Report on Limited Review of Almirall, S.A. and subsidiaries

(Together with the condensed consolidated interim financial statements and the consolidated interim directors' report of Almirall, S.A. and subsidiaries for the six-month period ended 30 June 2023)

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

KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(Barcelona)

Report on Limited Review of Condensed Consolidated Interim Financial Statements

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

To the Shareholders of Almirall, S.A. commissioned by the Board of Directors

REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have carried out a limited review of the accompanying condensed consolidated interim financial statements (the "interim financial statements") of Almirall, S.A. (the "Company") and subsidiaries (together the "Group"), which comprise the balance sheet at 30 June 2023, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and explanatory notes (all condensed, consolidated and interim). The Directors of the Company are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial information. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

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

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

Conclusion

Based on our limited review, which can under no circumstances be considered an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2023 have not been prepared, in all material respects, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the European Union, pursuant to article 12 of Royal Decree 1362/2007 as regards the preparation of condensed interim financial statements.

Emphasis of Matter

We draw your attention to the accompanying note 2, which states that these interim financial statements do not include all the information that would be required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accompanying interim financial statements should therefore be read in conjunction with the Group's consolidated annual accounts for the year ended 31 December 2022. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2023 contains such explanations as the Directors of the Company consider relevant with respect to the significant events that have taken place in this period and their effect on the interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim directors' report is not an integral part of the interim financial statements. We have verified that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2023. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Almirall, S.A. and subsidiaries.

Other Matter

This report has been prepared at the request of Almirall, S.A.'s board of directors in relation to the publication of the six-monthly financial report required by article 100 of the Law 6/2023, of 17 March, of the Revised Securities Market an Investment Services.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Juan Ramón Aceytuno Mas

21 July 2023

Almirall, S.A. and Subsidiaries
(Almirall Group)

Condensed Consolidated Interim Financial Statements and Consolidated Interim Management Report for the six-month period ending 30 June 2023

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails)

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails)

Almirall, S.A. and Subsidiaries (Almirall Group)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT 30 JUNE 2023

(Thousands of euros)

ASSETS	Note	30/06/2023	31/12/2022
		Unaudited	Audited
Goodwill	8	315,966	315,966
Intangible assets	9	886,706	898,677
Right-of-use assets	10	37,160	38,653
Property, plant and equipment	11	126,932	124,051
Financial assets	12	28,686	34,655
Deferred tax assets	21	182,122	182,971
NON-CURRENT ASSETS		**1,577,572**	**1,594,973**
Stocks	13	144,616	130,095
Trade and other receivables	14	131,671	138,261
Current tax assets	21	26,169	20,817
Other current assets		12,517	14,722
Current financial investments	12	220,594	443
Cash and cash equivalents		226,707	248,380
CURRENT ASSETS		**762,274**	**552,718**
TOTAL ASSETS		**2,339,846**	**2,147,691**

LIABILITIES AND EQUITY	Note	30/06/2023	31/12/2022
		Unaudited	Audited
Subscribed capital	15	25,127	21,782
Share premium	15	545,866	317,315
Legal reserve	15	4,275	4,275
Other reserves	15	916,125	948,171
Valuation adjustments and other adjustments	15	(28,635)	(28,635)
Translation differences	15	46,497	51,526
Profit for the year		12,015	4,281
EQUITY		**1,521,270**	**1,318,715**
Financial liabilities	16	346,305	350,758
Non-current liabilities from leasing	10	32,670	33,935
Deferred tax liabilities	21	76,461	77,254
Retirement benefit obligations	18	53,961	54,046
Provisions	19	20,145	20,746
Other non-current liabilities	17	17,115	17,624
NON-CURRENT LIABILITIES		**546,657**	**554,363**
Financial liabilities	16	15,998	12,402
Current liabilities for leasing	10	5,095	5,100
Trade payables	17	186,260	184,287
Current tax liabilities	21	31,710	26,643
Other current liabilities	17	32,856	46,181
CURRENT LIABILITIES		**271,919**	**274,613**
TOTAL LIABILITIES AND EQUITY		**2,339,846**	**2,147,691**

Explanatory Notes 1 to 28 are an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2023.

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails)

Almirall, S.A. and Subsidiaries (Almirall Group)

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023

(Thousands of euros)

	Note	**2023 Period**	**2022 Period**
		Unaudited	Unaudited
Net turnover	20	466,060	436,635
Other income	20	1,173	10,748
Operating income		**467,233**	**447,383**
Work carried out on fixed assets	9	3,217	3,664
Supplies	20	(109,591)	(94,810)
Staff costs	20	(107,009)	(107,173)
Depreciation	9, 10 & 11	(62,830)	(59,419)
Net change in valuation adjustments		(310)	(2,721)
Other operating expenses	20	(151,834)	(139,124)
Net gains (losses) on disposal of assets	20	-	12
Operating profit		**38,876**	**47,812**
Financial income	20	1,085	505
Financial expenses	20	(7,388)	(6,175)
Exchange rate differences	20	(771)	1,522
Gains / (losses) on measurement of financial instruments	16 & 20	(3,679)	(1,808)
Financial result		**(10,753)**	**(5,956)**
Earnings before tax		**28,123**	**41,856**
Corporate income tax		(16,108)	(14,521)
Net profit for the period attributable to the Parent Company		**12,015**	**27,335**
Earnings / (Loss) per Share (Euros)	24		
A) Basic		0.07	0.15
B) Diluted		0.07	0.15

Explanatory Notes 1 to 28 are an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2023.

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Almirall, S.A. and Subsidiaries (Almirall Group)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIODS ENDING 30 JUNE 2023

(Thousands of euros)

	Note	2023 Period Unaudited	2022 Period Unaudited
Result for the period		**12,015**	**27,335**
Other comprehensive income:			
Items not to be reclassified to income			
Retirement benefit obligations	18	-	28,086
Income tax on items that will not be reclassified	21	-	(8,274)
Others		-	-
Total items not to be reclassified to income		**-**	**19,812**
Items that can be reclassified subsequently to profit or loss			
Other changes in value		-	-
Foreign currency translation differences	15	(5,029)	34,280
Total items that can be reclassified subsequently to profit or loss		**(5,029)**	**34,280**
Other comprehensive income for the period, net of tax		**(5,029)**	**54,092**
Total comprehensive income for the period		**6,986**	**81,427**
Attributable to:			
- Owners of the parent company		6,986	81,427
- Non-controlling interests		-	-
Total comprehensive income attributable to owners of the parent company derived from:			
- Continuing operations		6,986	81,427
- Discontinued operations		-	-

Explanatory Notes 1 to 28 are an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2023.

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Almirall, S.A. and Subsidiaries (Almirall Group)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023

(Thousands of euros)

					Other reserves			Other comprehensive income			
	Note	**Subscribed capital**	**Share premium**	**Legal reserve**	**Other reserves of the Parent Company**	**Treasury shares of the Parent Company**	**Consolidated reserves**	**Valuation adjustments to equity**	**Translation differences**	**Profit attributable to the Parent Company**	**Equity**
Balance as at 01 January 2022	**15**	**21,573**	**295,785**	**4,275**	**1,046,014**	**(2,131)**	**(20,274)**	**(44,409)**	**26,065**	**(40,859)**	**1,286,039**
Distribution of profits		-	-	-	(56,834)	-	15,975	-	-	40,859	-
Dividends	23	209	21,530	-	(34,158)	-	-	-	-	-	(12,419)
Treasury shares of the Parent Company	15	-	-	-	-	(185)	-	-	-	-	(185)
Total comprehensive income for the period		-	-	-	-	-	-	19,812	34,280	27,335	81,427
Balance as at 30 June 2022 (unaudited)	**15**	**21,782**	**317,315**	**4,275**	**955,022**	**(2,316)**	**(4,299)**	**(24,597)**	**60,345**	**27,335**	**1,354,862**

					Other reserves			Other comprehensive income			
	Note	**Subscribed capital**	**Share premium**	**Legal reserve**	**Other reserves of the Parent Company**	**Treasury shares of the Parent Company**	**Consolidated reserves**	**Valuation adjustments to equity**	**Translation differences**	**Profit attributable to the Parent Company**	**Equity**
Balance as at 01 January 2023	**15**	**21,782**	**317,315**	**4,275**	**955,022**	**(2,552)**	**(4,299)**	**(28,635)**	**51526**	**4281**	**1,318,715**
Distribution of profits		-	-	-	(57,667)	-	61,948	-	-	(4,281)	-
Capital increase	15	2,927	197,073	-	-		-	-	-	-	200,000
Capital increase costs	15	-	-	-	(1,674)		-	-	-	-	(1,674)
Dividends	23	418	31,478	-	(34,488)	-	-	-	-	-	(2,592)
Treasury shares of the Parent Company	15	-	-	-	-	(165)	-	-	-	-	(165)
Total comprehensive income for the period		-	-	-	-	-	-	-	(5,029)	12,015	6,986
Balance as at 30 June 2023 (unaudited)	**15**	**25,127**	**545,866**	**4,275**	**861,193**	**(2,717)**	**57,649**	**(28,635)**	**46497**	**12,015**	**1,521,270**

Explanatory Notes: 1 to 28 are an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2023.

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails)

Almirall, S.A. and Subsidiaries (Almirall Group)

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

FOR THE SIX-MONTH PERIOD ENDING 30 JUNE 2023 (indirect method)

(Thousands of euros)

	Note	2023 Period	2022 Period
		Unaudited	
Cash Flow			
Earnings before tax		28,123	41,856
Depreciation	9, 10 & 11	62,830	59,419
Valuation adjustments for impairment	9	-	-
Net gains (losses) on disposal of assets	20	-	(12)
Financial income	20	(1,085)	(505)
Financial expenses	20	7,388	6,175
Exchange rate differences	20	771	(1,522)
Changes in fair value of financial instruments	16 & 20	3,679	1,808
Impacts of the Covis/AstraZeneca transaction:			
Incorporation of deferred income from the AstraZeneca transaction	20	-	-
Change in fair value of Covis/AstraZeneca financial assets	13 & 22	(704)	(9,278)
		101,002	**97,941**
Adjustments for changes in working capital:			
Change in stocks	13	(14,432)	(1,111)
Change in trade and other receivables	14	(6,812)	557
Change in trade payables	17	2913	(26,436)
Change in other current assets		(4,476)	(6,680)
Change in other current liabilities		(6,074)	2,288
Adjustments for changes in other non-current items:			
Other non-current assets and liabilities		(1,598)	804
		(30,479)	**(30,578)**
Cash flow from taxes:		**(13,415)**	**(11,500)**
Net cash flows from operating activities (I)		**57,108**	**55,863**
Cash flow from investment activities			
Interest receivable		413	38
Investments:			
Intangible assets	9 & 17	(50,515)	(37,101)
Property, plant and equipment	11	(10,602)	(7,090)
Financial assets	12	(130,000)	(712)
Divestments:			
Receivables linked to the contract with Covis/AstraZeneca	12	19,977	31,759
Financial assets	12	-	-
Net cash flows from investment activities (II)		**(170,727)**	**(13,106)**
Cash flow from financing activities			
Interest payable	16	(5,244)	(5,039)
Equity instruments:			
Capital increase	15	197,768	-
Dividends paid	23	(2,592)	(12,419)
Acquisition/Disposal of own equity instruments	15	(165)	(185)
Financial instruments:			
Repayment of debts with credit institutions	16	(5,000)	(5,000)
Finance lease payments	10	(3,342)	(3,649)
Others		462	467
Net cash flows from financing activities (III)		**181,887**	**(25,825)**
Net change in cash and cash equivalents (I+II+III)		**68,268**	**16,932**
Cash and cash equivalents at the start of the reporting period		**248,823**	**165,667**
Cash and cash equivalents at the end of the reporting period		**317,091**	**182,599**

Explanatory Notes 1 to 28 are an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2023.

1. General information

Almirall, S.A. (the Company or Parent Company) is the parent company of a Group of companies (hereinafter the Group), the corporate purpose of which consists basically of the purchase, manufacture, storage, marketing and mediation in the sale of pharmaceutical specialities and products, as well as of all types of raw materials used in the preparation of such pharmaceutical specialities and products.

Accordingly, the Parent Company's corporate purpose also includes:

a) The purchase, manufacture, storage, marketing, and mediation in the sale of cosmetics and of chemical, biotechnological and diagnostic products for human, veterinary, agrochemical and food use, as well as of all kinds of instruments, complements and accessories for the chemical, pharmaceutical and clinical industry.

b) Research on active chemical and pharmaceutical ingredients and products.

c) The purchase, sale, rental, subdivision, and development of plots, land and estates of any nature, with the option of choosing to build on or dispose of these, in full, in part, or under the horizontal property regime.

d) The provision of prevention services for the undertakings and companies participating in the company pursuant to Art. 15 of Royal Decree 39/1997, of 17 January, which establishes the Prevention Services Regulations, and implementing regulations. This activity may be regulated and carried out jointly for related and participating companies pursuant to Art. 21 of the aforementioned legal text. It is expressly stated that, according to the law, this activity does not require administrative authorisation. This activity may be subcontracted to other specialised entities pursuant to Art. 15 of Royal Decree 39/1997.

e) To direct and manage the Company's participation in the share capital of other entities through the appropriate organisation of human and material resources.

Pursuant to the Parent Company's articles of association, the aforementioned corporate purpose may be pursued, in whole or in part, directly by the Parent Company itself or indirectly through shareholding or equity interests, or any other rights or interests in companies or other types of entities, with or without legal personality, with registered office in Spain or abroad, which engage in activities identical or similar to those included in the corporate purpose of the Parent Company.

Almirall, S.A. is a public limited company listed on the Spanish Stock Exchanges and included in the Spanish continuous market (*SIBE*). Its registered office is located at Ronda General Mitre, 151, Barcelona (Spain). Its headquarters is located at the same address (Ronda General Mitre, 151).

2. Basic principles of presentation

a) Financial reporting regulatory framework applied to the Group:

In accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the law of a European Union member state and whose securities are listed on a regulated market of one of the member states must present their consolidated annual accounts for the years beginning on or after 1 January 2005 in accordance with the International Financial Reporting Standards previously adopted by the European Union (hereinafter, EU-IFRSs).

These condensed consolidated interim financial statements are presented in accordance with IAS 34 on Interim Financial Reporting and have been prepared by the Directors of Almirall, S.A. on 21 July 2023, in both respects pursuant to Art. 12 Royal Decree 1362/2007.

Pursuant to IAS 34, the Interim Financial Information is prepared solely with the intention of updating the content of the latest consolidated financial statements prepared by the directors of the Parent Company and approved at the General Meeting held on 05 May 2023, with emphasis on new activities, events and circumstances that have occurred during the six-month period, without duplicating the information previously published in the consolidated financial statements for the financial year ending 31 December 2022. Therefore, for a proper understanding of the information included in these condensed consolidated interim financial statements, they should be read in conjunction with the Group's consolidated financial statements for FY 2022, prepared in accordance with EU-IFRS.

b) Comparison of information:

The information contained in these condensed consolidated interim financial statements for the first half of the financial year 2022 and/or as at 31 December 2022 is presented solely and exclusively for purposes of comparison with the information for the six-month period ending 30 June 2023.

These accounting statements included in the present condensed consolidated interim financial statements have been prepared applying the same criteria as the information relating to the comparative periods as at 30 June 2022 and/or as at 31 December 2022. There have been no significant changes in the composition of the Group that would significantly affect the comparability of the balance sheet figures as at 30 June 2023 with those as at 31 December 2022, as well as those in the consolidated interim income statement for the six-month period ending 30 June 2023 with those for the six-month period ending 30 June 2022.

3. Accounting policies

The accounting policies, accounting methods and consolidation principles used in the preparation of these condensed consolidated interim financial statements are the same as those applied in the consolidated financial statements for the year ending 31 December 2022, except for the following standards and interpretations that became effective during the first half of 2023:

Standards, amendments and interpretations are mandatory for all fiscal years beginning on or after 01 January 2023:

- IFRS 17 Insurance Contracts, including amendments on the Initial Application of IFRS 17 and IFRS 9 - Comparative Information
- Definition of Accounting Estimates - Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Disclosure initiative: Accounting Policies - Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements
- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12 Income Taxes
- Amendments to IAS 12 - International Tax Reform - Pillar 2 Model Rules (these amendments were published in May 2023, but they are not applicable until 31 December 2023).

Standards, amendments and interpretations that have not yet entered into force but may be adopted in advance:

At the date of preparation of these condensed consolidated interim financial statements, the IASB and the IFRS Interpretations Committee had published the standards, amendments and interpretations listed below, which are pending adoption by the European Union:

- Classification of liabilities as current or non-current and as non-current liabilities with covenants - Amendments to IAS 1 Presentation of Financial Statements

At the date of preparation of these condensed consolidated interim financial statements there are no standards, amendments and interpretations by the IASB or the IFRS Interpretations Committee that could be applied in advance.

Standards, amendments and interpretations of existing standards that cannot be adopted in advance or have not been adopted by the European Union.

At the date of preparation of these condensed consolidated interim financial statements, the IASB and the IFRS Interpretations Committee had published the standards, amendments and interpretations listed below, which are pending adoption by the European Union:

- Lease liability in a sale and leaseback - Amendments to IFRS 16 Leases

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier finance arrangements

As indicated above, the Group has not considered the early application of the Standards and interpretations detailed above and, in any case, the Group is analysing the impact that these new standards/amendments/interpretations may have on the Group's consolidated financial statements, should they be adopted by the European Union, although it considers that their application will not have a significant impact.

4. Estimates

The consolidated results and the determination of consolidated equity are sensitive to the accounting principles and policies, measurement bases and estimates used by the Parent Company's Administrators in preparing the condensed consolidated interim financial statements. The principal accounting policies and measurement bases are disclosed in Note 5 to the latest consolidated financial statements for 2022. Likewise, in relation to critical accounting judgements and estimates, the same criteria have been applied as those indicated in Note 7 to the latest consolidated financial statements for the year ending 31 December 2022, with no changes that have a significant effect on these condensed consolidated interim financial statements.

In the condensed consolidated interim financial statements, estimates were occasionally made by the directors of the Group and of the consolidated entities and subsequently ratified by the Parent Company's Administrators in order to quantify certain assets, liabilities, income, expenses and obligations that are reported in the estimates. Basically, these estimates refer to:

- Impairment losses on certain goodwill, intangible assets and property, plant and equipment arising from the non-recoverability of the carrying amount recorded for such assets (Notes 8, 9 and 11).
- The useful life of intangible assets and of property, plant and equipment (Notes 9 and 11).
- The evaluation of the recoverability of deferred tax assets (Note 21).
- The fair value of certain unquoted financial assets (Note 12).
- Precise assumptions for determination of the actuarial liability for the retirement benefit obligations in coordination with an independent expert (Note 18).
- The income tax expense, which, in accordance with IAS 34, is recognised in interim periods on the basis of the best estimate of the weighted average tax rate that the Group expects for the annual period.

Although the estimates described above were made on the basis of the best information available to date on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) at the close of the six-month period ending 30 June 2023, or in subsequent financial years, which, if necessary and in accordance with IAS 8, would be done prospectively, recognising the effects of the change in estimate in the consolidated income statement for the years affected.

During the six months ending 30 June 2023, there have been no significant changes to the estimates made at the end of 2022.

5. Financial risk management

The Group's activities are exposed to different financial risks: mainly market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management department or in any risk management policy since the end of the previous year.

6. Other information

a) Contingent assets and liabilities

Information on contingent assets and liabilities as at 30 June 2023 is provided in Note 25 of the explanatory notes to the accompanying condensed consolidated interim financial statements.

b) Seasonality of the Group's transactions

The seasonality of the operations carried out by the Group, basically related to the supply of pharmaceuticals, is inherent in the nature of the products supplied insofar as the accumulation of these products by customers is not distributed in a linear fashion over the annual periods. The main reason for this is the different development over time of certain diseases and/or conditions.

c) Relative importance

In determining the information to be disclosed in the explanatory notes on the different items of the financial statements or other matters, the Group, in accordance with IAS 34, has taken into account the relative importance in relation to these condensed consolidated interim financial statements.

d) Condensed consolidated interim cash flow statement

The following expressions are used in the condensed consolidated interim cash flow statement with the following meanings:

- <u>Cash flows</u> are the inflows and outflows of cash and cash equivalents.
- <u>Operating activities</u> are the activities that constitute the main source of the entity's ordinary income, as well as other activities that cannot be classified as investing or financing activities.
- <u>Investment activities</u> are the acquisition and disposal of long-term assets, as well as other investments not included in cash and cash equivalents.
- <u>Financing activities</u> are activities that result in changes to the size and composition of the Group's equity and borrowings.

For the purposes of determining the consolidated cash flow statement, "Cash and other equivalent liquid assets" includes the Group's cash and bank deposits maturing in the short term which can be cashed immediately at the Group's discretion without penalty and are included under "Current financial assets" in the accompanying condensed consolidated interim balance sheet. The carrying amount of these assets approximates their fair value.

e) Changes in the composition of the Group

During the six-month period ending 30 June 2023, there has been no change in the composition of the Group.

7. Business combination

During the six months ending 30 June 2023, there have been no business combinations.

8. Goodwill

The composition of and movement in this heading of the condensed consolidated interim balance sheet during the six months ending 30 June 2023 was as follows:

	Thousands of Euros			
	Balance as at 31 December 2022	Variations due to exchange rate	Valuation adjustment	Balance as at 30 June 2023
Almirall, S.A.	35,407	-	-	35,407
Almirall Hermal GmbH	227,743	-	-	227,743
Poli Group	52,816	-	-	52,816
Total	**315,966**	**-**	**-**	**315,966**

There have been no other changes in the composition of goodwill from that described in the consolidated financial statements for the year ending 31 December 2022.

Impairment losses

No impairment has been recorded in the six months ending 30 June 2023.

As of 30 June 2023, there has been no significant change in the key assumptions on which Management has based its determination of the recoverable amount of the cash-generating units to which the previous goodwill is assigned, nor has there been any indication of impairment or change in the sensitivity analyses in relation with Note 5-d to the consolidated financial statements for the year ending 31 December 2022. Therefore, the Management has not updated any impairment calculation for these units for the interim closing date of 30 June 2023.

9. Intangible assets

The composition of and movement in this heading of the condensed consolidated interim balance sheet during the six months ending 30 June 2023 was as follows:

Thousands of euros	**Balance as at 31/12/2022**	**Recognitions**	**Transfers**	**Derecognitions**	**Translation differences**	**Balance as at 30/06/2023**
Industrial property	1,968,785	41,601	-	(6)	(10,727)	1,999,653
Development costs[1]	81,602	3,217	-	-	(232)	84,587
Computer applications	94,582	489	3,845	-	(25)	98,891
Advances and property, plant and equipment in progress	160,526	383	(3,845)	-	(13)	157,051
Total cost Intangible Assets	2,305,495	45,690	-	(6)	(10,997)	2,340,182
Accum. A. Industrial property	(978,115)	(41,374)	-	6	3941	(1,015,542)
Accum. A. Development costs	(1,503)	(7,300)	-	-	-	(8,803)
Accum. A. Computer applications	(79,056)	(3,381)	-	-	15	(82,422)
Total Accum. A. Intangible assets	(1,058,674)	(52,055)	-	6	3956	(1,106,767)
Impairment losses	(348,144)	-	-	-	1435	(346,709)
Net Value Intangible assets	**898,677**	**(27,324)**	**-**	**-**	**31,697**	**886,706**

[1] Additions to the Development Expenses heading correspond to expenses generated internally in the 6-month period ending 30 June 2023.

The intangible assets described in the table above have finite useful lives, and the majority of them have been acquired from third parties or as part of a business combination, with the exception of the development costs for internal projects mentioned further below in this Note. There are no assets subject to debt guarantees.

During the first six months of 2023, additions of intangible assets amounted to €45.7 million and mainly reflect the following circumstances:

- On 1 January 2023, the agreement signed with MSD International Business GmbH came into force, thereby agreeing to an extension of the rights for the Spanish territory (which ended on 31 December 2022) for the products marketed under the Efficib and Tesavel trademarks, indicated for the treatment of diabetes and marketed by the Group since 2009. Under the terms of this agreement, the rights extend until 31 December 2025, for which €18 million were paid in March 2023.
- On 3 February 2023, the Parent Company signed a purchase agreement with DFT El Globo S.L. for the rights of several products marketed in Spain under the Physiorelax trademark. Under the terms of the agreement, the Group disbursed approximately €11.7 million in February, with €0.7 million pending payment 18 months after the effective date of the agreement.
- In March 2023, $7.5 million (equivalent to €7.1 million) were paid pursuant to the addendum to Ilumetri's licence agreement with Sun Pharma. According to the addendum, the Group will disburse up to an additional $10 million, based on certain regulatory milestones, for a new indication for this product.
- As mentioned in Note 9 to the consolidated financial statements for the year ending 31 December 2022, the Group has two development projects that meet the capitalisation criteria. These projects are complementary studies for the launch of an acne treatment product in China, and a new formulation of a psoriasis treatment already on the European market. The total amount capitalised as at 30 June 2023 is €3.2 million.

The translation differences for the period are mainly due to the evolution of the US dollar exchange rate, mainly linked to the line of 5 speciality products for the treatment of acne, psoriasis and dermatosis, which were acquired from Allergan Sales, LLC and Allergan Pharmaceuticals International Limited ("Allergan") on 21 September 2018 for €471.2 million (equivalent to $548 million).

The aggregate amount of Research and Development Expenses recognised as costs in the condensed consolidated interim income statement for the six months ending 30 June 2023 and 2022 comes to totals of €55.7 million and €48.5 million, respectively. These amounts include both the amount of the depreciation of assets assigned to development activities, as well as the expenses incurred for Group personnel and expenses incurred by third parties.

Impairment losses

During the six months ending 30 June 2023, there have been no significant changes to the estimates made at the end of 2022.

A sensitivity analysis performed on these assets is included below, restated for reasonably possible variations in key assumptions:

Cash Generating Units or intangible asset	Sensitivity analysis	Impact on impairment value (millions of euros)
Allergan portfolio	- Increase / Reduction of the estimated sales volume by 10% (*) - Increase / Reduction of five points in the growth rate. - Half-point increase/decrease in discount rate	+16 / (30) +3 / (16) (10) / +4

(*) Sales volume and costs directly associated with this volume

10. Right-of-use assets

The composition of and movement in this heading of the condensed consolidated interim balance sheet during the six months ending 30 June 2023 was as follows:

Thousands of euros	Balance as at 31/12/2022	Recognitions	Derecognitions	Translation differences	Balance as at 30/06/2023
Construction	50,178	22	-	55	50,255
Machinery	137	-	-	-	137
Transport equipment	7,302	1,551	(105)	2	8,750
Total cost Rights of use	57,617	1,573	(105)	57	59,142
Accum. A. Construction	(14,535)	(2,149)	-	-	(16,684)
Accum. A. Machinery	-	(32)	-	-	(32)
Accum. A. Transport equipment	(4,429)	(941)	105	(1)	(5,266)
Total Accum. A. Rights of use	(18,964)	(3,122)	105	(1)	(21,982)
Net Value Rights of use	**38,653**	**(1,549)**	**-**	**56**	**37,160**

Additions for the six-month period ending 30 June 2023 mainly relate to renovation of the offices of the commercial networks and of the Group's headquarters. Lease payments made during this period amounted to €3,342 thousand.

The main asset refers to the lease of the Group’s headquarters (Note 26), with a net carrying amount of €31 million as at 30 June 2023. There are no other contracts that are individually relevant.

Details of lease liabilities are as follows, together with their maturities:

	Balance as at 30/06/2023	Balance as at 31/12/2022
Liabilities for leasing		
Non-current	32,670	33,935
Current	5,095	5,100
Total	**37,765**	**39,035**

Liabilities for leasing	Maturities	Thousands of Euros
Current	Up to 6 months	2,680
	From 6 months to 1 year	2,415
Non-current	From 1 to 2 years	4,867
	From 2 to 3 years	4,308
	From 3 to 4 years	3,846
	From 4 to 5 years	3,672
	More than 5 years	15,977
Total		**37,765**

11. Property, plant and equipment

The composition of and movement in this heading of the condensed consolidated interim balance sheet during the six months ending 30 June 2023 was as follows:

Thousands of euros	Balance as at 31/12/2022	Recognitions	Transfers	Derecognitions	Translation differences	Balance as at 30/06/2023
Land and construction	96,579	124	-	-	18	96,721
Technical installations and machinery	98,329	150	1,991	-	2	100,472
Other facilities, tools and furnishings	244,887	1,636	2,198	-	(7)	248,714
Other property, plant and equipment	18,636	462	114	(40)	1	19,173
Advances and property, plant and equipment in progress	18,099	8,230	(4,303)	-	(73)	21,953
Total cost Property, plant and equipment	476,530	10,602	-	(40)	(59)	487,033
Accum. A. Land and construction	(52,476)	(1,051)	-	-	(8)	(53,535)
Accum. A. Technical installations and machinery	(63,864)	(1,697)	-	-	(2)	(65,563)
Accum. A. Other facilities, tools and furnishings	(221,554)	(4,174)	-	-	5	(225,723)
Accum. A. Other property, plant and equipment	(14,585)	(731)	-	40	(4)	(15,280)
Total Accum. A. Property, plant and equipment	(352,479)	(7,653)	-	40	(9)	(360,101)
Impairment losses	-	-	-	-	-	-
Net value Property, plant and equipment	**124,051**	**2,949**	**-**	**-**	**(68)**	**126,932**

Additions for the six-month period ending 30 June 2023 are basically due to reconstruction works at the chemical plant belonging to the subsidiary Ranke Química S.L. (which partially burned down at the end of July 2022) and improvements at the production centres of the Group's pharmaceutical plants, as well as improvements at the Group's headquarters.

12. Financial assets

As detailed in Note 5-i) to the consolidated financial statements for the year ending 31 December 2022, the Group classifies its financial assets into the following valuation categories:

- those subsequently measured at fair value (either through other comprehensive income or through profit or loss), and
- those that are measured at amortised cost.

Thus, this classification is distributed as follows:

- Financial assets measured at fair value through profit or loss: these assets do not meet the criteria for classification as amortised cost in accordance with IFRS 9 because their cash flows do not only represent payments of principal and interest. Consequently, this heading includes the balances receivable arising from recognition of the sale of the business to AstraZeneca (subrogated by Covis Pharma GmbH on 5 January 2022) described in Note 7 of the notes to the consolidated financial statements for the year ending 31 December 2022, as well as those derivative financial instruments that do not qualify for hedge accounting.
- Financial assets measured at fair value through other comprehensive income: this heading includes equity instruments, such as the interest in Suneva Medical Inc. and Dermelle LLC (whose carrying value at 30 June 2023 and 31 December 2022 is zero).
- Financial assets measured at amortized cost: this heading includes fixed-income investments made mainly through euro deposits, foreign currency deposits and repos. At the date of initial application, the Group's business model is to hold these investments in order to receive contractual cash flows that only represent payments of principal and interest on the principal amount.

Non-current financial investments

The composition of and movement in this heading of the condensed consolidated interim balance sheet during the six months ending 30 June 2023 was as follows:

	Thousands of Euros		
	Deposits and guarantees	Long-term loans and other financial assets	Total
Balance as at 31 December 2022	**1,519**	**33,136**	**34,655**
Additions	202	-	202
Changes in fair value (Note 20)	-	704	704
Transfers	-	(6,890)	(6,890)
Translation difference	15	-	15
Balance as at 30 June 2023	**1,736**	**26,950**	**28,686**

As at 30 June 2023, the heading “Financial assets - Long-term loans and other financial assets” includes, mainly in the amount of €26,720 thousand (€32,902 thousand on 31 December 2022), the financial asset corresponding to the fair value of future payments to be received in the long term from Covis Pharma GmbH.

The change in the six-month period ending 30 June 2023 in the long-term statement is mainly due, on the one hand, to the recognition of changes in the fair value of the asset and, on the other hand, to the decrease arising from the transfer to the short term, based on the expectations of the time frame for collection.

Changes in the fair value of this financial asset during the six-month period ending 30 June 2023 amounted to €0.7 million and were recorded under “Other income” in the consolidated interim income statement for that period (Note 20). The changes in fair value are due on the one hand to the fluctuation of the euro/US dollar exchange rate in the amount of -€0.6 million, the financial restatement which resulted in income in the amount of €2.7 million, the discount rate restatement in the amount of -€1.0 million, as well as the re-estimation of expected cash flows in the amount of -€0.4 million.

Current financial investments

The itemisation of the balance of this heading in the condensed consolidated interim balance sheet is as follows:

	Thousands of Euros	
	30/06/2023	**31/12/2022**
Short-term bonds and others	90,000	-
Short-term deposits and guarantees	384	443
Total cash equivalents	**90,384**	**443**
Interest accrued	210	-
Short-term deposits	130,000	-
Total non-cash equivalents	**130,210**	**-**
Total Current financial investments	**220,594**	**443**

In accordance with IAS 7, for the purposes of preparing the Cash Flow Statement, the Group considers as cash equivalents all highly liquid short-term investments that are readily convertible to specific amounts of cash and which are subject to an almost insignificant risk of changes in value (see Note 5-i to the consolidated financial statements for the year ending 31 December 2022). In this regard, in the preparation of the condensed consolidated cash flow statement for the six-month period ending 30 June 2023, current financial investments, corresponding to bank deposits, time deposits or interest-bearing accounts, maturing in the short term that can be made liquid immediately at the Group’s discretion without any penalty, which on 30 June 2023 come to €90.4 million (€0.4 million as at 31 December 2022), have been included as cash equivalents. These investments were made in June 2023 in various financial institutions, they will mature after 6 months and bear interest at market rates (between 3.6% and 4.0% p.a.) payable at maturity.

There are no restrictions on the availability of such cash and cash equivalents.

In brief, the details of current and non-current financial investments are the following:

	Thousands of Euros	
	30/06/2023	31/12/2022
Long-term financial assets measured at amortised cost (deposit account)	1,966	1,753
Financial assets at fair value through profit or loss (Financial asset with Covis)	26,720	32,902
Financial assets at amortized cost (fixed income securities, deposits)	220,594	443
Total	**249,280**	**35,098**

In accordance with the hierarchy levels established by IFRS 13 and indicated in Note 31 to the consolidated financial statements for the year ending 31 December 2022, the financial assets for which fair value is estimated are Level 1 (equity instruments in listed companies), Level 2 (derivative financial instruments) and Level 3 (equity instruments in unlisted companies and the financial assets related to Covis Pharma GmbH).

13. Stocks

The itemisation of this heading in the condensed consolidated interim balance sheet on 30 June 2023 and 31 December 2022 is as follows:

	Thousands of Euros	
	30/06/2023	31/12/2022
Raw materials and packaging materials	44,533	42,630
Semi-finished products	22,693	21,478
Goods	14,510	13,025
Finished products	61,634	52,815
Advances to suppliers	1,246	147
Total	**144,616**	**130,095**

There are no stocks subject to warranty, and there are no commitments to purchase stock worthy of note.

14. Trade and other receivables

The itemisation of this heading in the condensed consolidated interim balance sheet on 30 June 2023 and 31 December 2022 is as follows:

	Thousands of Euros	
	30/06/2023	31/12/2022
Trade receivables for sales and services	112,415	108,391
Other receivables	21,112	31,271
Provision for impairment losses	(1,856)	(1,401)
Total	**131,671**	**138,261**

As at 30 June 2023, the heading "Other receivables" mainly includes €16.9 million (€30.0 million as at 31 December 2022) corresponding to the fair value of future payments to be received in the short term from Covis Pharma GmbH as described in Note 12. Amounts collected from such agreement are classified as investment cash flows in the cash flow statement, which amounted to a total of €20 million (€10.8 million from royalties and €9.2 million from milestones) in the six-month period ending 30 June 2023.

On 30 June 2023 and 31 December 2022, the total past-due and provisioned balances amount to €1,856 thousand and €1,401 thousand, respectively. As a result of the application of the "expected loss" model (simplified approach) in accordance with IFRS 9 (Note 5-i to the consolidated financial statements for the year ending 31 December 2022), this provision includes the reversal of an impairment loss on financial asset balances (Trade receivables) of €570 thousand on 30 June 2023 (€570 thousand on 31 December 2022).

Itemised below is the balance of receivables according to their maturity as at 30 June 2023 and 31 December 2022:

	Thousands of euros			
	Trade receivables for sales and services	**Other receivables**	**Valuation adjustments for impairment**	**Total receivables**
Not matured	102,637	21,112	-	123,749
Less than 30 days	6,310	-	-	6,310
From 30 to 60 days	1,036	-	-	1,036
From 60 to 90 days	729	-	(153)	576
From 90 to 180 days	1,456	-	(1,456)	-
From 180 to 360 days	60	-	(60)	-
More than 360 days	187	-	(187)	-
Balance as at 30/06/2023	**112,415**	**21,112**	**(1,856)**	**131,671**

	Thousands of euros			
	Trade receivables for sales and services	**Other receivables**	**Valuation adjustments for impairment**	**Total receivables**
Not matured	92,757	31,271	-	124,028
Less than 30 days	11,362	-	-	11,362
From 30 to 60 days	2,166	-	-	2,166
From 60 to 90 days	660	-	-	660
From 90 to 180 days	736	-	(691)	45
From 180 to 360 days	147	-	(147)	-
More than 360 days	563	-	(563)	-
Balance as at 31/12/2022	**108,391**	**31,271**	**(1,401)**	**138,261**

There is no concentration of credit risk with respect to trade receivables, since the Group has a large number of customers.

On 30 June 2023, the percentage of balances with Public Administrations for the hospital business out of the total customer balance for sales and services rendered comes to 4.5% (4.8% on 31 December 2022).

There are no guarantees on customer balances.

Receivables other than financial assets related to Covis Pharma GmbH (Note 12) are stated at nominal value, since there are no significant differences from their fair value.

(Thousands of euros)

15. Equity

Share capital

The Parent Company’s share capital as at 30 June 2023 is represented by 209,393,724 shares with a par value of €0.12, fully subscribed and paid up (181,515,368 shares as at 31 December 2022).

On 7 June 2023, 3,488,113 new shares of the Parent Company, from the flexible dividend, were admitted to trading on the Barcelona, Madrid, Bilbao and Valencia stock exchanges. These shares were representative of the holders of 92.2% of the rights to be allotted shares at no charge, who opted to receive new shares instead of cash. Consequently, the share capital of the Parent Company following the bonus issue of shares increased by 418,573.56 euros.

Subsequently, on 12 June 2023, a total of 24,390,243 shares, belonging to the same class and series as the shares currently outstanding, were issued by means of cash contributions and excluding the preemptive subscription rights of the Company's shareholders, through a private placement aimed exclusively at qualified investors. This placement was finally closed with an issue price of 8.2 euros per share, representing a total payment of €199,999,992.6. After deducting the costs of the capital increase, the total funds received by the Parent Company amounted to 197.8 million euros. As a result, after this capital increase, the share capital of the Parent Company was increased by €2,926,829.16, amounting to e25,127,246.88 on 30 June 2023.

The shareholders with significant holdings in the share capital of Almirall, S.A., both direct and indirect, in excess of 3% of the share capital, of which the Parent Company is aware, according to the information contained in the official records of the National Securities Market Commission (CNMV) as at 30 June 2023 and 31 December 2022, are as follows:

Name or company name of the direct shareholder	**% Interest 30/06/2023**	**% Interest 31/12/2022**
Grupo Plafin, S.A.	44.5%	41.9%
Grupo Corporativo Landon, S.L.	15.6%	17.7%
Wellington Management	5.1%	5.1%
Total	**65.2%**	**64.7%**

At 30 June 2023 and 31 December 2022, the Parent Company was not aware of any other holdings equal to or greater than 3% of the share capital or voting rights of the Parent Company, which, although less than the established percentage, would enable the exercise of significant influence over the Parent Company.

Legal reserve

The part of the balance of the legal reserve that exceeds 10% of the previously increased capital may be used for a capital increase. Except for the aforementioned purpose, and provided that it does not exceed 20% of the share capital, this reserve may only be used to offset losses if there are no other reserves available that are sufficient for this purpose.

The amount of €4,275 thousand present in this account as at 30 June 2023 and 31 December 2022 corresponds to the balance of the Parent Company’s legal reserve.

Share premium

The Spanish Capital Companies Act expressly permits the use of the share premium balance to increase capital and does not establish any specific restrictions on the availability of this balance.

As a result of the increase in fully-paid share capital as a result of the flexible dividend, this item was increased by the difference between the par value of the shares and the value equivalent to the dividend, which amounts to €31,478 thousand.

Subsequently, as a result of the capital increase on 12 June 2023 through a private placement, the balance of this account increased by €197,073 thousand as a result of the difference between the issue price (8.2 euros) and the par value (0.12 euros). After these two capital increases, the balance of the share premium item amounted to €545,866 thousand at 30 June 2023 (€317,315 thousand at 31 December 2022).

Other reserves

The itemisation of this heading in the condensed consolidated interim balance sheet is as follows:

	Thousands of euros	
	30/06/2023	**31/12/2022**
Reserves Investments Canary Islands	3,485	3,485
Reserve amortised capital	30,540	30,540
Reserve merger	4,588	4,588
Revaluation reserve	2,539	2,539
Other voluntary reserves	820,041	913,870
Subtotal Other reserves of the Parent Company	**861,193**	**955,022**
Reserves in consolidated companies	57,649	(4,299)
Treasury shares	(2,717)	(2,552)
Total other reserves	**916,125**	**948,171**

There is a limit on distributions that would reduce the balance of reserves to an amount less than the total outstanding balance of development costs, which come to €9.2 million on 30 June 2023 (€9.2 million on 31 December 2022).

As a result of the capital increase of 12 June 2023 mentioned in this Note, €1.7 million were deducted from the "Other voluntary reserves" account for the expenses related to this capital increase (net of the tax effect).

Reserves Investments Canary Islands

In compliance with the requirements of Law 19/1994, and in order to be able to benefit from the tax incentives that it establishes, the Parent Company allocates to these Reserves for Canary Islands Investments (R.I.C.) part of the profits obtained by the establishment located in the Canary Islands, which is a restricted reserve since the assets of which it consists must remain within the company.

On 30 June 2023 and 31 December 2022 the balance of these reserve comes to €3,485 thousand, included under "Other Reserves of the Parent Company".

Reserves for amortized capital

In accordance with the revised text of the Spanish Capital Companies Act, these reserves may only be used subject to the same requirements as for the reduction of share capital.

On 30 June 2023 and 31 December 2022, the balance of these reserves amounts to €30,540 thousand.

Liquidity contract and treasury shares

The Parent Company has a liquidity contract with a financial intermediary, effective from 4 March 2019, with the aim of favouring liquidity and stability of prices of the Company's shares, within the limits established by the General Shareholders' Meeting and by current regulations, in particular, Circular 1/2017, of 26 April, of the National Securities Market Commission (CNMV), on liquidity contracts. This contract means that, as at 30 June 2023, the Parent Company holds treasury shares representing 0.09% of the share capital (0.10% on 31 December 2022) and an overall nominal value of €23.7 thousand (€21.7 thousand as at 31 December 2022), which have been recognised in accordance with EU-IFRS. The average acquisition price of these shares was €7.8 per share. The treasury shares held by the Parent Company are intended to be traded on the market.

Valuation adjustments and other adjustments

On 30 June 2023 and 31 December 2022, the amount of this heading comes to €-28,635 thousand, and it is mainly related to:

- Net accumulated actuarial losses due to recalculations of the valuations of the retirement benefit obligations as a result of changes in the calculation assumptions: -€18,543 thousand on 30 June 2023 and 31 December 2022).

- Financial assets measured at fair value through other comprehensive income: as explained in Note 12 to the consolidated financial statements for the year ending 31 December 2022, in accordance with IFRS 9, the Group recognised the impairment losses of the investee companies Suneva Medical Inc. and Dermelle LLC under this heading. On 30 June 2023 and 31 December 2022, the accumulated balance is -€10,092 thousand.

Translation differences

This heading in the accompanying condensed consolidated interim balance sheet includes the net amount of exchange differences arising on the translating the equity of companies with a functional currency other than the euro into the Group's reporting currency.

On 30 June 2023 and 31 December 2022, the breakdown of the balance of this item by companies in the condensed consolidated interim balance sheet is as follows:

	Thousands of Euros	
	30/06/2023	**31/12/2022**
Almirall Inc / Almirall LLC (USA)	44,629	50,207
Almirall Limited (UK)	(814)	(1,247)
Other subsidiaries	2,682	2,566
Total translation differences	**46,497**	**51,526**

The movement for the six-month period ending 30 June 2023 has been as follows:

	Thousands of euros
Balance as at 31/12/2022	**51526**
Variations due to exchange differences	(5,029)
Balance as at 30/06/2023	**46497**

16. Financial liabilities

As detailed in Note 5-i) to the consolidated financial statements for the year ending 31 December 2022, the Group classifies its financial liabilities into the following valuation categories:

- Financial liabilities measured at fair value with variations in the profit and loss account:

  This heading is deemed to include liabilities related with bonds and other marketable securities issued and quoted that the Group may purchase in the short term in accordance with changes in value, a portfolio of identified financial instruments that are managed jointly and for which there is evidence of recent actions to obtain gains in the short term, or derivative financial instruments, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

- Financial liabilities valued at amortised cost:

  This heading includes mainly unsecured bonds, debts with credit institutions and (revolving) credit lines. At the date of initial application, the Group's business model is to maintain this financing to pay contractual cash flows that represent only payments of principal and interest on the principal amount.

(Thousands of euros)

The itemisation of this heading in the condensed consolidated interim balance sheet on 30 June 2023 and 31 December 2022 is as follows:

	Limit	Balance drawn down (*)	Current	Non-current			
				2024/2025	2025/2026	Rest	Total
Financial liabilities at amortised cost							
Credit facilities	275,000	-	-	-	-	-	-
Loans with credit institutions	80,000	60,000	10,000	10,000	10,000	30,000	50,000
Senior unsecured bonds	300,000	296,305	-	-	296,305	-	296,305
Financial liabilities at fair value through profit or loss							
Liabilities for derivative financial instruments	N/A	3,704	3,704	-	-	-	-
Accrued interest to be paid	**N/A**	**2,294**	**2,294**	**-**	**-**	**-**	**-**
Total as at 30 June 2023	**655,000**	**362,303**	**15,998**	**10,000**	**306,305**	**30,000**	**346,305**

(*) Balance drawn down net of issuance costs

	Limit	Balance drawn down (*)	Current	Non-current			
				2024	2025	Rest	Total
Financial liabilities at amortised cost							
Credit facilities	275,000	-	-	-	-	-	-
Loans with credit institutions	80,000	65,000	10,000	10,000	10,000	35,000	55,000
Senior unsecured bonds	300,000	295,758	-	-	-	295,758	295,758
Financial liabilities at fair value through profit or loss							
Liabilities for derivative financial instruments	N/A	25	25	-	-	-	-
Accrued interest to be paid	**N/A**	**2,377**	**2,377**	**-**	**-**	**-**	**-**
Total as at 31 December 2022	**655,000**	**363,160**	**12,402**	**10,000**	**10,000**	**330,758**	**350,758**

(*) Balance drawn down net of issuance costs

Senior unsecured bonds

On 22 September 2021, the Parent Company proceeded to conclude and disburse an issuance of senior unsecured bonds for an aggregate nominal amount of €300 million, at a fixed annual interest rate of 2.125%, maturing on 22 September 2026. The bonds were placed among qualified investors by BNP Paribas and JP Morgan AG, as coordinating entities. The effective interest rate of these bonds is 2.5%.

The debt from these bonds is stated at the nominal amount (€300 million) net of issuance costs (which amounted to €5.6 million), which will be recorded over the life of the bonds at amortised cost using the effective interest method.

Debts with credit institutions

Details of debts with credit institutions as at 30 June 2023 and 31 December 2022 are as follows:

	Limit	Balance drawn down	Final maturity	Nominal interest rate	Effective interest rate
Debts with credit institutions					
Revolving credit facility	275,000	-	17/07/2024	4.99% (Euribor + Margin)	4.99%
European Investment Bank Loan	80,000	60,000	17/04/2029	1.65%	1.65%
Total as at 30 June 2023	**355,000**	**60,000**			

	Limit	Balance drawn down	Final maturity	Nominal interest rate	Effective interest rate
Debts with credit institutions					
Revolving credit facility	275,000	-	17/07/2024	3.18% (Euribor + Margin)	3.18%
European Investment Bank Loan	80,000	65,000	17/04/2029	1.65%	1.65%
Total as at 31 December 2022	**355,000**	**65,000**			

On 17 July 2020, the Parent Company arranged a revolving credit facility for €275 million, for an initial term of three years with the possibility of an extension for an additional year (this renewal was granted on 30 June 2021), and this facility was earmarked for general corporate purposes. The credit facility contract obliges the Parent Company to comply with a series of covenants, including most notably compliance with a certain ratio of "Consolidated net financial debt / consolidated EBITDA". This covenant is fulfilled on 30 June 2023 and 31 December 2022.

On 27 March 2019, the Parent Company arranged a loan facility with the European Investment Bank (EIB) for up to €120 million, to fund its research and development efforts, with the objective of providing cutting-edge innovation and differentiated therapies in the area of medical dermatology. On 17 April 2019, the first tranche of €80 million was granted, with 32 equal repayments of principal between 17 July 2021 and 17 April 2029, with the latter date being the final maturity. Due to the issue of new debt in 2021, the interest rate has increased by 0.30%. The loan agreement requires the Parent Company to comply with a series of covenants, including most notably compliance with a "Consolidated net financial debt / consolidated EBITDA" ratio and a "Financial leverage of subsidiaries / consolidated EBITDA" ratio. Both covenants are fulfilled on 30 June 2023 and 31 December 2022.

Derivative financial instruments

On 10 May 2018, the Ordinary General Meeting of Shareholders approved the completion of a swap transaction of interest rate and shares ("equity swap"). This transaction is made effective by means of a contract dated 11 May 2018 with Banco Santander, S.A., whereby Almirall S.A. undertakes to pay variable interest to the bank as compensation and Banco Santander, S.A. undertakes, as acquirer of underlying ordinary shares of the company Almirall S.A. with a maximum nominal limit of 2.99% of the share capital (5,102,058 shares or €50 million), and with a term of 24 months and an extension of 4 months, to hand over the dividend received for its investment in Almirall S.A. and to sell the shares of Almirall, S.A. to the company itself on maturity.

In addition, when the fair value is less than 85% of the cost value, the Group must offset the loss by contributing cash to the bank (thereby reducing the fair value of the derivative). Once a settlement has been made, if the fair value exceeds 110% of the last value at which a settlement occurred, then the Group will reclaim the payments made proportionately up to 100% of the initial value of the derivative (always limited to the cost of acquisition by Banco Santander). For this reason, the Group has opted to classify this asset/liability as current.

Consequently, under the heading "Assets due to derivative financial instruments" (in the case of unrealised gains) or "Liabilities due to derivative financial instruments" (in the case of unrealised losses), the fair value of the derivative has been recognised, which corresponds to the difference between the fair value of the underlying asset and the acquisition cost of the shares for Banco Santander (2,510,952 shares equivalent to €35.1 million, corresponding to 1.4% of the Parent Company's share capital), which, at 30 June 2023, amounted to a loss of €16 million, of which €12.3 million have been deposited with the bank and, therefore, at 30 June 2023, the liabilities amount to €3.7 million (Note 12). As at 31 December 2022, there was no liability recorded, seeing that the amount of the loss matched the amount deposited (€12.3 million). Since this derivative does not meet the requirements for hedge accounting, it is recorded through the income statement. For the six-month period ending 30 June 2023, the impact on the Group's condensed consolidated interim income statement amounted to €3.7 million in losses (loss of €1.8 million for the six-month period ending 30 June 2022, Note 20).

At the date of preparation of these condensed consolidated financial statements, the Parent Company's Administrators consider that no breach of the aforementioned obligations (including the aforementioned series of covenants) has occurred.

The interest accrued and payable on 30 June 2023 amounts to €2,294 thousand (€2,377 thousand on 31 December 2022), and it corresponds mainly to senior unsecured bonds.

Cash flows from financing activities

On the other hand, in application of the amendment to IAS 7, below we provide a reconciliation of the cash flows arising from financing activities to the corresponding liabilities in the opening and closing statements of financial position, separating the movements that involve cash flows from those that do not.

	Balance 01.01.2023	Cash Flow	Interest paid	Interest accrued	Changes in fair value	Balance 30.06.2023
Financial liabilities at amortised cost						
Credit facilities	-	-	-	-	-	-
Loans with credit institutions	65,000	(5,000)	-	-	-	60,000
Senior unsecured bonds	295,758	-	-	547	-	296,305
Financial liabilities at fair value through profit or loss						
Liabilities for derivative financial instruments	25	-	-	-	3679	3,704
Accrued interest to be paid	**2,377**	**-**	**(5,244)**	**5161**	**-**	**2,294**
Total Financial debt	**363,160**	**(5,000)**	**(5,244)**	**5708**	**3679**	**362,303**

	Balance 01.01.2022	Cash Flow	Interest paid	Interest accrued	Changes in fair value	Balance 30.06.2022
Financial liabilities at amortised cost						
Credit facilities	-	-	-	-	-	-
Loans with credit institutions	75,000	(5,000)	-	-	-	70,000
Senior unsecured bonds	294,692	-	-	533	-	295,225
Financial liabilities at fair value through profit or loss						
Liabilities for derivative financial instruments	-	-	-	-	1,808	1,808
Accrued interest to be paid	**2,314**	**-**	**(5,039)**	**5,110**	**-**	**2,385**
Total Financial debt	**372,006**	**(5,000)**	**(5,039)**	**5,643**	**1,808**	**369,418**

In accordance with the hierarchy levels established by IFRS 13 and indicated in Note 31 to the consolidated financial statements for the year ending 31 December 2022, the financial liabilities for which fair value is estimated are Level 2 (derivative financial instruments) in the amount of €3,704 thousand at 30 June 2023 (€1,808 thousand at 30 June 2022).

17. Trade payables and Other liabilities

Trade payables

On 30 June 2023 and 31 December 2022 this heading is itemised as follows:

	Thousands of Euros	
	30/06/2023	31/12/2022
Suppliers	98,110	96,695
Trade payables	88,150	87,592
Total short-term trade payables	**186,260**	**184,287**

Other liabilities

On 30 June 2023 and 31 December 2022 this heading is itemised as follows:

	Thousands of Euros				
		Non-current			
	Current	2024/2025	2025/2026	Rest	Total
Loans linked to research	1,690	1,011	1,124	161	2,296
Debts for purchases of fixed assets	7,314	-	-	-	-
Remuneration to be paid	23,740	2,224	4,496	2,539	9,259
Long-term tax liabilities	-	-	-	5,536	5,536
Other debts	112	-	-	24	24
Total as at 30 June 2023	**32,856**	**3,235**	**5,620**	**8,260**	**17,115**

	Thousands of Euros				
		Non-current			
	Current	2024	2025	Rest	Total
Loans linked to research	1,614	898	1,124	446	2,468
Debts for purchases of fixed assets	13,532	-	-	-	-
Remuneration to be paid	30,788	965	1,971	5,255	8,191
Long-term tax liabilities	-	-	-	6,964	6,964
Other debts	247	-	-	1	1
Total as at 31 December 2022	**46,181**	**1,863**	**3,095**	**12,666**	**17,624**

Loans linked to research refers to zero-interest loans granted by the Ministry of Science and Technology to promote research and are presented in the table above as described in Note 5-i to the consolidated financial statements for the year ending 31 December 2022. The granting of these loans is subject to compliance with carrying out certain investments and expenses during the years for which they are granted, and the loans mature between 2023 and 2038.

Debts for purchases of fixed assets refer basically to disbursements pending for the acquisition of goods, products and marketing licenses contracted in the fiscal year and prior years, among them the milestones described in Note 9.

The balance of Remuneration to be paid mainly includes balances to be paid to employees corresponding to the accrued portions of bonus payments, as well as the Group's bonuses for achieving targets.

As a result of the application of IFRIC 23, "Uncertainty regarding income tax treatment", (Note 5-p) to the consolidated financial statements for the year ending 31 December 2022, as at 30 June 2023 an amount of €5,536 thousand has been classified as "Long-term tax liabilities" (€6,964 thousand at 31 December 2022).

There are no significant differences between the fair value of the liabilities and the recognised amount.

18. Retirement benefit obligations

The retirement benefit obligations are related to the subsidiaries Almirall Hermal, GmbH, Almirall, AG and Polichem, S.A. and are related to unfunded plans (there are no assets assigned to these plans).

	Thousands of Euros
Balance as at 31 December 2022	**54,046**
Actuarial losses / (gains)	-
Interest cost	952
Benefits paid	(1,037)
Balance as at 30/06/2023	**53,961**

Compared to 31 December 2022, there has been no change in the liabilities, as the actuarial assumptions have not changed significantly. At 30 June 2022, the change in interest rates resulted in an actuarial gain of €28.1 million.

19. Provisions

The composition of and movement in this heading of the condensed consolidated interim balance sheet during the six-month period ending 30 June 2023 was as follows:

	Thousands of Euros
Balance as at 31 December 2022	**20,746**
Additions and provisions	323
Reversal	(924)
Balance as at 30 June 2023	**20,145**

This refers mainly to the provision for long-term remuneration (see Note 5-v to the consolidated financial statements for the year ending 31 December 2022) and to the Group's estimate of the disbursements that it would have to make in the future to meet other liabilities arising from the nature of its business. There have been no significant variations with respect to 31 December 2022.

20. Income and expenses

Net turnover

The tables below itemise the net turnover for the six-month periods ending 30 June 2023 and 2022 by line of business and item, region and main therapeutic fields.

	Thousands of Euros	
	2023 Period	**2022 Period**
Marketing through own network	392,563	374,376
Marketing through licensees	47,822	48,627
Corporate management and income not allocated to other segments	25,675	13,632
Total turnover	**466,060**	**436,635**

	Thousands of Euros	
	2023 Period	**2022 Period**
Product sales revenue	446,984	428,171
Income from royalties	1,533	1,211
Other income from licensing	17,543	7,253
Total turnover	**466,060**	**436,635**

	Thousands of Euros	
	2023 Period	**2022 Period**
Spain	146,855	147,022
Europe and Middle East	237,890	215,150
America, Asia and Africa	55,640	60,831
Corporate management and income not allocated to other segments	25,675	13,632
Total turnover	**466,060**	**436,635**

	Thousands of Euros	
	2023 Period	**2022 Period**
Respiratory	55,582	53,344
Gastrointestinal and metabolism	64,379	60,926
Dermatology and others	231,318	209,440
CNS	35,097	35,097
Musculoskeletal	14,652	15,984
Cardiovascular	42,511	37,911
Other therapeutic specialities	22,521	23,933
Total	**466,060**	**436,635**

Other income

The following table provides an itemisation of the composition of other income for the six-month periods ending 30 June 2023 and 2022:

	Thousands of Euros	
	2023 Period	**2022 Period**
Income due to agreement with AZ/Covis (Note 12)	704	9,278
Re-invoicing of services rendered to AZ/Covis	112	648
Others	357	822
Total Other income	**1,173**	**10,748**

Supplies

The itemisation of this heading for the six-month periods ending 30 June 2023 and 2022 is as follows:

	Thousands of Euros	
	2023 Period	**2022 Period**
Purchases	123,013	96,812
Change in stocks of finished or semi-finished products	(10,034)	(4,376)
Change in stocks of raw materials and goods	(3,388)	2,374
Total Procurement	**109,591**	**94,810**

Staff

The itemisation of staff costs for the six-month periods ending 30 June 2023 and 2022 is as follows:

	Thousands of Euros	
	2023 Period	**2022 Period**
Payroll and salaries	82,327	82,202
Social security payable by the company	15,397	14,043
Compensation payments	1,525	4,597
Other welfare expenses	7,760	6,331
Total	**107,009**	**107,173**

The average number of employees of the Group for the six-month periods ending 30 June 2023 and 2022, by professional category and gender, is as follows:

	2023 Period			2022 Period		
	Men	Women	Total	Men	Women	Total
Directors	1	-	1	2	-	2
Executives	66	40	106	38	19	57
Managers	100	91	191	127	108	235
Technical staff	452	591	1,043	465	605	1,070
Administrative staff	257	275	532	196	235	431
Others	-	2	2	-	2	2
Total	**876**	**999**	**1,875**	**828**	**969**	**1,797**

The number of Group employees at 30 June 2023 with a disability of equal to or greater than thirty-three per cent is 38 people (37 people on 31 December 2022).

On 30 June 2023 and 31 December 2022, the make-up of the staff was as follows:

	30 June 2023			31 December 2022		
	Men	Women	Total	Men	Women	Total
Directors	1	-	1	1	-	1
Executives	65	40	105	67	38	105
Managers	100	90	190	95	89	184
Technical staff	447	589	1,036	442	585	1027
Administrative staff	264	278	542	249	278	527
Others	-	2	2	-	2	2
Total	**877**	**999**	**1,876**	**854**	**992**	**1846**

Other operating expenses

The itemisation of this heading for the six-month periods ending 30 June 2023 and 2022 is as follows:

	Thousands of Euros	
	2023 Period	2022 Period
R&D activities	29,529	25,531
Leases and fees	25,200	20,570
Repairs and maintenance	11,903	9,409
Independent professional services	11,975	11,204
Transport	7,006	6,791
Insurance premiums	1,596	1,302
Bank services and similar	309	335
Congresses and other promotional activities	43,664	39,830
Supplies	3,302	4,573
Other services	15,101	18,280
Other taxes	2,249	1,299
Total	**151,834**	**139,124**

Net gains (losses) on disposal of assets

The itemisation of net gain or loss on disposal of non-current assets in the six-month periods ending 30 June 2023 and 2022 are as follows:

	Thousands of Euros			
	2023 Period		2022 Period	
	Gains	Losses	Gains	Losses
For disposal or retirement of intangible assets	1	-	15	-
For disposal or retirement of property, plant and equipment	-	(1)	-	(3)
	1	**(1)**	**15**	**(3)**
Net gains (losses) on disposal of assets	**-**		**12**	

Financial income and expenses

The itemisation of net financial results and exchange differences for the six-month periods ending 30 June 2023 and 2022 are as follows:

	Thousands of Euros			
	2023 Period		2022 Period	
	Income	Expenses	Income	Expenses
Financial and similar income / (expenses)	1,085	(7,388)	505	(6,175)
Change in fair value of financial instruments (Note 18)	-	(3,679)	-	(1,808)
Exchange rate differences	(771)	-	1,522	-
	314	**(11,067)**	**2,027**	**(7,983)**
Financial result	**(10,753)**		**(5,956)**	

The heading "Financial and similar income / (expenses)" includes mainly the interest associated with the senior unsecured bonds and the debt with credit institutions described in Note 16, in FY 2023 and 2022.

The result recorded under the heading "Change in fair value of financial instruments" corresponds to the change in fair value of the equity swap (as explained in Note 16) with a loss of €3.7 million in FY 2022 (a loss of €1.8 million in FY 2022).

21. Tax situation

Balances held with the Public Administration

The balances receivable from and payable to the Public Administrations as at 30 June 2023 and 31 December 2022 are as follows:

	Thousands of Euros	
	30/06/2023	31/12/2022
Public Treasury (Hacienda) VAT owed	12,806	6,378
Public Treasury (Hacienda) Corporate Income Tax owed	13,348	14,432
Other debts	15	7
Total debtor balance	**26,169**	**20,817**
Public Treasury (Hacienda) VAT paid	7,367	3,327
Personal income tax	6,094	7,701
Social Security Agencies creditors	3,414	3,004
Public Treasury (Hacienda) Corporate Income Tax creditor	14,835	12,611
Total credit balances	**31,710**	**26,643**

Fiscal years subject to tax inspection

On 30 June 2021, the Tax Agency notified Almirall, S.A., in its capacity as representative of the tax group, of the commencement of the inspection and investigation of Corporate Income Tax (tax consolidation regime) for the 2016, 2017 and 2018 financial years. It also notified the initiation of inspection and investigation activities against the Company and Industrias Farmacéuticas Almirall S.A., as well as Ranke Química, S.A., regarding Value Added Tax, Withholdings and Payments on account of capital gains, Withholdings and payments on account of work/professional income, and Withholdings and payments on account due to non-resident taxation for the periods between July 2017 and December 2018.

These inspections were finalised with the signing of the certificates of conformity on 31 March 2023, without any significant amounts arising therefrom.

Consequently, the Parent Company and the companies forming part of the Spanish tax group are currently being audited for FY 2019 to 2020 regarding Corporate Income Tax, and for FY 2019 to 2020 for all other applicable taxes.

During the financial year 2018, the following inspection procedure was communicated in respect of the independent subsidiary Almirall AG (Switzerland): Federal inspection covering financial years 2013, 2014, 2015 and 2016. At the date of preparation of these condensed consolidated financial statements, this inspection is still in progress.

During the financial year 2022, the following inspection procedure was communicated in respect of the Group's following foreign company: Almirall Inc. and investee companies (United States). This inspection has to do with Corporate Income Tax for 2015, 2016, 2018 and 2020. At the date of preparation of these condensed consolidated financial statements, this inspection is still in progress.

During the six-month period ending 30 June 2023, no inspections additional to those mentioned above have been initiated.

The Group’s foreign companies are currently being audited for the corresponding years, in each of the local legislations, regarding the applicable taxes.

The administrators do not expect any liabilities to arise as a result of the above inspections that would materially affect these condensed consolidated interim financial statements as at 30 June 2023.

In general, due to the different ways in which the tax regulations may be interpreted, the results of the inspections that are being carried out, or that may be carried out in the future by the tax authorities, for the years subject to verification, may give rise to tax liabilities of an amount that cannot be objectively quantified at present. In the opinion of the Parent Company’s administrators, however, the possibility of significant liabilities arising in this respect, in addition to those recognised, is remote.

Deferred taxes

In relation to the recoverability of deferred tax assets (mainly with origin in the Spanish tax group), there has been no significant change in the estimate of future results made in the recoverability analysis described in Note 21 of the notes to the consolidated financial statements for the year ending 31 December 2022.

During the six months ended 30 June 2023, there have been no significant movements in deferred tax assets and liabilities.

The Group has not recognised any amount relating to the taxation of potential future dividends as a deferred tax liability since it has the ability to control the timing of receipt of dividends, and it is unlikely that the subsidiaries will be sold in the foreseeable future. The amount of deferred tax liabilities that have not been recognised related to temporary differences in investments in subsidiaries would not be significant.

Corporate income tax expense

Income tax expense is recognised on the basis of the best estimate for the period, which does not differ significantly from the weighted average tax rate expected for the annual accounting period.

22. Business segments

Segmentation criteria

The segmentation criteria used in the preparation of the accompanying consolidated interim financial information of the Almirall Group are consistent with those used in the preparation of the consolidated financial statements for the year ending 31 December 2022. Where there are no intersegment revenues, these financial statements provide details on the basis and methodology used to prepare the financial information by segments.

(Thousands of euros)

Segment reporting by business

Segmented income statement for the six months ending 30 June 2023:

	Sales through own network	Sales through licensees	Dermatology in the US	Research and development activity	Corporate management and results not allocated to other segments	Adjustments and reclassifications	Total
Net sales	363,334	47,822	29,229	-	25,675	-	466,060
Other Income	-	-	-	112	1,061	-	1,173
Operating income	**363,334**	**47,822**	**29,229**	**112**	**26,736**	**-**	**467,233**
Work carried out on fixed assets	-	-	-	3,217	-	-	3,217
Procurements	(110,428)	(22,193)	(8,783)	(881)	(1,626)	34,320	(109,591)
Staff costs	(38,664)	(569)	(10,500)	(13,806)	(25,842)	(17,628)	(107,009)
Amortization and depreciation change	(19,815)	(4,998)	(22,820)	(2,519)	(7,556)	(5,122)	(62,830)
Net change in provisions	-	-	(252)	-	(58)	-	(310)
Other operating expenses	(50,481)	(2,660)	(15,249)	(38,532)	(33,342)	(11,570)	(151,834)
Net gains/(losses) on disposals of assets	-	-	-	-	-	-	-
Loss (Gain) on recognition (reversal) of impairment of property, plant and equipment, intangible assets and goodwill	-	-	-	-	-	-	-
Operating profit	**143,946**	**17,402**	**(28,375)**	**(52,409)**	**(41,688)**	**-**	**38,876**
Financial income	-	-	-	-	1,085	-	1,085
Financial expense	-	-	-	-	(7,388)	-	(7,388)
Exchange differences	-	-	-	-	(771)	-	(771)
Profit/(loss) on the measurement of financial instrume	-	-	-	-	(3,679)	-	(3,679)
Profit /(loss) before taxes	**143,946**	**17,402**	**(28,375)**	**(52,409)**	**(52,441)**	**-**	**28,123**
Income tax	-	-	-	-	(16,108)	-	(16,108)
Net profit (loss) for the period attributable to the Parent Company	**143,946**	**17,402**	**(28,375)**	**(52,409)**	**(68,549)**	**-**	**12,015**

Segmented income statement for the six months ending 30 June 2022:

	Sales through own network	Sales through licensees	Dermatology in the US	Research and development activity	Corporate management and results not allocated to other segments	Adjustments and reclassifications	Total
Net sales	341,022	48,627	33,354	-	13,632	-	436,635
Other Income	-	9,278	-	648	822	-	10,748
Operating income	**341,022**	**57,905**	**33,354**	**648**	**14,454**	**-**	**447,383**
Work carried out on fixed assets	-	-	-	3,664	-	-	3,664
Procurements	(96,236)	(21,602)	(8,739)	213	(1,609)	33,163	(94,810)
Staff costs	(34,841)	(544)	(10,801)	(12,476)	(32,475)	(16,036)	(107,173)
Amortization and depreciation change	(15,638)	(4,886)	(23,669)	(2,127)	(7,727)	(5,372)	(59,419)
Net change in provisions	-	-	(181)	-	(2,540)	-	(2,721)
Other operating expenses	(44,747)	(2,343)	(14,293)	(34,132)	(31,854)	(11,755)	(139,124)
Net gains/(losses) on disposals of assets	-	-	-	-	12	-	12
Loss (Gain) on recognition (reversal) of impairment of property, plant and equipment, intangible assets and goodwill	-	-	-	-	-	-	-
Operating profit	**149,560**	**28,530**	**(24,329)**	**(44,210)**	**(61,739)**	**-**	**47,812**
Financial income	-	-	-	-	505	-	505
Financial expense	-	-	-	-	(6,175)	-	(6,175)
Exchange differences	-	-	-	-	1,522	-	1,522
Profit/(loss) on the measurement of financial instruments	-	-	-	-	(1,808)	-	(1,808)
Profit /(loss) before taxes	**149,560**	**28,530**	**(24,329)**	**(44,210)**	**(67,695)**	**-**	**41,856**
Income tax	-	-	(237)	-	(14,284)	-	(14,521)
Net profit (loss) for the period attributable to the Parent Company	**149,560**	**28,530**	**(24,566)**	**(44,210)**	**(81,979)**	**-**	**27,335**

(Thousands of euros)

Assets of the condensed consolidated interim balance sheet on 30 June 2023 segmented:

ASSETS	Marketing through own network	Marketing through licensees	Dermatology USA	Research and development activity	Corporate management and results not allocated to other segments	Total
Goodwill	227,743	52,816	-	-	35,407	315,966
Intangible assets	245,965	162,022	298,035	41,052	139,632	886,706
Right-of-use assets	4,818	122	-	-	32,220	37,160
Property, plant and equipment	615	-	4,421	24,503	97,393	126,932
Financial assets	178	10	836	-	27,662	28,686
Deferred tax assets	2,006	5,832	6,539	-	167,745	182,122
NON-CURRENT ASSETS	**481,325**	**220,802**	**309,831**	**65,555**	**500,059**	**1,577,572**
Stocks	90,469	13,396	7,878	-	32,873	144,616
Trade and other receivables	71,085	19,705	27,251	-	13,630	131,671
Current tax assets	1,712	531	5,150	-	18,776	26,169
Other current assets	1,420	22	1,869	-	9,206	12,517
Current financial investments	-	-	-	-	220,594	220,594
Cash and cash equivalents	-	-	21,241	-	205,466	226,707
CURRENT ASSETS	**164,686**	**33,654**	**63,389**	**-**	**500,545**	**762,274**
TOTAL ASSETS	**646,011**	**254,456**	**373,220**	**65,555**	**1,000,604**	**2,339,846**

Assets of the consolidated balance sheet on 31 December 2022 segmented:

ASSETS	Marketing through own network	Marketing through licensees	Dermatology USA	Research and development activity	Corporate management and results not allocated to other segments	Total
Goodwill	227,743	52,816	-	-	35,407	315,966
Intangible assets	213,591	170,113	307,990	41,217	165,766	898,677
Right-of-use assets	4,465	157	43	-	33,988	38,653
Property, plant and equipment	577	18	3,389	24,202	95,865	124,051
Financial assets	170	10	1,057	-	33,418	34,655
Deferred tax assets	1,544	5,845	6,661	-	168,921	182,971
NON-CURRENT ASSETS	**448,090**	**228,959**	**319,140**	**65,419**	**533,365**	**1,594,973**
Stocks	66,629	8,213	12,179	-	43,074	130,095
Trade and other receivables	44,366	18,590	37,857	-	37,448	138,261
Current tax assets	811	322	4,962	-	14,722	20,817
Other current assets	872	35	4,302	-	9,513	14,722
Current financial investments	-	-	-	-	443	443
Cash and cash equivalents	-	-	11,589	-	236,791	248,380
CURRENT ASSETS	**112,678**	**27,160**	**70,889**	**-**	**341,991**	**552,718**
TOTAL ASSETS	**560,768**	**256,119**	**390,029**	**65,419**	**875,356**	**2,147,691**

Additions to non-current assets by segment during the six-month periods ending:

	Thousands of euros	
	30/06/2023	**31/12/2022**
Marketing through own network	39,762	20,415
Dermatology USA	35	3,146
Research and development activities	6,127	28,330
Corporate management and results not allocated to other segments	11,968	75,716
Total additions	**57,892**	**127,607**

The Group does not itemise information about relevant clients by segments, as none of them individually represents more than 10% of the Group's net turnover.

23. Dividends paid by the Parent Company

The dividends paid by the Parent Company during the first six-month periods ending 30 June 2023 and 2022 are shown below:

	First Half Year 2023			First Half Year 2022		
	% of nominal	**Euros per share**	**Amount (Thousands of Euros)**	**% of nominal**	**Euros per share**	**Amount (Thousands of Euros)**
Ordinary shares	158%	0.19	34,488	158%	0.19	34,158
Total Dividends paid	**158%**	**0.19**	**34,488**	**158%**	**0.19**	**34,158**
Dividends charged to income statement	158%	0.19	34,488	158%	0.19	34,158

The 2023 and 2022 dividend payments have been implemented as a flexible dividend in which shareholders have been offered the choice between receiving newly issued Parent Company shares or the cash amount equivalent to the dividend.

In 2023, the cash payment was chosen by 7.8% of the rights (which meant a disbursement of €2.6 million), and the remaining 92.2% opted to receive new shares, each at par value, which were issued as a capital increase (Note 15).

In 2022, the cash payment was chosen by 37.1% of the rights (which meant a disbursement of €12.4 million), while the remaining 62.9% opted to receive new shares, each at par value, which were issued as a capital increase (Note 15).

When a dividend is approved, which may be settled in cash or through the issue of fully paid-up shares at the investor's option, i.e., remuneration with shares for a specific value, the corresponding liability must be recognised with a charge to reserves equivalent to the fair value of the rights to be allotted shares at no charge. If the investor opts to subscribe for fully paid-up shares, then the corresponding capital increase will be recognised. If the investor elects to collect the dividend, then the liability will be derecognised with a credit to the cash paid.

24. Basic earnings / (loss) per share

Basic earnings per share is calculated by dividing the net profit for the period that can be attributed to the Parent Company by the weighted average number of ordinary shares outstanding during the period, excluding the average number of treasury shares held for the entire period. Diluted earnings per share are calculated by dividing net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted by the weighted average number of ordinary shares that would be issued if all the potential ordinary shares were converted into ordinary shares of the Parent Company. For these purposes, the conversion is deemed to take place at the start of the period or at the moment of issue of the potential ordinary shares if these have been issued during the period itself.

At the end of the six-month periods ending 30 June 2023 and 2022, there were no financial instruments with dilutive effects.

Accordingly:

	2023 Period	2022 Period
Net result of the year (thousands of euros)	12,015	27,335
No. of weighted average ordinary shares available (*)	184,384	184,384
No. of weighted average diluted shares (**)	184,384	184,384
Basic earnings per share (euros)	**0.07**	**0.15**
Diluted earnings per share (euros)	**0.07**	**0.15**

(*) Number of issued shares minus treasury shares

(**) Average number of available ordinary shares

As described in Note 15, during the six-month period ending 30 June 2023, a total of 27,878,356 new shares of the Parent Company were created in the respective capital increases on 7 and 12 June 2023. During the six-month period ending 30 June 2022, a total of 1,738,566 new Parent Company shares had been created and were admitted to trading on 8 June 2022.

In accordance with the provisions of IAS 33, these capital increases have been taken into account in the earnings per share corresponding to the first semester of 2022, with no change in the amount with respect to what was published in the condensed consolidated interim financial statements of the six-month period ending 30 June 2022.

Lastly, the calculation of diluted consolidated earnings per share takes into account the consolidated profit for the year attributable to the Parent Company, excluding the expense incurred by financial instruments convertible into shares, net of the related tax effect, if any.

25. Commitments, contingent liabilities and contingent assets

a) Commitments

As a result of the research and development activities carried out by the Group, on 30 June 2023 and 31 December 2022, firm agreements had been entered into for the performance of these activities at a cost of €49.7 million and €43.6 million, respectively, to be paid in future periods.

All other commitments remain as detailed in the notes to the consolidated financial statements for the year ending at 31 December 2022, with no significant changes.

b) Contingent liabilities

As of the date of preparation of these condensed consolidated interim financial statements, there are no other contingent liabilities that might give rise to significant cash outflows, except for those mentioned in Note 9, related with contingent payments for the acquisition of intangible assets.

c) Contingent assets

There are no contingent assets at the date of preparation of these condensed consolidated interim financial statements that could give rise to significant cash inflows.

26. Transactions with related parties

Transactions between the Parent Company and its subsidiaries have been eliminated during consolidation and are not itemised in this note.

Balances and transactions with other related parties

During the interim six-month periods ending 30 June 2023 and 2022, Group companies have carried out the following transactions with related parties and have recorded the following balances as at 30 June 2023 and 31 December 2022:

Company	Related party	Concept	Period	Thousands of Euros	
				Transactions - Income/(Expenses)	Balance - Debtor / (Creditor)
Almirall, S.A.	Sinkasen, S.L.U.	Leases	2023	(1,592)	-
			2022	-	-
Almirall, S.A.	Grupo Corporativo Landon, S.L.	Leases	2023	-	-
			2022	(1,580)	-
Almirall, S.A.	Grupo Corporativo Landon, S.L.	Re-invoicing works	2023	-	-
			2022	438	251

The Group's headquarters are leased to the related entity Sinkasen S.L.U., under a contract that was renewed in January 2023 for a minimum period of ten years (until 31 December 2032). Up to 30 June 2022, the building was owned by Grupo Corporativo Landon S.L. (which in turn is the sole shareholder of Sinkasen S.L.U.).

Transactions with related parties are carried out at market price.

27. Remuneration of the Board of Directors and Senior Management

The amount accrued during the six-month periods ending 30 June 2023 and 2022 by the current and former members of the Parent Company’s Board of Directors for all remuneration items (salaries, bonuses, allowances, remuneration in kind, life insurance, compensations, incentive schemes and social security contributions) amounted to €940 and 3,407 thousand, respectively. There are life insurance policies accrued for an amount of 7 thousand euros in the six-month period ending 30 June 2023 (€6 thousand in the same period of 2022).

During the six-month period ending 30 June 2023, third-party liability insurance premiums of €130 thousand (€138 thousand in the same period of 2022) have accrued to cover possible damages caused to members of the Board of Directors and Senior Management in the performance of their duties.

In addition, the remuneration accrued, paid and unpaid, by the Parent Company’s Board of Directors due to multi-year incentive and loyalty schemes and the SEUS Plan (see Note 5-v to the consolidated financial statements for the financial year ending at 31 December 2022) amounted to €0 and 487 thousand in the six-month periods ending 30 June 2023 and 2022, respectively. The balance of the provision for these plans totals 0 thousand as at 30 June 2023 (€0 thousand on 31 December 2022).

There are no other pension commitments contracted with the current and former members of the Parent Company’s Board of Directors as at 30 June 2023 and 31 December 2022.

The Group has included the members of the Management Committee as senior management for the purposes of the consolidated financial statements, as long as they are not on the Board of Directors.

The amount accrued during the six-month periods ending on 30 June 2023 and 2022 by senior managers who are not members of the Parent Company’s Board of Directors for all remuneration items (salaries, bonuses, allowances, remuneration in kind, compensations, incentive schemes and social security contributions) came to €4,050 thousand and €3,643 thousand, respectively.

In addition, accrued remuneration, both paid and unpaid, for the Group’s senior management under the multi-year incentive and loyalty schemes and the SEUS Plan totalled €657 thousand and €741 thousand in the six-month periods ending on 30 June 2023 and 2022, respectively. The balance of the provision for these plans totals €3,657 thousand as at 30 June 2023 (€3,011 thousand on 31 December 2022).

There are no other pension commitments to the Senior Managers as at 30 June 2023 and 31 December 2022.

The members of the Board of Directors and Senior Management of the Group have not received any shares or share options during the six months ending 30 June 2023, nor have they exercised any options or have any options outstanding, nor have they been granted any advances or loans.

28. Subsequent events

No significant events have occurred subsequent to the end of the reporting period as at the date of preparation of these condensed consolidated interim financial statements.

Almirall, S.A. and Subsidiaries (Almirall Group)

Consolidated interim management report

(Six-month period ending 30 June 2023)

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails)

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1. Summary of the first half-year

The first half of FY 2023 follows the trend of the same period of the previous year, with growth in sales of dermatological products in the different territories of Europe, thanks to the commercial deployment of Klisyri (for actinic keratosis) and Wynzora (for psoriasis) in new territories, together with the increase in sales of Ilumetri (also for psoriasis) in the different geographies where it was already being marketed. Conversely, the US market continues to be affected by the erosion of generics (although with less impact than in previous years), while the Spanish market has seen growth offset by the erosion in sales of products marketed under the Efficib and Tesavel brands, due to a reduction in reference prices since August 2022.

From a macroeconomic and geopolitical point of view, the first half of 2023 has been relatively quiet given that, even though interest rates have continued to rise, the Group has no particular exposure to these rates in the short to medium term. In addition, energy costs and inflation have relaxed, after a 2022 in which they increased significantly. Finally, the uncertainty generated by the conflict between Russia and Ukraine did not have a direct or significant impact on the six-month periods ending 30 June 2023 and 2022.

From the point of view of R&D activities, the response from the EMA regarding the registration application for Lebrikizumab is expected in the last quarter of 2023 and its subsequent launch before the end of the year. No significant new agreements have been signed in the six-month period ended 30 June 2023; the rest of the studies remain ongoing.

The dividend proposed by the Board of Directors on 17 February 2023 was approved at the General Meeting of Shareholders held on 05 May 2023. The payment of the dividend has been instrumented as a flexible dividend in which shareholders have been offered the choice between receiving newly issued Parent Company shares or the cash amount equivalent to the dividend. The cash payment was chosen by 7.8% of the rights holders (which entailed a disbursement of 2.6 million euros), while the remaining 92.2% opted to receive new shares at the unit par value, which were issued as a capital increase. On 7 June 2023, a total of 3,488,113 new shares of the Parent Company from this flexible dividend were admitted to trading on the Barcelona, Madrid, Bilbao and Valencia stock exchanges.

Subsequently, on 12 June 2023, a capital increase was made by issuing 24,390,243 shares belonging to the same class and series as the shares currently outstanding, by means of cash contributions and excluding the preemptive subscription rights of the Company's shareholders, through a private placement aimed exclusively at qualified investors. This placement was finally closed at an issue price of 8.2 euros per share, representing a total disbursement of 197.8 million euros, after deducting the costs of the capital increase.

From a liquidity standpoint, the Group ended the half year with a cash position that came to €317.1 million (as at 31 December 2022: €248.8 million). This evolution is explained by:

- Robust cash flow from operating activities (+57.1 million), in line with operating profit but partially offset by corporate income tax payments (mainly in Spain, Germany and Switzerland) and the negative trend in working capital (due to the increase in inventories and receivables).
- Net payments from investing activities (-€170.7 million) resulting mainly from the investment of part of the cash deriving from the capital increase in deposits at 6 months (€130 million), investments in the Group's production facilities, the acquisition of the product marketed under the Physiorelax brand, the extension of the Efficib/Tesavel contract and a payment derived from the addendum to the Ilumetri contract, partially offset by collections derived from the agreement with Covis Pharma GmbH.
- Net payments from financing activities (+€181.9 million) as a result of the aforementioned capital increase, partially offset by the cash payment of the flexible dividend (€2.6 million), interest payments on debt and quarterly repayments of the loan from the European Investment Bank.

2. Corporate Development

During the first half of FY 2023, the corporate development agreements concluded and the significant events that occurred were as follows:

- On 3 February 2023, the acquisition of the Physiorelax® product portfolio from DFT El Globo S.L. in Spain was announced. The acquisition includes worldwide marketing rights. Sales of this portfolio in 2022 amounted to 3.5 million euros.

3. Evolution of the main figures of the condensed consolidated interim income statement

- Operating income totalled €467.52 million (+4.4%) due to:
  - The net turnover came to €466.1 million, an increase of 6.7% thanks to the growth of dermatological products in Europe (led by Ilumetri, Wynzora and Klisyri), in particular, although it was offset by sales in the United States and the negative impact of the reference prices of Efficib/Tesavel..
  - Other revenues amounted to €1.2 million, decreasing significantly as a result of the agreement between Covis Pharma and AstraZeneca in the first six months of 2022.
- R&D expenses in the first half of the year amounted to 52.5 million euros (+17% compared to the same period in 2022) due to Phase 3b studies of Lebrikizumab and the progress on assets in early stages of development (especially IL-1RAP).
- Operating expenses increased slightly as a result of the commercial deployment of Wynzora and Klisyri in new territories and the pre-launch activities for Lebrikizumab.
- Depreciation and amortization amounted to 62.8 million euros (+5.7%), increasing slightly due to additions in 2023, partially offset by the reduction resulting from impairments made in 2022 on certain assets in the United States.
- The net financial result has worsened compared to the same period of 2022, as a result of the negative valuation of the derivative linked to the equity swap and the negative impact of exchange rate differences.
- For the reasons indicated above, the result after tax amounts to a profit of €12 million (-56% compared to the same period in 2022).

4. Consolidated condensed interim balance sheet. Financial position

The main changes in the consolidated condensed interim balance sheet at 30 June 2023 compared to 31 December 2022 are described below:

- Intangible assets decreased mainly as a result of amortisation and the negative impact of the US dollar on assets related to the US business, partially offset by additions in this financial year (extension of the Efficib/Tesavel contract and the acquisition of Physiorelax, among others).
- Trade receivables have decreased mainly due to milestone payments from the agreement with Covis Pharma GmbH.
- The cash position at the close of 30 June 2023 amounts to €317.1 million, significantly higher than at the close of 31 December 2022, thanks to the capital increase, although part of the funds are classified as short-term non-cash equivalent investments (around EUR 130 million). Adding cash and short-term investments, the figure amounts to €447.3 million as at 30 June 2023 (31 December 2022: €248.8 million).
- Net Equity has increased mainly due to the aforementioned capital increase of the Parent Company.
- Financial debt has decreased as a result of quarterly repayments of the loan from the European Investment Bank.

5. Financial risk management and use of hedging instruments

Interest rate risk

As of 30 June 2023, most of the Group's debt is at a fixed rate, which minimises the risk of a possible increase in interest rates. As described in Note 16 of the explanatory notes, the main debt instruments are as follows:

- On 22 September 2021, the Parent Company proceeded to conclude and disburse an issuance of senior unsecured bonds for an aggregate nominal amount of €300 million, at a fixed annual interest rate of 2.125%, maturing on 22 September 2026.
- On 17 July 2020, the Parent Company entered into a revolving credit facility for an amount of €275 million, which will mature in July 2024 and has been allocated to general corporate purposes. This credit facility accrues interest at a variable rate linked to Euribor. As of 30 June 2023, the Group has not drawn down any amount under this policy.
- On 27 March 2019, the Parent Company arranged a loan facility with the European Investment Bank (EIB) for up to €120 million to fund its research and development efforts, with the objective of providing cutting-edge innovation and differentiated therapies in the area of medical dermatology. The first tranche of €80 million was granted on 17 April 2019, at a fixed interest rate of 1.351%, with 32 equal repayments of principal between 17 July 2021 and 17 April 2029, with the latter date being the final maturity. Due to the issue of new debt, the interest rate has temporarily increased by 0.30%, and therefore the interest rate is 1.651%.

Exchange rate risk

The Group is exposed to exchange rate risk on certain transactions arising from its business activities. This exchange rate risk is mainly related to cash inflows in dollars for sales of finished product; cash inflows and outflows derived from the transaction with Covis Pharma GmbH; outflows in dollars for the licensing agreements with Athenex, Lily or Sun Pharma; outflows in dollars for clinical trials; purchases of raw materials and royalty payments in yen and dollars. The most relevant foreign currency in which the Group operates is the US dollar.

Quarterly, the Group analyses the expected incoming and outgoing payments in foreign currencies, as well as the evolution and trends in these currencies. In recent years, the Group has reduced its exposure to exchange rate risk in larger commercial transactions by taking out specific insurance policies for exchange rates to cover payments in yen for the purchase of raw materials and to cover incoming cash flows in dollars.

Liquidity risk

The Group determines its cash requirements using two fundamental forecasting tools that operate according to different time frames.

On the one hand, a monthly cash budget is established for one year, based on the forecast financial statements for the current year, and deviations from the forecast are analysed on a monthly basis.

And on the other hand, medium- and long-term liquidity planning and management is based on the Group's Strategic Plan, which covers a five-year time frame.

Cash surpluses in foreign currencies are invested in deposits when payments are expected to be made in that currency, mainly US dollars.

Financing instruments include a series of covenants that, in the event of default, would result in a demand for immediate payment of these financial liabilities. The Group periodically assesses fulfilment therewith (as well as expected fulfilment, so that it may take corrective measures, if necessary). As at 30 June 2023, all covenants are considered to be fulfilled, as mentioned in Note 16.

The Group manages liquidity risk prudently, maintaining sufficient cash and marketable securities, as well as arranging committed credit facilities for an amount sufficient to support expected needs.

6. Risk factors

Noteworthy risk factors that may affect the achievement of business targets are as follows:

- Pressures on price reductions, reimbursement conditions, contributions to the healthcare system or more restrictive regulations, which may speed up with growing government budget deficits on the horizon and the general potential worsening of macroeconomic conditions in European countries.
- Price increases in materials, transport, energy and supply shortages due to current geopolitical and socioeconomic threats and macroeconomic developments.
- Unexpected climate changes and increasing risks of major natural disasters can accelerate the adoption of new regulations to reduce emissions, energy and water use and changes to increase climate resilience by generating operational costs.
- Cyberattacks or security incidents that allow access to confidential information or cause a disruption of business activities.
- Impairment of intangible assets and goodwill due to lower-than-projected revenue streams.
- R&D pipeline not sufficiently balanced and differentiated in its different phases to nurture the product portfolio.

7. Treasury shares

The Parent Company has a liquidity contract with a financial intermediary, effective as from 4 March 2019, with the aim of favouring liquidity and stability of prices of the Company's shares, within the limits established by the General Shareholders' Meeting and by current regulations, in particular, Circular 1/2017, of 26 April, of the National Securities Market Commission (CNMV), on liquidity contracts. This contract means that, as at 30 June 2023, the Parent Company holds treasury shares representing 0.09% of the share capital (0.10% on 31 December 2022) and an overall nominal value of €23.7 thousand (€21.7 thousand as at 31 December 2022), which have been recognised in accordance with EU-IFRS. The average acquisition price of these shares was €7.8 per share. The treasury shares held by the Parent Company are intended to be traded on the market.

8. Trends for the year 2023

FY 2023 will be a busy year from an operational standpoint, given that in addition to the rollout of launches in new territories for Wynzora and Klisyri, and the consolidation of Ilumetri in existing markets, there will be regulatory and pre-launch activities for Lebrikizumab. Should it receive regulatory approval from the EMA in the fourth quarter of 2023, it is expected to be launched in the first territories in Europe by the end of 2023.

In terms of R&D activities, we expect to obtain decentralized regulatory approval for Efinaconazole for some European countries; the aforementioned approval of Lebrikizumab; the Phase III results for the line extension of Klisyri; progress on the various molecules that are in the early stages of development, such as Anti-IL-1RAP mAb (agreement with Ichnos) and IL-2muFc (agreement with Simcere); and the first candidates resulting from the collaboration agreement with Evotec. Seysara is also expected to be filed for registration in China.

Finally, the Group's Management continues to focus on opportunistic M&A (bolt-on) transactions that fit with the Group's business strategy, while always maintaining a prudent financial approach.

9. Capital structure. Significant shareholdings

The Parent Company's share capital as at 30 June 2023 is represented by 209,393,724 shares with a par value of €0.12, fully subscribed and paid up (181,515,368 shares as at 31 December 2022).

On 7 June 2023, a total of 3,488,113 new shares from the flexible dividend of the Parent Company were admitted to trading on the Barcelona, Madrid, Bilbao and Valencia stock exchanges. These shares were representative of the holders of 92.2% of the rights to be allotted shares at no charge, who opted to receive new shares instead of cash. Consequently, the share capital of the Parent Company following the bonus issue was increased by 418,573.56 euros.

Subsequently, on 12 June 2023, a total of 24,390,243 shares belonging to the same class and series as the shares currently outstanding were issued, by means of cash contributions and excluding the preemptive subscription rights of the Company's shareholders, through a private placement aimed exclusively at qualified investors. This placement was finally closed with an issue price of 8.2 euros per share, representing a total disbursement of 199,999,992.6 euros. After deducting the costs of the capital increase, the total funds received by the Parent Company amounted to 197.8 million euros. As a result, the share capital of the Parent Company following this capital increase was increased by 2,926,829.16 euros, amounting to 25,127,246.88 euros on 30 June 2023.

The Shareholders with significant holdings in the share capital of Almirall, S.A., both direct and indirect, in excess of 3% of the share capital, of which the Parent Company is aware, according to the information contained in the official records of the National Securities Market Commission (CNMV) as at 30 June 2023 and 31 December 2022, are as follows:

Name or company name of the direct shareholder	**% Interest 30/06/2023**	**% Interest 31/12/2022**
Grupo Plafin, S.A.	44.5%	41.9%
Grupo Corporativo Landon, S.L.	15.6%	17.7%
Wellington Management	5.1%	5.1%
Total	**65.2%**	**64.7%**

As of 30 June 2023 and 31 December 2022, the Parent Company was not aware of any other holdings equal to or greater than 3% of the share capital or voting rights of the Parent Company which, although less than the established percentage, would enable the exercise of significant influence over the Parent Company.

10. Private agreements among shareholders and restrictions on transferability and voting

There is a private agreement among shareholders, which has been duly notified to the CNMV, and the full text thereof can be consulted on the website www.almirall.com. It was concluded by Mr. Antonio Gallardo Ballart and Mr. Jorge Gallardo Ballart, and it regulates the concerted action of its signatories in Almirall, S.A. and the exercise of the voting rights inherent in their indirect participation in the Company through the company Grupo Plafin, S.A.U. and Todasa, S.A.U. (now Grupo Corporativo Landon, S.L.).

There are no restrictions set out in the Articles of Association on the free transferability of the Company's shares, nor are there any statutory or regulatory restrictions set out in the Articles of Association or in other regulations on voting rights.

11. Management Bodies, Board

Appointment of directors

Directors are appointed (i) at the proposal of the Appointments and Remuneration Committee, in the case of independent directors, and (ii) after a report from the Appointments and Remuneration Committee, in the case of other directors, by the General Shareholders' Meeting or by the Board of Directors in accordance with the provisions of the Spanish Capital Companies Act.

When a new director is appointed, they must follow the orientation programme for new directors established by the Parent Company, so that they can quickly acquire sufficient knowledge of the Parent Company and of its rules for corporate governance.

When designating external directors, the Board of Directors endeavours to ensure that candidates are chosen who have recognised solvency, competence and experience, given that great care must be taken when filling the posts of independent director provided for in Art. 6 of the Board Regulations.

Directors affected by proposals for re-election will abstain from taking part in deliberations and from voting on such proposals.

Directors hold office for the term stipulated by the General Shareholders' Meeting, which must be the same for all of them and may not exceed four years. At the end of this term, they may be re-elected one or more times for periods of the same maximum duration.

Replacement of directors

Directors will leave office when the term for which they were appointed has elapsed or when so decided by the General Shareholders' Meeting in the exercise of the powers conferred upon it by law or by the Company's Articles of Association. In any case, the appointment of directors will end when the term has expired and the next General Meeting has been held or when the legal deadline for holding the meeting that must pass a resolution approving the previous year's accounts has elapsed.

The Board of Directors may only propose the dismissal of an independent director before expiry of the term established in the Articles of Association when there is just cause, as determined by the Board following a report from the Appointments and Remuneration Committee. In particular, just cause will be deemed to exist when the director has failed to comply with the duties inherent in their position or has incurred in any of the circumstances that prevent them from holding office as described in the definition of independent director established in the good corporate governance recommendations currently in force.

Directors affected by proposals for dismissal will abstain from taking part in the deliberations and voting on such proposals.

Directors must submit their resignation to the Board of Directors and, if the Board deems it appropriate, officially resign their post in the following cases:

a) When they leave the executive positions associated with their appointment as director.
b) When they find themselves in any of the situations resulting in incompatibility or prohibition as stipulated by law.
c) When they are seriously reprimanded by the Board of Directors for having breached their obligations as directors.
d) When their continued presence on the Board may jeopardise or damage the interests, credit or reputation of the Parent Company or when the reasons for which they were appointed cease to exist (for example, when a proprietary director sells their stake in the Parent Company).
e) In the case of independent directors, they may not remain in their posts for a continuous period of more than 12 years, and once this period has elapsed, they must submit their resignation to the Board of Directors and officially resign.
f) In the case of proprietary directors (i) when the shareholder they represent sells its entire stake and; likewise (ii) in the corresponding number, when this shareholder reduces its stake to a level that requires a reduction in the number of proprietary directors.

In the event that, due to resignation or for any other reason, a director leaves their post before the end of their term of office, they must explain the reasons in a letter to be sent to all the members of the Board.

Amendment of Articles of Association

The amendment of the Articles of Association is the responsibility of the General Shareholders' Meeting and is governed by Art. 160 of the Spanish Capital Companies Act and other concordant provisions, and there are no relevant specifications in this regard in the Articles of Association or the Regulations of the General Shareholders' Meeting.

Powers of Members of the Board of Directors

The Board has delegated certain powers to the Chief Executive Officer of the Group, according to a deed authorised on 10 November 2022 by the Notary Public of Barcelona, Mr. Enrique Viola Tarragona.

The director Mr. Carlos Gallardo Piqué has been granted powers by virtue of a deed of power of attorney authorised on 11 May 2022 by the Notary Public of Barcelona, Mr. Enrique Viola Tarragona.

12. Significant agreements

There are no significant agreements, either in relation to changes of control of the Parent Company or between the Parent Company and its Directors and Management or Employees, regarding compensation for resignation, dismissal or takeover bids.

13. Subsequent events

No other significant events have occurred subsequent to the end of the reporting period as of the date of preparation of these condensed consolidated interim financial statements.