



# Laboratorios Farmacéuticos Rovi, S.A.

Annual Accounts  
31 December 2019

Directors' Report  
2019

(With Independent Auditor's Report Thereon)

*(Free translation from the originals in Spanish. In the event of discrepancy, the Spanish-language versions prevail.)*



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

## **Independent Auditor's Report on the Annual Accounts**

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

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

### **REPORT ON THE ANNUAL ACCOUNTS**

#### **Opinion**

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We have audited the annual accounts of Laboratorios Farmacéuticos Rovi, S.A. (the "Company"), which comprise the balance sheet at 31 December 2019, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework (specified in note 2 a) to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein.

#### **Basis for Opinion**

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

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

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

## Key Audit Matters

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

### Capitalisation and recoverability of intangible assets

See notes 2.b.2), 3.1, 5 and 22g) to the annual accounts

<i>Key Audit Matter</i>	<i>How the Matter was Addressed in Our Audit</i>
<p>The Company has significant intangible assets amounting to Euros 41,587 thousand, which includes Euros 7,879 thousand of development expenses.</p> <p>The capitalisation of any development expenses requires an analysis of the compliance with the requirements established in the applicable financial reporting framework. The main risk is associated with the successful outcome of the projects and obtaining the corresponding clinical and regulatory authorisations for their subsequent marketing.</p> <p>The Company has intangible assets amounting to Euros 7,879 thousand derived from the development of a low-molecular-weight heparin, an enoxaparin biosimilar, for which authorization to market the product was obtained in the year 2017. There are no indications of impairment.</p> <p>In 2019 the Company incurred research and development expenses amounting to Euros 29,304 thousand that have not been capitalised, associated mainly with products under development based on the ISM® platform.</p> <p>Due to the significance of the balance and the high degree of judgement associated with the capitalisation and recoverability of these intangible assets, we consider this to be a key audit matter in our audit of the current year.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>- Assessment of the design and implementation of the controls associated with the process for estimating the recoverability of intangible assets and the process used to recognise research and development expenses and to identify, where applicable, any expenses that qualify for capitalisation.</li> <li>- We received and assessed the documentation prepared by Management in relation to the analysis of research and development expenses, particularly regarding the capitalisation of any development expenses.</li> <li>- Our procedures related to projects under development included an assessment of the reasonableness of the assumptions used by the Company to determine the probability of obtaining the pertinent authorisations, by considering the current stage of development.</li> <li>- In order to carry out the assessment mentioned in the preceding paragraphs, we held meetings with Management and key personnel of the research and development area to confirm these assumptions.</li> <li>- In addition, we also assessed whether the disclosures included in the annual accounts comply with the requirements of the financial reporting framework applicable to the Company.</li> </ul>



## **Other Information: Directors' Report**

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Other information solely comprises the 2019 Directors' Report, the preparation of which is the responsibility of the Company's Directors and which does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not encompass the directors' report. Our responsibility as regards the content of the directors' report is defined in the legislation regulating the audit of accounts, which establishes two different levels:

- a) A specific level applicable to certain information included in the Annual Corporate Governance Report, as defined in article 35.2. b) of Audit Law 22/2015, which consists solely of verifying that the aforementioned information has been provided in the directors' report, and if not, to report on this matter.
- b) A general level applicable to the rest of the information included in the directors' report, which consists of assessing and reporting on the consistency of this information with the annual accounts, based on knowledge of the entity obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. Also, assessing and reporting on whether the content and presentation of this part of the directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have verified that the information referred to in paragraph a) above has been provided in the directors' report and the rest of the information contained in the directors' report is consistent with that disclosed in the annual accounts for 2019, and that the content and presentation of the report are in accordance with applicable legislation.

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

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

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

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



## **Auditor's Responsibilities for the Audit of the Annual Accounts**

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

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

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

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

We also provide the entity's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Additional Report to the Audit Committee** \_\_\_\_\_

The opinion expressed in this report is consistent with our additional report to the Company's audit committee dated 25 February 2020.

### **Contract Period** \_\_\_\_\_

We were appointed as auditor by the shareholders at the ordinary general meeting on 31 May 2017 for a period of three years, from the year ended 31 December 2017.

*(Signed on the original in Spanish)*

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

José Ignacio Rodríguez Prado

On the Spanish Official Register of Auditors ("ROAC") with number 15825

25 February 2020

# **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Annual Accounts and Management Report  
for the annual period ended 31 December, 2019

Free translation of the Annual Accounts originally issued in Spanish and prepared in accordance with “Plan General de Contabilidad” approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Financial Position at 31 December, 2019 and 2018  
(Thousands of euros)

	Note	At 31 December	
		2019	2018
<b>NON-CURRENT ASSETS</b>		<b>138,744</b>	<b>99,549</b>
<b>Intangible assets</b>	5	<b>41,587</b>	<b>31,618</b>
<b>Property, plant and equipment</b>	6	<b>46,742</b>	<b>41,284</b>
<b>Non-current investments in Group &amp; associated companies</b>	8 & 9	<b>42,826</b>	<b>14,379</b>
Equity instruments		13,824	12,459
Credits to Group companies	31	29,002	1,920
<b>Non-current financial investments</b>		<b>1,482</b>	<b>1,480</b>
Equity instruments	7 & 11	63	63
Other financial assets	7 & 10	1,419	1,417
<b>Deferred tax assets</b>	21	<b>6,107</b>	<b>10,788</b>
<b>CURRENT ASSETS</b>		<b>276,732</b>	<b>314,411</b>
<b>Inventories</b>	12	<b>67,749</b>	<b>37,195</b>
<b>Trade and other receivables</b>		<b>157,608</b>	<b>193,373</b>
Trade receivables for sales of goods and services	7 & 10	55,005	37,239
Trade receivables, Group & associated companies	7 & 10	87,345	147,499
Sundry debtors	7 & 10	73	118
Employees	7 & 10	-	101
Current tax assets	23	10,089	3,414
Other credits with public authorities	23	5,096	5,002
<b>Current investments in Group &amp; associated companies</b>	7 & 10	<b>55</b>	<b>36</b>
Credits to companies		55	36
<b>Current financial investments</b>		<b>-</b>	<b>17</b>
Derivatives		-	17
<b>Current accruals and prepayments</b>		<b>3</b>	<b>3</b>
<b>Cash and cash equivalents</b>	7 & 13	<b>51,317</b>	<b>83,787</b>
<b>TOTAL ASSETS</b>		<b>415,476</b>	<b>413,960</b>

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Financial Position at 31 December, 2019 and 2018  
(Thousands of euros)

	Note	At 31 December	
		2019	2018
<b>EQUITY</b>		<b>269,329</b>	<b>248,421</b>
<b>Equity</b>		<b>266,582</b>	<b>245,296</b>
Capital	14	3,364	3,364
Share premium	14	87,636	87,636
Reserves	15	7,032	6,959
(Treasury shares)	15	(10,341)	(8,812)
Retained earnings	15	153,338	140,568
Profit for the year	16	25,553	15,581
<b>Adjustments for change in value</b>		<b>(3)</b>	<b>(3)</b>
Available-for-sale financial assets		(3)	(3)
<b>Grants, donations and legacies received</b>	17	<b>2,750</b>	<b>3,128</b>
<b>NON-CURRENT LIABILITIES</b>		<b>62,803</b>	<b>24,440</b>
<b>Non-current debt</b>		<b>54,329</b>	<b>16,131</b>
Bank borrowings	7 & 18	45,000	7,113
Other financial liabilities	7 & 18	9,329	9,018
<b>Non-current debt with Group &amp; associated companies</b>	7 & 18	<b>333</b>	<b>-</b>
<b>Deferred tax liabilities</b>	21	<b>2,348</b>	<b>2,046</b>
<b>Non-current accruals</b>	19	<b>5,793</b>	<b>6,263</b>
<b>CURRENT LIABILITIES</b>		<b>83,344</b>	<b>141,099</b>
<b>Current provisions</b>	20	<b>9,827</b>	<b>7,226</b>
<b>Current debt</b>		<b>9,138</b>	<b>17,496</b>
Bank borrowings	7 & 18	7,116	15,603
Derivates	7 & 18	129	-
Other financial liabilities	7 & 18	1,893	1,893
<b>Current debt with Group &amp; associated companies</b>	7 & 18	<b>156</b>	<b>141</b>
<b>Trade and other payables</b>		<b>63,457</b>	<b>115,877</b>
Trade payables	7 & 18	36,533	28,554
Trade payables, Group & associated companies	7 & 18	20,141	81,620
Sundry creditors	7 & 18	578	51
Employees (outstanding remuneration)	7 & 18	4,886	4,433
Other debts with the public authorities	23	1,319	1,219
<b>Current accruals</b>	19	<b>766</b>	<b>359</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>415,476</b>	<b>413,960</b>

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Income Statement for the annual periods ended 31 December, 2019 and 2018  
(Thousands of euros)

	Note	Annual period ended 31 December	
		2019	2018
<b>CONTINUING OPERATIONS</b>			
<b>Net sales</b>	22 a)	<b>379,221</b>	<b>291,202</b>
Sales of goods		378,223	291,202
Rendering of services		998	-
<b>Change in inventories of finished products and work in progress</b>	12	<b>13,653</b>	<b>(490)</b>
<b>Procurements</b>		<b>(277,098)</b>	<b>(190,379)</b>
Raw materials and consumables used	22 b)	(275,544)	(188,443)
Inventory write-down	12	(1,554)	(1,936)
<b>Other operating income</b>		<b>3,450</b>	<b>5,380</b>
Ancillary and current management income	22 c)	2,984	4,658
Operating grants recognised in profit and loss	22 d)	466	722
<b>Employee benefit expenses</b>	22 e)	<b>(34,490)</b>	<b>(32,744)</b>
Wages, salaries and similar remuneration		(28,766)	(27,801)
Welfare charges		(5,724)	(4,943)
<b>Other operating expenses</b>		<b>(66,661)</b>	<b>(67,113)</b>
External services	22 f)	(64,476)	(65,396)
Taxes		(2,635)	(1,837)
Losses, impairment and changes in trade provisions	10 c)	450	120
<b>Amortisation, depreciation and impairment charges</b>	5 & 6	<b>(9,331)</b>	<b>(7,753)</b>
<b>Allocation of grants for non-financial assets and other</b>	17	<b>685</b>	<b>864</b>
<b>Impairment and gains/(losses) on disposal of intangible assets and property,</b>	6	<b>(342)</b>	<b>(39)</b>
Impairments and losses	5	(341)	-
Gains/(losses) on sales and other		(1)	(39)
<b>PROFIT/(LOSS) FROM OPERATING ACTIVITIES</b>		<b>9,087</b>	<b>(1,072)</b>
Finance revenue		17,066	12,845
Finance expenses		(624)	(684)
Change in fair value of financial instruments		159	17
Exchange rate differences		24	(56)
Impairment and gains/(losses) on disposal of financial instruments		-	2
<b>FINANCE COSTS – NET</b>	24	<b>16,625</b>	<b>12,124</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>25,712</b>	<b>11,052</b>
<b>Income tax</b>	23	<b>(159)</b>	<b>4,529</b>
<b>PROFIT FOR THE YEAR</b>	16	<b>25,553</b>	<b>15,581</b>

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Changes in Equity for the annual periods ended 31 December, 2019 and 2018  
(Thousands of euros)

### A) STATEMENT OF RECOGNISED INCOME AND EXPENSES (thousands of euros)

	Note	Annual period ended 31 December	
		2019	2018
<b>PROFIT FOR THE YEAR</b>	16	<b>25,553</b>	<b>15,581</b>
<b>Income and expenses credited or charged directly to equity</b>		<b>484</b>	<b>828</b>
Measurement of financial instruments			
- Available-for-sale financial assets	11	-	(1)
Grants, donations and legacies received	17	646	1,105
Tax effect	21	(162)	(276)
<b>Transfers to profit and loss</b>		<b>(862)</b>	<b>(1,190)</b>
Grants, donations and legacies received	17	(1,151)	(1,586)
Tax effect	21	289	396
<b>TOTAL RECOGNISED INCOME AND EXPENSES</b>		<b>25,175</b>	<b>15,219</b>

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## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Estado de cambios en el patrimonio neto correspondiente a los ejercicios anuales terminado el 31 de diciembre de 2019 y 2018  
(En miles de euros)

### B) STATEMENT OF TOTAL CHANGES IN EQUITY (thousands of euros)

	Share capital (Note 14)	Share premium (Note 15)	Reserves (Note 15)	Treasury shares (Note 15)	Retained earnings (Note 15)	Profit for the year (Note 16)	Adjustment for changes in value	Grants, donations & legacies received (Note 17)	TOTAL
<b>BALANCE AT END OF 2017</b>	<b>3,000</b>	-	<b>6,959</b>	<b>(8,407)</b>	<b>131,475</b>	<b>18,673</b>	<b>(2)</b>	<b>3,489</b>	<b>155,187</b>
Adjustments for changes in policies 2017 and prior periods	-	-	-	-	-	-	-	-	-
Adjustments for errors 2017 and prior periods	-	-	-	-	-	-	-	-	-
<b>ADJUSTED BALANCE BEGINNING OF 2018</b>	<b>3,000</b>	-	<b>6,959</b>	<b>(8,407)</b>	<b>131,475</b>	<b>18,673</b>	<b>(2)</b>	<b>3,489</b>	<b>155,187</b>
Total recognised income and expenses	-	-	-	-	-	15,581	(1)	(361)	15,219
- Application of profit for 2017	-	-	-	-	12,721	(12,721)	-	-	-
- Distribution of dividends	-	-	-	-	-	(5,952)	-	-	(5,952)
- Transactions with treasury shares (net)	-	-	-	(405)	253	-	-	-	(152)
Other movements on equity	364	87,636	-	-	(3,881)	-	-	-	84,119
<b>BALANCE AT END OF 2018</b>	<b>3,364</b>	<b>87,636</b>	<b>6,959</b>	<b>(8,812)</b>	<b>140,568</b>	<b>15,581</b>	<b>(3)</b>	<b>3,128</b>	<b>248,421</b>
Adjustments for changes in policies 2018 and prior periods	-	-	-	-	-	-	-	-	-
Adjustments for errors 2018 and prior periods	-	-	-	-	-	-	-	-	-
<b>ADJUSTED BALANCE BEGINNING OF 2019</b>	<b>3,364</b>	<b>87,636</b>	<b>6,959</b>	<b>(8,812)</b>	<b>140,568</b>	<b>15,581</b>	<b>(3)</b>	<b>3,128</b>	<b>248,421</b>
Total recognised income and expenses	-	-	-	-	-	25,553	-	(378)	25,175
- Application of profit for 2018	-	-	73	-	11,088	(11,161)	-	-	-
- Distribution of dividends	-	-	-	-	-	(4,420)	-	-	(4,420)
- Transactions with treasury shares (net)	-	-	-	(1,529)	1,682	-	-	-	153
<b>BALANCE AT END OF 2019</b>	<b>3,364</b>	<b>87,636</b>	<b>7,032</b>	<b>(10,341)</b>	<b>153,338</b>	<b>25,553</b>	<b>(3)</b>	<b>2,750</b>	<b>269,329</b>

Free translation of the Annual Accounts originally issued in Spanish and prepared in accordance with "Plan General de Contabilidad" approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

Statement of Cash Flows for the annual periods ended 31 December, 2019 and 2018  
(Thousands of euros)

	Note	Annual period ended 31 December	
		2019	2018
Profit before income tax		25,712	11,052
Adjustments to profit		12,152	12,144
Changes in working capital		(60,206)	(36,096)
Other cash flows from operating activities		(7,693)	2,786
<b>Cash flows generated (used) in operating activities</b>	25	<b>(30,035)</b>	<b>(10,114)</b>
Payments of investments		(26,539)	(15,342)
Proceeds from disinvestments		157	2,591
<b>Cash flows generated (used) in investing activities</b>	26	<b>(26,382)</b>	<b>(12,751)</b>
Proceeds from and payment of equity instruments		-	88,000
Proceeds from and payment of financial liability instruments		28,214	(10,770)
Dividend payments and remuneration of other equity instruments		(4,420)	(5,952)
Transactions with treasury shares		153	(152)
<b>Cash flows generated (used) in financing activities</b>	27	<b>23,947</b>	<b>71,126</b>
<b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(32,470)</b>	<b>48,261</b>
Cash and cash equivalents at beginning of the year	13	83,787	35,526
Cash and cash equivalents at end of the year	13	51,317	83,787

Free translation of the Annual Accounts originally issued in Spanish and prepared in accordance with “Plan General de Contabilidad” approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

### **1. General information**

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

The Company’s principal activity is the research and sale of its own pharmaceutical products and the distribution of other products for which it holds licences granted by other laboratories for specific periods, in accordance with the terms and conditions contained in the agreements entered into with said laboratories.

The annual accounts for 2019 include the financial statements of the permanent establishment of Laboratorios Farmacéuticos Rovi, S.A. in Portugal, created in 1998, the permanent establishment created for value-added tax purposes in Germany in 2017, and the permanent establishment in Poland, which was set up in 2018.

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a consolidated group the consolidated annual accounts of which for 2019 will be presented under International Financial Reporting Standards (IFRS-EU). In accordance with the provisions of Royal Decree 1159/2010 of 17 September, the Company prepares consolidated annual accounts for its Group. On 25 February, 2020, the consolidated annual accounts of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries at 31 December, 2019 were formulated, showing a profit of 39,273 thousand euros and equity, including the net profit for the year, of 322,386 thousand euros (17,895 thousand euros and 287,472 thousand euros, respectively, at 31 December, 2018).

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

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares that were already in issue (the “New Shares”).
- The price of issue of the New Shares was fixed at 14.50 per shares, 0.06 euros of which related to the nominal value, while 14.44 euros was the share premium (the “Issue Price”).
- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 364,137.90 euros of which related to the nominal value and 87,635,854.60 to the share premium.

As a consequence of the Capital Increase, the interest held by the company Norbel Inversiones, S.L. in Laboratorios Farmacéuticos Rovi, S.A. dropped from 69.64% to 62.10% (Note 14). Norbel Inversiones, S.L., whose registered office is at Calle Julián Camarillo, 35, Madrid, files consolidated annual accounts at the Madrid Companies Registry.

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

These annual accounts were approved by the Board of Directors on 25 February, 2019 and are pending approval by the forthcoming General Shareholders’ Meeting. Notwithstanding, the directors of the Company expect the annual accounts to be approved without any changes.



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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

### **2. Bases of presentation**

#### a) True and fair view

The annual accounts have been prepared using the Company’s accounting records and are presented in accordance with current mercantile legislation and the policies established in the “Plan General de Contabilidad” (“General Chart of Accounts”), approved by Royal Decree 1514/2007 and the amendments and interpretations issued after its entry into force, to present fairly the equity, the financial position and the results of the Company, as well as the accuracy of the cash flows included in the statement of cash flows.

#### b) Critical accounting estimates and judgements

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

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

##### *b.1) Revenue recognition*

The Company has recognised the total sales of goods marketed in 2019 and 2018 as revenue and, where applicable, has claimed late-payment interest from the public authorities. The buyer has the right to return the goods sold. Although the Company believes that, based on previous experience, the level of returns will not be very meaningful, ROVI has recognised ordinary revenue for its sales together with the related provision against ordinary revenue for estimated returns. If the estimate changes by 1%, changes in revenue will not be significant.

##### *b.2) Capitalisation of development expenses*

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

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

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

### *b.3) Deferred tax assets*

The Company recognises deferred tax assets and tax credits when it is likely that they will materialise in lower income tax payments in the future.

In order to determine the maximum amount that can be recognised by the Company in relation to the future tax effect of these items, Management recognises only items where, after analysis, there is certainty that said tax effect will occur and of the accuracy of the amount involved.

Although the estimates were made using the best information available on the events analysed at 31 December, 2019, it is possible that future events might make it necessary to change them (upwards or downwards) over forthcoming years, prospectively recognising the effect of the change in estimate in the relevant account of the consolidated income statement. Based on analyses performed by the Company, a change in assumptions would not have a significant effect on the periods over which said assets could be recovered.

### c) Grouping of items

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

## **3. Accounting policies**

### **3.1 Intangible assets**

#### a) Research and development expenses

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

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

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

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

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

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

### b) Licences and trademarks

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

### c) Computer software

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

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

## **3.2 Property, plant and equipment**

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

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

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

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

Buildings - 40 years

Technical facilities and machinery – between 4 and 14 years

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

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

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

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

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

Losses and gains on disposals are determined by comparing proceeds with carrying amount and are recognised in profit and loss.

### **3.3 Impairment losses on non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered impairment are reviewed at the end of each reporting period to see whether the impairment has been reversed.

### **3.4 Financial assets**

#### **(a) *Classification of financial assets***

The Company classifies its financial assets into the following categories:

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

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

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

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

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

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

- b) Held-to-maturity investments: Held-to-maturity financial assets are securities representing debt with fixed or determinable payments and fixed maturities that are traded on an active market and that company Management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities at less than 12 months after the reporting date, which are classified as current assets.

The measurement criteria for these investments are the same as for loans and receivables.

- c) Investments in the equity of group, multi-group and associated companies: These are measured at cost less, if applicable, the accumulated amount of the impairment losses. Notwithstanding, when there is an investment prior to the classification as a group, multi-group or associated company, the carrying amount before being thus classified is deemed to be an investment cost. Previous value adjustments recorded directly in the equity remain there until they are derecognised.

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

- d) Available-for-sale financial assets: This category includes securities representing debt and equity instruments not classified in any of the preceding categories. They are included in non-current assets unless Management intends to dispose of the investment within the 12 months after the end of the reporting period.

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

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

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

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

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

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

### ***(b) Derecognition of financial assets***

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

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

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

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

### **3.5 Financial derivatives and hedge accounting**

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

#### Fair value hedges

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

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

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### **3.6 Inventories**

Inventories are measured at the lower of cost or net realisable value. When the net realisable value of the inventories is lower than their cost, the applicable value adjustments will be made, recognising them as an expense in profit and loss. If the circumstances that cause the value adjustment cease to exist, the amount of the adjustment is reversed and recognised as income in profit and loss.

Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises design, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling costs and, in the case of raw materials and work in progress, the costs estimated necessary to complete their production.

### **3.7 Equity**

Share capital is represented by ordinary shares.

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

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

### **3.8 Financial liabilities**

#### **a) Debits and payables**

This category includes trade and non-trade debits. These debits are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

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

#### **b) Financial liabilities held for trading and other financial liabilities held at fair value through profit and loss**

Financial liabilities held at fair value through profit and loss are those held for trading that are issued with the intention of reacquiring them in the short term or those that form part of a portfolio of identified financial instruments managed overall to obtain short-term gains, together with financial liabilities that the Company designates to be included in this category upon initial recognition because this provides more relevant information.

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

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

### **3.9 Grants received**

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

In this respect, a grant is considered non-reimbursable when there is an individual decision to award the grant, all the conditions fixed for awarding it have been met and there is no reasonable doubt that it will be received.

Monetary grants are recognised at the fair value of the amount awarded and non-monetary grants at the fair value of the item received. In both cases, the values refer to the time of recognition.

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

### **3.10 Current and deferred taxes**

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

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

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

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

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



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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

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(Thousands of euros)

### **3.11 Employee benefits**

#### a) Pension commitments

The Company holds a defined-contribution plan exclusively on behalf of certain employees.

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

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

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

#### b) Termination benefits

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

### **3.12 Provisions and contingent liabilities**

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

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

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

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

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

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## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

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(Thousands of euros)

### **3.13 Business combinations**

Transactions of merger, spin-off or non-monetary contribution of a business between group companies are recorded applying the rules for transactions with related parties (Note 3.17).

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

For business combinations resulting from the acquisition of shares in the capital of a company, the Company recognises the investment in accordance with the rules for investments in the equity of group, multi-group and associated companies (Note 3.4.c).

### **3.14 Revenue recognition**

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

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

#### **a) Sale of goods**

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

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

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

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(Thousands of euros)

### b) Sale of services

The services provided by the Company consist mainly of promoting third-party pharmaceutical products.

### c) Interest income

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

### d) Dividend income

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

### e) Other revenues: granting of exclusive distribution licences

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

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

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

## **3.15 Leases**

### When the Company is the lessee – Operating lease

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

## **3.16 Foreign currency transactions**

### a) Functional and presentation currency

The Company’s Annual Accounts are presented in thousands of euros. The euro is the Company’s functional and presentation currency.

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### b) Transactions and balances

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

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

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

### **3.17 Related-party transactions**

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

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

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

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

### **3.18 Health tax**

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

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During 2010, the Spanish government approved a reduction of the pharmaceutical expenditure of 2,800 million euros through the introduction of two packages of pricing legislation. The first one was approved in March 2010 and was focused on generic products. With regard to these products, which are those out of patent, the reduction was 25% on average applied to the selling price to laboratories. The second package, which was approved in May 2010 and applied as from June 2010, addressed pharmaceutical products under patent. A discount of 7.5% was applied to the selling price to the public for these products. The Company has recognised the amounts relating to these measures as a decrease in sales.

Additionally, in 2016, a co-operation agreement was signed between Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government. This agreement was renewed in December 2017. ROVI, as a member of Farmaindustria, is subject to this agreement. According to the agreement, in the event that public spending on medicines (excluding generics and biosimilars) exceeds the actual growth rate of the GDP of the Spanish economy, the pharmaceutical industry must reimburse the government for said excess in cash. The Company recognises the amounts related to this item as a decrease in sales.

### **4. Financial risk management**

#### **4.1 Financial risk factors**

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

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

#### **a) Market risk**

##### **(i) Exchange rate risk**

Foreign exchange risk is low as (i) virtually all the Company's assets and liabilities are in euros; (ii) the majority of the transactions with foreign parties are carried out in euros; and (iii) transactions for a significant amount in currencies other than the euro are hedged with financial instruments that minimise the impact of exchange-rate risk. At 31 December, 2019, the Company held instruments of this kind for a value of 26,500 thousand euros, the measurement of which at the 2019 reporting date did not lead to recognition of significant losses.

At 31 December, 2019, the Company held assets for an amount of 438 thousand zlotys (40 thousand zlotys at 31 December, 2018). If the interest rate at the reporting date had been 10% higher, these assets denominated in zlotys would have decreased by 9 thousand euros (one thousand euros in 2018) and if the exchange rate had been 10% lower, they would have increased by 11 thousand euros (one thousand euros in 2018).

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(ii) Price risk

The Company is exposed to price risk on equity securities because of investments held by the Company and classified on the statement of financial position as available for sale or held at fair value through profit and loss. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio in accordance with the limits set. The Company does not use derivatives to hedge price risk.

At 31 December, 2019 and 2018, a change in the quoted price of equity securities would have had no effect on the Company's statement of financial position.

(iii) Cash flow and fair value interest rate risk

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

Had interest rates on financial debt at variable rates been 1% higher or lower at 31 December, 2019, with all other variables remaining constant, the gain/loss after taxes for the year would have decreased or increased by 54 thousand euros, respectively, owing to the difference in interest expense on loans at variable rates (30 thousand euros at 31 December, 2018).

**b) Credit risk**

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as available for sale and trade receivables.

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

At 31 December, 2019, the greatest investment in financial assets, including cash and cash equivalents but not including trade receivables, was related to BBVA, 31,609 thousand euros (72,165 thousand euros at 31 December, 2018). A significant proportion of trade and other receivables relates to accounts receivable from government entities, on which, in view of their nature, with the information currently available, Management considers that there is no credit risk.

In the reporting periods for which information is presented, credit limits were not exceeded and Management does not expect losses due to default by any of the aforementioned counterparties.

**c) Liquidity risk**

Management monitors the liquidity estimates of the Company in accordance with the expected cash flows. ROVI maintains sufficient cash and marketable securities to meet its liquidity requirements. In 2017, ROVI signed a financing agreement with the European Investment Bank, which it could draw down over the two years following signature of the

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agreement for a total amount of 45 million euros. As of 31 December, 2019, ROVI had drawn the full amount of this loan (the amount drawn at 31 December, 2018 was 5,000 thousand euros) (Note 18.a).

ROVI’s liquidity increased in 2018 as a consequence of the capital increase for a total amount of 88,000 thousand euros carried out in October 2018 (Notes 1 and 14).

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

	Thousands of euros			
	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
<b>At 31 December, 2019</b>				
Bank borrowings	2,415	1,474	19,983	25,190
Debt with government entities	1,893	3,788	3,703	2,870
Trade and other payables	62,294	-	-	-
	66,602	5,262	23,686	28,060

	Thousands of euros			
	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
<b>At 31 December, 2018</b>				
Bank borrowings	15,694	2,344	2,184	2,730
Debt with government entities	1,893	3,709	3,736	2,913
Trade and other payables	114,799	-	-	-
	132,386	6,053	5,920	5,643

**4.2 Fair value estimation**

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

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

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### 5. Intangible assets

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

	Development	Patents, licences & trademarks	Computer software	Total
<b>Balance at 01.01.18</b>				
Cost	8,984	21,066	5,763	35,813
Accumulated amortisation	(308)	(6,436)	(4,514)	(11,258)
	<b>8,676</b>	<b>14,630</b>	<b>1,249</b>	<b>24,555</b>
Additions	110	9,010	761	9,881
Amortisation charge	(452)	(1,803)	(563)	(2,818)
<b>Balance at 31.12.18</b>				
Cost	9,094	30,076	6,524	45,694
Accumulated amortisation	(760)	(8,239)	(5,077)	(14,076)
<b>Carrying amount 31.12.18</b>	<b>8,334</b>	<b>21,837</b>	<b>1,447</b>	<b>31,618</b>
Additions	-	13,999	507	14,506
Impairment	-	(341)	-	(341)
Amortisation charge	(455)	(3,148)	(593)	(4,196)
<b>Balance at 31.12.19</b>				
Cost	9,094	44,075	7,031	60,200
Accumulated Impairment	-	(341)	-	(341)
Accumulated amortisation	(1,215)	(11,387)	(5,670)	(18,272)
<b>Carrying amount 31.12.19</b>	<b>7,879</b>	<b>32,347</b>	<b>1,361</b>	<b>41,587</b>

#### a) Patents, licences and trademarks

The main additions recognised under the caption “Patents, licences and trade marks” were the following:

- In 2019, an addition was recognised as a result of the acquisition of certain rights over the dexchlorpheniramine maleate product line, allowing ROVI to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the brand name POLARAMINE®, and cream, marketed under the brand name POLARACREM™) and, in France, in its injectable form (ampoules). ROVI paid 13,500 thousand euros to acquire these rights.
- In 2018, additions of 9,000 thousand euros were recognised under the caption “Trademarks and licences” relating mainly to the acquisition of the product Falithrom®, a medicine indicated 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.

Because the recoverable value of the asset related to acquisition of the distribution rights of the product Hirobriz® dropped to below its net carrying amount, at 31 December, 2019, the pertinent impairment loss was recognised. The loss, which was 341 thousand euros, was recognised under the caption “Impairment and losses on disposals of fixed assets” in the income statement. The recoverable value of this asset was obtained by projecting the cash flows expected until the end of the contract in December 2023 and applying a discount rate of 6.9%. The margins used in the cash flow projection were those forecast in accordance with ROVI’s historical knowledge of the revenue and costs generated by this asset.



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### b) Development

At 31 December, 2019 and 2018, the assets included under the “Development” caption correspond to assets related to the development of a low-molecular-weight heparin, biosimilar to enoxaparin, sales of which commenced in 2017. Amortisation of this asset commenced during the first quarter of 2017, determined by the successful completion of the decentralised process used by the Company to apply for marketing authorisation in twenty-six European Union countries. The useful life of this asset is 20 years, and no indications of impairment were noted in 2019 or 2018.

Total research and development expenses incurred in 2019 were 29,304 thousand euros (32,376 thousand euros in 2018) and were mainly concentrated in the Glycomics and ISM® platforms, the latter of which is a proprietary drug release system belonging to ROVI, the objective of which is to improve patient treatment adherence. Of the total research and development expenses incurred in 2019, 8,121 thousand euros was recognised under the “Employee benefit expenses” caption (Note 22.e) (7,807 thousand euros at 31 December, 2018) and 21,183 thousand euros under “Other operating expenses” (Note 22.f) (24,569 thousand euros in 2018).

### c) Fully amortised intangible assets

At 31 December, 2019, there were fully-amortised intangible assets that were still in use with a carrying cost of 5,266 thousand euros (4,351 thousand euros at 31 December, 2018).

### d) Assets affected by guarantees and ownership restrictions

At 31 December, 2019 and 2018, there were no significant intangible assets subject to ownership restrictions or pledged to guarantee liabilities.

### e) Insurance

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

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**6. Property, plant and equipment**

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

	<b>Land and property, plant buildings</b>	<b>Technical facilities &amp; other &amp; equipment</b>	<b>Total</b>
<b>Balance at 01.01.18</b>			
Cost	7,284	67,616	74,900
Accumulated amortisation	(1,144)	(30,799)	(31,943)
<b>Carrying amount 01.01.18</b>	<b>6,140</b>	<b>36,817</b>	<b>42,957</b>
Additions	-	5,461	5,461
Retirements	-	(2,203)	(2,203)
Eliminations from amortisation	-	4	4
Amortisation charge	(136)	(4,799)	(4,935)
<b>Balance at 31.12.18</b>			
Cost	7,284	70,874	78,158
Accumulated amortisation	(1,280)	(35,594)	(36,874)
<b>Carrying amount 31.12.18</b>	<b>6,004</b>	<b>35,280</b>	<b>41,284</b>
Additions	590	10,668	11,258
Retirements	-	(75)	(75)
Non-monetary contribution	(590)	-	(590)
Amortisation charge	(136)	(4,999)	(5,135)
<b>Balance at 31.12.19</b>			
Cost	7,284	81,467	88,751
Accumulated amortisation	(1,416)	(40,593)	(42,009)
<b>Carrying amount 31.12.19</b>	<b>5,868</b>	<b>40,874</b>	<b>46,742</b>

On 4 December, 2019, ROVI incorporated the company Rovi Escúzar, S.L. through a non-monetary contribution of two plots of land for an amount of 590 thousand euros (Note 31.d).

At 31 December, 2019 and 2018, the additions to property, plant and equipment were mainly related to investments in the Company's bemiparin and enoxaparin plant in Granada and investments in the pilot plants for development of ISM@ technology.

a) Impairment losses

In the periods 2019 and 2018, no significant impairment losses were either recognised or reversed in relation to any individual item of property, plant and equipment.

b) Fixed-asset acquisition commitments

At 31 December, 2019 and 2018, the Company held commitments to acquire property, plant and equipment related to the normal course of business.

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### c) Fully-depreciated assets

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

	<b>Thousand of euros</b>	
	<b>2019</b>	<b>2018</b>
Technical installations	2,432	2,325
Machinery	755	321
Tools	257	213
Furniture	254	254
Computer equipment	1,281	929
Transport fleet	24	3
Other property, plant and equipment	7,080	6,662
	<b>12,083</b>	<b>10,707</b>

### d) Operating leases

The income statement includes operating lease expenses relating to rental of vehicles and buildings for an amount of 2,628 thousand euros (1,852 thousand euros at 31 December, 2018).

### e) Grants received

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

### f) Insurance

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

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### 7. Analysis of financial instruments

#### 7.1 Analysis by category

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

##### a) Financial assets

	Thousands of euros			
	Equity Instruments		Credits and other financial assets	
	2019	2018	2019	2018
Available-for-sale financial assets (Note 11)	63	63	-	-
Loans and receivables (Note 10)	-	-	30,421	3,337
<b>Non-current</b>	<b>63</b>	<b>63</b>	<b>30,421</b>	<b>3,337</b>
Loans and receivables (Note 10)	-	-	142,478	184,993
Hedging derivatives	-	-	-	17
Cash and cash equivalents (Note 13)	-	-	51,317	83,787
<b>Current</b>	<b>-</b>	<b>-</b>	<b>193,795</b>	<b>268,797</b>
<b>TOTAL</b>	<b>63</b>	<b>63</b>	<b>224,216</b>	<b>272,134</b>

##### b) Financial liabilities

	Thousands of euros			
	Bank borrowings		Financial liabilities	
	2019	2018	2019	2018
Debits and payables (Note 18)	45,000	7,113	9,662	9,018
<b>Non-current</b>	<b>45,000</b>	<b>7,113</b>	<b>9,662</b>	<b>9,018</b>
Debits and payables (Note 18)	7,116	15,603	64,316	116,692
<b>Current</b>	<b>7,116</b>	<b>15,603</b>	<b>64,316</b>	<b>116,692</b>
<b>TOTAL</b>	<b>52,116</b>	<b>22,716</b>	<b>73,978</b>	<b>125,710</b>

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### **7.2 Credit rating of financial assets**

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

<b>Cash and cash equivalents</b>	<b>Rating</b>	<b>Thousands of euros</b>	
		<b>2019</b>	<b>2018</b>
	A+	110	-
	A	18,955	71,189
	A-	31,605	12,432
	BBB+	135	97
	BBB	63	67
	BBB-	-	-
	BB	-	-
	Caa2	449	2
	<b>Total cash (Note 13)</b>	<b>51,317</b>	<b>83,787</b>
<b>Other non-current financial assets</b>	<b>Rating</b>	<b>2019</b>	<b>2018</b>
	A	1,392	1,392
	A-	-	-
	Other	27	25
	<b>Total other non-current financial assets (Note 10)</b>	<b>1,419</b>	<b>1,417</b>

None of the assets classified as available for sale has received a financial rating. Note 10 “Loans and receivables” gives details of the credit quality of the balances receivable from public authorities.

### **8. Interests in group companies**

In 2019, the following additions and eliminations of interests held by the Company in other group companies took place:

- In January 2019, the company Rovi Biotech sp.z.o.o., with registered office at ul. Wincentego Rzymowskiego, 53, Warsaw, Poland, was incorporated.
- On 8 April, 2019, the company Rovi Biotech Ltda., which was in Bolivia, was dissolved.
- In November 2019, the following three companies were merged by absorption: Frosst Ibérica, S.A.U. (absorbing company), Rovi Contract Manufacturing, S.L. and Bemipharma Manufacturing, S.L. (absorbed companies). After this merger, but likewise in 2019, Frosst Ibérica, S.A. changed its corporate name to Rovi Pharma Industrial Services, S.A.U.
- On 4 December, 2019, the company Rovi Escúzar, S.L. was incorporated

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With these recent changes, the companies in which Laboratorios Farmacéuticos Rovi, S.A. held a significant interest at 31 December, 2019 were:

Corporate name	Address	Activity	Shareholding		Voting rights	
			% Direct	% Indirect	% Direct	% Indirect
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	(1)	100%	-	100%	-
Gineladius, S.L.	Madrid, C/Rufino González, 50	(2)	100%	-	100%	-
Rovi Pharma Industrial Services, S.A.U. (formerly Frosst Ibérica, S.A.U. until November 2019) (a)	Alcalá de Henares, Avenida Complutense, 140 (Madrid)	(1)	100%	-	100%	-
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	(3)	100%	-	100%	-
Rovi Biotech Limited	10-18 Union Street, London (United Kingdom)	(1)	100%	-	100%	-
Rovi Biotech, S.R.L.	Via Monte Rosa 91, Milan (Italy)	(1)	100%	-	100%	-
Rovi, GmbH	Ruhlandstr. 5, Bad Tölz (Germany)	(1)	100%	-	100%	-
Rovi, S.A.S.	24 Rue du Drac, Seyssins (France)	(1)	100%	-	100%	-
Rovi Biotech sp.z.o.o.	ul. Wincentego Rzymowskiego, 53, Warsaw (Poland)	(1)	100%	-	100%	-
Rovi Escúzar, S.L.	Madrid, C/Julián Camarillo, 35	(1)	100%	-	100%	-

(1) Production, marketing and sale of pharmaceutical, healthcare and medicine products.

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

(3) Development, distribution and marketing of pharmaceutical products related to micro-particle technologies.

(a) In November 2019, the group companies Frosst Ibérica, S.A. (absorbing company), Rovi Contract Manufacturing, S.L. and Bemipharma Manufacturing, S.L. (absorbed companies) were merged. After this merger, Frosst Ibérica, S.A. changed its corporate name to its current name of Rovi Pharma Industrial Services, S.A.U.

Unless otherwise stated, the end of the reporting period for the latest annual accounts is 31 December, 2019.

At 31 December, 2019 and 2018, none of the group companies in which the Company held at interest was listed on the stock exchange.

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The amounts of the capital, reserves, profit or loss for the period and other relevant information, as shown in the annual accounts of the individual companies at 31 December, 2019, were as follows:

	% Direct interest	Carrying amount of interest	Capital	Reserves	Profit or loss for period	Total equity
Pan Química Farmacéutica, S.A.	100%	1,771	601	1,274	451	2,326
Gineladius, S.L.	100%	437	30	597	(32)	595
Bertex Pharma GmbH (Note 29.b)	100%	1,236	25	68	(2)	91
Rovi Pharma Industrial Services, S.A.U.	100%	7,370	7,816	31,216	30,706	69,738
Rovi Biotech, Limited	100%	7	6	(298)	24	(268)
Rovi Biotech, S.r.l.	100%	340	10	37	376	423
Rovi Biotech, GmbH	100%	1,575	25	717	412	1,154
Rovi S.A.S.	100%	5	5	(914)	(581)	(1,490)
Rovi Biotech sp.z.o.o.	100%	487	21	429	(24)	426
Rovi Escúzar, S.L.	100%	590	30	560	(19)	571
		<b>13,818</b>				

In 2019, the Company increased its interest in the subsidiary company Gineladius, S.L. by 144 thousand euros, through offsetting a credit balance of 146 thousand euros held with the subsidiary Rovi Biotech S.r.l.

During 2018, the Company increased its interest by offsetting the balances of loans in the following subsidiaries: Rovi GmbH, for 1,550 thousand euros and Rovi Biotech S.r.l. for 184 thousand euros.

At 31 December, 2018, the figures were as follows:

	% Direct interest	Carrying amount of interest	Capital	Reserves	Profit or loss for period	Total equity
Pan Química Farmacéutica, S.A.	100%	1,771	601	1,274	398	<b>2,273</b>
Gineladius, S.L.	100%	293	30	459	(7)	<b>482</b>
Frosst Ibérica, S.A.U.	100%	5,039	7,816	14,485	4,221	<b>26,630</b>
Rovi Contract Manufacturing, S.L.	100%	1,772	36	14,008	12,389	<b>26,494</b>
Bemipharma Manufacturing, S.L.	100%	559	36	2,798	(27)	<b>2,807</b>
Bertex Pharma GmbH (Note 29.b)	100%	1,236	25	68	-	<b>93</b>
Rovi Biotech, Ltda.	99%	2	2	-	-	<b>2</b>
Rovi Biotech, Limited	100%	7	6	(260)	(30)	<b>(284)</b>
Rovi Biotech, S.r.l.	100%	194	10	-	9	<b>19</b>
Rovi Biotech, GmbH	100%	1,575	25	360	564	<b>949</b>
Rovi S.A.S.	100%	5	5	(176)	(729)	<b>(900)</b>
		<b>12,453</b>				

There are no companies in which, with a holding of less than 20%, a significant influence is deemed to exist, or in which, with a holding of more than 20%, it is deemed that no significant influence exists.

Group companies with negative equity at 31 December, 2019 and 2018 reflect an equity situation in line with the recent start-up of their activity and the Company’s holding in said companies cannot be deemed to have been impaired at 31 December, 2019 and 2018. It is forecast that these companies will generate profits over forthcoming years and, therefore, the Company does not consider there to be any investments in Group companies where an impairment loss should be recognised.

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**9. Interests in joint ventures**

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

	Thousands of euros	
	2019	2018
<b>Balance at beginning of the year</b>	<b>6</b>	<b>6</b>
Additions (b)	-	-
<b>Balance at end of the year</b>	<b>6</b>	<b>6</b>

The nature of the investment in joint ventures at 31 December, 2019 and 2018 was as follows:

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

a) Alentia Biotech, S.L.

In 2010, the company Alentia Biotech, S.L. (Alentia) was created, 100% held by ROVI. In February 2012, the effective sale of 50% of the shares in Alentia Biotech, S.L. by Laboratorios Farmacéuticos Rovi, S.A. to Grupo Ferrer Internacional, S.A. took place and Alentia became a joint venture held by these two companies at 50% each. The carrying amount of this interest at 31 December, 2019 and 2018 was 3 thousand euros.

b) Enervit Nutrition, S.L.

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

ROVI and Enervit S.p.A. agreed to create a joint venture between them to carry the project out. To do this, under certain agreements, ROVI lost control of its subsidiary Enervit Nutrition, S.L, which, instead of being 100%-owned by ROVI, became a joint venture under joint control with Enervit, S.p.A. The agreements were signed on 16 March, 2016.

In July 2018, Enervit S.p.A. exercised a call option it held on 1% of the shares of Enervit Nutrition, S.L. for a sum of 50 thousand euros. ROVI recognised a profit of 50 thousand euros on this transaction. With this sale, ROVI's percentage interest in Enervit Nutrition, S.L. dropped from 51% to 50%.

The carrying amount of this interest in ROVI remained at 3 thousand euros at 31 December, 2019.

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



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### Condensed financial information on joint ventures

The condensed financial information on Alentia Biotech, S.L. and Enervit Nutrition, S.L. as of 31 December, 2019 and 2018 is as follows:

	31 December, 2019		31 December, 2018	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
<b>Condensed statement of financial position</b>				
<b>Current</b>				
Cash and cash equivalents	108	133	102	245
Other current assets (excluding cash)	-	2,773	6	2,542
<b>Total current assets</b>	<b>108</b>	<b>2,906</b>	<b>108</b>	<b>2,787</b>
Financial liabilities (excluding trade payables)	-	(744)	-	(1,342)
Other current liabilities (including trade payables)	-	(1,758)	-	(910)
<b>Total current liabilities</b>	<b>-</b>	<b>(2,502)</b>	<b>-</b>	<b>(2,252)</b>
<b>Non-current</b>	-	-	-	-
Property, plant and equipment	-	20	-	21
Intangible assets	-	3,264	-	3,478
Other financial assets	-	5	-	5
Deferred income tax assets	-	88	-	37
<b>Total non-current assets</b>	<b>-</b>	<b>3,377</b>	<b>-</b>	<b>3,541</b>
Financial liabilities	(2,200)	-	(2,200)	-
Other liabilities	-	-	-	-
<b>Total non-current liabilities</b>	<b>(2,200)</b>	<b>-</b>	<b>(2,200)</b>	<b>-</b>
<b>NET ASSETS</b>	<b>(2,092)</b>	<b>3,781</b>	<b>(2,092)</b>	<b>4,076</b>

	31 December, 2019		31 December, 2018	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
<b>Condensed statement of comprehensive income</b>				
Revenue	-	6,170	-	7,379
Procurements	-	(5,023)	-	(5,126)
Other operating income	-	-	-	4
Employee benefit expenses	-	(590)	-	(861)
Other operating expenses	-	(773)	(2)	(1,082)
Amortisation and depreciation	-	(217)	-	(215)
<b>Operating profit / (loss)</b>	<b>-</b>	<b>(433)</b>	<b>(2)</b>	<b>99</b>
Finance costs – net	-	15	-	(38)
Corporate income tax	-	28	-	(13)
<b>Profit / (loss) for period</b>	<b>-</b>	<b>(390)</b>	<b>(2)</b>	<b>48</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>(390)</b>	<b>(2)</b>	<b>48</b>
Dividends received from joint ventures	-	-	-	-

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**10. Loans and receivables**

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Non-current loans and receivables</b>		
- Deposits (a)	1,327	1,327
- Bank receivables (b)	65	65
- Credits to Group companies	29,002	1,920
- Guarantee deposits	27	25
	<u>30,421</u>	<u>3,337</u>
<b>Current loans and receivables</b>		
- Loans to associated companies (Note 31.i)	55	36
- Trade receivables (c)	54,953	37,193
- Receivables from related parties (Note 31.i)	87,441	147,622
- Sundry debtors	29	41
- Employees	-	101
	<u>142,478</u>	<u>184,993</u>
	<b><u>172,899</u></b>	<b><u>188,330</u></b>

a) Deposits

At 31 December, 2019 and 2018, “Deposits” included deposits at interest rates ranging from 2% to 3% pledged in favour of Banco Santander. The Company considers the credit risk associated to these deposits to be low and, therefore, no expected losses associated thereto were recognised.

b) Non-current bank receivables

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

c) Trade receivables

Management estimates that the fair values of loans and receivables do not differ significantly from their current values, since they comprise principally balances receivable at less than one year and are subject to possible interest charges if they are not paid within said period.

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At 31 December, 2019, the balance receivable from the Social Security authorities and government entities was 11,122 thousand euros (5,655 thousand euros at 31 December, 2018), geographically distributed as follows:

	<b>Rating</b>	<b>Balance</b>	<b>Rating</b>	<b>Balance</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
Portugal	BBB	3,704	BBB	1,134
Madrid	BBB	1,800	BBB	1,278
Valencia	BBB-	1,153	BBB-	554
Catalonia	BB	961	BBB-	590
Andalusia	BBB-	689	BBB-	587
Castilla La Mancha	BBB-	505	BBB-	268
Cantabria	BBB	462	BBB	114
Aragon	BBB	350	BBB	93
Canary islands	BBB-	229	BBB-	332
Basque Country	BBB+	220	BBB+	208
Extremadura	BBB	94	BBB	130
Other	-	955	-	367
		<b>11,122</b>		<b>5,655</b>

At 31 December, 2019, there were matured receivables amounting to 19,654 thousand euros (9,378 thousand euros at 31 December, 2018), although they had suffered no impairment. Of both the 2019 and 2018 amounts, almost the entire debt aged over six months related to Social Security authorities or government entities. The Company claims the late-payment interest accrued on these debts from the different government entities and Social Security services.

The ageing analysis of matured balances is as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Up to 3 months	17,876	9,087
3 to 6 months	1,384	446
6 months to one year	125	(59)
Over one year	269	(96)
	<b>19,654</b>	<b>9,378</b>

The total of the matured debt due from Social Security authorities and government entities at 31 December, 2019 was 4,202 thousand euros, in comparison with the 1,782 thousand euros that was outstanding at 31 December, 2018. This amount was geographically distributed as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Spain	2,132	962
Portugal	2,070	820
	<b>4,202</b>	<b>1,782</b>

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Matured receivables that had been impaired at 31 December, 2019 were 158 thousand euros (720 thousand euros at 31 December, 2018). The ageing of impaired receivables was as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
6 to 9 months	158	341
Over 9 months	-	379
	<u>158</u>	<u>720</u>

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

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Balance at beginning of period	720	1,061
Applications	(450)	(120)
Derecognition due to non-recoverability	(112)	(221)
Balance at end of period	<u>158</u>	<u>720</u>

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

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

**11. Available-for-sale financial assets**

Available-for-sale financial assets include:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Listed securities:</b>		
- Investment funds and equity securities	4	4
<b>Non-listed securities:</b>		
- Equity securities – Euro zone	59	59
	<u>63</u>	<u>63</u>

Movement on available-for-sale financial assets in 2019 and 2018 was as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Balance at beginning of the year</b>	<b>63</b>	<b>62</b>
Net gains / (losses) in equity	-	1
<b>Balance at end of the year</b>	<b>63</b>	<b>63</b>
Less: non-current portion	63	63
Current portion	-	-

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The maximum credit risk exposure at the reporting date was the fair value of the debt securities classified as available for sale.

### **12. Inventories**

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Trade inventories	30,123	26,148
Raw materials and other consumables	17,581	4,655
Finished goods	16,788	5,014
Work in progress	3,257	1,378
	67,749	37,195

In 2019, inventory write-downs increased by 1,554 thousand euros (increase of 1,936 thousand euros in 2018), the total amount of these adjustments being 6,318 thousand euros at 31 December, 2019.

The inventories purchase/sale commitments at the end of the reporting period were as normal in the course of business and Management estimates that meeting these commitments will not generate losses for the Company.

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

### **13. Cash and cash equivalents**

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Cash at bank and on hand	51,317	83,787
	51,317	83,787

In 2018, the Company carried out a capital increase for a total amount of 88,000 thousands of euros (Notes 1 and 14). The expenses associated to this transaction were 5,175 thousand euros (3,881 thousand euros net of taxes).

### **14. Share capital**

In 2018 and 2017, the number of shares, their face value and the share capital were as follows:

	<b>No. of shares</b>	<b>Face value</b>	<b>Total share capital (thousands)</b>
Balance at 1 January, 2018	50,000,000	0.06	3,000
Balance at 31 December, 2018	50,000,000	0.06	3,000
Balance at 31 December, 2019	56,068,965	0.06	3,364

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

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares that were already in issue (the “New Shares”).
- The price of issue of the New Shares was fixed at 14.50 euros per shares, 0.06 euros of which related to the nominal value, while 14.44 euros was the share premium (the “Issue Price”).
- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 364,137.90 euros of which related to the nominal value and 87,635,854.60 to the share premium.

The expenses associated to the capital increase were 5,175 thousand euros (3,881 thousand euros net of taxes), which were recognised under the caption “Retained earnings and voluntary reserves”.

All the shares issued are fully paid up.

Shareholders owning direct or indirect significant interests of more than 3% in the share capital of Laboratorios Farmacéuticos Rovi, S.A. of which the Company is aware, according to the information in the official records of the National Securities Market Commission at 31 December, 2019, were the following:

<b>Shareholder</b>	<b>% direct</b>	<b>% indirect</b>	<b>TOTAL</b>
Norbel Inversiones, S.L.	63.107	-	63.107
Indumenta Pueri, S.L.	-	5.057	5.057
T. Rowe Price International Funds, INC.	-	3.390	3.390
Wellington Management Group, LLP.	-	4.924	4.924

As a consequence of the Capital Increase, the interest held by the company Norbel Inversiones, S.L. in Laboratorios Farmacéuticos Rovi, S.A. dropped from 69.64% to 62.10% at 31 December, 2018.

In May 2019, Norbel Inversiones, S.L. increased its interest in the Company’s share capital with the result that, as of 31 December, 2019, it held 63.11% of the shares of Laboratorios Farmacéuticos Rovi, S.A. Norbel Inversiones, S.L. is owned by Juan López-Belmonte López (20.00%) and Messrs Juan, Iván and Javier López Belmonte Encina (26.67% each). As of 31 December, 2019, the interest in the Company’s share capital held by Mr Juan López-Belmonte López was 12.62% (12.42% at 31 December, 2018), while while Messrs Juan, Iván and Javier López-Belmonte Encina each held 16.83% (16.56% at 31 December, 2018).

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### 15. Reserves and retained earnings

#### a) Reserves

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Legal reserves and reserves required by the Bylaws:</b>		
- Legal reserve	673	600
	<u>673</u>	<u>600</u>
<b>Other reserves:</b>		
- Non-distributable special reserve	5,036	5,036
- Voluntary reserves	472	472
- Revaluation reserve Royal Decree-Law 7/96	851	851
	<u>6,359</u>	<u>6,359</u>
	<u>7,032</u>	<u>6,959</u>

#### Legal reserve

The legal reserve has been created in accordance with Article 274 of the Spanish Capital Companies Act (“Ley de Sociedades de Capital”), which states that 10% of the profit for the period must be allocated to the legal reserve until at least 20% of the share capital is covered.

The legal reserve is not available for distribution. Should the legal reserve be used to offset losses in the event of no other reserves being available for this purpose, it must be replenished with future profits.

#### Non-distributable special reserve

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

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

The balance of the “Revaluation reserve” comes from the balance sheet restatement regulated in article 5 of Royal Decree-Law 7/1996 of 7 June. The balance of this account is available and property, plant and equipment items related to this reserve had been fully depreciated at 31 December, 2019 and 2018.

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

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### **b) Retained earnings**

During 2019, retained earnings were increased and/or reduced as follows:

- On 12 June, 2019, the General Shareholders’ Meeting of Laboratorios Rovi, S.A. resolved to approve the proposal for application of the profit for 2018 (15,581 thousand euros), allocating 4,474 thousand euros to dividends and the remainder to retained earnings. The dividend on the treasury shares held by ROVI at the time of the distribution was 54 thousand euros.
- The sale of treasury shares in 2019 led to a profit of 1,682 thousand euros, which was recognised in the retained earnings account (Note 16.b)

During 2018, retained earnings were increased and/or reduced as follows:

- On 29 May, 2018, the General Meeting of Shareholders of Laboratorios Rovi, S.A. resolved to approve the proposal for application of the profit for 2017 (18,673 thousand euros), allocating 6,035 thousand euros to dividends and the remainder to retained earnings. The dividend on the treasury shares held by ROVI at the time of the distribution was 83 thousand euros.
- The sale of treasury shares in 2018 led to a profit of 253 thousand euros, which was recognised in the retained earnings account (Note 16.b)
- The expenses associated to the capital increase, which were 5,175 thousand euros (3,881 thousand euros net of taxes) were recognised under the “Retained earnings and voluntary reserves” caption.

### **c) Treasury shares**

In the course of 2019, ROVI acquired a total of 224,449 of its own shares (68,603 in 2018), paying the sum of 4,718 thousand euros for them (1,138 thousand euros in 2018). Likewise, it resold a total of 232,548 of its own shares (58,731 in 2018) for a sum of 4,871 thousand euros (986 thousand euros in 2018). These shares had been acquired at a weighted average cost of 3,189 thousand euros (733 thousand euros in 2018), giving rise to a profit of 1,682 thousand euros on the sale (253 thousand euros in 2018), which was taken to reserves. At 31 December, 2019, ROVI held 686,956 treasury shares (695,055 at 31 December, 2018).

The Company is entitled to reissue these shares at a later date.

### **d) Dividends**

On 12 June, 2019, the General Meeting of Shareholders approved the distribution of the 2018 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 4,474 thousand euros (0.0798 euros gross per share). This dividend was paid in July 2019.

On 29 May, 2018, the General Meeting of Shareholders approved the distribution of the 2017 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 6,035 thousand euros (0.1207 euros gross per share). This dividend was paid in July 2018.



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### 16. Profit for the period

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

	Thousands of euros	
	2019	2018
<b><u>Basis of application</u></b>		
Profit for the year	25,553	15,581
<b><u>Application</u></b>		
Legal reserve	-	73
Retained earnings	15,735	11,034
Dividends	9,818	4,474
	25,553	15,581

### 17. Grants, donations and legacies received

Movement on this heading was as follows:

	Thousands of euros	
	2019	2018
<b>Beginning of the year (net of tax)</b>	<b>3,128</b>	<b>3,489</b>
Increases (net of tax)	165	298
Decreases (net of tax)	319	531
Allocation to profit and loss (net of tax)	(862)	(1,190)
<b>End of the year (net of tax)</b>	<b>2,750</b>	<b>3,128</b>

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

Awarding entity	Thousands of euros	Purpose	Date awarded
(1) Andalusian Regional Govt.	2,334	Construction of Granada plant (Note 6.d)	2008
(2) Andalusian Regional Govt.	935	Construction bemiparin lines in Granada	2012 & 2014
Miscellaneous govt. Entities	398	Miscellaneous projects	2001 onward
	3,667		

- (1) Non-reimbursable grant granted by the Andalusian Innovation and Development Agency (Innovation, Science and Enterprise Department) for 5,431 thousand euros. This grant was received in November 2008 and recognition in profit and loss commenced in 2009, when the assets for which it was granted began to be depreciated. The amount recognised for this grant under the caption “Grants, donations and legacies received” at 31 December, 2019 was 2,334 thousand euros (2,629 thousand euros at 31 December, 2018).
- (2) Relates to two non-reimbursable grants granted by the Andalusian Innovation and Development Agency in the years 2012 and 2014 for construction of two new bemiparin lines at the Granada plant. The first of them, for 585 thousand euros, began to be recognised in profit and loss in 2013 and the amount recognised under the “Grants, donations and legacies received” caption at 31 December, 2019 was 155 thousand euros (216 thousand euros at 31 December, 2018). The second of the grants, for a total amount of 1,171 thousand euros,

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began to be recognised in profit and loss in May 2015 and, at the 2019 reporting date, showed a balance of 780 thousand euros under the “Grants, donations and legacies received” caption (864 thousand euros at 31 December, 2018).

**18. Debits and payables**

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Non-current debits and payables:</b>		
- Bank borrowings (a)	45,000	7,113
- Debt with government entities (b)	9,329	9,018
- Non-current debt with Group and associated companies (Note 31.i)	333	-
	<u>54,662</u>	<u>16,131</u>
<b>Current debits and payables:</b>		
- Bank borrowings (a)	7,116	15,603
- Debt with government entities (b)	1,893	1,893
- Derivates	129	-
- Current debt with Group and associated companies (Note 31.i)	156	141
- Trade payables	36,410	28,383
- Trade payables, related parties (Note 31.i)	21,519	83,578
- Sundry creditors	578	51
- Employees	3,631	2,646
	<u>71,432</u>	<u>132,295</u>
	<u>126,094</u>	<u>148,426</u>

Delay in payments to suppliers

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

	<b>2019</b>	<b>2018</b>
	<b>Days</b>	<b>Days</b>
Average payment period to suppliers	48	47
Ratio of transactions paid	50	48
Ratio of transactions outstanding	33	36
	<u>2019</u>	<u>2018</u>
Total payments made (thousands of euros)	151,686	120,552
Total payments outstanding (thousands of euros)	15,222	10,754

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### Fair value of non-current debt

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

	Thousands of euros			
	Carrying amount		Fair value	
	2019	2018	2019	2018
Bank borrowings	45,000	7,113	44,748	7,061
Debt with government entities	9,329	9,018	9,330	9,506
	54,329	16,131	54,078	16,567

The fair values of current financial debt are equal to their corresponding nominal amounts since the effect of discounting is not significant. The fair values are based on cash flows discounted at a rate of 2%, based on the borrowing rate (2% in 2018).

To calculate the fair value of fixed-rate non-current bank borrowings at the 2019 and 2018 reporting dates, the interest rate on the latest variable-rate loan received by the Company was taken as a reference: Euribor at 3 months plus a 0.844% spread

The carrying amount of the Company's debt is in euros.

#### a) Bank borrowings

Bank borrowings at 31 December, 2019 comprised the following bank loans:

Entity	a.1)	a.2.1)	a.2.2)	a.3)	TOTAL
	BBVA	BEI	BEI	Santander	
	20,000	5,000	40,000	5,000	
Interest rate	0.65% Fixed	Eur3+0.844%	0.681% Fixed	0.36% Fixed	
2020	2,116	-	-	5,000	7,116
2021	-	176	-	-	176
2022	-	704	-	-	704
2023	-	708	5,714	-	6,422
2024	-	711	5,714	-	6,425
2025 onward	-	2,701	28,572	-	31,273
	2,116	5,000	40,000	5,000	52,116
Non-current	-	5,000	40,000	-	45,000
Current	2,116	-	-	5,000	7,116

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At 31 December, 2018, bank loans matured as follows:

Entity	a.1)	a.4)	a.5)	a.6)	a.2.1)	TOTAL
	BBVA	BBVA	Santander	Santander	BEI	
Face value	20,000	10,000	4,000	6,000	5,000	
Interest rate	0.65% Fixed	0.90% Fixed	0.90% Fixed	Eur12+0.70%	Eur3+0.84%	
2019	12,642	1,481	592	888	-	15,603
2020	2,113	-	-	-	-	2,113
2021	-	-	-	-	175	175
2022	-	-	-	-	704	704
2023	-	-	-	-	708	708
2024 onward	-	-	-	-	3,413	3,413
	14,755	1,481	592	888	5,000	22,716
Non-current	2,113	-	-	-	5,000	7,113
Current	12,642	1,481	592	888	-	15,603

a.1) Loan of 20,000 thousand euros granted by BBVA in the first half of 2017. The repayment term of this loan is 3 years, with a grace period of 17 months and a fixed interest rate of 0.65%.

a.2) In December 2017, the European Investment Bank (EIB) granted ROVI a credit line to support its investments in Research, Development and Innovation (R&D&i). The credit line was for 45,000 thousand euros. ROVI could draw down this amount over a term of 24 months as from signature of the agreement and the credit matures in 2029. The credit line provides for a three-year grace period and financial conditions (i.e. applicable interest rates, repayment period, etc.) that are favourable to ROVI. As of 31 December, 2019, ROVI had drawn down the entirety of this credit line in:

a.2.1) A draw-down of 5,000 thousand euros in 2018 at an annual interest rate of Euribor at 3 years plus 0.844%.

a.2.2) A draw-down of 40,000 thousand euros in 2019 at a fixed annual interest rate of 0.681%.

In the first half of 2019 and 2018, compliance as of 31 December, 2018 and 2017, respectively, with the financial ratios fixed in this financing agreement was certified. At 31 December, 2019, ROVI met the ratios fixed, although this will not be certified until after these annual accounts have been approved.

a.3) Loan of 5,000 thousand euros signed in October 2019 with Banco Santander. This loan has a term of 3 months and a fixed annual interest rate of 0.36%.

a.4) Loan of 10,000 thousand euros obtained from BBVA in July 2015, with a fixed annual interest rate of 0.90% and a 4-year repayment period. Repayment of this loan was completed in 2019.

a.5) In 2015, a loan of 4,000 thousand euros was signed with Banco Santander with a fixed annual interest rate of 0.90% and a repayment period of 4 years. Repayment of this loan was completed in 2019.

a.6) Loan signed in July 2014 with Banco Santander for 6,000 thousand euros, which came from European Investment Bank (EIB) funds. In 2015, a novation of this loan was signed and the spread applied to Euribor at 12 months, to which the loan is indexed, dropped from 1.50% to 0.70%. The repayment period was 48 months. Repayment of this loan was completed in 2019.

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b) Debt with government entities

Since 2001, the Company has been receiving reimbursable grants from different Ministries to finance a number of R&D projects. The amounts recorded as non-current financial debt for this item at 31 December, 2019 amounted to 9,318 thousand euros (9,018 thousand euros at 31 December, 2018). The transactions do not accrue interest and have been recognised at their initial fair values. The difference between the initial fair value and the face value accrues at market interest rates (Euribor and the interest rate on Spanish Treasury debt plus a spread in accordance with the Company's risk). This means that this debt accrues interest at effective interest rates ranging from 2.9% to 4.9%.

b.1) Advances received in 2019:

In 2019, the Company received various reimbursable advances from different entities, details of which are shown below:

Company	Entity	Project	Thousands of euros		Years	
			Face value	Initial fair value	Repayment period	Grace period
Lab. Farm. Rovi	Technological Corporation of Andalusia	(1)	4	3	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	160	136	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	712	593	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	163	146	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	312	261	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	37	33	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	645	548	10	3
			2,033	1,720		

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

b.2) Advances received in 2018:

In 2018, the Company received various reimbursable advances from different entities, details of which are shown below:

Entity	Project	Thousands of euros		Years	
		Face value	Initial fair value	Repayment period	Grace period
Technological Corporation of Andalusia	(1)	4	3	10	4
Industrial Technological Development Centre	(1)	160	136	7	3
Industrial Technological Development Centre	(1)	956	799	7	3
Industrial Technological Development Centre	(1)	734	611	7	3
Industrial Technological Development Centre	(1)	79	66	7	3
Technological Corporation of Andalusia	(1)	28	22	10	4
Industrial Technological Development Centre	(1)	64	53	7	3
Technological Corporation of Andalusia	(1)	2	1	10	4
Technological Corporation of Andalusia	(1)	16	12	10	4
		2,043	1,703		

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

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At 31 December, 2019 and 2018, debt with government entities matured as follows:

Year	Thousands of euros	
	2019	2018
2019	-	1,893
2020	1,893	1,543
2021	1,530	1,469
2022	1,715	1,521
2023	1,102	857
2024	1,141	877
2025 onward	3,841	2,751
	11,222	10,911
Non-current	9,329	9,018
Current	1,893	1,893

### 19. Current and non-current accruals

	Thousands of euros	
	2019	2018
Non-current	5,793	6,263
Current	766	359
	6,559	6,622

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

In 2019, new deferred revenues of 337 thousand euros (5,927 thousand euros in 2018) were recognised in relation to new distribution contracts.

### 20. Other provisions

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

	Contribution to public health			Total
	Returns	system	Other	
<b>At 1 January, 2018</b>	<b>699</b>	<b>2,690</b>	<b>119</b>	<b>3,508</b>
Additions	898	5,580	106	6,584
Applications	(699)	(2,048)	(119)	(2,866)
<b>At 31 December, 2018</b>	<b>898</b>	<b>6,222</b>	<b>106</b>	<b>7,226</b>
Additions	1,365	5,195	25	6,585
Applications	(898)	(2,980)	(106)	(3,984)
<b>At 31 December, 2019</b>	<b>1,365</b>	<b>8,437</b>	<b>25</b>	<b>9,827</b>

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### *Returns*

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

### *Contribution to public health system*

As stated in Note 3.18, in Spain, in accordance with Law 29/2006, all companies that sell prescription pharmaceuticals or other health products paid with public funds must make payments of between 1.5% and 2.0% of their sales (depending on the volume) into the national health system every four months. This is a levy aimed to adjust the margin on a regulated activity through the price intervention established by the Law. The Company recognises the contribution to the public health system as a reduction in revenue when the sale is made. The sums accrued but not yet paid are recognised under the “Other provisions” caption.

Additionally, within the contribution to the public health system, 5,641 thousand euros were related to the co-operation agreement signed between Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government in 2016 and renewed in December 2017. ROVI, as a member of Farmaindustria, is subject to this agreement. According to the agreement, in the event that public spending on medicines (excluding generics and biosimilars) exceeds the actual growth rate of the GDP of the Spanish economy, the pharmaceutical industry will reimburse the government in cash for said excess.

In 2018, the public spending growth rate exceeded the growth rate of the GDP, meaning that the companies subject to the agreement must make the applicable reimbursement. ROVI will pay 2,567 thousand euros for this item.

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

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

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**21. Deferred income tax**

Details of deferred income tax are as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Deferred income tax assets:</b>		
- Temporary differences	1,276	1,162
- Other tax carryforwards	4,831	9,626
	<u>6,107</u>	<u>10,788</u>
<b>Deferred income tax liabilities:</b>		
- Temporary differences	(2,348)	(2,046)
	<u>(2,348)</u>	<u>(2,046)</u>
<b>Net deferred income tax</b>	<b><u>3,759</u></b>	<b><u>8,742</u></b>

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

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Deferred tax assets:</b>		
- Deferred tax assets to be recovered at more than 12 months	1,177	8,293
- Deferred tax assets to be recovered at less than 12 months	4,930	2,495
	<u>6,107</u>	<u>10,788</u>
<b>Deferred tax liabilities:</b>		
- Deferred tax liabilities to be recovered at more than 12 months	(2,650)	(1,441)
- Deferred tax liabilities to be recovered at less than 12 months	302	(605)
	<u>(2,348)</u>	<u>(2,046)</u>
<b>Net deferred income tax</b>	<b><u>3,759</u></b>	<b><u>8,742</u></b>

Movement on net deferred taxes was as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Balance at beginning of the year</b>	<b><u>8,742</u></b>	<b><u>6,000</u></b>
(Charged)/credited to profit and loss	(2,110)	2,622
Charged directly to equity	127	120
Derecognition due to monetization (Note 23)	(3,000)	-
<b>Balance at end of the year</b>	<b><u>3,759</u></b>	<b><u>8,742</u></b>



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

<b>Deferred tax liabilities</b>	Grants donations and legacies received	Freedom of amortisation/ depreciation	Other	Total
<b>At January 1, 2018</b>	<b>(1,159)</b>	<b>(1,262)</b>	<b>(230)</b>	<b>(2,651)</b>
(Charged)/credited to profit and loss	-	471	14	485
Charged directly to equity	120	-	-	120
<b>At 31 December, 2018</b>	<b>(1,039)</b>	<b>(791)</b>	<b>(216)</b>	<b>(2,046)</b>
(Charged)/credited to profit and loss	-	328	(757)	(429)
Charged directly to equity	127	-	-	127
<b>At 31 December, 2019</b>	<b>(912)</b>	<b>(463)</b>	<b>(973)</b>	<b>(2,348)</b>

Deferred tax liabilities credited to profit and loss in 2019 for 327 thousand euros (471 thousand euros charged to the 2018 profit) in the column “Freedom of amortisation/depreciation” relate principally to the application of the free amortisation/depreciation system to the assets attached to R&D activity and to maintaining jobs.

<b>Deferred tax assets</b>	Tax credits pending application	Available-for- sale financial assets	Provisions	Other	Total
<b>At January 1, 2018</b>	<b>7,549</b>	<b>(1)</b>	<b>190</b>	<b>913</b>	<b>8,651</b>
(Charged)/credited to profit and loss	2,077	-	50	10	2,137
<b>At 31 December, 2018</b>	<b>9,626</b>	<b>(1)</b>	<b>240</b>	<b>923</b>	<b>10,788</b>
(Charged)/credited to profit and loss	(1,795)	-	117	(3)	(1,681)
Derecognition due to monetization (Note 23)	(3,000)	-	-	-	(3,000)
<b>At 31 December, 2019</b>	<b>4,831</b>	<b>(1)</b>	<b>357</b>	<b>920</b>	<b>6,107</b>

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

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

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Grants, donations and legacies received	127	120
	<b>127</b>	<b>120</b>

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### 22. Revenue and expenses

#### a) Net sales

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

Market	%	
	2019	2018
Spain	75%	81%
Germany	6%	5%
Italy	4%	3%
France	3%	2%
Turkey	2%	2%
Portugal	2%	1%
Greece	1%	2%
Austria	1%	1%
Czech Republic	1%	0%
UK	1%	0%
Jordan	0%	1%
Other	4%	2%
	100%	100%

The breakdown of sales by product group was as follows:

	Thousands of euros	
	2019	2018
Pharmaceutical products	246,010	191,160
Contrast agents and other hospital products	32,556	29,688
Non-prescription pharmaceutical products	1,152	1,408
Sales of bemiparin to other Group companies (Note 31.a)	98,958	68,846
Other	545	100
	379,221	291,202

The total amount of sales of goods dropped by 17,771 thousand euros in 2019 (18,252 thousand euros in 2018) as a result of the rebates to the national health system (Note 3.18). 2,174 thousand euros of the total amount of rebates to the national health system are related to the co-operation agreement signed between Farmaindustria and the Spanish government (3,467 thousand euros at 31 December, 2018) (Note 20).

#### b) Goods, raw materials and other consumables used

	Thousands of euros	
	2019	2018
Purchases	292,445	194,559
Change in inventories	(16,901)	(6,116)
	275,544	188,443

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### c) Ancillary and other current management income

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

### d) Operating grants recognised in profit and loss

In 2019, the Company obtained and recognised as income official grants of 466 thousand euros (722 thousand euros in 2018) to cover principally expenses for the period in certain R&D projects.

### e) Employees

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Wages, salaries and similar	28,766	27,801
Employee benefits:		
- Pension contributions and provisions (Note 30.a)	24	24
- Other welfare charges	5,700	4,919
	<u>34,490</u>	<u>32,744</u>

The caption “Wages, salaries and similar” includes termination payments of 1,146 thousand euros (943 thousand euros in 2018).

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

	<b>2019</b>	<b>2018</b>
Executive directors	3	3
Management	16	14
Research	216	192
Marketing	187	186
Administration	84	76
	<u>506</u>	<u>471</u>

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

	<b>2019</b>			<b>2018</b>		
	<b>Men</b>	<b>Women</b>	<b>Total</b>	<b>Men</b>	<b>Women</b>	<b>Total</b>
Executive directors	3	-	3	3	-	3
Management	11	5	16	12	5	17
Research	86	139	225	68	128	196
Marketing	92	92	184	89	96	185
Administration	23	60	83	28	56	84
	<u>215</u>	<u>296</u>	<u>511</u>	<u>200</u>	<u>285</u>	<u>485</u>

At 31 December, 2018, there were 12 employees with a disability rating equal to or higher than 33% (9 at the 2018 reporting date).

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f) External services

The breakdown of the external services item was as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Advertising costs	16,094	15,098
Services from third parties	7,509	5,772
Supplies	3,362	2,979
Transport and warehouse expenses	2,595	2,390
Repairs and maintenance	1,617	2,077
Operating leases	2,628	1,852
Other operating expenses	30,671	35,228
	<u>64,476</u>	<u>65,396</u>

g) Research and development expenses

Total research and development expenses incurred in 2019 were 29,304 thousand euros (32,376 thousand euros in 2018), focused mainly on the Glycomics and ISM® platforms. The latter of these is a proprietary drug-release system belonging to ROVI, the objective of which is to improve patient treatment adherence. Of the total research and development expenses incurred in 2019, 8,121 thousand euros are recognised under the “Employee benefit expenses” heading (7,807 thousand euros at 31 December, 2018) and 21,183 thousand euros under “Other operating expenses” (24,569 thousand euros in 2018).

**23. Income tax and tax situation**

As of 31 December 2019 and 2018, the balances with public authorities were as follows:

	<b>Thousands of euros</b>			
	<b>2019</b>		<b>2018</b>	
	<b>Debit</b>	<b>Credit</b>	<b>Debit</b>	<b>Credit</b>
Public Treasury, VAT	4,044	110	3,855	48
Public Treasury, personal income tax	-	623	-	653
Withholdings	260	-	-	-
Corporate income tax	10,089	-	3,414	-
Social Security	-	586	-	518
Other balances with public authorities	792	-	1,147	-
	<u>15,185</u>	<u>1,319</u>	<u>8,416</u>	<u>1,219</u>

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

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Late payment interest receivable	164	237
Grants awarded but not received	628	910
	<u>792</u>	<u>1,147</u>

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On 1 August, 2007, the Company became the parent of tax group 362/07. Applying the consolidated tax regime provided for in the corporate income tax legislation, ROVI, the parent company of the tax group, included in its statement of financial position debt with Group companies resulting from a tax effect (Note 31.i) of 156 thousand euros (141 thousand euros in 2018), together with credits with Group companies resulting from a tax effect of 15,205 thousand euros (8,856 thousand euros in 2018).

At 31 December, 2019, the reconciliation between the net income and expenses for the period and the tax profit was as follows:

Balance income & expenses	Thousands of euros					
	Income statement			Income and expenses credited/(charged) directly in equity		
	Increases	Decreases	Total	Increases	Decreases	Total
			<b>25,553</b>			<b>(378)</b>
Income tax			159			(127)
Permanent differences						
- Individual	810	-	810	-	-	-
- Due to tax consolidation	-	(17,008)	(17,008)	-	-	-
Temporary differences:						
- Individual						
- originating in the period	1,633	-	1,633	-	-	-
- originating in previous periods	325	(1,240)	(915)	-	-	-
- Due to tax consolidation						
- originating in the period	-	(4,266)	(4,266)	-	-	-
- originating in previous periods	2,074	-	2,074	-	-	-
Taxable income	-	-	8,040	-	-	(505)

At 31 December, 2018, the reconciliation between the net income and expenses for the period and the tax profit was as follows:

Balance income & expenses	Thousands of euros					
	Income statement			Income and expenses credited/(charged) directly in equity		
	Increases	Decreases	Total	Increases	Decreases	Total
			<b>15,581</b>			<b>(4,243)</b>
Income tax			(4,529)			(1,414)
Permanent differences						
- Individual	793	(5,175)	(4,382)	-	-	-
- Due to tax consolidation	-	(12,791)	(12,791)	-	-	-
Temporary differences						
- Individual						
- originating in the period	1,216	-	1,216	-	-	-
- originating in previous periods.	371	(995)	(624)	-	-	-
- Due to tax consolidation						
- originating in the period	-	(1,431)	(1,431)	-	-	-
- originating in previous periods	3,022	-	3,022	-	-	-
Taxable income			(3,938)			(5,657)

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Individual permanent differences relate to non-tax deductible expenses and the transfer of intangible assets.

Permanent differences due to consolidation relate solely to eliminations resulting from the distribution of dividends among companies belonging to the tax group.

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

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

Corporate income tax expense comprises:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Current tax	(2,216)	(417)
Tax credits	4,307	2,267
Deferred tax	(2,110)	2,622
Adjustment income tax previous years	(140)	57
	<u>(159)</u>	<u>4,529</u>

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

The Company generated tax credits of 3,508 thousand euros in 2019 (4,033 thousand euros in 2018) and likewise was entitled to offset tax credits of 5,633 thousand euros from previous years (7,860 thousand euros at 31 December, 2018). In 2019, tax credits of 4,307 thousand euros were applied (2,267 thousand euros in 2018) and there were further unrecognised R&D tax credits of 4,833 thousand euros pending application in future years (9,626 thousand euros at 31 December, 2018). At 31 December, 2019 and 2018, the Company had recognised in its assets the total tax credits not yet applied that are expected to be recovered in a maximum period of four years (Note 21).

The amount settled by the Company as payments on account of the corporate income tax of companies belonging to the tax group was 7,904 thousand euros in 2019 (5,388 thousand euros in 2018). The consolidated current tax for 2019, after deduction of the payments on accounts and withholdings for the period, generated a current tax receivable of 3,862 thousand euros. At 31 December, 2019, the amount receivable for the current tax for 2018 was 6,227 thousand euros.

At 31 December, 2019, the following taxes were open to inspection by the tax authorities for the periods stated:

	<u>Years</u>
Corporate income tax	2015-18
Value-added tax	2016-19
Transfer tax	2016-19
Personal income tax	2016-19

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

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### 24. Finance income and costs

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Finance income:</b>		
Gains and losses on equity instruments		
- In Group and associated companies (Note 31.f)	(17,008)	(12,791)
Gains and losses on marketable securities and other financial instruments		
- Of third parties	(58)	(54)
	<u>(17,066)</u>	<u>(12,845)</u>
<b>Finance costs:</b>		
Debt with third parties	624	684
	<u>624</u>	<u>684</u>
<b>Change in fair value of financial instruments:</b>		
Derivatives	(159)	(17)
	<u>(159)</u>	<u>(17)</u>
<b>Exchange rate differences:</b>		
Exchange rate differences	(24)	56
	<u>(24)</u>	<u>56</u>
<b>Impairment and gain or loss on disposal of financial instruments:</b>		
Impairment and losses	-	48
Gains and losses on disposals and other	-	(50)
	<u>-</u>	<u>(2)</u>
<b>Finance income and costs</b>	<u><b>(16,625)</b></u>	<u><b>(12,124)</b></u>

Finance income received from group and associated companies for a total of 17,008 thousand euros (12,791 thousand euros at 31 December, 2018) relates to dividends received from companies belonging to the ROVI Group, of which ROVI is the parent.

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### 25. Cash flows from operating activities

	Thousands of euros	
	2019	2018
<b>Pre-tax profit for the year</b>	25,712	11,052
<b>Adjustments to the profit:</b>		
- Amortisation of intangible assets & property, plant & equipment (Notes 5 & 6)	9,331	7,753
- Finance income (Note 24)	(82)	(54)
- Finance costs (Note 24)	624	684
- Adjustments for change in value of financial instruments	146	33
- Gain or loss on derecognition of financial assets and liabilities	(305)	-
- Net change in provisions	2,601	3,718
- Grant for non-financial assets and distribution licence revenue	(1,608)	(1,806)
- Other gains and losses	1,445	1,816
	<u>37,864</u>	<u>23,196</u>
<b>Changes in working capital:</b>		
- Inventories	(32,108)	(7,562)
- Debtors and Other receivables	(99,066)	(84,985)
- Creditors and other payables	70,968	56,451
	<u>(60,206)</u>	<u>(36,096)</u>
<b>Other cash flows from operating activities:</b>		
- Income tax received/(paid)	(8,087)	(3,141)
- Other amounts received/(paid) (Note 19)	394	5,927
	<u>(7,693)</u>	<u>2,786</u>
<b>Cash flows generated (used) in operating activities</b>	<b><u>(30,035)</u></b>	<b><u>(10,114)</u></b>

### 26. Cash flows from investing activities

	Thousands of euros	
	2019	2018
<b>Payments for investments:</b>		
- Group and associated companies (Nota 8)	(775)	-
- Intangible assets (Note 5)	(14,506)	(9,881)
- Property, plant and equipment (Note 6)	(11,258)	(5,461)
	<u>(26,539)</u>	<u>(15,342)</u>
<b>Amounts received for disinvestments:</b>		
- Group and associated companies (Note 8)	-	50
- Property, plant and equipment (Note 6)	75	2,199
- Other assets (Note 24.a)	82	342
	<u>157</u>	<u>2,591</u>
<b>Cash flows generated (used) in investing activities</b>	<b><u>(26,382)</u></b>	<b><u>(12,751)</u></b>



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### 27. Cash flows from financing activities

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Amounts received from and paid for equity instruments:</b>		
- Issue of equity instruments (Note 14)	-	88,000
	-	88,000
<b>Amounts received from and paid for financial liability instruments:</b>		
a) Issue		
- Bank borrowings (Note 18)	45,000	5,000
- Other debt (Note 18)	2,033	2,043
	47,033	7,043
b) Reimbursement and repayment of::		
- Bank borrowings	(15,600)	(13,222)
- Debt with Group and associated companies (Note 31 g)	(1,276)	(1,572)
- Other debt	(1,850)	(2,832)
- Interest payments	(93)	(187)
	(18,819)	(17,813)
<b>Dividend payments and remuneration of other equity instruments:</b>		
- Dividends (Note 15 b) & d)	(4,420)	(5,952)
- Transactions with treasury shares (Note 15 c)	153	(152)
	(4,267)	(6,104)
<b>Cash flows generated (used) in financing activities</b>	<b>23,947</b>	<b>71,126</b>

### 28. Contingencies

At 31 December, 2019, the Company held bank guarantees amounting to 2,270 thousand euros (3,453 thousand euros in 2018). These guarantees were granted principally to enable group companies to participate in public tenders and to receive grants and reimbursable advances.

### 29. Commitments

#### a) Operating lease commitments

The minimum future payments under non-cancellable operating leases at 31 December, 2019 were 1,868 thousand euros (727 thousand euros at 31 December, 2018), 1,180 thousand euros of which related to payments due at less than one year (617 thousand euros at less than one year at 31 December, 2018).

The operating lease expense recognised in profit and loss in 2019 was 2,628 thousand euros (1,852 thousand euros in 2018).

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### b) Acquisition of Bertex Pharma GmbH

Future payment commitments derive from the agreement for the purchase of the company Bertex Pharma GmbH in 2007. The purchase agreement fixes a variable component that will depend upon the successful completion of clinical trials for the development of products and the subsequent marketing. The commitments related to this transaction are:

b.1) If the development and commercialisation is performed internally:

- 350 thousand euros after finishing successfully the development of clinical trials of phase 1. Part of this amount, 100 thousand euros, was settled in 2011 and 250 thousand euros were settled in 2014;
- A payment of 200 thousand euros after finishing successfully the development of clinical trials of phase 2. This payment was made in 2016;
- A payment of 300 thousand euros after successfully finishing the development of clinical trials of phase 3;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product in any of the main markets (USA, Japan, Germany, France, Italy or UK).

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

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

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

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

### **30. Remuneration of the Board of Directors and Senior Management**

At 31 December, 2019, the Board of Directors was composed of the following members:

Mr Juan López-Belmonte López	Chairman
Mr Iván López-Belmonte Encina	First Deputy Chairman
Mr Javier López-Belmonte Encina	Second Deputy Chairman
Mr Juan López-Belmonte Encina	Chief Executive Officer
Mr Marcos Peña Pinto	Director
Mr Fernando de Almansa Moreno-Barreda	Director
Ms Fátima Báñez García	Director

The non-director Secretary is Mr. Gabriel Núñez Fernández.

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a) In compliance with the provisions of Article 28 of the Board of Directors Regulations of Laboratorios Farmacéuticos Rovi, S.A., the following information is provided with respect to the members of the Board of Directors at 31 December, 2018:

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

a. Per diem expenses or other fixed compensation received as director and additional remuneration received as chairman or member of any Board committee. The amounts for 2019 and 2018 were as follows:

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Mr Juan López-Belmonte López	150	150
Mr Juan López-Belmonte Encina	60	60
Mr Enrique Castellón Leal	58	60
Mr Javier López-Belmonte Encina	60	60
Mr Iván López-Belmonte Encina	60	60
Mr Miguel Corsini Freese	21	60
Mr Fernando de Almansa Moreno-Barreda	60	60
Mr Marcos Peña Pinto	39	-
Ms Fátima Báñez García	2	-
	510	510

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

c. Contributions made to defined contribution pension plans in the director's favour (Note 3.10.a); or increases in the vested rights of the director in the case of contributions to defined-benefit plans (no defined-benefit plans exist):

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Mr Juan López-Belmonte Encina	8	8
Mr Javier López-Belmonte Encina	8	8
Mr Iván López-Belmonte Encina	8	8
	24	24

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

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

f. Remuneration for the performance of senior management functions received by executive directors. The remuneration of this kind for 2019 and 2018 was as follows:

	<b>Thousands of euros</b>			
	<b>2019</b>		<b>2018</b>	
	<b>Fixed</b>	<b>Variable</b>	<b>Fixed</b>	<b>Variable</b>
Mr Juan López-Belmonte Encina	320	153	312	528
Mr Javier López-Belmonte Encina	234	115	229	392
Mr Iván López-Belmonte Encina	233	115	229	393
	787	383	770	1,313

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At 31 December, 2018, the variable remuneration of the executive directors included the sums accrued under the Long-Term Incentive Plan, which was settled in the first half of 2019.

On 29 May, 2018, the General Shareholders’ Meeting approved a new incentive plan with the same characteristics as the then present plan for the years 2019 to 2021.

- g. Any item of compensation other than the above, irrespective of its nature or the group company that paid it, especially when classified as a related transaction or when its omission would distort the true and fair view of the total compensation received by the director: not applicable.
2. Individual breakdown of any awards made to directors of shares, share options or any other instrument linked to share price, stating:
- a. The number of shares or options awarded in the year and the conditions applicable for exercising them;
  - b. The number of options exercised during the year, indicating the number of shares involved and the exercise price;
  - c. The number of options pending exercise at the year end, indicating price, date, and other exercise requirements;
  - d. Any amendment during the year of the conditions for exercising of options already awarded.

In 2019 and 2018, no shares, options or other instruments linked to the share value were given to directors.

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

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
Remuneration of executive directors	1,170	2,083
Profit attributable to parent company	25,553	15,581
Remuneration of executive directors/Profit attributable to parent company	4.58%	13.37%

b) Remuneration of and loans to senior management

The total remuneration paid to members of senior management in 2019, excluding the remuneration received by the executive directors described in points a)1.c) and a)1.f) above, was 1,681 thousand euros (1,565 thousand euros in 2018).

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

The Company holds a liability insurance policy for directors and senior management. A premium of 22 thousand euros accrued for this policy in 2019 (12 thousand euros in 2018).

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c) Conflicts of interest on the part of the directors

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

**31. Other related-party transactions**

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

a) Sales of goods and rendering of services

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Sales of goods:</b>		
- Subsidiaries (Note 22.a)	98,958	68,846
- Joint ventures	-	62
	<b>98,958</b>	<b>68,908</b>
<b>Rendering of services:</b>		
- Subsidiaries (Note 22.c)	2,755	4,658
	<b>2,755</b>	<b>4,658</b>
	<b>101,713</b>	<b>73,566</b>

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

b) Goods and services purchased

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Purchase of goods:</b>		
- Subsidiaries	131,862	87,946
- Joint ventures	-	41
	<b>131,862</b>	<b>87,987</b>
<b>Purchases of services:</b>		
- Subsidiaries	10,499	10,691
- Joint ventures	-	200
- Directors	25	24
- Entities in which Mr Juan López-Belmonte holds an ownership interest	1,110	1,107
	<b>11,634</b>	<b>12,022</b>
	<b>143,496</b>	<b>99,968</b>

Purchases of services from companies in which Mr. Juan López-Belmonte López holds an interest related to operating lease payments to the companies Inversiones Borbollón, S.L. Norba Inversiones, S.L. y Lobel and Losa Development, S.L.

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### c) Sales of property, plant and equipment

In 2019, the Company sold property, plant and equipment for a total amount of 73 thousand euros to its subsidiary Frosst Ibérica, S.A.

In 2018, the Company sold property, plant and equipment for total amount of 2,148 thousand euros to its subsidiary Rovi Contract Manufacturing, S.L.

### d) Purchases of property, plant and equipment

In 2019, the Company bought property, plant and equipment from its subsidiary Gineladius, S.L. for a total amount of 590 thousand euro, which was delivered as a non-monetary contribution for incorporation of the subsidiary Rovi Escúzar, S.L. (Note 6).

### e) Dividends paid

Dividends paid to the company Norbel Inversiones, S.L. in 2019 were 2,754 thousand euros (4,203 thousand euros in 2018).

### f) Dividends received

In 2019 and 2018, the Company received the following dividends from Group companies (Note 24):

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
- Rovi Contract Manufacturing, S.L.	12,389	9,307
- Pan Química Farmacéutica, S.A.	398	444
- Frosst Ibérica, S.A.	4,221	3,040
	<u>17,008</u>	<u>12,791</u>

### g) Capital contributions

In 2019, the Company increased its interest in the subsidiary Gineladius, S.L. through a shareholder’s contribution of 144 thousand euros and offsetting a loan balance of 146 thousand euros with the subsidiary Rovi Biotech, S.r.L.

In 2018, the Company increased its interest in the following subsidiaries by offsetting the balances of loans: Rovi GmbH, by 1,550 thousand euros and Rovi Biotech S.r.L., by 184 thousand of euros.

### h) Other transactions

	<b>Thousands of euros</b>	
	<b>2019</b>	<b>2018</b>
<b>Loans</b>		
- Subsidiaries	26,327	1,572
	<u>26,327</u>	<u>1,572</u>

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In 2019, the Company signed loans for 26,327 thousand euros (1,572 thousand euros in 2018) with its subsidiaries. Of this amount, 25,806 thousand euros related to the offsetting of trade balances that ROVI held with its subsidiaries (Note 31.i), on which 55 thousand euros of financial interest had accrued (39 thousand euros in December 2018). The loans signed in 2019 mature in 2029 and the interest rate agreed is EURIBOR plus 2.13%. The capital contributions explained in point g) of this Note and Note 8 were made through non-monetary contributions and offsetting the balance of loans that ROVI held with its subsidiaries at the time of the transaction.

In 2013, Laboratorios Farmacéuticos Rovi, S.A. granted a loan of 1,050 thousand euros to Alentia Biotech, S.L. (Note 9) at an annual interest rate of 2.00%. Interest accrued on this loan is 22 thousand euros per year.

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

	Thousands of euros			
	2019		2018	
	Debit balance	Credit balance	Debit balance	Credit balance
Purchases/sales of goods or services				
- Subsidiaries	19,374	20,141	102,885	81,620
- Entities in which Mr. Juan López-Belmonte holds an interest	-	123	33	151
- Joint ventures	-	-	-	20
	19,374	20,264	102,918	81,791
Income tax charge				
- Subsidiaries (Nota 23)	15,205	76	8,856	61
- Joint ventures	-	80	-	80
	15,205	156	8,856	141
Loans granted at fair value				
- Subsidiaries	29,002	333	1,920	-
- Joint ventures(*)	52	-	46	-
	29,054	333	1,966	-
Interests				
- Subsidiaries	55	-	36	-
	55	-	36	-
Dividends				
- Subsidiaries	52,766	-	35,758	-
	52,766	-	35,758	-
Other items				
- Directors	44	1,005	44	1,537
- Key management	-	250	-	250
	44	1,255	44	1,787
<b>TOTAL</b>	<b>116,498</b>	<b>22,008</b>	<b>149,578</b>	<b>83,719</b>

In 2019, debit and credit balances with Group companies were offset against each other, which affected balances receivable by the Company for commercial credit and debit balances relating to 2019 and earlier periods.

(\*) This line shows the balances receivable from joint ventures for services provided, as well as those relating to loans granted, at fair value.

Free translation of the Annual Accounts originally issued in Spanish and prepared in accordance with “Plan General de Contabilidad” approved by Royal Decree 1514/2007 of 16th November. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

Notes to the Annual Accounts for the period 2019

(Thousands of euros)

### **32. Environmental information**

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

The Company has not made any investments in systems, equipment or facilities for environmental activities in the last two reporting periods.

In 2019, in order to contribute to the protection and improvement of the environment, the Company incurred expenses of 1,192 thousand euros for waste elimination (385 thousand euros in 2018).

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

### **33. Events after the reporting date**

No significant events have occurred since the 2019 reporting date.

### **34. Fees of account auditors**

The net fees accrued by KPMG Auditores, S.L. in 2019 were 90 thousand euros for audit services, 29 thousand euros for other audit-related services and 14 thousand euros for other services (83 thousand euros, 28 thousand euros and 287 thousand euros, respectively, in 2018). The other services that are neither audit nor audit-related services include the work performed to review the system of internal control over financial reporting, the review of financial ratio compliance for financing contracts and, in 2018, the underwriting work related to the capital increase that took place in said year (Note 14).

Additionally, the firm to which KPMG Auditores, S.L. belongs provided review services for the statement of non-financial information for 20 thousand euros (22 thousand euros in 2018).



## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2019 Management Report**

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

#### **1. Corporate profile**

ROVI is a fully integrated Spanish specialty pharmaceutical company engaged in the research, development, in-licensing, manufacturing and marketing of small molecule and specialty biologic drugs.

The Company has a diversified portfolio of products that it markets in Spain through its specialized sales force, calling on specialist physicians, hospitals and pharmacies. ROVI's portfolio of 30 principal marketed products is currently anchored by the internally-developed, second generation low molecular weight heparin, Bemiparin. ROVI's research and development pipeline is focused primarily on the expansion of applications, indications and alternative mechanisms of action for the heparin-derived products and other glycosaminoglycans and on the development of new controlled release mechanisms based on ISM® technology, with the aim of obtaining new pharmaceutical products that enable the regular administration of formulations which are administered daily in chronic and prolonged treatments.

Additional information about ROVI is available on the company's website: [www.rovi.es](http://www.rovi.es)

#### **2. Business performance**

Operating revenue increased by 30% to 379.2 million euros in 2019, driven by the strength of the specialty pharmaceutical business, where sales rose 27%, strongly outperforming the market.

Sales of prescription-based pharmaceutical products rose 30% to 281.0 million euros in 2019.

Sales of the Low Molecular Weight Heparin (LMWH) franchise (Enoxaparin biosimilar and Bemiparin) increased by 46% to 177.6 million euros in 2019. LMWH sales represented 47% of operating revenue in 2019 compared to 40% in 2018.

Sales of the Enoxaparin biosimilar increased 2.7 times to 80.9 million euros in 2019. ROVI commenced the marketing of its Enoxaparin biosimilar in Germany in 2017; in UK, Italy, Spain, France, Austria, Latvia and Estonia in 2018; and in Portugal, Poland, Costa Rica, Finland, and Sweden in 2019.

ROVI's low-molecular-weight heparin (LMWH), Bemiparin, showed a positive performance in Spain (Hibor®) in 2019, with sales up 3% to 69.6 million euros. International sales of Bemiparin increased by 14% to 27.2 million euros, mainly due to the positive contribution of some countries where the product had already been present in 2018, such as Turkey or the Czech Republic. Total Bemiparin sales increased by 6% to 96.8 million euros in 2019.

Sales of Neparvis®, a specialty product from Novartis, launched in December 2016, indicated for the treatment of adult patients with symptomatic chronic heart failure and reduced ejection fraction, increased 62% to 22.0 million euros in 2019, compared to 13.6 million euros in 2018.

Sales of Hirobriz® Breezhaler® and Ulunar® Breezhaler®, both inhaled bronchodilators from Novartis for patients with respiratory difficulties due to a pulmonary disease known as Chronic Obstructive Pulmonary Disease (COPD), launched in Spain in the fourth quarter of 2014, decreased by 5% to 14.6 million euros in 2019, compared to the previous year.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2019 Management Report**

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Sales of Volutsa®, a specialty product from Astellas Pharma indicated for the treatment of moderate to severe storage symptoms and voiding symptoms associated with benign prostatic hyperplasia, launched in Spain in February 2015, increased by 18% to 13.3 million euros in 2019.

Sales of Vytorin®, Orvatez® and Absorcol®, the first of the five licenses of Merck Sharp & Dohme (“MSD”), indicated as adjunctive therapy to diet in patients with hypercholesterolemia, decreased by 12% to 31.8 million euros in 2019. In the second quarter of 2018, the active principle ezetimibe went out of patent and the price of Absorcol® was reduced. Likewise, generics formulated with ezetimibe and simvastatin were marketed in the same period, so the price of Vytorin® was reduced to be competitive.

Sales of Medicebran® and Medikinet®, specialty products from Medice indicated for the treatment of ADHD (Attention Deficit and Hyperactivity Disorder) in children and teenagers, launched in December 2013 and marketed on exclusivity basis by ROVI in Spain, decreased by 22% to 5.8 million euros in 2019.

According to IQVIA, Spanish innovative product market increased by 2% in 2019 compared to the previous year. Nevertheless, ROVI prescription-based pharmaceutical product sales rose 30% in 2019, beating the market by 28 percentage points.

Due to the delay in product availability for the planned launch date, ROVI is not going to distribute Tetridar® (teriparatide), a TEVA product for the treatment of osteoporosis in adults, in Spain. However, ROVI is analyzing other opportunities with a similar market value with TEVA.

Sales of contrast imaging agents and other hospital products increased by 10% to 32.6 million euros in 2019.

Sales of Perspirex® represented 55% of over-the counter pharmaceutical products (“OTC”) and other sales in 2019. The distribution contract of Perspirex® ended on 30th June, 2019 and, therefore, ROVI stopped distributing the product as of the third quarter of 2019. Therefore, ROVI has now fully divested the OTC division.

### **3. Liquidity and capital resources**

#### **3.1 Liquidity**

As of 31 December 2019, ROVI had gross cash position of 52.8 million euros, compared to 85.3 million euros as of 31 December 2018, and net debt (available-for-sale financial assets plus deposits plus cash and cash equivalents minus short term and long term financial debt) of 10.1 million euros, compared to a net debt of 51.6 million euros as of 31 December 2018.

#### **3.2 Capital resources**

As of 31 December 2019, ROVI had total debt of 64.0 million euros, compared to 33.6 million euros as of 31 December 2018. Debt with public administration, which is 0% interest rate debt, represented 18% of total debt (32% in December 2018).

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

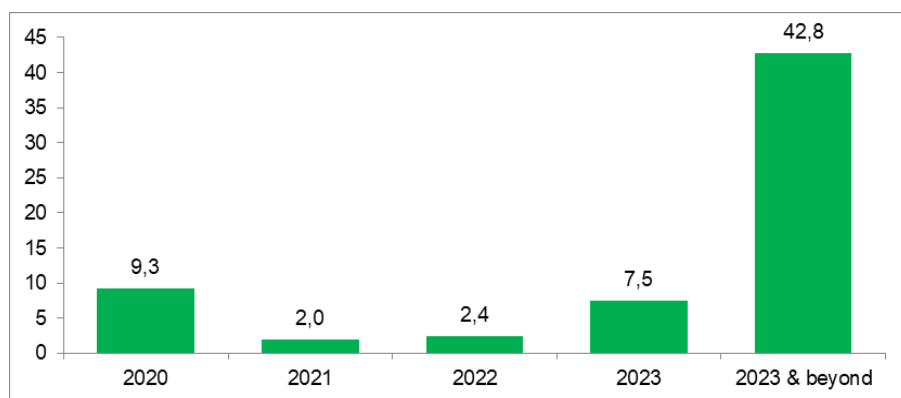
### 2019 Management Report

<i>In thousand euros</i>	2018	2017
Bank borrowings	52,116	22,716
Debt with public administration	11,222	10,911
Debt with Group & associated companies	489	-
Derivatives	129	-
<b>Total</b>	<b>63,956</b>	<b>33,627</b>

As of 31 December 2019, bank borrowings increase by 29.4 million euros. In December 2017, ROVI announced the European Investment Bank (EIB) granted it a loan to support its investments in Research, Development and Innovation. The loan is for 45 million euros. As of 30 September 2019, ROVI had 5 million euros of this line of credit at a 3-month Euribor variable interest rate + 0.844%. The last interest rate paid (January 2020) was 0.421%. As of December 31, 2019, ROVI had disposed of the remaining 40 million euros. This loan expires in 2029, provides for three years of lack and a fixed interest rate of 0.681%.

As of 31 December 2018, bank borrowings decreased by 8.2 million euros due to debt amortization.

Debt maturities at 31 December, 2019 are shown in the following graph (millions of euros):



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

In the ordinary course of activities, in order to manage its own transactions and financing, the Company has carried out certain transactions that are not included on the statement of financial position, such as operating leases. The Company's objective is to optimize the financing costs that are involved in determined financial transactions and, therefore, on certain occasions, has chosen operating leases rather than the acquisition of assets. The minimum future payments to be made for non-cancellable operating leases at 31 December, 2019 were 1,868 thousand euros (727 thousand euros at 31 December, 2018), of which 1,180 thousand euros are related to maturities at less than one year (617 thousand euros at less than one year at 31 December, 2018).

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

### 2019 Management Report

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#### 4. Key operating and financial events

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

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

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

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

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

##### 4.2 ROVI announces the construction of a second heparin plant in Granada

ROVI informed about the future construction of a new manufacturing plant for the active substance of low-molecular-weight heparins ("LMWH"), for which it has acquired industrial land in the Metropolitan Industry and Technology Park in Escúzar (Granada). This investment reflects ROVI's bet on becoming, through its two flagship products, bemiparin and the enoxaparin biosimilar, one of the main European players in this market, which is worth approximately 1,400 million euros<sup>1</sup> worldwide.

This operation will require ROVI to make an investment of around 24 million euros over the next three years and will double the ROVI Group's LMWH production capacity. The investment is intended to guarantee ROVI's future production capacity and respond to the company's strategic growth in the LMWH field. Once again, ROVI has chosen the province of Granada and the Autonomous Region of Andalusia to continue with its expansion and development plans over the forthcoming years. In a first phase until the year 2023, the construction of the new plant will create estimated net employment of 38 jobs.

As of 30 June 2019, all the EU countries where ROVI had applied for approval of the national registration of its enoxaparin biosimilar (26 countries) had approved registration and, in addition to the European countries, the company had signed marketing agreements for the product in a further 83 countries. Likewise, the international presence of bemiparin now covers 57 countries.

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<sup>1</sup> Estimates based on Sanofi-Aventis reported 2019 sales.

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

### 2019 Management Report

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#### 4.3 ROVI announces completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia

ROVI informed about the conclusion of the PRISMA-3<sup>2</sup> and BORIS<sup>3</sup> studies, thus completing the Clinical Research Program for Risperidone ISM®, in which more than 679 subjects participated. All the data collected and analyzed in this Program are included in the registration dossier to apply for marketing authorization for Doria® for the treatment of schizophrenia in the European Union and United States, in a first phase, and, subsequently, in other countries.

As the company announced on 19 March, 2019, the final results of the pivotal PRISMA-3 clinical study confirm the superiority of Risperidone ISM®, a novel investigational antipsychotic for the treatment of schizophrenia with once-monthly injections, in comparison with the placebo. The prespecified primary efficacy endpoint in the study was the mean total score on the Positive and Negative Syndrome Scale (PANSS) after twelve weeks. The reductions in comparison with the baseline values obtained in the PANSS with monthly doses of 75 mg or 100 mg of Risperidone ISM® were statistically higher than those observed with placebo ( $p < 0.0001$ ).

Likewise, both dosage strengths of Risperidone ISM® (75 mg and 100 mg, once monthly) showed reductions that were statistically higher than those of the placebo ( $p < 0.0001$ ) in the total score on the Clinician Global Impression-Severity (CGI-S) scale, at week 12, which was the prespecified key secondary efficacy endpoint in the study.

Additionally, ROVI is including in the registration dossier long-term safety data on more than 100 patients from an open-label extension of the PRISMA-3 study<sup>4</sup>, exposed to at least one year of treatment with Doria®, as recommended in the International Conference on Harmonization (ICH) Guideline E1. The aforementioned open-label extension of the pivotal study, after recruiting 215 patients, has very recently finished and will provide more clinical data on the long-term use of Risperidone ISM®.

Lastly, ROVI has also announced the completion of the BORIS clinical trial, aimed to compare the bioavailability of multiple doses of oral risperidone with multiple doses of Risperidone ISM® in stable schizophrenic patients. The results of this study are providing support to the registration of Doria® with the FDA (Food and Drug Administration) and EMA (European Medicines Agency) as a hybrid application<sup>5,6</sup>, i.e. based partly on own studies and partly on previously done with reference medicine.

#### 4.4 ROVI Announces Positive Topline Results from Phase 3 study of Doria® in Patients with Schizophrenia

ROVI informed about topline results from the pivotal study PRISMA-3, a multicenter, randomized, placebo-controlled phase 3 trial of Doria® (Risperidone ISM®), a novel investigational once-monthly injectable antipsychotic for the treatment of schizophrenia. In this study, patients treated with once-monthly doses of either 75 mg or 100 mg of Doria®, obtained statistically significant reductions from baseline ( $p < 0.0001$ ) compared to placebo in the Positive and Negative Syndrome Scale (PANSS) total score at week 12, which was the prespecified primary efficacy endpoint in the trial.

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<sup>2</sup> <https://clinicaltrials.gov/ct2/show/NCT03160521>. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").

<sup>3</sup> <https://clinicaltrials.gov/ct2/show/NCT03527186>

<sup>4</sup> Study to Evaluate the Efficacy and Safety of Risperidone ISM® in Patients With Acute Schizophrenia: Open Label Extension (PRISMA-3\_OLE). [Clinicaltrials.gov# NCT03870880](https://clinicaltrials.gov/ct2/show/NCT03870880) [<https://clinicaltrials.gov/ct2/show/NCT03870880>]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").

<sup>5</sup> NDA 505(b)(2) Section of Federal Food, Drug, and Cosmetic Act

<sup>6</sup> Hybrid Application, Article 10(3) – Directive 2001/83/EC

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

### 2019 Management Report

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*“The positive results of the PRISMA-3 study provide the clinical evidence that Risperidone ISM<sup>®</sup> allows for a meaningful control of schizophrenia symptoms in patients with an acute illness exacerbation, using once-monthly injection and without needing loading doses or oral supplementation”* stated Christoph Correll, M.D., Professor of Psychiatry and Molecular Medicine at the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell in Hempstead, New York. *“In view of these results that also documented a favorable safety profile consistent with data known from oral risperidone, I believe that Risperidone ISM<sup>®</sup>, if approved, may represent a first-line therapeutic option for those schizophrenia patients in whom prescribers, patients and families consider risperidone to be the treatment of choice”.*

Both doses of Risperidone ISM<sup>®</sup> (once-monthly 75 mg and 100 mg), compared to placebo, also showed statistically significant improvement ( $p < 0.0001$ ) in the total score of the Clinical Global Impressions-Severity scale (CGI-S) at 12 weeks, which was the pre-specified key secondary efficacy endpoint in the study.

#### 4.5 ROVI acquires rights to Dexchlorpheniramine Maleate in the Spanish and French markets

ROVI informed that it has reached an agreement with a subsidiary of Merck Sharp and Dohme (“MSD”) whereby it acquires certain rights to MSD’s dexchlorpheniramine maleate product line in Spain and France, allowing it to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the brand name POLARAMINE<sup>®</sup>, and cream, marketed under the brand name POLARACREM<sup>™</sup>) and, in France, in its injectable form (ampoules).

This line of products belongs to a group of medicines known as antihistamines used for 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.

According to MSD, net sales of these products in Spain and France, were approximately 6.3 million US dollars in 2017.

ROVI paid MSD 13.5 million euros for the product.

Under this agreement, this line of products will be marketed directly by ROVI in Spain in its different pharmaceutical forms and, in France, in its injectable form, when the administrative procedures to authorise the transfer of the marketing authorisations have been concluded at the Spanish Medicines Agency and the French Agency for the Safety of Medicines and Health Products.

#### 4.6 ROVI acquires Falithrom<sup>®</sup> for the German market

ROVI informed (about the acquisition of Falithrom<sup>®</sup>, which was owned by Hexal AG (“Hexal”), a company belonging to the Sandoz division of Novartis, to be directly marketed by ROVI in Germany.

Falithrom<sup>®</sup> is used for the prevention and treatment of thromboembolic disease including venous thrombosis, thromboembolism, and pulmonary embolism as well as for the prevention of ischemic stroke in patients with atrial fibrillation (AF).

## LABORATORIOS FARMACÉUTICOS ROVI, S.A.

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According to IQVIA, the 2017 net sales of the product in Germany totalled around 3.5 million euros. ROVI will pay Hexal nine million euros for the product.

Under this agreement, Falithrom® will be directly marketed by ROVI in Germany as soon as the administrative processes to authorize the transfer of the marketing authorization are completed before the Federal Institute for Drugs and Medical Devices (BfArM).

#### 5. Research and development

##### ISM® technology platform

As the company has recently informed (by publication of the material event number 286374 dated 31<sup>st</sup> of January of 2020), a very important milestone has already been achieved with its long-acting injectable (LAI) antipsychotic Doria® (Risperidone ISM®). After the conclusion of the validation phase, the European health authorities have commenced the assessment process to grant marketing authorisation for this first product based in its leading-edge drug delivery technology, ISM®. In March 2019, the company announced topline results from the pivotal study of Risperidone ISM® “PRISMA-3”<sup>7</sup>, which showed that primary and key secondary efficacy endpoints were achieved with both doses tested for the treatment of patients with acute exacerbation of schizophrenia. Besides, in July 2019, the company announced the completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia. In addition, an open-label extension of the PRISMA-3 study<sup>8</sup> has already finished, which will provide clinical data on the long-term use of Risperidone ISM® (12 additional months).

Furthermore, ROVI informed of the decision to expand its industrial capabilities for the manufacture of Doria® with the incorporation of a second line for the manufacture of the syringe containing the solvent. The addition of this second line also provides the company with the necessary flexibility to the company to initiate the preparation of the industrial filling processes of Letrozole ISM®, which will require the installation of a specific filling machine. As a result, ROVI has prioritized the submission of the Doria® dossier in Europe (already done) and subsequently, filing in the USA, targeting the second half of 2020.

On the other hand, the company already announced the commencement of the clinical development of Letrozole ISM®, which represents the second candidate using the ROVI’s ISM® technology platform. This new investigational medicine is, to our best knowledge, the first long-acting injectable aromatase inhibitor intended for the treatment of hormone-dependent breast cancer. The first phase I clinical trial (the LISA-1 study<sup>9</sup>) of Letrozole ISM® is currently ongoing and due to the study design (“dose escalation”) and its exploratory nature, the finalisation date cannot be anticipated. Nevertheless, preliminary data confirm that this ISM® formulation provides a prolonged release of letrozole which produces a sustained suppression of oestrogenic hormones. The company will be gathering more clinical data from this trial during the following months to better characterise the pharmacological profile of Letrozole ISM®; afterwards, in 2020,

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<sup>7</sup> Study to Evaluate the Efficacy and Safety of Risperidone In Situ Microparticles® (ISM®) in Patients With Acute Schizophrenia (PRISMA-3). [Clinicaltrials.gov#NCT03160521](https://clinicaltrials.gov/ct2/show/NCT03160521) [<https://clinicaltrials.gov/show/NCT03160521>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

<sup>8</sup> Study to Evaluate the Efficacy and Safety of Risperidone ISM® in Patients With Acute Schizophrenia: Open Label Extension (PRISMA-3\_OLE). [Clinicaltrials.gov# NCT03870880](https://clinicaltrials.gov/ct2/show/NCT03870880) [<https://clinicaltrials.gov/ct2/show/NCT03870880>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

<sup>9</sup> Evaluation of IM Letrozole ISM® Pharmacokinetics, Safety, and Tolerability in Healthy Post-menopausal Women (LISA-1). [Clinicaltrials.gov#NCT03401320](https://clinicaltrials.gov/ct2/show/NCT03401320) [<https://clinicaltrials.gov/ct2/show/NCT03401320>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

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ROVI is planning to discuss with regulatory authorities these results as well as the next steps for continuing the clinical development of this novel long-acting injectable aromatase inhibitor.

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

#### **6. Dividends**

The ROVI General Shareholders Meeting, on 12 June 2019, approved the payment of a gross dividend of 0.0798 euros per share on 2018 earnings. This dividend was paid in July 2019.

The ROVI General Shareholders Meeting, on 29 May 2018, approved the payment of a gross dividend of 0.1207 euros per share on 2017 earnings. This dividend was paid in July 2018.

#### **7. Capital expenditure**

ROVI invested 26.5 million euros in 2019, compared to 15.3 million euros in 2018. Of this amount:

- The additions in "Property, plant and equipment" are mainly due to the acquisition of assets related to investments in the Granada facility and to the preparation of the plant for the development of the ISM® project;
- In 2019 additions in intangible assets amounting to 13.5 million euros are related to the acquisition of Polaramine®.

#### **8. Treasury shares transactions**

In the course of 2019, ROVI acquired a total of 224,449 of its own shares (68,603 in 2018), paying the amount of 4,718 thousand euros for them (1,138 thousand euros in 2018). Likewise, it resold a total of 232,548 of its own shares (58,731 in 2018) for an amount of 4,871 thousand euros (986 thousand euros in 2018). These shares had been acquired at a weighted average cost of 3,189 thousand euros (733 thousand euros in 2018), giving rise to a profit of 1,682 thousand euros on the sale (253 thousand euros in 2018), which was taken to reserves. At 31 December, 2019, ROVI held 686,956 treasury shares (695,055 at 31 December, 2018).

#### **9. Headcount evolution**

The average number of employees during 2019 has been 506 (471 in 2018).



## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2019 Management Report**

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#### **10. Outlook for 2020**

In 2020, ROVI expects a mid-single-digit growth rate for the operating revenue. The Company forecasts that it will continue to grow at a higher rate than Spanish pharmaceutical market expenditure in 2019, which, according to the Ministry of Health, Consumption and Social Welfare, showed a growth rate of 3.0%.

ROVI expects its growth drivers to be Bemiparin, the license agreements, such as Neparvis® and Volutsa®, the Enoxaparin biosimilar, its existing portfolio of specialty pharmaceuticals and new products recently acquired (Falithrom® and Polaramine®).

#### **11. Risk management**

##### **11.1 Operating risks**

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

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

ROVI is permanently on the alert and is keeping any risks that may have an adverse effect on its business activities under constant surveillance, applying the appropriate policies and mechanisms to manage them and constantly developing contingency plans that can be used to mitigate or offset their impact. Among them, we highlight the fact that the Company (i) continues with the diversification of suppliers of raw materials and other packaging materials necessary for the manufacture of the products; (ii) is continuing with its target of constantly opening up new markets as a result of its international expansion plan; (iii) continues to enhance its processes and controls, including those related to the internationalization process; (iv) is working intensively to maintain a broad and diversified portfolio of products and customers; (v) perseveres every year with its savings plan, which has focused mainly on improving the efficiency of its internal and external operating processes; (vi) the Company exercises strict credit control and manages its cash effectively, which ensures that sufficient working capital is generated and maintained to allow its day-to-day operations to be carried out; (vii) the Company has an exhaustive tax risk control system, with external tax advisors who review the preparation and filing of the different taxes as well as the Company's decision-making on tax issues.

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#### 11.2 Financial risks

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

- *Market risk*

Market risk is divided in:

- a) Foreign exchange risk: this risk is low because (i) virtually all the Company's assets and liabilities are in euros; (ii) a majority of the transactions with foreign parties are carried out in euros; and (iii) transactions for a significant amount in currencies other than the euro are hedged with financial instruments that minimise the impact of exchange-rate risk. At 31 December, 2019, the Company held instruments of this kind for a value of 26,500 thousand euros, the measurement of which at the 2019 reporting date did not lead to recognition of significant losses.
- b) Price risk: the Company is exposed to price risk for equity securities because of investments held by the Company and classified as available for sale on the consolidated statement of financial position. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. The portfolio is diversified in accordance with the limits set by the Company. The Company does not use derivatives to hedge price risk.
- c) Interest rate risk: the Company is subject to interest rate risk in respect of cash flows on non-current financial debt transactions at variable rates. Company policy is to try to keep most of its financial debt in the form of debt with government entities by obtaining reimbursable advances on which there is no interest-rate risk and, in the case of bank debt, to obtain cash flows not only at variable rates, but also at fixed rates, thus keeping the impact of interest-rate risk to a minimum.
- d) Raw material price risk: the Company is exposed to changes in the conditions under which raw materials and other packaging materials needed to manufacture its products are supplied. To minimise this risk, the Company maintains a diversified portfolio of suppliers and manages its stock levels efficiently.

- *Credit risk*

Credit risk is managed by groups. The credit risk arises from cash and cash equivalents, long-term financial investments, deposits held at call in banks and financial institutions and other receivables available for sale, as well as from wholesalers and retailers, including accounts receivables and committed transactions. The Company monitors the solvency of these assets by reviewing external credit ratings and qualifying internally assets which are not externally rated.

It should be mentioned here that despite this management work, the Regional Government continue to be extremely slow in making payments for pharmaceutical supplies, to the detriment of companies operating in this sector. Despite this, the Company's financial position is sound and its liquidity unaffected.

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#### - *Liquidity risk*

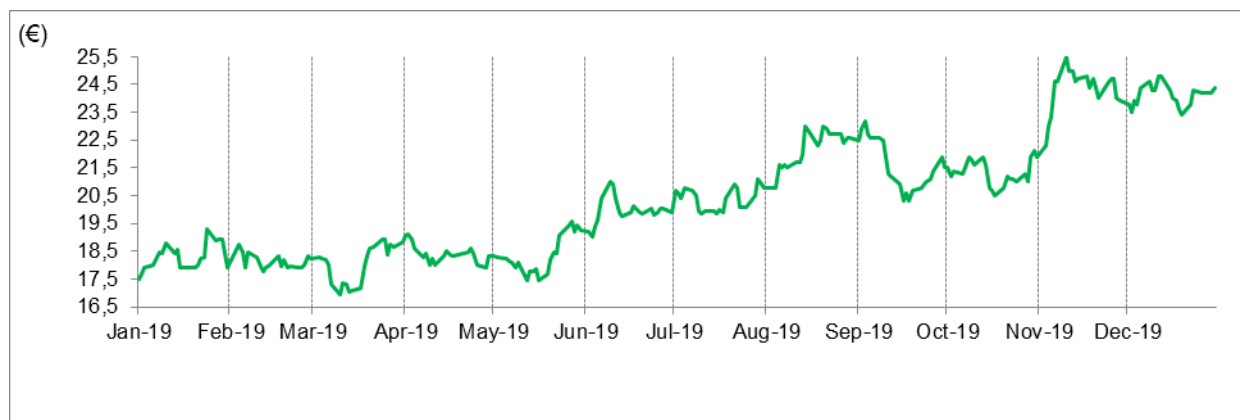
Management monitors the liquidity estimates of the Company according to the expected cash flows; therefore, the Company always has sufficient cash and trade securities to confront its liquidity requirements.

#### 12. Stock market capitalization

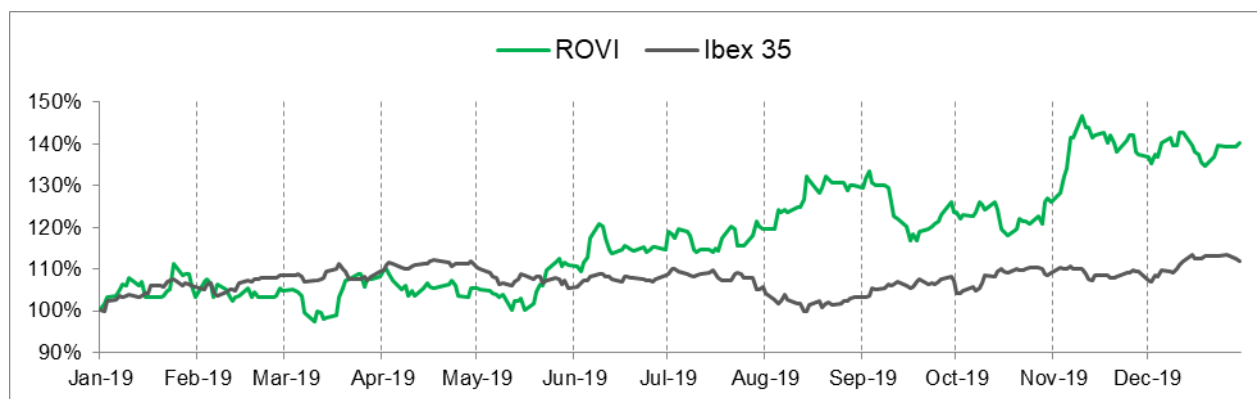
On the December 5th 2007, ROVI carried out an Initial Public Offering (IPO) of shares initially intended for qualified investors in Spain and to qualified institutional investors abroad. The face value of the operation, without including the shares corresponding to the green shoe purchase option, was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

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

The following graph shows the fluctuations of the share price in the stock market in 2019:



The following chart shows the performance of the share price of ROVI compared with the IBEX 35 index in 2019:



## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2019 Management Report**

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#### **13. Corporate Government Annual Report**

Appendix 1 includes the Corporate Government Annual Report prepared by the Company for 2019.

#### **14. Events after balance sheet date**

There have been no significant subsequent events after the end of fiscal year 2019.

#### **15. Statement of non-financial information**

The statement of non-financial information of the group of which the Company is the parent company, ROVI Group, has been included in the consolidated management report of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries at 31 December, 2019.

Free translation of the 2019 Management Report originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

## **LABORATORIOS FARMACÉUTICOS ROVI, S.A.**

### **2019 Management Report**

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## **APPENDIX 1**

### **CORPORATE GOVERNMENT ANNUAL REPORT 2019**

(see <http://www.cnmv.es/Portal/consultas/EE/InformacionGobCorp.aspx?nif=A-28041283>)

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**DATOS IDENTIFICATIVOS DEL EMISOR**

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Fecha fin del ejercicio de referencia: [ 31/12/2019 ]

CIF: [ A-28041283 ]

Denominación Social:

[ **LABORATORIOS FARMACEUTICOS ROVI, S.A.** ]

Domicilio social:

[ JULIAN CAMARILLO, 35 MADRID ]

**A. ESTRUCTURA DE LA PROPIEDAD**

A.1. Complete el siguiente cuadro sobre el capital social de la sociedad:

Fecha de última modificación	Capital social (€)	Número de acciones	Número de derechos de voto
18/10/2018	3.364.137,90	56.068.965	56.068.965

Indique si existen distintas clases de acciones con diferentes derechos asociados:

[ ] Sí  
[✓] No

A.2. Detalle los titulares directos e indirectos de participaciones significativas a la fecha de cierre del ejercicio, excluidos los consejeros:

Nombre o denominación social del accionista	% derechos de voto atribuidos a las acciones		% derechos de voto a través de instrumentos financieros		% total de derechos de voto
	Directo	Indirecto	Directo	Indirecto	
WELLINGTON MANAGEMENT GROUP, LLP	0,00	4,92	0,00	0,00	4,92
T. ROWE PRICE ASSOCIATES, INC.	0,00	3,39	0,00	0,00	3,39
NORBEL INVERSIONES, S.L.	63,11	0,00	0,00	0,00	63,11
INDUMENTA PUERI, S.L.	0,00	5,06	0,00	0,00	5,06

Detalle de la participación indirecta:

Nombre o denominación social del titular indirecto	Nombre o denominación social del titular directo	% derechos de voto atribuidos a las acciones	% derechos de voto a través de instrumentos financieros	% total de derechos de voto
WELLINGTON MANAGEMENT GROUP, LLP	DIVERSAS I.I.C.	4,92	0,00	4,92
T. ROWE PRICE ASSOCIATES, INC.	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	3,39	0,00	3,39

Nombre o denominación social del titular indirecto	Nombre o denominación social del titular directo	% derechos de voto atribuidos a las acciones	% derechos de voto a través de instrumentos financieros	% total de derechos de voto
INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS S.L.	5,06	0,00	5,06

Indique los movimientos en la estructura accionarial más significativos acontecidos durante el ejercicio:

**Movimientos más significativos**

Wellington Management Group, LLP con fecha 19/03/2019 descendió del 5% del capital social.  
 Wellington Management Group, LLP con fecha 15/04/2019 superó el 5% del capital social.  
 Wellington Management Group, LLP con fecha 16/04/2019 descendió del 5% del capital social.  
 Alantra Asset Management, SGIIC, S.A. con fecha 16/05/2019 descendió del 3% del capital social.  
 J O Hambro Capital Management Limited con fecha 19/08/2019 descendió del 3% del capital social.

Los datos se han extraído de los registros oficiales de la CNMV.

**A.3.** Complete los siguientes cuadros sobre los miembros del consejo de administración de la sociedad, que posean derechos de voto sobre acciones de la sociedad:

Nombre o denominación social del consejero	% derechos de voto atribuidos a las acciones		% derechos de voto a través de instrumentos financieros		% total de derechos de voto	% derechos de voto que <u>pueden ser transmitidos</u> a través de instrumentos financieros	
	Directo	Indirecto	Directo	Indirecto		Directo	Indirecto
Sin datos							

% total de derechos de voto en poder del consejo de administración

0,00



Detalle de la participación indirecta:

Nombre o denominación social del consejero	Nombre o denominación social del titular directo	% derechos de voto atribuidos a las acciones	% derechos de voto a través de instrumentos financieros	% total de derechos de voto	% derechos de voto que <u>pueden ser transmitidos</u> a través de instrumentos financieros
Sin datos					

**A.4.** Indique, en su caso, las relaciones de índole familiar, comercial, contractual o societaria que existan entre los titulares de participaciones significativas, en la medida en que sean conocidas por la sociedad, salvo que sean escasamente relevantes o deriven del giro o tráfico comercial ordinario, excepto las que se informen en el apartado A.6:

Nombre o denominación social relacionados	Tipo de relación	Breve descripción
Sin datos		

**A.5.** Indique, en su caso, las relaciones de índole comercial, contractual o societaria que existan entre los titulares de participaciones significativas, y la sociedad y/o su grupo, salvo que sean escasamente relevantes o deriven del giro o tráfico comercial ordinario:

Nombre o denominación social relacionados	Tipo de relación	Breve descripción
Sin datos		

**A.6.** Describa las relaciones, salvo que sean escasamente relevantes para las dos partes, que existan entre los accionistas significativos o representados en el consejo y los consejeros, o sus representantes, en el caso de administradores persona jurídica.

Explique, en su caso, cómo están representados los accionistas significativos. En concreto, se indicarán aquellos consejeros que hubieran sido nombrados en representación de accionistas significativos, aquellos cuyo nombramiento hubiera sido promovido por accionistas significativos, o que estuvieran vinculados a accionistas significativos y/o entidades de su grupo, con especificación de la naturaleza de tales relaciones de vinculación. En particular, se mencionará, en su caso, la existencia, identidad y cargo de miembros del consejo, o representantes de consejeros, de la sociedad cotizada, que sean, a su vez, miembros del órgano de administración, o sus representantes, en sociedades que ostenten participaciones significativas de la sociedad cotizada o en entidades del grupo de dichos accionistas significativos:

Nombre o denominación social del consejero o representante, vinculado	Nombre o denominación social del accionista significativo vinculado	Denominación social de la sociedad del grupo del accionista significativo	Descripción relación/cargo
DON JUAN LÓPEZ-BELMONTE LÓPEZ	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Presidente y Socio.

Nombre o denominación social del consejero o representante, vinculado	Nombre o denominación social del accionista significativo vinculado	Denominación social de la sociedad del grupo del accionista significativo	Descripción relación/cargo
DON JUAN LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Consejero y Socio.
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Consejero y Socio.
DON JAVIER LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Consejero y Socio.

Norbel Inversiones, S.L., es titular del 63,107% del capital social de la Sociedad, y está participada por D. Juan López-Belmonte López y por sus hijos D. Juan, D. Javier y D. Iván López-Belmonte Encina, sin que ninguno de ellos ejerza el control sobre la misma. D. Juan López-Belmonte López ejerce el cargo de Presidente del Consejo de Administración de dicha sociedad, mientras que sus hijos, D. Juan, D. Javier y D. Iván López-Belmonte Encina desempeñan los cargos de Consejeros.

**A.7.** Indique si han sido comunicados a la sociedad pactos parasociales que la afecten según lo establecido en los artículos 530 y 531 de la Ley de Sociedades de Capital. En su caso, descríbalos brevemente y relacione los accionistas vinculados por el pacto:

Sí  
 No

Indique si la sociedad conoce la existencia de acciones concertadas entre sus accionistas. En su caso, descríbalas brevemente:

Sí  
 No

Intervinientes acción concertada	% de capital social afectado	Breve descripción del concierto	Fecha de vencimiento del concierto, si la tiene
ALANTRA ASSET MANAGEMENT SGIIC S.A., ALANTRA EQMC ASSET MANAGEMENT SGIIC S.A.	2,24	Estas sociedades gestoras de instituciones de inversión colectiva de Alantra mantienen una política común en relación con los derechos de voto de las acciones de ROVI titularidad de las entidades de inversión por ellas gestionadas	

En el caso de que durante el ejercicio se haya producido alguna modificación o ruptura de dichos pactos o acuerdos o acciones concertadas, indíquelo expresamente:

Con fecha 20 de mayo de 2019, se comunicó la reducción del porcentaje de capital social afectado por la acción concertada a resultas de la transmisión de acciones de la Sociedad por sus intervinientes, que pasa del 4,82% al 2,235%.

**A.8.** Indique si existe alguna persona física o jurídica que ejerza o pueda ejercer el control sobre la sociedad de acuerdo con el artículo 5 de la Ley del Mercado de Valores. En su caso, identifíquela:

[  ] Sí  
[  ] No

Nombre o denominación social
NORBEL INVERSIONES, S.L.

**A.9.** Complete los siguientes cuadros sobre la autocartera de la sociedad:

A fecha de cierre del ejercicio:

Número de acciones directas	Número de acciones indirectas(*)	% total sobre capital social
686.956		1,23

(\*) A través de:

Nombre o denominación social del titular directo de la participación	Número de acciones directas
Sin datos	

**A.10.** Detalle las condiciones y plazo del mandato vigente de la junta de accionistas al consejo de administración para emitir, recomprar o transmitir acciones propias:

La Junta General de Accionistas celebrada el 12 de junio de 2019 autorizó al Consejo de Administración de la Sociedad para que pueda proceder a la adquisición derivativa de acciones propias, tanto directamente por la propia Sociedad como indirectamente a través de sus sociedades dependientes con respeto de los límites y requisitos legalmente establecidos y en los términos que a continuación se indican:

a) Las adquisiciones podrán realizarse a título de compraventa, permuta o cualquier otra modalidad de adquisición a título oneroso de acciones permitida por la ley, hasta la cifra máxima permitida por la ley. b) El precio mínimo de adquisición o valor mínimo de contraprestación será el equivalente al valor nominal de las acciones propias adquiridas y el precio máximo de adquisición o valor máximo de la contraprestación será equivalente a un precio no superior al mayor entre el de la última transacción realizada en el mercado por sujetos independientes y el más alto contenido en una orden de compra del carné de órdenes. c) El plazo de vigencia de la autorización será de 5 años desde la fecha en que se aprobó este acuerdo. d) Como consecuencia de la adquisición de acciones, incluidas aquellas que la Sociedad o la persona que actuase en nombre propio pero por cuenta de la Sociedad hubiese adquirido con anterioridad y tuviese en cartera, el patrimonio neto resultante no podrá quedar reducido por debajo del importe del capital social más las reservas legal o estatutariamente indisponibles, todo ello según lo previsto en la Ley de Sociedades de Capital.

Asimismo, y a los efectos previstos en la Ley de Sociedades de Capital, se autoriza la adquisición de acciones de la Sociedad por parte de cualquiera de las sociedades dependientes en los mismos términos resultantes del acuerdo.

Las acciones que se adquieran como consecuencia de esta autorización podrán destinarse tanto a su enajenación como a la aplicación de los sistemas retributivos contemplados en la letra a) del artículo 146.1 de la Ley de Sociedades de Capital, así como al desarrollo de programas que fomenten la participación en el capital de la Sociedad tales como, por ejemplo, planes de reinversión de dividendo, bonos de fidelidad u otros instrumentos análogos.

Asimismo, la referida Junta General de Accionistas celebrada el 12 de junio de 2019 delegó en el Consejo de Administración la facultad de aumentar el capital social, con atribución de la facultad de excluir el derecho de suscripción preferente (sin ninguna limitación), dentro de los límites y con los requisitos establecidos en la Ley de Sociedades de Capital por un plazo máximo de cinco años a contar desde el acuerdo de la Junta.

**A.11.** Capital flotante estimado:

	%
Capital flotante estimado	22,29

**A.12.** Indique si existe cualquier restricción (estatutaria, legislativa o de cualquier índole) a la transmisibilidad de valores y/o cualquier restricción al derecho de voto. En particular, se comunicará la existencia de cualquier tipo de restricciones que puedan dificultar la toma de control de la sociedad mediante la adquisición de sus acciones en el mercado, así como aquellos regímenes de autorización o comunicación previa que, sobre las adquisiciones o transmisiones de instrumentos financieros de la compañía, le sean aplicables por normativa sectorial.

Sí  
 No

**A.13.** Indique si la junta general ha acordado adoptar medidas de neutralización frente a una oferta pública de adquisición en virtud de lo dispuesto en la Ley 6/2007.

Sí  
 No

En su caso, explique las medidas aprobadas y los términos en que se producirá la ineficiencia de las restricciones:

**A.14.** Indique si la sociedad ha emitido valores que no se negocian en un mercado regulado de la Unión Europea.

Sí  
 No

En su caso, indique las distintas clases de acciones y, para cada clase de acciones, los derechos y obligaciones que confiera:

**B. JUNTA GENERAL**

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**B.1.** Indique y, en su caso detalle, si existen diferencias con el régimen de mínimos previsto en la Ley de Sociedades de Capital (LSC) respecto al quórum de constitución de la junta general:

Sí  
 No

**B.2.** Indique y, en su caso, detalle si existen diferencias con el régimen previsto en la Ley de Sociedades de Capital (LSC) para la adopción de acuerdos sociales:

[ ] Sí  
[✓] No

**B.3.** Indique las normas aplicables a la modificación de los estatutos de la sociedad. En particular, se comunicarán las mayorías previstas para la modificación de los estatutos, así como, en su caso, las normas previstas para la tutela de los derechos de los socios en la modificación de los estatutos.

Normas aplicables a la modificación de los Estatutos de la Sociedad.

De conformidad con lo establecido en los artículos 27, párrafo 2.º de los EE.SS. de ROVI y 5.i) del Reglamento de la Junta General de Accionistas (el "RJGA"), será la Junta General quien pueda acordar cualquier modificación de los Estatutos Sociales. Según el mismo artículo 27, párrafo 2.º de los EE.SS. y el artículo 15 del RJGA, para ello será necesaria, en primera convocatoria, la concurrencia de accionistas presentes o representados que posean, al menos, el cincuenta por ciento del capital suscrito con derecho a voto. En segunda convocatoria, será suficiente el veinticinco por ciento de dicho capital, si bien, según el artículo 15 del RJGA, cuando concurren accionistas que representen menos del cincuenta por ciento del capital suscrito con derecho a voto, los acuerdos de modificación de Estatutos sólo podrán adoptarse válidamente con el voto favorable de los dos tercios del capital presente o representado de la Junta General. No obstante, si el capital presente o representado supera el 50%, ya sea en primera o en segunda convocatoria, bastará con que el acuerdo se adopte por mayoría absoluta.

En el mismo sentido, los párrafos 7.º y 8.º del artículo 34 de los EE.SS. establecen que los acuerdos de la Junta se adoptarán por mayoría simple de los votos del capital, presente o representado, entendiéndose adoptado un acuerdo cuando obtenga más votos a favor que en contra del capital presente o representado. Quedan a salvo los supuestos en los que la Ley o los Estatutos estipulen una mayoría superior y, en particular, cuando concurren accionistas que representen menos del cincuenta por ciento del capital suscrito con derecho a voto, los acuerdos relativos a los asuntos a que se refiere el artículo 194 de la Ley de Sociedades de Capital requerirán para su validez el voto favorable de las dos terceras partes del capital social presente o representado en la Junta. No obstante, si el capital presente o representado supera el 50%, ya sea en primera o en segunda convocatoria, bastará con que el acuerdo se adopte por mayoría absoluta.

**B.4.** Indique los datos de asistencia en las juntas generales celebradas en el ejercicio al que se refiere el presente informe y los de los dos ejercicios anteriores:

Fecha junta general	Datos de asistencia				Total
	% de presencia física	% en representación	% voto a distancia		
			Voto electrónico	Otros	
31/05/2017	69,69	22,84	0,00	1,04	93,57
De los que Capital flotante	0,05	4,47	0,00	1,04	5,56
29/05/2018	69,68	23,45	0,00	0,00	93,13
De los que Capital flotante	0,04	3,85	0,00	0,00	3,89
12/06/2019	63,13	25,70	0,00	1,39	90,22
De los que Capital flotante	0,02	10,04	0,00	1,39	11,45

**B.5.** Indique si en las juntas generales celebradas en el ejercicio ha habido algún punto del orden del día que, por cualquier motivo, no haya sido aprobado por los accionistas:

[ ] Sí  
[✓] No

**B.6.** Indique si existe alguna restricción estatutaria que establezca un número mínimo de acciones necesarias para asistir a la junta general, o para votar a distancia:

Sí  
 No

**B.7.** Indique si se ha establecido que determinadas decisiones, distintas a las establecidas por Ley, que entrañan una adquisición, enajenación, la aportación a otra sociedad de activos esenciales u otras operaciones corporativas similares, deben ser sometidas a la aprobación de la junta general de accionistas:

Sí  
 No

**B.8.** Indique la dirección y modo de acceso a la página web de la sociedad a la información sobre gobierno corporativo y otra información sobre las juntas generales que deba ponerse a disposición de los accionistas a través de la página web de la Sociedad:

La dirección de la página web de la Sociedad es [www.rovi.es](http://www.rovi.es). Para acceder al contenido de gobierno corporativo debe pincharse en la sección "Accionistas e Inversores" y posteriormente en la tercera pestaña ("Gobierno Corporativo").

**C. ESTRUCTURA DE LA ADMINISTRACION DE LA SOCIEDAD**

**C.1. Consejo de administración**

C.1.1 Número máximo y mínimo de consejeros previstos en los estatutos sociales y el número fijado por la junta general:

Número máximo de consejeros	15
Número mínimo de consejeros	5
Número de consejeros fijado por la junta	7

C.1.2 Complete el siguiente cuadro con los miembros del consejo:

Nombre o denominación social del consejero	Representante	Categoría del consejero	Cargo en el consejo	Fecha primer nombramiento	Fecha último nombramiento	Procedimiento de elección
DON JUAN LÓPEZ-BELMONTE LÓPEZ		Dominical	PRESIDENTE	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON JUAN LÓPEZ-BELMONTE ENCINA		Ejecutivo	CONSEJERO DELEGADO	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA		Ejecutivo	VICEPRESIDENTE 1º	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON JAVIER LÓPEZ-BELMONTE ENCINA		Ejecutivo	VICEPRESIDENTE 2º	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON JOSÉ FERNANDO DE ALMANSA MORENO-BARRERA		Independiente	CONSEJERO	09/06/2015	12/06/2019	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON MARCOS PEÑA PINTO		Independiente	CONSEJERO COORDINADOR INDEPENDIENTE	09/05/2019	12/06/2019	ACUERDO JUNTA GENERAL DE ACCIONISTAS

Nombre o denominación social del consejero	Representante	Categoría del consejero	Cargo en el consejo	Fecha primer nombramiento	Fecha último nombramiento	Procedimiento de elección
DOÑA FÁTIMA BÁÑEZ GARCÍA		Independiente	CONSEJERO	20/12/2019	20/12/2019	COOPTACION

Número total de consejeros	7
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Indique las bajas que, ya sea por dimisión, destitución o por cualquier otra causa, se hayan producido en el consejo de administración durante el periodo sujeto a información:

Nombre o denominación social del consejero	Categoría del consejero en el momento del cese	Fecha del último nombramiento	Fecha de baja	Comisiones especializadas de las que era miembro	Indique si la baja se ha producido antes del fin del mandato
DON MIGUEL CORSINI FREESE	Independiente	29/05/2018	07/05/2019	COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES Y COMISIÓN DE AUDITORÍA.	SI
DON ENRIQUE CASTELLÓN LEAL	Independiente	31/05/2017	20/12/2019	COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES Y COMISIÓN DE AUDITORÍA.	SI

**Causa de la baja y otras observaciones**

D. Enrique Castellón Leal renunció a su cargo como consejero debido a que se habían cumplido 12 años desde su nombramiento como consejero de ROVI, lo que afectaba a su calificación como consejero externo independiente.

D. Miguel Corsini Freese renunció al cargo de consejero debido, por una parte, a distintas circunstancias personales (entre otras, por razones de salud que recomendaban que redujera su actividad profesional) y, por otra, para facilitar la renovación del Consejo de Administración tal y como se indicaba en el Informe Anual de Gobierno Corporativo del ejercicio 2018, teniendo en cuenta, adicionalmente, que en el año 2020 llevaría en el cargo de consejero de ROVI más de 12 años como consejero externo independiente.

C.1.3 Complete los siguientes cuadros sobre los miembros del consejo y su distinta categoría:

CONSEJEROS EJECUTIVOS		
Nombre o denominación social del consejero	Cargo en el organigrama de la sociedad	Perfil
DON JUAN LÓPEZ-BELMONTE ENCINA	Ejecutivo (Consejero Delegado y Director General)	El Sr. López-Belmonte Encina es licenciado en Ciencias Económicas y Empresariales por el CEU San Pablo de Madrid, especialidad auditoría en el año 1993. Es accionista de Norbel Inversiones, S.L. con un 26,67% de participación (a su vez accionista de control de la Sociedad) y Director General y Consejero Delegado de ROVI. Es Vicepresidente del



CONSEJEROS EJECUTIVOS		
Nombre o denominación social del consejero	Cargo en el organigrama de la sociedad	Perfil
		Consejo de Gobierno y Junta Directiva de Farmaindustria. Asimismo, ha sido Presidente del Comité de I+D+i de la CEOE desde marzo 2015 hasta finales de 2018. Comenzó su actividad laboral trabajando en compañías farmacéuticas de relevancia internacional en Estados Unidos y en Reino Unido, en distintas áreas farmacéuticas. Ha estado trabajando para la Sociedad desde 1994, fue nombrado Director General en octubre de 2001 y desde octubre de 2007 es el Consejero Delegado de la Sociedad. Fue nombrado consejero de la Sociedad por vez primera el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Actualmente, el Sr. López-Belmonte Encina es vocal del Consejo de Administración de Norbel Inversiones, S.L., vocal de Norbepa Inversiones, S.L., y vocal de Alentia Biotech, S.L.
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Ejecutivo (Director de Desarrollo Corporativo)	El Sr. López-Belmonte Encina es licenciado en Ciencias Económicas y Empresariales por el CEU San Pablo de Madrid, especialidad auditoría, en el año 1994. Es accionista de Norbel Inversiones, S.L. con un 26,67% de participación (sociedad que es, a su vez, accionista de control de ROVI) y vicepresidente 1.º del Consejo de Administración de ROVI. Empezó su actividad laboral en Alemania trabajando en empresas como Amersham, dedicada a la medicina nuclear y en Hexal AG, especializada en genéricos. Ha estado trabajando para la Sociedad desde 1995 y es director de desarrollo corporativo de ROVI desde septiembre de 2007. Fue nombrado consejero de la Sociedad por vez primera el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Actualmente, el Sr. López-Belmonte Encina es vocal del Consejo de Administración de Norbel Inversiones, S.L. y de Norbepa Inversiones, S.L., administrador solidario de Bertex Pharma GmbH; y presidente y apoderado de Enervit Nutrition, S.L.
DON JAVIER LÓPEZ-BELMONTE ENCINA	Ejecutivo (Director Financiero)	El Sr. López-Belmonte Encina es licenciado en Ciencias Económicas y Empresariales por el Colegio Universitario de Estudios Financieros (CUNEF) de Madrid, especialidad de financiación en el año 1998 y Executive MBA conjunto por la Universidad de Brown e IE de Madrid en 2017. Es accionista de Norbel Inversiones, S.L. con un 26,67% de participación (sociedad que es, a su vez, accionista de control de ROVI) y vicepresidente 2.º del Consejo de Administración de ROVI. Comenzó su actividad laboral en el sector bancario en el año 1998 trabajando en Argentaria S.A. en el Reino Unido como analista y, en el sector farmacéutico, en Medeva Pharma, también en el Reino Unido. Se incorporó a ROVI en el año 2000 y es director financiero desde el año 2001. Fue nombrado consejero de la Sociedad por vez primera el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Ha sido vicepresidente de CEIM, miembro de su Junta Directiva y Presidente de su Comisión de Sanidad.

CONSEJEROS EJECUTIVOS

Nombre o denominación social del consejero	Cargo en el organigrama de la sociedad	Perfil
		Asimismo, ha sido miembro del Consejo Social de la Universidad Autónoma de Madrid representando a CEIM y miembro del Patronato de la Fundación Universidad Autónoma de Madrid representando al Consejo Social de la Universidad Autónoma de Madrid. Actualmente, el Sr. López-Belmonte Encina es vocal del Consejo de Administración de Norbel Inversiones, S.L., consejero delegado y secretario de Norbepa Inversiones, S.L., vicesecretario consejero de Alentia Biotech, S.L. y secretario consejero de Enervit Nutrition, S.L.

Número total de consejeros ejecutivos	3
% sobre el total del consejo	42,86

CONSEJEROS EXTERNOS DOMINICALES

Nombre o denominación social del consejero	Nombre o denominación del accionista significativo a quien representa o que ha propuesto su nombramiento	Perfil
DON JUAN LÓPEZ-BELMONTE LÓPEZ	NORBEL INVERSIONES, S.L.	El Sr. López-Belmonte López es licenciado en Ciencias Económicas y Empresariales por la Universidad Complutense de Madrid en el año 1969 y Actuario de Seguros. Es presidente de ROVI y accionista de Norbel Inversiones, S.L. con un 20% de participación (sociedad que es, a su vez, accionista de control de ROVI). Ha sido presidente de la Cámara de Comercio de Madrid desde marzo de 2016 hasta abril de 2018. Fue presidente de la Asociación para el Autocuidado de la Salud (ANEFP) y vicepresidente de Farmaindustria. Fue nombrado consejero de la Sociedad el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Actualmente, el Sr. López-Belmonte López es presidente y miembro del Consejo de Administración de Norbel Inversiones, S.L., Norbepa Inversiones, S.L., Lobel y Losa Development, S.L., Inversiones Borbollón, S.L. y Alentia Biotech, S.L.

Número total de consejeros dominicales	1
% sobre el total del consejo	14,29

CONSEJEROS EXTERNOS INDEPENDIENTES	
Nombre o denominación social del consejero	Perfil
<p>DON JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA</p>	<p>El Sr. Almansa Moreno-Barreda es licenciado en Derecho por la Universidad de Deusto (Bilbao). Diplomático. Ingresó en la Carrera Diplomática el 2 de diciembre de 1974. Desde 1976 a 1992 ha ocupado diferentes cargos: Secretario de la Embajada española en Bruselas, Consejero Cultural de la Embajada de España en México, Director Jefe de la Sección de Coordinación de la Subdirección General de Europa Oriental, Director de Asuntos Atlánticos en la Dirección General de Política Exterior para Europa y Asuntos Atlánticos, Consejero Político de la representación Permanente de España ante el Consejo de Atlántico Norte en Bruselas, Ministro-Consejero de la Embajada de España en la Unión Soviética, Secretario General de la Comisión Nacional del Quinto Centenario del Descubrimiento de América, y Subdirector General de Europa Oriental dependiente de la Dirección General de Política Exterior para Europa. De 1993 a 2002, fue nombrado por Su Majestad el Rey Juan Carlos I, Jefe de Su Casa, con rango de Ministro, siendo designado Consejero Privado de Su Majestad el Rey Juan Carlos I. Ha sido consejero de Telefónica S.A. desde el año 2003 hasta 2016, ocupando la presidencia de la Comisión de Asuntos Internacionales de su Consejo y formando parte como Consejero de varias filiales de Telefónica S.A. en Iberoamérica. Así mismo, desde el año 2003 hasta el año 2015 formó parte del Consejo de Administración del banco mejicano BBVA BANCOMER. Actualmente es consejero de TELEFONICA MOVILES S.A. en Méjico. Desde el 9 de junio de 2015 es Consejero de ROVI, siendo reelegido por la Junta General ordinaria de 2019.</p>
<p>DON MARCOS PEÑA PINTO</p>	<p>El Sr. Peña Pinto es licenciado en Derecho por la Universidad Complutense de Madrid, habiendo superado la oposición a Inspector Técnico de Trabajo y de la Seguridad Social. Del año 1984 al 1989, el Sr. Peña ocupó el cargo de Consejero Laboral en la Embajada de España en Italia; posteriormente, entre 1991 y 1996, desempeñó los puestos de Secretario General de Salud dentro del Ministerio de Sanidad y Consumo y de Secretario General de Empleo y Relaciones Laborales dentro del Ministerio de Trabajo. Entre los años 2005 y 2006, fue designado Consejero-Experto del Consejo Económico y Social, organismo que ha presidido hasta el mes de abril de este año. Asimismo, el Sr. Peña Pinto ha sido Consejero Nato del Consejo de Estado, cargo vinculado al puesto de presidente del Consejo Económico y Social. Por lo que se refiere a otras actividades profesionales desempeñadas, cabe destacar que don Marcos Peña está especializado en negociación colectiva de trabajo, habiendo ejercido el cargo de Presidente de la Comisión Negociadora de múltiples convenios colectivos (p. ej., Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, etc.). Además, el Sr. Peña Pinto es árbitro y mediador de distintos conflictos laborales de dimensión nacional, así como autor de numerosas publicaciones y articulista habitual en prensa escrita. Fue nombrado consejero independiente de la Sociedad por cooptación y aceptó su nombramiento el 9 de mayo de 2019, siendo reelegido por la Junta General ordinaria de 12 de junio de 2019.</p>
<p>DOÑA FÁTIMA BÁÑEZ GARCÍA</p>	<p>La Sra. Báñez García es Licenciada en Derecho y en Ciencias Económicas y Empresariales por la Universidad Pontificia de Comillas -ICADE E-3-, completa su formación académica con un Postgrado en Administración de Empresas por la Universidad de Harvard, Boston, MA y realiza el Programa de Liderazgo para la Gestión Pública en el IESE Business School. Fue Ministra de Empleo y Seguridad Social del Gobierno de España desde diciembre de 2011 hasta junio de 2018, y Ministra de Sanidad, Servicios Sociales e Igualdad en funciones desde agosto hasta noviembre de 2016. También en el ámbito público, fue Diputada por Huelva en el Congreso de los Diputados (2000-2019), donde ha ejercido importantes responsabilidades en el área</p>

CONSEJEROS EXTERNOS INDEPENDIENTES

Nombre o denominación social del consejero	Perfil
	económica del Grupo Parlamentario Popular y Presidenta de la Comisión de Exteriores de la Cámara Baja (2018-2019). Con anterioridad, desde noviembre de 1997 a junio 2000, fue miembro del Consejo de Administración de la Radio Televisión de Andalucía. Comenzó su vida profesional en la empresa privada como responsable de Estrategia y Desarrollo Corporativo del grupo de empresas familiar (1993-1997), volviendo en noviembre de 2019 a la actividad privada como consultora y asesora empresarial. Cuenta con una amplia experiencia internacional, representando a España en los Consejos EPSCO, en el G-20, en las Cumbres Iberoamericanas y en las reuniones de la OCDE y la OIT, así como en los Foros Internacionales de Empleo. Fue nombrada consejera de la Sociedad, mediante el sistema de cooptación, y aceptó su cargo el 20 de diciembre de 2019.

Número total de consejeros independientes	3
% sobre el total del consejo	42,86

Indique si algún consejero calificado como independiente percibe de la sociedad, o de su mismo grupo, cualquier cantidad o beneficio por un concepto distinto de la remuneración de consejero, o mantiene o ha mantenido, durante el último ejercicio, una relación de negocios con la sociedad o con cualquier sociedad de su grupo, ya sea en nombre propio o como accionista significativo, consejero o alto directivo de una entidad que mantenga o hubiera mantenido dicha relación.

En su caso, se incluirá una declaración motivada del consejo sobre las razones por las que considera que dicho consejero puede desempeñar sus funciones en calidad de consejero independiente.

Nombre o denominación social del consejero	Descripción de la relación	Declaración motivada
Sin datos		

OTROS CONSEJEROS EXTERNOS

Se identificará a los otros consejeros externos y se detallarán los motivos por los que no se puedan considerar dominicales o independientes y sus vínculos, ya sea con la sociedad, sus directivos, o sus accionistas:

Nombre o denominación social del consejero	Motivos	Sociedad, directivo o accionista con el que mantiene el vínculo	Perfil
Sin datos			

Número total de otros consejeros externos	N.A.
% sobre el total del consejo	N.A.

Indique las variaciones que, en su caso, se hayan producido durante el periodo en la categoría de cada consejero:

Nombre o denominación social del consejero	Fecha del cambio	Categoría anterior	Categoría actual
Sin datos			

C.1.4 Complete el siguiente cuadro con la información relativa al número de consejeras al cierre de los últimos 4 ejercicios, así como la categoría de tales consejeras:

	Número de consejeras				% sobre el total de consejeros de cada categoría			
	Ejercicio 2019	Ejercicio 2018	Ejercicio 2017	Ejercicio 2016	Ejercicio 2019	Ejercicio 2018	Ejercicio 2017	Ejercicio 2016
Ejecutivas					0,00	0,00	0,00	0,00
Dominicales					0,00	0,00	0,00	0,00
Independientes	1				33,33	0,00	0,00	0,00
Otras Externas					0,00	0,00	0,00	0,00
Total	1				14,29	0,00	0,00	0,00

C.1.5 Indique si la sociedad cuenta con políticas de diversidad en relación con el consejo de administración de la empresa por lo que respecta a cuestiones como, por ejemplo, la edad, el género, la discapacidad, o la formación y experiencia profesionales. Las entidades pequeñas y medianas, de acuerdo con la definición contenida en la Ley de Auditoría de Cuentas, tendrán que informar, como mínimo, de la política que tengan establecida en relación con la diversidad de género.

- Sí  
 No  
 Políticas parciales

En caso afirmativo, describa estas políticas de diversidad, sus objetivos, las medidas y la forma en que se ha aplicado y sus resultados en el ejercicio. También se deberán indicar las medidas concretas adoptadas por el consejo de administración y la comisión de nombramientos y retribuciones para conseguir una presencia equilibrada y diversa de consejeros.

En caso de que la sociedad no aplique una política de diversidad, explique las razones por las cuales no lo hace.

**Descripción de las políticas, objetivos, medidas y forma en que se han aplicado, así como los resultados obtenidos**

ROVI está comprometida con el establecimiento y desarrollo de políticas que integren la igualdad de trato y oportunidades entre mujeres y hombres, sin discriminar directa o indirectamente por razón de sexo, así como con el impulso y fomento de medidas para conseguir la igualdad real en el seno de la organización, estableciendo la igualdad de oportunidades como un principio estratégico de su política de recursos humanos.

ROVI cuenta con un Plan de Igualdad que establece mecanismos en áreas como la selección y contratación, promoción interna y desarrollo profesional, formación, retribución, conciliación, violencia de género y prevención del acoso y comunicación. De forma anual ROVI revisa el Plan de Igualdad.

Con la publicación en 2019 del Real Decreto-ley 6/2019, de 1 de marzo, de medidas urgentes para la garantía de la igualdad de trato y de oportunidades entre mujeres y hombres en el empleo y la ocupación, ROVI ha iniciado el proceso de adaptación de su Plan de Igualdad a dicho marco normativo. Se ha constituido la Comisión Negociadora del Plan que realizará un diagnóstico negociado, en su caso, con las

representaciones legales de los trabajadores sobre materias referentes a procesos de selección y contratación, clasificación profesional, formación, promoción profesional, condiciones de trabajo (incluida la auditoría salarial entre mujeres y hombres), ejercicio corresponsable de los derechos de la vida personal, familiar y laboral, infrarrepresentación femenina, retribuciones y prevención del acoso sexual.

El compromiso de ROVI con la igualdad y la no discriminación también se recoge en el Código Ético de la Compañía y en los principios que rigen los programas y acciones formativas. Además, ROVI cuenta con un Protocolo para la Prevención y Tratamiento de los casos de Acoso Moral y Sexual en el puesto de trabajo que todos los empleados tienen obligación de conocer y respetar.

Para ROVI es crucial la formación y preparación de sus empleados. Las habilidades y las actitudes de los trabajadores de una empresa son determinantes para alcanzar la máxima eficiencia posible y por eso la compañía destina importantes recursos para invertir en capital humano. Por ello, ROVI fomenta la evolución y crecimiento profesional, así como la preparación y formación para lograrlo. En los planes de carrera y el desarrollo profesional es indispensable la implicación de la persona y la implicación del responsable directo.

Asimismo, la Sociedad aprobó una Política de selección de consejeros que tiene por objeto (i) asegurar que las propuestas de nombramiento y reelección de consejeros de la Sociedad se fundamenten en un análisis previo de las necesidades del Consejo de Administración; y (ii) favorecer la diversidad de conocimientos, experiencias y género en el mismo, de tal forma que se enriquezca la toma de decisiones y se aporten puntos de vista plurales al debate de los asuntos de su competencia.

En la selección de candidatos a consejero se partirá de un análisis de las necesidades de la Sociedad y de su grupo, que deberá llevar a cabo el Consejo de Administración con el asesoramiento e informe de la Comisión de Nombramientos y Retribuciones ("CNYR"). La CNYR evaluará las competencias, conocimientos y experiencia necesarios de los candidatos en el Consejo. A estos efectos la CNYR definirá las funciones y aptitudes necesarias en los candidatos que deban cubrir cada vacante y evaluará el tiempo y dedicación precisos para que puedan desarrollar bien su cometido. En el proceso de selección de candidatos se evitará, en todo caso, cualquier tipo de sesgo implícito que pueda implicar discriminaciones y, en especial, que obstaculice la selección de personas de uno u otro sexo. En particular, la Política de Selección establece que se procuraría que en el año 2020 el número de consejeras representara, al menos, el 30% del total de miembros del Consejo de Administración.

A la hora de seleccionar candidatos a miembro del Consejo, la CNYR velará por que las propuestas recaigan sobre personas honorables, idóneas y de reconocida solvencia profesional, competencia, experiencia, cualificación, formación, disponibilidad y compromiso con su función, y por el adecuado equilibrio en la composición del Consejo.

Por lo que respecta a la cualificación profesional, la Política exige que los candidatos dispongan de título universitario o, al menos, cinco años de experiencia en funciones de administración, dirección, control o asesoramiento en entidades públicas o privadas de dimensiones y exigencias análogas a las de la Sociedad. Además, con carácter indicativo, el Consejo considera que los consejeros no deben exceder, en general, la edad de ochenta años.

En el marco del proceso de implementación de medidas derivadas de las previsiones de la Guía Técnica 1/2019 de la CNMV sobre Comisiones de Nombramientos y Retribuciones, así como a la vista de la prevista modificación de determinadas recomendaciones del Código de Buen Gobierno anunciada por la CNMV, la Sociedad valorará la procedencia, en su caso, de revisar las referidas políticas.

Se hace constar que la Política de selección de consejeros ha sido aplicada en este ejercicio para la designación de dos consejeros para cubrir sendas vacantes producidas por la renuncia de dos consejeros independientes. A tal efecto, a propuesta de la CNYR, el Consejo de Administración nombró por el sistema de cooptación a D. Marcos Peña Pinto (siendo reelegido posteriormente por la Junta General) y a Dña. Fátima Báñez García.

**C.1.6 Explique las medidas que, en su caso, hubiese convenido la comisión de nombramientos para que los procedimientos de selección no adolezcan de sesgos implícitos que obstaculicen la selección de consejeras, y que la compañía busque deliberadamente e incluya entre los potenciales candidatos, mujeres que reúnan el perfil profesional buscado y que permita alcanzar una presencia equilibrada de mujeres y hombres:**

#### Explicación de las medidas

La Comisión de Nombramientos y Retribuciones evalúa las competencias, conocimientos y experiencia necesarios en los candidatos a formar parte del Consejo, conforme a lo previsto en el Reglamento del Consejo de Administración y en el Reglamento de la Comisión de Nombramientos y Retribuciones. En concreto, tal y como se recoge en la Política de selección de consejeros, la CNYR verifica que los procedimientos de elección no adolecen de sesgos implícitos que puedan implicar discriminación alguna y, en particular, que no obstaculicen la selección de consejeras.

El Consejo de Administración de la Sociedad está compuesto en la actualidad por los 3 máximos ejecutivos de la Sociedad, 1 consejero dominical y 3 consejeros independientes de reconocido prestigio, y todos ellos han sido designados por un criterio profesional indistintamente de cuál fuera su género.

La selección para el nombramiento de consejeros de la Sociedad se fundamenta en el mérito de los candidatos. En este sentido el Consejo de Administración -y la Comisión de Nombramientos y Retribuciones, dentro de sus competencias-, procurará que la elección de candidatos recaiga sobre personas de reconocida solvencia, competencia y experiencia, pudiendo incluir entre los potenciales candidatos tanto a hombres como a mujeres que cumplan con las anteriores exigencias.

Cuando a pesar de las medidas que, en su caso, se hayan adoptado, sea escaso o nulo el número de consejeras, explique los motivos que lo justifiquen:

Explicación de los motivos

Durante el ejercicio 2019, como consecuencia de la renuncia al cargo de dos consejeros, han tenido lugar dos procesos de selección de nuevos consejeros, atendiendo a su formación, cualidades, experiencia e idoneidad, habiendo resultado, en uno de los casos, en el nombramiento de una mujer como consejera independiente. Estos nombramientos han sido el resultado de un análisis previo de las necesidades del Consejo de Administración, a la vista de las dos dimisiones referidas anteriormente, y han estado orientados a favorecer la diversidad de conocimientos, experiencias y género en el mismo, de tal forma que se enriquezca la toma de decisiones y se aporten puntos de vista plurales al debate de los asuntos de su competencia, todo ello de conformidad con lo previsto en la Política de selección de consejeros de ROVI.

**C.1.7** Explique las conclusiones de la comisión de nombramientos sobre la verificación del cumplimiento de la política de selección de consejeros. Y en particular, sobre cómo dicha política está promoviendo el objetivo de que en el año 2020 el número de consejeras represente, al menos, el 30% del total de miembros del consejo de administración.

La Política de selección de consejeros de ROVI establece que la Sociedad procuraría que en el año 2020 el número de consejeras represente, al menos, el 30% del total de miembros del Consejo de Administración. Con el fin de contribuir a alcanzar ese objetivo, durante el 2019 la Sociedad ha designado a una consejera, Dña. Fátima Báñez García.

**C.1.8** Explique, en su caso, las razones por las cuales se han nombrado consejeros dominicales a instancia de accionistas cuya participación accionarial es inferior al 3% del capital:

Nombre o denominación social del accionista	Justificación
Sin datos	

Indique si no se han atendido peticiones formales de presencia en el consejo procedentes de accionistas cuya participación accionarial es igual o superior a la de otros a cuya instancia se hubieran designado consejeros dominicales. En su caso, explique las razones por las que no se hayan atendido:

- Sí  
 No

**C.1.9** Indique, en el caso de que existan, los poderes y las facultades delegadas por el consejo de administración en consejeros o en comisiones del consejo:

Nombre o denominación social del consejero o comisión	Breve descripción
Juan López-Belmonte Encina	Consejero Delegado. Tiene otorgados todos los poderes y facultades delegables conforme a la ley, en virtud de escritura de protocolización de acuerdos sociales de fecha 21 de junio de 2017.

**C.1.10** Identifique, en su caso, a los miembros del consejo que asuman cargos de administradores, representantes de administradores o directivos en otras sociedades que formen parte del grupo de la sociedad cotizada:

Nombre o denominación social del consejero	Denominación social de la entidad del grupo	Cargo	¿Tiene funciones ejecutivas?
DON JUAN LÓPEZ-BELMONTE ENCINA	PAN QUÍMICA FARMACÉUTICA, S.A	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI

Nombre o denominación social del consejero	Denominación social de la entidad del grupo	Cargo	¿Tiene funciones ejecutivas?
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI PHARMA INDUSTRIAL SERVICES, S.A.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	GINELADIUS, S.L.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI ESCÚZAR, S.L.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	BERTEX PHARMA GMBH	Administrador Solidario	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH LIMITED	Administrador Único	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI GMBH	Administrador Único	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SRL	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JAVIER LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Presidente del Consejo de Administración.	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Vicepresidente Primero del Consejo de Administración.	SI
DON JAVIER LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Vicepresidente Segundo del Consejo de Administración.	SI

Laboratorios Farmacéuticos ROVI, S.A es Administrador Único de las sociedades filiales del Grupo ROVI: Gineladius, S.L., Pan Química Farmacéutica, S.A., Rovi Pharma Industrial Services S.A. y Rovi Biotech S.R.L. habiendo nombrado como su representante persona física a D. Juan López-Belmonte Encina. Como consecuencia de una reorganización interna del Grupo Rovi para concentrar toda su actividad de fabricación a terceros, en el mes de noviembre de 2019 Laboratorios Farmacéuticos Rovi S.A. socio único de las sociedades Frosst Ibérica S.A.U., Rovi Contract Manufacturing S.L.U. y Bemipharma Manufacturing S.L.U. llevó a cabo una operación de fusión por absorción de las sociedades Rovi Contract Manufacturing S.L.U. y Bemipharma Manufacturing S.L.U. ("sociedades absorbidas") por parte de la sociedad Frosst Ibérica S.A.U. ("sociedad absorbente"). Simultáneamente Frosst Ibérica S.A.U. cambió su denominación a Rovi Pharma Industrial Services S.A.U. Asimismo, se ha procedido a la constitución de una nueva mercantil denominada Rovi Escúzar, S.L. que a fecha de aprobación de este Informe se encuentra en fase de inscripción en el Registro Mercantil.



C.1.11 Detalle, en su caso, los consejeros o representantes de consejeros personas jurídicas de su sociedad, que sean miembros del consejo de administración o representantes de consejeros personas jurídicas de otras entidades cotizadas en mercados oficiales de valores distintas de su grupo, que hayan sido comunicadas a la sociedad:

Nombre o denominación social del consejero	Denominación social de la entidad cotizada	Cargo
Sin datos		

C.1.12 Indique y, en su caso explique, si la sociedad ha establecido reglas sobre el número máximo de consejos de sociedades de los que puedan formar parte sus consejeros, identificando, en su caso, dónde se regula:

[  ] Sí  
[  ] No

**Explicación de las reglas e identificación del documento donde se regula**

El artículo 17 del Reglamento del Consejo de Administración de ROVI, que incorpora la Recomendación 25 del Código de Buen Gobierno, establece un máximo de diez consejos de sociedades de los que puedan formar parte sus consejeros (con un límite de ocho si se trata de compañías cuyas acciones se encuentran admitidas a negociación en bolsas de valores españolas o extranjeras), excluyéndose de dicho cómputo los cargos que los consejeros puedan tener en determinados supuestos, y previéndose la posibilidad de que, atendiendo a las circunstancias del caso, la Comisión de Nombramientos y Retribuciones autorice expresamente al consejero en otro sentido.

C.1.13 Indique los importes de los conceptos relativos a la remuneración global del consejo de administración siguientes:

Remuneración devengada en el ejercicio a favor del consejo de administración (miles de euros)	1.704
Importe de los derechos acumulados por los consejeros actuales en materia de pensiones (miles de euros)	862
Importe de los derechos acumulados por los consejeros antiguos en materia de pensiones (miles de euros)	

La Junta General de Accionistas de ROVI, celebrada el 12 de junio de 2019, acordó una retribución máxima anual de los miembros del Consejo de Administración en su condición de tales (esto es, excluyendo las retribuciones de los consejeros ejecutivos por el desempeño de sus funciones ejecutivas y de alta dirección) para el ejercicio 2019, de un máximo de 622.463 Euros. Asimismo, la Junta delegó en dicho Consejo la distribución de esta cantidad entre sus miembros teniendo en cuenta las funciones y responsabilidades atribuidas a cada consejero, la pertenencia a Comisiones del Consejo y las demás circunstancias objetivas que considere relevantes.

C.1.14 Identifique a los miembros de la alta dirección que no sean a su vez consejeros ejecutivos, e indique la remuneración total devengada a su favor durante el ejercicio:

Nombre o denominación social	Cargo/s
DON PEDRO CARRETERO TRILLO	Director de la Red Hospitalaria
DOÑA ARÁNZAZU LOZANO PIRRONGELLI	Auditora Interna
DON FERNANDO MARTÍNEZ GARIJO	Director Efectividad de Ventas
DON MIGUEL ÁNGEL CASTILLO SAN ROMÁN	Director de Internacional y Desarrollo de Negocio

Nombre o denominación social	Cargo/s
DON FRANCISCO JAVIER ANGULO GARCÍA	Director de Recursos Humanos
DOÑA MERCEDES BENÍTEZ DEL CASTILLO SÁNCHEZ	Directora Departamento Jurídico
DON MIGUEL ÁNGEL ORTEGA SÁNCHEZ	Director Industrial
DON IBÓN GUTIERRO ADÚRIZ	Director de Investigación Preclínica
DOÑA M. ROSARIO PERUCHA PÉREZ	Directora de Marketing
DOÑA BEATRIZ ÁVILA ALCALDE	Directora Comercial
Remuneración total alta dirección (en miles de euros)	
	1.894

D. Pablo Domínguez Jorge ejerció funciones como alto directivo hasta el 28 de octubre, y por lo tanto, en el importe de remuneración total de la Alta Dirección se ha incluido la cantidad percibida por el Sr. Domínguez Jorge en el ejercicio 2019 hasta esa fecha.

C.1.15 Indique si se ha producido durante el ejercicio alguna modificación en el reglamento del consejo:

- [ ] Sí  
[√] No

C.1.16 Indique los procedimientos de selección, nombramiento, reelección y remoción de los consejeros. Detalle los órganos competentes, los trámites a seguir y los criterios a emplear en cada uno de los procedimientos.

En virtud del Capítulo VI del Reglamento del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. (artículos 17 a 21, ambos inclusive), la designación y cese de los consejeros se regula como se señala a continuación: a) Nombramiento: Los consejeros serán designados y reelegidos (i) a propuesta de la Comisión de Nombramientos y Retribuciones, en el caso de consejeros independientes; y (ii) previo informe de la Comisión de Nombramientos y Retribuciones en el caso de los restantes consejeros; por la Junta General o por el Consejo de Administración de conformidad con las previsiones contenidas en la Ley y con las políticas de selección de consejeros que el Consejo haya aprobado en cada momento. El Consejo y la Comisión de Nombramientos y Retribuciones velarán por que los procedimientos de selección de consejeros favorezcan la diversidad de género, de experiencias y de conocimientos, y no adolezcan de sesgos implícitos que dificulten la selección de consejeros. Cualquier consejero podrá solicitar de la CNYR que tome en consideración, por sí los encuentra idóneos a su juicio, potenciales candidatos para cubrir vacantes de consejero. El Consejo de Administración y la CNYR, dentro del ámbito de sus competencias, procurarán que la elección de candidatos recaiga sobre personas de reconocida solvencia, competencia y experiencia, debiendo extremar el rigor en relación con aquellas llamadas a cubrir los puestos de consejero independiente.

b) Duración del cargo: Los consejeros ejercerán su cargo durante el plazo de cuatro años, al término de los cuales podrán ser reelegidos una o más veces por periodos de igual duración máxima. El nombramiento de los administradores caducará cuando, vencido el plazo, se haya celebrado la Junta General siguiente o hubiese transcurrido el término legal para la celebración de la junta que deba resolver sobre la aprobación de cuentas del ejercicio anterior. Los consejeros designados por cooptación deberán ver ratificado su cargo en la primera reunión de la Junta General que se celebre posterior a la fecha de su designación para el cargo. El Consejero que termine su mandato o por cualquier otra causa cese en el desempeño de su cargo no podrá ser consejero ni ocupar cargos directivos en otra entidad que tenga un objeto social análogo al de la Sociedad durante el plazo de dos años. El Consejo de Administración, si lo considera oportuno, podrá dispensar al consejero saliente de esta obligación o acortar el período de su duración.

c) Reelección: La Comisión de Nombramientos y Retribuciones y el Consejo de Administración, antes de proponer la reelección de consejeros a la Junta General, evaluarán la calidad del trabajo y la dedicación al cargo de los consejeros propuestos durante el mandato precedente.

d) Evaluación: La CNYR evalúa las competencias, conocimientos y experiencia necesarios en el Consejo, define, en consecuencia, las funciones y aptitudes necesarias en los candidatos que deban cubrir cada vacante, y evalúa el tiempo y dedicación precisos para que puedan desarrollar bien su cometido. El Consejo de Administración en pleno evalúa, asimismo: (i) la calidad y eficiencia de su funcionamiento; (ii) el desempeño de sus funciones por el Presidente del Consejo y por el primer ejecutivo de la Sociedad, partiendo del informe que le eleve la CNYR; (iii) el funcionamiento y composición de sus Comisiones, partiendo del informe que éstas le eleven y (iv) la diversidad en la composición y competencias del Consejo y el desempeño y aportación de cada consejero, con especial atención a los responsables de las distintas Comisiones.

e) Cese de los consejeros: Los consejeros cesarán en el cargo cuando haya transcurrido el período para el que fueron nombrados y cuando lo decida la Junta General en uso de las atribuciones que tiene conferidas legal o estatutariamente y cuando presenten su renuncia o dimisión. Los consejeros deberán poner su cargo a disposición del Consejo de Administración y formalizar la correspondiente dimisión, si éste lo considera conveniente, en una serie de supuestos previstos en el Reglamento del Consejo. En el caso de que, por dimisión o por cualquier otro motivo, un consejero cese en su cargo antes del término de su mandato, deberá explicar las razones en una carta que remitirá a todos los miembros

del Consejo. El Consejo de Administración únicamente podrá proponer el cese de un consejero independiente antes del transcurso del plazo estatutario cuando concurra justa causa, apreciada por el Consejo previo informe de la Comisión de Nombramientos y Retribuciones. En particular, se entenderá que existe justa causa cuando el consejero pase a ocupar nuevos cargos o contraiga nuevas obligaciones que le impidan dedicar el tiempo necesario al desempeño de las funciones propias del cargo de consejero, incumpla los deberes inherentes a su cargo o incurra en alguna de las circunstancias que le hagan perder su condición de independiente de acuerdo con lo establecido en la legislación aplicable.

**C.1.17 Explique en qué medida la evaluación anual del consejo ha dado lugar a cambios importantes en su organización interna y sobre los procedimientos aplicables a sus actividades:**

**Descripción modificaciones**

El Consejo de Administración ha evaluado en pleno la calidad y eficiencia de su funcionamiento partiendo del informe elaborado por la Comisión de Nombramientos y Retribuciones, conforme a lo previsto en el artículo 5.7 del Reglamento del Consejo de Administración, sin que de dicha evaluación se hayan derivado cambios importantes en su organización interna ni sobre los procedimientos aplicables a sus actividades.

Describa el proceso de evaluación y las áreas evaluadas que ha realizado el consejo de administración auxiliado, en su caso, por un consultor externo, respecto del funcionamiento y la composición del consejo y de sus comisiones y cualquier otra área o aspecto que haya sido objeto de evaluación.

**Descripción proceso de evaluación y áreas evaluadas**

El Consejo de Administración de ROVI ha realizado internamente la evaluación de (i) la calidad y eficiencia de su funcionamiento; (ii) el desempeño de sus funciones por el Presidente del Consejo y por el primer ejecutivo de la Sociedad, partiendo del informe que le ha elevado la Comisión de Nombramientos y Retribuciones; (iii) el funcionamiento de sus Comisiones, partiendo del informe que éstas le han elevado; y (iv) la diversidad en la composición y competencias del Consejo y el desempeño y aportación de cada Consejero, con especial atención a los responsables de las distintas Comisiones. Para ello, los consejeros han cumplimentado individualmente un cuestionario, elaborado al efecto, y los presidentes de cada una de las comisiones se han reunido individualmente con el resto de miembros de las mismas, y, por su parte, el Presidente de la Comisión de Nombramientos y Retribuciones ha mantenido conversaciones con todos los vocales del Consejo para conocer su opinión con respecto al desempeño de las funciones ejercidas tanto por el Presidente del Consejo como por el primer ejecutivo (y consejero delegado) de ROVI durante el ejercicio 2019, todo ello bajo la organización y coordinación del Presidente del Consejo de Administración. Por último, en relación con la diversidad en la composición y competencias del Consejo, las mismas se ajustan a lo previsto tanto en la Ley de Sociedades de Capital como en las recomendaciones contenidas en el Código de Buen Gobierno de las sociedades cotizadas aprobado por la CNMV. La evaluación del Consejo de Administración realizada con el auxilio del consultor externo PricewaterhouseCoopers Auditores, S.L., tuvo lugar en el Informe Anual de Gobierno Corporativo del 2017 cumpliendo con la recomendación 36 del Código de Buen Gobierno de las Sociedades Cotizadas.

**C.1.18 Desglose, en aquellos ejercicios en los que la evaluación haya sido auxiliada por un consultor externo, las relaciones de negocio que el consultor o cualquier sociedad de su grupo mantengan con la sociedad o cualquier sociedad de su grupo.**

No aplica dado que el Consejo de Administración ha realizado la evaluación sin el auxilio de un consultor externo.

**C.1.19 Indique los supuestos en los que están obligados a dimitir los consejeros.**

De conformidad con lo dispuesto en el artículo 21 del Reglamento del Consejo de Administración, los consejeros deberán poner su cargo a disposición del Consejo de Administración y formalizar, si éste lo considera conveniente, la correspondiente dimisión en los siguientes casos:

- Quando cesen en los puestos ejecutivos a los que estuviere asociado su nombramiento como consejero.
- Quando se vean incursos en alguno de los supuestos de incompatibilidad o prohibición legalmente previstos.
- Quando resulten gravemente amonestados por el Consejo de Administración por haber infringido sus obligaciones como consejeros.
- Quando su permanencia en el Consejo pueda poner en riesgo o perjudicar los intereses, el crédito o la reputación de la Sociedad, se perdiera la honorabilidad profesional necesaria para ser consejero de la Sociedad o cuando desaparezcan las razones por las que fueron nombrados (por ejemplo, cuando un consejero dominical se deshace de su participación en la Sociedad).
- En el caso de los consejeros independientes, éstos no podrán permanecer como tales durante un período continuado superior a 12 años, por lo que transcurrido dicho plazo, deberán poner su cargo a disposición del Consejo de Administración y formalizar la correspondiente dimisión.
- En el caso de los consejeros dominicales (i) cuando el accionista a quien representen venda íntegramente su participación accionarial; y, asimismo, (ii) en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de consejeros dominicales.

C.1.20 ¿Se exigen mayorías reforzadas, distintas de las legales, en algún tipo de decisión?:

- Sí  
 No

En su caso, describa las diferencias.

C.1.21 Explique si existen requisitos específicos, distintos de los relativos a los consejeros, para ser nombrado presidente del consejo de administración:

- Sí  
 No

C.1.22 Indique si los estatutos o el reglamento del consejo establecen algún límite a la edad de los consejeros:

- Sí  
 No

Con carácter indicativo, el Consejo considera que los consejeros no deben exceder, en general, la edad de ochenta años.

C.1.23 Indique si los estatutos o el reglamento del consejo establecen un mandato limitado u otros requisitos más estrictos adicionales a los previstos legalmente para los consejeros independientes, distinto al establecido en la normativa:

- Sí  
 No

C.1.24 Indique si los estatutos o el reglamento del consejo de administración establecen normas específicas para la delegación del voto en el consejo de administración en favor de otros consejeros, la forma de hacerlo y, en particular, el número máximo de delegaciones que puede tener un consejero, así como si se ha establecido alguna limitación en cuanto a las categorías en que es posible delegar, más allá de las limitaciones impuestas por la legislación. En su caso, detalle dichas normas brevemente.

De conformidad con el artículo 16 del Reglamento del Consejo, los consejeros, cuando no puedan acudir a las sesiones del Consejo personalmente, otorgarán su representación por escrito y con carácter especial para cada sesión a otro miembro del Consejo incluyendo las oportunas instrucciones y comunicándolo al Presidente del Consejo de Administración. No obstante lo anterior, los consejeros no ejecutivos solo podrán conferir su representación a otro consejero no ejecutivo.

C.1.25 Indique el número de reuniones que ha mantenido el consejo de administración durante el ejercicio. Asimismo, señale, en su caso, las veces que se ha reunido el consejo sin la asistencia de su presidente. En el cómputo se considerarán asistencias las representaciones realizadas con instrucciones específicas.

Número de reuniones del consejo	8
Número de reuniones del consejo sin la asistencia del presidente	0

Indíquese el número de reuniones mantenidas por el consejero coordinador con el resto de consejeros, sin asistencia ni representación de ningún consejero ejecutivo:

Número de reuniones	15
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Indique el número de reuniones que han mantenido en el ejercicio las distintas comisiones del consejo:

Número de reuniones de Comisión de Auditoría	8
Número de reuniones de Comisión de Nombramiento y Retribuciones	7

Durante el ejercicio 2019, el Presidente del Consejo de Administración ha asistido a todas las reuniones de este órgano.

D. Enrique Castellón, consejero coordinador de ROVI durante el ejercicio 2019, desempeñaba el cargo de vocal de la Comisión de Auditoría y de la Comisión de Nombramientos y Retribuciones, comisiones que se encuentran compuestas, exclusivamente, por consejeros independientes. Por ello, con ocasión de las reuniones de estas Comisiones, el consejero coordinador mantuvo 15 reuniones a lo largo del ejercicio con los consejeros independientes de ROVI.

**C.1.26** Indique el número de reuniones que ha mantenido el consejo de administración durante el ejercicio y los datos sobre asistencia de sus miembros:

Número de reuniones con la asistencia presencial de al menos el 80% de los consejeros	8
% de asistencia presencial sobre el total de votos durante el ejercicio	100,00
Número de reuniones con la asistencia presencial, o representaciones realizadas con instrucciones específicas, de todos los consejeros	8
% de votos emitidos con asistencia presencial y representaciones realizadas con instrucciones específicas, sobre el total de votos durante el ejercicio	100,00

**C.1.27** Indique si están previamente certificadas las cuentas anuales individuales y consolidadas que se presentan al consejo para su formulación:

Sí  
 No

Identifique, en su caso, a la/s persona/s que ha/han certificado las cuentas anuales individuales y consolidadas de la sociedad, para su formulación por el consejo:

**C.1.28** Explique, si los hubiera, los mecanismos establecidos por el consejo de administración para evitar que las cuentas individuales y consolidadas por él formuladas se presenten en la junta general con salvedades en el informe de auditoría.

El artículo 40 del Reglamento del Consejo de Administración dispone que el Consejo procurará formular definitivamente las cuentas de manera tal que no haya lugar a salvedades por parte del auditor. En los supuestos excepcionales en que existan, tanto el Presidente de la Comisión de Auditoría como los auditores externos explicarán con claridad a los accionistas el contenido de dichas reservas y salvedades. No obstante, cuando el Consejo considere que debe mantener su criterio, explicará públicamente el contenido y el alcance de la discrepancia. Con el fin de evitar que las cuentas individuales y consolidadas formuladas por el Consejo de Administración se presenten en la Junta General con salvedades en el informe de auditoría, con carácter previo a dicha formulación, el artículo 13 del Reglamento del Consejo y el 6 del Reglamento de la Comisión de

Auditoría establecen que la Comisión de Auditoría, entre otros aspectos, deberá: -Revisar las cuentas de la Sociedad; -Vigilar el cumplimiento de los requerimientos legales y la correcta aplicación de los principios de contabilidad generalmente aceptados; -Revisar la información financiera periódica que deba suministrar el Consejo a los mercados y a sus órganos de supervisión; -Supervisar el proceso de elaboración y presentación, así como la integridad de la información financiera regulada relativa a la Sociedad y al Grupo, revisando el cumplimiento de los requisitos normativos, la ordenada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables, y presentar recomendaciones o propuestas al consejo de administración, dirigidas a salvaguardar su integridad; y -Revisar y supervisar periódicamente los sistemas de control interno y gestión de riesgos, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente.

**C.1.29 ¿El secretario del consejo tiene la condición de consejero?**

- Sí  
 No

Si el secretario no tiene la condición de consejero complete el siguiente cuadro:

Nombre o denominación social del secretario	Representante
DON GABRIEL NÚÑEZ FERNÁNDEZ	

**C.1.30 Indique los mecanismos concretos establecidos por la sociedad para preservar la independencia de los auditores externos, así como, si los hubiera, los mecanismos para preservar la independencia de los analistas financieros, de los bancos de inversión y de las agencias de calificación, incluyendo cómo se han implementado en la práctica las previsiones legales.**

El Reglamento del Consejo de Administración establece que será la Comisión de Auditoría la encargada de elevar al Consejo de Administración las propuestas de selección, nombramiento, reelección y sustitución de los auditores de cuentas responsabilizándose del proceso de selección, así como las condiciones de su contratación.

Además, el Reglamento del Consejo encomienda a la Comisión de Auditoría que la Sociedad comunique como hecho relevante a la CNMV el cambio de auditor, que irá acompañado de una declaración sobre la eventual existencia de desacuerdos con el auditor saliente y, si hubieran existido, de su contenido; y al objeto de preservar la independencia del auditor, el artículo 13 del Reglamento del Consejo de Administración y 6 del Reglamento de la Comisión de Auditoría prevén que la Comisión de Auditoría: (i) Establezca las oportunas relaciones con los auditores externos para recibir información sobre aquellas cuestiones que puedan suponer una amenaza para la independencia de éstos. (ii) Emita anualmente, con carácter previo a la emisión del informe de auditoría de cuentas, un informe en el que se expresará una opinión sobre si la independencia de los auditores de cuentas o sociedades de auditoría resulta comprometida. Este informe deberá pronunciarse, en todo caso, sobre la prestación de los servicios adicionales por los auditores de cuentas. (iii) Supervise el cumplimiento del contrato de auditoría, procurando que la opinión sobre las cuentas anuales y los contenidos principales del informe de auditoría sean redactados de forma clara y precisa, así como evaluar los resultados de cada auditoría. (iv) En caso de renuncia del auditor externo, examine las circunstancias que la hubieran motivado. (v) Vele por que la retribución del auditor externo por su trabajo no comprometa su calidad ni su independencia. (vi) Asegure que el auditor externo mantenga anualmente una reunión con el pleno del Consejo de Administración para informarle sobre el trabajo realizado y sobre la evolución de la situación contable y de riesgos de la sociedad. (vii) Asegure que la sociedad y el auditor externo respetan las normas vigentes sobre prestación de servicios distintos a los de auditoría, los límites a la concentración del negocio del auditor y, en general, las demás normas sobre independencia de los auditores.

**C.1.31 Indique si durante el ejercicio la Sociedad ha cambiado de auditor externo. En su caso identifique al auditor entrante y saliente:**

- Sí  
 No

En el caso de que hubieran existido desacuerdos con el auditor saliente, explique el contenido de los mismos:

- Sí  
 No

C.1.32 Indique si la firma de auditoría realiza otros trabajos para la sociedad y/o su grupo distintos de los de auditoría y en ese caso declare el importe de los honorarios recibidos por dichos trabajos y el porcentaje que supone sobre los honorarios facturados a la sociedad y/o su grupo:

Sí  
 No

	Sociedad	Sociedades del grupo	Total
Importe de otros trabajos distintos de los de auditoría (miles de euros)	20	0	20
Importe trabajos distintos de los de auditoría / Importe trabajos de auditoría (en %)	15,15	0,00	10,00

Los honorarios devengados por KPMG Auditores, S.L., por los servicios de auditoría y otros servicios de revisión y verificación contable prestados en el ejercicio 2019 ascienden a 200 miles de euros (de los cuales 132 miles de euros corresponden a ROVI como sociedad dominante). Asimismo, KPMG Auditores, S.L., ha prestado a la Sociedad servicios de revisión del estado de información no financiera por un importe de 20 miles de euros.

C.1.33 Indique si el informe de auditoría de las cuentas anuales del ejercicio anterior presenta reservas o salvedades. En su caso, indique las razones dadas a los accionistas en la Junta General por el presidente de la comisión de auditoría para explicar el contenido y alcance de dichas reservas o salvedades.

Sí  
 No

C.1.34 Indique el número de ejercicios que la firma actual de auditoría lleva de forma ininterrumpida realizando la auditoría de las cuentas anuales individuales y/o consolidadas de la sociedad. Asimismo, indique el porcentaje que representa el número de ejercicios auditados por la actual firma de auditoría sobre el número total de ejercicios en los que las cuentas anuales han sido auditadas:

	Individuales	Consolidadas
Número de ejercicios ininterrumpidos	3	3

	Individuales	Consolidadas
Nº de ejercicios auditados por la firma actual de auditoría / Nº de ejercicios que la sociedad o su grupo han sido auditados (en %)	10,00	13,04

C.1.35 Indique y, en su caso detalle, si existe un procedimiento para que los consejeros puedan contar con la información necesaria para preparar las reuniones de los órganos de administración con tiempo suficiente:

Sí  
 No

**Detalle del procedimiento**

El artículo 15.3 del Reglamento del Consejo establece que la convocatoria de dicho órgano se cursará con una antelación mínima de tres días y que incluirá siempre el orden del día de la sesión y se acompañará de la información relevante debidamente resumida y preparada. El orden del día deberá indicar con claridad aquellos puntos sobre los que el consejo deberá adoptar una decisión o acuerdo. El Presidente, como responsable del eficaz funcionamiento del Consejo, se asegurará de que los consejeros reciban adecuadamente dicha información. Asimismo, el artículo 22 del Reglamento del Consejo establece que el consejero podrá dirigirse al Secretario del Consejo de Administración para solicitar información sobre cualquier asunto de la competencia del Consejo y, en este sentido, examinar sus libros, registros, documentos y demás documentación. El derecho de información se extiende a las sociedades participadas siempre que ello fuera posible. El Secretario hará llegar la petición al Presidente del Consejo y al interlocutor apropiado que proceda en la Sociedad. El Secretario advertirá al consejero del carácter confidencial de la información que solicita y recibe, y de su deber de confidencialidad de acuerdo con lo previsto en el Reglamento del Consejo.

**C.1.36 Indique y, en su caso detalle, si la sociedad ha establecido reglas que obliguen a los consejeros a informar y, en su caso, dimitir en aquellos supuestos que puedan perjudicar al crédito y reputación de la sociedad:**

Sí  
 No

**Explique las reglas**

En virtud del artículo 32 del Reglamento del Consejo, el Consejero debe informar al Consejo de Administración sobre las causas penales en las que aparezca como imputado y de las posteriores vicisitudes procesales. Asimismo, si un Consejero resultara procesado o se dictara contra él auto de apertura de juicio oral por alguno de los delitos señalados en la Ley, el Consejo deberá examinar el caso tan pronto como sea posible y, a la vista de sus circunstancias concretas, decidirá si procede o no que el Consejero continúe en su cargo. Adicionalmente, el Consejero deberá poner su cargo a disposición del Consejo y formalizar, si éste lo considera conveniente, la correspondiente dimisión en los siguientes casos previstos en el artículo 21.2 del Reglamento del Consejo: -Cuando cesen en los puestos ejecutivos a los que estuviere asociado su nombramiento como consejero. -Cuando se vean incursos en alguno de los supuestos de incompatibilidad o prohibición legalmente previstos. -Cuando resulten gravemente amonestados por el Consejo de Administración por haber infringido sus obligaciones como consejeros. -Cuando su permanencia en el Consejo pueda poner en riesgo o perjudicar los intereses, el crédito o la reputación de la Sociedad, se perdiera la honorabilidad profesional necesaria para ser consejero de la Sociedad o cuando desaparezcan las razones por las que fueron nombrados (por ejemplo, cuando un consejero dominical se deshace de su participación en la Sociedad). -En el caso de los consejeros independientes, éstos no podrán permanecer como tales durante un período continuado superior a 12 años, por lo que transcurrido dicho plazo, deberán poner su cargo a disposición del Consejo de Administración y formalizar la correspondiente dimisión. -En el caso de los consejeros dominicales (i) cuando el accionista a quien representen venda íntegramente su participación accionarial; y, asimismo, (ii) en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de consejeros dominicales.

**C.1.37 Indique si algún miembro del consejo de administración ha informado a la sociedad que ha resultado procesado o se ha dictado contra él auto de apertura de juicio oral, por alguno de los delitos señalados en el artículo 213 de la Ley de Sociedades de Capital:**

Sí  
 No

**C.1.38 Detalle los acuerdos significativos que haya celebrado la sociedad y que entren en vigor, sean modificados o concluyan en caso de cambio de control de la sociedad a raíz de una oferta pública de adquisición, y sus efectos.**

No existen acuerdos significativos con estas características, si bien no puede descartarse que, debido al gran número de contratos suscritos por la Sociedad, alguno de ellos incluya cláusulas que prevean modificaciones o la resolución o terminación de los mismos en caso de operaciones societarias que supongan cambios de control en la Sociedad.



C.1.39 Identifique de forma individualizada, cuando se refiera a consejeros, y de forma agregada en el resto de casos e indique, de forma detallada, los acuerdos entre la sociedad y sus cargos de administración y dirección o empleados que dispongan indemnizaciones, cláusulas de garantía o blindaje, cuando éstos dimitan o sean despedidos de forma improcedente o si la relación contractual llega a su fin con motivo de una oferta pública de adquisición u otro tipo de operaciones.

Numero de beneficiarios	3
Tipo de beneficiario	Descripción del acuerdo
DON JUAN LÓPEZ-BELMONTE ENCINA, DON IVÁN LÓPEZ-BELMONTE ENCINA Y DON JAVIER LÓPEZ-BELMONTE ENCINA	-D. Juan López-Belmonte Encina: La Sociedad tiene suscrito un contrato de arrendamiento de servicios con el consejero delegado. En particular, respecto a las causas de extinción del contrato y sus consecuencias, se prevé una indemnización en favor del consejero en caso de terminación de la relación contractual de una cantidad bruta equivalente a dos años de la retribución fija que viniera percibiendo el consejero en el momento de la extinción del contrato, con excepción de los supuestos de (i) renuncia al cargo del consejero por supuestos distintos a los contemplados contractualmente o (ii) revocación por la Sociedad por incumplimiento del consejero de sus deberes legales, contractuales o establecidos por normativa interna o concurrencia de causa de extinción procedente de conformidad con la legislación laboral (salvo el desistimiento empresarial). -D. Iván López-Belmonte Encina y D. Javier López-Belmonte Encina: La Sociedad tiene suscritos sendos contratos laborales con estos consejeros ejecutivos. En particular, respecto a las causas de extinción del contrato y sus consecuencias, los contratos laborales se remiten a lo previsto en el Estatuto de los Trabajadores.

Indique si más allá de en los supuestos previstos por la normativa estos contratos han de ser comunicados y/o aprobados por los órganos de la sociedad o de su grupo. En caso positivo, especifique los procedimientos, supuestos previstos y la naturaleza de los órganos responsables de su aprobación o de realizar la comunicación:

	Consejo de administración	Junta general
Órgano que autoriza las cláusulas	√	
	Si	No
¿Se informa a la junta general sobre las cláusulas?	√	

A los efectos de cumplir con lo previsto en el artículo 249 de la Ley de Sociedades de Capital, los contratos de los consejeros ejecutivos referidos anteriormente fueron aprobados por el Consejo de Administración, previamente a su celebración, con el voto favorable de las dos terceras partes de sus miembros (en concreto, mediante acuerdo unánime de los consejeros), absteniéndose en cada caso el consejero afectado de asistir a la deliberación y de participar en la votación.

**C.2. Comisiones del consejo de administración**

C.2.1 Detalle todas las comisiones del consejo de administración, sus miembros y la proporción de consejeros ejecutivos, dominicales, independientes y otros externos que las integran:

Comisión de Auditoría		
Nombre	Cargo	Categoría
DON MARCOS PEÑA PINTO	PRESIDENTE	Independiente
DOÑA FÁTIMA BÁÑEZ GARCÍA	VOCAL	Independiente
DON JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	VOCAL	Independiente

% de consejeros ejecutivos	0,00
% de consejeros dominicales	0,00
% de consejeros independientes	100,00
% de consejeros otros externos	0,00

Explique las funciones, incluyendo, en su caso, las adicionales a las previstas legalmente, que tiene atribuidas esta comisión, y describa los procedimientos y reglas de organización y funcionamiento de la misma. Para cada una de estas funciones, señale sus actuaciones más importantes durante el ejercicio y cómo ha ejercido en la práctica cada una de las funciones que tiene atribuidas, ya sea en la ley o en los estatutos u otros acuerdos sociales.

Las reglas de organización y funcionamiento de la Comisión de Auditoría ("CA") se recogen en los artículos 47 de los Estatutos Sociales y 13 del Reglamento del Consejo de Administración así como en su propio Reglamento aprobado en 2017. La CA estará formada por un mínimo de tres y un máximo de cinco consejeros designados de entre sus consejeros no ejecutivos, quienes deberán ser designados, especialmente su Presidente, teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o gestión de riesgos. En todo caso, al menos la mayoría de los miembros de la CA serán independientes. En su conjunto, los miembros de la CA tendrán los conocimientos técnicos pertinentes en relación con el sector de actividad al que pertenece la Sociedad.

El Presidente de la CA será necesariamente un consejero independiente, debiendo ser sustituido cada cuatro años. La CA se reúne trimestralmente, a fin de revisar la información financiera periódica que haya de remitirse a la CNMV para su difusión, así como la información que el CdA ha de aprobar e incluir dentro de su documentación pública anual. Asimismo, se reunirá a petición de cualquiera de sus miembros y cada vez que lo convoque su Presidente, que deberá hacerlo siempre que el Consejo o su Presidente solicite la emisión de un informe o la adopción de propuestas; y cuando resulte conveniente para el buen desarrollo de sus funciones. A dichas reuniones asisten, (i) cuando los miembros de la CA lo consideran oportuno, miembros del equipo directivo o del personal de la Sociedad, (ii) los auditores internos, cada vez que se vaya a publicar información financiera (anual o intermedia), es decir, al menos cuatro veces al año (anual, semestral y trimestral), y (iii) el auditor externo, cuando vaya a publicarse el informe de revisión anual y semestral, es decir, dos veces al año. Asimismo, la CA recaba cuando lo cree necesario el asesoramiento de otros expertos externos.

La CA da cuenta de su actividad y responde del trabajo realizado ante el primer pleno del Consejo de Administración posterior a sus reuniones y levanta Acta de sus reuniones, de la que se remite copia a todos los miembros del Consejo. Elabora, asimismo, un informe anual sobre su funcionamiento. Funciones básicas: (i) Informar en la Junta General de Accionistas sobre las cuestiones que se planteen en relación con aquellas materias que sean competencia de la CA y, en particular, sobre el resultado de la auditoría explicando cómo esta ha contribuido a la integridad de la información financiera y la función que la CA ha desempeñado en ese proceso; (ii) Elevar al Consejo de Administración, las propuestas de selección, nombramiento, reelección y sustitución de los auditores de cuentas responsabilizándose del proceso de selección, así como las condiciones de su contratación y recabar regularmente de él información sobre el plan de auditoría y su ejecución, además de preservar su independencia en el ejercicio de sus funciones; (iii) Supervisar los sistemas internos de auditoría; (iv) Revisar las cuentas de la Sociedad, vigilar el cumplimiento de los requerimientos legales y la correcta aplicación de los principios de contabilidad generalmente aceptados; (v) Supervisar la política de control y gestión de riesgos; (vi) Supervisar el cumplimiento del contrato de auditoría, procurando que la opinión sobre las cuentas anuales y los contenidos principales del informe de auditoría sean redactados de forma clara y precisa, evaluando los resultados de cada auditoría; (vii) Recibir información sobre las operaciones de modificaciones estructurales y corporativas que proyecte realizar la Sociedad para su análisis e informe previo al Consejo de Administración sobre sus condiciones económicas y su impacto contable y, en especial, en su caso, sobre la ecuación de canje propuesta; (viii) Examinar el cumplimiento de las reglas de gobierno de la Sociedad y hacer las propuestas necesarias para su mejora, incluyendo la evaluación periódica del sistema de gobierno corporativo de la Sociedad, con el fin de que cumpla su misión de promover el interés social y tenga en cuenta, según corresponda, los legítimos intereses de los restantes grupos de interés; (ix) Revisar la política de responsabilidad social corporativa, velando por que esté orientada a la creación de valor, y efectuando el seguimiento de la estrategia y prácticas de responsabilidad social corporativa y la evaluación de su grado de cumplimiento; (x) Supervisar y evaluar los procesos de relación con los

distintos grupos de interés; y (xi) Recibir información y, en su caso, emitir informe sobre las medidas disciplinarias que se pretendan imponer a miembros del alto equipo directivo de la Sociedad.  
En el Informe anual de la CA correspondiente al ejercicio 2019, que se pondrá a disposición de todos los accionistas en la página web de ROVI, se resumen las actuaciones más importantes llevadas a cabo por la CA en dicho ejercicio. Se hace constar que ese informe se ha realizado conforme a los aspectos que se recogen en la Guía Técnica 3/2017 de la CNMV sobre comisiones de auditoría de entidades de interés público.

Identifique a los consejeros miembros de la comisión de auditoría que hayan sido designados teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o en ambas e informe sobre la fecha de nombramiento del Presidente de esta comisión en el cargo.

Nombres de los consejeros con experiencia	DON MARCOS PEÑA PINTO
Fecha de nombramiento del presidente en el cargo	12/06/2019

Comisión de Nombramiento y Retribuciones		
Nombre	Cargo	Categoría
DON JOSÉ FERNANDO DE ALMANSA MORENO-BARRERA	PRESIDENTE	Independiente
DOÑA FÁTIMA BÁÑEZ GARCÍA	VOCAL	Independiente
DON MARCOS PEÑA PINTO	VOCAL	Independiente

% de consejeros ejecutivos	0,00
% de consejeros dominicales	0,00
% de consejeros independientes	100,00
% de consejeros otros externos	0,00

Explique las funciones, incluyendo, en su caso, las adicionales a las previstas legalmente, que tiene atribuidas esta comisión, y describa los procedimientos y reglas de organización y funcionamiento de la misma. Para cada una de estas funciones, señale sus actuaciones más importantes durante el ejercicio y cómo ha ejercido en la práctica cada una de las funciones que tiene atribuidas, ya sea en la ley o en los estatutos u otros acuerdos sociales.

Las reglas de organización y funcionamiento de la Comisión de Nombramientos y Retribuciones ("CNyR") se recogen en el artículo 14 del Reglamento del Consejo de Administración así como en su propio Reglamento aprobado en 2019. La CNyR estará formada por un mínimo de tres consejeros y un máximo de cinco, designados de entre sus consejeros no ejecutivos y siendo, en todo caso, al menos, la mayoría de los miembros independientes. Los miembros serán nombrados por el Consejo de Administración teniendo en cuenta sus conocimientos, aptitudes y experiencia en relación con las materias que están llamados a desempeñar.

El Presidente será necesariamente un consejero independiente, debiendo ser sustituido cada cuatro años.

La CNyR se reúne trimestralmente, y debe hacerlo asimismo cada vez que la convoque su Presidente, que deberá hacerlo siempre que el Consejo o su Presidente solicite la emisión de un informe o la adopción de propuestas y siempre que resulte conveniente para el buen desarrollo de sus funciones.

La Comisión puede contar con el asesoramiento de expertos externos cuando lo considere necesario.

La CNyR da cuenta de su actividad ante el primer pleno del CdA posterior a sus reuniones y levanta Acta de sus reuniones, de la que remite copia a todos los miembros del Consejo.

La CNyR eleva anualmente al Consejo, para su evaluación en pleno, un informe sobre el desempeño de sus funciones por el Presidente del Consejo y por el primer ejecutivo de la Sociedad, y un informe sobre el funcionamiento de la propia CNyR.

Asimismo, prepara y eleva al Consejo anualmente un informe sobre las remuneraciones de los consejeros para su aprobación y posterior sometimiento a votación consultiva de la Junta General de Accionistas.

Funciones básicas: (i) Evaluar las competencias, conocimientos y experiencia necesarios en el Consejo; (ii) Elevar al Consejo de Administración las propuestas de nombramiento de consejeros independientes para su designación por cooptación o para su sometimiento a la decisión de la Junta General de accionistas; (iii) Informar al Consejo sobre las propuestas de nombramiento de los restantes consejeros para su designación por cooptación o para su sometimiento a la decisión de la Junta General de accionistas; (iv) Informar al Consejo sobre las propuestas de

nombramiento y separación de altos directivos y las condiciones básicas de sus contratos; (v) Informar al Consejo sobre las cuestiones de diversidad de género y cualificaciones de consejeros. A estos efectos, establecerá un objetivo de representación para el sexo menos representado en el Consejo de Administración y elaborará orientaciones sobre cómo alcanzar dicho objetivo; (vi) Proponer al Consejo de Administración: (a) la política de retribuciones de los consejeros y de los directores generales o de quienes desarrollen sus funciones de alta dirección bajo la dependencia directa del consejo, de comisiones ejecutivas o de consejeros delegados; y (b) la retribución individual de los consejeros ejecutivos y demás condiciones de sus contratos; (vii) Comprobar la observancia de la política retributiva establecida por la Sociedad; (viii) Organizar la sucesión del Presidente y del primer ejecutivo; (ix) Velar por la transparencia de las retribuciones y verificar la información sobre remuneraciones de los consejeros y altos directivos contenida en los distintos documentos corporativos; (x) Coordinar el proceso de reporte de la información no financiera y sobre diversidad, conforme a la normativa aplicable y a los estándares internacionales de referencia; (xi) Velar por que los eventuales conflictos de intereses no perjudiquen la independencia del asesoramiento externo prestado a la Comisión; (xii) Supervisar la estrategia de comunicación y relación con accionistas e inversores incluyendo los pequeños y medianos accionistas; y (xiii) Revisar la política de responsabilidad corporativa de la Sociedad, velando por que esté orientada a la creación de valor.

En el informe anual de la CNYR correspondiente al ejercicio 2019 que se pondrá a disposición de todos los accionistas en la página web de ROVI, se resumen las actuaciones más importantes llevadas a cabo por la CNYR en dicho ejercicio. Se hace constar que ese informe se ha realizado conforme a los aspectos que se recogen en la Guía Técnica 1/2019 de la CNMV sobre comisiones de nombramientos y retribuciones.

**C.2.2 Complete el siguiente cuadro con la información relativa al número de consejeras que integran las comisiones del consejo de administración al cierre de los últimos cuatro ejercicios:**

	Número de consejeras							
	Ejercicio 2019		Ejercicio 2018		Ejercicio 2017		Ejercicio 2016	
	Número	%	Número	%	Número	%	Número	%
Comisión de Auditoría	1	33,33	0	0,00	0	0,00	0	0,00
Comisión de Nombramiento y Retribuciones	1	33,33	0	0,00	0	0,00	0	0,00

**C.2.3 Indique, en su caso, la existencia de regulación de las comisiones del consejo, el lugar en que están disponibles para su consulta, y las modificaciones que se hayan realizado durante el ejercicio. A su vez, se indicará si de forma voluntaria se ha elaborado algún informe anual sobre las actividades de cada comisión.**

Denominación comisión  
COMISIÓN DE AUDITORÍA

Breve descripción

Las normas de organización y funcionamiento de la Comisión de Auditoría se recogen en los Estatutos Sociales y en el Reglamento del Consejo de Administración, que se encuentran disponibles para su consulta en la página web de la Sociedad ([www.rovi.es](http://www.rovi.es)). Además, desde el mes de noviembre de 2017, la Sociedad cuenta con un Reglamento de la Comisión de Auditoría conforme a lo previsto en la Guía técnica 3/2017 de la CNMV, el cual también está disponible para su consulta en la página web de la Sociedad. La Comisión de Auditoría elabora un informe anual (que se pone a disposición de los accionistas en la página web de la Sociedad con ocasión de la convocatoria de la Junta) en el que se destacan las principales actividades e incidencias surgidas, en caso de haberlas, en relación con las funciones que le son propias. Asimismo, cuando la Comisión de Auditoría lo considere oportuno, incluirá en dicho informe propuestas para mejorar las reglas de gobierno de la Sociedad.

Denominación comisión

COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES

Breve descripción

Las normas de organización y funcionamiento de la Comisión de Nombramientos y Retribuciones se recogen en el Reglamento del Consejo de Administración, el cual se encuentra disponible para su consulta en la página web de la Sociedad ([www.rovi.es](http://www.rovi.es)). Además, desde el mes de noviembre de 2019, la Sociedad cuenta con un Reglamento de la Comisión de Nombramientos y Retribuciones conforme a lo previsto en Guía Técnica 1/2019 de la CNMV, el cual también está disponible para su consulta en la página web de la Sociedad.

La Comisión de Nombramientos y Retribuciones elabora un informe anual (que se pone a disposición de los accionistas en la página web de la Sociedad con ocasión de la convocatoria de la Junta) en el que se destacan las principales actividades e incidencias surgidas, en caso de haberlas, en relación con las funciones que le son propias. Asimismo, cuando esta comisión lo considere oportuno, incluirá en dicho informe propuestas para mejorar las reglas de gobierno de la Sociedad.

**D. OPERACIONES VINCULADAS Y OPERACIONES INTRAGRUPPO**

**D.1. Explique, en su caso, el procedimiento y órganos competentes para la aprobación de operaciones con partes vinculadas e intragrupo.**

Conforme a lo previsto en los artículos 47 de los Estatutos Sociales, 13 del Reglamento del Consejo de Administración y 10 del Reglamento de la Comisión de Auditoría, corresponde a la Comisión de Auditoría supervisar el cumplimiento de la normativa respecto de las operaciones vinculadas, velando por que se realicen las comunicaciones obligatorias al mercado e informando previamente al Consejo de Administración cuando vaya a adoptar decisiones sobre operaciones vinculadas. Asimismo, el artículo 33 del Reglamento del Consejo de Administración establece que la realización por la Sociedad o sociedades de su grupo de cualquier transacción con los consejeros, en los términos legalmente previstos, o con accionistas titulares, de forma individual o concertadamente con otros, de participaciones significativas a los efectos de la legislación del mercado de valores, incluyendo accionistas representados en el Consejo de Administración de la Sociedad o de otras sociedades que formen parte del mismo grupo o con personas a ellos vinculadas, quedará sometida a autorización por el Consejo de Administración, supeditada al informe previo favorable de la Comisión de Auditoría. Los consejeros afectados o que representen o estén vinculados a los accionistas afectados deberán abstenerse de participar en la deliberación y votación del acuerdo en cuestión. No obstante, no se requiere esta autorización en aquellas operaciones vinculadas que cumplan simultáneamente tres condiciones: (i) realizadas en virtud de contratos cuyas condiciones estén estandarizadas y se apliquen en masa a un gran número de clientes; (ii) realizadas a precios o tarifas de mercado, fijados con carácter general por quien actúe como suministrador del bien o servicio del que se trate; y (iii) que la cuantía de la operación no supere el 1% de los ingresos anuales de la Sociedad.

**D.2. Detalle aquellas operaciones significativas por su cuantía o relevantes por su materia realizadas entre la sociedad o entidades de su grupo, y los accionistas significativos de la sociedad:**

Nombre o denominación social del accionista significativo	Nombre o denominación social de la sociedad o entidad de su grupo	Naturaleza de la relación	Tipo de la operación	Importe (miles de euros)
NORBEL INVERSIONES, S.L.	Laboratorios Farmacéuticos Rovi, S.A.	Societaria	Dividendos y otros beneficios distribuidos	2.824

La Junta General de Accionistas de la Sociedad, en su reunión celebrada el 12 de junio de 2019, acordó el pago a los accionistas de un dividendo de 0,0798 euros brutos por acción. En virtud de dicho acuerdo, los accionistas de la Sociedad recibieron el 4 de julio de 2019 en concepto de dividendos la cantidad correspondiente a su participación social.

**D.3. Detalle las operaciones significativas por su cuantía o relevantes por su materia realizadas entre la sociedad o entidades de su grupo, y los administradores o directivos de la sociedad:**

Nombre o denominación social de los administradores o directivos	Nombre o denominación social de la parte vinculada	Vínculo	Naturaleza de la operación	Importe (miles de euros)
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	LABORATORIOS FARMACÉUTICOS ROVI, S.A. - REPRESENTAÇÃO EM PORTUGAL	Comercial	Contratos de arrendamiento operativo	25

Nombre o denominación social de los administradores o directivos	Nombre o denominación social de la parte vinculada	Vínculo	Naturaleza de la operación	Importe (miles de euros)
DON JUAN LÓPEZ-BELMONTE LÓPEZ	LABORATORIOS FARMACÉUTICOS ROVI, S.A.	Comercial	Contratos de arrendamiento operativo	1.110
DON JUAN LÓPEZ-BELMONTE LÓPEZ	PAN QUÍMICA FARMACÉUTICA, S.A.	Comercial	Contratos de arrendamiento operativo	60
DON JUAN LÓPEZ-BELMONTE LÓPEZ	ROVI PHARMA INDUSTRIAL SERVICES S.A.U.	Comercial	Contratos de arrendamiento operativo	866

La Sociedad y la entidad del Grupo ROVI, Rovi Contract Manufacturing, S.L. (absorbida desde noviembre de 2019 por, la también entidad del Grupo ROVI, Rovi Pharma Industrial Services, S.A.), han mantenido suscritos nueve contratos de arrendamiento de inmueble para uso distinto de vivienda con la sociedad Inversiones Borbollón, S.L. en la que D. Juan López-Belmonte López, Presidente del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. participa directamente de forma mayoritaria. Asimismo, la Sociedad tiene suscritos tres contratos de arrendamiento de inmueble para uso distinto de vivienda con la sociedad Norba Inversiones, S.L., en la que D. Juan López-Belmonte López, Presidente del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. tiene una participación mayoritaria de forma indirecta. Pan Química Farmacéutica S.A., entidad del Grupo ROVI, tiene suscrito un contrato de arrendamiento de inmueble para uso distinto de vivienda con la sociedad Lobel y Losa Development, S.L. en la que D. Juan López-Belmonte López, Presidente del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. tiene una participación mayoritaria de forma directa. El local en el que se encuentra abierta la delegación comercial de ROVI en Portugal es propiedad de D. Iván López-Belmonte Encina, quien se lo arrienda a Laboratorios Farmacéuticos Rovi, S.A.-RepresentanCao em Portugal.

**D.4. Informe de las operaciones significativas realizadas por la sociedad con otras entidades pertenecientes al mismo grupo, siempre y cuando no se eliminen en el proceso de elaboración de estados financieros consolidados y no formen parte del tráfico habitual de la sociedad en cuanto a su objeto y condiciones.**

En todo caso, se informará de cualquier operación intragrupo realizada con entidades establecidas en países o territorios que tengan la consideración de paraíso fiscal:

Denominación social de la entidad de su grupo	Breve descripción de la operación	Importe (miles de euros)
Sin datos		N.A.

**D.5. Detalle las operaciones significativas realizadas entre la sociedad o entidades de su grupo y con otras partes vinculadas, que no hayan sido informadas en los epígrafes anteriores:**

Denominación social de la parte vinculada	Breve descripción de la operación	Importe (miles de euros)
ALENTIA BIOTECH S.L.	Laboratorios Farmacéuticos ROVI, S.A., como prestamista, tiene suscrito con Alentia Biotech, S.L., como prestataria, dos contratos de préstamo por un importe de cincuenta mil (50.000) euros y	22

Denominación social de la parte vinculada	Breve descripción de la operación	Importe (miles de euros)
	de un millón cincuenta mil (1.050.000) euros respectivamente, a un mismo tipo de interés anual del 2%, que han devengado en el ejercicio 2019 unos intereses de veintidós mil (22.000) euros.	

Laboratorios Farmacéuticos ROVI, S.A. es titular del 50 % de la sociedad Alentia Biotech, S.L. y D. Juan López-Belmonte López, D. Juan y D. Javier López-Belmonte Encina son miembros de su Consejo de Administración.

**D.6. Detalle los mecanismos establecidos para detectar, determinar y resolver los posibles conflictos de intereses entre la sociedad y/o su grupo, y sus consejeros, directivos o accionistas significativos.**

De conformidad con el artículo 28 del Reglamento del Consejo, el consejero deberá comunicar la existencia de conflictos de interés al Consejo de Administración, tanto suyos como de las personas vinculadas al consejero. Se entenderá por personas vinculadas a los consejeros las siguientes: a) su cónyuge o persona con análoga relación de afectividad; b) ascendientes, descendientes y hermanos del consejero o del cónyuge del consejero; c) los cónyuges de los ascendientes, de los descendientes y de los hermanos del consejero; y d) las sociedades en las que el consejero, por sí o por persona interpuesta, se encuentre en algunas de las situaciones contempladas en el apartado primero del artículo 42 del Código de Comercio. En el caso del consejero persona jurídica, se entenderá que son personas vinculadas las siguientes: a) Los socios que se encuentren, respecto del consejero persona jurídica, en alguna de las situaciones contempladas en el apartado primero del artículo 42 del Código de Comercio. b) Los administradores, de hecho o de derecho, los liquidadores y los apoderados con poderes generales del consejero persona jurídica. c) Las sociedades que formen parte del mismo grupo y sus socios. d) Las personas que respecto del representante del consejero persona jurídica tengan la consideración de persona vinculada a los consejeros.

El consejero deberá abstenerse de participar en la deliberación y votación de acuerdos o decisiones en las que él o una persona vinculada tenga un conflicto de intereses, directo o indirecto. Se excluirán de la anterior obligación de abstención los acuerdos o decisiones que le afecten en su condición de administrador, tales como su designación o revocación para cargos en el órgano de administración u otros de análogo significado. Asimismo, los consejeros deberán adoptar las medidas necesarias para evitar incurrir en situaciones en las que sus intereses, sean por cuenta propia o ajena, puedan entrar en conflicto con el interés social y con sus deberes para con la Sociedad. En particular, el deber de evitar situaciones de conflicto de interés obliga al consejero a abstenerse de: (a) Realizar transacciones con la Sociedad, excepto que se trate de operaciones ordinarias, hechas en condiciones estándar para los clientes y de escasa relevancia, entendiéndose por tales aquellas cuya información no sea necesaria para expresar la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad. Tratándose de transacciones dentro del curso ordinario de los negocios sociales y que tengan carácter habitual o recurrente, bastará la autorización genérica de la operación y de sus condiciones de ejecución por el Consejo de Administración. (b) Utilizar el nombre de la Sociedad o invocar su condición de consejero para influir indebidamente en la realización de operaciones privadas. (c) Hacer uso de los activos sociales, incluida la información confidencial de la Sociedad, con fines privados. (d) Aprovecharse de las oportunidades de negocio de la Sociedad. (e) Obtener ventajas o remuneraciones de terceros distintos de la Sociedad asociadas al desempeño de su cargo, salvo que se trate de atenciones de mera cortesía. (f) Desarrollar actividades por cuenta propia o cuenta ajena que entrañen una competencia efectiva, sea actual o potencial, con la Sociedad o que, de otro modo, le sitúen en un conflicto permanente con los intereses de la Sociedad. La Sociedad podrá dispensar al consejero en casos singulares autorizando la realización por parte de un consejero o de una persona a él vinculada de una determinada transacción con la Sociedad, el uso de ciertos activos sociales, el aprovechamiento de una concreta oportunidad de negocio, la obtención de una ventaja o remuneración de un tercero.

Corresponderá necesariamente a la Junta General de accionistas, en virtud de acuerdo expreso y separado, el otorgamiento de la autorización a que se refiere el párrafo anterior cuando ésta tenga por objeto la dispensa de la prohibición de obtener una ventaja o remuneración de un tercero, o afecte a una transacción cuyo valor sea superior al diez por ciento de los activos sociales. En los demás casos, la autorización también podrá ser concedida por el Consejo de Administración siempre que quede suficientemente garantizada la independencia de los miembros que la conceden respecto del consejero dispensado. Adicionalmente, será preciso que, en este último caso, se asegure la inocuidad de la operación autorizada para el patrimonio social o, en su caso, su realización en condiciones de mercado y la transparencia del proceso. La obligación de no competencia sólo podrá ser dispensada en el supuesto de que no quepa esperar daño para la Sociedad o el que quepa esperar se vea compensado por los beneficios que prevén obtenerse de la dispensa. La dispensa se concederá mediante acuerdo expreso y separado de la Junta General.

**D.7. ¿Cotiza más de una sociedad del Grupo en España?**

Sí  
 No

## **E. SISTEMAS DE CONTROL Y GESTIÓN DE RIESGOS**

### **E.1. Explique el alcance del Sistema de Control y Gestión de Riesgos de la sociedad, incluidos los de naturaleza fiscal:**

ROVI considera el Control y la Gestión de Riesgos como un instrumento que contribuye a lograr una mayor eficiencia y eficacia de sus operaciones. Por ello ha establecido, a través de su Política de Control y Gestión de Riesgos, cuya última versión fue aprobada por el Consejo de Administración en noviembre de 2019, los mecanismos y principios básicos para una adecuada gestión de los riesgos clave a los que se enfrenta. Mediante esta Política, la Sociedad fija el nivel de riesgo que considera aceptable, identifica los diferentes tipos de riesgo, entre ellos los fiscales, así como las medidas previstas para mitigar el impacto de los mismos en caso de que llegaran a materializarse. Adicionalmente, la Política identifica los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos.

El Sistema de Gestión de Riesgos de la Sociedad funciona de forma integral, continua, consolidando dicha gestión por área o unidad de negocio o actividad, filiales, zonas geográficas y áreas de soporte (recursos humanos, financiero-fiscal, marketing o control de gestión, etc.) a nivel corporativo. El modelo de gestión de riesgos de ROVI está basado en tres líneas de defensa:

- La primera línea de defensa está constituida por las diferentes áreas operativas del Grupo quienes, en el transcurso diario de sus operaciones, deben identificar, clasificar, evaluar y monitorizar los riesgos, según el nivel de riesgo aceptado por ROVI.
- La segunda línea de defensa está constituida por la función de control y gestión de riesgos. Esta función es la encargada de implantar el sistema de control y gestión de riesgos, colaborando en el establecimiento inicial del mismo y contribuyendo, una vez implantado, a su mejora, haciendo seguimiento de su funcionamiento y coordinando su desarrollo.
- La tercera línea de defensa es Auditoría Interna, que supervisa los sistemas de control interno y gestión de riesgos auditando tanto la primera como la segunda línea de defensa.

Adicionalmente, el firme compromiso de la Sociedad de contribuir al desarrollo económico y social de los diferentes mercados en los que opera, se ha materializado en el ámbito fiscal en la determinación por parte del Consejo de Administración de una Estrategia Fiscal que tiene como objetivo asegurar que el cumplimiento de las obligaciones tributarias por la Sociedad se lleve a cabo a través de prácticas éticas y responsables y que pone un especial empeño en que los sistemas de control y gestión de riesgos fiscales funcionen eficientemente.

### **E.2. Identifique los órganos de la sociedad responsables de la elaboración y ejecución del Sistema de Control y Gestión de Riesgos, incluido el fiscal:**

De conformidad con el artículo 5.3 del Reglamento del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A., es competencia del Consejo de Administración en pleno la aprobación de la Política de Control y Gestión de Riesgos, incluidos los fiscales, así como el seguimiento periódico de los sistemas internos de información y control. La Comisión de Auditoría, de acuerdo con el artículo 13.2 del citado Reglamento, incluye entre sus funciones la supervisión de la Política de Control y Gestión de Riesgos (incluidos los fiscales) que inciden en la consecución de los objetivos corporativos. A tal fin, el mismo artículo dispone que la Comisión de Auditoría revisará y supervisará periódicamente los sistemas de control interno y gestión de riesgos, incluidos los fiscales, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente. En particular, el artículo 13.2 del Reglamento del Consejo de Administración establece que la Comisión de Auditoría ejercerá, entre otras, las siguientes funciones en relación con la política y la gestión de riesgos:

- Identificar los distintos tipos de riesgo, financieros y no financieros, a los que se enfrenta la Sociedad.
- Identificar la fijación del nivel de riesgo que la Sociedad considere aceptable.
- Identificar las medidas previstas para mitigar el impacto de los riesgos identificados, en caso de que llegaran a materializarse.
- Identificar los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos.

La Comisión de Auditoría lleva a cabo estas funciones a través de la Dirección, quien identifica, clasifica, evalúa y monitoriza los riesgos, teniendo en cuenta las categorías y los niveles de riesgos aceptables fijados por la Comisión de Auditoría y aplica las medidas previstas para mitigar el impacto de los mismos en caso de que llegaran a materializarse.

El Departamento de Auditoría Interna asume la función de implantar un Sistema de Control y Gestión de Riesgos, contribuyendo, una vez implantado el Sistema, a su mejora, monitoreando su funcionamiento y coordinando su desarrollo. Asimismo, informa a la Comisión de Auditoría, cada vez que ésta se reúne, sobre el correcto funcionamiento del Sistema y/o los riesgos que se hayan materializado, en su caso.

En relación a los riesgos fiscales, el Departamento Financiero es el responsable directo de controlar la efectiva implementación de los aspectos básicos de la Estrategia Fiscal determinada por el Consejo de Administración y el establecimiento y aplicación de medidas que garanticen que en el proceso de toma de decisiones de la Sociedad y su grupo se valora adecuadamente el riesgo fiscal. Dada la complejidad de la materia fiscal y los continuos cambios normativos que en relación con la misma se producen, la Sociedad y su grupo cuentan siempre con la colaboración de



asesores externos expertos en esta materia, con opción de formar equipos multidisciplinares si una operación en concreto lo requiere, a fin de que sea elevada la confianza de que la presentación de sus impuestos y la toma de decisiones en materia fiscal es la adecuada.

**E.3. Señale los principales riesgos, incluidos los fiscales y en la medida que sean significativos los derivados de la corrupción (entendidos estos últimos con el alcance del Real Decreto Ley 18/2017), que pueden afectar a la consecución de los objetivos de negocio:**

Los principales factores de riesgo a los que el Grupo considera que está expuesto respecto al cumplimiento de sus objetivos de negocio son los siguientes:

- Variaciones en las condiciones de suministro de materias primas y otros materiales de acondicionamiento necesarios para la fabricación de sus productos.
- No culminación de forma exitosa o de la forma esperada de los proyectos de Investigación y Desarrollo que ROVI está llevando a cabo.
- Acciones de la competencia que provoquen un impacto negativo en la cifra de negocio de ROVI.
- Cambios en los criterios de prescripción o en la normativa reguladora del mercado dirigidos a la contención del gasto farmacéutico (control de precios, precios de referencia, potenciación de genéricos, copago, plataformas de compras);
- Riesgo fiscal inherente a la actividad de compañías del tamaño y complejidad del Grupo.

**E.4. Identifique si la entidad cuenta con niveles de tolerancia al riesgo, incluido el fiscal:**

La Comisión de Auditoría, como parte del proceso de gestión de riesgos, establece el nivel de riesgo considerado como aceptable, incluido el fiscal, para lo que tiene en cuenta dos aspectos:

- **Apetito al riesgo:** nivel de Riesgo que ROVI está dispuesto a aceptar para conseguir sus objetivos estratégicos.
- **Tolerancia:** nivel de variación que se acepta en la consecución de los objetivos.

La fijación del nivel de riesgo queda establecida en las escalas de valoración de riesgos para las variables de probabilidad de ocurrencia e impacto. Estas escalas son aprobadas anualmente por la Comisión de Auditoría en el proceso de actualización del mapa de riesgos de la compañía.

**E.5. Indique qué riesgos, incluidos los fiscales, se han materializado durante el ejercicio:**

Variaciones en las condiciones de suministro de materias primas y otros materiales de acondicionamiento necesarios para la fabricación de sus productos

La principal materia prima para la fabricación de nuestras dos heparinas de bajo peso molecular (bemiparina y biosimilar de enoxaparina) es la heparina sódica, que se produce a partir de la mucosa porcina. Por lo tanto, cualquier enfermedad que afecte al ganado porcino puede tener efecto sobre el mercado global de las heparinas, bien afectando al suministro, bien afectando a los precios.

Desde finales de 2018 existe un brote de peste porcina en China, principal productor mundial de carne y derivados del cerdo que ya ha tenido efecto sobre los precios, que han sufrido un incremento desde entonces. Durante el 2020 se espera que se mantenga la tendencia alcista.

Desajustes regulatorios respecto a requerimientos locales

Debido a la rápida expansión internacional de ROVI, que ha supuesto la apertura de cinco filiales y el inicio de comercialización directa de sus productos en varios países europeos en un corto periodo de tiempo, ROVI ha necesitado realizar ajustes en cuanto al cumplimiento de requisitos regulatorios locales, habida cuenta de la elevada regulación del sector farmacéutico en cada país, las especificidades existentes por países en esta materia e, incluso, la fragmentación que la regulación presenta por regiones dentro de un mismo país.

La Sociedad ha aplicado a los riesgos indicados en este apartado los sistemas de supervisión y control y los planes de respuesta que se describen en el apartado E.6, considerando que han funcionado correctamente para la previsión y detección de su ocurrencia y la minimización de su impacto.

**E.6. Explique los planes de respuesta y supervisión para los principales riesgos de la entidad, incluidos los fiscales, así como los procedimientos seguidos por la compañía para asegurar que el consejo de administración da respuesta a los nuevos desafíos que se presentan:**

ROVI mantiene una actitud de vigilancia y alerta permanente ante los riesgos que puedan afectar negativamente a sus actividades de negocio, aplicando los principios y mecanismos adecuados para su gestión y desarrollando continuamente planes de contingencia que puedan amortiguar o compensar su impacto. Entre ellos, destacamos que el Grupo (i) continúa con la diversificación de proveedores de materias primas y otros materiales de acondicionamiento necesarios para la fabricación de sus productos; (ii) prosigue con su objetivo de apertura constante de nuevos mercados gracias a su proyecto de expansión internacional; (iii) continúa con la mejora de sus procesos y controles, incluyendo los relacionados

con el proceso de internacionalización; (iv) trabaja intensamente en el mantenimiento de una cartera amplia y diversificada de productos y clientes; (v) persevera cada año en un plan de ahorro interno que se ha centrado principalmente en la mejora de la eficiencia de sus procesos operativos internos y externos; (vi) el Grupo lleva un riguroso control del crédito y realiza una efectiva gestión de tesorería que le asegura la generación y mantenimiento de circulante suficiente para poder efectuar las operaciones del día a día; y (vii) el Grupo cuenta con un sistema de control de riesgos en materia fiscal exhaustivo y con asesores fiscales externos que revisan la preparación y presentación de los diferentes impuestos así como la toma de decisiones en materia fiscal por parte del Grupo.

**F. SISTEMAS INTERNOS DE CONTROL Y GESTIÓN DE RIESGOS EN RELACIÓN CON EL PROCESO DE EMISIÓN DE LA INFORMACIÓN FINANCIERA (SCIIF)**

Describa los mecanismos que componen los sistemas de control y gestión de riesgos en relación con el proceso de emisión de información financiera (SCIIF) de su entidad.

**F.1. Entorno de control de la entidad.**

Informe, señalando sus principales características de, al menos:

**F.1.1** Qué órganos y/o funciones son los responsables de: (i) la existencia y mantenimiento de un adecuado y efectivo SCIIF; (ii) su implantación; y (iii) su supervisión.

El Sistema de Control Interno sobre la Información Financiera (en adelante, "SCIIF") de ROVI tiene como objetivo obtener una seguridad razonable sobre la fiabilidad de la información financiera. Los órganos responsables del mismo son:

- El Consejo de Administración: es el Órgano responsable de la existencia y mantenimiento de un adecuado y efectivo SCIIF, de acuerdo con lo establecido en el Reglamento del Consejo de Administración, en su versión aprobada el 26 de abril de 2016.

- La Alta Dirección tiene asumidas las funciones de implantación y diseño del SCIIF, según se indica también en el Reglamento del Consejo de Administración.

- La Comisión de Auditoría es el Órgano encargado de la supervisión del SCIIF, según se indica en los Estatutos de la Sociedad, en el Reglamento del Consejo de Administración y en el Reglamento de la Comisión de Auditoría aprobado por el Consejo de Administración el 7 de noviembre de 2017. Este Reglamento asigna, entre otras, las siguientes responsabilidades a la Comisión de Auditoría:

o Supervisar el proceso de elaboración y presentación, así como la integridad de la información financiera regulada relativa a la Sociedad y, en su caso, al Grupo, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables, y presentar recomendaciones o propuestas al Consejo de Administración, dirigidas a salvaguardar su integridad.

o Atender, dar respuesta y tener en cuenta, oportuna y adecuadamente, los requerimientos que hubiera enviado, en el ejercicio corriente o en anteriores, el supervisor público de la información financiera, asegurándose de que no se repiten en los estados financieros el mismo tipo de incidencias previamente identificadas en tales requerimientos.

o Discutir con los auditores de cuentas o sociedades de auditoría las debilidades significativas del sistema de control interno detectadas en el desarrollo de la auditoría, en su caso, todo ello sin quebrantar su independencia. A tales efectos, y en su caso, podrán presentar recomendaciones o propuestas al Consejo de Administración y el correspondiente plazo para su seguimiento.

o Revisar y supervisar periódicamente los sistemas de control interno y gestión de riesgos, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente.

o Revisar la claridad e integridad de toda la información financiera y no financiera relacionada que la entidad haga pública, como pueden ser los estados financieros, informes de gestión, informes de gestión y control de riesgos e informe de gobierno corporativo, valorando en qué casos se debe involucrar a los auditores de cuentas en la revisión de alguno de los informes adicionales a los estados financieros.

**F.1.2** Si existen, especialmente en lo relativo al proceso de elaboración de la información financiera, los siguientes elementos:

· Departamentos y/o mecanismos encargados: (i) del diseño y revisión de la estructura organizativa; (ii) de definir claramente las líneas de responsabilidad y autoridad, con una adecuada distribución de tareas y funciones; y (iii) de que existan procedimientos suficientes para su correcta difusión en la entidad:

- (i) del diseño y revisión de la estructura organizativa;

El diseño y la revisión de la estructura organizativa son desarrollados por la Dirección de Recursos Humanos con la involucración de la Dirección del departamento correspondiente. Existen organigramas específicos para cada área financiera, con un adecuado nivel de detalle donde se establecen las líneas de responsabilidad y autoridad.

(ii) de definir claramente las líneas de responsabilidad y autoridad, con una adecuada distribución de tareas y funciones;

Cada puesto de trabajo tiene definidas unas tareas y responsabilidades en la elaboración y supervisión de la información financiera. Las líneas de autoridad y responsabilidad están detalladas en los organigramas departamentales y son definidas por la Dirección. Asimismo, en los procedimientos relacionados con la elaboración de la información financiera se indican las responsabilidades de las distintas áreas de la empresa.

y (iii) de que existan procedimientos suficientes para su correcta difusión en la entidad, en especial, en lo relativo al proceso de elaboración de la información financiera.

Los procedimientos relativos a la elaboración de la información financiera se comunican a los responsables de la función financiera.

· **Código de conducta, órgano de aprobación, grado de difusión e instrucción, principios y valores incluidos (indicando si hay menciones específicas al registro de operaciones y elaboración de información financiera), órgano encargado de analizar incumplimientos y de proponer acciones correctoras y sanciones:**

ROVI posee un Código de Conducta (el "Código Ético"), cuya última versión fue aprobada por el Consejo de Administración el 19 de febrero de 2018, que es la base de los principios éticos de la Sociedad y su Grupo. Dicho Código es de aplicación a todos los empleados, a quienes ha sido comunicado, y tiene como objetivo fundamental ser un marco de pautas y recomendaciones que transmita el buen hacer en el trabajo diario de los empleados de ROVI a sus grupos de interés (empleados, accionistas, proveedores, clientes, pacientes, profesionales, las administraciones públicas y la sociedad en general) y, a la vez, sirva de guía en la toma de decisiones cotidianas. ROVI considera este Código Ético como una oportunidad para llevar a la práctica los valores que la identifican como compañía, tales como el respeto mutuo, la búsqueda de la innovación, el trabajo en equipo, la eficiencia o la competitividad fruto siempre de la excelencia científica.

El Código Ético es suscrito formalmente por todos los trabajadores en el momento de su incorporación a la plantilla de cualquier sociedad del Grupo ROVI. El documento se encuentra disponible para empleados en la aplicación móvil interna así como en otras webs internas de ROVI.

El Código Ético de ROVI incluye un apartado específico sobre integridad financiera y protección de sus activos, por el que se compromete a aplicar los más altos estándares éticos y de transparencia en sus comunicaciones, registros de información e informes referidos a sus productos y actividades. Esto conlleva la obligación de que, en la confección de la contabilidad, de los estados financieros, libros, registros y cuentas, ROVI cumplirá con los requerimientos legales y con la correcta aplicación de los principios de contabilidad vigentes, con el objeto de ofrecer una visión exacta de las actividades empresariales y de la situación financiera del Grupo.

Adicionalmente, ROVI cuenta con una Política Antisoborno y Anticorrupción, cuya última versión es la aprobada por el Consejo de Administración el 19 de febrero de 2018, que desarrolla a uno de los principios del Código Ético de rechazo a cualquier práctica que incluya el soborno o la corrupción. En la Política Antisoborno y Anticorrupción, también aplicable a todos los empleados de ROVI, se establece que se deben llevar y conservar libros, registros y cuentas que reflejen en detalle y de forma precisa los activos y transacciones del Grupo, así como mantener un sistema adecuado de controles internos sobre la información financiera. Por este motivo, todas las transacciones financieras deben ser registradas en los libros oficiales de contabilidad. No se permiten cuentas fuera de estos libros, ya que estas prácticas pueden facilitar o encubrir pagos indebidos. El documento se encuentra disponible para empleados en la aplicación móvil interna así como en otras webs internas de ROVI.

El Órgano encargado de velar por el cumplimiento del Código Ético es la Función de Cumplimiento, quien tiene asignada esta función en su "Estatuto de la Función de Cumplimiento Normativo", aprobado por la Comisión de Auditoría el 25 de julio de 2017. La Función de Cumplimiento está compuesta por un Comité de Cumplimiento (órgano colegiado de carácter interno y permanente que reporta directamente a la Comisión de Auditoría y tiene la consideración de órgano asesor de dicha comisión en materia de cumplimiento) y el Departamento de Cumplimiento (área responsable de llevar a cabo las actividades de coordinación de cumplimiento en el día a día, prestando apoyo al Comité de Cumplimiento e informándole de los asuntos relevantes).

Durante el ejercicio 2019 el personal de ROVI ha recibido formación sobre el Código Ético, impartida por el área de cumplimiento. Dicha formación ha tenido dos objetivos principales: el primero, reforzar la idea de que todos los empleados y miembros de órganos de gobierno de ROVI están sujetos al mismo y que éste es de obligado cumplimiento para todos y, el segundo, impartir formación sobre todos los principios de actuación recogidos en el Código Ético, sus posibles aplicaciones e interpretaciones.

Adicionalmente, el Comité de Cumplimiento del 7 de noviembre de 2017 aprobó el "Código Ético para Proveedores". El objetivo principal de este Código es asegurar que sus proveedores y otros integrantes de la cadena de valor se comporten no sólo respetando la legislación vigente, sino también los valores del sistema de gobierno corporativo de ROVI, los principios recogidos en su Política de Responsabilidad Social Corporativa y otras normas internas de ROVI. La implementación del uso de este código se encuentra actualmente en desarrollo por parte de alguno de los departamentos involucrados en la gestión con proveedores. Como parte de ese trabajo las condiciones generales de contratación del Grupo Roví, y el resto de contratos cuando la negociación lo permite, incluyen la obligación de cumplir con lo establecido en el Código Ético para Proveedores.

ROVI cuenta con un "Reglamento del canal ético para Empleados y Proveedores", cuya última actualización fue aprobada por el Consejo de Administración el 7 de mayo de 2019, donde se establece que el órgano encargado de la gestión de los canales éticos de ROVI (el de empleados y el de proveedores) es el Comité Gestor del Canal Ético, que es asimismo el encargado de asegurar que todas las denuncias presentadas sean

atendidas y gestionadas de forma adecuada, completa y confidencial. Dicho órgano es el encargado de analizar incumplimientos y proponer acciones correctoras. Las posibles sanciones que se deriven de incumplimientos son responsabilidad del Departamento de Recursos Humanos.

Adicionalmente, ROVI cuenta con un Reglamento Interno de Conducta en los Mercados de Valores, cuya última versión fue aprobada por Consejo de Administración el 7 de mayo de 2019. El objetivo de este Reglamento es ajustar las actuaciones de la Sociedad, sus órganos de administración, empleados y demás personas sujetas a las normas de conducta a la normativa relacionada con mercado de valores.

- **Canal de denuncias, que permita la comunicación a la comisión de auditoría de irregularidades de naturaleza financiera y contable, en adición a eventuales incumplimientos del código de conducta y actividades irregulares en la organización, informando, en su caso, si éste es de naturaleza confidencial:**

ROVI posee un canal de denuncias (el "Canal Ético") puesto a disposición de sus empleados, proveedores, socios comerciales, agentes y colaboradores cuya finalidad es garantizar una comunicación fluida y eficaz con los órganos encargados de velar por el cumplimiento, la ética y la transparencia dentro de la organización.

Este canal tiene por objeto permitir la notificación de cualesquiera irregularidades, ya sean de naturaleza financiera, contractual, legal o ética; así como plantear las dudas interpretativas que puedan surgir sobre el Código Ético de ROVI, el Código Ético para Proveedores, o en general sobre las distintas políticas y procedimientos aprobadas por el Grupo.

El Canal Ético se encuentra regulado en el "Reglamento del canal ético para Empleados y Proveedores", en el que se indica que todos los empleados del Grupo ROVI y los proveedores sujetos al Código Ético para Proveedores tienen obligación de comunicar:

- Cualesquiera incumplimientos legales de los que tengan conocimiento, incluidos los incumplimientos de aquellas normas que ROVI ha decidido cumplir voluntariamente, como por ejemplo el Código de Buenas Prácticas de la Industria Farmacéutica.
- Cualesquiera comportamientos que puedan ser constitutivos de un delito o un incumplimiento del Modelo de Prevención de Delitos del Grupo.
- Cualesquiera comportamientos que puedan ser calificados como no éticos, o contrarios al Código Ético de ROVI o al Código Ético para Proveedores.
- Cualesquiera irregularidades financieras o contables o cualesquiera otras que pudieran tener una potencial trascendencia en el funcionamiento y operativa de las sociedades del Grupo.
- Aquellos incumplimientos de políticas internas o procedimientos de los que tengan conocimiento.

Las denuncias pueden ser enviadas:

- Vía correo postal ordinario, a la dirección establecida en el "Reglamento del canal ético para Empleados y Proveedores".
- Vía correo electrónico, a la dirección establecida para ello en el "Reglamento del canal ético para Empleados y Proveedores".
- Vía telefónica.
- A través de la aplicación móvil interna de ROVI.

Todas estas formas de envío garantizan la confidencialidad de las denuncias mediante la restricción del acceso al teléfono, a la dirección de recepción postal y al correo electrónico (en el que también se reciben las denuncias enviadas a través de la aplicación móvil), únicamente a los destinatarios autorizados en el "Reglamento del canal ético para Empleados y Proveedores".

El órgano encargado de la gestión del canal de denuncias es el Comité Ético. Durante el presente ejercicio no ha sido recibida ninguna denuncia relacionada con la información financiera.

- **Programas de formación y actualización periódica para el personal involucrado en la preparación y revisión de la información financiera, así como en la evaluación del SCIIF, que cubran al menos, normas contables, auditoría, control interno y gestión de riesgos:**

La compañía cuenta con una importante estabilidad laboral entre los empleados que participan en la elaboración de la información financiera, quienes tienen los conocimientos necesarios para la realización de las funciones asignadas. En el caso de producirse cambios en la legislación aplicable o en las funciones asignadas a personal involucrado en estas actividades, se llevan a cabo programas de formación específicos, coordinados con el área de Recursos Humanos.

Adicionalmente, la Sociedad cuenta con la colaboración de asesores externos que prestan su apoyo al personal de la función financiera en cuestiones relativas a actualizaciones en materia fiscal, legal y contable y con los que existe un contacto regular.

## **F.2. Evaluación de riesgos de la información financiera.**

Informe, al menos, de:

**F.2.1** Cuáles son las principales características del proceso de identificación de riesgos, incluyendo los de error o fraude, en cuanto a:

- Si el proceso existe y está documentado:

La Sociedad cuenta con un sistema de identificación de riesgos, entre los que se incluyen los de error o fraude en la información financiera, que se encuentra detallado en una "Política de Control y Gestión de Riesgos" cuya última versión ha sido aprobada en noviembre de 2019 por el Consejo de Administración.

Para cada una de las áreas con impacto financiero significativo, atendiendo a su importancia cuantitativa o cualitativa, se han identificado los procesos y subprocesos relevantes y se han identificado los riesgos que pudieran generar errores en la información financiera o fraude en las operaciones así como las actividades de control que mitigan esos riesgos.

- Si el proceso cubre la totalidad de objetivos de la información financiera, (existencia y ocurrencia; integridad; valoración; presentación, desglose y comparabilidad; y derechos y obligaciones), si se actualiza y con qué frecuencia:

Para cada uno de los procesos significativos identificados, se han identificado los riesgos que pudieran generar errores en la información financiera, cubriendo los objetivos de existencia y ocurrencia, integridad, valoración, presentación, desglose y comparabilidad y derechos y obligaciones. Anualmente se procede a la revisión y actualización de los procesos identificados y documentados en caso de que haya habido modificaciones en la gestión de dichos procesos o en la normativa aplicable que así lo requieran.

- La existencia de un proceso de identificación del perímetro de consolidación, teniendo en cuenta, entre otros aspectos, la posible existencia de estructuras societarias complejas, entidades instrumentales o de propósito especial:

El perímetro de consolidación de la Sociedad es revisado y actualizado mensualmente por el área responsable de la consolidación, con la correspondiente supervisión trimestral de la Comisión de Auditoría, que es el órgano encargado de revisar la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.

No existen estructuras societarias complejas y al producirse escasas variaciones en el perímetro, cualquier cambio es indicado en la información financiera anual y semestral emitida por la Sociedad.

- Si el proceso tiene en cuenta los efectos de otras tipologías de riesgos (operativos, tecnológicos, financieros, legales, fiscales, reputacionales, medioambientales, etc.) en la medida que afecten a los estados financieros:

El proceso tiene en cuenta el efecto de otras tipologías de riesgos tales como los operativos, tecnológicos, legales, reputacionales, medioambientales, etc. que pudieran tener un impacto significativo en la información financiera. En caso de que alguno de estos riesgos pudiera afectar a la información financiera, la Sociedad identifica cómo puede proceder a mitigar dicho impacto. Estos riesgos son gestionados y evaluados según lo indicado en la Política de Gestión y Control de Riesgos. En esta política hay identificados cuatro tipos de riesgos:

- Estratégicos: aquéllos que afectan a los objetivos de alto nivel, directamente relacionados con el plan estratégico de ROVI.
- Operacionales: aquéllos que afectan a los objetivos relacionados con la eficiencia y la eficacia en las operaciones, incluyendo los objetivos relacionados con el desempeño y la rentabilidad.
- De reporting: aquéllos que afectan a la fiabilidad de la información suministrada (incluyendo la financiera) tanto internamente como al exterior.
- De cumplimiento: aquéllos que afectan a los objetivos relativos al cumplimiento de leyes y normas aplicables (incluidas las relativas a contabilidad, auditoría, control interno y gestión de riesgos).

- Qué órgano de gobierno de la entidad supervisa el proceso:

Los riesgos más significativos, tanto financieros como de cualquier otra tipología, son comunicados a la Comisión de Auditoría para su posterior información al Consejo de Administración. La Comisión de Auditoría es el órgano encargado de la supervisión de la Política de Gestión y Control de Riesgos, incluidos los financieros y fiscales, que inciden en la consecución de los objetivos corporativos. Asimismo, a la Comisión de Auditoría le corresponde la revisión y supervisión periódica de los sistemas de control interno y gestión de riesgos, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente.

### **F.3. Actividades de control.**

Informe, señalando sus principales características, si dispone al menos de:

**F.3.1 Procedimientos de revisión y autorización de la información financiera y la descripción del SCIIF, a publicar en los mercados de valores, indicando sus responsables, así como de documentación descriptiva de los flujos de actividades y controles (incluyendo los relativos a riesgo de fraude) de los distintos tipos de transacciones que puedan afectar de modo material a los estados financieros, incluyendo el procedimiento de cierre contable y la revisión específica de los juicios, estimaciones, valoraciones y proyecciones relevantes**

ROVI realiza revisiones periódicas de la información financiera que elabora en base a diferentes niveles:

- En cada cierre contable, los departamentos que intervienen en el cierre contable y el departamento corporativo de contabilidad revisan la información financiera preparada, realizando las correspondientes comprobaciones para asegurar la fiabilidad de los registros.
- Una vez finalizado el proceso de consolidación, la Dirección Financiera realiza una revisión de la información financiera, identificando posibles desviaciones.
- En el caso de que la información financiera deba ser hecha pública para dar cumplimiento a la normativa de mercado de valores:

1. La Comisión de Auditoría procede a la revisión de la información financiera. Previamente a su revisión, este órgano es informado de, al menos:

- o La adecuación del perímetro de consolidación.
  - o Juicios, criterios, valoraciones y estimaciones realizadas que tengan un impacto significativo en los estados financieros y no financieros relacionados.
  - o Los cambios en los criterios significativos aplicados.
  - o Las medidas alternativas de rendimiento ("APM", en inglés, Alternative Performance Measures) tenidas en cuenta.
  - o Las debilidades significativas de control interno
  - o Si aplica, los ajustes significativos utilizados por el auditor de cuentas o que resulten de revisiones realizadas por la auditoría interna y la posición de la dirección sobre los mismos
  - o Si aplica, requerimientos enviados por el supervisor público de la información financiera
2. El Consejo de Administración aprueba la información financiera a publicar.

Respecto a la descripción del SCIIF ésta es revisada tanto por la Dirección Financiera y Auditoría Interna como por los Órganos de Gobierno mencionados anteriormente como parte de la información periódica que ROVI remite a los mercados.

ROVI posee descripciones de los flujos de actividades de los principales procesos con impacto en la información financiera, entre ellos, el procedimiento de cierre contable y de elaboración de informes donde se especifica el proceso de revisión de juicios, estimaciones y proyecciones relevantes. Para cada uno de estos procedimientos se han identificado los controles más significativos y las transacciones que pudieran afectar de modo material a los estados financieros. La documentación de cada uno de estos procesos se actualiza en aquellos casos en los que los cambios en la normativa o los procesos lo impongan. Esta documentación está compuesta por:

- Detalle de la estructura/sociedad a la que aplica.
- Descriptivos de los subprocesos asociados a cada proceso.
- Diagramas de flujo de los subprocesos principales.
- Detalle de los riesgos significativos de la información financiera.
- Descripción de controles (claves y no claves) que mitigan la probabilidad de ocurrencia de los riesgos identificados. Para cada uno de ellos se detalla: tipo de control, nivel de automatización, evidencia soporte y responsable.

**F.3.2 Políticas y procedimientos de control interno sobre los sistemas de información (entre otras, sobre seguridad de acceso, control de cambios, operación de los mismos, continuidad operativa y segregación de funciones) que soporten los procesos relevantes de la entidad en relación a la elaboración y publicación de la información financiera.**

La Jefatura Corporativa de Tecnologías de la Información y las Comunicaciones (TIC) de ROVI es responsable de promover y apoyar el establecimiento de medidas técnicas, organizativas y de control que garanticen la integridad, disponibilidad, fiabilidad y confidencialidad de la información.

El Gestor de Riesgos del Sistema de Gestión de la Seguridad de la Información (SGSI-Risk Manager) es el responsable de supervisar la gestión efectiva y eficiente de los riesgos e incidentes en cuanto a seguridad de la información confidencial, así como de promover planes y políticas para salvaguardarla.

El acceso a los sistemas de información se gestiona de manera centralizada para todas las sedes, tanto nacionales como internacionales. Se han establecido protocolos para garantizar que los usuarios de ROVI sólo accedan a aquellos datos o programas que se les permita según su puesto o función, evitando así accesos no autorizados. Este acceso, definido en base a roles y perfiles que definen las funcionalidades a las que un usuario debe tener acceso, se realiza mediante usuario y contraseña, personal e intransferible, tanto a sistemas (sistema operativo y carpetas compartidas) como a bases de datos y aplicativos. Así mismo, ROVI cuenta con sistemas que alertan de cualquier uso malintencionado o sospechoso de la información (DLP), deteniendo además posibles ataques por software malintencionado como los conocidos "Cryptolocker". Adicionalmente, se monitoriza nuestro Directorio Activo para alertar sobre aquellas conductas sospechosas de ser ataques, tales como robo de claves, movimientos laterales, manejo de certificados, aplicación de permisos, abuso de privilegios, etc.

Como medida de seguridad adicional, en los servidores de nuestra compañía se está estableciendo un sistema de parcheo virtual. Se aplican diariamente reglas de firewall específicos a cada uno de los sistemas para bloquear ataques que aprovechen brechas de seguridad aún no parcheadas mediante las actualizaciones del Sistema Operativo mensuales que se realizan en ellos.

En relación a la segregación de funciones, está determinada en los sistemas en función de la distribución de roles y perfiles anteriormente comentados. Anualmente la función de Auditoría Interna analiza los sistemas para asegurar que no hay uso de transacciones incompatibles con la segregación de funciones por parte de un mismo usuario.

La política general de seguridad no permite la instalación, desinstalación o modificación de software en los equipos sin los permisos específicos, evitando que usuarios no administradores puedan modificar sustancialmente los equipos cliente sin autorización de un administrador TIC. Los usuarios también tienen prohibido el uso de dispositivos de almacenamiento externo, a no ser que sea aprobado e inventariado por el Departamento de IT.

En ROVI se ha establecido una metodología de gestión del cambio en base a normas Good Manufacturing Practice (normas "GMP"), la cual establece las cautelas y validaciones necesarias para limitar el riesgo en este proceso. Esta metodología es de obligado cumplimiento para cualquier cambio que se realice en los Sistemas TIC de la compañía.

Existe un servicio interno de "Help Desk" en horario 24x7 al que los usuarios finales pueden dirigirse en caso de encontrarse con cualquier incidencia con su puesto o sistema de trabajo.

La compañía cuenta con un Centro de Procesamiento de Datos (CPD) ubicado en la Comunidad de Madrid, operado y gestionado por un proveedor externo, que cuenta con todas medidas en cuanto a seguridad de acceso y disponibilidad del servicio. Únicamente el personal autorizado puede acceder a dichas instalaciones, quedando todos los accesos registrados. Se ha establecido una monitorización de todos los sistemas y enlaces de datos para comprobar su correcto funcionamiento y respuesta. La operación y gestión del CPD y los sistemas alojados de ROVI son auditados satisfactoriamente de forma anual según la norma ISAE3402.

Las comunicaciones y sistemas de ROVI están protegidas mediante elementos de red como Firewalls, en varios niveles, y Antivirus para reforzar internamente el control ante amenazas como virus u otro tipo de software malintencionado.

La mayoría de los sistemas cuentan con alta disponibilidad local, existiendo servidores y cabinas de datos redundados en el mismo CPD, que permiten asegurar su disponibilidad en caso de incidencias.

Adicionalmente, se realiza de forma periódica una copia de seguridad de los datos y sistemas, que se mantiene en un lugar seguro y en ubicaciones distintas. Al menos una vez al año se ejecuta el procedimiento de recuperación de los sistemas y datos relativos a información financiera comprobando así su fiabilidad y correcta ejecución.

ROVI cuenta con su ERP (SAP) virtualizado, con el que se dota de mayor tolerancia ante desastres, manteniendo un sistema espejo en un CPD situado en distinta ubicación geográfica que el principal, y que entraría en funcionamiento en caso de desastre mayor.



F.3.3 Políticas y procedimientos de control interno destinados a supervisar la gestión de las actividades subcontratadas a terceros, así como de aquellos aspectos de evaluación, cálculo o valoración encomendados a expertos independientes, que puedan afectar de modo material a los estados financieros.

En la actualidad la única transacción externalizada con impacto relevante en la información financiera es el proceso de elaboración de nómina. El proceso de gestión de nóminas es monitorizado por el departamento de Recursos Humanos. Las actividades de supervisión se encuentran reflejadas en la documentación descriptiva de flujos y actividades de la Sociedad.

#### **F.4. Información y comunicación.**

Informe, señalando sus principales características, si dispone al menos de:

F.4.1 Una función específica encargada de definir, mantener actualizadas las políticas contables (área o departamento de políticas contables) y resolver dudas o conflictos derivados de su interpretación, manteniendo una comunicación fluida con los responsables de las operaciones en la organización, así como un manual de políticas contables actualizado y comunicado a las unidades a través de las que opera la entidad.

En el Departamento Financiero de la Sociedad, en concreto en el área contable, existe una función específica encargada de definir y mantener actualizadas las políticas contables, así como de resolver las dudas o conflictos derivados de su interpretación.

La Sociedad posee un manual de políticas contables donde se incluyen los principales criterios contables a tener en cuenta en la elaboración de la información financiera. Dicho manual es actualizado por el Departamento Financiero de ROVI con carácter periódico. La última actualización se produjo en diciembre de 2017 y se encuentra en proceso de revisión para incorporar las nuevas normas de contabilidad aplicables.

F.4.2 Mecanismos de captura y preparación de la información financiera con formatos homogéneos, de aplicación y utilización por todas las unidades de la entidad o del grupo, que soporten los estados financieros principales y las notas, así como la información que se detalle sobre el SCIIF.

Todas las sociedades que forman parte del Grupo utilizan SAP como único sistema de captura y preparación de la información financiera. La carga de datos en la aplicación se realiza de forma homogénea para todas las filiales incluidas en el perímetro de consolidación. Al tratarse de un grupo de sociedades en el que la función financiera está muy centralizada, las actividades clave desarrolladas en la elaboración de la información financiera son realizadas por el mismo equipo de empleados para todas las sociedades del Grupo, lo que garantiza la homogeneidad de la información.

En relación con el SCIIF, el responsable de la elaboración de esta información contacta con los departamentos involucrados en el mismo para la obtención de la documentación (financiera y no financiera) necesaria para la correcta cumplimentación de los requerimientos legales en relación al mismo.

#### **F.5. Supervisión del funcionamiento del sistema.**

Informe, señalando sus principales características, al menos de:

F.5.1 Las actividades de supervisión del SCIIF realizadas por la comisión de auditoría así como si la entidad cuenta con una función de auditoría interna que tenga entre sus competencias la de apoyo a la comisión en su labor de supervisión del sistema de control interno, incluyendo el SCIIF. Asimismo se informará del alcance de la evaluación del SCIIF realizada en el ejercicio y del procedimiento por el cual el encargado de ejecutar la evaluación comunica sus resultados, si la entidad cuenta con un plan de acción que detalle las eventuales medidas correctoras, y si se ha considerado su impacto en la información financiera.

La Comisión de Auditoría se ha reunido trimestralmente a fin de revisar la información financiera periódica remitida a la Comisión Nacional del Mercado de Valores. Ha supervisado el proceso de elaboración y la integridad de la información financiera trimestral y semestral, tanto individual

como consolidada, en concreto, la Comisión ha revisado, con carácter previo a su remisión, el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables en la información periódica y todo ello en los plazos establecidos legalmente al efecto.

La Comisión de Auditoría ha sido informada periódicamente por la auditoría interna de las actividades relacionadas con el SCIIF. En este sentido, la auditoría interna elaboró el plan anual de trabajo de auditoría interna para el ejercicio 2019 que fue examinado y aprobado por la Comisión de Auditoría y que contenía, entre otros, los trabajos a realizar durante el 2019 en relación al SCIIF. La Comisión de Auditoría ha recibido el Informe Anual de Auditoría relativo al ejercicio 2019 donde se ha detallado el estado de ejecución de las labores de auditoría interna sobre el SCIIF, entre otros trabajos, y donde se han notificado los resultados, indicándose, en su caso, los aspectos que pudieran tener un impacto relevante en la información financiera.

Por último, la Comisión de Auditoría, con el fin de evitar que las cuentas anuales individuales y consolidadas formuladas por el Consejo de Administración se presenten en la Junta General con salvedades en el informe de auditoría, con carácter previo a dicha formulación, ha llevado a cabo, entre otras, las siguientes tareas: revisar las cuentas anuales, vigilar el cumplimiento de los requerimientos legales y la correcta aplicación de los principios de contabilidad generalmente aceptados y conocer el proceso de información financiera, los sistemas de control internos de la Sociedad y comprobar la adecuación e integridad de los mismos.

La Comisión de Auditoría ha informado favorablemente al Consejo de Administración con carácter previo a la formulación de las cuentas anuales.

La Sociedad cuenta con una función de auditoría interna que apoya a la Comisión de Auditoría en la supervisión del control interno de la información financiera.

La función de auditoría interna, bajo la supervisión de la Comisión de Auditoría, vela por el buen funcionamiento de los sistemas de información y control internos. La función de Auditoría Interna está regulada en un "Estatuto de Auditoría Interna" cuya última actualización se aprobó en la Comisión de Auditoría del 12 de diciembre de 2019. El responsable de la función de auditoría interna presenta a la Comisión de Auditoría su plan anual de trabajo, asimismo le informa directamente de las incidencias que se presenten en su desarrollo y somete a la Comisión, al final de cada ejercicio, un informe de actividades.

Durante el ejercicio 2019, Auditoría Interna, como parte de su Plan Anual de Trabajo, ha llevado a cabo la revisión de la eficacia en el diseño e implantación de los controles claves de los procesos con efecto significativo en los estados financieros de ROVI. En concreto, se ha evaluado el diseño de los controles y se ha verificado el correcto funcionamiento de los mismos en los siguientes procesos:

- Activos fijos.
- Ventas.
- Compras.
- Nóminas.
- Impuestos.

Las medidas correctoras identificadas con impacto significativo en la información financiera han sido incluidas en el Informe Anual de Auditoría Interna que se presenta a la Comisión de Auditoría al final de cada ejercicio.

Durante el ejercicio 2020 se continuarán realizando auditorías de supervisión del correcto funcionamiento del SCIIF de los procesos clave.

**F.5.2 Si cuenta con un procedimiento de discusión mediante el cual, el auditor de cuentas (de acuerdo con lo establecido en las NTA), la función de auditoría interna y otros expertos puedan comunicar a la alta dirección y a la comisión de auditoría o administradores de la entidad las debilidades significativas de control interno identificadas durante los procesos de revisión de las cuentas anuales o aquellos otros que les hayan sido encomendados. Asimismo, informará de si dispone de un plan de acción que trate de corregir o mitigar las debilidades observadas.**

La Comisión de Auditoría mantiene una relación estable y constante con los auditores de cuentas. En su Plan de Trabajo Anual, la Comisión de Auditoría establece las reuniones mínimas anuales que, mantendrá con los auditores de cuenta de forma que se garantice la fluidez de comunicaciones que pueda conocer las debilidades significativas de control interno identificadas.

En este sentido, en el ejercicio 2019 la Comisión de Auditoría se ha reunido en tres ocasiones con el auditor de cuentas en las que ha obtenido información tanto de la planificación del trabajo como de los resultados y conclusiones del mismo (incluidas debilidades significativas de control). El auditor de cuentas, con carácter previo a la formulación de las cuentas anuales del ejercicio, también se reunió con el Consejo de Administración en pleno para informarle del trabajo realizado.

De igual forma, la Comisión de Auditoría mantiene reuniones periódicas con Auditoría Interna quien trimestralmente le informa, entre otros aspectos, de las debilidades significativas de control interno identificadas si las hubiera.

Independientemente de las reuniones planificadas, en el caso de que sea detectada alguna debilidad relevante, tanto los auditores de cuentas como Auditoría Interna tienen la capacidad de comunicarlo de forma inmediata a la Comisión de Auditoría.

Para todas las debilidades significativas de control interno que pudieran detectarse son diseñados planes de acción que las mitiguen o hagan desaparecer.

**F.6. Otra información relevante.**

No existe información relevante no incluida en los apartados anteriores.

**F.7. Informe del auditor externo.**

Informe de:

F.7.1 Si la información del SCIIF remitida a los mercados ha sido sometida a revisión por el auditor externo, en cuyo caso la entidad debería incluir el informe correspondiente como anexo. En caso contrario, debería informar de sus motivos.

La información sobre los sistemas de control interno sobre la información financiera incluida en el Informe Anual de Gobierno Corporativo ha sido sometida a revisión por un auditor externo, del que se incluye copia a continuación.

**G. GRADO DE SEGUIMIENTO DE LAS RECOMENDACIONES DE GOBIERNO CORPORATIVO**

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Indique el grado de seguimiento de la sociedad respecto de las recomendaciones del Código de buen gobierno de las sociedades cotizadas.

En el caso de que alguna recomendación no se siga o se siga parcialmente, se deberá incluir una explicación detallada de sus motivos de manera que los accionistas, los inversores y el mercado en general, cuenten con información suficiente para valorar el proceder de la sociedad. No serán aceptables explicaciones de carácter general.

1. Que los estatutos de las sociedades cotizadas no limiten el número máximo de votos que pueda emitir un mismo accionista, ni contengan otras restricciones que dificulten la toma de control de la sociedad mediante la adquisición de sus acciones en el mercado.

Cumple       Explique

2. Que cuando coticen la sociedad matriz y una sociedad dependiente ambas definan públicamente con precisión:

- a) Las respectivas áreas de actividad y eventuales relaciones de negocio entre ellas, así como las de la sociedad dependiente cotizada con las demás empresas del grupo.
- b) Los mecanismos previstos para resolver los eventuales conflictos de interés que puedan presentarse.

Cumple       Cumple parcialmente       Explique       No aplicable

3. Que durante la celebración de la junta general ordinaria, como complemento de la difusión por escrito del informe anual de gobierno corporativo, el presidente del consejo de administración informe verbalmente a los accionistas, con suficiente detalle, de los aspectos más relevantes del gobierno corporativo de la sociedad y, en particular:

- a) De los cambios acaecidos desde la anterior junta general ordinaria.
- b) De los motivos concretos por los que la compañía no sigue alguna de las recomendaciones del Código de Gobierno Corporativo y, si existieran, de las reglas alternativas que aplique en esa materia.

Cumple       Cumple parcialmente       Explique

4. Que la sociedad defina y promueva una política de comunicación y contactos con accionistas, inversores institucionales y asesores de voto que sea plenamente respetuosa con las normas contra el abuso de mercado y dé un trato semejante a los accionistas que se encuentren en la misma posición.

Y que la sociedad haga pública dicha política a través de su página web, incluyendo información relativa a la forma en que la misma se ha puesto en práctica e identificando a los interlocutores o responsables de llevarla a cabo.

Cumple       Cumple parcialmente       Explique

5. Que el consejo de administración no eleve a la junta general una propuesta de delegación de facultades, para emitir acciones o valores convertibles con exclusión del derecho de suscripción preferente, por un importe superior al 20% del capital en el momento de la delegación.

Y que cuando el consejo de administración apruebe cualquier emisión de acciones o de valores convertibles con exclusión del derecho de suscripción preferente, la sociedad publique inmediatamente en su página web los informes sobre dicha exclusión a los que hace referencia la legislación mercantil.

Cumple [ ]      Cumple parcialmente [ X ]      Explique [ ]

La Junta General de accionistas de ROVI celebrada el 12 de junio de 2019 acordó delegar en el Consejo de Administración la facultad de aumentar el capital social, sin previa consulta a la Junta General, en una o varias veces y en cualquier momento, en el plazo de cinco años contados desde la celebración de esta Junta, en la cantidad máxima permitida por la Ley, es decir, un importe nominal máximo de 1.682.068,95 euros, cifra que se corresponde con la mitad del capital social en el momento de la autorización, facultando expresamente al Consejo para excluir, total o parcialmente, el derecho de suscripción preferente en los términos del artículo 506 de la Ley de Sociedades de Capital

6. Que las sociedades cotizadas que elaboren los informes que se citan a continuación, ya sea de forma preceptiva o voluntaria, los publiquen en su página web con antelación suficiente a la celebración de la junta general ordinaria, aunque su difusión no sea obligatoria:

- a) Informe sobre la independencia del auditor.
- b) Informes de funcionamiento de las comisiones de auditoría y de nombramientos y retribuciones.
- c) Informe de la comisión de auditoría sobre operaciones vinculadas.
- d) Informe sobre la política de responsabilidad social corporativa.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

7. Que la sociedad transmita en directo, a través de su página web, la celebración de las juntas generales de accionistas.

Cumple [ X ]      Explique [ ]

8. Que la comisión de auditoría vele porque el consejo de administración procure presentar las cuentas a la junta general de accionistas sin limitaciones ni salvedades en el informe de auditoría y que, en los supuestos excepcionales en que existan salvedades, tanto el presidente de la comisión de auditoría como los auditores expliquen con claridad a los accionistas el contenido y alcance de dichas limitaciones o salvedades.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

9. Que la sociedad haga públicos en su página web, de manera permanente, los requisitos y procedimientos que aceptará para acreditar la titularidad de acciones, el derecho de asistencia a la junta general de accionistas y el ejercicio o delegación del derecho de voto.

Y que tales requisitos y procedimientos favorezcan la asistencia y el ejercicio de sus derechos a los accionistas y se apliquen de forma no discriminatoria.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

10. Que cuando algún accionista legitimado haya ejercitado, con anterioridad a la celebración de la junta general de accionistas, el derecho a completar el orden del día o a presentar nuevas propuestas de acuerdo, la sociedad:

- a) Difunda de inmediato tales puntos complementarios y nuevas propuestas de acuerdo.
- b) Haga público el modelo de tarjeta de asistencia o formulario de delegación de voto o voto a distancia con las modificaciones precisas para que puedan votarse los nuevos puntos del orden del día y propuestas alternativas de acuerdo en los mismos términos que los propuestos por el consejo de administración.
- c) Someta todos esos puntos o propuestas alternativas a votación y les aplique las mismas reglas de voto que a las formuladas por el consejo de administración, incluidas, en particular, las presunciones o deducciones sobre el sentido del voto.
- d) Con posterioridad a la junta general de accionistas, comunique el desglose del voto sobre tales puntos complementarios o propuestas alternativas.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

11. Que, en el caso de que la sociedad tenga previsto pagar primas de asistencia a la junta general de accionistas, establezca, con anterioridad, una política general sobre tales primas y que dicha política sea estable.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

12. Que el consejo de administración desempeñe sus funciones con unidad de propósito e independencia de criterio, dispense el mismo trato a todos los accionistas que se hallen en la misma posición y se guíe por el interés social, entendido como la consecución de un negocio rentable y sostenible a largo plazo, que promueva su continuidad y la maximización del valor económico de la empresa.

Y que en la búsqueda del interés social, además del respeto de las leyes y reglamentos y de un comportamiento basado en la buena fe, la ética y el respeto a los usos y a las buenas prácticas comúnmente aceptadas, procure conciliar el propio interés social con, según corresponda, los legítimos intereses de sus empleados, sus proveedores, sus clientes y los de los restantes grupos de interés que puedan verse afectados, así como el impacto de las actividades de la compañía en la comunidad en su conjunto y en el medio ambiente.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

13. Que el consejo de administración posea la dimensión precisa para lograr un funcionamiento eficaz y participativo, lo que hace aconsejable que tenga entre cinco y quince miembros.

Cumple [ X ]      Explique [ ]

14. Que el consejo de administración apruebe una política de selección de consejeros que:

- a) Sea concreta y verificable.
- b) Asegure que las propuestas de nombramiento o reelección se fundamenten en un análisis previo de las necesidades del consejo de administración.
- c) Favorezca la diversidad de conocimientos, experiencias y género.

Que el resultado del análisis previo de las necesidades del consejo de administración se recoja en el informe justificativo de la comisión de nombramientos que se publique al convocar la junta general de accionistas a la que se someta la ratificación, el nombramiento o la reelección de cada consejero.

Y que la política de selección de consejeros promueva el objetivo de que en el año 2020 el número de consejeras represente, al menos, el 30% del total de miembros del consejo de administración.

La comisión de nombramiento verificará anualmente el cumplimiento de la política de selección de consejeros y se informará de ello en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

15. Que los consejeros dominicales e independientes constituyan una amplia mayoría del consejo de administración y que el número de consejeros ejecutivos sea el mínimo necesario, teniendo en cuenta la complejidad del grupo societario y el porcentaje de participación de los consejeros ejecutivos en el capital de la sociedad.

Cumple [ ]      Cumple parcialmente [ X ]      Explique [ ]

La Sociedad cumple la recomendación en la medida en que el número de consejeros ejecutivos es el mínimo necesario, teniendo en cuenta el porcentaje de participación de los consejeros ejecutivos en el capital de la Sociedad. Asimismo, los consejeros externos (4 miembros, tres independientes y uno dominical) constituyen mayoría en el Consejo (7 miembros).

16. Que el porcentaje de consejeros dominicales sobre el total de consejeros no ejecutivos no sea mayor que la proporción existente entre el capital de la sociedad representado por dichos consejeros y el resto del capital.

Este criterio podrá atenuarse:

- a) En sociedades de elevada capitalización en las que sean escasas las participaciones accionariales que tengan legalmente la consideración de significativas.
- b) Cuando se trate de sociedades en las que exista una pluralidad de accionistas representados en el consejo de administración y no tengan vínculos entre sí.

Cumple [ X ]      Explique [ ]

17. Que el número de consejeros independientes represente, al menos, la mitad del total de consejeros.

Que, sin embargo, cuando la sociedad no sea de elevada capitalización o cuando, aun siéndolo, cuente con un accionista o varios actuando concertadamente, que controlen más del 30% del capital social, el número de consejeros independientes represente, al menos, un tercio del total de consejeros.

Cumple [ X ]      Explique [ ]

18. Que las sociedades hagan pública a través de su página web, y mantengan actualizada, la siguiente información sobre sus consejeros:

- a) Perfil profesional y biográfico.
- b) Otros consejos de administración a los que pertenezcan, se trate o no de sociedades cotizadas, así como sobre las demás actividades retribuidas que realice cualquiera que sea su naturaleza.
- c) Indicación de la categoría de consejero a la que pertenezcan, señalándose, en el caso de consejeros dominicales, el accionista al que representen o con quien tengan vínculos.
- d) Fecha de su primer nombramiento como consejero en la sociedad, así como de las posteriores reelecciones.
- e) Acciones de la compañía, y opciones sobre ellas, de las que sean titulares.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

19. Que en el informe anual de gobierno corporativo, previa verificación por la comisión de nombramientos, se expliquen las razones por las cuales se hayan nombrado consejeros dominicales a instancia de accionistas cuya participación accionarial sea inferior al 3% del capital; y se expongan las razones por las que no se hubieran atendido, en su caso, peticiones formales de presencia en el consejo procedentes de accionistas cuya participación accionarial sea igual o superior a la de otros a cuya instancia se hubieran designado consejeros dominicales.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]



20. Que los consejeros dominicales presenten su dimisión cuando el accionista a quien representen transmita íntegramente su participación accionarial. Y que también lo hagan, en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de sus consejeros dominicales.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

21. Que el consejo de administración no proponga la separación de ningún consejero independiente antes del cumplimiento del período estatutario para el que hubiera sido nombrado, salvo cuando concurra justa causa, apreciada por el consejo de administración previo informe de la comisión de nombramientos. En particular, se entenderá que existe justa causa cuando el consejero pase a ocupar nuevos cargos o contraiga nuevas obligaciones que le impidan dedicar el tiempo necesario al desempeño de las funciones propias del cargo de consejero, incumpla los deberes inherentes a su cargo o incurra en algunas de las circunstancias que le hagan perder su condición de independiente, de acuerdo con lo establecido en la legislación aplicable.

También podrá proponerse la separación de consejeros independientes como consecuencia de ofertas públicas de adquisición, fusiones u otras operaciones corporativas similares que supongan un cambio en la estructura de capital de la sociedad, cuando tales cambios en la estructura del consejo de administración vengán propiciados por el criterio de proporcionalidad señalado en la recomendación 16.

Cumple [ X ]      Explique [ ]

22. Que las sociedades establezcan reglas que obliguen a los consejeros a informar y, en su caso, dimitir en aquellos supuestos que puedan perjudicar al crédito y reputación de la sociedad y, en particular, les obliguen a informar al consejo de administración de las causas penales en las que aparezcan como imputados, así como de sus posteriores vicisitudes procesales.

Y que si un consejero resultara procesado o se dictara contra él auto de apertura de juicio oral por alguno de los delitos señalados en la legislación societaria, el consejo de administración examine el caso tan pronto como sea posible y, a la vista de sus circunstancias concretas, decida si procede o no que el consejero continúe en su cargo. Y que de todo ello el consejo de administración dé cuenta, de forma razonada, en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

23. Que todos los consejeros expresen claramente su oposición cuando consideren que alguna propuesta de decisión sometida al consejo de administración puede ser contraria al interés social. Y que otro tanto hagan, de forma especial, los independientes y demás consejeros a quienes no afecte el potencial conflicto de intereses, cuando se trate de decisiones que puedan perjudicar a los accionistas no representados en el consejo de administración.

Y que cuando el consejo de administración adopte decisiones significativas o reiteradas sobre las que el consejero hubiera formulado serias reservas, este saque las conclusiones que procedan y, si optara por dimitir, explique las razones en la carta a que se refiere la recomendación siguiente.

Esta recomendación alcanza también al secretario del consejo de administración, aunque no tenga la condición de consejero.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

24. Que cuando, ya sea por dimisión o por otro motivo, un consejero cese en su cargo antes del término de su mandato, explique las razones en una carta que remitirá a todos los miembros del consejo de administración. Y que, sin perjuicio de que dicho cese se comunique como hecho relevante, del motivo del cese se dé cuenta en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

25. Que la comisión de nombramientos se asegure de que los consejeros no ejecutivos tienen suficiente disponibilidad de tiempo para el correcto desarrollo de sus funciones.

Y que el reglamento del consejo establezca el número máximo de consejos de sociedades de los que pueden formar parte sus consejeros.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

26. Que el consejo de administración se reúna con la frecuencia precisa para desempeñar con eficacia sus funciones y, al menos, ocho veces al año, siguiendo el programa de fechas y asuntos que establezca al inicio del ejercicio, pudiendo cada consejero individualmente proponer otros puntos del orden del día inicialmente no previstos.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

27. Que las inasistencias de los consejeros se reduzcan a los casos indispensables y se cuantifiquen en el informe anual de gobierno corporativo. Y que, cuando deban producirse, se otorgue representación con instrucciones.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

28. Que cuando los consejeros o el secretario manifiesten preocupación sobre alguna propuesta o, en el caso de los consejeros, sobre la marcha de la sociedad y tales preocupaciones no queden resueltas en el consejo de administración, a petición de quien las hubiera manifestado, se deje constancia de ellas en el acta.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

29. Que la sociedad establezca los cauces adecuados para que los consejeros puedan obtener el asesoramiento preciso para el cumplimiento de sus funciones incluyendo, si así lo exigieran las circunstancias, asesoramiento externo con cargo a la empresa.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

30. Que, con independencia de los conocimientos que se exijan a los consejeros para el ejercicio de sus funciones, las sociedades ofrezcan también a los consejeros programas de actualización de conocimientos cuando las circunstancias lo aconsejen.

Cumple [ X ]      Explique [ ]      No aplicable [ ]

31. Que el orden del día de las sesiones indique con claridad aquellos puntos sobre los que el consejo de administración deberá adoptar una decisión o acuerdo para que los consejeros puedan estudiar o recabar, con carácter previo, la información precisa para su adopción.

Cuando, excepcionalmente, por razones de urgencia, el presidente quiera someter a la aprobación del consejo de administración decisiones o acuerdos que no figuraran en el orden del día, será preciso el consentimiento previo y expreso de la mayoría de los consejeros presentes, del que se dejará debida constancia en el acta.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

32. Que los consejeros sean periódicamente informados de los movimientos en el accionariado y de la opinión que los accionistas significativos, los inversores y las agencias de calificación tengan sobre la sociedad y su grupo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

33. Que el presidente, como responsable del eficaz funcionamiento del consejo de administración, además de ejercer las funciones que tiene legal y estatutariamente atribuidas, prepare y someta al consejo de administración un programa de fechas y asuntos a tratar; organice y coordine la evaluación periódica del consejo, así como, en su caso, la del primer ejecutivo de la sociedad; sea responsable de la dirección del consejo y de la efectividad de su funcionamiento; se asegure de que se dedica suficiente tiempo de discusión a las cuestiones estratégicas, y acuerde y revise los programas de actualización de conocimientos para cada consejero, cuando las circunstancias lo aconsejen.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

34. Que cuando exista un consejero coordinador, los estatutos o el reglamento del consejo de administración, además de las facultades que le corresponden legalmente, le atribuya las siguientes: presidir el consejo de administración en ausencia del presidente y de los vicepresidentes, en caso de existir; hacerse eco de las preocupaciones de los consejeros no ejecutivos; mantener contactos con inversores y accionistas para conocer sus puntos de vista a efectos de formarse una opinión sobre sus preocupaciones, en particular, en relación con el gobierno corporativo de la sociedad; y coordinar el plan de sucesión del presidente.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

35. Que el secretario del consejo de administración vele de forma especial para que en sus actuaciones y decisiones el consejo de administración tenga presentes las recomendaciones sobre buen gobierno contenidas en este Código de buen gobierno que fueran aplicables a la sociedad.

Cumple [ X ]      Explique [ ]

36. Que el consejo de administración en pleno evalúe una vez al año y adopte, en su caso, un plan de acción que corrija las deficiencias detectadas respecto de:

- a) La calidad y eficiencia del funcionamiento del consejo de administración.
- b) El funcionamiento y la composición de sus comisiones.
- c) La diversidad en la composición y competencias del consejo de administración.
- d) El desempeño del presidente del consejo de administración y del primer ejecutivo de la sociedad.
- e) El desempeño y la aportación de cada consejero, prestando especial atención a los responsables de las distintas comisiones del consejo.

Para la realización de la evaluación de las distintas comisiones se partirá del informe que estas eleven al consejo de administración, y para la de este último, del que le eleve la comisión de nombramientos.

Cada tres años, el consejo de administración será auxiliado para la realización de la evaluación por un consultor externo, cuya independencia será verificada por la comisión de nombramientos.

Las relaciones de negocio que el consultor o cualquier sociedad de su grupo mantengan con la sociedad o cualquier sociedad de su grupo deberán ser desglosadas en el informe anual de gobierno corporativo.

El proceso y las áreas evaluadas serán objeto de descripción en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

37. Que cuando exista una comisión ejecutiva, la estructura de participación de las diferentes categorías de consejeros sea similar a la del propio consejo de administración y su secretario sea el de este último.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

38. Que el consejo de administración tenga siempre conocimiento de los asuntos tratados y de las decisiones adoptadas por la comisión ejecutiva y que todos los miembros del consejo de administración reciban copia de las actas de las sesiones de la comisión ejecutiva.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]      No aplicable [  ]

39. Que los miembros de la comisión de auditoría, y de forma especial su presidente, se designen teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o gestión de riesgos, y que la mayoría de dichos miembros sean consejeros independientes.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

40. Que bajo la supervisión de la comisión de auditoría, se disponga de una unidad que asuma la función de auditoría interna que vele por el buen funcionamiento de los sistemas de información y control interno y que funcionalmente dependa del presidente no ejecutivo del consejo o del de la comisión de auditoría.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

41. Que el responsable de la unidad que asuma la función de auditoría interna presente a la comisión de auditoría su plan anual de trabajo, informe directamente de las incidencias que se presenten en su desarrollo y someta al final de cada ejercicio un informe de actividades.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]      No aplicable [  ]

42. Que, además de las previstas en la ley, correspondan a la comisión de auditoría las siguientes funciones:

1. En relación con los sistemas de información y control interno:
  - a) Supervisar el proceso de elaboración y la integridad de la información financiera relativa a la sociedad y, en su caso, al grupo, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.
  - b) Velar por la independencia de la unidad que asume la función de auditoría interna; proponer la selección, nombramiento, reelección y cese del responsable del servicio de auditoría interna; proponer el presupuesto de ese servicio; aprobar la orientación y sus planes de trabajo, asegurándose de que su actividad esté enfocada principalmente hacia los riesgos relevantes de la sociedad; recibir información periódica sobre sus actividades; y verificar que la alta dirección tenga en cuenta las conclusiones y recomendaciones de sus informes.
  - c) Establecer y supervisar un mecanismo que permita a los empleados comunicar, de forma confidencial y, si resulta posible y se considera apropiado, anónima, las irregularidades de potencial trascendencia, especialmente financieras y contables, que adviertan en el seno de la empresa.
2. En relación con el auditor externo:
  - a) En caso de renuncia del auditor externo, examinar las circunstancias que la hubieran motivado.
  - b) Velar que la retribución del auditor externo por su trabajo no comprometa su calidad ni su independencia.
  - c) Supervisar que la sociedad comunique como hecho relevante a la CNMV el cambio de auditor y lo acompañe de una declaración sobre la eventual existencia de desacuerdos con el auditor saliente y, si hubieran existido, de su contenido.
  - d) Asegurar que el auditor externo mantenga anualmente una reunión con el pleno del consejo de administración para informarle sobre el trabajo realizado y sobre la evolución de la situación contable y de riesgos de la sociedad.
  - e) Asegurar que la sociedad y el auditor externo respetan las normas vigentes sobre prestación de servicios distintos a los de auditoría, los límites a la concentración del negocio del auditor y, en general, las demás normas sobre independencia de los auditores.

Cumple [ X ]

Cumple parcialmente [ ]

Explique [ ]

43. Que la comisión de auditoría pueda convocar a cualquier empleado o directivo de la sociedad, e incluso disponer que comparezcan sin presencia de ningún otro directivo.

Cumple [ X ]

Cumple parcialmente [ ]

Explique [ ]

44. Que la comisión de auditoría sea informada sobre las operaciones de modificaciones estructurales y corporativas que proyecte realizar la sociedad para su análisis e informe previo al consejo de administración sobre sus condiciones económicas y su impacto contable y, en especial, en su caso, sobre la ecuación de canje propuesta.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]      No aplicable [  ]

45. Que la política de control y gestión de riesgos identifique al menos:

- a) Los distintos tipos de riesgo, financieros y no financieros (entre otros los operativos, tecnológicos, legales, sociales, medio ambientales, políticos y reputacionales) a los que se enfrenta la sociedad, incluyendo entre los financieros o económicos, los pasivos contingentes y otros riesgos fuera de balance.
- b) La fijación del nivel de riesgo que la sociedad considere aceptable.
- c) Las medidas previstas para mitigar el impacto de los riesgos identificados, en caso de que llegaran a materializarse.
- d) Los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos, incluidos los pasivos contingentes o riesgos fuera de balance.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

46. Que bajo la supervisión directa de la comisión de auditoría o, en su caso, de una comisión especializada del consejo de administración, exista una función interna de control y gestión de riesgos ejercida por una unidad o departamento interno de la sociedad que tenga atribuidas expresamente las siguientes funciones:

- a) Asegurar el buen funcionamiento de los sistemas de control y gestión de riesgos y, en particular, que se identifiquen, gestionen, y cuantifican adecuadamente todos los riesgos importantes que afecten a la sociedad.
- b) Participar activamente en la elaboración de la estrategia de riesgos y en las decisiones importantes sobre su gestión.
- c) Velar por que los sistemas de control y gestión de riesgos mitiguen los riesgos adecuadamente en el marco de la política definida por el consejo de administración.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

47. Que los miembros de la comisión de nombramientos y de retribuciones –o de la comisión de nombramientos y la comisión de retribuciones, si estuvieren separadas– se designen procurando que tengan los conocimientos, aptitudes y experiencia adecuados a las funciones que estén llamados a desempeñar y que la mayoría de dichos miembros sean consejeros independientes.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

48. Que las sociedades de elevada capitalización cuenten con una comisión de nombramientos y con una comisión de remuneraciones separadas.

Cumple [  ]      Explique [  ]      No aplicable [  ]

49. Que la comisión de nombramientos consulte al presidente del consejo de administración y al primer ejecutivo de la sociedad, especialmente cuando se trate de materias relativas a los consejeros ejecutivos.

Y que cualquier consejero pueda solicitar de la comisión de nombramientos que tome en consideración, por si los encuentra idóneos a su juicio, potenciales candidatos para cubrir vacantes de consejero.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

50. Que la comisión de retribuciones ejerza sus funciones con independencia y que, además de las funciones que le atribuya la ley, le correspondan las siguientes:

- a) Proponer al consejo de administración las condiciones básicas de los contratos de los altos directivos.
- b) Comprobar la observancia de la política retributiva establecida por la sociedad.
- c) Revisar periódicamente la política de remuneraciones aplicada a los consejeros y altos directivos, incluidos los sistemas retributivos con acciones y su aplicación, así como garantizar que su remuneración individual sea proporcionada a la que se pague a los demás consejeros y altos directivos de la sociedad.
- d) Velar por que los eventuales conflictos de intereses no perjudiquen la independencia del asesoramiento externo prestado a la comisión.
- e) Verificar la información sobre remuneraciones de los consejeros y altos directivos contenida en los distintos documentos corporativos, incluido el informe anual sobre remuneraciones de los consejeros.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

51. Que la comisión de retribuciones consulte al presidente y al primer ejecutivo de la sociedad, especialmente cuando se trate de materias relativas a los consejeros ejecutivos y altos directivos.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]



52. Que las reglas de composición y funcionamiento de las comisiones de supervisión y control figuren en el reglamento del consejo de administración y que sean consistentes con las aplicables a las comisiones legalmente obligatorias conforme a las recomendaciones anteriores, incluyendo:
- a) Que estén compuestas exclusivamente por consejeros no ejecutivos, con mayoría de consejeros independientes.
  - b) Que sus presidentes sean consejeros independientes.
  - c) Que el consejo de administración designe a los miembros de estas comisiones teniendo presentes los conocimientos, aptitudes y experiencia de los consejeros y los cometidos de cada comisión, delibere sobre sus propuestas e informes; y que rinda cuentas, en el primer pleno del consejo de administración posterior a sus reuniones, de su actividad y que respondan del trabajo realizado.
  - d) Que las comisiones puedan recabar asesoramiento externo, cuando lo consideren necesario para el desempeño de sus funciones.
  - e) Que de sus reuniones se levante acta, que se pondrá a disposición de todos los consejeros.

Cumple [ ]

Cumple parcialmente [ ]

Explique [ ]

No aplicable [ X ]

53. Que la supervisión del cumplimiento de las reglas de gobierno corporativo, de los códigos internos de conducta y de la política de responsabilidad social corporativa se atribuya a una o se reparta entre varias comisiones del consejo de administración que podrán ser la comisión de auditoría, la de nombramientos, la comisión de responsabilidad social corporativa, en caso de existir, o una comisión especializada que el consejo de administración, en ejercicio de sus facultades de auto-organización, decida crear al efecto, a las que específicamente se les atribuyan las siguientes funciones mínimas:

- a) La supervisión del cumplimiento de los códigos internos de conducta y de las reglas de gobierno corporativo de la sociedad.
- b) La supervisión de la estrategia de comunicación y relación con accionistas e inversores, incluyendo los pequeños y medianos accionistas.
- c) La evaluación periódica de la adecuación del sistema de gobierno corporativo de la sociedad, con el fin de que cumpla su misión de promover el interés social y tenga en cuenta, según corresponda, los legítimos intereses de los restantes grupos de interés.
- d) La revisión de la política de responsabilidad corporativa de la sociedad, velando por que esté orientada a la creación de valor.
- e) El seguimiento de la estrategia y prácticas de responsabilidad social corporativa y la evaluación de su grado de cumplimiento.
- f) La supervisión y evaluación de los procesos de relación con los distintos grupos de interés.
- g) La evaluación de todo lo relativo a los riesgos no financieros de la empresa -incluyendo los operativos, tecnológicos, legales, sociales, medio ambientales, políticos y reputacionales.
- h) La coordinación del proceso de reporte de la información no financiera y sobre diversidad, conforme a la normativa aplicable y a los estándares internacionales de referencia.

Cumple [ X ]

Cumple parcialmente [ ]

Explique [ ]

54. Que la política de responsabilidad social corporativa incluya los principios o compromisos que la empresa asuma voluntariamente en su relación con los distintos grupos de interés e identifique al menos:
- a) Los objetivos de la política de responsabilidad social corporativa y el desarrollo de instrumentos de apoyo.
  - b) La estrategia corporativa relacionada con la sostenibilidad, el medio ambiente y las cuestiones sociales.
  - c) Las prácticas concretas en cuestiones relacionadas con: accionistas, empleados, clientes, proveedores, cuestiones sociales, medio ambiente, diversidad, responsabilidad fiscal, respeto de los derechos humanos y prevención de conductas ilegales.
  - d) Los métodos o sistemas de seguimiento de los resultados de la aplicación de las prácticas concretas señaladas en la letra anterior, los riesgos asociados y su gestión.
  - e) Los mecanismos de supervisión del riesgo no financiero, la ética y la conducta empresarial.
  - f) Los canales de comunicación, participación y diálogo con los grupos de interés.
  - g) Las prácticas de comunicación responsable que eviten la manipulación informativa y protejan la integridad y el honor.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

55. Que la sociedad informe, en un documento separado o en el informe de gestión, sobre los asuntos relacionados con la responsabilidad social corporativa, utilizando para ello alguna de las metodologías aceptadas internacionalmente.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

56. Que la remuneración de los consejeros sea la necesaria para atraer y retener a los consejeros del perfil deseado y para retribuir la dedicación, cualificación y responsabilidad que el cargo exija, pero no tan elevada como para comprometer la independencia de criterio de los consejeros no ejecutivos.

Cumple [ X ]      Explique [ ]

57. Que se circunscriban a los consejeros ejecutivos las remuneraciones variables ligadas al rendimiento de la sociedad y al desempeño personal, así como la remuneración mediante entrega de acciones, opciones o derechos sobre acciones o instrumentos referenciados al valor de la acción y los sistemas de ahorro a largo plazo tales como planes de pensiones, sistemas de jubilación u otros sistemas de previsión social.

Se podrá contemplar la entrega de acciones como remuneración a los consejeros no ejecutivos cuando se condicione a que las mantengan hasta su cese como consejeros. Lo anterior no será de aplicación a las acciones que el consejero necesite enajenar, en su caso, para satisfacer los costes relacionados con su adquisición.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

58. Que en caso de remuneraciones variables, las políticas retributivas incorporen los límites y las cautelas técnicas precisas para asegurar que tales remuneraciones guardan relación con el rendimiento profesional de sus beneficiarios y no derivan solamente de la evolución general de los mercados o del sector de actividad de la compañía o de otras circunstancias similares.

Y, en particular, que los componentes variables de las remuneraciones:

- a) Estén vinculados a criterios de rendimiento que sean predeterminados y medibles y que dichos criterios consideren el riesgo asumido para la obtención de un resultado.
- b) Promuevan la sostenibilidad de la empresa e incluyan criterios no financieros que sean adecuados para la creación de valor a largo plazo, como el cumplimiento de las reglas y los procedimientos internos de la sociedad y de sus políticas para el control y gestión de riesgos.
- c) Se configuren sobre la base de un equilibrio entre el cumplimiento de objetivos a corto, medio y largo plazo, que permitan remunerar el rendimiento por un desempeño continuado durante un período de tiempo suficiente para apreciar su contribución a la creación sostenible de valor, de forma que los elementos de medida de ese rendimiento no giren únicamente en torno a hechos puntuales, ocasionales o extraordinarios.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

59. Que el pago de una parte relevante de los componentes variables de la remuneración se difiera por un período de tiempo mínimo suficiente para comprobar que se han cumplido las condiciones de rendimiento previamente establecidas.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

60. Que las remuneraciones relacionadas con los resultados de la sociedad tomen en cuenta las eventuales salvedades que consten en el informe del auditor externo y minoren dichos resultados.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

61. Que un porcentaje relevante de la remuneración variable de los consejeros ejecutivos esté vinculado a la entrega de acciones o de instrumentos financieros referenciados a su valor.

Cumple [ ]      Cumple parcialmente [ X ]      Explique [ ]      No aplicable [ ]

La remuneración variable a largo plazo de los Consejeros Ejecutivos contempla una liquidación, a elección del beneficiario, íntegramente en dinero, íntegramente mediante la entrega de acciones de Rovi o mediante un sistema mixto 50% en dinero y 50% en acciones. Si bien es cierto que el sistema de retribución variable anual no contempla la entrega de acciones o de instrumentos financieros referenciados a su valor, al ser los Consejeros Ejecutivos, a su vez, accionistas indirectos significativos de la Sociedad mediante su participación en Norbel Inversiones, S.L. existe un alineamiento entre su desempeño profesional y los intereses de la Sociedad.

62. Que una vez atribuidas las acciones o las opciones o derechos sobre acciones correspondientes a los sistemas retributivos, los consejeros no puedan transferir la propiedad de un número de acciones equivalente a dos veces su remuneración fija anual, ni puedan ejercer las opciones o derechos hasta transcurrido un plazo de, al menos, tres años desde su atribución.

Lo anterior no será de aplicación a las acciones que el consejero necesite enajenar, en su caso, para satisfacer los costes relacionados con su adquisición.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

63. Que los acuerdos contractuales incluyan una cláusula que permita a la sociedad reclamar el reembolso de los componentes variables de la remuneración cuando el pago no haya estado ajustado a las condiciones de rendimiento o cuando se hayan abonado atendiendo a datos cuya inexactitud quede acreditada con posterioridad.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

64. Que los pagos por resolución del contrato no superen un importe establecido equivalente a dos años de la retribución total anual y que no se abonen hasta que la sociedad haya podido comprobar que el consejero ha cumplido con los criterios de rendimiento previamente establecidos.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

**H. OTRAS INFORMACIONES DE INTERÉS**

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1. Si existe algún aspecto relevante en materia de gobierno corporativo en la sociedad o en las entidades del grupo que no se haya recogido en el resto de apartados del presente informe, pero que sea necesario incluir para recoger una información más completa y razonada sobre la estructura y prácticas de gobierno en la entidad o su grupo, detállelos brevemente.
2. Dentro de este apartado, también podrá incluirse cualquier otra información, aclaración o matiz relacionado con los anteriores apartados del informe en la medida en que sean relevantes y no reiterativos.

En concreto, se indicará si la sociedad está sometida a legislación diferente a la española en materia de gobierno corporativo y, en su caso, incluya aquella información que esté obligada a suministrar y sea distinta de la exigida en el presente informe.

3. La sociedad también podrá indicar si se ha adherido voluntariamente a otros códigos de principios éticos o de buenas prácticas, internacionales, sectoriales o de otro ámbito. En su caso, se identificará el código en cuestión y la fecha de adhesión. En particular, hará mención a si se ha adherido al Código de Buenas Prácticas Tributarias, de 20 de julio de 2010:

Apartado 3 - Se hace constar que la Sociedad se encuentra adherida al Código de Buenas Prácticas de la Industria Farmacéutica, Código Tipo de Farmaindustria de protección de datos personales en el ámbito de la Investigación clínica y de la Farmacovigilancia y al Código de Normas Deontológicas para la promoción y publicidad de los medicamentos autorizados sin receta médica no financiados por el Sistema Nacional de Salud y otros productos para el autocuidado de la salud.

Apartado A.2- Norbel Inversiones, S.L. con fecha 16/05/2019 aumentó su participación hasta alcanzar el 63,107% del capital social.

Apartado A.3 - Aunque D. Miguel Corsini Freese renunció al cargo de consejero por las razones expuestas en el apartado C.1.2, se hace constar que, a la fecha de su renuncia, era titular de 10 acciones de la Sociedad.

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Este informe anual de gobierno corporativo ha sido aprobado por el consejo de Administración de la sociedad, en su sesión de fecha:

[ 25/02/2020 ]

Indique si ha habido consejeros que hayan votado en contra o se hayan abstenido en relación con la aprobación del presente Informe.

[ ] Sí  
[✓] No



# Laboratorios Farmacéuticos ROVI, S.A.

**Informe de auditor referido a la “Información  
relativa al Sistema de Control Interno sobre la  
Información Financiera (SCIIF)” de Laboratorios  
Farmacéuticos ROVI, S.A. correspondiente al  
ejercicio 2019**



## **Informe de auditor referido a la “Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)” de Laboratorios Farmacéuticos ROVI, S.A. correspondiente al ejercicio 2019**

A los Administradores de Laboratorios Farmacéuticos ROVI, S.A.

De acuerdo con la solicitud del Consejo de Administración de Laboratorios Farmacéuticos ROVI, S.A. (la Sociedad) y con nuestra carta propuesta de fecha 28 de enero de 2020, hemos aplicado determinados procedimientos sobre la “Información relativa al SCIIF” adjunta en el apartado F del Informe Anual de Gobierno Corporativo de Laboratorios Farmacéuticos ROVI, S.A. correspondiente al ejercicio 2019, en el que se resumen los procedimientos de control interno de la Sociedad en relación a la información financiera anual.

Los Administradores son responsables de adoptar las medidas oportunas para garantizar razonablemente la implantación, mantenimiento y supervisión de un adecuado sistema de control interno, así como del desarrollo de mejoras de dicho sistema y de la preparación y establecimiento del contenido de la Información relativa al SCIIF adjunta.

En este sentido, hay que tener en cuenta que, con independencia de la calidad del diseño y operatividad del sistema de control interno adoptado por la Sociedad en relación a la información financiera anual, éste sólo puede permitir una seguridad razonable, pero no absoluta, en relación con los objetivos que persigue, debido a las limitaciones inherentes a todo sistema de control interno.

En el curso de nuestro trabajo de auditoría de las cuentas anuales y conforme a las Normas Técnicas de Auditoría, nuestra evaluación del control interno de la Sociedad ha tenido como único propósito el permitirnos establecer el alcance, la naturaleza y el momento de realización de los procedimientos de auditoría de las cuentas anuales de la Sociedad. Por consiguiente, nuestra evaluación del control interno, realizada a efectos de dicha auditoría de cuentas, no ha tenido la extensión suficiente para permitirnos emitir una opinión específica sobre la eficacia de dicho control interno sobre la información financiera anual regulada.

A los efectos de la emisión de este informe, hemos aplicado exclusivamente los procedimientos específicos descritos a continuación e indicados en la Guía de Actuación sobre el Informe del auditor referido a la Información relativa al Sistema de Control Interno sobre la Información Financiera de las entidades cotizadas, publicada por la Comisión Nacional del Mercado de Valores en su página web, que establece el trabajo a realizar, el alcance mínimo del mismo, así como el contenido de este informe. Como el trabajo resultante de dichos procedimientos tiene, en cualquier caso, un alcance reducido y sustancialmente menor que el de una auditoría o una revisión sobre el sistema de control interno, no expresamos una opinión sobre la efectividad del mismo, ni sobre su diseño y su eficacia operativa, en relación a la información financiera anual





de la Sociedad correspondiente al ejercicio 2019 que se describe en la Información relativa al SCIIF adjunta. En consecuencia, si hubiéramos aplicado procedimientos adicionales a los determinados por la citada Guía o realizado una auditoría o una revisión sobre el sistema de control interno en relación a la información financiera anual regulada, se podrían haber puesto de manifiesto otros hechos o aspectos sobre los que les habríamos informado.

Asimismo, dado que este trabajo especial no constituye una auditoría de cuentas ni se encuentra sometido a la normativa reguladora de la actividad de auditoría de cuentas vigente en España, no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Se relacionan a continuación los procedimientos aplicados:

1. Lectura y entendimiento de la información preparada por la entidad en relación con el SCIIF – información de desglose incluida en el Informe de Gestión – y evaluación de si dicha información aborda la totalidad de la información requerida que seguirá el contenido mínimo descrito en el apartado F, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular nº 5/2013 de 12 de junio de 2013 de la Comisión Nacional del Mercado de Valores (CNMV), posteriormente modificada por la Circular nº 7/2015 de 22 de diciembre de 2015 de la CNMV y la Circular 2/2018 de 12 de junio de la CNMV (en adelante, las Circulares de la CNMV).
2. Preguntas al personal encargado de la elaboración de la información detallada en el punto 1 anterior con el fin de: (i) obtener un entendimiento del proceso seguido en su elaboración; (ii) obtener información que permita evaluar si la terminología utilizada se ajusta a las definiciones del marco de referencia; (iii) obtener información sobre si los procedimientos de control descritos están implantados y en funcionamiento en la entidad.
3. Revisión de la documentación explicativa soporte de la información detallada en el punto 1 anterior, y que comprenderá, principalmente, aquella directamente puesta a disposición de los responsables de formular la información descriptiva del SCIIF. En este sentido, dicha documentación incluye informes preparados por la función de auditoría interna, alta dirección y otros especialistas internos o externos en sus funciones de soporte al comité de auditoría.
4. Comparación de la información detallada en el punto 1 anterior con el conocimiento del SCIIF de la entidad obtenido como resultado de la aplicación de los procedimientos realizados en el marco de los trabajos de la auditoría de cuentas anuales.
5. Lectura de actas de reuniones del consejo de administración, comité de auditoría y otras comisiones de la entidad a los efectos de evaluar la consistencia entre los asuntos en ellas abordados en relación al SCIIF y la información detallada en el punto 1 anterior.
6. Obtención de la carta de manifestaciones relativa al trabajo realizado adecuadamente firmada por los responsables de la preparación y formulación de la información detallada en el punto 1 anterior.



Como resultado de los procedimientos aplicados sobre la Información relativa al SCIIF no se han puesto de manifiesto inconsistencias o incidencias que puedan afectar a la misma.

Este informe ha sido preparado exclusivamente en el marco de los requerimientos establecidos por el artículo 540 del texto refundido la Ley de Sociedades de Capital y por las Circulares de la CNMV a los efectos de la descripción del SCIIF en los Informes Anuales de Gobierno Corporativo.

KPMG Auditores, S.L.

A handwritten signature in blue ink that reads 'José Ignacio Rodríguez Prado'. The signature is written in a cursive style and is positioned above a horizontal line.

José Ignacio Rodríguez Prado

25 de febrero de 2020

The Individual Annual Accounts of Laboratorios Farmacéuticos Rovi, S.A. (“**Rovi**” or the “**Company**”) (which comprise the balance sheet, the income statement, the statement of changes in shareholders’ equity, the statement of cash flows and notes), as well as the individual management report of the Company (which comprise the Annual Corporate Governance Report of the Company) for the fiscal year ended on 31 December 2019 and which precede this document, have been issued by the Board of Directors at its meeting of 25 February 2020, and whose members sign below in accordance with Article 253 of the Royal Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Capital Companies Law (Ley de Sociedades de Capital), and Article 37 of the Spanish Commercial Code:

Madrid, 25 February 2020

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Mr. Juan López-Belmonte López  
Chairman

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Mr. Juan López-Belmonte Encina  
Chief Executive Officer

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Mr. Iván López-Belmonte Encina  
Vice Chairman 1º

---

Mr. Javier López-Belmonte Encina  
Vice Chairman 2º

---

Mr. Marcos Peña Pinto  
Coordinador Director

---

Mr. José Fernando de Almansa  
Moreno-Barreda  
Director

---

Mrs. Fátima Báñez García  
Director



# Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries

Consolidated Annual Accounts

31 December 2019

Consolidated Directors' Report

2019

(With Independent Auditor's Report Thereon)

*(Free translation from the originals in Spanish. In the event of discrepancy, the Spanish-language versions prevail.)*



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

## **Independent Auditor's Report on the Consolidated Annual Accounts**

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

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

### **REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS**

#### **Opinion**

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We have audited the consolidated annual accounts of Laboratorios Farmacéuticos Rovi, S.A. (the "Parent") and subsidiaries (together the "Group") which comprise the consolidated balance sheet at 31 December 2019, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2019 and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

#### **Basis for Opinion**

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

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

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



## Key Audit Matters

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

<b>Capitalisation and recoverability of intangible assets</b> See notes 2.7, 4.1, 7 and 24 to the consolidated annual accounts	
<i>Key Audit Matter</i>	<i>How the Matter was Addressed in Our Audit</i>
<p>The Group has significant intangible assets amounting to Euros 45,079 thousand, including Euros 35,284 thousand derived from the acquisition of trademarks and licences of products that are currently marketed, of which Euros 5,366 thousand reflect intangible assets with indefinite useful lives and Euros 8,157 thousand reflect development expenses.</p> <p><u>Intangible assets with indefinite useful lives</u></p> <p>The Group tests intangible assets with indefinite useful lives for impairment on an annual basis. The recoverability of these assets is based on the discounting of future cash flows using budgets which, inherently, requires a high degree of judgement.</p> <p><u>Development expenses</u></p> <p>The capitalisation of any development expenses requires an analysis of the compliance with the requirements established in the applicable financial reporting framework. The main risk is associated with the successful outcome of the projects and obtaining the corresponding clinical and regulatory authorisations for their subsequent marketing.</p> <p>The Group has intangible assets amounting to Euros 8,157 thousand derived from the development of a low-molecular-weight heparin, an enoxaparin biosimilar, for which authorization to market the product was obtained in the year 2017. There are no indications of impairment.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>- Assessment of the design and implementation of the controls associated with the process for estimating the recoverability of intangible assets and the process used to recognise research and development expenses and to identify, where applicable, any expenses that qualify for capitalisation.</li> <li>- We verified the consistency of the profit and loss forecasts used as a basis for assessing the recoverability of the intangible assets, specifically the projected income and expenses and cash flows.</li> <li>- We obtained and assessed the documentation prepared by Management in relation to the analysis of research and development expenses, particularly regarding the capitalisation of any development expenses.</li> <li>- Our procedures related to projects under development included an assessment of the reasonableness of the assumptions used by the Group to determine the probability of obtaining the pertinent authorisations, by considering the current stage of development.</li> </ul>

<p>In 2019 the Group incurred research and development expenses amounting to Euros 29,304 thousand that have not been capitalised, associated mainly with products under development based on the ISM® platform.</p> <p>Due to the significance of the balance and the high degree of judgement associated with the capitalisation and recoverability of these intangible assets, we consider this to be a key audit matter in our audit of the current year.</p>	<ul style="list-style-type: none"> <li>- In order to carry out the assessment mentioned in the preceding paragraphs, we held meetings with Management and key personnel of the research and development area to confirm these assumptions.</li> <li>- In addition, we assessed whether the disclosures included in the consolidated annual accounts comply with the requirements of the financial reporting framework applicable to the Group.</li> </ul>
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### Recognition and recoverability of deferred tax assets

See Notes 2.17, 4.1, 19 and 27 to the consolidated annual accounts

<i>Key Audit Matter</i>	<i>How the Matter was Addressed in Our Audit</i>
<p>The Group has deferred tax assets amounting to Euros 14,660 thousand, of which Euros 6,720 thousand and Euros 5,642 thousand comprise tax loss carryforwards and tax credits, respectively, with the remainder reflecting temporary differences that will be tax deductible in the coming years.</p> <p>The recognition of deferred tax assets requires a high degree of judgement by the Directors in assessing the probability and sufficiency of the future taxable profit against which they can be offset, future reversals of existing taxable temporary differences and the tax planning opportunities considered by the Group.</p> <p>Due to the significance of the balance and the uncertainty associated with the recovery of the amounts recognised as deferred tax assets, mainly in respect of tax credits and unused tax loss carryforwards, this is considered to be a key audit matter in our audit of the current year.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>- Assessment of the design and implementation of the controls associated with the process for recognising and estimating the recoverability of deferred tax assets.</li> <li>- Assessment of the reasonableness of the criteria and the main assumptions used by the Group to estimate the future taxable profits required to offset these assets.</li> <li>- We contrasted the consistency of the profit and loss forecasts used as a basis for recognising tax loss carryforwards and tax credits with the actual profit or loss obtained and assessed the reasonableness of the time period in which the Group expects to offset these assets.</li> <li>- Assessment of whether the disclosures included in the consolidated annual accounts comply with the requirements of the financial reporting framework applicable to the Group.</li> </ul>



## **Other Information: Consolidated Directors' Report**

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Other information solely comprises the 2019 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility as regards the content of the consolidated directors' report is defined in the legislation regulating the audit of accounts, which establishes two different levels:

- a) A specific level applicable to the consolidated statement of non-financial information and to certain information included in the Annual Corporate Governance Report, as defined in article 35.2. b) of Audit Law 22/2015, which consists solely of verifying that this information has been provided in the directors' report, or where applicable, in a separate report on non-financial information, as provided for in legislation, to which reference is made in the directors' report, and if not, to report on this matter.
- b) A general level applicable to the rest of the information included in the consolidated directors' report, which consists of assessing and reporting on the consistency of this information with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned accounts and without including any information other than that obtained as evidence during the audit. Also, assessing and reporting on whether the content and presentation of this part of the consolidated directors' report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have verified that the information mentioned in paragraph a) above has been provided in the consolidated directors' report and the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2019, and that the content and presentation of the report are in accordance with applicable legislation.

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

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

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

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





## **Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts\_**

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

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

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

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.
- Conclude on the appropriateness of the Parent's Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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



We also provide the Parent's audit committee with a statement that we have complied with the applicable ethical requirements, including those regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS** \_\_\_\_\_

### **Additional Report to the Audit Committee of the Parent** \_\_\_\_\_

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated 25 February 2020.

### **Contract Period** \_\_\_\_\_

We were appointed as auditor of the Group by the shareholders at the ordinary general meeting on 31 May 2017 for a period of three years, from the year ended 31 December 2017.

*(Signed on the original in Spanish)*

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

José Ignacio Rodríguez Prado

On the Spanish Official Register of Auditors ("ROAC") with number 15825

25 February 2020

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

Consolidated Annual Accounts and  
Consolidated Management Report  
at 31 December, 2019

Free translation of the Consolidated Annual Accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER, 2019

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Thousands of euros)

	Note	31 December	
		2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	131,608	95,837
Intangible assets	7	45,079	34,650
Investment in a joint venture	10	1,843	2,038
Deferred income tax assets	19	14,660	16,036
Equity securities	9 & 11	71	70
Financial receivables	9 & 13	65	65
		<b>193,326</b>	<b>148,696</b>
<b>Current assets</b>			
Inventories	12	158,811	94,861
Trade and other receivables	9 & 13	81,541	60,180
Current income tax assets	27	10,104	3,414
Financial derivatives		-	17
Prepaid expenses		3	21
Cash and cash equivalents	9 & 14	67,426	95,511
		<b>317,885</b>	<b>254,004</b>
<b>Total assets</b>		<b>511,211</b>	<b>402,700</b>

Notes 1 to 34 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

Free translation of the Consolidated Annual Accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER, 2019

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Thousands of euros)

	Note	31 December	
		2019	2018
<b>EQUITY</b>			
<b>Capital and reserves attributable to shareholders of the company</b>			
Share capital	15	3,364	3,364
Share premium	15	87,636	87,636
Legal reserve	16	673	600
Treasury shares	16	(10,341)	(8,812)
Retained earnings and voluntary reserve	16	201,784	186,792
Profit for the year	16	39,273	17,895
Other reserves	16	(3)	(3)
<b>Total equity</b>		<b>322,386</b>	<b>287,472</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial debt	18	72,104	16,589
Deferred income tax liabilities	19	1,078	1,243
Contract liabilities	20	5,793	6,263
Deferred income	21	3,141	3,621
		<b>82,116</b>	<b>27,716</b>
<b>Current liabilities</b>			
Financial debt	18	12,701	17,635
Trade and other payables	17	91,914	68,165
Contract liabilities	20	1,566	1,159
Deferred income	21	528	553
		<b>106,709</b>	<b>87,512</b>
<b>Total liabilities</b>		<b>188,825</b>	<b>115,228</b>
<b>Total equity and liabilities</b>		<b>511,211</b>	<b>402,700</b>

Notes 1 to 34 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

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## CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER, 2019

### CONSOLIDATED INCOME STATEMENT (Thousands of euros)

	Note	31 December	
		2019	2018
Revenue	5 & 22	381,313	303,203
Change in inventories of finished goods and work in progress		21,414	9,050
Raw materials and consumables used		(188,020)	(137,662)
Employee benefit expenses	23	(72,512)	(70,180)
Other operating expenses	24	(81,946)	(76,496)
Amortisation	6 & 7	(18,216)	(12,044)
Impairment of non-current assets	7	(341)	-
Recognition of government grants on non-financial non-current assets and other		1,151	1,587
<b>OPERATING PROFIT</b>		<b>42,843</b>	<b>17,458</b>
Finance income		51	16
Finance costs		(927)	(712)
Impairment and gain or loss on measurement of financial instruments		159	(23)
Exchange difference		(51)	(83)
<b>FINANCE COSTS - NET</b>	<b>26</b>	<b>(768)</b>	<b>(802)</b>
Share of profit of joint venture	10	(195)	24
<b>PROFIT BEFORE INCOME TAX</b>		<b>41,880</b>	<b>16,680</b>
Income tax	27	(2,607)	1,215
<b>PROFIT FOR THE YEAR</b>		<b>39,273</b>	<b>17,895</b>
<b>Earnings per share (basic and diluted) attributable to the shareholders of the Company (euros)</b>			
- Basic and diluted	28	0.71	0.35

Notes 1 to 34 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

Free translation of the Consolidated Annual Accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CUENTAS ANUALES CONSOLIDADAS DE LABORATORIOS FARMACÉUTICOS ROVI, S.A. Y SOCIEDADES DEPENDIENTES AL 31 DE DICIEMBRE DE 2019

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Thousands of euros)

	Note	31 December	
		2019	2018
<b>Profit for the year</b>		<b>39,273</b>	<b>17,895</b>
<b>Items that may subsequently be reclassified to profit and loss</b>		-	<b>(1)</b>
+ Changes in value of equity securities	11	-	(1)
<b>Other comprehensive income (net of taxes)</b>		-	<b>(1)</b>
<b>Total comprehensive income for the year</b>		<b>39,273</b>	<b>17,894</b>

Notes 1 to 34 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

**CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES  
AT 31 DECEMBER, 2019**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(Thousands of euros)**

	Share capital (Note 15)	Share premium (Note 15)	Legal reserve (Note 16)	Treasury shares (Note 16)	Retained earnings and voluntary reserves (Note 16)	Profit for the year (Note 16)	Other reserves (Note 16)	TOTAL EQUITY
<b>Balance at 1 January, 2018</b>	<b>3,000</b>	-	<b>600</b>	<b>(8,407)</b>	<b>179,255</b>	<b>17,241</b>	<b>(2)</b>	<b>191,687</b>
Total comprehensive income	-	-	-	-	-	17,895	(1)	17,894
Transfer of 2017 profit	-	-	-	-	11,289	(11,289)	-	-
Dividends 2017 (Note 16 e)	-	-	-	-	-	(5,952)	-	(5,952)
Capital increase	364	87,636	-	-	(3,881)	-	-	84,119
Acquisition of treasury shares (Note 16 d)	-	-	-	(1,138)	-	-	-	(1,138)
Reissue of treasury shares (Note 16 d)	-	-	-	733	253	-	-	986
Other movements	-	-	-	-	(124)	-	-	(124)
<b>Balance at 31 December, 2018</b>	<b>3,364</b>	<b>87,636</b>	<b>600</b>	<b>(8,812)</b>	<b>186,792</b>	<b>17,895</b>	<b>(3)</b>	<b>287,472</b>
Total comprehensive income	-	-	-	-	-	39,273	-	39,273
Transfer of 2018 profit	-	-	73	-	13,402	(13,475)	-	-
Dividends 2018 (Note 16 e)	-	-	-	-	-	(4,420)	-	(4,420)
Acquisition of treasury shares (Note 16 d)	-	-	-	(4,718)	-	-	-	(4,718)
Reissue of treasury shares (Note 16 d)	-	-	-	3,189	1,682	-	-	4,871
Other movements	-	-	-	-	(92)	-	-	(92)
<b>Balance at 31 December, 2019</b>	<b>3,364</b>	<b>87,636</b>	<b>673</b>	<b>(10,341)</b>	<b>201,784</b>	<b>39,273</b>	<b>(3)</b>	<b>322,386</b>

Notes 1 to 34 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.



Free translation of the Consolidated Annual Accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

## CONSOLIDATED ANNUAL ACCOUNTS OF LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES AT 31 DECEMBER, 2019

### CONSOLIDATED STATEMENT OF CASH FLOWS (Thousands of euros)

	Note	31 December	
		2019	2018
<b>Cash flows from operating activities</b>			
Profit before income tax		41,880	16,680
<b>Adjustments for non-monetary transactions</b>			
Amortisation	6 & 7	18,216	12,044
Finance income	26	(51)	(16)
Valuation allowance	12 & 13	2,998	1,766
Adjustments for changes in value of derivatives		146	33
Gain or loss on derecognitions of financial assets and liabilities		(305)	-
Finance expenses	26	978	712
Grants, income from distribution licences and other deferred incomes		(4,408)	(1,806)
Gain on sale of share in joint venture		-	(10)
Share of profit of joint ventures	10	195	(24)
<b>Changes in working capital:</b>			
Trade and other receivables		(20,409)	(9,605)
Inventories		(67,227)	(21,348)
Other current assets (prepaid expenses)		18	(21)
Trade and other payables		23,953	6,540
<b>Other collections and payments</b>			
Proceeds from distribution licences	20	3,194	6,727
Interest paid		(93)	-
Income tax cash flow		(8,129)	(3,141)
<b>Net cash generated (used) in operating activities</b>		<b>(9,044)</b>	<b>8,531</b>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets	7	(14,626)	(10,069)
Purchases of property, plant and equipment	6	(25,899)	(16,390)
Proceeds from sale of property, plant and equipment	6	2	62
Proceeds from sale of share in joint venture	10	-	50
Interest received		51	105
<b>Net cash flows generated (used) in investing activities</b>		<b>(40,472)</b>	<b>(26,242)</b>
<b>Cash flows from financing activities</b>			
Repayments of financial debt		(21,242)	(16,230)
Proceeds from financial debt	18	47,033	7,043
Interest paid		(93)	(187)
Purchase of treasury shares	16 d)	(4,718)	(1,138)
Reissue of treasury shares	16 d)	4,871	986
Dividends paid	16 c)	(4,420)	(5,952)
Capital increase	15	-	88,000
<b>Net cash generated (used) in financing activities</b>		<b>21,431</b>	<b>72,522</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(28,085)</b>	<b>54,811</b>
<b>Cash and cash equivalents at beginning of the year</b>	9 & 14	<b>95,511</b>	<b>40,700</b>
<b>Cash and cash equivalents an end of the year</b>	9 & 14	<b>67,426</b>	<b>95,511</b>

Notes 1 to 34 and Appendix 1 attached hereto are an integral part of these Consolidated Annual Accounts.

Free translation of the Consolidated Annual Accounts originally issued in Spanish and prepared in accordance with International Reporting Standards as adopted by the European Union. In the event of discrepancy, the Spanish version prevails.

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

Notes to the Consolidated Annual Accounts for the annual period 2019  
(Thousands of euros)

### **1. General information**

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

The Company's principal activity is the sale of its own pharmaceutical products and the distribution of other products for which it holds licences granted by other laboratories for specific periods, in accordance with the terms and conditions contained in the agreements entered into with said laboratories.

Laboratorios Farmacéuticos Rovi, S.A. is the parent of a pharmaceutical business group (hereinafter, "ROVI" or "Rovi Group" or "Group") engaged in the production and sale of pharmaceutical products. The Group's main product is Bemiparin, a low-molecular-weight heparin, which is marketed in various countries.

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

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares already in issue (the "New Shares").
- The price of issue of the New Shares was fixed at 14.50 per share, 0.06 euros of which related to the par value, while 14.44 euros was the share premium (the "Issue Price").
- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 364,137.90 euros of which related to the nominal and 87,635,854.60 to the share premium.

As a consequence of this Capital Increase, the company Norbel Inversiones, S.L.'s shareholding in Laboratorios Farmacéuticos Rovi, S.L. dropped to 62.10% (Note 15). Norbel Inversiones, S.L., with registered office at Calle Julián Camarillo, 35, Madrid, files consolidated annual accounts with the Madrid Companies Registry.

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

These Consolidated Annual Accounts were approved by the Board of Directors on February 25, 2020 and are pending approval by the General Meeting of Shareholders. Nevertheless the Directors of the Company expect the Annual Accounts to be approved without any changes.

#### Changes in the consolidated group

In January 2019, the company Rovi Biotech sp.z.o.o., with registered office at ul. Wincentego Rzymowskiego, 53, Warsaw (Poland), was incorporated, 100% owned by Laboratorios Farmacéuticos Rovi, S.A. This company incurred a loss of 24 thousand euros before tax in 2019 and its assets at 31 December, 2019 were 455 thousand euros.

On 8 April, 2019, the company Rovi Biotech Ltda., established in Bolivia, was dissolved. The consolidated accounts at 31 December, 2019 do not, therefore, include this company in the consolidated group.

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In November 2019, the following three Group companies, all of which were 100% held by Laboratorios Farmacéuticos, Rovi, S.A., were merged by absorption: Frosst Ibérica, S.A.U. (absorbing company), Rovit Contract Manufacturing, S.L. and Bemipharma Manufacturing, S.L. (absorbed companies). After this merger, but likewise in 2019, Frosst Ibérica, S.A. changed its corporate name to Rovi Pharma Industrial Services, S.A.U.

On 4 December, 2019, the company Rovi Escúzar, S.L. was incorporated as a 100%-held subsidiary of Laboratorios Farmacéuticos Rovi, S.A. As of 31 December, 2019, the assets of this company were 1,263 thousand euros and it showed a loss of 19 thousand euros.

### **2. Summary of key accounting policies**

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

#### **2.1. Bases of presentataion**

These Consolidated Annual Accounts for 2019 (and those for 2018 presented for comparative purposes) have been prepared under the International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union pursuant to the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July, 2002, according to which all companies governed by the Law of a Member State of the European Union whose shares are listed on a regulated market of any of the Member States must present their Consolidated Annual Accounts for the reporting periods starting on or after 1 January, 2005 in accordance with the IFRS endorsed by the European Union.

In relation to the comparison of the Consolidated Annual Accounts for 2019 with those for 2018, the effects of application of IFRS 16 described in Note 2.2.a) must be taken into account. ROVI has chosen to apply the modified retrospective approach, on the basis of which it has not restated any of the comparative figures for previous reporting periods and has recognised the impacts as of 1 January, 2019.

The Consolidated Annual Accounts have been prepared, in general, under the historical cost convention, except for available-for-sale financial assets.

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

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

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### **2.2 New standards and amendments and interpretations of existing ones**

a) Standards, amendments and interpretations mandatory for all annual periods starting on or after 1 January, 2019.

In 2019, the following standards and amendments to existing standards were endorsed by the European Union and came into force on 1 January, 2019. They have either been applied by ROVI or may affect the Group in the future:

- IFRS 16 – “Leases” (“IFRS 16») replaces IAS 17 “Leases”, IFRIC 4, SIC 15 and SIC 27. It is mandatory for annual periods commencing on or after 1 January, 2019 and early adoption was permitted as long as IFRS 15 was being applied. The principal new feature of IFRS 16 is that there will be a single new accounting model for lessees, who will include all leases (with limited exceptions) in their statements of financial position with an impact similar to that of the former finance leases (there will be depreciation of the right-of-use asset and a finance expense for the amortised cost of the liability, the expense accruing more swiftly under IFRS 16).

IFRS 16 states that lessees must recognise a financial liability for the present value of the payments to be made over the remaining life of the lease contract and an asset for the right of use of the underlying asset, which is measured on the basis of the associated liability, to which any initial direct costs incurred are added. Additionally, the criterion for recognising the lease expense changes and it is now recognised as an expense for depreciation of the asset and a financial expense for the discounting of the lease liability. In respect of the current accounting by the lessor, the rules do not change substantially and the lessor must continue to classify the lease as operating or financial, depending on the degree to which the risks and rewards of ownership are substantially transferred.

The Group, as an asset lessee, has evaluated the first application of the Standard, identifying the lease contracts that may fall within the scope of IFRS 16. To do this, the Group:

- Reviewed the lease contracts and grouped them by type: leases on the real estate where it carries out its principal activities, vehicle leases and computer equipment leases.
- The Group has applied the recognition exemption for underlying assets with a low value (less than 5,000 US dollars) and a short term (12 months or less). The computer equipment in its entirety has been considered as a single underlying asset and, therefore, the low-value exemption has not been applied to it.
- In the case of vehicles, the present value of the payments has been determined on the basis of the commitment that the Group has.
- The Group has elected to apply the modified retrospective effect, according to which the 2018 period will not be restated, as its transition model.
- The Group has elected to measure the initial right-of-use asset at the amount of the lease liability at 1 January, 2019 for all the lease contracts.
- To determine the present value of the payments to be made over the remaining lives of the lease contracts and the right-of-use of the underlying assets, the Group’s incremental borrowing rate, close to the Group’s debt ratio, has been applied. At the date of initial application, this is 1.5%.
- The terms of the leases have been identified principally on the basis of the terms of the contracts.

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After the aforementioned analysis, the following tables summarise the impacts of adopting IFRS 16 on the annual accounts at 31 December, 2019:

31 December 2019	Note	Amounts without adoption of IFRS		As reported
		16	Adjust-ments	
<b>ASSETS</b>				
<b>Non-current assets</b>		<b>172,630</b>	<b>20,696</b>	<b>193,326</b>
Property, plant and equipment	6	110,970	20,638	131,608
Intangible assets		45,079	-	45,079
Investment in a joint venture		1,843	-	1,843
Deferred income tax assets	19	14,602	58	14,660
Equity securities		71	-	71
Financial receivables		65	-	65
<b>Current assets</b>		<b>317,885</b>	<b>-</b>	<b>317,885</b>
<b>Total assets</b>		<b>490,515</b>	<b>20,696</b>	<b>511,211</b>

31 December 2019	Note	Amounts without adoption of IFRS		As reported
		16	Adjust-ments	
<b>EQUITY</b>				
<b>Total Equity</b>		<b>322,561</b>	<b>(175)</b>	<b>322,386</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>		<b>64,705</b>	<b>17,411</b>	<b>82,116</b>
Financial debt	18	54,693	17,411	72,104
Deferred income tax liabilities		1,078	-	1,078
Contract liabilities		5,793	-	5,793
Deferred revenues		3,141	-	3,141
<b>Current liabilities</b>		<b>103,249</b>	<b>3,460</b>	<b>106,709</b>
Financial debt	18	9,241	3,460	12,701
Trade and other payables		91,914	-	91,914
Contract liabilities		1,566	-	1,566
Deferred income		528	-	528
<b>Total equity and liabilities</b>		<b>490,515</b>	<b>20,696</b>	<b>511,211</b>

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31 December 2019	Note	Amounts without adoption of IFRS		As reported
		16	Adjust-ments	
Revenue		381,313	-	381,313
Change in inventories of finished goods and work in progress		21,414	-	21,414
Raw materials and consumables used		(188,020)	-	(188,020)
Employee benefit expenses		(72,512)	-	(72,512)
Other operating expenses	24	(85,587)	3,641	(81,946)
Amortisation	6 & 7	(14,621)	(3,595)	(18,216)
Impairment of non-current assets		(341)	-	(341)
Recognition of government grants on non-financial non-current assets and other		1,151	-	1,151
<b>OPERATING PROFIT</b>		<b>42,797</b>	<b>46</b>	<b>42,843</b>
Finance income		51	-	51
Finance costs	26	(648)	(279)	(927)
Impairment and gain or loss on measurement of financial instruments		159	-	159
Exchange difference		(51)	-	(51)
<b>FINANCE COSTS - NET</b>		<b>(489)</b>	<b>(279)</b>	<b>(768)</b>
Share of profit of a joint venture		(195)	-	(195)
<b>PROFIT BEFORE INCOME TAX</b>		<b>(687)</b>	<b>(233)</b>	<b>(920)</b>
Income tax	27	(2,665)	58	(2,607)
<b>PROFIT FOR THE YEAR</b>		<b>(3,352)</b>	<b>(175)</b>	<b>(3,527)</b>

31 December 2019	Note	Amounts without adoption of IFRS		As reported
		16	Adjust-ments	
<b>Changes in working capital:</b>				
Trade and other receivables	17	20,591	3,362	23,953
Finance expense	26	699	279	978
<b>Net cash generated (used) in operating activities</b>		<b>21,290</b>	<b>3,641</b>	<b>24,931</b>
<b>Net cash generated (used) in investing activities</b>		<b>(40,472)</b>	<b>-</b>	<b>(40,472)</b>
Repayments of financial debt		(17,601)	3,641	(21,242)
<b>Net cash generated (used) in financing activities</b>		<b>25,072</b>	<b>3,641</b>	<b>21,431</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(28,085)</b>	<b>-</b>	<b>(28,085)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>95,511</b>	<b>-</b>	<b>95,511</b>
<b>Cash and cash equivalents at end of year</b>		<b>67,426</b>	<b>-</b>	<b>67,426</b>

- Amendments to IFRS 9 “Financial Instruments”: “Prepayment Features with Negative Compensation”. According to this amendment, effective 1 January, 2019, financial assets that can be prepaid with compensation may be measured at amortised cost or fair value through other comprehensive income. ROVI will take this amendment into account if any asset with these features is prepaid.

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- IAS 28 (Amendment), “Long-term Interests in Associates and Joint Ventures”. This amendment clarifies that an entity will apply the requirements of IFRS 9 to long-term interests before the allocation of losses and impairment of IAS 28. When applying IFRS 9, the entity will not take any adjustments to the carrying amount of long-term interests as a consequence of the application of IAS 28 into account. The impact of this IAS has not been significant in ROVI.
- Annual Improvements to IFRS 2015–2017 Cycle. The amendments affect IAS 12, IAS 23 and IAS 28. The main amendments that may apply to the Group refer to:
  - IAS 12, “Income Taxes”. Clarification of the income tax consequences of payments on financial instruments classified as equity.
  - IAS 23, “Borrowing Costs”. The basic principle of this improvement is that borrowing costs directly attributable to the acquisition, construction or production of qualifying assets form part of the cost of said assets. Other borrowing costs are recognised as an expense.
  - IAS 28, “Investments in Associates and Joint Ventures”. This states that an entity will also apply IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied.The entry into force of these improvements has not had a significant impact in ROVI.
- IAS 19 (Amendment) “Employee Benefits”. This amendment requires the entity to use updated assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the amendment, curtailment or settlement of a plan, and to recognise any reduction in a surplus in profit and loss as part of the cost of a past service or a gain or loss on the settlement, even if the surplus has not been recognised previously due to the impact of the asset ceiling. ROVI will take this amendment into account in the event of a change in the plans for employees. The entry into force of this amendment has not had an impact in ROVI, but will be taken into account in the event of any change in the plans for employees.
- IFRIC 23 “Uncertainty over Income Tax Treatments”. This interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 “Income Taxes” when there is uncertainty over income tax treatment. Under these circumstances, an entity will recognise and measure its deferred or current tax asset or liability by applying the IAS 12 requirements to the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates determined by applying this Interpretation. The entry into force of this interpretation has not had any impact for ROVI.

b) Standards, interpretations and amendments that have not yet come into force but which are available for early adoption for annual periods commencing on or after 1 January, 2019

At the signature date of these Consolidated Annual Accounts, the IASB and the IFRS Interpretations Committee had published the following standards, amendments and interpretations application of which is mandatory from 2020 onwards. ROVI considers that the following could be applicable to the Group, although they have not been adopted early:

- IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (Amendment) – Definition of material. The amendments to the definition of material are made so that it is simpler to judge what is material. The definition of material helps companies to decide whether the information should be disclosed in the consolidated annual accounts. These amendments clarify said definition and include guidance on how it should be applied. Furthermore, the explanations accompanying the definition have been improved and consistency within all standards has been ensured. These amendments must be applied to the annual periods commencing on or after 1 January, 2020. Early adoption is permitted. The Group

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will evaluate the content of its consolidated annual accounts in accordance with the new definition of material, although no significant changes are expected.

- Amendments to the conceptual framework of IFRS. The revised version of the Conceptual Framework sets out a series of basic concepts that guide the IASB in developing the standards and helps to ensure that the standards are consistent and that similar transactions receive the same treatment. Furthermore, it also helps entities to develop their accounting policies when there are no specific rules applicable to a transaction. The revised Conceptual Framework includes a new chapter on measurement, improves definitions and guidance, and clarifies important areas, such as prudence and measurement uncertainty. It will apply to annual periods commencing on or after 1 January, 2020 to issuers who develop accounting policies based on the Conceptual Framework.

c) Standards, amendments and interpretations of existing standards that cannot be adopted early or that have not been endorsed by the European Union.

At the date of signature of these Consolidated Annual Accounts, the IASB and the IFRS Interpretations Committee had published the standards, amendments and interpretations described below which have not yet been endorsed by the European Union. ROVI considers that the following could be applicable to the Group:

- IFRS 3 (Amendment) "Business Combinations. In October 2018, the IASB issued a limited-scope amendment to IFRS 3 "Business Combinations" in order to improve the definition of "business". This amendment will help companies to determine whether they have acquired a business or a group of assets. Entities are required to apply the amended definition of "business" to acquisitions made on or after 1 January, 2020. Early adoption is permitted. ROVI will take the new definitions into account in the event that a transaction requiring this determination to be made takes place.
- IFRS 9 "Financial Instruments", IAC 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" (Amendment): Reform of interest rate benchmarks. This amendment changes the specific requirements of hedge accounting, assuming that the interest rate benchmark on which the hedged cash flows are based and the cash flows of the hedging instrument will not change as a result of the interest rate benchmark reform. The entry into force of this amendment is not expected to have a material impact for ROVI.

### **2.3. Consolidation principles**

#### **(a) Subsidiaries**

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

The Group uses the purchase method to account for business combinations. The consideration transferred for acquisition of a subsidiary corresponds to the fair value of the assets transferred, liabilities incurred with the previous owners of the acquiree and equity instruments issued by the Group. The consideration transferred includes the fair value of any asset or liability coming from a contingent consideration agreement. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are measured initially at their acquisition-date fair value.



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For each business combination, the Group may elect to recognise any non-controlling interest in the acquired entity at fair value or for the non-controlling entity's proportional part in the amounts recognised for the acquiree's identifiable net assets.

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

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

Any contingent consideration to be transferred by the Group is recognised at acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration that are considered an asset or liability are recognised in accordance with IAS 39 in profit and loss. Contingent considerations classified as equity are not remeasured and their subsequent settlement is recognised in equity.

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

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

### ***(b) Joint arrangements***

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

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

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

### **2.4. Segment reporting**

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

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### **2.5. Foreign currency transactions**

#### ***(a) Functional and presentation currency***

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

#### ***(b) Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates in force at the transaction dates or, if the items have been remeasured, the measurement dates. Foreign currency losses and gains that result from the settlement of these transactions and the translation of the monetary assets and liabilities denominated in foreign currencies at the rates in force at the end of the reporting period are recognised in profit and loss, except if deferred in other comprehensive income, as is the case with eligible cash flow hedges and eligible net investment hedges. Foreign currency losses and gains relating to loans and cash and cash equivalents are presented as "Finance income or expenses" in the income statement. Other foreign currency losses and gains are presented as "Other net gains / (losses)".

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

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

### **2.6. Property, plant and equipment**

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

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

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

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

Buildings - 40 years

Technical facilities and machinery – between 4 and 14 years

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

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

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

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

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

### **2.7. Intangible assets**

#### ***(a) Patents and industrial property. Trademarks and licences***

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

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

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

#### ***(b) Computer software***

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

- It is technically possible to complete the production of the intangible asset so it can be available for use or sale;
- Management intends to complete the intangible asset to be used or sold;
- The entity has the capacity to use or sell the intangible asset;

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- It is possible to show evidence of how the intangible asset will generate probable economic benefits in the future;
- There are the proper technical, financial or other resources available to complete the development and to use or sell the intangible asset; and
- It is possible to measure reliably the expenditure attributable to the intangible asset during development.

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

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

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

### **(c) Research and development expenses**

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

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

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

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

### **2.8. Borrowing costs**

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

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

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

### **2.9. Impairment of non-financial assets**

Intangible assets that have an indefinite useful life and those that are not in a usable condition are not amortised and are tested annually for impairment. Amortisable assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent (cash-generating units). Previous impairment losses on non-financial assets (other than goodwill) are reviewed at each reporting date to see whether then can be reversed.

### **2.10. Financial instruments**

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

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

For measurement purposes, the Group classifies financial instruments in the categories of financial assets and liabilities carried at fair value through profit and loss. The Group designates a financial asset or liability as fair value through profit and loss upon initial recognition if, by so doing, it eliminates or significantly reduces an inconsistency in the measurement or recognition that would arise otherwise, i.e. if the assets or liabilities or the recognition of the gain or loss thereon were measured on different bases.

The Group holds forward contracts for the purchase or sale of foreign currency. These insurance contracts are considered derivative financial instruments that meet the conditions to be considered hedging instruments. Hedges that cover foreign currency risk on the fair value of monetary financial assets and liabilities in foreign currency, including both changes in the market value of the financial instruments designated as hedges and changes in the market value of the hedged item caused by the hedged risk, are charged or credited to profit and loss, as appropriate.

### **2.11. Financial assets**

#### ***(a) Classification of financial assets***

The Group classifies its financial assets in the following categories: loans and receivables, and equity securities. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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### a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities longer than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are classified as “trade and other receivables” and “financial receivables”.

Deposits in financial institutions maturing at more than 90 days and less than 12 months are included in this category as current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

### Impairment of loans and receivables

Significant financial difficulties of the debtor, the probability that the debtor will become insolvent or require financial reorganisation and default or delinquency in payments are considered indicators that a trade receivable is impaired. Impairment of financial assets, including loans and receivables, is measured using the expected credit loss model.

The Group measures provisions for losses at a sum equivalent to the expected losses over the life of the asset.

Provisions for losses on financial assets measured at amortised cost, among which loans and receivables are included, are presented separately as a reduction in the gross carrying amount of the assets.

In relation to trade receivables, risk exposures in each group are segmented on the basis of the customer type (government or non-government) and the age of the debt.

- The balance receivable from public authority customers relates to receivables from government entities, regarding which, based on their nature and the information currently available, ROVI considers the credit risk to be low and, therefore, does not recognise any expected losses in relation thereto. The Group is entitled to claim late-payment interest originating from delay in collecting these balances from government entities.
- The balance with non-government entities includes mainly wholesalers, toll manufacturing customers, other pharmaceutical companies and private centres. The provision for impairment of balances with non-government customers is measured in accordance with the age of the debt.

Additionally, the provision for impairment includes all those customer balances for which there are indications of impairment, even if six months have not yet elapsed since their due date.

Impairment losses are recognised in the income statement as “other operating expenses”. When a receivable becomes unrecoverable, it is written off against the amount of the impairment. Subsequent recovery of amounts previously written off is recognised as a credit item in “other operating expenses”.

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### *b) Equity securities*

Equity securities are non-derivatives that are either designated in this category or not classified in any of the other possible categories. They are included in non-current assets unless Management intends to dispose of the investment within 12 months of the end of the reporting period.

Purchases and sales of investments are recognised on the trade date, i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Equity securities are subsequently carried at fair value through other comprehensive income. Investments are derecognised when the rights to receive cash flows from the investments have expired or been transferred and the Group has substantially transferred all risks and rewards of ownership.

Dividends from equity securities instruments are recognised in the income statement as “Finance costs-net” when the Group’s right to receive payment is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value on the basis of an analysis of discounted cash flows.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of securities classified as equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for equity securities, the cumulative loss –measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss– is removed from equity and recognised in profit and loss. Impairment losses on equity instruments recognised in profit and loss are not reversed through profit and loss.

### ***b) Derecognition of financial assets***

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

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

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

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

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### **2.12. Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### **2.13. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

### **2.14. Share capital**

The subscribed share capital is represented by ordinary shares.

Incremental costs directly attributable to the issue of new shares, face value reductions or the write-off of existing shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases shares in the Company (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's shareholders until the shares are cancelled, reissued or resold. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect, is included in equity attributable to the Company's shareholders.

### **2.15. Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants relating to reimbursable advances are recognised when these advances are granted to the Group.

Government grants relating to costs are deferred and recognised in profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to profit and loss on a straight-line basis over the expected lives of the related assets.

Reimbursable advances at zero interest rate or those with a subsidised interest rate are recognised at fair value at the time they are received, subsequently being recognised at amortised cost. The difference between the fair value and the face value is registered as "Recognition of government grants on non-financial assets and others" if the loans are financing incurred expenses, or are included in non-current liabilities as deferred government grants, and credited to the income statement on a straight-line basis over the useful life of the assets which have been funded with said loans.



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### **2.16. Trade payables**

Trade payables are payment obligations for goods or services acquired from suppliers in the ordinary course of business. The payables are classified as current liabilities if they mature at one year or less (or if they mature within a normal operating cycle, if longer). Otherwise, they are shown as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

### **2.17. Financial debt**

Financial debt is recognised initially at fair value less transaction costs incurred. Subsequently, financial debt is measured at amortised cost, any difference between the funds obtained (less the costs necessary to obtain them) and the repayment value being recognised in profit and loss over the period of the borrowings in accordance with the effective interest rate method.

Financial debt is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Commissions paid for obtaining a credit line are recognised as debt transaction costs, provided that it is likely that part or all of the line will be drawn down. In this case, the commissions are deferred until the line is drawn down. To the extent that it is unlikely that all or part of the credit line will be drawn down, the commission will be capitalised as an advance payment for liquidity services and amortised over the period for which the credit is available.

### **2.18. Current and deferred taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax expense is calculated on the basis of the laws enacted or substantively enacted at the end of the reporting period in the countries in which the Group operates and in which taxable income is generated. Management regularly assesses the positions adopted in the tax returns in relation to situations where the applicable tax regulations are subject to interpretation and, if necessary, sets up provisions in accordance with the amounts it is expected to pay to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Annual Accounts. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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Deferred tax assets and deferred tax liabilities are offset when, and only when, there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same entity or taxpayer or on different entities or taxpayers which intend to settle current tax assets and liabilities for their net amount.

### **2.19. Employee benefits**

#### ***(a) Pension obligations***

The Group holds a defined-contribution plan exclusively on behalf of certain Group employees. A defined-contribution plan is a pension plan under which the Group pays fixed contributions into an external fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For the defined-contribution plans, the Group pays contributions into pension insurance plans managed publicly or privately on a mandatory, contract or voluntary basis. Once the contributions have been paid, the Group holds no further payment obligations. The contributions are recognised as employee benefits when accrued. Benefits paid in advance are recognised as an asset to the extent that cash is refunded or future payments are reduced.

#### ***(b) Termination payments***

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises these benefits on the earlier of the following dates: (a) when the Group can no longer withdraw the offer of said benefits; or (b) when the entity recognises restructuring costs within the scope of IAS 37 and this means termination benefits must be paid. When an offer is made in order to encourage voluntary redundancies on the part of the employees, the termination benefits are measured in accordance with the number of employees who are expected to accept the offer. The benefits that will not be paid within the twelve months following the end of the reporting period are discounted back to their present value.

#### ***(c) Bonus plans***

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

### **2.20. Provisions**

The Group recognises provision liabilities when:

- The Group has a legal or constructive obligation, as a result of past events;
- It is more likely than not that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is low.

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

### **2.21 Revenue recognition**

Ordinary revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Ordinary revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount thereof can be measured reliably, it is probable that future economic benefits will flow to the Group and the specific requirements for each one of the Group's activities are fulfilled, as described below.

#### **(a) Sales of goods**

The Group's "Sales of goods" are derived from the sale of pharmaceutical products, contrast agents and other hospital products and other non-prescription pharmaceutical products, where control transfers to the customers and the performance obligations are satisfied when the goods are made available to other pharmaceutical companies or at the time of the delivery to the remaining customers. Invoices are usually due in a maximum period of 90 days.

IFRS 15 states that an entity that grants the right to return the product should recognise the revenue for the transferred products at the amount of consideration to which the entity expects to be entitled, a refund liability, and an asset for its right to recover products. ROVI recognises its revenues net of estimated returns at the date of sale, together with the refund liability. The Group does not recognise an asset for its right to recover products because, based on experience and the type of product sold, the goods returned can no longer be sold or form part of the Group's inventories.

The amount of revenue recognised is adjusted for expected returns, which are estimated considering the average returns rates of recent years.

Discounts granted to government customers are recorded as a deduction from revenue at the time the related revenues are recorded. Where appropriate, a liability is calculated on the basis of historical experience which requires the use of judgement by the management.

Therefore, ROVI's revenue from contracts with customers is subject to variable consideration for rebates, refunds and returns, which is only recorded for the amount if it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

#### **(b) Sales of services**

The Group's sales of services (toll manufacturing) consist of revenues from manufacturing and packaging services provided to third parties, where control transfers to the toll manufacturing clients and the performance obligations are mainly satisfied when the manufactured goods are made available. Invoices are usually payable between 30 and 120 days.

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### ***(c) Interest income***

Interest income is recognised in accordance with the effective interest method.

### ***(d) Dividend income***

Dividend income is recognised when the right to receive payment is established.

### ***(e) Other revenue: granting of exclusive distribution licences***

Occasionally the Group grants licenses to other pharmaceutical companies to sell its products on an exclusive basis in a specific territory and also promises to manufacture the pharmaceutical product for the customer. For these agreements, the Group collects a single down-payment for the transfer of the license, which is either non-refundable or may be refundable under very strict terms if the product is finally not authorised for distribution in a specific territory. In these contracts signed with third parties whereby Rovi grants the distribution licenses, the obligations arising from the granting of these licenses are always linked to the obligation to supply and manufacture the product, which no other entity can manufacture. As the customer cannot benefit from the licence without the manufacturing service, the licence and the manufacturing service cannot be separated and, therefore, the Group recognises the licence and the manufacturing service as a single performance obligation.

Additionally, in these types of contracts the Group has an enforceable right to payment for performance completed to date, as the entity would be entitled to an amount that at least compensates the Group for its performance completed to date in the event that the customer or another party were to terminate the contract for reasons other than the entity's failure to perform as promised. Consequently, the Group recognises revenue over time and defers revenues from the granting of product distribution licenses over the number of units produced.

## **2.22. Leases**

### ***When a Group company is the lessee – Operating lease***

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

## **2.23. Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Consolidated Annual Accounts in the period in which the dividends are approved by the Company's shareholders.

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### **2.24. Health Tax**

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

During 2010, the Spanish government approved a reduction of the pharmaceutical expenditure of 2,800 million euros through the introduction of two packages of pricing legislation. The first one was approved in March 2010 and was focused on generic products. With regard to these products, which are those out of patent, the reduction was 25% on average applied to the selling price to laboratories. The second package, which was approved in May 2010 and applied from June 2010, was addressed to pharmaceutical products under patent. A discount of 7.5% is applied to the selling price to the public for these products. The Group has recognised the amounts relating to these measures as a decrease in sales.

Additionally, in 2016, a co-operation agreement was signed between Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government. This agreement was renewed in December 2017. ROVI, as a member of Farmaindustria, is subject to this agreement. According to the agreement, in the event that public spending on medicines (excluding generics and biosimilars) exceeds the actual growth rate of the GDP of the Spanish economy, the pharmaceutical industry must reimburse the government for said excess in cash. The Group recognises the amounts related to this item as a decrease in sales.

## **3. Financial risk management**

### **3.1. Financial risk factors**

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

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

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### **(a) Market risk**

#### (i) Foreign exchange risk

Foreign exchange risk is low because (i) virtually all the Group's assets and liabilities are in euros; (ii) a majority of the transactions with foreign parties are carried out in euros; and (iii) transactions for a significant amount in currencies other than the euro are hedged with financial instruments that minimise the impact of exchange-rate risk. At 31 December, 2019, the Group held instruments of this kind for a value of 26,500 thousand euros, the measurement of which at the 2019 reporting date did not lead to recognition of significant losses.

At 31 December, 2019, there were assets of 1,240 thousand pounds sterling and 2,607 thousand zlotys (2,458 thousand pounds sterling and 2,140 thousand zlotys at 31 December, 2018). If the exchange rate at the reporting date had been 10% higher, these assets denominated in pounds sterling and zlotys would have decreased or increased by 188 thousand euros (295 thousand euros in 2018) and, if the exchange rate had been 10% lower, the decrease or increase would have been 230 thousand euros (360 thousand euros at 31 December, 2018).

At 31 December, 2019, there were financial liabilities of 1,491 thousand pounds sterling and 520 thousand zlotys (3,209 thousand pounds sterling at 31 December, 2018) on the statement of financial position. If, at 31 December, 2019, the exchange rate had been 10% higher or lower, these liabilities would have decreased or increased by 170 thousand euros and 208 thousand euros, respectively (325 and 398 thousand euros at 31 December, 2018), with the resulting effect on profit and loss.

#### (ii) Price risk

The Group is exposed to price risk for equity securities because of investments held by the Group and classified as available for sale on the consolidated statement of financial position. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The portfolio is diversified in accordance with the limits set by the Group. The Group does not use derivatives to hedge price risk.

At 31 December, 2019 and 2018, a change in the listed price of equity securities would have had no significant effect of the Group's statement of financial position.

#### (iii) Cash-flow interest-rate risk

The Group is subject to interest rate risk in respect of cash flows on non-current financial debt transactions at variable rates. Group policy is to try to keep most of its financial debt in the form of debt with government entities by obtaining reimbursable advances on which there is no interest-rate risk and, in the case of bank debt, to obtain cash flows not only at variable rates, but also at fixed rates, thus keeping the impact of interest-rate risk to a minimum.

Had interest rates on financial debt at variable rates been 1% higher or lower at 31 December 2019, with all other variables remaining constant, the gain/loss after taxes for the period would have decreased or increased by 54 thousand euros, respectively, owing to the difference in interest expense on loans at variable rates (30 thousand euros at 31 December, 2018).

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### (b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, receivables classified as equity securities and trade receivables.

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

At 31 December, 2019, the greatest investment in financial assets, including cash and cash equivalents and apart from trade receivables, was related to BBVA, 41,464 thousand euros (76,645 thousand euros with Banco Santander at 31 December, 2018). A significant proportion of trade and other receivables relates to accounts receivable from government entities, on which, in view of their nature, with the information currently available, Management considers that there is no credit risk (Note 13).

### (c) Liquidity risk

Management periodically monitors the liquidity estimates of the Group in accordance with the expected cash flows. The Group maintains sufficient cash and marketable securities to meet its liquidity requirements. In 2017, the Group signed a financing agreement with the European Investment Bank, which it could draw down over the two years following signature of the agreement for a total amount of 45 million euros. As of 31 December, 2019, ROVI had drawn the full amount of this loan (the amount drawn at 31 December, 2018 was 5,000 thousand euros) (Note 8).

ROVI's liquidity has increased in 2018 as a result of the capital increase of 88,000 thousand euros carried out in October 2018 (Notes 1 and 15).

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

	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
<b>At 31 December, 2019</b>				
Bank borrowing (Note 18)	2,415	1,474	19,983	25,190
Debt with government entities (Note 18)	1,996	3,983	4,823	4,114
Trade suppliers (Note 17)	68,770	-	-	-
Other payables (Note 17)	23,144	-	-	-
	<u>96,325</u>	<u>5,457</u>	<u>24,806</u>	<u>29,304</u>
<b>At 31 December, 2018</b>				
Bank borrowing (Note 18)	15,694	2,344	2,184	2,730
Debt with government entities (Note 18)	2,032	3,907	3,994	2,995
Trade suppliers (Note 17)	47,875	-	-	-
Other payables (Note 17)	20,290	-	-	-
	<u>85,891</u>	<u>6,251</u>	<u>6,178</u>	<u>5,725</u>

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### 3.2. Capital risk management

The Group's objective in relation to the management of capital is to maintain a low level of gearing that will make it easier for the Group to obtain additional financial debt if required in order to make new investments. A part of the Group's financial debt takes the form of reimbursable advances from government entities. There is no interest expense on these operations since they are subsidised.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt/cash divided by net equity. Net debt/cash is calculated as total financial debt less cash and cash equivalents. Equity is as shown under the relevant caption in the statement of financial position in the Consolidated Annual Accounts.

The leverage index or gearing ratio at 31 December, 2019 and 2018 was as follows:

	<b>2019</b>	<b>2018</b>
Financial Debt (Note 18)	84,805	34,224
Less: Cash and cash equivalents (Note 14)	(67,426)	(95,511)
Less: Equity securities (Note 11)	(71)	(70)
Less: Deposits (Notes 9 & 13)	(1,407)	(1,394)
<b>Net debt/(Cash)</b>	<b>15,901</b>	<b>(62,751)</b>
Equity	322,386	287,472
<b>Leverage index/Gearing ratio</b>	<b>4.93%</b>	<b>-21.83%</b>

In addition, the Group's net debt/cash at 31 December, 2019 and 2018 was as follows:

	<b>2019</b>	<b>2018</b>
Financial Debt (Note 18)	84,805	34,224
Less: Cash and cash equivalents (Note 14)	(67,426)	(95,511)
Less: Available-for-sale financial assets (Note 11)	(71)	(70)
Less: Deposits (Notes 9 & 13)	(1,407)	(1,394)
<b>Net debt/(Cash)</b>	<b>15,901</b>	<b>(62,751)</b>

### 3.3. Fair value estimate

Measurement of financial instruments at market price is classified into:

- Level 1. Quoted prices in active markets for identical instruments.
- Level 2. Observable inputs for the instrument, either directly observable (prices) or indirectly observable (price-based).
- Level 3. Inputs not based on observable market data.

Measurements at market prices of the Group's financial instruments recorded at fair value, the totality of which are classified as equity securities (Note 11), are classified at Level 1.

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



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The fair value of the reimbursable advances without a rate of interest or with a subsidised interest rate is determined by applying the interest rate curve in force at the date of receipt of the advance to the reimbursements to be made and adding the spread normally applied in loans to the Group. For financial reporting purposes, fair value is calculated at the end of each reporting period by applying the interest rate curve in force at the end of each reporting period to the payments outstanding and adding the corresponding spread. For loans at variable rates of interest, fair value has been regarded as coinciding with the amount for which they are recognised (Note 18). Measurement of reimbursable advances without an interest rate at market price is classified as Level 2.

### **4. Critical accounting estimates and judgements**

Critical accounting estimates and judgements are continuously assessed and are based on historical experience and other factors, including expectations of future events deemed reasonable under the circumstances.

#### **4.1. Critical estimates and assumptions**

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

##### ***Recoverability of intangible assets***

Under the caption "Trademarks and licences", assets with indefinite useful lives were recognised for an amount of 5,366 thousand euros at 31 December, 2019 and 2018. Management reviews these assets for indications of impairment on an annual basis, although there has been none to date. The recoverable value, which was higher than the carrying amount at the end of both reporting periods, has been obtained by projecting the forecast cash flows for the following five years.

##### ***Capitalisation of development expenses***

The Group considers that its development project for a low-molecular-weight heparin, a biosimilar of enoxaparin, has met all the requirements mentioned in note 2.7.c) since last quarter of 2014, when an application was filed with the European health authorities to obtain authorisation for the marketing of this biosimilar. Therefore, from that time until the effective commercialisation in Europe of this biosimilar, all the expenses incurred in this project have been capitalised. Amortisation of this asset commenced during the first quarter of 2017, with the favourable result of the decentralised process used by the Group to apply for marketing authorisation in twenty-six European Union countries. These assets have a useful life of 20 years, which is consistent with the term of pharmaceutical product patents. ROVI considers that it will obtain a positive return on said development over that period.

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

##### ***Deferred tax assets***

The Group recognises deferred tax assets and tax credits when they are likely to materialise in lower corporate income tax payments in the future.

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In order to determine the maximum amount that can be recognised by the Group overall in relation to the future tax effect of these items, group Management considers only the estimated future results of subsidiaries whose track record clearly indicates future profits and for which sufficiently reliable estimates may be made.

Although the estimates were made using the best information available on the events analysed at 31 December, 2019, it is possible that future events will force them to change (upwards or downwards) over forthcoming reporting periods. This would be done prospectively applying IAS 8, recognising the effects of the change in estimates in consolidated profit and loss. Based on analyses performed by the Group, a change in assumptions would not have a significant effect on the periods over which said assets could be recovered.

### **4.2. Critical judgements in applying the accounting policies**

#### ***Revenue recognition***

The Group has recognised the total sales of goods marketed in 2019 and 2018 as revenue at face value and has, when applicable, claimed late payment interest from the public authorities. The buyer has the right to return the goods sold. Although the Group believes that, based on previous experience, the level of returns will not be very meaningful, ROVI has recognised ordinary revenue for its sales together with the related provision against ordinary revenue for estimated returns. If the estimate changes by 1%, changes in revenue will be not significant.

### **5. Segment reporting**

The Group's operating segments have been determined on the basis of the information used by the Management Committee for decision making. This information is divided in accordance with whether it was generated by manufacturing activities or marketing activities, irrespective of the geographical area where it took place. Therefore, segment identification does not relate so much to geographical distribution of the business as to different types of activity.

Thus, the segment called "manufacturing" obtains its income from service contracts that relate to the finalisation of the pharmaceutical product production process for external entities and the manufacture of products to be subsequently marketed by other group companies, while the "marketing" segment has the principal activity of purchasing and subsequently selling pharmaceutical products.

The heading "Other" includes other service activities that are not significant for the Group.

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The segment information used by the Management Committee for 2019 was as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>	<b>Inter-segments transactions</b>	<b>Consolidated figures</b>
Total segment revenues	197,512	392,727	-	<b>590,239</b>	(208,926)	<b>381,313</b>
Profit/(loss)	30,221	28,153	(33)	58,341	(19,068)	39,273
Income tax	2,302	1,139	(11)	3,430	(823)	2,607
Profit/(loss) before tax	32,523	29,292	(44)	61,771	(19,891)	41,880
Finance costs - net	170	(16,014)	2	(15,842)	16,610	768
Amortisation	6,696	11,520	-	18,216	-	18,216
<b>EBITDA (*)</b>	<b>39,389</b>	<b>24,798</b>	<b>(42)</b>	<b>64,145</b>	<b>(3,281)</b>	<b>60,864</b>
Amortisation	(6,696)	(11,520)	-	(18,216)	-	(18,216)
<b>EBIT (**)</b>	<b>32,693</b>	<b>13,278</b>	<b>(42)</b>	<b>45,929</b>	<b>(3,281)</b>	<b>42,648</b>

The 2018 figures were as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>	<b>Inter-segments transactions</b>	<b>Consolidated figures</b>
Total segment revenues	142,688	287,763	-	<b>430,451</b>	(127,248)	<b>303,203</b>
Profit/(loss)	17,196	13,218	(7)	30,407	(12,512)	17,895
Income tax	4,396	(5,550)	(2)	(1,156)	(59)	(1,215)
Profit/(loss) before tax	21,592	7,668	(9)	29,251	(12,571)	16,680
Finance costs - net	33	(11,578)	-	(11,545)	12,347	802
Amortisation	4,795	7,249	-	12,044	-	12,044
<b>EBITDA (*)</b>	<b>26,420</b>	<b>3,339</b>	<b>(9)</b>	<b>29,750</b>	<b>(224)</b>	<b>29,526</b>
Amortisation	(4,795)	(7,249)	-	(12,044)	-	(12,044)
<b>EBIT (**)</b>	<b>21,625</b>	<b>(3,910)</b>	<b>(9)</b>	<b>17,706</b>	<b>(224)</b>	<b>17,482</b>

(\*) EBITDA is calculated as profit before taxes, interest and amortization.

(\*\*) EBIT is calculated as profit before taxes and interest.

As a consequence of the entry into force of IFRS 16, the EBITDA of the marketing segment increased by 2,681 thousand euros and, additionally, the amortisation/depreciation expense dropped by 2,683 thousand euros. Furthermore, the EBITDA of the manufacturing segment rose by 960 thousand euros and the amortisation/depreciation expense decreased by 913 thousand euros. The effect of this standard on the rest of the income statement captions is not significant.

Inter-segment transactions included on the finance gain/(loss) lines are principally dividends paid between Group companies.

Each segment's sales to customers in 2019 were as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
Total segment revenues	197,512	392,727	-	590,239
Inter-segment revenues	(131,862)	(77,064)	-	(208,926)
Revenues from external customers	65,650	315,663	-	381,313

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Each segment's sales to customers in 2018 were as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
Total segment revenues	142,688	287,763	-	430,451
Inter-segment revenues	(88,113)	(39,135)	-	(127,248)
Revenues from external customers	54,575	248,628	-	303,203

In 2019, a single customer accounted for 4% of the Group's sales (5% in 2018) and this amount came principally from the manufacturing segment.

At 31 December, 2019, the breakdown of assets and liabilities by segment was as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
<b>Total assets</b>	<b>189,655</b>	<b>420,915</b>	<b>690</b>	<b>611,260</b>
Of which:				
Investments in Group companies	-	9,633	-	9,633
Increases in non-current non-financial assets	15,319	25,206	-	40,525
<b>Total liabilities</b>	<b>(119,723)</b>	<b>(153,013)</b>	<b>(4)</b>	<b>(272,740)</b>

The assets of the aggregated segments at 31 December, 2019 can be reconciled with the total consolidated assets as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>Intercompany balances</b>	<b>Group investments</b>	<b>Consolidated figures</b>
Total assets	189,655	420,915	690	(90,416)	(9,633)	511,211

Details of assets and liabilities by segment at 31 December, 2018 were as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>TOTAL</b>
<b>Total assets</b>	<b>202,858</b>	<b>410,771</b>	<b>581</b>	<b>614,210</b>
Of which:				
Investments in Group companies	-	8,899	-	8,899
Increases in non-current non-financial assets	11,014	15,445	-	26,459
<b>Total liabilities</b>	<b>(147,128)</b>	<b>(166,664)</b>	<b>(6)</b>	<b>(313,798)</b>

The assets of the aggregated sectors at 31 December, 2018 can be reconciled with the total consolidated assets as follows:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>Other</b>	<b>Intercompany balances</b>	<b>Group investments</b>	<b>Consolidated figures</b>
Total assets	202,858	410,771	581	(202,611)	(8,899)	402,700

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The following tables show the Group's ordinary revenue and total assets by geographical area:

<b>Net revenue</b>	<b>2019</b>	<b>2018</b>
Spain	232,266	203,765
European Union	129,825	84,967
OECD countries	11,264	8,388
Other Countries	7,958	6,083
	<b>381,313</b>	<b>303,203</b>

<b>Total assets</b>	<b>2019</b>	<b>2018</b>
Spain	481,153	374,238
Portugal	7,969	4,409
Germany	13,644	13,111
Italy	6,243	7,839
UK	1,444	2,524
France	202	80
Poland	556	499
	<b>511,211</b>	<b>402,700</b>

Virtually all the investment in property, plant and equipment and intangible assets in 2019 and 2018 was made in Spain.

### 6. Property, plant and equipment

The breakdown of the movement on the different categories of property, plant and equipment is shown below:

	<b>Land and buildings</b>	<b>Technical facilities, machinery and tools</b>	<b>Furniture, fittings and other</b>	<b>IT equipment and vehicles</b>	<b>Usage rights (Note 2.2.a)</b>	<b>Total</b>
<b>Balances at 01.01.18</b>						
Cost	34,296	168,410	3,236	13,721	-	219,663
Accumulated amortisation	(17,900)	(98,178)	(2,442)	(12,087)	-	(130,607)
<b>Net carrying amount 01.01.18</b>	<b>16,396</b>	<b>70,232</b>	<b>794</b>	<b>1,634</b>	<b>-</b>	<b>89,056</b>
Additions	-	15,510	61	819	-	16,390
Retirements	-	(65)	-	-	-	(65)
Eliminations from amortisation	-	3	-	-	-	3
Amortisation charge	(229)	(8,250)	(125)	(943)	-	(9,547)
<b>Balances at 31.12.18</b>						
Cost	34,296	183,855	3,297	14,540	-	235,988
Accumulated amortisation	(18,129)	(106,425)	(2,567)	(13,030)	-	(140,151)
<b>Net carrying amount 31.12.18</b>	<b>16,167</b>	<b>77,430</b>	<b>730</b>	<b>1,510</b>	<b>-</b>	<b>95,837</b>
Additions	1,043	23,999	129	728	-	25,899
IFRS 16 impact 01.01.19	-	-	-	-	24,234	24,234
Retirements	-	(444)	(24)	(2)	-	(470)
Eliminations from amortisation	-	444	24	-	-	468
Amortisation charge	(228)	(9,585)	(109)	(843)	(3,595)	(14,360)
<b>Balances at 31.12.19</b>						
Cost	35,339	207,410	3,402	15,266	24,234	285,651
Accumulated Amortisation	(18,357)	(115,566)	(2,652)	(13,873)	(3,595)	(154,043)
<b>Net carrying amount 31.12.19</b>	<b>16,982</b>	<b>91,844</b>	<b>750</b>	<b>1,393</b>	<b>20,639</b>	<b>131,608</b>

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A majority of the additions recognised in 2019 and 2018 related to investments in ROVI's manufacturing plants, principally:

- 1.6 million euros was invested in the injectables plant, in comparison with the 2.7 million euros invested in 2018;
- 4.3 million euros was invested in the San Sebastián de los Reyes plant, in comparison with the 2.8 million euros invested in 2018.
- 5.9 million euros was invested in the Granada plant, in comparison with the 3.0 million euros invested in 2018;
- 8.3 million euros was invested in the plant in Alcalá de Henares (Frosst Ibérica), in comparison with the 5.5 million euros invested in 2018.
- 3.5 million euros corresponds to the ISM® industrialization, versus 1.1 million euros in 2018.

At 31 December, 2019, the Group held property, plant and equipment with a net carrying amount of 628 thousand euros subject to retention of title (640 thousand euros at 31 December, 2018).

At 31 December, 2019 and 2018, no investment commitments had been made that had not been recognised in the consolidated annual accounts.

In 2019 and 2018, there was no impairment of property, plant and equipment.

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

### 7. Intangible assets

Movement on intangible assets was as follows:

	Development	Trademarks and licences	Computer software	Total
<b>Balances at 01.01.18</b>				
Cost	8,737	21,920	10,548	41,205
Accumulated amortisation	(308)	(4,865)	(8,954)	(14,127)
<b>Net carrying amount 01.01.18</b>	<b>8,429</b>	<b>17,055</b>	<b>1,594</b>	<b>27,078</b>
Additions	123	9,010	936	10,069
Amortisation charge	(181)	(1,567)	(749)	(2,497)
<b>Balances at 31.12.18</b>				
Cost	8,860	30,930	11,484	51,274
Accumulated amortisation	(489)	(6,432)	(9,703)	(16,624)
<b>Net carrying amount 31.12.18</b>	<b>8,371</b>	<b>24,498</b>	<b>1,781</b>	<b>34,650</b>
Additions	13	13,999	614	14,626
Retirements	-	-	(18)	(18)
Eliminations from amortisation	-	-	18	18
Impairment	-	(341)	-	(341)
Amortisation charge	(455)	(2,644)	(757)	(3,856)
<b>Balances at 31.12.19</b>				
Cost	8,873	44,929	12,080	65,882
Accumulated impairment	-	(341)	-	(341)
Accumulated amortisation	(944)	(9,076)	(10,442)	(20,462)
<b>Net carrying amount 31.12.19</b>	<b>7,929</b>	<b>35,512</b>	<b>1,638</b>	<b>45,079</b>

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Under the caption “Trademarks and licences”, assets with indefinite useful lives were recognised for an amount of 5,366 thousand euros at 31 December, 2019 and 2018. Management reviews these assets for indications of impairment on an annual basis, although there has been none to date. The recoverable value, which was higher than the carrying amount at the end of both reporting periods, has been obtained by projecting the forecast cash flows for the following five years. In the cash flow projections as of 31 December, 2019, a discount rate of 6.9% has been applied (7.6% in 2018) and, for each year, the margins forecast on the basis of the characteristics of the manufacturing of the product in said year have been used.

At 31 December, 2019 and 2018, the assets included under the “Development” caption correspond to assets related to the development of a low-molecular-weight heparin, biosimilar to enoxaparin, sales of which commenced in 2017. Amortisation of this asset commenced during the first quarter of 2017, with the favourable result of the decentralised process used by the Group to apply for marketing authorisation in twenty-six European Union countries. The useful life of this asset is 20 years, and no indications of impairment were noted in 2019 or 2018.

The main additions in 2019 and 2018 were related to the “Trade marks and licences” caption, specifically:

- In 2019, an addition was recognised as a result of the acquisition of certain rights over the dexchlorpheniramine maleate product line, allowing ROVI to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the brand name POLARAMINE®, and cream, marketed under the brand name POLARACREM™) and, in France, in its injectable form (ampoules). ROVI paid 13,500 thousand euros to acquire these rights.
- In 2018, additions of 9,000 thousand euros were recognised under the caption “Trademarks and licences” relating mainly to the acquisition of the product Falithrom®, a medicine indicated 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.

Because the recoverable value of the asset related to acquisition of the distribution rights of the product Hirobriz® (belonging to the “Marketing” segment) dropped to below its net carrying amount, at 31 December, 2019, the pertinent impairment loss was recognised under the caption “Impairment losses on non-current assets” in the income statement. The recoverable value of this asset was obtained by projecting the cash flows expected until the end of the contract in December 2023 and applying a discount rate of 6.9%. The margins used in the cash flow projection were those forecast in accordance with ROVI’s historical knowledge of the revenue and costs generated by this asset.

At 31 December, 2018, there was no impairment of intangible assets.

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

Total research and development expenses incurred in 2019 were 29,304 thousand euros (32,376 thousand euros in 2018) and were mainly concentrated in the Glycomics and ISM® platforms, the latter of which is a proprietary drug release system, belonging to ROVI, the objective of which is to improve patient treatment adherence. Of the total research and development expenses incurred in 2019, 8,121 thousand euros was recognised under the “Employee benefit expenses” (Note 22) heading (7,807 thousand euros at 31 December, 2018) and 21,183 thousand euros under “Other operating expenses” (Note 23) (24,569 thousand euros in 2018).

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### 8. Financial instruments by category

#### Financial assets

At 31 December, 2019, the Group held trade receivables amounting to 71,791 thousand euros (52,052 thousand euros at 31 December, 2018) (Note 13), other receivables amounting to 87 thousand euros (86 thousand euros at 31 December, 2018) (Note 13), and other deposits amounting to 1,407 thousand euros (1,394 thousand euros at 31 December, 2018) (Note 13), which the Group classifies as loans and receivables for recognition and measurement purposes (Note 2.11.a).

At 31 December, 2019, the Group held cash amounting to 67,426 thousand euros (95,511 thousand euros at 31 December, 2018) (Note 14), which it classifies as cash and cash equivalents for recognition and measurement purposes (Note 2.13).

At 31 December, 2019, the Group held financial assets of 71 thousand euros (70 thousand euros at 31 December, 2018) (Note 11), which it classifies as equity securities for recognition and measurement purposes (Note 2.11.b).

#### Financial liabilities

At 31 December, 2019 and 2018, all the loans included in financial debt (Note 18), as well as trade and other payables (Note 17), were recognised as financial liabilities held at amortised cost and there were no financial liabilities held at fair value through profit and loss.

### 9. Credit rating of financial assets

The credit quality of financial assets which have not yet matured and which have suffered no impairment loss can be assessed based on the credit rating assigned by organisations external to the Group or, in the case of unrated customers, by separating those corresponding to Social Security Authorities and government entities which, due to their nature, are not subject to impairment:

<b>Cash and cash equivalents</b>	<b>Rating</b>	<b>2019</b>	<b>2018</b>
	A+	184	-
	A	22,244	75,708
	A-	41,451	18,176
	BBB+	214	179
	BBB	2,532	1,329
	BBB-	309	76
	No rating	492	43
	<b>Total cash (Note 14)</b>	<b>67,426</b>	<b>95,511</b>
<b>Financial receivables</b>	<b>Rating</b>	<b>2019</b>	<b>2018</b>
	A	65	65
	<b>Total financial receivables (Note 13)</b>	<b>65</b>	<b>65</b>
<b>Equity securities</b>	<b>Rating</b>	<b>2019</b>	<b>2018</b>
	A-	12	11
	No rating	59	59
	<b>Total equity securities (Note 11)</b>	<b>71</b>	<b>70</b>



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Trade receivables	Rating	2019	2018
	AA	24	3,012
	A1	4,050	-
	Public centres and institutions (Note 13)	12,512	7,317
	Other (wholesalers, pharmacies, hospitals)	55,205	41,723
	<b>Total trade receivables (Note 13)</b>	<b>71,791</b>	<b>52,052</b>
Other deposits	Rating	2019	2018
	A	1,327	1,327
	No rating	80	67
	<b>Total other deposits (Nota 13)</b>	<b>1,407</b>	<b>1,394</b>

### 10. Interests in joint ventures

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

	2019	2018
<b>Balance at beginning of the year</b>	<b>2,038</b>	<b>2,054</b>
Eliminations (b)	-	(40)
Share in profits	(195)	24
<b>Balance at end of the year</b>	<b>1,843</b>	<b>2,038</b>

The nature of investment in joint ventures at 31 December, 2019 was as follows:

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

a) Alentia Biotech, S.L.

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

b) Enervit Nutrition, S.L.

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

ROVI and Enervit S.p.A. agreed to create a joint venture between them to carry the project out. To do this, under certain agreements, ROVI lost control of its subsidiary Enervit Nutrition, S.L, which, instead of being 100%-owned by ROVI, became a joint venture under joint control with Enervit, S.p.A. The agreements were signed in March, 2016.

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In July 2018, Enervit S.p.A. exercised a call option it held on 1% of the shares of Enervit Nutrition, S.L. for a sum of 50 thousand euros. When the option was exercised, the value at which these shares were recognised in ROVI was 40 thousand euros, generating a profit of 10 thousand euros on the transaction (Note 27). With this sale, ROVI's percentage interest in Enervit Nutrition, S.L. dropped from 51% to 50%.

### Condensed financial information on joint ventures

The condensed financial information on Alentia Biotech, S.L. and Enervit Nutrition, S.L. as of 31 December, 2019 and 2018 is as follows:

<b>Condensed statement of financial position</b>	<b>31 December, 2019</b>		<b>31 December, 2018</b>	
	<b>Alentia Biotech, S.L.</b>	<b>Enervit Nutrition, S.L.</b>	<b>Alentia Biotech, S.L.</b>	<b>Enervit Nutrition, S.L.</b>
<b>Current</b>				
Cash and cash equivalents	108	133	102	245
Other current assets (excluding cash)	-	2,773	6	2,542
<b>Total current assets</b>	<b>108</b>	<b>2,906</b>	<b>108</b>	<b>2,787</b>
Financial liabilities (excluding trade payables)	-	(744)	-	(1,342)
Other current liabilities (including trade payables)	-	(1,758)	-	(910)
<b>Total current liabilities</b>	<b>-</b>	<b>(2,502)</b>	<b>-</b>	<b>(2,252)</b>
<b>Non-current</b>				
Property, plant and equipment	-	20	-	21
Intangible assets	-	3,264	-	3,478
Other financial assets	-	5	-	5
Deferred tax assets	-	88	-	37
<b>Total non-current assets</b>	<b>-</b>	<b>3,377</b>	<b>-</b>	<b>3,541</b>
Financial liabilities	(2,200)	-	(2,200)	-
Other liabilities	-	-	-	-
<b>Total non-current liabilities</b>	<b>(2,200)</b>	<b>-</b>	<b>(2,200)</b>	<b>-</b>
<b>NET ASSETS</b>	<b>(2,092)</b>	<b>3,781</b>	<b>(2,092)</b>	<b>4,076</b>

<b>Condensed statement of comprehensive income</b>	<b>31 December, 2019</b>		<b>31 December, 2018</b>	
	<b>Alentia Biotech, S.L.</b>	<b>Enervit Nutrition, S.L.</b>	<b>Alentia Biotech, S.L.</b>	<b>Enervit Nutrition, S.L.</b>
Revenue	-	6,170	-	7,379
Cost of sales	-	(5,023)	-	(5,126)
Other operating income	-	-	-	4
Employee benefit expenses	-	(590)	-	(861)
Other operating expenses	-	(773)	(2)	(1,082)
Amortisation and depreciation	-	(217)	-	(215)
<b>Profit / (loss) before tax</b>	<b>-</b>	<b>(433)</b>	<b>(2)</b>	<b>99</b>
Finance costs - net	-	15	-	(38)
Income tax	-	28	-	(13)
<b>Profit / (loss) for the period</b>	<b>-</b>	<b>(390)</b>	<b>(2)</b>	<b>48</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>(390)</b>	<b>(2)</b>	<b>48</b>
Dividends received from joint ventures	-	-	-	-

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### Reconciliation of the condensed financial information

Reconciliation of the condensed financial information presented with the carrying amount of the interests in the joint ventures at 31 December, 2019 and 2018:

	31 December, 2019		31 December, 2018	
	Alentia Biotech, S.L.	Enervit Nutrition, S.L.	Alentia Biotech, S.L.	Enervit Nutrition, S.L.
<b>Condensed financial information</b>				
<b>Net assets of joint ventures at the beginning of the year</b>	<b>(2,092)</b>	<b>4,076</b>	<b>(2,090)</b>	<b>4,028</b>
Profit / (loss) of joint ventures in the year	-	(390)	(2)	48
<b>Net assets of joint ventures at end of the year</b>	<b>(2,092)</b>	<b>3,686</b>	<b>(2,092)</b>	<b>4,076</b>
Share in profit of joint venture	-	1,843	-	2,079
<b>Carrying amount</b>	<b>-</b>	<b>1,843</b>	<b>-</b>	<b>2,038</b>

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

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

### 11. Equity securities

	2019	2018
<b>Beginning of the year</b>	<b>70</b>	<b>69</b>
Net gains / (losses) recorded in equity	1	1
<b>End of the year</b>	<b>71</b>	<b>70</b>
Less: non-current portion	71	70
Current portion	-	-

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

	2019	2018
Non-listed securities:		
– Variable-income securities (equity securities)	59	59
	59	59
	<b>2019</b>	<b>2018</b>
Listed securities:		
– Investment funds and equity securities	12	11
	12	11

At 31 December, 2019 and 2018, these securities were denominated in euros.

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### 12. Inventories

	<b>2019</b>	<b>2018</b>
Raw materials and other consumables	79,775	36,134
Work in progress and semi-finished goods	42,877	23,912
Finished goods produced internally	24,636	22,187
Marketing products	11,523	12,628
	<b>158,811</b>	<b>94,861</b>

In 2019, the Group reduced the value of its inventories by 3,277 thousand euros (1,979 thousand euros in 2018) due to obsolescence, expiration and the valuation of the products according to the profit expected from its sale. The reduction in value of inventories is recognised under the “Raw materials and consumables used” and “Change in stocks of finished goods and work in progress” captions of the income statement.

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

### 13. Trade and other receivables

The breakdown of trade and other receivables is as follows:

	<b>2019</b>	<b>2018</b>
Trade receivables	71,791	52,052
Less: loss allowance	(175)	(1,099)
Trade receivables – Net (13.a)	71,616	50,953
Other receivables	87	86
Receivables from related parties (Note 31)	96	123
Deposits (13.b)	1,407	1,394
Employee advances	83	220
Public authorities (13.c)	8,317	7,469
Total	81,606	60,245
Less: Non-current portion: Financial receivables	65	65
Current portion	81,541	60,180

#### 13.a) Trade receivables

Management considers that the fair value of trade and other receivables does not differ significantly from their recognised values, since they consist principally of balances receivable at less than one year and are subject to possible interest charges if they are not collected within said period.

The carrying amounts of receivables are denominated in euros, pounds sterling and zlotys.

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At 31 December, 2019, the balance receivable from the Social Security Authorities and other government entities was 12,512 thousand euros (7,317 thousand euros at 31 December, 2018), geographically distributed as follows:

	<b>Rating</b>	<b>Saldo</b>	<b>Rating</b>	<b>Saldo</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
Portugal	BBB	3,704	BBB	1,134
Madrid	BBB	1,804	BBB	1,301
Italy	BBB	1,326	BBB	1,597
Valencia	BB-	1,161	BBB-	563
Catalonia	BB	966	BBB-	595
Andalusia	BBB-	699	BBB-	598
Castilla la Mancha	BBB-	506	BBB-	268
Cantabria	BBB	468	BBB	120
Castilla y León	Baa2	398	Baa2	62
Aragón	BBB	350	BBB	93
Basque Country	A	241	BBB+	211
Canary Islands	BBB	230	BBB-	333
Galicia	BBB	161	BBB	93
Other	-	498		349
		<b>12,512</b>		<b>7,317</b>

At 31 December 2019, there were matured receivables amounting to 29,307 thousand euros (15,180 thousand euros at 31 December, 2018), although they had suffered no impairment. For both the 2019 and 2018 amounts, almost the entire debt aged over six months related to Social Security Authorities and government entities. The Group claims the late payment interest on these debts from the different government entities and Social Security authorities.

The ageing analysis of trade receivables due for payment is as follows:

	<b>2019</b>	<b>2018</b>
Up to 3 months	27,825	14,937
From 3 to 6 months	1,361	603
From 6 months to one year	214	270
Over one year	(93)	(630)
	<b>29,307</b>	<b>15,180</b>

The total of the matured debt due from government entities at 31 December, 2019 was 4,202 thousand euros, in comparison with the 1,782 thousand euros that was outstanding at 31 December, 2018. This amount was geographically distributed as follows:

	<b>2019</b>	<b>2018</b>
Spain	2,132	962
Portugal	2,070	820
	<b>4,202</b>	<b>1,782</b>

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Matured receivables that had been impaired at 31 December, 2019 were 175 thousand euros (1,099 thousand euros at 31 December, 2018). Movement on the provision for impairment of trade receivables was as follows:

	<b>2019</b>	<b>2018</b>
<b>Beginning of the year</b>	<b>1,099</b>	<b>1,837</b>
Net remeasurement of loss allowance	(872)	(211)
Derecognition due to non-collectibility	(52)	(527)
<b>End of the year</b>	<b>175</b>	<b>1,099</b>

The ageing of these accounts was as follows:

	<b>2019</b>	<b>2018</b>
From 6 to 9 months	302	202
More than 9 months	(127)	897
	175	1,099

### 13.b) Deposits

At 31 December, 2019, the deposits caption included fixed-term deposits amounting to 1,407 thousand euros (1,394 thousand euros at 31 December, 2018) bearing interest at a rate ranging from 2% to 3%. At 31 December, 2019 and 2018, 1,327 thousand euros of these deposits was pledged to Banco Santander. The Group considers those deposits as low credit risk and thus no expected losses have been recorded.

### 13.c) Public authorities

Balances included in this caption at 31 December 2019 and 2018 relate to the following items:

	<b>2019</b>	<b>2018</b>
Value-added tax	7,265	6,322
Withholding tax	260	-
Late payment interest receivable	164	237
Grants awarded but not received	628	910
	8,317	7,469

Maximum credit exposure at the date this information is presented is the value recognised for each one of the receivables mentioned above. The Group does not hold any guarantee as security.

## 14. Cash and cash equivalents

The breakdown of cash and cash equivalents at the end of the 2019 and 2018 reporting periods was as follows:

	<b>2019</b>	<b>2018</b>
Cash at bank and on hand	67,426	95,511
	67,426	95,511

In 2018 the Group carried out a capital increase of 88,000 thousand euros (Notes 1 & 15). The expenses associated to this transaction were 5,175 thousand euros (3,881 thousand euros net of taxes)

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### 15. Share capital and share premium

The number of shares, the face value of the shares and the total share capital for the years 2019 and 2018 were as follows:

	<b>No. shares</b>	<b>Face value (euros)</b>	<b>Total share capital (thousands)</b>
Balance at 1 January, 2018	50,000,000	0.06	3,000
Balance at 31 December, 2018	56,068,965	0.06	3,364
Balance at 31 December, 2019	56,068,965	0.06	3,364

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

- The Capital Increase was carried out for a nominal amount of 364,137.90 euros through the issue of 6,068,965 newly-issued ordinary shares in the Company with a par value of 0.06 euros each, belonging to the same class and series as the existing shares that were already in issue (the “New Shares”).
- The price of issue of the New Shares was fixed at 14.50 per shares, 0.06 euros of which related to the nominal value, while 14.44 euros was the share premium (the “Issue Price”).
- As a consequence of the foregoing, the effective total amount of the Capital Increase was 87,999,992.50 euros, 364,137.90 euros of which related to the nominal value and 87,635,854.60 to the share premium.

The expenses associated to the Capital Increase were 5,175 thousand euros (3,881 thousand euros net of tax), which were recognised under the “Retained earnings and voluntary reserves” caption.

All issued shares are fully paid up.

Shareholders owning significant direct or indirect interests of more than 3% in the share capital of Laboratorios Farmacéuticos Rovi, S.A. of which the Company is aware, according to the information in the official records of the National Securities Market Commission at 31 December, 2019, are the following:

<b>Shareholder</b>	<b>% direct</b>	<b>% indirect</b>	<b>TOTAL</b>
Norbel Inversiones, S.L.	63.107	-	63.107
Indumenta Pueri, S.L.	-	5.057	5.057
T. Rowe Price International Funds, INC.	-	3.390	3.390
Wellington Management Group, LLP.	-	4.924	4.924

As a consequence of the Capital Increase, the interest held by the company Norbel Inversiones, S.L. in Laboratorios Farmacéuticos Rovi, S.A. dropped from 69.64% to 62.10% at 31 December, 2018.

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In May 2019, Norbel Inversiones, S.L. increased its interest in the Company's share capital with the result that, as of 31 December, 2019, it held 63.11% of the shares of Laboratorios Farmacéuticos Rovi, S.A. Norbel Inversiones, S.L. is owned by Juan López-Belmonte López (20.00%) and Messrs Juan, Iván and Javier López Belmonte Encina (26.67% each). As of 31 December, 2019, the interest in the Company's share capital held by Mr Juan López-Belmonte López was 12.62% (12.42% at 31 December, 2018), while while Messrs Juan, Iván and Javier López-Belmonte Encina each held 16.83% (16.56% at 31 December, 2018).

### **16. Other information on reserves**

#### **a) Legal reserve**

The legal reserve, which totalled 673 thousand euros at 31 December 2019 and 2018, was set up in accordance with Article 274 of the Capital Companies Act ("Ley de Sociedades de Capital"), which states that 10% of the profit for the period must be allocated to the legal reserve until at least 20% of the share capital is covered. The legal reserve is not available for distribution. Should the legal reserve be used to offset losses in the event of no other reserves being available for this purpose, it must be replenished with future profits.

#### **b) Other reserves**

These reserves include cumulative variations in the value of equity securities (Note 11) net of transfers to profit and loss due to impairment.

#### **c) Retained earnings and voluntary reserves**

During 2019, retained earnings were increased and/or reduced as follows:

- On 12 June, 2019, the General Meeting of Shareholders of Laboratorios Rovi, S.A. resolved to approve the proposal for distribution of the profit for 2018 (15,581 thousand euros), allocating 4,474 thousand euros to dividends and the remainder to retained earnings. The dividend on the treasury shares held by ROVI at the time of the distribution was 54 thousand euros.
- The sale of treasury shares in 2019 led to a profit of 1,682 thousand euros, which was recognised in the retained earnings account (Note 16.d).

During 2018, retained earnings were increased and/or reduced as follows:

- On 29 May, 2018, the General Meeting of Shareholders of Laboratorios Rovi, S.A. resolved to approve the proposal for distribution of the profit for 2017 (18,673 thousand euros), allocating 6,035 thousand euros to dividends and the remainder to retained earnings. The dividend on the treasury shares held by ROVI at the time of the distribution was 83 thousand euros.
- The sale of treasury shares in 2018 led to a profit of 253 thousand euros, which was recognised in the retained earnings account (Note 16.d).
- The expenses associated to the Capital Increase, which were 5,175 thousand euros (3,881 thousand euros net of tax), were recognised under the "Retained earnings and voluntary reserves" caption.



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Retained earnings at 31 December 2019 and 2018 included restricted reserves amounting to 1,704 thousand euros relating to legal reserves in group companies other than the Company itself. Also included was a special restricted reserve of 5,036 thousand euros at 31 December 2019 and 2018 set up by ROVI in 1994, when the share capital was reduced without contributions being refunded to shareholders. This reserve is treated in the same way as the legal reserve and may only be used to offset losses if there are no other reserves available for this purpose.

Dividends that reduce the balance of available reserves to an amount lower than the total research and development expense balances that have not yet been amortised may not be distributed (Note 7).

### **d) Treasury shares**

In the course of 2019, ROVI acquired a total of 224,449 of its own shares (68,603 in 2018), paying the sum of 4,718 thousand euros for them (1,138 thousand euros in 2018). Likewise, it resold a total of 232,548 of its own shares (58,731 in 2018) for a sum of 4,871 thousand euros (986 thousand euros in 2018). These shares had been acquired at a weighted average cost of 3,189 thousand euros (733 thousand euros in 2018), giving rise to a profit of 1,682 thousand euros on the sale (253 thousand euros in 2018), which was taken to reserves. At 31 December, 2019, the Group held 686,956 treasury shares (695,055 at 31 December, 2018).

The Company is entitled to reissue these shares at a later date.

### **e) Dividends**

On 12 June, 2019, the General Meeting of Shareholders approved the distribution of the 2018 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 4,474 thousand euros (0.0798 euros gross per share). This dividend was paid out in July 2019.

On 29 May, 2018, the General Meeting of Shareholders approved the distribution of the 2017 profit, which included a dividend to be distributed to shareholders for a maximum total amount of 6,035 thousand euros (0.1207 euros gross per share). This dividend was paid out in July 2018.

### **f) Application of profit**

The proposed application of the profit for the period 2019 of the parent company, determined on the basis of generally-accepted accounting principles in Spain, that will be submitted to the General Meeting of Shareholders, together with the application approved for 2018 based on the profit of the parent company, is as follows:

	<u>2019</u>	<u>2018</u>
<b><u>Basis of application</u></b>		
Profit for the year	25,553	15,581
<b><u>Application</u></b>		
Legal reserve	-	73
Dividend	9,818	4,474
Retained earnings	15,735	11,034
	<u>25,553</u>	<u>15,581</u>

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### 17. Trade and other payables

	<b>2019</b>	<b>2018</b>
Trade payables	68,770	47,875
Payables to related parties (Note 31)	1,673	2,250
Outstanding remuneration	5,264	5,177
Public authorities	4,703	5,586
Other payables	11,504	7,277
	<b>91,914</b>	<b>68,165</b>

At 31 December, 2019 and 2018, the “Other payables” caption included the following liabilities:

	<b>2019</b>	<b>2018</b>
Returns	1.365	898
Contribution to public health system	8.437	6.222
Other	25	107
	<b>9.827</b>	<b>7.227</b>

#### Contribution to public health system

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

Additionally, 5,641 thousand euros of the total amount of rebates to the National Health System were related to the co-operation agreement signed between Farmaindustria, the Spanish pharmaceutical industry association, and the Spanish government in 2016 and renewed in December 2017. ROVI, as a member of Farmaindustria, is subject to this agreement. According to the agreement, in the event that public spending on medicines (excluding generics and biosimilar) exceeds the actual growth rate of the GDP of the Spanish economy, the pharmaceutical industry must reimburse the government for said excess in cash.

In 2018, the public spending growth rate exceeded the growth rate of the GDP, meaning that the companies subject to the agreement must make the applicable reimbursement. The amount to be paid by ROVI for this item is 2,567 thousand euros.

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

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### Delay in payments to suppliers

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

	<b>2019</b>	<b>2018</b>
	<b>Days</b>	<b>Days</b>
Average payment period to suppliers	53	51
Ratio of transactions paid	55	53
Ratio of transactions outstanding	35	36
	<b>2019</b>	<b>2018</b>
Total payments made (thousands of euros)	213,841	165,685
Total payments outstanding (thousands of euros)	25,709	20,254

### 18. Financial debt

	<b>2019</b>	<b>2018</b>
<b>Non-current</b>		
Bank borrowings	45,000	7,113
Debt with government entities	9,693	9,476
Financial liabilities for leases	17,411	-
	<b>72,104</b>	<b>16,589</b>
<b>Current</b>		
Bank borrowings	7,116	15,603
Debt with government entities	1,996	2,032
Financial liabilities for leases	3,460	-
Derivates	129	-
	<b>12,701</b>	<b>17,635</b>
	<b>84,805</b>	<b>34,224</b>

#### a) Bank borrowings

Bank borrowings at 31 December, 2019 consisted of the following bank loans:

Entity	a.1)	a.2.1)	a.2.2)	a.3)	TOTAL
	BBVA	BEI	BEI	Santander	
Face value	20.000	5.000	40.000	5.000	
Interest rate	0,65% Fixed	Eur3+0,844%	0,681% Fixed	0,36% Fixed	
2020	2,116	-	-	5,000	7,116
2021	-	176	-	-	176
2022	-	704	-	-	704
2023	-	708	5,714	-	6,422
2024	-	711	5,714	-	6,425
2025 onward	-	2,701	28,572	-	31,273
	<b>2,116</b>	<b>5,000</b>	<b>40,000</b>	<b>5,000</b>	<b>52,116</b>
Non-current	-	5,000	40,000	-	45,000
Current	2,116	-	-	5,000	7,116

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At 31 December, 2018, the bank loan maturities were as follows:

Entity	a.1)	a.4)	a.5)	a.6)	a.2.1)	TOTAL
	BBVA	BBVA	Santander	Santander	BEI	
Face value	20.000	10.000	4.000	6.000	5.000	
Interest rate	0,65% Fixed	0,90% Fixed	0,90% Fixed	Eur12+0,70%	Eur3+0,844%	
2019	12,642	1,481	592	888	-	15,603
2020	2,113	-	-	-	-	2,113
2021	-	-	-	-	175	175
2022	-	-	-	-	704	704
2023	-	-	-	-	708	708
2024 onward	-	-	-	-	3,413	3,413
	14,755	1,481	592	888	5,000	22,716
Non-current	2,113	-	-	-	5,000	7,113
Current	12,642	1,481	592	888	-	15,603

a.1) Loan of 20,000 thousand euros granted by BBVA in the first half of 2017. The repayment term of this loan is 3 years, with a grace period of 17 months and a fixed interest rate of 0.65%.

a.2) In December 2017, the European Investment Bank (EIB) granted ROVI a credit line to support its investments in Research, Development and Innovation (R&D&i). The credit line was for 45,000 thousand euros. ROVI may draw down this amount over a term of 24 months as from signature of the agreement and the credit matures in 2029. The credit line provides for a three-year grace period and financial conditions (i.e. applicable interest rates, repayment period, etc.) that are favourable to ROVI. As of 31 December, 2019, ROVI had drawn down the entirety of this credit line in:

a.2.1) A draw-down of 5,000 thousand euros in 2018 at an annual interest rate of Euribor at 3 years plus 0.844%.

a.2.2) A draw-down of 40,000 thousand euros in 2019 at a fixed annual interest rate of 0.681%.

In the first half of 2019 and 2018, compliance as of 31 December, 2018 and 2017, respectively, with the financial ratios fixed in this financing agreement was certified. At 31 December, 2019, ROVI met the ratios fixed, although this will not be certified until after these annual accounts have been approved.

a.3) Loan of 5,000 thousand euros signed in October 2019 with Banco Santander. This loan has a term of 3 months and a fixed annual interest rate of 0.36%.

a.4) Loan of 10,000 thousand euros obtained from BBVA in July 2015, with a fixed annual interest rate of 0.90% and a 4-year repayment period. Repayment of this loan was completed in 2019.

a.5) In 2015, a loan of 4,000 thousand euros was signed with Banco Santander with a fixed annual interest rate of 0.90% and a repayment period of 4 years. Repayment of this loan was completed in 2019.

a.6) Loan signed in July 2014 with Banco Santander for 6,000 thousand euros, which came from European Investment Bank (EIB) funds. In 2015, a novation of this loan was signed and the spread applied to Euribor at 12 months, to which the loan is indexed, dropped from 1.50% to 0.70%. The repayment period is 48 months. Repayment of this loan was completed in 2019.

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### b) Debt with government entities

b.1) Since 2001, the Company has been receiving reimbursable grants from different Ministries to finance a number of R&D projects. The amounts recorded as non-current financial debt for this item at 31 December, 2019 amounted to 9,693 thousand euros (9,476 thousand euros at 31 December, 2018). The transactions do not accrue interest and have been recognised at their initial fair values. The difference between the initial fair value and the face value accrues at market interest rates (Euribor and the interest rate on Spanish Treasury debt plus a spread in accordance with the Group's risk). This means that this debt accrues interest at effective interest rates ranging from 2.9% to 4.9%.

#### b.2.1) Advances received in 2019:

In 2019, the different Group companies received various reimbursable advances from different entities, details of which are given below:

Company	Government entity	Project	Thousands of euros		Years	
			Face value	Initial fair value	Repayment period	Grace period
Lab. Farm. Rovi	Technological Corporation of Andalusia	(1)	4	3	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	160	136	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	712	593	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	163	146	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	312	261	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	37	33	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	645	548	10	3
			2,033	1,720		

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

#### b.2.1) Advances received in 2018:

In 2018, the different Group companies received various reimbursable advances from different entities, details of which are given below:

Company	Government entity	Project	Thousands of euros		Years	
			Face value	Initial fair value	Face value	Initial fair value
Lab. Farm. Rovi	Technological Corporation of Andalusia	(1)	4	3	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	160	136	7	3
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	956	799	7	3
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	734	611	7	3
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	79	66	7	3
Lab. Farm. Rovi	Technological Corporation of Andalusia	(1)	28	22	10	4
Lab. Farm. Rovi	Industrial Technological Development Centre	(1)	64	53	7	3
Lab. Farm. Rovi	Technological Corporation of Andalusia	(1)	2	1	10	4
Lab. Farm. Rovi	Technological Corporation of Andalusia	(1)	16	12	10	4
			2,043	1,703		

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

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At 31 December, 2019 and 2018, debt with government entities matured as follows:

Year	<b>2019</b>	<b>2018</b>
2019	-	2,032
2020	1,996	1,791
2021	1,600	1,540
2022	1,788	1,595
2023	1,178	934
2024	1,220	963
2025 onward	3,907	2,653
	<b>11,689</b>	<b>11,508</b>
Non-current	9,693	9,476
Current	1,996	2,032

### Fair value of the financial debt

The carrying amounts and fair values of non-current bank borrowings and debt with government entities liabilities at 31 December, 2019 and 2018 were as follows:

	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Bank borrowings	45,000	7,113	44,748	7,061
Debt with government entities	9,693	9,476	9,972	10,002
	<b>54,693</b>	<b>16,589</b>	<b>54,720</b>	<b>17,063</b>

The fair values of current financial debt are equal to their corresponding nominal amounts since the effect of discounting is not significant. The fair values are based on cash flows discounted at a rate of 2%, based on the borrowing rate (2% in 2018).

To calculate the fair value of fixed rate non-current bank borrowings the 2019 and 2018 reporting dates, the interest rate of the last variable interest loan received by the Company was taken as a reference: Euribor at 3 months plus a 0.844% spread.

### 19. Deferred taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority. A breakdown of the estimated periods for offsetting is as follows:

	<b>2019</b>	<b>2018</b>
Deferred tax assets:		
– Deferred tax assets to be recovered at more than 12 months	7,955	11,332
– Deferred tax assets to be recovered within 12 months	6,705	4,704
	<b>14,660</b>	<b>16,036</b>
Deferred tax liabilities:		
– Deferred tax liabilities to be recovered at more than 12 months	884	1,033
– Deferred tax liabilities to be recovered within 12 months	194	210
	<b>1,078</b>	<b>1,243</b>

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Net movement on the deferred tax account was as follows:

	Deferred tax assets	Deferred tax liabilities	Net deferred taxes
<b>At 1 January, 2018</b>	<b>11,893</b>	<b>(1,438)</b>	<b>10,455</b>
(Charged) / credited to the income statement (Note 28)	4,277	195	4,472
Tax charged to equity	(134)	-	(134)
<b>At 31 December, 2018</b>	<b>16,036</b>	<b>(1,243)</b>	<b>14,793</b>
(Charged) / credited to the income statement (Note 28)	1,624	165	1,789
Derecognition due to monetization (Note 27)	(3,000)	-	(3,000)
<b>At 31 December, 2019</b>	<b>14,660</b>	<b>(1,078)</b>	<b>13,582</b>

Movement on deferred tax assets was as follows:

	Negative tax bases	Tax credits not yet applied	30% amortisa. 13 & 14	Provisions	Other	Total
<b>At 1 January, 2018</b>	<b>2,397</b>	<b>8,036</b>	<b>1,134</b>	<b>192</b>	<b>134</b>	<b>11,893</b>
(Charged) / credited to the income statement	957	2,139	(106)	50	1,237	4,277
Tax charged to equity	-	-	-	-	(134)	(134)
<b>At 31 December, 2018</b>	<b>3,354</b>	<b>10,175</b>	<b>1,028</b>	<b>242</b>	<b>1,237</b>	<b>16,036</b>
(Charged) / credited to the income statement	3,366	(1,533)	(117)	117	(209)	1,624
Derecognition due to monetization (Note 27)	-	(3,000)	-	-	-	(3,000)
<b>At 31 December, 2019</b>	<b>6,720</b>	<b>5,642</b>	<b>911</b>	<b>359</b>	<b>1,028</b>	<b>14,660</b>

The amounts for deferred tax assets shown in the “30% amortisation/depreciation 2013 & 2014” column relate to the tax effect of the 30% of the amortisation/depreciation charge for the period, which was not tax deductible in the years 2013 and 2014, as established in Royal Decree-Law 16/2012 of 27 December, whereby various measures intended to consolidate public finance and stimulate economic activity were adopted.

Movement on deferred tax liabilities was as follows:

	Freedom of amorisation	Other	Total
<b>At 1 January, 2018</b>	<b>796</b>	<b>642</b>	<b>1,438</b>
(Charged) / credited to the income statement	(185)	(10)	(195)
<b>At 31 December, 2018</b>	<b>611</b>	<b>632</b>	<b>1,243</b>
(Charged) / credited to the income statement	(159)	(6)	(165)
<b>At 31 December, 2019</b>	<b>452</b>	<b>626</b>	<b>1,078</b>

The deferred tax liabilities included as “freedom of amortisation/depreciation” refer to the application of the free amortisation/depreciation system associated to assets attached to R&D activity and to maintaining jobs.

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### 20. Contract liabilities

Movement on contract liabilities in 2019 and 2018 was as follows:

	Distribution		
	licenses	Other contracts	Total
<b>At 1 January, 2018</b>	<b>914</b>	<b>-</b>	<b>914</b>
Additions	5,927	800	6,727
Charged / (credited) to income statement	(219)	-	(219)
<b>At 31 December, 2018</b>	<b>6,622</b>	<b>800</b>	<b>7,422</b>
Additions	337	-	337
Charged / (credited) to income statement	(400)	-	(400)
<b>At 31 December, 2019</b>	<b>6,559</b>	<b>800</b>	<b>7,359</b>

#### Distribution licences

In 2019, new contract liabilities of 347 thousand euros (5,927 thousand euros in 2018) were recognised in relation to agreements granting distribution licences.

In 2019, ROVI recognised revenue from distribution licences for a total amount of 400 thousand euros (219 thousand euros in 2018) (Note 22).

At 31 December, 2019 and 2018, the contract liabilities related to distribution licences had the following estimated maturities:

Year	<b>2019</b>	<b>2018</b>
2019	-	359
2020	761	703
2021	1,050	992
2022	1,252	1,192
2023	951	872
2024	44	-
	<b>4,058</b>	<b>4,118</b>
Non-current	<b>3,297</b>	<b>3,759</b>
Current	<b>761</b>	<b>359</b>

At 31 December, 2019, there were contract liabilities related to distribution licences for an amount of 2,501 thousand euros for which the time at which they would be recognised in the income statement could not be determined, since they were subject to meeting certain milestones for which no dates had been fixed (2,554 thousand euros at 31 December, 2018).



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### 21. Deferred revenues

	<b>2019</b>	<b>2018</b>
Non-current	3,141	3,621
	<u>3,141</u>	<u>3,621</u>
Current	528	553
	<u>528</u>	<u>553</u>
	<b><u>3,669</u></b>	<b><u>4,174</u></b>

The deferred revenues caption recognises sums collected for grants received from government entities, which are classified into two broad blocks:

	<b>2019</b>	<b>2018</b>
a) Deferred revenues from non-reimbursable capital grants	3,493	3,958
b) Deferred revenues from reimbursable capital grants	176	216
	<u>3,669</u>	<u>4,174</u>

#### a) Deferred revenues from non-reimbursable capital grants

These are taken to profit and loss in proportion to the provision made in the period for the assets whose purchase is subsidised. The most significant non-reimbursable grants that have not yet been taken to profit and loss are related to construction of the Granada bemiparin plant, which came into operation in 2009. In said reporting period, the allocation of a non-reimbursable grant of 5,431 thousand euros, awarded by the Innovation and Development Agency of Andalusia (Innovation, Science and Business Department), to profit and loss commenced. This grant was received in November 2008. The amount recognised for this grant under the caption "Current and non-current deferred revenues from grants" at 31 December, 2019 was 2,334 thousand euros (2,629 thousand euros at 31 December, 2018).

#### b.2) Deferred revenues from reimbursable grants

These relate to grants with an implicit interest rate derived from recognising reimbursable grants awarded at a zero interest rate at fair value (Note 18.b). The most significant amounts recognised as deferred revenues in relation to reimbursable grants awarded by government entities relate mainly to a number of research and development projects. They are taken to profit and loss on the basis of accrual of the expenses for which the reimbursable grant was awarded.

### 22. Revenues

Revenues are broken down into the following items:

	<b>2019</b>	<b>2018</b>
Sales of goods	315,263	248,409
Sale of services	65,650	54,575
Revenue from distribution licenses	400	219
	<u>381,313</u>	<u>303,203</u>

As of 31 December, 2019 "Sales of goods" caption includes 1,817 thousand euros related to service to promote third-party products.

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Additionally, as of 31 December, 2019, the "Sales of good" caption includes 3,970 thousand euros (673 thousand euros at the 2018 reporting date) related to royalties received on the basis of enoxaparin distribution agreements signed with third parties.

Total sales of goods fell by 17,771 thousand euros in 2019 (18,252 thousand euros in 2018) as a consequence of the rebates furnished to the National Health System (Note 2.24). 2,174 thousand euros of the total amount of rebates to the National Health System were related to the co-operation agreement signed between Farmaindustria and the Spanish government (3,467 thousand euros at 31 December, 2018) (Note 17).

The breakdown of "Sales of goods" by product group was as follows:

	<b>2019</b>	<b>2018</b>
Pharmaceutical products	280,611	216,563
Contrast agents and other hospital products	32,556	29,688
Non prescription pharmaceutical products	1,152	1,408
Other	944	750
	<b>315,263</b>	<b>248,409</b>

The revenue disaggregated by primary geographical market and reportable segment at 31 December, 2019 is shown below:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>TOTAL</b>
Spain	11,349	220,917	232,266
EU	52,134	77,691	129,825
Other Countries	2,167	17,055	19,222
	<b>65,650</b>	<b>315,663</b>	<b>381,313</b>

At 31 December, 2018, the breakdown was as follow:

	<b>Manufacturing</b>	<b>Marketing</b>	<b>TOTAL</b>
Spain	10,300	193,465	203,765
EU	42,355	42,612	84,967
Other Countries	1,920	12,551	14,471
	<b>54,575</b>	<b>248,628</b>	<b>303,203</b>

Sales in the 2019 and 2018 reporting periods were made principally in euros.

### 23. Employee benefit expenses

The summary of employee benefit expenses is as follows:

	<b>2019</b>	<b>2018</b>
Wages and salaries	58,836	57,982
Social security costs	13,652	12,174
Pension costs - defined-contribution pension plans	24	24
	<b>72,512</b>	<b>70,180</b>

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Total employee benefit expenses at 31 December, 2019 included R&D department-related expenses of 8,121 thousand euros (7,807 thousand euros at 31 December, 2018, Note 7).

At 31 December, 2019 “Wages and salaries” caption included compensation of 1,094 thousand euros for a substantial change to the working conditions of the workers of Rovi Pharma Industrial Services, S.A.U. (formerly Frosst Ibérica, S.A.), which belongs to the Group.

The wages and salaries figure includes severance payments of 1,399 thousand euros in 2019 and 1,686 thousand euros in 2018.

The average number of employees was as follows:

	<b>2019</b>	<b>2018</b>
Management	35	30
Administration	232	192
Sales force	288	294
Production and plant	522	501
R&D	216	192
	<u>1,293</u>	<u>1,209</u>

At 31 December, 2019, the Group’s total headcount was 1,310 employees (1,224 at 31 December, 2018), 696 of whom were women (1,224 at 31 December, 2018). There were 11 women in management positions in 2017 (9 in 2018).

At 31 December, 2019, the Group’s total headcount included 25 people with a disability rating of 33% or more (20 at 31 December, 2018).

### 24. Other operating expenses

	<b>2019</b>	<b>2018</b>
Advertising costs	19,529	17,354
Services from third parties	8,127	6,322
Supplies	12,319	10,890
Transport and warehouse expenses	6,201	4,139
Repairs and maintenance	3,278	3,533
Operating leases	179	3,564
Other taxes	4,851	2,350
Other operating expenses	27,462	28,344
	<u>81,946</u>	<u>76,496</u>

Total operating expenses at 31 December, 2019 included R&D-related expenses of 21,183 thousand euros (24,569 thousand euros at 31 December, 2018, Note 7), most of which are registered in “Other operating expenses” caption.

### 25. Operating leases

As a result of the entry into force of IFRS 16 “Leases”, the operating lease expense recognised in profit and loss in 2019 fell by 179 thousand euros, in comparison with the 3,564 thousand euros recognised in 2018 (Note 2.2.a).

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At 31 December, 2019, there were no minimum future payments on uncancellable operating leases (at 31 December, 2018, there were 883 thousand euros, 714 thousand euros of which fell due at less than one year).

### 26. Finance income/(costs)

	<b>2019</b>	<b>2018</b>
Interest income	51	16
Total finance income	51	16
Interest costs	(648)	(712)
Other finance costs	(279)	-
Total finance costs	(927)	(712)
Proceeds on disposal of financial instruments	305	10
Change in fair value of financial instruments	(146)	(33)
Impairment and gain/(loss) on measurement of financial instruments	159	(23)
Exchange rate differences	(51)	(83)
	(51)	(83)
<b>Net finance income/(cost)</b>	<b>(768)</b>	<b>(802)</b>

The caption "other finance expenses" shows the finance cost derived from application of IFRS 16 "Leases" (Note 2.2.a).

### 27. Income tax

In 2019, the corporate income tax return was submitted jointly for the following group companies as a tax group, the company Laboratorios Farmacéuticos Rovi, S.A. being the tax group 362/07 parent:

- Rovi Pharma Industrial Services, S.A.U. (formerly, Frosst Ibérica, S.A.U, see section "Changes in the consolidated group, Note 1).
- Pan Química Farmacéutica, S.A.
- Gineladius, S.L.
- Rovi Escúzar, S.L. (incorporated in 2019)

Income tax is broken down into the following items:

	<b>2019</b>	<b>2018</b>
Current tax	(3,798)	(3,314)
Deferred tax (Note 19)	1,789	4,472
Adjustment corporate income tax prior years	(140)	57
	(2,607)	1,215

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

Notes to the Consolidated Annual Accounts for the annual period 2019  
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The tax on the Group's pre-tax profit differs from the notional amount that would have been calculated using the 25% tax rate applicable to the profits of the consolidated companies, as follows:

	<b>2019</b>	<b>2018</b>
Profit before tax	41,880	16,680
Tax calculated at domestic tax rate of 25%	(10,471)	(4,170)
Share of profit of joint venture	(49)	6
Movement on capitalised negative tax assets	5,437	1,313
Adjustment corporate income tax prior years	(140)	57
Non-tax deductible expenses	(112)	(271)
Tax differences in subsidiaries results	86	(135)
Movement on capitalised R&D tax credits	2,494	4,235
Other tax credits applied	148	180
Income tax expense	<u>(2,607)</u>	<u>1,215</u>

The non-deductible expenses and non-taxable income captions include principally the permanent differences of the companies at individual level, as well as the effect of the adjustment of corporate income tax from previous periods.

Consolidated current corporate income tax for 2019, after deduction of the amounts paid on account and withholdings operated in the period, generated a current tax receivable of 3,877 thousand euros. At 31 December, 2019, the receivable recognised for the current tax for 2018 was 6,227 thousand euros.

### Tax credits

The Group generated tax credits of 3,774 thousand euros in 2019 (4,045 thousand euros in 2018) and likewise was entitled to offset tax credits of 6,189 thousand euros from previous years (8,406 thousand euros at 31 December, 2018). In 2019, tax credits of 4,322 thousand euros were applied (2,276 thousand euros in 2018) and there were further R&D tax credits of 5,642 thousand euros that were pending application in future years (10,175 thousand euros at 31 December, 2018). At 31 December, 2019 and 2018, the Group had recognised the totality of the tax credits not yet offset in its assets (Note 19) and expects to recover them within a maximum term of 4 years.

When calculating the corporate income tax for 2018, ROVI, in accordance with article 39.2 of Law 27/2014 of 27 November, the Corporate Tax Act, elected not to apply the gross tax payable limitation and requested the tax authorities to credit tax credits generated for a total amount of 3,750 thousand euros, to which a discount of 20% had to be applied.

### Negative tax bases

At 31 December, 2019, the negative tax bases pending application were 34.938 thousand euros (36,335 thousand euros at 31 December, 2018), a total of 8,285 thousand euros of which will be applied in the 2019 corporate income tax. In 2019 the Group applied 1,397 thousand euros in the corporate income tax for 2018, filed in July 2019 (1,509 thousand euros were used in 2018, relating to the 2017 corporate income tax).

In 2018, as a consequence of the partial inspection of the offsetting of negative tax bases in 2015, signed in acceptance in January 2019 with no material impact for the Group, negative tax bases pending application of 1,292 thousand euros were reinstated.

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

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Of the total negative tax bases pending application, the Group has only recognised as assets those that it expects to recover within a period from three to five years, which totalled 26,653 thousand euros at 31 December, 2019 (13,331 thousand euros at 31 December, 2018).

The following periods' taxes are open to inspection:

	<u>Year</u>
Corporate income tax	2015-18
Value-added tax	2016-19
Transfer tax	2016-19
Personal income tax (withholdings)	2016-19

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

### **28. Earnings per share**

#### ***Basic and diluted***

The basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of ordinary shares in issue during the period.

In order to determine the number of shares in issue for 2019 and 2018, the weighted average number of shares was calculated without taking the treasury shares that existed at any given moment into account.

	<u>2019</u>	<u>2018</u>
Profit attributable to the Company's shareholders	39,273	17,895
Weighted average number of outstanding ordinary shares (thousands)	55,180	51,223
Basic and diluted earnings per share (euros per share)	<u>0.71</u>	<u>0.35</u>

At 31 December, 2019 and 2018, there were no shares with potential diluting effects.

### **29. Contingencies**

At 31 December, 2019, the Group held bank guarantees amounting to 2,503 thousand euros (3,459 thousand euros in 2018). These guarantees were granted principally to enable Group companies to participate in public tenders and to receive reimbursable grants and advances.

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

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### 30. Commitments

#### Acquisition of Bertex Pharma GmbH

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

a) If the development and marketing are performed internally:

- 350 thousand euros after finishing successfully the development of clinical trials of phase 1. Part of this amount, 100 thousand euros, was settled in 2011, while 250 thousand euros were settled in 2014;
- A payment of 200 thousand euros after finishing successfully the development of clinical trials of phase 2. This payment was made in 2016;
- A payment of 300 thousand euros after successfully finishing the development of clinical trials of phase 3;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product;
- A payment of 200 thousand euros at the beginning of the marketing of any pharmaceutical product in any of the main markets (USA, Japan, Germany, France, Italy or UK).

b) If the development and marketing are performed by third parties:

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

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

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

### 31. Related-party transactions

The Group is controlled by Norbel Inversiones, S.L., which held 63.11% of the shares of the parent company at 31 December, 2019 (62.10% at 31 December, 2018). Norbel Inversiones, S.L. belongs to Mr Juan López-Belmonte López and Messrs Juan, Javier and Iván López-Belmonte Encina.

a) *Sales of goods and services*

	<u>2019</u>	<u>2018</u>
Sales of goods and services:		
– Joint ventures	-	62
	-	62

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

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### b) Purchases of goods and services

	<u>2019</u>	<u>2018</u>
Purchases of goods and services:		
– Joint ventures	-	200
– Directors who are also shareholders	25	24
– Entities in which Mr. Juan López-Belmonte López holds an interest	2,036	2,026
	<u>2,061</u>	<u>2,250</u>

Purchase of services from companies in which Mr Juan López-Belmonte López holds an interest relates to operating lease payments to the companies Inversiones Borbollón, S.L., Norba Inversiones, S.L. and Lobel y Losa Development, S.L.

In 2018, the Services recognised on the “Joint ventures” line relate to product promotion services received.

### c) Director and key management remuneration

#### c.1) Director remuneration

	<u>2019</u>	<u>2018</u>
Wages and salaries and other current benefits	1,680	2,593
Contributions to defined-contribution pension plans (Notes 22 & 32.1.c)	24	24
	<u>1,704</u>	<u>2,617</u>

The “wages and salaries and other current benefits” caption includes the remuneration of the executive directors for performing senior management functions (Note 33.1.f) and the remuneration agreed for the directors as members of the Board of Directors (Note 33.1.a).

As of 31 December, 2018, the Long-Term Incentive Plan that ROVI had for its executive directors for the years 2016 to 2018 had ended. The goal of this Plan was to provide compensation for the long-term creation of value for the Group in the interests of the shareholders. This Incentive Plan had accrued at 31 December, 2018 and was recognised under “Wages and salaries and other current benefits”. The sum was paid in the first half of 2019.

On 29 May, 2018, the General Shareholders’ meeting approved a new Incentive Plan for the years 2019 to 2021 with the same characteristics as the plan ending 31 December, 2018. The amounts accrued under this Plan are recognised under the caption “Wages and salaries and other current benefits” in the income statement, but have not been included in the above “Director Compensation” table.



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

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### c.2) Key management remuneration

Members of the Management Committee are deemed to be key management. The following table shows the annual remuneration of those who were members of the Management Committee but not of the Board of Directors at the end of each reporting period:

	<u>2019</u>	<u>2018</u>
Wages and salaries and other current benefits	1,894	1,773
	<u>1,894</u>	<u>1,773</u>

At 31 December, 2019, the Management Committee was formed by 11 members (13 at 31 December, 2018), three of whom were also members of the Board of Directors.

### d) Dividends paid

Dividends paid to the company Norbel Inversiones, S.L. in 2019 were 2,754 thousand euros (4,203 thousand euros in 2018).

### e) Other transactions

In 2013, Laboratorios Farmacéuticos Rovi, S.A. granted a loan of 1,050 thousand euros to Alentia Biotech, S.L. (Note 10). The interest rate agreed was 2.00% p.a. Interest accrued on this loan is 22 thousand euros p.a.

### f) Balances at the end of the reporting period

	<u>2019</u>	<u>2018</u>
Receivables from related parties (Note 13):		
– Directors	44	44
– Entities in which Mr. Juan López-Belmonte López holds an interest	-	33
– Joint ventures (*)	52	46
	<u>96</u>	<u>123</u>
Payables to related parties (Note 17):		
– Key management	290	290
– Directors	1,005	1,537
– Joint ventures	80	100
– Entities in which Mr. Juan López-Belmonte López holds an interest	298	323
	<u>1,673</u>	<u>2,250</u>

(\*) This caption includes the balances receivable from joint ventures for sales of services and those relating to loans granted at their fair value.

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

Notes to the Consolidated Annual Accounts for the annual period 2019  
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### 33. Fees of account auditors and their group or related companies

The net fees accrued in 2019 by KPMG Auditores, S.L. for annual accounts audit were 157 thousand euros, for other audit-related services were 29 thousand euros and for other services 14 thousand euros, respectively (151 thousand euros, 28 thousand euros and 287 thousand euros respectively in 2018). Other services include the work carried out on the review of the System for Internal Control over Financial Information (ICFR), review of compliance with the financial ratios for financing contracts and, in 2018, the underwriting work related to the capital increase carried out in said year (Note 15).

Additionally, the group to which KPMG Auditores, S.L. belongs has provided services for the verification of the 2019 Statement of Non-Financial Information amounting to 20 thousand euros (22 thousand euros in 2018).

### 33. Director compensation

At 31 December, 2019, the members of the Board of Directors were as follows:

Mr Juan López-Belmonte López	Chairman
Mr Iván López-Belmonte Encina	First Deputy Chairman
Mr Javier López-Belmonte Encina	Second Deputy Chairman
Mr Juan López-Belmonte Encina	Chief Executive Officer
Mr Marcos Peña Pinto	Director
Mr Fernando de Almansa Moreno-Barreda	Director
Ms Fátima Báñez García	Director

The non-director Secretary is Mr. Gabriel Núñez Fernández.

a) In accordance with the provisions of Article 28 of the Board of Directors Regulations of Laboratorios Farmacéuticos Rovi, S.A., the following information is provided with respect to the members of the Board of Directors at 31 December 2019:

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

a. Per diem expenses or other fixed remuneration received as director and additional remuneration received as chairman or member of any Board committee. The amounts for 2019 and 2018 were as follows:

	<b>2019</b>	<b>2018</b>
Mr. Juan López-Belmonte López	150	150
Mr. Juan López-Belmonte Encina	60	60
Mr. Enrique Castellón Leal	58	60
Mr. Javier López-Belmonte Encina	60	60
Mr. Iván López-Belmonte Encina	60	60
Mr. Miguel Corsini Freese	21	60
Mr. Fernando de Almansa Moreno-Barreda	60	60
Mr. Marcos Peña Pinto	39	-
Ms. Fátima Báñez García	2	-
	<b>510</b>	<b>510</b>

b. No director received remuneration from profit-sharing or premiums, and the reason why such amounts were awarded.

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- c. Contributions made to defined contribution pension plans in the directors' favour (Note 2.19.a) or increases in the vested rights of the director in the case of contributions to defined-benefit plans (no defined-benefit plans exist):

	<b>2019</b>	<b>2018</b>
Mr. Juan López-Belmonte Encina	8	8
Mr. Javier López-Belmonte Encina	8	8
Mr. Iván López-Belmonte Encina	8	8
	<u>24</u>	<u>24</u>

- d. No director received any severance payments agreed to or paid upon termination of his mandate.
- e. No director received any remuneration as a director of other group companies.
- f. Remuneration for the performance of senior management functions received by executive directors. The remuneration of this nature for 2019 and 2018 was as follows:

	<b>2019</b>		<b>2018</b>	
	<b>Fixed</b>	<b>Variable</b>	<b>Fixed</b>	<b>Variable</b>
Mr. Juan López-Belmonte Encina	320	153	312	528
Mr. Javier López-Belmonte Encina	234	115	229	392
Mr. Iván López-Belmonte Encina	233	115	229	393
	<u>787</u>	<u>383</u>	<u>770</u>	<u>1,313</u>

At 31 December, 2018, the variable remuneration of the executive directors included the sums accrued under the Long-Term Incentive Plan (Note 31 c.1), which was settled in the first half of 2019.

- g. In 2019 and 2018, no item of remuneration existed of any nature other than the above or paid by any group company, specifically including related-party transactions and any items the omission of which would distort the true and fair view of the total remuneration received by the director.
2. Individual breakdown of any awards made to directors of shares, share options or any other instrument linked to share price, stating:
- The number of shares or options awarded in the year and the conditions applicable for exercising them;
  - The number of options exercised during the year, indicating the number of shares involved and the exercise price;
  - The number of options pending exercise at the year end, indicating price, date, and other exercise requirements;
  - Any amendment during the year of the conditions for the exercising of options already awarded.

In the periods 2019 and 2018, no shares, options or other instruments indexed to the share value were given to directors.

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

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3. Information on the relationship between remuneration received by executive directors and results or other measurements of the Company's performance:

	<u>2019</u>	<u>2018</u>
Remuneration of executive directors	1,170	2,083
Profit attributed to the parent company	25,553	15,581
Remuneration of executive directors/profit attributed to the parent company	<u>4.58%</u>	<u>13.37%</u>

The Company holds a liability insurance policy for directors and senior management. A premium of 22 thousand euros accrued for this policy in 2019 (12 thousand euros in 2018).

b) Conflicts of interests on the part of the directors

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

### **34. Events after the end of the reporting period**

No significant events have taken place since 31 December, 2019.

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

Notes to the Consolidated Annual Accounts for the annual period 2019

(Thousands of euros)

### APPENDIX 1

#### Subsidiaries included in the Consolidated Group

Corporate name	Registered office	Ownership interest		Activity	Auditor
		2019	2018		
Pan Química Farmacéutica, S.A.	Madrid, C/Rufino González, 50	100%	100%	(1)	A
Gineladius, S.L.	Madrid, C/Rufino González, 50	100%	100%	(2)	N/A
Rovi Pharma Industrial Services, S.A.U. (formerly Frosst Ibérica, S.A. until November 2019) (a)	Alcalá de Henares, Avenida Complutense, 140 (Madrid)	100%	100%	(1)	A
Rovi Contract Manufacturing, S.L. (a)	Madrid, C/Julián Camarillo, 35	n/a	100%	(1)	A
Bemipharma Manufacturing, S.L. (a)	Madrid, C/Julián Camarillo, 35	n/a	100%	(1)	N/A
Bertex Pharma GmbH	Inselstr.17. 14129 Berlin (Germany)	100%	100%	(3)	N/A
Rovi Biotech Limited	10-18 Union Street, London (United Kingdom)	100%	100%	(1)	B
Rovi Biotech, S.r.l	Via Monte Rosa 91, Milan (Italy)	100%	100%	(1)	N/A
Rovi, GmbH	Ruhlandstr. 5, Bad Tölz (France)	100%	100%	(1)	N/A
Rovi, S.A.S.	24 Rue du Drac, Seyssins (France)	100%	100%	(1)	C
Rovi Biotech sp.z.o.o.	ul. Wincentego Rzymowskiego, 53, Varsovia (Poland)	100%	n/a	(1)	N/A
Rovi Escúzar, S.L.	Madrid, C/Julián Camarillo, 35	100%	n/a	(1)	N/A

(a) In November 2019, the group companies Frosst Ibérica, S.A. (absorbing company), Rovi Contract Manufacturing, S.L. and Bemipharma Manufacturing, S.L. (absorbed companies) were merged. After this merger, Frosst Ibérica changed its corporate name to its current name of Rovi Pharma Industrial Services, S.A.U.

On 8 April, 2019, the company Rovi Biotech Ltda, established in Bolivia was dissolved. The consolidated annual accounts at 31 December, 2019 do not, therefore, include this company in the consolidated group (Note 1).

The percentage ownership interests have been rounded up or down to two decimal points.

Unless otherwise stated, the closing date of the latest Annual Accounts is 31 December.

#### Activity:

- (1) Production, marketing and sale of pharmaceutical, healthcare and medicine products.
- (2) Import-export, purchase, sale, distribution and marketing of articles related to integral female healthcare.
- (3) Development, distribution and marketing of pharmaceutical products related to micro-particle technologies.

#### Auditor:

A Audited in 2019 and 2018 by KPMG Auditores, S.L.

B Rovi Biotech Limited is exempt from the statutory audit under article 479a of the United Kingdom 2006 Companies Act.

C Audited in 2019 and 2018 by KPMG, S.A.

Free translation of the 2019 Consolidated Management Report originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

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

### **2019 Consolidated Management Report**

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Juan López-Belmonte López, as Board of Directors Chairman of Laboratorios Farmacéuticos Rovi, S.A. (“the Company”) issues the following management report in accordance with Article 262, 148 d) and 526 of the Spanish Capital Company Act (“Ley de Sociedades de Capital”), 61 bis of the Securities Market Law and 49 of the Code of Commerce.

#### **1.- CORPORATE PROFILE AND BUSINESS MODEL**

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

- Low-molecular-weight heparin (LMWH) division. In 2019 this division represents 47% of group sales. ROVI has two proprietary research products: bemiparin Hibor® and an enoxaparin biosimilar.
- Other pharmaceutical products division, with a diversified portfolio of both its own and licensed innovative products, protected by patents.
- Contract manufacturing of prefilled syringes and oral forms.
- A sound, low-risk R&D policy.

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

ROVI enjoys a series of competitive advantages that have allowed it to position itself as one of the principal leaders in its market niche, in a sector which, moreover, has high entry barriers.

- Unique knowledge of low-molecular-weight heparins (LMWH)
- Infrastructure with operating advantages
- Diversified portfolio
- Low-risk innovation
- International expansion

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

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

- Favour attainment of the Group’s strategic objectives.
- Improve the Group’s competitiveness by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.

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

### 2019 Consolidated Management Report

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

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

For more information, please visit: [www.rovi.es](http://www.rovi.es)

## 2.- BUSINESS PERFORMANCE AND SIGNIFICANT MATTERS

### 2.1.- Business performance

€ Million	2019	2018	Growth	% Growth
Operating revenues	381.3	303.2	78.1	26%
Other income	1.2	1.6	-0.4	-27%
<b>Total revenue</b>	<b>382.5</b>	<b>304.8</b>	<b>77.7</b>	<b>25%</b>
Cost of sales	-166.6	-128.6	-38	30%
<b>Gross profit</b>	<b>215.9</b>	<b>176.2</b>	<b>39.7</b>	<b>23%</b>
% margin	56.6%	58.1%		-1.5pp
R&D expenses	-29.3	-32.4	3.1	-9%
SG&A	-125.5	-113.2	-12.3	11%
Other expenses	0.0	-1.1	1.1	n.a.
Share of profit/loss of a joint venture	-0.2	0.0	-0.2	n.a.
<b>EBITDA<sup>1</sup></b>	<b>60.9</b>	<b>29.5</b>	<b>31.3</b>	<b>106%</b>
% margin	16.0%	9.7%		6.2pp
<b>EBIT<sup>1</sup></b>	<b>42.6</b>	<b>17.5</b>	<b>25.2</b>	<b>144%</b>
% margin	11.2%	5.8%		5.4pp
<b>Net profit</b>	<b>39.3</b>	<b>17.9</b>	<b>21.4</b>	<b>119%</b>

[1] See Appendix 1 about Alternative Performance Measures

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

Operating revenue increased by 26% to 381.3 million euros in 2019, driven by the strength of the specialty pharmaceutical business, where sales rose 27%, strongly outperforming the market, and by the toll manufacturing business, which grew by 20%. Total revenue increased by 25% to 382.5 million euros in 2019.

Sales of prescription-based pharmaceutical products rose 30% to 281.0 million euros in 2019.

Free translation of the 2019 Consolidated Management Report originally issued in Spanish. In the event of discrepancy, the Spanish version prevails.

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

### **2019 Consolidated Management Report**

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Sales of the Low Molecular Weight Heparin (LMWH) franchise (Enoxaparin biosimilar and Bemiparin) increased by 46% to 177.6 million euros in 2019. LMWH sales represented 47% of operating revenue in 2019 compared to 40% in 2018.

Sales of the Enoxaparin biosimilar increased 2.7 times to 80.9 million euros in 2019. ROVI commenced the marketing of its Enoxaparin biosimilar in Germany in 2017; in UK, Italy, Spain, France, Austria, Latvia and Estonia in 2018; and in Portugal, Poland, Costa Rica, Finland, and Sweden in 2019.

ROVI's low-molecular-weight heparin (LMWH), Bemiparin, showed a positive performance in Spain (Hibor®) in 2019, with sales up 3% to 69.6 million euros. International sales of Bemiparin increased by 14% to 27.2 million euros, mainly due to the positive contribution of some countries where the product had already been present in 2018, such as Turkey or the Czech Republic. Total Bemiparin sales increased by 6% to 96.8 million euros in 2019.

Sales of Neparvis®, a specialty product from Novartis, launched in December 2016, indicated for the treatment of adult patients with symptomatic chronic heart failure and reduced ejection fraction, increased 62% to 22.0 million euros in 2019, compared to 13.6 million euros in 2018.

Sales of Hirobriz® Breezhaler® and Ulunar® Breezhaler®, both inhaled bronchodilators from Novartis for patients with respiratory difficulties due to a pulmonary disease known as Chronic Obstructive Pulmonary Disease (COPD), launched in Spain in the fourth quarter of 2014, decreased by 5% to 14.6 million euros in 2019, compared to the previous year.

Sales of Volutsa®, a specialty product from Astellas Pharma indicated for the treatment of moderate to severe storage symptoms and voiding symptoms associated with benign prostatic hyperplasia, launched in Spain in February 2015, increased by 18% to 13.3 million euros in 2019.

Sales of Vytorin®, Orvatez® and Absorcol®, the first of the five licenses of Merck Sharp & Dohme ("MSD"), indicated as adjunctive therapy to diet in patients with hypercholesterolemia, decreased by 12% to 31.8 million euros in 2019. In the second quarter of 2018, the active principle ezetimibe went out of patent and the price of Absorcol® was reduced. Likewise, generics formulated with ezetimibe and simvastatin were marketed in the same period, so the price of Vytorin® was reduced to be competitive.

Sales of Medicebran® and Medikinet®, specialty products from Medice indicated for the treatment of ADHD (Attention Deficit and Hyperactivity Disorder) in children and teenagers, launched in December 2013 and marketed on exclusivity basis by ROVI in Spain, decreased by 22% to 5.8 million euros in 2019.

According to IQVIA, Spanish innovative product market increased by 2% in 2019 compared to the previous year. Nevertheless, ROVI prescription-based pharmaceutical product sales rose 30% in 2019, beating the market by 28 percentage points.

Due to the delay in product availability for the planned launch date, ROVI is not going to distribute Tetridar® (teriparatide), a TEVA product for the treatment of osteoporosis in adults, in Spain. However, ROVI is analyzing other opportunities with a similar market value with TEVA.

Sales of contrast imaging agents and other hospital products increased by 10% to 32.6 million euros in 2019.



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Sales of Perspirex® represented 55% of over-the counter pharmaceutical products (“OTC”) and other sales in 2019. The distribution contract of Perspirex® ended on 30th June, 2019 and, therefore, ROVI stopped distributing the product as of the third quarter of 2019. Therefore, ROVI has now fully divested the OTC division.

Toll manufacturing sales increased by 20% to 65.6 million euros in 2019 as a result of the redirection of our toll manufacturing activities strategy towards high-value-added products.

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

Likewise, by the end of 2020, ROVI expects the toll manufacturing business to have increased by a low-double-digit percentage.

Sales outside Spain increased by 50% to 149.0 million euros in 2019, 41.6 million euros (or 28%) of which related to international subsidiaries, mainly due to recognition of Enoxaparin biosimilar sales. Sales outside Spain represented 39% of operating revenue in 2019 compared to 33% in 2018.

Other income (subsidies) decreased by 27% to 1.2 million euros in 2019, compared to the previous year.

Gross profit increased by 23% to 215.9 million euros in 2019, the gross margin showing a decrease of 1.5 percentage points from 58.1% in 2018 to 56.6%, mainly due to (i) the increase of Enoxaparin biosimilar sales, which added lower margins in 2019 after the launch of the product in five new markets; and (ii) the increase in the LMWH raw material prices, which, in 2019, were running around 44% over 2018 prices. ROVI expects this upward trend in low-molecular-weight heparin raw material prices to increase during 2020. This, together with the uncertainty about the potential impact of the new coronavirus, makes the impact of these issues on the 2020 gross margin unpredictable at the present date.

Research and development expenses (R&D) decreased 9% to 29.3 million euros in 2019. R&D expenses were mainly related to the development of the Risperidone-ISM® Phase III trial and the Letrozole-ISM® Phase I trial.

On the 1st January, 2019, IFRS 16 “Leases” became effective. The new standard affects ROVI's financial statements.

The principal new feature of IFRS 16 is that there will be a single new accounting model for lessees, who will include all leases (with limited exceptions) in their statements of financial position with an impact similar to that of the present finance leases. IFRS states that lessees must recognise a financial liability for the present value of the payments to be made over the remaining life of the lease contract and an asset for the right of use of the underlying asset. Additionally, the lessee will recognise as an expense for amortisation of the asset and a financial expense for the discounting of the lease liability, not recording the lease expense. The impacts of the application of IFRS 16 in ROVI as of December 31, 2019 were:

- Recognition of assets under the “Property, plant and equipment” caption (non-current assets) for an amount of 20.6 million euros.
- Increase in debt under the captions “Financial liabilities for non-current and current leases” of 17.4 million euros and 3.5 million euros, respectively.

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- Lower operating expenses and, consequently, an increase of EBITDA of 3.6 million euros, since operating lease payments were recognized under the SG&A caption.
- Higher expense for the depreciation of the right-of-use asset of 3.6 million euros.
- An increase of 0.3 million euros in the finance costs of the lease liabilities.

Selling, general and administrative expenses (SG&A) increased 11% to 125.5 million euros in 2019, mainly due to (i) international subsidiaries expenses which amounted to 9.0 million euros compared to 7.4 million euros in 2018; (ii) the increase of 1.6 million euros in marketing expenses related to the enoxaparin biosimilar promotion in Spain and (iii) a larger volume of enoxaparin biosimilar production. In 2020, expenses related to international subsidiaries are expected to be around 10 million euros.

In 2018, EBITDA was affected by non-recurring expenses of 1.1 million, linked to a substantial change to Frosst Ibérica (currently called Rovi Pharma Industrial Services) employees working conditions. This change in working conditions was mainly related to the removal of the catering service, for which the employees were compensated with a sum similar to the costs that ROVI would have incurred in the following five-year period.

EBITDA increased to 60.9 million euros in 2019, a rise of 106% compared to the previous year, reflecting a 6.2 percentage point increase in the EBITDA margin, which was up to 16.0% in 2019 from 9.7% in 2018.

However, EBITDA "Pre-R&D", calculated excluding R&D expenses in 2019 and 2018 and the impact of non-recurring expenses in 2018, increased by 43%, from 63.0 million euros in 2018 to 90.2 million euros in 2019, reflecting a 2.9 percentage point rise in the EBITDA margin to 23.6% in 2019. Likewise, recognising the same amount of R&D expenses in 2019 as in 2018 and excluding the impact of non-recurring expenses in 2018, EBITDA would have increased by 89% to 57.8 million euros, reflecting a 5.1 percentage point rise in the EBITDA margin to 15.2% in 2019, up from 10.1% in 2018.

Depreciation and amortisation expenses increased by 51% to 18.2 million euros in 2019, as a result of the IFRS 16 application and the new property, plant and equipment and intangible assets purchases made during the last twelve months.

EBIT increased by 144% to 42.6 million euros in 2019, reflecting a 5.4 percentage point rise in the EBIT margin, which was up to 11.2% in 2019 from 5.8% in 2018.

However, EBIT "pre-R&D", calculated excluding R&D expenses in 2019 and 2018 and the impact of non-recurring expenses in 2018, increased by 41%, from 51.0 million euros in 2018 to 72.0 million euros in 2019, reflecting a 2.1 percentage point rise in the EBIT margin to 18.9% in 2019. Likewise, recognising the same amount of R&D expenses in 2019 as in 2018 and excluding the impact of non-recurring expenses in 2018, EBIT would have increased by 113% to 39.6 million euros, reflecting a 4.3 percentage point rise in the EBIT margin to 10.4% in 2019, up from 6.1% in 2018.

Net finance costs decreased by 4% to 0.8 million euros in 2019, mainly due to the gain related to derivative financial instruments.

The effective tax rate was 6.2% in 2019 (negative income tax of 2.6 million euros), compared to -7.3% in 2018 (positive income tax of 1.2 million euros), mainly due to the decrease in R&D expenses in 2019 in comparison with the previous year, which led to lower research and development tax credits.

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As of 31 December 2019, negative tax bases of the Group amounted to 34.9 million euros, of which 8.3 million euros will be used in the 2019 income tax.

Net profit increased by 119%, from 17.9 million euros in 2018 to 39.3 million euros in 2019. However, net profit “pre-R&D”, calculated excluding R&D expenses in 2019 and 2018 and the impact of non-recurring expenses in 2018, increased by 24%, from 53.8 million euros in 2018 to 66.8 million euros in 2019. Likewise, recognising the same amount of R&D expenses in 2019 as in 2018 and excluding the impact of non-recurring expenses in 2018, net profit would have increased by 91% to 36.4 million euros.

#### **2.2.- Outlook for 2020**

In 2020, ROVI expects a mid-single-digit growth rate for the operating revenue. The Company forecasts that it will continue to grow at a higher rate than Spanish pharmaceutical market expenditure in 2019, which, according to the Ministry of Health, Consumption and Social Welfare, showed a growth rate of 3.0%.

ROVI expects its growth drivers to be Bemiparin, the license agreements, such as Neparvis® and Volutsa®, the Enoxaparin biosimilar, its existing portfolio of specialty pharmaceuticals, new products recently acquired (Falithrom® and Polaramine®) and new contracts in the toll manufacturing area.

Likewise, ROVI stopped distributing Norgine B.V. Group products (Sintrom®, Salagen®, Cordiplast® and Estraderm®) at the end of 2019; then no sales related to these products will be booked in 2020. In 2019, sales related to Norgine B.V. Group products amounted to 14.5 million euros.

#### **2.3.- Key operating and financial events**

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

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

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

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

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

#### 2.3.2 ROVI announces the construction of a second heparin plant in Granada

ROVI informed about the future construction of a new manufacturing plant for the active substance of low-molecular-weight heparins ("LMWH"), for which it has acquired industrial land in the Metropolitan Industry and Technology Park in Escúzar (Granada). This investment reflects ROVI's bet on becoming, through its two flagship products, bemiparin and the enoxaparin biosimilar, one of the main European players in this market, which is worth approximately 1,400 million euros<sup>1</sup> worldwide.

This operation will require ROVI to make an investment of around 24 million euros over the next three years and will double the ROVI Group's LMWH production capacity. The investment is intended to guarantee ROVI's future production capacity and respond to the company's strategic growth in the LMWH field. Once again, ROVI has chosen the province of Granada and the Autonomous Region of Andalusia to continue with its expansion and development plans over the forthcoming years. In a first phase until the year 2023, the construction of the new plant will create estimated net employment of 38 jobs.

As of 30 June 2019, all the EU countries where ROVI had applied for approval of the national registration of its enoxaparin biosimilar (26 countries) had approved registration and, in addition to the European countries, the company had signed marketing agreements for the product in a further 83 countries. Likewise, the international presence of bemiparin now covers 57 countries.

#### 2.3.3 ROVI announces completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia

ROVI informed (by publication of the material event number 279907 dated 5<sup>th</sup> of July of 2019) about the conclusion of the PRISMA-3<sup>2</sup> and BORIS<sup>3</sup> studies, thus completing the Clinical Research Program for Risperidone ISM®, in which more than 679 subjects participated. All the data collected and analyzed in this Program are included in the registration dossier to apply for marketing authorization for Doria® for the treatment of schizophrenia in the European Union and United States, in a first phase, and, subsequently, in other countries.

As the company announced on 19 March, 2019, the final results of the pivotal PRISMA-3 clinical study confirm the superiority of Risperidone ISM®, a novel investigational antipsychotic for the treatment of schizophrenia with once-monthly injections, in comparison with the placebo. The prespecified primary efficacy endpoint in the study was the mean total score on the Positive and Negative Syndrome Scale (PANSS) after twelve weeks. The reductions in comparison with the baseline values obtained in the PANSS with monthly doses of 75 mg or 100 mg of Risperidone ISM® were statistically higher than those observed with placebo (p<0.0001).

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<sup>1</sup> Estimates based on Sanofi-Aventis reported 2019 sales.

<sup>2</sup> <https://clinicaltrials.gov/ct2/show/NCT03160521>. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").

<sup>3</sup> <https://clinicaltrials.gov/ct2/show/NCT03527186>

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Likewise, both dosage strengths of Risperidone ISM<sup>®</sup> (75 mg and 100 mg, once monthly) showed reductions that were statistically higher than those of the placebo ( $p < 0.0001$ ) in the total score on the Clinician Global Impression-Severity (CGI-S) scale, at week 12, which was the prespecified key secondary efficacy endpoint in the study.

Additionally, ROVI is including in the registration dossier long-term safety data on more than 100 patients from an open-label extension of the PRISMA-3 study<sup>4</sup>, exposed to at least one year of treatment with Doria<sup>®</sup>, as recommended in the International Conference on Harmonization (ICH) Guideline E1. The aforementioned open-label extension of the pivotal study, after recruiting 215 patients, has very recently finished and will provide more clinical data on the long-term use of Risperidone ISM<sup>®</sup>.

Lastly, ROVI has also announced the completion of the BORIS clinical trial, aimed to compare the bioavailability of multiple doses of oral risperidone with multiple doses of Risperidone ISM<sup>®</sup> in stable schizophrenic patients. The results of this study are providing support to the registration of Doria<sup>®</sup> with the FDA (Food and Drug Administration) and EMA (European Medicines Agency) as a hybrid application<sup>5,6</sup>, i.e. based partly on own studies and partly on previously done with reference medicine.

#### 2.3.4 ROVI Announces Positive Topline Results from Phase 3 study of Doria<sup>®</sup> in Patients with Schizophrenia

ROVI informed about topline results from the pivotal study PRISMA-3, a multicenter, randomized, placebo-controlled phase 3 trial of Doria<sup>®</sup> (Risperidone ISM<sup>®</sup>), a novel investigational once-monthly injectable antipsychotic for the treatment of schizophrenia. In this study, patients treated with once-monthly doses of either 75 mg or 100 mg of Doria<sup>®</sup>, obtained statistically significant reductions from baseline ( $p < 0.0001$ ) compared to placebo in the Positive and Negative Syndrome Scale (PANSS) total score at week 12, which was the prespecified primary efficacy endpoint in the trial.

*“The positive results of the PRISMA-3 study provide the clinical evidence that Risperidone ISM<sup>®</sup> allows for a meaningful control of schizophrenia symptoms in patients with an acute illness exacerbation, using once-monthly injection and without needing loading doses or oral supplementation”* stated Christoph Correll, M.D., Professor of Psychiatry and Molecular Medicine at the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell in Hempstead, New York. *“In view of these results that also documented a favorable safety profile consistent with data known from oral risperidone, I believe that Risperidone ISM<sup>®</sup>, if approved, may represent a first-line therapeutic option for those schizophrenia patients in whom prescribers, patients and families consider risperidone to be the treatment of choice”.*

Both doses of Risperidone ISM<sup>®</sup> (once-monthly 75 mg and 100 mg), compared to placebo, also showed statistically significant improvement ( $p < 0.0001$ ) in the total score of the Clinical Global Impressions-Severity scale (CGI-S) at 12 weeks, which was the pre-specified key secondary efficacy endpoint in the study.

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<sup>4</sup> Study to Evaluate the Efficacy and Safety of Risperidone ISM<sup>®</sup> in Patients With Acute Schizophrenia: Open Label Extension (PRISMA-3\_OLE). [Clinicaltrials.gov# NCT03870880 \[https://clinicaltrials.gov/ct2/show/NCT03870880\]](https://clinicaltrials.gov/ct2/show/NCT03870880). This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

<sup>5</sup> NDA 505(b)(2) Section of Federal Food, Drug, and Cosmetic Act

<sup>6</sup> Hybrid Application, Article 10(3) – Directive 2001/83/EC

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#### 2.3.5 ROVI acquires rights to Dexchlorpheniramine Maleate in the Spanish and French markets

ROVI informed that it has reached an agreement with a subsidiary of Merck Sharp and Dohme (“MSD”) whereby it acquires certain rights to MSD’s dexchlorpheniramine maleate product line in Spain and France, allowing it to distribute this product directly in Spain in its different pharmaceutical forms (tablets, syrup and ampoules, marketed under the brand name POLARAMINE<sup>®</sup>, and cream, marketed under the brand name POLARACREM<sup>™</sup>) and, in France, in its injectable form (ampoules).

This line of products belongs to a group of medicines known as antihistamines used for 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.

According to MSD, net sales of these products in Spain and France, were approximately 6.3 million US dollars in 2017.

ROVI paid MSD 13.5 million euros for the product.

Under this agreement, this line of products will be marketed directly by ROVI in Spain in its different pharmaceutical forms and, in France, in its injectable form, when the administrative procedures to authorise the transfer of the marketing authorisations have been concluded at the Spanish Medicines Agency and the French Agency for the Safety of Medicines and Health Products.

#### 2.3.6 ROVI acquires Falithrom<sup>®</sup> for the German market

ROVI informed about the acquisition of Falithrom<sup>®</sup>, which was owned by Hexal AG (“Hexal”), a company belonging to the Sandoz division of Novartis, to be directly marketed by ROVI in Germany.

Falithrom<sup>®</sup> is used for the prevention and treatment of thromboembolic disease including venous thrombosis, thromboembolism, and pulmonary embolism as well as for the prevention of ischemic stroke in patients with atrial fibrillation (AF).

According to IQVIA, the 2017 net sales of the product in Germany totalled around 3.5 million euros. ROVI will pay Hexal nine million euros for the product.

Under this agreement, Falithrom<sup>®</sup> will be directly marketed by ROVI in Germany as soon as the administrative processes to authorize the transfer of the marketing authorization are completed before the Federal Institute for Drugs and Medical Devices (BfArM).

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#### 2.4.- Research and development

##### ISM® technology platform

As the company has recently informed (by publication of the material event number 286374 dated 31<sup>st</sup> of January of 2020), a very important milestone has already been achieved with its long-acting injectable (LAI) antipsychotic Doria® (Risperidone ISM®). After the conclusion of the validation phase, the European health authorities have commenced the assessment process to grant marketing authorisation for this first product based in its leading-edge drug delivery technology, ISM®. In March 2019, the company announced topline results from the pivotal study of Risperidone ISM® “PRISMA-3”<sup>7</sup>, which showed that primary and key secondary efficacy endpoints were achieved with both doses tested for the treatment of patients with acute exacerbation of schizophrenia. Besides, in July 2019, the company announced the completion of the Clinical Trial Program that will support the application for marketing authorization for Doria® for the treatment of schizophrenia. In addition, an open-label extension of the PRISMA-3 study<sup>8</sup> has already finished, which will provide clinical data on the long-term use of Risperidone ISM® (12 additional months).

Furthermore, ROVI informed of the decision to expand its industrial capabilities for the manufacture of Doria® with the incorporation of a second line for the manufacture of the syringe containing the solvent. The addition of this second line also provides the company with the necessary flexibility to the company to initiate the preparation of the industrial filling processes of Letrozole ISM®, which will require the installation of a specific filling machine. As a result, ROVI has prioritized the submission of the Doria® dossier in Europe (already done) and subsequently, filing in the USA, targeting the second half of 2020.

On the other hand, the company already announced the commencement of the clinical development of Letrozole ISM®, which represents the second candidate using the ROVI’s ISM® technology platform. This new investigational medicine is, to our best knowledge, the first long-acting injectable aromatase inhibitor intended for the treatment of hormone-dependent breast cancer. The first phase I clinical trial (the LISA-1 study<sup>9</sup>) of Letrozole ISM® is currently ongoing and due to the study design (“dose escalation”) and its exploratory nature, the finalisation date cannot be anticipated. Nevertheless, preliminary data confirm that this ISM® formulation provides a prolonged release of letrozole which produces a sustained suppression of oestrogenic hormones. The company will be gathering more clinical data from this trial during the following months to better characterise the pharmacological profile of Letrozole ISM®; afterwards, in 2020, ROVI is planning to discuss with regulatory authorities these results as well as the next steps for continuing the clinical development of this novel long-acting injectable aromatase inhibitor.

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

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<sup>7</sup> Study to Evaluate the Efficacy and Safety of Risperidone In Situ Microparticles® (ISM®) in Patients With Acute Schizophrenia (PRISMA-3). [Clinicaltrials.gov#NCT03160521](https://clinicaltrials.gov/ct2/show/study/NCT03160521) [<https://clinicaltrials.gov/show/NCT03160521>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

<sup>8</sup> 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/study/NCT03870880) [<https://clinicaltrials.gov/ct2/show/NCT03870880>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

<sup>9</sup> Evaluation of IM Letrozole ISM® Pharmacokinetics, Safety, and Tolerability in Healthy Post-menopausal Women (LISA-1). [Clinicaltrials.gov#NCT03401320](https://clinicaltrials.gov/ct2/show/study/NCT03401320) [<https://clinicaltrials.gov/ct2/show/NCT03401320>]. This clinical program has had the support of the Industrial Technological Development Centre (“CDTI”).

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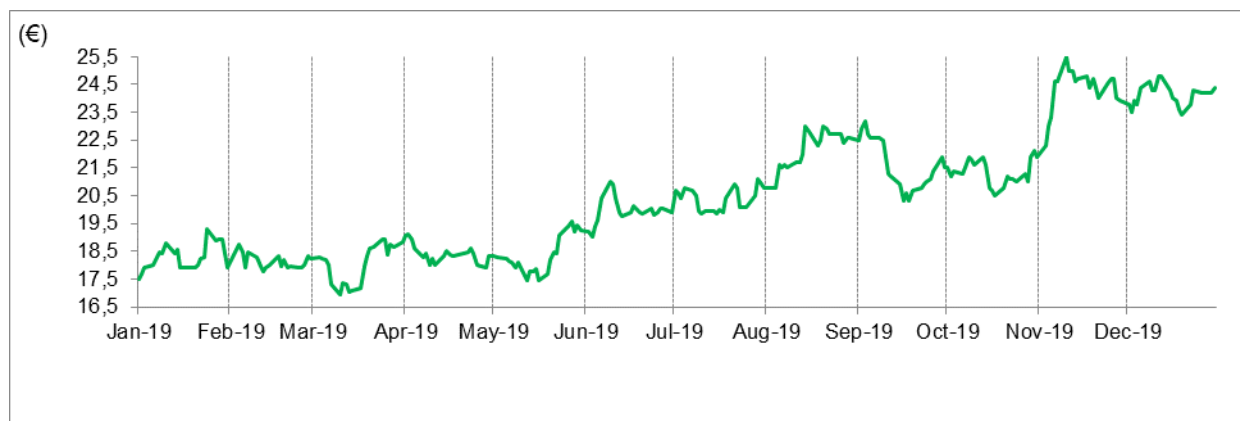
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#### 2.5.- Stock market capitalization

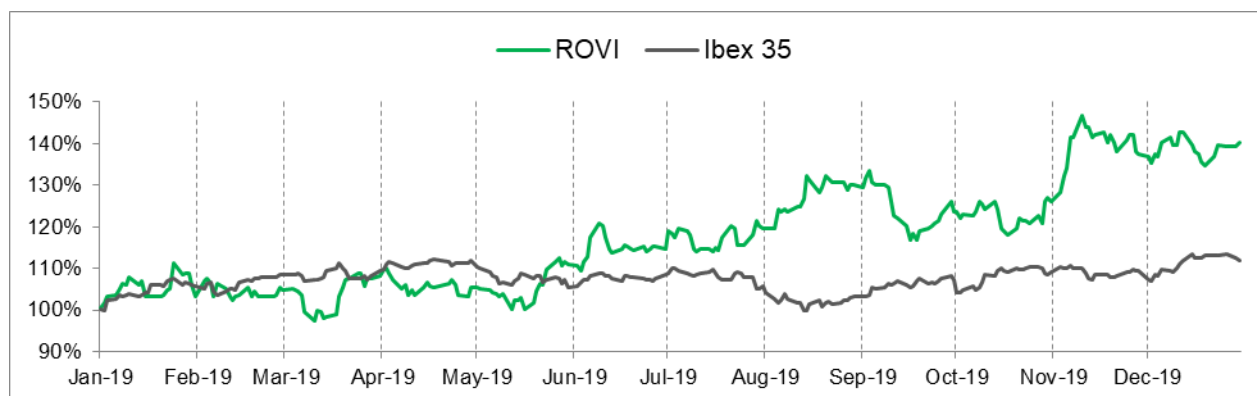
On the December 5th 2007, ROVI carried out an Initial Public Offering (IPO) of shares initially intended for qualified investors in Spain and to qualified institutional investors abroad. The face value of the operation, without including the shares corresponding to the green shoe purchase option, was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

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

The following graph shows the fluctuations of the share price in the stock market in 2019:



The following chart shows the performance of the share price of ROVI compared with the IBEX 35 index in 2019:





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#### 3.- FINANCIAL INFORMATION

##### 3.1.- Liquidity and capital resources

###### 3.1.1.- Liquidity

As of 31 December 2019, ROVI had a gross cash position of 68.9 million euros, compared to 97.0 million euros as of 31 December 2018, and net debt of 15.9 million euros (equity securities plus deposits plus financial derivatives plus cash and cash equivalents minus current and non-current financial debt), compared to net cash of 62.8 million euros as of 31 December 2018.

###### 3.1.2.- Capital resources

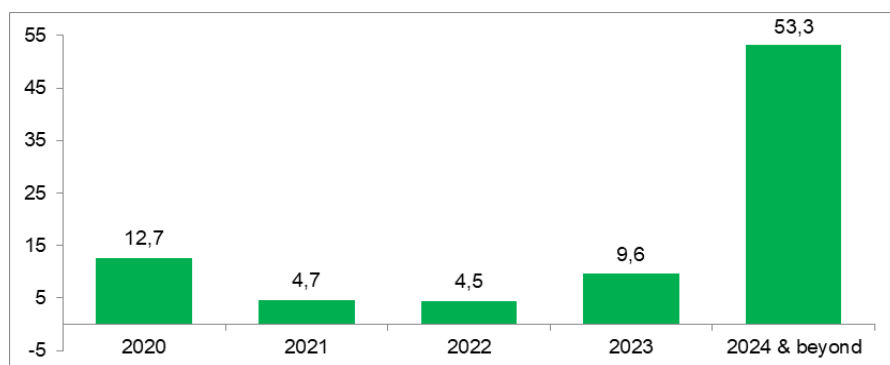
As a result of the IFRS 16 application, as of 31 December 2019, ROVI total debt increased to 84.8 million euros. Debt with public administration, which is 0% interest rate debt, represented 14% of total debt as of 31 December 2019.

<i>In thousand euros</i>	2019	2018
Bank borrowings	52,116	22,716
Debt with public administration	11,689	11,508
Financial liabilities for leases	20,871	-
Derivatives	129	-
<b>Total</b>	<b>84,805</b>	<b>34,224</b>

As of 31 December 2019, bank borrowings increased by 29.4 million euros. In December 2017, ROVI announced the European Investment Bank (EIB) granted it a loan to support its investments in Research, Development and Innovation. The loan was for 45 million euros. As of 30 September 2019, ROVI had drawn 5 million euros against this credit line at a variable interest rate of Euribor at 3 months + 0.844%. The latest interest rate paid was 0.421% (January 2020). As of 31 December, 2019, ROVI had drawn the remaining 40 million euros. The credit matures in 2029, includes a grace period of 3 years with a fixed interest of 0.681%.

Financial liabilities for leases reached 20.9 million euros in 2019 as a result of the IFRS 16 application.

Debt maturities at 31 December, 2019 are shown in the following graph (millions of euros):



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#### 3.1.3.- Analysis of contractual obligations and items off the statement of financial position

In the ordinary course of activities, in order to manage its own transactions and financing, the Group has carried out certain transactions that, until 2019, at the time of the entry into force of the International Financial Reporting Standard 16 "Leases" (IFRS 16), were not included on the statement of financial position, such as operating leases. The Group's objective is to optimize the financing costs that are involved in determined financial transactions and, therefore, on certain occasions, has chosen operating leases rather than the acquisition of assets. As of December 31, 2019, there are no minimum future payments to be paid for non-cancellable operating leases (as of December 31, 2018 there were 883 thousand euros, of which 714 thousand euros were due to less than one year).

#### **3.2.- Capital expenditure**

ROVI invested 27.0 million euros in 2019, compared to 17.4 million euros in 2018. This increase in capex was mainly due to (i) the redirection of the toll manufacturing activities strategy towards high-value added products, which meant a higher degree of technological specialization of the plants in differentiated niches; and (ii) the ISM<sup>®</sup> industrialization. Of the amount invested:

- 1.6 million euros corresponds to investment capex related to the injectable facility, versus 2.7 million euros in 2018;
- 4.3 million euros relates to investment capex regarding the San Sebastián de los Reyes plant, versus 2.8 million euros in 2018;
- 5.9 million euros were invested in the Granada facility, versus 3.0 million euros in 2018;
- 8.3 million euros were invested in the Alcalá de Henares (Frosst Ibérica) facility, versus 5.5 million euros in 2018;
- 3.5 million euros corresponds to the ISM<sup>®</sup> industrialization, versus 1.1 million euros in 2018; and
- 3.4 million euros relates to expenditure on maintenance and other capex (includes 1.0 million euros related to the purchase of a plot of land for the construction of the second heparin plant in Granada), versus 2.3 million euros in 2018.

In addition, in 2019, ROVI invested 13.5 million euros in the acquisition of Polaramine<sup>®</sup>

#### **3.3.- Treasury shares transactions**

In the course of 2019, ROVI acquired a total of 224,449 of its own shares (68,603 in 2018), paying the amount of 4,718 thousand euros for them (1,138 thousand euros in 2018). Likewise, it resold a total of 232,548 of its own shares (58,731 in 2018) for an amount of 4,871 thousand euros (986 thousand euros in 2018). These shares had been acquired at a weighted average cost of 3,189 thousand euros (733 thousand euros in 2018), giving rise to a profit of 1,682 thousand euros on the sale (253 thousand euros in 2018), which was taken to reserves. At 31 December, 2019, ROVI held 686,956 treasury shares (695,055 at 31 December, 2018).

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#### **3.4.- Dividends**

The ROVI General Shareholders Meeting, on 12 June 2019, approved the payment of a gross dividend of 0.0798 euros per share on 2018 earnings. This dividend was paid in July 2019.

The ROVI General Shareholders Meeting, on 29 May 2018, approved the payment of a gross dividend of 0.1207 euros per share on 2017 earnings. This dividend was paid in July 2018.

#### **4.- OTHER NON-FINANCIAL INFORMATION**

Appendix 2 includes the “Non-financial information statement” for 2019.

#### **5.- RISK MANAGEMENT**

##### 5.1 Operational risks

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

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

ROVI is permanently on the alert and is keeping any risks that may have an adverse effect on its business activities under constant surveillance, applying the appropriate policies and mechanisms to manage them and constantly developing contingency plans that can be used to mitigate or offset their impact. Among them, we highlight the fact that the Group (i) continues with the diversification of suppliers of raw materials and other packaging materials necessary for the manufacture of the products; (ii) is continuing with its target of constantly opening up new markets as a result of its international expansion plan; (iii) continues to enhance its processes and controls, including those related to the internationalization process; (iv) is working intensively to maintain a broad and diversified portfolio of products and customers; (v) perseveres every year with its savings plan, which has focused mainly on improving the efficiency of its internal and external operating processes; (vi) the Group exercises strict credit control and manages its cash effectively, which ensures that sufficient working capital is generated and maintained to allow its day-to-day operations to be carried out; (vii) the Group has an exhaustive tax risk control system, with external tax advisors who review the preparation and filing of the different taxes as well as the Group's decision-making on tax issues.

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

### 2019 Consolidated Management Report

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#### 5.2 Financial risks

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

- *Market risk*

Market risk is divided in:

- a) Foreign exchange risk: this risk is low because (i) virtually all the Group's assets and liabilities are in euros; (ii) a majority of the transactions with foreign parties are carried out in euros; and (iii) transactions for a significant amount in currencies other than the euro are hedged with financial instruments that minimise the impact of exchange-rate risk. At 31 December, 2019, the Group held instruments of this kind for a value of 26,500 thousand euros, the measurement of which at the 2019 reporting date did not lead to recognition of significant losses.
- b) Price risk: the Group is exposed to price risk for equity securities because of investments held by the Group and classified as available for sale on the consolidated statement of financial position. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The portfolio is diversified in accordance with the limits set by the Group. The Group does not use derivatives to hedge price risk.
- c) Interest rate risk: the Group is subject to interest rate risk in respect of cash flows on non-current financial debt transactions at variable rates. Group policy is to try to keep most of its financial debt in the form of debt with government entities by obtaining reimbursable advances on which there is no interest-rate risk and, in the case of bank debt, to obtain cash flows not only at variable rates, but also at fixed rates, thus keeping the impact of interest-rate risk to a minimum.
- d) Raw material price risk: the Group is exposed to changes in the conditions under which raw materials and other packaging materials needed to manufacture its products are supplied. To minimise this risk, the Group maintains a diversified portfolio of suppliers and manages its stock levels efficiently.

- *Credit risk*

Credit risk is managed by groups. The credit risk arises from cash and cash equivalents, long-term financial investments, deposits held at call in banks and financial institutions and other receivables available for sale, as well as from wholesalers and retailers, including accounts receivables and committed transactions. The Group monitors the solvency of these assets by reviewing external credit ratings and qualifying internally assets which are not externally rated.

It should be mentioned here that despite this management work, the Regional Government continue to be extremely slow in making payments for pharmaceutical supplies, to the detriment of companies operating in this sector. Despite this, the Group's financial position is sound and its liquidity unaffected.

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#### *Liquidity risk*

Management monitors the liquidity estimates of the Group according to the expected cash flows; therefore, the Group always has sufficient cash and trade securities to confront its liquidity requirements.

#### **6.- CORPORATE GOVERNMENT ANNUAL REPORT**

Appendix 3 includes the Corporate Government Annual Report prepared by the Company for 2019.

#### **7.- EVENTS AFTER BALANCE SHEET DATE**

There have been no significant subsequent events after the end of fiscal year 2019.

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

### **2019 Consolidated Management Report**

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## **APPENDIX 1**

### **ALTERNATIVE PERFORMANCE MEASURES**

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

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

The APMs are important for the users of the financial information because they are the measures used by ROVI Management to evaluate the financial performance, the cash flows or the financial situation for making the Group's operating or strategic decisions. These APMs are consistent with the principal indicators used by the investor and analyst communities in the financial markets. In this respect, in accordance with the Guide issued by the European Securities and Markets Authority (ESMA), which has been in force since 3 July, 2016 and concerns the transparency of Alternative Performance Measures, ROVI sets out below information on the APMs included in the consolidated management information for the year ended 31 December 2019 that it considers significant:

#### **EBITDA**

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

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

#### **EBITDA "Pre-R&D"**

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

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

- Research and Development expenses ("R&D") (see Note 7 to the consolidated annual accounts at 31 December 2019); and
- Non-recurring expenses/income (see Note 23 to the consolidated annual accounts at 31 December 2019).

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#### **EBIT**

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

We calculate EBIT as profit before taxes and interest.

#### **EBIT "Pre-R&D"**

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

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

- Research and Development expenses ("R&D") (see Note 7 to the consolidated annual accounts at 31 December 2019); and
- Non-recurring expenses/income (see Note 23 to the consolidated annual accounts at 31 December 2019).

#### **Net profit "Pre-R&D"**

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

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

- Finance costs-net; and
- Income tax. Net profit "Pre-R&D" income tax is calculated by applying the same effective tax rate as reported in the income statement of the period.

#### **Net debt/cash**

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

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

### **2019 Consolidated Management Report**

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## **APPENDIX 2**

## **NON-FINANCIAL INFORMATION STATEMENT**





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

## **Independent Assurance Report on the Consolidated Non-Financial Information Statement of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries for the year 2019**

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

To the shareholders of Laboratorios Farmacéuticos Rovi, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have provided limited assurance on the Non-Financial Information Statement Consolidated (hereinafter NFIS) for the year ended 31 December 2019, of Laboratorios Farmacéuticos Rovi, S.A. (hereinafter the Parent Company) and subsidiaries (hereinafter the Group) which forms part of the 2019 consolidated Group's Directors' Report.

The consolidated Directors' Report includes additional information to that required by prevailing mercantile legislation on which it is not possible to provide assurance as it was not prepared using adequate criteria. In this regard, our assurance work was limited only to providing assurance on the information contained in the table "Information required by Law 11/2018" of the accompanying consolidated Directors' Report.

### **Directors' responsibilities**

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The Board of Directors of the Parent Company is responsible for the contents and the authorisation for issue of the NFIS included in the Group's Directors' Report. The NFIS has been prepared in accordance with the contents required by prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with each subject area in the table "Information required by Law 11/2018" of the aforementioned Group's Directors' Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The directors of the Parent Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS was obtained.



## **Our independence and quality control**

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We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

## **Our responsibility**

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Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of Management, as well as of the different units of the Parent Company that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with Parent Company personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS based on the materiality analysis performed by the Parent Company and described in the section "Bases for authorisation of the Statement of Non-Financial Information", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2019.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2019.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2019 and whether it has been adequately compiled based on data provided by internal and external information sources or third-party reports.



- Procurement of a representation letter from the Directors and management.

## **Conclusion**

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Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Laboratorios Farmacéuticos Rovi, S.A. and subsidiaries for the year ended 31 December 2019, has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the GRI Standards selected, in accordance with each subject area in the table “Information required by Law 11/2018” of the consolidated Directors’ Report.

## **Use and distribution**

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This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

*(Signed on original in Spanish)*

Marta Contreras Hernández

25 February 2020

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2019

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The Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. ("the Company") authorises the following Statement of Non-Financial Information in accordance with Law 11/2018, which amended the Code of Commerce, the revised text of the Capital Companies Act and the Account Auditing Law in respect of non-financial information and diversity.

**1. BASES FOR AUTHORISATION OF THE STATEMENT OF NON-FINANCIAL INFORMATION**

In view of the foregoing, the Company has analysed the impacts derived from its business model and considers the following non-financial aspects to be relevant, based on the materiality matrix contained in the 2018 Integrated Report published on the ROVI website ([www.rovi.es](http://www.rovi.es)):

- General Group information: business model, geographical presence, objectives, strategy and market trends.
- Environment: pollution and waste management, sustainable use of resources and climate change.
- Social and employee issues: employment, organisation of work, employee health and safety, labour relations, training and equality.
- Human rights.
- Corruption and bribery.
- Information on social contribution: commitment to sustainable development, subcontractors and suppliers, consumers and tax information.

**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
Statement of Non-Financial Information for the year ending 31 December, 2019

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## **2. GENERAL INFORMATION**

### **2.1.- Group's business model (business environment and organisation)**

The Company is the parent company of a leading pan-European pharmaceutical group ("ROVI" or the "Group") company engaged in the research, development, manufacturing and marketing of small molecules and biological specialties. It has four principal pillars of growth:

- Low-molecular-weight heparin (LMWH) division. In 2019 this division represents 47% of group sales. ROVI has two proprietary research products: bemiparin Hibor® and an enoxaparin biosimilar.
  - Hibor® (bemiparin). Low-molecular-weight heparin (fast-acting anticoagulant) used to prevent and treat venous thromboembolic disease.
  - Biosimilar of EnoxaparinaBecat®. This is an anti-coagulant drug belonging to the leading low-molecular weight heparin group worldwide, which was first marketed in 2017. It is used to prevent deep vein thrombosis and pulmonary embolia.
- Other pharmaceutical specialties division: with a diversified portfolio of innovative products, both of its own and licensed, protected by patents. The company has more than 40 products on its portfolio (including both its own and licensed products) for which there is growing demand and which are not affected by the reference pricing system in Spain. They cover nine therapeutic areas and are indicated for both the treatment of a number of complaints and diagnosis. The most important products in terms of their contribution to the Group's EBITDA are:
  - Neparvis® (sacubitril/valsartan). 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. The product is marketed by ROVI under a licence from Novartis.
  - Absorcol®, Vytorin® and Orvatez® (ezetimibe) / (ezetimibe and simvastatin) / (ezetimibe y atorvastatin). Adjunctive therapy to diet in patients with hypercholesterolemia. These products are distributed by ROVI under a co-marketing agreement with MSD.
  - Hirobriz® Breezhaler® and Ulunar® Breezhaler® (indacaterol maleate) / (indacaterol maleate and glycopyrronium bromide). Long-acting bronchodilators indicated for the maintenance treatment of Chronic Obstructive Pulmonary Diseases (COPD). These products are marketed by ROVI under licence from Novartis.
  - Volutsa® (solifenacin succinate and tamsulosin hydrochloride). Indicated for the treatment of moderate to severe storage systems symptoms (urgency, increased micturition frequency) and voiding symptoms associated with benign prostatic hyperplasia (BPH) in men who are not responding adequately to monotherapy treatment. This product is marketed by ROVI under licence from Astellas Pharma.
  - Medikinet® and Medicebrán® (methylphenidate hydrochloride with modified release / methylphenidate hydrochloride with immediate release). Prescription medicines that are indicated for treatment of attention deficit hyperactivity disorder (ADHD) in children and adolescents. These products belong to the company Medice.

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

Statement of Non-Financial Information for the year ending 31 December, 2019

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Additionally, ROVI is one of the market leaders in the marketing of contrast agents, hospital products for imaging diagnosis. This area comprises a broad product portfolio, including those marketed under licence from Bracco: Iomeron<sup>®</sup> and Iopamiro<sup>®</sup> (for computed tomography and intervention), Multihance<sup>®</sup> and Prohance<sup>®</sup> (for magnetic resonance imaging), Sonovue<sup>®</sup> (for ultrasounds), and Bracco Injeenering: EmpowerCTA+<sup>®</sup>, EmpowerMR<sup>®</sup> and CT Exprès (contrast injection systems and compatible disposable material).

- Contract manufacturing of prefilled syringes and oral forms. Rovi has successfully positioned itself strategically to take advantage of the growing trend among pharmaceutical companies to outsource their manufacturing processes. Thus, the Company uses the high manufacturing capacity available at its facilities by providing full development, transfer and manufacturing services for injectables and oral solid forms.

Through three production plants, used for injectables (one in Madrid and one in San Sebastián de Los Reyes) and for oral forms (in Alcalá de Henares), ROVI provides manufacturing services to other companies for a wide range of pharmaceutical forms, including prefilled syringes, vials, suppositories, tablets, hard capsules and sachets. Additionally, ROVI offers a broad range of services for the performance of clinical trials, preparation and filling, labelling, packaging and logistics.

- A sound, low-risk R&D policy. The Company allocates a large part of its resources to research, in order to remain in the vanguard in both the product area and the manufacturing and development systems area. ROVI operates with a low-risk strategy, concentrating on chronic diseases with broad medical needs and establishing strategic international alliances to tackle the most arduous clinical trials. Currently, ROVI has a portfolio of numerous products in the research and development phase, focused primarily on three areas:
  1. Sophisticated drug-release technologies (ISM<sup>®</sup> technology), in order to obtain new pharmaceutical products that allow drugs that require daily administration for chronic or prolonged conditions to be administered only periodically. The first two product developments with this technology are Risperidone ISM<sup>®</sup> (registered under the trade mark Doria<sup>®</sup>), which commenced its evaluation process to obtain marketing authorisation in the European Union in January 2020, and Letrozol ISM<sup>®</sup>.
  2. The Glycomics field, where ROVI has recently developed an enoxaparin biosimilar (enoxaparin is currently the world leader in low-molecular-weight heparins), which was first marketed in 2017.
  3. Multi-layer technologies for urethral catheters. The pre-clinical development of multi-layer technology is continuing. It provides significant advantages over the state of the art against the high prevalence of bacteria in stents and urethral catheters, which may lead to the appearance of clinical symptoms and complications, including serious sepsis and death.

ROVI has 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:

- Unique knowledge of LMWH (low-molecular-weight heparins): 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.
- Infrastructure with operating advantages: ROVI is one of the main companies in the contract manufacturing business in the sector and among the world leaders in prefilled syringe production.

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

### Statement of Non-Financial Information for the year ending 31 December, 2019

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- Diversified portfolio protected by patents: the Company has a portfolio of more than 40 products (of its own and licensed) for which there is growing demand and which are not affected by the reference pricing system in Spain for nine therapeutic areas.
- Low-risk innovation. ROVI operates with a low-risk strategy, concentrating on chronic diseases with broad medical requirements.
- International expansion: ROVI continues with its strategic objective of expanding its international presence and, in 2019, made great strides forward in this respect.

At 31 December, 2019, ROVI had a total of 1,310 employees and sales of 381,313 thousand euros in the period ended at said date.

ROVI is listed on the Barcelona, Bilbao, Valencia y Madrid stock exchanges. In 2018, the Company carried out a capital increase, after which the share capital consisted of 56,068,965 shares with a face value of 0.06 euros each. The quoted price of the share at 31 December, 2019 was 24.40 euros.

#### **2.2.- Geographical presence**

Laboratorios Farmacéuticos Rovi, S.A. has its current registered office in Madrid (C/ Julián Camarillo, 35). In addition to these offices, in 2017, ROVI opened new offices in Pozuelo de Alarcón, Madrid (Calle José Isbert 2), where the management team and the marketing and sales areas are located, as well as other central group services.

ROVI has three research centres and six plants to manufacture its own products and provide services to third parties, located at facilities in Madrid (production and R&D), San Sebastián de los Reyes (production), Alcalá de Henares (production and R&D) and Granada (production and R&D). Furthermore, in 2019, ROVI announced that the construction of a second heparin plant would commence in Granada.

At the end of 2019, ROVI was present in more than 65 countries and operating directly in the following:

- Spain, where a large part of its marketing operations is conducted, as well as all the manufacturing services and R&D activities.
- France
- Portugal
- Italy
- Germany
- United Kingdom
- Poland

In the last five of these countries, ROVI has corporate structures through which it carries out pharmaceutical product marketing activities directly. In the case of the French subsidiary, product marketing had not commenced at 31 December, 2019.

Additionally, through strategic alliances with international partners, at the end of 2019, ROVI, due to its LMWH division, was present in more than 65 countries, distributing its flagship product, Bemiparin, in 58 countries around the world. Furthermore, at 31 December, 2019, ROVI was marketing its enoxaparin biosimilar directly in Germany, the United Kingdom, Italy, Spain, France, Austria, Latvia, Estonia, Portugal, Poland, Costa Rica, Sweden and Finland. Likewise, all the EU countries where ROVI had applied for approval for national registration of its enoxaparin biosimilar (26 countries)

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

Statement of Non-Financial Information for the year ending 31 December, 2019

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had approved said registration and, in addition to the European countries, the Company held marketing agreements for the product in a further 85 countries.

International sales account for around 80% of the toll manufacturing business, with exports to more than 40 countries.

### **2.3.- The organisation's objectives and strategies**

In a complicated environment which, nevertheless, offers new opportunities, over the last few years, ROVI has been getting ready to take advantage of the circumstances with:

1. The marketing of an enoxaparin biosimilar, which began in September 2017 and with which ROVI aspires to become one of the main European players in a market where enoxaparin sales total 900 million euros<sup>1</sup>, due to the competitive edge provided by the vertical integration of processes in the Group. Likewise, the Company hopes to increase its presence in emerging markets, where enoxaparin sales total 500 million euros<sup>1</sup>. To increase its capacity, in 2019 ROVI announced that construction would begin on a second heparin plant in Granada.
2. The development of drugs to treat complaints with high growth prospects. Currently, ROVI's product portfolio in the research and development phase focuses mainly on the development of new controlled-release systems based on ISM<sup>®</sup> technology, as mentioned above.
3. Launching new products in the market. Products such as Neparvis<sup>®</sup>, Hirobriz<sup>®</sup> Breezhaler<sup>®</sup> and Ulunar<sup>®</sup> Breezhaler<sup>®</sup>, Volutsa<sup>®</sup> and Orvatez<sup>®</sup> will contribute to a good performance by the Company over forthcoming years, since they meet needs with a growing demand and represent an opportunity for sustained and profitable growth for the future.
4. The development of operating synergies and the extension of the scope of the value-added manufacturing services with present and potential customers.

International expansion is one of the strategic goals at both organisational and marketing level, mainly through the distribution of the enoxaparin biosimilar.

Additionally, all the companies that form the ROVI Group are aware of 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.

The knowledge, communication and implementation of these values, which express the Group's commitment to business ethics and corporate social responsibility, guide the actions of the Board of Directors and other Group bodies in their relations with stakeholders. Therefore, the Group has support tools the objectives of which are to:

- Favour attainment of the group's strategic objectives.
- Improve the group's competitiveness by implementing management practices based on innovation, equal opportunities, productivity, profitability and sustainability.
- Manage risks and opportunities derived from the changing environment responsibly, 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.

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<sup>1</sup> Estimates based on the sales reports of Sanofi-Aventis 2018A.



**LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES**  
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- Promote a culture of ethical conduct and increase business transparency, in order to generate credibility and confidence among stakeholders, including society as a whole.
- Promote trust relationships and value creation for all stakeholders, providing all of them with a balanced and integrating response.

**2.4.- Main factors and trends that may affect future evolution**

Although public spending on medicines has dropped over recent years, especially in Spain, the prospects for forthcoming years are more optimistic. As QuintilesIMS Institute says in its report “*Outlook for Global Medicines through 2021*”, medicine expenditure worldwide will grow by between 4% and 7%, mainly driven by new medicines in developed markets and a higher volume in emerging markets. According to said document, the total volume of medicines consumed all over the world will rise by approximately 3% per year until 2021. This growth rate is a little faster than the growth in the population and demographic changes, driven by different factors worldwide.

The U.S.A. continues to be the principal world market, although it will suffer a reduction in its growth, followed by China, which has remained in this position since 2012. In the first 20 places, there are nine countries with emerging medicine markets. These will continue to be driven by generic products, which already account for 98% of the market and 78% of the spending. The opposite is true in the developed markets, where the original brands still have specific weight in comparison with generics.

But the difference between some companies and others will be denoted by their capacity to provide the market with new and better products. New medicines, which represented 20% ten years ago, will hold 35% of the market in 2021. This growth is due to the latest scientific and R&D advances, such as ROVI's ISM® technology, including their capacity to contribute to improving costs and the value provided by prescribing these products.

**2.5.- Reporting framework used to select key non-financial result indicators**

The key non-financial result indicators used in this Statement on Non-Financial Information are those that are generally applied and meet the guidelines of the European Commission on the subject, as well as the standards of the Global Reporting Institute (GRI) for each one of the matters discussed herein.

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### **3. ENVIRONMENT**

#### **3.1.- ROVI's objective in relation to performance concerning environmental variables**

ROVI's commitment to environmental protection is firm and constant and forms part of its day-to-day activity. Together with the principles of quality and occupational safety for protection of ROVI's employees, the Company assumes care of the environment as an indispensable foundation for its actions.

In this respect, ROVI carries on its activity with the firm commitment of contributing to sustainability from an environmental standpoint, which materialises through pollution prevention, efficient resource management and fomenting responsibility in respect of the environment in accordance with the Group's Environmental Policy.

By defining environmental objectives and goals, ROVI undertakes to improve day by day, upholding a firm vision of a more sustainable future in which to develop. The main goals that ROVI has defined in relation to the environment are:

- Attaining efficient energy management, rationalizing the use of natural resources.
- Promoting the best guidelines for risk and waste management, including the principles of risk prevention, waste minimization and, whenever possible, recycling in its activities.
- Obtaining certifications of the environmental management systems. At present, the environmental management systems of the Group companies Rovi Pharma Industrial Services, S.A.U. and Laboratorios Farmacéuticos ROVI S.A. are certified under the standard ISO14001:2015.

Additionally, ROVI is committed to making a joint effort with its suppliers and contractors to minimise the impact of their activities on the environment and the risks derived for safety and health, both in the environment and for their workers.

#### **3.2.- Main environmental risks that affect the organisation**

ROVI has a corporate Risk and Opportunity Management Procedure, the objective of which is to define a work method that allows environmental risks and opportunities to be identified, together with an action plan to address them and the planning and review of the resulting actions, taking the context of the organisation and the stakeholders into account. This procedure is applied to all the activities carried on by any of the Group's plants and/or companies, including internal and external factors that affect or may exert an influence on the preparation of the product, provision of the service and/or operational control.

In accordance with the corporate Risk and Opportunity Management Procedure, the Company detects the risks and opportunities related to:

- Environmental aspects.
- Legal and regulatory requirements.
- Other questions and requirements related to the organisation and its context, and the needs and expectations of stakeholders.

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Among the main risks related to the environmental activity, apart from those inherent thereto, are those concerning access to and verification of the environmental regulations in the different areas in which ROVI operates, as well as possible restrictions imposed by the authorities in particular locations and specifically the following:

- Non-compliance with legal requirements due to either deficient identification of legal requirements concerning the environment, or environmental aspects or emergencies, when this may lead to possible sanctions or stakeholder dissatisfaction.
- Failure to adapt to a change in the trend in legislation or any applicable new legislation on a timely basis.
- Possible administrative restrictions in force in particular locations.
- Impact on material and human assets due to an environmental incident caused by neighbours or employees.
- Bad environmental practices on the part of external companies providing services on a permanent basis or the Group personnel supervising them.
- Non-compliance with noise regulations that leads to contingencies or disciplinary sanctions.
- Pollution due to exceeding the pollutant emission limits on boilers or discharges to groundwater that may lead to an administrative sanction.
- Incidents in transporting hazardous waste that may lead to a sanction.
- Deficiencies in personnel training on environmental matters.
- Releasing emissions into the atmosphere due to the absence of mechanisms to prevent the product leaking from the equipment.
- Mixture of different kinds of waste and generation of hazardous waste.
- Absence of energy efficiency certification.
- Failure to file the annual waste report and minimisation plan on a timely basis.

Specific control of environmental risks stems from, among other mechanisms, the Environmental Management System applied by the aforementioned Group companies, certified under the standard ISO14001:2015, and all the tools that form part of it.

Likewise, ROVI has information systems that keep the personal updated on these matters. Company personnel communicate smoothly and cooperate with the different public authorities that ensure environmental conservation, which allows constant updating of the changes in legislation that apply to ROVI.

In addition, ROVI manages indirect environmental aspects resulting from trading relations, products or services that may have adverse effects in the environmental area. For each production plant, an analysis is made of the life cycle of the process or product, where all direct and indirect environmental aspects involved (coming from suppliers) are identified bidirectionally. Once they have been identified, in accordance with the corporate Procedure for Identification and Assessment of Environmental Aspects, the indirect aspects on which ROVI is able to take action are verified.

The possible materialisation of environmental risks is managed, likewise, through the aforementioned corporate Procedure for Identification and Assessment of Environmental Aspects, which sets out how environmental risks should be identified, communicated and quantified. Likewise, ROVI holds environmental liability insurance, renewable annually.

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**3.3.- Policies and commitments**

One of the key tools 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 system and assure its commitment to the environment in terms that go beyond current national legislation. Therefore, at all ROVI's production facilities, production management respectful of the environment is fostered, meaning a constant effort to reduce energy consumption and manage waste more efficiently.

The ROVI Group has a department that is responsible exclusively for aspects related to environmental management, as well as those concerning workplace health and safety throughout the Group (formed by 9 personas), and an Integrated Environmental Management and Occupational Hazard Prevention Policy which governs ROVI's activities in respect of environmental issues, most recently updated in July 2019. Additionally, an annual budget to cover safety and environmental expenses is assigned to each plant or work centre.

Within its project of environmental management and workplace health and safety, ROVI assumes not only compliance with current legal requirements and the different third-party requirements that it meets voluntarily, but also the concept of sustainable development. ROVI's vocation is to be a business project that is sustainable in environmental terms and committed to the prevention of any damage to or deterioration in people's health.

In relation to environmental queries, ROVI has a corporate communication, participation and query procedure, though which communications (queries, complaints, etc.) related to the environment and workplace health and safety are managed. On the corporate website ([www.rovi.es](http://www.rovi.es)), the environmental certificates held by group companies are available to the public.

As mentioned previously, ROVI has a Corporate Procedure for Risk and Opportunity Management, which defines the work method that allows environmental risks and opportunities to be detected, together with the action plan to address them. Additionally, ROVI has a Procedure for Identification and Assessment of Environmental Aspects, which sets out how environmental risks should be identified, communicated and quantified, with, likewise, a Procedure for Identification and Assessment of Legal Aspects.

ROVI also has a Procedure for Management of Non-Conformity, Preventive and Corrective Actions, which sets out the mechanisms for the identification of deviations (in quality or work procedures), the implementation of actions to correct these deviations and the procedures to prevent them (preventive actions).

Among its operating procedures, ROVI has specific waste, noise and discharge management procedures, which are intended to establish the methodology to follow to control waste, noise in the external environment and liquid discharges generated at ROVI's production plants, respectively.

**3.4.- Results of application of the policies and indicators**

The result of the policies and procedures applied by ROVI in environmental issues is, year after year, a favourable assessment of the Group's integrated environmental management system, both internally and externally by the firms issuing the certificates. Additionally, the whole system is periodically reviewed with the management of the different centres and the points on which these reviews are based include any improvement opportunities and significant changes that may affect the system and/or environmental management.

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

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#### 1. Pollution and waste management

Waste generation is inherent to ROVI's activity. Precisely for this reason, the treatment and reduction of waste form an essential part of the Company's commitment to prevent pollution. The processes related to waste treatment are intended mainly to minimise it in the production processes and, once it has been produced, to manage it correctly to foment using and valuing it whenever possible.

#### 2. Sustainable use of resources

Regarding energy, at all ROVI's product plants, water, electricity and gas indicators are verified and reported on a monthly basis, analysing any possible deviations. Likewise, in the Distribution business has contracted a provider of 100% renewable energy.

#### 3. Climate change

At ROVI, as a contribution to the fight against climate change, not only is electricity taken into account, but the CO<sub>2</sub> emissions caused by the consumption of natural gas and diesel fuel, derived from electricity and automobiles, are measured, as well as other substances that act to destroy the ozone layer. ROVI's greenhouse gas emissions have always been insignificant and very much below the legally-established levels.

In July 2019, ROVI completed the renewal of its vehicle fleet for the sales network and its corporate fleet. The change in model had a favourable effect on rationalisation of the Company's average fuel consumption, which dropped by 7% in the period July to December 2019 in comparison with the same period of the preceding year.

### **3.5.- Indicators**

The following are the main environmental indicators. The data have been divided between different companies or businesses to enable comparisons between them, since the units produced are measured in different units for each company / business. Specifically

- Own products manufacturing plant of Laboratorios Farmacéuticos ROVI, S.A. located in Granada: this is the plant in which Bemiparin and Enoxaparin are produced, the active substances of ROVI's main research products. In this case, the units produced are measured in MUI, i.e. the activity of the active substance produced.
- Injectables production plant of Rovi Pharma Industrial Services, S.A.U. (Plants located in San Sebastián de los Reyes and Madrid): in this case, the units produced are expressed in individual packaged units. For the production of forms in Alcalá de Henares, the conditioned packs of oral solid forms (tablets, coated tablets, hard capsules and sachets) are used as the production unit.
- Distribution business of Laboratorios Farmacéuticos ROVI, S.A. and subsidiaries: in this case, the units distributed are used.

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WASTE (*)	2019				2018				Var.			
	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Gr	Mad & SSRR	AH	Distr.
Tn of hazardous waste generated	1,910	236	120	15	1,037	186	176	25	84%	27%	-32%	-39%
Tn of non-hazardous waste generated	2,282	658	440	1	1,336	464	283	1	71%	42%	56%	-30%
<b>TOTAL</b>	<b>4,192</b>	<b>894</b>	<b>560</b>	<b>15</b>	<b>2,373</b>	<b>651</b>	<b>459</b>	<b>25</b>	<b>77%</b>	<b>37%</b>	<b>22%</b>	<b>-39%</b>
Tn of hazardous waste / million units produced	0.004	1.78	3.53	0.74	0.003	1.70	5.17	1.15	5%	5%	-32%	-35%
Tn of non-hazardous waste / million units produced	0.004	4.97	12.94	0.02	0.004	4.24	8.31	0.03	-3%	17%	56%	-25%
<b>Ton. Waste/million units produced</b>	<b>0.008</b>	<b>6.76</b>	<b>16.47</b>	<b>0.77</b>	<b>0.008</b>	<b>5.95</b>	<b>13.49</b>	<b>1.18</b>	<b>0%</b>	<b>14%</b>	<b>22%</b>	<b>-35%</b>

ENERGY CONSUMPTION (*)	2019				2018				Var.			
	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Gr	Mad & SSRR	AH	Distr.
kWh electricity consumed	3,822,809	7,795,638	8,906,808	97,458	3,002,572	7,206,775	8,100,711	630,352	27%	8%	10%	-85%
<b>kWh electricity consumed/million units produced</b>	<b>7</b>	<b>58,924</b>	<b>225,489</b>	<b>4,830</b>	<b>10</b>	<b>65,863</b>	<b>238,256</b>	<b>29,306</b>	<b>-28%</b>	<b>-11%</b>	<b>-5%</b>	<b>-84%</b>
kWh natural gas consumed	2,285,101	6,836,948	14,048,975	0	1,941,716	6,371,676	14,426,850	0	18%	7%	-3%	-
<b>kWh natural gas consumed/million units produced</b>	<b>4</b>	<b>51,678</b>	<b>355,670</b>	<b>0</b>	<b>6</b>	<b>58,231</b>	<b>424,319</b>	<b>0</b>	<b>-33%</b>	<b>-11%</b>	<b>-16%</b>	<b>-</b>
Litres vehicle fuel	300	0	2,175	485,185	500	409	1,279	518,653	-40%	-100%	70%	-6%

NATURAL RESOURCE CONSUMPTION (*)	2019				2018				Var.			
	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Gr	Mad & SSRR	AH	Distr.
m3 water consumed	24,026	58,931	63,114	2,561	27,399	51,842	62,516	985	-12%	14%	1%	160%
<b>m3 water / million units produced</b>	<b>0.0</b>	<b>445.4</b>	<b>1,597.8</b>	<b>126.9</b>	<b>0.1</b>	<b>473.8</b>	<b>1,838.7</b>	<b>45.8</b>	<b>-50%</b>	<b>-6%</b>	<b>-13%</b>	<b>177%</b>

ATMOSPHERIC EMISSIONS (*)	2019				2018				Var.			
	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Granada	Madrid and SSRR	Alcalá de Henares	Distribution	Gr	Mad & SSRR	AH	Distr.
Tones of CO2 emitted	1,569	3,644	5,446	1,290	1,263	3,379	5,291	1,456	24%	8%	3%	-11%
<b>Tonnes of CO2 emitted / million units produced</b>	<b>0.003</b>	<b>27.54</b>	<b>137.86</b>	<b>63.92</b>	<b>0.004</b>	<b>30.88</b>	<b>155.61</b>	<b>67.70</b>	<b>-29%</b>	<b>-11%</b>	<b>-11%</b>	<b>-6%</b>

(\*) Some of the data for the last month of 2019 are estimates based on information from previous periods.

**Note:** Due to a change in the method of calculating CO2 atmospheric emissions, the data presented above have undergone a slight modification with respect to those reported in the SNFI 2018, in order to allow the comparability of said indicators.

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**4. SOCIAL AND EMPLOYEE MATTERS**

**4.1.- Employment**

In 2019, the Company's continuing growth strategy of previous years continued and, in accordance therewith, ROVI increased its number of employees, thus continuing with its human resources policy aimed at adapting the workforce to the needs defined by business strategy.

During the year, ROVI continued with its policy of favouring permanent employment as a way to create a stable workforce and generate high-quality jobs. The Company's strategy fosters a balanced use of permanent and temporary contracts, using the former to cover the structural workforce needs and the latter for specific or seasonal requirements of the activity. This is shown in the distribution of the workforce, where permanent contracts prevail.

Another feature of the employment policy to highlight is the Company's effort to promote the inclusion and access of differently-abled candidates under equitable conditions, as well as balance and equality in the conditions for men and women. Thus, the strategy to consolidate equal opportunities and diversity as a defining aspect of ROVI's culture continues.

ROVI still believes that, in order to undertake the business strategy, a workforce balanced between young and experienced professionals is necessary. This can be seen from the tables showing the distribution of employees by age, where a balance in the distribution of the workforce among the different brackets may be noted.

The following figures show the indicators relating to ROVI's workforce at 31 December, 2019. The data do not include information related to scholarship contracts.

- Total number and distribution of employees by:

a) Gender

<b>DISTRIBUTION OF EMPLOYEES BY GENDER</b>	<b>2019</b>	<b>2018</b>	<b>Var.</b>
Men	614	558	10%
Women	696	666	5%
<b>TOTAL</b>	<b>1,310</b>	<b>1,224</b>	<b>7%</b>

b) Age

<b>DISTRIBUTION OF EMPLOYEES BY AGE / GENDER</b>	<b>2019</b>			<b>2018</b>			<b>Var.</b>
	<b>Men</b>	<b>Women</b>	<b>TOTAL</b>	<b>Men</b>	<b>Women</b>	<b>TOTAL</b>	
18-30 years	88	222	310	78	106	184	68%
31-40 years	179	187	366	156	216	372	-2%
41-50 years	210	176	386	195	213	408	-5%
51-60 years	116	93	209	109	114	223	-6%
>60 years	21	18	39	20	17	37	5%
<b>TOTAL</b>	<b>614</b>	<b>696</b>	<b>1,310</b>	<b>558</b>	<b>666</b>	<b>1,224</b>	<b>7%</b>

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c) Country

DISTRIBUTION OF EMPLOYEES BY COUNTRY / GENDER	2019			2018			Var.
	Men	Women	TOTAL	Men	Women	TOTAL	
Spain	606	685	1,291	550	654	1,204	7%
Uk	-	1	1	-	1	1	0%
Germany	3	2	5	3	3	6	-17%
Italy	1	3	4	3	3	6	-33%
France	3	-	3	1	1	2	50%
Poland	-	1	1	-	-	-	-
Portugal	1	4	5	1	4	5	0%
<b>TOTAL</b>	<b>614</b>	<b>696</b>	<b>1,310</b>	<b>558</b>	<b>666</b>	<b>1,224</b>	<b>7%</b>

d) Professional group

DISTRIBUTION EMPLOYEES BY PROFESSIONAL GROUP* / GENDER	2019			2018			Var.
	Men	Women	TOTAL	Men	Women	TOTAL	
1	1	6	7	1	5	6	17%
2	26	20	46	27	35	62	-26%
3	79	92	171	68	88	156	10%
4	130	105	235	108	93	201	17%
5	225	218	443	210	201	411	8%
6	68	103	171	60	84	144	19%
7	62	135	197	59	142	201	-2%
8	3	1	4	5	3	8	-50%
0	12	5	17	12	3	15	13%
Subsidiaries	8	11	19	8	12	20	-5%
<b>TOTAL</b>	<b>614</b>	<b>696</b>	<b>1,310</b>	<b>558</b>	<b>666</b>	<b>1,224</b>	<b>7%</b>

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

- Total number and distribution of types of employment contract by:

a) Gender

DISTRIBUTION EMPLOYEES BY TYPE OF CONTRACT / GENDER	2019			2018			Var.
	Men	Women	TOTAL	Men	Women	TOTAL	
Permant full-time	496	526	1,022	462	532	994	-100%
Permanent part-time	-	8	8	-	4	4	100%
Permanent short-time	4	35	39	-	-	-	-
<b>Total permanent</b>	<b>500</b>	<b>569</b>	<b>1,069</b>	<b>462</b>	<b>536</b>	<b>998</b>	<b>-100%</b>
Temporary for specific project or service	2	1	3	2	3	5	-40%
Temporary due to work backlog	61	48	109	47	55	102	7%
Temporary substitution contract	6	8	14	4	6	10	40%
Training / apprenticeship	31	51	82	27	49	76	8%
Temporary part-time	14	19	33	15	17	32	3%
Temporary full-time - empl. with disabilities	-	-	-	1	-	1	-
<b>Total temporary</b>	<b>114</b>	<b>127</b>	<b>241</b>	<b>96</b>	<b>130</b>	<b>226</b>	<b>7%</b>
<b>TOTAL</b>	<b>614</b>	<b>696</b>	<b>1,310</b>	<b>558</b>	<b>666</b>	<b>1,224</b>	<b>7%</b>



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b) Age

DISTRIBUTION EMPLOYEES BY TYPE OF CONTRACT / AGE	18-30	31-40	41-50	51-60	>60	TOTAL
Permanent	181	311	360	203	14	1,069
Temporary for specific project or service	1	2	-	-	-	3
Temporary due to work backlog	45	41	19	3	1	109
Temporary substitution contract	3	3	6	2	-	14
Training / apprenticeship	71	9	1	1	-	82
Temporary part-time	9	-	-	-	24	33
<b>TOTAL</b>	<b>310</b>	<b>366</b>	<b>386</b>	<b>209</b>	<b>39</b>	<b>1,310</b>

c) Professional group

DISTRIBUTION OF EMPLOYEES BY TYPE OF CONTRACT / PROFESSIONAL GROUP *	1	2	3	4	5	6	7	8	0	Subsidiaries	TOTAL
Permanent	5	10	129	195	359	136	196	4	17	18	1,069
Temporary for specific project or service	-	1	-	-	1	1	-	-	-	-	3
Temporary due to work backlog	-	31	23	18	24	12	-	-	-	1	109
Temporary substitution contract	-	4	6	1	3	-	-	-	-	-	14
Training / apprenticeship	-	-	4	10	46	22	-	-	-	-	82
Temporary part-time	2	-	9	11	10	-	1	-	-	-	33
<b>TOTAL</b>	<b>7</b>	<b>46</b>	<b>171</b>	<b>235</b>	<b>443</b>	<b>171</b>	<b>197</b>	<b>4</b>	<b>17</b>	<b>19</b>	<b>1,310</b>

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

- Number of dismissals by:

a) Gender

DISTRIBUTION OF DISMISSALS BY GENDER	2019	2018	Var.
Men	22	17	29%
Women	17	16	6%
<b>TOTAL</b>	<b>39</b>	<b>33</b>	<b>18%</b>

b) Age

DISTRIBUTION OF DISMISSALS BY AGE / GENDER	2019			2018			Var.
	Men	Women	TOTAL	Men	Women	TOTAL	
18-30 years	1	2	3	2	-	2	50%
31-40 años	5	10	15	3	4	7	114%
41-50 años	8	5	13	5	8	13	0%
51-60 años	8	-	8	3	2	5	60%
>60 años	-	-	-	4	2	6	-100%
<b>TOTAL</b>	<b>22</b>	<b>17</b>	<b>39</b>	<b>17</b>	<b>16</b>	<b>33</b>	<b>18%</b>

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c) Professional group

DISTRIBUTION OF DISMISSALS BY PROFESSIONAL GROUP * / GENDER	2019			2018			Var.
	Men	Women	TOTAL	Men	Women	TOTAL	
1	-	-	-	-	-	-	-
2	4	3	7	3	-	3	133%
3	4	3	7	2	2	4	75%
4	-	1	1	1	2	3	-67%
5	10	7	17	7	5	12	42%
6	3	2	5	-	3	3	67%
7	1	1	2	3	2	5	-60%
8	-	-	-	-	1	1	-
0	-	-	-	1	1	2	-
<b>TOTAL</b>	<b>22</b>	<b>17</b>	<b>39</b>	<b>17</b>	<b>16</b>	<b>33</b>	<b>18%</b>

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

- Average remuneration by:

a) Gender

AVERAGE REMUNERATION BY GENDER	2019	2018	Var.
Men	36,782 €	40,733 €	-10%
Women	35,244 €	36,738 €	-4%
<b>AVERAGE</b>	<b>36,013 €</b>	<b>38,735 €</b>	<b>-7%</b>

b) Age

AVERAGE REMUNERATION BY AGE/GENDER	2019		2018		Var.
	Men	Women	Men	Women	
18-30 years	22,813 €	28,091 €	21,966 €	21,983 €	16%
31-40 years	29,893 €	34,909 €	30,535 €	34,460 €	0%
41-50 years	44,772 €	41,400 €	47,312 €	45,095 €	-7%
51-60 years	48,836 €	40,914 €	58,097 €	41,546 €	-10%
>60 years	51,672 €	36,987 €	33,459 €	11,908 €	95%

c) Professional group

AVERAGE REMUNERATION* BY PROFESSIONAL GROUP** / GENDER	2019		2018		Var.
	Men	Women	Men	Women	
1	16,000 €	17,262 €	15,311 €	14,892 €	10%
2	17,117 €	18,095 €	16,677 €	17,012 €	5%
3	19,137 €	21,510 €	19,000 €	19,266 €	6%
4	26,350 €	25,951 €	25,082 €	23,432 €	8%
5	36,492 €	33,925 €	42,078 €	40,546 €	-15%
6	43,960 €	34,910 €	50,426 €	36,687 €	-9%
7	53,905 €	50,705 €	51,208 €	47,265 €	6%
8	104,044 €	102,851 €	105,465 €	105,050 €	-2%
0	226,024 €	132,203 €	202,978 €	130,182 €	8%
Filiales	71,545 €	66,091 €	87,949 €	72,367 €	-14%

\* Scholarship remuneration not included because they do not have a professional group.

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

Remuneration data shown above contain items related to fixed and variable remuneration (commissions and bonuses).

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- Average remuneration of management

The accrued average remuneration of the members of the Company's Management Committee at 31 December, including fixed and variable remuneration and remuneration in kind, was 251,787 euros for men and 148,644 euros for women. The difference is because, in the case of the men, three of them are also Executive Directors and their salaries reflect the additional responsibilities they hold.

Details of the above figures are shown below:

AVERAGE REMUNERATION OF MANAGEMENT COMMITTEE	2019			2018			Var.
	Men	Women	AVERAGE	Men	Women	AVERAGE	
Fixed remuneration	179,399 €	113,333 €	146,366 €	163,430 €	93,419 €	128,425 €	14%
Variable remuneration	61,444 €	28,333 €	44,889 €	61,960 €	36,763 €	49,362 €	-9%
Remuneration in kind	10,944 €	6,977 €	8,960 €	8,752 €	5,280 €	7,016 €	28%
<b>TOTAL AVERAGE</b>	<b>251,787 €</b>	<b>148,644 €</b>	<b>200,215 €</b>	<b>234,142 €</b>	<b>135,462 €</b>	<b>184,802 €</b>	<b>8%</b>

Additionally, in 2019, a total of 929 thousand euros was paid to the three executive directors on the Management Committee for the long-term incentive plan adopted at the Ordinary General Shareholders' Meeting held on 31 May, 2016, which accrued between 2016 and 2018.

- Pay gap

ROVI is convinced of the need to apply the principle of equal pay for equal work effectively and takes said principle as the basis of its wage policy, applying it in its salary-fixing practice upon recruitment of the employee and in the salary reviews throughout the employee's working life.

To ensure the foregoing, ROVI believes that regular analysis and monitoring of the gender wage gap is the tool required to ensure that the principle of wage equality is applied, since, through a regular assessment of indicators that show wage differences by job and gender, it is possible to guard against any possible differences between genders and reduce them.

As a result of the foregoing, in 2018, ROVI engaged the audit firm PricewaterhouseCoopers Auditores S.L. to carry out a limited assurance review of pay 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

The aforementioned indicators make a diagnostic analysis of the Group's workforce to find out the differences in the remuneration of men and women with the same jobs. The analysis of the indicators shows, according to the opinion of the aforementioned auditor, that there is no gender-based pay discrimination or differences in remuneration that is not based on personal factors (qualifications, work experience, length of service, etc.) or position (duties, degree of responsibility, working hours, etc.).

In 2019, ROVI updated the data as of 31 December and the indicators obtained led to the same conclusion. There is no gender wage discrimination or remuneration differences that are not based on personal or job-related factors.

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Taking a further step forward in continuing with the commitment to equality and the regular monitoring of the wage gap, in 2019, ROVI began to prepare a new Equality Plan, based on the requirements of Royal Decree Law 6/2019 on Urgent Measures for Equal Treatment and Opportunities for Men and Women in Employment and Occupation. The Plan includes a regular review of wages by gender in order to detect any possible pay gap and, if required, take the measures necessary to correct it.

### - Disconnection from work

Before Royal Decree-Law 8/2019 of 8 March on Urgent Measures for Social Protection and the Fight against Job Insecurity in the Workplace (the "Royal Decree") was promulgated. ROVI already aimed for its employees to be able to enjoy their time off effectively and conserve their personal and family privacy. To do this, ROVI has encouraged practices aligned with disconnection from work, avoiding communication with employees through any channel (telephone, e-mail or any other) outside working hours unless there is an urgent, unforeseen need that cannot be met otherwise. Likewise, meetings in the later part of the working day are avoided, in order to prevent overstepping working hours at the end of the day and thus affecting the work-life balance.

When the aforementioned Royal Decree-Law 8/2019 was promulgated, ROVI included a Digital Disconnection Protocol in its Agreements with the Workers' Representatives and its Working Day Register Policies. This regulates the Company's commitment not to require its employees to connect to the Company's digital systems, e-mail or telephone once the working day fixed for each worker has concluded.

### - Employees with disabilities

As a socially responsible company, ROVI maintains a commitment to mainstreaming people with disabilities in the workplace. Having a job allows both their incorporation into the workplace and a decrease in the risk of social exclusion, with the adverse social and financial consequences that this implies. In addition, the spirit of sacrifice and desire to improve of differently-abled people provides added value to the Company and enriches it.

As an expression of its commitment to mainstreaming people with disabilities in the workplace, ROVI fosters their joining its workforce. Thus, in 2019, the number of people with disabilities working in the Company's activity had increased in comparison with the previous year. At 31 December, 2019, there were 34, in comparison with 25 the preceding year. 25 of them belong directly to ROVI's workforce, while 9 work through a temporary employment company.

The Group holds agreements with the Fundación Prods, the Fundación Manantial and the Asociación Síndrome de Down in Granada whereby it conducts supported employment programmes aimed at the workplace inclusion of persons with intellectual disabilities. ROVI firmly believes that, when person with intellectual disabilities receive the training and support necessary, they provide the best of their personal, social and employment abilities and perform high-quality work.

To complement the foregoing, ROVI carries out actions to foment the social integration of this group in two spheres. First, within its activities related to Corporate Social Responsibility, it provides economic cooperation to various non-profit entities that carry on their activities in the area of help for the social inclusion of persons with intellectual and/or physical disabilities by organising leisure and sports activities, which are difficult for these people to access. Likewise, Special Employment Centres are its service providers in several different areas of the Company's activity (to consult these two spheres of action, section 7.1 Commitment to sustainable development).

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### **4.2.- Organisation of work**

#### **- Working day register**

Royal Decree-Law 8/2019 of 8 March on Urgent Measures for Social Protection and the Fight against Job Insecurity in the Workplace amended article 34.9 of the Workers' Statute by requiring a working day register, which must include the specific starting and finishing times of the working day of each worker. This article falls within the framework of the public authorities' intention, which ROVI shares, to ensure compliance with the limits on working hours, create a framework of legal certainty, protect workers against abuse of their working time, avoid fraud in providing and paying social security contributions on overtime and favour the work-life balance.

The working day register has never been the cause of any conflict in the organisation, since it was introduced decades ago. Likewise, office workers and those holding positions of responsibility have always worked on a flexible basis in an environment of mutual trust.

In this context, the Company has adapted the working hours system to the new requirement of the Royal Decree by developing rules on time checks that are a continuation of the policy that has been implemented in the organisation for decades, likewise including 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.

#### **- Organisation of working hours**

ROVI carries on its economic activities in three different environments: the industrial production area, the sales area and the industrial structure/offices area. The activity of each one of them has different dynamics, requiring different working hours and ways of organising working time. In all of them, the Company foments criteria for organising working time and time off to facilitate the best work-life balance possible, as well as enabling ROVI employees to exercise motherhood and fatherhood responsibly.

The industrial environment, which includes the employees working at the pharmaceutical product production plants, makes it necessary for employees who are engaged in manufacturing tasks or work directly related thereto to have working hours that coincide with the times of activity of the production processes. This means that this group of people works, in general, under a shift system. Since we are aware that shift work is more arduous, it is used when there is no other possible alternative that is compatible with the viability of the activity and the demand for the product manufactured and we strive to reduce the inconvenience of the shift dynamics as much as possible. The holiday period in the industrial area is also subject to the volume of activity and must, in general, be arranged on fixed dates for the whole workforce. At any event, we endeavour to ensure that it is always in summer and ROVI undertakes that at least half the holidays will be enjoyed in the summer period. Additionally, the time off scheduled to adjust the work calendar of this group of employees is fixed to coincide with school holidays, so that the employees can enjoy it with the rest of their families.

Employees in the sales area carry on their activity in daytime working hours, coinciding with those of the customers to whom they market ROVI's products. Given the nature of their activity, they have a high degree of independence in planning their work, which allows them to reconcile their work with any needs that may arise in their family life.

In the industrial structure and office area, time is organised through flexible working hours. This allows employees to start and end their working day with a margin of choice, depending on their needs or preferences.

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In these last two groups, holidays are preferably taken in summer and, additionally, time off is arranged during school holidays.

- Absence from work

The health of its workers is a fundamental factor for the proper operation of ROVI's activity, not only because a healthy workforce allows the activities planned and programmed to be carried out, but also because the well-being of the workforce benefits the organisation overall, their families and society in general.

Because of this, ROVI prepares and monitors, on a monthly basis, a series of indicators to periodically monitor, monthly and annually, absences, distinguishing between different types depending on the reasons for them. The indicators are analysed to determine possible areas in which the Company might act in order to reduce absences. Additionally, they are compared with the preceding annual period to observe how they evolve over time.

The indicators show that the level of absences in ROVI in 2019 was below those of the sector in which it operates.

The following tables show a summary of the absolute absence rates in 2019 and 2018 for accidents at work, occupational diseases, common contingencies, risk during pregnancy and risk during breastfeeding.

ECONOMIC GROUP: 28/12/51 - GRUPO ROVI

PERIOD: JANUARY - DECEMBER

COMP. SECTOR

CNAE21 - MANUFACTURE OF PHARMACEUTICAL PRODUCTS

	2019		2018	
	ECONOMIC GROUP	COMP. SECTOR	ECONOMIC GROUP	COMP. SECTOR
Total absolute absence rate	2.52%	3.43%	2.26%	3.44%
Absolute absence rate WA & OD	0.26%	0.20%	0.23%	0.21%
Absolute absence rate OI	2.26%	3.23%	2.03%	3.23%

WA: Work-related accident

OD: Occupational Disease

OI: Ordinary Illness

	2019				2018			
	Days off	Days Worked	Absence rate	Sector absence rate	Days off	Days Worked	Absence rate	Sector absence rate
<b>TOTALS</b>	<b>12,000</b>	<b>476,347</b>	<b>2.52%</b>	<b>3.43%</b>	<b>10,036</b>	<b>443,803</b>	<b>2.26%</b>	<b>3.44%</b>

Source: Mutua de Accidentes de Trabajo FREMAP. Annual Report on Global Absences ROVI Group.

From the figures shown for work-related accidents, occupational diseases and ordinary illnesses, it may be seen that the number of days of absence was 12,000, which is equivalent to lost working hours of 96,000, meaning an absence rate of 2.52%.

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	2019		2018	
	ECONOMIC GROUP	COMP. SECTOR	ECONOMIC GROUP	COMP. SECTOR
Absolute absence rate RIP & RIB	0.38%	0.28%	0.19%	0.29%

RIP: Risk in Pregnancy  
RIB: Risk in breastfeeding

	2019				2018			
	Days off	Days Worked	Absence rate	Sector absence rate	Days off	Days Worked	Absence rate	Sector absence rate
<b>TOTALS</b>	<b>742</b>	<b>197,559</b>	<b>0.38%</b>	<b>0.28%</b>	<b>362</b>	<b>191,282</b>	<b>0.19%</b>	<b>0.29%</b>

Source: Mutua de Accidentes de Trabajo FREMAP. Annual Report on Global Absences ROVI Group.

From the figures shown for absences due to risk during pregnancy and risk during breastfeeding, it may be seen that the number of days of absence was 742, equivalent to 5,936 working hours lost, meaning an absence rate of 0.38%.

- Reconciliation of work and family life and support of co-responsibility therein

ROVI endeavours to create an environment in the organisation that enables its employees to attain a higher quality of life, with a balance between their personal and family life and progress in their professional careers. To do this, a set of work-life balance measures are in place, with options adapted to different personal and family situations.

ROVI's employees apply the work-life balance measures contained in current legislation and the enhancements introduced by the Collective Agreement of the Chemical Industry, as well as other measures, such as flexible working hours, exchanging shifts or flexibility in the calendars for time off. As we say above in the section on Organisation of Working Hours, ROVI has a flexible starting and finishing times for the working day of office employees and structure employees in the industrial area. Likewise, it allows exchanges of shift or days between co-workers in the industrial area and shorter working days adapted to the needs of each person, also offering flexibility in holiday calendars, provided that this is compatible with the activity of area in which the employee works

ROVI also supports the work-life balance through advantages in the remuneration of its workforce. Thus, it ensures that maternity does not represent any decrease in the usual income of the pregnant woman or the father. In this respect, the Company itself, as an improvement on the public benefits, pays a wage supplement that completes the benefit received from the Social Security to 100% of the employee's salary. It also offers salary options, with the availability of nursery school vouchers, restaurant vouchers and health insurance. Furthermore, ROVI offers all its permanent employees cover by the life insurance policy paid by the company.

In order to prevent avoidable travel and trips, ROVI provides all the personnel who so require with a laptop computer with connectivity to the ROVI network and encourages the use of videoconferences and on-line meetings. Likewise, if the work performed so permits, teleworking is organised during the last weeks of pregnancy. Additionally, at work centres where street parking is difficult, parking spaces are made available to pregnant women.

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### **4.3.- Health and Safety**

The management of personnel-related risks is the duty of the Health and Environment Department, which holds exclusive responsibility for aspects related to environmental management, as well as workplace safety and health throughout the Group.

As stated in other sections of this report, ROVI has an Integrated Environmental and Occupational Hazard Prevention Management Policy, applicable to the whole Group, the objective of which to protect the life, physical integrity and health of all the workers, including both the Group's own workers and those of the companies who work with ROVI. This Policy is based on a series of corporate procedures, as well as local procedures or work instructions specific to each centre.

Likewise, all ROVI's industrial plants hold OSHAS 18001:2007 Occupational Health and Safety Management Certifications, published on ROVI's website.

Specifically, the ROVI Group set a goal of an accident rate (No. of accidents / No. of workers \* 100) of 1.3% with sick leave and 3% without sick leave. In addition, each plant, individually, defines specific prevention objectives. Examples of these are:

- Reduction in the trend of accidents with sick leave due to overexertion by 20% in comparison with the period January 2018 – June 2019 (18 months).
- Implementation of an Industrial Hygiene Programme to reduce the workers' exposure to active substances.
- Increase in the number of technical staff in the Maintenance Area with broader prevention training by 20% (in respect of the total) in comparison with 2018.

The principal occupational hazards identified by ROVI, having followed the corporate procedure for identifying hazards, assessing risks and determining controls, are mainly those inherent to a production plant: contact with and exposure to chemical products, noise exposure, overexertion, etc.

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

Furthermore, the Group has several Health and Safety Committees, on which all ROVI employees are represented.

In addition, in the aspect of promoting healthy lifestyle habits among employees, ROVI continued with the initiatives implemented in previous years, such as healthy breakfasts and vending, cooperation with sports centres to encourage sports among the employees and participation in races, among others and, in 2019, held the campaign "Cada Superhéroe tiene su equipo de protección" ("Every Superhero has their protection equipment") aimed to raise awareness of the need to make responsible use of Individual Protection Equipment (IPE).



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The work-related accident indicators for 2019 are shown below:

<b>FREQUENCY RATE FOR WORK-RELATED ACCIDENTS (*)</b>	<b>2019</b>
<b>BY GENDER</b>	
Men	7.678
Women	11.540
<b>TOTAL</b>	<b>9.652</b>

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

<b>WORK-RELATED ACCIDENT SEVERITY RATE (*) BY GENDER</b>	<b>2019</b>
Men	0.604
Women	0.405
<b>TOTAL</b>	<b>0.503</b>

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

<b>WORK-RELATED ACCIDENT FREQUENCY RATE (*) BY GENDER</b>	<b>2019</b>
Men	2.280
Women	3.161
<b>TOTAL</b>	<b>2.778</b>

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

*Note: accidents on the way to work and data of ROVI Group employees are included. Information on personnel hired through temporary employment companies are excluded. Additionally, when calculating the working days lost, it was assumed that each working day has a length of 8 hours.*

#### 4.4.- Labour relations

ROVI is convinced that labour relations with the workers' representatives must be based on an environment that allows for a constructive and trusting relationship. To do this, it bases its labour relations on transparency, strict compliance with the law and permanent respect and dialogue with its social partners, the workers' representatives.

Dialogue with the workers takes place with smooth communication using all the resources available, especially meetings, both regular, in accordance with a scheduled calendar, and specific, at the request of either the company or the workers' representatives. This allows the status of agreements to be monitored and any incidents arising from the company's day-to-day activity to be solved swiftly.

In 2019, labour relations ran as normal without any conflictive incidents. During the year, two significant negotiations were commenced and concluded in relation to items of remuneration and the process of moving part of the activity from one work centre to another. Both concluded satisfactorily for both workers and company.

It is very important to the organisation that its employees are kept informed of all aspects that are important to the Company. Therefore, ROVI informs its employees of matters of general interest, company milestones, agreements or organisational changes through the channels available. The resources used try to make the best use of the latest technological advances available to reach the entire workforce, both the people who have access to office IT in the course of their work and those who do not. Thus, communication takes place through the internal television channel, notice boards, e-mail or the mobile phone application (Rovi Rocks) that was implemented during 2019.

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This application, for internal use by ROVI employees, allows them to keep updated on new developments in the Company, in addition to including some very useful information, such as an employee directory with their contact phone numbers, the confidential consultation channel *Canal Ético*, or the section *Ideas ROVI*, through which employees may submit improvement proposals for the Company.

Additionally, the application allows the employee to enter an area of discounts and groups that are exclusive to ROVI employees and also includes a virtual library section (called *Roviteca*), where they can access a catalogue of more than 2,000 titles of all kinds: novels, educational, magazines, children's books, classics, etc.

We should highlight the fact that all ROVI's employees in Spain work under the employment conditions regulated in the Collective Agreement of the Chemical Industry, signed in 2018. The employees of the subsidiaries in the rest of Europe also work under the relevant collective agreements, except in those cases where local legislation states that general labour law is applicable because the subsidiary has very few employees.

An important aspect of the Group's works councils is that they are highly representative and participate in the Safety and Occupational Health Committees. On these committees, on a regular basis, the Group's actions in these areas are consulted, debated and proposed, as well as any incidents that have arisen and proposals for corrective measures.

The main matters discussed on these committees where the company and the workers have equal representation are: the assessment and valuation of occupational hazards, the provision of individual protection equipment, the protection facilities, information and training on occupational hazards, among other issues. Through these joint bodies, ROVI's employees are represented in these matters at the highest level.

### **4.5.- Training**

The ROVI Group knows that making training a priority is a long-term investment so that the Company's talent is well prepared and develops its highest potential.

For this reason, we strive for the employees to have the necessary training to cover, not only the requirements of their present job, but also to tackle future needs derived from the use of new technologies, equipment, instruments, etc. or the need to take on greater responsibilities or more important projects.

To draw up the annual training plans, the training needs in each area are identified, a process in which the Human Resources Department, Group Management and Middle Management are involved.

ROVI's annual plan is aligned with the strategic and business objectives. Through training, it is sought to efficiently help people to contribute and add value to the attainment and achievement of ROVI's strategic objectives. Likewise, ROVI has Individual Development Plans. Depending on the specific needs identified, different alternatives and training plans are put into place in order to promote the career plans of specific employees.

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ROVI works with a training model that foment self-responsibility and commitment. Thus, 10% of development and learning takes place through training actions in the classroom or in virtual or e-learning format and 20% takes place through feed-back, observation or with the support of mentors, coaches, professional associations, spaces for reflection, conversations with other people, leaders, etc. Lastly 70% of development and learning takes the form of job experience, applying new learning in real situations, problem-solving, participating in projects and new challenges, rotating through different departments, etc., always taking the professional profile and the needs of each area into account.

- Basic principles of ROVI Group's 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 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, continuing learning and cultural exchange is encouraged.

- Scholarship policy:

For the ROVI Group, cooperation with universities and professional training centres is of key importance in recruiting new, young talent for its teams. This is why the Company holds more than 20 agreements with Spanish universities at national level, so that undergraduates in their last year and students studying for a Master's degree or doctorate can carry out their practical training in different areas of the Company, while professional training students can obtain their practical training credits with ROVI.

85% of the people who have a scholarship at ROVI finally join the Company with a contract. The possibility for young talents to train and ROVI's investment in this training is indispensable in order to have a good reserve of talent for the future.

- 90% of the ROVI Group's scholarships are remunerated
- 90% of the scholarship are full time
- 90% of the scholarships last for 6+6 months

The total number of hours of training distributed by professional group are shown below:

	1	2	3	4	5	6	7	8	0	2019	2018	Var.
<b>TOTAL HOURS OF TRAINING BY PROFESSIONAL GROUP*</b>	0.0	740.6	3,684.9	5,358.6	10,231.2	3,727.8	4,237.2	61.2	122.4	<b>28,163.9</b>	<b>24,057.9</b>	<b>17%</b>

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

The number of hours shown refers to training actions recorded either in the quality system or with the State Foundation for Training in Employment. In addition to the aforementioned, numerous training actions are carried out as part of normal job dynamics.

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**4.6.- Universal accessibility**

Full social and workplace mainstreaming of persons with disabilities is hindered, firstly, by the physical obstacles to access to the work environment. In addition, the difficulty in using tools, objects and products irrespective of the person's technical, cognitive or physical skills is a further hurdle. ROVI believes that full and complete mainstreaming requires both types of barrier to be overcome.

To overcome the physical barriers, ROVI is endeavouring for the work centres where it carries on its activities to be accessible for everyone safely, comfortably and independently. For this to materialise, the new plans for remodelling works on work centre accesses include accessibility for persons with disabilities as one of the design premises.

To make the products marketed easier to use, they are labelled in Braille, so that the visually impaired can use them autonomously. Thus, the purpose for which they were designed is fully attained. Likewise, ROVI adapts the workstation and the work tools to the needs of the employees who are going to use them.

For ROVI, it is also important for its employees to be sensitised to the difficulties of persons with disabilities. Therefore, at the same time as the actions to favour accessibility, ROVI fosters sensitisation as the primary tool to combat the barriers that exist for people with disabilities. In this respect, it carries out corporate volunteering activities with non-profit entities engaged in the social mainstreaming of persons with mental and intellectual disabilities.

This allows employees to obtain first-hand knowledge of the main barriers that people with disabilities have to overcome in their everyday life. These activities are broadcast on the organisation's internal television channel and included in the periodic internal publications. Thus, the Company's commitment to accessibility and inclusion is shared with the employees, in order to raise disability awareness and combat the discrimination suffered by this group of people.

**4.7.- Equality**

ROVI is convinced that real equality in treatment and opportunities for women and men is indispensable in order for the company to make good use of all the talent available and to prevent this talent from remaining hidden and unused as a result of practices that prevent or restrict it from being fully expressed.

As a consequence of the foregoing, ROVI is committed to establishing and developing policies that include equal treatment and opportunities for women and men, with no direct or indirect gender discrimination, and to drive and foster measures to achieve real equality within the organisation, establishing equal opportunities as a strategic principle in its human resources policy.

Likewise, ROVI is committed to no discrimination based on gender or any other personal characteristic in selection, promotion and personal development processes and the remuneration policy according to which workers are paid.

Applying this commitment, the organisation carries out an integrated activity covering the following spheres: Equality, Code of Ethics, Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment, and Ethics Channel.

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ROVI had an Equal Opportunities Plan for men and women until 2019, in accordance with the legislation in force until said year. As a derivative of this Plan, the Equality Opportunities Commission was created, with the main mission of making a diagnosis and monitoring the measures implemented to ensure equal opportunities and non-discrimination, as well as fostering the inclusion of new actions in this respect.

After publication in 2019 of Royal Decree-Law 6/2019 of 6 March on Urgent Measures for Equal Treatment and Opportunities for Men and Women in Employment and Occupation, ROVI commenced the process of drawing up a new Equality Plan that met all the requirements of the Royal Decree and enhanced the current Plan. To do this, it created the Plan Negotiating Committee, which will prepare a prior diagnosis negotiated, if applicable, with the workers' legal representatives. The diagnosis will contain at least items referring to the selection and recruitment process, professional classification, training, professional promotion, working conditions (including the pay audit regarding men and women), co-responsibility in exercising the rights to personal, family and professional life, the under-representation of women, remuneration and the prevention of sexual and gender harassment. The result of the Plan will be an orderly set of evaluable measures aimed to remove the obstacles that prevent or hinder equality between men and women.

ROVI's commitment to equality and non-discrimination is also set out in the Company's Code of Ethics and the principles that govern training programmes and actions.

ROVI does not tolerate harassment and rejects any kind of violence, physical, sexual, psychological or moral harassment, the abuse of authority at work or any other form of conduct that generates an atmosphere that is intimidatory or offensive in respect of the employees' rights. Therefore, ROVI has a Protocol for the Prevention and Handling of Cases of Moral and Sexual Harassment in the workplace, which all employees are obliged to know and respect.

To ensure that any reports that may be received informing of a violation of the aforementioned Protocol, the Code of Ethics or, in general, any approved policy or procedure are handled properly and receive an appropriate response, ROVI has made an Ethics Channel available to its employees, suppliers, trading partners, agents and external collaborators. The Regulations of the Ethics Channel govern the procedure to follow when handling or processing any reports or notifications received and ensures that, when faced with an action that potentially contravenes the Company's principles and values, the organisation is able to react strictly, efficiently and diligently.

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### **5. HUMAN RIGHTS**

#### **5.1.- Principal risks**

The ROVI Group operates in Spain and the European Union (UK, Germany, Italy, France, Poland and Portugal) through subsidiaries. Since these are territories with legislation that protects human rights more than sufficiently, no risks of this nature that can derive directly from the ROVI Group's activity have been identified.

In addition, more than 90% of the ROVI Group's suppliers also operate in countries belonging to the European Union and those that carry on their activity outside the European Union enjoy recognised prestige in the international community.

At any event, the ROVI Group considers that the main risk affecting the organisation in relation to human rights comes from possible non-compliance in this respect on the part of a supplier.

Additionally, in the Crime Prevention Model, the possible existence of risks related to (i) criminal offences against foreign citizens; and (ii) the offence of human trafficking, was analysed and it was concluded that these risks do not currently exist within the ROVI Group's organisation.

#### **5.2.- Policies and commitments**

As may be seen from the Code of Ethics, ROVI is committed to actively supporting the Universal Declaration of Human Rights and requires its employees to comply with the principles thereof in the course of the Group's day-to-day activity. The Company combats practices contrary to human dignity and strives to prevent workplace discrimination.

ROVI upholds, by adopting and communicating it, the inclusion of the principles of the United Nations Global Compact, as well as other international instruments, especially in the spheres of human rights, workplace practices, the environment and the fight against corruption.

Additionally, the ROVI Group has a Code of Ethics for Suppliers, which establishes that all suppliers must respect the protection of fundamental human and labour rights recognised internationally. Specifically, the Code of Ethics for Suppliers requires all suppliers to comply with the following principles:

- Elimination of forced labour.
- Elimination of child labour.
- Respect for the right of association and collective bargaining.
- Equal opportunities and non-discrimination.
- The supplier must provide a fair work environment, free of any kind of violence.
- Respect for current legislation on working hours and remuneration.

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### **5.3.- Results of application of the policies**

- Human rights due diligence procedures, prevention of the risk of violation of human rights and, where applicable, measures to mitigate, manage and provide reparation for any abuses committed.

The ROVI Group applies the Collective Agreement of the Chemical Industry in all its business in Spain, likewise complying with the labour legislation in force at any given moment in all the territories where it operates. Additionally, it has the following procedures and measures in place:

- The ROVI Group has an Ethics Channel through which all employees must communicate any situation that may represent a breach of (i) current legislation; (ii) the standards and codes to which the ROVI Group has adhered voluntarily, (iii) the Group's internal policies, (iv) the Crime Prevention Model, or (vi) accounting and financial standards. Said Ethics Channel has Regulations that were approved by the Board of Directors on 7 November, 2017 and is managed by a Management Committee. Likewise, the Compliance Department reports periodically to the Compliance Committee, the Audit Committee and the Board of Directors on the communications received through the Ethics Channel.
- The Group has a Protocol on Moral and Sexual Harassment.
- The workers have legal representatives at the Julián Camarillo, San Sebastián de los Reyes and Alcalá de Henares work centres.

- Number of reports of human rights violations

No reports have been received in relation to human rights violations.

- Description of the measures implemented for promotion of and compliance with the rules of the fundamental conventions of the International Labour Organisation related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the abolition of forced or compulsory labour; the effective abolition of child labour:

We refer to the contents of the first point of this section "Human rights due diligence procedures, prevention of the risk of violation of human rights and, where applicable, measures to mitigate, manage and provide reparation for any abuses committed".

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### **6. CORRUPTION AND BRIBERY**

#### **6.1.- Principal risks**

The ROVI Group has a Crime Prevention Model in which the risks related to corruption and bribery are analysed. The main risks observed in this respect are:

1. Relations with public authorities and/or political office-holders, both national and foreign, for any reason related to the Group's activities; for example: (i) receipt and processing of inspections on the part of the authorities, (ii) obtaining authorisations and licences related to the Group's activities, (iii) subscription and signature of public contracts (medicine supply), (iv) relations with health professionals, and (v) applications for subsidies and European public funds.
2. Management of the processes for contracting works and services with third parties, related to the activities carried on by the ROVI Group.
3. Signature of donation and sponsorship agreements with public or private entities.

These risks were identified within the framework of the analysis of crime risks performed in accordance with article 31 bis of the Spanish Criminal Code, which requires "*identification of the activities in the sphere of which the offences that must be prevented may be committed*". The risk assessment was prepared by an external consultant and approved by the Audit Committee and Board of Directors and is reviewed annually by the ROVI Group's Compliance Department with the help of an external consultant.

#### **6.2.- Policies and commitments**

To detect and prevent the risks of corruption and bribery, the ROVI Group has the following policies and procedures in place:

- ROVI's Code of Ethics (the update of which was approved by the Board of Directors on 19 February, 2018) sets out ROVI's commitment to fight against corruption and bribery. Specifically, the Code of Ethics expressly rejects any practice that includes bribery and corruption as a way to obtain a decision in favour of ROVI Group companies and any practice intended to do business using improper means is prohibited. Likewise, the Code of Ethics prohibits any ROVI employee from offering a third party any kind of benefit intended to influence, or given with the intention of unlawfully influencing, said person's capacity to adopt objective and lawful business decisions. Likewise, ROVI employees are expressly prohibited from accepting any form of corruption or bribery that may be offered by a third party.
- The Group has an Anti-Bribery Policy (the update of which was approved by the Board of Directors on 19 February, 2018) that prohibits: (i) any form of bribery, (ii) corruption between private individuals, and (iii) influence peddling, and in which the guidelines for action and the precautions that all ROVI Group employees should adopt to prevent and mitigate the risks related to corruption and bribery are set out. Said Policy also includes the rules on courtesies, gifts and hospitality.
- The ROVI Group's medicine marketing activity is subject to the Code of Good Practice for the Pharmaceutical Industry (CBPIF), which means that all relations with health professionals must apply the content of said Code.



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**6.3.- Results of application of the policies**

- Anti-corruption and anti-bribery measures

In addition to the policies described in the preceding section, the Group has the following measures in place:

- The Group has entrusted the management and supervision of crime risks to the Audit Committee, which, in turn, has delegated the ordinary management of said risks to a Compliance Committee that advises the Group on these matters and the Compliance Department. Both the Compliance Committee and the Compliance Department have a charter that governs their operation and in which their obligations in this respect are described.
- The ROVI Group has a Practice Surveillance Department the purpose of which is to monitor compliance with the Code of Good Practice for the Pharmaceutical Industry. Likewise, the Group is audited in this respect by an independent auditor on a quarterly basis.
- The ROVI Group has an Ethics Channel through which all employees must notify any situation that may represent a breach of i) current legislation; (ii) the standards and codes to which the ROVI Group has adhered voluntarily, (iii) the Group's internal policies, (iv) the Crime Prevention Model, or (vi) accounting and financial standards. Said Ethics Channel has Regulations that were approved by the Board of Directors on November 7, 2017 and is managed by a Management Committee. Likewise, the Compliance Department reports periodically to the Compliance Committee, the Audit Committee and the Board of Directors on the communications received through the Ethics Channel.
- The Crime Prevention Model is reviewed annually by an external consultant, who verifies its degree of efficacy and suggests recommendations and improvements.
- The ROVI Group has a procedure for contract approval, which includes, among other items, a review by the following departments: Legal, Intellectual and Industrial Property, and Compliance.
- The Group has a payment policy and a policy for per diem allowances and other expenses.

- Anti-money laundering measures

ROVI is considered a NON-obligated entity in the terms of article 2 of Spanish Law 10/2010 on the Prevention of Money Laundering and Terrorist Financing.

However, ROVI has procedures in place to combat money laundering. All of them are listed below:

- The registration process for any new Group supplier requires submission of the following documentation: (i) Spanish tax identification card or tax residency card for foreign suppliers, and (ii) bank account-holder's certificate. Additionally, a supplier registration form must be completed with other information.
- The registration of a new customer requires submission of the following documentation: (i) completion of the new customer template, in which the following information is requested: corporate name, registered address, contact details and bank details, (ii) copy of tax identification number or equivalent document, (iii) in the case of customers of the medicine marketing area, a copy of the authorisation as a pharmaceutical product distributor is likewise requested.

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- All payments are processed in SAP (our ERP). No payments are made outside SAP and the customer / supplier is only registered in SAP if the aforementioned documentation has been provided.
  - There is a supplier selection policy that includes a list of the criteria used to select each type of supplier. It provides for an initial evaluation and another periodic evaluation. It is used to draw up a list of approved suppliers kept by the Quality Department.
  - Supplier engagement and payment policy: (i) suppliers with an annual volume of over 100,000 euros, always have a duly signed contract, (ii) it regulates how invoices should be sent and recorded, and (iii) the means of payment accepted.
  - Policy for reimbursement of expenses and payment of per diem allowances: (i) ROVI only reimburses the following expenses: Transport, Accommodation, Food (per diem) and others: Photocopies / Paper / Envelopes / Couriers / Toner / Ink; Books / Publications; Projector Hire; Professional Association Fees; Courses / Training; Exchange Rate Adjustments. The reimbursement of expenses is preceded by the pertinent expense note, which must be accompanied by the documentary support of the expenses (invoices, etc.). Employees must settle the expenses incurred in providing their services preferably with the corporate credit card and must minimise cash payments.
  - The ROVI Group accepts the following means of payment for collections:
    - Transfers - 61%
    - Direct debits - 38%
    - Cheque, promissory notes - 1%
    - Cash and point-of-sale terminals (only in the business of Panquímica – it represents roughly 5% of the total collections of Panquímica and 0.5% of the group total).
  - The ROVI Group accepts the following means of payment for payments:
    - “Confirming”
    - Bank transfers
    - Direct debits
    - Nominative cheques: only for payments of conferences to health professionals. The average invoice for speakers is €500.
- Donations to foundations and non-profit organisations

The ROVI Group has a Donation Management Procedure that describes the process to be followed to approve a donation. As part of this procedure, the Group has appointed a Donations Committee, which evaluates and, if appropriate, approves or rejects the Group's donation requests. This procedure came into force in July 2018 and was amended on 6 November, 2019.

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### **7. INFORMATION ABOUT THE SOCIETY**

#### **7.1.- Commitment to sustainable development**

ROVI carries on its activity at different work centres located in Madrid, Alcalá de Henares, Pozuelo de Alarcón and San Sebastián de los Reyes (Region of Madrid) and in Granada (Andalusia). It also has an extensive sales network deployed throughout Spanish territory and composed of more than 250 people. It has opened subsidiaries in Germany, France, Italy, Poland, Portugal and the United Kingdom. From these subsidiaries, ROVI contributes to local development by creating and maintaining stable, high-quality employment, where 53% of its employees hold a university degree. In 2019, ROVI's growth continued along an upward path, as may be seen from the employee data shown in Section 4.1 Employment in this report. Recently, it has announced the future construction of a new production centre in the province of Granada, which will mean new jobs will be created for qualified workers.

Aware of the need to contribute, as a company, to the economic and social development of the areas where it is present, ROVI carries out a large variety of activities locally, seeking the general goals of actively contributing to social progress, promoting health, fomenting research, a commitment to training and environmental protection. Some of the actions taken in 2019 are listed below:

##### Social protection and integration

- Fundación Manantial, with which ROVI has started an employment program at the Alcalá de Henares plant for people with mental illnesses.
- 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 expanded its employment program for young people with intellectual disabilities through a recruit at the Pozuelo offices (Madrid).
- Granada Red Cross, with which ROVI co-operates on its assistance and protection projects for children and elderly people in the province of Granada.
- Proyecto Hombre Granada, through the Capacitics program, aimed to train mothers, fathers and education professionals as instructors in the use of ICT by young people and adolescents.

##### Persons with disabilities

- Fundación Prodis, whose employment centre has carried out various printing jobs for ROVI, such as T-shirts, caps, etc. In 2019, Prodis designed 1,300 reusable bottles that were distributed to ROVI employees to encourage a reduction in single-use plastics during the #PlásticosCero. Campaign.
- ISS Facility Services (Gelim), which provides cleaning services at ROVI's offices.
- Ilunion, which provides laundry services for plant clothing.
- Fundación También, with which ROVI co-operates to organise corporate volunteering (see below) and to purchase material for adaptive skiing in Sierra Nevada (Granada).
- Fundación Deporte & Desafío, which ROVI supports in training ski monitors for adaptive skiing, as well as the skiing training course for people with disabilities that takes place every year in Sierra Nevada (Granada).

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### Knowledge sharing

- TedxTalks Realejo, a local conference event the topics of which focus on innovation and entrepreneurship, based on different types of personal experiences. On 25 May, 2019, the first edition of these talks was held in Granada and was sponsored by ROVI.
- IV OCARE Prizes (Observatory of Corporate Responsibility Communication and Action), which recognized the best communication campaigns by companies in the CSR area and that, for a further year, was sponsored by ROVI.

### Corporate volunteering and charity races

Through many of these foundations, the corporate volunteering activities available have expanded, so that ROVI employees can get to know the world of disability first-hand, thanks to our inclusive sports events, such as the Adaptive Skiing Campus in Sierra Nevada (Granada), the Adaptive Descent of the River Sella (Asturias), the VIII "Madrid También Solidario" Sponsored Race, the adaptive cycling route through the Anillo Verde (Green Ring) in Madrid or the Multisports Day (Madrid)

In 2019, ROVI began to co-operate with Apadis, an association of relatives of people with intellectual disabilities in San Sebastián de los Reyes, by organizing a corporate volunteering activity in which a group of employees and their families, together with volunteers from the foundation, painted the entrance hall of its occupational centre in San Sebastián de los Reyes.

Additionally, in line with the promotion of a healthy lifestyle and the practice of sports, during 2019 ROVI continued to co-operate with charity races and emblematic events, such as:

- VII Charity Race for Mental Health, of Fundación Manantial (17 February), Madrid.
- II Medicusmundi Charity Race, of Medicusmundi Sur (1 June), Granada.
- "Crossing the Line" Race, of the Granada Red Cross (20 October), Granada.
- 8<sup>th</sup> "Madrid También Solidario" Race, of Fundación También (28 October), Madrid.
- XX Carrera de las Empresa ("Companies Race") of Actualidad Económica (15 December), Madrid.

In 2019, 121 ROVI employees took part in one of the activities programmed by the CSR area. 16.5% of them participated in two or more volunteering activities during 2019.

### Donations Committee

During 2019, ROVI continued the work of the Donations Committee, which channels the requests for co-operation that ROVI receives from healthcare organisations and social or humanitarian entities. Its mission is to review each application and check that it complies with current legislation, the Code of Good Practices of the Pharmaceutical Industry and ROVI's Code of Ethics. From among the social and humanitarian proposals approved by the Donations Committee in 2019, the following may be highlighted:

- International co-operation
  - Fundación Recover, cooperating with its programs to improve healthcare in Africa.

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- 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).
  
- Social Protection
  
- Fundación La Sal de la Tierra (Alcalá de Henares), by donating industrial kitchen material that it has reused for the soup kitchens they have in Alcalá de Henares, Alicante and Vigo.
- Fundación Pilares, whose purpose is guidance and assistance for people who are highly dependent on others.
- Club Deportivo Elemental Entrevías-El Pozo, non-profit club the purpose of which is to promote sport and the participation in sports competitions among children and adolescents at risk of social exclusion.

### Commitment to research

ROVI is fully committed to supporting medical research and uses a significant part of its resources to promote it. Although, on occasions, the economic circumstances are particularly difficult, it is up to all of us to prioritize research and development in order to respond to the huge challenges that exist in health matters. Therefore, over recent years, it has been carrying on intensive research activity to foment the prevention and knowledge of certain diseases, in order to improve patient health and quality of life.

At the same time, ROVI strongly supports collaborative research and is aware that the formation of research consortia is, today, needed and required by the “knowledge society”. Therefore, it has, for years, endeavoured to hold co-operation agreements with other leading benchmark companies in the sector, biotechnological companies, spin-offs, Universities and Public Research Centres, thus reflecting its commitment to creating a dynamic ecosystem of knowledge excellence at national, inter-institutional and multidisciplinary level.

This research work is reflected in the support received by the Company’s main research lines from important national entities, such as the Industrial Technological Development Centre (CDTI) and the Technological Corporation of Andalusia (CTA), both of which made several visits to evaluate and monitor projects during 2019.

The Company likewise co-operates with scientific societies of different types in supporting the health professionals’ quest for innovation. An example is the SEFH/ROVI Hospital Pharmacy Development awards, which have been awarded jointly with the Spanish Hospital Pharmacy Society (SEFH) for the last three years and which recognise projects that represent the contribution of innovative and beneficial solutions for patient well-being and quality of life.

### Commitment to training

In order for qualified students to enter a work environment and improve their skills, knowledge and experience, the Company has a training programme underway in the organisation. In this respect, there are co-operation agreements with 73 educational centres (universities, institutes, centres imparting official training programmes and business schools) all over Spain. This practical training helps students to start their working life in a professional work environment. In 2019, ROVI awarded scholarships to 45 people, 11 of whom obtained an employment contract with the Company before their scholarship had ended.

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### **7.2.- Subcontracting and suppliers**

The Group's General Corporate Social Responsibility Policy establishes a course of action in relation to suppliers that allows them to find in ROVI a partner for mutual benefit. It is indispensable to ensure a supply chain that respects the principles of corporate social responsibility assumed by the ROVI Group. For this reason, ROVI undertakes to promote CSR-related values among its suppliers and subcontractors of goods and services.

Suppliers are a group of strategic interest in relation to ROVI's activities. For this reason, it has put in place a series of specific action principles aligned with the company's principles and values and intended to reinforce the sustainability and competitive edge of the value chain.

As stated in preceding sections, the ROVI Group has a Code of Ethics for Suppliers, which establishes that all suppliers must respect the protection of fundamental human and labour rights recognised internationally. Specifically, the Code of Ethics for Suppliers requires all suppliers to comply with the following principles:

- Abolition of forced labour.
- Abolition of child labour.
- Respect for the right of association and collective bargaining.
- Equal opportunities and non-discrimination.
- The supplier must provide a fair work environment, free of any kind of violence.
- Respect for current legislation on working hours and remuneration.

In the same way as ROVI maintains a constant focus on equal opportunities, occupational safety or care of the environment, it invites all its suppliers to guarantee these factors and to declare their commitment to basic principles of ethics and professional conduct. To do this, in the same way as ROVI develops them internally, it tries to involve suppliers and subcontractors in the adoption of the best corporate social responsibility practices in order to regulate their activities in accordance with the standards included in the certifications SA-8000, SGE-21 or similar.

Attention should be drawn to the fact that, as stated above, more than 90% of the ROVI Group's suppliers operate in countries belonging to the European Union, while those that carry on their activity outside the European Union operate in countries that enjoy recognised prestige in the International Community, meaning that supplier non-compliance in respect of Human Rights is considered limited and under control.

Additionally, regarding the environment, as mentioned above, ROVI is committed to making a joint effort with its suppliers and contractors to minimise the impact of their activities on the environment and the risks derived for both their safety and health and that of their workers.

ROVI has a supplier selection and monitoring policy that includes a list of the criteria used to select each type of supplier. The procedure provides for an initial evaluation and another periodic evaluation. It is used to draw up a list of approved suppliers, kept by the Quality Department.

There is also a Supplier Engagement and Payment Policy, in order to establish a framework for relations with suppliers and creditors that is shared by the whole organisation. It sets out the following: (i) suppliers with an annual volume of over 100,000 euros must always have a duly signed contract, (ii) it regulates how invoices should be sent and recorded, and (iii) the means of payment accepted.

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Additionally, on-site audits are conducted to check that suppliers operate in accordance with national and local regulations, there are no important 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.

To complement the foregoing, due to the continuous revision and improvement of ROVI'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 2019, internal training was given to company employees who deal with local and foreign suppliers, in order to inform them on the importance of the residency certificate in relation to the Double Taxation Treaty and avoid running any tax risks.

Lastly, in 2019, due to a merger by absorption process in our company group Laboratorios Farmacéuticos ROVI and subsidiaries, a Communication and Transparency Policy was implemented vis-à-vis our suppliers. Thus, communications with full tax information on the merger were sent, both electronically and, for the less digitalized companies, on paper, giving them guidance so that they could update the master data of our companies in their systems and providing several telephone lines to resolve any queries on invoicing or orders.

### **7.3.- Consumers**

Given their nature, products intended to improve patient health, medicines and healthcare products, require the instructions of a health professional for their administration or final use. The health professional determines the best therapeutic approach for a specific patient. Thus, prescription medicines and healthcare products are those that reach patients on the instructions of a doctor, using a prescription, irrespective of whether they are dispensed in a pharmacy or administered at health centres. There is, furthermore, a third category: non-prescription pharmaceuticals (OTC), which do not need a medical prescription but are obtained through pharmacies on the recommendation of the pharmacist.

Most of ROVI's medicines and health products fall within the category of prescription products, which means they reach the patients because they have been prescribed by a health professional. Therefore, ROVI's "consumers" can be divided into three broad groups:

- Customers, mainly wholesalers, who then distribute to pharmacies, but to whom service must be given.
- Patients
- Professionals: doctors, nursing staff or pharmacists.

### **Data privacy**

The ROVI Group is under the obligation to protect the personal information of customers, patients and professionals. This commitment has materialised in the adoption of a number of measures and the implementation of different procedures intended to ensure the integrity, confidentiality and availability of the data that are processed, as well as safeguarding people's rights and freedoms.

Within the framework of this process of adapting to the European regulations, ROVI, determined to comply with data processing principles and the obligations under the new legislation, has appointed a Data Protection Officer, whose functions include advising the Group on compliance with the new regulatory framework.

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In relation to patient information, the ROVI Group has specific procedures that regulate personal data processing in both the pharmacovigilance area and the area of clinical processes. The procedures set out range from how to comply with information obligations, taking account of the recommendations of the Spanish Medicines Agency set out in the *Guide for correct preparation of a patient information sheet and informed consent form*, to exercising the rights of data subjects and the response thereto. Furthermore, the personal data processing procedure in pharmacovigilance includes the case where the notifier of an adverse reaction to a medicine is a health professional or a person other than the patient, in order to ensure the proper processing of the personal data of any data subject; and the data processing procedure for clinical processes regulates not only the processing of the data of the patients participating in clinical trials, but the processing of the data of all data subjects, including the trial personnel.

In relation to professionals, the ROVI Group has carried out an in-depth revision and updating of its privacy policies to ensure fair, transparent and lawful processing of personal information in its inter-relations with them, in order to foster an improvement of attention to patients, establishing correctly the lawful bases of the processes and the mechanisms necessary to obtain consent to the data processing that is based thereon.

In relation to customers, since almost all of them are legal persons and, therefore, their data are excluded from the scope of application of personal data protection legislation, the ROVI Group applies current legislation to ensure the security of the data of its employees and other third parties whose data must be processed in order to implement the contractual relationship and avoid any alteration, loss, or unauthorised processing or access to said data.

### Health and safety measures for patients and professionals

Customers, including potential customers, health professionals and patients, are the basis of the business and, therefore, ROVI assumes the following commitments:

- a) To bet on innovative drugs as a growth engine for ROVI.
- b) To place special importance on the protection of the health and safety of customers and patients throughout the products' life cycles through strict compliance with the applicable legislation.
- c) To observe due confidentiality in processing their data.
- d) To manage and solve their queries and complaints in the shortest period possible.
- e) To monitor the customer's experience through surveys that measure their satisfaction and other means and systems that allow us to actively and permanently listen to the customer in all the processes and operations in which the latter interacts with the Company.
- f) To have appropriate and efficient communication channels, using the most suitable means to do so.
- g) To observe and comply with the rules that govern communication and marketing activities and assume the voluntary codes that ensure the transparency and veracity of such actions.

Guaranteeing the quality, safety and efficacy of the products that the Company places in the market is the main goal of ROVI and all the people who form part of it. In this respect, all the Group companies have procedures in place that define the verifications performed in all phases of the processes, including product research and development, the receipt of raw materials and packaging materials, production, storage and distribution, until the products are consumed by the customers.

The standards in place fully meet the Company's internal requirements and also the external requirements imposed by the regulatory bodies for the different products on ROVI's portfolio.



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In order to assess the compliance of these procedures, internal audits are performed periodically at all the Group's facilities. Furthermore, there are annual management reviews, which analyse the main points where our organisations have room for improvement.

In addition, the quality audits by external entities show the commitment to continuing improvement and maintaining high quality standards.

Moreover, in accordance with the frequency stipulated in the legislation applicable to the products, all Group companies, both in Spain and in the countries to which our products are exported, are inspected by the health authorities.

ROVI likewise has a Pharmacovigilance System in place, which allows any possible adverse reactions (any harmful and unintended response to a medicine) that arise to ROVI's medicines and healthcare products to be detected. This system means that, if an adverse reaction is notified, the Pharmacovigilance Department analyses whether it could be due to a quality and/or safety problem, thus initiating the process of sign detection that ROVI has implemented, which allows any change in the benefit/risk balance of ROVI's medicines to be detected.

The Pharmacovigilance System allows constant monitoring of the safety of the medicines, 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.

ROVI's Pharmacovigilance Department has a communication channel in place by e-mail ([farmacovigilancia@rovi.es](mailto:farmacovigilancia@rovi.es)) or telephone [(+34) 91 021 30 00], both of which may be accessed through the Company's website ([www.rovi.es](http://www.rovi.es)).

### Complaints system: complaints received and solution thereto

When any customer or health professional contacts ROVI to notify a claim or complaint, the Company immediately opens an enquiry in order to identify the cause and prevent any repetition. These enquiries may involve several departments and may also include suppliers and/or subcontractors. The efficacy of these actions is analysed annually in the review that ROVI management conducts of the system.

Any request for information made by a customer/health professional and/or customer is considered a query. Depending on its content, it is handled by one department or another (Quality, Pharmacovigilance or Medical Science Liaison), both in Spain and in the subsidiaries.

In the event that, while a complaint is being studied, a possible risk for the patient and/or health professional is observed, the Quality Department informs Pharmacovigilance, so that the case can be handled correctly (see previous section).

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The data on complaints and queries made by customers in ROVI's distribution business are shown below:

		Lab. Fcos. Rovi	Pan Química	Lab. Fcos. Rovi establ. Permanente Portugal	Rovi GmbH (Alemania)	Rovi Biotech Limited (Reino Unido)	Rovi Biotech, S.R.L (Italia)	Rovi S.A.S (Francia)	TOTAL DISTRIBUTION
<b>GENERAL</b>	Units manufactured / Units distribut.	17,343,883	27,513	57,932	603,395	144,641	1,998,454	0	<b>20,175,818</b>
<b>CUSTOMER COMPLAINTS</b>	No. of customer complaints	100	0	11	118	11	12	0	<b>252</b>
	Complaints / million units	5.77	0.00	189.88	0.00	76.05	2.00	0.00	<b>12.09</b>
<b>CUSTOMER QUERIES - QUALITY + THERAPEUTIC</b>	No. of customer queries	340	0	37	247	19	2	0	<b>645</b>
	Queries / million units	19.60	0.00	638.68	409.35	131.36	1.00	0.00	<b>31.97</b>

**7.4.- Tax information**

ROVI has a corporate tax policy that sets out how tax matters should be managed by applying good tax practices and acting with transparency, paying taxes responsibly and efficiently, and promoting co-operative relations with governments, endeavouring to prevent significant risks and unnecessary conflicts.

To support its tax practices, ROVI has engaged the services of an external tax advisor, who keeps the Group updated on new developments in this field and advises on any doubts that may arise. Additionally, the tax advisor reviews the preparation and filing of the different taxes as well as the Group's decision-making on tax matters.

In general, ROVI pays special attention to compliance with the tax obligations applicable in accordance with the territory in which it is operating. Specifically, the following information is provided on taxation in fiscal year 2019 by country or company:

<u>In thousand euros</u>	Profit before tax	Corporate income tax paid	Government grants received
Laboratorios Farmacéuticos Rovi, S.A.	25,456	(8,085)	1,151
Laboratorios Farmacéuticos Rovi, S.A. Portugal permanent establishment	44	(15)	-
Laboratorios Farmacéuticos Rovi, S.A. Poland permanent establishment	(58)	-	-
Laboratorios Farmacéuticos Rovi, S.A. Germany permanent establishment	270	-	-
Rovi Pharma Industrial Services, S.A. (*)	33,131	-	-
Pan Química Farmacéutica, S.A. (*)	602	-	-
Gineladius, S.L. (*)	(42)	-	-
Rovi Escúzar, S.L.	(19)	-	-
Bertex Pharma GmbH	(2)	-	-
Rovi Biotech, Limited	24	-	-
Rovi Biotech, S.R.L.	390	(29)	-
Rovi Biotech, GmbH	412	-	-
Rovi S.A.S.	(581)	-	-
Rovi Biotech spółka z o.o	(24)	-	-
Rovi Biotech, Ltda.	-	-	-
<b>TOTAL</b>		<b>(8,129)</b>	<b>1,151</b>

(\*) These companies form part of tax group 362/07 of which Laboratorios Farmacéuticos Rovi, S.A. is the parent.

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**8.- INDEX OF CONTENTS OF LAW 11/2018 IN RELATION TO GRI**

Code	Information required by Law 11/2018	Relationship with GRI indicators (Guidance only)	Page SNFI
<b>0.</b>	<b>General information</b>		
<b>0.1</b>	<b>Business model</b>		
0.1.a	Brief description of the group's business (business environment and organisation).	102-2 Activities, brands, products, and services. 102-7 Scale of the organisation.	2-4
0.1.b	Geographic presence.	102-3 Location of headquarters. 102-4 Location of operations. 102-6 Markets served.	4-5
0.1.c	The organisation's objectives and strategies.	102-14 Statement of senior decision-maker.	5-6
0.1.d	Main factors and trends that may affect future evolution.	102-15 Key impacts, risks and opportunities.	6
<b>0.2</b>	<b>General</b>		
0.2.1	Reference in the report to the national, European or international reporting framework used to select the key non-financial performance indicators included in each section.	102-54 Claims of reporting in accordance with GRI Standards.	6
<b>1.</b>	<b>Environmental issues</b>		
<b>1.1</b>	<b>General information</b>		
1.1.a	A description of the <b>policies</b> applied by the Group on these issues, which will include the due diligence procedures applied to identify, assess, prevent and attenuate material risks and impact and the verification and control procedures, including the measures adopted.	103-2 The management approach and its components.	7-9
1.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	9-10
1.1.c	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	7-8
<b>1.1</b>	<b>Detailed information</b>		
<b>1.1.1</b>	<b>Detailed general information</b>		
1.1.1.1	On the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety.	-	9-10
1.1.1.2	On the environmental evaluation or certification procedures.	-	7
1.1.1.3	On the resources devoted to environmental risk prevention.	-	9
1.1.4	On application of the precautionary principle.	102-11 Precautionary principle or approach.	7-10
1.1.5	On the amount of environmental risk provisions and guarantees.	-	8

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<b>1.1.2 Pollution</b>			
1.1.2.1	Measures to prevent, reduce or repair emissions that seriously affect the environment, taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution.	305-5 Reduction of GHG emissions.	9-10
<b>1.1.3 Circular economy and waste prevention and management</b>			
1.1.3.1	Measures for waste prevention, recycling and reutilisation and other forms of waste recovery and disposal; actions to combat food waste.	301-2 Recycled import materials. 306-2 Waste by type and disposal method.	9-11
<b>1.1.4 Sustainable use of resources</b>			
1.1.41	Water consumption and water supply in accordance with local limitations.	303-1 Water withdrawal by source.	11
1.1.42	Consumption of raw materials and measures adopted to enhance efficiency in using them.	301-1 Materials used by weight or volume.	-
1.1.43	Direct or indirect energy consumption.	302-1 Energy consumption within the organisation. 302-2 Energy consumption outside the organisation.	9-11
1.1.44	Measures taken to improve energy efficiency.	302-4 Reduction of energy consumption.	9-11
1.1.45	Use of renewable energies.	302-1 Energy consumption within the organisation.	9-11
<b>1.1.5 Climate change</b>			
1.1.5.1	Important elements of greenhouse gas emissions generated as a result of the company's activity, including the use of the goods and services it produces.	305-1 Direct (Scope 1) GHG emissions. 305-2 Energy indirect (Scope 2) GHG emissions.	9-11
1.1.5.2	Measures taken to adapt to the consequences of climate change.	201-2 Financial implications and other risks and opportunities due to climate change.	9-11
1.1.5.3	Medium- and long-term reduction measures fixed voluntarily to reduce greenhouse gas emissions and the means implemented for this purpose.	305-5 Reduction of GHG emissions.	9-11
<b>1.1.16 Biodiversity protection</b>			
1.1.6.1	Measures taken to conserve or restore biodiversity.	304-3 Habitats protected or restored.	-
1.1.6.2	Impacts caused by the activities or operations in protected areas.	304-2 Significant impacts of activities, products and services on biodiversity.	-
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<b>2.1 General information</b>			
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2.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	12-26

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2.1.c	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	12-26
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<b>2.2.1 Employment</b>			
2.2.1.1	Total number and distribution of employees, employing criteria that represent diversity (gender, age, country, etc.).	102-8 Information on employees and other workers. 405-1 Diversity of governance bodies and employees.	12-13
2.2.1.2	Total number and distribution of types of employment contracts, annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification.	102-8 Information on employees and other workers.	13-14
2.2.1.3	Number of dismissals by gender, age and professional classification.	401-1 New employee hires and employee turnover.	14-15
2.2.1.4	Average remuneration and the evolution thereof broken down by gender, age and professional classification or equivalent.	102-38 Annual total compensation ratio. 102-39 Percentage increase in average total compensation ratio.	15-16
2.2.1.5	Wage gap, remuneration for the same jobs or average remuneration in the company.	405-2 Ratio of basic salary and remuneration of women to men.	16-17
2.2.1.6	Average remuneration of directors and management, including variable remuneration, per diems and indemnities.	-	16
2.2.1.7	Payment into long-term savings schemes and any other amounts received, broken down by gender.	201-3 Defined-benefit plan obligations and any other retirement plans.	-
2.2.1.8	Implementation of disconnection-from-work policies.	-	17
2.2.1.9	Employees with disabilities.	405-1 1 Diversity of governance bodies and employees.	17
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2.2.2.2	Number of hours of absence.	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	19-20
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<b>2.2.3 Health and safety</b>			
2.2.3.1	Workplace health and safety conditions.	403-3 Workers with a high incidence or high risk of diseases related to their occupation.	21-22
2.2.3.2	Workplace accidents, in particular their frequency and severity, as well as occupational diseases, broken down by gender.	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	22
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2.2.4.1	Organisation of social dialogue, including procedures to inform and consult the personnel and negotiate with them.	102-43 Approach to stakeholder engagement. 402-1 Minimum notice periods regarding operational changes. 403-1 Workers representation in formal joint management-worker health and safety committees.	22
2.2.4.2	Percentage of employees covered by collective agreements by country.	102-41 Collective bargaining agreements.	23
2.2.4.3	The balance of the collective agreements, particularly in the workplace health and safety field.	403-4 Health and safety topics covered in formal agreements with trade unions.	23

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<b>2.2.5 Training</b>			
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2.2.5.2	Total number of hours of training by professional category.	404-1 Average hours of training per year per employee.	24
<b>2.2.6 Universal accessibility for persons with disabilities</b>			
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<b>2.2.7 Equality</b>			
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2.2.7.2	Equality Plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality between men and women), measures adopted to promote employment, protocols against sexual and gender harassment, the inclusion of universal accessibility for persons with disabilities.	-	25-26
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<b>3. Respect for human rights</b>			
<b>3.1 General information</b>			
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3.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	28
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3.2.1	Application of due diligence procedures in respect of human rights; prevention of risks of violation of human rights and, where applicable, measures to mitigate, manage and provide reparation for any possible abuses committed.	102-16 Values, principles, standards, and norms of behaviour. 102-17 Mechanisms for advice and concerns about ethics. 410-1 Security personnel trained in human rights policies or procedures. 412-1 Operations that have been subject to human rights reviews or impact assessments. 412-2 Employee training on human rights policies or procedures. 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	27-28
3.2.2	Reports of cases of violation of human rights	419-1 Non-compliance with laws and regulations in the social and economic area.	27-28

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3.2.3	Promotion of and compliance with the provisions of the fundamental conventions of the World Labour Organisation related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labour; and the effective abolition of child labour.	406-1 Incidents of discrimination and corrective actions taken. 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. 408-1 Operations and suppliers at significant risk for incidents of child labour. 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour.	27-28
<b>4. Fight against corruption and bribery</b>			
<b>4.1 General information</b>			
4.1.a	A <b>description of the policies</b> applied by the Group on these issues, which will include the due diligence procedures applied to identify, assess, prevent and attenuate material risks and impact and the verification and control procedures, including the measures adopted.	103-2 The management approach and its components.	29
4.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for each subject.	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	29-31
4.1.c	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	29
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4.2.3	Contributions to non-profit foundations and entities.	201-1 Direct economic value generated and distributed.	31
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5.1.b	The <b>results of these policies</b> , including relevant key non-financial results <b>indicators</b> that allow the monitoring and evaluation of the progress and favour comparability between companies and sectors, in accordance with the national, European or international frameworks used as a reference for	103-2 The management approach and its components. 103-3 Evaluation of the management approach.	32-39

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	each subject.		
5.1.c	The <b>key risks</b> related to these issues linked to the group's activity, among them, when relevant and proportionate, its trading relations, goods or services that may have adverse effects in these areas, and how the group manages said risks, explaining the <b>procedures used to detect and assess</b> them, in accordance with the national, European or international frameworks used as a reference for each subject. Information on <b>impacts</b> observed should be included, providing a breakdown thereof, in particular, of the key <b>short-, medium- and long-term risks</b> .	102-15 Key impacts, risks and opportunities.	32-39
<b>5.2 Detailed information</b>			
<b>5.2.1 Company's commitments to sustainable development</b>			
5.2.1.1	The impact of the company's activity on local employment and development.	204-1 Proportion of spending on local suppliers. 413-1 Operations with local community engagement, impact assessments, and development programmes.	32-34
5.2.1.2	The impact of the company's activity on the local population and the population of the territory.	204-1 Proportion of spending on local suppliers. 411-1 Incidents of violations involving rights of indigenous peoples. 413-1 Operations with local community engagement, impact assessments, and development programmes. 413-2 Operations with significant actual and potential negative impacts on local communities.	32-34
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5.2.2.1	The inclusion of social, gender equality and environmental issues in the purchasing policy.	308-1 New suppliers that were screened using environmental criteria. 414-1 New suppliers that were screened using social criteria.	34-36
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### **2019 Consolidated Management Report**

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## **APPENDIX 3**

### **CORPORATE GOVERNMENT ANNUAL REPORT 2019**

(see <http://www.cnmv.es/Portal/consultas/EE/InformacionGobCorp.aspx?nif=A-28041283>)

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**DATOS IDENTIFICATIVOS DEL EMISOR**

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Fecha fin del ejercicio de referencia: [ 31/12/2019 ]

CIF: [ A-28041283 ]

Denominación Social:

[ **LABORATORIOS FARMACEUTICOS ROVI, S.A.** ]

Domicilio social:

[ JULIAN CAMARILLO, 35 MADRID ]

**A. ESTRUCTURA DE LA PROPIEDAD**

A.1. Complete el siguiente cuadro sobre el capital social de la sociedad:

Fecha de última modificación	Capital social (€)	Número de acciones	Número de derechos de voto
18/10/2018	3.364.137,90	56.068.965	56.068.965

Indique si existen distintas clases de acciones con diferentes derechos asociados:

[ ] Sí  
[✓] No

A.2. Detalle los titulares directos e indirectos de participaciones significativas a la fecha de cierre del ejercicio, excluidos los consejeros:

Nombre o denominación social del accionista	% derechos de voto atribuidos a las acciones		% derechos de voto a través de instrumentos financieros		% total de derechos de voto
	Directo	Indirecto	Directo	Indirecto	
WELLINGTON MANAGEMENT GROUP, LLP	0,00	4,92	0,00	0,00	4,92
T. ROWE PRICE ASSOCIATES, INC.	0,00	3,39	0,00	0,00	3,39
NORBEL INVERSIONES, S.L.	63,11	0,00	0,00	0,00	63,11
INDUMENTA PUERI, S.L.	0,00	5,06	0,00	0,00	5,06

Detalle de la participación indirecta:

Nombre o denominación social del titular indirecto	Nombre o denominación social del titular directo	% derechos de voto atribuidos a las acciones	% derechos de voto a través de instrumentos financieros	% total de derechos de voto
WELLINGTON MANAGEMENT GROUP, LLP	DIVERSAS I.I.C.	4,92	0,00	4,92
T. ROWE PRICE ASSOCIATES, INC.	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	3,39	0,00	3,39

Nombre o denominación social del titular indirecto	Nombre o denominación social del titular directo	% derechos de voto atribuidos a las acciones	% derechos de voto a través de instrumentos financieros	% total de derechos de voto
INDUMENTA PUERI, S.L.	GLOBAL PORTFOLIO INVESTMENTS S.L.	5,06	0,00	5,06

Indique los movimientos en la estructura accionarial más significativos acontecidos durante el ejercicio:

**Movimientos más significativos**

Wellington Management Group, LLP con fecha 19/03/2019 descendió del 5% del capital social.  
 Wellington Management Group, LLP con fecha 15/04/2019 superó el 5% del capital social.  
 Wellington Management Group, LLP con fecha 16/04/2019 descendió del 5% del capital social.  
 Alantra Asset Management, SGIIC, S.A. con fecha 16/05/2019 descendió del 3% del capital social.  
 J O Hambro Capital Management Limited con fecha 19/08/2019 descendió del 3% del capital social.

Los datos se han extraído de los registros oficiales de la CNMV.

**A.3.** Complete los siguientes cuadros sobre los miembros del consejo de administración de la sociedad, que posean derechos de voto sobre acciones de la sociedad:

Nombre o denominación social del consejero	% derechos de voto atribuidos a las acciones		% derechos de voto a través de instrumentos financieros		% total de derechos de voto	% derechos de voto que <u>pueden ser transmitidos</u> a través de instrumentos financieros	
	Directo	Indirecto	Directo	Indirecto		Directo	Indirecto
Sin datos							

% total de derechos de voto en poder del consejo de administración

0,00

Detalle de la participación indirecta:

Nombre o denominación social del consejero	Nombre o denominación social del titular directo	% derechos de voto atribuidos a las acciones	% derechos de voto a través de instrumentos financieros	% total de derechos de voto	% derechos de voto que <u>pueden ser transmitidos</u> a través de instrumentos financieros
Sin datos					

**A.4.** Indique, en su caso, las relaciones de índole familiar, comercial, contractual o societaria que existan entre los titulares de participaciones significativas, en la medida en que sean conocidas por la sociedad, salvo que sean escasamente relevantes o deriven del giro o tráfico comercial ordinario, excepto las que se informen en el apartado A.6:

Nombre o denominación social relacionados	Tipo de relación	Breve descripción
Sin datos		

**A.5.** Indique, en su caso, las relaciones de índole comercial, contractual o societaria que existan entre los titulares de participaciones significativas, y la sociedad y/o su grupo, salvo que sean escasamente relevantes o deriven del giro o tráfico comercial ordinario:

Nombre o denominación social relacionados	Tipo de relación	Breve descripción
Sin datos		

**A.6.** Describa las relaciones, salvo que sean escasamente relevantes para las dos partes, que existan entre los accionistas significativos o representados en el consejo y los consejeros, o sus representantes, en el caso de administradores persona jurídica.

Explique, en su caso, cómo están representados los accionistas significativos. En concreto, se indicarán aquellos consejeros que hubieran sido nombrados en representación de accionistas significativos, aquellos cuyo nombramiento hubiera sido promovido por accionistas significativos, o que estuvieran vinculados a accionistas significativos y/o entidades de su grupo, con especificación de la naturaleza de tales relaciones de vinculación. En particular, se mencionará, en su caso, la existencia, identidad y cargo de miembros del consejo, o representantes de consejeros, de la sociedad cotizada, que sean, a su vez, miembros del órgano de administración, o sus representantes, en sociedades que ostenten participaciones significativas de la sociedad cotizada o en entidades del grupo de dichos accionistas significativos:

Nombre o denominación social del consejero o representante, vinculado	Nombre o denominación social del accionista significativo vinculado	Denominación social de la sociedad del grupo del accionista significativo	Descripción relación/cargo
DON JUAN LÓPEZ-BELMONTE LÓPEZ	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Presidente y Socio.

Nombre o denominación social del consejero o representante, vinculado	Nombre o denominación social del accionista significativo vinculado	Denominación social de la sociedad del grupo del accionista significativo	Descripción relación/cargo
DON JUAN LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Consejero y Socio.
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Consejero y Socio.
DON JAVIER LÓPEZ-BELMONTE ENCINA	NORBEL INVERSIONES, S.L.	NORBEL INVERSIONES, S.L.	Consejero y Socio.

Norbel Inversiones, S.L., es titular del 63,107% del capital social de la Sociedad, y está participada por D. Juan López-Belmonte López y por sus hijos D. Juan, D. Javier y D. Iván López-Belmonte Encina, sin que ninguno de ellos ejerza el control sobre la misma. D. Juan López-Belmonte López ejerce el cargo de Presidente del Consejo de Administración de dicha sociedad, mientras que sus hijos, D. Juan, D. Javier y D. Iván López-Belmonte Encina desempeñan los cargos de Consejeros.

**A.7.** Indique si han sido comunicados a la sociedad pactos parasociales que la afecten según lo establecido en los artículos 530 y 531 de la Ley de Sociedades de Capital. En su caso, descríbalos brevemente y relacione los accionistas vinculados por el pacto:

Sí  
 No

Indique si la sociedad conoce la existencia de acciones concertadas entre sus accionistas. En su caso, descríbalas brevemente:

Sí  
 No

Intervinientes acción concertada	% de capital social afectado	Breve descripción del concierto	Fecha de vencimiento del concierto, si la tiene
ALANTRA ASSET MANAGEMENT SGIIC S.A., ALANTRA EQMC ASSET MANAGEMENT SGIIC S.A.	2,24	Estas sociedades gestoras de instituciones de inversión colectiva de Alantra mantienen una política común en relación con los derechos de voto de las acciones de ROVI titularidad de las entidades de inversión por ellas gestionadas	

En el caso de que durante el ejercicio se haya producido alguna modificación o ruptura de dichos pactos o acuerdos o acciones concertadas, indíquelo expresamente:

Con fecha 20 de mayo de 2019, se comunicó la reducción del porcentaje de capital social afectado por la acción concertada a resultas de la transmisión de acciones de la Sociedad por sus intervinientes, que pasa del 4,82% al 2,235%.

**A.8.** Indique si existe alguna persona física o jurídica que ejerza o pueda ejercer el control sobre la sociedad de acuerdo con el artículo 5 de la Ley del Mercado de Valores. En su caso, identifíquela:

[  ] Sí  
[  ] No

Nombre o denominación social
NORBEL INVERSIONES, S.L.

**A.9.** Complete los siguientes cuadros sobre la autocartera de la sociedad:

A fecha de cierre del ejercicio:

Número de acciones directas	Número de acciones indirectas(*)	% total sobre capital social
686.956		1,23

(\*) A través de:

Nombre o denominación social del titular directo de la participación	Número de acciones directas
Sin datos	

**A.10.** Detalle las condiciones y plazo del mandato vigente de la junta de accionistas al consejo de administración para emitir, recomprar o transmitir acciones propias:

La Junta General de Accionistas celebrada el 12 de junio de 2019 autorizó al Consejo de Administración de la Sociedad para que pueda proceder a la adquisición derivativa de acciones propias, tanto directamente por la propia Sociedad como indirectamente a través de sus sociedades dependientes con respeto de los límites y requisitos legalmente establecidos y en los términos que a continuación se indican:

a) Las adquisiciones podrán realizarse a título de compraventa, permuta o cualquier otra modalidad de adquisición a título oneroso de acciones permitida por la ley, hasta la cifra máxima permitida por la ley. b) El precio mínimo de adquisición o valor mínimo de contraprestación será el equivalente al valor nominal de las acciones propias adquiridas y el precio máximo de adquisición o valor máximo de la contraprestación será equivalente a un precio no superior al mayor entre el de la última transacción realizada en el mercado por sujetos independientes y el más alto contenido en una orden de compra del carné de órdenes. c) El plazo de vigencia de la autorización será de 5 años desde la fecha en que se aprobó este acuerdo. d) Como consecuencia de la adquisición de acciones, incluidas aquellas que la Sociedad o la persona que actuase en nombre propio pero por cuenta de la Sociedad hubiese adquirido con anterioridad y tuviese en cartera, el patrimonio neto resultante no podrá quedar reducido por debajo del importe del capital social más las reservas legal o estatutariamente indisponibles, todo ello según lo previsto en la Ley de Sociedades de Capital.

Asimismo, y a los efectos previstos en la Ley de Sociedades de Capital, se autoriza la adquisición de acciones de la Sociedad por parte de cualquiera de las sociedades dependientes en los mismos términos resultantes del acuerdo.

Las acciones que se adquieran como consecuencia de esta autorización podrán destinarse tanto a su enajenación como a la aplicación de los sistemas retributivos contemplados en la letra a) del artículo 146.1 de la Ley de Sociedades de Capital, así como al desarrollo de programas que fomenten la participación en el capital de la Sociedad tales como, por ejemplo, planes de reinversión de dividendo, bonos de fidelidad u otros instrumentos análogos.

Asimismo, la referida Junta General de Accionistas celebrada el 12 de junio de 2019 delegó en el Consejo de Administración la facultad de aumentar el capital social, con atribución de la facultad de excluir el derecho de suscripción preferente (sin ninguna limitación), dentro de los límites y con los requisitos establecidos en la Ley de Sociedades de Capital por un plazo máximo de cinco años a contar desde el acuerdo de la Junta.

**A.11.** Capital flotante estimado:

	%
Capital flotante estimado	22,29

**A.12.** Indique si existe cualquier restricción (estatutaria, legislativa o de cualquier índole) a la transmisibilidad de valores y/o cualquier restricción al derecho de voto. En particular, se comunicará la existencia de cualquier tipo de restricciones que puedan dificultar la toma de control de la sociedad mediante la adquisición de sus acciones en el mercado, así como aquellos regímenes de autorización o comunicación previa que, sobre las adquisiciones o transmisiones de instrumentos financieros de la compañía, le sean aplicables por normativa sectorial.

Sí  
 No

**A.13.** Indique si la junta general ha acordado adoptar medidas de neutralización frente a una oferta pública de adquisición en virtud de lo dispuesto en la Ley 6/2007.

Sí  
 No

En su caso, explique las medidas aprobadas y los términos en que se producirá la ineficiencia de las restricciones:

**A.14.** Indique si la sociedad ha emitido valores que no se negocian en un mercado regulado de la Unión Europea.

Sí  
 No

En su caso, indique las distintas clases de acciones y, para cada clase de acciones, los derechos y obligaciones que confiera:

**B. JUNTA GENERAL**

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**B.1.** Indique y, en su caso detalle, si existen diferencias con el régimen de mínimos previsto en la Ley de Sociedades de Capital (LSC) respecto al quórum de constitución de la junta general:

Sí  
 No



**B.2.** Indique y, en su caso, detalle si existen diferencias con el régimen previsto en la Ley de Sociedades de Capital (LSC) para la adopción de acuerdos sociales:

[ ] Sí  
[✓] No

**B.3.** Indique las normas aplicables a la modificación de los estatutos de la sociedad. En particular, se comunicarán las mayorías previstas para la modificación de los estatutos, así como, en su caso, las normas previstas para la tutela de los derechos de los socios en la modificación de los estatutos.

Normas aplicables a la modificación de los Estatutos de la Sociedad.

De conformidad con lo establecido en los artículos 27, párrafo 2.º de los EE.SS. de ROVI y 5.i) del Reglamento de la Junta General de Accionistas (el "RJGA"), será la Junta General quien pueda acordar cualquier modificación de los Estatutos Sociales. Según el mismo artículo 27, párrafo 2.º de los EE.SS. y el artículo 15 del RJGA, para ello será necesaria, en primera convocatoria, la concurrencia de accionistas presentes o representados que posean, al menos, el cincuenta por ciento del capital suscrito con derecho a voto. En segunda convocatoria, será suficiente el veinticinco por ciento de dicho capital, si bien, según el artículo 15 del RJGA, cuando concurren accionistas que representen menos del cincuenta por ciento del capital suscrito con derecho a voto, los acuerdos de modificación de Estatutos sólo podrán adoptarse válidamente con el voto favorable de los dos tercios del capital presente o representado de la Junta General. No obstante, si el capital presente o representado supera el 50%, ya sea en primera o en segunda convocatoria, bastará con que el acuerdo se adopte por mayoría absoluta.

En el mismo sentido, los párrafos 7.º y 8.º del artículo 34 de los EE.SS. establecen que los acuerdos de la Junta se adoptarán por mayoría simple de los votos del capital, presente o representado, entendiéndose adoptado un acuerdo cuando obtenga más votos a favor que en contra del capital presente o representado. Quedan a salvo los supuestos en los que la Ley o los Estatutos estipulen una mayoría superior y, en particular, cuando concurren accionistas que representen menos del cincuenta por ciento del capital suscrito con derecho a voto, los acuerdos relativos a los asuntos a que se refiere el artículo 194 de la Ley de Sociedades de Capital requerirán para su validez el voto favorable de las dos terceras partes del capital social presente o representado en la Junta. No obstante, si el capital presente o representado supera el 50%, ya sea en primera o en segunda convocatoria, bastará con que el acuerdo se adopte por mayoría absoluta.

**B.4.** Indique los datos de asistencia en las juntas generales celebradas en el ejercicio al que se refiere el presente informe y los de los dos ejercicios anteriores:

Fecha junta general	Datos de asistencia				Total
	% de presencia física	% en representación	% voto a distancia		
			Voto electrónico	Otros	
31/05/2017	69,69	22,84	0,00	1,04	93,57
De los que Capital flotante	0,05	4,47	0,00	1,04	5,56
29/05/2018	69,68	23,45	0,00	0,00	93,13
De los que Capital flotante	0,04	3,85	0,00	0,00	3,89
12/06/2019	63,13	25,70	0,00	1,39	90,22
De los que Capital flotante	0,02	10,04	0,00	1,39	11,45

**B.5.** Indique si en las juntas generales celebradas en el ejercicio ha habido algún punto del orden del día que, por cualquier motivo, no haya sido aprobado por los accionistas:

[ ] Sí  
[✓] No

**B.6.** Indique si existe alguna restricción estatutaria que establezca un número mínimo de acciones necesarias para asistir a la junta general, o para votar a distancia:

[ ] Sí  
[√] No

**B.7.** Indique si se ha establecido que determinadas decisiones, distintas a las establecidas por Ley, que entrañan una adquisición, enajenación, la aportación a otra sociedad de activos esenciales u otras operaciones corporativas similares, deben ser sometidas a la aprobación de la junta general de accionistas:

[ ] Sí  
[√] No

**B.8.** Indique la dirección y modo de acceso a la página web de la sociedad a la información sobre gobierno corporativo y otra información sobre las juntas generales que deba ponerse a disposición de los accionistas a través de la página web de la Sociedad:

La dirección de la página web de la Sociedad es [www.rovi.es](http://www.rovi.es). Para acceder al contenido de gobierno corporativo debe pincharse en la sección "Accionistas e Inversores" y posteriormente en la tercera pestaña ("Gobierno Corporativo").

**C. ESTRUCTURA DE LA ADMINISTRACION DE LA SOCIEDAD**

**C.1. Consejo de administración**

C.1.1 Número máximo y mínimo de consejeros previstos en los estatutos sociales y el número fijado por la junta general:

Número máximo de consejeros	15
Número mínimo de consejeros	5
Número de consejeros fijado por la junta	7

C.1.2 Complete el siguiente cuadro con los miembros del consejo:

Nombre o denominación social del consejero	Representante	Categoría del consejero	Cargo en el consejo	Fecha primer nombramiento	Fecha último nombramiento	Procedimiento de elección
DON JUAN LÓPEZ-BELMONTE LÓPEZ		Dominical	PRESIDENTE	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON JUAN LÓPEZ-BELMONTE ENCINA		Ejecutivo	CONSEJERO DELEGADO	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA		Ejecutivo	VICEPRESIDENTE 1º	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON JAVIER LÓPEZ-BELMONTE ENCINA		Ejecutivo	VICEPRESIDENTE 2º	27/07/2007	31/05/2017	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON JOSÉ FERNANDO DE ALMANSA MORENO-BARRERA		Independiente	CONSEJERO	09/06/2015	12/06/2019	ACUERDO JUNTA GENERAL DE ACCIONISTAS
DON MARCOS PEÑA PINTO		Independiente	CONSEJERO COORDINADOR INDEPENDIENTE	09/05/2019	12/06/2019	ACUERDO JUNTA GENERAL DE ACCIONISTAS

Nombre o denominación social del consejero	Representante	Categoría del consejero	Cargo en el consejo	Fecha primer nombramiento	Fecha último nombramiento	Procedimiento de elección
DOÑA FÁTIMA BÁÑEZ GARCÍA		Independiente	CONSEJERO	20/12/2019	20/12/2019	COOPTACION

Número total de consejeros	7
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Indique las bajas que, ya sea por dimisión, destitución o por cualquier otra causa, se hayan producido en el consejo de administración durante el periodo sujeto a información:

Nombre o denominación social del consejero	Categoría del consejero en el momento del cese	Fecha del último nombramiento	Fecha de baja	Comisiones especializadas de las que era miembro	Indique si la baja se ha producido antes del fin del mandato
DON MIGUEL CORSINI FREESE	Independiente	29/05/2018	07/05/2019	COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES Y COMISIÓN DE AUDITORÍA.	SI
DON ENRIQUE CASTELLÓN LEAL	Independiente	31/05/2017	20/12/2019	COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES Y COMISIÓN DE AUDITORÍA.	SI

**Causa de la baja y otras observaciones**

D. Enrique Castellón Leal renunció a su cargo como consejero debido a que se habían cumplido 12 años desde su nombramiento como consejero de ROVI, lo que afectaba a su calificación como consejero externo independiente.

D. Miguel Corsini Freese renunció al cargo de consejero debido, por una parte, a distintas circunstancias personales (entre otras, por razones de salud que recomendaban que redujera su actividad profesional) y, por otra, para facilitar la renovación del Consejo de Administración tal y como se indicaba en el Informe Anual de Gobierno Corporativo del ejercicio 2018, teniendo en cuenta, adicionalmente, que en el año 2020 llevaría en el cargo de consejero de ROVI más de 12 años como consejero externo independiente.

C.1.3 Complete los siguientes cuadros sobre los miembros del consejo y su distinta categoría:

CONSEJEROS EJECUTIVOS		
Nombre o denominación social del consejero	Cargo en el organigrama de la sociedad	Perfil
DON JUAN LÓPEZ-BELMONTE ENCINA	Ejecutivo (Consejero Delegado y Director General)	El Sr. López-Belmonte Encina es licenciado en Ciencias Económicas y Empresariales por el CEU San Pablo de Madrid, especialidad auditoría en el año 1993. Es accionista de Norbel Inversiones, S.L. con un 26,67% de participación (a su vez accionista de control de la Sociedad) y Director General y Consejero Delegado de ROVI. Es Vicepresidente del

CONSEJEROS EJECUTIVOS		
Nombre o denominación social del consejero	Cargo en el organigrama de la sociedad	Perfil
		Consejo de Gobierno y Junta Directiva de Farmaindustria. Asimismo, ha sido Presidente del Comité de I+D+i de la CEOE desde marzo 2015 hasta finales de 2018. Comenzó su actividad laboral trabajando en compañías farmacéuticas de relevancia internacional en Estados Unidos y en Reino Unido, en distintas áreas farmacéuticas. Ha estado trabajando para la Sociedad desde 1994, fue nombrado Director General en octubre de 2001 y desde octubre de 2007 es el Consejero Delegado de la Sociedad. Fue nombrado consejero de la Sociedad por vez primera el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Actualmente, el Sr. López-Belmonte Encina es vocal del Consejo de Administración de Norbel Inversiones, S.L., vocal de Norbepa Inversiones, S.L., y vocal de Alentia Biotech, S.L.
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	Ejecutivo (Director de Desarrollo Corporativo)	El Sr. López-Belmonte Encina es licenciado en Ciencias Económicas y Empresariales por el CEU San Pablo de Madrid, especialidad auditoría, en el año 1994. Es accionista de Norbel Inversiones, S.L. con un 26,67% de participación (sociedad que es, a su vez, accionista de control de ROVI) y vicepresidente 1.º del Consejo de Administración de ROVI. Empezó su actividad laboral en Alemania trabajando en empresas como Amersham, dedicada a la medicina nuclear y en Hexal AG, especializada en genéricos. Ha estado trabajando para la Sociedad desde 1995 y es director de desarrollo corporativo de ROVI desde septiembre de 2007. Fue nombrado consejero de la Sociedad por vez primera el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Actualmente, el Sr. López-Belmonte Encina es vocal del Consejo de Administración de Norbel Inversiones, S.L. y de Norbepa Inversiones, S.L., administrador solidario de Bertex Pharma GmbH; y presidente y apoderado de Enervit Nutrition, S.L.
DON JAVIER LÓPEZ-BELMONTE ENCINA	Ejecutivo (Director Financiero)	El Sr. López-Belmonte Encina es licenciado en Ciencias Económicas y Empresariales por el Colegio Universitario de Estudios Financieros (CUNEF) de Madrid, especialidad de financiación en el año 1998 y Executive MBA conjunto por la Universidad de Brown e IE de Madrid en 2017. Es accionista de Norbel Inversiones, S.L. con un 26,67% de participación (sociedad que es, a su vez, accionista de control de ROVI) y vicepresidente 2.º del Consejo de Administración de ROVI. Comenzó su actividad laboral en el sector bancario en el año 1998 trabajando en Argentaria S.A. en el Reino Unido como analista y, en el sector farmacéutico, en Medeva Pharma, también en el Reino Unido. Se incorporó a ROVI en el año 2000 y es director financiero desde el año 2001. Fue nombrado consejero de la Sociedad por vez primera el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Ha sido vicepresidente de CEIM, miembro de su Junta Directiva y Presidente de su Comisión de Sanidad.

CONSEJEROS EJECUTIVOS

Nombre o denominación social del consejero	Cargo en el organigrama de la sociedad	Perfil
		Asimismo, ha sido miembro del Consejo Social de la Universidad Autónoma de Madrid representando a CEIM y miembro del Patronato de la Fundación Universidad Autónoma de Madrid representando al Consejo Social de la Universidad Autónoma de Madrid. Actualmente, el Sr. López-Belmonte Encina es vocal del Consejo de Administración de Norbel Inversiones, S.L., consejero delegado y secretario de Norbepa Inversiones, S.L., vicesecretario consejero de Alentia Biotech, S.L. y secretario consejero de Enervit Nutrition, S.L.

Número total de consejeros ejecutivos	3
% sobre el total del consejo	42,86

CONSEJEROS EXTERNOS DOMINICALES

Nombre o denominación social del consejero	Nombre o denominación del accionista significativo a quien representa o que ha propuesto su nombramiento	Perfil
DON JUAN LÓPEZ-BELMONTE LÓPEZ	NORBEL INVERSIONES, S.L.	El Sr. López-Belmonte López es licenciado en Ciencias Económicas y Empresariales por la Universidad Complutense de Madrid en el año 1969 y Actuario de Seguros. Es presidente de ROVI y accionista de Norbel Inversiones, S.L. con un 20% de participación (sociedad que es, a su vez, accionista de control de ROVI). Ha sido presidente de la Cámara de Comercio de Madrid desde marzo de 2016 hasta abril de 2018. Fue presidente de la Asociación para el Autocuidado de la Salud (ANEFP) y vicepresidente de Farmaindustria. Fue nombrado consejero de la Sociedad el 27 de julio de 2007 con ocasión de la salida a Bolsa de ROVI, siendo reelegido por la Junta General en 2012 y 2017. Actualmente, el Sr. López-Belmonte López es presidente y miembro del Consejo de Administración de Norbel Inversiones, S.L., Norbepa Inversiones, S.L., Lobel y Losa Development, S.L., Inversiones Borbollón, S.L. y Alentia Biotech, S.L.

Número total de consejeros dominicales	1
% sobre el total del consejo	14,29

CONSEJEROS EXTERNOS INDEPENDIENTES	
Nombre o denominación social del consejero	Perfil
DON JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	<p>El Sr. Almansa Moreno-Barreda es licenciado en Derecho por la Universidad de Deusto (Bilbao). Diplomático. Ingresó en la Carrera Diplomática el 2 de diciembre de 1974. Desde 1976 a 1992 ha ocupado diferentes cargos: Secretario de la Embajada española en Bruselas, Consejero Cultural de la Embajada de España en México, Director Jefe de la Sección de Coordinación de la Subdirección General de Europa Oriental, Director de Asuntos Atlánticos en la Dirección General de Política Exterior para Europa y Asuntos Atlánticos, Consejero Político de la representación Permanente de España ante el Consejo de Atlántico Norte en Bruselas, Ministro-Consejero de la Embajada de España en la Unión Soviética, Secretario General de la Comisión Nacional del Quinto Centenario del Descubrimiento de América, y Subdirector General de Europa Oriental dependiente de la Dirección General de Política Exterior para Europa. De 1993 a 2002, fue nombrado por Su Majestad el Rey Juan Carlos I, Jefe de Su Casa, con rango de Ministro, siendo designado Consejero Privado de Su Majestad el Rey Juan Carlos I. Ha sido consejero de Telefónica S.A. desde el año 2003 hasta 2016, ocupando la presidencia de la Comisión de Asuntos Internacionales de su Consejo y formando parte como Consejero de varias filiales de Telefónica S.A. en Iberoamérica. Así mismo, desde el año 2003 hasta el año 2015 formó parte del Consejo de Administración del banco mejicano BBVA BANCOMER. Actualmente es consejero de TELEFONICA MOVILES S.A. en Méjico. Desde el 9 de junio de 2015 es Consejero de ROVI, siendo reelegido por la Junta General ordinaria de 2019.</p>
DON MARCOS PEÑA PINTO	<p>El Sr. Peña Pinto es licenciado en Derecho por la Universidad Complutense de Madrid, habiendo superado la oposición a Inspector Técnico de Trabajo y de la Seguridad Social. Del año 1984 al 1989, el Sr. Peña ocupó el cargo de Consejero Laboral en la Embajada de España en Italia; posteriormente, entre 1991 y 1996, desempeñó los puestos de Secretario General de Salud dentro del Ministerio de Sanidad y Consumo y de Secretario General de Empleo y Relaciones Laborales dentro del Ministerio de Trabajo. Entre los años 2005 y 2006, fue designado Consejero-Experto del Consejo Económico y Social, organismo que ha presidido hasta el mes de abril de este año. Asimismo, el Sr. Peña Pinto ha sido Consejero Nato del Consejo de Estado, cargo vinculado al puesto de presidente del Consejo Económico y Social. Por lo que se refiere a otras actividades profesionales desempeñadas, cabe destacar que don Marcos Peña está especializado en negociación colectiva de trabajo, habiendo ejercido el cargo de Presidente de la Comisión Negociadora de múltiples convenios colectivos (p. ej., Telefónica, RENFE, Repsol, Alcatel, Endesa, Astilleros, etc.). Además, el Sr. Peña Pinto es árbitro y mediador de distintos conflictos laborales de dimensión nacional, así como autor de numerosas publicaciones y articulista habitual en prensa escrita. Fue nombrado consejero independiente de la Sociedad por cooptación y aceptó su nombramiento el 9 de mayo de 2019, siendo reelegido por la Junta General ordinaria de 12 de junio de 2019.</p>
DOÑA FÁTIMA BÁÑEZ GARCÍA	<p>La Sra. Báñez García es Licenciada en Derecho y en Ciencias Económicas y Empresariales por la Universidad Pontificia de Comillas -ICADE E-3-, completa su formación académica con un Postgrado en Administración de Empresas por la Universidad de Harvard, Boston, MA y realiza el Programa de Liderazgo para la Gestión Pública en el IESE Business School. Fue Ministra de Empleo y Seguridad Social del Gobierno de España desde diciembre de 2011 hasta junio de 2018, y Ministra de Sanidad, Servicios Sociales e Igualdad en funciones desde agosto hasta noviembre de 2016. También en el ámbito público, fue Diputada por Huelva en el Congreso de los Diputados (2000-2019), donde ha ejercido importantes responsabilidades en el área</p>

CONSEJEROS EXTERNOS INDEPENDIENTES

Nombre o denominación social del consejero	Perfil
	económica del Grupo Parlamentario Popular y Presidenta de la Comisión de Exteriores de la Cámara Baja (2018-2019). Con anterioridad, desde noviembre de 1997 a junio 2000, fue miembro del Consejo de Administración de la Radio Televisión de Andalucía. Comenzó su vida profesional en la empresa privada como responsable de Estrategia y Desarrollo Corporativo del grupo de empresas familiar (1993-1997), volviendo en noviembre de 2019 a la actividad privada como consultora y asesora empresarial. Cuenta con una amplia experiencia internacional, representando a España en los Consejos EPSCO, en el G-20, en las Cumbres Iberoamericanas y en las reuniones de la OCDE y la OIT, así como en los Foros Internacionales de Empleo. Fue nombrada consejera de la Sociedad, mediante el sistema de cooptación, y aceptó su cargo el 20 de diciembre de 2019.

Número total de consejeros independientes	3
% sobre el total del consejo	42,86

Indique si algún consejero calificado como independiente percibe de la sociedad, o de su mismo grupo, cualquier cantidad o beneficio por un concepto distinto de la remuneración de consejero, o mantiene o ha mantenido, durante el último ejercicio, una relación de negocios con la sociedad o con cualquier sociedad de su grupo, ya sea en nombre propio o como accionista significativo, consejero o alto directivo de una entidad que mantenga o hubiera mantenido dicha relación.

En su caso, se incluirá una declaración motivada del consejo sobre las razones por las que considera que dicho consejero puede desempeñar sus funciones en calidad de consejero independiente.

Nombre o denominación social del consejero	Descripción de la relación	Declaración motivada
Sin datos		

OTROS CONSEJEROS EXTERNOS

Se identificará a los otros consejeros externos y se detallarán los motivos por los que no se puedan considerar dominicales o independientes y sus vínculos, ya sea con la sociedad, sus directivos, o sus accionistas:

Nombre o denominación social del consejero	Motivos	Sociedad, directivo o accionista con el que mantiene el vínculo	Perfil
Sin datos			

Número total de otros consejeros externos	N.A.
% sobre el total del consejo	N.A.



Indique las variaciones que, en su caso, se hayan producido durante el periodo en la categoría de cada consejero:

Nombre o denominación social del consejero	Fecha del cambio	Categoría anterior	Categoría actual
Sin datos			

C.1.4 Complete el siguiente cuadro con la información relativa al número de consejeras al cierre de los últimos 4 ejercicios, así como la categoría de tales consejeras:

	Número de consejeras				% sobre el total de consejeros de cada categoría			
	Ejercicio 2019	Ejercicio 2018	Ejercicio 2017	Ejercicio 2016	Ejercicio 2019	Ejercicio 2018	Ejercicio 2017	Ejercicio 2016
Ejecutivas					0,00	0,00	0,00	0,00
Dominicales					0,00	0,00	0,00	0,00
Independientes	1				33,33	0,00	0,00	0,00
Otras Externas					0,00	0,00	0,00	0,00
Total	1				14,29	0,00	0,00	0,00

C.1.5 Indique si la sociedad cuenta con políticas de diversidad en relación con el consejo de administración de la empresa por lo que respecta a cuestiones como, por ejemplo, la edad, el género, la discapacidad, o la formación y experiencia profesionales. Las entidades pequeñas y medianas, de acuerdo con la definición contenida en la Ley de Auditoría de Cuentas, tendrán que informar, como mínimo, de la política que tengan establecida en relación con la diversidad de género.

- Sí  
 No  
 Políticas parciales

En caso afirmativo, describa estas políticas de diversidad, sus objetivos, las medidas y la forma en que se ha aplicado y sus resultados en el ejercicio. También se deberán indicar las medidas concretas adoptadas por el consejo de administración y la comisión de nombramientos y retribuciones para conseguir una presencia equilibrada y diversa de consejeros.

En caso de que la sociedad no aplique una política de diversidad, explique las razones por las cuales no lo hace.

**Descripción de las políticas, objetivos, medidas y forma en que se han aplicado, así como los resultados obtenidos**

ROVI está comprometida con el establecimiento y desarrollo de políticas que integren la igualdad de trato y oportunidades entre mujeres y hombres, sin discriminar directa o indirectamente por razón de sexo, así como con el impulso y fomento de medidas para conseguir la igualdad real en el seno de la organización, estableciendo la igualdad de oportunidades como un principio estratégico de su política de recursos humanos.

ROVI cuenta con un Plan de Igualdad que establece mecanismos en áreas como la selección y contratación, promoción interna y desarrollo profesional, formación, retribución, conciliación, violencia de género y prevención del acoso y comunicación. De forma anual ROVI revisa el Plan de Igualdad.

Con la publicación en 2019 del Real Decreto-ley 6/2019, de 1 de marzo, de medidas urgentes para la garantía de la igualdad de trato y de oportunidades entre mujeres y hombres en el empleo y la ocupación, ROVI ha iniciado el proceso de adaptación de su Plan de Igualdad a dicho marco normativo. Se ha constituido la Comisión Negociadora del Plan que realizará un diagnóstico negociado, en su caso, con las

representaciones legales de los trabajadores sobre materias referentes a procesos de selección y contratación, clasificación profesional, formación, promoción profesional, condiciones de trabajo (incluida la auditoría salarial entre mujeres y hombres), ejercicio corresponsable de los derechos de la vida personal, familiar y laboral, infrarrepresentación femenina, retribuciones y prevención del acoso sexual.

El compromiso de ROVI con la igualdad y la no discriminación también se recoge en el Código Ético de la Compañía y en los principios que rigen los programas y acciones formativas. Además, ROVI cuenta con un Protocolo para la Prevención y Tratamiento de los casos de Acoso Moral y Sexual en el puesto de trabajo que todos los empleados tienen obligación de conocer y respetar.

Para ROVI es crucial la formación y preparación de sus empleados. Las habilidades y las actitudes de los trabajadores de una empresa son determinantes para alcanzar la máxima eficiencia posible y por eso la compañía destina importantes recursos para invertir en capital humano. Por ello, ROVI fomenta la evolución y crecimiento profesional, así como la preparación y formación para lograrlo. En los planes de carrera y el desarrollo profesional es indispensable la implicación de la persona y la implicación del responsable directo.

Asimismo, la Sociedad aprobó una Política de selección de consejeros que tiene por objeto (i) asegurar que las propuestas de nombramiento y reelección de consejeros de la Sociedad se fundamenten en un análisis previo de las necesidades del Consejo de Administración; y (ii) favorecer la diversidad de conocimientos, experiencias y género en el mismo, de tal forma que se enriquezca la toma de decisiones y se aporten puntos de vista plurales al debate de los asuntos de su competencia.

En la selección de candidatos a consejero se partirá de un análisis de las necesidades de la Sociedad y de su grupo, que deberá llevar a cabo el Consejo de Administración con el asesoramiento e informe de la Comisión de Nombramientos y Retribuciones ("CNYR"). La CNYR evaluará las competencias, conocimientos y experiencia necesarios de los candidatos en el Consejo. A estos efectos la CNYR definirá las funciones y aptitudes necesarias en los candidatos que deban cubrir cada vacante y evaluará el tiempo y dedicación precisos para que puedan desarrollar bien su cometido. En el proceso de selección de candidatos se evitará, en todo caso, cualquier tipo de sesgo implícito que pueda implicar discriminaciones y, en especial, que obstaculice la selección de personas de uno u otro sexo. En particular, la Política de Selección establece que se procuraría que en el año 2020 el número de consejeras representara, al menos, el 30% del total de miembros del Consejo de Administración.

A la hora de seleccionar candidatos a miembro del Consejo, la CNYR velará por que las propuestas recaigan sobre personas honorables, idóneas y de reconocida solvencia profesional, competencia, experiencia, cualificación, formación, disponibilidad y compromiso con su función, y por el adecuado equilibrio en la composición del Consejo.

Por lo que respecta a la cualificación profesional, la Política exige que los candidatos dispongan de título universitario o, al menos, cinco años de experiencia en funciones de administración, dirección, control o asesoramiento en entidades públicas o privadas de dimensiones y exigencias análogas a las de la Sociedad. Además, con carácter indicativo, el Consejo considera que los consejeros no deben exceder, en general, la edad de ochenta años.

En el marco del proceso de implementación de medidas derivadas de las previsiones de la Guía Técnica 1/2019 de la CNMV sobre Comisiones de Nombramientos y Retribuciones, así como a la vista de la prevista modificación de determinadas recomendaciones del Código de Buen Gobierno anunciada por la CNMV, la Sociedad valorará la procedencia, en su caso, de revisar las referidas políticas.

Se hace constar que la Política de selección de consejeros ha sido aplicada en este ejercicio para la designación de dos consejeros para cubrir sendas vacantes producidas por la renuncia de dos consejeros independientes. A tal efecto, a propuesta de la CNYR, el Consejo de Administración nombró por el sistema de cooptación a D. Marcos Peña Pinto (siendo reelegido posteriormente por la Junta General) y a Dña. Fátima Báñez García.

**C.1.6 Explique las medidas que, en su caso, hubiese convenido la comisión de nombramientos para que los procedimientos de selección no adolezcan de sesgos implícitos que obstaculicen la selección de consejeras, y que la compañía busque deliberadamente e incluya entre los potenciales candidatos, mujeres que reúnan el perfil profesional buscado y que permita alcanzar una presencia equilibrada de mujeres y hombres:**

#### Explicación de las medidas

La Comisión de Nombramientos y Retribuciones evalúa las competencias, conocimientos y experiencia necesarios en los candidatos a formar parte del Consejo, conforme a lo previsto en el Reglamento del Consejo de Administración y en el Reglamento de la Comisión de Nombramientos y Retribuciones. En concreto, tal y como se recoge en la Política de selección de consejeros, la CNYR verifica que los procedimientos de elección no adolecen de sesgos implícitos que puedan implicar discriminación alguna y, en particular, que no obstaculicen la selección de consejeras.

El Consejo de Administración de la Sociedad está compuesto en la actualidad por los 3 máximos ejecutivos de la Sociedad, 1 consejero dominical y 3 consejeros independientes de reconocido prestigio, y todos ellos han sido designados por un criterio profesional indistintamente de cuál fuera su género.

La selección para el nombramiento de consejeros de la Sociedad se fundamenta en el mérito de los candidatos. En este sentido el Consejo de Administración -y la Comisión de Nombramientos y Retribuciones, dentro de sus competencias-, procurará que la elección de candidatos recaiga sobre personas de reconocida solvencia, competencia y experiencia, pudiendo incluir entre los potenciales candidatos tanto a hombres como a mujeres que cumplan con las anteriores exigencias.

Cuando a pesar de las medidas que, en su caso, se hayan adoptado, sea escaso o nulo el número de consejeras, explique los motivos que lo justifiquen:

Explicación de los motivos

Durante el ejercicio 2019, como consecuencia de la renuncia al cargo de dos consejeros, han tenido lugar dos procesos de selección de nuevos consejeros, atendiendo a su formación, cualidades, experiencia e idoneidad, habiendo resultado, en uno de los casos, en el nombramiento de una mujer como consejera independiente. Estos nombramientos han sido el resultado de un análisis previo de las necesidades del Consejo de Administración, a la vista de las dos dimisiones referidas anteriormente, y han estado orientados a favorecer la diversidad de conocimientos, experiencias y género en el mismo, de tal forma que se enriquezca la toma de decisiones y se aporten puntos de vista plurales al debate de los asuntos de su competencia, todo ello de conformidad con lo previsto en la Política de selección de consejeros de ROVI.

**C.1.7 Explique las conclusiones de la comisión de nombramientos sobre la verificación del cumplimiento de la política de selección de consejeros. Y en particular, sobre cómo dicha política está promoviendo el objetivo de que en el año 2020 el número de consejeras represente, al menos, el 30% del total de miembros del consejo de administración.**

La Política de selección de consejeros de ROVI establece que la Sociedad procuraría que en el año 2020 el número de consejeras represente, al menos, el 30% del total de miembros del Consejo de Administración. Con el fin de contribuir a alcanzar ese objetivo, durante el 2019 la Sociedad ha designado a una consejera, Dña. Fátima Báñez García.

**C.1.8 Explique, en su caso, las razones por las cuales se han nombrado consejeros dominicales a instancia de accionistas cuya participación accionarial es inferior al 3% del capital:**

Nombre o denominación social del accionista	Justificación
Sin datos	

Indique si no se han atendido peticiones formales de presencia en el consejo procedentes de accionistas cuya participación accionarial es igual o superior a la de otros a cuya instancia se hubieran designado consejeros dominicales. En su caso, explique las razones por las que no se hayan atendido:

- Sí  
 No

**C.1.9 Indique, en el caso de que existan, los poderes y las facultades delegadas por el consejo de administración en consejeros o en comisiones del consejo:**

Nombre o denominación social del consejero o comisión	Breve descripción
Juan López-Belmonte Encina	Consejero Delegado. Tiene otorgados todos los poderes y facultades delegables conforme a la ley, en virtud de escritura de protocolización de acuerdos sociales de fecha 21 de junio de 2017.

**C.1.10 Identifique, en su caso, a los miembros del consejo que asuman cargos de administradores, representantes de administradores o directivos en otras sociedades que formen parte del grupo de la sociedad cotizada:**

Nombre o denominación social del consejero	Denominación social de la entidad del grupo	Cargo	¿Tiene funciones ejecutivas?
DON JUAN LÓPEZ-BELMONTE ENCINA	PAN QUÍMICA FARMACÉUTICA, S.A	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI

Nombre o denominación social del consejero	Denominación social de la entidad del grupo	Cargo	¿Tiene funciones ejecutivas?
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI PHARMA INDUSTRIAL SERVICES, S.A.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	GINELADIUS, S.L.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI ESCÚZAR, S.L.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	BERTEX PHARMA GMBH	Administrador Solidario	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH LIMITED	Administrador Único	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI GMBH	Administrador Único	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SRL	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JAVIER LÓPEZ-BELMONTE ENCINA	ROVI S.A.S.	Representante Laboratorios Farmacéuticos Rovi, S.A.	SI
DON JUAN LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Presidente del Consejo de Administración.	SI
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Vicepresidente Primero del Consejo de Administración.	SI
DON JAVIER LÓPEZ-BELMONTE ENCINA	ROVI BIOTECH SP. ZO.O.	Vicepresidente Segundo del Consejo de Administración.	SI

Laboratorios Farmacéuticos ROVI, S.A es Administrador Único de las sociedades filiales del Grupo ROVI: Gineladius, S.L., Pan Química Farmacéutica, S.A., Rovi Pharma Industrial Services S.A. y Rovi Biotech S.R.L. habiendo nombrado como su representante persona física a D. Juan López-Belmonte Encina. Como consecuencia de una reorganización interna del Grupo Rovi para concentrar toda su actividad de fabricación a terceros, en el mes de noviembre de 2019 Laboratorios Farmacéuticos Rovi S.A. socio único de las sociedades Frosst Ibérica S.A.U., Rovi Contract Manufacturing S.L.U. y Bemipharma Manufacturing S.L.U. llevó a cabo una operación de fusión por absorción de las sociedades Rovi Contract Manufacturing S.L.U. y Bemipharma Manufacturing S.L.U. ("sociedades absorbidas") por parte de la sociedad Frosst Ibérica S.A.U. ("sociedad absorbente"). Simultáneamente Frosst Ibérica S.A.U. cambió su denominación a Rovi Pharma Industrial Services S.A.U. Asimismo, se ha procedido a la constitución de una nueva mercantil denominada Rovi Escúzar, S.L. que a fecha de aprobación de este Informe se encuentra en fase de inscripción en el Registro Mercantil.

C.1.11 Detalle, en su caso, los consejeros o representantes de consejeros personas jurídicas de su sociedad, que sean miembros del consejo de administración o representantes de consejeros personas jurídicas de otras entidades cotizadas en mercados oficiales de valores distintas de su grupo, que hayan sido comunicadas a la sociedad:

Nombre o denominación social del consejero	Denominación social de la entidad cotizada	Cargo
Sin datos		

C.1.12 Indique y, en su caso explique, si la sociedad ha establecido reglas sobre el número máximo de consejos de sociedades de los que puedan formar parte sus consejeros, identificando, en su caso, dónde se regula:

[  ] Sí  
[  ] No

**Explicación de las reglas e identificación del documento donde se regula**

El artículo 17 del Reglamento del Consejo de Administración de ROVI, que incorpora la Recomendación 25 del Código de Buen Gobierno, establece un máximo de diez consejos de sociedades de los que puedan formar parte sus consejeros (con un límite de ocho si se trata de compañías cuyas acciones se encuentran admitidas a negociación en bolsas de valores españolas o extranjeras), excluyéndose de dicho cómputo los cargos que los consejeros puedan tener en determinados supuestos, y previéndose la posibilidad de que, atendiendo a las circunstancias del caso, la Comisión de Nombramientos y Retribuciones autorice expresamente al consejero en otro sentido.

C.1.13 Indique los importes de los conceptos relativos a la remuneración global del consejo de administración siguientes:

Remuneración devengada en el ejercicio a favor del consejo de administración (miles de euros)	1.704
Importe de los derechos acumulados por los consejeros actuales en materia de pensiones (miles de euros)	862
Importe de los derechos acumulados por los consejeros antiguos en materia de pensiones (miles de euros)	

La Junta General de Accionistas de ROVI, celebrada el 12 de junio de 2019, acordó una retribución máxima anual de los miembros del Consejo de Administración en su condición de tales (esto es, excluyendo las retribuciones de los consejeros ejecutivos por el desempeño de sus funciones ejecutivas y de alta dirección) para el ejercicio 2019, de un máximo de 622.463 Euros. Asimismo, la Junta delegó en dicho Consejo la distribución de esta cantidad entre sus miembros teniendo en cuenta las funciones y responsabilidades atribuidas a cada consejero, la pertenencia a Comisiones del Consejo y las demás circunstancias objetivas que considere relevantes.

C.1.14 Identifique a los miembros de la alta dirección que no sean a su vez consejeros ejecutivos, e indique la remuneración total devengada a su favor durante el ejercicio:

Nombre o denominación social	Cargo/s
DON PEDRO CARRETERO TRILLO	Director de la Red Hospitalaria
DOÑA ARÁNZAZU LOZANO PIRRONGELLI	Auditora Interna
DON FERNANDO MARTÍNEZ GARIJO	Director Efectividad de Ventas
DON MIGUEL ÁNGEL CASTILLO SAN ROMÁN	Director de Internacional y Desarrollo de Negocio

Nombre o denominación social	Cargo/s
DON FRANCISCO JAVIER ANGULO GARCÍA	Director de Recursos Humanos
DOÑA MERCEDES BENÍTEZ DEL CASTILLO SÁNCHEZ	Directora Departamento Jurídico
DON MIGUEL ÁNGEL ORTEGA SÁNCHEZ	Director Industrial
DON IBÓN GUTIERRO ADÚRIZ	Director de Investigación Preclínica
DOÑA M. ROSARIO PERUCHA PÉREZ	Directora de Marketing
DOÑA BEATRIZ ÁVILA ALCALDE	Directora Comercial
Remuneración total alta dirección (en miles de euros)	
	1.894

D. Pablo Domínguez Jorge ejerció funciones como alto directivo hasta el 28 de octubre, y por lo tanto, en el importe de remuneración total de la Alta Dirección se ha incluido la cantidad percibida por el Sr. Domínguez Jorge en el ejercicio 2019 hasta esa fecha.

C.1.15 Indique si se ha producido durante el ejercicio alguna modificación en el reglamento del consejo:

- [ ] Sí  
[√] No

C.1.16 Indique los procedimientos de selección, nombramiento, reelección y remoción de los consejeros. Detalle los órganos competentes, los trámites a seguir y los criterios a emplear en cada uno de los procedimientos.

En virtud del Capítulo VI del Reglamento del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. (artículos 17 a 21, ambos inclusive), la designación y cese de los consejeros se regula como se señala a continuación: a) Nombramiento: Los consejeros serán designados y reelegidos (i) a propuesta de la Comisión de Nombramientos y Retribuciones, en el caso de consejeros independientes; y (ii) previo informe de la Comisión de Nombramientos y Retribuciones en el caso de los restantes consejeros; por la Junta General o por el Consejo de Administración de conformidad con las previsiones contenidas en la Ley y con las políticas de selección de consejeros que el Consejo haya aprobado en cada momento. El Consejo y la Comisión de Nombramientos y Retribuciones velarán por que los procedimientos de selección de consejeros favorezcan la diversidad de género, de experiencias y de conocimientos, y no adolezcan de sesgos implícitos que dificulten la selección de consejeros. Cualquier consejero podrá solicitar de la CNYR que tome en consideración, por sí los encuentra idóneos a su juicio, potenciales candidatos para cubrir vacantes de consejero. El Consejo de Administración y la CNYR, dentro del ámbito de sus competencias, procurarán que la elección de candidatos recaiga sobre personas de reconocida solvencia, competencia y experiencia, debiendo extremar el rigor en relación con aquellas llamadas a cubrir los puestos de consejero independiente.

b) Duración del cargo: Los consejeros ejercerán su cargo durante el plazo de cuatro años, al término de los cuales podrán ser reelegidos una o más veces por periodos de igual duración máxima. El nombramiento de los administradores caducará cuando, vencido el plazo, se haya celebrado la Junta General siguiente o hubiese transcurrido el término legal para la celebración de la junta que deba resolver sobre la aprobación de cuentas del ejercicio anterior. Los consejeros designados por cooptación deberán ver ratificado su cargo en la primera reunión de la Junta General que se celebre posterior a la fecha de su designación para el cargo. El Consejero que termine su mandato o por cualquier otra causa cese en el desempeño de su cargo no podrá ser consejero ni ocupar cargos directivos en otra entidad que tenga un objeto social análogo al de la Sociedad durante el plazo de dos años. El Consejo de Administración, si lo considera oportuno, podrá dispensar al consejero saliente de esta obligación o acortar el período de su duración.

c) Reelección: La Comisión de Nombramientos y Retribuciones y el Consejo de Administración, antes de proponer la reelección de consejeros a la Junta General, evaluarán la calidad del trabajo y la dedicación al cargo de los consejeros propuestos durante el mandato precedente.

d) Evaluación: La CNYR evalúa las competencias, conocimientos y experiencia necesarios en el Consejo, define, en consecuencia, las funciones y aptitudes necesarias en los candidatos que deban cubrir cada vacante, y evalúa el tiempo y dedicación precisos para que puedan desarrollar bien su cometido. El Consejo de Administración en pleno evalúa, asimismo: (i) la calidad y eficiencia de su funcionamiento; (ii) el desempeño de sus funciones por el Presidente del Consejo y por el primer ejecutivo de la Sociedad, partiendo del informe que le eleve la CNYR; (iii) el funcionamiento y composición de sus Comisiones, partiendo del informe que éstas le eleven y (iv) la diversidad en la composición y competencias del Consejo y el desempeño y aportación de cada consejero, con especial atención a los responsables de las distintas Comisiones.

e) Cese de los consejeros: Los consejeros cesarán en el cargo cuando haya transcurrido el período para el que fueron nombrados y cuando lo decida la Junta General en uso de las atribuciones que tiene conferidas legal o estatutariamente y cuando presenten su renuncia o dimisión. Los consejeros deberán poner su cargo a disposición del Consejo de Administración y formalizar la correspondiente dimisión, si éste lo considera conveniente, en una serie de supuestos previstos en el Reglamento del Consejo. En el caso de que, por dimisión o por cualquier otro motivo, un consejero cese en su cargo antes del término de su mandato, deberá explicar las razones en una carta que remitirá a todos los miembros

del Consejo. El Consejo de Administración únicamente podrá proponer el cese de un consejero independiente antes del transcurso del plazo estatutario cuando concurra justa causa, apreciada por el Consejo previo informe de la Comisión de Nombramientos y Retribuciones. En particular, se entenderá que existe justa causa cuando el consejero pase a ocupar nuevos cargos o contraiga nuevas obligaciones que le impidan dedicar el tiempo necesario al desempeño de las funciones propias del cargo de consejero, incumpla los deberes inherentes a su cargo o incurra en alguna de las circunstancias que le hagan perder su condición de independiente de acuerdo con lo establecido en la legislación aplicable.

**C.1.17 Explique en qué medida la evaluación anual del consejo ha dado lugar a cambios importantes en su organización interna y sobre los procedimientos aplicables a sus actividades:**

**Descripción modificaciones**

El Consejo de Administración ha evaluado en pleno la calidad y eficiencia de su funcionamiento partiendo del informe elaborado por la Comisión de Nombramientos y Retribuciones, conforme a lo previsto en el artículo 5.7 del Reglamento del Consejo de Administración, sin que de dicha evaluación se hayan derivado cambios importantes en su organización interna ni sobre los procedimientos aplicables a sus actividades.

Describa el proceso de evaluación y las áreas evaluadas que ha realizado el consejo de administración auxiliado, en su caso, por un consultor externo, respecto del funcionamiento y la composición del consejo y de sus comisiones y cualquier otra área o aspecto que haya sido objeto de evaluación.

**Descripción proceso de evaluación y áreas evaluadas**

El Consejo de Administración de ROVI ha realizado internamente la evaluación de (i) la calidad y eficiencia de su funcionamiento; (ii) el desempeño de sus funciones por el Presidente del Consejo y por el primer ejecutivo de la Sociedad, partiendo del informe que le ha elevado la Comisión de Nombramientos y Retribuciones; (iii) el funcionamiento de sus Comisiones, partiendo del informe que éstas le han elevado; y (iv) la diversidad en la composición y competencias del Consejo y el desempeño y aportación de cada Consejero, con especial atención a los responsables de las distintas Comisiones. Para ello, los consejeros han cumplimentado individualmente un cuestionario, elaborado al efecto, y los presidentes de cada una de las comisiones se han reunido individualmente con el resto de miembros de las mismas, y, por su parte, el Presidente de la Comisión de Nombramientos y Retribuciones ha mantenido conversaciones con todos los vocales del Consejo para conocer su opinión con respecto al desempeño de las funciones ejercidas tanto por el Presidente del Consejo como por el primer ejecutivo (y consejero delegado) de ROVI durante el ejercicio 2019, todo ello bajo la organización y coordinación del Presidente del Consejo de Administración. Por último, en relación con la diversidad en la composición y competencias del Consejo, las mismas se ajustan a lo previsto tanto en la Ley de Sociedades de Capital como en las recomendaciones contenidas en el Código de Buen Gobierno de las sociedades cotizadas aprobado por la CNMV. La evaluación del Consejo de Administración realizada con el auxilio del consultor externo PricewaterhouseCoopers Auditores, S.L., tuvo lugar en el Informe Anual de Gobierno Corporativo del 2017 cumpliendo con la recomendación 36 del Código de Buen Gobierno de las Sociedades Cotizadas.

**C.1.18 Desglose, en aquellos ejercicios en los que la evaluación haya sido auxiliada por un consultor externo, las relaciones de negocio que el consultor o cualquier sociedad de su grupo mantengan con la sociedad o cualquier sociedad de su grupo.**

No aplica dado que el Consejo de Administración ha realizado la evaluación sin el auxilio de un consultor externo.

**C.1.19 Indique los supuestos en los que están obligados a dimitir los consejeros.**

De conformidad con lo dispuesto en el artículo 21 del Reglamento del Consejo de Administración, los consejeros deberán poner su cargo a disposición del Consejo de Administración y formalizar, si éste lo considera conveniente, la correspondiente dimisión en los siguientes casos:

- Quando cesen en los puestos ejecutivos a los que estuviere asociado su nombramiento como consejero.
- Quando se vean incursos en alguno de los supuestos de incompatibilidad o prohibición legalmente previstos.
- Quando resulten gravemente amonestados por el Consejo de Administración por haber infringido sus obligaciones como consejeros.
- Quando su permanencia en el Consejo pueda poner en riesgo o perjudicar los intereses, el crédito o la reputación de la Sociedad, se perdiera la honorabilidad profesional necesaria para ser consejero de la Sociedad o cuando desaparezcan las razones por las que fueron nombrados (por ejemplo, cuando un consejero dominical se deshace de su participación en la Sociedad).
- En el caso de los consejeros independientes, éstos no podrán permanecer como tales durante un período continuado superior a 12 años, por lo que transcurrido dicho plazo, deberán poner su cargo a disposición del Consejo de Administración y formalizar la correspondiente dimisión.
- En el caso de los consejeros dominicales (i) cuando el accionista a quien representen venda íntegramente su participación accionarial; y, asimismo, (ii) en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de consejeros dominicales.

C.1.20 ¿Se exigen mayorías reforzadas, distintas de las legales, en algún tipo de decisión?:

- Sí  
 No

En su caso, describa las diferencias.

C.1.21 Explique si existen requisitos específicos, distintos de los relativos a los consejeros, para ser nombrado presidente del consejo de administración:

- Sí  
 No

C.1.22 Indique si los estatutos o el reglamento del consejo establecen algún límite a la edad de los consejeros:

- Sí  
 No

Con carácter indicativo, el Consejo considera que los consejeros no deben exceder, en general, la edad de ochenta años.

C.1.23 Indique si los estatutos o el reglamento del consejo establecen un mandato limitado u otros requisitos más estrictos adicionales a los previstos legalmente para los consejeros independientes, distinto al establecido en la normativa:

- Sí  
 No

C.1.24 Indique si los estatutos o el reglamento del consejo de administración establecen normas específicas para la delegación del voto en el consejo de administración en favor de otros consejeros, la forma de hacerlo y, en particular, el número máximo de delegaciones que puede tener un consejero, así como si se ha establecido alguna limitación en cuanto a las categorías en que es posible delegar, más allá de las limitaciones impuestas por la legislación. En su caso, detalle dichas normas brevemente.

De conformidad con el artículo 16 del Reglamento del Consejo, los consejeros, cuando no puedan acudir a las sesiones del Consejo personalmente, otorgarán su representación por escrito y con carácter especial para cada sesión a otro miembro del Consejo incluyendo las oportunas instrucciones y comunicándolo al Presidente del Consejo de Administración. No obstante lo anterior, los consejeros no ejecutivos solo podrán conferir su representación a otro consejero no ejecutivo.

C.1.25 Indique el número de reuniones que ha mantenido el consejo de administración durante el ejercicio. Asimismo, señale, en su caso, las veces que se ha reunido el consejo sin la asistencia de su presidente. En el cómputo se considerarán asistencias las representaciones realizadas con instrucciones específicas.

Número de reuniones del consejo	8
Número de reuniones del consejo sin la asistencia del presidente	0

Indíquese el número de reuniones mantenidas por el consejero coordinador con el resto de consejeros, sin asistencia ni representación de ningún consejero ejecutivo:

Número de reuniones	15
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Indique el número de reuniones que han mantenido en el ejercicio las distintas comisiones del consejo:

Número de reuniones de Comisión de Auditoría	8
Número de reuniones de Comisión de Nombramiento y Retribuciones	7

Durante el ejercicio 2019, el Presidente del Consejo de Administración ha asistido a todas las reuniones de este órgano.

D. Enrique Castellón, consejero coordinador de ROVI durante el ejercicio 2019, desempeñaba el cargo de vocal de la Comisión de Auditoría y de la Comisión de Nombramientos y Retribuciones, comisiones que se encuentran compuestas, exclusivamente, por consejeros independientes. Por ello, con ocasión de las reuniones de estas Comisiones, el consejero coordinador mantuvo 15 reuniones a lo largo del ejercicio con los consejeros independientes de ROVI.

C.1.26 Indique el número de reuniones que ha mantenido el consejo de administración durante el ejercicio y los datos sobre asistencia de sus miembros:

Número de reuniones con la asistencia presencial de al menos el 80% de los consejeros	8
% de asistencia presencial sobre el total de votos durante el ejercicio	100,00
Número de reuniones con la asistencia presencial, o representaciones realizadas con instrucciones específicas, de todos los consejeros	8
% de votos emitidos con asistencia presencial y representaciones realizadas con instrucciones específicas, sobre el total de votos durante el ejercicio	100,00

C.1.27 Indique si están previamente certificadas las cuentas anuales individuales y consolidadas que se presentan al consejo para su formulación:

Sí  
 No

Identifique, en su caso, a la/s persona/s que ha/han certificado las cuentas anuales individuales y consolidadas de la sociedad, para su formulación por el consejo:

C.1.28 Explique, si los hubiera, los mecanismos establecidos por el consejo de administración para evitar que las cuentas individuales y consolidadas por él formuladas se presenten en la junta general con salvedades en el informe de auditoría.

El artículo 40 del Reglamento del Consejo de Administración dispone que el Consejo procurará formular definitivamente las cuentas de manera tal que no haya lugar a salvedades por parte del auditor. En los supuestos excepcionales en que existan, tanto el Presidente de la Comisión de Auditoría como los auditores externos explicarán con claridad a los accionistas el contenido de dichas reservas y salvedades. No obstante, cuando el Consejo considere que debe mantener su criterio, explicará públicamente el contenido y el alcance de la discrepancia. Con el fin de evitar que las cuentas individuales y consolidadas formuladas por el Consejo de Administración se presenten en la Junta General con salvedades en el informe de auditoría, con carácter previo a dicha formulación, el artículo 13 del Reglamento del Consejo y el 6 del Reglamento de la Comisión de

Auditoría establecen que la Comisión de Auditoría, entre otros aspectos, deberá: -Revisar las cuentas de la Sociedad; -Vigilar el cumplimiento de los requerimientos legales y la correcta aplicación de los principios de contabilidad generalmente aceptados; -Revisar la información financiera periódica que deba suministrar el Consejo a los mercados y a sus órganos de supervisión; -Supervisar el proceso de elaboración y presentación, así como la integridad de la información financiera regulada relativa a la Sociedad y al Grupo, revisando el cumplimiento de los requisitos normativos, la ordenada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables, y presentar recomendaciones o propuestas al consejo de administración, dirigidas a salvaguardar su integridad; y -Revisar y supervisar periódicamente los sistemas de control interno y gestión de riesgos, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente.

**C.1.29 ¿El secretario del consejo tiene la condición de consejero?**

- Sí  
 No

Si el secretario no tiene la condición de consejero complete el siguiente cuadro:

Nombre o denominación social del secretario	Representante
DON GABRIEL NÚÑEZ FERNÁNDEZ	

**C.1.30 Indique los mecanismos concretos establecidos por la sociedad para preservar la independencia de los auditores externos, así como, si los hubiera, los mecanismos para preservar la independencia de los analistas financieros, de los bancos de inversión y de las agencias de calificación, incluyendo cómo se han implementado en la práctica las previsiones legales.**

El Reglamento del Consejo de Administración establece que será la Comisión de Auditoría la encargada de elevar al Consejo de Administración las propuestas de selección, nombramiento, reelección y sustitución de los auditores de cuentas responsabilizándose del proceso de selección, así como las condiciones de su contratación.

Además, el Reglamento del Consejo encomienda a la Comisión de Auditoría que la Sociedad comunique como hecho relevante a la CNMV el cambio de auditor, que irá acompañado de una declaración sobre la eventual existencia de desacuerdos con el auditor saliente y, si hubieran existido, de su contenido; y al objeto de preservar la independencia del auditor, el artículo 13 del Reglamento del Consejo de Administración y 6 del Reglamento de la Comisión de Auditoría prevén que la Comisión de Auditoría: (i) Establezca las oportunas relaciones con los auditores externos para recibir información sobre aquellas cuestiones que puedan suponer una amenaza para la independencia de éstos. (ii) Emita anualmente, con carácter previo a la emisión del informe de auditoría de cuentas, un informe en el que se expresará una opinión sobre si la independencia de los auditores de cuentas o sociedades de auditoría resulta comprometida. Este informe deberá pronunciarse, en todo caso, sobre la prestación de los servicios adicionales por los auditores de cuentas. (iii) Supervise el cumplimiento del contrato de auditoría, procurando que la opinión sobre las cuentas anuales y los contenidos principales del informe de auditoría sean redactados de forma clara y precisa, así como evaluar los resultados de cada auditoría. (iv) En caso de renuncia del auditor externo, examine las circunstancias que la hubieran motivado. (v) Vele por que la retribución del auditor externo por su trabajo no comprometa su calidad ni su independencia. (vi) Asegure que el auditor externo mantenga anualmente una reunión con el pleno del Consejo de Administración para informarle sobre el trabajo realizado y sobre la evolución de la situación contable y de riesgos de la sociedad. (vii) Asegure que la sociedad y el auditor externo respetan las normas vigentes sobre prestación de servicios distintos a los de auditoría, los límites a la concentración del negocio del auditor y, en general, las demás normas sobre independencia de los auditores.

**C.1.31 Indique si durante el ejercicio la Sociedad ha cambiado de auditor externo. En su caso identifique al auditor entrante y saliente:**

- Sí  
 No

En el caso de que hubieran existido desacuerdos con el auditor saliente, explique el contenido de los mismos:

- Sí  
 No

C.1.32 Indique si la firma de auditoría realiza otros trabajos para la sociedad y/o su grupo distintos de los de auditoría y en ese caso declare el importe de los honorarios recibidos por dichos trabajos y el porcentaje que supone sobre los honorarios facturados a la sociedad y/o su grupo:

Sí  
 No

	Sociedad	Sociedades del grupo	Total
Importe de otros trabajos distintos de los de auditoría (miles de euros)	20	0	20
Importe trabajos distintos de los de auditoría / Importe trabajos de auditoría (en %)	15,15	0,00	10,00

Los honorarios devengados por KPMG Auditores, S.L., por los servicios de auditoría y otros servicios de revisión y verificación contable prestados en el ejercicio 2019 ascienden a 200 miles de euros (de los cuales 132 miles de euros corresponden a ROVI como sociedad dominante). Asimismo, KPMG Auditores, S.L., ha prestado a la Sociedad servicios de revisión del estado de información no financiera por un importe de 20 miles de euros.

C.1.33 Indique si el informe de auditoría de las cuentas anuales del ejercicio anterior presenta reservas o salvedades. En su caso, indique las razones dadas a los accionistas en la Junta General por el presidente de la comisión de auditoría para explicar el contenido y alcance de dichas reservas o salvedades.

Sí  
 No

C.1.34 Indique el número de ejercicios que la firma actual de auditoría lleva de forma ininterrumpida realizando la auditoría de las cuentas anuales individuales y/o consolidadas de la sociedad. Asimismo, indique el porcentaje que representa el número de ejercicios auditados por la actual firma de auditoría sobre el número total de ejercicios en los que las cuentas anuales han sido auditadas:

	Individuales	Consolidadas
Número de ejercicios ininterrumpidos	3	3

	Individuales	Consolidadas
Nº de ejercicios auditados por la firma actual de auditoría / Nº de ejercicios que la sociedad o su grupo han sido auditados (en %)	10,00	13,04

C.1.35 Indique y, en su caso detalle, si existe un procedimiento para que los consejeros puedan contar con la información necesaria para preparar las reuniones de los órganos de administración con tiempo suficiente:

Sí  
 No

#### Detalle del procedimiento

El artículo 15.3 del Reglamento del Consejo establece que la convocatoria de dicho órgano se cursará con una antelación mínima de tres días y que incluirá siempre el orden del día de la sesión y se acompañará de la información relevante debidamente resumida y preparada. El orden del día deberá indicar con claridad aquellos puntos sobre los que el consejo deberá adoptar una decisión o acuerdo. El Presidente, como responsable del eficaz funcionamiento del Consejo, se asegurará de que los consejeros reciban adecuadamente dicha información. Asimismo, el artículo 22 del Reglamento del Consejo establece que el consejero podrá dirigirse al Secretario del Consejo de Administración para solicitar información sobre cualquier asunto de la competencia del Consejo y, en este sentido, examinar sus libros, registros, documentos y demás documentación. El derecho de información se extiende a las sociedades participadas siempre que ello fuera posible. El Secretario hará llegar la petición al Presidente del Consejo y al interlocutor apropiado que proceda en la Sociedad. El Secretario advertirá al consejero del carácter confidencial de la información que solicita y recibe, y de su deber de confidencialidad de acuerdo con lo previsto en el Reglamento del Consejo.

**C.1.36** Indique y, en su caso detalle, si la sociedad ha establecido reglas que obliguen a los consejeros a informar y, en su caso, dimitir en aquellos supuestos que puedan perjudicar al crédito y reputación de la sociedad:

Sí  
 No

#### Explique las reglas

En virtud del artículo 32 del Reglamento del Consejo, el Consejero debe informar al Consejo de Administración sobre las causas penales en las que aparezca como imputado y de las posteriores vicisitudes procesales. Asimismo, si un Consejero resultara procesado o se dictara contra él auto de apertura de juicio oral por alguno de los delitos señalados en la Ley, el Consejo deberá examinar el caso tan pronto como sea posible y, a la vista de sus circunstancias concretas, decidirá si procede o no que el Consejero continúe en su cargo. Adicionalmente, el Consejero deberá poner su cargo a disposición del Consejo y formalizar, si éste lo considera conveniente, la correspondiente dimisión en los siguientes casos previstos en el artículo 21.2 del Reglamento del Consejo: -Cuando cesen en los puestos ejecutivos a los que estuviere asociado su nombramiento como consejero. -Cuando se vean incursos en alguno de los supuestos de incompatibilidad o prohibición legalmente previstos. -Cuando resulten gravemente amonestados por el Consejo de Administración por haber infringido sus obligaciones como consejeros. -Cuando su permanencia en el Consejo pueda poner en riesgo o perjudicar los intereses, el crédito o la reputación de la Sociedad, se perdiera la honorabilidad profesional necesaria para ser consejero de la Sociedad o cuando desaparezcan las razones por las que fueron nombrados (por ejemplo, cuando un consejero dominical se deshace de su participación en la Sociedad). -En el caso de los consejeros independientes, éstos no podrán permanecer como tales durante un período continuado superior a 12 años, por lo que transcurrido dicho plazo, deberán poner su cargo a disposición del Consejo de Administración y formalizar la correspondiente dimisión. -En el caso de los consejeros dominicales (i) cuando el accionista a quien representen venda íntegramente su participación accionarial; y, asimismo, (ii) en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de consejeros dominicales.

**C.1.37** Indique si algún miembro del consejo de administración ha informado a la sociedad que ha resultado procesado o se ha dictado contra él auto de apertura de juicio oral, por alguno de los delitos señalados en el artículo 213 de la Ley de Sociedades de Capital:

Sí  
 No

**C.1.38** Detalle los acuerdos significativos que haya celebrado la sociedad y que entren en vigor, sean modificados o concluyan en caso de cambio de control de la sociedad a raíz de una oferta pública de adquisición, y sus efectos.

No existen acuerdos significativos con estas características, si bien no puede descartarse que, debido al gran número de contratos suscritos por la Sociedad, alguno de ellos incluya cláusulas que prevean modificaciones o la resolución o terminación de los mismos en caso de operaciones societarias que supongan cambios de control en la Sociedad.

C.1.39 Identifique de forma individualizada, cuando se refiera a consejeros, y de forma agregada en el resto de casos e indique, de forma detallada, los acuerdos entre la sociedad y sus cargos de administración y dirección o empleados que dispongan indemnizaciones, cláusulas de garantía o blindaje, cuando éstos dimitan o sean despedidos de forma improcedente o si la relación contractual llega a su fin con motivo de una oferta pública de adquisición u otro tipo de operaciones.

Numero de beneficiarios	3
Tipo de beneficiario	Descripción del acuerdo
DON JUAN LÓPEZ-BELMONTE ENCINA, DON IVÁN LÓPEZ-BELMONTE ENCINA Y DON JAVIER LÓPEZ-BELMONTE ENCINA	-D. Juan López-Belmonte Encina: La Sociedad tiene suscrito un contrato de arrendamiento de servicios con el consejero delegado. En particular, respecto a las causas de extinción del contrato y sus consecuencias, se prevé una indemnización en favor del consejero en caso de terminación de la relación contractual de una cantidad bruta equivalente a dos años de la retribución fija que viniera percibiendo el consejero en el momento de la extinción del contrato, con excepción de los supuestos de (i) renuncia al cargo del consejero por supuestos distintos a los contemplados contractualmente o (ii) revocación por la Sociedad por incumplimiento del consejero de sus deberes legales, contractuales o establecidos por normativa interna o concurrencia de causa de extinción procedente de conformidad con la legislación laboral (salvo el desistimiento empresarial). -D. Iván López-Belmonte Encina y D. Javier López-Belmonte Encina: La Sociedad tiene suscritos sendos contratos laborales con estos consejeros ejecutivos. En particular, respecto a las causas de extinción del contrato y sus consecuencias, los contratos laborales se remiten a lo previsto en el Estatuto de los Trabajadores.

Indique si más allá de en los supuestos previstos por la normativa estos contratos han de ser comunicados y/o aprobados por los órganos de la sociedad o de su grupo. En caso positivo, especifique los procedimientos, supuestos previstos y la naturaleza de los órganos responsables de su aprobación o de realizar la comunicación:

	Consejo de administración	Junta general
Órgano que autoriza las cláusulas	√	
	Si	No
¿Se informa a la junta general sobre las cláusulas?	√	

A los efectos de cumplir con lo previsto en el artículo 249 de la Ley de Sociedades de Capital, los contratos de los consejeros ejecutivos referidos anteriormente fueron aprobados por el Consejo de Administración, previamente a su celebración, con el voto favorable de las dos terceras partes de sus miembros (en concreto, mediante acuerdo unánime de los consejeros), absteniéndose en cada caso el consejero afectado de asistir a la deliberación y de participar en la votación.

**C.2. Comisiones del consejo de administración**

C.2.1 Detalle todas las comisiones del consejo de administración, sus miembros y la proporción de consejeros ejecutivos, dominicales, independientes y otros externos que las integran:

Comisión de Auditoría		
Nombre	Cargo	Categoría
DON MARCOS PEÑA PINTO	PRESIDENTE	Independiente
DOÑA FÁTIMA BÁÑEZ GARCÍA	VOCAL	Independiente
DON JOSÉ FERNANDO DE ALMANSA MORENO-BARREDA	VOCAL	Independiente

% de consejeros ejecutivos	0,00
% de consejeros dominicales	0,00
% de consejeros independientes	100,00
% de consejeros otros externos	0,00

Explique las funciones, incluyendo, en su caso, las adicionales a las previstas legalmente, que tiene atribuidas esta comisión, y describa los procedimientos y reglas de organización y funcionamiento de la misma. Para cada una de estas funciones, señale sus actuaciones más importantes durante el ejercicio y cómo ha ejercido en la práctica cada una de las funciones que tiene atribuidas, ya sea en la ley o en los estatutos u otros acuerdos sociales.

Las reglas de organización y funcionamiento de la Comisión de Auditoría ("CA") se recogen en los artículos 47 de los Estatutos Sociales y 13 del Reglamento del Consejo de Administración así como en su propio Reglamento aprobado en 2017. La CA estará formada por un mínimo de tres y un máximo de cinco consejeros designados de entre sus consejeros no ejecutivos, quienes deberán ser designados, especialmente su Presidente, teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o gestión de riesgos. En todo caso, al menos la mayoría de los miembros de la CA serán independientes. En su conjunto, los miembros de la CA tendrán los conocimientos técnicos pertinentes en relación con el sector de actividad al que pertenece la Sociedad.

El Presidente de la CA será necesariamente un consejero independiente, debiendo ser sustituido cada cuatro años. La CA se reúne trimestralmente, a fin de revisar la información financiera periódica que haya de remitirse a la CNMV para su difusión, así como la información que el CdA ha de aprobar e incluir dentro de su documentación pública anual. Asimismo, se reunirá a petición de cualquiera de sus miembros y cada vez que lo convoque su Presidente, que deberá hacerlo siempre que el Consejo o su Presidente solicite la emisión de un informe o la adopción de propuestas; y cuando resulte conveniente para el buen desarrollo de sus funciones. A dichas reuniones asisten, (i) cuando los miembros de la CA lo consideran oportuno, miembros del equipo directivo o del personal de la Sociedad, (ii) los auditores internos, cada vez que se vaya a publicar información financiera (anual o intermedia), es decir, al menos cuatro veces al año (anual, semestral y trimestral), y (iii) el auditor externo, cuando vaya a publicarse el informe de revisión anual y semestral, es decir, dos veces al año. Asimismo, la CA recaba cuando lo cree necesario el asesoramiento de otros expertos externos.

La CA da cuenta de su actividad y responde del trabajo realizado ante el primer pleno del Consejo de Administración posterior a sus reuniones y levanta Acta de sus reuniones, de la que se remite copia a todos los miembros del Consejo. Elabora, asimismo, un informe anual sobre su funcionamiento. Funciones básicas: (i) Informar en la Junta General de Accionistas sobre las cuestiones que se planteen en relación con aquellas materias que sean competencia de la CA y, en particular, sobre el resultado de la auditoría explicando cómo esta ha contribuido a la integridad de la información financiera y la función que la CA ha desempeñado en ese proceso; (ii) Elevar al Consejo de Administración, las propuestas de selección, nombramiento, reelección y sustitución de los auditores de cuentas responsabilizándose del proceso de selección, así como las condiciones de su contratación y recabar regularmente de él información sobre el plan de auditoría y su ejecución, además de preservar su independencia en el ejercicio de sus funciones; (iii) Supervisar los sistemas internos de auditoría; (iv) Revisar las cuentas de la Sociedad, vigilar el cumplimiento de los requerimientos legales y la correcta aplicación de los principios de contabilidad generalmente aceptados; (v) Supervisar la política de control y gestión de riesgos; (vi) Supervisar el cumplimiento del contrato de auditoría, procurando que la opinión sobre las cuentas anuales y los contenidos principales del informe de auditoría sean redactados de forma clara y precisa, evaluando los resultados de cada auditoría; (vii) Recibir información sobre las operaciones de modificaciones estructurales y corporativas que proyecte realizar la Sociedad para su análisis e informe previo al Consejo de Administración sobre sus condiciones económicas y su impacto contable y, en especial, en su caso, sobre la ecuación de canje propuesta; (viii) Examinar el cumplimiento de las reglas de gobierno de la Sociedad y hacer las propuestas necesarias para su mejora, incluyendo la evaluación periódica del sistema de gobierno corporativo de la Sociedad, con el fin de que cumpla su misión de promover el interés social y tenga en cuenta, según corresponda, los legítimos intereses de los restantes grupos de interés; (ix) Revisar la política de responsabilidad social corporativa, velando por que esté orientada a la creación de valor, y efectuando el seguimiento de la estrategia y prácticas de responsabilidad social corporativa y la evaluación de su grado de cumplimiento; (x) Supervisar y evaluar los procesos de relación con los

distintos grupos de interés; y (xi) Recibir información y, en su caso, emitir informe sobre las medidas disciplinarias que se pretendan imponer a miembros del alto equipo directivo de la Sociedad.  
En el Informe anual de la CA correspondiente al ejercicio 2019, que se pondrá a disposición de todos los accionistas en la página web de ROVI, se resumen las actuaciones más importantes llevadas a cabo por la CA en dicho ejercicio. Se hace constar que ese informe se ha realizado conforme a los aspectos que se recogen en la Guía Técnica 3/2017 de la CNMV sobre comisiones de auditoría de entidades de interés público.

Identifique a los consejeros miembros de la comisión de auditoría que hayan sido designados teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o en ambas e informe sobre la fecha de nombramiento del Presidente de esta comisión en el cargo.

Nombres de los consejeros con experiencia	DON MARCOS PEÑA PINTO
Fecha de nombramiento del presidente en el cargo	12/06/2019

Comisión de Nombramiento y Retribuciones		
Nombre	Cargo	Categoría
DON JOSÉ FERNANDO DE ALMANSA MORENO-BARRERA	PRESIDENTE	Independiente
DOÑA FÁTIMA BÁÑEZ GARCÍA	VOCAL	Independiente
DON MARCOS PEÑA PINTO	VOCAL	Independiente

% de consejeros ejecutivos	0,00
% de consejeros dominicales	0,00
% de consejeros independientes	100,00
% de consejeros otros externos	0,00

Explique las funciones, incluyendo, en su caso, las adicionales a las previstas legalmente, que tiene atribuidas esta comisión, y describa los procedimientos y reglas de organización y funcionamiento de la misma. Para cada una de estas funciones, señale sus actuaciones más importantes durante el ejercicio y cómo ha ejercido en la práctica cada una de las funciones que tiene atribuidas, ya sea en la ley o en los estatutos u otros acuerdos sociales.

Las reglas de organización y funcionamiento de la Comisión de Nombramientos y Retribuciones ("CNyR") se recogen en el artículo 14 del Reglamento del Consejo de Administración así como en su propio Reglamento aprobado en 2019. La CNyR estará formada por un mínimo de tres consejeros y un máximo de cinco, designados de entre sus consejeros no ejecutivos y siendo, en todo caso, al menos, la mayoría de los miembros independientes. Los miembros serán nombrados por el Consejo de Administración teniendo en cuenta sus conocimientos, aptitudes y experiencia en relación con las materias que están llamados a desempeñar.

El Presidente será necesariamente un consejero independiente, debiendo ser sustituido cada cuatro años.

La CNyR se reúne trimestralmente, y debe hacerlo asimismo cada vez que la convoque su Presidente, que deberá hacerlo siempre que el Consejo o su Presidente solicite la emisión de un informe o la adopción de propuestas y siempre que resulte conveniente para el buen desarrollo de sus funciones.

La Comisión puede contar con el asesoramiento de expertos externos cuando lo considere necesario.

La CNyR da cuenta de su actividad ante el primer pleno del CdA posterior a sus reuniones y levanta Acta de sus reuniones, de la que remite copia a todos los miembros del Consejo.

La CNyR eleva anualmente al Consejo, para su evaluación en pleno, un informe sobre el desempeño de sus funciones por el Presidente del Consejo y por el primer ejecutivo de la Sociedad, y un informe sobre el funcionamiento de la propia CNyR.

Asimismo, prepara y eleva al Consejo anualmente un informe sobre las remuneraciones de los consejeros para su aprobación y posterior sometimiento a votación consultiva de la Junta General de Accionistas.

Funciones básicas: (i) Evaluar las competencias, conocimientos y experiencia necesarios en el Consejo; (ii) Elevar al Consejo de Administración las propuestas de nombramiento de consejeros independientes para su designación por cooptación o para su sometimiento a la decisión de la Junta General de accionistas; (iii) Informar al Consejo sobre las propuestas de nombramiento de los restantes consejeros para su designación por cooptación o para su sometimiento a la decisión de la Junta General de accionistas; (iv) Informar al Consejo sobre las propuestas de

nombramiento y separación de altos directivos y las condiciones básicas de sus contratos; (v) Informar al Consejo sobre las cuestiones de diversidad de género y cualificaciones de consejeros. A estos efectos, establecerá un objetivo de representación para el sexo menos representado en el Consejo de Administración y elaborará orientaciones sobre cómo alcanzar dicho objetivo; (vi) Proponer al Consejo de Administración: (a) la política de retribuciones de los consejeros y de los directores generales o de quienes desarrollen sus funciones de alta dirección bajo la dependencia directa del consejo, de comisiones ejecutivas o de consejeros delegados; y (b) la retribución individual de los consejeros ejecutivos y demás condiciones de sus contratos; (vii) Comprobar la observancia de la política retributiva establecida por la Sociedad; (viii) Organizar la sucesión del Presidente y del primer ejecutivo; (ix) Velar por la transparencia de las retribuciones y verificar la información sobre remuneraciones de los consejeros y altos directivos contenida en los distintos documentos corporativos; (x) Coordinar el proceso de reporte de la información no financiera y sobre diversidad, conforme a la normativa aplicable y a los estándares internacionales de referencia; (xi) Velar por que los eventuales conflictos de intereses no perjudiquen la independencia del asesoramiento externo prestado a la Comisión; (xii) Supervisar la estrategia de comunicación y relación con accionistas e inversores incluyendo los pequeños y medianos accionistas; y (xiii) Revisar la política de responsabilidad corporativa de la Sociedad, velando por que esté orientada a la creación de valor.

En el informe anual de la CNYR correspondiente al ejercicio 2019 que se pondrá a disposición de todos los accionistas en la página web de ROVI, se resumen las actuaciones más importantes llevadas a cabo por la CNYR en dicho ejercicio. Se hace constar que ese informe se ha realizado conforme a los aspectos que se recogen en la Guía Técnica 1/2019 de la CNMV sobre comisiones de nombramientos y retribuciones.

**C.2.2 Complete el siguiente cuadro con la información relativa al número de consejeras que integran las comisiones del consejo de administración al cierre de los últimos cuatro ejercicios:**

	Número de consejeras							
	Ejercicio 2019		Ejercicio 2018		Ejercicio 2017		Ejercicio 2016	
	Número	%	Número	%	Número	%	Número	%
Comisión de Auditoría	1	33,33	0	0,00	0	0,00	0	0,00
Comisión de Nombramiento y Retribuciones	1	33,33	0	0,00	0	0,00	0	0,00

**C.2.3 Indique, en su caso, la existencia de regulación de las comisiones del consejo, el lugar en que están disponibles para su consulta, y las modificaciones que se hayan realizado durante el ejercicio. A su vez, se indicará si de forma voluntaria se ha elaborado algún informe anual sobre las actividades de cada comisión.**

Denominación comisión  
COMISIÓN DE AUDITORÍA  
Breve descripción

Las normas de organización y funcionamiento de la Comisión de Auditoría se recogen en los Estatutos Sociales y en el Reglamento del Consejo de Administración, que se encuentran disponibles para su consulta en la página web de la Sociedad ([www.rovi.es](http://www.rovi.es)). Además, desde el mes de noviembre de 2017, la Sociedad cuenta con un Reglamento de la Comisión de Auditoría conforme a lo previsto en la Guía técnica 3/2017 de la CNMV, el cual también está disponible para su consulta en la página web de la Sociedad. La Comisión de Auditoría elabora un informe anual (que se pone a disposición de los accionistas en la página web de la Sociedad con ocasión de la convocatoria de la Junta) en el que se destacan las principales actividades e incidencias surgidas, en caso de haberlas, en relación con las funciones que le son propias. Asimismo, cuando la Comisión de Auditoría lo considere oportuno, incluirá en dicho informe propuestas para mejorar las reglas de gobierno de la Sociedad.

Denominación comisión  
COMISIÓN DE NOMBRAMIENTOS Y RETRIBUCIONES  
Breve descripción

Las normas de organización y funcionamiento de la Comisión de Nombramientos y Retribuciones se recogen en el Reglamento del Consejo de Administración, el cual se encuentra disponible para su consulta en la página web de la Sociedad ([www.rovi.es](http://www.rovi.es)). Además, desde el mes de noviembre de 2019, la Sociedad cuenta con un Reglamento de la Comisión de Nombramientos y Retribuciones conforme a lo previsto en Guía Técnica 1/2019 de la CNMV, el cual también está disponible para su consulta en la página web de la Sociedad.

La Comisión de Nombramientos y Retribuciones elabora un informe anual (que se pone a disposición de los accionistas en la página web de la Sociedad con ocasión de la convocatoria de la Junta) en el que se destacan las principales actividades e incidencias surgidas, en caso de haberlas, en relación con las funciones que le son propias. Asimismo, cuando esta comisión lo considere oportuno, incluirá en dicho informe propuestas para mejorar las reglas de gobierno de la Sociedad.



**D. OPERACIONES VINCULADAS Y OPERACIONES INTRAGRUPUO**

**D.1. Explique, en su caso, el procedimiento y órganos competentes para la aprobación de operaciones con partes vinculadas e intragrupo.**

Conforme a lo previsto en los artículos 47 de los Estatutos Sociales, 13 del Reglamento del Consejo de Administración y 10 del Reglamento de la Comisión de Auditoría, corresponde a la Comisión de Auditoría supervisar el cumplimiento de la normativa respecto de las operaciones vinculadas, velando por que se realicen las comunicaciones obligatorias al mercado e informando previamente al Consejo de Administración cuando vaya a adoptar decisiones sobre operaciones vinculadas. Asimismo, el artículo 33 del Reglamento del Consejo de Administración establece que la realización por la Sociedad o sociedades de su grupo de cualquier transacción con los consejeros, en los términos legalmente previstos, o con accionistas titulares, de forma individual o concertadamente con otros, de participaciones significativas a los efectos de la legislación del mercado de valores, incluyendo accionistas representados en el Consejo de Administración de la Sociedad o de otras sociedades que formen parte del mismo grupo o con personas a ellos vinculadas, quedará sometida a autorización por el Consejo de Administración, supeditada al informe previo favorable de la Comisión de Auditoría. Los consejeros afectados o que representen o estén vinculados a los accionistas afectados deberán abstenerse de participar en la deliberación y votación del acuerdo en cuestión. No obstante, no se requiere esta autorización en aquellas operaciones vinculadas que cumplan simultáneamente tres condiciones: (i) realizadas en virtud de contratos cuyas condiciones estén estandarizadas y se apliquen en masa a un gran número de clientes; (ii) realizadas a precios o tarifas de mercado, fijados con carácter general por quien actúe como suministrador del bien o servicio del que se trate; y (iii) que la cuantía de la operación no supere el 1% de los ingresos anuales de la Sociedad.

**D.2. Detalle aquellas operaciones significativas por su cuantía o relevantes por su materia realizadas entre la sociedad o entidades de su grupo, y los accionistas significativos de la sociedad:**

Nombre o denominación social del accionista significativo	Nombre o denominación social de la sociedad o entidad de su grupo	Naturaleza de la relación	Tipo de la operación	Importe (miles de euros)
NORBEL INVERSIONES, S.L.	Laboratorios Farmacéuticos Rovi, S.A.	Societaria	Dividendos y otros beneficios distribuidos	2.824

La Junta General de Accionistas de la Sociedad, en su reunión celebrada el 12 de junio de 2019, acordó el pago a los accionistas de un dividendo de 0,0798 euros brutos por acción. En virtud de dicho acuerdo, los accionistas de la Sociedad recibieron el 4 de julio de 2019 en concepto de dividendos la cantidad correspondiente a su participación social.

**D.3. Detalle las operaciones significativas por su cuantía o relevantes por su materia realizadas entre la sociedad o entidades de su grupo, y los administradores o directivos de la sociedad:**

Nombre o denominación social de los administradores o directivos	Nombre o denominación social de la parte vinculada	Vínculo	Naturaleza de la operación	Importe (miles de euros)
DON IVÁN JORGE LÓPEZ-BELMONTE ENCINA	LABORATORIOS FARMACÉUTICOS ROVI, S.A. - REPRESENTAÇÃO EM PORTUGAL	Comercial	Contratos de arrendamiento operativo	25

Nombre o denominación social de los administradores o directivos	Nombre o denominación social de la parte vinculada	Vínculo	Naturaleza de la operación	Importe (miles de euros)
DON JUAN LÓPEZ-BELMONTE LÓPEZ	LABORATORIOS FARMACÉUTICOS ROVI, S.A.	Comercial	Contratos de arrendamiento operativo	1.110
DON JUAN LÓPEZ-BELMONTE LÓPEZ	PAN QUÍMICA FARMACÉUTICA, S.A.	Comercial	Contratos de arrendamiento operativo	60
DON JUAN LÓPEZ-BELMONTE LÓPEZ	ROVI PHARMA INDUSTRIAL SERVICES S.A.U.	Comercial	Contratos de arrendamiento operativo	866

La Sociedad y la entidad del Grupo ROVI, Rovi Contract Manufacturing, S.L. (absorbida desde noviembre de 2019 por, la también entidad del Grupo ROVI, Rovi Pharma Industrial Services, S.A.), han mantenido suscritos nueve contratos de arrendamiento de inmueble para uso distinto de vivienda con la sociedad Inversiones Borbollón, S.L. en la que D. Juan López-Belmonte López, Presidente del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. participa directamente de forma mayoritaria. Asimismo, la Sociedad tiene suscritos tres contratos de arrendamiento de inmueble para uso distinto de vivienda con la sociedad Norba Inversiones, S.L., en la que D. Juan López-Belmonte López, Presidente del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. tiene una participación mayoritaria de forma indirecta. Pan Química Farmacéutica S.A., entidad del Grupo ROVI, tiene suscrito un contrato de arrendamiento de inmueble para uso distinto de vivienda con la sociedad Lobel y Losa Development, S.L. en la que D. Juan López-Belmonte López, Presidente del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A. tiene una participación mayoritaria de forma directa. El local en el que se encuentra abierta la delegación comercial de ROVI en Portugal es propiedad de D. Iván López-Belmonte Encina, quien se lo arrienda a Laboratorios Farmacéuticos Rovi, S.A.-RepresentanCao em Portugal.

**D.4. Informe de las operaciones significativas realizadas por la sociedad con otras entidades pertenecientes al mismo grupo, siempre y cuando no se eliminen en el proceso de elaboración de estados financieros consolidados y no formen parte del tráfico habitual de la sociedad en cuanto a su objeto y condiciones.**

En todo caso, se informará de cualquier operación intragrupo realizada con entidades establecidas en países o territorios que tengan la consideración de paraíso fiscal:

Denominación social de la entidad de su grupo	Breve descripción de la operación	Importe (miles de euros)
Sin datos		N.A.

**D.5. Detalle las operaciones significativas realizadas entre la sociedad o entidades de su grupo y con otras partes vinculadas, que no hayan sido informadas en los epígrafes anteriores:**

Denominación social de la parte vinculada	Breve descripción de la operación	Importe (miles de euros)
ALENTIA BIOTECH S.L.	Laboratorios Farmacéuticos ROVI, S.A., como prestamista, tiene suscrito con Alentia Biotech, S.L., como prestataria, dos contratos de préstamo por un importe de cincuenta mil (50.000) euros y	22

Denominación social de la parte vinculada	Breve descripción de la operación	Importe (miles de euros)
	de un millón cincuenta mil (1.050.000) euros respectivamente, a un mismo tipo de interés anual del 2%, que han devengado en el ejercicio 2019 unos intereses de veintidós mil (22.000) euros.	

Laboratorios Farmacéuticos ROVI, S.A. es titular del 50 % de la sociedad Alentia Biotech, S.L. y D. Juan López-Belmonte López, D. Juan y D. Javier López-Belmonte Encina son miembros de su Consejo de Administración.

**D.6. Detalle los mecanismos establecidos para detectar, determinar y resolver los posibles conflictos de intereses entre la sociedad y/o su grupo, y sus consejeros, directivos o accionistas significativos.**

De conformidad con el artículo 28 del Reglamento del Consejo, el consejero deberá comunicar la existencia de conflictos de interés al Consejo de Administración, tanto suyos como de las personas vinculadas al consejero. Se entenderá por personas vinculadas a los consejeros las siguientes: a) su cónyuge o persona con análoga relación de afectividad; b) ascendientes, descendientes y hermanos del consejero o del cónyuge del consejero; c) los cónyuges de los ascendientes, de los descendientes y de los hermanos del consejero; y d) las sociedades en las que el consejero, por sí o por persona interpuesta, se encuentre en algunas de las situaciones contempladas en el apartado primero del artículo 42 del Código de Comercio. En el caso del consejero persona jurídica, se entenderá que son personas vinculadas las siguientes: a) Los socios que se encuentren, respecto del consejero persona jurídica, en alguna de las situaciones contempladas en el apartado primero del artículo 42 del Código de Comercio. b) Los administradores, de hecho o de derecho, los liquidadores y los apoderados con poderes generales del consejero persona jurídica. c) Las sociedades que formen parte del mismo grupo y sus socios. d) Las personas que respecto del representante del consejero persona jurídica tengan la consideración de persona vinculada a los consejeros.

El consejero deberá abstenerse de participar en la deliberación y votación de acuerdos o decisiones en las que él o una persona vinculada tenga un conflicto de intereses, directo o indirecto. Se excluirán de la anterior obligación de abstención los acuerdos o decisiones que le afecten en su condición de administrador, tales como su designación o revocación para cargos en el órgano de administración u otros de análogo significado. Asimismo, los consejeros deberán adoptar las medidas necesarias para evitar incurrir en situaciones en las que sus intereses, sean por cuenta propia o ajena, puedan entrar en conflicto con el interés social y con sus deberes para con la Sociedad. En particular, el deber de evitar situaciones de conflicto de interés obliga al consejero a abstenerse de: (a) Realizar transacciones con la Sociedad, excepto que se trate de operaciones ordinarias, hechas en condiciones estándar para los clientes y de escasa relevancia, entendiéndose por tales aquellas cuya información no sea necesaria para expresar la imagen fiel del patrimonio, de la situación financiera y de los resultados de la Sociedad. Tratándose de transacciones dentro del curso ordinario de los negocios sociales y que tengan carácter habitual o recurrente, bastará la autorización genérica de la operación y de sus condiciones de ejecución por el Consejo de Administración. (b) Utilizar el nombre de la Sociedad o invocar su condición de consejero para influir indebidamente en la realización de operaciones privadas. (c) Hacer uso de los activos sociales, incluida la información confidencial de la Sociedad, con fines privados. (d) Aprovecharse de las oportunidades de negocio de la Sociedad. (e) Obtener ventajas o remuneraciones de terceros distintos de la Sociedad asociadas al desempeño de su cargo, salvo que se trate de atenciones de mera cortesía. (f) Desarrollar actividades por cuenta propia o cuenta ajena que entrañen una competencia efectiva, sea actual o potencial, con la Sociedad o que, de otro modo, le sitúen en un conflicto permanente con los intereses de la Sociedad. La Sociedad podrá dispensar al consejero en casos singulares autorizando la realización por parte de un consejero o de una persona a él vinculada de una determinada transacción con la Sociedad, el uso de ciertos activos sociales, el aprovechamiento de una concreta oportunidad de negocio, la obtención de una ventaja o remuneración de un tercero.

Corresponderá necesariamente a la Junta General de accionistas, en virtud de acuerdo expreso y separado, el otorgamiento de la autorización a que se refiere el párrafo anterior cuando ésta tenga por objeto la dispensa de la prohibición de obtener una ventaja o remuneración de un tercero, o afecte a una transacción cuyo valor sea superior al diez por ciento de los activos sociales. En los demás casos, la autorización también podrá ser concedida por el Consejo de Administración siempre que quede suficientemente garantizada la independencia de los miembros que la conceden respecto del consejero dispensado. Adicionalmente, será preciso que, en este último caso, se asegure la inocuidad de la operación autorizada para el patrimonio social o, en su caso, su realización en condiciones de mercado y la transparencia del proceso. La obligación de no competencia sólo podrá ser dispensada en el supuesto de que no quepa esperar daño para la Sociedad o el que quepa esperar se vea compensado por los beneficios que prevén obtenerse de la dispensa. La dispensa se concederá mediante acuerdo expreso y separado de la Junta General.

**D.7. ¿Cotiza más de una sociedad del Grupo en España?**

Sí  
 No

## **E. SISTEMAS DE CONTROL Y GESTIÓN DE RIESGOS**

### **E.1. Explique el alcance del Sistema de Control y Gestión de Riesgos de la sociedad, incluidos los de naturaleza fiscal:**

ROVI considera el Control y la Gestión de Riesgos como un instrumento que contribuye a lograr una mayor eficiencia y eficacia de sus operaciones. Por ello ha establecido, a través de su Política de Control y Gestión de Riesgos, cuya última versión fue aprobada por el Consejo de Administración en noviembre de 2019, los mecanismos y principios básicos para una adecuada gestión de los riesgos clave a los que se enfrenta. Mediante esta Política, la Sociedad fija el nivel de riesgo que considera aceptable, identifica los diferentes tipos de riesgo, entre ellos los fiscales, así como las medidas previstas para mitigar el impacto de los mismos en caso de que llegaran a materializarse. Adicionalmente, la Política identifica los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos.

El Sistema de Gestión de Riesgos de la Sociedad funciona de forma integral, continua, consolidando dicha gestión por área o unidad de negocio o actividad, filiales, zonas geográficas y áreas de soporte (recursos humanos, financiero-fiscal, marketing o control de gestión, etc.) a nivel corporativo. El modelo de gestión de riesgos de ROVI está basado en tres líneas de defensa:

- La primera línea de defensa está constituida por las diferentes áreas operativas del Grupo quienes, en el transcurso diario de sus operaciones, deben identificar, clasificar, evaluar y monitorizar los riesgos, según el nivel de riesgo aceptado por ROVI.
- La segunda línea de defensa está constituida por la función de control y gestión de riesgos. Esta función es la encargada de implantar el sistema de control y gestión de riesgos, colaborando en el establecimiento inicial del mismo y contribuyendo, una vez implantado, a su mejora, haciendo seguimiento de su funcionamiento y coordinando su desarrollo.
- La tercera línea de defensa es Auditoría Interna, que supervisa los sistemas de control interno y gestión de riesgos auditando tanto la primera como la segunda línea de defensa.

Adicionalmente, el firme compromiso de la Sociedad de contribuir al desarrollo económico y social de los diferentes mercados en los que opera, se ha materializado en el ámbito fiscal en la determinación por parte del Consejo de Administración de una Estrategia Fiscal que tiene como objetivo asegurar que el cumplimiento de las obligaciones tributarias por la Sociedad se lleve a cabo a través de prácticas éticas y responsables y que pone un especial empeño en que los sistemas de control y gestión de riesgos fiscales funcionen eficientemente.

### **E.2. Identifique los órganos de la sociedad responsables de la elaboración y ejecución del Sistema de Control y Gestión de Riesgos, incluido el fiscal:**

De conformidad con el artículo 5.3 del Reglamento del Consejo de Administración de Laboratorios Farmacéuticos Rovi, S.A., es competencia del Consejo de Administración en pleno la aprobación de la Política de Control y Gestión de Riesgos, incluidos los fiscales, así como el seguimiento periódico de los sistemas internos de información y control. La Comisión de Auditoría, de acuerdo con el artículo 13.2 del citado Reglamento, incluye entre sus funciones la supervisión de la Política de Control y Gestión de Riesgos (incluidos los fiscales) que inciden en la consecución de los objetivos corporativos. A tal fin, el mismo artículo dispone que la Comisión de Auditoría revisará y supervisará periódicamente los sistemas de control interno y gestión de riesgos, incluidos los fiscales, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente. En particular, el artículo 13.2 del Reglamento del Consejo de Administración establece que la Comisión de Auditoría ejercerá, entre otras, las siguientes funciones en relación con la política y la gestión de riesgos:

- Identificar los distintos tipos de riesgo, financieros y no financieros, a los que se enfrenta la Sociedad.
- Identificar la fijación del nivel de riesgo que la Sociedad considere aceptable.
- Identificar las medidas previstas para mitigar el impacto de los riesgos identificados, en caso de que llegaran a materializarse.
- Identificar los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos.

La Comisión de Auditoría lleva a cabo estas funciones a través de la Dirección, quien identifica, clasifica, evalúa y monitoriza los riesgos, teniendo en cuenta las categorías y los niveles de riesgos aceptables fijados por la Comisión de Auditoría y aplica las medidas previstas para mitigar el impacto de los mismos en caso de que llegaran a materializarse.

El Departamento de Auditoría Interna asume la función de implantar un Sistema de Control y Gestión de Riesgos, contribuyendo, una vez implantado el Sistema, a su mejora, monitoreando su funcionamiento y coordinando su desarrollo. Asimismo, informa a la Comisión de Auditoría, cada vez que ésta se reúne, sobre el correcto funcionamiento del Sistema y/o los riesgos que se hayan materializado, en su caso.

En relación a los riesgos fiscales, el Departamento Financiero es el responsable directo de controlar la efectiva implementación de los aspectos básicos de la Estrategia Fiscal determinada por el Consejo de Administración y el establecimiento y aplicación de medidas que garanticen que en el proceso de toma de decisiones de la Sociedad y su grupo se valora adecuadamente el riesgo fiscal. Dada la complejidad de la materia fiscal y los continuos cambios normativos que en relación con la misma se producen, la Sociedad y su grupo cuentan siempre con la colaboración de

asesores externos expertos en esta materia, con opción de formar equipos multidisciplinares si una operación en concreto lo requiere, a fin de que sea elevada la confianza de que la presentación de sus impuestos y la toma de decisiones en materia fiscal es la adecuada.

**E.3. Señale los principales riesgos, incluidos los fiscales y en la medida que sean significativos los derivados de la corrupción (entendidos estos últimos con el alcance del Real Decreto Ley 18/2017), que pueden afectar a la consecución de los objetivos de negocio:**

Los principales factores de riesgo a los que el Grupo considera que está expuesto respecto al cumplimiento de sus objetivos de negocio son los siguientes:

- Variaciones en las condiciones de suministro de materias primas y otros materiales de acondicionamiento necesarios para la fabricación de sus productos.
- No culminación de forma exitosa o de la forma esperada de los proyectos de Investigación y Desarrollo que ROVI está llevando a cabo.
- Acciones de la competencia que provoquen un impacto negativo en la cifra de negocio de ROVI.
- Cambios en los criterios de prescripción o en la normativa reguladora del mercado dirigidos a la contención del gasto farmacéutico (control de precios, precios de referencia, potenciación de genéricos, copago, plataformas de compras);
- Riesgo fiscal inherente a la actividad de compañías del tamaño y complejidad del Grupo.

**E.4. Identifique si la entidad cuenta con niveles de tolerancia al riesgo, incluido el fiscal:**

La Comisión de Auditoría, como parte del proceso de gestión de riesgos, establece el nivel de riesgo considerado como aceptable, incluido el fiscal, para lo que tiene en cuenta dos aspectos:

- **Apetito al riesgo:** nivel de Riesgo que ROVI está dispuesto a aceptar para conseguir sus objetivos estratégicos.
- **Tolerancia:** nivel de variación que se acepta en la consecución de los objetivos.

La fijación del nivel de riesgo queda establecida en las escalas de valoración de riesgos para las variables de probabilidad de ocurrencia e impacto. Estas escalas son aprobadas anualmente por la Comisión de Auditoría en el proceso de actualización del mapa de riesgos de la compañía.

**E.5. Indique qué riesgos, incluidos los fiscales, se han materializado durante el ejercicio:**

Variaciones en las condiciones de suministro de materias primas y otros materiales de acondicionamiento necesarios para la fabricación de sus productos

La principal materia prima para la fabricación de nuestras dos heparinas de bajo peso molecular (bemiparina y biosimilar de enoxaparina) es la heparina sódica, que se produce a partir de la mucosa porcina. Por lo tanto, cualquier enfermedad que afecte al ganado porcino puede tener efecto sobre el mercado global de las heparinas, bien afectando al suministro, bien afectando a los precios.

Desde finales de 2018 existe un brote de peste porcina en China, principal productor mundial de carne y derivados del cerdo que ya ha tenido efecto sobre los precios, que han sufrido un incremento desde entonces. Durante el 2020 se espera que se mantenga la tendencia alcista.

Desajustes regulatorios respecto a requerimientos locales

Debido a la rápida expansión internacional de ROVI, que ha supuesto la apertura de cinco filiales y el inicio de comercialización directa de sus productos en varios países europeos en un corto periodo de tiempo, ROVI ha necesitado realizar ajustes en cuanto al cumplimiento de requisitos regulatorios locales, habida cuenta de la elevada regulación del sector farmacéutico en cada país, las especificidades existentes por países en esta materia e, incluso, la fragmentación que la regulación presenta por regiones dentro de un mismo país.

La Sociedad ha aplicado a los riesgos indicados en este apartado los sistemas de supervisión y control y los planes de respuesta que se describen en el apartado E.6, considerando que han funcionado correctamente para la previsión y detección de su ocurrencia y la minimización de su impacto.

**E.6. Explique los planes de respuesta y supervisión para los principales riesgos de la entidad, incluidos los fiscales, así como los procedimientos seguidos por la compañía para asegurar que el consejo de administración da respuesta a los nuevos desafíos que se presentan:**

ROVI mantiene una actitud de vigilancia y alerta permanente ante los riesgos que puedan afectar negativamente a sus actividades de negocio, aplicando los principios y mecanismos adecuados para su gestión y desarrollando continuamente planes de contingencia que puedan amortiguar o compensar su impacto. Entre ellos, destacamos que el Grupo (i) continúa con la diversificación de proveedores de materias primas y otros materiales de acondicionamiento necesarios para la fabricación de sus productos; (ii) prosigue con su objetivo de apertura constante de nuevos mercados gracias a su proyecto de expansión internacional; (iii) continúa con la mejora de sus procesos y controles, incluyendo los relacionados

con el proceso de internacionalización; (iv) trabaja intensamente en el mantenimiento de una cartera amplia y diversificada de productos y clientes; (v) persevera cada año en un plan de ahorro interno que se ha centrado principalmente en la mejora de la eficiencia de sus procesos operativos internos y externos; (vi) el Grupo lleva un riguroso control del crédito y realiza una efectiva gestión de tesorería que le asegura la generación y mantenimiento de circulante suficiente para poder efectuar las operaciones del día a día; y (vii) el Grupo cuenta con un sistema de control de riesgos en materia fiscal exhaustivo y con asesores fiscales externos que revisan la preparación y presentación de los diferentes impuestos así como la toma de decisiones en materia fiscal por parte del Grupo.

**F. SISTEMAS INTERNOS DE CONTROL Y GESTIÓN DE RIESGOS EN RELACIÓN CON EL PROCESO DE EMISIÓN DE LA INFORMACIÓN FINANCIERA (SCIIF)**

Describe los mecanismos que componen los sistemas de control y gestión de riesgos en relación con el proceso de emisión de información financiera (SCIIF) de su entidad.

**F.1. Entorno de control de la entidad.**

Informe, señalando sus principales características de, al menos:

**F.1.1** Qué órganos y/o funciones son los responsables de: (i) la existencia y mantenimiento de un adecuado y efectivo SCIIF; (ii) su implantación; y (iii) su supervisión.

El Sistema de Control Interno sobre la Información Financiera (en adelante, "SCIIF") de ROVI tiene como objetivo obtener una seguridad razonable sobre la fiabilidad de la información financiera. Los órganos responsables del mismo son:

- El Consejo de Administración: es el Órgano responsable de la existencia y mantenimiento de un adecuado y efectivo SCIIF, de acuerdo con lo establecido en el Reglamento del Consejo de Administración, en su versión aprobada el 26 de abril de 2016.

- La Alta Dirección tiene asumidas las funciones de implantación y diseño del SCIIF, según se indica también en el Reglamento del Consejo de Administración.

- La Comisión de Auditoría es el Órgano encargado de la supervisión del SCIIF, según se indica en los Estatutos de la Sociedad, en el Reglamento del Consejo de Administración y en el Reglamento de la Comisión de Auditoría aprobado por el Consejo de Administración el 7 de noviembre de 2017. Este Reglamento asigna, entre otras, las siguientes responsabilidades a la Comisión de Auditoría:

o Supervisar el proceso de elaboración y presentación, así como la integridad de la información financiera regulada relativa a la Sociedad y, en su caso, al Grupo, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables, y presentar recomendaciones o propuestas al Consejo de Administración, dirigidas a salvaguardar su integridad.

o Atender, dar respuesta y tener en cuenta, oportuna y adecuadamente, los requerimientos que hubiera enviado, en el ejercicio corriente o en anteriores, el supervisor público de la información financiera, asegurándose de que no se repiten en los estados financieros el mismo tipo de incidencias previamente identificadas en tales requerimientos.

o Discutir con los auditores de cuentas o sociedades de auditoría las debilidades significativas del sistema de control interno detectadas en el desarrollo de la auditoría, en su caso, todo ello sin quebrantar su independencia. A tales efectos, y en su caso, podrán presentar recomendaciones o propuestas al Consejo de Administración y el correspondiente plazo para su seguimiento.

o Revisar y supervisar periódicamente los sistemas de control interno y gestión de riesgos, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente.

o Revisar la claridad e integridad de toda la información financiera y no financiera relacionada que la entidad haga pública, como pueden ser los estados financieros, informes de gestión, informes de gestión y control de riesgos e informe de gobierno corporativo, valorando en qué casos se debe involucrar a los auditores de cuentas en la revisión de alguno de los informes adicionales a los estados financieros.

**F.1.2** Si existen, especialmente en lo relativo al proceso de elaboración de la información financiera, los siguientes elementos:

· Departamentos y/o mecanismos encargados: (i) del diseño y revisión de la estructura organizativa; (ii) de definir claramente las líneas de responsabilidad y autoridad, con una adecuada distribución de tareas y funciones; y (iii) de que existan procedimientos suficientes para su correcta difusión en la entidad:

- (i) del diseño y revisión de la estructura organizativa;

El diseño y la revisión de la estructura organizativa son desarrollados por la Dirección de Recursos Humanos con la involucración de la Dirección del departamento correspondiente. Existen organigramas específicos para cada área financiera, con un adecuado nivel de detalle donde se establecen las líneas de responsabilidad y autoridad.

(ii) de definir claramente las líneas de responsabilidad y autoridad, con una adecuada distribución de tareas y funciones;

Cada puesto de trabajo tiene definidas unas tareas y responsabilidades en la elaboración y supervisión de la información financiera. Las líneas de autoridad y responsabilidad están detalladas en los organigramas departamentales y son definidas por la Dirección. Asimismo, en los procedimientos relacionados con la elaboración de la información financiera se indican las responsabilidades de las distintas áreas de la empresa.

y (iii) de que existan procedimientos suficientes para su correcta difusión en la entidad, en especial, en lo relativo al proceso de elaboración de la información financiera.

Los procedimientos relativos a la elaboración de la información financiera se comunican a los responsables de la función financiera.

· **Código de conducta, órgano de aprobación, grado de difusión e instrucción, principios y valores incluidos (indicando si hay menciones específicas al registro de operaciones y elaboración de información financiera), órgano encargado de analizar incumplimientos y de proponer acciones correctoras y sanciones:**

ROVI posee un Código de Conducta (el "Código Ético"), cuya última versión fue aprobada por el Consejo de Administración el 19 de febrero de 2018, que es la base de los principios éticos de la Sociedad y su Grupo. Dicho Código es de aplicación a todos los empleados, a quienes ha sido comunicado, y tiene como objetivo fundamental ser un marco de pautas y recomendaciones que transmita el buen hacer en el trabajo diario de los empleados de ROVI a sus grupos de interés (empleados, accionistas, proveedores, clientes, pacientes, profesionales, las administraciones públicas y la sociedad en general) y, a la vez, sirva de guía en la toma de decisiones cotidianas. ROVI considera este Código Ético como una oportunidad para llevar a la práctica los valores que la identifican como compañía, tales como el respeto mutuo, la búsqueda de la innovación, el trabajo en equipo, la eficiencia o la competitividad fruto siempre de la excelencia científica.

El Código Ético es suscrito formalmente por todos los trabajadores en el momento de su incorporación a la plantilla de cualquier sociedad del Grupo ROVI. El documento se encuentra disponible para empleados en la aplicación móvil interna así como en otras webs internas de ROVI.

El Código Ético de ROVI incluye un apartado específico sobre integridad financiera y protección de sus activos, por el que se compromete a aplicar los más altos estándares éticos y de transparencia en sus comunicaciones, registros de información e informes referidos a sus productos y actividades. Esto conlleva la obligación de que, en la confección de la contabilidad, de los estados financieros, libros, registros y cuentas, ROVI cumplirá con los requerimientos legales y con la correcta aplicación de los principios de contabilidad vigentes, con el objeto de ofrecer una visión exacta de las actividades empresariales y de la situación financiera del Grupo.

Adicionalmente, ROVI cuenta con una Política Antisoborno y Anticorrupción, cuya última versión es la aprobada por el Consejo de Administración el 19 de febrero de 2018, que desarrolla a uno de los principios del Código Ético de rechazo a cualquier práctica que incluya el soborno o la corrupción. En la Política Antisoborno y Anticorrupción, también aplicable a todos los empleados de ROVI, se establece que se deben llevar y conservar libros, registros y cuentas que reflejen en detalle y de forma precisa los activos y transacciones del Grupo, así como mantener un sistema adecuado de controles internos sobre la información financiera. Por este motivo, todas las transacciones financieras deben ser registradas en los libros oficiales de contabilidad. No se permiten cuentas fuera de estos libros, ya que estas prácticas pueden facilitar o encubrir pagos indebidos. El documento se encuentra disponible para empleados en la aplicación móvil interna así como en otras webs internas de ROVI.

El Órgano encargado de velar por el cumplimiento del Código Ético es la Función de Cumplimiento, quien tiene asignada esta función en su "Estatuto de la Función de Cumplimiento Normativo", aprobado por la Comisión de Auditoría el 25 de julio de 2017. La Función de Cumplimiento está compuesta por un Comité de Cumplimiento (órgano colegiado de carácter interno y permanente que reporta directamente a la Comisión de Auditoría y tiene la consideración de órgano asesor de dicha comisión en materia de cumplimiento) y el Departamento de Cumplimiento (área responsable de llevar a cabo las actividades de coordinación de cumplimiento en el día a día, prestando apoyo al Comité de Cumplimiento e informándole de los asuntos relevantes).

Durante el ejercicio 2019 el personal de ROVI ha recibido formación sobre el Código Ético, impartida por el área de cumplimiento. Dicha formación ha tenido dos objetivos principales: el primero, reforzar la idea de que todos los empleados y miembros de órganos de gobierno de ROVI están sujetos al mismo y que éste es de obligado cumplimiento para todos y, el segundo, impartir formación sobre todos los principios de actuación recogidos en el Código Ético, sus posibles aplicaciones e interpretaciones.

Adicionalmente, el Comité de Cumplimiento del 7 de noviembre de 2017 aprobó el "Código Ético para Proveedores". El objetivo principal de este Código es asegurar que sus proveedores y otros integrantes de la cadena de valor se comporten no sólo respetando la legislación vigente, sino también los valores del sistema de gobierno corporativo de ROVI, los principios recogidos en su Política de Responsabilidad Social Corporativa y otras normas internas de ROVI. La implementación del uso de este código se encuentra actualmente en desarrollo por parte de alguno de los departamentos involucrados en la gestión con proveedores. Como parte de ese trabajo las condiciones generales de contratación del Grupo Roví, y el resto de contratos cuando la negociación lo permite, incluyen la obligación de cumplir con lo establecido en el Código Ético para Proveedores.

ROVI cuenta con un "Reglamento del canal ético para Empleados y Proveedores", cuya última actualización fue aprobada por el Consejo de Administración el 7 de mayo de 2019, donde se establece que el órgano encargado de la gestión de los canales éticos de ROVI (el de empleados y el de proveedores) es el Comité Gestor del Canal Ético, que es asimismo el encargado de asegurar que todas las denuncias presentadas sean



atendidas y gestionadas de forma adecuada, completa y confidencial. Dicho órgano es el encargado de analizar incumplimientos y proponer acciones correctoras. Las posibles sanciones que se deriven de incumplimientos son responsabilidad del Departamento de Recursos Humanos.

Adicionalmente, ROVI cuenta con un Reglamento Interno de Conducta en los Mercados de Valores, cuya última versión fue aprobada por Consejo de Administración el 7 de mayo de 2019. El objetivo de este Reglamento es ajustar las actuaciones de la Sociedad, sus órganos de administración, empleados y demás personas sujetas a las normas de conducta a la normativa relacionada con mercado de valores.

- **Canal de denuncias, que permita la comunicación a la comisión de auditoría de irregularidades de naturaleza financiera y contable, en adición a eventuales incumplimientos del código de conducta y actividades irregulares en la organización, informando, en su caso, si éste es de naturaleza confidencial:**

ROVI posee un canal de denuncias (el "Canal Ético") puesto a disposición de sus empleados, proveedores, socios comerciales, agentes y colaboradores cuya finalidad es garantizar una comunicación fluida y eficaz con los órganos encargados de velar por el cumplimiento, la ética y la transparencia dentro de la organización.

Este canal tiene por objeto permitir la notificación de cualesquiera irregularidades, ya sean de naturaleza financiera, contractual, legal o ética; así como plantear las dudas interpretativas que puedan surgir sobre el Código Ético de ROVI, el Código Ético para Proveedores, o en general sobre las distintas políticas y procedimientos aprobadas por el Grupo.

El Canal Ético se encuentra regulado en el "Reglamento del canal ético para Empleados y Proveedores", en el que se indica que todos los empleados del Grupo ROVI y los proveedores sujetos al Código Ético para Proveedores tienen obligación de comunicar:

- Cualesquiera incumplimientos legales de los que tengan conocimiento, incluidos los incumplimientos de aquellas normas que ROVI ha decidido cumplir voluntariamente, como por ejemplo el Código de Buenas Prácticas de la Industria Farmacéutica.
- Cualesquiera comportamientos que puedan ser constitutivos de un delito o un incumplimiento del Modelo de Prevención de Delitos del Grupo.
- Cualesquiera comportamientos que puedan ser calificados como no éticos, o contrarios al Código Ético de ROVI o al Código Ético para Proveedores.
- Cualesquiera irregularidades financieras o contables o cualesquiera otras que pudieran tener una potencial trascendencia en el funcionamiento y operativa de las sociedades del Grupo.
- Aquellos incumplimientos de políticas internas o procedimientos de los que tengan conocimiento.

Las denuncias pueden ser enviadas:

- Vía correo postal ordinario, a la dirección establecida en el "Reglamento del canal ético para Empleados y Proveedores".
- Vía correo electrónico, a la dirección establecida para ello en el "Reglamento del canal ético para Empleados y Proveedores".
- Vía telefónica.
- A través de la aplicación móvil interna de ROVI.

Todas estas formas de envío garantizan la confidencialidad de las denuncias mediante la restricción del acceso al teléfono, a la dirección de recepción postal y al correo electrónico (en el que también se reciben las denuncias enviadas a través de la aplicación móvil), únicamente a los destinatarios autorizados en el "Reglamento del canal ético para Empleados y Proveedores".

El órgano encargado de la gestión del canal de denuncias es el Comité Ético. Durante el presente ejercicio no ha sido recibida ninguna denuncia relacionada con la información financiera.

- **Programas de formación y actualización periódica para el personal involucrado en la preparación y revisión de la información financiera, así como en la evaluación del SCIIF, que cubran al menos, normas contables, auditoría, control interno y gestión de riesgos:**

La compañía cuenta con una importante estabilidad laboral entre los empleados que participan en la elaboración de la información financiera, quienes tienen los conocimientos necesarios para la realización de las funciones asignadas. En el caso de producirse cambios en la legislación aplicable o en las funciones asignadas a personal involucrado en estas actividades, se llevan a cabo programas de formación específicos, coordinados con el área de Recursos Humanos.

Adicionalmente, la Sociedad cuenta con la colaboración de asesores externos que prestan su apoyo al personal de la función financiera en cuestiones relativas a actualizaciones en materia fiscal, legal y contable y con los que existe un contacto regular.

## **F.2. Evaluación de riesgos de la información financiera.**

Informe, al menos, de:

**F.2.1** Cuáles son las principales características del proceso de identificación de riesgos, incluyendo los de error o fraude, en cuanto a:

- Si el proceso existe y está documentado:

La Sociedad cuenta con un sistema de identificación de riesgos, entre los que se incluyen los de error o fraude en la información financiera, que se encuentra detallado en una "Política de Control y Gestión de Riesgos" cuya última versión ha sido aprobada en noviembre de 2019 por el Consejo de Administración.

Para cada una de las áreas con impacto financiero significativo, atendiendo a su importancia cuantitativa o cualitativa, se han identificado los procesos y subprocesos relevantes y se han identificado los riesgos que pudieran generar errores en la información financiera o fraude en las operaciones así como las actividades de control que mitigan esos riesgos.

- Si el proceso cubre la totalidad de objetivos de la información financiera, (existencia y ocurrencia; integridad; valoración; presentación, desglose y comparabilidad; y derechos y obligaciones), si se actualiza y con qué frecuencia:

Para cada uno de los procesos significativos identificados, se han identificado los riesgos que pudieran generar errores en la información financiera, cubriendo los objetivos de existencia y ocurrencia, integridad, valoración, presentación, desglose y comparabilidad y derechos y obligaciones. Anualmente se procede a la revisión y actualización de los procesos identificados y documentados en caso de que haya habido modificaciones en la gestión de dichos procesos o en la normativa aplicable que así lo requieran.

- La existencia de un proceso de identificación del perímetro de consolidación, teniendo en cuenta, entre otros aspectos, la posible existencia de estructuras societarias complejas, entidades instrumentales o de propósito especial:

El perímetro de consolidación de la Sociedad es revisado y actualizado mensualmente por el área responsable de la consolidación, con la correspondiente supervisión trimestral de la Comisión de Auditoría, que es el órgano encargado de revisar la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.

No existen estructuras societarias complejas y al producirse escasas variaciones en el perímetro, cualquier cambio es indicado en la información financiera anual y semestral emitida por la Sociedad.

- Si el proceso tiene en cuenta los efectos de otras tipologías de riesgos (operativos, tecnológicos, financieros, legales, fiscales, reputacionales, medioambientales, etc.) en la medida que afecten a los estados financieros:

El proceso tiene en cuenta el efecto de otras tipologías de riesgos tales como los operativos, tecnológicos, legales, reputacionales, medioambientales, etc. que pudieran tener un impacto significativo en la información financiera. En caso de que alguno de estos riesgos pudiera afectar a la información financiera, la Sociedad identifica cómo puede proceder a mitigar dicho impacto. Estos riesgos son gestionados y evaluados según lo indicado en la Política de Gestión y Control de Riesgos. En esta política hay identificados cuatro tipos de riesgos:

- Estratégicos: aquéllos que afectan a los objetivos de alto nivel, directamente relacionados con el plan estratégico de ROVI.
- Operacionales: aquéllos que afectan a los objetivos relacionados con la eficiencia y la eficacia en las operaciones, incluyendo los objetivos relacionados con el desempeño y la rentabilidad.
- De reporting: aquéllos que afectan a la fiabilidad de la información suministrada (incluyendo la financiera) tanto internamente como al exterior.
- De cumplimiento: aquéllos que afectan a los objetivos relativos al cumplimiento de leyes y normas aplicables (incluidas las relativas a contabilidad, auditoría, control interno y gestión de riesgos).

- Qué órgano de gobierno de la entidad supervisa el proceso:

Los riesgos más significativos, tanto financieros como de cualquier otra tipología, son comunicados a la Comisión de Auditoría para su posterior información al Consejo de Administración. La Comisión de Auditoría es el órgano encargado de la supervisión de la Política de Gestión y Control de Riesgos, incluidos los financieros y fiscales, que inciden en la consecución de los objetivos corporativos. Asimismo, a la Comisión de Auditoría le corresponde la revisión y supervisión periódica de los sistemas de control interno y gestión de riesgos, así como su eficacia para que los principales riesgos se identifiquen, gestionen y den a conocer adecuadamente.

### **F.3. Actividades de control.**

Informe, señalando sus principales características, si dispone al menos de:

**F.3.1 Procedimientos de revisión y autorización de la información financiera y la descripción del SCIIF, a publicar en los mercados de valores, indicando sus responsables, así como de documentación descriptiva de los flujos de actividades y controles (incluyendo los relativos a riesgo de fraude) de los distintos tipos de transacciones que puedan afectar de modo material a los estados financieros, incluyendo el procedimiento de cierre contable y la revisión específica de los juicios, estimaciones, valoraciones y proyecciones relevantes**

ROVI realiza revisiones periódicas de la información financiera que elabora en base a diferentes niveles:

- En cada cierre contable, los departamentos que intervienen en el cierre contable y el departamento corporativo de contabilidad revisan la información financiera preparada, realizando las correspondientes comprobaciones para asegurar la fiabilidad de los registros.
- Una vez finalizado el proceso de consolidación, la Dirección Financiera realiza una revisión de la información financiera, identificando posibles desviaciones.
- En el caso de que la información financiera deba ser hecha pública para dar cumplimiento a la normativa de mercado de valores:

1. La Comisión de Auditoría procede a la revisión de la información financiera. Previamente a su revisión, este órgano es informado de, al menos:

- o La adecuación del perímetro de consolidación.
  - o Juicios, criterios, valoraciones y estimaciones realizadas que tengan un impacto significativo en los estados financieros y no financieros relacionados.
  - o Los cambios en los criterios significativos aplicados.
  - o Las medidas alternativas de rendimiento ("APM", en inglés, Alternative Performance Measures) tenidas en cuenta.
  - o Las debilidades significativas de control interno
  - o Si aplica, los ajustes significativos utilizados por el auditor de cuentas o que resulten de revisiones realizadas por la auditoría interna y la posición de la dirección sobre los mismos
  - o Si aplica, requerimientos enviados por el supervisor público de la información financiera
2. El Consejo de Administración aprueba la información financiera a publicar.

Respecto a la descripción del SCIIF ésta es revisada tanto por la Dirección Financiera y Auditoría Interna como por los Órganos de Gobierno mencionados anteriormente como parte de la información periódica que ROVI remite a los mercados.

ROVI posee descripciones de los flujos de actividades de los principales procesos con impacto en la información financiera, entre ellos, el procedimiento de cierre contable y de elaboración de informes donde se especifica el proceso de revisión de juicios, estimaciones y proyecciones relevantes. Para cada uno de estos procedimientos se han identificado los controles más significativos y las transacciones que pudieran afectar de modo material a los estados financieros. La documentación de cada uno de estos procesos se actualiza en aquellos casos en los que los cambios en la normativa o los procesos lo impongan. Esta documentación está compuesta por:

- Detalle de la estructura/sociedad a la que aplica.
- Descriptivos de los subprocesos asociados a cada proceso.
- Diagramas de flujo de los subprocesos principales.
- Detalle de los riesgos significativos de la información financiera.
- Descripción de controles (claves y no claves) que mitigan la probabilidad de ocurrencia de los riesgos identificados. Para cada uno de ellos se detalla: tipo de control, nivel de automatización, evidencia soporte y responsable.

**F.3.2 Políticas y procedimientos de control interno sobre los sistemas de información (entre otras, sobre seguridad de acceso, control de cambios, operación de los mismos, continuidad operativa y segregación de funciones) que soporten los procesos relevantes de la entidad en relación a la elaboración y publicación de la información financiera.**

La Jefatura Corporativa de Tecnologías de la Información y las Comunicaciones (TIC) de ROVI es responsable de promover y apoyar el establecimiento de medidas técnicas, organizativas y de control que garanticen la integridad, disponibilidad, fiabilidad y confidencialidad de la información.

El Gestor de Riesgos del Sistema de Gestión de la Seguridad de la Información (SGSI-Risk Manager) es el responsable de supervisar la gestión efectiva y eficiente de los riesgos e incidentes en cuanto a seguridad de la información confidencial, así como de promover planes y políticas para salvaguardarla.

El acceso a los sistemas de información se gestiona de manera centralizada para todas las sedes, tanto nacionales como internacionales. Se han establecido protocolos para garantizar que los usuarios de ROVI sólo accedan a aquellos datos o programas que se les permita según su puesto o función, evitando así accesos no autorizados. Este acceso, definido en base a roles y perfiles que definen las funcionalidades a las que un usuario debe tener acceso, se realiza mediante usuario y contraseña, personal e intransferible, tanto a sistemas (sistema operativo y carpetas compartidas) como a bases de datos y aplicativos. Así mismo, ROVI cuenta con sistemas que alertan de cualquier uso malintencionado o sospechoso de la información (DLP), deteniendo además posibles ataques por software malintencionado como los conocidos "Cryptolocker". Adicionalmente, se monitoriza nuestro Directorio Activo para alertar sobre aquellas conductas sospechosas de ser ataques, tales como robo de claves, movimientos laterales, manejo de certificados, aplicación de permisos, abuso de privilegios, etc.

Como medida de seguridad adicional, en los servidores de nuestra compañía se está estableciendo un sistema de parcheo virtual. Se aplican diariamente reglas de firewall específicos a cada uno de los sistemas para bloquear ataques que aprovechen brechas de seguridad aún no parcheadas mediante las actualizaciones del Sistema Operativo mensuales que se realizan en ellos.

En relación a la segregación de funciones, está determinada en los sistemas en función de la distribución de roles y perfiles anteriormente comentados. Anualmente la función de Auditoría Interna analiza los sistemas para asegurar que no hay uso de transacciones incompatibles con la segregación de funciones por parte de un mismo usuario.

La política general de seguridad no permite la instalación, desinstalación o modificación de software en los equipos sin los permisos específicos, evitando que usuarios no administradores puedan modificar sustancialmente los equipos cliente sin autorización de un administrador TIC. Los usuarios también tienen prohibido el uso de dispositivos de almacenamiento externo, a no ser que sea aprobado e inventariado por el Departamento de IT.

En ROVI se ha establecido una metodología de gestión del cambio en base a normas Good Manufacturing Practice (normas "GMP"), la cual establece las cautelas y validaciones necesarias para limitar el riesgo en este proceso. Esta metodología es de obligado cumplimiento para cualquier cambio que se realice en los Sistemas TIC de la compañía.

Existe un servicio interno de "Help Desk" en horario 24x7 al que los usuarios finales pueden dirigirse en caso de encontrarse con cualquier incidencia con su puesto o sistema de trabajo.

La compañía cuenta con un Centro de Procesamiento de Datos (CPD) ubicado en la Comunidad de Madrid, operado y gestionado por un proveedor externo, que cuenta con todas medidas en cuanto a seguridad de acceso y disponibilidad del servicio. Únicamente el personal autorizado puede acceder a dichas instalaciones, quedando todos los accesos registrados. Se ha establecido una monitorización de todos los sistemas y enlaces de datos para comprobar su correcto funcionamiento y respuesta. La operación y gestión del CPD y los sistemas alojados de ROVI son auditados satisfactoriamente de forma anual según la norma ISAE3402.

Las comunicaciones y sistemas de ROVI están protegidas mediante elementos de red como Firewalls, en varios niveles, y Antivirus para reforzar internamente el control ante amenazas como virus u otro tipo de software malintencionado.

La mayoría de los sistemas cuentan con alta disponibilidad local, existiendo servidores y cabinas de datos redundados en el mismo CPD, que permiten asegurar su disponibilidad en caso de incidencias.

Adicionalmente, se realiza de forma periódica una copia de seguridad de los datos y sistemas, que se mantiene en un lugar seguro y en ubicaciones distintas. Al menos una vez al año se ejecuta el procedimiento de recuperación de los sistemas y datos relativos a información financiera comprobando así su fiabilidad y correcta ejecución.

ROVI cuenta con su ERP (SAP) virtualizado, con el que se dota de mayor tolerancia ante desastres, manteniendo un sistema espejo en un CPD situado en distinta ubicación geográfica que el principal, y que entraría en funcionamiento en caso de desastre mayor.

F.3.3 Políticas y procedimientos de control interno destinados a supervisar la gestión de las actividades subcontratadas a terceros, así como de aquellos aspectos de evaluación, cálculo o valoración encomendados a expertos independientes, que puedan afectar de modo material a los estados financieros.

En la actualidad la única transacción externalizada con impacto relevante en la información financiera es el proceso de elaboración de nómina. El proceso de gestión de nóminas es monitorizado por el departamento de Recursos Humanos. Las actividades de supervisión se encuentran reflejadas en la documentación descriptiva de flujos y actividades de la Sociedad.

#### **F.4. Información y comunicación.**

Informe, señalando sus principales características, si dispone al menos de:

F.4.1 Una función específica encargada de definir, mantener actualizadas las políticas contables (área o departamento de políticas contables) y resolver dudas o conflictos derivados de su interpretación, manteniendo una comunicación fluida con los responsables de las operaciones en la organización, así como un manual de políticas contables actualizado y comunicado a las unidades a través de las que opera la entidad.

En el Departamento Financiero de la Sociedad, en concreto en el área contable, existe una función específica encargada de definir y mantener actualizadas las políticas contables, así como de resolver las dudas o conflictos derivados de su interpretación.

La Sociedad posee un manual de políticas contables donde se incluyen los principales criterios contables a tener en cuenta en la elaboración de la información financiera. Dicho manual es actualizado por el Departamento Financiero de ROVI con carácter periódico. La última actualización se produjo en diciembre de 2017 y se encuentra en proceso de revisión para incorporar las nuevas normas de contabilidad aplicables.

F.4.2 Mecanismos de captura y preparación de la información financiera con formatos homogéneos, de aplicación y utilización por todas las unidades de la entidad o del grupo, que soporten los estados financieros principales y las notas, así como la información que se detalle sobre el SCIIF.

Todas las sociedades que forman parte del Grupo utilizan SAP como único sistema de captura y preparación de la información financiera. La carga de datos en la aplicación se realiza de forma homogénea para todas las filiales incluidas en el perímetro de consolidación. Al tratarse de un grupo de sociedades en el que la función financiera está muy centralizada, las actividades clave desarrolladas en la elaboración de la información financiera son realizadas por el mismo equipo de empleados para todas las sociedades del Grupo, lo que garantiza la homogeneidad de la información.

En relación con el SCIIF, el responsable de la elaboración de esta información contacta con los departamentos involucrados en el mismo para la obtención de la documentación (financiera y no financiera) necesaria para la correcta cumplimentación de los requerimientos legales en relación al mismo.

#### **F.5. Supervisión del funcionamiento del sistema.**

Informe, señalando sus principales características, al menos de:

F.5.1 Las actividades de supervisión del SCIIF realizadas por la comisión de auditoría así como si la entidad cuenta con una función de auditoría interna que tenga entre sus competencias la de apoyo a la comisión en su labor de supervisión del sistema de control interno, incluyendo el SCIIF. Asimismo se informará del alcance de la evaluación del SCIIF realizada en el ejercicio y del procedimiento por el cual el encargado de ejecutar la evaluación comunica sus resultados, si la entidad cuenta con un plan de acción que detalle las eventuales medidas correctoras, y si se ha considerado su impacto en la información financiera.

La Comisión de Auditoría se ha reunido trimestralmente a fin de revisar la información financiera periódica remitida a la Comisión Nacional del Mercado de Valores. Ha supervisado el proceso de elaboración y la integridad de la información financiera trimestral y semestral, tanto individual

como consolidada, en concreto, la Comisión ha revisado, con carácter previo a su remisión, el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables en la información periódica y todo ello en los plazos establecidos legalmente al efecto.

La Comisión de Auditoría ha sido informada periódicamente por la auditoría interna de las actividades relacionadas con el SCIIF. En este sentido, la auditoría interna elaboró el plan anual de trabajo de auditoría interna para el ejercicio 2019 que fue examinado y aprobado por la Comisión de Auditoría y que contenía, entre otros, los trabajos a realizar durante el 2019 en relación al SCIIF. La Comisión de Auditoría ha recibido el Informe Anual de Auditoría relativo al ejercicio 2019 donde se ha detallado el estado de ejecución de las labores de auditoría interna sobre el SCIIF, entre otros trabajos, y donde se han notificado los resultados, indicándose, en su caso, los aspectos que pudieran tener un impacto relevante en la información financiera.

Por último, la Comisión de Auditoría, con el fin de evitar que las cuentas anuales individuales y consolidadas formuladas por el Consejo de Administración se presenten en la Junta General con salvedades en el informe de auditoría, con carácter previo a dicha formulación, ha llevado a cabo, entre otras, las siguientes tareas: revisar las cuentas anuales, vigilar el cumplimiento de los requerimientos legales y la correcta aplicación de los principios de contabilidad generalmente aceptados y conocer el proceso de información financiera, los sistemas de control internos de la Sociedad y comprobar la adecuación e integridad de los mismos.

La Comisión de Auditoría ha informado favorablemente al Consejo de Administración con carácter previo a la formulación de las cuentas anuales.

La Sociedad cuenta con una función de auditoría interna que apoya a la Comisión de Auditoría en la supervisión del control interno de la información financiera.

La función de auditoría interna, bajo la supervisión de la Comisión de Auditoría, vela por el buen funcionamiento de los sistemas de información y control internos. La función de Auditoría Interna está regulada en un "Estatuto de Auditoría Interna" cuya última actualización se aprobó en la Comisión de Auditoría del 12 de diciembre de 2019. El responsable de la función de auditoría interna presenta a la Comisión de Auditoría su plan anual de trabajo, asimismo le informa directamente de las incidencias que se presenten en su desarrollo y somete a la Comisión, al final de cada ejercicio, un informe de actividades.

Durante el ejercicio 2019, Auditoría Interna, como parte de su Plan Anual de Trabajo, ha llevado a cabo la revisión de la eficacia en el diseño e implantación de los controles claves de los procesos con efecto significativo en los estados financieros de ROVI. En concreto, se ha evaluado el diseño de los controles y se ha verificado el correcto funcionamiento de los mismos en los siguientes procesos:

- Activos fijos.
- Ventas.
- Compras.
- Nóminas.
- Impuestos.

Las medidas correctoras identificadas con impacto significativo en la información financiera han sido incluidas en el Informe Anual de Auditoría Interna que se presenta a la Comisión de Auditoría al final de cada ejercicio.

Durante el ejercicio 2020 se continuarán realizando auditorías de supervisión del correcto funcionamiento del SCIIF de los procesos clave.

**F.5.2 Si cuenta con un procedimiento de discusión mediante el cual, el auditor de cuentas (de acuerdo con lo establecido en las NTA), la función de auditoría interna y otros expertos puedan comunicar a la alta dirección y a la comisión de auditoría o administradores de la entidad las debilidades significativas de control interno identificadas durante los procesos de revisión de las cuentas anuales o aquellos otros que les hayan sido encomendados. Asimismo, informará de si dispone de un plan de acción que trate de corregir o mitigar las debilidades observadas.**

La Comisión de Auditoría mantiene una relación estable y constante con los auditores de cuentas. En su Plan de Trabajo Anual, la Comisión de Auditoría establece las reuniones mínimas anuales que, mantendrá con los auditores de cuenta de forma que se garantice la fluidez de comunicaciones que pueda conocer las debilidades significativas de control interno identificadas.

En este sentido, en el ejercicio 2019 la Comisión de Auditoría se ha reunido en tres ocasiones con el auditor de cuentas en las que ha obtenido información tanto de la planificación del trabajo como de los resultados y conclusiones del mismo (incluidas debilidades significativas de control). El auditor de cuentas, con carácter previo a la formulación de las cuentas anuales del ejercicio, también se reunió con el Consejo de Administración en pleno para informarle del trabajo realizado.

De igual forma, la Comisión de Auditoría mantiene reuniones periódicas con Auditoría Interna quien trimestralmente le informa, entre otros aspectos, de las debilidades significativas de control interno identificadas si las hubiera.

Independientemente de las reuniones planificadas, en el caso de que sea detectada alguna debilidad relevante, tanto los auditores de cuentas como Auditoría Interna tienen la capacidad de comunicarlo de forma inmediata a la Comisión de Auditoría.

Para todas las debilidades significativas de control interno que pudieran detectarse son diseñados planes de acción que las mitiguen o hagan desaparecer.

**F.6. Otra información relevante.**

No existe información relevante no incluida en los apartados anteriores.

**F.7. Informe del auditor externo.**

Informe de:

F.7.1 Si la información del SCIIF remitida a los mercados ha sido sometida a revisión por el auditor externo, en cuyo caso la entidad debería incluir el informe correspondiente como anexo. En caso contrario, debería informar de sus motivos.

La información sobre los sistemas de control interno sobre la información financiera incluida en el Informe Anual de Gobierno Corporativo ha sido sometida a revisión por un auditor externo, del que se incluye copia a continuación.

**G. GRADO DE SEGUIMIENTO DE LAS RECOMENDACIONES DE GOBIERNO CORPORATIVO**

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Indique el grado de seguimiento de la sociedad respecto de las recomendaciones del Código de buen gobierno de las sociedades cotizadas.

En el caso de que alguna recomendación no se siga o se siga parcialmente, se deberá incluir una explicación detallada de sus motivos de manera que los accionistas, los inversores y el mercado en general, cuenten con información suficiente para valorar el proceder de la sociedad. No serán aceptables explicaciones de carácter general.

1. Que los estatutos de las sociedades cotizadas no limiten el número máximo de votos que pueda emitir un mismo accionista, ni contengan otras restricciones que dificulten la toma de control de la sociedad mediante la adquisición de sus acciones en el mercado.

Cumple       Explique

2. Que cuando coticen la sociedad matriz y una sociedad dependiente ambas definan públicamente con precisión:

- a) Las respectivas áreas de actividad y eventuales relaciones de negocio entre ellas, así como las de la sociedad dependiente cotizada con las demás empresas del grupo.
- b) Los mecanismos previstos para resolver los eventuales conflictos de interés que puedan presentarse.

Cumple       Cumple parcialmente       Explique       No aplicable

3. Que durante la celebración de la junta general ordinaria, como complemento de la difusión por escrito del informe anual de gobierno corporativo, el presidente del consejo de administración informe verbalmente a los accionistas, con suficiente detalle, de los aspectos más relevantes del gobierno corporativo de la sociedad y, en particular:

- a) De los cambios acaecidos desde la anterior junta general ordinaria.
- b) De los motivos concretos por los que la compañía no sigue alguna de las recomendaciones del Código de Gobierno Corporativo y, si existieran, de las reglas alternativas que aplique en esa materia.

Cumple       Cumple parcialmente       Explique

4. Que la sociedad defina y promueva una política de comunicación y contactos con accionistas, inversores institucionales y asesores de voto que sea plenamente respetuosa con las normas contra el abuso de mercado y dé un trato semejante a los accionistas que se encuentren en la misma posición.

Y que la sociedad haga pública dicha política a través de su página web, incluyendo información relativa a la forma en que la misma se ha puesto en práctica e identificando a los interlocutores o responsables de llevarla a cabo.

Cumple       Cumple parcialmente       Explique



5. Que el consejo de administración no eleve a la junta general una propuesta de delegación de facultades, para emitir acciones o valores convertibles con exclusión del derecho de suscripción preferente, por un importe superior al 20% del capital en el momento de la delegación.

Y que cuando el consejo de administración apruebe cualquier emisión de acciones o de valores convertibles con exclusión del derecho de suscripción preferente, la sociedad publique inmediatamente en su página web los informes sobre dicha exclusión a los que hace referencia la legislación mercantil.

Cumple [ ]      Cumple parcialmente [ X ]      Explique [ ]

La Junta General de accionistas de ROVI celebrada el 12 de junio de 2019 acordó delegar en el Consejo de Administración la facultad de aumentar el capital social, sin previa consulta a la Junta General, en una o varias veces y en cualquier momento, en el plazo de cinco años contados desde la celebración de esta Junta, en la cantidad máxima permitida por la Ley, es decir, un importe nominal máximo de 1.682.068,95 euros, cifra que se corresponde con la mitad del capital social en el momento de la autorización, facultando expresamente al Consejo para excluir, total o parcialmente, el derecho de suscripción preferente en los términos del artículo 506 de la Ley de Sociedades de Capital

6. Que las sociedades cotizadas que elaboren los informes que se citan a continuación, ya sea de forma preceptiva o voluntaria, los publiquen en su página web con antelación suficiente a la celebración de la junta general ordinaria, aunque su difusión no sea obligatoria:

- a) Informe sobre la independencia del auditor.
- b) Informes de funcionamiento de las comisiones de auditoría y de nombramientos y retribuciones.
- c) Informe de la comisión de auditoría sobre operaciones vinculadas.
- d) Informe sobre la política de responsabilidad social corporativa.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

7. Que la sociedad transmita en directo, a través de su página web, la celebración de las juntas generales de accionistas.

Cumple [ X ]      Explique [ ]

8. Que la comisión de auditoría vele porque el consejo de administración procure presentar las cuentas a la junta general de accionistas sin limitaciones ni salvedades en el informe de auditoría y que, en los supuestos excepcionales en que existan salvedades, tanto el presidente de la comisión de auditoría como los auditores expliquen con claridad a los accionistas el contenido y alcance de dichas limitaciones o salvedades.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

9. Que la sociedad haga públicos en su página web, de manera permanente, los requisitos y procedimientos que aceptará para acreditar la titularidad de acciones, el derecho de asistencia a la junta general de accionistas y el ejercicio o delegación del derecho de voto.

Y que tales requisitos y procedimientos favorezcan la asistencia y el ejercicio de sus derechos a los accionistas y se apliquen de forma no discriminatoria.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

10. Que cuando algún accionista legitimado haya ejercitado, con anterioridad a la celebración de la junta general de accionistas, el derecho a completar el orden del día o a presentar nuevas propuestas de acuerdo, la sociedad:

- a) Difunda de inmediato tales puntos complementarios y nuevas propuestas de acuerdo.
- b) Haga público el modelo de tarjeta de asistencia o formulario de delegación de voto o voto a distancia con las modificaciones precisas para que puedan votarse los nuevos puntos del orden del día y propuestas alternativas de acuerdo en los mismos términos que los propuestos por el consejo de administración.
- c) Someta todos esos puntos o propuestas alternativas a votación y les aplique las mismas reglas de voto que a las formuladas por el consejo de administración, incluidas, en particular, las presunciones o deducciones sobre el sentido del voto.
- d) Con posterioridad a la junta general de accionistas, comunique el desglose del voto sobre tales puntos complementarios o propuestas alternativas.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

11. Que, en el caso de que la sociedad tenga previsto pagar primas de asistencia a la junta general de accionistas, establezca, con anterioridad, una política general sobre tales primas y que dicha política sea estable.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

12. Que el consejo de administración desempeñe sus funciones con unidad de propósito e independencia de criterio, dispense el mismo trato a todos los accionistas que se hallen en la misma posición y se guíe por el interés social, entendido como la consecución de un negocio rentable y sostenible a largo plazo, que promueva su continuidad y la maximización del valor económico de la empresa.

Y que en la búsqueda del interés social, además del respeto de las leyes y reglamentos y de un comportamiento basado en la buena fe, la ética y el respeto a los usos y a las buenas prácticas comúnmente aceptadas, procure conciliar el propio interés social con, según corresponda, los legítimos intereses de sus empleados, sus proveedores, sus clientes y los de los restantes grupos de interés que puedan verse afectados, así como el impacto de las actividades de la compañía en la comunidad en su conjunto y en el medio ambiente.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

13. Que el consejo de administración posea la dimensión precisa para lograr un funcionamiento eficaz y participativo, lo que hace aconsejable que tenga entre cinco y quince miembros.

Cumple [ X ]      Explique [ ]

14. Que el consejo de administración apruebe una política de selección de consejeros que:

- a) Sea concreta y verificable.
- b) Asegure que las propuestas de nombramiento o reelección se fundamenten en un análisis previo de las necesidades del consejo de administración.
- c) Favorezca la diversidad de conocimientos, experiencias y género.

Que el resultado del análisis previo de las necesidades del consejo de administración se recoja en el informe justificativo de la comisión de nombramientos que se publique al convocar la junta general de accionistas a la que se someta la ratificación, el nombramiento o la reelección de cada consejero.

Y que la política de selección de consejeros promueva el objetivo de que en el año 2020 el número de consejeras represente, al menos, el 30% del total de miembros del consejo de administración.

La comisión de nombramiento verificará anualmente el cumplimiento de la política de selección de consejeros y se informará de ello en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

15. Que los consejeros dominicales e independientes constituyan una amplia mayoría del consejo de administración y que el número de consejeros ejecutivos sea el mínimo necesario, teniendo en cuenta la complejidad del grupo societario y el porcentaje de participación de los consejeros ejecutivos en el capital de la sociedad.

Cumple [ ]      Cumple parcialmente [ X ]      Explique [ ]

La Sociedad cumple la recomendación en la medida en que el número de consejeros ejecutivos es el mínimo necesario, teniendo en cuenta el porcentaje de participación de los consejeros ejecutivos en el capital de la Sociedad. Asimismo, los consejeros externos (4 miembros, tres independientes y uno dominical) constituyen mayoría en el Consejo (7 miembros).

16. Que el porcentaje de consejeros dominicales sobre el total de consejeros no ejecutivos no sea mayor que la proporción existente entre el capital de la sociedad representado por dichos consejeros y el resto del capital.

Este criterio podrá atenuarse:

- a) En sociedades de elevada capitalización en las que sean escasas las participaciones accionariales que tengan legalmente la consideración de significativas.
- b) Cuando se trate de sociedades en las que exista una pluralidad de accionistas representados en el consejo de administración y no tengan vínculos entre sí.

Cumple [ X ]      Explique [ ]

17. Que el número de consejeros independientes represente, al menos, la mitad del total de consejeros.

Que, sin embargo, cuando la sociedad no sea de elevada capitalización o cuando, aun siéndolo, cuente con un accionista o varios actuando concertadamente, que controlen más del 30% del capital social, el número de consejeros independientes represente, al menos, un tercio del total de consejeros.

Cumple [ X ]      Explique [ ]

18. Que las sociedades hagan pública a través de su página web, y mantengan actualizada, la siguiente información sobre sus consejeros:

- a) Perfil profesional y biográfico.
- b) Otros consejos de administración a los que pertenezcan, se trate o no de sociedades cotizadas, así como sobre las demás actividades retribuidas que realice cualquiera que sea su naturaleza.
- c) Indicación de la categoría de consejero a la que pertenezcan, señalándose, en el caso de consejeros dominicales, el accionista al que representen o con quien tengan vínculos.
- d) Fecha de su primer nombramiento como consejero en la sociedad, así como de las posteriores reelecciones.
- e) Acciones de la compañía, y opciones sobre ellas, de las que sean titulares.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

19. Que en el informe anual de gobierno corporativo, previa verificación por la comisión de nombramientos, se expliquen las razones por las cuales se hayan nombrado consejeros dominicales a instancia de accionistas cuya participación accionarial sea inferior al 3% del capital; y se expongan las razones por las que no se hubieran atendido, en su caso, peticiones formales de presencia en el consejo procedentes de accionistas cuya participación accionarial sea igual o superior a la de otros a cuya instancia se hubieran designado consejeros dominicales.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

20. Que los consejeros dominicales presenten su dimisión cuando el accionista a quien representen transmita íntegramente su participación accionarial. Y que también lo hagan, en el número que corresponda, cuando dicho accionista rebaje su participación accionarial hasta un nivel que exija la reducción del número de sus consejeros dominicales.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

21. Que el consejo de administración no proponga la separación de ningún consejero independiente antes del cumplimiento del período estatutario para el que hubiera sido nombrado, salvo cuando concurra justa causa, apreciada por el consejo de administración previo informe de la comisión de nombramientos. En particular, se entenderá que existe justa causa cuando el consejero pase a ocupar nuevos cargos o contraiga nuevas obligaciones que le impidan dedicar el tiempo necesario al desempeño de las funciones propias del cargo de consejero, incumpla los deberes inherentes a su cargo o incurra en algunas de las circunstancias que le hagan perder su condición de independiente, de acuerdo con lo establecido en la legislación aplicable.

También podrá proponerse la separación de consejeros independientes como consecuencia de ofertas públicas de adquisición, fusiones u otras operaciones corporativas similares que supongan un cambio en la estructura de capital de la sociedad, cuando tales cambios en la estructura del consejo de administración vengán propiciados por el criterio de proporcionalidad señalado en la recomendación 16.

Cumple [ X ]      Explique [ ]

22. Que las sociedades establezcan reglas que obliguen a los consejeros a informar y, en su caso, dimitir en aquellos supuestos que puedan perjudicar al crédito y reputación de la sociedad y, en particular, les obliguen a informar al consejo de administración de las causas penales en las que aparezcan como imputados, así como de sus posteriores vicisitudes procesales.

Y que si un consejero resultara procesado o se dictara contra él auto de apertura de juicio oral por alguno de los delitos señalados en la legislación societaria, el consejo de administración examine el caso tan pronto como sea posible y, a la vista de sus circunstancias concretas, decida si procede o no que el consejero continúe en su cargo. Y que de todo ello el consejo de administración dé cuenta, de forma razonada, en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

23. Que todos los consejeros expresen claramente su oposición cuando consideren que alguna propuesta de decisión sometida al consejo de administración puede ser contraria al interés social. Y que otro tanto hagan, de forma especial, los independientes y demás consejeros a quienes no afecte el potencial conflicto de intereses, cuando se trate de decisiones que puedan perjudicar a los accionistas no representados en el consejo de administración.

Y que cuando el consejo de administración adopte decisiones significativas o reiteradas sobre las que el consejero hubiera formulado serias reservas, este saque las conclusiones que procedan y, si optara por dimitir, explique las razones en la carta a que se refiere la recomendación siguiente.

Esta recomendación alcanza también al secretario del consejo de administración, aunque no tenga la condición de consejero.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

24. Que cuando, ya sea por dimisión o por otro motivo, un consejero cese en su cargo antes del término de su mandato, explique las razones en una carta que remitirá a todos los miembros del consejo de administración. Y que, sin perjuicio de que dicho cese se comunique como hecho relevante, del motivo del cese se dé cuenta en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

25. Que la comisión de nombramientos se asegure de que los consejeros no ejecutivos tienen suficiente disponibilidad de tiempo para el correcto desarrollo de sus funciones.

Y que el reglamento del consejo establezca el número máximo de consejos de sociedades de los que pueden formar parte sus consejeros.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

26. Que el consejo de administración se reúna con la frecuencia precisa para desempeñar con eficacia sus funciones y, al menos, ocho veces al año, siguiendo el programa de fechas y asuntos que establezca al inicio del ejercicio, pudiendo cada consejero individualmente proponer otros puntos del orden del día inicialmente no previstos.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

27. Que las inasistencias de los consejeros se reduzcan a los casos indispensables y se cuantifiquen en el informe anual de gobierno corporativo. Y que, cuando deban producirse, se otorgue representación con instrucciones.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

28. Que cuando los consejeros o el secretario manifiesten preocupación sobre alguna propuesta o, en el caso de los consejeros, sobre la marcha de la sociedad y tales preocupaciones no queden resueltas en el consejo de administración, a petición de quien las hubiera manifestado, se deje constancia de ellas en el acta.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]

29. Que la sociedad establezca los cauces adecuados para que los consejeros puedan obtener el asesoramiento preciso para el cumplimiento de sus funciones incluyendo, si así lo exigieran las circunstancias, asesoramiento externo con cargo a la empresa.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

30. Que, con independencia de los conocimientos que se exijan a los consejeros para el ejercicio de sus funciones, las sociedades ofrezcan también a los consejeros programas de actualización de conocimientos cuando las circunstancias lo aconsejen.

Cumple [ X ]      Explique [ ]      No aplicable [ ]

31. Que el orden del día de las sesiones indique con claridad aquellos puntos sobre los que el consejo de administración deberá adoptar una decisión o acuerdo para que los consejeros puedan estudiar o recabar, con carácter previo, la información precisa para su adopción.

Cuando, excepcionalmente, por razones de urgencia, el presidente quiera someter a la aprobación del consejo de administración decisiones o acuerdos que no figuraran en el orden del día, será preciso el consentimiento previo y expreso de la mayoría de los consejeros presentes, del que se dejará debida constancia en el acta.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

32. Que los consejeros sean periódicamente informados de los movimientos en el accionariado y de la opinión que los accionistas significativos, los inversores y las agencias de calificación tengan sobre la sociedad y su grupo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

33. Que el presidente, como responsable del eficaz funcionamiento del consejo de administración, además de ejercer las funciones que tiene legal y estatutariamente atribuidas, prepare y someta al consejo de administración un programa de fechas y asuntos a tratar; organice y coordine la evaluación periódica del consejo, así como, en su caso, la del primer ejecutivo de la sociedad; sea responsable de la dirección del consejo y de la efectividad de su funcionamiento; se asegure de que se dedica suficiente tiempo de discusión a las cuestiones estratégicas, y acuerde y revise los programas de actualización de conocimientos para cada consejero, cuando las circunstancias lo aconsejen.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

34. Que cuando exista un consejero coordinador, los estatutos o el reglamento del consejo de administración, además de las facultades que le corresponden legalmente, le atribuya las siguientes: presidir el consejo de administración en ausencia del presidente y de los vicepresidentes, en caso de existir; hacerse eco de las preocupaciones de los consejeros no ejecutivos; mantener contactos con inversores y accionistas para conocer sus puntos de vista a efectos de formarse una opinión sobre sus preocupaciones, en particular, en relación con el gobierno corporativo de la sociedad; y coordinar el plan de sucesión del presidente.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

35. Que el secretario del consejo de administración vele de forma especial para que en sus actuaciones y decisiones el consejo de administración tenga presentes las recomendaciones sobre buen gobierno contenidas en este Código de buen gobierno que fueran aplicables a la sociedad.

Cumple [ X ]      Explique [ ]

36. Que el consejo de administración en pleno evalúe una vez al año y adopte, en su caso, un plan de acción que corrija las deficiencias detectadas respecto de:

- a) La calidad y eficiencia del funcionamiento del consejo de administración.
- b) El funcionamiento y la composición de sus comisiones.
- c) La diversidad en la composición y competencias del consejo de administración.
- d) El desempeño del presidente del consejo de administración y del primer ejecutivo de la sociedad.
- e) El desempeño y la aportación de cada consejero, prestando especial atención a los responsables de las distintas comisiones del consejo.

Para la realización de la evaluación de las distintas comisiones se partirá del informe que estas eleven al consejo de administración, y para la de este último, del que le eleve la comisión de nombramientos.

Cada tres años, el consejo de administración será auxiliado para la realización de la evaluación por un consultor externo, cuya independencia será verificada por la comisión de nombramientos.

Las relaciones de negocio que el consultor o cualquier sociedad de su grupo mantengan con la sociedad o cualquier sociedad de su grupo deberán ser desglosadas en el informe anual de gobierno corporativo.

El proceso y las áreas evaluadas serán objeto de descripción en el informe anual de gobierno corporativo.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

37. Que cuando exista una comisión ejecutiva, la estructura de participación de las diferentes categorías de consejeros sea similar a la del propio consejo de administración y su secretario sea el de este último.

Cumple [ ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ X ]



38. Que el consejo de administración tenga siempre conocimiento de los asuntos tratados y de las decisiones adoptadas por la comisión ejecutiva y que todos los miembros del consejo de administración reciban copia de las actas de las sesiones de la comisión ejecutiva.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]      No aplicable [  ]

39. Que los miembros de la comisión de auditoría, y de forma especial su presidente, se designen teniendo en cuenta sus conocimientos y experiencia en materia de contabilidad, auditoría o gestión de riesgos, y que la mayoría de dichos miembros sean consejeros independientes.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

40. Que bajo la supervisión de la comisión de auditoría, se disponga de una unidad que asuma la función de auditoría interna que vele por el buen funcionamiento de los sistemas de información y control interno y que funcionalmente dependa del presidente no ejecutivo del consejo o del de la comisión de auditoría.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

41. Que el responsable de la unidad que asuma la función de auditoría interna presente a la comisión de auditoría su plan anual de trabajo, informe directamente de las incidencias que se presenten en su desarrollo y someta al final de cada ejercicio un informe de actividades.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]      No aplicable [  ]

42. Que, además de las previstas en la ley, correspondan a la comisión de auditoría las siguientes funciones:

1. En relación con los sistemas de información y control interno:
  - a) Supervisar el proceso de elaboración y la integridad de la información financiera relativa a la sociedad y, en su caso, al grupo, revisando el cumplimiento de los requisitos normativos, la adecuada delimitación del perímetro de consolidación y la correcta aplicación de los criterios contables.
  - b) Velar por la independencia de la unidad que asume la función de auditoría interna; proponer la selección, nombramiento, reelección y cese del responsable del servicio de auditoría interna; proponer el presupuesto de ese servicio; aprobar la orientación y sus planes de trabajo, asegurándose de que su actividad esté enfocada principalmente hacia los riesgos relevantes de la sociedad; recibir información periódica sobre sus actividades; y verificar que la alta dirección tenga en cuenta las conclusiones y recomendaciones de sus informes.
  - c) Establecer y supervisar un mecanismo que permita a los empleados comunicar, de forma confidencial y, si resulta posible y se considera apropiado, anónima, las irregularidades de potencial trascendencia, especialmente financieras y contables, que adviertan en el seno de la empresa.
2. En relación con el auditor externo:
  - a) En caso de renuncia del auditor externo, examinar las circunstancias que la hubieran motivado.
  - b) Velar que la retribución del auditor externo por su trabajo no comprometa su calidad ni su independencia.
  - c) Supervisar que la sociedad comunique como hecho relevante a la CNMV el cambio de auditor y lo acompañe de una declaración sobre la eventual existencia de desacuerdos con el auditor saliente y, si hubieran existido, de su contenido.
  - d) Asegurar que el auditor externo mantenga anualmente una reunión con el pleno del consejo de administración para informarle sobre el trabajo realizado y sobre la evolución de la situación contable y de riesgos de la sociedad.
  - e) Asegurar que la sociedad y el auditor externo respetan las normas vigentes sobre prestación de servicios distintos a los de auditoría, los límites a la concentración del negocio del auditor y, en general, las demás normas sobre independencia de los auditores.

Cumple [ X ]

Cumple parcialmente [ ]

Explique [ ]

43. Que la comisión de auditoría pueda convocar a cualquier empleado o directivo de la sociedad, e incluso disponer que comparezcan sin presencia de ningún otro directivo.

Cumple [ X ]

Cumple parcialmente [ ]

Explique [ ]

44. Que la comisión de auditoría sea informada sobre las operaciones de modificaciones estructurales y corporativas que proyecte realizar la sociedad para su análisis e informe previo al consejo de administración sobre sus condiciones económicas y su impacto contable y, en especial, en su caso, sobre la ecuación de canje propuesta.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]      No aplicable [  ]

45. Que la política de control y gestión de riesgos identifique al menos:

- a) Los distintos tipos de riesgo, financieros y no financieros (entre otros los operativos, tecnológicos, legales, sociales, medio ambientales, políticos y reputacionales) a los que se enfrenta la sociedad, incluyendo entre los financieros o económicos, los pasivos contingentes y otros riesgos fuera de balance.
- b) La fijación del nivel de riesgo que la sociedad considere aceptable.
- c) Las medidas previstas para mitigar el impacto de los riesgos identificados, en caso de que llegaran a materializarse.
- d) Los sistemas de información y control interno que se utilizarán para controlar y gestionar los citados riesgos, incluidos los pasivos contingentes o riesgos fuera de balance.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

46. Que bajo la supervisión directa de la comisión de auditoría o, en su caso, de una comisión especializada del consejo de administración, exista una función interna de control y gestión de riesgos ejercida por una unidad o departamento interno de la sociedad que tenga atribuidas expresamente las siguientes funciones:

- a) Asegurar el buen funcionamiento de los sistemas de control y gestión de riesgos y, en particular, que se identifiquen, gestionan, y cuantifican adecuadamente todos los riesgos importantes que afecten a la sociedad.
- b) Participar activamente en la elaboración de la estrategia de riesgos y en las decisiones importantes sobre su gestión.
- c) Velar por que los sistemas de control y gestión de riesgos mitiguen los riesgos adecuadamente en el marco de la política definida por el consejo de administración.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

47. Que los miembros de la comisión de nombramientos y de retribuciones –o de la comisión de nombramientos y la comisión de retribuciones, si estuvieren separadas– se designen procurando que tengan los conocimientos, aptitudes y experiencia adecuados a las funciones que estén llamados a desempeñar y que la mayoría de dichos miembros sean consejeros independientes.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

48. Que las sociedades de elevada capitalización cuenten con una comisión de nombramientos y con una comisión de remuneraciones separadas.

Cumple [  ]      Explique [  ]      No aplicable [  ]

49. Que la comisión de nombramientos consulte al presidente del consejo de administración y al primer ejecutivo de la sociedad, especialmente cuando se trate de materias relativas a los consejeros ejecutivos.

Y que cualquier consejero pueda solicitar de la comisión de nombramientos que tome en consideración, por si los encuentra idóneos a su juicio, potenciales candidatos para cubrir vacantes de consejero.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

50. Que la comisión de retribuciones ejerza sus funciones con independencia y que, además de las funciones que le atribuya la ley, le correspondan las siguientes:

- a) Proponer al consejo de administración las condiciones básicas de los contratos de los altos directivos.
- b) Comprobar la observancia de la política retributiva establecida por la sociedad.
- c) Revisar periódicamente la política de remuneraciones aplicada a los consejeros y altos directivos, incluidos los sistemas retributivos con acciones y su aplicación, así como garantizar que su remuneración individual sea proporcionada a la que se pague a los demás consejeros y altos directivos de la sociedad.
- d) Velar por que los eventuales conflictos de intereses no perjudiquen la independencia del asesoramiento externo prestado a la comisión.
- e) Verificar la información sobre remuneraciones de los consejeros y altos directivos contenida en los distintos documentos corporativos, incluido el informe anual sobre remuneraciones de los consejeros.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

51. Que la comisión de retribuciones consulte al presidente y al primer ejecutivo de la sociedad, especialmente cuando se trate de materias relativas a los consejeros ejecutivos y altos directivos.

Cumple [  ]      Cumple parcialmente [  ]      Explique [  ]

52. Que las reglas de composición y funcionamiento de las comisiones de supervisión y control figuren en el reglamento del consejo de administración y que sean consistentes con las aplicables a las comisiones legalmente obligatorias conforme a las recomendaciones anteriores, incluyendo:
- a) Que estén compuestas exclusivamente por consejeros no ejecutivos, con mayoría de consejeros independientes.
  - b) Que sus presidentes sean consejeros independientes.
  - c) Que el consejo de administración designe a los miembros de estas comisiones teniendo presentes los conocimientos, aptitudes y experiencia de los consejeros y los cometidos de cada comisión, delibere sobre sus propuestas e informes; y que rinda cuentas, en el primer pleno del consejo de administración posterior a sus reuniones, de su actividad y que respondan del trabajo realizado.
  - d) Que las comisiones puedan recabar asesoramiento externo, cuando lo consideren necesario para el desempeño de sus funciones.
  - e) Que de sus reuniones se levante acta, que se pondrá a disposición de todos los consejeros.

Cumple [ ]

Cumple parcialmente [ ]

Explique [ ]

No aplicable [ X ]

53. Que la supervisión del cumplimiento de las reglas de gobierno corporativo, de los códigos internos de conducta y de la política de responsabilidad social corporativa se atribuya a una o se reparta entre varias comisiones del consejo de administración que podrán ser la comisión de auditoría, la de nombramientos, la comisión de responsabilidad social corporativa, en caso de existir, o una comisión especializada que el consejo de administración, en ejercicio de sus facultades de auto-organización, decida crear al efecto, a las que específicamente se les atribuyan las siguientes funciones mínimas:

- a) La supervisión del cumplimiento de los códigos internos de conducta y de las reglas de gobierno corporativo de la sociedad.
- b) La supervisión de la estrategia de comunicación y relación con accionistas e inversores, incluyendo los pequeños y medianos accionistas.
- c) La evaluación periódica de la adecuación del sistema de gobierno corporativo de la sociedad, con el fin de que cumpla su misión de promover el interés social y tenga en cuenta, según corresponda, los legítimos intereses de los restantes grupos de interés.
- d) La revisión de la política de responsabilidad corporativa de la sociedad, velando por que esté orientada a la creación de valor.
- e) El seguimiento de la estrategia y prácticas de responsabilidad social corporativa y la evaluación de su grado de cumplimiento.
- f) La supervisión y evaluación de los procesos de relación con los distintos grupos de interés.
- g) La evaluación de todo lo relativo a los riesgos no financieros de la empresa -incluyendo los operativos, tecnológicos, legales, sociales, medio ambientales, políticos y reputacionales.
- h) La coordinación del proceso de reporte de la información no financiera y sobre diversidad, conforme a la normativa aplicable y a los estándares internacionales de referencia.

Cumple [ X ]

Cumple parcialmente [ ]

Explique [ ]

54. Que la política de responsabilidad social corporativa incluya los principios o compromisos que la empresa asuma voluntariamente en su relación con los distintos grupos de interés e identifique al menos:
- a) Los objetivos de la política de responsabilidad social corporativa y el desarrollo de instrumentos de apoyo.
  - b) La estrategia corporativa relacionada con la sostenibilidad, el medio ambiente y las cuestiones sociales.
  - c) Las prácticas concretas en cuestiones relacionadas con: accionistas, empleados, clientes, proveedores, cuestiones sociales, medio ambiente, diversidad, responsabilidad fiscal, respeto de los derechos humanos y prevención de conductas ilegales.
  - d) Los métodos o sistemas de seguimiento de los resultados de la aplicación de las prácticas concretas señaladas en la letra anterior, los riesgos asociados y su gestión.
  - e) Los mecanismos de supervisión del riesgo no financiero, la ética y la conducta empresarial.
  - f) Los canales de comunicación, participación y diálogo con los grupos de interés.
  - g) Las prácticas de comunicación responsable que eviten la manipulación informativa y protejan la integridad y el honor.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

55. Que la sociedad informe, en un documento separado o en el informe de gestión, sobre los asuntos relacionados con la responsabilidad social corporativa, utilizando para ello alguna de las metodologías aceptadas internacionalmente.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

56. Que la remuneración de los consejeros sea la necesaria para atraer y retener a los consejeros del perfil deseado y para retribuir la dedicación, cualificación y responsabilidad que el cargo exija, pero no tan elevada como para comprometer la independencia de criterio de los consejeros no ejecutivos.

Cumple [ X ]      Explique [ ]

57. Que se circunscriban a los consejeros ejecutivos las remuneraciones variables ligadas al rendimiento de la sociedad y al desempeño personal, así como la remuneración mediante entrega de acciones, opciones o derechos sobre acciones o instrumentos referenciados al valor de la acción y los sistemas de ahorro a largo plazo tales como planes de pensiones, sistemas de jubilación u otros sistemas de previsión social.

Se podrá contemplar la entrega de acciones como remuneración a los consejeros no ejecutivos cuando se condicione a que las mantengan hasta su cese como consejeros. Lo anterior no será de aplicación a las acciones que el consejero necesite enajenar, en su caso, para satisfacer los costes relacionados con su adquisición.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]

58. Que en caso de remuneraciones variables, las políticas retributivas incorporen los límites y las cautelas técnicas precisas para asegurar que tales remuneraciones guardan relación con el rendimiento profesional de sus beneficiarios y no derivan solamente de la evolución general de los mercados o del sector de actividad de la compañía o de otras circunstancias similares.

Y, en particular, que los componentes variables de las remuneraciones:

- a) Estén vinculados a criterios de rendimiento que sean predeterminados y medibles y que dichos criterios consideren el riesgo asumido para la obtención de un resultado.
- b) Promuevan la sostenibilidad de la empresa e incluyan criterios no financieros que sean adecuados para la creación de valor a largo plazo, como el cumplimiento de las reglas y los procedimientos internos de la sociedad y de sus políticas para el control y gestión de riesgos.
- c) Se configuren sobre la base de un equilibrio entre el cumplimiento de objetivos a corto, medio y largo plazo, que permitan remunerar el rendimiento por un desempeño continuado durante un período de tiempo suficiente para apreciar su contribución a la creación sostenible de valor, de forma que los elementos de medida de ese rendimiento no giren únicamente en torno a hechos puntuales, ocasionales o extraordinarios.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

59. Que el pago de una parte relevante de los componentes variables de la remuneración se difiera por un período de tiempo mínimo suficiente para comprobar que se han cumplido las condiciones de rendimiento previamente establecidas.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

60. Que las remuneraciones relacionadas con los resultados de la sociedad tomen en cuenta las eventuales salvedades que consten en el informe del auditor externo y minoren dichos resultados.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

61. Que un porcentaje relevante de la remuneración variable de los consejeros ejecutivos esté vinculado a la entrega de acciones o de instrumentos financieros referenciados a su valor.

Cumple [ ]      Cumple parcialmente [ X ]      Explique [ ]      No aplicable [ ]

La remuneración variable a largo plazo de los Consejeros Ejecutivos contempla una liquidación, a elección del beneficiario, íntegramente en dinero, íntegramente mediante la entrega de acciones de Rovi o mediante un sistema mixto 50% en dinero y 50% en acciones. Si bien es cierto que el sistema de retribución variable anual no contempla la entrega de acciones o de instrumentos financieros referenciados a su valor, al ser los Consejeros Ejecutivos, a su vez, accionistas indirectos significativos de la Sociedad mediante su participación en Norbel Inversiones, S.L. existe un alineamiento entre su desempeño profesional y los intereses de la Sociedad.



62. Que una vez atribuidas las acciones o las opciones o derechos sobre acciones correspondientes a los sistemas retributivos, los consejeros no puedan transferir la propiedad de un número de acciones equivalente a dos veces su remuneración fija anual, ni puedan ejercer las opciones o derechos hasta transcurrido un plazo de, al menos, tres años desde su atribución.

Lo anterior no será de aplicación a las acciones que el consejero necesite enajenar, en su caso, para satisfacer los costes relacionados con su adquisición.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

63. Que los acuerdos contractuales incluyan una cláusula que permita a la sociedad reclamar el reembolso de los componentes variables de la remuneración cuando el pago no haya estado ajustado a las condiciones de rendimiento o cuando se hayan abonado atendiendo a datos cuya inexactitud quede acreditada con posterioridad.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

64. Que los pagos por resolución del contrato no superen un importe establecido equivalente a dos años de la retribución total anual y que no se abonen hasta que la sociedad haya podido comprobar que el consejero ha cumplido con los criterios de rendimiento previamente establecidos.

Cumple [ X ]      Cumple parcialmente [ ]      Explique [ ]      No aplicable [ ]

**H. OTRAS INFORMACIONES DE INTERÉS**

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1. Si existe algún aspecto relevante en materia de gobierno corporativo en la sociedad o en las entidades del grupo que no se haya recogido en el resto de apartados del presente informe, pero que sea necesario incluir para recoger una información más completa y razonada sobre la estructura y prácticas de gobierno en la entidad o su grupo, detállelos brevemente.
2. Dentro de este apartado, también podrá incluirse cualquier otra información, aclaración o matiz relacionado con los anteriores apartados del informe en la medida en que sean relevantes y no reiterativos.

En concreto, se indicará si la sociedad está sometida a legislación diferente a la española en materia de gobierno corporativo y, en su caso, incluya aquella información que esté obligada a suministrar y sea distinta de la exigida en el presente informe.

3. La sociedad también podrá indicar si se ha adherido voluntariamente a otros códigos de principios éticos o de buenas prácticas, internacionales, sectoriales o de otro ámbito. En su caso, se identificará el código en cuestión y la fecha de adhesión. En particular, hará mención a si se ha adherido al Código de Buenas Prácticas Tributarias, de 20 de julio de 2010:

Apartado 3 - Se hace constar que la Sociedad se encuentra adherida al Código de Buenas Prácticas de la Industria Farmacéutica, Código Tipo de Farmaindustria de protección de datos personales en el ámbito de la Investigación clínica y de la Farmacovigilancia y al Código de Normas Deontológicas para la promoción y publicidad de los medicamentos autorizados sin receta médica no financiados por el Sistema Nacional de Salud y otros productos para el autocuidado de la salud.

Apartado A.2- Norbel Inversiones, S.L. con fecha 16/05/2019 aumentó su participación hasta alcanzar el 63,107% del capital social.

Apartado A.3 - Aunque D. Miguel Corsini Freese renunció al cargo de consejero por las razones expuestas en el apartado C.1.2, se hace constar que, a la fecha de su renuncia, era titular de 10 acciones de la Sociedad.

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Este informe anual de gobierno corporativo ha sido aprobado por el consejo de Administración de la sociedad, en su sesión de fecha:

[ 25/02/2020 ]

Indique si ha habido consejeros que hayan votado en contra o se hayan abstenido en relación con la aprobación del presente Informe.

[ ] Sí  
[✓] No



# Laboratorios Farmacéuticos ROVI, S.A.

**Informe de auditor referido a la “Información  
relativa al Sistema de Control Interno sobre la  
Información Financiera (SCIIF)” de Laboratorios  
Farmacéuticos ROVI, S.A. correspondiente al  
ejercicio 2019**



## **Informe de auditor referido a la “Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)” de Laboratorios Farmacéuticos ROVI, S.A. correspondiente al ejercicio 2019**

A los Administradores de Laboratorios Farmacéuticos ROVI, S.A.

De acuerdo con la solicitud del Consejo de Administración de Laboratorios Farmacéuticos ROVI, S.A. (la Sociedad) y con nuestra carta propuesta de fecha 28 de enero de 2020, hemos aplicado determinados procedimientos sobre la “Información relativa al SCIIF” adjunta en el apartado F del Informe Anual de Gobierno Corporativo de Laboratorios Farmacéuticos ROVI, S.A. correspondiente al ejercicio 2019, en el que se resumen los procedimientos de control interno de la Sociedad en relación a la información financiera anual.

Los Administradores son responsables de adoptar las medidas oportunas para garantizar razonablemente la implantación, mantenimiento y supervisión de un adecuado sistema de control interno, así como del desarrollo de mejoras de dicho sistema y de la preparación y establecimiento del contenido de la Información relativa al SCIIF adjunta.

En este sentido, hay que tener en cuenta que, con independencia de la calidad del diseño y operatividad del sistema de control interno adoptado por la Sociedad en relación a la información financiera anual, éste sólo puede permitir una seguridad razonable, pero no absoluta, en relación con los objetivos que persigue, debido a las limitaciones inherentes a todo sistema de control interno.

En el curso de nuestro trabajo de auditoría de las cuentas anuales y conforme a las Normas Técnicas de Auditoría, nuestra evaluación del control interno de la Sociedad ha tenido como único propósito el permitirnos establecer el alcance, la naturaleza y el momento de realización de los procedimientos de auditoría de las cuentas anuales de la Sociedad. Por consiguiente, nuestra evaluación del control interno, realizada a efectos de dicha auditoría de cuentas, no ha tenido la extensión suficiente para permitirnos emitir una opinión específica sobre la eficacia de dicho control interno sobre la información financiera anual regulada.

A los efectos de la emisión de este informe, hemos aplicado exclusivamente los procedimientos específicos descritos a continuación e indicados en la Guía de Actuación sobre el Informe del auditor referido a la Información relativa al Sistema de Control Interno sobre la Información Financiera de las entidades cotizadas, publicada por la Comisión Nacional del Mercado de Valores en su página web, que establece el trabajo a realizar, el alcance mínimo del mismo, así como el contenido de este informe. Como el trabajo resultante de dichos procedimientos tiene, en cualquier caso, un alcance reducido y sustancialmente menor que el de una auditoría o una revisión sobre el sistema de control interno, no expresamos una opinión sobre la efectividad del mismo, ni sobre su diseño y su eficacia operativa, en relación a la información financiera anual



de la Sociedad correspondiente al ejercicio 2019 que se describe en la Información relativa al SCIIF adjunta. En consecuencia, si hubiéramos aplicado procedimientos adicionales a los determinados por la citada Guía o realizado una auditoría o una revisión sobre el sistema de control interno en relación a la información financiera anual regulada, se podrían haber puesto de manifiesto otros hechos o aspectos sobre los que les habríamos informado.

Asimismo, dado que este trabajo especial no constituye una auditoría de cuentas ni se encuentra sometido a la normativa reguladora de la actividad de auditoría de cuentas vigente en España, no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Se relacionan a continuación los procedimientos aplicados:

1. Lectura y entendimiento de la información preparada por la entidad en relación con el SCIIF – información de desglose incluida en el Informe de Gestión – y evaluación de si dicha información aborda la totalidad de la información requerida que seguirá el contenido mínimo descrito en el apartado F, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular nº 5/2013 de 12 de junio de 2013 de la Comisión Nacional del Mercado de Valores (CNMV), posteriormente modificada por la Circular nº 7/2015 de 22 de diciembre de 2015 de la CNMV y la Circular 2/2018 de 12 de junio de la CNMV (en adelante, las Circulares de la CNMV).
2. Preguntas al personal encargado de la elaboración de la información detallada en el punto 1 anterior con el fin de: (i) obtener un entendimiento del proceso seguido en su elaboración; (ii) obtener información que permita evaluar si la terminología utilizada se ajusta a las definiciones del marco de referencia; (iii) obtener información sobre si los procedimientos de control descritos están implantados y en funcionamiento en la entidad.
3. Revisión de la documentación explicativa soporte de la información detallada en el punto 1 anterior, y que comprenderá, principalmente, aquella directamente puesta a disposición de los responsables de formular la información descriptiva del SCIIF. En este sentido, dicha documentación incluye informes preparados por la función de auditoría interna, alta dirección y otros especialistas internos o externos en sus funciones de soporte al comité de auditoría.
4. Comparación de la información detallada en el punto 1 anterior con el conocimiento del SCIIF de la entidad obtenido como resultado de la aplicación de los procedimientos realizados en el marco de los trabajos de la auditoría de cuentas anuales.
5. Lectura de actas de reuniones del consejo de administración, comité de auditoría y otras comisiones de la entidad a los efectos de evaluar la consistencia entre los asuntos en ellas abordados en relación al SCIIF y la información detallada en el punto 1 anterior.
6. Obtención de la carta de manifestaciones relativa al trabajo realizado adecuadamente firmada por los responsables de la preparación y formulación de la información detallada en el punto 1 anterior.



Como resultado de los procedimientos aplicados sobre la Información relativa al SCIIF no se han puesto de manifiesto inconsistencias o incidencias que puedan afectar a la misma.

Este informe ha sido preparado exclusivamente en el marco de los requerimientos establecidos por el artículo 540 del texto refundido la Ley de Sociedades de Capital y por las Circulares de la CNMV a los efectos de la descripción del SCIIF en los Informes Anuales de Gobierno Corporativo.

KPMG Auditores, S.L.

A handwritten signature in blue ink that reads 'José Ignacio Rodríguez Prado'. The signature is written in a cursive style and is positioned above a horizontal line.

José Ignacio Rodríguez Prado

25 de febrero de 2020

The Consolidated Annual Accounts of Laboratorios Farmacéuticos Rovi, S.A. (“Rovi” or the “Company”) and its subsidiaries (which comprise the balance sheet or the consolidated statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders’ equity, the statement of cash flows and consolidated notes), as well as the consolidated management report of the group of which the Company is the parent (which comprises the Annual Corporate Governance Report and the non-financial information statement) for the fiscal year ended on 31 December 2019 and which precede this document, have been issued by the Board of Directors at its meeting of 25 February 2020, and whose members sign below in accordance with Article 253 of the Royal Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Capital Companies Law (Ley de Sociedades de Capital), and Article 37 of the Spanish Commercial Code:

Madrid, 25 February 2020

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Mr. Juan López-Belmonte López  
Chairman

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Mr. Juan López-Belmonte Encina  
Chief Executive Officer

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Mr. Iván López-Belmonte Encina  
Vice Chairman 1º

---

Mr. Javier López-Belmonte Encina  
Vice Chairman 2º

---

Mr. Marcos Peña Pinto  
Coordinador Director

---

Mr. José Fernando de Almansa  
Moreno-Barreda  
Director

---

Mrs. Fátima Báñez García  
Director

## STATEMENT OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

The members of the Board of Directors of Laboratorios Farmacéuticos Rovi, S.A. (“**Rovi**” or the “**Company**”), at its meeting of 25 February 2020, and in accordance with Article 118 of Royal Legislative Decree 4/2015, of 23 October, enacting the Consolidated Text of Securities Market Law (*Ley del Mercado de Valores*), Article 8.b) of the Royal Decree 1362/2007, of 19 October, implementing the Securities Market Law, as well as Article 1 of Law 11/2018, of 28 December, amending the Spanish Commercial Code, the Capital Companies Law (*Ley de Sociedades de Capital*), approved by the Royal Decree 1/2010, 2 July, and the Law 22/2015, 20 July, on Account Auditing (*Ley de Auditoría de Cuentas*), in the area of non-financial and diversity information, state that, to the best of their knowledge, the Individual Annual Accounts, as well as the Consolidated Annual Accounts of the Company and its subsidiaries, for the fiscal year ended on 31 December 2019, issued by the Board of Directors at the abovementioned meeting of 25 February 2020, and prepared in accordance with applicable accounting standards, present a fair view of the equity, financial condition and results of operations of the Company and its subsidiaries included within the scope of consolidation, taken as a whole, and that the management reports supplementing the individual and consolidated annual accounts (the last including the corresponding non-financial information statement) contain a fair assessment of the corporate performance and results and the position of Rovi and of the subsidiaries included within its scope of consolidation, taken as a whole, as well as a description of the main risks and uncertainties facing them.

Madrid, 25 February 2020

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Mr. Juan López-Belmonte López  
Chairman

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Mr. Juan López-Belmonte Encina  
Chief Executive Officer

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Mr. Iván López-Belmonte Encina  
Vice Chairman 1º

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Mr. Javier López-Belmonte Encina  
Vice Chairman 2º

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Mr. Marcos Peña Pinto  
Coordinador Director

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Mr. José Fernando de Almansa  
Moreno-Barreda  
Director

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Mrs. Fátima Báñez García  
Director





**APPENDIX I**

**GENERAL**

2nd

**HALF-YEARLY FINANCIAL REPORT FOR THE REPORTING PERIOD**

2019

**PERIOD END DATE**

31/12/2019

**I. IDENTIFICATION DETAILS**

**Corporate name:** LABORATORIOS FARMACEUTICOS ROVI, S.A.

**Registered address:** c/ Julián Camarillo, 35, 28037 Madrid

**Tax Id No.**

A-28041283

**II. INFORMATION SUPPLEMENTING THE PERIODIC INFORMATION PUBLISHED PREVIOUSLY**

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#### IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

ASSETS		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) NON-CURRENT ASSETS</b>	<b>0040</b>	138.744	99.549
1. Intangible assets:	<b>0030</b>	41.587	31.618
a) Goodwill	<b>0031</b>		
b) Other intangible assets	<b>0032</b>	41.587	31.618
2. Property, plant and equipment	<b>0033</b>	46.742	41.284
3. Investment property	<b>0034</b>		
4. Non-current investments in group and associated companies	<b>0035</b>	42.826	14.379
5. Non-current financial investments	<b>0036</b>	1.482	1.480
6. Deferred tax assets	<b>0037</b>	6.107	10.788
7. Other non-current assets	<b>0038</b>		
<b>B) CURRENT ASSETS</b>	<b>0085</b>	276.732	314.411
1. Non-current assets held for sale	<b>0050</b>		
2. Inventories	<b>0055</b>	67.749	37.195
3. Trade and other receivables	<b>0060</b>	157.608	193.373
a) Trade receivables for sales of goods and services	<b>0061</b>	142.350	184.738
b) Other receivables	<b>0062</b>	5.169	5.221
c) Current tax assets	<b>0063</b>	10.089	3.414
4. Current investments in group and associated companies	<b>0064</b>	55	36
5. Current financial investments	<b>0070</b>	-	17
6. Current accruals and prepayments	<b>0071</b>	3	3
7. Cash and cash equivalents	<b>0072</b>	51.317	83.787
<b>TOTAL ASSETS (A+B)</b>	<b>0100</b>	415.476	413.960



#### IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) EQUITY (A.1 + A.2 + A.3)</b>	<b>0195</b>	269.329	248.421
<b>A.1) EQUITY</b>	<b>0180</b>	266.582	245.296
1. Capital:	0171	3.364	3.364
a) Authorized capital	0161	3.364	3.364
a) Less: uncalled capital	0162		
2. Share premium	0172	87.636	87.636
3. Reserves	0173	7.032	6.959
4. Less: treasury stock	0174	(10.341)	(8.812)
5. Retained earnings	0178	153.338	140.568
6. Other shareholder contributions	0179		
7. Profit or loss for period	0175	25.553	15.581
8. Less: interim dividend	0176		
9. Other equity instruments	0177		
<b>A.2) ADJUSTMENTS FOR CHANGES IN VALUE</b>	<b>0188</b>	(3)	(3)
1. Available-for-sale financial assets	0181	(3)	(3)
2. Hedging transactions	0182		
3. Other	0183		
<b>A.3) GRANTS, DONATIONS AND LEGACIES RECEIVED</b>	<b>0194</b>	2.750	3.128
<b>B) NON-CURRENT LIABILITIES</b>	<b>0120</b>	62.803	24.440
1. Non-current provisions	0115		
2. Non-current debt:	0116	54.329	16.131
a) Bank borrowings and debentures or other negotiable instruments	0131	45.000	7.113
b) Other financial liabilities	0132	9.329	9.018
3. Non-current debt with group and associated companies	0117	333	-
4. Deferred tax liabilities	0118	2.348	2.046
5. Other non-current liabilities	0135		
6. Non-current accruals	0119	5.793	6.263
<b>C) CURRENT LIABILITIES</b>	<b>0130</b>	83.344	141.099
1. Liabilities associated with non-current assets held for sale	0121		
2. Current provisions	0122	9.827	7.226
3. Current debt:	0123	9.138	17.496
a) Bank borrowings and debentures or other negotiable instruments	0133	7.116	15.603
b) Other financial liabilities	0134	2.022	1.893
4. Current debt with group and associated companies	0129	156	141
5. Trade and other payables:	0124	63.457	115.877
a) Trade payables	0125	56.674	110.174
b) Other payables	0126	6.783	5.703
c) Current tax liabilities	0127		
6. Other current liabilities	0136		
7. Current accruals	0128	766	359
<b>TOTAL EQUITY AND LIABILITIES (A + B + C)</b>	<b>0200</b>	415.476	413.960



#### IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATED PERIOD 31/12/2019	ACCUMULATED PREVIOUS PERIOD
(+) Net revenue	0205	201.812	144.125	379.221	291.202
(+/-) Change in inventories of finished products and work in progress	0206	1.705	(598)	13.653	(490)
(+) Work performed by the company on its assets	0207				
(-) Supplies	0208	(141.608)	(94.030)	(277.098)	(190.379)
(+) Other operating income	0209	1.879	11	3.450	5.380
(-) Employee benefit expenses	0217	(16.407)	(15.703)	(34.490)	(32.744)
(-) Other operating expenses	0210	(34.644)	(34.684)	(66.661)	(67.113)
(-) Amortization and depreciation charges	0211	(4.692)	(3.931)	(9.331)	(7.753)
(+) Allocation of grants for non-financial assets and other	0212	402	460	685	864
(+) Excess provisions	0213				
(+/-) Impairment and gains/(losses) on disposal of intangible assets and property, plant & equipment	0214	(342)	(31)	(342)	(39)
(+/-) Other gains/(losses)	0215				
<b>= OPERATING PROFIT/(LOSS)</b>	<b>0245</b>	<b>8.105</b>	<b>(4.381)</b>	<b>9.087</b>	<b>(1.072)</b>
(+) Finance income	0250	32	37	17.066	12.845
(-) Finance expenses	0251	(321)	(254)	(624)	(684)
(+/-) Change in fair value of financial instruments	0252	25	17	159	17
(+/-) Exchange rate differences	0254	(47)	(56)	24	(56)
(+/-) Impairment and gains/(losses) on disposal of financial instruments	0255	-	2	-	2
<b>= FINANCE PROFIT/(LOSS)</b>	<b>0256</b>	<b>(311)</b>	<b>(254)</b>	<b>16.625</b>	<b>12.124</b>
<b>= PROFIT/(LOSS) BEFORE TAX</b>	<b>0265</b>	<b>7.794</b>	<b>(4.635)</b>	<b>25.712</b>	<b>11.052</b>
(+/-) Corporate income tax	0270	(1.637)	3.207	(159)	4.529
<b>= PROFIT/(LOSS) FOR PERIOD ON CONTINUING OPERATIONS</b>	<b>0280</b>	<b>6.157</b>	<b>(1.428)</b>	<b>25.553</b>	<b>15.581</b>
(+/-) Profit/(loss) for period on discontinued operations, net of tax	0285				
<b>= PROFIT/(LOSS) FOR PERIOD</b>	<b>0300</b>	<b>6.157</b>	<b>(1.428)</b>	<b>25.553</b>	<b>15.581</b>

EARNINGS PER SHARE		Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)	Amount (X.XX euros)
Basic	0290	0,11	-0,04	0,46	0,30
Diluted	0295				



<b>IV. SELECTED FINANCIAL INFORMATION</b>
<b>3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY</b>
<b>A. INDIVIDUAL STATEMENT OF RECOGNIZED INCOME AND EXPENSES (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)</b>

Units: thousands of euros

		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)</b>	<b>0305</b>	25.553	15.581
<b>B) INCOME OR EXPENSES CREDITED OR CHARGED DIRECTLY TO EQUITY:</b>	<b>0310</b>	484	828
1. Measurement of financial instruments	<b>0320</b>	-	(1)
a) Available-for-sale financial assets	<b>0021</b>	-	(1)
b) Other income /(expenses)	<b>0323</b>		
2. Cash flow hedges	<b>0330</b>		
3. Grants, donations and legacies received	<b>0340</b>	646	1.105
4. Actuarial gains and losses and other adjustments	<b>0344</b>		
5. Other income or expenses credited or charged directly to equity	<b>0343</b>		
6. Tax effect	<b>0345</b>	(162)	(276)
<b>C) TRANSFERS TO PROFIT AND LOSS:</b>	<b>0350</b>	(862)	(1.190)
1. Measurement of financial instruments	<b>0355</b>		
a) Available-for-sale financial assets	<b>0356</b>		
b) Other income /(expenses)	<b>0358</b>		
2. Cash flow hedges	<b>0360</b>		
3. Grants, donations and legacies received	<b>0366</b>	(1.151)	(1.586)
4. Other income or expenses credited or charged directly to equity	<b>0365</b>		
5. Tax effect	<b>0370</b>	289	396
<b>TOTAL RECOGNIZED INCOME/(EXPENSES) (A+B+C)</b>	<b>0400</b>	25.175	15.219

<b>IV. SELECTED FINANCIAL INFORMATION</b>
<b>3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY</b>
<b>B. INDIVIDUAL STATEMENT OF CHANGES IN TOTAL EQUITY (1/2) (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)</b>

Units: thousands of euros

CURRENT PERIOD		Equity					Adjustments for changes in value	Grants, donations and legacies received	Total equity
		Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the period	Other equity instruments			
<b>Closing balance at 01/01/2019</b>	<b>3010</b>	3.364	235.163	(8.812)	15.581		(3)	3.128	248.421
Adjustments for changes in accounting policies	3011								
Adjustments for errors	3012								
<b>Adjusted opening balance</b>	<b>3015</b>	3.364	235.163	(8.812)	15.581		(3)	3.128	248.421
<b>I. Total recognized income/(expenses)</b>	<b>3020</b>				25.553			(378)	25.175
<b>II. Transactions with shareholders or owners</b>	<b>3025</b>		1.682	(1.529)	(4.420)				(4.267)
1. Capital increases/(reductions)	3026								
2. Conversion of financial liabilities to equity	3027								
3. Distribution of dividends	3028				(4.420)				(4.420)
4. Treasury stock transactions (net)	3029		1.682	(1.529)					153
5. Increases/(reductions) due to business combinations	3030								
6. Other transactions with shareholders or owners	3032								
<b>III. Other equity transactions</b>	<b>3035</b>		11.161		(11.161)				
1. Payments based on equity instruments	3036								
2. Transfers between equity items	3037		11.161		(11.161)				
3. Other changes	3038								
<b>Closing balance at 31/12/2019</b>	<b>3040</b>	3.364	248.006	(10.341)	25.553		(3)	2.750	269.329



<b>IV. SELECTED FINANCIAL INFORMATION</b>
<b>3. INDIVIDUAL STATEMENT OF CHANGES IN EQUITY</b>
<b>B. INDIVIDUAL STATEMENT OF CHANGES IN TOTAL EQUITY (2/2) (PREPARED USING THE NATIONAL ACCOUNTING STANDARDS CURRENTLY IN FORCE)</b>

Units: thousands of euros

PREVIOUS PERIOD		Equity					Adjustments for changes in value	Grants, donations and legacies received	Total equity
		Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the period	Other equity instruments			
<b>Closing balance at 01/01/2018 (comparative period)</b>	<b>3050</b>	3.000	138.434	(8.407)	18.673		(2)	3.489	155.187
Adjustments for changes in accounting policies	<b>3051</b>								
Adjustments for errors	<b>3052</b>								
<b>Adjusted opening balance (comparative period)</b>	<b>3055</b>	3.000	138.434	(8.407)	18.673		(2)	3.489	155.187
<b>I. Total recognized income/(expenses)</b>	<b>3060</b>				15.581		(1)	(361)	15.219
<b>II. Transactions with shareholders or owners</b>	<b>3065</b>	364	84.008	(405)	(5.952)				78.015
1. Capital increases/(reductions)	<b>3066</b>	364	83.755						84.119
2. Conversion of financial liabilities to equity	<b>3067</b>								
3. Distribution of dividends	<b>3068</b>				(5.952)				(5.952)
4. Treasury stock transactions (net)	<b>3069</b>		253	(405)					(152)
5. Increases/(reductions) due to business combinations	<b>3070</b>								
6. Other transactions with shareholders or owners	<b>3072</b>								
<b>III. Other equity transactions</b>	<b>3075</b>		12.721		(12.721)				-
1. Payments based on equity instruments	<b>3076</b>								
2. Transfers between equity items	<b>3077</b>		12.721		(12.721)				
3. Other changes	<b>3078</b>								-
<b>Closing balance at 31/12/2018 (comparative period)</b>	<b>3080</b>	3.364	235.163	(8.812)	15.581		(3)	3.128	248.421

#### IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)</b>	<b>0435</b>	(30.035)	(10.114)
<b>1. Profit/(loss) before tax</b>	<b>0405</b>	25.712	11.052
<b>2. Adjustments to profit/(loss)</b>	<b>0410</b>	12.152	12.144
(+) Amortization and depreciation of intangible assets and property, plant and equipment	<b>0411</b>	9.331	7.753
(+/-) Other adjustments to profit/(loss) (net)	<b>0412</b>	2.821	4.391
<b>3. Changes in working capital</b>	<b>0415</b>	(60.206)	(36.096)
<b>4. Other cash flows from operating activities:</b>	<b>0420</b>	(7.693)	2.786
(-) Payment of interest	<b>0421</b>		
(+) Proceeds from dividends	<b>0422</b>		
(+) Proceeds from interest	<b>0423</b>		
(+/-) Proceeds from/(payments for) corporate income tax	<b>0430</b>	(8.087)	(3.141)
(+/-) Other proceeds from/(payments for) operating activities	<b>0425</b>	394	5.927
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)</b>	<b>0460</b>	(26.382)	(12.751)
<b>1. Payments of investments:</b>	<b>0440</b>	(26.539)	(15.342)
(-) Group companies, associates and business units	<b>0441</b>	(775)	-
(-) Property, plant and equipment, intangible assets and investment property	<b>0442</b>	(25.764)	(15.342)
(-) Other financial assets	<b>0443</b>		
(-) Non-current assets and liabilities classified as held for sale	<b>0459</b>		
(-) Other assets	<b>0444</b>		
<b>2. Proceeds from disinvestments</b>	<b>0450</b>	157	2.591
(+) Group companies, associates and business units	<b>0451</b>	-	50
(+) Property, plant and equipment, intangible assets and investment property	<b>0452</b>	75	2.199
(+) Other financial assets	<b>0453</b>		
(+) Non-current assets and liabilities classified as held for sale	<b>0461</b>		
(+) Other assets	<b>0454</b>	82	342
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3)</b>	<b>0490</b>	23.947	71.126
<b>1. Proceeds from and (payments for) equity instruments:</b>	<b>0470</b>	153	87.848
(+) Issue	<b>0471</b>	-	88.000
(-) Amortization	<b>0472</b>		
(-) Acquisition	<b>0473</b>	(4.718)	(1.138)
(+) Disposal	<b>0474</b>	4.871	986
(+) Grants, donations and legacies received	<b>0475</b>		
<b>2. Proceeds from and (payments for) financial liability instruments:</b>	<b>0480</b>	28.214	(10.770)
(+) Issue	<b>0481</b>	47.033	7.043
(-) Repayment and amortization	<b>0482</b>	(18.819)	(17.813)
<b>3. Payment of dividends and remuneration of other equity instruments</b>	<b>0485</b>	(4.420)	(5.952)
<b>D) EFFECT OF EXCHANGE RATE CHANGES</b>	<b>0492</b>		
<b>E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>	<b>0495</b>	(32.470)	48.261
<b>F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>0499</b>	83.787	35.526
<b>G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)</b>	<b>0500</b>	51.317	83.787

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
(+) Cash in hand and at bank	<b>0550</b>	51.317	83.787
(+) Other financial assets	<b>0552</b>		
(-) Less: bank overdrafts repayable on demand	<b>0553</b>		
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>0600</b>	51.317	83.787





IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

ASSETS		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) NON-CURRENT ASSETS</b>	<b>1040</b>	193.326	148.696
1. Intangible assets:	<b>1030</b>	45.079	34.650
a) Goodwill	<b>1031</b>		
b) Other intangible assets	<b>1032</b>	45.079	34.650
2. Property, plant and equipment	<b>1033</b>	131.608	95.837
3. Investment property	<b>1034</b>		
4. Investments in group and associated companies accounted for using the equity me	<b>1035</b>	1.843	2.038
5. Non-current financial investments	<b>1036</b>	71	70
a) At fair value through profit or loss	<b>1047</b>	71	70
<i>Of which, "Designated upon initial recognition"</i>	<b>1041</b>		
b) At fair value through other comprehensive income	<b>1042</b>		
<i>Of which, "Designated upon initial recognition"</i>	<b>1043</b>		
c) At amortised cost	<b>1044</b>		
6. Non-current derivatives	<b>1039</b>		
a) Hedging instruments	<b>1045</b>		
b) Other	<b>1046</b>		
7. Deferred tax assets	<b>1037</b>	14.660	16.036
8. Other non-current assets	<b>1038</b>	65	65
<b>B) CURRENT ASSETS</b>	<b>1085</b>	317.885	254.004
1. Non-current assets held for sale	<b>1050</b>		
2. Inventories	<b>1055</b>	158.811	94.861
3. Trade and other receivables	<b>1060</b>	91.645	63.594
a) Trade receivables for sale of goods and services	<b>1061</b>	71.616	50.953
b) Other receivables	<b>1062</b>	9.925	9.227
c) Current tax assets	<b>1063</b>	10.104	3.414
4. Current financial assets	<b>1070</b>		
a) At fair value through profit or loss	<b>1080</b>		
<i>Of which, "Designated upon initial recognition"</i>	<b>1081</b>		
b) At fair value through other comprehensive income	<b>1082</b>		
<i>Of which, "Designated upon initial recognition"</i>	<b>1083</b>		
c) At amortised cost	<b>1084</b>		
5. Current derivatives	<b>1076</b>	-	17
a) Hedging instruments	<b>1077</b>	-	17
b) Other	<b>1078</b>		
6. Other current assets	<b>1075</b>	3	21
7. Cash and cash equivalents	<b>1072</b>	67.426	95.511
<b>TOTAL ASSETS (A+B)</b>	<b>1100</b>	511.211	402.700

**IV. SELECTED FINANCIAL INFORMATION**

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

Units: thousands of euros

LIABILITIES AND EQUITY		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) EQUITY (A.1 + A.2 + A.3)</b>	<b>1195</b>	322.386	287.472
<b>A.1) EQUITY</b>	<b>1180</b>	322.389	287.475
1. Capital:	1171	3.364	3.364
a) Authorized capital	1161	3.364	3.364
b) <i>Less: uncalled capital</i>	1162		
2. Share premium	1172	87.636	87.636
3. Reserves	1173	673	600
4. <i>Less treasury stock</i>	1174	(10.341)	(8.812)
5. Retained earnings	1178	201.784	186.792
6. Other shareholder contributions	1179		
7. Profit or loss for period	1175	39.273	17.895
8. <i>Less: interim dividend</i>	1176		
9. Other equity instruments	1177		
<b>A.2) ACCUMULATED OTHER COMPREHENSIVE INCOME</b>	<b>1188</b>	(3)	(3)
1. Items not reclassified to profit and loss for the period	1186		
a) Equity instruments held at fair value through other comprehensive income	1185		
b) Other	1190		
2. Items that may be reclassified to profit and loss for the period	1187	(3)	(3)
a) Hedging transactions	1182		
b) Hedging differences	1184		
c) Share in other comprehensive income of joint ventures and other	1192		
d) Debt instruments held at fair value through other comprehensive income	1191		
e) Other	1183	(3)	(3)
<b>EQUITY ATTRIBUTED TO PARENT COMPANY (A.1 + A.2)</b>	<b>1189</b>	322.386	287.472
<b>A.3) NON-CONTROLLING INTERESTS</b>	<b>1193</b>		
<b>B) NON-CURRENT ASSETS</b>	<b>1120</b>	82.116	27.716
1. Grants	1117		
2. Non-current provisions	1115		
3. Non-current financial liabilities:	1116	72.104	16.589
a) Bank borrowings and debentures or other negotiable securities	1131	45.000	7.113
b) Other financial liabilities	1132	27.104	9.476
4. Deferred tax liabilities	1118	1.078	1.243
5. Non-current derivatives	1140		
a) Hedging instruments	1141		
b) Other	1142		
6. Other non-current liabilities	1135	8.934	9.884
<b>C) CURRENT LIABILITIES</b>	<b>1130</b>	106.709	87.512
1. Liabilities related to current assets held for sale	1121		
2. Current provisions	1122		
3. Current financial liabilities:	1123	12.572	17.635
a) Bank borrowings and debentures or other negotiable securities	1133	7.116	15.603
b) Other financial liabilities	1134	5.456	2.032
4. Trade and other payables:	1124	91.914	68.165
a) Trade payables	1125	68.770	47.875
b) Other payables	1126	23.144	20.290
c) Current tax liabilities	1127		
5. Current derivatives	1145	129	-
a) Hedging instruments	1146	129	-
b) Other	1147		
5. Other current liabilities	1136	2.094	1.712
<b>TOTAL EQUITY AND LIABILITIES (A + B + C)</b>	<b>1200</b>	511.211	402.700



#### IV. SELECTED FINANCIAL INFORMATION

#### 6. CONSOLIDATED INCOME STATEMENT (UNDER IFRS ADOPTED)

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	ACCUMULATED PERIOD 31/12/2019	ACCUMULATED PERIOD 31/12/2018
(+) Net revenue	1205	203.777	156.894	381.313	303.203
(+/-) Change in inventories of finished products and work in progress	1206	534	331	21.414	9.050
(+) Work performed by the company on its assets	1207				
(-) Supplies	1208	(91.082)	(67.000)	(188.020)	(137.662)
(+) Other operating income	1209	-			
(-) Employee benefit expenses	1217	(35.759)	(33.914)	(72.512)	(70.180)
(-) Other operating expenses	1210	(43.314)	(40.983)	(81.946)	(76.496)
(-) Amortization and depreciation charges	1211	(9.501)	(6.186)	(18.216)	(12.044)
(+) Allocation of grants for non-financial assets and other	1212	777	833	1.151	1.587
(+/-) Impairment of intangible assets and property, plant & equipment	1214	(341)		(341)	
(+/-) Gains/(losses) on disposal of intangible assets and property, plant & equipment	1216				
(+/-) Other gains/(losses)	1215				
<b>= OPERATING PROFIT/(LOSS)</b>	<b>1245</b>	<b>25.091</b>	<b>9.975</b>	<b>42.843</b>	<b>17.458</b>
(+) Finance income	1250	48	9	51	16
a) Interest income calculated using the effective interest rate method	1262	48	9	51	16
b) Other	1263				
(-) Finance expenses	1251	(475)	(274)	(927)	(712)
(+/-) Change in fair value of financial instruments	1252	25	(23)	159	(23)
(+/-) Gains/(losses) due to the reclassification of financial assets held at amortised cost to financial assets held at fair value	1258				
(+/-) Gains/(losses) due to the reclassification of financial assets held at fair value through other comprehensive income to financial assets held at fair value	1259				
(+/-) Exchange rate differences	1254	(88)	(83)	(51)	(83)
(+/-) Impairment on disposal of financial instruments	1255				
(+/-) Gains/(losses) on disposal of financial instruments	1257				
a) Financial instruments at amortised cost	1260				
b) Rest of financial instruments	1261				
<b>= FINANCE PROFIT/(LOSS)</b>	<b>1256</b>	<b>(490)</b>	<b>(371)</b>	<b>(768)</b>	<b>(802)</b>
(+/-) Profit/(loss) of entities measured using the equity method	1253	(185)	49	(195)	24
<b>= PROFIT/(LOSS) BEFORE TAX</b>	<b>1265</b>	<b>24.416</b>	<b>9.653</b>	<b>41.880</b>	<b>16.680</b>
(+/-) Corporate income tax	1270	(1.304)	692	(2.607)	1.215
<b>= PROFIT/(LOSS) FOR PERIOD FROM CONTINUING OPERATIONS</b>	<b>1280</b>	<b>23.112</b>	<b>10.345</b>	<b>39.273</b>	<b>17.895</b>
(+/-) Profit/(loss) for period from discontinued operations, net of taxes	1285				
<b>= CONSOLIDATED PROFIT/(LOSS) FOR PERIOD</b>	<b>1288</b>	<b>23.112</b>	<b>10.345</b>	<b>39.273</b>	<b>17.895</b>
a) Profit/(loss) attributed to parent company	1300	23.112	10.345	39.273	17.895
b) Profit/(loss) attributed to non-controlling interests	1289				

EARNINGS PER SHARE		AMOUNT (X.XX euros)	AMOUNT (X.XX euros)	AMOUNT (X.XX euros)	AMOUNT (X.XX euros)
Basic	1290	0,42	0,20	0,71	0,35
Diluted	1295				



#### IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

		CURRENT PERIOD (2nd HALF)	PREVIOUS PERIOD (2nd HALF)	CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) PROFIT/(LOSS) FOR PERIOD (from Income Statement)</b>	<b>1305</b>	23.112	10.345	39.273	17.895
<b>B) OTHER COMPREHENSIVE INCOME - ITEMS NOT RECLASSIFIED TO PROFIT AND LOSS FOR THE PERIOD</b>	<b>1310</b>				
1. Remeasurement (reversal of remeasurement) of property, plant and equipment and intangible assets	1311				
2. Actuarial gains and losses	1344				
3. Share in other recognized comprehensive income from investments in joint ventures and associates	1342				
4. Equity instruments held at fair value through other	1346				
5. Other income and expenses not reclassified to profit and loss for the period	1343				
6. Tax effect	1345				
<b>C) OTHER COMPREHENSIVE INCOME - ITEMS THAT MAY SUBSEQUENTLY BE RECLASSIFIED TO PROFIT AND LOSS FOR</b>	<b>1350</b>				-1
<b>1. Hedging transactions:</b>	<b>1360</b>				
a) Gains/(losses) on remeasurement	1361				
b) Amounts transferred to profit and loss	1362				
c) Amounts transferred at initial value of hedged items	1363				
d) Other reclassifications	1364				
<b>2. Conversion differences:</b>	<b>1365</b>				
a) Gains/(losses) on remeasurement	1366				
b) Amounts transferred to profit and loss	1367				
c) Other reclassifications	1368				
<b>3. Share in other recognized comprehensive income from investments in joint ventures and associates</b>	<b>1370</b>				
a) Gains/(losses) from measurement	1371				
b) Amounts transferred to profit and loss	1372				
c) Other reclassifications	1373				
<b>4. Debt instruments held at fair value through other comprehensive income:</b>	<b>1381</b>				
a) Gains/(losses) on remeasurement	1382				
b) Amounts transferred to profit and loss	1383				
c) Other reclassifications	1384				
<b>5. Other comprehensive income and expenses that may subsequently be reclassified to profit and loss for the period:</b>	<b>1375</b>				-1
a) Gains/(losses) on remeasurement	1376				-1
b) Amounts transferred to profit and loss	1377				
c) Other reclassifications	1978				
<b>6. Tax effect</b>	<b>1380</b>				
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+B+C)</b>	<b>1400</b>	23.112	10.345	39.273	17.894
a) Attributed to parent company	1398	23.112	10.345	39.273	17.894
b) Attributed to non-controlling interests	1399				

IV. SELECTED FINANCIAL INFORMATION

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

Units: thousands of euros

CURRENT PERIOD		Equity attributed to parent company					Adjustments for changes in value	Non-controlling interests	Total equity
		Equity							
		Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the per. attributed to parent company	Other equity instruments			
<b>Closing balance at 01/01/2019</b>	<b>3110</b>	3.364	275.028	(8.812)	17.895		(3)	287.472	
Adjustments for changes in accounting policies	3111								
Adjustments for errors	3112								
<b>Adjusted opening balance</b>	<b>3115</b>	3.364	275.028	(8.812)	17.895		(3)	287.472	
<b>I. Total recognized income/(expenses)</b>	<b>3120</b>				39.273			39.273	
<b>II. Transactions with shareholders or owners</b>	<b>3125</b>		1.682	(1.529)	(4.420)			(4.267)	
1. Capital increases/(reductions)	3126								
2. Conversion of financial liabilities to equity	3127								
3. Distribution of dividends	3128				(4.420)			(4.420)	
4. Treasury stock transactions (net)	3129		1.682	(1.529)				153	
5. Increases/(reductions) due to business combinations	3130								
6. Other transactions with shareholders or owners	3132								
<b>III. Other equity transactions</b>	<b>3135</b>		13.383		(13.475)			(92)	
1. Payments based on equity instruments	3136								
2. Transfers between equity items	3137		13.475		(13.475)				
3. Other changes	3138		(92)					(92)	
<b>Closing balance at 31/12/2019</b>	<b>3140</b>	3.364	290.093	(10.341)	39.273		(3)	322.386	

**IV. SELECTED FINANCIAL INFORMATION**

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

Units: thousands of euros

PREVIOUS PERIOD	Equity attributed to parent company							Non-controlling interests	Total equity
	Equity					Adjustments for changes in value			
	Share capital	Share premium and reserves	Treasury stock	Profit/(loss) for the per. attributed to parent company	Other equity instruments				
<b>Closing balance at 01/01/2018 (comparative period)</b>	<b>3150</b>	3.000	179.855	(8.407)	17.241		(2)		191.687
Adjustments for changes in accounting policies	<b>3151</b>								
Adjustments for errors	<b>3152</b>								
<b>Adjusted opening balance</b>	<b>3155</b>	3.000	179.855	(8.407)	17.241		(2)		191.687
<b>I. Total recognized income/(expenses)</b>	<b>3160</b>				17.895		(1)		17.894
<b>II. Transactions with shareholders or owners</b>	<b>3165</b>	364	84.008	(405)	(5.952)				78.015
1. Capital increases/(reductions)	<b>3166</b>	364	83.755						
2. Conversion of financial liabilities to equity	<b>3167</b>								
3. Distribution of dividends	<b>3168</b>				(5.952)				(5.952)
4. Treasury stock transactions (net)	<b>3169</b>		253	(405)					(152)
5. Increases/(reductions) due to business combinations	<b>3170</b>								
6. Other transactions with shareholders or owners	<b>3172</b>								
<b>III. Other equity transactions</b>	<b>3175</b>		11.165		(11.289)				(124)
1. Payments based on equity instruments	<b>3176</b>								
2. Transfers between equity items	<b>3177</b>		11.289		(11.289)				
3. Other changes	<b>3178</b>		(124)						(124)
<b>Closing balance at 31/12/2018 (comparative period)</b>	<b>3180</b>	3.364	275.028	(8.812)	17.895		(3)		287.472

**IV. SELECTED FINANCIAL INFORMATION**

**9.A. CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) (UNDER IFRS ADOPTED)**

Units: thousands of euros

		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES (1 + 2 + 3 + 4)</b>	<b>1435</b>	(9.044)	8.531
<b>1. Profit/(loss) before tax</b>	<b>1405</b>	41.880	16.680
<b>2. Adjustments to profit/(loss)</b>	<b>1410</b>	17.769	12.699
(+) Amortization and depreciation of intangible assets and property, plant and equipment	1411	18.216	12.044
(+/-) Other adjustments to profit/(loss) (net)	1412	(447)	655
<b>3. Changes in working capital</b>	<b>1415</b>	(63.665)	(24.434)
<b>4. Other cash flows from operating activities:</b>	<b>1420</b>	(5.028)	3.586
(-) Payment of interest	1421		
(-) Payment of dividends and remuneration of other equity instruments	1430		
(+) Proceeds from dividends	1422		
(+) Proceeds from interest	1423	(93)	-
(+/-) Proceeds from/(payments of) corporate income tax	1424	(8.129)	(3.141)
(+/-) Other proceeds from/(payments for) operating activities	1425	3.194	6.727
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2+3)</b>	<b>1460</b>	(40.472)	(26.242)
<b>1. Payments of investments:</b>	<b>1440</b>	(40.525)	(26.459)
(-) Group companies, associates and business units	1441		
(-) Property, plant and equipment, intangible assets and investment property	1442	(40.525)	(26.459)
(-) Other financial assets	1443		
(-) Non-current assets and liabilities classified as held for sale	1459		
(-) Other assets	1444		
<b>2. Proceeds from disinvestments</b>	<b>1450</b>	2	112
(+) Group companies, associates and business units	1451	-	50
(+) Property, plant and equipment, intangible assets and investment property	1452	2	62
(+) Other financial assets	1453		
(+) Non-current assets and liabilities classified as held for sale	1461		
(+) Other assets	1454		
<b>3. Other cash flows from investing activities</b>	<b>1455</b>	51	105
(+) Proceeds from dividends	1456		
(+) Proceeds from interest	1457	51	105
(+/-) Other proceeds from/(payments for) investing activities	1458		
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3+4)</b>	<b>1490</b>	21.431	72.522
<b>1. Proceeds from and (payments of) equity instruments:</b>	<b>1470</b>	153	87.848
(+) Issue	1471	-	88.000
(-) Amortization	1472		
(-) Acquisition	1473	(4.718)	(1.138)
(+) Disposal	1774	4.871	986
<b>2. Proceeds from/ (payments for) financial liability instruments:</b>	<b>1480</b>	25.791	(9.187)
(+) Issue	1481	47.033	7.043
(-) Repayment and amortization	1482	(21.242)	(16.230)
<b>3. Payment of dividends and remuneration of other equity instruments</b>	<b>1485</b>	(4.420)	(5.952)
<b>4. Other cash flows from financing activities</b>	<b>1486</b>	(93)	(187)
(-) Payment of interest	1487	(93)	(187)
(+/-) Other proceeds from/(payments for) financing activities	1488		
<b>D) EFFECT OF CHANGES IN EXCHANGE RATES</b>	<b>1492</b>		
<b>E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>	<b>1495</b>	(28.085)	54.811
<b>F) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1499</b>	95.511	40.700
<b>G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (E+F)</b>	<b>1500</b>	67.426	95.511

**COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF PERIOD**

		CURRENT PERIOD 31/12/2019	PREVIOUS PERIOD 31/12/2018
(+) Cash in hand and at bank	1550	67.426	95.511
(+) Other financial assets	1552		
(-) Less: bank overdrafts repayable on demand	1553		
<b>TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1600</b>	67.426	95.511

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Dirección General de Mercados  
Edison, 4, 28006 Madrid, España  
(+34) 915 851 500, www.cnmv.es

LABORATORIOS FARMACEUTICOS ROVI, S.A.

#### IV. SELECTED FINANCIAL INFORMATION

##### 10. DIVIDENDS PAID

		CURRENT PERIOD		PREVIOUS PERIOD	
		Euros per share (X.XX)	Amount (thousand euros)	Euros per share (X.XX)	Amount (thousand euros)
Ordinary shares	2158	0,08	4.474	0,12	6.035
Other shares (non-voting, redeemable, etc.)	2159				
<b>Total dividends paid</b>	<b>2160</b>	<b>0,08</b>	<b>4.474</b>	<b>0,12</b>	<b>6.035</b>
a) Dividends charged to profit and loss	2155	0,08	4.474	0,12	6.035
a) Dividends charged to reserves or share premium	2156				
c) Dividends in kind	2157				
d) Flexible payment	2154				





#### IV. SELECTED FINANCIAL INFORMATION

##### 11. SEGMENT REPORTING

Units: thousands of euros

Table 1:

GEOGRAPHICAL AREA		Distribution of net revenue by geographical area			
		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Domestic market	2210	284.475	236.614	232.266	203.765
Exports:	2215	94.746	54.588	149.047	99.438
a) European Union	2216	77.691	42.037	129.825	84.967
Eurozone	2217	71.521	39.562	105.217	69.064
Non Eurozone	2218	6.170	2.475	24.608	15.903
c) Other countries	2219	17.055	12.551	19.222	14.471
<b>TOTAL</b>	<b>2220</b>	<b>379.221</b>	<b>291.202</b>	<b>381.313</b>	<b>303.203</b>

Table 2:

SEGMENTS		CONSOLIDATED			
		Total net revenue from external customers		Profit or loss	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
Manufacturing	2221	197.512	142.688	30.221	17.196
Marketing	2222	392.727	287.763	28.153	13.218
Other	2223			(33)	(7)
	2224				
	2225				
	2226				
	2227				
	2228				
	2229				
(-)Adjustments between segments	2230	(208.926)	(127.248)	(19.068)	(12.512)
<b>TOTAL</b>	<b>2235</b>	<b>381.313</b>	<b>303.203</b>	<b>39.273</b>	<b>17.895</b>



**IV. SELECTED FINANCIAL INFORMATION**

**12. AVERAGE NUMBER OF EMPLOYEES**

		INDIVIDUAL		CONSOLIDATED	
		CURRENT PERIOD	PREVIOUS PERIOD	CURRENT PERIOD	PREVIOUS PERIOD
<b>AVERAGE NUMBER OF EMPLOYEES</b>	<b>2295</b>	506	471	1.293	1.209
Men	<b>2296</b>	216	196	600	542
Women	<b>2297</b>	290	275	693	667

**IV. SELECTED FINANCIAL INFORMATION**

**13. COMPENSATION RECEIVED BY DIRECTORS AND SENIOR MANAGEMENT**

**DIRECTORS:**

Item of compensation:		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Remuneration for membership of Board or Board committees	<b>2310</b>	510	510
Salaries	<b>2311</b>	787	770
Variable cash remuneration	<b>2312</b>	383	1.313
Share-based remuneration systems	<b>2313</b>		
Indemnities	<b>2314</b>		
Long-term savings systems	<b>2315</b>	24	24
Other	<b>2316</b>		
<b>TOTAL</b>	<b>2320</b>	1.704	2.617

**SENIOR MANAGEMENT:**

		Amount (thousand euros)	
		CURRENT PERIOD	PREVIOUS PERIOD
Total compensation received by senior management	<b>2325</b>	1.894	1.773

#### IV. SELECTED FINANCIAL INFORMATION

##### 14. RELATED-PARTY TRANSACTIONS AND BALANCES (1/2)

Units: thousands of euros

		CURRENT PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
<b>EXPENSES AND INCOME</b>						
1) Finance expenses	2340					
2) Rentals	2343		25		2.036	2.061
3) Services received	2344					
4) Purchases of goods (finished or in progress)	2345					
5) Other expenses	2348					
<b>EXPENSES (1+2+3+4+5)</b>	<b>2350</b>		25		2.036	2.061
6) Finance income	2351					
7) Dividends received	2354					
8) Services provided	2356					
9) Sale of goods (finished or in progress)	2357					
10) Other income	2359					
<b>INCOME (6+7+8+9+10)</b>	<b>2360</b>					

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

		CURRENT PERIOD				
		Significant share-holders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
<b>BALANCES AT END OF PERIOD</b>						
1) Customers and trade debtors	2341					
2) Loans and credits granted	2342					
3) Other amounts receivable	2346					
<b>TOTAL BALANCES RECEIVABLE (1+2+3)</b>	<b>2347</b>					
4) Suppliers and trade creditors	2352					
5) Loans and credits received	2353					
6) Other payment obligations	2355					
<b>OTHER BALANCES PAYABLE (4+5+6)</b>	<b>2358</b>					

#### IV. SELECTED FINANCIAL INFORMATION

##### 14. RELATED-PARTY TRANSACTIONS AND BALANCES (2/2)

Units: thousands of euros

##### RELATED-PARTY TRANSACTIONS

		PREVIOUS PERIOD				
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
<b>EXPENSES AND INCOME</b>						
1) Finance expenses	6340					
2) Rentals	6343		24		2.026	2.050
3) Services received	6344				200	200
4) Purchases of goods (finished or in progress)	6345					
5) Other expenses	6348					
<b>EXPENSES (1+2+3+4+5)</b>	<b>6350</b>		24		2.226	2.250
6) Finance income	6351					
7) Dividends received	6354					
8) Services provided	6356					
9) Sale of goods (finished or in progress)	6357				62	62
10) Other income	6359					
<b>INCOME (6+7+8+9+10)</b>	<b>6360</b>				62	62

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

		PREVIOUS PERIOD				
		Significant shareholders	Directors and senior management	Persons, companies or entities belonging to the group	Other related parties	Total
<b>BALANCES AT END OF PERIOD</b>						
1) Customers and trade debtors	2341					
2) Loans and credits granted	2342					
3) Other amounts receivable	2346					
<b>TOTAL BALANCES RECEIVABLE (1+2+3)</b>	<b>2347</b>					
4) Suppliers and trade creditors	2352					
5) Loans and credits received	2353					
6) Other payment obligations	2355					
<b>OTHER BALANCES PAYABLE (4+5+6)</b>	<b>2358</b>					