Limited Review Report of Almirall, S.A. and Subsidiaries

(Together with the condensed consolidated interim financial statements and consolidated interim management report of Almirall, S.A. for the six-month period ended 30 June 2022)

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

KPMG Auditores, S.L.
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(Barcelona)

Limited Review Report on the 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 (the "Group"), which comprise the interim balance sheet at 30 June 2022, the interim income statement, interim statement of comprehensive income, interim statement of changes in equity, interim statement of cash flows and the explanatory notes for the six-month period then ended (all condensed and consolidated). Pursuant to article 12 of Royal Decree 1362/2007 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. 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 the 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 2022 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, for the preparation of condensed interim financial statements, pursuant to article 12 of Royal Decree 1362/2007.

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 2021. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim management report for the six-month period ended 30 June 2022 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 consolidated interim financial statements, as well as the disclosures required by article 15 of Royal Decree 1362/2007. The consolidated interim management report is not an integral part of the interim financial statements. We have determined that the accounting information contained therein is consistent with that disclosed in the interim financial statements for the six-month period ended 30 June 2022. Our work is limited to the verification of the consolidated interim management 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 the Company's board of directors in relation to the publication of the six-month financial report required by article 119 of the Revised Securities Market Law, approved by Legislative Royal Decree 4/2015 of 23 October 2015 and enacted by Royal Decree 1362/2007 of 19 October 2007.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Juan Ramón Aceytuno Mas
22 July 2022

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

Condensed Consolidated Interim Financial Statements and
Consolidated Interim Management Report for
for the six-month period ending 30 June 2022

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

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS AT 30 JUNE 2022 and 31 DECEMBER 2021

(Thousands of Euros)

ASSETS	Note	30/06/2022	31/12/2021
		Unaudited	Audited
Goodwill	8	315,966	315,966
Intangible assets	9	920,429	916,056
Right-of-use assets	10	20,235	20,033
Property, plant and equipment	11	116,790	117,413
Financial assets	12	42,790	80,502
Deferred tax assets	21	182,318	192,500
NON-CURRENT ASSETS		**1,598,528**	**1,642,470**
Stocks	13	120,706	118,632
Trade and other receivables	14	145,602	127,671
Current tax assets	21	37,079	34,054
Other current assets		13,317	11,531
Current financial investments	12	686	899
Cash and cash equivalents	12	224,257	206,487
CURRENT ASSETS		**541,647**	**499,274**
TOTAL ASSETS		**2,140,175**	**2,141,744**

LIABILITIES AND EQUITY	Note	30/06/2022	31/12/2021
		Unaudited	Audited
Subscribed capital	15	21,782	21,573
Share premium	15	317,315	295,785
Legal reserve	15	4,275	4,275
Other reserves	15	948,407	1,023,609
Valuation adjustments and other adjustments	15	(24,597)	(44,409)
Translation differences	15	60,345	26,065
Profit for the year		27,335	(40,859)
EQUITY		**1,354,862**	**1,286,039**
Financial liabilities	16	355,225	359,692
Non-current liabilities from leasing	10	14,909	14,162
Deferred tax liabilities	21	72,737	75,852
Retirement benefit obligations	18	49,114	77,883
Provisions	19	24,154	24,505
Other non-current liabilities	17	24,773	22,618
NON-CURRENT LIABILITIES		**540,912**	**574,712**
Financial liabilities	16	14,193	12,314
Current liabilities for leasing	10	5,853	6,278
Trade payables	17	152,565	177,800
Current tax liabilities	21	26,583	19,471
Other current liabilities	17	45,207	65,130
CURRENT LIABILITIES		**244,401**	**280,993**
TOTAL LIABILITIES AND EQUITY		**2,140,175**	**2,141,744**

The Explanatory Notes 1 to 28 are an integral part of these condensed consolidated interim financial statements for the six-month period ending on 30 June 2022.

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

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX-MONTH PERIODS ENDING 30 JUNE 2022 AND 2021

(Thousands of Euros)

	Note	**Period 2022**	**Period 2021**
		Unaudited	Unaudited
Net turnover	20	436,635	425,893
Other Income	20	10,748	1,940
Operating income		**447,383**	**427,833**
Work carried out on fixed assets	9	3,664	4,544
Supplies	20	(94,810)	(92,889)
Staff costs	20	(107,173)	(98,705)
Depreciation	9, 10 & 11	(59,419)	(59,048)
Net change in valuation adjustments		(2,721)	1,896
Other operating expenses	20	(139,124)	(109,330)
Net gains (losses) on disposal of assets	20	12	(12,481)
Impairment losses on property, plant and equipment, intangible assets and goodwill	9	-	(91,102)
Operating profit		**47,812**	**(29,282)**
Financial income	20	505	475
Financial expenses	20	(6,175)	(9,576)
Exchange rate differences	20	1,522	3,054
Valuation gains on financial instruments		(1,808)	8,415
Net Financial result	16 & 20	**(5,956)**	**2,368**
Earnings before tax		**41,856**	**(26,914)**
Corporate income tax		(14,521)	(15,933)
Net profit for the period attributable to the Parent Company		**27,335**	**(42,847)**
Earnings / (Loss) per Share (Euros):	24		
A) Basic		0.15	(0.24)
B) Diluted		0.15	(0.20)

Explanatory Notes 1 to 28 are an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2022.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDING

ON 30 JUNE 2022 AND 2021

(Thousands of Euros)

	Note	Period 2022 Unaudited	Period 2021 Unaudited
Result for the period		**27,335**	**(42,847)**
Other comprehensive income:			
Items not to be reclassified to income			
Retirement benefit obligations	18	28,086	3,500
Income tax on items that will not be reclassified	21	(8,274)	-
Others		-	-
Total items not to be reclassified to income		**19,812**	**3,500**
Items that can be reclassified subsequently to profit or loss			
Other changes in value		-	-
Foreign currency translation differences	15	34,280	11,114
Total items that can be reclassified subsequently to profit or loss		**34,280**	**11,114**
Other comprehensive income for the period, net of tax		**54,092**	**14,614**
Total comprehensive income for the period		**81,427**	**(28,233)**
Attributable to:			
- Owners of the parent company		81,427	(28,233)
- Non-controlling interests		-	-
Total comprehensive income attributable to owners of the parent company derived from:			
- Continuing operations		81,427	(28,233)
- Discontinued operations		-	-

The Explanatory Notes 1 to 28 are an integral part of these condensed consolidated interim financial statements for the six-month period ending on 30 June 2022.

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

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

ENDING 30 JUNE 2022 AND 2021

(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 2021	**15**	**21,374**	**273,889**	**4,189**	**1,070,230**	**(2,261)**	**(84,843)**	**(48,797)**	**(5,095)**	**74,280**	**1,302,966**
Distribution of profits		-	-	86	9,625	-	64,569	-	-	(74,280)	-
Dividends	23	199	21,896	-	(33,842)	-	-	-	-	-	(11,747)
Treasury shares of the Parent Company	15	-	-	-	-	660	-	-	-	-	660
Total comprehensive income for the period		-	-	-	-	-	-	3,500	11,114	(42,847)	(28,233)
Balance as at 30 June 2021 (unaudited)	**15**	**21,573**	**295,785**	**4,275**	**1,046,013**	**(1,601)**	**(20,274)**	**(45,297)**	**6,019**	**(42,847)**	**1,263,646**

					Other reserves			Other comprehensive income			
	Note	**Subscribed capital**	**Share premium**	**Legal reserve**	**Other reserves of the Parent Company**	**Treasury shares of the Parent Company**	**Reserves in consolidated companies**	**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**

The Explanatory Notes 1 to 28 are an integral part of the accompanying condensed consolidated interim financial statements for the six-month period ending 30 June 2022.

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

ENDING ON 30 June 2022 AND 2021 (indirect method)

(Thousands of Euros)

	Note	Period 2022	Period 2021
		Unaudited	
Cash Flow			
Earnings before tax		41,856	(26,914)
Depreciation	9, 10 & 11	59,419	59,048
Valuation adjustments for impairment	9	-	91,102
Net gains (losses) on disposal of assets	20	(12)	12,481
Financial income	20	(505)	(475)
Financial expenses	20	6,175	9,576
Exchange rate differences	20	(1,522)	(3,054)
Changes in fair value of financial instruments	16 & 20	1,808	(8,407)
Impacts of the Covis/AstraZeneca transaction:			
Incorporation of deferred income from AstraZeneca transaction	20	-	(10,418)
Change in fair value of Covis/AstraZeneca financial assets	13 & 22	(9,278)	(614)
		97,941	**122,325**
Adjustments for changes in working capital:			
Change in stocks	13	(1,111)	103
Change in trade and other receivables	14	557	(9,650)
Change in trade payables	17	(26,436)	(8,152)
Change in other current assets		(6,680)	1,001
Change in other current liabilities		2,288	(14,135)
Adjustments for changes in other non-current items:			
Other non-current assets and liabilities		804	3,000
		(30,578)	**(27,833)**
Cash flow from taxes:		**(11,500)**	**15,260**
Net cash flows from operating activities (I)		**55,863**	**109,752**
Cash flow from investment activities			
Interest receivable		38	11
Investments:			
Intangible assets	9 & 17	(37,101)	(27,507)
Property, plant and equipment	11	(7,090)	(6,295)
Financial assets	12	(712)	(1,623)
Divestments:			
Receivables linked to the contract with Covis/AstraZeneca	12	31,759	4,174
Financial assets	12	-	31
Net cash flows from investment activities (II)		**(13,106)**	**(31,209)**
Cash flow from financing activities			
Interest payable	16	(5,039)	(3,657)
Equity instruments:			
Dividends paid	23	(12,419)	(11,747)
Acquisition/Disposal of own equity instruments	15	(185)	660
Financial instruments:			
Repayment of debts with credit institutions	16	(5,000)	-
Finance lease payments	10	(3,649)	(3,772)
Others		467	5,499
Net cash flows from financing activities (III)		**(25,825)**	**(13,017)**
Net change in cash and cash equivalents (I+II+III)		**16,932**	**65,526**
Cash and cash equivalents at the start of the reporting period		**207,386**	**165,667**
Cash and cash equivalents at the end of the reporting period		**224,318**	**231,193**

Explanatory Notes 1 to 28 are an integral part of the condensed consolidated interim financial statements for the six-month period ending 30 June 2022.

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 construct 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 22 July 2022, 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 06 May 2022, 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 2021. 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 2021, 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 2021 and/or as at 31 December 2021 is presented solely and exclusively for purposes of comparison with the information for the six-month period ending 30 June 2022.

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 2021 and/or as at 31 December 2021. 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 2022 with those as at 31 December 2021, as well as those in the consolidated interim income statement for the six-month period ending 30 June 2022 with those for the six-month period ending 30 June 2021.

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 financial year ending 31 December 2021, except for the following standards and interpretations that became effective during the first half of 2022:

Standards, amendments and interpretations are mandatory for all fiscal years beginning on or after 01 January 2022:

- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets: Provisions for onerous contracts.
- Amendments to IAS 16 Property, plant and equipment: Consideration in advance of the intended use.
- Annual improvement project 2018-2020. Amendments to IFRS 1 First-time adoption of IFRS on exceptions to the treatment of translation differences. Amendments to IFRS 9 Financial Instruments to determine the costs of amendments to financial liabilities. Amendments to IFRS 16 Leases.
- References to the IFRS conceptual framework in IFRS 3.

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

At the date of signing these condensed consolidated interim financial statements there are no standards, amendments and interpretations by the IASB or the IFRS Interpretations Committee that can 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 signing 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:

- Deferred tax arising from assets and liabilities arising from an isolated transaction.

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 most recent consolidated financial statements for 2021. Likewise, in relation to critical accounting judgements and estimates, the same criteria have been applied as those indicated in Note 7 to the most recent consolidated financial statements for the year ending 31 December 2021, 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:

- The useful life of intangible assets and property, plant and equipment (Notes 9 and 11).
- The evaluation of the recoverability of deferred tax assets (Note 21).
- 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 fair value of certain unquoted financial assets (Note 12).
- Definition of the precise assumptions for calculation 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 closing of the six-month period ending 30 June 2022, 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 2022, there have been no significant changes to the estimates made at the end of 2021.

5. Financial risk management

The Group's activities are exposed to different financial risks: mainly to 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 at that date 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:

- Cash flows are the inflows and outflows of cash and cash equivalents.
- Operating activities 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.
- Investment activities are the acquisition and disposal of long-term assets, as well as other investments not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the entity'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 2022, the following change in the composition of the Group have occurred.

- On 9 March 2022, the company BMCK XIII Delta s.r.o., based in Prague (Czech Republic), was incorporated in the amount of CZK10 thousand (equivalent to €0.4 thousand) and renamed Almirall s.r.o. on 10 March 2022. Subsequently, on 10 June 2022, an additional contribution of €500 thousand was made. This entity will market medicinal products in that country, and its inclusion in the Group's scope of consolidation had no significant impact on the consolidated balance sheet as at 30 June 2022.

7. Business combination

During the six months ending 30 June 2022, there have been no business combinations.

8. Goodwill

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending 30 June 2022 was as follows:

	Thousands of Euros			
	Balance as at 31 December 2021	Variations due to exchange rate	Valuation adjustment	Balance as at 30 June 2022
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 2021.

Impairment losses

No impairment has been recorded in the six months ending 30 June 2022.

As of 30 June 2022, there has been no significant change in the key assumptions on which the 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 financial year ending 31 December 2021. Therefore, the Management has not updated any impairment calculation for these units for the interim closing date of 30 June 2022.

9. Intangible assets

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending 30 June 2022 was as follows:

Thousands of euros	Balance as at 31/12/2021	Recognitions	Transfers	Derecognitions	Translation differences	Balance as at 30/06/2022
Industrial property	1,918,258	9,848	-	-	75,957	2,004,063
Development costs[1]	73,501	3,664	-	-	871	78,036
Computer applications	96,129	557	2,212	-	36	98,934
Advances and property, plant and equipment in progress	123,042	6,575	(2,212)	-	185	127,590
Total cost Intangible Assets	2,210,930	20,644	-	-	77,049	2,308,623
Accum. A. Industrial property	(891,087)	(44,454)	-	-	(22,993)	(958,534)
Accum. A. Development costs	(1,359)	(71)	-	-	-	(1,430)
Accum. A. Computer applications	(78,901)	(3,443)	-	-	(36)	(82,380)
Total Accum. A. Intangible assets	(971,347)	(47,968)	-	-	(23,029)	(1,042,344)
Impairment losses	(323,527)	-	-	-	(22,323)	(345,850)
Net Value Intangible assets	**916,056**	**(27,324)**	**-**	**-**	**31,697**	**920,429**

[1] Additions to the heading Development expenses include €3,664 thousand of internally generated expenses in the six-month period ending 30 June 2022.

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 mentioned further below in this Note. There are no assets subject to debt guarantees.

During the first six months of 2022, additions of intangible assets came to €20.6 million and mainly reflect:

- In the first quarter of 2022, 3 milestones have been achieved related to the launch of a product registered under the Wynzora trademark (licensed from MC2 Therapeutics) in the top 3 European markets, for an aggregate amount of €3 million.
- On 12 May 2022, a research and early development agreement has been signed with Evotec International GmbH, which is expected to lead to the discovery and development of new treatments for serious skin diseases, including immune-mediated inflammatory conditions such as atopic dermatitis and non-melanoma skin cancers such as basal cell carcinoma. As a result of this agreement, the Group has recorded €6 million for access to Evotec's technology platform (EVOiR&D), which amount is outstanding as of 30 June 2022 (Note 17). Under the terms of the agreement, the Group will make research and milestone payments of up to €230 million per programme as well as royalties on net sales.
- In June 2022, recruitment began for a line extension study for the product marketed under the Klisyri brand name. As a result, a milestone of US$5 million (equivalent to €4.8 million) has been accrued and is outstanding as of June 30, 2022 (Note 17).
- As mentioned in Note 9 to the consolidated financial statements for the year ending 31 December 2021, 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 2022 is €3.7 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 2022 and 2021 comes to totals of €48.5 million and €35.1 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 2022, there have been no significant changes to the estimates made at the end of 2021.

Below it is provided a sensitivity analysis performed on these assets, restated for reasonably possible variations in key assumptions:

Cash Generating Units or intangible asset	Sensitivity analysis	Impact on the impairment value (millions of euros)
Portfolio acquired in the business combination of Aqua Pharmaceuticals, LLC in 2013 (now Almirall LLC)	- 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	+3 / (3) +3 / (2) - / -
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	+20 / (36) +3 / (16) (11) / +5

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

10. Right-of-use assets

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending 30 June 2022 was as follows:

Thousands of euros	Balance as at 31/12/2021	Recognitions	Derecognitions	Translation differences	Balance as at 30/06/2022
Construction	25,891	3,640	(380)	84	29,235
Transport equipment	9,585	65	(659)	(15)	8,976
Total cost Rights of use	35,476	3,705	(1,039)	69	38,211
Accum. A. Construction	(10,880)	(2,190)	383	(15)	(12,702)
Accum. A. Transport equipment	(4,563)	(1,361)	656	(6)	(5,274)
Total Accum. A. Rights of use	(15,443)	(3,551)	1,039	(21)	(17,976)
Net Value Rights of use	**20,033**	**154**	**-**	**48**	**20,235**

The additions for the six-month period ending on 30 June 2022 refer mainly to the renewal of contracts for offices in the Group's sales networks, as well as its central headquarters. Payments made in this period for leases amounted to €3,649 thousand.

The main asset refers to the lease of the Group's headquarters, with a net carrying amount of €13,722 thousand as at 30 June 2022. There are no other contracts that are individually relevant.

The itemisation of lease liabilities is as follows, together with their future maturities (which coincide with the minimum future payments):

	Balance as at 30/06/2022	Balance as at 31/12/2021
Liabilities for leasing		
Non-current	14,909	14,162
Current	5,853	6,278
Total	**20,762**	**20,440**

Liabilities for leasing	Maturities	Thousands of Euros
Current	Up to 6 months	3,145
	From 6 months to 1 year	2,708
Non-current	From 1 to 2 years	5,034
	From 2 to 3 years	3,940
	From 3 to 4 years	3,609
	From 4 to 5 years	1,882
	More than 5 years	444
Total		**20,762**

11. Property, plant and equipment

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending 30 June 2022 was as follows:

Thousands of euros	Balance as at 31/12/2021	Recognitions	Transfers	Derecognitions	Translation differences	Balance as at 30/06/2022
Land and construction	96,263	12	39	(198)	(17)	96,099
Technical installations and machinery	95,799	218	1,389	(141)	20	97,285
Other facilities, tools and furnishings	249,974	1,745	2,721	(365)	117	254,192
Other property, plant and equipment	22,357	1,119	442	(826)	71	23,163
Advances and property, plant and equipment in progress	13,637	3,996	(4,591)	-	89	13,131
Total cost Property, plant and equipment	478,030	7,090	-	(1,530)	280	483,870
Accum. A. Land and construction	(50,660)	(1,048)	-	197	17	(51,494)
Accum. A. Technical installations and machinery	(62,225)	(1,846)	-	141	1	(63,929)
Accum. A. Other facilities, tools and furnishings	(228,446)	(4,381)	-	356	(73)	(232,544)
Accum. A. Other property, plant and equipment	(19,286)	(625)	-	848	(50)	(19,113)
Total Accum. A. Property, plant and equipment	(360,617)	(7,900)	-	1,542	(105)	(367,080)
Impairment losses	-					-
Net value Property, plant and equipment	**117,413**	**(810)**	**-**	**12**	**175**	**116,790**

The additions for the six months ending 30 June 2022 are mainly due to upgrades at the Group's chemical and pharmaceutical production facilities and improvements at the Group's headquarters.

12. Financial assets

As detailed in Note 5-i) to the consolidated financial statements for the financial year ending 31 December 2021, 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 item includes the balances receivable arising from the recognition of the sale of the business to AstraZeneca described in Note 7 of the notes to the consolidated financial statements for the financial year ending 31 December 2021, as well as those derivative financial instruments that do not qualify for hedge accounting. On 5 January 2022, the agreement between AstraZeneca and Covis Pharma GmbH for the transfer of the global rights to Eklira and Duaklir entered into force. As explained later in this note, this agreement has had an impact on the fair value of the assets during the first half of 2022.
- Financial assets measured at fair value with changes in other comprehensive income: this item includes equity instruments. As of 30 June 2022, the Group has not recognised any assets in this category.
- Financial assets measured at amortized cost: this item 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 item of the condensed consolidated interim balance sheet during the six months ending 30 June 2022 was as follows:

	Thousands of Euros		
	Deposits and guarantees	Long-term loans and other financial assets	Total
Balance as at 31 December 2021	**1,624**	**78,878**	**80,502**
Additions	87	-	87
Derecognitions	-	-	-
Changes in fair value (Note 20)	-	9,278	9,278
Transfers	-	(47,146)	(47,146)
Valuation adjustments	-	-	-
Translation difference	50	19	69
Balance as at 30 June 2022	**1,761**	**41,029**	**42,790**

The item "Financial assets - Long-term loans and other financial assets" includes, mainly in the amount of €40,980 thousand (€78,848 thousand on 31 December 2021), the financial asset corresponding to the fair value of future payments to be received in the long term from Covis Pharma GmbH (previously AstraZeneca).

The change in the six-month period ending 30 June 2022 in the long term caption is mainly due, on the one hand, to the recognition of changes in the fair value of the asset, representing an increase of €9.3 million in this 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, of certain milestones receivable, with a fair value of €47.1 million at 30 June 2022 (Note 14).

The agreement with AstraZeneca described in Note 7 of the notes to the consolidated financial statements for the financial year ending on 31 December 2021 was transferred by novation to Covis

Pharma GmbH on 5 January 2022, as has been described above in the same note. As a result of this agreement, in addition to continuing to receive royalty payments under the terms initially established with AstraZeneca, the Parent Company received a fixed amount of US$10 million (equivalent to €8.8 million) on the date on which this transaction was completed, as well as US$40 million in different tranches until September 2023, mainly linked to certain changes in the initially established milestone structure. As at 30 June 2022, 3 tranches have been received for a total amount of US$15 million (equivalent to €13.7 million).

The changes in fair value of this financial asset during the six-month period ending 30 June 2022 amounted to €9.3 million and have been recorded in "Other income" in the consolidated interim income statement for such period (Note 20). Changes in fair value are due, on the one hand, to the fluctuation of the euro/US dollar exchange rate for an amount of €3.9 million; the financial restatement which resulted in income totalling €12.6 million, the change in the updating of the discount rate for €-1.4 million, as well as the re-estimation of expected flows and probabilities assigned to the various future milestones for the amount of €-5.8 million.

Amounts collected from such an agreement are classified as investing cash flows in the cash flow statement, which amounted to €31.8 million (€9.3 million in royalties and €22.5 million in milestones).

Current financial investments

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

	Thousands of Euros	
	30/06/2022	**31/12/2021**
Short-term bonds and others	8	-
Short-term deposits	-	810
Short-term guarantees	53	89
Total cash equivalents	**61**	**899**
Deposit account linked to the liquidity contract (Note 15)	625	-
Total non-cash equivalents	**625**	**-**
Total Current financial investments	**686**	**899**

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 2021). In this regard, in the preparation of the condensed consolidated cash flow statement for the six-month period ending 30 June 2022, current financial investments, corresponding to bank deposits maturing in the short term that can be made liquid immediately at the Group's discretion without any penalty, which on 30 June 2022 come to €61 thousand (€899 thousand on 31 December 2021), have been included as cash equivalents.

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

In summary, details on the evolution of current and non-current financial investments are as follows:

	Thousands of Euros	
	30/06/2022	**31/12/2021**
Long-term financial assets measured at amortised cost (deposit account)	1,810	1,654
Financial assets at fair value through profit or loss (Financial asset with Covis/AZ*)	40,980	78,848
Financial assets at amortized cost (fixed income securities, deposits)	686	899
Total	**43,476**	**81,401**

(*) Includes only the long-term portion of the fair value of future payments to be received on 30 June 2022 (from Covis Pharma GmbH) and on 31 December 2021 (from AstraZeneca). On 30 June 2022 in the short term there are €34.7 million (€19.3 million on 31 December 2021), classified under the heading "Other receivables" (Note 14).

In accordance with the hierarchy levels established by IFRS 13 and indicated in Note 31 to the consolidated financial statements for the financial year ending on 31 December 2021, the financial assets for which fair value is estimated are Level 1 (equity instruments in listed companies), Level 2 (derivative financial instruments) or Level 3 (equity instruments in unlisted companies and the financial assets related to Covis Pharma GmbH (AstraZeneca on 31 December 2021).

13. Stocks

The itemisation of this heading in the condensed consolidated interim balance sheet on 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Raw materials and packaging materials	40,516	40,422
Products in progress	20,278	16,666
Goods	13,980	16,448
Finished products	45,703	44,939
Advances to suppliers	229	157
Total	**120,706**	**118,632**

No stock is subject to warranty. On 30 June 2022 and 31 December 2021, 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 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Trade receivables for sales and services	112,707	104,911
Other receivables	37,804	25,834
Provision for impairment losses	(4,909)	(3,074)
Total	**145,602**	**127,671**

As at 30 June 2022 the item "Other receivables" mainly includes €34.7 million (on 31 December 2021: €19.3 million) corresponding to the fair value of future payments to be received in the short term from Covis Pharma GmbH (AstraZeneca on 31 December 2021) as described in Note 12.

On 30 June 2022 and 31 December 2021, the total past-due and provisioned balances amount to €4,909 thousand and €3,074 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 2021), this provision includes the reversal of an impairment loss on financial asset balances (Trade receivables) of €3,865 thousand on 30 June 2022 (€1,070 thousand on 31 December 2021). The increase is mainly explained by the uncertainty related to third-party business linked to the territory of Russia. No other significant risks linked to the conflict between Russia and Ukraine have been identified. Itemised below is the balance of receivables according to their maturity as at 30 June 2022 and 31 December 2021:

	Thousands of euros			
	Trade receivables for sales and services	Other receivables	Valuation adjustments for impairment	Total receivables
Not matured	104,713	37,804	(1,913)	140,604
Less than 30 days	4,812	-	-	4,812
From 30 to 60 days	738	-	(552)	186
From 60 to 90 days	734	-	(734)	-
From 90 to 180 days	451	-	(451)	-
From 180 to 360 days	789	-	(789)	-
More than 360 days	470	-	(470)	-
Balance as at 30/06/2022	**112,707**	**37,804**	**(4,909)**	**145,602**

	Thousands of euros			
	Trade receivables for sales and services	**Other receivables**	**Valuation adjustments for impairment**	**Total receivables**
Not matured	94,266	25,834	-	120,100
Less than 30 days	5,988	-	-	5,988
From 30 to 60 days	2,289	-	(706)	1,583
From 60 to 90 days	334	-	(334)	-
From 90 to 180 days	753	-	(753)	-
From 180 to 360 days	331	-	(331)	-
More than 360 days	950	-	(950)	-
Balance as at 31/12/2021	**104,911**	**25,834**	**(3,074)**	**127,671**

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

On 30 June 2020, the percentage of balances with public administrations for the hospital business out of the total customer balance for sales and services rendered comes to 5.0% (3.6% on 31 December 2021).

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.

15. Equity

Share capital

The Parent Company's share capital as at 30 June 2022 is represented by 181,515,368 shares with a par value of €0.12, fully subscribed and paid up (179,776,802 shares as at 31 December 2021).

On 8 June 2022, 1,738,566 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 62.86% of the rights to be allotted shares at no charge, who opted to receive new shares instead of cash. As a result, the share capital of the Parent Company following the issue of fully paid-up shares was increased by €208,627.92, amounting to €21,781,844.56 on 30 June 2022 (represented by 181,515,368 shares).

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 2022 and 31 December 2021, are as follows:

Name or company name Of the direct shareholder	**% Interest 30/06/2022**	**% Interest 31/12/2021**
Grupo Plafin, S.A.	40.9%	40.9%
Grupo Corporativo Landon, S.L.	18.8%	18.8%
Wellington Management	5.1%	5.1%
Artisan Partners	3.4%	3.6%
Total	**68.2%**	**68.4%**

As of 30 June 2022 and 31 December 2021, 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 2022 and 31 December 2021 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 capital released 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 comes to €21,530 thousand, and therefore on 30 June 2022 the balance of this item totals €317,315 thousand (on 31 December 2021: €295,785 thousand).

Other reserves

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

	Thousands of euros	
	30/06/2022	**31/12/2021**
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	913,870	1,004,862
Subtotal Other reserves of the Parent Company	**955,022**	**1,046,014**
Reserves in consolidated companies	(4,299)	(20,274)
Treasury shares	(2,316)	(2,131)
Total other reserves	**948,407**	**1,023,609**

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 €8.8 million on 30 June 2022 (€8.1 million on 31 December 2021).

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 2022 and 31 December 2021 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 2022 and 31 December 2021, 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. As at 30 June 2022 this contract means that the Parent Company holds treasury shares representing 0.08% of the share capital (0.08% on 31 December 2021) and an overall nominal value of €17.9 thousand (€16.8 thousand on 31 December 2021), which have been recognised in accordance with EU-IFRS. The average acquisition price of these shares was €10.6 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 2022, this amount of this item comes to €-24.597 thousand, and on 31 December 2021, to €-44,409 thousand, and it is related with:

- Net accumulated actuarial losses due to recalculations of the valuations of the retirement benefit obligations as a result of changes in the calculation assumptions: €-14,505 thousand on 30 June 2022, and €-34,317 thousand on 31 December 2021.
- Financial assets measured at fair value through other comprehensive income: as explained in Note 12 to the consolidated financial statements for the financial year ending 31 December 2021, 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 2022 and 31 December 2021, 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 2022 and 31 December 2021, the breakdown of the balance of this item by companies in the condensed consolidated interim balance sheet is as follows:

	Thousands of Euros	
	30/06/2022	**31/12/2021**
Almirall Limited (UK)	(826)	(550)
Almirall, A.G.	680	461
Almirall SP, Z.O.O.	(224)	(194)
Almirall Aps	6	7
Almirall Inc / Almirall LLC (USA)	58,682	24,312
Polichem, S.A.	2,029	2,029
Almirall s.r.o.	(2)	-
Total translation differences	**60,345**	**26,065**

The movement for the six-month period ending 30 June 2022 has been as follows:

	Thousands of euros
Balance as at 31 December 2021	**26,065**
Variations due to exchange differences	34,280
Balance as at 30 June 2022	**60,345**

16. Financial liabilities

As detailed in Note 5-i) to the consolidated financial statements for the financial year ending 31 December 2021, 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 2022 and 31 December 2021 is as follows:

	Limit	Balance drawn down (*)	Current	Non-current			
				2023/2024	2024/2025	Rest	Total
Financial liabilities at amortised cost							
Credit facilities	275,000	-	-	-	-	-	-
Loans with credit institutions	80,000	70,000	10,000	10,000	10,000	40,000	60,000
Senior unsecured bonds	300,000	295,225	-	-	-	295,225	295,225
Financial liabilities at fair value through profit or loss							
Liabilities for derivative financial instruments	N/A	1,808	1,808	-	-	-	-
Accrued interest to be paid	**N/A**	**2,385**	**2,385**	**-**	**-**	**-**	**-**
Total as at 30 June 2022	**655,000**	**369,418**	**14,193**	**10,000**	**10,000**	**335,225**	**355,225**

(*) Balance drawn down net of issuance costs

	Limit	Balance drawn down (*)	Current	Non-current			
				2023	2024	Rest	Total
Financial liabilities at amortised cost							
Credit facilities	275,000	-	-	-	-	-	-
Loans with credit institutions	80,000	75,000	10,000	10,000	10,000	45,000	65,000
Senior unsecured bonds	300,000	294,692	-	-	-	294,692	294,692
Financial liabilities at fair value through profit or loss							
Liabilities for derivative financial instruments	N/A	-	-	-	-	-	-
Accrued interest to be paid	**N/A**	**2,314**	**2,314**	**-**	**-**	**-**	**-**
Total as at 31 December 2021	**655,000**	**372,006**	**12,314**	**10,000**	**10,000**	**339,692**	**359,692**

(*) 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% and, as at 30 June 2021, there is unpaid accrued interest of €1,864 thousand (€1,742 thousand on 31 December 2021).

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 2022 and 31 December 2021 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	1.22% (Euribor + Margin)	1.41%
European Investment Bank Loan	80,000	70,000	17/04/2029	1.651%	1.651%
Total as at 30 June 2022	**355,000**	**70,000**			

	Limit	Balance drawn down	Final maturity	Nominal interest rate	Effective interest rate
Debts with credit institutions					
Revolving credit facility	275,000	-	17/07/2024	1.22% (Euribor + Margin)	1.41%
European Investment Bank Loan	80,000	75,000	17/04/2029	1.351%	1.351%
Total as at 31 December 2021	**355,000**	**75,000**			

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 2022 and 31 December 2021.

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 temporarily 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 2022 and 31 December 2021.

Derivative financial instruments

On 10 May 2018, the Ordinary General Meeting of Shareholders arranged the completion of a swap transaction of interest rate and shares ("Equity swap"). This transaction entered into force by means of a contract dated 11 May 2018 with Banco Santander, S.A., whereby Almirall S.A. undertakes to pay a 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) with a period 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 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 on 30 June 2022 amounts to a loss of €8.5 million, of which €6.7 million has been deposited with the bank, and therefore as at 30 June 2022 the liabilities come to a total of €1.8 million (Note 12). As of 31 December 2021 there was no liability recorded, seeing that the amount of the loss matched the amount deposited (€6.7 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 2022, the impact on the Group's condensed consolidated interim income statement amounted to €1.8 million in losses (€9.5 million in profits for the six months ending 30 June 2021, 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.

Interest accrued and payable on 30 June 2022 amounts to €521 thousand (€572 thousand on 31 December 2021).

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 01.01.2022	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**

	Balance 01.01.2021	Cash Flow	Interest paid	Interest accrued	Changes in fair value	Balance 30.06.2021
Financial liabilities at amortised cost						
Credit facilities	-	-	-	-	-	-
Loans with credit institutions	229,345	-	-	108	-	229,453
Convertible bond	239,648	-	-	5,402	-	245,050
Financial liabilities at fair value through profit or loss						
Liabilities for derivative financial instruments	2,966	5,499	-	-	(5,092)	3,373
Accrued interest to be paid	**686**	**-**	**(3,657)**	**3,629**	**-**	**658**
Total Financial debt	**472,645**	**5,499**	**(3,657)**	**9,139**	**(5,092)**	**478,534**

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 2021, the financial liabilities for which fair value is estimated are Level 2 (derivative financial instruments) in an amount of €1,808 thousand on 30 June 2022 (€3,373 thousand on 30 June 2021).

17. Trade payables and Other liabilities

Trade payables

On 30 June 2022 and 31 December 2021 the composition of this item is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Suppliers	72,315	73,500
Trade payables	80,250	104,300
Total short-term trade payables	**152,565**	**177,800**

Other liabilities

On 30 June 2022 and 31 December 2021 the composition of this item is as follows:

	Thousands of Euros				
		Non-current			
	Current	2023/2024	2024/2025	Rest	Total
Loans linked to research	1,997	1,190	860	1,313	3,363
Debts for purchases of fixed assets	15,846				-
Remuneration to be paid	25,795	1,260	3,272	10,195	14,727
Long-term tax liabilities	-			6,682	6,682
Other debts	1,569			1	1
Total as at 30 June 2022	**45,207**	**2,450**	**4,132**	**18,191**	**24,773**

	Thousands of Euros				
		Non-current			
	Current	2023	2024	Rest	Total
Loans linked to research	2,167	1,519	860	1,427	3,806
Debts for purchases of fixed assets	30,517	-	-	-	-
Remuneration to be paid	31,675	5,027	1,625	5,701	12,353
Long-term tax liabilities	-	-	-	6,459	6,459
Other debts	771	-	-	-	-
Total as at 31 December 2021	**65,130**	**6,546**	**2,485**	**13,587**	**22,618**

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 financial year ending 31 December 2021. 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 2022 and 2030.

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. In January 2022, the payment of €20.8 million linked to the licence agreement with Ichnos Science described in Note 9 of the notes to the consolidated financial statements for the financial year ending 31 December 2021 was made.

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 financial year ending 31 December 2021, as at 30 June 2022 an amount of €6,682 thousand has been classified as "Long-term tax liabilities" (€6,459 thousand as of 31 December 2021).

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

	Thousands of Euros
Balance as at 31 December 2021	**77,883**
Actuarial losses / (gains)	(28,086)
Benefits paid	(683)
Balance as at 30 June 2022	**49,114**

Compared to closing on 31 December 2021, the liability has decreased mainly as a result of the increase in interest rates (€28.1 million). On 30 June 2021, the change in interest rates led to an actuarial gain of €3.5 million.

19. Provisions

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending 30 June 2022 was as follows:

	Thousands of Euros
Balance as at 31 December 2021	**24,505**
Additions and provisions	500
Reversal	(851)
Balance as at 30 June 2022	**24,154**

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 2021) 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 2021.

20. Income and expenses

Net turnover

The tables below itemise the net turnover for the six-month periods ending 30 June 2022 and 2021 by line of business and item, region and main therapeutic fields.

	Thousands of Euros	
	Period 2022	**Period 2021**
Marketing through own network	374,376	359,538
Marketing through licensees	48,627	54,104
Corporate management and income not allocated to other segments	13,632	12,251
Total turnover	**436,635**	**425,893**

	Thousands of Euros	
	Period 2022	**Period 2021**
Product sales revenue	428,171	389,034
Income from royalties	1,211	4,741
Income from granting licenses	-	10,418
Other income from licensing	7,253	21,700
Total turnover	**436,635**	**425,893**

	Thousands of Euros	
	Period 2022	**Period 2021**
Spain	147,022	139,695
Europe and Middle East	215,150	204,568
America. Asia and Africa	60,831	69,379
Corporate management and income not allocated to other segments	13,632	12,251
Total turnover	**436,635**	**425,893**

	Thousands of Euros	
	Period 2022	**Period 2021**
Respiratory	53,344	47,831
Gastrointestinal and metabolism	60,926	73,088
Dermatology and others	209,440	193,566
CNS	35,097	31,653
Musculoskeletal	15,984	13,206
Cardiovascular	37,911	34,055
Other therapeutic specialities	23,933	32,494
Total turnover	**436,635**	**425,893**

Other income

The following table provides an itemisation of the composition of other income for the six-month periods ending 30 June 2022 and 2021:

	Thousands of Euros	
	Period 2022	**Period 2021**
Income due to agreement with AZ/Covis (Note 12)	9,278	614
Re-invoicing of services rendered to AZ/Covis	648	816
Others	822	510
Total Other income	**10,748**	**1,940**

Supplies

The itemisation of this heading for the six-month periods ending 30 June 2022 and 2021 is as follows:

	Thousands of Euros	
	Period 2022	**Period 2021**
Purchases	96,812	93,560
Change in stocks of products finished or in progress	(4,376)	(1,365)
Change in stocks of raw materials and goods	2,374	694
Total Supplies	**94,810**	**92,889**

Staff

The itemisation of staff costs for the six-month periods ending 30 June 2022 and 2021 is as follows:

	Thousands of Euros	
	Period 2022	Period 2021
Payroll and salaries	82,202	76,140
Social security payable by the company	14,043	13,237
Compensation payments	4,597	4,067
Other welfare expenses	6,331	5,261
Total	**107,173**	**98,705**

The average number of employees of the Group for the six-month periods ending 30 June 2022 and 2021, by professional category and gender, is as follows:

	Period 2022			**Period 2021**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Directors	2	-	2	-	-	-
Executives	38	19	57	30	14	44
Managers	127	108	235	150	117	267
Technical staff	465	605	1070	472	601	1,073
Administrative staff	196	235	431	183	219	402
Others		2	2	-	1	1
Total	**828**	**969**	**1,797**	**835**	**952**	**1,787**

The average number of Group employees as at 30 June 2022 with a disability equal to or greater than thirty-three per cent comes to 33 people (33 people on 31 December 2021).

On 30 June 2022 and 31 December 2021, the makeup of the staff was as follows:

	30 June 2022			**31 December 2021**		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**
Directors	2	-	2	1	-	1
Executives	58	34	92	32	10	42
Managers	92	80	172	145	121	266
Technical staff	444	590	1,034	475	597	1,072
Administrative staff	228	263	491	180	224	404
Others	-	2	2	-	1	1
Total	**824**	**969**	**1,793**	**833**	**953**	**1,786**

Other operating expenses

The itemisation of this heading for the six-month periods ending 30 June 2022 and 2021 is as follows:

	Thousands of Euros	
	Period 2022	**Period 2021**
R&D activities	25,531	16,034
Leases and fees	20,570	14,024
Repairs and maintenance	9,409	9,096
Independent professional services	11,204	10,019
Transport	6,791	5,129
Insurance premiums	1,302	1,232
Bank services and similar	335	496
Congresses and other promotional activities	39,830	34,970
Supplies	4,573	1,794
Other services	18,280	15,699
Other taxes	1,299	837
Total	**139,124**	**109,330**

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 2022 and 2021 are as follows:

	Thousands of Euros			
	Period 2022		**Period 2021**	
	Gains	**Losses**	**Gains**	**Losses**
For disposal or retirement of intangible assets	15	-	-	(12,468)
For disposal or retirement of property, plant and equipment	-	(3)	-	(13)
	15	**(3)**	**-**	**(12,481)**
Net gains (losses) on disposal of assets	**12**		**(12,481)**	

The losses recorded in the six-month period ending 30 June 2021 reflected the termination of the option agreement to acquire a pharmaceutical component in the development phase from Bioniz Therapeutics, Inc.

Financial income and expenses

The itemisation of net financial results and exchange differences for the six-month periods ending 30 June 2022 and 2021 are as follows:

	Thousands of Euros			
	Period 2022		**Period 2021**	
	Income	**Expenses**	**Income**	**Expenses**
Financial and similar income / (expenses)	505	(6,175)	475	(9,576)
Valuation adjustment of financial assets	-	-	8	-
Change in fair value of financial instruments (Note 16)	-	(1,808)	9,517	(1,110)
Exchange rate differences	1,522	-	3,054	-
	2,027	**(7,983)**	**13,054**	**(10,686)**
Financial result	**(5,956)**		**2,368**	

The item “Financial and similar income / (expenses)" includes mainly the interest associated with the straight bonds of senior rank and the debt with credit institutions described in Note 16, in FY 2022. In the financial year 2021, it included mainly the financial cost of the convertible bond that matured in December 2021.

The result recorded under the item "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 €1.8 million in FY 2022 (a profit of €9.5 million in FY 2021).

21. Tax situation

Balances held with the Public Administration

The balances receivable from and payable to the Public Administrations as at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	30/06/2022	**31/12/2021**
Public Treasury (Hacienda) VAT owed**	12,887	8,155
Public Treasury (Hacienda) Corporate Income Tax owed	24,189	25,894
Other debts	3	5
Total debtor balance	**37,079**	**34,054**
Public Treasury (Hacienda) VAT paid**	6,750	2,640
Personal income tax	4,882	3,853
Social Security Agencies creditors**	3,179	3,158
Public Treasury (Hacienda) Corporate Income Tax creditor**	11,772	9,820
Total credit balances	**26,583**	**19,471**

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. At the date of preparation of these condensed consolidated financial statements, these inspections are still in progress.

As a result of the tax audit, the Parent Company and the companies comprising the Spanish tax group are open to inspection for the years 2016 to 2021 for corporate income tax, and for the periods starting from July 2017 onwards for value added tax, withholdings and payments on account of capital gains, withholdings and payments on account of work/professional income, withholdings and payments on account of real estate leases and withholdings and payments on account due to non-resident taxation, and from 2018 to 2021 for the rest of the taxes applicable to them.

During the 2018 financial year, the following inspection procedures were notified regarding the following Group companies:

- 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 six-month period ending 30 June 2022, 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 2022.

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 22 of the notes to the consolidated financial statements for the year ending 31 December 2021.

(Thousands of Euros)

During the six-month period ending 30 June 2022, the main change in deferred tax assets results from the reversal of loan commitments described in Nota 18 due to their retirement.

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. As at 30 June 2022, the Group's consolidated effective tax rate is around 35%.

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 2021. Where there are no intersegment revenues, these financial statements provide details on the basis and methodology used to prepare the financial information by segments.

Segment reporting by business

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 instrume	-	-	-	-	(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)

Segmented income statement for the six months ending 30 June 2021:

	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	314,664	54,104	44,919	-	12,206	-	425,893
Other Income	-	-	-	-	1,940	-	1,940
Operating income	**314,664**	**54,104**	**44,919**	**-**	**14,146**	**-**	**427,833**
Work carried out on fixed assets	-	-	-	4,544	-	-	4,544
Procurements	(86,516)	(15,962)	(9,907)	-	(9,123)	28,619	(92,889)
Staff costs	(32,607)	(1,030)	(8,184)	(12,467)	(29,217)	(15,200)	(98,705)
Amortization and depreciation change	(15,176)	(4,300)	(24,456)	(2,412)	(7,483)	(5,221)	(59,048)
Net change in provisions	-	-	(141)	-	2,037	-	1,896
Other operating expenses	(40,790)	(2,401)	(13,797)	(20,220)	(23,924)	(8,198)	(109,330)
Net gains/(losses) on disposals of assets	-	-	-	-	(12,481)	-	(12,481)
Loss (Gain) on recognition (reversal) of impairment of property, plant and equipment, intangible assets and goodwill	-	-	(91,102)	-	-	-	(91,102)
Operating profit	**139,575**	**30,411**	**(102,668)**	**(30,555)**	**(66,045)**	**-**	**(29,282)**
Financial income	-	-	-	-	475	-	475
Financial expense	-	-	-	-	(9,576)	-	(9,576)
Exchange differences	-	-	-	-	3,054	-	3,054
Profit/(loss) on the measurement of financial instruments	-	-	-	-	8,415	-	8,415
Profit /(loss) before taxes	**139,575**	**30,411**	**(102,668)**	**(30,555)**	**(63,677)**	**-**	**(26,914)**
Income tax	-	-	3,185	-	(19,118)	-	(15,933)
Net profit (loss) for the period attributable to the Parent Company	**139,575**	**30,411**	**(99,483)**	**(30,555)**	**(82,795)**	**-**	**(42,847)**

Assets of the condensed consolidated interim balance sheet on 30 June 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	214,705	178,222	358,270	34,964	134,268	920,429
Right-of-use assets	5,852	181	148	-	14,054	20,235
Property, plant and equipment	311	-	2,331	23,626	90,522	116,790
Financial assets	164	16	861	-	41,749	42,790
Deferred tax assets	1,808	5,961	8,452	-	166,097	182,318
NON-CURRENT ASSETS	**450,583**	**237,196**	**370,062**	**58,590**	**482,097**	1,598,528
Stocks	64,530	9,793	10,589	-	35,794	120,706
Trade and other receivables	55,799	21,997	31,916	-	35,890	145,602
Current tax assets	1,815	238	5,616	-	29,410	37,079
Other current assets	1,244	229	2,572	-	9,272	13,317
Current financial investments	-			-	686	686
Cash and cash equivalents	-		21,514	-	202,743	224,257
CURRENT ASSETS	**123,388**	**32,257**	**72,207**	**-**	**313,795**	**541,647**
TOTAL ASSETS	**573,971**	**269,453**	**442,269**	**58,590**	**-795,892**	**2,140,175**

(Thousands of Euros)

Assets of the consolidated balance sheet on 31 December 2021 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	221,512	186,331	348,603	23,547	136,063	916,056
Right-of-use assets	5,428	164	234	-	14,207	20,033
Property, plant and equipment	165	22	1,641	30,804	84,781	117,413
Financial assets	162	45,523	742	-	34,075	80,502
Deferred tax assets	1,752	6,157	7,751	-	176,840	192,500
NON-CURRENT ASSETS	**456,762**	**291,013**	**358,971**	**54,351**	**481,373**	**1,642,470**
Stocks	53,382	1,777	11,471	-	52,002	118,632
Trade and other receivables	40,940	20,599	41,851	-	24,281	127,671
Current tax assets	1,232	222	9,374	-	23,226	34,054
Other current assets	890	100	3,958	-	6,583	11,531
Current financial investments	-	-	-	-	899	899
Cash and cash equivalents	-	-	23,162	-	183,325	206,487
CURRENT ASSETS	**96,444**	**22,698**	**89,816**	**-**	**290,316**	**499,274**
TOTAL ASSETS	**553,206**	**313,711**	**448,787**	**54,351**	**771,689**	**2,141,744**

Additions to non-current asset by segment during the six months ending 30 June 2022:

	Marketing through own network	Marketing through a network of licensees	Dermatology USA	Research and development activities	Corporate management and results not allocated to other segments	**Total**
Total additions to non-current assets	8,573	-	-	9,664	13,202	**31,439**

Additions to non-current assets by segment during the six months ending 31 December 2021:

	Marketing through own network	Marketing through a network of licensees	Dermatology USA	Research and development activities	Corporate management and results not allocated to other segments	**Total**
Total additions to non-current assets	41,439	-	-	31,330	31,719	**104,488**

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 2021 and 2021 are shown below:

	First Half Year 2022			First Half Year 2021		
	% of nominal	Euros per share	Amount (Thousands of Euros)	% of nominal	Euros per share	Amount (Thousands of Euros)
Ordinary shares	158%	0.19	34,158	158%	0.19	33,842
Total Dividends paid	**158%**	**0.19**	**34,158**	**158%**	**0.19**	**33,842**
Dividends charged to income statement	158%	0.19	34,158	158%	0.19	33,842

The 2022 and 2021 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 2022, the cash payment was chosen by 37.1% of the rights (which meant disbursing €12.4 million), and the remaining 62.9% opted to receive new shares, each at par value, which were issued as a capital increase (Note 15).

In 2021, the cash payment was chosen by 35.6% of the rights (which entailed a disbursement of €11.7 million), while the remaining 64.4% 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.

For these purposes, it is appropriate to keep in mind that the diluted earnings per share for the financial year 2021 took into account the potential shares that the Parent Company was to issue at the conversion price of the convertible bond that was available in that period, i.e., 13,753,191 shares, given that this bond effectively became convertible on 25 June 2018 and was cancelled in full on 14 December 2021.

Accordingly:

	Period 2022	Period 2021
Net result of the year (thousands of euros)	27,335	(42,847)
No. of weighted average ordinary shares available (*)	179,959	178,187
No. of weighted average diluted shares (**)	179,959	191,940
Basic earnings per share (euros)	**0.15**	**(0.24)**
Diluted earnings per share (euros)	**0.15**	**(0.20)**

(*) Number of issued shares minus treasury shares (in thousands)

(**) The average number of ordinary shares available plus potential shares associated with financial instruments convertible into shares (in thousands)

During the six months ending 30 June 2022, as a result of the increase in the fully-paid share capital through which the flexible dividend programme was implemented, 1,738,566 new Parent Company shares were created and admitted to trading on 08 June 2022.

In accordance with IAS 33, these capital increases have resulted in an adjustment to the earnings per share for the first half of 2021 included in the condensed consolidated interim financial statements for that period, and they have been taken into account in the calculation of basic and diluted earnings per share for 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 2022 and 31 December 2021, firm agreements had been entered into for the performance of these activities at a cost of €49.2 and €38.5, respectively, to be paid in future periods.

The other commitments remain as detailed in the notes to the consolidated financial statements for the financial year ending 31 December 2021, 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 six-month interim periods ending 30 June 2022 and 2021, the Group companies have carried out the following transactions with related parties and have recorded the following balances as at 30 June 2022 and 31 December 2021:

Company	Related party	Concept	Period	Thousands of Euros	
				Transactions - Income/(Expenses)	Balance - Debtor / (Creditor)
Almirall, S.A.	Grupo Corporativo Landon, S.L.	Leases	2022	(1,580)	-
			2021	(1,489)	-
Almirall, S.A.	Grupo Corporativo Landon, S.L.	Re-invoicing works	2022	438	251
			2021	13	123

The Group's headquarters are leased to the associated company Grupo Corporativo Landon S.L., under a contract that is tacitly renewed by both parties on an annual basis. On 1 July 2022, the ownership of the building has been transferred to the company Sinkasen, S.L.U. (whose sole shareholder is Grupo Corporativo Landon, S.L.), without this having any effect on the conditions and amounts of related-party transactions with the Parent Company of the Group.

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 2022 and 2021 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) came to €3,407 and €1,073 thousand, respectively. There are life insurance policies accrued for an amount of €6 thousand in the six months ending 30 June 2022 (€9 thousand in the same period of 2021).

During the six months ending 30 June 2022, third-party liability insurance premiums of €138 thousand (€91 thousand in the same period of 2021) 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 31 December 2021), which amounted to €487 thousand and €120 thousand in the six-month periods ending 30 June 2022 and 2021, respectively. The balance of the provision for these plans totals €1,827 thousand as at 30 June 2022 (€806 thousand on 31 December 2021).

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 2022 and 31 December 2021.

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 30 June 2022 and 2021 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 €3,643 thousand and €3,168 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 €741 thousand and €858 thousand in the six-month periods ending 30 June 2022 and 2021, respectively. The balance of the provision for these plans totals €3,360 thousand as at 30 June 2022 (€2,743 thousand on 31 December 2021).

There are no other pension commitments to the Senior Managers as at 30 June 2022 and 31 December 2021.

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 2022, nor have they exercised any options or have any options outstanding, nor have they been granted any advances or loans.

28. Events after closing

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 Subsidiary Companies
(Almirall Group)

Consolidated interim management report
(for the six-month period ending
30 June 2022)

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1. Summary of the first half-year

The first half of FY 2022 was marked by the launch of two new products in Europe (Klisyri for actinic keratosis and Wynzora for psoriasis) and the rollout of Ilumetri (also for psoriasis) in the various regions in which the Group operates. In parallel, the US market continues to be affected by declining sales of generics and deeper discounting, which is having a negative impact on sales in the US.

During this period, the impact of Covid-19 has also decreased, although conflict has broken out between Russia and Ukraine, resulting in a harsher macroeconomic environment than initially expected, especially in terms of energy and certain raw material costs. This conflict has not had a direct or significant impact, however, on the six months ending 30 June 2022, and the Group's management is monitoring those activities most sensitive to the conflict in order to minimise the impact and/or seek alternatives.

In terms of R&D activities, significant progress has been made in the development of Lebrikizumab (a compound indicated for atopic dermatitis), since positive Phase-3 results have been published and submission of the dossier to European regulators is expected during the second half of 2022. In addition, several research agreements have been signed for early-stage products, such as the agreements with Evotec and Ichnos (the latter signed in December 2021), which allow the Group's pipeline to be nurtured over the long term. Finally, the application procedure for approval of Efinaconazole, a treatment for mild to moderate onychomycosis of the nails, was initiated in Europe in May 2022.

The dividend proposed by the Board of Directors on 18 February 2022 was approved at the General Meeting of Shareholders held on 06 May 2022. The payment of the dividend has 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. The cash payment was chosen by 37.1% of the rights holders (which entailed a disbursement of €12.4 million), while the remaining 62.9% opted to receive new shares at the unit par value, which were issued as a capital increase. On 8 June 2022, 1,738,566 new shares of the Parent Company from this flexible dividend were admitted to trading on the Barcelona, Madrid, Bilbao and Valencia stock exchanges

From a liquidity standpoint, the Group ended the half year with a cash position that came to €224.3 million (as at 31 December 2021: €207.4 million). This evolution is explained by:

- Robust cash flow from operating activities (+€55.9 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 (linked to the decrease in payables in Spain and the United States).
- Net payments from investing activities (-€13.1 million) resulting mainly from investments in the Group's manufacturing sites, upfront payments for the licensing and development agreements with Ichnos and Evotec, payments for the commercial launch of Wynzora, partially offset by the proceeds from the agreement with Covis Pharma GmbH (which acquired the respiratory business from AstraZeneca).
- Net payments from financing activities (-€25.8 million) mainly as a result of the cash payment of the flexible dividend (€12.4 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 2022, the corporate development agreements concluded and the significant events that occurred were as follows:

- On 5 January 2022, the agreement between AstraZeneca and Covis Pharma GmbH for the transfer of the global rights to Eklira and Duaklir entered into force. As a result of this agreement, in addition to continuing to receive royalty payments under the terms initially established with AstraZeneca, the Parent Company received an amount of US$10 million on the date on which the transaction took effect and will receive US$40 million in different tranches until September 2023, mainly linked to certain changes in the initially established milestone structure.
- On 26 March 2022, 16-week data for the Phase-3 ADvocate study and Phase-1 and Phase-2 studies of Lebrikizumab were announced at the annual meeting of the American Academy of Dermatology. Subsequently, on 7 June 2022, the main results of the one-year efficacy and safety analyses of Lebrikizumab were published, where 80% of patients who responded to Lebrikizumab maintained the improvements as far as clearer skin and reduced disease severity at 52 weeks; lasting improvements in itch relief were also observed. The data supported maintenance dosing once every two weeks and once every four weeks, consistently showing lasting responses.

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

- Operating income totalled €447.4 million (+4.6%) due to:
  - The net turnover totalled €436.6 million, an increase of 2.5% thanks to the growth of dermatological products in Europe (led by Ilumetri) and the positive evolution of the national market in particular, although it was offset by sales in the United States.
  - Other revenues amounted to €10.7 million, increasing significantly as a result of the agreement between Covis Pharma and AstraZeneca, as explained in the previous section.
- R&D expenses in the first six months of the FY totalled €48.5 million, up significantly from 2021 (€35.1 million) due to Phase-3 studies of Lebrikizumab, post-launch studies of Klisyri and the new research agreements that have been signed.
- As a result of the return to normality after a first half of 2021 still affected by Covid-19, and also due to new product launches, operating expenses have increased, mainly in Europe.
- Depreciation and amortisation amounted to €59.4 million (+0.6%), as the amortisation linked to the licensing of new products launched in Europe (Wynzora and Klisyri) was offset by the reduction resulting from impairments in certain US assets recognised in 2021.
- Hence, for the reasons indicated above, the result before tax amounts to a profit of €41.9 million, compared to a loss of -€26.9 million in the same period of 2021.

4. *Condensed consolidated interim balance sheet. Financial position*

The main changes in the Consolidated Balance Sheet as at 30 June 2022 compared to the end of FY 2021 are described below:

- Intangible assets increased mainly as a result of the positive effect of the US dollar on assets related to the US business, additions related to the agreements with Evotec, Athenex and MC2 Therapeutics, partially offset by amortization for the six-month period ending 30 June 2022.
- Trade receivables have increased, mainly due to the change in the time horizon of certain milestones resulting from the agreement that was transferred from AstraZeneca to Covis Pharma GmbH.
- The cash position at the end of 30 June 2022 comes to €224.3 million, which is significantly higher than at closing on 31 December 2021, thanks to cash flows from operating activities.
- Financial debt has decreased as a result of quarterly repayments of the loan from the European Investment Bank.
- Non-current liabilities decreased mainly due to the impact of higher interest rates on the Group's pension plan liabilities, which mainly relate to the investee Almirall Hermal GmbH (Germany).
- Current liabilities have decreased mainly due to the upfront payment for the research contract with Ichnos (€20.8 million paid in January 2022) and reduction of trade payables in Spain and the US.

5. *Financial risk management and use of hedging instruments*

Interest rate risk

As of 30 June 2022, 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, 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 2022, 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, Dermira 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.

The Group analyses quarterly the expected cash inflows and outflows 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 USD.

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.

The 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 their fulfilment (as well as expected fulfilment, so that it may take corrective measures, if necessary). As at 30 June 2022, 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 in price reductions, reimbursement conditions, contributions to the healthcare system or more restrictive regulations could arrive earlier due to the increasing government budget deficits that appear on the horizon, as well as the overall worsening of macroeconomic conditions in European countries.
- Price increases for materials, transport and energy, as well as scarcity of supplies due to the current geopolitical and socioeconomic threats and macroeconomic trends.
- Unexpected changes in the climate and growing risks of significant natural disasters could accelerate the adoption of new regulations to reduce emissions, energy and water use, as well as changes to increase climate resilience, thus generating operating 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.

In section 1.5 of the Statement of Non-Financial Information for the financial year ending 31 December 2021 explains the Group's Risk Management System.

7. *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 2022 the Parent Company holds treasury shares representing 0.08% of the share capital (0.08% on 31 December 2021) and an overall nominal value of €17.9 thousand (€16.8 million on 31 December 2021), which have been recognised in accordance with EU-IFRS. The average acquisition price of these shares was €10.6 per share. The treasury shares held by the Parent Company are intended to be traded on the market.

8. *Trends for the year 2022*

The 2022 financial year is expected to see a continuation of the business progress seen in 2021, while continuing with the planned product launches and the development of the research pipeline.

As for new products, Klisyri is expected to be launched in most of the EU in the upcoming months (following the 2021 launch in Germany and the UK). In addition, Wynzora has also been launched in several regions in Europe (with additional launches planned for the second half of the year), and Ilumetri is expected to continue to grow in the various markets where it is present.

As for R&D activities, Phase 3 of Lebrikizumab has been completed, and a European registration is expected to be filed in the second half of 2022. In addition, the pipeline is expected to be developed further in pre-clinical and clinical phases with innovative dermatological treatments.

Finally, the Group's Management continues to focus on opportunistic M&A 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 2022 is represented by 181,515,368 shares with a par value of €0.12, fully subscribed and paid up (179,776,802 shares as at 31 December 2021).

On 8 June 2022, 1,738,566 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 62.86% of the rights to be allotted shares at no charge, who opted to receive new shares instead of cash. As a result, the share capital of the Parent Company following the issue of fully paid-up shares was increased by €208,627.92, amounting to €21,781,844.56 on 30 June 2022 (represented by 181,515,368 shares).

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 2022 and 31 December 2021, are as follows:

Name or company name *Of the direct shareholder*	**% Interest** **30/06/2022**	**% Interest** **31/12/2021**
Grupo Plafin, S.A.	40.9%	40.9%
Grupo Corporativo Landon, S.L.	18.8%	18.8%
Wellington Management	5.1%	5.1%
Artisan Partners	3.4%	3.6%
Total	**68.2%**	**68.4%**

As of 30 June 2022 and 31 December 2021, 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 of which can be consulted on the website www.almirall.com, concluded by Mr. Antonio Gallardo Ballart and Mr. Jorge Gallardo Ballart, which 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, he/she must follow the orientation programme for new directors established by the Parent Company, so that he/she 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 are endowed with recognised solvency, competence and experience, since great care must be taking in filling the posts of independent director provided for in Art. 6 of the Board Regulations.

Directors affected by proposals for re-election shall 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 shall 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 the Company's Articles of Association. In any case, the appointment of the directors shall expire when the term has expired and the next General Meeting has been held or 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 the 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 shall be deemed to exist when the director has failed to comply with the duties inherent in his or her position or has incurred in any of the circumstances that prevent him or her 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 shall 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 to 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 his 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 his post before the end of his term of office, he must explain the reasons in a letter to be sent to all the members of the Board.

Amendment of Articles of Incorporation

The amendment of the Articles of Association is the responsibility of the General Shareholders' Meeting and is governed by Art. 160 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 the Members of the Board of Directors

The Chief Executive Officer of the company has delegated certain powers to the Board, according to the document authorised by the Notary Public of Barcelona, Mr. Enrique Viola Tarragona, on 20 May 2021.

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

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.