Full Year 2019 Results

26th February 2020

Laboratorios Farmacéuticos Rovi, S.A. and Subsidiaries
Investor Relations

ROVI – Full Year 2019 Financial Results

ROVI reports operating revenue growth of 26% and EBITDA growth of 106%

- **Operating revenue increased by 26% to 381.3 million euros in 2019, driven by (i) the strength of the specialty pharmaceutical business, where sales rose 27%, strongly outperforming the market, and by (ii) the toll manufacturing business, which grew by 20%. Total revenue increased by 25% to 382.5 million euros in 2019, more than tripling total revenue for 2007 when ROVI held its IPO.**

- **For 2020, ROVI expects a mid-single-digit growth rate for the operating revenue.**

- **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 and sales of Bemiparin increased 6% to 96.8 million euros.**

- **Sales of Neparvis®, launched in December 2016, increased by 62% to 22.0 million euros in 2019.**

- **EBITDA increased by 106%, from 29.5 million euros in 2018 to 60.9 million euros in 2019, reflecting a 6.2 percentage point rise in the EBITDA margin to 16.0% in 2019.**

- **Net profit increased by 119%, from 17.9 million euros in 2018 to 39.3 million euros in 2019. In 2019, ROVI achieved the highest EBITDA and net profit figures in its history.**

- **ROVI filed its application for marketing authorisation for Doria® with the European health authority, 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 and was released to the Stock Market through the publication of the material event with register number 286374 dated 31 January, 2020.**

- **ROVI will propose to the Shareholders General Meeting a dividend of 0.1751 euros per share with dividend rights on 2019 earnings. This proposed dividend would mean an increase of 119% compared to the dividend on 2018 earnings (€0.0798/share) and represents a 25% pay out.**

Madrid (Spain), 26th February 2020, 8:00 AM CET - ROVI released today its financial results for 2019.

Juan López-Belmonte Encina, Chief Executive Officer of ROVI, said "*in 2019, we reached 26% operating revenue growth, mainly driven by the strength of the specialty pharmaceutical business, where sales rose by 27%, and by the toll manufacturing business, which grew by 20%. We forecast continued growth thanks to, among other factors, our flagship product, Bemiparin, which grew by 6%. Likewise, we are already marketing our enoxaparin biosimilar in 13 countries and attained sales of 80.9 million euros in 2019, just two years after the launch of the product. We are in a phase of international expansion and hope that our enoxaparin biosimilar will enable us to be present in more than 120 countries in the long term. We are very excited about the potential of our LMHW franchise and aspire to become a benchmark player in this field worldwide. Furthermore, we expect our specialty business in Spain, supported by the good performance of products such as Neparvis®, from Novartis, and Volutsa®, from Astellas, to provide us with a sustainable and profitable growth opportunity in the future. Also, recent product acquisitions, such as those of Falithrom® and Polaramine®, fully complement our existing portfolio and have already had a favourable impact on the company's profits. In addition, the consolidation of the toll manufacturing area allows us to take better advantage of the synergies between the plants and enhance their efficiency. The redirection of the toll manufacturing activities strategy towards high value-added products, backed by the high degree of technological specialisation of our plants in differentiated niches, enabled our toll manufacturing business to increase 20% in 2019. Likewise, low-double-digit growth for the toll manufacturing business is expected in 2020.*

At the same time, we are confident of the potential of our current pipeline of R&D projects, making important investment efforts, since we trust they will be the company's growth engine in the future. We have high hopes of the potential of our long-acting injectable technology (ISM®). We concluded a Phase III trial with our ISM® technology (Risperidone ISM®) and have just filed the dossier in Europe, likewise planning registration in the United States for the second half of 2020. We are also conducting a Phase I study for another candidate, Letrozole, for which preliminary data also show positive results, reflecting our clear commitment to our ISM® technology".

1. Financial highlights

€ million	2019	2018	Growth	% Growth
Operating revenue	381.3	303.2	78.1	26%
Other income	1.2	1.6	-0.4	-27%
Total revenue	**382.5**	**304.8**	**77.7**	**25%**
Cost of sales	-166.6	-128.6	-38.0	30%
Gross profit	**215.9**	**176.2**	**39.7**	**23%**
% 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.
EBITDA	**60.9**	**29.5**	**31.3**	**106%**
% margin	*16.0%*	*9.7%*		*6.2pp*
EBIT	**42.6**	**17.5**	**25.2**	**144%**
% margin	*11.2%*	*5.8%*		*5.4pp*
Net profit	**39.3**	**17.9**	**21.4**	**119%**

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.

The consolidated financial statements of Grupo ROVI for 2019 and the comparative information for 2018 are attached to this report (see Appendix 1).

2. Performance of the Group

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.

€ million	**2019**	**2018**	**% Growth**
Specialty pharmaceutical business	315.7	248.6	27%
Toll manufacturing business	65.6	54.6	20%
Total operating revenue	**381.3**	**303.2**	**26%**

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

€ million	**2019**	**2018**	**% Growth**
Prescription-based pharmaceutical products	**281.0**	**216.8**	**30%**
Low Molecular Weight Heparins	177.6	121.5	46%
Enoxaparin biosimilar (Enoxaparin Becat)	80.9	30.2	167%
Bemiparin (Hibor)	96.8	91.3	6%
Sales in Spain	69.6	67.4	3%
International sales	27.2	23.8	14%
Neparvis	22.0	13.6	62%
Ulunar & Hirobriz	14.6	15.3	-5%
Volutsa	13.3	11.2	18%
Vytorin & Absorcol & Orvatez	31.8	36.0	-12%
Medikinet & Medicebran	5.8	7.4	-22%
Other products	33.7	30.0	12%
Discounts to the National Health System	-17.8	-18.3	-3%
Contrast agents and other hospital products	**32.6**	**29.7**	**10%**
Non prescription pharmaceutical products ("OTC") and Other	**2.1**	**2.2**	**-3%**
Total specialty pharmaceutical business	**315.7**	**248.6**	**27%**

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. Likewise, in the fourth quarter of 2019, ROVI launched the product in Germany and Italy through TEVA and Caber respectively.

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.

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 (due to the African swine fever), 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 mainly:

- 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.
- 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.

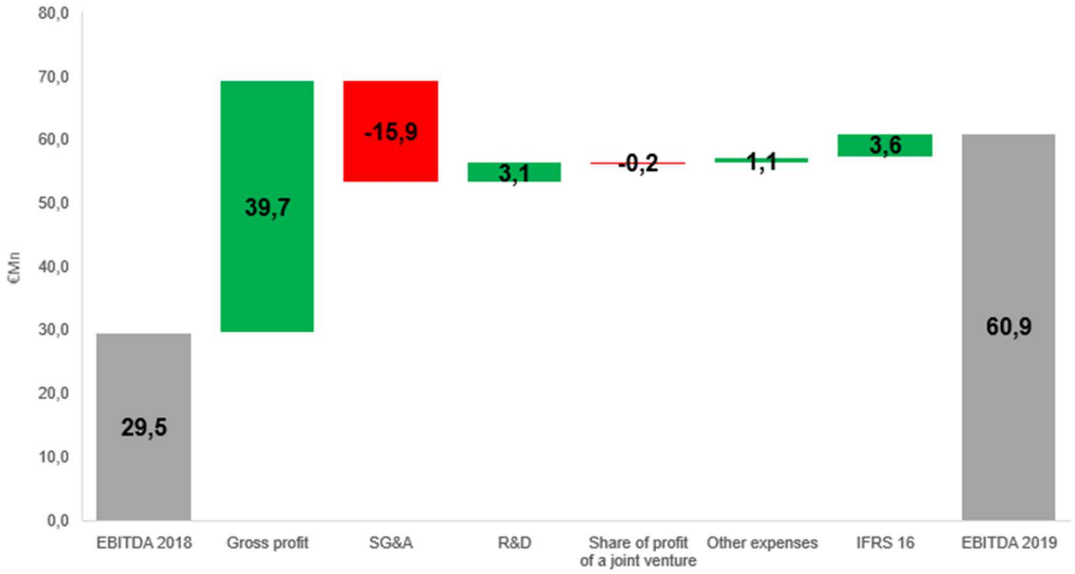
Selling, general and administrative expenses (SG&A) increased 11% to 125.5 million euros in 2019, mainly due to (i) international subsidiaries expenses which amounted to 9.0 million euros compared to 7.4 million euros in 2018; (ii) the increase of 1.6 million euros in marketing expenses related to the 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.

€ million	**2019**	**2018**	**% Growth**
Personnel expenses (exc. R&D)	64.4	61.3	5%
Other operating expenses (exc. R&D)	61.1	51.9	18%
Total SG&A expenses	**125.5**	**113.2**	**11%**
Expenses related to intern. subsidiaries	*9.0*	*7.4*	*21%*

In 2018, EBITDA was affected by non-recurring expenses of 1.1 million, linked to a substantial change to Frosst Ibérica 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.

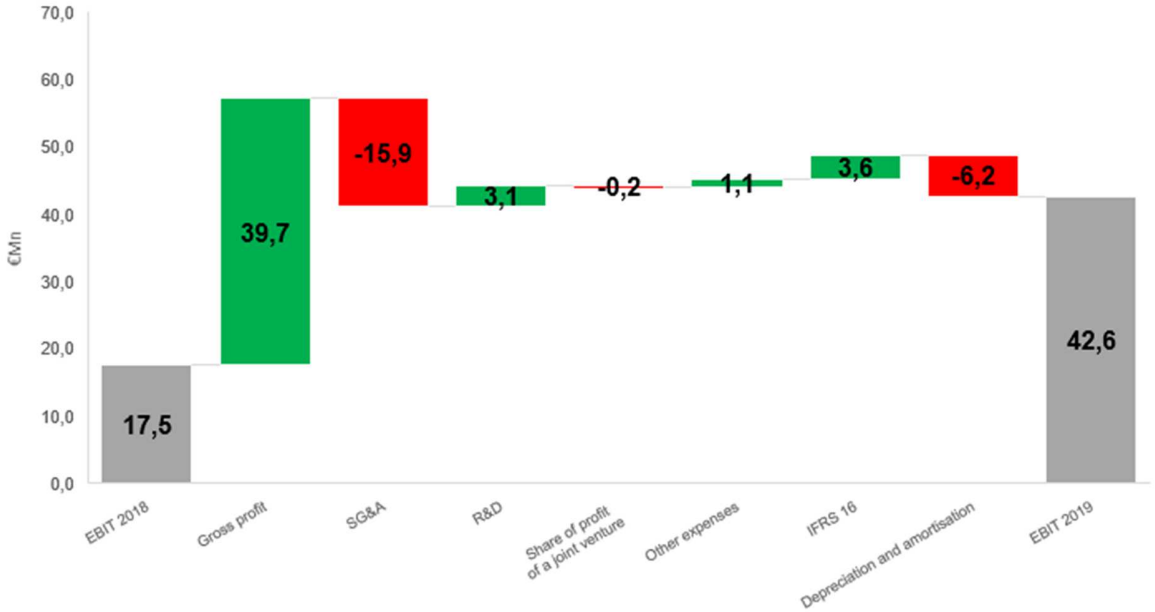


However, EBITDA "Pre-R&D", calculated excluding R&D expenses in 2019 and 2018 and the impact of non-recurring expenses in 2018, increased by 43%, from 63.0 million euros in 2018 to 90.2 million euros in 2019, reflecting a 2.9 percentage point rise in the EBITDA margin to 23.6% in 2019 (see "w/o R&D costs" columns of the table below). 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 (see "Flat R&D costs" columns of the table below).

	Reported		w/o R&D costs			Flat R&D costs		
€ million	**2019**	**2018**	**2019**	**2018**	**Chang**	**2019**	**2018**	**Chang**
Operat. revenue	381.3	303.2	381.3	303.2	26%	381.3	303.2	26%
Other income	1.2	1.6	1.2	1.6	-27%	1.2	1.6	-27%
Total revenue	**382.5**	**304.8**	**382.5**	**304.8**	**25%**	**382.5**	**304.8**	**25%**
Cost of sales	-166.6	-128.6	-166.6	-128.6	30%	-166.6	-128.6	30%
Gross profit	**215.9**	**176.2**	**215.9**	**176.2**	**23%**	**215.9**	**176.2**	**23%**
% margin	*56.6%*	*58.1%*	*56.6%*	*58.1%*	*-1.5pp*	*56.6%*	*58.1%*	*-1.5pp*
R&D expenses	-29.3	-32.4	**0.0**	**0.0**	n.a.	**-32.4**	-32.4	n.a.
SG&A	-125.5	-113.2	-125.5	-113.2	11%	-125.5	-113.2	11%
Other expenses	0.0	-1.1	0.0	**0.0**	n.a.	0.0	**0.0**	n.a.
Share of P/L of a JV	-0.2	0.0	-0.2	0.0	n.a.	-0.2	0.0	n.a.
EBITDA	**60.9**	**29.5**	**90.2**	**63.0**	**43%**	**57.8**	**30.6**	**89%**
% margin	*16.0%*	*9.7%*	*23.6%*	*20.8%*	*2.9pp*	*15.2%*	*10.1%*	*5.1pp*

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 (see "w/o R&D costs" columns of the table below). 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 (see "Flat R&D costs" columns of the table below).

	Reported		**w/o R&D costs**			**Flat R&D costs**		
€ million	**2019**	**2018**	**2019**	**2018**	**Chang**	**2019**	**2018**	**Chang**
Operat. revenue	381.3	303.2	381.3	303.2	26%	381.3	303.2	26%
Other income	1.2	1.6	1.2	1.6	-27%	1.2	1.6	-27%
Total revenue	**382.5**	**304.8**	**382.5**	**304.8**	**25%**	**382.5**	**304.8**	**25%**
Cost of sales	-166.6	-128.6	-166.6	-128.6	30%	-166.6	-128.6	30%
Gross profit	**215.9**	**176.2**	**215.9**	**176.2**	**23%**	**215.9**	**176.2**	**23%**
% margin	*56.6%*	*58.1%*	*56.6%*	*58.1%*	*-1.5pp*	*56.6%*	*58.1%*	*-1.5pp*
R&D expenses	-29.3	-32.4	**0.0**	**0.0**	n.a.	**-32.4**	-32.4	n.a.
SG&A	-125.5	-113.2	-125.5	-113.2	11%	-125.5	-113.2	11%
Other expenses	0.0	-1.1	0.0	**0.0**	n.a.	0.0	**0.0**	n.a.
Share of P/L of a JV	-0.2	0.0	-0.2	0.0	n.a.	-0.2	0.0	n.a.
EBITDA	**60.9**	**29.5**	**90.2**	**63.0**	**43%**	**57.8**	**30.6**	**89%**
% margin	*16.0%*	*9.7%*	*23.6%*	*20.8%*	*2.9pp*	*15.2%*	*10.1%*	*5.1pp*
EBIT	**42.6**	**17.5**	**72.0**	**51.0**	**41%**	**39.6**	**18.6**	**113%**
% margin	*11.2%*	*5.8%*	*18.9%*	*16.8%*	*2.1pp*	*10.4%*	*6.1%*	*4.3pp*

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.

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 (see "w/o R&D costs" columns of the table below). 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 (see "Flat R&D costs" columns of the table below).

	Reported		**w/o R&D costs**			**Flat R&D costs**		
€ million	**2019**	**2018**	**2019**	**2018**	**Chang**	**2019**	**2018**	**Chang**
Operat. revenue	381.3	303.2	381.3	303.2	26%	381.3	303.2	26%
Other income	1.2	1.6	1.2	1.6	-27%	1.2	1.6	-27%
Total revenue	**382.5**	**304.8**	**382.5**	**304.8**	**25%**	**382.5**	**304.8**	**25%**
Cost of sales	-166.6	-128.6	-166.6	-128.6	30%	-166.6	-128.6	30%
Gross profit	**215.9**	**176.2**	**215.9**	**176.2**	**23%**	**215.9**	**176.2**	**23%**
% margin	*56.6%*	*58.1%*	*56.6%*	*58.1%*	*-1.5pp*	*56.6%*	*58.1%*	*-1.5pp*
R&D expenses	-29.3	-32.4	**0.0**	**0.0**	n.a.	**-32.4**	-32.4	n.a.
SG&A	-125.5	-113.2	-125.5	-113.2	11%	-125.5	-113.2	11%
Other expenses	0.0	-1.1	0.0	**0.0**	n.a.	0.0	**0.0**	n.a.
Share of P/L of a JV	-0.2	0.0	-0.2	0.0	n.a.	-0.2	0.0	n.a.
EBITDA	**60.9**	**29.5**	**90.2**	**63.0**	**43%**	**57.8**	**30.6**	**89%**
% margin	*16.0%*	*9.7%*	*23.6%*	*20.8%*	*2.9pp*	*15.2%*	*10.1%*	*5.1pp*
EBIT	**42.6**	**17.5**	**72.0**	**51.0**	**41%**	**39.6**	**18.6**	**113%**
% margin	*11.2%*	*5.8%*	*18.9%*	*16.8%*	*2.1pp*	*10.4%*	*6.1%*	*4.3pp*
Net profit	**39.3**	**17.9**	**66.8**	**53.8**	**24%**	**36.4**	**19.1**	**91%**
% margin	*10.3%*	*5.9%*	*17.5%*	*17.7%*	*-0.2pp*	*9.5%*	*6.3%*	*3.3pp*

ROVI will pay a **dividend** of 0.1751 euros per share with dividend rights on 2019 earnings if the Shareholders General Meeting approves the application of the 2019 profit, under proposal of ROVI's Board of Directors. This proposed dividend would mean an increase of 119% compared to the dividend on 2018 earnings (€0.0798/share) and represents a 25% pay out.

Javier López-Belmonte Encina, Chief Financial Officer of ROVI, said that "*we are very happy with the results of 2019. We have been able to deliver an excellent operating revenue growth of 26% thanks to the strength of our leading products, which continue to enjoy good sales prospects, and an EBITDA margin rise of 6.2 percentage point, mainly as a result of the strong operating leverage contributed by our LMWH franchise and the expansion of our injectable toll manufacturing business. ROVI's commitment to innovation is reflected in the figures for 2019. We are facing a new phase of growth and we expect our robust balance sheet to allow us to execute on other opportunities to expand our sales base and improve the utilization of our asset base".*

3. Balance Sheet items

3.1 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® 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® 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® (see section 6.5).

	2019	2018	% Growth
Injectable plant	1.6	2.7	-43%
San Sebastián de los Reyes plant	4.3	2.8	54%
Granada plant	5.9	3.0	95%
Alcalá de Henares plant (Frosst Ibérica)	8.3	5.5	52%
ISM® industrialization	3.5	1.1	219%
Expenditure on maintenance and other capex	3.4	2.3	50%
Total Capex	**27.0**	**17.4**	**55%**
Acquisitions	*13.5*	*9.0*	*50%*

3.2 Debt

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.

In thousand euros	**31 December 19**	**31 December 18**
Bank borrowings	52,116	22,716
Debt with public administration	11,689	11,508
Financial liabilities for leases	20,871	-
Derivative financial instruments	129	-
Total	**84,805**	**34,224**

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%.

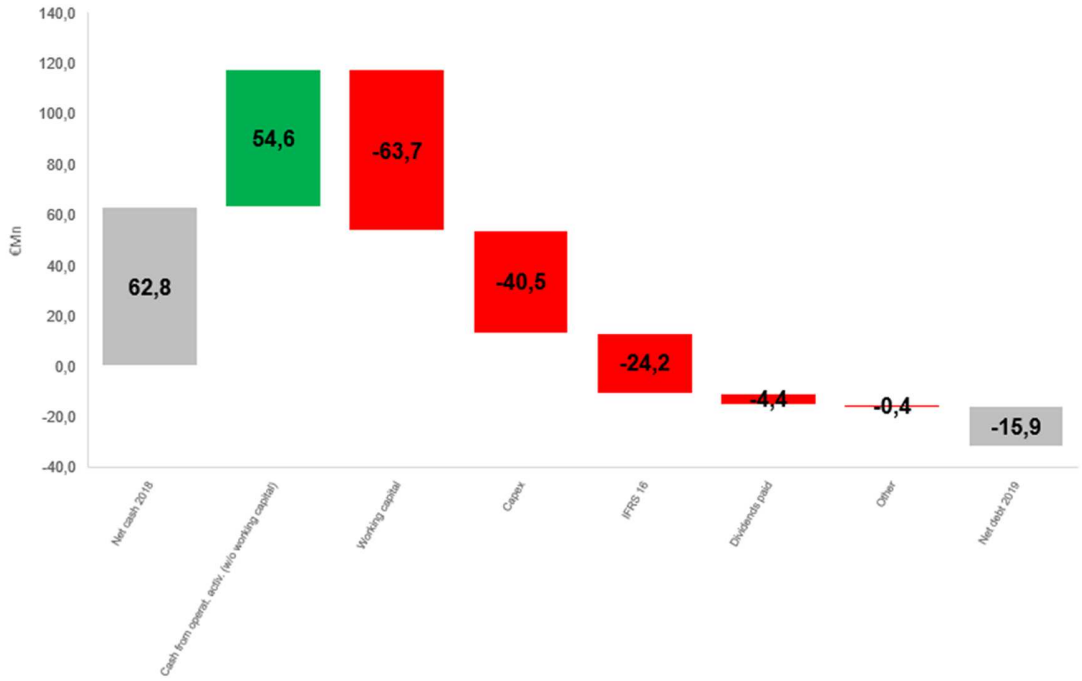
Financial liabilities for leases reached 20.9 million euros in 2019 as a result of the IFRS 16 application.

3.3 Free cash flow

Free cash flow (net cash generated (used) from operating activities minus (plus) property, plant and equipment and intangible assets purchases (sales) plus interest received) decreased to -49.5 million euros in 2019 compared to -17.8 million euros in 2018 mainly due to (i) the increase of 14.1 million euros in Capex mainly as a result of the acquisition of Polaramine® and the investment in the facilities related to the toll manufacturing strategy redirection; (ii) the increase of 67.2 million euros in the "inventories" line in 2019, compared to an increase of 21.3 million euros in 2018; (iii) the increase of 20.4 million euros in the "trade and other receivables" item in 2019, compared to an increase of 9.6 million euros in 2018; (iv) the increase of 24.0 million euros in the "trade and other payables" item in 2019, compared to an increase of 6.5 million euros in 2018; and (v) the increase of 25.2 million euros in profit before income tax.

3.4 Gross cash position and net debt

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.



Net cash used in operating activities amounted to 9.0 million euros in 2019, compared to net cash generated of 8.5 million euros in 2018. Net cash generated from operating activities excluding changes in working capital increased 66% to 54.6 million euros in 2019, from 33.0 million euros in 2018.

3.5 Working capital

Figures included in the balance sheet showed an increase in working capital in 2019 mainly due to (i) an increase of 64.0 million euros in the "inventories" line, mainly due to higher heparin stock levels in 2019; (ii) an increase of 21.4 million euros in the "trade and other receivables" line; (iii) an increase of 23.7 million euros in the "trade and other payables" line; and (iv) a decrease of 28.1 million euros in the "cash and cash equivalents" item.

As of 31 December 2019, Social Security and Public Administrations total debt with ROVI amounted to 12.5 million euros, of which 7.5 million euros in Spain, 3.7 million euros in Portugal and 1.3 million euros in Italy.

4. Guidance 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.

5. Research and Development update

ISM® technology platform

As the company has recently informed (by publication of the material event number 286374 dated 31st 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"[1], 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 (see section 6.4). 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 (see section 6.3). In addition, an open-label extension of the PRISMA-3 study[2] has already finished, which will provide clinical data on the long-term use of Risperidone ISM® (12 additional months).

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

[2] 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]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").

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[1]) 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.

6. Key operating and financial events

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

ROVI informed (by publication of the material event number 286374 dated 31st of January of 2020) that, after the conclusion of the validation phase, the European health authorities have commenced the assessment process to grant marketing authorisation for Doria®, a long-acting

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

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.

"*We are continuing to progress with the approval phase of Doria® and are now closer to marketing it. We have confidence in the product's potential and hope that we will soon be able to offer a therapeutic alternative for the treatment of this chronic, serious and progressive disorder*", said Juan López-Belmonte, ROVI's Chief Executive Officer.

6.2 ROVI announces the construction of a second heparin plant in Granada

ROVI informed (by publication of the material event number 281458 dated 5th of September of 2019) 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[1] 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

[1] *Estimates based on Sanofi-Aventis reported 2019 sales.*

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.

ROVI's Chief Executive Officer, Juan López-Belmonte Encina, explained that, "*with this new investment, ROVI guarantees the growth of its manufacturing infrastructures, which will allow us to respond to the production needs of our low-molecular-weight heparins over years to come. This is a strategic decision for the company, based on the excellent evolution of our heparin sales and the opportunity the market represents. We are confident that this decision will contribute to ROVI's growth and we are, once again, betting on Granada and Andalusia, backed by our satisfactory experience working in the Health Technology Park over the last decade*"

6.3 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 5th of July of 2019) about the conclusion of the PRISMA-3[1] and BORIS[2] 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

[1] https://clinicaltrials.gov/ct2/show/NCT03160521. *This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").*
[2] https://clinicaltrials.gov/ct2/show/NCT03527186

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[1], 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[2,3], i.e. based partly on own studies and partly on previously done with reference medicine.

After successfully completing the Doria® Clinical Trial Program, the ROVI's CEO, Juan López-Belmonte, said: "*Once again, I want to thank all the patients, their caregivers and the investigators for their participation in this extensive clinical program and we hope that we will soon be able to contribute to the therapeutic arsenal to combat this severe, chronic and disabling disease*".

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

ROVI informed (by publication of the material event number 276197 dated 19th of March of 2019) 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.

"*The positive results of the PRISMA-3 study provide the clinical evidence that Risperidone ISM® 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

[1] *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]. This clinical program has had the support of the Industrial Technological Development Centre ("CDTI").*
[2] *NDA 505(b)(2) Section of Federal Food, Drug, and Cosmetic Act*
[3] *Hybrid Application, Article 10(3) – Directive 2001/83/EC*

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®, 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® (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.

" *It is a great satisfaction to have obtained such good and robust efficacy and safety results with Doria®, which we consequently hope will allow us to make rapid progress with the registration in the US and Europe*," said Juan Lopez-Belmonte, CEO of ROVI. "*We want to especially thank patients, their caregivers and investigators for their participation in the study, since they have allowed us to get closer to being able to offer a novel therapeutic option that can help improve the management of schizophrenia, a still all too often serious, chronic and disabling disease*".

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

ROVI informed (by publication of the material event number 274737 dated 15th of February of 2019) 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®, and cream, marketed under the brand name POLARACREM™) 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 will pay 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.

6.6 ROVI acquires Falithrom® for the German market

ROVI informed (by publication of the material event number 273591 dated 9th of January of 2019) about the acquisition of Falithrom®, 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® 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® 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).

About ROVI

ROVI is a pan-European pharmaceutical company specializing and engaging in the research, development, contract manufacturing and marketing of small molecules and biological specialties. The company, in a continuous international expansion process, has subsidiaries in Portugal, Germany, the United Kingdom, Italy and France and has a diversified marketing portfolio of more than 40 products, among which its flagship product, Bemiparin, already marketed in 56 countries all over the world, should be highlighted. Likewise, in 2017, ROVI commenced the marketing of its enoxaparin biosimilar, developed in-house, in Europe. ROVI continues to develop the ISM® Platform technology, a leading-edge line of research in the field of prolonged drug release with proven advantages. For more information, please visit www.rovi.es

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Forward-looking statements

This news release contains forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance, or achievements of ROVI or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. The statements in this press release represent ROVI's expectations and beliefs as of the date of this press release. ROVI anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while ROVI may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing ROVI's expectations or beliefs as of any date subsequent to the date of this press release.

Alternative performance measures

This press release may include certain Alternative Performance Measures ("APMs") not prepared under IFRS-EU and not reviewed or audited by either the Company's auditors or an independent expert. Furthermore, the way in which the Group defines and calculates these measures may differ from the way in which other companies calculate similar measures. Consequently, they may not be comparable.

APPENDIX 1

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2019 AND 31 DECEMBER 2018

(Thousands of euros)

	31 December 2019	31 December 2018
ASSETS		
Non-current assets		
Property, Plant and Equipment	131,608	95,837
Intangible assets	45,079	34,650
Investment in a joint venture	1,843	2,038
Deferred income tax assets	14,660	16,036
Equity securities	71	70
Financial receivables	65	65
	193,326	**148,696**
Current assets		
Inventories	158,811	94,861
Trade and other receivables	81,541	60,180
Current income tax assets	10,104	3,414
Financial derivatives	-	17
Prepaid expenses	3	21
Cash and cash equivalents	67,426	95,511
	317,885	**254,004**
Total assets	**511,211**	**402,700**

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AS OF 31 DECEMBER 2019 AND 31 DECEMBER 2018

(Thousands of euros)

	31 December 2019	31 December 2018
EQUITY		
Capital and reserves attributable to shareholders of the company		
Share capital	3,364	3,364
Share premium	87,636	87,636
Legal reserve	673	600
Treasury shares	(10,341)	(8,812)
Retained earnings and voluntary reserves	201,784	186,792
Profit for the year	39,273	17,895
Other reserves	(3)	(3)
Total equity	**322,386**	**287,472**
LIABILITIES		
Non-current liabilities		
Financial debt	72,104	16,589
Deferred income tax liabilities	1,078	1,243
Contract liabilities	5,793	6,263
Deferred income	3,141	3,621
	82,116	**27,716**
Current liabilities		
Financial debt	12,701	17,635
Trade and other payables	91,914	68,165
Contract liabilities	1,566	1,159
Deferred income	528	553
	106,709	**87,512**
Total liabilities	**188,825**	**115,228**
Total equity and liabilities	**511,211**	**402,700**

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE FULL YEARS 2019 AND 2018

(Thousands of euros)

	Full Year	
	2019	**2018**
Revenue	381,313	303,203
Changes 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	(72,512)	(70,180)
Other operating expenses	(81,946)	(76,496)
Amortisation and depreciation	(18,216)	(12,044)
Impairment of non-current assets	(341)	-
Recognition of government grants on non-financial non-current assets and other	1,151	1,587
Share of profits of joint venture	(195)	24
OPERATING PROFIT	**42,648**	**17,482**
Finance income	51	16
Finance costs	(927)	(712)
Impairment and gain or loss on measurement of financial instruments	159	(23)
Exchange difference	(51)	(83)
FINANCE INCOME/(COSTS) - NET	**(768)**	**(802)**
PROFIT BEFORE INCOME TAX	**41,880**	**16,680**
Income tax	(2,607)	1,215
PROFIT FOR THE YEAR	**39,273**	**17,895**

LABORATORIOS FARMACÉUTICOS ROVI, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE FULL YEARS 2019 AND 2018
(Thousands of euros)

	Full Year	
	2019	**2018**
Cash flows from operating activities		
Profit before tax	41,880	16,680
Adjustments for non-monetary transactions:		
Amortisation	18,216	12,044
Finance income	(51)	(16)
Valuation allowance	2,998	1,766
Adjustments for changes in value of derivatives	146	33
Gain or loss on derecognition of financial assets and liabilities	(305)	-
Finance expenses	978	712
Grants, income from distribution licenses and other deferred incomes	(4,408)	(1,806)
Gain on sale of share in a joint venture	-	(10)
Share of profit of joint venture	195	(24)
Changes in working capital:		
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
Other collections and payments:		
Proceeds from distribution licenses	3,194	6,727
Interest payments	(93)	-
Income tax cash flow	(8,129)	(3,141)
Net cash generated from (used in) operating activities	**(9,044)**	**8,531**
Cash flows from investing activities		
Purchases of intangible assets	(14,626)	(10,069)
Purchases of property, plant and equipment	(25,899)	(16,390)
Proceeds from sale of property, plant and equipment	2	62
Proceeds from sale of shares in joint venture	-	50
Interest received	51	105
Net cash generated from (used in) investing activities	**(40,472)**	**(26,242)**
Cash flows from financing activities		
Repayments of financial debt	(21,242)	(16,230)
Proceeds from financial debt	47,033	7,043
Interest paid	(93)	(187)
Purchase of treasury shares	(4,718)	(1,138)
Reissue of treasury shares	4,871	986
Dividends paid	(4,420)	(5,952)
Capital increase	-	88,000
Net cash generated from (used in) financing activities	**21,431**	**72,522**
Net (decrease) increase in cash and cash equivalents	**(28,085)**	**54,811**
Cash and cash equivalents at the beginning of the year	**95,511**	**40,700**
Cash and cash equivalents at the end of the year	**67,426**	**95,511**