KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41-43
08908 L'Hospitalet de Llobregat
(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 balance sheet at 30 June 2021, the income statement, statement of comprehensive income, statement of changes in equity, 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.

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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 2021 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 2020. This matter does not modify our conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accompanying consolidated interim directors' report for the six-month period ended 30 June 2021 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 directors' report is not an integral part of the consolidated 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 2021. Our work is limited to the verification of the consolidated interim directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of Almirall, S.A. and subsidiaries.

Other Matter

This report has been prepared at the request of the Company's board of directors in relation to the publication of the six-monthly 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
23 July 2021

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

Condensed Consolidated Interim Financial Statements and Consolidated Interim Management Report for the six-month period ending on 30 June 2021

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

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS AS AT 30 JUNE 2021 AND 31 DECEMBER 2020

(Thousands of Euros)

"Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails."

ASSETS	Note	30/06/2021	31/12/2020
		Unaudited	Audited
Goodwill	9	315,966	315,966
Intangible assets	10	898,696	1,009,536
Assets by right of use	11	20,816	19,320
Property, plant and equipment	12	112,125	113,548
Financial assets	13	82,399	86,518
Deferred tax assets	23	216,459	256,476
NON-CURRENT ASSETS		**1,646,461**	**1,801,364**
Inventories	14	130,923	130,151
Trade and other receivables	15	123,018	111,295
Current tax assets	23	45,155	72,646
Other current assets		12,159	9,991
Current financial investments	13	4,734	6,025
Cash and other equivalent liquid assets	13	231,114	159,642
CURRENT ASSETS		**547,103**	**489,750**
TOTAL ASSETS		**2,193,564**	**2,291,114**

EQUITY AND LIABILITIES	Note	30/06/2021	31/12/2020
		Unaudited	Audited
Subscribed capital	16	21,573	21,374
Share premium	16	295,785	273,889
Legal reserve	16	4,275	4,189
Other reserves	16	1,024,138	983,126
Valuation adjustments and other adjustments	16	(45,297)	(48,797)
Translation differences	16	6,019	(5,095)
Profit / (Loss) for the year		(42,847)	74,280
EQUITY		**1,263,646**	**1,302,966**
Deferred income	17	6,988	17,406
Financial debts	18	219,454	224,345
Non-current liabilities from leasing	11	15,177	13,482
Deferred tax liabilities	23	79,257	117,382
Retirement benefit obligations	20	81,206	85,641
Provisions	21	35,823	35,899
Other non-current liabilities	19	21,176	19,434
NON-CURRENT LIABILITIES		**459,081**	**513,589**
Financial debts	18	259,080	248,300
Current liabilities for leasing	11	6,121	6,262
Trade payables	19	149,777	162,143
Current tax liabilities	23	25,049	21,460
Other current liabilities	19	30,810	36,394
CURRENT LIABILITIES		**470,837**	**474,559**
TOTAL LIABILITIES AND EQUITY		**2,193,564**	**2,291,114**

The Explanatory Notes 1 to 29 are an integral part of these condensed consolidated interim financial statements for the six-month period ending on 30 June 2021.

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

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENTS

FOR THE SIX-MONTH PERIODS ENDING ON 30 JUNE 2021 AND 2020

(Thousands of Euros)

"Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails."

	Note	Period 2021	Period 2020
		Not audited	Not audited
Net sales	22	425,893	426,005
Other Income	22	1,940	7,013
Operating income		**427,833**	**433,018**
Work carried out on fixed assets	10	4,544	-
Procurements	22	(92,889)	(95,704)
Staff costs	22	(98,705)	(90,652)
Amortization and depreciation change	10, 11 & 12	(59,048)	(61,922)
Net change in provisions		1,896	(2,233)
Other operating expenses	22	(109,330)	(108,525)
Net gains/(losses) on disposals of assets	22	(12,481)	(2)
Loss (Gain) on recognition (reversal) of impairment of property, plant and equipment, intangible assets and goodwill	10	(91,102)	(16,794)
Operating profit		**(29,282)**	**57,186**
Financial income	22	475	35
Financial expense	22	(9,576)	(8,802)
Exchange differences	22	3,054	(806)
Profit/(loss) on the measurement of financial instruments	18 & 22	8,415	2,811
Profit /(loss) before taxes		**(26,914)**	**50,424**
Income tax		(15,933)	(8,052)
Net profit (loss) for the period attributable to the Parent Company		**(42,847)**	**42,372**
Earnings/(loss) per share (euro):	7		
A) Basic		(0.24)	0.24
B) Diluted		(0.20)	0.24

The Explanatory Notes 1 to 29 are an integral part of the condensed consolidated interim financial statements for the six-month period ending on 30 June 2021.

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDING

ON 30 JUNE 2021 AND 2020

(Thousands of Euros)

"Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails."

	Note	Period 2021 Unaudited	Period 2020 Unaudited
Result for the period		**(42,847)**	**42,372**
Other comprehensive income:			
Items not to be reclassified to income			
Retirement benefit obligations	20	3,500	-
Income tax on gains on items that will not be reclassified		-	-
Others		-	-
Total items not to be reclassified to income		**3,500**	**-**
Items that can be reclassified subsequently to income			
Other changes in value		-	(21)
Foreign currency translation differences	16	11,114	3,417
Total items that can be reclassified subsequent to income		**11,114**	**3,396**
Other comprehensive income for the period, net of tax		**14,614**	**3,396**
Total comprehensive income for the period		**(28,233)**	**45,768**
Attributable to:			
- Owners of the parent company		(28,233)	45,768
- Non-controlling interests		-	-
Total comprehensive income attributable to owners of the parent company derived from:			
- Continuing operations		(28,233)	45,768
- Discontinued operations		-	-

The Explanatory Notes 1 to 29 are an integral part of these condensed consolidated interim financial statements for the six-month period ending on 30 June 2021.

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2021 AND 2020

(Thousands of Euros)

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					Other reserves			Other comprehensive income			
	Note	**Share Capital**	**Share premium**	**Legal reserve**	**Other reserves Parent Company**	**Treasury Shares of Parent Company**	**Reserves on consolidated subsidiaries**	**Valuation adjustments recognized in Equity**	**Exchange differences**	**Profit/(loss) attributable to parent company**	**Equity**
Balance at 1 January 2020	**16**	**20,947**	**241,011**	**4,172**	**914,155**	**(1,773)**	**774**	**(43,531)**	**38,522**	**105,909**	**1,280,186**
Distribution of profit		-	-	17	191,509	-	(85,617)	-	-	(105,909)	-
Dividends	7	-	-	-	-	-	-	-	-	-	-
Treasury shares of Parent company	16	-	-	-	-	(271)	-	-	-	-	(271)
Total comprehensive income for the period		-	-	-	-	-	-	(21)	3,417	42,372	45,768
Balance at 30 June 2020 (Unaudited)	**16**	**20,947**	**241,011**	**4,189**	**1,105,664**	**(2,044)**	**(84,843)**	**(43,552)**	**41,939**	**42,372**	**1,325,683**

					Other reserves			Other comprehensive income			
	Note	**Share Capital**	**Share premium**	**Legal reserve**	**Other reserves Parent Company**	**Treasury Shares of Parent Company**	**Reserves on consolidated subsidiaries**	**Valuation adjustments recognized in Equity**	**Exchange differences**	**Profit/(loss) attributable to parent company**	**Equity**
Balance at 1 January 2021	**16**	**21,374**	**273,889**	**4,189**	**1,070,230**	**(2,261)**	**(84,843)**	**(48,797)**	**(5,095)**	**74,280**	**1,302,966**
Distribution of profit		-	-	86	9,625	-	64,569	-	-	(74,280)	-
Dividends	7	199	21,896	-	(33,842)	-	-	-	-	-	(11,747)
Treasury shares of Parent company	16	-	-	-	-	660	-	-	-	-	660
Total comprehensive income for the period		-	-	-	-	-	-	3,500	11,114	(42,847)	(28,233)
Balance at 30 June 2021 (Not audited)	**16**	**21,573**	**295,785**	**4,275**	**1,046,013**	**(1,601)**	**(20,274)**	**(45,297)**	**6,019**	**(42,847)**	**1,263,646**

The Explanatory Notes 1 to 29 are an integral part of the accompanying condensed consolidated interim financial statements for the six-month period ending on 30 June 2021.

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

ENDING ON 30 JUNE 2021 AND 2020 (indirect method)

(Thousands of Euros)

"Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails."

	Note	Period 2021	Period 2020 (*)
		Not audited	
Cash flow			
Profit before tax		(26,914)	50,424
Amortization and depreciation charge	10, 11 & 12	59,048	61,922
Impairment adjustments	10	91,102	16,794
Net profit/(loss) on disposals of assets	22	12,481	2
Financial income	22	(475)	(35)
Financial expense	22	9,576	8,802
Exchange differences	22	(3,054)	806
Fair value variation of financial instruments	22	(8,407)	(2,811)
Impacts of the Astrazeneca transaction:		-	-
Allocation of deferred income Astrazeneca transaction	17 & 22	(10,418)	(41,829)
Change in the fair value of Astrazeneca financial asset	13 & 22	(614)	(5,954)
		122,325	**88,121**
Adjustments to changes in working capital			
Change in inventories	14	103	(17,228)
Changes in trade and other receivables	15	(9,650)	41,686
Changes in trade payables	19	(8,152)	(4,196)
Changes in other current assets		1,001	(51,654)
Changes in other current liabilities		(14,135)	(9,086)
Adjustments to changes in other non-current items:			
Other non-current assets and liabilities		3,000	(3,813)
		(27,833)	**(44,291)**
Cash inflows/(outflows) for income tax:		**15,260**	**(17,669)**
Net cash flows from operating activities (I)		**109,752**	**26,161**
Cash flows from investing activities			
Interest received		11	35
Investments:			
Intangible assets	10 & 19	(27,507)	(50,790)
Property, plant and equipment	12	(6,295)	(8,100)
Financial assets	13	(1,623)	(249)
Disposals:			
Collections linked to the AstraZeneca agreement	13**(*)**	4,174	42,000
Financial assets	13	31	439
Net cash flows from investing activities (II)		**(31,209)**	**(16,665)**
Cash flows from financing activities:			-
Interest paid	18	(3,657)	(3,199)
Equity instruments:			
Dividends paid	7	(11,747)	-
Treasury shares	16	660	(271)
Financial Instruments:			
Bank borrowings repaid	18	-	(15,360)
Payments from lease agreements	11	(3,772)	(4,300)
Other		5,499	-
Net cash flows from financing activities (III)		**(13,017)**	**(23,130)**
Net change in cash and cash equivalents (I+II+III)		**65,526**	**(13,634)**
Cash and cash equivalents at the beginning of the period	**13**	**165,667**	**117,293**
Cash and cash equivalents at the end of the period	**13**	**231,193**	**103,659**

(*) Balances for the period 2020 have been reclasified as mentioned in Note 2-b).

The Explanatory Notes 1 to 29 are an integral part of the condensed consolidated interim financial statements for the six-month period ending on 30 June 2021.

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 utensils, 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 Parent Company's corporate purpose.

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 2021, 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 7 May 2021, 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 on 31 December 2020. 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 2020, prepared in accordance with EU-IFRS.

b) Comparison of information:

The information contained in these condensed interim consolidated financial statements for the first half of 2020 and/or December 31, 2020 is presented solely and exclusively for comparative purposes with the information relating to the six-month period ended June 30, 2021.

These financial statements, which form part of these condensed interim consolidated financial statements, have been prepared under the same criteria as the information relating to the comparative periods of June 30, 2020 and/or December 31, 2020, except for the change in the cash flow classification criteria described below, which has had no impact on any Debt/Covenant ratio or on the cash generated at the end of the period. There have been no significant changes in the composition of the Group that could significantly affect the comparability of the balance sheet figures as of June 30, 2021 with those as of December 31, 2020, as well as those of the interim consolidated income statement for the six-month period ended June 30, 2021 with those of the same period ended June 30, 2020. In this regard, the Group has changed the classification criteria for the cash flows associated with the proceeds from the sale made in previous years to Astrazéneca (see note 13) to consider them as investment cash flows in the comparative year 2020.

The impact of COVID-19 on these condensed consolidated interim financial statements is described in detail in Note 28.

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 FY 2020, except for the following standards and interpretations that became effective during the first half of 2021:

Standards, amendments and interpretations are mandatory for all FYs beginning on or after 1 January 2021:

IBOR Phase-2 Reform and Exemption from the temporary application of IFRS 9 with IFRS 4.

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 detailed below, which are pending adoption by the European Union:

Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets": Provisions for contracts for pecuniary interest; amendments to IAS 16 "Property, plant and equipment": Consideration prior to intended use; 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; and other amendments in relation to the classification of liabilities as current or non-current, definitions of accounting estimates, details of accounting policy and deferred tax arising from assets and liabilities with origin in a one-off 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 consolidated financial statements for 2020. Likewise, in relation to critical accounting judgements and estimates, the same criteria have been applied as those indicated in Note 7 to the consolidated financial statements for the year ending on 31 December 2020, 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 10 and 12).
- Evaluation of the recoverability of deferred tax assets (Note 23).
- 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 9, 10 and 12).
- The fair value of certain unquoted financial assets (Note 13).
- Definition of the precise assumptions for determination of the actuarial liability for the retirement benefit obligations in coordination with an independent expert (Note 20).
- The income tax expense, which, in accordance with IAS 34, is recognised in interim periods on the basis of the best estimate of the weighted average tax rate that the Group expects for the annual period.

Although the estimates described above were made on the basis of the best information available to date on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) at the close of the six months period ended on 30 June of 2021 or in subsequent 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 on 30 June 2021, there have been no significant changes to the estimates made at the end of 2020, except as disclosed in Note 10.

5. Financial risk management

The Group's activities are exposed to various financial risks: 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

In Note 25 of the accompanying explanatory notes to the condensed consolidated interim financial statements, provides information on contingent assets and liabilities at that date.

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 their collection 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 months ending on 30 June 2021 there has been no change in the composition of the Group.

7. Dividends paid by the Parent Company

The dividends paid by the Parent Company during the first six months of FYs 2021 and 2020 are shown below:

	First Half Year 2021			**First Half Year 2020**		
	% based on nominal value	**Euros per Share**	**Amount (Thousands of Euros)**	**% based on nominal value**	**Euros per Share**	**Amount (Thousands of Euros)**
Ordinary shares	158%	0.19	33,842	-	-	-
Total dividends paid	**158%**	**0.19**	**33,842**	**-**	**-**	**-**
Dividends charged to income	158%	0.19	33,842	-	-	-

The 2021 dividend payment 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 35.6% of the rights (which meant disbursing €11.7 million), and the remaining 64.4% opted to receive new shares, each at par value, which were issued as a capital increase (Note 16).

The payment of dividends for the FY 2020 (which amounted to €35.4 million, of which €2.1 million were paid in cash) became effective in the second half of 2020, since it was approved at the General Shareholders' Meeting held on 24 July 2020.

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.

Basic profit / (loss) per share

Basic profit per share is calculated by dividing net profit for the period attributable 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 beginning of the period or at the time of issue of the potential ordinary shares if these have been issued during the period itself.

For these purposes, it should be taken into account that the diluted earnings per share consider the potential shares to be issued by the Parent Company in accordance with the exchange price of the convertible bond (see Note 18), i.e. 13,753,191 shares, given that this bond became effectively convertible on 25 June 2019.

Accordingly:

	1st half 2021	1st half 2020
Net profit for the year (thousands of euros)	(42,847)	42,372
Weighted average number of ordinary shares available (*)	178,187	178,187
Weighted average number of diluted shares (**)	191,940	191,940
Basic earnings / (losses) per share (euros)	**(0.24)**	**0.24**
Diluted earnings / (losses) per share (euros)	**(0.20)**	**0.24**

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

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

During the six months ending on 30 June 2021, as a result of the increase in the fully-paid share capital through which the flexible dividend programme was implemented, 1,661,175 new Parent Company shares were created and admitted to trading on 11 June 2021. No new shares were created in the six months ending on 30 June 2020.

In accordance with IAS 33, these capital increases have resulted in an adjustment to the earnings per share for the first half of 2020 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 on 30 June 2021.

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 on financial instruments convertible into shares, net of the related tax effect, resulting in a net loss in the amount of 38,561 thousand euros as of June 30, 2021.

8. Business combination

During the six months ending on 30 June 2021, there have been no business combinations.

9. Goodwill

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending on 30 June 2021 was as follows:

	Thousands of Euros			
	Balance as at 31 December 2020	Variations due to exchange rate	Valuation adjustment	Balance as at 30 June 2021
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 on 31 December 2020.

Impairment losses

No impairment has been recorded in the six months ending on 30 June 2021.

As of 30 June 2021, there has been no significant change in the key assumptions on which management has based its determination of the recoverable amount of the cash-generating units to which the above goodwills are allocated nor has there been any indication of impairment or change in the sensitivity analyses in relation to Note 5-d to the consolidated financial statements for the year ending on 31 December 2020. Therefore, the Management has not updated any impairment calculations linked to these units for the purposes of the 30 June 2021 interim closing. As mentioned in Note 28, the potential impact of COVID -19 on the cash-generating units associated with this goodwill was also considered, and no significant impact has been identified.

10. Intangible assets

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending on 30 June 2021 was as follows:

Euro thousand	Balance at 31/12/2020	Additions	Transfers	Disposals	Exchange differences	Balance at 30/06/2021
Patents and trademarks	1,821,574	21,203	34,476	(16)	24,547	1,901,784
Development expenditure[1]	89,069	4,616	-	(72)	(159)	93,454
Computer software	103,955	374	1,155	(12,795)	9	92,698
Prepayments and assets under construction	152,658	1,541	(35,631)	(12,412)	709	106,865
Total coste Activos intangibles	2,167,256	27,734	-	(25,295)	25,106	2,194,801
Accum. Amort. Patents and trademarks	(803,660)	(44,622)	-	-	(6,349)	(854,631)
Accum. Amort. Development expenditure	(888)	(244)	-	-	167	(965)
Accum. Amort. Computer software	(87,744)	(3,159)	-	9,508	(9)	(81,404)
Total A. Acum. Activos intangibles	(892,292)	(48,025)	-	9,508	(6,191)	(937,000)
Impairment losses	(265,428)	(91,101)	-	3,563	(6,139)	(359,105)
Net book value Intangible assets	**1,009,536**	**(111,392)**	**-**	**(12,224)**	**12,776**	**898,696**

[1] Additions to Development expenses include €2,036 thousand of internally generated expenses in the 6-month period ending on 30 June 2021.

The intangible assets described in the table above have finite useful lives. There are no assets subject to debt guarantees.

During the first six months of 2021, additions of intangible assets came to €27.7 million and mainly reflect:

- On 16 February 2021, the Group acquired the European marketing rights to Wynzora® cream for the treatment of plaque psoriasis from MC2 Therapeutics. Wynzora® cream (50 µg/g calcipotriol and 0.5 mg/g betamethasone dipropionate) received FDA approval in the USA on 20 July 2020. The product is currently under review in Europe. For this purpose two Phase-3 trials have been submitted, including a head-to-head comparison study against the active ingredient Dovobet / Daivobet® Gel. A Marketing Authorization Application (MAA) has been filed in Europe and approval is expected in the second half of 2021. Under the terms of this agreement, the Group has made an initial payment of €5 million in March 2021 and is expected to make an additional payment of €10 million in accordance with the achievement of certain regulatory milestones, in addition to payments for sales milestone (up to a maximum of €229 million) and double-digit royalties on sales in Europe.

- Pursuant to the license agreement signed with Athenex, in which Athenex granted Almirall an exclusive license to research, develop and market in the United States and in Europe, including Russia, a first-in-class topical treatment for actinic keratosis, in March 2021, following the commercial launch in the United States under the trademark Klisyri, the Group has made a payment 20 million dollars (approximately 16.5 million euros) due to achievement of this launch milestone.

- As mentioned in Note 9 to the consolidated financial statements for the year ending on 31 December 2020, the Group has three development projects that meet the capitalisation criteria. These projects constitute: supporting studies for launch of a product for the treatment of acne in China, a new formulation of a treatment for psoriasis that is already marketed in Europe and studies prior to regulatory approval in the EU of a drug for the treatment of actinic keratosis that is already marketed in the United States. The total amount capitalised as of 30 June 2021 is €4.6 million.

Pursuant to the option agreement to acquire a development stage pharmaceutical component from Bioniz Therapeutics, Inc., concluded in late 2019, an upfront payment of $15 million (approximately €13 million) was made to Bioniz in exchange for the option to acquire all of the company's shares. That agreement stipulated that after the results of the Phase-1/2 study in LCCT , certain biomarker clinical data and the report from the End of Phase 2 meeting with the FDA have all been made available, Almirall would have 60 days to exercise its option. These conditions became effective on 16 March 2021, the date on which the Group communicated its decision not to exercise this option. As a result, this asset has been derecognised and a loss of €12.4 million (equivalent to $15 million) has been recognised under "Net gains/losses on disposal of assets" in the condensed consolidated interim income statement for the six months ending on 30 June 2021 (Note 22).

The transfers correspond mainly to the actinic keratosis product mentioned above following its launch in the United States.

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 on 30 June 2021 and 2020 comes to totals of €35.1 million and €40.8 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 on 30 June 2021 there have been no significant changes to the estimates made at the end of the FY 2020, except as described in the paragraph below.

On 30 June 2021 the impairment tests for those assets that had any potential impairment indicators during the six months period ending at such date have been updated. In the case of the estimates for the US business, the net sales forecasts for the products linked to the cash-generating units "Almirall LLC" (formerly Aqua Pharmaceuticals, LLC) and "Allergan portfolio" have been revised downwards. This decline is explained by a slower than expected recovery in prescriptions in the US dermatology market, exacerbated by difficulties in accessing dermatologists, both for patients and for medical sales representatives. In the particular case of "Allergan Portfolio", the main impacts on the re-estimation of future flows derive from:

- In-person visits to doctors are severely restricted during the pandemic, and the restriction is expected to continue in the long term.
- Increasing industry cost pressures favouring the use of generics over branded products for acute therapies.
- Increased reimbursement required by pharmacy benefit managers to maintain and gain access to forms.
- Increased value of co-pay coupons and fees required to limit switching from branded to generic products.

As a result of the new estimate made on 30 June 2021, an impairment loss of €91.1 million (€22.1 million relating to the Almirall LLC CGU and €68.8 million relating to the Allergan portfolio CGU, which fully corresponds to the product commercialized under the trademark Seysara whose net book value has been reduced 40% approximately, both included in the segment "US Dermatology") was recognised in the condensed consolidated interim income statement. After deducting depreciation for the six-month period ending on 30 June 2021 and also impairment, the net book value of these assets amounts to €26.0 and €282.5 million, respectively, on 30 June 2021. The recoverable amount has been determined as the lower of book value and value in use.

The main assumptions used in the impairment tests of the Almirall LLC and Allergan CGUs were the evolution of net sales with average declines of 25% for Almirall LLC and average increases of 16% for the next 5 years for Allergan (Seysara), a discount rate of 7% and a perpetual income growth rate of -15% for both CGUs.

Below we provide 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	+1 / (1) (2) / +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	+40 / (52) (22) / +47 (13) / +14

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

11. Assets due to right of use

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending on 30 June 2021 was as follows:

Euro thousand	**Balance at 31/12/2020**	**Additions**	**Disposals**	**Exchange differences**	**Balance at 30/06/2021**
Construction	21,460	4,146	(536)	26	25,096
Machinery	288	-	-	-	288
Transport elements	8,886	938	(1,079)	-	8,745
Total cost Rights of use	30,634	5,084	(1,615)	26	34,129
A. Accum. Construction	(7,715)	(2,006)	496	(18)	(9,243)
A. Accum. Machinery	(200)	(54)	-	-	(254)
A. Accum. Transport elements	(3,399)	(1,496)	1,079	-	(3,816)
Total A. Accum. Rights of use	(11,314)	(3,556)	1,575	(18)	(13,313)
Net value Rights of use	**19,320**	**1,528**	**(40)**	**8**	**20,816**

The additions for the year refer mainly to the renewal of vehicle and offices contracts for the Group's sales networks. Payments made in the six months ending on 30 June 2021 for leases amounted to €3,772 thousand.

The main asset refers to the lease of the Group's headquarters, with a net carrying amount of €13,470 thousand as of 30 June 2021. There are no other contracts that are individually relevant.

Details of lease liabilities are as follows, together with their future maturities (which match to the minimum future payments):

	Balance as of 30/06/2021	**Balance as of 31/12/2020**
Liabilities for leasing		
Current	6,121	6,262
Non-current	15,177	13,482
Total	**21,298**	**19,744**

Liabilities for leases as of June 30 2021	Maturity	Thousand euro
Current	Up to 6 months	3,193
	From 6 months to 1 year	2,928
Non current	From 1 to 2 years	5,541
	From 2 to 3 years	4,283
	From 3 to 4 years	3,431
	From 4 to 5 years	1,777
	More than 5 years	145
Total		**21,298**

12. Property, plant and equipment

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending on 30 June 2021 was as follows:

Thousands of euros	Balance as at 31/12/2020	Additions	Transfers	Disposals	Translation differences	Balance as at 30/06/2021
Land and buildings	95,684	10	146	-	34	95,874
Technical installations and machinery	97,072	271	700	(264)	-	97,779
Other installations, tools and furniture	259,072	1,571	789	(196)	42	261,278
Other fixed assets	24,183	263	375	(26)	26	24,821
Advances and fixed assets under construction	9,902	4,180	(2,010)	-	-	12,072
Total cost Property, plant and equipment	485,913	6,295	-	(486)	102	491,824
A. Accum. Land and buildings	(48,890)	(1,061)	-	-	(52)	(50,003)
A. Accum. Technical installations and machinery	(63,115)	(1,805)	-	104	-	(64,816)
A. Accum. Other installations, tools and furniture	(238,288)	(4,100)	-	145	(57)	(242,300)
A. Accum. Other fixed assets	(22,072)	(501)	-	20	(27)	(22,580)
Total A. Accum. Property, plant and equipment	(372,365)	(7,467)	-	269	(136)	(379,699)
Impairment losses	-					-
Net Value Property, plant and equipment	**113,548**	**(1,172)**	**-**	**(217)**	**(34)**	**112,125**

The additions for the six months ending on 30 June 2021 are mainly due to upgrades at the Group's chemical and pharmaceutical production facilities and improvements at the Group's headquarters.

13. Financial assets

As detailed in Note 5-i) to the consolidated financial statements for the year ending on 31 December 2020, 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 and loss), and
- those that are measured at amortised cost.

In this sense, this classification is distributed as follows:

- Financial assets measured at fair value with changes in profit or loss: these assets do not meet the criteria for classification at amortised cost in accordance with IFRS 9 because their cash flows do not represent only 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 year ending on 31 December 2020, as well as those derivative financial instruments that do not qualify for hedge accounting.
- Financial assets measured at fair value with changes in other comprehensive income: this item includes equity instruments. As of 30 June 2021, 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 eurodeposits, 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 represent only payments of principal and interest on the principal amount.

Non-current Financial assets

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending on 30 June 2021 was as follows:

	Thousands of Euros		
	Deposits and guarantees provided	Long-term loans and other financial assets	Total
Balance on 31 December 2020	**1,404**	**85,114**	**86,518**
Additions	282	-	282
Disposals	-	(31)	(31)
Changes in fair value (Note 22)	-	614	614
Transfers	-	(5,009)	(5,009)
Translation difference	25	-	25
Balance as at 30 June 2021	**1,711**	**80,688**	**82,399**

The item "Financial assets - Long-term loans and other financial assets" includes, mainly in the amount of €80,655 thousand (€85,050 thousand on 31 December 2020), the financial asset corresponding to the fair value of future long-term payments to be received by AstraZeneca as described in Note 7 of the notes to the consolidated financial statements for the year ending on 31 December 2020. The movement in the first six months of FY 2021 is mainly due, on the one hand, to the recognition of changes in the fair value of the asset, representing an increase of €0.6 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 horizon for collection, of certain milestones receivable whose fair value on 30 June 2021 amounts to €21,020 thousand (Note 15).

The change in value of this financial asset during the six months ending on 30 June 2021 is due on the one hand to the fluctuation of the euro/US dollar exchange rate in the amount of €1.5 million, the financial restatement which resulted in income in the amount of €5.1 million, as well as the re-estimation of expected flows and probabilities assigned to the various future milestones in the amount of -€6.0 million and, lastly, reduction of the asset due to the collection of royalties in the amount of €4.2 million (€42.0 million between royalties and milestones as of June 30, 2020). As a result, the total amount of €0.6 million of change in fair value is recorded in "Other income" in the consolidated interim income statement for the six months ending on 30 June 2021 (Note 22).

As indicated in note 2 to these condensed interim consolidated financial statements, the proceeds from the sale made during the period to Astrazéneca, amounting to € 42 million, which were previously classified as operating cash flows, have been reclassified as investment cash flows in the comparative year 2020.

Current financial investments

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

	Thousands of Euros	
	30/06/2021	**31/12/2020**
Short-term and other deposits	30	4
Short-term deposits	-	5,949
Short-term sureties:	49	72
Total cash equivalents	**79**	**6,025**
Derivative financial instruments (Note 18)	3,314	-
Deposit account linked to the liquidity contract (Note 16)	1,341	-
Total non-cash items	**4,655**	**-**
Total current financial investments	**4,734**	**6,025**

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 on 31 December 2020). In this regard, in the preparation of the condensed consolidated cash flow statement for the six month period ended on 30 June 2021, 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 2021 come to €79 thousand (€6,025 thousand on 31 December 2020), have been included as cash equivalents.

There are no restrictions on the availability of such cash and cash equivalents. Details of current and non-current financial investments are as follows:

	Thousands of Euros	
	30/06/2021	**31/12/2020**
Long-term financial assets measured at amortised cost (deposit account)	1,744	1,468
Financial assets at fair value through profit or loss (Financial asset with AZ*)	80,655	85,050
Financial assets at fair value through profit or loss (Note 18)	3,314	-
Financial assets at amortised cost (fixed-income securities, deposits)	1,420	6,025
Total	**87,133**	**92,543**

(*) Includes only the long-term portion of the fair value of future payments to be received from AstraZeneca on 30 June 2021 and 31 December 2020. On 30 June 2021 in the short term there are €21.0 million (€20.2 million on 31 December 2020), classified under the heading "Other receivables" (Note 15).

In accordance with the hierarchy levels established by IFRS 13 and indicated in Note 31 to the consolidated financial statements for the year ending on 31 December 2020, the financial assets for which fair value is estimated are Level 1 (equity instruments in listed companies), 2 (derivative financial instruments) and 3 (equity instruments in unlisted companies and the financial asset linked to AstraZeneca).

14. Stocks

The itemisation of this heading in the condensed consolidated interim balance sheet on 30 June 2021 and 31 December 2020 is as follows:

	Thousands of Euros	
	30/06/2021	**31/12/2020**
Raw materials and packaging	44,324	45,523
Work in progress	19,485	14,362
Goods held for resale and finished products	66,817	70,168
Advances to suppliers	297	98
Total	**130,923**	**130,151**

No stock is subject to warranty. On 30 June 2021 and 31 December 2020, there are no commitments to purchase stock worthy of note.

15. Trade and other receivables

The itemisation of this heading in the condensed consolidated interim balance sheet on 30 June 2021 and 31 December 2020 is as follows:

	Thousands of euros	
	30/06/2021	31/12/2020
Customers for sales and services	105,805	95,470
Other receivables	22,311	23,595
Provision for impairment losses	(5,098)	(7,770)
Total receivables	**123,018**	**111,295**

As of 30 June 2021 "Other receivables" mainly includes €21.0 million (on 31 December 2020: €20.2 million) corresponding to the fair value of future payments to be received in the short term from AstraZeneca as described in Note 13.

On 30 June 2021 and 31 December 2020, the total past-due and provisioned balances amount to €5,098 thousand and €7,770 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 on 31 December 2020), such provision includes an impairment loss on financial asset balances (Trade receivables) of €1,530 thousand on 30 June 2021 (the same amount on 31 December 2020).

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

On 30 June 2021, the percentage of balances with public administrations for the hospital business out of the total customer balance for sales and services rendered comes to 4.4%(3.1% on 31 December 2020).

There are no guarantees on customer balances.

Debit balances other than the financial asset linked to AstraZeneca (Note 13) are stated at nominal value, and there are no significant differences compared to their fair value.

16. Equity

Share capital

On 30 June 2021, the Parent Company's share capital is represented by 179,776,802 fully subscribed and paid-up shares with a par value of €0.12 (178,115,627 shares on 31 December 2020).

On 11 June 2021, 1,661,175 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 64.4% 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 €199,341, amounting to €21,573,216.24 on 30 June 2021 (represented by 179,776,802 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 of 30 June 2021 and 31 December 2020, are as follows:

Name or company name of the direct holder of the stake	**% stake 30/06/2021**	**% stake 31/12/2020**
Grupo Plafin, S.A.	40.9%	40.9%
Grupo Corporativo Landon, S.L.	18.8%	18.8%
Artisan Partners Asset Management Inc.	3.5%	0.0%
Total	**63.2%**	**59.7%**

As of 30 June 2021 and 31 December 2020, 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.

(Thousands of Euros)

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 share capital, this reserve may only be used to offset losses only if there are no other reserves available sufficient for this purpose.

The amount of €4,275 thousand found in this account as of 30 June 2021 corresponds to the balance of the Parent Company's legal reserve (€4,189 thousand on 31 December 2020).

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 €21,896 thousand, and therefore the balance of this item totals €298,785 thousand on 30 June 2021 (on 31 December 2020: €273,889 thousand).

Other reserves

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

	Thousand euro	
	30/06/2021	**31/12/2020**
Canary Islands investment reserves	3,485	3,485
Redeemed capital reserve	30,539	30,539
Merger reserve	4,588	4,588
Revaluation reserve	2,539	2,539
Other voluntary reserves	1,004,862	1,029,079
Subtotal Other reserves Parent Company	**1,046,013**	**1,070,230**
Reserves in consolidated subisidiares	(20,274)	(84,843)
Treasury shares	(1,601)	(2,261)
Total other reserves	**1,024,138**	**983,126**

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 amounted to €6.2 million as of June 30, 2021 (€3.3 million as of December 31, 2020).

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 assets of which is consists must remain within the company.

On 30 June 2021 and 31 December 2020 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 2021 and 31 December 2020, the balance of these reserves amounts to €30,539 thousand.

Liquidity contract and treasury shares

The Parent Company has a liquidity contract with a financial intermediary, effective from 4 March 2019, with the aim of favouring liquidity and stability of prices of the Company's shares, within the limits established by the General Shareholders' Meeting and by current regulations, in particular, Circular 1/2017, of 26 April, of the National Securities Market Commission (CNMV), on liquidity contracts. This contract means that as of 30 June 2021 the Parent Company holds treasury shares representing 0.06% of the share capital (0.09% on 31 December 2020) and an overall nominal value of €12.3 thousand, which have been recognised in accordance with EU-IFRS. The average acquisition price of these shares was €12.6 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 2021, this amount of this item comes to €-45,297 thousand, and on 31 December 2020, to €-48,797 thousand, and it is mainly 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: €-32,483 thousand on 30 June 2021, and €-35,983 thousand on 31 December 2020.
- Financial assets measured at fair value through other comprehensive income: as explained in Note 12 to the consolidated financial statements for the year ending on 31 December 2020, 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 2021 and 31 December 2020, 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 2021 and 31 December 2020, the breakdown of the balance of this item by companies in the condensed consolidated interim balance sheet is as follows:

	Thousands of Euros	
	30/06/2021	**31/12/2020**
Almirall Limited (UK)	(808)	(1,357)
Almirall, A.G.	181	240
Almirall SP, Z.O.O.	(169)	(182)
Almirall Aps	7	5
Almirall Inc / Almirall LLC (USA)	6,910	(6,352)
Polichem, S.A.	(102)	2,551
Total translation differences	**6,019**	**(5,095)**

The movement for the six-month period ending on 30 June 2021 has been as follows:

	Thousands of euros
Balance as at 31 December 2020	**(5,095)**
Change due to exchange rate differences	11,114
Balance as at 30 June 2021	**6,019**

17. Deferred income

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six-month period ending on 30 June 2021 are as follows:

	Thousands of Euros
Balance as at 31 December 2020	**17,406**
Recognised in Income (Note 22)	(10,418)
Balance as at 30 June 2021	**6,988**

During the six months ending on 30 June 2021, the Group has not entered into any contracts involving deferred revenue in addition to those described in Note 7 to the consolidated financial statements for the year ending on 31 December 2020.

On 30 June 2021 and 31 December 2020, the main component of the balances shown in the table above is made up of the amounts not recognised in Income from the initial non-refundable collections described in Note 7-a to the consolidated financial statements at the close of 2020. As of 30 June 2021, initial incoming payments under the contracts for the transfer of rights to AstraZeneca pending recognition in Income have a value of €7.0 million (31 December 2020: €17.4 million). Deferred income is recognised in the Income Statement over the course of the estimated duration of the development phase.

(Thousands of Euros)

18. Financial debts

As detailed in Note 5-i) to the consolidated financial statements for the year ending on 31 December 2020, the Group classifies its financial liabilities into the following valuation categories:

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

In this sense, this classification is distributed as follows:

- Financial liabilities measured at fair value through profit or loss: this heading includes 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. On 30 June 2021 and 31 December 2020, the Group held the following financial instruments: equity swap on Almirall, S.A. shares and the issue of a Convertible Bond, further details of which are provided in this Note.
- Financial liabilities measured at amortised cost: this heading includes mainly bank loans and revolving credit facilities. 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.

The itemisation of this heading in the condensed consolidated interim balance sheet on 30 June 2021 and 31 December 2020 is as follows:

	Limit	Balance drawn down	Current	Non-current 2022/2023	Non-current 2023/2024	Non-current Rest	Non-current Total
Credit facilities	275,000	-	-			-	-
Loans with credit institutions	230,000	229,454	10,000	10,000	10,000	199,454	219,454
Obligations	250,000	245,049	245,049	-	-	-	-
Liabilities for derivative financial instruments	N/A	3,373	3,373	-	-	-	-
Accrued interest to be paid	N/A	658	658	-	-	-	-
Total as at 30 June 2021	**755,000**	**478,534**	**259,080**	**10,000**	**10,000**	**199,454**	**219,454**

(*) Balance drawn down net of issuance costs

	Limit	Balance drawn down (*)	Current	Non-current 2022	Non-current 2023	Non-current Rest	Non-current Total
Credit facilities	275,000	-	-	-	-	-	-
Loans with credit institutions	230,000	229,345	5,000	10,000	159,345	55,000	224,345
Obligations	250,000	239,648	239,648	-	-	-	-
Liabilities for derivative financial instruments	N/A	2,966	2,966	-	-	-	-
Accrued interest to be paid	N/A	686	686	-	-	-	-
Total as at 31 December 2020	**755,000**	**472,645**	**248,300**	**10,000**	**159,345**	**55,000**	**224,345**

(*) Balance drawn down net of issuance costs

Debts with credit institutions

On 17 July 2020, the Parent Company arranged a 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, effective on 17 July 2021) and earmarked for general corporate purposes. BBVA acted as coordinator of the transaction, and the banks Santander, CaixaBank, BNP Paribas and Banca March also participated. This credit facility accrues a variable interest rate linked to Euribor,and the nominal value does not differ significantly from the cash value. The credit facility contract obliges the Parent Company to comply with a series of covenants which are deemed to be fulfilled on 30 June 2021.

On 4 December 2018, the Parent Company entered into an unsecured syndicated Club Bank Deal loan led by BBVA for €150 million (with a single maturity date on 14 December 2023) which accrues a fixed interest at 2.1% per annum, payable every six months (without the nominal value differing significantly from the cash value). By virtue of the contract for this loan, the Group is obliged to comply with a series of covenants which are deemed to be fulfilled on 30 June 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. The first tranche of €80 million was granted on 17 April 2019, with a fixed interest rate of 1.35% (without the nominal value differing significantly from the cash value) and 32 equal repayments of principal between 17 July 2021 and 17 April 2029, with the latter date being the final maturity. As of 30 June 2021, there have been no additional disposals. The loan agreement requires the Group to comply with a series of covenants which are deemed to be fulfilled on 30 June 2021.

Convertible bond

On 4 December 2018, issuing of simple unsecured bonds with final maturity on 14 December 2021 was also arranged for a maximum aggregate nominal amount of €250 million, possibly convertible into or exchangeable for ordinary shares of the Parent Company if approved by the General Shareholders' Meeting before 30 June 2019. The bonds bear interest at a fixed rate of 0.25% per annum payable semi-annually. Once the convertibility conditions have been met, the Bonds have become convertible bonds at the option of the Bondholders at a conversion price set at €18.1776 per share, after applying a conversion premium of 27.5% on the weighted average price of the Parent Company's ordinary shares during the period between the opening and closing of the market on the day of the prospectus. This conversion price is subject to customary adjustment formulas in accordance with the terms and conditions of the Bonds. The Parent Company will deliver newly issued or existing shares (at the discretion of the Parent Company) each time the bondholders exercise their conversion rights. In the event that the Resolutions of the meeting had been proposed but had not been passed at the General Meeting by 30 June 2019 or the Resolutions of the Meeting had been proposed and passed at the General Meeting by 30 June 2019 but the remaining Convertibility Conditions had not been satisfied by the deadlines specified in the terms and conditions, after first notifying the bondholders, the Parent Company would have been able to decide to redeem the Bonds early in whole, but not in part, at the greater value of (i) 102% of the nominal value of the Bonds, plus interest accrued, or (ii) 102% of the quoted price of the Bonds, plus any interest accrued. In addition, in the event that the Bondholders were not notified of the modification of the Bonds within period stipulated in the terms and conditions, and provided that the Parent Company had not given notice of the early redemption of the Bonds pursuant to the preceding paragraph, each Bondholder could, after first giving notice, have requested the redemption of their Bonds at the greater value of (i) 102% of the nominal value of the Bonds, plus any interest accrued, or (ii) 102% of the quoted price of the Bonds, plus any interest accrued. In addition, at any time, each Bondholder may, after first giving notice within a specified period of time, request redemption of their Bonds, at par value plus interest accrued, in the event of a change of control of the Issuer or a reduction of its floating capital below certain thresholds and, if either of these events occurs prior to the Modification Date, at the greater value of the par value of the Bonds plus any interest accrued, or the quoted price of the Bonds plus any interest accrued.

For this issuing of bonds, in accordance with IFRS 9, the fair value of the derivative financial instruments embedded in the host instrument (the financial liability for the bond) was first determined. The initial recognition value of the host instrument was determined on a residual basis after deducting the fair value assigned to the derivative financial instruments from the total value of the instrument.

Within the derivative financial instrument, the following options with a significant value were identified that required separation from the host contract (among others whose value was estimated to be close to zero both at inception and at the closing date of the period):

- Conversion Option: once the Conversion Option was exercised by the Shareholders' Meeting (a circumstance effectively announced to the CNMV on 17 June 2019), the bonds are convertible into Almirall shares at the option of the bondholders (this is a call option acquired by the bondholders and sold by Almirall) at a conversion price of €18.1776 per share (this price is subject to anti-dilution adjustments). In the event of an exchange for all of the bonds, a total of 13,753,191 shares would be handed over. The exchange could take place in newly issued shares or in existing shares at Almirall's discretion. Due to the fact that, within the share conversion price adjustment scenarios, there are mechanisms whose nature implies that recording as equity is not appropriate, this option represents a derivative financial instrument separable from the host contract (financial liability) for the Group.

- Cancellation Option: the Parent Company may, after the “Modification Date", redeem all, but not part, of the Bonds early at their nominal value plus accrued and unpaid interest if:

    a) At any time, 15% or less of the aggregate nominal value of the bonds issued remains outstanding.

    b) Starting from the day when 2 years and 21 days have expired after the Issue Date (i.e. starting from 4 January 2021, inclusive), the aggregate market value of the underlying shares for each bond during a certain period of time exceeds €125 thousand (i.e. taking into account that each bond corresponds to 5,501 shares at an exchange rate of €18.776 per share, if the share price of Almirall S.A. exceeds €22.722 per share). On the drafting date of these consolidated condensed interim financial statements, this condition had not been met, and hence the maturity date of the convertible bond remains as initially scheduled (14 December 2021).

With respect to this option purchased by Almirall, because the nominal value of the Bonds (plus their respective accrued interest) would not be "approximately equal" to the amortized cost plus the value of the derivative financial instrument mentioned above, this early cancellation option would not be closely related to the host contract and would be separable from it.

At the time of initial recognition (14 December 2018), these options were valued at €23.4 million and were classified under the heading "Liabilities for derivative financial instruments" in this Note, with the remaining €226.6 million remaining as a component of the host bond. Ot 30 June 2021, the fair value of these options amounted to €3.4 million (31 December 2020: €2.3 million). Additionally, as a result, the effective interest rate of this instrument comes to 4.8%.

The change in the fair value of these options is recorded in the income statement between the time of initial recognition and the valuation made at the time of closing, until they are extinguished. For the six months ending on 30 June 2021, the impact on the Group’s condensed consolidated interim income statement consisted of a loss of €1.1 million (a loss of €13.6 million for the six months ending on 30 June 2020, Note 22). Both options have been recognised at net value, as permitted by IFRS 9.

The valuation of both options was carried out by an independent expert using standard valuation methodologies for derivative financial instruments and in accordance with IFRS 13 and IFRS 9.

The host bond component, net of issue costs (which amounted to €2.9 million), is recognised at amortized cost using the effective interest method.

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 is made effective 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), and with a term of 24 months and an extension of 4 months, to hand over the dividend received for its investment in Almirall S.A. and to sell the shares of Almirall, S.A. to the company itself on maturity.

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

Consequently, under the heading "Assets due to derivative financial instruments" (in the case of unrealised gains) or "Liabilities due to derivative financial instruments" (in the case of unrealised losses), the fair value of the derivative has been recognised, which corresponds to the difference between the fair value of the underlying asset (2,510,952 shares equivalent to €35.1 million, corresponding to 1.4% of the Parent Company’s share capital) and the acquisition cost the shares for Banco Santander, which on 30 June 2021 amounts to a capital gain of €1.9 million, in addition to €1.4 million that has been deposited with the bank, and therefore as of 30 June 2021 the asset totals to €3.3 million (Note 13). On 31 December 2020, liabilities came to €0.7 million (a loss of €7.7 million, of which €7.0 million were deposited in the bank). Since this derivative does not meet the requirements for hedge accounting, it is recorded through the income statement. For the six months ending on 30 June 2021, the impact on the Group's condensed consolidated interim income statement amounted to €9.5 million in profits (€7.3 million in losses for the six months ending on 30 June 2020, Note 22).

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 2021 amounts to €658 thousand (€686 thousand on 31 December 2020).

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 01.01.2021	Effective flows	Interest paid	Accrued interest	Accrued interest	Changes in fair value	Balance 30.06.2021
Credit lines	-	-	-	-	-	-	-
Loans with credit institutions	229,346	-	-	108	-	-	229,454
Obligations	239,647	-	-	5,402	-	-	245,049
	468,993	**-**	**-**	**5,510**	**-**	**-**	**474,503**
Liabilities for derivative instruments	2,966	5,499	-	-	-	(5,092)	3,373
Accrued interest payments	686	-	(3,657)	3,629	-	-	658
Total Financial debt	**472,645**	**5,499**	**(3,657)**	**9,139**	**-**	**(5,092)**	**478,534**

	Balance 01.01.2020	Cash flows	Interest paid	Interest accrued	Translation differences	Changes in fair value	Balance 30.06.2020
Credit facilities	15,133	(15,360)	-	-	227	-	-
Loans with credit institutions	229,133	-	-	106	-	-	229,239
Obligations	229,245	-	-	5,201	-	-	234,446
	473,511	**(15,360)**	**-**	**5,307**	**227**	**-**	**463,685**
Liabilities for derivative financial instruments	19,082	-	-	-	-	(8,016)	11,066
Accrued interest to be paid	452	-	(3,199)	3,183	-	-	436
Total Financial debt	**493,045**	**(15,360)**	**(3,199)**	**8,490**	**227**	**(8,016)**	**475,187**

In accordance with the hierarchy levels established by IFRS 13 and indicated in Note 31 of the notes to the consolidated financial statements for the year ended December 31, 2020, the financial liabilities for which fair value is estimated are Level 2 (derivative financial instruments) in the amount of 3,373 thousand euros.

19. Trade payables and Other liabilities

Trade payables

On 30 June 2021 and 31 December 2020 the composition of this item is as follows:

	Thousands of Euros	
	30/06/2021	31/12/2020
Suppliers	63,672	65,900
Trade payables	86,105	96,243
Total Short-term trade payables	**149,777**	**162,143**

Other liabilities

On 30 June 2021 and 31 December 2020 the composition of this item is as follows:

	Thousand euro				
	Current	Non-current			
		2022/2023	2023/2024	Rest	Total
Loans linked to research	2,819	1,955	1,635	1,384	4,974
Debts for purchases of fixed assets	4,646	-	-	-	-
Remuneration to be paid	22,982	3,163	5,419	1,100	9,682
Long-term tax liabilities	-	-	-	6,519	6,519
Other debts	363	-	-	-	-
Total at 30 June 2021	**30,810**	**5,118**	**7,054**	**9,003**	**21,176**

	Thousands of Euros				
		Non-current			
	Current	2022	2023	Rest	Total
Loans linked to research	2,608	2,118	1,592	1,929	5,639
Debts for purchases of fixed assets	3,818	-	-	-	-
Remuneration to be paid	29,693	1,579	2,353	3,343	7,275
Long-term tax liabilities	-	-	-	6,519	6,519
Other debts	275	-	-	1	1
Total as at 31 December 2020	**36,394**	**3,697**	**3,945**	**11,792**	**19,434**

Loans linked to research refers to zero-interest loans granted by the Ministry of Science and Technology to promote research and are presented in the table above as described in Note 5-i to the consolidated financial statements for the year ending on 31 December 2020. 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 2020 and 2030.

Debts for purchases of fixed assets refer basically to disbursements pending on the acquisition of goods, products and marketing licenses contracted in the fiscal year and prior years.

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

As a result of the application of IFRIC 23, "Uncertainty regarding income tax treatment", Note 5-p to the consolidated financial statements for the year ending on 31 December 2020, as of 30 June 2021 and 31 December 2020, €6,519 thousand has been classified as "Long-term tax liabilities".

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

20. Retirement benefit obligations

The retirement benefit obligations are related mainly 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).

	Period 2021
At 1 January	**85,641**
Actuarial gains/(losses)	(3,500)
Benefits paid	(935)
At 30 June	**81,206**

Compared to closing on 31 December 2020, the pension liability has decreased mainly as a result of the increase in interest rates (€3.5 million).

21. Provisions

The composition of and movement in this item of the condensed consolidated interim balance sheet during the six months ending on 30 June 2021 was as follows:

	Thousands of Euros
Balance on 31 December 2020	**35,899**
Additions or allocations	-
Reversal	(76)
Balance as at 30 June 2021	**35,823**

This refers mainly to the provision for long-term remuneration (see Note 5-v to the consolidated financial statements for the year ending on 31 December 2020) 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 2020.

22. Income and expenses

Net sales

The table below details the net turnover for the six months ending on 30 June 2021 and 2020 by line of business and item:

	Thousands of Euros	
	Period 2021	Period 2020
Marketing through our own network	359,538	325,552
Marketing through licensees	54,104	86,531
Corporate management and revenues not allocated to other segments	12,251	13,922
Total Net sales	**425,893**	**426,005**

	Thousands of Euros	
	Period 2021	Period 2020
Revenue from product sales	389,034	372,019
Royalty income	4,741	6,938
Income from licensing (Note 17)	10,418	41,829
Other income from licensing	21,700	5,219
Total Net sales	**425,893**	**426,005**

The table below provides an itemisation of net turnover for the six months ending on 30 June 2021 and 2020 by geographical area:

	Thousands of Euros	
	Period 2021	Period 2020
Spain	139,695	122,866
Europe and the Middle East	204,568	213,160
America, Asia and Africa	69,379	76,057
Corporate management and revenues not allocated to other segments	12,251	13,922
Total Net sales	**425,893**	**426,005**

Other income

The following table provides an itemisation of the composition of other income for the six-month periods ending on 30 June 2021 and 2020:

	Thousands of Euros	
	Period 2021	Period 2020
Revenues from agreement with AstraZeneca (Note 13)	614	5,954
Rebilling of services provided to AstraZeneca	816	739
Others	510	320
Total Other income	**1,940**	**7,013**

Supplies

The itemisation of this heading for the six-month periods ending on 30 June 2021 and 2020 is as follows:

	Thousands of Euros	
	Period 2021	**Period 2020**
Purchasing	93,560	114,580
Change in stocks of finished goods and work in progress	(1,365)	(13,348)
Changes in stocks of raw materials and merchandise	694	(5,528)
Total Supplies	**92,889**	**95,704**

Staff

The itemisation of staff costs for the six-month periods ending on 30 June 2021 and 2020 is as follows:

	Thousands of Euros	
	Period 2021	Period 2020
Wages and salaries	76,140	72,136
Social Security to be paid by the company	13,237	12,885
Compensations	4,067	(252)
Other social expenses	5,261	5,883
Total	**98,705**	**90,652**

The average number of employees of the Group for the six-month periods ending on 30 June 2021 and 2020, by professional category and gender, is as follows:

	Period 2021			**Period 2020**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Board member	-	-	-	1	-	1
Senior management	30	14	44	34	13	47
Middle management	150	117	267	147	110	257
Technical personnel	472	601	1,073	473	587	1,060
Administrative personnel	183	219	402	184	237	421
Other	-	1	1	-	1	1
Total	**835**	**952**	**1,787**	**839**	**948**	**1,787**

The average number of Group employees as of 30 June 2021 with a disability equal to or greater than thirty-three per cent comes to 33 people (33 people on 31 December 2020).

On 30 June 2021 and 31 December 2020, the makeup of the staff was as follows:

	30 June 2021			**31 December 2020**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Board member	1	-	1	1	-	1
Senior management	30	13	43	30	14	44
Middle management	149	119	268	150	113	263
Technical personnel	471	604	1,075	471	595	1,066
Administrative personnel	180	217	397	186	226	412
Other	-	1	1	-	1	1
Total	**831**	**954**	**1,785**	**838**	**949**	**1,787**

Other operating expenses

The itemisation of this heading for the six-month periods ending on 30 June 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
R&D activities	16,034	19,999
Leasing and royalties	14,024	8,895
Repairs and maintenance	9,096	9,758
Independent professional services	10,019	13,450
Transports	5,129	4,825
Insurance premiums	1,232	1,164
Banking and similar services	496	247
Congresses and other promotional activities	34,970	31,221
Supplies	1,794	1,834
Other services	15,699	16,421
Other taxes	837	711
Total	**109,330**	**108,525**

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 on 30 June 2021 and 2020 are as follows:

	Thousands of Euros			
	Period 2021		**Period 2020**	
	Profit	**Loss**	**Profit**	**Loss**
On disposal or derecognition of intangible assets (Note 10)	-	(12,468)	5	(4)
On disposal or derecognition of property, plant and equipment	-	(13)	-	(3)
	-	**(12,481)**	**5**	**(7)**
Net gains (losses) on disposal of assets	**(12,481)**		**(2)**	

The losses recorded in the six months ended June 30, 2021 relate to the termination of the option agreement to acquire a pharmaceutical component under development from Bioniz Therapeutics, Inc. as explained in Note10.

Financial income and expenses

The itemisation of net financial results and exchange differences for the six-month periods ending on 30 June 2021 and 2020 are as follows:

	Thousands of Euros			
	Period 2021		**Period 2020**	
	Income	**Expenses**	**Income**	**Expenses**
Financial and similar income / (expenses)	475	(9,576)	35	(8,802)
Valuation adjustment of financial assets	8	-	-	(3,519)
Change in fair value of financial instruments (Note 18)	9,517	(1,110)	13,636	(7,306)
Exchange rate differences	3,054	-	-	(806)
	13,054	**(10,686)**	**13,671**	**(20,433)**
Financial result	**2,368**		**(6,762)**	

The item "Financial and similar income / (expenses)" includes mainly the interest associated with the convertible bond and the debt with credit institutions described in Note 18.

The item "Valuation adjustment on financial assets" for the six months ending on 30 June 2020 included the loss arising from loans granted to the purchaser of Thermigen LLC, Celling Aesthetics LLC (and other related companies), as explained in Note 3-b) in the notes to the consolidated financial statements for the year ending on 31 December 2020.

(Thousands of Euros)

The result recorded under "Changes in fair value of financial instruments" refers to the change in the fair value of the equity swap (as explained in Note 18) with a gain of €9.5 million in the period 2021 (a loss of €7.3 million in the period 2020) and the changes in the fair value of the derivatives associated with the convertible bond (as explained in Note 18) with a loss of €1.1 million in the 2021 period (€13.6 million profit in the 2020 period).

23. Tax situation

Balances held with the Public Administration

The balances receivable from and payable to the Public Administrations as of 30 June 2021 and 31 December 2020 are as follows:

	Thousand euro	
	30/06/2021	**31/12/2020**
Tax receivables, VAT	10,186	10,235
Tax receivables, Corporate Income Tax	34,938	62,385
Other debts	31	26
Total receivables	**45,155**	**72,646**
Tax owed, VAT	6,632	7,429
Personal income tax	3,535	2,758
Social security authorities	3,109	2,961
Corporate Income Tax	11,773	8,312
Total payables	**25,049**	**21,460**

Fiscal years subject to tax audit

The Parent Company and the companies forming part of the Spanish tax group, of which it is the head, are currently being audited for the years 2016 to 2020 regarding Corporate Income Tax, and for the years 2017 to 2020 regarding other applicable taxes.

During the 2016 financial year, the following inspection procedures were initiated in relation to the following foreign Group companies, which at the date of signing these condensed consolidated interim financial statements are still in progress:

- Almirall Hermal GmbH (Germany), for financial years 2009, 2010, 2011, 2012 and 2013, regarding Corporate Income Tax, Value Added Tax, as well as Personal Income Tax Withholdings and Payments on account.

During the 2018 financial year, the following inspection procedures were reported on the following foreign group companies:

- Almirall AG (Switzerland). Federal inspection for fiscal years 2013, 2014, 2015 and 2016. . As of the date of signing these condensed consolidated interim financial statements, this inspection is still in progress.

During the 2019 financial year, the following inspection procedures were reported on the following foreign group companies:

- Almirall SAS (France) for the 2016 and 2017 financial years, regarding Corporate Income Tax, Value Added Tax, as well as Personal Income Tax Withholdings and Payments on account. At the date of signing of these condensed consolidated financial statements, this inspection is still in progress.

During the six months ending on 30 June 2021, the following inspection procedures have been reported on the following Group companies:

- 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 Almirall S.A. and Industrias

Farmacéuticas Almirall 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 of non-resident taxation for the periods between July 2017 and December 2018.

- Almirall Hermal GmbH (Germany) regarding the Value Added Tax returns filed in Spain for the year 2020.
- Polichem SA (Luxembourg) regarding Value Added Tax returns filed in Germany for the months of July to December 2019.

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 2021.

In general, due to the possible different interpretations that may be given to the tax regulations, 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 whose amount cannot be objectively quantified at present. In the opinion of the Parent Companys's administrators, however, the possibility of significant liabilities arising in this connection in addition to those recognised is remote.

Deferred taxes

In relation to the recoverability of deferred tax assets (mainly with origina 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 on 31 December 2020.

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

Income tax expense

Income tax expense is recognized 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. The Group's consolidated effective tax rate as of June 30, 2021 is around 20%.

24. 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 on 31 December 2020. These financial statements detail the basis and methodology used to prepare the financial information by segments, not existing intersegment revenues.

(Thousands of Euros)

Segment reporting by business

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

	Sales through own network	Sales through licensees	Research and development activity	Dermatology in the US	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							
Procurements	(86,516)	(15,962)	-	(9,907)	(9,123)	28,619	(92,889)
Staff costs	(32,607)	(1,030)	(12,467)	(8,184)	(29,217)	(15,200)	(98,705)
Amortization and depreciation change	(15,176)	(4,300)	(2,412)	(24,456)	(7,483)	(5,221)	(59,048)
Net change in provisions	-	-	-	(141)	2,037	-	1,896
Other operating expenses	(40,790)	(2,401)	(20,220)	(13,797)	(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**	**(30,555)**	**(102,668)**	**(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 instrume	-	-	-	-	8,415	-	8,415
Profit /(loss) before taxes	**139,575**	**30,411**	**(30,555)**	**(102,668)**	**(63,677)**	**-**	**(26,914)**
Income tax	-	-	-	3,185	(19,119)	-	(15,934)
Net profit (loss) for the period attributable to the Parent Company	**139,575**	**30,411**	**(30,555)**	**(99,483)**	**(82,796)**	**-**	**(42,848)**

Segmented income statement for the six months ending on 30 June 2020:

	Sales through own network	Sales through licensees	Research and development activity	Dermatology in the US	Corporate management and results not allocated to other segments	Adjustments and reclassifications	Total
Net Sales	275,210	86,531	-	50,343	13,921	-	426,005
Other Income	298	-	739	-	5,976	-	7,013
Operating income	**275,508**	**86,531**	**739**	**50,343**	**19,897**	**-**	**433,018**
Procurements	(80,794)	(19,856)	-	(12,294)	(13,073)	30,313	(95,704)
Employee benefit expenses	(30,045)	(567)	(12,774)	(8,457)	(22,998)	(15,811)	(90,652)
Amortization and depreciation charge	(16,532)	(4,383)	(2,616)	(26,591)	(6,575)	(5,225)	(61,922)
Net change in provisions	-	-	-	(1,424)	(809)	-	(2,233)
Other operating expenses	(40,095)	(1,497)	(25,458)	(11,432)	(20,766)	(9,277)	(108,525)
Net gains/(losses) on disposals of assets	-	-	-	-	(2)	-	(2)
Loss (Gain) on recognition (reversal) of impairment of property, plant and equipment, intangible assets and goodwill	-	-	-	(16,794)	-	-	(16,794)
Operating profit	**108,042**	**60,228**	**(40,109)**	**(26,649)**	**(44,326)**	**-**	**57,186**
Financial income	-	-	-	-	35	-	35
Financial expense	-	-	-	(157)	(8,645)	-	(8,802)
Exchange differences	-	-	-	-	(806)	-	(806)
Profit/(loss) on the measurement of financial instrume	-	-	-	-	2,811	-	2,811
Profit /(loss) before taxes	**108,042**	**60,228**	**(40,109)**	**(26,806)**	**(50,931)**	**-**	**50,424**
Income tax	-	-	-	5,302	(13,354)	-	(8,052)
Net profit (loss) for the period attributable to the Parent Company	**108,042**	**60,228**	**(40,109)**	**(21,504)**	**(64,285)**	**-**	**42,372**

(Thousands of Euros)

Assets of the condensed consolidated interim balance sheet on 30 June 2021 segmented:

ASSETS	Sales through own network	Sales through licensees	Research and development activity	Dermatology in the US	Corporate management and results not allocated to other segments	Total
Goodwill	227,743	52,816	-	-	35,407	315,966
Intangible assets	214,930	194,441	-	363,590	125,735	898,696
Rights-of-use assets	5,571	98	-	319	14,828	20,816
Property, plant and equipment	-	-	24,464	-	87,661	112,125
Financial assets	163	45,522	-	829	35,885	82,399
Deferred tax assets	2,870	6,581	-	10,236	226,772	246,459
NON-CURRENT ASSETS	**451,277**	**299,458**	**24,464**	**374,974**	**526,288**	**1,676,461**
Inventories	62,784	8,695	-	15,652	43,792	130,923
Trade and other receivables	38,948	27,124	-	36,134	20,812	123,018
Current tax assets	4,398	110	-	15,952	24,695	45,155
Other current assets	2,345	111	-	2,114	7,590	12,160
Current financial investments	-	-	-	-	13,987	13,987
Cash and other liquid assets	-	-	-	7,579	214,282	221,861
CURRENT ASSETS	**108,475**	**36,040**	**-**	**77,431**	**325,158**	**547,104**
TOTAL ASSETS	**559,752**	**335,498**	**24,464**	**452,405**	**851,446**	**2,223,565**

Additions to non-current asset by segment during the six months ending on 30 June 2021:

	Marketing through our own network	Marketing through a network of licensees	Research and development activities	Dermatology USA	Corporate management and results not allocated to other segments	**Total**
Total additions to non-current assets	5,007	-	5,773	16,466	6,783	**34,029**

(Thousands of Euros)

Assets of the consolidated balance sheet on 31 December 2020 segmented:

ASSETS	Marketing through our own network	Marketing through licensees	Research and development activity	Dermatology USA	Corporate management and results not allocated to other segments	Total
Goodwill	227,743	52,816	-	-	35,407	315,966
Intangible assets	212,325	202,550	-	411,665	182,996	1,009,536
Assets due to right of use	3,965	100	-	498	14,757	19,320
Property, plant and equipment	178	24	33,790	231	79,325	113,548
Financial assets	163	45,522		795	40,038	86,518
Deferred tax assets	2,843	7,217	-	12,846	233,570	256,476
NON-CURRENT ASSETS	**447,217**	**308,229**	**33,790**	**426,035**	**586,093**	**1,801,364**
Stocks	74,970	2,496	-	13,626	39,059	130,151
Trade and other receivables	30,220	22,340	-	38,557	20,178	111,295
Current tax assets	3,034	112	-	24,077	45,423	72,646
Other current assets	632	125	-	2,717	6,517	9,991
Current financial investments	-	-	-	-	6,025	6,025
Cash and other equivalent liquid assets	-	-	-	13,738	145,904	159,642
CURRENT ASSETS	**108,856**	**25,073**	**-**	**92,715**	**263,106**	**489,750**
TOTAL ASSETS	**556,073**	**333,302**	**33,790**	**518,750**	**849,199**	**2,291,114**

Additions to non-current asset by segment during the six months ending on 31 December 2020:

	Marketing through our own network	Marketing through a network of licensees	Research and development activities	Dermatology USA	Corporate management and results not allocated to other segments	**Total**
Total additions to non-current assets	-	-	10,052	-	42,402	**52,454**

The Group does not break down the information on relevant customers by segment, since none of them individually represents more than 10% of the Group's net sales.

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 2021 and 31 December 2020, firm agreements had been entered into for the performance of these activities at a cost of €57.8 million and €40.2 million, respectively, to be paid in future periods.

The other commitments remain as detailed in the notes to the consolidated financial statements for 2020, 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 10, related with contingent payments for the acquisition of intangible assets.

c) Contingent assets

As a result of the agreement reached with AstraZeneca described in Note 7-a to the consolidated financial statements for 2020, the Group has rights to collect certain milestone payments related to certain regulatory and commercial events.

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 on 30 June 2021 and 2020, the Group companies have carried out the following transactions with related parties and have recorded the following balances as of 30 June 2021 and 31 December 2020:

Company	Related party	Item	Period	Thousands of Euros	
				Transactions - Income/(Expenses)	Balance - receivable / (payable)
Almirall, S.A.	Grupo Corporativo Landon, S.L.	Leases	2021	(1,489)	-
			2020	(1,482)	-
Almirall, S.A.	Grupo Corporativo Landon, S.L.	Re-invoicing construction work	2021	13	-
			2020	-	-

The Group's headquarters are leased to the company Grupo Corporativo Landon S.L., under a contract that is tacitly renewed by both parties on an annual basis.

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 on 30 June 2021 and 2020 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 €1,073 and €1,892 thousand, respectively. There are life insurance policies accrued for an amount of €9 thousand in the six months ending on 30 June 2021 (€8 thousand in the same period of 2020).

During the six months ending on 30 June 2021, third-party liability insurance premiums of €91 thousand (€60 thousand in the same period of 2020) 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-x to the consolidated financial statements for 2020) amounted to €120 thousand and €387 thousand in the six-month periods ending on 30 June 2021 and 2020, respectively. The balance of the provision for these plans amounts to €120 thousand as of 30 June 2020 (€302 thousand euros on 31 December 2020).

There are no other pension commitments contracted with the current and former members of the Parent Company's Board of Directors as of 30 June 2021 and 31 December 2020.

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

The amount accrued during the six-month periods ending on 30 June 2021 and 2020 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 €3,168 thousand and €3,720 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 €858 thousand and €487 thousand in the six-month periods ending on 30 June 2021 and 2020, respectively. The balance of the provision for these plans totals €3,320 thousand as of 30 June 2021 (€2,322 thousand on 31 December 2020).

There are no other pension commitments to the Senior Managers as of 30 June 2021 and 31 December 2020.

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 on 30 June 2021, nor have they exercised any options or have any options outstanding, nor have they been granted any advances or loans.

28. Impacts of COVID-19

In the case of Spain, on 25 October 2020 the Government declared a state of alarm throughout the national territory to contain the spread of infections caused by SARSCoV-2, by Royal Decree 926/202. On 9 November 2020, the state of alarm was extended for a period of 6 months until 00:00 hours on 9 May 2021. On the latter date, the state of alarm ended and with it began the de-escalation of certain measures restricting mobility and certain economic activities, and as the curfew came to an end. The same has been happening in other countries where the Group operates.

In particular, in Germany everything has been managed according to local regulations ("Bund-Länder-Treffen") by adopting specific measures for employees in production, sales network or office to ensure the supply of products to patients as well as the safety of employees. Most office employees work from home, while those who go to work in person or have contact with customers have free test kits at their disposal. These measures were in force at least until the end of June.

In the United States, on the other hand, in-person access to health professionals remains below pre-Covid levels. Following guidance from the Center for Disease Control (CDC), several measures have been taken during 2021 to reduce the impact of these restrictions on the performance of our product portfolio.

Given the sector in which the Group operates, its activities are considered essential, and hence they have not been interrupted by the various measures adopted since March 2020 (states of alarm or lockdowns), especially with regard to the production activity of both the Group's production centres (located in Spain and Germany) and to the third-party manufacturers that supply certain products. There have been no supply shortages during this period.

Despite not having interrupted production activity, the Group's sales have been negatively impacted in those products for colds (due to social distancing measures) or products that were not for chronic treatments, especially due to the restriction of people's mobility, which has caused delays and cancellation of product marketing campaigns, as well as the reduction of demand at global level in the different countries in which the Group operates.

In this context it should be noted that the impact of COVID-19 in EU countries has been less than in the United States as a result of the type of product sold in each of these territories. The EU market and especially products related to chronic treatments have been the least impacted, while in the United States, where the product portfolio is of the so-called non-essential products, the drop in sales was more pronounced in 2020. The six-month period ending on 30 June 2021 has witnessed a rebound in prescriptions in the US, while the EU has generally returned to pre-Covid levels, with the exception of the aforementioned cold products. It should be noted that the market share of the Group's main products has not been significantly impacted and that most of the sales are in keeping with the market trend.

From the point of view of R&D activities, there have been delays, not cancellations, in some activities related to clinical trials, given the restrictions on access to hospitals that hindered the recruitment of new patients. In spite of this, Management considers that there have been no significant delays that could have an impact in the medium to long term. In December 2020, the registration process for Klisyri in the US was completed, while in the EU the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive opinion regarding regulatory approval on 21

May 2021. Hence regulatory approval in the EU is expected in the third quarter of 2021. As for Phase-III trials of Lebrikizumab, the development schedule remains on track for submission for registration with the EMA in 2022 and subsequent approval and launch in 2023.

Marketing campaigns have been the most affected due to the lockdown and measures imposed to prevent contagion. As a result, various activities such as congresses or medical sales visits have been cancelled and/or postponed. In this regard, the Group has made an effort to advance in the digitalisation of certain processes and activities in order to maintain its normal operations, while at the same time complying with the social distancing measures and restrictions on access to medical centres.

Lastly, support and administration activities have continued to be carried out by adopting certain flexibility measures at the different work centres and in accordance with the exceptional measures adopted in each country. In general, Group companies have opted for teleworking for all those functions that allow it, and this has not resulted in any significant disruptions.

In compliance with IAS 34 on Interim financial statementes, in the present Note the Group's Management proceeds to assess the impacts of the COVID-19 pandemic that have affected the company's operations in the EU and in the United States, which are the regions where the Group has greater presence, as is apparent in the itemisation of the net turnover (Note 22).

Impairment of non-financial assets

As of 30 June 2021, no significant risks have been identified except for those mentioned in Note 10 which already presented additional potential impairment scenarios in the sensitivity analysis in Note 5-d) to the consolidated financial statements for the year ending on 31 December 2020. Nevertheless, certain government measures to limit pharmaceutical spending in the different geographical regions in which the Group operates could make it necessary to reconsider new scenarios.

A sensitivity analysis of the main intangible assets and cash-generating units is included in Note 10. This analysis contemplates scenarios of both a drop in revenues and increases in the discount rate derived from an increase in the cost of financing due to the rise in interest rates on the debt markets.

As for intangible assets related to products currently under development, no additional risk has been detected due to possible delays in the various activities required for their completion, as mentioned above.

As for the tax credits recognised in the balance sheet, which are mainly within Spain (Note 23), as of June 30, 2021, there are no indications of impairment that would require a reassessment of the asset recoverability plan. In spite of that, future fiscal measures that may be adopted by the Spanish government due to the new macroeconomic environment could significantly affect this plan.

Regarding the valuation of stocks, since it has been possible to sell the products without interruptions, no provision has been made for slow turnover or expiry linked to COVID-19 (Note 14).

Impairment of financial assets

In relation to accounts receivable, the Group has not seen an increase in doubtful debts in the first half of the year, and no relevant balance has been allocated for this purpose. The debt with hospitals may constitute the greatest risk due to possible cash-flow problems that the health administrations of the different countries may experience in the face of the increase in the deficit. In this regard, the Group's Management expects that any delay in payments would not have a significant impact on the Group's equity or liquidity, since hospital debt amounts to only 4.4% of the Group's accounts receivable as of 30 June 2021 (Note 15).

As for the financial assets corresponding to the fair value of future long-term payments to be received by AstraZeneca (Note 13), the Group's Management has updated the projections in accordance with the methodology described in Note 7 to the consolidated financial statements for the year ending on 31 December 2020, and no significant impact related with COVID-19 has been observed. Nevertheless, since these flows are linked to the performance of products managed by a third party, the Group has limited visibility in the short term, and hence future revaluations of these assets could give rise to changes in the estimates that would have to be adjusted prospectively in the income statement.

Lastly, with regard to the Group's liquidity position, no deterioration was observed, mainly due to three factors:

- As indicated in Note 31 to the consolidated financial statements for the year ending on 31 December 2020, the Group has no significant maturities of financial debt until 14 December 2021, when the Convertible Bond described in Note 18 matures. In addition, the Group has a credit facility with a limit of up to €275 million to cover possible short-term liquidity needs, and as of 30 June 2021, no balance of this line of credit was drawn down.
- In addition, the expansionary monetary policies being adopted by the different central banks throughout the world (especially the European Central Bank and the US Federal Reserve within the Group's areas of influence) would currently favor the obtaining of additional financing.
- In relation to incoming payments, as mentioned above, there have been no delays, and therefore cash generation has not been affected.
- Finally, despite the gradual return to normality in the various countries in which the Group operates, some activities have still been affected during the first half of 2021, so that the volume of payments has decreased slightly, although the Group's Management expects the volume to return to usual levels in the second half of 2021.

Significant uncertainties and risks associated with COVID-19

As discussed in the previous sections, the main risks and uncertainties stem mainly from the new macroeconomic environment following the pandemic, as well as the possibility of a new outbreak in the second half of the year that could aggravate the situation after the first wave.

In this regard, the main uncertainties that could significantly affect the estimates made on 30 June 2021 are as follows:

- Measures applied by the governments where the Group operates to contain pharmaceutical spending in view of the increase in the deficit and public debt generated by the exceptional measures to mitigate the effects of COVID-19. These measures could take the form of additional contributions to national health systems in the form of discounts, measures to favour the use of generic drugs to the detriment of branded drugs, application of reference prices by groups of molecules, lower reimbursement prices for new launches, among others.
- Measures applied by governments to maximize tax revenues, either in the form of tax increases or in the form of restrictions on the use or granting of tax incentives.
- Increase in the cost of debt on the markets that would hinder or limit the Group's activity and/or growth in certain geographical areas.
- Slower rate of vaccination than initially expected due to lack of resources on the part of the administrations of the different countries, problems with the supply of the vaccine or uncertainties about the effects of the vaccine on people's health.
- New waves of the virus that could limit the growth in and/or access to certain medicines by patients and/or limitations to the sales network for medical sales visits due to new restrictions on mobility; or budgetary constraints in choosing treatment by national health systems.
- Risk of disruption of the supply chain of the relevant products due to new outbreaks that could cause a shortage on the market and consequent loss of profit.

Breakdown of items related with COVID-19 in the income statement

During the six months ending on 30 June 2021, no specific activities related to COVID 19 have been carried out, apart from the continuation of the measures adopted in 2020 and the reopening of certain services that had been cancelled during the months with the highest incidence of the virus (such as the fitness centres located on the Group's premises). In the six months ended 30 June 2021, certain expenses were incurred related to the adaptation of the facilities to the new healthcare requirements and the management of personnel in view of the mobility restriction, which come to €294 thousand, with no new investments worthy of note (€761 thousand in expenditures and €157 thousand in investments in the same period of 2020).

The Group has not received any government aid for exceptional COVID-19 measures, and therefore does not implement any breakdowns in accordance with IAS 20 "Accounting for government grants".

Also, all lease contracts have been paid on time as agreed, without having arranged any deferral with the lessors, and therefore no additional breakdown is applicable regarding IFRS 16 "Leases".

29. Subsequent events

On 1 July 2021, the Parent Company entered into an agreement with Kaken Pharmaceutical Co, Ltd., granting it exclusive rights to develop and market efinaconazole topical solution in Europe. Under the terms of the agreement, Kaken Pharmaceutical Co. Ltd. will receive an upfront cash payment, plus potential milestone payments, up to a maximum of €15 million and royalties on net product sales.

Apart from this agreement, 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.

Almirall S.A. and Subsidiary Companies (Almirall Group)

Consolidated Management Report

(Six-month period ending on 30 June 2021)

TABLE OF CONTENTS

1. Summary of the first half-year

The first half of the 2021 financial year was still affected by the impact of the COVID-19 pandemic, although the situation is gradually returning to normal in the different geographical areas where Group companies operate, as the vaccination campaigns progress and the measures limiting mobility are being relaxed.

Given the sector in which the Group operates, its activities are considered essential and hence have not been interrupted by the various measures adopted since March 2020 (states of alarm or lockdowns). This is especially true of the production activity of the Group's production centres (located in Spain and Germany) and of the third-party manufacturers that supply certain products. There have been no supply shortages during this period.

Despite not having interrupted production activity, the Group's sales have been negatively impacted in products indicated for cold symptoms (due to social distancing measures and the use of face masks), and products not indicated for chronic treatments have also been negatively impacted, due, above all, to limitation of people's mobility, which resulted in delays and cancellations of product promotion campaigns, as well as in the reduction in demand at global level in the various countries in which the Group operates.

In this context it should be noted that the impact of COVID-19 in EU countries has been less than in the United States as a result of the type of product sold in each of these territories. The EU market and especially products related to chronic treatments have been the least impacted, while in the United States, where the product portfolio is of the so-called non-essential products, the drop in sales was more pronounced in 2020. The six-month period ending on 30 June 2021 has witnessed a rebound in prescriptions in the US, while the EU has generally returned to pre-Covid levels, with the exception of the aforementioned cold products. It should be noted that the market share of the Group's main products has not been significantly impacted and that most of the sales are in keeping with the market trend.

From the standpoint of R&D activities, there have been delays but not cancellations in some activities related to clinical trials, given the restrictions on access to hospitals that hindered the recruitment of new patients. In spite of this, Management considers that there have been no significant delays that could have an impact in the medium to long term. In December 2020, the registration process for Klisyri in the US was completed, while in the EU the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive opinion regarding regulatory approval on 21 May 2021. Hence regulatory approval in the EU is expected in the third quarter of 2021. As for Phase-III trials of Lebrikizumab, the development schedule remains on track for submission for registration with the EMA in 2022 and subsequent approval and launch in 2023.

Marketing campaigns have been the most affected due to the lockdown and measures imposed to prevent contagion. As a result, various activities such as congresses, events or medical visits have been cancelled and/or postponed. In this regard, the Group has made an effort to advance in the digitalisation of certain processes and activities in order to maintain its normal operations, while at the same time complying with the social distancing measures and restrictions on access to medical centres.

Lastly, support and administration activities have continued to be carried out by adopting certain flexibility measures at the different work centres and in accordance with the exceptional measures adopted in each country. In general, Group companies have opted for teleworking for all those functions that allow it, and this has not resulted in any significant disruptions.

The dividend proposed by the Board of Directors on 18 February 2021 was approved at the General Meeting of Shareholders held on 7 May 2021. 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 35.6% of the rights holders (which entailed a disbursement of €11.7 million), while the remaining 64.4% opted to receive new shares at the unit par value, which were issued as a capital increase. On 11 June 2021, 1,661,175 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 €231.2 million (as at 31 December 2020: €165.7 million). This evolution is explained by:

- Solid cash flow from operating activities (+€109.8 million), in line with operating profit and the receipt of the 2020 corporate tax refund, mainly in Spain and the United States.
- Net payments from investment activities (-€31.2million) resulting mainly from investments in the Group's production facilities, the upfront payment for the Wynzora licensing agreement signed with MC2 Therapeutics and the $20 million milestone payment for the commercial launch of Klisyri in the United States.
- Net payments from financing activities (-€13 million) mainly as a result of the cash payment of the flexible dividend (€11.7 million).

2. *Impacts of COVID-19*

Note 28 to the accompanying Condensed Consolidated Interim Financial Statements presents a summary of the main impacts of COVID-19 in the first half of 2021.

3. *Corporate Development*

During the first half of FY 2021, the corporate development agreements concluded and the significant events that occurred were as follows:

- On 17 February 2021, MC2 Therapeutics granted Almirall the European marketing rights for Wynzora® cream for the treatment of plaque psoriasis. On 20 July 2020, Wynzora® cream (50 µg / g calcipotriol and 0.5 mg / g betamethasone as dipropionate) received FDA approval in the United States. The product is currently under review in Europe. For this purpose two Phase-3 trials have been submitted, including a head-to-head comparison study against the active ingredient Dovobet / Daivobet® Gel. A Marketing Authorization Application (MAA) has been submitted in Europe and is expected to be approved this year.
- On 16 March 2021 it was announced that, following the 60-day data review period, Almirall decided not to exercise its right of option to acquire Bioniz Therapeutics Inc. Under the terms of the Option Agreement, Almirall made an initial payment of $15 million to Bioniz in exchange for an option to acquire the entirety of shares in Bioniz Therapeutics Inc. Following the decision not to exercise the option, Almirall will not be required to make any further payments based on this agreement.
- On 21 May 2021, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive opinion regarding the regulatory approval of Klisyri® (tirbanibulin), indicated for the topical treatment of actinic keratosis (AK) on the face or scalp. In December 2020, Almirall’s development partner Athenex, Inc. received approval from the U.S. Food and Drug Administration (FDA) to market Klisyri® (tirbanibulin) in the United States.

4. *Evolution of the main figures of the consolidated income statement*

- Operating income totalled €427.8 million (-1.2%) due to:
  - Net turnover came to 425.9 million, virtually in line with the same period in 2020, as the drop in sales caused by generics (mainly Aczone in the United States) was offset by the increased sales of Ilumetri in Europe, the launch of Klisyri and a rebound in sales of Seysara in the United States.
  - Other revenues decreased to €1.9 million (-72.3%) due to lower revenues linked to the asset valuation resulting from the agreement with AstraZeneca.
- R&D expenses in the first half of the year came to €35.1 million, representing a slight decrease compared to 2020 (€40.8 million) due to several projects in early stages of development that were cancelled at the end of 2020 and certain activities that had to be delayed due to COVID-19.
- Operating expenses are in line with the same period of 2020 as the increase due to new launches has been offset by the cancellation and delay of some marketing events and campaigns as a consequence of the impact of COVID-19 still in this first half of 2021.
- Depreciation and amortization decreased slightly to €59.0 million (-4.6%) as a result of the impairment recorded in 2020 on certain US assets and also of the impact of the US dollar exchange rate.
- In 2021, the item “Impairment losses on property, plant and equipment, intangible assets and goodwill" in the accompanying Condensed Consolidated Interim Income Statement includes the impairment losses on certain assets in the United States, as explained in Note 10 to the accompanying Condensed Consolidated Interim Financial Statements.
- The item “Net gains (losses) on disposal of assets" includes the loss associated with the option paid in 2019 to Bioniz for the option to acquire the entirety of its shares, seeing that in March 2021 it was decided not to exercise this option, as explained in Note 10 to the accompanying Condensed Consolidated Interim Financial Statements.
- Hence, for the reasons indicated above, the result before tax amounts to a loss of €26.9 million, compared to a profit of €50.4 million in the same period of 2020.

5. Consolidated balance sheet. Financial position

The main changes in the Consolidated Balance Sheet as at 30 June 2021 compared to the end of FY 2020 are described below:

- Intangible assets decreased mainly as a result of the amortisation for the period and the impairment of the assets mentioned in the previous section, which was partially offset by the milestone payment for the launch of Klisyri in the United States and the initial payment for the commercial rights to Wynzora.
- Trade receivables have increased mainly due to sales on the Spanish and German markets.
- The cash position at the end of 30 June 2021 comes to €231.2 million, which is significantly higher than at closing on 31 December 2020, thanks to cash flows from operating activities.
- Financial debt has increased slightly as a result of the implicit interest on the convertible bond, although this has no impact on cash. The only relevant debt maturity in the next six months is this same instrument (on 14 December 2021), for a nominal amount of €250 million.
- Non-current liabilities decreased mainly due to the recognition of deferred income in the income statement, as mentioned in Note 17 to the accompanying condensed consolidated interim financial statements.
- Current liabilities have decreased mainly due to the decrease in trade payables in Spain and the United States.

6. Financial risk management and use of hedging instruments

Interest rate risk

On 17 July 2020, the Parent Company arranged a 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, effective on 17 July 2021) and earmarked for general corporate purposes. BBVA acted as coordinator of the transaction, and the banks Santander, CaixaBank, BNP Paribas and Banca March also participated. This credit facility accrues interest at a variable rate linked to Euribor. As of 30 June 2021, taking into account the current macroeconomic outlook, the Group Management does not consider that there is a significant risk of possible interest rate hikes in the short/medium term, and therefore it has not considered it necessary to implement any hedging mechanism in this regard.

In addition, the Group holds the following instruments at fixed interest rates and, therefore, they are not exposed to interest rate volatility:

- On 4 December 2018, the Parent Company entered into an unsecured syndicated Club Bank Deal loan led by BBVA for €150 million (with a single maturity date on 14 December 2023) which accrues fixed interest at 2.1% per annum, payable every six months.
- On 4 December 2018, issuing of simple unsecured bonds with final maturity on 14 December 2021 was also arranged for a maximum aggregate nominal amount of €250 million, possibly convertible into or exchangeable for ordinary shares of the Parent Company if approved by the General Shareholders' Meeting before 30 June 2019. The bonds bear interest at a fixed rate of 0.25% per annum payable semi-annually. Full details of this instrument are explained in Note 18 to the accompanying Condensed Consolidated Interim Financial Statements.
- 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, with a fixed interest rate of 1.35% and 32 equal repayments of principal between 17 July 2021 and 17 April 2029, with the latter date being the final maturity. As of 30 June 2021, there have been no additional disposals.

Exchange rate risk

The Group is exposed to exchange rate risk on certain transactions arising from its business activities. These are mainly incoming payments in dollars corresponding to sales of finished product, incoming and outgoing payments derived from the transaction with AstraZeneca, payments in dollars on the licensing agreements with Athenex or Dermira, payments in dollars for clinical trials, purchases of raw materials and royalty payments in yen and dollars, as well as incoming and outgoing payments made by the subsidiaries in the United States, United Kingdom, Poland, Switzerland and Denmark in their local currencies. The most relevant no-euro currency in which the Group operates is the US dollar.

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

At 30 June 2021, the Group's Parent Company been granted an intercompany loan as borrower by Almirall, Inc. in USD. This loan has not been hedged, since as of 1 July 2020 the loan became part of the net investment in that company and, therefore, the exchange differences generated since that date have been recognised under translation differences in equity.

Liquidity risk

The Group determines its cash requirements using two fundamental forecasting tools that vary in terms of their time horizon.

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.

In addition, medium- and long-term liquidity planning and management is based on the Group's Strategic Plan, which covers a five-year time horizon.

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 which, in the event of default, would result a demand for immediate payment of these financial liabilities. The Group periodically assesses compliance (as well as expected future compliance in order to be able to take corrective measures, if necessary). As of 30 June 2021 and 31 December 2020, all covenants are considered to be met, as mentioned in Note 18.

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

7. Risk factors

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

- Price reductions or volume limitations for existing products, as well as difficulties in obtaining the prices or reimbursement conditions requested for new launches due to decisions by the health authorities, with the consequent impact on sales forecasts.
- Drop in turnover and loss of market share due to the progressive entry of generics.
- 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.
- Extended impact from COVID-19 that is greater than expected.

In addition, Note 28 to the accompanying Condensed Consolidated Interim Financial Statements provides details of additional risks related to COVID-19. Likewise, Section 1.5 of the Statement of non-financial information accompanying the Consolidated Annual Accounts for the year ending on 31 December 2020 explains the Group's Risk Management System.

8. 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 of 30 June 2021 the Parent Company holds treasury shares representing 0.06% of the share capital (0.09% on 31 December 2020) and an overall nominal value of €12.3 thousand, which have been recognised in accordance with EU-IFRS. The average acquisition price of these shares was €12.6 per share. The treasury shares held by the Parent Company are intended to be traded on the market.

9. Trends for the year 2021

The 2021 financial year will continue to be conditioned by the evolution of the pandemic in the various regions where the Group operates, as well as its effects on the global economy. The main impacts, risks and uncertainties facing the Group are described in Note 28 to the accompanying Condensed Consolidated Financial Statements and in this management report.

In terms of new products, Klisyri was launched in the US in the first quarter of 2021, while in the EU, EMA approval is expected early in the second half of the year, with a subsequent launch by the end of 2021.

In terms of R&D activities, Phase-III trials of lebrikizumab (license acquired from Dermira in 2019) are underway, and registration is expected in 2022 for Europe, with launch in 2023.

Finally, the Group's management continues to focus on inorganic growth opportunities that provide sustainable value for shareholders.

10. Capital structure. Significant shareholdings

The Parent Company's share capital as of 30 June 2021 is represented by 179,776,802 shares with a par value of €0.12, fully subscribed and paid up (178,115,627 shares as of 31 December 2020).

On 11 June 2021, 1,661,175 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 64.4% 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 €199,341, amounting to €21,573,216.24 on 30 June 2021 (represented by 179,776,802 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 of 30 June 2021 and 31 December 2020, are as follows:

Name or company name of the direct holder of the stake	**% stake 30/06/2021**	**% stake 31/12/2020**
Grupo Plafin, S.A.	40.9%	40.9%
Grupo Corporativo Landon, S.L.	18.8%	18.8%
Artisan Partners Asset Management Inc.	3.5%	0.0%
Total	**63.2%**	**59.7%**

As of 30 June 2021 and 31 December 2020, 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.

11. 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.

12. 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. Jorge Gallardo Ballart 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 2 June 2011.

13. 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.

14. Subsequent events

On 1 July 2021, the Parent Company entered into an agreement with Kaken Pharmaceutical Co, Ltd., granting it exclusive rights to develop and market efinaconazole topical solution in Europe. Under the terms of the agreement, Kaken Pharmaceutical Co. Ltd. will receive an upfront cash payment, plus potential milestone payments, up to a maximum of €15 million and royalties on net product sales.

Apart from this agreement, 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.

CERTIFICATE OF APPROVAL OF THE INTERIM FINANCIAL STATEMENTS OF ALMIRALL, S.A. AND SUBSIDIARIES (Almirall Group)

The Consolidated Interim Financial Statements for the six months ended June 30, 2021 of GRUPO ALMIRALL, have been duly prepared by all the members of the Board of Directors of the Parent Company, that is, Mr. Jorge Gallardo Ballart, Mr. Gianfranco Nazzi, Sir Tom McKillop, Ms. Karin Dorrepaal, Mr. Gerhard Mayr, Mr. Antonio Gallardo Torrededía, Mr. Carlos Gallardo Piqué, Mr. Seth J. Orlow, Ms. Georgia Garinois-Melenikiotou and Mr. Enrique de Leyva Pérez, Ms. Alexa B. Kimball y Ms. Eva-Lotta Coulter and Mr. Ruud Dobber without opposition from any of them, at their meeting held on July 22, 2021.

These Interim Consolidated Financial Statements comprise the Interim Condensed Consolidated Balance Sheet, the Interim Condensed Consolidated Income Statement, the Interim Condensed Consolidated Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flows and the Explanatory Notes, on 40 sheets of plain paper; and, likewise, the Interim Consolidated Management Report prepared by the Board of Directors is attached to the aforementioned Interim Consolidated Financial Statements, extending over 9 sheets of plain paper.

Barcelona, July 22, 2021

Mr. Jorge Gallardo Ballart	Mr. Gianfranco Nazzi
Sir Tom McKillop	Ms. Karin Louise Dorrepaal
Mr. Gerhard Mayr	Mr. Antonio Gallardo Torrededía
Mr. Carlos Gallardo Piqué	Mr. Seth J. Orlow
Ms. Georgia Garinois-Melenikiotou	Mr. Enrique de Leyva Pérez
Ms. Alexa B. Kimball	Ms. Eva-Lotta Coulter
Mr. Ruud Dobber	Mr. José Juan Pintó Sala – Non-director Secretary-