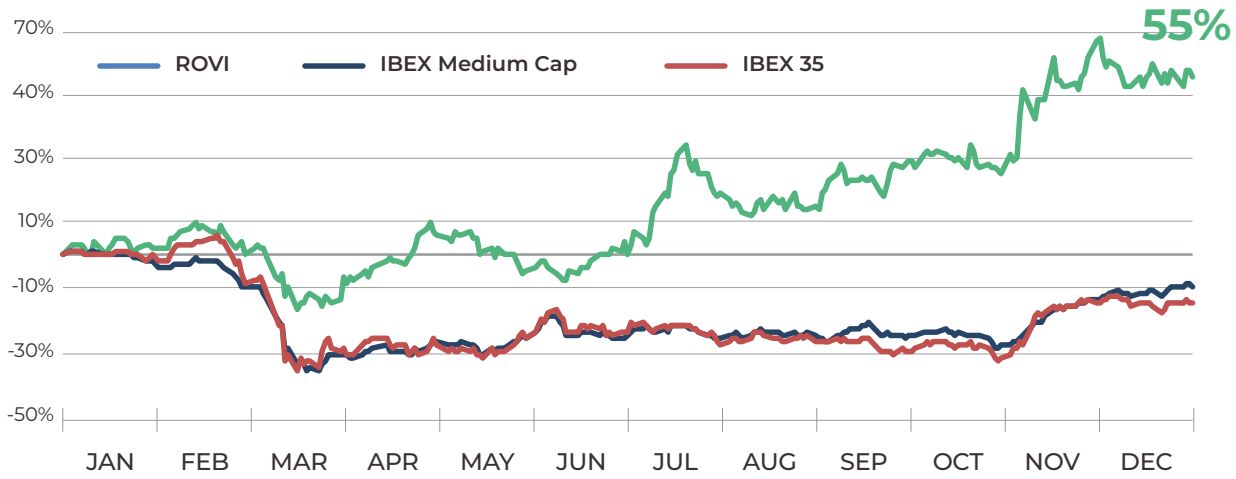
SECURITIES MARKET INFORMATION

Ticker symbol	*ROVI*
Ticker symbol in Bloomberg	*ROVI:SM*
Ticker symbol in Reuters	*ROVI.F*
ISIN	*ES0157261019*
Number of shares in issue (31 Dec. 2020)	*56,068,965*
Closing price (31 Dec 2020)	*€37.9*
Type of shares	*Common stock (Nominal €0.06)*
Capitalisation (31 Dec 2020)	*2,125 Mn€*
Market	*Continuous market*

In 2020, the ROVI share price rose by 55%

In 2020, the ROVI share price rose by 55.3% from 24.4 euros to 37.90 euros. In the same period, the Ibex-35 dropped by 15.5% to 8,154.40 points. ROVI's stock market capitalisation at 31 December, 2020 was 2,125 million euros.

EVOLUTION OF THE STOCK 2020



On 21 December, 2020, the Technical Advisory Committee of the IBEX indices decided to include Laboratorios Farmacéuticos ROVI in its index of medium capitalisation Spanish listed companies, the IBEX Medium Cap. The heavy increase in the trading volume of ROVI's shares in 2020 was the key factor in this promotion.

The average daily volume traded from January to December 2020 was 54,783 shares, including the volume negotiated on the block market. If we consider only the volume traded on the stock market, it was 47,866 shares (in comparison with 9,509 in 2019). The average daily volume (without blocks) increased by 403% in 2020 in comparison with 2019.

SHAREHOLDER STRUCTURE

Percent

63.11%
Norbel Inversores, S.L.

5.06%
Indumenta Pueri, S.L.

4.92%
T.Rowe Price International Funds, Inc

3.01%
Wellington Management Group, LLP

23.90%
Other

Shareholders owning significant direct or indirect interests in the share capital of Laboratorios Farmacéuticos Rovi, S.A. (more than 3% of the share capital) of which the company is aware, according to the information contained in the official records of the National Securities Market Commission as of 31 December, 2020, are the following:

VOTING RIGHTS

Percentage	DIRECT	INDIRECT	TOTAL
Norbel Inversiones, S.L.	63.11%	-	63.11%
Indumenta Pueri, S.L.	-	5.06%	5.06%
Wellington Management Group, LLP	-	4.92%	4.92%
T. Rowe Price Associates, Inc	-	3.01%	3.01%
TOTAL	**63.11%**	**12.99%**	**76.10%**

Significant shareholders hold 76.10% of ROVI's capital. The company Norbel Inversiones, S.L. holds 63.107% of the shares of Laboratorios Farmacéuticos Rovi, S.A. Norbel Inversiones, S.L. is owned by Mr Juan López-Belmonte López (20.000%) and Messrs Juan, Iván and Javier López-Belmonte Encina (26.667% each). Therefore, Mr Juan López-Belmonte López's interest in ROVI at the end of 2020 was 12.62%, while those of Messrs Juan, Iván and Javier López-Belmonte Encina were 16.83% each.

The composition and characteristics of the rest of the shareholders with significant interests are as follows:

- Indumenta Pueri, S.L. is the asset management company of the Domínguez family, which owns the children's fashion company Mayoral in Malaga.
- TRowe Price Associates, Inc Limited is a collective investment institution management company headquartered in the United States.
- Wellington Management Group LLP is a collective investment institution management company headquartered in the United States.

General Shareholders' Meeting

Approximately 81.39% of the shareholders were either present or represented at the General Shareholders' Meeting of 20 October, 2020. Due to the pandemic, the General Shareholders' Meeting was held exclusively on-line and was well received by the shareholders. Every one of the motions put forward by the Board of Directors of the company was approved with more than 99.52% of the votes in favour. Voting took place electronically, as an extraordinary measure due to the pandemic. All the documentation and information concerning the General Shareholders' Meeting is available on the company's website.

Proposed dividend of **€0.1751 per share**

The General Shareholders' Meeting approved the distribution of the 2019 profit, which included payment of a dividend to shareholders of a maximum amount of 9,818 thousand euros (0.1751 euros gross per share). The dividend was paid out in November 2020.

Treasury shares

During 2020, ROVI acquired a total of 1,233,324 of its own shares (224,449 in 2019), paying the sum of 37.3 million euros for them (4.7 million euros in 2019). Likewise, it resold a total of 1,246,626 treasury shares (232,548 in 2019) for an amount of 37.5 million euros (4.9 million euros in 2019). These shares had been acquired at a weighted average cost of 27.4 million euros (3.2 million euros in 2019), giving rise to a profit of 10.1 million euros on the sale (1.7 million euros in 2019), which was taken to reserves. At 31 December, 2020, ROVI held 673,654 treasury shares (686,956 at 31 December, 2019).

Communication with shareholders

Through its "Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors", which it constantly updated and applied, ROVI maintains regular and smooth communication concerning all its activities. To this end, it has various channels for contact with investors, such as the e-mail address for direct consultations ir@rovi.es) or the form included on the website: www.rovi.es/contact.

ROVI offers all its shareholders the possibility of receiving the company's financial information through an e-mail alert system and regular, prompt and relevant information on the company, such as presentations and legal documents on economic and financial aspects and corporate governance, may be consulted in the group's portal. Furthermore, it has three profiles in social media (Twitter, LinkedIn and YouTube), from which it informs of new developments in the group, sharing its relevant events and press releases, as well as other activities related to corporate social responsibility.

Composition of the Investor Relations Department

The Investor Relations Department is composed of three people, one of whom is on a one-year scholarship. Both this person and another member of the team joined the department in 2020 and both report to the head of the area who, in turn, reports to the company's Deputy Chairman and Chief Financial Officer. The Investor Relations Department offers shareholders, potential investors and analysis service excellence based on in-depth knowledge of the company and swift and efficient attention. This is acknowledged by the financial community, according to the impressions received by the Department from the analysts who cover ROVI and the investors with whom the company has most contact. Internally, the Investor Relations Department has very smooth communication with all the areas involved in the business in order to provide the best responses possible to the queries raised by ROVI's analysts and investors.

Investor Relations activity

True to its principles of proximity and transparency, ROVI carries on continual activity throughout the year through meetings, forums and events with investors. In 2020, ROVI held 10 roadshows, took part in 62 calls with investors and attended 12 virtual conferences, which represented attention to a total of over 180 investors.

The conferences that ROVI attended during 2020 were the following:

- Santander Iberian Conference
- BME European Midcap Event
- BME Foro Medcap
- Jefferies Healthcare Conference, June
- Kepler Chevreaux Life Science Day
- BBVA Spanish Pharma companies & Covid Conference
- BBVA Iberian Conference
- Kepler Chevreaux Autumn Conference
- Caixabank BPI Iberian Conference
- Exane BNP 3rd European Mid Cap CEO Conference
- Jefferies Healthcare Conference, November
- BME Geneva European MidCap Event

Analyst cover

As of 31 December, 2020, ROVI was being covered by 14 analysts. In 2020, the consensus of the analysts was a buy recommendation for ROVI, with an average target price of 38.55 euros, 2% higher than the closing price of the share at 31 December, 2020, which was 37.90 euros.

ANALYSTS FOLLOWING ROVI

Banco Santander	*Alejando Conde Fraisoli*
Bankinter	*Pedro Echeguren*
Bestinver	*Patricia Cifuentes*
Caixabank BPI	*Guillherme Macedo*
Edison	*Susie Jana*
Exane BNP	*Francisco Ruiz*
Intermoney	*Juan Ros*
JB Capital Markets	*Jose María Cánovas*
Jefferies	*Harry Sephton*
Kepler Chevreaux	*Pablo de Rentería*
ODDO BHF	*Isabel Carballo*
Renta4	*Ana Gómez y Álvaro Arístegui*
Rx Securities	*Samir Devani*
Sabadell	*Luis Arredondo*

CUSTOMERS, PATIENTS AND PROFESSIONALS

ROVI considers it has a triple commitment to customers, patients and professionals. They are the centre of its day-to-day activity and it seeks to provide a high degree of satisfaction by creating sound and long-lasting relations of trust.

The group divides its activity between toll manufacturing and the distribution of products manufactured at its plants or marketed under licence. It offers other laboratories the possibility of outsourcing their manufacturing processes in a wide variety of pharmaceutical forms, including prefilled syringes, vials, suppositories, tablets, hard capsules and sachets. Likewise, ROVI's products are distributed to subsidiaries and international partners, pharmaceutical wholesalers, pharmacies and hospitals all over Spain.

The company's main goal is to achieve a high degree of satisfaction of the needs and expectations of the groups that are related to its products, creating sound and long-lasting relations of trust. Its products encompass both the possibility of "a la carte" services in its toll manufacturing area and contact with health professionals, to whom it offers the best treatment options, not forgetting the patients who are able to benefit from the latest advances and best medicines to treat their complaints.

The foregoing is implemented through a service where the prevailing factors are quality and experience, actions principles of ROVI's General CSR Policy in relation to these stakeholders, who are the basis of the company's business.

COMMITMENTS

- To bet on innovative pharmaceuticals as a growth driver for ROVI.
- To pay special attention to protecting the health and safety of our customers and patients throughout the life cycle of our products through strict compliance with the applicable legislation.
- To observe due confidentiality in data processing.
- To manage and solve their queries and complaints in the shortest time possible.
- To monitor customer experience via surveys that measure their satisfaction and other means and systems that allow permanent active listening to the customer in all those processes and operations in which the latter relates to the company.
- To operate appropriate and efficient communication channels, using the most suitable means for this purpose.
- To observe and comply with the rules that regulate communication and marketing activities and assume the voluntary codes that furnish such actions with transparency and veracity.

All customers have several consultation channels available to them for information requests

Proximity, service and trust

Proximity, permanent service and trust are the pillars on which the long-lasting trading relations that the company considers essential in its relations with customers are built.

For this purpose, all customers have several consultation channels available to them for information requests, such as the portal exclusively for international partners (www.benimed.com), which has been active since 2008.

Data protection

Since 2018, the group has had a Data Protection Officer, whose duties include advising the group on compliance with the new regulatory framework. This person is responsible for monitoring compliance with the procedures established both to protect and ensure the integrity, confidentiality, availability and privacy of the personal information the company processes (on customers, patients and professionals) and to safeguard people's rights and freedoms.

DATA PRIVACY AT ROVI

Procedures	***Patients***	*The ROVI group has specific procedures that regulate personal data processing in both the pharmacovigilance and clinical operations area.*
	Professionals	*The ROVI group has reviewed and updated its privacy policies in depth to ensure fair, transparent and lawful processing of personal information in order to favour enhanced attention to patients, properly establishing the lawful bases for the processing and the mechanisms necessary to obtain consent.*
	Customers	*The ROVI group applies current legislation to ensure the security of the data of its employees and others which must be processed in order to perform the contractual relationship and prevent the alteration, loss and unauthorised processing of said data or access thereto.*

Thus, ROVI's permanent commitment to protect and safeguard personal data of customers, patients and professionals is reinforced even further.

Quality, a day-to-day commitment

The main goal of ROVI and all the professionals who form part of the company is to guarantee the quality, safety and efficacy of the products that the group places on the market. In this respect, all group companies have procedures in place that describe the checks performed in all phases of the processes, including product research and development, the reception of raw materials, packaging materials, production, storage and distribution to the customers.

The standards fixed fully comply with the company's internal requirements but also with the external standards imposed by the bodies that regulate the different products on ROVI's portfolio. To assess compliance with these procedures, regular internal audits are performed at all the group's facilities and the Management Committee also performs annual reviews in which the main points that require improvement are analysed. Finally, the quality audits performed by external entities show the commitment to continuing improvement and maintaining the highest standards.

Furthermore, with the frequency established in the legislation applicable to the products, all group companies are inspected by both the Spanish health authorities and those of the countries to which the products are exported.

Pharmacovigilance and product safety

ROVI, as a medicine manufacturer and distributor, is committed to the safety of the patients to whom its medicines are administered. To this end, it has the appropriate controls to ensure that the products maintain the best benefit/risk balance and, furthermore, has a Pharmacovigilance System in place, which allows any possible adverse reactions (any harmful and unintended response) to its medicines and healthcare products that are notified to be recorded and assessed.

ROVI's Pharmacovigilance Department has a communication channel in place by e-mail (farmacovigilancia@rovi.es) or telephone [(+34) 91 021 30 00], both of which may be accessed through the Company's website (www.rovi.es). When a notification, claim or complaint is received, this Department analyses whether it could be due to a quality and/or safety problem, thus initiating the sign detection process that ROVI has implemented.

Thus, ROVI constantly monitors all the products, evaluating the safety information received through different channels, such as, for example, spontaneous notifications from patients and health professionals, health authorities, or scientific studies or publications. In the event that, while a claim is being processed, a possible risk for the patient and/or health professional is identified, the Quality Department informs Pharmacovigilance, so that the case can be handled correctly. The investigations may involve several departments (Quality, Pharmacovigilance or Medical Science Liaison) in both Spain and the subsidiaries, or may even extend to suppliers and/or subcontractors. The efficacy of these actions is analysed annually by ROVI management in the system review.

QUALITY DATA 2020

	LAB.FCOS. ROVI	CRISVI	ALEMANIA	FRANCIA	ITALIA	PORTUGAL	UK	TOTAL DISTR.
GENERAL								
Units manufactured/ Units distributed	20,615,742	28,703	917,358	289,428	1,708,154	778,812	99,054	24,437,251
CUSTOMER COMPLAINTS								
No. customer complaints	117	0	125	1	7	12	3	265
Complaints/million units	5.68	0.00	136.26	3.46	4.10	15.41	30.29	10.84
CUSTOMER QUERIES QUALITY + THERAPEUTIC-								
No. customer queries	75	0	243	23	0	4	17	362
Queries/million units	3.64	0.00	264.89	79.47	0.00	5.14	171.62	14.81

	Julián Camarillo	SSRR	GRANADA	ALCALÁ	ISM			TOTAL DISTR.
GENERAL								
Units manufactured/ Units distributed	103,000,000	47,900,000	87	61,521,320				212,421,407
CUSTOMER COMPLAINTS								
No. customer complaints	249	28	0	860				1,137
Complaints/million units	2.42	0.58	0	13.98				5.35

(*) Quality queries are those where the patient or health professional asks about storage conditions, allergens, composition of the compound, or similar. Therapeutic queries are defined as those concerning any scientific information and/or the uses of a product.

HUMAN RESOURCES

ROVI strives to be a good company for which to work, able to earn the commitment of its employees. To this end, it ensures, firstly, an appropriate, safe and comfortable working environment, promoting good relations, good treatment and tolerance among all its employees. Furthermore, it strives to encourage the personal and professional development of all its employees throughout their careers, so that they achieve all their professional goals and realise their full potential, since it is vital to have workers with the best skills and capabilities in order to maintain the company's innovate drive.

In the first place, the group focuses on the growth and prevalence of high-quality permanent employment among its professionals, in order to furnish its team with stability and peace of mind. It applies a balanced policy of permanent employment, focused on the structural needs of the activity, and temporary jobs to meet specific or seasonal needs.

In 2020, once again, the number of employees in its human team rose, **now totalling 1,419 professionals, an 8% increase**

A diverse, committed and positive human team, able to achieve and surpass its goals, makes a company's success possible. ROVI is aware of the vital role played by the professionals that form its workforce and, therefore, likewise promotes the best employment practices at all its centres, favours the work-life balance and the personal desires of each one of the people who work for ROVI. Furthermore, the company strives to promote the highest degree of inclusion and access for differently-abled candidates under equitable conditions, as well as an effective balance and equality in the conditions of men and women.

At the same time, talent is a key factor, both when attracting young people with drive, a renewed vision and training in the most recent technologies, and when taking advantage of the experience of the company's most veteran professionals. ROVI encourages mentoring between the senior and young talent, generating a flow of knowledge and the mutual enrichment of both groups, one of the company's most important values and a key factor in both its results to date and the successes that will come in the future.

BALANCE OF THE YEAR AND FUTURE CHALLENGES

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ROVI has continued to expand its business and, at the same time, the number of people who form its workforce. In 2020, once again, the number of employees in its human team rose, now totalling 1,419 professionals, an 8% increase on 2019.

Equal opportunities

As the figures show, a balance is maintained in terms of both gender and age, which demonstrates the consolidation of a business culture in which a bet on diversity and equal opportunities prevails in all the professional groups and in all the countries where ROVI is present.

At the year end, 747 of the total jobs were held by women (696 in 2019), with 672 men, in comparison with 614 in 2019.

DISTRIBUTION OF EMPLOYEES BY GENDER

	2020	2019	Total variation
Men	672	614	9%
Women	747	696	7%
TOTAL	**1,419**	**1.310**	**8%**

DISTRIBUTION OF EMPLOYEES BY AGE / GENDER

	2020			2019			Total variation
	Men	Women	**TOTAL**	Men	Women	**TOTAL**	
18-30 years	101	137	238	88	222	310	-23%
31-40 years	198	216	414	179	187	366	13%
41-50 years	225	238	463	210	176	386	20%
51-60 years	125	127	252	116	93	209	21%
>60 years	23	29	52	21	18	39	33%
TOTAL	**672**	**747**	**1,419**	**614**	**696**	**1,310**	**8%**

DISTRIBUTION OF EMPLOYEES BY PROFESSIONAL GROUP* / GENDER

	2020			2019			Total variation
	Men	Women	**TOTAL**	Men	Women	**TOTAL**	
1	1	5	6	1	6	7	-14%
2	42	31	73	26	20	46	59%
3	85	113	198	79	92	171	16%
4	138	111	249	130	105	235	6%
5	229	215	444	225	218	443	0%
6	84	120	204	68	103	171	19%
7	62	126	188	62	135	197	-5%
8	3	1	4	3	1	4	0%
0	12	5	17	12	5	17	0%
Subsidiaries	16	20	36	8	11	19	89%
TOTAL	**672**	**747**	**1,419**	**614**	**696**	**1,310**	**8%**

* Professional group according to the XIX Collective Agreement of the Chemical Industry..

DISTRIBUTION EMPLOYEES BY COUNTRY/GENDER

	2020			2019			Total variation
	Men	Women	**TOTAL**	Men	Women	**TOTAL**	
Spain	656	727	1,383	606	685	1,291	7%
UK	0	1	1	-	1	1	0%
Germany	11	9	20	3	2	5	300%
Italy	1	4	5	1	3	4	25%
France	3	1	4	3	-	3	33%
Poland	0	1	1	-	1	1	0%
Portugal	1	4	5	1	4	5	0%
TOTAL	**672**	**747**	**1,419**	**614**	**696**	**1,310**	**8%**

Recruitment

In its human resource management, ROVI continues to be committed, as mentioned previously, to the creation of high-quality, stable and secure employment, both for professionals who are beginning their career and for those who have a long track record. This allows a balanced workforce to be formed with the best of both young and veteran talent, ready to tackle ROVI's challenges as a company and industry leader.

When recruiting, the principle of equal opportunities prevails at ROVI, promoting the inclusion and access of differently-abled people under equitable conditions, as well as balance and equality in the conditions of men and women, as a hallmark of its culture.

DISTRIBUTION EMPLOYEES BY CONTRACT TYPE/GENDER

	2020			2019			
	Men	Women	**TOTAL**	Men	Women	**TOTAL**	**Total variation**
Permanent full-time	544	589	1,133	496	526	1,022	11%
Permanent part-time	1	7	8	-	8	8	0%
Permanent reduced hours	-	-	0	4	35	-	-
Total permanent	**545**	**596**	**1,141**	**500**	**569**	**1,069**	**7%**
Temporary specific project or service	4	10	14	2	1	3	367%
Temporary work backlog	74	74	148	61	48	109	36%
Temporary substitution contract	5	-	5	6	8	14	-64%
Training/ apprenticeship	34	47	81	31	51	82	-1%
Temporary part-time	10	20	30	14	19	33	-9%
Total temporary	**127**	**151**	**278**	**114**	**127**	**241**	**15%**
TOTAL	**672**	**747**	**1,419**	**614**	**696**	**1,310**	**8%**

DISTRIBUTION EMPLOYEES BY CONTRACT TYPE/AGE

	18-30	31-40	41-50	51-60	>60	TOTAL
Permanent	118	350	411	243	19	1,141
Temporary specific project or service	2	5	5	2	-	14
Temporary work backlog	47	46	46	6	3	148
Temporary substitution contract	2	3	-	-	-	5
Training/apprenticeship	69	10	1	1	-	81
Temporary part-time	-	-	-	-	30	30
TOTAL	**238**	**414**	**463**	**252**	**52**	**1,419**

DISTRIBUTION EMPLOYEES BY CONTRACT TYPE/PROFESSIONAL GROUP*

	1	2	3	4	5	6	7	8	0	Subsidiaries	TOTAL
Permanent	6	19	135	211	370	168	186	4	17	25	1,141
Temporary specific project or service	-	2	6	2	2	2	-	-	-	-	14
Temporary work backlog	-	51	44	11	21	9	1	-	-	11	148
Temporary substitution contract	-	1	-	1	2	1	-	-	-	-	5
Training/ apprenticeship	-	-	5	11	41	24	-	-	-	-	81
Temporary part-time	-	-	8	13	8	-	1	-	-	-	30
TOTAL	**6**	**73**	**198**	**249**	**444**	**204**	**188**	**4**	**17**	**36**	**1,419**

* Professional group according to the XIX Collective Agreement of the Chemical Industry.

Turnover

In an environment so complicated as that of 2020, ROVI's workforce was not affected by any temporary redundancy proceedings (ERTE) or similar. It continued along a similar path to other years in terms of the percentage turnover of employees, both voluntarily and due to business needs. At all times, the greatest diligence was applied to safeguarding the employee's rights.

DISTRIBUTION DISMISSALS BY GENDER

Percentage	2020	2019	Total variation
Men	**13**	**22**	**-41%**
Women	5	17	-71%
TOTAL	**18**	**39**	**-54%**

ROVI's workforce **was not affected by any temporary redundancy proceedings** (ERTE) or similar

DISTRIBUTION DISMISSALS BY AGE / GENDER

	2020			2019			Total variation
	Men	Women	**TOTAL**	Men	Women	**TOTAL**	
18-30 years	1	-	1	1	2	3	-67%
31-40 years	3	-	3	5	10	15	-80%
41-50 years	8	3	11	8	5	13	-15%
51-60 years	1	2	3	8	-	8	-63%
>60 years	-	-	-	-	-	-	-
TOTAL	**13**	**5**	**18**	**22**	**17**	**39**	**-54%**

DISTRIBUTION DISMISSALS BY PROFESSIONAL GROUP*/GENDER

	2020			2019			Total variation
	Men	Women	**TOTAL**	Men	Women	**TOTAL**	
1	-	-	-	-	-	-	-
2	-	1	1	4	3	7	-86%
3	5	1	6	4	3	7	-14%
4	2	1	3	-	1	1	200%
5	4	-	4	10	7	17	-76%
6	1	-	1	3	2	5	-80%
7	1	2	3	1	1	2	50%
8	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-
TOTAL	**13**	**5**	**18**	**22**	**17**	**39**	**-54%**

* Professional group according to the XIX Collective Agreement of the Chemical Industry.

INTERNAL COMMUNICATION CHANNELS

ROVI has communication channels in place between the company and the workforce and tries to make them transparent, easily-reached and accessible. It uses newsletters, the internal television channel, notice boards or e-mails to communicate different matters of general interest, company milestones, agreements or organisational changes, always seeking to use all the technical means available to reach its entire workforce, irrespective of whether or not they have access to the necessary technical resources.

In 2020, the latest internal communication channel launched by the company completed its first full year of operation: Rovi Rocks , an application for mobile devices for the exclusive use of ROVI employees. The application allows the employee to keep updated on new developments in the company, as well as including some very useful information, such as an employee directory with telephone numbers, access to the confidential consultation channel Ethics Channel, or the Ideas ROVI section, through which employees may submit proposals to improve the company.

Rovi Rocks also gives access to an area of exclusive discounts and groups for ROVI employees and includes a virtual library section (called ROVIteca), where they can access a catalogue of more than 2,000 titles of all kinds: novels, educational publications, magazines, children's books, classics, etc.

EQUAL OPPORTUNITIES AND WORK-LIFE BALANCE

ROVI decidedly promotes real equality in the treatment and opportunities of men and women, with no discrimination on the grounds of gender, race or any other personal characteristics in either selection processes or promotions, or in the professional development or remuneration policy for persons working in the group.

To this end, policies have been put in place to (i) promote and ensure equal treatment and opportunities for women and men, with no gender-based direct or indirect discrimination; and (ii) drive and encourage measures to achieve real equality within the organisation, establishing equal opportunities as a strategic principle of its human resource policy.

These mechanisms are set out in both the company's Code of Ethics and the Equal Opportunities Plan. These documents ensure that the principles of equality and non-discrimination are applied and give rise to the creation and inclusion of actions and mechanisms in areas such as selection, recruitment, internal promotion, professional development, training, remuneration, work-life balance, gender violence and the prevention of harassment, and communication.

During 2020, an Equality Plan was implemented in line with the legal framework established by Royal Decree-Law 6/2019. The consultancy firm PwC (PricewaterhouseCoopers) and an Equality Commission formed by the Company's main interlocutors took part in preparing said Equality Plan. The Equality Commission is responsible for appropriate monitoring of the measures that are implemented and strives to keep the group's commitment in this matter active and updated. Subsequently, the new Royal Decree 901/2020 of 13 October, which regulated equality plans and the registration thereof and amended Royal Decree 713/2010,

led to substantial changes in the methodology for preparing the plan and in the company's obligations. Therefore, the Equality Plan has been updated within the framework of the new legislation and is expected to be published during 2021.

The policies developed by the Equal Opportunities Commission are also reflected in the Board of Directors, where the criteria for appointing directors is based solely on the candidates' merits, seeking people of recognised knowledge, skills and experience, regardless of their gender or race. For further details in this respect, please consult the Corporate Governance chapter (pág. 77).

Zero tolerance of harassment

The Protocol for the Prevention and Handling of Moral and Sexual Harassment in the workplace is one of the documents that all employees are obliged to know and respect. It reflects ROVI's decided position as a company that it does not tolerate harassment or violence, rejecting any kind of manifestation of these conducts, including physical, sexual, psychological or moral harassment or violence, the abuse of authority or any other behaviour that generates an atmosphere that is intimidatory or offensive in respect of workers' rights.

The workers, as well as suppliers, business partners, agents and external collaborators, may use the Ethics Channel to report any infringement of this Protocol. This channel, which guarantees appropriate handling and response, has its own regulations governing the procedure to follow when managing and processing the reports and notifications received and ensures that, when faced with an action that potentially contravenes the Company's principles and values, the latter is able to react strictly, efficiently and diligently.

RESPONSIBLE RECONCILIATION BETWEEN WORK AND FAMILY LIFE

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ROVI understands and strives to ensure that the working life of its professionals should not be a hindrance or obstacle to each person enjoying their personal and family situation. This forms part of its commitment to create the best work environment possible and, to this end, going beyond the requirements of the public authorities or the obligations of the Collective Agreement of the Chemical Industry, it furnishes its own set of measures that expand and enhance these initiatives.

Thus, the group tries to enhance the quality of life and create harmony, where the family is not an obstacle to an employee's working life and professional career but, rather, an element that further enriches ROVI's work team.

In 2020, 11 employees requested reduced working hours to enable them to reconcile their personal life with their professional life (39 people in 2019).

RECONCILIATION BETWEEN WORK AND FAMILY AT ROVI

Working hours and time off

- Flexible starting and finishing times for office and industrial structure personnel.
- Changes of shift or day between co-workers in the industrial area and reductions in working hours adapted to each person's needs.
- Flexibility in holiday calendars, provided the activity of the employee's area is compatible.

Remuneration

- Salary supplement for the most vulnerable groups, such as pregnant women, to ensure that no conditioning factors, such as a decrease in their usual income, exist. The benefit they receive from the Social Security is completed to 100% of their salary and nursery school vouchers, restaurant vouchers and medical insurance are available in the a la carte salary proposal.
- All permanent employees are offered cover by the life insurance policy paid by the company.

Travel

- All employees who so require are provided with laptop computers with connectivity to the company's intranet, in order to avoid unnecessary trips and visits.
- Use of videoconferencing and on-line meetings is encouraged.

- If the type of work so permits, the possibility of teleworking is arranged in the last few weeks of pregnancy.
- At work centres where street parking is difficult, the company makes a series of parking spaces available to pregnant women to make it easier for them to get to work.

Disconnection from work

- Communication with employees through any channel (telephone, e-mail, chat, etc.) outside working hours is actively avoided, unless there is an urgent, unforeseen or indispensable need that cannot be met otherwise.
- Meetings at the end of the working day that might mean overstepping working hours and, thus, affect workers' attention to their family duties are avoided.

Changes in 2020 due to the new regulations on recording working hours and disconnecting from work

At ROVI, the register of working hours has never been the cause of any conflict and has been in place for decades. At the same time, especially among office workers and those holding positions of responsibility, flexibility and mutual trust have been the hallmark of the day-to-day of both the company and its employees.

Therefore, in relation to the practical effects derived from Royal Decree-Law 8/2019 of 8 March on Urgent Measures for Social Protection and the Fight against Job Insecurity in the Working Day, which amended article 34.9 of the Workers' Statute, the company swiftly and satisfactorily adapted the pre-existing system for recording working hours to the new requirements, developing rules on time checks that are a continuation of the policy that was already implemented in the company. The policy now includes the specific features of certain jobs for which these checks are more complicated, putting guidelines in place to ensure legal certainty and the rights of both the workers and the organisation.

This policy, furthermore, shares the spirit of the new regulations, having always been intended to (i) ensure compliance with the limits on working hours, a framework of legal certainly and protection of workers against abuse of their working hours; and (ii) prevent fraud in providing and paying social security contributions on overtime and favour the work-life balance.

In addition, ROVI has taken the opportunity of this adaptation to the new regulations to take a further step in the work-life balance policies already in place. In 2020, it included a new Digital Disconnection Protocol in its agreements with the workers' representatives and its Working Hours Register Policies, regulating the company's commitment not to require employees to connect to the company's digital systems, e-mail or telephone after the working day fixed for each worker has concluded.

EVALUATION AND REMUNERATION OF EMPLOYEES

Remuneration for work of the same value is one of the unchangeable principles of ROVI's wage policy. It is applied upon recruitment of the employee and in salary reviews throughout his or her working life.

In 2020, the average employee remuneration was 37,044 euros, representing a slight increase of 3% on 2019.

AVERAGE REMUNERATION BY GENDER

	2020	2019	Total variation
Men	38,677 €	36,782 €	5%
Women	35,410 €	35,244 €	0%
AVERAGE	**37,044 €**	**36,013 €**	**3%**

AVERAGE REMUNERATION BY AGE/GENDER

	2020		2019		Total variation
	Men	Women	Men	Women	
18-30 years	24,737 €	25,705 €	22,813 €	28,091 €	-1%
31-40 years	30,216 €	34,177 €	29,893 €	34,909 €	-1%
41-50 years	42,890 €	38,655 €	44,772 €	41,400 €	-5%
51-60 years	51,676 €	42,276 €	48,836 €	40,914 €	5%
>60 years	60,862 €	33,752 €	51,672 €	36,987 €	7%

AVERAGE REMUNERATION* BY PROFESSIONAL GROUP** / GENDER

	2020		2019		Total variation
	Men	Women	Men	Women	
1	16,447 €	18,304 €	16,000 €	17,262 €	4%
2	17,467 €	18,235 €	17,117 €	18,095 €	1%
3	19,408 €	20,901 €	19,137 €	21,510 €	-1%
4	26,734 €	26,299 €	26,350 €	25,951 €	1%
5	36,683 €	34,342 €	36,492 €	33,925 €	1%
6	43,441 €	36,584 €	43,960 €	34,910 €	1%
7	57,045 €	53,880 €	53,905 €	50,705 €	6%
8	113,338 €	105,013 €	104,044 €	102,851 €	6%
0	223,139 €	135,803 €	226,024 €	132,203 €	0%
Subsidiaries	81,134 €	58,366 €	71,545 €	66,091 €	1%

* Does not include scholarship remuneration, since scholarship-holders do not have a Professional Group.

** Professional group according to the XIX Collective Agreement of the Chemical Industry.

The complicated situation that existed in 2020, where part of ROVI's workforce had to continue working in person at the manufacturing plants, led the company to establish a special measure consisting of a 20% wage bonus for said employees for the duration of the State of Alarm decreed by the Spanish government. Likewise, to be able to carry out production activity with the highest level of safety and ensure its continuity, ROVI recommended that use of public transport be avoided and assumed the expense of private transport and parking spaces for those employees who needed them.

In addition, for all its workforce in general, ROVI has a Policy for the Reimbursement of Expenses and Payment of Per Diem Allowances for a series of stipulated items, in order to prevent the need for employees to incur additional expense when working for the company. The reimbursement of expenses in preceded by the pertinent expense note, which must be accompanied by the documentary support of the expenses (invoices, etc.). To prevent fraud, employees must settle the expenses incurred in providing their services preferably with the corporate credit card and must minimise cash payments.

Wage gap

The company regularly monitors the gender wage gap by evaluating the indicators that refer to wage differences by job and gender. The objective is to identify possible deviations, examine any differences that may exist and reduce them as far as possible, in order to ensure application of the principle of equality in the workplace.

In 2018, the audit firm PricewaterhouseCoopers Auditores, S.L. was engaged to perform a limited assurance review of the wage gap indicators by professional group in group companies. The indicators were drawn up on the basis of the methodology published in January 2015 by the Ministry of the Presidency, Parliamentary Relations and Equality in relation to calculating the gender pay gap and are the indicators the company uses to update the figures each year.

During 2020, as in the preceding years in which this criterion had been applied, the absence of gender-based wage discrimination continued, with no differences in remuneration that were not based on personal factors (qualifications, work experience, length of service, etc.) or position (duties, degree of responsibility, working hours, etc.).

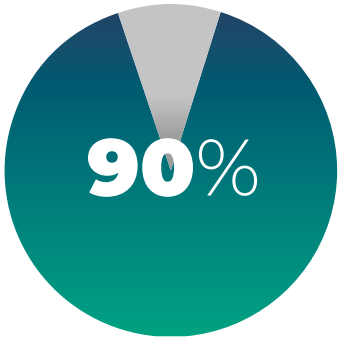
ATTRACTING AND RETAINING TALENT AND TRAINING

Selecting and retaining the best talent is the basis of the success and growth of ROVI's business. The Human Resources Department designs and manages the company's Selection Policies, in which the same principles are applied as for the development of employees themselves, such as the guarantee of opportunities with no kind of discrimination, objectivity in processes and impartiality in decisions, and confidentiality. The group endeavours to promote attracting both young talent and the talent present in marginalised groups or differently-abled people, as well as the promotion and reinforcement of internal candidates.

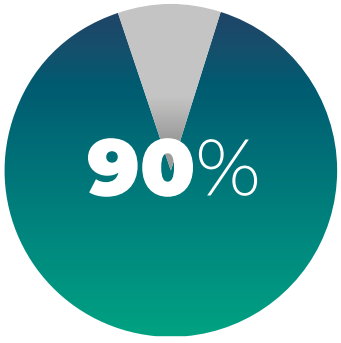
One of the main channels used by the company in this respect is the scholarship and training programmes, in which ROVI collaborates with educational institutions. It holds collaboration agreements with 85 educational centres (universities, institutes, official training centres and business schools) all over Spain, in order to provide practical training

in which young professionals can have their first work experience in a genuine work environment. Through them, undergraduates in their last year, student's studying for a Master's degree or doctorate and professional training students have the possibility of obtaining their practical training credits in different areas of one of the group companies, thus enhancing their skills, knowledge and experience.

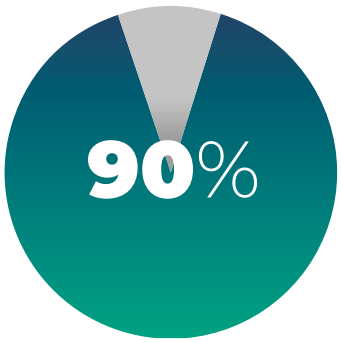
Around 85% of the people who obtain a scholarship with ROVI finally join the company with a contract. In 2020, ROVI selected 81 students for training contracts and an average of 57 scholarship-holders, 89% of whom have obtained a contract with the company. The possibilities for talented young people to train and the investment the group makes in this training is indispensable in order to have a reserve ready for the future.



OF THE ROVI GROUP'S SCHOLARSHIPS ARE REMUNERATED



OF THE SCHOLARSHIPS ARE FULL TIME



OF THE SCHOLARSHIPS LAST FOR 6+6 MONTHS

TRAINING IN SKILLS AND VALUES

404-1

ROVI is constantly working to have a well-prepared and qualified workforce through different training itineraries adapted to each professional. This task is indispensable in order to attain the group's objectives and takes account of both the immediate needs of the employee's job and the long-term requirements that may derive from the use of new technologies, equipment or instruments or from assuming greater responsibilities with a view to future promotion or new projects.

All the employees have an Individual Development Plan, designed with the goal of efficiently helping people to co-operate and contribute value in achieving ROVI's strategic goals, while, at the same time, they grow as professionals in their area. This Plan requires personal commitment on the part of the employees, aware of the need to seek their own improvement as professionals. This task does not only involve the interested parties, but also their direct superiors, and the flow of knowledge from the more veteran generations to those with less experience is encouraged and is one of the most important values for the company.

ROVI furnished a total of 16.6 hours of training per worker in 2020, the same as in 2019, with investment that rose to 258.3 euros per employee, compared with 252.1 euros in the preceding year.

Training investment per employee in 2020

258.3€

Average hours of training in 2020

16.6

The methodology applied in group companies is structured as follows:

- 10% of development and learning through training actions in the classroom or in virtual or e-learning format.
- 20% through feed-back, observation or with the support of mentors, coaches, professional associations, spaces for reflection, conversations with other people, leaders, etc.
- the remaining 70% through practical job experience, applying new knowledge to real situations to solve problems, taking part in new projects and challenges, rotating through different departments, etc.

TOTAL HOURS OF TRAINING BY PROFESSIONAL GROUP*

	HOURS
1	0.0
2	1,182.0
3	4,339.0
4	5,844.0
5	10,611.0
6	4,590.0
7	4,098.0
8	56.4
0	103.6
TOTAL 2020	30,824.0
TOTAL 2019	28,163.9
Total variation	**9%**

* Professional group according to the XIX Collective Agreement of the Chemical Industry.

Basic principles of the training programmes/actions

- Training programmes will contain aspects related to respect for human rights and will foster an ethical culture.
- No discrimination on the grounds of gender, age or origin. Professionals with equal positions and professional development have the same training opportunities.
- Training actions will respect the current regulatory framework and the demands of the work and business environment. ROVI will provide training in new legislation, so that workers know and comply with current laws.
- The use of different training tools is favoured (classroom, on-line, platforms, etc.).
- Sharing the knowledge that exists in the Company, continuous learning and cultural exchange will be encouraged.

For ROVI, it is equally important to train in knowledge as in values and, therefore, it also devotes part of its training effort to actions concerning the understanding and application of its Code of Ethics and the different CSR and sustainability policies. In 2020, 94.7% of the company received some kind of training on these subjects, either face-to-face or through various technological tools.

Trade union information and relations with the workers' representatives

As usual, labour relations between ROVI and its workforce ran normally in 2020, with no conflictive incidents. The company has a transparent and respectful relationship with the workers' legal representatives, with constant dialogue. Over the years, a relationship of trust has been constructed and numerous meetings have been held, at the request of both the company and the employees. This constant and flexible relationship allows the status of the agreements between the two parties to be monitored and any incident identified in the day-to-day activity to be solved swiftly.

Most of ROVI Spain's employees work under the employment conditions regulated in the XIX Collective Agreement of the Chemical Industry, signed in 2018. 100% of the employees are covered by this Agreement or by the agreements applicable in each specific work area (offices, sales, etc.). Not only does the company abide by the law, but it also implements certain enhancements, such as paying a supplement to Social Security benefits in the event of sick leave. Employees of the subsidiaries in the rest of Europe are also governed by the pertinent collective labour agreement, except in cases where local legislation states they are subject to general labour legislation, given the low number of employees at the subsidiary.

ROVI's works councils are highly representative and participate in the Occupational Health and Safety Committees, thus furnishing the employees with a voice at the highest level in this matter. On these committees, the company's actions in these areas are regularly debated and proposed, as well as any incidents that have arisen and proposals for corrective measures in areas such as the evaluation and assessment of occupational hazards, the provision of individual protection equipment, the protection facilities, and information and training on occupational hazards, among other subjects.

In 2020, some of the topics discussed at the numerous meetings for negotiation or information and consultation on different issues were: the preventive measures applied by ROVI against the pandemic, the prolongation of working hours in critical areas of the manufacturing process, also due to the pandemic, the application of antigen tests to employees in the industrial area, the work calendar and the application of measures aimed to improve the shift cycles.

HEALTH, SAFETY AND MANAGEMENT OF OCCUPATIONAL HAZARDS IN THE YEAR OF COVID-19

Given the situation in 2020, the employees' Health and Safety was one of ROVI's priorities when faced with the effect of the pandemic caused by COVID-19. The company demonstrated its capacity to respond both swiftly and effectively and, above all, immediately, activating all the contingency measures necessary to guarantee the health of employees and collaborators while, at the same time, it ensured the continuity of the business, aware that the responsibility of supplying the hospitals with drugs was even more critical, if this is possible, than in other years.

Health protocols were established for the early detection of COVID-19 cases in the company and safety measures were put in place to prevent the virus spreading

ROVI, following the authorities' recommendations, swiftly analysed the situation to reduce the processes that required the in-person presence of employees at the facilities to a minimum, especially in the most critical months of the pandemic. A significant part of the workforce started to work remotely and, in those industrial or manufacturing activities where this was not possible, production activity remained at a reasonably normal level, thanks to the relevant safety measures, in order to guarantee that ROVI's medicines continued to be available to patients when the health crisis was at its worst.

At the same time, all the protocols necessary for early diagnosis of cases in the company were put in place, as well as the evaluation of close contacts, and many safety measures were implemented to prevent the virus spreading in the workplace, such as such as checking temperatures at the accesses to all the plants, the obligatory use of masks, the determination of safety distances, revision of workstations, encouragement of teleworking, increase in disinfections, etc.

Occupational hazard management

Apart from combating the situation caused by the coronavirus, in 2020, ROVI maintained its commitment to reduce occupational hazards at its facilities to a minimum, while also promoting healthy conduct in the workplace.

ROVI is active in managing occupational hazards, aware that this is something that directly affects the health and well-being of the workforce. It helps improve the accident and absence rates, in addition to being a key factor in productivity, the company's financial performance and attaining its strategic objectives.

The management of personnel-related health and safety risks is the duty of the Health and Environment Department, which holds exclusive responsibility for aspects related to environmental management. ROVI has an Integrated Environmental and Occupational Hazard Prevention Management Policy, applicable to the whole group, which includes the principles focused on protecting the lives, physical integrity and health of all workers, both those of the company itself and those of companies that work with it. This is implemented through different local corporate procedures and specific instructions for each centre.

The main occupational hazards with a significant impact on ROVI's activity are those related to its production plants, such as contact with and exposure to chemical products, noise exposure, overexertion, etc. From the group, common policies are established but, furthermore, each plant defines specific objectives in prevention, such as (i) acquisition of a system for neutralising chemical products that allows injuries caused by contact with chemicals to be minimised in laboratory and production jobs (San Sebastián de los Reyes and Madrid plants), (ii) the increase in workers with prevention training in the Production Area (Granada) or (iii) reduction of the category of the moderate risk associated to falling to a different level in the task of installing/removing the rotary valve of the roller compactor (Alcalá de Henares plant).

Occupational hazards are managed through actions such as planning the preventive activity (existence of specific procedures compliance with which minimises the probability that these risks will materialise) and training (there are occupational hazard training plans and refresher courses), in addition to the specific procedures created to regularly control and monitor the actions taken, such as those concerning work permits, safety inspections and the identification and evaluation of legal requirements.

Results and accident rate

The exceptional situation of the last year and the fact that a large part of the workforce was working remotely were key factors in the marked decrease of all the accident rate indicators, in terms of both the number and severity of the accidents. Specifically, the ROVI group has set a goal of an accident rate (No. of accidents / No. of workers * 100) of 1.5% with sick leave and 3% without sick leave. Furthermore, each plant defines its own specific prevention goals.

In 2020, in relation to application of the Integrated Environmental and Occupational Hazard Prevention Policy, special attention should be drawn to actions such as the reduction in the number of incidents related to energy and fluid control in comparison with the two previous years; elimination of the operation of manually loading solid chemical products into several production tanks; and the continuation of the lockout/tagout assessments.

Lastly, different measures that ROVI has been promoting for some time to mitigate to risk of accidents on the way to work was exceptionally useful in 2020 to facilitate the transfer of the activities of many employees to their homes, while maintaining both the business and the workforce. The group has always provided laptops to all the professionals who needed them to avoid unnecessary travel and trips and has likewise actively encouraged the use of videoconferencing and on-line meetings, as well as, especially for pregnant women, remote working and access to parking spaces to facilitate their mobility.

FREQUENCY RATE FOR WORK-RELATED ACCIDENTS (*) BY GENDER

	2020	2019	Total variation
Men	2.143	7.678	-72%
Women	6.769	11.540	-41%
TOTAL	**4.574**	**9.652**	**-53%**

* Rate calculated as No. accidents / No. of hours worked * 1000000

WORK-RELATED ACCIDENT SEVERITY RATE (*) BY GENDER

	2020	2019	Total variation
Men	0.039	0.604	-94%
Women	0.290	0.405	-28%
TOTAL	**0.171**	**0.503**	**-66%**

* Rate calculated as No. of working days lost / No. of hours worked * 1000

WORK-RELATED ACCIDENT INCIDENCE RATE (*) BY GENDER

	2020	2019	Total variation
Men	0.595	2.280	-74%
Women	1.874	3.161	-41%
TOTAL	**1.268**	**2.778**	**-54%**

* Rate calculated as No. of accidents / No. of workers * 100

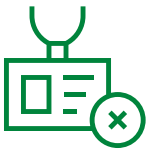
NO. OF WORK-RELATED ACCIDENTS BY GENDER

	2020	2019	Total variation
Men	4	14	-71%
Women	14	22	-36%
TOTAL	**18**	**36**	**-50%**

Note: accidents on the way to work and data of ROVI group employees are included. Information on personnel hired through temporary employment companies is excluded. In addition, a working day of 8 hours has been used to calculate the number of working days lost.

Promotion of a healthy lifestyle

The promotion of a healthy lifestyle is one of the other ways in which ROVI manages its Occupational Health and Safety policies with the entire workforce. To this end, it promotes initiatives such as healthy breakfasts, a selection of suitable products for healthy and appropriate nutrition in its vending machines, or practising sports through agreements with sports centres near the facilities of each of the company's subsidiaries, with discounts for employees, as well as the participation in fun runs and charity races,, organised by the group's CSR area.



ABSENCE RATE

ROVI's absence rates in 2020 in terms of work-related accidents, occupational diseases and common contingencies was lower than those of the industry in which it operates. In 2020, the number of days' absence was 16,656, equivalent to 133,248 working hours lost and representing and absence rate of 3.34%. There were no occupational diseases among ROVI's employees in 2020.

The group prepares and monitors, on a monthly basis, a series of indicators to regularly check absence rates, classifying them by type and determining possible areas in which the company might act in order to reduce absences. These rates are compared with the preceding annual periods to observe how they evolve over time.

However, the impact of COVID-19 in 2020 was a differential factor and has been included in the company's indices to analyse its effect on the activity and has likewise been included in the accident and absence rates. The figures for sick leave due to coronavirus, which are better than the industry average, were possible, in part, because of the different prevention measures implemented by ROVI at the beginning of the pandemic.

	2020				2019			
	Days' sick leave	Days worked	Absence rate	Sector absence rate	Days' sick leave	Days worked	Absence rate	Sector absence rate
TOTALES	**16,656**	**499,355**	**3.34%**	**4.39%**	**12,000**	**476,347**	**2.52%**	**3.43%**

Days sick leave: days sick leave for AW+OD+CC+COVID-19 recorded.

Notional days worked: days worked by each worker in companies with professional and common cover with a mutual society that collaborates with the Social Security. In the file of movements sent by the General Treasury of the Social Security, the days worked in the company by each worker are calculated and the days of all the workers are added together.

Total absolute absence rate: percentage ratio between the days of sick leave (AW+OD+CC+COVID-19) and the notional days worked by each worker in companies with professional and common cover with a mutual society that collaborates with the Social Security (Days sick leave AW+OD+CC+COVID-19 / notional days) * 100.

Sector: Data relating to the group protected by the mutual society that collaborates with the Social Security in the sector and/or region selected.

Source: Mutua de Accidentes de Trabajo FREMAP. Informe Anual de Absentismo Global GRUPO ROVI

ECONOMIC GROUP:	28/12/51 – ROVI GROUP
PERIOD:	JANUARY TO DECEMBER
COMP. SECTOR	CNAE21 – MANUFACTURE OF PHARMACEUTICAL PRODUCTS

SUMMARY OF SICK LEAVE RATES IN THE PERIOD

	2020		2019	
	ECONOMIC GROUP	COMP. SECTOR	ECONOMIC GROUP	COMP. SECTOR
Total SL rate	3.34%	4.39%	2.52%	3.43%
SL rate: AW & OD	0.14%	0.16%	0.26%	0.20%
SL rate: CC	2.42%	3.39%	2.26%	3.23%
SL rate: COVID-19	0.77%	0.83%	0.00%	0.00%

SL: Sick leave
AW: Accident at work
OD: Occupational diseases
CC: Common contingencies

SUPPLIERS

Establishing alliances with solvent and committed partners who are aligned with ROVI's principles and values is vital to attain the objectives set by the group each year. Suppliers, therefore, are a strategic stakeholder group for the company, since they are an essential factor in reinforcing the sustainability and competitive advantage of the whole value chain of both the products manufactured by ROVI and those that ROVI distributes.

During 2020, ROVI worked with approximately 3,700 suppliers from 35 countries. In this respect, Spanish suppliers have a prominent specific weight in the company, since they account for 86% of the total, while over 94% operate in European Union countries. The effect of opening new subsidiaries in the main European markets has stimulated the engagement of local service suppliers. ROVI now has, therefore, a large number of service suppliers from Germany, Portugal, France, United Kingdom, Italy and Poland.

ROVI's average payment period to suppliers in 2020 was 52.52 days, within the maximum legal periods stipulated in Law 17/2010, amended by Law 11/2013. Both inside and outside the Spanish borders, the Supplier Engagement and Payment Policy is applied in order to establish a framework common to the whole organisation in its relations with suppliers and creditors. This Policy states that suppliers with an annual volume of over 100,000 euros must always have a duly-signed contract. Furthermore, the Policy regulates how invoices should be sent and recorded and the means of payment accepted. This element ensures full efficiency in accounting for invoices, an appropriate payment policy and greater consistency in negotiations.

SMOOTH AND CONSTANT COMMUNICATION

ROVI's relations with its suppliers are based on sound and exhaustive selection criteria and transparent information.

None of this would be possible if, at the same time, regular and habitual communication were not conducted through suitable channels. With a constant spirit of improvement, in 2020, ROVI, as in previous years, imparted internal training to company employees who deal with local and foreign suppliers. This training is intended to reinforce some key points, such as the procedures for improvement implemented to optimise and speed up both the recognition of invoices in the accounts and the payment thereof.

At the same time, the Communication and Transparency Policy in relation to suppliers means that this group is kept promptly updated and communications were sent informing and reminding of the procedure for sending supplier invoices, giving details of the requirements, the process for managing incidents, and procedures intended to optimise and speed up both invoice recognition and the payment process. This communication was sent to all new suppliers and to some of the existing ones where felt advisable.

ROVI invites all its suppliers to **guarantee factors such as equal opportunities, workplace safety and care of the environment**

In addition, due to the continual revision and improvement of the company's tax policies regarding tax evasion and the prevention of money laundering, the internal procedure concerning double taxation continues to be updated and distributed. In 2020, internal training was given to company employees who deal with local and foreign suppliers, in order to inform them on the importance of a current residency certificate in relation to the Double Taxation Treaty and avoiding any tax risks.

PURCHASING POLICY, SUPPLIER CERTIFICATION AND EQUAL OPPORTUNITIES

When choosing the partners with whom to work, ROVI applies its Supplier Selection Policy, which sets out specific criteria that are applied when beginning to work with another company. They are also applicable to monitoring the supplier's activity and its relationship with the group.

Among other procedures, the Policy provides for an initial evaluation and further periodic evaluations, two tools used to create the company's list of approved suppliers, which is kept by the Quality Department. At the same time, on-site audits are performed, which check that suppliers are operating in accordance with national and local regulations, observe the best workplace safety practices, do not behave in a way that violates the workers' rights, have a safe work environment, comply with environmental legislation and do not behave in a way that is abusive or discriminatory towards the employees.

CSR IN THE SUPPLY CHAIN: CODE OF ETHICS FOR SUPPLIERS

ROVI's firm commitment to CSR is not only observed internally. Ensuring a supply chain that respects the group's principles of sustainability and corporate social responsibility is anther of the group's objectives and, to this end, it strives to promote the values related to this area among its suppliers and subcontractors of goods and services.

This is set out in a document, ROVI's Code of Ethics for Suppliers, which is binding on all service providers who work with the group. This Code urges suppliers to observe the protection of internationally-recognised human and labour rights. It explicitly requires that the principles of elimination of child labour, respect for the right of association and collective bargaining, and equal opportunities and non-discrimination be followed. Furthermore, the supplier must provide a fair work environment, free of any type of violence, while, at the same time, strictly observing current legislation on working hours and remuneration.

ROVI invites all its suppliers to, as the company itself does, guarantee factors such as equal opportunities, workplace safety and care of the environment and to declare their commitment to basic principles of ethics and professional conduct. At the same time, it tries to involve suppliers and subcontractors in the adoption of the best corporate social responsibility practices to regulate their activities in accordance with the standards included in the certifications SA-8000, SGE-21 or similar.

One of the aspects on which special emphasis is placed is environmental issues, where the company is committed to make a combined effort with its suppliers and subcontractors to minimise the impact of the activities of the entire supply chain, from start to finish, on the environment, as well as to mitigate the risks derived for the health and safety of both the workers and society overall.

ROVI has two mechanisms to ensure and drive the adoption of the best CSR practices in its supply chain:

- A voluntary document, "CSR Commitment" is periodically sent to all the group's suppliers and subcontractors, requesting certifications such as the SA-8000 or urging them to adopt good practices. At present, more than 55% of these companies have signed this commitment to social responsibility. ROVI's goal is that all the suppliers should adhere to the initiative.

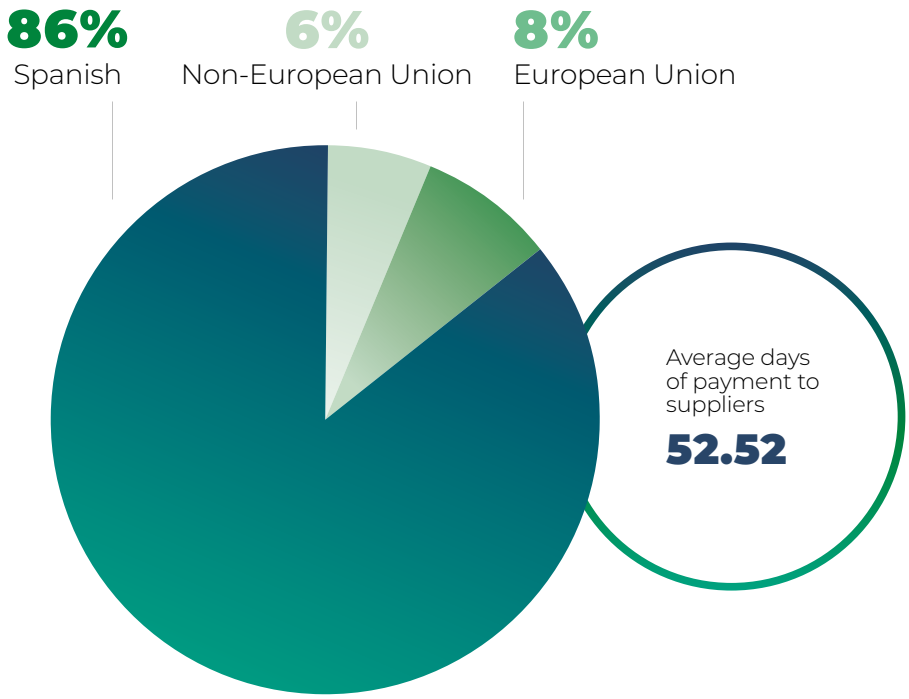
- On-site audits, which check that suppliers operate in accordance with national and local regulations, there are no breaches in respect of workplace safety and there are no practices that violate the workers' rights. Among other aspects, the auditors ensure that a safe working environment is provided, environmental legislation is respected and employees are not subject to abuse or discrimination.

Additionally, in 2020, ROVI adhered to the EcoVadis platform, a tool that allows assessments of the corporate social responsibility of group suppliers to be conducted and areas for improvement and corrective actions to be identified. At the time of preparation of this report, ROVI and EcoVadis are compiling the first assessment questionnaires and inviting other suppliers who are not assessed by this platform to join.

Through the use of the management principles, application of the Code of Ethics for Suppliers and the utilisation of monitoring mechanisms, the risk that any ROVI supplier will breach its Human Rights obligations is unlikely, limited and under control. This is also supported by the fact that 94% of the company's suppliers operate in a European Union country and the rest in other countries that enjoy recognised prestige in the international community.

SUPPLIERS

Percentage



SOCIETY AND PUBLIC AUTHORITIES

As a company, in addition to helping improve the quality of the life and health of society through its products, ROVI is aware of the social impact that its activity implies at all levels of the environment that surrounds it. To this end, it decidedly and continuously supports areas such as medical research and higher education in Spain. Moreover, it acts responsibly, promptly meeting its tax obligations and acting, as an employer and in general, as an agent and catalyst of the economy and social progress for the areas and people related to it.

At the same time, in addition to the aforementioned, it makes a great effort in a series of priority local spheres of social action, such as mainstreaming people with disabilities in the workplace, fomenting health, commitment to training and corporate volunteering. Furthermore, it strives to assess and manage non-financial, ethical, reputational, social and environmental risks, committing itself to those initiatives that benefit society.

Finally, ROVI strictly meets the commitment acquired by the pharmaceutical industry regarding transparency with society and, in 2020, the data on the investments in research and development and the training of health professionals and organisations were published. These data may be consulted on ROVI's website:

www.rovi.es

ROVI'S SUSTAINABILITY CERTIFIED IN 2020

In 2020, the group voluntarily underwent an audit by Sustainalytics, the leading company in evaluating aspects such as corporate governance, business ethics, product handling and access to services, bribery and corruption, and human capital. On the basis of this analysis, Sustainalytics draws up a classification based on their ESG (Environment, Social and Governance) rating.

ROVI obtained a rating of 21.8 points, which places the Company in a medium-low risk position in respect of suffering material financial impacts. This rating is the second highest from among the 360 international pharmaceutical companies assessed by Sustainalytics and the 30th of the 750 sector companies that took part (biotechnology companies, healthcare equipment companies and pharmaceutical laboratories).

COVID-19 AND ROVI'S RESPONSE VIS-À-VIS SOCIETY

It is impossible to separate the year 2020 from the situation that existed and, above all, from the reaction of all the social agents to the emergency caused by COVID-19. All ROVI's planning for social and charity activities in the year had to be adapted, not by cancelling them, but by placing them at the service of society and the health system when most needed.

In March 2020, with a scenario in which the healthcare services were in a state of collapse, with huge difficulties in accessing basic protection material for their professionals, ROVI donated and distributed a million masks and more than 1,000 protection suits to the National Health Management Institute (INGESA), which reports to the Ministry of Health.

This was not an isolated action since, for the rest of the year, ROVI continued to make donations of healthcare equipment of key importance to people working in hospitals and attending to patients. Specifically, ROVI provided:

241,000
surgical masks
to 154 hospitals

2,345
stethoscopes
to 90 hospitals

48
portable ultrasound machines
to 41 hospitals

2,710
pulse oximeters
to 106 hospitals

At the same time, as described in the chapter of the health and safety of ROVI's workforce, ROVI acted swiftly to implement the measures necessary to prevent the risk of the virus spreading among its own employees, with different supporting initiates to contribute to the de-escalation in society in all the waves of the pandemic.

SUPPORT OF TRAINING

Training is one of the keys to ROVI's success, both when developing the capabilities of its own employees and through an intensive relationship with the academic world.

To this end, it is involved in offering suitable students the possibility of enjoying their first work experience, which will enhance their skills and knowledge and allow them to enter the labour market with certain guarantees. As mentioned in the scholarship section of the chapter of this Integrated Report concerning the human team (page 142), during 2020, ROVI selected 81 students and maintained an average of 57 scholarships. 89% of these students have now joined the group's workforce.

At the same time, it always seeks to offer its employees training plans suited to their needs and aligned with the business objectives, favouring and fomenting the continuous learning of new concepts and practices, so that they can grow in their professional careers in both the company and the industry.

Details of internal training, scholarships and co-operation with educational centres are provided in the Human Resources section of this document (pág. 143).

RESEARCH AND KNOWLEDGE-SHARING

In 2020, COVID-19 demonstrated the imperious need to, decidedly and continuously, drive both medical research and knowledge-sharing as priority basic tools to meet challenges in the health field.

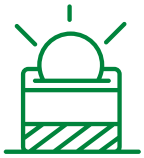
ROVI has been carrying on intensive research activity for many years, in order to foment the prevention and knowledge of certain diseases, thus seeking to enhance the health and quality of life of the patients. This is why, since its foundation, the company has, as one of its action principles, devoted much effort to both intensive internal activity in the research, development and manufacture of pharmaceutical products and the collaboration with different public entities and universities through co-operation agreements.

The in-house R&D activity is carried out entirely in Spain and divided among the Madrid and Granada centres. In 2020, ROVI spent 23.8 million euros on R&D activities. In addition, in its collaborative research facet, special mention should be made of agreements like the one ROVI holds with the University of Granada to combine efforts to increase scientific, technological, educational and knowledge-sharing activities.

At the same time, the group works to promote, share and communicate scientific advances in different areas. This was a particularly complicated challenge in 2020 due to the situation created by the pandemic and the necessary social distancing measures. Last year, numerous events, conferences and congresses were cancelled, limiting the group's activity in helping to share scientific advances with the rest of society.

However, the speed at which events developed in the first half of the year forced the entire healthcare and research sectors to work against the clock to generate information and scientific evidence about the disease, its effects and possible therapeutic approaches. ROVI, aware of its responsibility in this respect, reached a collaboration agreement with the HM Hospitales group to fund a clinical trial to analyse the efficacy and safety of bemiparin in patients in hospital with pneumonia due to COVID-19. Attention should also be drawn to the collaboration agreement with the University of Navarra to carry out a randomised, open-label clinical trial to evaluate the effect of prophylactic or therapeutic doses of bemiparin in patients with COVID-19 (BEMICOP).

Another of the points that the 2020 health crisis has shown is the need to support collaborative research, an idea that ROVI has always supported. The "society of knowledge" needs and demands research consortia and, therefore, for many years, ROVI has striven to maintain collaboration agreements with other leading benchmark companies in the industry, biotechnology companies, spin-offs, universities and public research centres. It is a commitment to the creation of a dynamic ecosystem of knowledge at national, inter-institutional and multidisciplinary levels.



ROVI, AN AGENT THAT CONTRIBUTES TO THE SOCIETY CLOSEST TO IT

For the group, social responsibility begins with duly meeting all its obligations to society, especially those referring to taxes. ROVI believes this to provide an essential foundation to sustain the welfare state for society overall.

Thus, it strives to comply strictly with tax requirements and applies the following best tax practices:

- Acting transparently.
- Paying taxes responsibly and efficiently.
- Promoting co-operation in relations with governments, avoiding significant risks and unnecessary conflicts.

The effective tax rate in 2020 was 15.9%, compared with 6.2% in 2019, due mainly to the increase in the profit before tax; the capitalisation in 2019 of negative tax bases that ROVI was entitled to apply; and the decrease in research and development tax credits in 2020 as a result of the decrease in R&D expenses in said period in comparison with the preceding year.

In order to meet its tax obligations, ROVI is assisted by the services of an independent external tax advisor, who keeps company management updated on these matters and solves any possible conflicts or queries that may arise. The advisor also reviews the preparation and presentation of the different taxes, as well as tax-related decision-making.

Finally, the company's relations with the public authorities are of special importance, as well as its strict responsibility as a manufacturer and marketer of medicines and health products. ROVI strives to maintain a constant, effective and transparent relationship with the health agencies, meticulously observing and monitoring all the requirements made by these bodies in all its activities, including industrial development, manufacturing and the supply of products or units for clinical trials. In respect of clinical trials, ROVI always ensures that they are carried out in an environment of strict compliance with all the applicable legal requirements and the authorisations granted by the authorities.

TAXES 2020

(Thousands of euros)	Profit before tax	Income tax paid	Government grants received
Rovi	72,119	(3,877)	1,146
Rovi Portugal	707	(202)	-
Rovi German	(154)	-	-
Rovi Poland	2,544	-	-
Rovi Pharma Industrial Services	33,374	(8,701)	-
Pan Química Farmacéutica (*)	387	(97)	-
Gineladius, S.L. (*)	(37)	9	-
Rovi Escúzar, S.L.(*)	(74)	23	-
Bertex Pharma GmbH	-	-	-
Rovi Biotech, Limited	10	-	11
Rovi Biotech, S.R.L.	409	(112)	-
Rovi Biotech, GmbH	623	(164)	-
Rovi S.A.S.	9	-	-
Rovi Biotech spóka z o.o	(4)	(2)	-
TOTAL	**109,913**	**(13,123)**	**1,157**

ECONOMIC VALUE GENERATED AND DISTRIBUTED

(millions of euros)	2020	2019	2018	2017	2016
Economic value generated	**421.1**	382.5	304.8	277.4	270.8
Economic value distributed					
Shareholders	**21.4**	9.8	4.5	6.0	9.1
Operating costs	**228.6**	219.2	172.7	154.7	153.5
Society	**11.5**	2.6	-1.2	0.3	1.8
R&D	**23.8**	29.3	32.4	28.3	17.5
Employees	**74.4**	72.5	70.2	64.0	60.5
Providers of capital	**2.1**	0.8	0.8	0.9	0.5
Amortisation and depreciation	**19.6**	18.6	12.0	11.5	11
Reserves (retained value)	**39.7**	29.6	13.4	11.8	17

SOCIAL INCLUSION AND MAINSTREAMING OF DIFFERENTLY-ABLED GROUPS

In spite of the limitations imposed by the restrictions on movement and meetings in the to prevent the spread of COVID-19, ROVI and its professionals did not cease to show their great spirit of solidarity by adapting themselves to the situation and continuing to provide support to the integration of those who needed it most.

Some of the initiatives and associations with which the company continued to be involved in 2020 were:

Fundación Manantial
With which ROVI has an employment programme for people with mental illnesses. It began in 2019 when the first people joined the Alcalá de Henares production plant, and was extended to the Julián Camarillo plant (Madrid) in 2020.

Down Granada
Works helping young people in Granada with Down's Syndrome to enter the labour market in local companies and has co-operated with ROVI in training one of its young women to perform administrative tasks at the plant in the Health Technology Park (Granada).

Fundación Prodis
With which ROVI has an employment program for young people with intellectual disabilities at the Pozuelo and Julián Camarillo offices (Madrid).

ISS Facility Services (Gelim)
Which provides cleaning services at ROVI's offices. With the outbreak of the pandemic, ROVI intensified the usual cleaning services, including new daily disinfection routines with virucides at the work centres (office workstations, changing rooms, common areas, etc).

Ilunion
Which provides laundry services for plant clothing.

Fundación A la par
Engaged in the social and workplace integration of people with intellectual disabilities, which cleans the pallets used at the plants of Rovi Pharma Industrial Services.

Fundación Deporte y Desafío
A non-profit organisation dedicated to mainstreaming disability sport. In 2020, ROVI strengthened the co-operation agreement with this association to conduct adaptive skiing courses at the Madrid Xanadú shopping centre.

Fundación También
This non-profit organisation works to include people with disabilities in sport. As it does each year, ROVI collaborated in acquiring adaptive skiing material for the association.

Cruz Roja Granada
With which ROVI collaborated in its assistance programme for disadvantaged families in Granada especially affected by coronavirus.

Sponsorship of the V OCARE Prizes
(Observatory of Corporate Responsibility Communication and Action), which recognized the best communication campaigns by companies in the CSR area.

ELIMINATION OF ARCHITECTURAL AND MENTAL BARRIERS CONCERNING DISABILITIES

In 2019, ROVI completed the project for works to reform its work centres to make them safely, comfortably and autonomously accessible to everyone. Now, all the group's work centres are 100% accessible, having thus demolished all the barriers for people with permanent or temporary mobility problems.

The problems of the physical accessibility of workplaces and difficulty in using objects and products irrespective of technical, cognitive or physical capabilities are barriers that hinder the full workplace and social integration of people with disabilities. At the same time, the reforms carried out also improve the conditions of the work centres to facilitate the return to normality of employees who have suffered an accident or, especially, pregnant women.

At the same time, ROVI is extending this initiative to break down architectural barriers to include barriers to the use of its products , endeavouring to make them safer and more accessible, including labelling all of them in Braille so that the visually impaired can use them autonomously and safely.

VOLUNTEERING, SOCIAL ACTION AND SPONSORSHIP

ROVI's corporate volunteering project is the backbone of a considerable part of the company's social action. Through this project, employees have the chance to play a leading role in change by co-operating with the different NGOs and foundations with which the company works.

ROVI is involved in numerous corporate volunteering activities with different NGOs, which it subsequently communicates through the internal television channel and the different publications it sends to them to share the group's commitment and raise awareness of different causes. In these activities, it seeks (i) to promote a healthy lifestyle; (ii) to collaborate with non-profit organisations who work for the inclusion of groups at risk; and (iii) improve healthcare globally.

In 2020, the COVID-19 pandemic and the restrictions on in-person group activities limited ROVI's activity in this respect.

Before the State of Alarm was declared, ROVI's CSR area organised an adaptive skiing campus in Sierra Nevada (Granada) in collaboration with Fundación También. In addition, on 16 February, the IX Charity Race for Mental Health, organised by Fundación Manantial, took place. It was sponsored by ROVI and a group of 40 employees and members of their families took part in this race, which aims to raise awareness of mental illnesses.

But, from March onwards, we had to adapt and seek new formulas to channel the spirit of solidarity of ROVI's employees. In this respect, it was decided to carry out remote charity activities, such as the 100 Km Race for Africa, organised by Fundación Recover. A group of 66 ROVI employees and members of their families achieved the challenge of completing 100 Km of this charity race, the funds from which were used to combat COVID-19 in Africa.

It was decided to carry out remote charity activities, such as the 100 Km Race for Africa, organised by Fundación Recover

With the same format, the 9th Madrid También Solidario Race of Fundación También was held. In this case, around a hundred employees and members of their families entered one of the three versions of this competition (1, 5 and 10 kilometres).

In the final stretch of the year, ROVI collaborated with the individual charity race Muévete por la salud, organised by Fundación Cofares (and held between 5 and 8 December), the funds from which were used to cover basic needs of hygiene and food items for groups that were vulnerable due to the COVID-19 pandemic.

DONATIONS AND SPONSORSHIP

ROVI's Donations Committee is responsible for approving and distributing the company's contribution to different health, social and humanitarian entities and organisations.

In 2020, financial contributions to the following entities, engaged in both international co-operation and social protection, may be highlighted:

Fundación Recover
Cooperating with its programmes to improve healthcare in Africa.

Fundación para el Desarrollo Integral de los Pueblos
With which ROVI co-operates in the acquisition of teaching and educational material for schools in Callao (Peru).

Fundación La Sal de la Tierra (Alcalá de Henares)
By donating industrial kitchen material that has been reused for the soup kitchens they have in Alcalá de Henares, Alicante and Vigo.

Fundación Alentia
A private non-profit organisation whose purpose is to help minors who have suffered traumatic or unfavourable life experiences by donating laptops and tablets for the Children's Homes of the Madrid Region, to enable the minors who live there to continue their studies on-line during the confinement.

As in other social action initiatives, ROVI also tries to involve the employees in its contribution different charitable causes. Therefore, it provides a channel so that members of the company's professional team can propose charitable associations as possible recipients of part of the group's donations each year. The Donations Committee assesses these proposals and, where appropriate, approves different contributions to help them in their activity.

In 2020, the following entities received contributions based on proposals from employees:

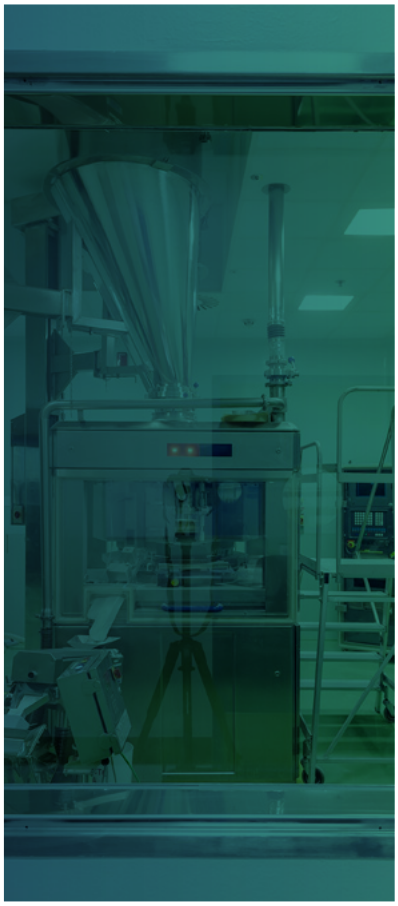
Alcer Granada
This is an association that fights against kidney disease and defends the rights of kidney-disease patients in Granada.

Ambulancia del Último Deseo
A foundation that tries to grant the wishes of terminal and/or paralysed patients.

Somos NUPA
An association that helps children and adults with multivisceral transplants and those affected by intestinal failure and parenteral nutrition in the Intestinal Rehabilitation Unit at the La Paz Children's Hospital in Madrid.

Asperger Madrid
An association that works to educate and integrate people on the autism spectrum in Madrid.

Asociación Uniendo Sonrisas para el Bierzo
Association created by a group of mothers of children in hospital that collaborates with the El Bierzo Hospital (León) to improve the experience of children in hospital by organising leisure and educational workshops, etc.


ENVIRONMENT

ROVI is committed to reducing any impact of its activity to a minimum, aware of the potential hazards of its industrial processes and the materials used for both the environment and the health of the workers and society. Therefore, it applies the measures and provides the means necessary to ensure people's health and safety inside and outside its facilities.

The group works constantly with the intention of being a sustainable business project and, to this end, manages resources efficiently, promotes a responsible attitude to the environment among its workforce and suppliers and seeks to prevent both emissions and pollution due to its activity or products, in accordance with the Integrated Environmental Management and Occupational Hazard Prevention Policy. Last updated in January 2021, this Policy guides the sustainable management of all the company's activity and defines the line of action of the department that holds exclusive responsibility for aspects related to environmental impact, in addition to workplace health and safety and legal and regulatory requirements.

Formed by nine people, this team managed a budget of 1.5 million euros in 2020, used for different actions to maintain, among other things, the work and commitment regarding continuing improvement, compliance with legal requirements and other additional voluntary environmental requirements. These are:

- the implementation of energy efficiency solutions at the plants,
- responsible natural resource management and the recycling of the waste generated,
- promotion of the best practices among suppliers and contractors, in order to minimise the environmental impact of their activities and the risks derived for both their own safety and health and those of their workers.

Additionally, among its goals, the group's Environmental Policy includes the attainment of efficient energy management; rationalisation of the use of natural resources; promotion of the best guidelines for hazard and waste management, including the principles waste minimisation and, whenever possible, recycling; and obtaining certification of the environmental management systems.

Lastly, in 2020, a further step was taken in ROVI's environmental initiatives and the company adopted a more active position against global warming, developing a Climate Change Plan.

REDUCTION IN CONSUMPTION

ROVI is constantly assessing, optimising and reducing its consumption of resources as part of its commitment to combat climate change. Water, electricity and gas indicators at all ROVI's production plants are checked and reported each month, analysing any possible deviations.

ENERGY CONSUMED

	2020				2019				Total variation			
	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Gr	Mad & SSRR	AH	Distr.
kWh electricity consumed	3,848,018	7,091,109	9,673,660	637,543	3,822,809	7,795,638	8,906,808	623,206	1%	-9%	9%	2%
kWh electricity / million units produced	8	43,365	179,142	26,089	7	58,924	225,489	30,889	9%	-26%	-21%	-16%
kWh natural gas consumed	4,405,540	7,570,552	14,549,428	0	2,285,101	6,836,948	14,048,975	0	93%	11%	4%	-
kWh natural gas / million units produced	9	46,297	269,434	0	4	51,678	355,670	0	109%	-10%	-24%	-
Litres vehicle fuel	1,000	40,498	5,231	291,520	300	0	2,175	485,185	233%	-	140%	-40%

NATURAL RESOURCES CONSUMED

	2020				2019				Total variation			
	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Gr	Mad & SSRR	AH	Distr.
m^3 water consumed	28,555	55,369	58,641	7,606	24,026	58,931	63,114	2,561	19%	-6%	-7%	197%
m^3 water / million units produced	0.1	338.6	1,085.9	311.2	0.0	445.4	1,597.8	126.9	29%	24%	-32%	145%

In 2020, electricity consumption rose to 21.3 million kWh, in comparison with 21.1 million kWh in 2019. Likewise, natural gas consumed increased to 26.5 kWh (23.2 kWh in 2019). However, in spite of these increases, the most important factor was that, for the second year running, electricity consumption per unit manufactured was reduced, dropping by 12%. Total cubic metres consumed was 150,171, representing a rise of scarcely 1% in comparison with the 2019 figure.

"ZERO EMISSIONS" AT ROVI

Although ROVI has a profile of little significance, below the legal levels of greenhouse gas emissions, it has made a commitment to combat climate change and, to this end, in addition to controlling energy consumption, it monitors the CO2 emissions from natural gas and diesel fuel derived from electricity and automobiles, as well as other substances that act to destroy the ozone layer.

ATMOSPHERIC EMISSIONS

	2020				2019				Total variation			
	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Gr	Mad & SSRR	AH	Distr.
Tonnes of Scope 1 CO2 emitted	805	1,494	2,663	836	468	1,399	2,880	1,262	72%	7%	-8%	-34%
Tonnes of Scope 2 CO2 emitted	0	0	0	102	1,101	2,245	2,565	179	-100%	-100%	-100%	-43%
Tonnes of Scope 2 CO2 avoided (*)	1,193	2,198	2,999	96	0	0	0	0	-	-	-	-
Tonnes CO2/ / million units.	0.004	22.58	104.85	42.30	0.003	27.54	137.86	71.42	38%	-18%	-24%	-41%

In 2020, as mentioned above, ROVI developed a new Climate Change Policy and, additionally, undertook a project to reduce CO2 emissions, Zero Emissions, during which the following initiatives were taken:

- A contract was signed for 100% of the electricity used at the industrial plants to come from renewable sources.
- Compensation of the rest of the tonnes emitted by VER (Voluntary Emission Reduction) projects. Specifically:
    - **Ghana Cookstove**. The Gyapa Cookstove cooks food faster and needs less fuel. Thus, not only does it reduce carbon emissions, but it also reduces exposure to toxic fumes. The key benefits are: reduction in fuel costs, improvement in health, deceleration in deforestation, reduction in the carbon generated.
    - **Madre de Dios Amazon REDD Project.** The project is located in the region belonging to the Vilacamba-Amoboró Ecological Corridor (Peru), one of the critical points in biodiversity. The jungle where the project is located is very important in terms of biodiversity and conservation, since it provides a habitat to four tropical jungle wildlife species that are in danger of extinction and eleven that are endangered. From a social point of view, the project will contribute to the sustainable development of rural producers and indigenous communities that live in nearby areas. The project has been certified by FSC (Forest Stewardship Council), CCB Gold Level (Climate, Community and Biodiversity) and VCS (Verified Carbon Standard).

WASTE MANAGEMENT, TREATMENT AND RECYCLING

ROVI's industrial and production plant facet generates a series of resources that the group strives to treat, reduce and manage properly, as part of its commitment and responsibility to reduce its environmental impact and utilise and recycle resources and materials. To do this, it strictly follows the best industry standards to ensure that they do not represent any kind of environmental or health problem.

WASTE

	2020				2019				Total variation			
Tonnes of hazardous waste generated	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Granada	Madrid & SSRR	Alcalá de Henares	Distr.	Gr	Mad & SSRR	AH	Distr.
Tonnes of non-hazardous waste generated	2,054.3	344.8	12.5	8.9	1,910.2	236.1	120.0	15.0	8%	46%	-90%	-41%
TOTAL WASTE	2,335.4	2,434.3	565.0	0.3	2,281.9	657.6	439.9	0.5	2%	270%	28%	-48%
Tonnes hazardous waste/ million units	**4,389.7**	**2,779.1**	**577.5**	**9.2**	**4,192.1**	**893.7**	**559.9**	**15.5**	**5%**	**211%**	**3%**	**-41%**
Tonnes non-hazardous waste/ million units	0.004	2.11	0.23	0.36	0.004	1.78	3.53	0.74	17%	18%	-93%	-51%
Tonnes waste/ million units	0.005	14.89	10.46	0.01	0.004	4.97	12.94	0.02	11%	200%	-19%	-57%
Ton. Residuo/ millón de uds.	0.009	17.00	10.69	0.37	0.008	6.76	16.47	0.77	14%	152%	-35%	-51%

ENVIRONMENTAL CERTIFICATES

The key tool to ensure correct management of environmental aspects is the introduction of an environmental management system based on the criteria established by the international standard ISO 14001:2015. These certifications recognise the quality of ROVI's environmental management systems and assure its commitment to the environment in terms that go beyond those of current national legislation.

At present, the group companies Laboratorios Farmacéuticos ROVI, S.A. and ROVI Pharma Industrial Services, S. A. U.) have their environmental management systems certified under said standard.

All the environmental systems held by the ROVI companies are available to interested parties on the corporate website (www.rovi.es).

ABOUT THIS REPORT

PREPARATION AND SCOPE

102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-56

This Annual Report includes relevant information on ROVI in relation to financial and strategic aspects and ESG (environment, social and governance) in 2020. The previous report was drawn up in June 2020 and included information on the 2019 calendar year. The information provided in this document relates to the company as a whole, except where a different perimeter is specified. There have been no significant changes in coverage or material issues and no information has been restated.

The structure of the information contained herein follows the Integrated International Reporting Council (IIRC) framework [IR] and, for non-financial aspects, the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.

This Annual Report contains forward-looking statements. Information of this nature involves known and unknown risks, uncertainties and other factors that may cause ROVI's results, profitability or achievements, or its industrial results, to differ materially from the results, profitability or future achievements described or implied in such forward-looking statements..

The information in this document represents ROVI's expectations and forecasts at the date hereof. ROVI wishes to state that subsequent events and developments may cause these expectations and forecasts to change. However, while ROVI may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing ROVI's expectations or forecasts as of any date subsequent to the date hereof.

The external firm that has reviewed the 2020 Statement of Non-Financial Information was KPMG Auditores S.L. Said document, presented with the Management Report, has been the basis for the information on sustainability aspects contained herein.

Any queries regarding this Report may be sent to:

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102-53

MATERIALITY ANALYSIS

102-44, 102-46, 102-47

In order to determine which issues are most important to ROVI and its different stakeholders in the course of its activity, a materiality analysis was carried out in 2017 with the assistance of the consultancy firm PwC. The work consisted of an external diagnosis –in which analyses were made of four companies in the same sector, 15 reference studies and information appearing in the general, financial and industry-related media– and an internal diagnosis –with a self-evaluation of the group's performance and six interviews with members of the management team–. Thus, 20 material issues were identified, grouped into eight categories:

Good governance and ethical conduct
1. Responsible governance
2. Ethics and compliance
3. Risks and crisis management

Transparency and dialogue
4. Information transparency
5. Dialogue and relations with stakeholders

Product quality and safety
6. Product quality
7. Pharmacovigilance and product safety

Environment
8. Circular economy → ODS 12
9. Atmospheric emissions → ODS 12
10. Climate change
11. Drug pollution

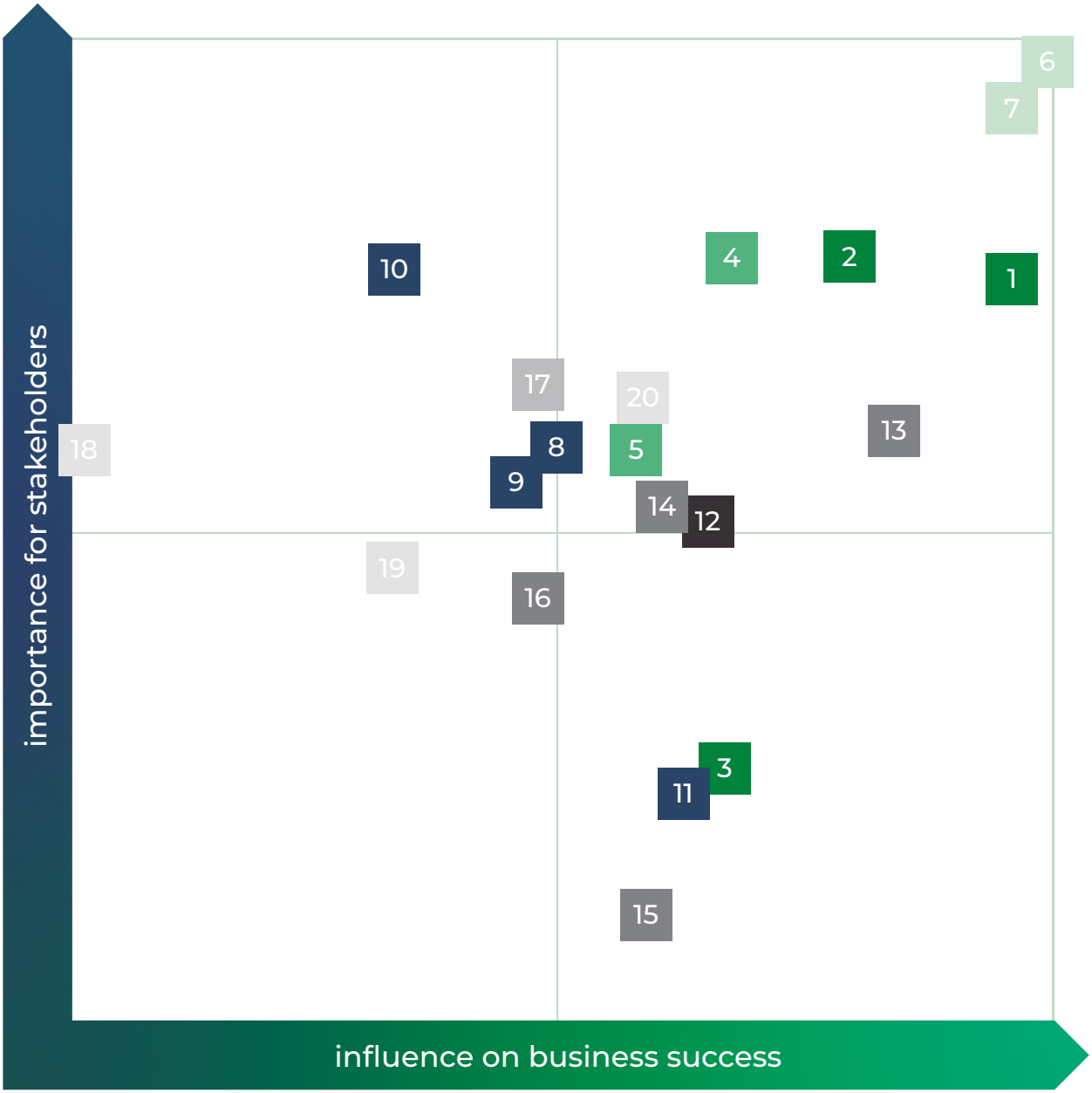
Relations with customers, patients and health professionals
12. Attention to and relations with customers, patients and health professionals

Work environment
13. Safety and well-being → ODS 4
14. Training and development → ODS 4 y 8
15. Attracting and retaining talent → ODS 4 y 8
16. Internal dialogue and communication

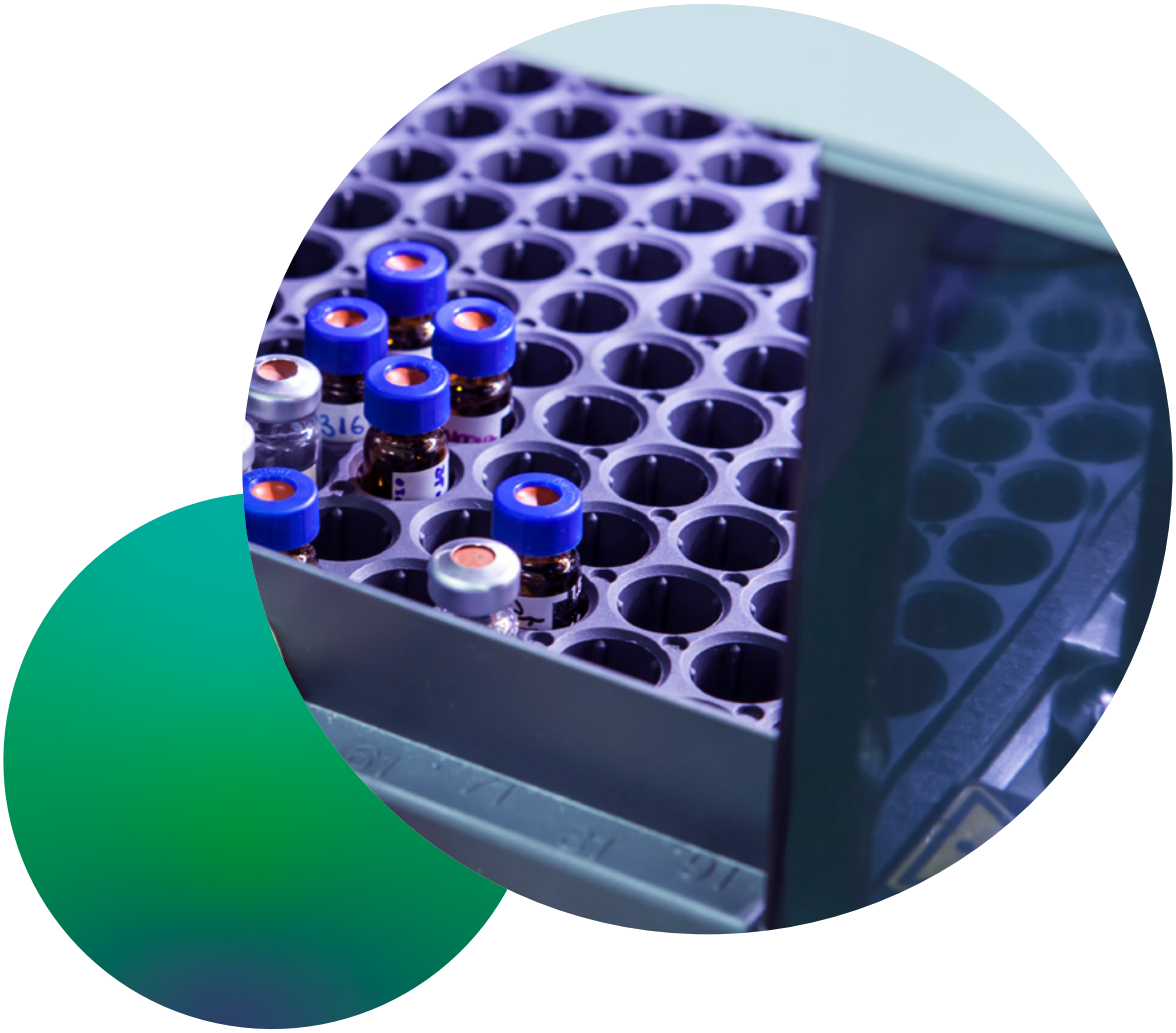
Supply chain
17. Responsibility in the supply chain

Health and well-being of society
18. Access to medicines → ODS 3
19. Research and development → ODS 4
20. Contribution to the social and economic progress of the communities in which ROVI operates → ODS 8 y 9

The following materiality graph shows the degree of influence of these matters on ROVI's long-term objectives. This influence has a dual axis: the influence on business success and the importance for stakeholders.



GRI CONTENT INDEX



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