

Annual Report

2021



◀ **On the cover, Luna Fernández, student and psoriasis patient.**
In collaboration with Acción Psoriasis.

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2021: a year in review

2021 has been a year filled with challenges, but also one during which we have made encouraging advances. Thanks to the hard work and unfailing professionalism of our teams, we continue to pioneer and launch new treatments which will significantly improve our patients' lives. This year, we have progressively grown our portfolio. We were pleased to announce the launch of Klisyri® (tirbanibulin) for actinic keratosis both in the US and Europe, and also our agreement with MC2 to acquire the exclusive commercialisation rights of Wyzora® cream for plaque psoriasis in Europe. We were also delighted to publish very promising results for lebrikizumab, a novel monoclonal (mAb) that has demonstrated 75% skin clearance in more than half of people with moderate to severe atopic dermatitis in Phase III clinical trials.

We have our eyes firmly set on the future as we continue to build upon our portfolio, strengthening our position in the field of Medical Dermatology. During 2021, we invested more than €73 million euros into our R&D projects. This has enabled us to continue to develop innovative medical solutions which will improve patients' lives on a daily basis and also positively impact healthcare professionals across the world.

Our performance in figures

At Almirall, the patient is at the heart of our business. Indeed, they shape the way we work. Our firm commitment to them enables us to lead in Medical Dermatology. Our employees' dedication to science and innovation, our experienced management team, and the trust our investors have put in us since 2007 are the foundations of our success every year. Thanks to our investors continuing to put their confidence in us, we were successfully incorporated into the IBEX 35, the main stock index in Spain, in June 2020.

Financial Results

Total Revenues

€836.5 MM

Net Sales

€827.2 MM

EBITDA

€235.6 MM

EBIT

€115.7 MM

Normalised Net Income

€81.4 MM

Operating Cash Flow

€233.8 MM

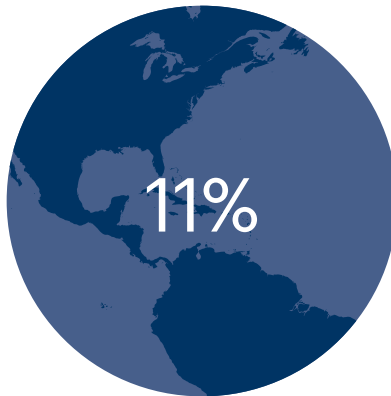
(€ millions)

Net Sales by geographic area

Europe



US



Rest of the world



Driving our R&D

R&D Investment

€73.6 MM

% R&D over Net Sales

9%



A letter from Jorge Gallardo, President

Dear valued shareholders, patients, and healthcare community,

2021 was a year of solid and positive results and we have reported a robust business performance. The future ahead of us is bright and our strategy is working, as we aspire to lead the Medical Dermatology market and make a significant difference in patients' lives by treating a wide range of skin diseases with unmet needs.

Since 2017 we have tripled our Core EBITDA and developed a strong portfolio of Medical Dermatology products and projects. However, this continued positive evolution has not been achieved through strategy alone but also thanks to the efforts and dedication of our committed team who constantly drive our success. 2021 was no exception, and we continued to grow thanks to the hard work of all the employees that form Almirall. Their combined expertise, enthusiasm, and ability to innovate were behind 2021's positive developments, and the reason why we are able to envisage a promising outlook for 2022.

Throughout the year our teams delivered growth, and crucial product launches enabled us to meet our upgraded guidance for 2021. Almirall's Core EBITDA ended up at €211.3 MM, +17% vs 2020, and our Core Net Sales were up 7%, reaching €809.8 MM, driven by positive contribution from our growth drivers and a strong EU dermatology performance.

Today we are happy to confirm the good momentum from our key products as we continue to develop our pipeline and progress as a sustainable business.

llumetri®, a biologic therapy for patients with moderate-to-severe plaque psoriasis, performed solidly throughout 2021, having a strong uptake in Germany. This led to an increase in market share of new patients, with good contribution from new country launches. Furthermore, 2021 brought us also a step closer to marketing Wyzora® cream on the European market, after having received approval in several European countries. At the beginning of 2022 we already launched the treatment in UK, Spain and Germany. By adding this topical

treatment for plaque psoriasis, Almirall becomes the only company in Europe to offer patients innovative treatments for the entire spectrum of psoriasis.

As for Seysara® in the US market, the product has heightened our international profile in Medical Dermatology. This tetracycline derived oral antibiotic for the treatment of moderate to severe acne vulgaris has a low likelihood of developing antibiotic resistance. During the second quarter, we received FDA approval to produce Seysara® at our Sant Andreu de la Barca Plant (Barcelona). Our plant production approval is extremely strategic, opening the door for future potential FDA authorisations to produce other medicines at our plant.

Klisyri®, a pioneering topical microtubule inhibitor for the treatment of actinic keratosis, is making steady gains month over month in the US market and showing strong early positive signals in the latest launch in Germany and the UK, while receiving positive feedback from dermatologists and patients. Our Total Revenues have reached €836.5 MM (+2.7% vs 2020), and we are confident that the company is well positioned for long-term growth as it unlocks the value of the late-stage pipeline and executes on upcoming launches.

As we continue to gain market share, we remain agile on numerous scientific achievements, such as lebrikizumab's Phase III trials, in partnership with Lilly, which is an important milestone in our clinical development programme. We believe lebrikizumab has the potential to offer a compelling combination of efficacy, safety, and tolerability in the treatment of atopic dermatitis, and this reaffirms our steadfast commitment to the dermatology community worldwide. By the end of 2022, the file will be submitted to the European Medicines Agency in order to be able to launch in Europe in 2023.

On our journey towards finding digital solutions to improve our patients' lives, in 2021 we partnered up with Happify Health and developed our platform Claro. This digital therapeutic solution, designed to support people suffering from psoriasis, joins other flourishing digital initiatives such as Almirall's Digital Garden, our in-house start-up accelerator which allows us to establish meaningful partnerships with start-up companies.

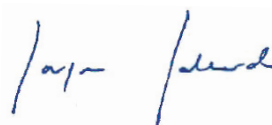
During 2021 we also updated our ESG plan for 2021-2023, as we truly believe that businesses cannot operate isolated from society and the challenges that our planet is facing. The plan now includes 15 initiatives which will contribute to the achievement of the United Nations Sustainable Development Goals (SDGs), including achieving carbon neutrality.

During the year we welcomed Gianfranco Nazzi as new Chief Executive Officer. Additionally, Dr. Karl Ziegelbauer joined the company as our Chief Scientific Officer. Mr. Nazzi joined from Teva after an extensive career in commercial and management roles within the pharma industry. Dr. Ziegelbauer brings with him three decades of leadership experience in drug innovation, reinforcing our internationally recognised scientific excellence in R&D.

Also, in 2021 we were honoured to be ranked by the independent HR assessor, the CRF Institute, as a "Top Employer of the Year" in Spain. We firmly believe our people are our strongest asset. We are an engaged company putting people first: this year we implemented our diversity and inclusion programme, and we continued to dedicate resources to encouraging, nurturing, and promoting talent, as well as to caring for our employees' wellbeing. Our Noble Purpose likewise focuses on being close to the patient and understanding their needs.

Looking ahead we have a clear strategy. Our enthusiasm and dedication to making a difference in Medical Dermatology is our driving force. We will continue to forge and build on our excellent relationships with healthcare professionals and academics, whilst keeping an open dialogue with our patients. Our vision lies firmly rooted in our Noble Purpose, which gives us a privileged and respected relationship with our stakeholders across the world. It is what enables us to pioneer and innovate to find new ways to treat those suffering from skin diseases. Our vision for the future is bright as we explore new collaborations and answer future global challenges.

We would like to thank you for your continued confidence. Your support, partnership, and investment play a vital part in our success.



Jorge Gallardo,
Chairman and President



Interview with Gianfranco Nazzi, CEO

What has been your business approach during 2021?

From both a financial perspective and also in terms of pipeline, it has been a very positive year. We have been very pragmatic in our approach and we can certainly see the fruits of this. Over the past year we have had solid results allowing us to set our eyes on the long-term future. We can see that we have a lot of potential for growth. Our business grew +2.7% to €836.5 million (Total Revenues) driven by our EU business lead by Ilumetri® (tildrakizumab), an anti-IL-23 for the treatment of moderate to severe plaque psoriasis, while our Core Net Sales grew by +7.2% year-on-year. I am, therefore, optimistic when looking forward to 2022.

Our strategy is firmly focused on Medical Dermatology and our approach has been to maximise our current portfolio. We have continued to further research in immuno-inflammatory diseases such as atopic dermatitis, psoriasis, alopecia areata, and vitiligo. We have also worked on expanding the expertise we have built into newer areas like non-melanoma skin cancer diseases, such as actinic keratosis (where we already have Klisyri®), basal cell carcinoma, and squamous cell carcinoma, and are expanding our portfolio and R&D capabilities in that direction. Additionally, we plan to explore the field of rare dermatological diseases with high unmet needs. This is an exciting field that has not been properly served by the industry.

In 2021 we have successfully executed product launches both in the US and in Europe and we will keep investing in building a successful platform for growing our business. Over the years we have created strong franchises in dermatology diseases and there are additional opportunities for expansion in countries in Europe where we have a small organisation or have been working with partners.

In terms of partnerships and collaborations, we have equally ensured their positive evolution. 2021 saw various signed agreements and new partnerships that will accelerate the discovery and development of new therapies. In 2021, we continued to expand our partner base with collaborations such as BIOMAP, a European programme to gain a deeper understanding of key inflammatory diseases. We also entered into a licence and distribution agreement with Kaken Pharmaceutical for the topical formulation of efinaconazole in Europe for the treatment of onychomycosis. We ended our year on a high with the announcement of our licensing agreement with Ichnos Sciences to develop and commercialise ALM27134, a monoclonal antibody for dermatological autoimmune diseases. These are, however, just some examples of many and they demonstrate our ability to collaborate and exchange our knowledge and expertise.

What are Almirall's strategic drivers?

Currently, in terms of our Medical Dermatology portfolio, we are particularly strong in our treatments of psoriasis, actinic keratosis, acne and onychomycosis. However, each year we ensure that our portfolio strategically evolves. We will be entering the atopic dermatitis biologics market in 2023, in partnership with Lilly.

You may recall that Almirall's first biological product brought to the market was the launch of Ilumetri® in 2018. This treatment is one of our main growth drivers. It has performed solidly and continuously and has gained increasing market share in Europe over these past three years.

An important milestone in 2021 was the launch of Klisyri®, firstly in the United States at the beginning of 2021, and then, in autumn, in Germany and the UK. With the rollout of this product in Europe we have managed to boost our actinic keratosis franchise, where we were already leaders. In the US, the product has been gaining ground and improving market access. We know that this is an effective actinic keratosis treatment that will potentially help millions of patients suffering from this condition.

Key to this year also was lebrikizumab's positive Phase III topline results from the Advocate 1 & 2 monotherapy studies and ADhere study. We were delighted with the studies' positive results carried out for the treatment of atopic dermatitis. It is yet another major achievement. We are expecting to report 52-week maintenance data in 2022, and be on track for the regulatory submission in the second half of 2022 for its launch in Europe in 2023.

Another significant milestone has been the approval in several European countries of Wyzora® cream for plaque psoriasis, and we already launched the treatment at the beginning of 2022 in Spain, Germany, and the UK. This move is very significant for Almirall as we are consolidating our leadership and expertise in this chronic disease. I am very proud to say that we are the sole biopharmaceutical company to offer multiple treatment options that cover the whole spectrum of psoriasis.

With regards to R&D, what is Almirall's main focus?

In terms of R&D, 2021 has been a successful year with many milestones. We are focused on strengthening our R&D pipeline, which is at the core of being a strong dermatology-focused biopharmaceutical company. This includes not only our proven internal R&D, but we also have a strong track record of successfully identifying, completing, and integrating strategic acquisitions and in-licensing opportunities. Our investment in this field stood at 9%, accelerating as expected in the last quarter to reach 11-12% over Net Sales in 2022. This increased spending is strategic to guaranteeing a steady and continued evolution in terms of partnerships, pipeline, and potential acquisitions. Our focus on our patients combined with our excellent R&D are two focal elements which guarantee our pledge to deliver breakthrough products in the field of Medical Dermatology to address patients' unmet needs.

What role is patient centricity playing in Almirall?

I cannot emphasise more that patient centricity and, more broadly, people centricity are central to who we are. It is at the core of everything we do and is key to R&D, disease management, clinical trials, and identifying innovative health solutions. We recognise that patient empowerment gives us the opportunity to explore the complexities of skin diseases and those unique patient needs. We are in constant dialogue with them through healthcare professionals and patient associations.

An important project that came into fruition this year was our collaboration with Happify Health to create Claro, a digital programme that offers clinically validated mental wellbeing support to psoriasis patients. We know from studies that the effects of this condition go beyond the skin as it also impacts the emotional health of those who suffer it. The correlation between patients' overall wellbeing and their recovery process has been widely recognised, so helping to address this is very important. The programme was launched at the end of this year in UK and Spain and it is expected to be rolled out in other European countries in 2022.

Almirall is powered by a desire to connect meaningfully with patients and, as our Noble Purpose states, to transform their world by helping them realize their hopes and dreams. Thanks to our expertise, we are constantly improving our ability to pioneer solutions for them and truly transform lives.

Almirall has updated its ESG Strategy in 2021. Can you tell us more about it?

Firstly, I would underline the importance of a sound, well-considered ESG Strategy. It is increasingly apparent that the corporate world cannot operate in isolation from society and from the challenges that the planet is facing. We are totally invested in facing these challenges. Last year we shaped our strategy, using the initial 6 months to assess, benchmark, and identify key areas. This year has been all about implementation. We are currently rolling out our 15 initiatives that will contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

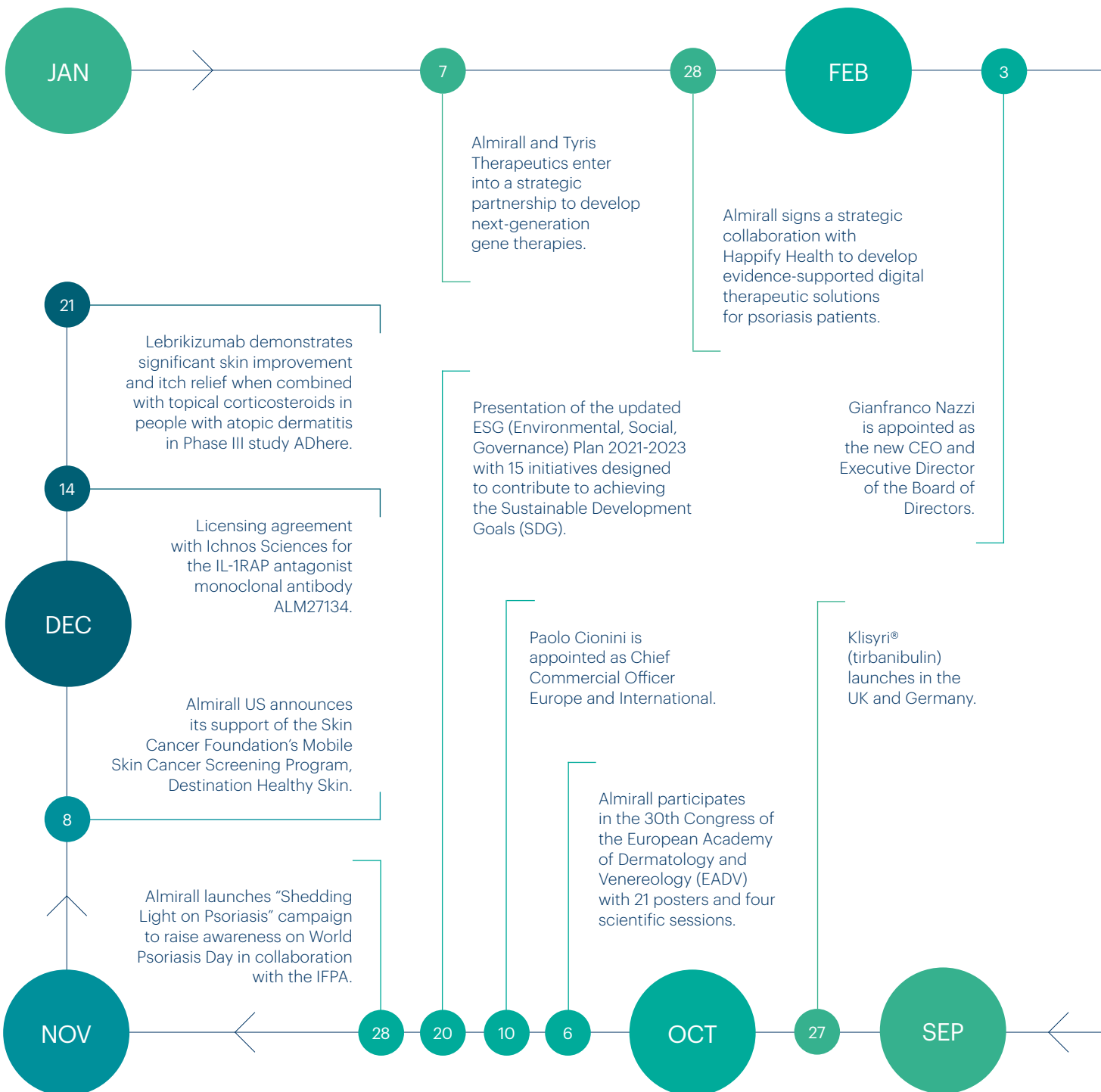
In this context, we have made significant progress under the main pillars of our strategy. In environmental matters, we have worked on the promotion of sustainable development through the efficient management of natural resources and a focus on carbon reduction—achieving a 39% reduction in 2021 vs 2014—, energy efficiency, and renewable energy. From a social perspective, we have worked to empower our employees to grow and develop their potential, advancing on inclusion and diversity and promoting work-life balance. We aim to achieve all of this by acting with integrity and transparency while working to create true innovation ensuring compliance with the highest standards.

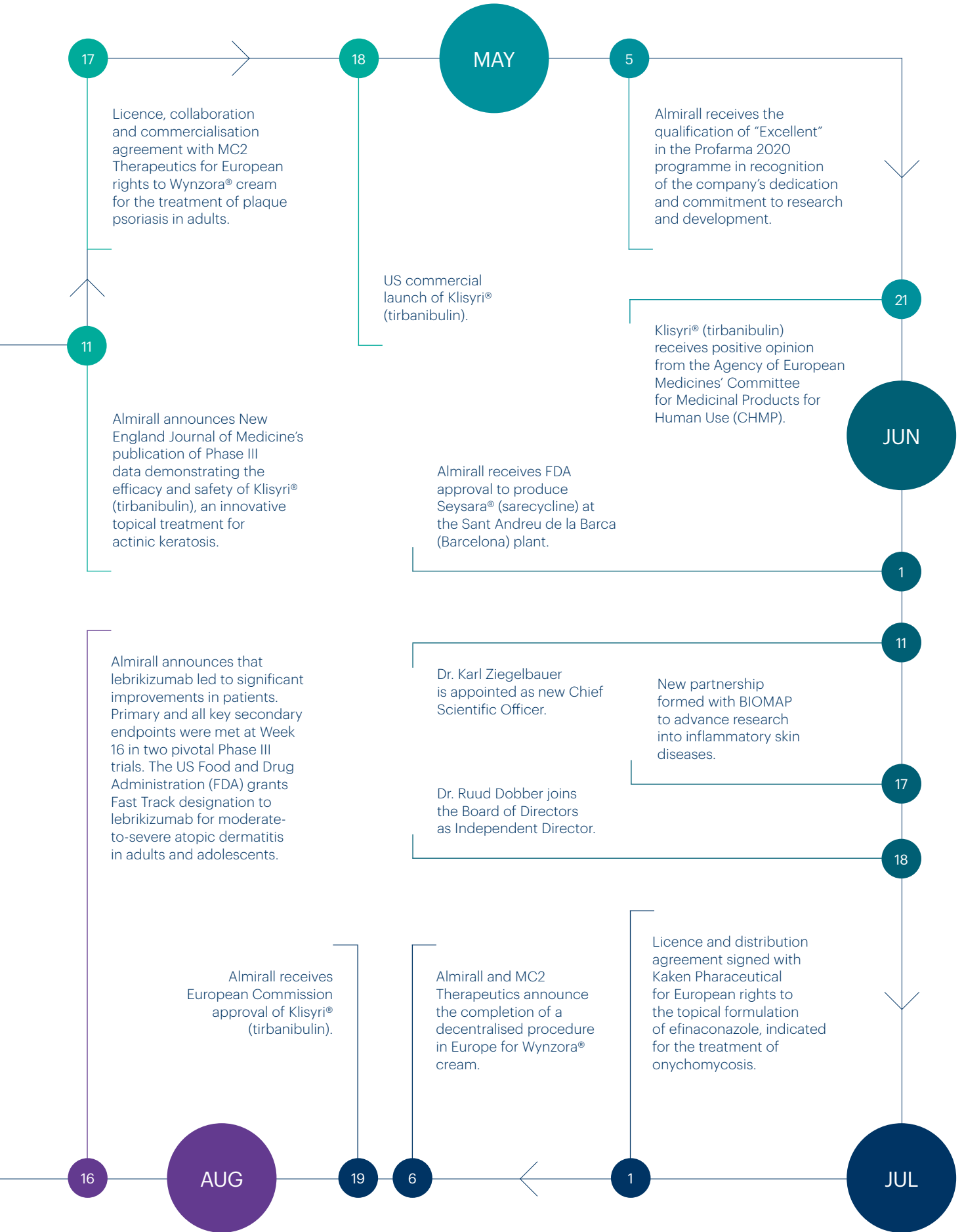
We are on the right path and in 2022 we will continue moving in the same direction, reinforcing and implementing our ambitious roadmap for a more sustainable future.

Gianfranco Nazzi
Chief Executive Officer

Major milestones

2021





We care

Social

Number of employees

1,786

Women

53%

Men

47%

Nationalities represented

26

Total training hours

19,297

Environment

CO² emissions Scope 1&2 (location-based)

11,458 ton*

(-10% vs 2020)

Waste management

5,390 ton

(-4% vs 2020)

CDP Climate Change Score in 2021

B level
Management

* A correction was made to the data for scope 1 with respect to the previous years to include the emissions associated with the vehicle fleet in that scope

Almirall is about people. They are the pulse of our business, and we genuinely care about them. We value the trusted open dialogue we have developed over many years with our patients, healthcare providers, and partners. This strong connection is what defines us and drives our motivation to provide solutions in Medical Dermatology and innovate for the future.

We continue to work closely with our extensive network of researchers and partners, maintaining fluid, meaningful relationships with them. 2021 welcomed new commercial and R&D partnerships such as our licensing agreement with MC2 and our R&D partnership with BIOMAP. We aim to keep this momentum.

Our talent is flourishing as we do our maximum to take care of our staff and ensure their welfare with wellbeing initiatives and training programmes. In 2021 we saw increased diversity and equality. With a near gender-balanced workforce, consisting of 26 nationalities, we continue to roll out our ESG policy. Our people approach is integral to our success as a leader in Medical Dermatology.

**We actively promote equality
and diversity within the workplace**

Our commitment



Deliver Medical Dermatology solutions
that impact patients' lives



Solidify Almirall as a global leader
in Medical Dermatology



Enhance our focus on innovation
by investing in transformative therapies
that meet patients' needs



Reduction of our carbon footprint
and mitigation of climate change's effect

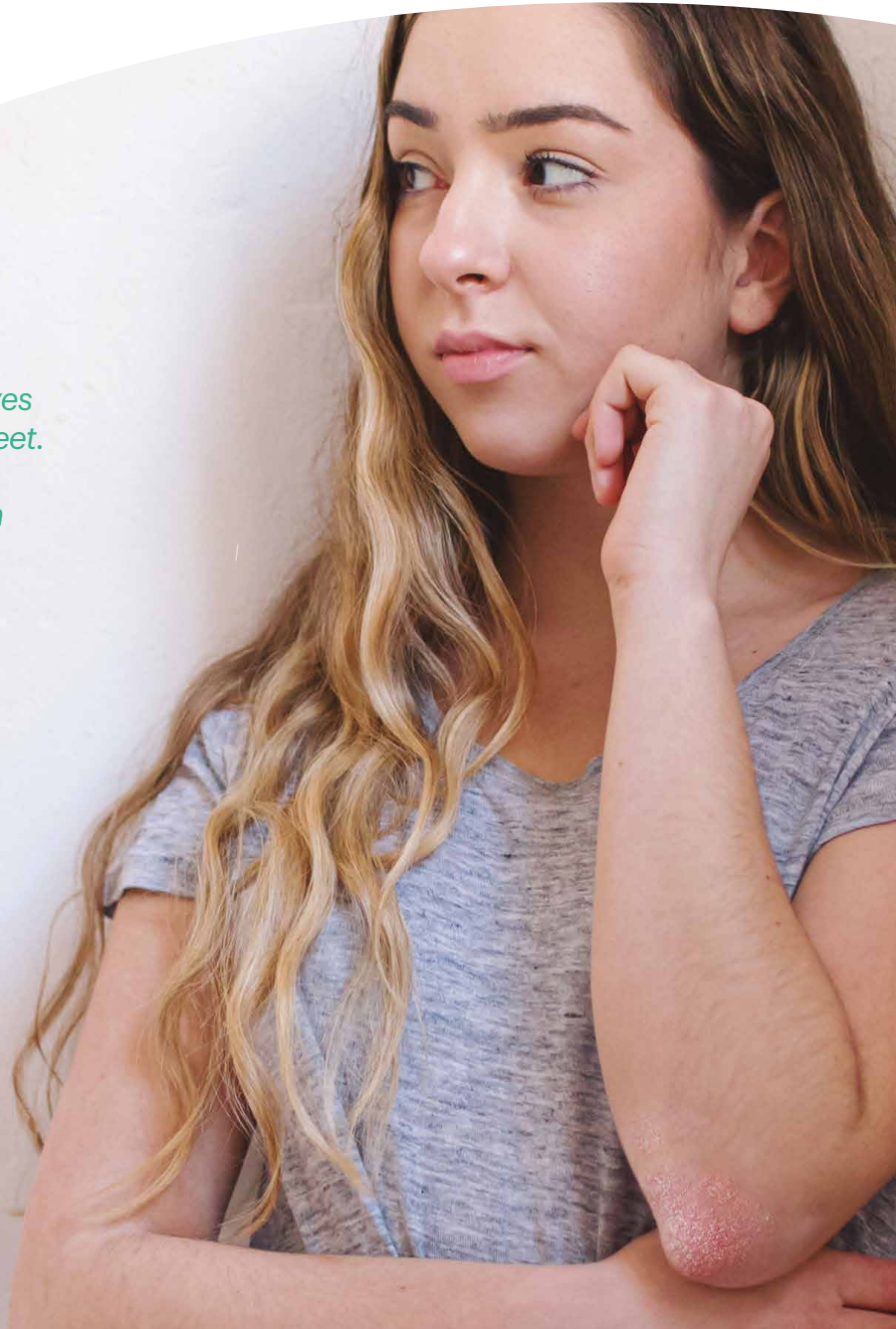
Our Noble Purpose

Across the world, respect, integrity, and empathy help define our happiness. These principles are central to who we are. Our dynamic, engaged team, along with our strong network of collaborators, are committed to providing world-class medical solutions through science for those suffering from skin diseases and other conditions. Patient-centric, we are constantly deepening our understanding of their needs and building upon our expertise. All these

elements reinforce our promise to our patients. Our wish to understand, care, and positively change lives drives our business. Indeed, our Noble Purpose is our inspiration and empowers us to consistently pioneer. Our unceasing wish to **Transform the patients' world by helping them realize their hopes and dreams for a healthy life**, is indeed who we are.

"In the past, when I've had flare-ups, I've had the sensation that strangers' eyes are watching me as I walk down the street. I've also had to explain to people what psoriasis exactly is and confirm to them that it is not contagious and that it can even be genetic. There are a lot of misconceptions about the disease and this can have a real personal impact."

Luna Fernández,
Student and psoriasis patient



What

Our company
strategy

Why

Transform the patients' world by helping them realize their hopes and dreams for a healthy life

How

Our corporate
values

Caring

Healthcare is about caring to listen and understand: Our patient is always at the centre. We listen to them, empathise with them, and help them succeed.

Dedicated

We are dedicated to making a difference: As professionals, we never give up. We are committed, passionate, responsible, and bold.

Dynamic

A dynamic enterprise at the heart of innovation: Our team is agile, powered by an entrepreneurial mindset, and always ready to challenge the status quo.

Expert

Expertise to pioneer change: Our expertise and rigorous approach enable us to be that one step ahead.



Business strategy

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Supporting patients through innovation

Our commitment to transform patients' lives, and our passion for science, drive our work. Our motivation lies firmly rooted in our determination to make a real tangible difference in the lives of millions of patients around the world who are suffering from skin diseases. Dedicated to understanding their real needs, we, at Ammirall, view this approach as fundamental to achieving scientific breakthroughs.

Although skin disease severely affects the lives of millions of patients world-wide, public awareness of the debilitating impact it can have on them goes widely unrecognised.

Ammirall's commitment to patients drives our work forward from bench to market. Our mission is to provide patients with real solutions which improve their health and wellbeing. Skin conditions often go under-estimated in their severity or even go undiagnosed. Closely linked with mental disorders, such as anxiety and depression, or physical comorbidities, such as diabetes, arteriosclerosis, and autoimmune diseases, effective treatments and cures are lacking. Our focus on patients' needs is the foundation of what we do. It lies at the heart of our research, driving us forward to innovate and make a real tangible difference.

Working together to power innovation

Ammirall values its close collaboration with healthcare professionals (HCPs), patient support organisations (POs), patient advocacy groups (PAGs), and healthcare organisations and medical societies (HCOs). Through these collaborative initiatives, we can advance, create

change and scientific progress in the field of Medical Dermatology. We push the boundaries of R&D to engineer ground-breaking medicine for patients. Working with leading experts on a global scale, we ensure innovation. We continually strive to deepen our understanding in the field of Medical Dermatology, identifying not only the physical and psychological aspects specific to skin disease, but also those cultural, geographic, and demographic differences. This sense of purpose continues to help us on a daily basis to change and improve the lives of millions of people suffering from skin diseases across the world.

We make it our business to understand patients' needs: they define our purpose and help shape our strategy.

We change patients' lives for the better: pioneering world-class medical solutions today, innovating for the future, targeting unmet medical needs in Medical Dermatology.

Strategically driven to make a difference: differentiation therapeutics generating real value by addressing patient needs.

Collaboration is the power to innovation: our strength lies in our outstanding R&D expertise, our privileged relationship with healthcare professionals, and our drive to collaborate.

Invested in winning: we promote success by continually developing our strong team and business culture.



Key partners in our work with patients

At Almirall, we know that behind each patient case file there is a person with often complex and diverse needs. We believe addressing these needs is all about knowing the patient. This is why we devote time and resources to forging strong relations with healthcare experts and associations.

We are in constant dialogue with associations such as the **International Federation of Psoriasis Associations (IFPA)** and the **European Academy of Dermatology and Venerology (EADV)**. These close relationships ensure we have a complete understanding of patient needs. They are vital to identifying and pioneering strategic medical solutions in Medical Dermatology. Through this privileged collaboration, we are able to work together in raising awareness and advocating for a higher standard of care.

Promoting a better understanding of psoriasis

This year, Almirall highlighted the important role that public awareness has to play in patient wellbeing. Ignorance of skin disease is a factor that aggravates a patient's self-image and also their interaction with others. Launched by Almirall during World Psoriasis Day in 2021, in support of the IFPA (International Federation of Psoriasis Associations) the **"Shedding Light on Psoriasis"** campaign aimed to break down the barriers which surround this disease. The campaign brought to the forefront the emotional burden which affects both patients and their families alike.

Wellbeing: leading a new paradigm of measuring and treating skin diseases

We work to develop innovative solutions which allow patients to live normally and fight their fears and those obstacles which they face on a daily basis. Put succinctly: giving our patients their lives back. We recognise that skin disease can cause devastation not only to the lives of our patients but also that of their circle of friends and family. This is why we go beyond the physical burden by taking into account the non-physical symptoms surrounding skin disease. A good example of how we address this area would be our POSITIVE study. This robust prospective psoriasis study measures for the first time the overall wellbeing of a patient and the holistic approach of people-centred healthcare. Almirall hosted a scientific session during the EADV (European Association of Dermatology and Venereology) meeting in October 2021, in which Prof. Ulrich Mrowietz, Head of the Psoriasis-Centre at the University Medical Centre Schleswig-Holstein, presented the design of this innovative study. In the symposium entitled "Are you wasting your time getting PASI100?", Professor Stefano Piaserico (Associate Professor at the University of Padua and Head of the Regional Centre for Psoriasis), Prof. Mrowietz (Germany), and the happiness and wellbeing researcher Professor Jordi Quoiach (Spain) addressed mental health and psoriasis and looked closely at the benefits of an overall and holistic assessment of the wellbeing of each patient.

We are constantly assessing how we can go that one step further by engaging the expert community and really nurturing a dialogue, putting out other studies such as the PROSES study for Seysara® (sarecyline), a treatment for acne vulgaris, and the PROAK study, which assesses the impact of our product tirbanibulin on patient-reported outcomes for those suffering from actinic keratosis (AK). Both are conducted in close collaboration with the expert community in the US.

Participation 2021

Scientific & Patient Organisations



Patient story:

Christina, living with psoriasis



Christina is 45 years old. She is Danish, she was born in Jutland and moved to Zealand when she was 15. She has suffered from psoriasis since she was a teenager. Living with this chronic inflammatory skin disease from an early age has defined who she is and the way she lives her life today.

Christina's story is one that is familiar to millions of patients suffering from psoriasis around the world. Her story highlights how their distress extends beyond the physical. A debilitating condition that often impinges on self-image, academic success, and relationships, the complexities of this disease often go underestimated. Helping the patient to feel better clearly goes much deeper than simply addressing visible symptoms. Listening, educating, and understanding are certainly integral to fighting this disease.

When were you first diagnosed with psoriasis?

It happened after moving house when I was a teenager. I was just 15 years old. It was stressful because the move was to the other side of the country and so it was a real upheaval for me. I was inevitably faced with a new school and a different environment. We moved in the summer and my first symptoms of psoriasis started then. I knew exactly what it was because my mother had suffered from it earlier in her life. To find the right treatment I found myself pushed from "pillar to post". I was treated by a series of dermatologists who recommended and prescribed various ointments but nothing worked.

How did you feel after the diagnosis?

Well, I felt a little angry. It didn't seem fair. I desperately wanted to just get rid of this disease. That summer was difficult. I remember it as being an extremely hot one, although I am not sure it really was. I became extremely self-conscious because of the disease; I spent the summer wearing long trousers and long sleeves because I did not want people to see my body. I was a teenager and faced with a real challenge. I was the new girl with a "strange" accent and, in addition, I had a condition that forced me to dress differently.

How did you manage it in these early years?

At school, I just covered myself up. I wore sleeves, turtle necks, and trousers so people wouldn't know. It made me less outgoing and shy which accentuated the complexity of the physical condition. Thankfully in 10th grade I didn't have to do swimming lessons. I was also fortunate as I did not have psoriasis on my hands. I did, however, live in a constant dilemma during the summer because I couldn't go to the beach so I couldn't go out with my friends. I just stayed at home or joined them later in the evening. However, light is good for psoriasis, so exposing myself to the sun was important. Instead, I went out into the garden when the weather was good. This was difficult. I missed going out with friends.

"In my room as a teenager, my mirror only showed my face. I didn't have one to see the rest of my body."

Concerning relationships, I was fortunate. I had friends and boyfriends. Despite the difficulties living with the disease, I must add that subsequently I got married and have two children, which is not the case for many who suffer from psoriasis.

What was your experience with doctors during this time?

The hardest thing was that they made no effort to understand how I felt. Their solution was just to prescribe. There was a lack of information and understanding of the embarrassment, mental distress, and sheer desperation which patients experience. The result was that I was never referred to the hospital for treatment during my teenage years. A referral could have helped me at that time by giving me hope. Instead, I never got the opportunity. I felt like I was almost controlled by the disease.

2000 was a turning point. I realised a treatment was available in Israel. It could have changed my life as a teenager if I had known about it. It was available in a centre by the Dead Sea. It lasted four weeks and it had become something the government had started to reimburse. Of course, patients had to be assessed and complete the PASI (Patient Area Severity Index) to be selected, so I became eligible. In 2001 I went to Israel. This was a big step to take in those days. Not everyone had mobile phones or access to email, which was my case, so I knew that I would be doing it alone. 28 days without my family was extremely daunting but I needed a solution.

What did the treatment change?

I can say that sharing my experience with other Danish patients with psoriasis changed absolutely everything. We all looked the same, so my embarrassment disappeared. Suddenly I felt comfortable revealing my arms and legs. It was a moment to share. Sharing our experiences was a relief. I learned so much and no longer felt alone. The experience was more than a physical treatment. I finally felt happy in my own skin, and certainly more confident and positive. I realised that it was up to me to decide whether I could wear a t-shirt in the morning, not the people giving me looks. I did this. I started saying to myself in the morning: "ok, so how strong am I today? Am I strong enough to do battle today and tell people what my skin complaint is?" It turned my life around and made me want to help others and that's why I became a volunteer for the Danish Psoriasis Association. I want things to change for others.

Do you have a particular example of the discrimination you have experienced over the years?

Yes, I do. It, in fact, encapsulates what psoriasis patients go through on a daily basis. I was sitting on a bus. I was incredibly itchy that day so I couldn't help scratching. The man sitting beside me stared and then got angry with me, suggesting that my itch was due to bad hygiene. It was extremely humiliating.

How does it impact your life today?

Its impact manifests itself in various ways. Issues such as the lengthy treatments I am forced to do on weekends and during holidays to treat my scalp. It can get extremely itchy at work. I tie my hair back so that I try not to scratch it. I had a flare-up after my Covid-19 vaccination, which worsened symptoms in this area. I also experienced problems with arthritis in my fingers and toes. I got psoriasis arthritis, which I hadn't had since I was 28 or 29. So, that affects daily life. On the practical side, we are obliged as a family to choose sunny countries when we go on holiday as the sun improves my health. So that limits the list of destinations. It does affect those you love: your family, your friends. Also, it has recently had an impact on my diet because I try to avoid certain foods which seem to have a correlation with my condition. It's not straightforward.

You are a very brave, courageous person. What are your hopes and dreams for the future?

For those suffering from psoriasis, I would like more people to understand the disease. I hope that they can have better access to treatment and information. People should not feel that they have to hide their disease. They should know how to get access to treatment and information and also feel entitled to what they need. On a more personal level, I hope to stay in good health, use the knowledge that I have to share with others, and I, of course, hope that my daughters and grandchildren stay healthy and do not have to go through a similar experience. If they do, I am ready to help.

What advice would you give to us as a leading pharmaceutical company that invests hugely in developing new medicines and treatments to combat psoriasis?

My advice would be to actively spread the word. Let the public know that it is not contagious. Ensure the little boy or little girl in 1st grade does not get bullied through lack of information. Teach people to care: educate, make sure patients with psoriasis have access to the right information. Make it possible for patients to realise their hopes and dreams by living a normal life. I think everyone deserves that, right?



Pioneering medicines to address unmet needs in Medical Dermatology

Our dedication to patient needs is a clear driving force to our success. Now a world leader in Medical Dermatology, we are extremely proud to see patients across the world benefit from Almirall's achievements. Our treatments continue to help improve the lives of patients living in more than 70 countries across the world.

Skin diseases are ranked as the fourth most common cause of human illness. Each year Almirall is at the forefront of dermatological medical advances and this year has been no exception. Our four core axes continue to be actinic keratosis, atopic dermatitis, psoriasis, and acne. All of these have proved particularly challenging for patients suffering from them during the Covid-19 pandemic period.

This period has shown a marked increase in cases of both psoriasis and acne. The National Centre for Biotechnology Information (NCBI) recently published research which has identified Covid-19's close link with this rise, highlighting a peak in cases of depression and anxiety closely correlated with patients suffering from such skin conditions. Indeed, the pressure of lockdown provoked anxiety and mental distress both of which are known triggers for diseases such as psoriasis. For those already diagnosed, four out of ten patients with psoriasis saw their disease worsen during this period. Dermatologists noted a rise in acne and other atopic skin complaints due to surgical masks which are being used to limit the spread of the virus.



Our major therapeutic areas

Psoriasis

Psoriasis is a chronic, autoimmune mediated inflammatory skin disease affecting about 60 million individuals worldwide¹. It manifests itself as red, scaly plaques which are typically visible on the elbows, knees, scalp, and lower back, but it can appear anywhere on the skin surface including nails. It is a disease which is painful and often disfiguring. The condition can severely impinge upon quality of life, sometimes even to the extent that some consider it to be life-ruining. Linked with comorbidities such as type 2 diabetes, cardiovascular illness, kidney disease, hypertension, and psoriatic arthritis, it can also cause severe mental distress such as depression or in some cases suicide.

The complex nature of psoriasis, and its significant impact on our patients' lives across the world continually strengthens Almirall's focused determination and dedication to pioneer medical treatments. This year, through our partnership with MC2 Therapeutics we have been granted the exclusive European commercialisation rights for Wyzora® cream (calcipotriene and betamethasone dipropionate, CAL/BDP). This topical therapy is the first and only aqueous CAL/BDP cream indicated for the treatment of mild to moderate psoriasis vulgaris, including scalp in adults, in Europe.

Our psoriasis portfolio, therefore, continues to strengthen and grow. We witnessed this year the steady progression and increasing market share of Skilarence® and Ilumetri®. Our expanding portfolio of treatments allows us to provide solutions for a wide scope of patients, covering the whole spectrum from mild to severe psoriasis and has allowed us to improve and transform many patients' lives across Europe.

Ilumetri® (tildrakizumab)

Ilumetri® (tildrakizumab) is a biologic innovative therapy for patients with moderate to severe plaque psoriasis. It targets IL-23, the master cytokine responsible for the survival and expansion of disease-causing Th17 cells. The blockade of the master cytokine IL-23 is key in treating psoriasis, as it is linked with high efficacy, safety, and a long-lasting effect. Ilumetri® has proven its ability to work on a wide variety of patients. Administered by subcutaneous injections in pre-filled syringes, it offers an easy schedule of only 4 doses per year. Its sustained high levels of efficacy and safety have been demonstrated over 5 years of continued treatment, whereby close to 8 out of 10 responder patients maintained a PASI <3 over a period of 5 years. Approved in Q4 2018, it is the first biologic to be marketed by Almirall.

We have witnessed in 2021 its strong performance with €81.9 MM of total sales in 2021 (+87% year-on-year). The anti-IL23 segment is gaining about 40% of market share of new patients in Europe.

Wynzora® cream (CAL/BDP)

Wynzora® cream (50 µg/g calcipotriol and 0.5 mg/g betamethasone as dipropionate) is a once-daily topical treatment indicated for mild to moderate plaque psoriasis in adults including scalp. It is powered by PAD Technology, a new method of mixing oil and water, which makes it the only calcipotriene and betamethasone dipropionate topical that allows the combination of active ingredients in an aqueous cream^{2,3}. The technology enables a stable formulation² and offers a favourable safety profile^{3,4}, and patient convenience³.

Wynzora® offers high efficacy and fast onset of action within 1 week.^{3,4} The results from a pooled analysis of two randomised Phase III trials demonstrated that this CAL/BDP PAD-cream offered superior efficacy and patient quality of life in the topical treatment of psoriasis in comparison to the calcipotriene and betamethasone dipropionate gel formulation for all efficacy endpoints including PGA treatment success, mPASI, and PASI75 after 8 weeks of once-daily use.⁴

The clinical investigation also showed that, after eight weeks of treatment, a significantly greater proportion of subjects treated with CAL/BDP PAD-cream reported that psoriasis had no effect at all on their life (DLQI 0 or 1) compared to CAL/BDP gel. The patient acceptability of CAL/BDP PAD-cream was mainly due to the topical being a less greasy formulation based on the innovative PAD Technology⁴. The results from Phase III clinical trials were published in the Journal of the European Academy of Dermatology and Venereology (JEADV).

The cream has been developed by our partner MC2 Therapeutics. Almirall is responsible for its commercialisation in Europe, where, at the end of 2021, 14 countries had already authorised its commercialisation, including Austria, with the name Winxory®. Spain, Germany, and the UK are the first European countries where the cream will be available for prescription in 2022.

Skilarence® (dimethyl fumarate)

Skilarence® (dimethyl fumarate) is an oral medicine used to treat moderate to severe plaque psoriasis in adults. It is indicated as a first-line induction and long-term maintenance therapy and is the first and only European Commission-approved fumaric acid ester (FAE) for the treatment of adults with psoriasis in need of systemic medicinal therapy. Commercialised in 15 European countries, the US, and South Korea, it is a widely accessible and efficient treatment. It continues to prove highly successful.

Actinic keratosis

As global warming continues to intensify with extreme weather and ozone depletion, UV-related diseases such as skin cancer are inevitably on the increase. According to a recent report written by the Harvard School of Public Health, higher UV rays along with other climate change factors such as increased exposure to aflatoxin, pollutants known to cause cancer (such as increased chemicals released into the eco-system by increased flooding near chemical plants and oil refineries) are meaning that skin cancer is becoming more recurrent. Apart from prevention, diagnosis and treatment of pre-cancerous skin cells are therefore a the primary means of combatting a potentially dramatic increase in these conditions.

Actinic keratosis (AK) is a chronic, recurrent condition that increases the risk of developing cutaneous squamous cell carcinoma, a type of skin cancer. Identifying and treating these lesions as soon as possible can help lower this risk. It is estimated that 10% of all actinic keratoses can turn into squamous cell carcinoma, the second most common form of skin cancer, over the course of 2 years. AK are rough, scaly cutaneous lesions that arise in areas of sun-damaged skin such as the face, ears, lips, bald scalp, forearms, back of the hands and lower legs.

During the last few years, its incidence has gone up due to an aging population, increased exposure to UV radiation, and changes in UV-seeking behaviours and is one of the most common diagnoses made by dermatologists in Europe. Its prevalence can be calculated to be around 18% of the population in this continent⁵⁶.

Klisyri® (tirbanibulin)

Klisyri® (tirbanibulin) is a novel, topical first-in-class microtubule inhibitor with a selective antiproliferative mechanism of action. It represents a significant step forward in the treatment of AK due to its short treatment protocol (a once-daily application for a duration of 5 days), proven efficacy and safety profile, with very acceptable local tolerability.

Almirall launched the product in February in the US and in September in Europe, with the first countries to commercialise it being Germany and the UK, for the topical treatment of AK on the face and scalp in adults.

The regulatory agencies approved it based on two pivotal Phase III studies' (KX01-AK-003 and KX01-AK-004) positive results published in the New England Journal of Medicine (NEJM)⁷. These two, double-blind, vehicle-controlled, randomised, parallel-group, multi-centre Phase III clinical trials included 702 patients from 62 clinical sites across the US, and demonstrated that once-daily application of tirbanibulin ointment 1% (10 mg/g) for 5 consecutive days in adults with AK on the face or scalp is effective and generally well tolerated. Tirbanibulin met the primary endpoint, which was defined as 100% clearance of AK lesions at Day 57 within the face or scalp treatment areas, each study achieving a highly statistically significant result ($p < 0.0001$).

The commercialisation of this product marks another milestone achieved by Almirall in its mission to bring AK patients around the world an effective, generally well tolerated, and convenient treatment for this skin disease. The past 15 years, Almirall has been leading the AK market in Europe (>50% patient share) with two topical treatments, Solaraze® and Actikerall®.

Actikerall®

Actikerall® is a lesion-directed topical treatment. Easy to use (applied locally once daily), it is a highly effective treatment for mild-to-moderate (grade I/II) actinic keratosis. The active ingredients are 0.5% fluorouracil and 10% salicylic acid. The former of these, a cytostatic agent, belongs to a group of medicines known as antimetabolites used to inhibit cell growth.

Solaraze®

A nonsteroidal anti-inflammatory topical treatment, its active ingredients are Diclofenac (3%) and hyaluronic acid (10%). Used to treat AK lesions and adjacent sun-damaged skin, its mechanism works by blocking cyclo-oxygenase-2 (COX-2), thereby reducing angiogenesis and cellular proliferation. Known for its efficacy and tolerability profile in long-term treatment, it also has a minimal impact on patients who have received organ transplants. Solaraze® has been now marketed in over fifteen European countries as well as Australia and is the leader in Spain and Italy with a market share superior to 50%.

Atopic dermatitis

Atopic dermatitis (AD) is the most common form of eczema. It is an inflammatory, chronic condition which often precedes other allergic diseases such as asthma or allergic rhinitis. It also predisposes those who suffer from it to be prone to other infections due to a defective skin barrier. The disease can affect any part of the body but it is most often found on the hands, inside the elbows, on the backs of the knees, and also the face and scalp.

In 2019 The World Health Organization (WHO) estimated that more than 230 million people suffer from AD worldwide. Despite it being non-contagious, those who suffer from it can experience severe discrimination. In a recent study⁸ headed by dermatology specialist, Professor Luca Stingeni (UNIPG), it was highlighted that 68.8% of those suffering from this disease feel that their daily routine has been limited by it. In addition, 39.3% of students were victims of bullying and 33.9% of workers felt discriminated against because of AD. It is because of such stigmatisation that this disease is associated with comorbidities such as anxiety and depression. The disease has a high burden impact on health services around the world.

Lebrikizumab

Lebrikizumab is a novel, investigational, monoclonal antibody (mAb) designed to bind with IL-13 with high affinity. Ammiral believes lebrikizumab offers an opportunity to improve efficacy, tolerability, and ease of use for patients while demonstrating a favourable safety profile.

Ammirall exercised its option with Dermira, acquired by Eli Lilly in January 2020, to license rights to develop and commercialise it for the treatment of dermatological diseases, including atopic dermatitis, in Europe. The US Food and Drug Administration (FDA) granted lebrikizumab Fast Track designation in AD in December 2019. The Fast track designation is granted for those medicines used to treat serious conditions when data has demonstrated their clear potential to address an unmet medical need.

The lebrikizumab Phase III programme consists of five key ongoing, global studies including two monotherapy studies and today's ADhere combination study as well as long-term extension (ADjoin) and adolescent open label (ADore) trials.

In August 2021, top-line results of two monotherapy Phase III studies, ADVocate 1 and 2, were announced. Data from these pivotal studies showed significant improvements in skin clearance and itch combined with a reassuring safety profile,

making it a potentially valuable addition to therapeutic armamentarium. Primary and all key secondary endpoints, including skin clearance and itch improvement, were met at Week 16. The study showed that lebrikizumab led to significant improvements with at least 75% skin clearance in more than half of people with moderate to severe atopic dermatitis, as measured by EASI. This achievement has been recently emphasised by our Chief Scientific Officer, Dr. Karl Ziegelbauer, who stated: "These results validate our commitment to the dermatology community and support our vision of offering truly meaningful and new treatment advances to people living with chronic, life-altering skin conditions. We look forward to continuing to collaborate with Eli Lilly and Company on the lebrikizumab clinical development programme and are excited by the prospect of delivering this promising therapy to people living with moderate to severe AD in Europe".

In December 2021, lebrikizumab demonstrated significant skin improvement and itch relief when combined with topical corticosteroids in people with atopic dermatitis in third Phase III study ADhere. By week 16, the study met all primary and key secondary endpoints for patients on the lebrikizumab combination arm.

We foresee the completion of this 52-week maintenance study in the H1 2022, while, (based on data from the Phase III clinical trial programme), the global regulatory submissions will occur late 2022. This will mean that we will be on track for an EU launch in 2023.

Cordran® Tape

Cordran® Tape is a topical corticosteroid (fludrocicortide) treatment prescribed to reduce the itching, redness, and swelling which may occur with AD. This established long-term effective and safe treatment is primarily effective because of its anti-inflammatory, antipruritic, and vasoconstrictive actions.

Acne

Contrary to the belief that acne (acne vulgaris) is a disease which only affects adolescents, it affects both male and female adults. It remains to be one of the most common inflammatory dermatosis diseases treated world-wide. It has a complex pathophysiology: an interaction between hormonally stimulated sebum production, abnormal keratinisation of the pilosebaceous duct, and an immune response. It is estimated that acne affects 9.4% of the global population and is the eighth most prevalent disease world-wide⁹.

The disease manifests itself in the form of papules, pustules, nodules, and/or cysts as a result of obstruction and inflammation of hair follicles and their accompanying sebaceous gland. Acne develops on the face and upper trunk. Symptoms can be mild to severe. In severe cases, it can affect self-confidence and can be a trigger for depression. Thankfully, however, the disease responds well to treatment, and once diagnosed a plan tailored to a patient's needs can be administered. Our portfolio of acne products is carefully designed to treat the full spectrum of the disease. Indeed, it meets the diverse needs of our patients and provides dermatologists with a wide range of options they can trust to offer patients successful medical tailored solutions to tackle this condition.

Seysara® (sarecycline)

Seysara® (sarecycline) is a first-in-class tetracycline-derived oral antibiotic for the treatment of inflammatory lesions of moderate to severe nonnodular acne vulgaris in 100 mg tablet format. We were delighted to announce this year that we received approval to produce Seysara® from the US Food and Drug Administration (FDA) at our site in Sant Andreu de la Barca (Barcelona, Spain) for commercialisation in the United States. This is an important milestone as it will provide Almirall with a double source of supply and ensure the continuity of production of this strategic product. We were also very pleased to instigate a 12-week clinical study for this treatment. The study evaluated patient-reported outcomes (PROs) in terms of health-related quality of life (HRQoL) and signs of acne vulgaris (AV) among patients with moderate to severe non-nodular AV. This was carried out for the first time in real-world community practice settings in the US and the study examined closely the holistic impact on patients as well as their families. Using EPQ scoring keys, PROs examines anxiety, its impact on social activities, and self-perception.

In conclusion, our portfolio of dermatological medical solutions continues to grow. Almirall is proud to deliver first-class, cutting-edge medicine to those suffering from skin conditions. As recognition grows world-wide that skin conditions are treatable and controllable to the extent that patients may lead normal lives. Dermatology continues to progress and expand. 2021 has proved a positive year for us as we continue to dedicate ourselves to understanding real patient needs.

¹ Dobson, S. (2021, January 19). Increase in MS prevalence in Europe. MS International Federation. <https://www.msif.org/news/2020/06/24/increase-in-ms-prevalence-in-europe/>

² Præstegaard M, et al. Phase 3 trial demonstrates superior patient treatment convenience of MC2-01 calcipotriene plus betamethasone dipropionate cream compared to current topical suspension. *J of Skin*. 2020;4(5):s62

³ Stein Gold L, et al. A phase 3, randomized trial demonstrating the improved efficacy and patient acceptability of fixed dose calcipotriene and betamethasone dipropionate cream. *J Drugs Dermatol*. 2021;20(4): doi:10.36849/JDD.5653

⁴ Pinter A, et al. A pooled analysis of randomized, controlled, phase 3 trials investigating the efficacy and safety of a novel, fixed dose calcipotriene and betamethasone dipropionate cream for the topical treatment of plaque psoriasis. *J EADV*. 2021; 10.1111/JDV.17734. <https://doi.org/10.1111/jdv.17734>

⁵ Lucas R, McMichael T, Smith W, Armstrong B. Solar ultraviolet radiation: Global burden of disease from solar ultraviolet radiation: World Health Organization, 2006

⁶ Worldometer. Population of Europe. 2020. Available at: <https://www.worldometers.info/world-population/europe-population>

⁷ Blauvelt A, Kempers S, Lain E, et al. Phase 3 Trials of Tirbanibulin Ointment for Actinic Keratosis. *N Engl J Med*. 2021 Feb 11;384(6):512-520. doi: 10.1056/NEJMoa2024040

⁸ July 2021: Atopic Dermatitis and Patient Perspectives: Insights of Bullying at School and Career Discrimination at Work <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8312319/>

⁹ Chetty P, Choi F, Mitchell T. Primary care review of actinic keratosis and its therapeutic options: a global perspective. *Dermatol Ther (Heidelb)* 2015; 5(1): 19-35



Interview with

Prof. Dr. Matthias Augustin

Director, Institute of Health Care Research in Dermatology and Nursing
University of Hamburg



"Our true goal as dermatologists is to reach the maximum level of wellbeing of our patients"

Currently, what are the biggest challenges in dermatology?

We are in the process of getting more advanced and well-developed medicines, but there is still a significant gap in the access to these medications. On a large scale and in many countries, just a minority of patients receives the medicine they deserve. There is a lack of bridging between innovations and their use in real life. To give some examples, in Germany, just 75,000 psoriasis patients are being treated with biologics instead of more than 200,000, which would be the total figure of those who have an urgent need to use them.

A few years ago in France, dermatologists looked at endpoints that were studied in Phase III b studies in psoriasis and then looked at how many of their current real-life population would be eligible for the medication if they were following the inclusion-exclusion criteria of the studies. They found that around 70-80% would be excluded.

This directly leads us to the concept of people-centred healthcare, which the WHO strongly promotes. This organisation states that every patient has the right to get the right drug at the right time. Yet, only a minority of them has access to innovative medicines.

As healthcare professionals, we need to promote the many values of modern medicines. The industry has to contribute as well, especially with more clinical evidence of the benefits of these new treatments.

This leads us to the second challenge: to reach this, there's a need to change focus and the endpoints explored. In psoriasis, there is a need for the industry to work with academia to come up with meaningful endpoints that go beyond traditional PASI measurements. We cannot prove an added value to the patient with only PASI scores.

We need to include endpoints that patients consider impactful, and we need to include much more of the overall population that has been historically rejected in clinical trials.

It is essential to keep doing NIS studies like the POSITIVE study designed by Almirall to add these pieces to the puzzle and see how medicines work on most patients who have not been in the first clinical trials. This is how we work in practice. Our ambition as dermatologists is to improve not only the skin but the wellbeing and happiness of our patients.

What does people-centred care mean, and how does it differ from how we traditionally manage our patients?

People-centred care is a further development from the idea of patient-centred care and always starts with the point that the patient is the person who should drive all decisions. Until 30 years ago, the primary decision-maker was the physician, but slowly and gradually, the idea that the patient has the right, the ability, and should feel empowered to make decisions on an equal level to the physician, has become more widespread in medicine.

Now, we need to go one step further and think beyond the patient as being an individual who is just a patient in my practice for 30 minutes. They are more than just their disease. We need to consider the reality of the condition, the treatment, and the social environment surrounding it. The term people-centred care was created in acknowledging that we need to understand the interaction between the person that we see as a patient within the system, which also includes other people around. Hence, people-centred healthcare has been promoted as the ultimate goal of healthcare, with all levels included and with the most holistic approach.

What can we do to help improve our scientific knowledge of what matters to the patient?

We need to go beyond the clinical endpoints. The patient's perspective is currently included with the use of quality-of-life instruments and the broad use of the DLQI questionnaire. We need to make better use of the DLQI, not just in clinical trials but also in practice. Going further, we have to extend our understanding of the patient to more than just this checklist that doesn't tell me so much about what the patient is really feeling. We need to switch from just looking at the disease burden and setting up the treatment goals. These goals also have to be positive. We need to change our approach to treatment from "avoid something, fight against, decrease burden" to promoting good health and wellbeing.

Therefore, our true goal as dermatologists is to reach the maximum wellbeing of our patients. We are really pioneers opening a large terrain of new options in research with the POSITIVE study, introduced by Almirall because we have found a methodology to verify this with the WHO-5 questionnaire. We are also integrating family outcomes measures to mirror the social environment of the patient as well as the wellbeing of the physician.

Why should there be more investment in dermatology?

The healthcare system has to provide the best possible wellbeing to people. We are not just talking about mortality, which luckily has dropped markedly in medicine. If we compare the burden of patients with other diseases, patients with skin diseases suffer substantially much more than those with other chronic conditions. Suppose you think about psoriasis, atopic dermatitis or hidradenitis suppurativa. In that case, they are diseases that rank among those with the highest impairments of quality of life and the highest disease burden, even if they are not mortal.

We have been able to gather substantial evidence on the high burden of skin diseases like psoriasis that justify the cost of a biologic. The burden is not only related to pain or inflammation, but to mental health, the impact on the family, like in paediatric atopic dermatitis, or the fact that these patients have trouble leading a "normal" life.

Our duty as scientists is to generate data to demonstrate this burden in skin diseases and challenge the current established global disease burden (GBD) metrics.

Looking toward the future, what should we expect in dermatology and what's your advice to future dermatologists?

The world of medicine will have much more precise and well-developed medicines. We will have AI-assisted healthcare and digital solutions that will allow us to have more control over the patients and their physical condition.

On the other hand, this digitalisation of healthcare will not reduce. Still, it will probably increase the need for a more human approach to the patient, treating their diseases in a holistic and personalised way, and promoting shared decision-making for their treatment. My advice to the new generation of dermatologists: learn the skills to implement shared decision-making to empower patients to live and manage their conditions.

What advice would you give Almirall to continue our commitment and dedication to dermatology?

A pharmaceutical company has to provide adequate medical solutions to the needs of the patient and dermatologists, but also to know how to identify those needs. Almirall is already among the top dermatology companies in both aspects. The mandate now is to continue advancing on this path, being a long-term partner for the physician and asking about their needs to best help patients on different levels. It is crucial, as well, to keep providing world class real-world-evidence (RWE) data to demonstrate the true value of your innovative medicines.



Looking beyond Dermatology: other key therapeutic areas

At Almirall, our perceptive and engaged management style has continually built on meeting patient needs. In doing so, the need for diversification has always been recognised. While our primary focus continues to be on Medical Dermatology, our portfolio extends beyond this. Indeed, we continue to develop and define priorities to meet market needs and remain agile.

This need for agility has been heightened over the past two years. Covid-19 has been a clear reminder of the metamorphic nature of disease; underlining the necessity for a highly reactive pharmaceutical industry. Thanks to a progressively digital world, allowing a global mind-share in R&D, the pharmaceutical industry is increasingly able to cure and combat medical conditions and those secondary diseases which often accompany them. We, at Almirall, have always acknowledged this and, consequently we have chosen to continue to go above and beyond Medical Dermatology. Our current portfolio provides medical solutions in fields such as neurology, cardiology, and gastroenterology. In covering such a wide spectrum, we have been able to continue strengthening our mission to have a positive impact on patient lives across the world.





Sativex®

Developed by GW Pharmaceuticals (now Jazz Pharmaceuticals) and licensed by Almirall in Europe as early as 2005, it has been launched progressively across EU since 2010. Its potential medical benefits have indeed been progressively growing since Sativex's arrival on the European market more than twelve years ago. Its successful progression has meant that we now commercialise it in 15 countries in Europe.

The treatment is a cannabis-based medicine containing tetrahydrocannabinol (THC) and cannabidiol (CBD). It is indicated for the treatment of resistant multiple sclerosis spasticity and associated cramps, pain, mobility impairment, bladder dysfunction, and sleep disorders. Sativex® takes the form of an oral sublingual spray.

Multiple Sclerosis is an autoimmune system disease which attacks the protective sheath (myelin) that covers the nerve fibres, with the result that it inhibits communication between the brain and the rest of the body. It is one of the most common neurological conditions with 82% of those suffering from it experiencing spasticity, often resistant to first-line treatments. The disorder can appear at any age; however, it is commonly diagnosed between the ages of 20 and 40 with the average diagnosis age in Europe being 29. Two thirds of the affected persons are women. A devastating half of those diagnosed will find themselves unemployed within three years of their diagnosis.

By consequence the social burden is huge, with the disease severely impacting not only the patients' lives, but also very frequently their circle of family and friends. This debilitating disease is unpredictable, involving a lifelong progression of complex symptoms which can sometimes lead to cognitive handicaps or even lead to being completely disabled. The fact that this disease goes widely unrecognised is why Almirall works closely and in synergy with patient organisations such as the European MS Platform EMSP (www.emsp.org). Often faced with marginalisation, job loss, and diminished independence, these patients are more likely to experience depression and reduced lifestyle. It is our goal to continue our commitment to providing medical solutions such as Sativex® and to raise awareness in order to improve patients' daily lives.

Crestor® and Provisacor®

Both trademarks contain the active ingredient rosuvastatin, a statin medication that works by reducing the amount of cholesterol made by the liver and is associated with a reduction in the risk of heart attack or stroke. Both brands represent a prominent and effective treatment for high levels of cholesterol in the blood and elevations in LDL cholesterol and triglyceride (TG) levels that are often accompanied by low levels of HDL cholesterol.

Almax®

Born in our own R&D laboratories, Almax® is a tried-and-true treatment for heartburn and gastric acidity in adults and children over 12. Currently, over 40% of the population suffers from this condition, which can be at times distressing. Almagato, the active ingredient, neutralises stomach acid, relieving symptoms very quickly. Almax® is available in three convenient formats: chewable tablets, a powder for oral suspension, and a liquid oral suspension.

Ebastel®

Marketed in over 34 countries world-wide, the ebastine family of antihistamines (Ebastel®, Kestin®, Kestine®, Evastel®, Estivan®) is a once-daily, non-sedating, selective, and long-acting treatment for allergic rhinitis (seasonal and perennial), chronic idiopathic urticaria, and allergy-related conjunctivitis. Benefits of this H1 receptor antagonist include good symptom relief, a positive safety and tolerability profile, lack of drowsiness, and all-day coverage.

Interview

Dr. Volker Koscielny, Chief Medical Officer

“We are leading the field in addressing the wellbeing of the patient”

What makes Almirall's approach to Medical Dermatology stand out?

One of our main strengths lies in the fact we strive to understand our patients and respond to their unmet needs. We have a 360° vision of patient care in the field of dermatology, considering both the physical symptoms as well as the “silent” ones that are closely associated with wellbeing and mental health. We recognise that Medical Dermatology is much more than just physical outcomes: skin disease affects self-confidence and overall wellbeing. Not only does it impact the lives of patients but also their friends and family. Therefore, we are continually asking ourselves, how can we transform patients’ lives? This approach is crucial.

Almirall places a lot of importance on wellbeing. How is it addressed?

You can treat a rash, which is a physical symptom, but we go further and think about how that physical symptom impacts relationships, performance at work, intimacy. Each patient will live their illness very differently. It's about joining the dots to really understand both a patient's physical suffering as well as those complex individual experiences. For example, in psoriasis we often consider skin clearance as an indicator of patient recovery. However, the reality is very different because the disease may have other predominant symptoms, such as severe itching. The debilitating need to scratch the skin can often result in disfigured nailbeds and can be a trigger for disorders such as depression and anxiety. We need to include these aspects in our research.

To this end, measuring how therapies provide value to patients in a real-world setting is very different from randomised clinical trials, which are rightly highly standardised and controlled.

Our POSITIVE study, which we initiated in 2021, is a good example of how we are putting this into practice. For the first time, a robust prospective psoriasis study will assess improvement in the overall wellbeing of patients treated with Ilumetri® (tildrakizumab) and the impact of a holistic

approach of people-centred healthcare. The study, which uses the WHO-5 Wellbeing Index, will explore whether it's possible to improve psychological wellbeing by addressing all the physical symptoms of psoriasis, and truly transform patients’ lives. We will also measure physician satisfaction and the impact on the lives of the partners of psoriasis patients over time.

What other Almirall studies examine the impact of treatment in a real-world setting?

We also are conducting the PROSES study for Seysara® (sarecycline), a treatment for acne vulgaris. In close collaboration with experts in the US, we are measuring the impact of this treatment on health-related quality of life (HRQOL) outcomes for patients suffering from moderate to severe acne. Using EPQ scoring keys, the study examines anxiety, impact on social activities, and self-perception. Acne is a particularly complex skin disease. There is a lot of evidence demonstrating how sub-optimally treated acne may prevent people from reaching their full potential for living fulfilled lives. So, we are talking about cumulative life impact. I think studies like these demonstrate Almirall's commitment to truly changing lives.

We are also conducting the PROAK study to assess the impact of Klisyri® (tirbanibulin) on patient-reported outcomes for those suffering from actinic keratosis (AK). AK is a common precancerous condition found on sun-damaged skin. The treatment of multiple lesions is often associated with pain and can cause irreversible changes in skin pigmentation. So, finding real solutions and learning about patient experiences is vital. The PROAK study is a multi-centre trial involving 702 patients suffering from AK on the face or scalp which was carried out over one year. Using validated health-related PRO measures, this study delves deeper and is designed to capture the disease-specific patient perspectives that may not be fully reflected in existing questionnaires. Unlike acne, AK is a disease that mainly affects the elderly population, and medicines need to reflect the specific requirements of this population segment. Once again, this demonstrates our understanding that it is not just about finding the right solutions for skin disease but also about comprehending how the patient lives their illness and treatment.

How do these studies make Almirall stand out as a leader in Medical Dermatology?

When you consider the quality of our studies and the number of patients included in them, I think we could argue we are a leading player the field. Furthermore, we are addressing wellbeing not only in the research area but also in developing innovative digital solutions that could make a direct impact on people living with skin diseases. Our Claro platform, in partnership with Happify Health, is a good example of this. Claro is a digital programme built to improve the mental wellbeing of people with psoriasis by providing cognitive behavioural therapy, positive psychology, and mindfulness. These are good examples of how we go that one step further.

What are the major challenges ahead in dermatology?

One of the major challenges is building upon the factors that we have just touched upon: an individual rather than a global understanding of the obstacles a patient faces. Dermatologists are in a fantastic position today; they can manage many of these diseases very effectively. However, I think the outcome measurements, the perspective on what can be achieved for an individual patient and tailoring therapies to specific patient needs can still be improved. Therefore, research exploring these essential questions is incredibly important. Beyond the patient perspective this also applies to advances in genotyping and phenotyping of patients. It's all about connecting the patient to their illness and asking, can we do more for our patients? Can we do better?

How do Almirall's collaborations and partnerships drive innovation?

We are continuing to build our partnerships and network of experts specialised in skin diseases with unmet needs through R&D, which encourages innovation in strategic areas. Just to give you one example, this year we partnered with Tyriss to explore nonviral gene therapies and develop further solutions for genetic dermatological conditions. Tyriss' expertise in novel non-viral gene therapy technology is in synergy with our leading expertise in Medical Dermatology. Partnerships allow us to deliver solutions more rapidly to the marketplace.

What is Almirall's promise to patients and the healthcare community?

Our promise to patients is to work to develop innovative solutions that allow them to fulfil their potential and overcome their fears and any obstacles that they face daily. Put succinctly: transforming patients' lives. The key here is listen to patients with humility and deeply engage with health professionals and scientists to advance our understanding of disease and mutually find innovative solutions.



Key dermatology products

Ilumetri®

Germany
Italy
Spain
France
Switzerland
United Kingdom
Austria
Belgium
Netherlands
Luxembourg
Denmark
Portugal
Poland
Romania
Andorra

Total Sales: **€81.9 MM**

Solaraze®

Austria
Luxembourg
France
Germany
Italy
Denmark
Finland
Iceland
Norway
Sweden
Portugal
Spain
Switzerland
United Kingdom
Australia

Total Sales: **€19.5 MM**

Actikerall®

Germany
Spain
Italy
United Kingdom
Austria
Canada
Portugal
Norway
Sweden
Switzerland
Denmark
Finland
Andorra
Australia

Total Sales: **€5.1 MM**

Ciclopoli®

Germany
France
Spain
South Korea
Romania
Switzerland
Italy
Austria
Portugal
Colombia
Russian Fed.
Belgium
Australia
Norway
Sweden
Poland
Ecuador
Denmark
Peru
New Zealand
Chile
Finland
Bolivia
Andorra
Luxembourg

Total Sales: **€55.8 MM**

Skilarence®

Germany
Netherlands
United Kingdom
Spain
Italy
Switzerland
Ireland
Austria
Greece
Belgium
Sweden
Norway
Denmark
South Korea
Luxembourg
Poland
Portugal
Czech Republic
Andorra
Finland

Total Sales: **€27.5 MM**

Aczone®

US

Total Sales: **€21.5 MM**

Cordran® Tape

US
Japan

Total Sales: **€13.3 MM**

Decoderm®

Germany
Italy
Austria
Ivory Coast
United Kingdom
Switzerland
Utd.Arab.Emir.
Norway

Total Sales: **€29.3 MM**

Azelex®

US

Total Sales: **€10.7 MM**

Klisyri®

US
Austria
Germany
United Kingdom

Total Sales: **€5.6 MM**

Tazorac®

US

Total Sales: **€15.7 MM**

Seysara®

US

Total Sales: **€25.5 MM**

Veltin®

US

Total Sales: **€2.9 MM**

Other strategic products

Almax®

Spain
Ivory Coast
South Korea
Panama
Sudan
Kenya
Andorra

Total Sales: **€33.4 MM**

Sativex®

Germany
Spain
Italy
Switzerland
Norway
Belgium
Sweden
Austria
Luxembourg
Portugal
Denmark
Finland
Poland
Ireland
Iceland
Andorra

Total Sales: **€36.5 MM**

Crestor®

Spain

Total Sales: **€36.4 MM**

Efficib® / Tesavel®

Spain

Total Sales: **€47.9 MM**

Ebastel® franchise

Spain
Italy
China
Sweden
Germany
France
Russian Fed.
Portugal
Finland
South Korea
Pakistan
Turkey
Japan
Brazil
Utd.Arab.Emir.
Greece
Sudan
Denmark
Belgium
Lebanon
Qatar
Norway
Kenya
Estonia
Panama
Netherlands
Iceland
Kuwait
Bahrain
Oman
Luxembourg
Lithuania
Cyprus
Andorra
Thailand

Total Sales: **€63.5 MM**



US

Total Sales:

€94.5 MM

Europe

Total Sales:

€678.3 MM

Rest of the world

Total Sales:

€54.4 MM



Finance & Stock Performance

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Financial highlights

(€ millions)

Total Revenues		Net Sales			
€836.5 MM		€827.2 MM			
(+2.7% vs 2020)		(+2.5% vs 2020)			
Core Net Sales		EBITDA		Core EBITDA	
€809.8 MM		€235.6 MM		€211.3 MM	
(+7.2% vs 2020)		(-1.1% vs 2020)		(+16.7% vs 2020)	
EBIT		Normalised Net Income		Net Debt	
€115.7 MM		€81.4 MM		€242.5 MM	
(+0.4% vs 2020)		(-14.4% vs 2020)		(€392.5 MM in 2020)	
Cash Flow from Operating Activities		R&D Expenses		Cash Position	
€233.8 MM		€73.6 MM		€207.4 MM	
(€113.1 MM in 2020)		(9% of Net Sales)		(€165.7 MM in 2020)	

Almirall's business in 2021 followed a path towards recovery after the adverse impact associated with the Covid-19 pandemic, which has caused disruption to the global economy ever since 2020. The various Covid-19 restrictions put in place in both Europe and the United States continue. Nevertheless, having been fully digital during the pandemic, we are moving to an increase in face-to-face interactions with healthcare professionals, although this is still below the pre-pandemic level.

Total Revenues increased to a total of €836.5 MM in 2021, a 2.7% increase when compared to 2020. This was due to the positive contribution from the growth drivers and EU dermatology performance. Excluding the deferred income from AstraZeneca, Core Net Sales increased by 7.2% in 2021 to €809.8 MM.

EBITDA decreased to a total of €235.6 MM in 2021, a -1.1% decrease compared to 2020, due to the lower contribution of AstraZeneca income compensated by Core Business growth. Excluding the deferred income and other income from AstraZeneca, Core EBITDA increased by 16.7% in 2021 to €211.3 MM. This was due to the contribution of increased Core Net Sales and lower R&D costs as per the current stage of our pipeline.

Normalised net income decreased to a total of €81.4 MM in 2021. This is a -14.4% decline when compared to 2020, caused by higher tax effect and other minor impacts.

Net debt decreased to a total of €242.5 MM in December 2021, a decline compared to the €392.5 MM in December 2020, due to the strong cash flow generation in the year.

Growth drivers performance

Almirall is a global biopharmaceutical company focused on skin health. Within its portfolio, Medical Dermatology represents 47% of Net Sales. In spite of the challenging environment, key strategic decisions were taken this year which will strengthen our commitment to Medical Dermatology as we continue to invest in our innovative solutions to serve patient needs.

In Europe, our psoriasis franchise continues to grow, driven by the performance of Ilumetri®. The sales of this product increased significantly, bolstered by the good performance in Germany and its roll-out in key geographic areas in Europe.

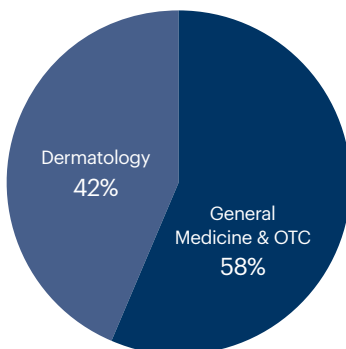
Amongst these countries were Italy, Belgium, Spain, and France. The French commercial team has been building strong foundations in the field of dermatology, providing the company with the right groundwork to enable other strategic launches, for example, Klisyri® and lebrikizumab.

Our business in the United States was impacted by Covid-19 restrictions, as the commercial teams were faced with limited access to physicians and a difficult commercial environment in dermatological medicine. Despite the situation, we were able to accelerate our digital transformation and fully leverage our sales force by digital interactions.

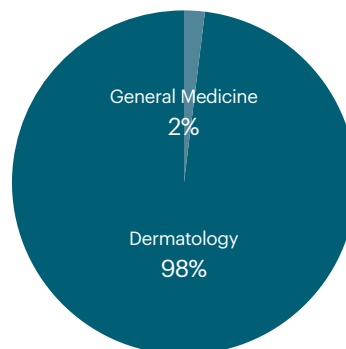
Breakdown of sales

€ Million	FY 2021	FY 2020	% Chg YoY
Europe	678.3	648.5	4.6%
Dermatology	285.7	233.1	22.6%
General Medicine & OTC	392.6	415.4	(5.5%)
US	94.5	102.7	(8.0%)
Dermatology	92.8	100.7	(7.8%)
General Medicine	1.7	2.0	(15.0%)
RoW	54.4	56.2	(3.2%)
Dermatology	8.1	9.8	(17.3%)
General Medicine	46.4	46.4	0.0%
Net Sales	827.2	807.4	2.5%

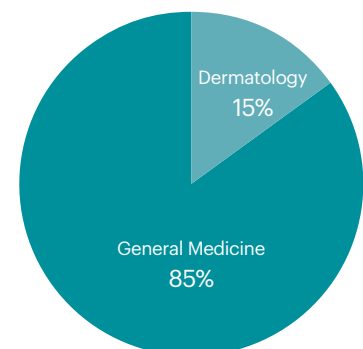
% Net Sales by geography



Europe
€678.3 MM



US
€94.5 MM



Rest of the world
€54.4 MM

Ilumetri®

Ilumetri® (tildrakizumab) is an anti-IL23 high-affinity humanised monoclonal antibody indicated for the treatment of adult patients with moderate to severe plaque psoriasis.

In 2021, Ilumetri® showed strong performance with Net Sales growth of 86.5% year-on-year up to a total of €81.9 MM in the year. Positive momentum continues with new country launches contributing to the growth, for example in France, Spain, Italy, and other European countries. Germany continues to drive sales growth by gaining new patient share. The anti-IL23 class is increasing its leading position in the German biologics market.

In 2021 the innovative POSITIVE study was initiated to assess the improvement in the overall wellbeing of patients treated with Ilumetri® in a real-world setting.

Ilumetri® Net Sales evolution



Net sales €MM

Seysara®

Seysara® is an innovative oral antibiotic derived from tetracycline, specifically designed for the treatment of acne in patients aged nine years or above.

Seysara® and the United States oral antibiotic market were adversely impacted by the Covid-19 pandemic in 2020. In 2021, the commercial team maintained a strong focus on both building TRx and increasing market share. Seysara® booked Net Sales growth of 28.5% year-on-year up to a total of €25.5 MM in the year. Seysara® increased its market share in the oral antibiotic segment to around 5% in the year 2021 and is accessible to around 100 million covered lives within the commercial space in the United States.

An important update to the Seysara® (sarecycline) label was granted by the FDA in June 2020, after it demonstrated a low propensity to induce bacterial resistance. This solidifies our continued support of antibiotic stewardship and combating resistance. The narrow-spectrum antibacterial activity differentiates Seysara® from other acne oral antibiotics on the market. It has been welcomed by both physicians and patients alike and has been boosted with the microbiology label update, supporting the new promotional activity and medical education programme in 2021.

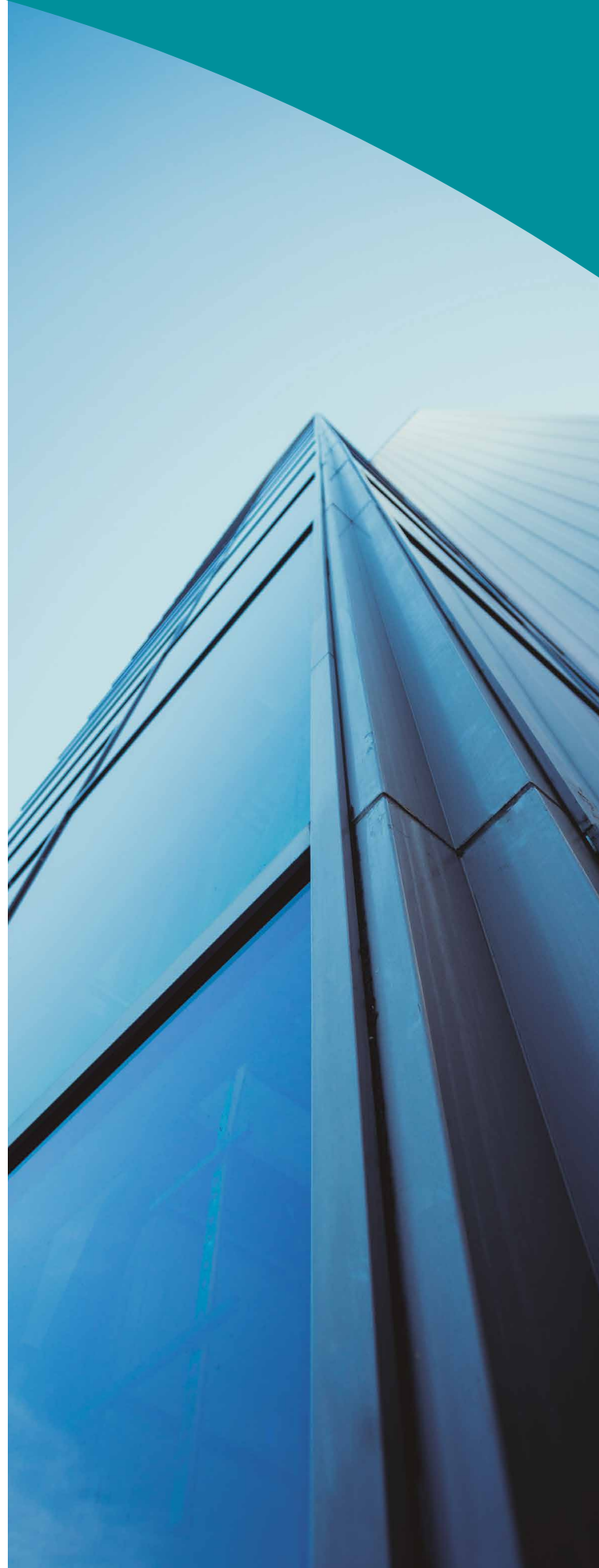
Klisyri®

Klisyri® (tirbanibulin) is a novel, topical first-in-class microtubule inhibitor with a selective antiproliferative mechanism of action. It represents a significant step forward for the treatment of actinic keratosis because of its short treatment protocol of one application daily for 5 days, and its proven efficacy, safety profile, and very acceptable local tolerability.

In December 2020, Klisyri® received approval from the US Food and Drug Administration (FDA) for commercialisation in the United States of this topical treatment of actinic keratosis on the face or scalp. In July 2021 it received European Commission approval for the topical treatment of actinic keratosis of the face or scalp in adults.

Since its launch in February 2021, Klisyri® continues to make steady gains month on month in the United States market. Over 3,000 healthcare professionals have prescribed Klisyri®, generating over 22,000 prescriptions. Klisyri® is accessible to over 100 million covered lives within the commercial space. We envisage making good progress with regard to commercial and Medicare coverage in 2022.

Klisyri® posted Net Sales of €5.7 MM in the year.



Consolidated financial statement

Financial outlook for 2022

We continue to make progressive steps in our strategic transformation focused on executing, both our recent product launches, such as Ilumetri[®], Seysara[®], and Klisyri[®], as well as launching Wyzora[®] in Europe. In addition to this, we will continue preparing the way for upcoming launches in our pipeline, such as lebrikizumab. Regardless of the challenges in 2021 and the ever-present impact of the Covid-19 pandemic, we remain confident that we will experience continued strong growth and transformation of our business going forward.

In terms of 2022 Guidance, we expect Core Net Sales to grow a mid-single digit, compared to 2021 Core Net Sales of €809.8 MM, and Total EBITDA to reach between €190 and €210 MM. The 2022 Guidance implies a lower level of gross margin, higher R&D costs, and others associated with the build-up of resources necessary to prepare for current and future product launches.

Guidance 2022

**Core Net Sales to grow
at mid-single digit
Total EBITDA between
€190-210MM**

Our key priorities

Invest in product launches to drive significant mid-term revenue acceleration

With the recent and expected product launches, we have a good opportunity ahead of us and we wish to ensure a proper execution. We are and will continue investing to build a successful platform for growing our businesses.

Focus on innovation by strengthening the pipeline

We are focused on strengthening our R&D pipeline, which is at the root of being a specialised pharmaceutical company. This includes not only our proven internal R&D, but also our strong track record for successfully identifying, completing, and integrating strategic acquisitions and in-licensing opportunities.

Steady roll-out of innovative products in key franchises with strong footprint in European markets

We have created strong franchises for dermatological diseases that we have successfully launched in selected markets, but there are additional opportunities for expansion thanks to our firm foothold in European markets.

Opportunistic inorganic growth while maintaining a prudent financial policy & solid liquid position

Thanks to our healthy balance sheet, we have the option for opportunistic M&A on accretive bolt-on, and licensing deals, reinforcing our core business and key franchises and bringing critical mass to further leverage our fixed cost base. We will proceed always with a prudent financial approach to leverage and liquidity.

Income statement

€ Million	YTD 2021	YTD 2020	% Chg YoY
Total Revenues	836.5	814.5	2.7%
Net Sales	827.2	807.4	2.5%
Other Income	9.3	7.1	31.0%
Cost of Goods	(255.9)	(247.3)	3.5%
Gross Profit	571.3	560.1	2.0%
% of sales	69.1%	69.4%	-
R&D	(73.6)	(78.9)	(6.7%)
% of sales	(8.9%)	(9.8%)	-
SG&A	(392.8)	(370.2)	6.1%
% of sales	(47.5%)	(45.9%)	-
SG&A w/o Amort. & Dep.	(288.1)	(262.8)	9.6%
% of sales	(34.8%)	(32.5%)	-
SG&A Amort. & Dep.	(104.7)	(107.4)	(2.5%)
Other Op. Exp	1.5	(2.9)	(151.7%)
EBIT	115.7	115.2	0.4%
% of sales	14.0%	14.3%	-
Amort. & Dep.	119.9	123.1	(2.6%)
% of sales	14.5%	15.2%	-
EBITDA	235.6	238.3	(1.1%)
% of sales	28.5%	29.5%	-
Gains on sale of assets	(1.2)	(0.6)	100%
Other costs	(0.6)	(4.9)	(87.8%)
Restructuring costs	(4.3)	(1.2)	n.m
Impairment reversals / (losses)	(103.5)	(16.2)	n.m.
Net financial income / (expenses)	(16.9)	(12.3)	37.4%
Exchange rate differences	1.7	(0.7)	n.m
Profit before tax	(9.1)	79.3	(111.5%)
Corporate income tax	(31.8)	(5.0)	n.m
Net Income	(40.9)	74.3	(155.0%)
Normalised Net Income	81.4	95.1	(14.4%)

Balance sheet

€ Million	Dec 2021	Dec 2020	Variation
Goodwill	316.0	316.0	-
Intangible assets	936.0	1,028.9	(92.9)
Property, plant and equipment	117.4	113.4	4.0
Financial assets	80.5	86.5	(6.0)
Other non-current assets	192.5	256.5	(64.0)
Total Non-Current Assets	1,642.4	1,801.3	(158.9)
Inventories	118.6	130.2	(11.6)
Accounts receivable	127.7	111.3	16.4
Other current assets	45.6	82.6	(37.0)
Cash & cash equivalents	207.4	165.7	41.7
Total Current Assets	499.3	489.8	9.5
Total Assets	2,141.7	2,291.1	(149.4)
Shareholders Equity	1,286.0	1,303.0	(17.0)
Financial debt	372.0	472.6	(100.6)
Non-current liabilities	215.8	289.2	(73.4)
Current liabilities	267.9	226.3	41.6
Total Equity and Liabilities	2,141.7	2,291.1	(149.4)

Net Debt Position	Dec 2021	Dec 2020	Variation
Cash and cash equivalents	(207.4)	(165.7)	(41.7)
Financial debt	372.0	472.6	(100.6)
Pension plans	77.9	85.6	(7.7)
Net Debt / (Cash)	242.5	392.5	(150.0)

The key figures of the Group's Balance Sheet as of December 31, 2021:

Decrease in intangible assets relating to depreciation and impairment of Seysara® and US legacy, partly offset by milestones of Klisyri®, Wyzora®, and Ilumetri®.

Decrease in financial debt related to the repayment of the convertible bond (€250 MM) and the bank loan (€150 MM), offset by the new High Yield Bond issued (€300 MM).

Good liquidity and leverage at 1.0x Net Debt/EBITDA.

The Company generated solid operating cash flow in 2021, reaching €233.8 MM. The positive performance of the business was underpinned by a positive change in working capital and a positive impact of the Corporate Income Tax-related cash flow, mainly boosted by refund collections from 2020 and 2021 in Spain.

Cash Flow

€ Million	FY 2021	FY 2020
Profit Before Tax	(9.1)	79.2
Depreciation and amortisation	119.9	123.1
Impairment (reversals) / losses	103.5	16.3
Change in working capital	5.8	(32.6)
Other adjustments	(9.8)	(46.6)
CIT Cash Flow	23.5	(26.3)
Cash Flow from Operating Activities (I)	233.8	113.1
Interest Collections	-	1.1
Ordinary Capex	(31.5)	(25.7)
Investments	(39.9)	(51.4)
Divestments	14.2	52.4
Cash Flow from Investing Activities (II)	(57.2)	(23.6)
Interest payment	(6.1)	(6.5)
Dividend payment	(11.7)	(2.1)
Debt increase/ (decrease) and Others	(117.1)	(32.6)
Cash Flow from Financing Activities	(134.9)	(41.2)
Cash Flow generated during the period	41.7	48.3
Free Cash Flow (III) = (I) + (II)	176.6	89.5

Stock performance and shareholders

Almirall's share price closed up +3.5% on 31.12.2021 at €11.30 from €10.92 on 31.12.2020, with the total market capitalisation reaching €2,031 MM by year end.

The increase in Almirall's market share value in 2021 was indicative of the current recovery pattern shown after the adverse impact of the Covid-19 pandemic. We achieved several significant strategic milestones in Medical Dermatology both in product launches, rollouts and late-stage pipeline.

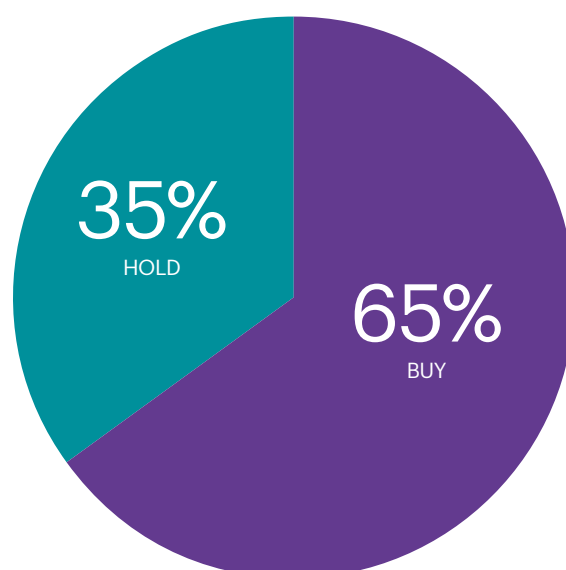
Almirall share price in 2021. Main indicators	
Year closing (€)	11.30
Highest intraday level (€)	15.35
Lowest intraday level (€)	10.26
Annual volume (number of shares)	97,641,733
Average daily volume (number of shares)	381,413
Actual annual volume (€)	1,237,154,966
Daily average volume (€)	4,832,637
Trading days	256
Number of shares	179,776,802
Free Float	35%
Market Capitalisation (€ Dec 31 st 2021)	2,031,477,863

Consensus rating as of 31st December 2021

Average target price

31st December 2021

€14.54 per share



Comparison of Almirall share price vs IBEX 35 between 2007-2020



Source: Bloomberg. Figures have been rebased to 100 at May 2007.

Almirall share price performance

Month	Shares volume	Value	Trading days	Highest price	Date	Lowest price	Date	Average monthly price	Closing price	Date
January	7,147,324	82,824,954.30	20	12.2200	20-01	11.0000	4-01	11.5859	11.2800	29-01
February	11,409,878	128,384,532.46	20	12.2000	22-02	10.6400	12-02	11.2504	11.0500	26-02
March	11,036,408	133,718,595.57	23	13.4500	30-03	11.0400	3-03	12.1136	12.9300	31-03
April	7,411,824	94,404,617.02	20	13.2200	30-04	12.2800	12-04	12.7392	13.0600	30-04
May	8,053,172	111,670,779.61	21	14.6500	12-05	12.6300	4-05	13.8642	14.0300	31-05
June	5,531,904	81,085,903.49	22	15.1200	11-06	14.0000	1-06	14.6609	14.7100	30-06
July	8,545,585	121,198,065.36	22	15.3500	21-07	12.9500	27-07	14.1826	13.3700	30-07
August	7,179,306	101,052,677.48	22	14.9600	16-08	13.3000	2-08	14.0763	14.3800	31-08
September	6,683,690	95,293,456.27	22	14.8300	8-09	13.1200	29-09	14.2602	13.7200	30-09
October	6,199,737	80,195,651.32	21	13.8300	1-10	12.2400	12-10	12.9240	12.8500	29-10
November	11,422,502	130,833,333.54	22	13.2900	2-11	10.2600	23-11	11.4551	10.7400	30-11
December	7,020,403	76,492,399.85	21	11.4000	28-12	10.3600	3-12	10.8930	11.3000	30-12
TOTAL	97,641,733	1,237,154,966.27	256	15.3500	21-07	10.2600	23-11	12.6692	11.3000	30-12

Annual General Meeting: Shareholders and Proxy Advisors

At Almirall, our strong commitment to transparency and corporate governance is reflected by the company's emphasis on compliance and effective stewardship.

We, therefore actively engage with leading proxy advisors offering voting recommendation services to institutional shareholders. Such recommendations provide an independent view on both the company's transparency and corporate governance.

In 2021, in line with this commitment, Almirall engaged both Glass Lewis & Co and Institutional Shareholder Services, Inc (ISS).

Share capital and dividends

The 2021 Ordinary General Shareholders' Meeting was held on the 7th of May 2021. The dividend was approved, and the payment of € 0.19/share was made in June 2021. An additional Extraordinary Shareholders' Meeting was held on the 18th of June 2021 and certain changes related to the Board of Directors composition, Company Bylaws and Shareholder Meetings regulations, among others, were approved.

During September 2021, Almirall simplified its financial structure by issuing 2.125 % senior notes in an aggregate principal amount of €300 MM due 2026. The proceeds were used to repay in full and cancel the company's €250 MM aggregate principal amount of 0.250% senior unsecured convertible bonds due on the 14th of December, 2021, including accrued and unpaid interest; and to pay transaction fees and expenses. Additionally, given the significant liquidity position, the €150 MM bank loan was repaid in Q3 2021.

According to Standard & Poor's and Moody's, below are the credit ratings for Almirall at the end of 2021: Standard & Poor's BB-, outlook stable; Moody's Ba3 outlook stable. No relevant changes occurred during 2021.

Agency	Rating	Outlook
Standard & Poor's	BB-	Stable
Moody's	Ba3	Stable

Shareholders

The following table details the information in the 2021 Annual Corporate Governance Report, at December 31, 2021, regarding the majority Almirall S.A. shareholders, both direct or indirect, holding shares over 3%.

Name or company name of direct shareholders	Number of shares (MM) Dec 31st 2021	Shareholding in Almirall (%)
Grupo Plafin S.A.	73.51	40.89%
Grupo Corporativo Landon S.L.	33.78	18.79%
Wellington Management Group LLP	9.08	5.05%

Almirall's commitment to transparency and corporate governance is reflected by the company's emphasis on compliance and effective stewardship. In 2021, the proposals of the Annual General Meeting achieved majority proxy approval recommendations.

Total Tax Contribution (TTC)

The fundamental objective of Almirall's tax strategy is to guarantee strict compliance with applicable tax regulations and to secure adequate supervision of the tax policy carried out by its subsidiaries in all the territories in which it operates (Spain, Germany, US, Italy, Switzerland, France, Austria, Luxembourg, Portugal, United Kingdom, Denmark, Sweden, Netherlands, Belgium, Poland, and China) through seeking maximum legal security, contributing to the compliance of the business strategy in the short, medium and long term, and by maintaining a position of collaboration and transparency with all the respective Tax Authorities.

In May 2014, Almirall's Board of Directors agreed to adhere to the Code of Good Tax Practices, which includes a series of recommendations aimed at achieving the application of the tax system through cooperation between the tax administration and companies. This adherence is aligned with the principles and guidelines for action in tax matters established in Almirall's tax strategy.

Almirall, furthermore, is sensitive and aware of its responsibility to the economic development of the territories in which it operates, contributing to the creation of economic value through the payment of taxes.

The Total Tax Contribution measures the total impact represented by the payment of taxes by a company. This assessment is made from the point of view of the total contribution of taxes paid directly or indirectly to the different administrations as a result of the company's economic activity.

We distinguish between taxes that represent a cost to Almirall and the taxes we collect:

Taxes borne are those taxes that Almirall has paid to the Administrations of the different States in which it operates. These taxes are those that have entailed an effective cost for Almirall, such as Corporate Income tax.

Taxes collected are those that have been paid as a result of Almirall's economic activity, without entailing a cost for the company apart from its own management costs.

In accordance with the methodology proposed by the OECD in the calculation of the Total Tax Contribution on a cash basis accounting, Almirall's Total Tax Contribution in 2021 was 80,041 thousand euros (107,425 in 2020).

Total tax contribution in 2021 (in thousand euros)

	31 December 2021			31 December 2020		
	Taxes borne ⁽¹⁾	Taxes collected ⁽²⁾	Total	Taxes borne ⁽¹⁾	Taxes collected ⁽²⁾	Total
EU-4 ⁽³⁾	12,773	60,889	73,662	38,993	54,062	93,054
Rest of Europe	6,712	12,642	19,353	5,492	7,812	13,303
US	(16,896)	3,872	(13,024)	(1,680)	2,732	1,052
Remaining countries	14	36	50	15	1	16
Total	2,603	77,439	80,041	42,820	64,607	107,425

(1) Includes taxes that are an effective cost to the company (ie. corporate income tax, local taxes, other diverse taxes, and employer's social security contributions).

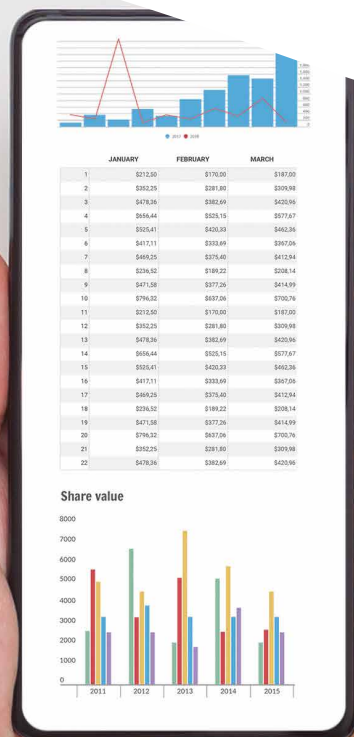
(2) Includes taxes which do not affect company results, but are either collected by Almirall on behalf of the tax authorities or are paid on behalf of third parties (i.e. includes net value-added tax, withholdings for employees, and third parties and social security contributions payable by the employee).

(3) EU-4 includes Spain, Germany, Italy, and France.

In 2021, taxes borne for Total Tax Contribution purposes represent -6.4% of the Almirall Group's Net Profit.

The Total Tax Contribution ratio was negative due to the Group's accounting losses in 2021. Despite this, taxes borne amounted to a total of EUR 2,603 thousand.

In addition, this figure includes significant extraordinary refunds which have significantly reduced the amount of taxes borne for 2021, specifically: (i) Spain: The refund of corporate income tax for two years, 2019 and 2020, and (ii) United States: The refund of corporate income tax paid in 2014 and 2016, as a result of the offset of losses generated in 2019 and 2020. This compensation was made by virtue of the extraordinary measures implemented by the US federal government to mitigate the crisis generated by Covid-19.





Research & Development

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Innovation that transforms patients' lives

From making breakthroughs in R&D to implementing the latest digital and technical revolutions, innovation is embedded in everything we do. By embracing this power to innovate, we stand out as a global leader in Medical Dermatology.

Our Noble Purpose encourages us to deliver world-class solutions that make a meaningful difference in patients' lives around the world. We develop and grow our pipeline with internal and external innovation by means of our R&D capabilities, our extensive network of collaborators, as well as our Business Development and Licensing activities. We always go that extra step further in order to address the impact skin diseases have on overall wellbeing and quality of life, examining, at all times, the long-term impact of treatments in real-world settings.

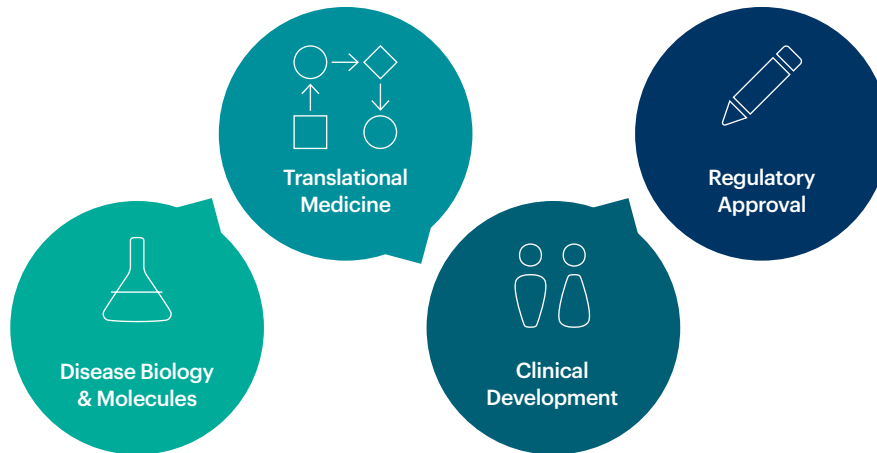
We have devoted our resources and expertise so that we may develop a network that enables our Business Development team to assiduously identify external collaborations and in-licensing opportunities. By doing so we are able to leverage and complement our internal capabilities and research. Additionally, we have fostered our own innovation platforms, such as **AlmirallShare** and **SHINE**, creating, in turn, an agile environment that precisely targets those collaborations most strategically suited to our business goals. These partners incorporate a wide range of organisations (encompassing academic research groups, public-private consortia, healthcare professionals, and patient advocacy groups) that provide us with access to cutting edge skills, latest technologies and meaningful

insights. All of these are vital allies who assist in maximising the value of our R&D and minimising the time required to deliver the right solutions. In 2021, we invested more than 9% of annual net sales in R&D and have built a very strong late-stage pipeline.

In July 2021, our team was reinforced with the appointment of our Chief Scientific Officer, Dr. Karl Ziegelbauer. He has extensive experience in leading large, global R&D organisations, and building innovative portfolios through strategic partnerships with leading academic research institutions or small biotech companies. We have fostered our open innovation R&D platform, AlmirallShare. Launched to establish a new collaboration ecosystem for dermatological research, AlmirallShare calls for proposals to contribute on the identification of new assets in the treatment of dermatological conditions, such as new chemical entities, biologics, and other advanced therapies for the treatment of dermatological conditions. It has become a key tool for establishing successful strategic partnerships and as a result, we have many highly interesting collaborative projects underway.

Our digital readiness and prior investments have allowed us to quickly transform our ways of working and embrace digital technology. Throughout the Covid-19 crisis, our teams have proven their ability to shift gears and adapt, allowing us to maintain good lines of communication, both inside the company and with key partners, healthcare providers, and patients.

Our capabilities cover every stage of the R&D value chain



9%

% R&D over Net Sales



240

employees R&D



14%

of our workforce

Major Medical Dermatology indications

Our R&D pipeline drives future value through innovation and differentiated therapies, and furthers research into immune-inflammatory diseases, such as atopic dermatitis or hidradenitis suppurativa.

In addition to this, we are steadily developing our expertise in non-melanoma skin cancer diseases, such as basal cell carcinoma, squamous cell carcinoma, or precancerous actinic keratosis, and have already started exploring R&D opportunities in this field. We are also seizing opportunities to treat rare, underserved skin conditions that impact patients' quality of life.

Thanks to our significant R&D experience, which dates back more than 60 years, we have been able to target innovation with different treatment modalities, in particular new chemical entities (NCEs) and new biologic entities (NBEs), with the support of external collaborations that enable us to identify and develop therapies with transformative potential.

Our therapeutic focus



Immune-inflammatory skin diseases

atopic dermatitis
hidradenitis suppurativa
alopecia areata
psoriasis
vitiligo

Rare skin diseases

autoimmune bullous diseases
epidermolysis bullosa
ichthyosis
palmoplantar pustulosis

Non-melanoma skin cancer

actinic keratosis
basal cell carcinoma
squamous cell carcinoma

R&D capabilities

Main R&D milestones in 2021

Positive top-line results of three Phase III trials for lebrikizumab: Adhere, ADvocate1&2 in collaboration with Eli Lilly

Initiation of a Phase III programme for sarecycline in China

Licensing agreement with Ichnos Sciences for a first-in-class anti-IL-1RAP monoclonal antibody

Almirall joins BIOMAP, a European research project from the Innovative Medicines Initiative (IMI) focused on inflammatory skin conditions

Agreement with Tyriss Therapeutics on next-generation gene therapies

Promising progress in our collaboration with the University of Dundee

Pipeline and drug development

At Almirall, we have the capabilities and experience to drive novel therapies through all phases of research and development. Our early-stage pipeline was strengthened in 2021 by exciting new strategic agreements signed with Tyriss Therapeutics and Ichnos Sciences.

In February, we entered into a strategic partnership with **Tyriss Therapeutics** to develop next generation gene therapies. In 2021, the European gene therapy market generated \$2.9 billion in revenue. The global market is expected to grow considerably over the next eight years, with an estimated CAGR of 30%. This move, therefore, will strengthen our portfolio as we enter a market with a growing yearly demand for ground-breaking medical solutions.

In December, we entered into an exclusive licensing agreement with Ichnos Sciences for an anti-IL-1RAP (Interleukin 1 Receptor Accessory Protein) monoclonal antibody, called ALM27134 (previously known as ISB880). Our exclusive global rights to develop and commercialise ALM27134 for use in autoimmune disease allow us to play an integral part in meeting increasing demands. ALM27134 is a first-in-class fully human, high affinity monoclonal antibody that targets human IL-1RAP. We believe that ALM27134 has great potential to treat underserved patients across a range of autoimmune dermatological diseases. The Phase I study is expected to be initiated in the first half of 2022.

This year witnessed accelerated growth in the global acne market, which is predicted to grow at a CAGR (compound annual growth rate) of 3.1% progressively and is currently valued at over \$15 billion. As part of our strategy for future expansion of Seysara® (sarecycline) -an oral antibiotic for the treatment of moderate to severe non-nodular acne vulgaris- into China, we have started Phase III clinical trials to prove its efficacy and safety in Chinese patient with the goal to submit an application to the Chinese National Medical Products Administration (NMPA) in 2023.

In July 2021, Kaken Pharmaceutical granted Almirall exclusive European rights to develop and commercialise a topical formulation of efinaconazole in Europe. The active ingredient, a triazole antifungal compound discovered by Kaken Pharmaceutical, is indicated for the treatment of onychomycosis, a fungal infection of the nail. Since it has low binding affinity with keratin, the main component of nails, it has superior nail-penetrating properties. The product has been marketed in Japan since 2014 under the trade name of Clenafin®. It has also been launched in the United States, Canada, Korea, Taiwan, Hong Kong, and Macau by Kaken's partner companies under the trade name of Jublia®. Almirall plans to submit a new drug application in Europe in the first half of 2022.

Lebrikizumab

Lebrikizumab is a novel, high-affinity anti-IL-13 monoclonal antibody which we develop with our partner Eli Lilly for the treatment of atopic dermatitis. Almirall believes lebrikizumab offers an opportunity to improve efficacy, tolerability, and ease of use for AD patients while demonstrating a favourable safety profile.

In August 2021, we published the top-line week 16 results of two monotherapy Phase III studies, ADvocate 1 and 2. Primary and all key secondary endpoints, including skin clearance and itch improvement, were met at week 16. Lebrikizumab led to significant improvements with at least 75% skin clearance in more than half of people with moderate to severe atopic dermatitis, as measured by EASI (Eczema Area and Severity Index).

In December 2021, we published the top-line results for a topical corticosteroids (TCS) combination Phase III study, called ADhere. The primary and key secondary endpoints were met at Week 16 for patients on the lebrikizumab combination arm. Safety results were consistent with prior lebrikizumab studies in atopic dermatitis.

We will continue to work with our partner Eli Lilly and expect to make submissions to the EMA in 2022.

With a positive long-term outlook, our focus is on developing a portfolio of differentiated products, creating value, and prioritising strategic opportunities to address patients' unmet needs. Our performance and results suggest that we are on track to advance our pipeline and strengthen our leadership position in the Medical Dermatology space.

Building a strong pipeline

Indication	Project	Phase I	Phase II	Phase III	Under registration	Approval	Geography
Psoriasis	Wynzora®						EU
Atopic Dermatitis	Lebrikizumab						EU
Acne	Sarecycline						China
Onychomycosis	Efinaconazole						EU

Collaborations and partnerships

At Almirall, we value the many collaborations and partnerships which we have developed over numerous years. Each year our network of experts grows steadily. We have forged meaningful partnerships with first-class academic and scientific institutions, as well as corporate organisations across the world. These strategic agreements reinforce our ability to explore new concepts and approaches strengthening and accelerating our ability to bring new medical solutions to the market. Over the years, these close collaborations have raised our profile within the scientific community, making us today a recognised and dependable partner.

Tyris Therapeutics

Tyris Therapeutics is a next-generation gene therapy company founded by **Columbus Venture Partners**. Almirall's strategic agreement, signed in Q1 2021, aims to investigate non-viral gene therapies for orphan dermatological conditions. Gene therapy is an extremely important field of research with approximately 80% of rare diseases having a genetic component. By combining Tyris's innovative non-viral-based gene therapy technology and Almirall's leading expertise in Medical Dermatology, the companies aim to develop next-generation gene therapies with transformational potential for the treatment of rare genetic dermatological diseases.¹

BIOMAP

Almirall joined the **BIOMAP** consortium during Q3 2021. This IMI public-private venture includes first-class academic institutions from 13 different countries across the world and will carry out the biggest study yet to identify molecular drivers of inflammatory skin diseases, such as psoriasis and atopic dermatitis. The project aims to uncover biomarkers that will help predict the natural course of the disease and response to therapy. It will explore the underlying causes of both of these diseases, as well as the genetic and environmental factors which influence a patient's illness. The project will last until March 2023. Almirall's active involvement in BIOMAP confirms our commitment to pioneering medical solutions in Dermatology and our excellent relationship with the scientific academic community.



Dundee University

Signed in October 2020, this agreement is a three-year multi-target research collaboration. **Dundee University** is a leading university in Europe for research in Life Sciences. This strategic partnership aims to discover novel drug candidates using Targeted Protein Degradation (TPD) technology. This is a novel therapeutic modality that facilitates the complete degradation of the protein. The ultimate goal of this collaboration is to provide groundbreaking treatment opportunities for patients suffering from skin diseases with high unmet medical needs. The collaboration is an excellent example of Almirall's close collaboration with world-class academic institutions.

Ichnos Sciences

This exclusive licensing agreement with **Ichnos Sciences** was signed in December. New York-based, with laboratories in Switzerland, Ichnos is focused on the discovery and development of breakthrough therapies in oncology. This partnership grants Almirall the global rights to develop and commercialise ALM27134, a first-in-class fully human, high-affinity monoclonal antibody that targets human IL-1RAP. It has the potential to treat a wide range of underserved autoimmune dermatological diseases. Ichnos retains rights for antibodies acting on the IL-1RAP pathway for oncology indications.

Kaken Pharmaceutical Co Ltd.

Kaken Pharmaceutical Co. Ltd. is a Japanese company with extensive R&D experience in fields such as the immune system, nervous system, and infectious diseases. In July 2021, Kaken granted Almirall the exclusive European rights to commercialise and develop efinaconazole. A 14 alpha-demethylase inhibitor, efinaconazole is indicated for the treatment of onychomycosis. Its low binding affinity with keratin allows superior nail penetrating properties and is therefore particularly effective. Available in Japan since 2014 under the trademark Clenafin®, it was subsequently marketed by Kaken's partner companies (trademark Jublia®) in Canada, the US, Korea, Taiwan, Hong Kong, and Macau.

University Carlos III Madrid (UC3M) and the MEDINA Foundation

Almirall's agreement with these two institutions dates from May 2020. The project has been named **TRIDs4DEB**² and it seeks to find new treatments for recessive dystrophic epidermolysis bullosa (RDEB) and other genetic diseases. Dystrophic epidermolysis bullosa is a rare congenital disease caused by genetic alterations. The project is partially funded by the **Centre for Industrial and Technological Development (CDTI)** of the **Spanish Ministry of Science and Innovation**. The **University Carlos III, Madrid** will provide access to expertise on patient-derived cellular models, and the **MEDINA Foundation** will give access to its exclusive library of microbial extracts.

¹ <https://www.efpia.eu/news-events/the-efpia-view/blog-articles/is-gene-therapy-the-beginning-of-a-revolution-in-medicine/>

² TRIDs4DEB – Translational Read-through Inducers for Dystrophic Epidermolysis Bullosa

23andMe

23andMe is a public personal genomics and biotechnology company based in Sunnyvale, CA. Signed at the beginning of 2020, this world-wide-licensing agreement with them has provided Almirall with the rights to develop and commercialise a bi-specific antibody targeting IL-36. A member of the IL-1 super-family of cytokines, IL-36, it is associated with various inflammatory diseases, including some dermatological disorders. This strategic partnership will strengthen Almirall's early-stage research portfolio. Almirall will leverage its expertise in Medical Dermatology to accelerate the pre-clinical development of this antibody with a view to subsequent commercialisation for use in skin disease therapies.

WuXi Biologics

WuXi Biologics is a leading global open-access technology platform company for biologics drug development. Under the partnership signed in 2020, Almirall has been granted access to WuXi Biologics proprietary antibody platforms (includes **WuXiBody™**) to discover multiple novel bispecific antibodies. The combination of WuXi Biologics' proficiency in biologic technologies and Almirall's expertise in dermatology will facilitate the identification of bispecific antibodies as effective next-generation therapies to help patients suffering from dermatological disorders such as atopic dermatitis.

HitGen Ltd







Announced in March 2019, this research collaboration is concentrated on establishing an advanced lead-generation platform for atopic dermatitis using **HitGen's** extensive DNA-encoded library. The library comprises nearly 400 billion compounds. Almirall's strategic partnership focuses on identifying compounds that will react with molecular targets linked with eczema. Under the terms of the agreement, Almirall will provide reagents and material to screen the targets while HitGen will pursue screening, hit ID, confirmation, and early testing against selected targets leveraging its proprietary unique DEL Screening Platform. The agreement with **HitGen Ltd.** reinforces Almirall's commitment to further advancing development in the field of DNA-encoded chemistry to provide novel oral entities for patients with atopic dermatitis.

Eli Lilly

Signed in 2019, with **Dermira** (acquired by **Eli Lilly**) Almirall entered into an option and license agreement that granted Almirall exclusive rights to develop and commercialise lebrikizumab. Lebrikizumab is a novel, investigational monoclonal antibody (mAb) that binds soluble IL-13 with high affinity. It has high bioavailability, a long half-life, and blocks IL-13 signaling. In 2021 the first set of data from Phase III clinical trials were announced. Primary and key secondary endpoints were met in 3 trials (AdVocate 1&2, Adhere), testing lebrikizumab in moderate to severe atopic dermatitis patients either as monotherapy (AdVocate 1&2) or in combination with topical corticosteroid (Adhere). Almirall and Eli Lilly intend to begin EU, US, and other regulatory submissions in the second half of 2022.

Athenex

Almirall's collaboration agreement with **Athenex** was signed during Q4 2017. Athenex is a global biopharmaceutical company dedicated to the discovery and development of novel therapies for cancer. The partnership was dedicated to the development and commercialisation of tirbanibulin (Klisyri®) in the US and Europe. This is a novel microtubule inhibitor, indicated for the topical treatment of actinic keratosis (AK) on the face or scalp. Athenex was responsible for conducting all preclinical and clinical studies. After receiving approval by the FDA in 2020 it was launched in the US. Closely following this, after four years of close collaboration, Almirall and Athenex were extremely pleased to announce during Q2 2021, the EU Commission's approval of Klisyri® for the topical treatment of AK on the face or scalp in adults.

	Research Projects	Early Development	Full Development	Registration
Small Molecules				
Biologics				
Gene Therapy				

AlmirallShare: Being at the heart of research

At Almirall, we are committed to maximising our scientific knowledge through both in-house excellence as well as expert partnerships. By encouraging global mindshare, we know that we can unlock potential and drive the development of novel dermatological medical solutions.

In 2017, we launched our open innovation platform, **AlmirallShare**. This platform facilitates partnering opportunities for new assets and accelerates the generation of new treatments. Each year, by means of calls for proposals, published online (sharedinnovation.almirall.com), potential partners (individual scientists, academic groups, biopharma companies) are invited to address specific challenges strategic to our business.

AlmirallShare's online accessibility nurtures international dialogue and inspires scientific creativity. Submitted proposals may be eligible for advanced research or preclinical development collaborations, research grants, and further asset characterisation on key dermatological assays.

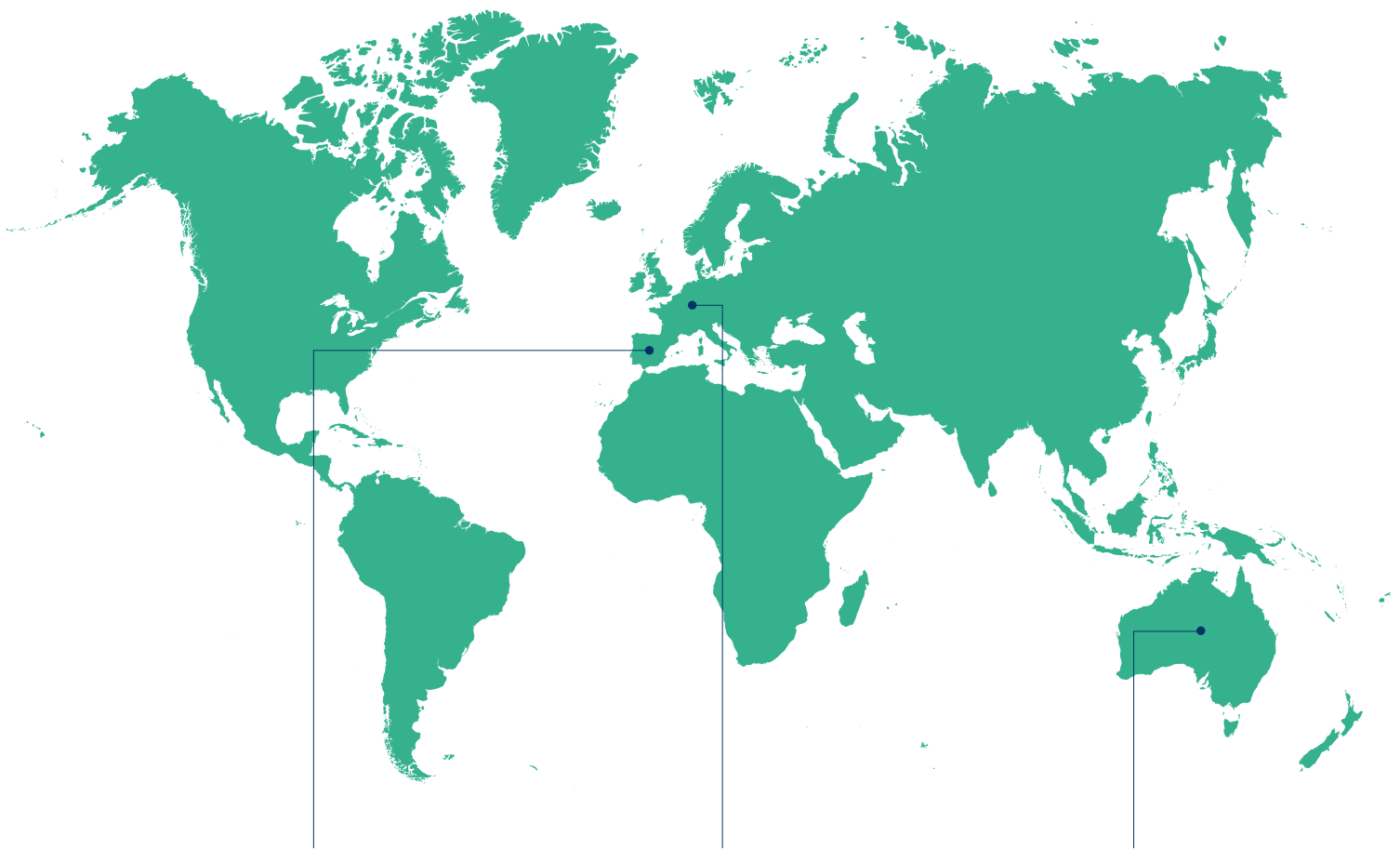
Since its launch 5 years ago, AlmirallShare has attracted more than 1,100 scientists and has received 560 proposals from as many as 54 countries. The platform has enabled us to forge unique and valuable collaborations with scientists, universities, public and private institutions, hospitals, and biotechnology companies alike. Some of these initial collaborations have led to long-term relationships, such as the collaboration with Sant Pau Hospital, in Barcelona. Thanks to AlmirallShare, we have been able to gain increasing recognition from the scientific community, raising our profile as a trusted partner for future collaborations.

In July we started our 6th call for proposals. Our focus this year has been the identification of new assets for the treatment of immune-inflammatory skin diseases, rare skin diseases, and dermatological indications.

We have to date 8 collaborative projects with 7 institutions. These include collaborations for new therapies (**IDIBAPS, University of Turin, University of South Australia, Hospital de la Santa Creu i Sant Pau**), new targets (**Dublin City University, University of Namur**), and new preclinical models (**University College Dublin, University of Sheffield**).

Our wish to encourage scientific creativity and bring people and cultures together is one of our strengths. In a globalised fast-moving world, harnessing scientific creativity through collaboration accelerates progression and encourages new ways of thinking. **AlmirallShare** provides this. It is a powerful channel for scientific exchange and cross-functional collaboration across the continents. Each year we build on our international scientific process through collaborative initiatives, fuelling our ability to consistently break barriers, innovate and pioneer solutions in Medical Dermatology for our patients. This, along with our solid track record as a partner and international presence, are part of the foundations of AlmirallShare's growing success.

Academic collaborations



Spain

IDIBAPS (Instituto de Investigaciones Biomédicas August Pi i Sunyer)

Hospital de la Santa Creu i Sant Pau

Europe

Charles Institute

Dublin City University

University of Namur

University of Turin

University of Sheffield

Australia

University of South Australia



Almirall SHINE. Driving sustainable innovation

At the beginning of 2021, we launched SHINE, a research-driven initiative aiming to boost dermatology innovation by promoting collaborations with centres of excellence worldwide. This initiative will also facilitate a deeper understanding of dermatological diseases, access to new technologies, and the discovery of innovative therapeutic approaches. SHINE demonstrates Almirall's commitment to scientific excellence and collaboration with the scientific community to provide potential new solutions in key therapeutic areas. The initiative will create substantial value for Almirall by enriching the R&D portfolio with innovative projects and indication expansion, increasing the quality and speed of R&D execution.

Over the past ten years, the benefits of academic-industry partnerships have been steadily recognised. A highly valuable interface, the advantages are particularly notable in scientific research and discovery. At Almirall, our close bonds with academia are far from new. Powered by our sense of purpose and our commitment to scientific excellence, we have already forged partnerships with both universities and academic institutions across the world. The SHINE initiative will strengthen and widen these ties and expand our expertise and knowledge in Medical Dermatology. It will also boost our ability to provide new solutions in key therapeutic areas.

With 85 currently identified centres of excellence and around 100 medical physician scientists within Europe and the US, this is a powerful means to identify new targets for diseases that currently lack medical solutions. SHINE will not only ensure a wider access to innovative science, facilitate early innovation, and promote synergies with institutions and experts, but it will also provide us with access to patient samples related to immune-inflammatory skin diseases. The initiative will help dynamise discovery and innovation as it brings ideas, expertise, and technology together.

Through SHINE, this year, we have forged three new research collaborations with first-class institutions. These are with the University of Michigan (US), University of Dundee (Scotland), and Goethe Institute of Frankfurt (Germany).



University of Michigan

This partnership with Prof Dr. Johann Gudjonsson as lead investigator focuses on furthering our understanding of **hidradenitis suppurativa**. This chronic skin condition is caused by occlusion of the hair follicle and it affects broad areas of the body such as the axillae, inguinal, anogenital, gluteal and inframammary areas. The dilated hair follicle ruptures, spilling its contents into the dermis and causing an inflammatory response, nodules, abscesses and, in later stages, sinus tract formation and scarring. The disease can often cause patients to be marginalised, suffer from depression, or have impaired vision of their body image. Widely unrecognised by the general public, there is to date no effective treatment or cure for this disease.

Dundee University

This research collaboration is headed by Dundee University Medical School's Senior lecturer **Dr. John Foerster**. The objective of this partnership is to develop innovative differentiated treatment approaches for dermatological diseases. The collaboration will utilise a novel platform that aims to fully control itch by means of a prolonged and deep therapeutic effect for patients. The initiative will leverage a proprietary immune-based treatment for chronic inflammatory conditions such as prurigo nodularis (PN). Presently the available treatments for such diseases are insufficient.

Goethe University Frankfurt

Dr. Andreas Pinter, Senior Physician in Clinical Research in the Department of Dermatology, Venereology, and Allergology at the Goethe University Frankfurt leads this collaboration with us. The research focuses on **hidradenitis suppurativa**. Investigating the differences between severe and moderate disease stages of this disease, the project aims to understand the evolution of this condition better and find solutions to treat its progression.

Facilities and innovation centres

Innovation centre

Our teams drive innovation. Our R&D organisation has 240 highly qualified employees based primarily in Europe and in the US. We have an R&D centre in Europe, in Sant Feliu de Llobregat (Barcelona), Spain.

The R&D center in Sant Feliu was inaugurated in 2006. Equipped with the latest technology, this centre oversees all phases of the R&D process, from pre-clinical to Phase III trials.

Our strategic infrastructure investments and acquisitions have strongly positioned Almirall to advance our pipeline and succeed in discovering, developing, launching, and manufacturing breakthrough treatments in Medical Dermatology that make a difference in patients' lives.

Facilities

While our head office is in Barcelona, Spain, we have a presence in over 70 countries. We have a diverse, committed, and highly skilled workforce and over 13 global affiliates that are strategically located all over Europe and the US.

Our therapies are produced in accordance with the strictest standards and international regulations, both at our internal site network (two chemical plants in Sant Celoni and Sant Andreu de la Barca, Spain, and two pharmaceutical plants, in Sant Andreu de la Barca, Spain, and Reinbek, Germany) and our external network of manufacturers. Close to 100 million units of Almirall products were safely and efficiently manufactured in 2021 in our manufacturing network, and our facilities are fully prepared to support all future launches and R&D needs. We were pleased to announce in June 2021 the FDA's approval for the production of Seysara® (Sarecycline), an oral antibiotic for the treatment of moderate to severe non-nodular acne vulgaris, at our Sant Andreu de la Barca (Barcelona) plant.

Headquarters	R&D Centres	Chemical Plants	Pharmaceutical Plants
Barcelona, Spain	Sant Feliu de Llobregat, Barcelona, Spain	Sant Celoni, Barcelona, Spain Sant Andreu de la Barca, Barcelona, Spain	Sant Andreu de la Barca, Barcelona, Spain Reinbek, Germany



Interview with

Dr. Karl Ziegelbauer, Chief Scientific Officer

“Our R&D objective is to provide solutions for our patients and address their unmet needs”

Almirall has embarked on a journey to become a leader in Medical Dermatology. How would you define a leader?

Being considered a leader in the field of Medical Dermatology arises from a series of factors. Without a doubt, first and foremost it is the ability to provide the right products to make that real difference to patients' lives. This is our main mission and clearly, that's why we are here. However, leading the way is more than simply developing the right products. It is also about recognising the importance of growing a broad portfolio incorporating different compounds and products to treat the many facets of each type of skin disease. For example, if we look at patients suffering from psoriasis, Almirall is able to offer oral, topical, and injectable treatments. This puts us at a clear advantage as we can provide a comprehensive range of products to patients according to the severity of their disease or their individual preferences. We are, therefore, in a very strong, leading position here. However, the ability to lead in the field is a lot more than a broad product portfolio and an effective R&D organisation. Being a leader is also about maintaining high standards and being recognised as such by the scientific community and other stakeholders.

What is Almirall's R&D strategy to achieve this?

Our R&D strategy reflects the very same axes I have just described. The principal objective is to provide solutions for our patients and address their unmet needs. We, therefore, emphasise the importance of a strong, highly qualified R&D team capable of delivering innovation for patients. Our promising late-stage pipeline advanced in 2021, with, for example, the successful regulatory approval of Wyzora® and the launch of Klisyri® in Europe. This demonstrates the strength of our team. In addition, the recognition we receive from the scientific community is another important indicator. Their support and knowledge are key to finding new medical solutions, and this is why our strategy embraces open innovation whereby we can leverage partnering opportunities with other institutions and businesses.

Every year we actively grow our partnerships and identify new ones. For example, in 2021 we signed a licensing agreement

with Ichnos for the anti- IL-1RAP monoclonal antibody ALM27134. This is a first-in-class fully human, high-affinity monoclonal antibody that targets human IL-1RAP, a co-receptor of three different cytokines that are hypothesised to be involved in different autoimmune skin diseases. Another example of collaboration would be our initiative SHINE, which will help us reach out to potential academic partners around the world.

In your opinion, what makes Almirall stand out in Medical Dermatology?

We certainly have numerous key capabilities, but I believe there are a few aspects that make us notable. Our focus on Medical Dermatology has meant that we are able to attract talent who wish to work across the value chain in this scientific domain, not only in discovery but also in development and commercially as well. In addition, we have a work ethic whereby we are continually trying to improve. We never rest on our laurels because we know that there is always room for improvement. This is the reason we have excellent talent and expertise. We need to continue in this vein and make it our priority to bring in the best talent in Europe both nationally and internationally.

The nature of pharmaceutical R&D means one always has to focus on a large number of projects to bring one product to the market, due to the high failure rate. How does Almirall R&D address this?

When you start a project, it can take about 10 to 12 years from perhaps an idea to bringing it to the market. It also has a probable success rate of less than 1%. We address this by building a portfolio of projects and, as I already touched upon, by complementing our in-house activities through collaboration with academic partners. They can provide us with novel project ideas with contract research organisations where we can access certain technologies and further develop our molecules. We are constantly reaching out to physician-scientists to explore partnership opportunities even in the early phases. In these first phases, we can

identify ideas about new potential targets. We can then further develop them by, for example, making compounds against those targets in order to explore whether these new hypotheses could be translated into preclinical and eventually clinical development programmes.

Which are the principal diseases targeted which you intend to invest in to deliver innovative solutions in dermatology and why?

In overall terms, it's Medical Dermatology and this is a very wide scope. I would group them into three buckets. The first of these is the immune-related inflammatory diseases such as atopic dermatitis, hidradenitis suppurativa, alopecia areata, psoriasis, and vitiligo. Some of those diseases are already well controlled such as psoriasis, but as yet there is no cure. Others like vitiligo still lack effective and safe treatments. Then we have the second group, which is what is called rare dermatological diseases such as genodermatoses, dermatological diseases with genetic alterations. There are as many as 600 rare skin diseases. Our priority here is how we can potentially address them. An example this year would be our partnership with Tyrus Therapeutics to tackle rare genodermatoses using non-viral gene therapies. The third category are non-melanoma skin cancers. This includes, for example, squamous cell carcinoma and actinic keratosis. Certainly, when you look at this whole spectrum, it's clear that there is still a very high medical need.

Globally, our first guiding principle is that we are looking at the areas where patients have actually no good options. A good example as mentioned is vitiligo. This manifests itself as depigmentations which can dominate large parts of the body. Patients are faced with not only a potentially disfiguring appearance, but also suffer a lot of psychological stress. We focus on these areas because our ambition is to find treatments to control symptoms or even develop curative ones. Scientifically, this is extremely challenging and this is where our portfolio approach is effective as it provides us with a combination of different elements to be able to develop one final successful drug.

You speak about collaboration opportunities. Can you explain the advantages of collaborating with biotechs?

What they bring us is very rich. Small biotechs can provide a fresh angle on things. In every field you have a lot of established hypotheses and some that people think are known and valid. The advantage of a biotech is that based on some new technology, development of some new insights into disease biology, they are not afraid of challenging the paradigm. This challenge can certainly propel new thinking and breakthrough solutions for patients.



Digital Transformation

We believe that digital transformation is pivotal to the pharmaceutical industry's evolution. Our team continues to roll out innovative digital initiatives which address the unique challenges key to value-based healthcare. Indeed, through the use of new systems and insights derived from data, we are able to change how we work, innovate, and create growth opportunities. By transacting with data in a more meaningful way, we can find different areas for our business to grow. Our transformation is powered by our wish to develop ground-breaking medical solutions in order to improve patient lives. Our approach is both pragmatic and creative so that we can harness the vast possibilities digital transformation can offer.

In this sense, we recognise the huge potential meaningful partnerships and joint ventures can provide to tackle current and future challenges in dermatology. In 2019, Ammirall announced the digital health startup accelerator, the **Digital Garden**. This initiative is designed to accelerate our digitalisation process by nurturing and helping grow startups in dermatology focused on innovative based services and solutions across the patient journey. The selected startups are paired with employee mentors who provide them with pharmaceutical industry acumen, boosting them to their next stage of development. The benefits are two-fold as it facilitates, through partnerships, new tech-driven ways to solve specific pharmaceutical challenges, but it also brings us closer to the many potential digital technologies which could facilitate our ability to innovate.

To date, Ammirall has forged partnerships with a number of those start-ups. These are focused on finding new digital solutions to improve patient-HCP communications, leveraging data to help HCP care for their patients as well as developing medication adherence and management initiatives. This year we invited 6 startups from the EU and the US (Legit, Ampersand, Tryl, Athena Tech, PatchAI & Villa Health).

Since its beginnings, the **Digital Garden** has evolved positively, resulting in our **Digital Academy** in 2020. In 2021 we partnered with the ESADE business school to instigate the **entrepreneurial leadership training programme** for our mentors and start-ups to better equip them for the challenges ahead. This direct interaction between our staff members and joint-ventures helps diffuse an entrepreneurial mentality within our teams; promoting, in turn, our internal transformation. To date, over 70 mentors have gone through this academy, which is proving to be a rich source of exchange, encouraging agility, and increased mindshare within their respective teams.

Ampersand

Digital therapies that use data science to improve patients' quality of life.

AIDerm

Artificial intelligence (AI) cognitive tool to empower healthcare practitioners.

Legit

Artificial Intelligence diagnostics and treatment for 139 skin diseases.

Patch Ai

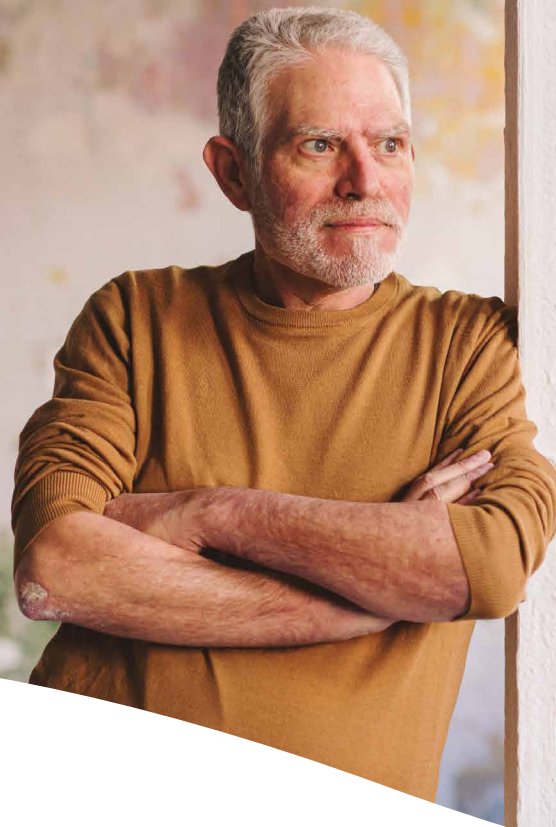
Empathic conversational agent that integrates data from patient's health status.

Tryl

First online platform and mobile application that applies consumer-level user experience (UX).

Vila Health

Cloud-based application that guides the user through highly interactive conversations.



Digitalisation at the service of patients

At Almirall, our digitalisation process is driven by the wealth of opportunities that can be engineered to revolutionise patients' lives today and in the future. In January, we formed a strategic partnership with Happify Health, leader in digital therapeutic solutions (DTx) to improve mental and physical health, resulting in the creation of a digital programme engineered to support psoriasis patients called **Claro**. This programme allows us to strengthen the support network available to these patients and provide them with a means to understand better their own personal experience of this skin disease. It is based on the sciences of cognitive-behavioural therapy (CBT), positive psychology, and mindfulness, and it is designed to accompany patients during the journey of treatment. This year 2021 has seen its launch in the UK and also in Spain in collaboration with the patient's association, Acción Psoriasis.

Our digital transformation extends across the business units. This year we have designed the programme **Digital Natives Almirall (DNA)** to increase internal digital innovation and strengthen team knowledge. DNA provides a means to share best practices, ideas, and obtain funding. It now includes more than 15 projects from 7 countries, including the Virtual Hospital @home. In line with our patient focus, DNA projects selected are those which will have a direct impact on patients, coverage, and HCP engagement.

In terms of R&D, we intend to leverage the many innovations available which will improve research methods, increase the circulation of information and promote progress in Medical Dermatology.

In manufacturing, we are currently using new technologies which will enhance and improve the manufacturing process such as **predictive maintenance (PdM)**. PdM uses data from IoT sensors, AI, and machine learning (ML) to allow constant evaluation of the condition and performance of manufacturing equipment. This technology detects potential weak points in diverse types of machinery therefore helping to avoid disruption of the production line or even complete mechanical failure. With an estimated reduction of maintenance costs by 18-25%, and proven increased productivity, the benefits speak for themselves. Using the output of the advanced analytics done, we are implementing changes in some maintenance routines for sensor calibration. They will be done when data advises is required, reducing machinery disruption.

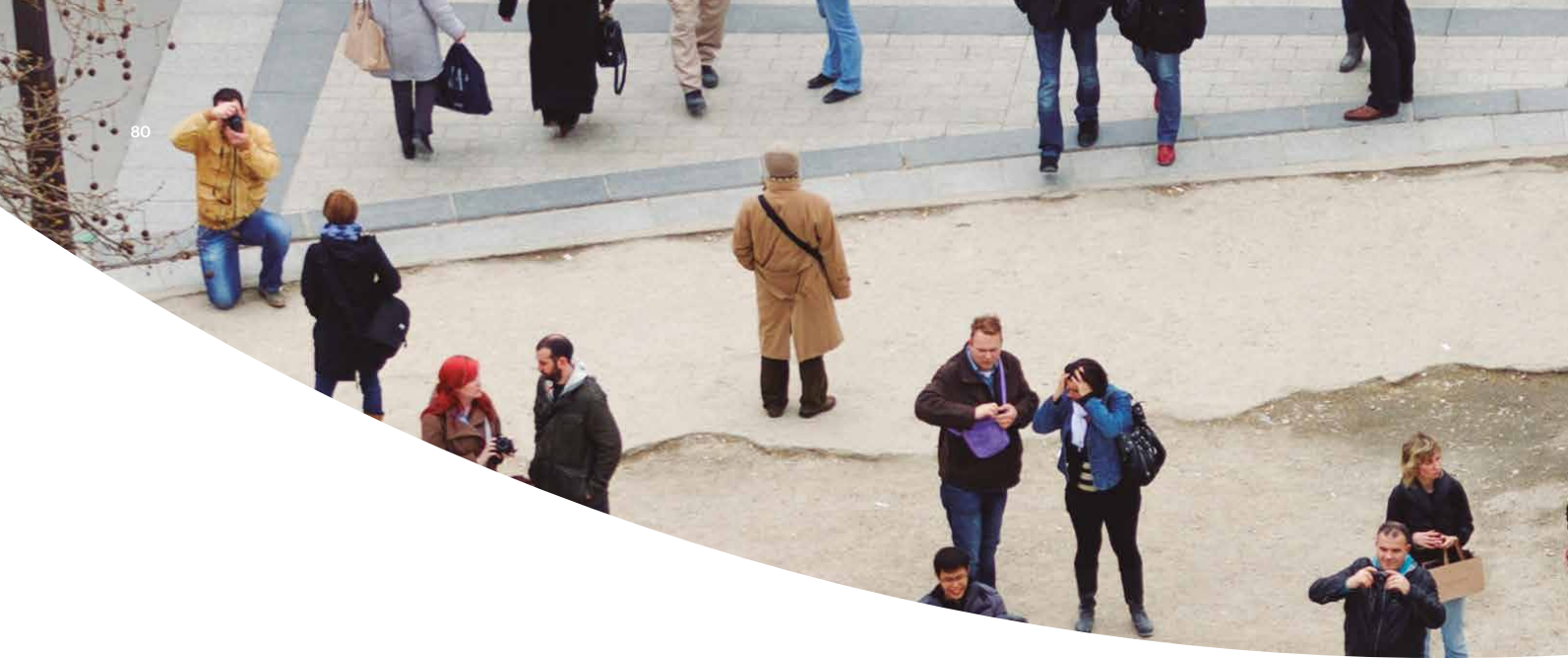
Another example in manufacturing is how we improved FillWeight processes in our Reinbek factory. After analysing more than two years of data we delivered an algorithm that optimises the quantity of bulk product to be included in every bottle we produce, achieving meaningful savings during 2021, and increasing in production. In the US, we finished a machine learning algorithm that predicts the returns we will have in every batch, in order to optimise the returns provision we include in our balance sheet.

At Almirall, our mission is to bring ground-breaking solutions to the patients which will not only positively change their lives but accelerate the development process. By unleashing the vast potential of digital innovation, we can assure positive growth and, in turn, uphold this promise to our patients.



ESG

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Environmental, Social, and Governance

Our approach to ESG

At Almirall, we view sustainability as a commitment to creating economic, social, and environmental value for our stakeholders, so that we may make a significant impact and contribute to the development of a healthy society. Our way of working is based on respect and integrity. These values are intrinsic to our Noble Purpose, which is to build a legacy for future generations by transforming the patient's world, making it a better and healthier place.

Our approach to Environmental, Social, and Governance (ESG) helps us move forward in our purpose. The principles, established within our Policy on Sustainability and approved by the Board of Directors, lay a solid foundation to act with environmental, social, and governance responsibility. The supervision and coordination of all business activity related to ESG and sustainability fall under the auspices of Almirall's CEO, with supervision from the Audit Commission. The CEO proposes the strategic lines and corporate plans regarding ESG, establishes the necessary management and control measures, and reviews programmes and initiatives.

The operational functions are delegated to the ESG Committee, created in 2020. The ESG Committee, composed of a cross-section of management staff, is chaired by the VP of Human Resources (member of the Management Board).

Its Secretary is the Head of Corporate Social Responsibility. The ESG Committee meets on a quarterly basis to oversee and execute the roll-out of our ESG Strategy (2021-2023). It has the following responsibilities:

Reinforce the ESG strategy in the organisation

Endorse key initiatives across functions and follow them up to ensure delivery

Monitor and maintain an inventory of ongoing and completed ESG initiatives

Provide support to the ESG internal and external communication and engagement plans

Guarantee the management of the sustainability and ESG audits and reporting from different stakeholders (authorities, partners, voluntary schemes, etc.)



Our ESG strategy

As a result of an extensive internal and external diagnosis to analyse ESG needs, expectations, and positioning for all of Almirall's stakeholders, a strategy for 2021-2023 was formulated and validated by the Board of Directors in July 2020. During 2021, Almirall progressed in the development and implementation of the ESG Strategy, which includes 15 initiatives that will contribute to the achievement of the United Nations Sustainable Development Goals (SDGs)¹. These have been broken down into four pillars: Environmental, Social, Governance and Management & Communication.

The World Economic Forum, in its Annual Global Risk Report 2021, ranked environmental threats at the top of its list for a sixth year running. In particular, climate action failure was considered the number one risk with potentially the most severe impact over the next decade. In acknowledgement of this, Almirall has developed a comprehensive plan. This focuses on the reduction of its global carbon footprint, the maximisation of our renewable energy, and the reduction of energy consumption across the business model through efficient energy management. Our pledge is to strive continually to identify and mitigate any actions which may adversely impact the environment.

Our commitment to ESG also encompasses the need to respect diversity and equality. With a workforce representing 26 nationalities and near gender equality (53% women vs 47% men), it will identify discrimination and implement actions that will guarantee equality and diversity. We promote personal and professional development through talent initiatives.

With an international presence, our ESG strategy is one with global reach. It has been designed to fight against inequality, social injustice, and poor labour conditions, allowing us to transform lives across the world. We have made it, therefore, our priority to deploy global supply chain risk management to track and control our supply chain accurately as well as assess ESG factors which may contravene our business ethics.

This year saw the revision of our Anti-Bribery and Anti-Corruption Policy guaranteeing a successful, continued evolution in this area. In 2021, we also reviewed and updated our Code of Ethics and it is now directly accessible on our external websites. In December, consistent with our Global Compliance & Privacy strategy, we implemented our new whistleblowing channel, **Speak Up!** This platform will ensure transparency and ethical conduct across the business units. The channel will be available globally for all our internal and external stakeholders with a choice of 60 languages.

We have already started to see the benefits of our ESG strategy. In December 2021 we received an excellent EcoVadis² rating for sustainability performance, obtaining a score that falls in the top 1% of companies within the industry for manufacturing basic pharmaceutical products and pharmaceutical preparations. We were also very pleased to receive a good ESG risk ranking from Morning Star's Sustainalytics³. We received a risk rating of 27.8, which is very positive news.

¹ In 2015, the United Nations implemented 17 Sustainable Development Goals (SDGs) as part of the 2030 Agenda for Sustainable Development. The SDGs call for worldwide action to address the most pressing issues we face as a society – inequality, injustice, poverty and climate change

² EcoVadis is dedicated to providing sustainability and ESG ratings and has evaluated more than 85,000 companies from more than 200 industry sectors

³ Sustainalytics is a leading independent ESG and Corporate Governance research, ratings, and analytics company that gives support to investors globally

Our ESG Plan 2021-2023










SDGs ¹	Initiatives	Main activities in 2021
  	Climate change strategy	<p>Awareness workshops for the Management Board and the ESG Committee.</p> <p>Analysis of the company's management of climate change and its risks and opportunities against TCFD²'s recommendations.</p>
	Carbon footprint and reduction targets	<p>Extension of Scope calculation³ in accordance with the GHG Protocol.</p> <p>Working on the definition of science-based targets aligned with the 1.5°C scenario.</p>
	Energy efficiency management	<p>Electricity consumption in 2021 was down 5% from 2020.</p> <p>The dependence on the company's electricity grid supply was reduced by 1,437 MWh, 5.5% of Almirall's electricity consumption.</p>
  	Corporate social action framework	Mapping exercise of social activities developed for all geographies.
	Supplier risk management & Sustainable procurement	<p>Selection and engagement of suppliers considering CSR criteria.</p> <p>Contract templates updated to include Suppliers Code of Conduct Acceptance & CSR clauses.</p>
	Patient engagement	Expert Taskforce created with cross-functional expertise.
	Diversity, Equity and Inclusion	<p>Definition of Almirall's II Equality Plan 2021-2024 in Spain.</p> <p>Global D&E&I Awareness and bias training.</p>
	Employees engagement in social initiatives	Creation of "Our best present is you", a collaborative space to share and communicate progress and initiatives.
	Occupational health, safety and wellbeing	<p>Bi-monthly wellbeing masterclasses (physical, nutritional, and emotional health).</p> <p>2nd edition of +YOUFeelFit challenge.</p> <p>Flexible working plan: flexible working hours, remote-working policy.</p>



Environment

Social



	Main activities in 2021	Initiatives	SDGs ¹
 Governance	Publication of our updated anti-corruption and anti-bribery policy approved by the Board.	Anti-corruption and anti-bribery policy	
	Update and publication of the Code of Ethics. Launch of the new internal whistleblowing channel, <i>Speak Up!</i>	Code of Ethics and whistleblowing channels	 
	Corporate Risk Map updated to consider medium and long term ESG Risks. ESG Risks included in the Top 15 Corporate Risks include Climate Change and Talent attraction.	ESG risk management	
 Management and communication	New ESG Governance model consolidation. ESG aspects incorporated into the variable remuneration of the Management Board.	ESG governance and dashboards	
	Sustainalytics' ESG Risk Rating of 27.8 Achievement of a B rating in the CDP Climate Change evaluation. Score of 74/100 on EcoVadis' Sustainability and ESG assessment.	External ESG initiatives	 
	Definition and implementation of an internal and external communication plan.	ESG communication	

¹ While we acknowledge that our business impacts all 17 SDGs to varying degrees, we have prioritised those where our contribution is most significant and where Almirall has the greatest capacity for impact and action. Aligned with our Noble Purpose, Good Health and wellbeing (SDG 3) is at the heart of our mission. We have also identified SDG 5, 8, 9, 13, 16 and 17 as priority goals and areas of work

² Taskforce on Climate-related Financial Disclosures

³ Calculation of categories 4, 5, 6, and 9 according to the GHG Protocol

Environment

Working together for a greener future

Climate action

2021 has been defined by unprecedented extreme events. Not only have we suffered the effects of the Covid-19 pandemic, but we have also witnessed multiple extreme weather events that have included an unparalleled heatwave in North America, episodes of severe flooding in Europe, and wildfires across the globe.

At Almirall, we are committed to playing an integral role in the adaptation to and mitigation of climate change. We know that without the corporate world's reactivity, the Paris Agreement goals will be unattainable. The challenge to move forward is significant. It is clear that companies across the world must urgently implement strategies suited to their business model to combat climate change.

We are currently rolling out our environmental strategy. This strategy has been carefully conceived after meticulous study and benchmarking.

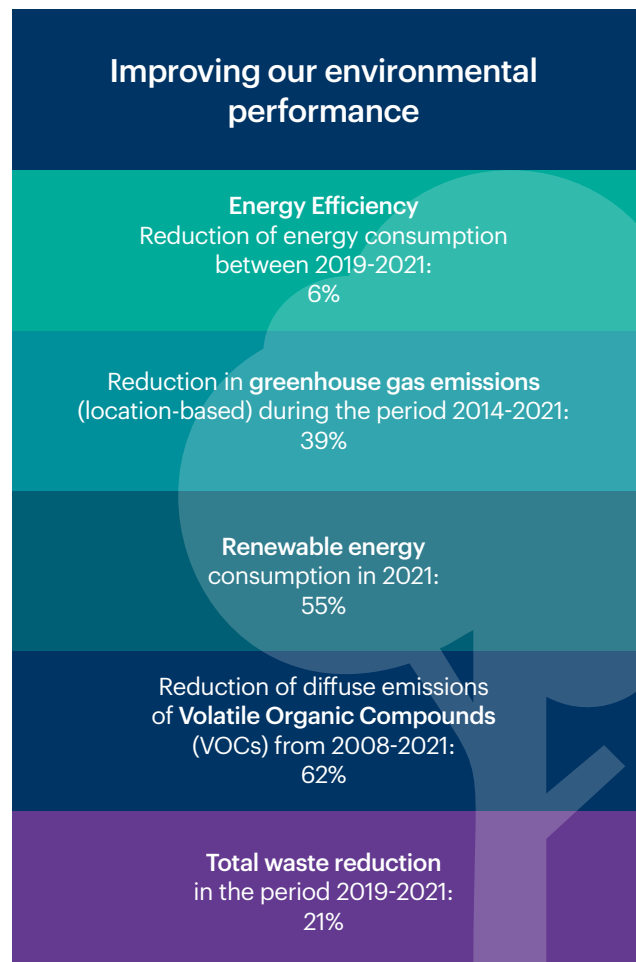
A key action performed during 2021 was the alignment of our climate-related governance, strategy, risk management, and metrics with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As part of this exercise, Almirall has analysed the climate-related risks and opportunities associated with its activities through a Climate Change Risk Analysis. This analysis took into account different time horizons and climate scenarios.

We are committed to addressing greenhouse gas emissions. According to the United Nations, in order to reduce greenhouse gas emissions globally to meet 2030 goals, nations must adhere to an annual reduction rate of 7.6% over the next ten years. At Almirall, with an initial reduction target of 21% by 2025, we have already exceeded our initial goal. We achieved a 39% diminution which we announced in January. We are very satisfied with this result and will continue to work hard towards its further reduction. In 2022 we will work on setting an ambitious science-based target for the medium and long term aligned with the 1.5°C scenario.

A building block of our environmental strategy is the development of our Energy Efficiency Plan. Our "Energy Master Plan" (2012-2025) has identified the key investment areas for the upcoming three years. Besides the efficiency actions identified, the plan also seeks to address renewable energy across all business units. Within this plan, Almirall is committed, not only to the purchase of green energy with Guarantee of Origin (Spain and Germany), but also to self-

generation of renewable energy. We have programmed to increase and expand our current photovoltaic installations on our sites.

Our performance in the fight against climate change has also been recognised by the CDP Climate Change index. Almirall received a B level rating which is in line with the European regional average and the biotech & pharma sector average. The CDP evaluates how companies are incorporating climate change into their business strategy, the ambition level of targets set and which management and mitigating actions are being implemented in relation to climate-related risks and opportunities.



Environmental protection

We work in strict compliance with regulations and obligations. It is our wish to promote sustainable development through the efficient management of natural resources and the protection of the environment. Our strategy addresses the reduction of carbon and greenhouse gasses, guarantees a renewable energy policy across our business model, and promotes energy efficiency through effective management measures. Each year the implementation of this policy undergoes certification according to ISO 14001:2015 and ISO 50001:2018 standards.

We are committed to protecting the environment and biodiversity of the places where we and our suppliers operate. Wastewater discharge, pollutants emissions, and water consumption at operational centres are also being reduced progressively and are below legal limits at all sites. Our waste management practices have been studied in detail to facilitate a system of stringent controls that favour eco-design principles and guarantee responsible waste disposal in accordance with current regulations and best environmental practices.

Circular economy

We have made it our mission to prioritise and implement strategic and effective policies across the business model. Almirall identifies the need to integrate sustainability criteria into the design of its products from the R&D phases to the end of life of the product, including its manufacture and distribution. There are several projects that incorporate the concept of 'eco-design' into their development, as well as sustainable packaging in relation to Almirall's product packaging, with the aim of reducing the environmental impact.

One of the initiatives currently being carried out is the use of cardboard certified by the Forest Stewardship Council (FSC). In 2021, all shipping boxes at the Sant Andreu de la Barca and Reinbek production sites were FSC-certified and the implementation for carton boxes is also ongoing.

We can report positive progress in the implementation of our environmental strategy, and we will continue to design strategies that prioritise climate change reversal. Our commitment and reactivity to the environment is inherent to responsible business, which is already core to our work ethic.

Evolution of energy consumption 2019-2021

Energy consumption (MWh)	2019	2020	2021
Natural Gas	21,741	21,315	21,318
Company electricity	27,142	25,859	24,560
Renewable energy self-produced	1,505	1,524	1,437

Results and emissions reductions achieved

CDP climate change score achieved in 2021	B
Reduction of GHG emissions (location based) compared with 2014	39%

Greenhouse gas emissions 2019-2021

CO ₂ (t)	2019	2020	2021
Scope 1	7,194	6,797	6,910
Scope 2 (market based)	-	-	-
Scope 2 (location based)	7,952	5,977	4,548



Social

Social Responsibility forms one of the three main pillars of every comprehensive ESG strategy. Our firm commitment to working together with respect and integrity is long-standing and our **Social Strategy** reflects this. It has been designed to reinforce and build upon those sound foundations developed over many years.

As a company, we understand the substantial impact we can have on society. The very nature of our business means that our reach is extensive and international. By working closely with our patients, healthcare professionals, partners, peers, suppliers, and other stakeholders, we know we can truly change lives. In doing so, we can be part of building a better and fairer world.

Throughout 2021, we have further consolidated and developed our social strategy to promote mutual respect, honesty, and trust at all levels of our business. We expect this same commitment from our employees, suppliers, and our partners. Nurturing a motivated and happy workforce through the promotion and organisation of both social initiatives and talent development continues to be a priority. Our social strategy is designed to empower us in this mission.

At Almirall, we pledge to transform our patients' lives for the better. We do this, not only through our scientific expertise but also through our privileged understanding of true patient needs. It is because of our close ties with, amongst others, patient organisations (Pos) and patient advocacy groups (PAGs) that we are able to gain such a privileged insight. Our Social Strategy has been formed to further fortify these bonds as we support their initiatives and promote knowledge exchange with them. In doing so, we help guarantee better lives for patients across the world.

We are engaged to ensure social responsibility across the business units and driven by the wish to generate a greater understanding of skin diseases and find medical solutions for our patients. Our very human approach is at the root of who we are.

Collaborations close to our patients' needs

Our special relationship with patient organisations, HCPs, academics, health organisations, and scientific bodies (on both a national and international scale) is something that we have built upon over numerous years. At Almirall, we understand that it is only through having a fuller understanding of the complex nature of skin diseases that Medical Dermatology can progress, innovate, and target solutions to improve patients' lives. Through our exchange of expertise and data, we are able to tailor our focus and address accurately unmet needs in dermatology.

The close synergy we have developed with academic and medical organisations gives us a greater insight into the complexities patients face. Our regular exchange helps us engineer adapted innovative solutions and devise initiatives that will help our patients. In 2021 we worked alongside the **ProPatients Institute** in a study examining hospital pharmacies. Done in synergy with scientists and medical staff based in Madrid, Catalonia, Valencia, and Andalusia (Spain), it looked at the essential role hospital pharmacies play. Taken from the perspective of patients and professionals, this is just one example of several patient perspective projects.

We have experienced a very positive collaborative year which has resulted in signed agreements in industry growth areas such as telepharmacy. Through the use of ICT (Information and Communication Technology), this technology facilitates the provision of pharmaceutical services for underserved areas and also addresses the problem of pharmacy shortages. Other collaborations have included areas such as home delivery medicine and teleassistance.

Our sense of purpose drives our social initiatives. We recognise the significant difference we can make through a deepened understanding of patient concerns and those obstacles that they must face on a daily basis. Our collaboration with HCPs, NGOs and patient associations, therefore, is extremely enriching and rewarding. Amongst our many collaborative projects this year, we saw the continuation of Healthy Habits. In partnership with **Acción Psoriasis**, this initiative seeks to

address psoriasis patients' need for advice and support in terms of their diet, physical activity, and emotional wellbeing. This and many other exchanges provide us with a 360° insight into the complexities patients with skin disease face. This year we have also worked with other entities such as: **International Psoriasis Council (IPC), International League of Dermatological Societies (ILDS), Psoriasis from Gene to Clinic (Psoriasis G2C), International Federation of Psoriasis (IFPA), American Acne and Rosacea Society (AARS), American Academy of Dermatology (AAD), Esclerosis Múltiple España (EME) and Spanish MS regional associations, The Skin Cancer Foundation, France Psoriasis, and French MS associations.**

AMR Fund & Access Accelerated

This year also, we have continued our participation in the **AMR Action Fund** in the fight against antimicrobial resistance. An area of increasing concern on a global scale, it is estimated that antimicrobial resistance (AMR) is responsible annually for 23,000 deaths. The AMR Action Fund aims to bring 2-4 new antibiotics to patients by 2030.

We also work with non-profit organisations to promote activities and services as well as finance projects which will make a real, tangible difference in the lives of people from disadvantaged populations across the world.

Our ongoing collaboration with the **Access Accelerated** programme, which launched in 2017, unites more than 20 biopharmaceutical companies to address the increasing number of non-communicable diseases (NCDs) in low/middle-income countries. The initiative directly addresses the United Nation's sustainable development goals (SDGs) identified in their 2030 Agenda. With a recorded figure of 41 million NCD deaths per year, it is estimated that 78% of such deaths are from low-middle income countries. The United Nations goal by 2030 is to reduce premature mortality caused by NCDs by one-third.



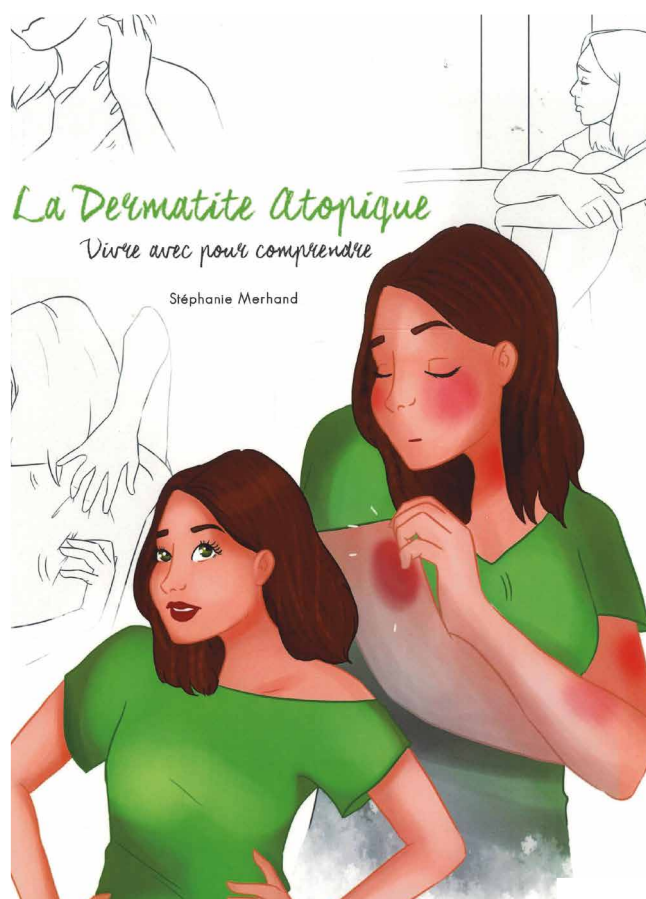
Raising public awareness

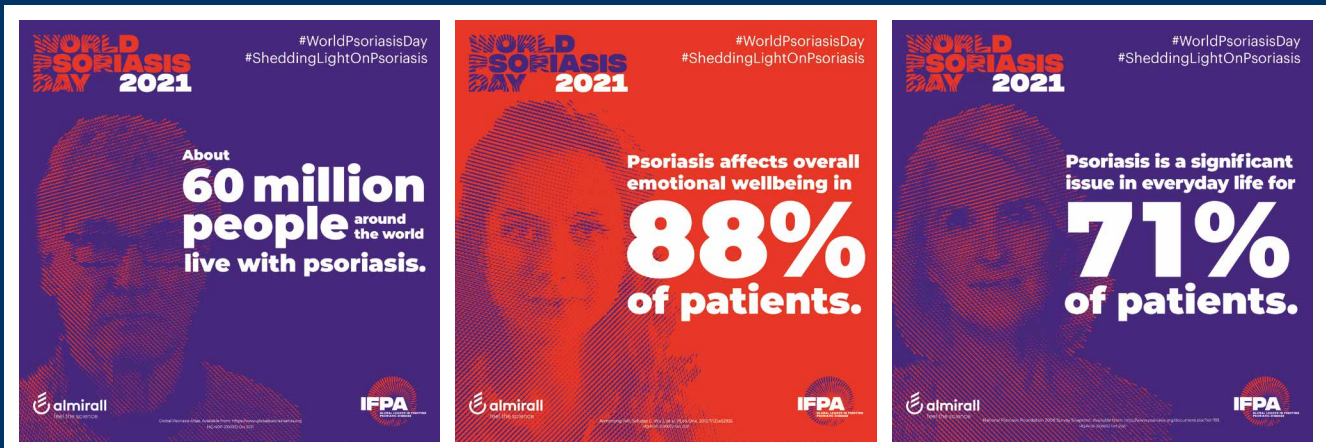
At Almirall, we wish to go that one step further in order to discover and develop solutions for our patients. Raising the general public awareness is a significant area linked with patient improvement. We work actively, therefore, to shine a light on skin disease and promote a wider public understanding of it. This is key to reducing patient isolation and marginalisation symptomatic of their disease and it can also play a significant role in promoting medical advancement.

We regularly organise and collaborate on campaigns designed to raise awareness. In 2021 we partnered with the **Association Française de l'Eczéma** to focus on the perception of atopic dermatitis through the creation of a comic book entitled "**Atopic Dermatitis: Living with it to understand it**". The book, which has been devised to help young adults suffering from this disease, is a first. It recounts those difficult events which patients may encounter during their daily lives and offers them coping mechanisms and solutions. Our partnership will help the association make the book available to as many people as possible, through the association's activities and within the framework of dermatological consultations. Achieving a wider reach will increase awareness of the many complexities young people face when suffering from atopic dermatitis.

With collaborations forged to support and develop a better understanding of patients and patient care in skin disease, we continued our partnerships in the field of multiple sclerosis (MS). MS is one of the most common neurological diseases in Europe. Indeed, recently reported figures demonstrated that the number of people living with MS in Europe has increased considerably over the past four years. Studies indicate an increase in cases of as much as 35% when compared to figures taken in 2017¹. The disease, however, remains widely misunderstood by the general public. This is why we actively participate in **MS awareness campaigns** and organise events such as the virtual **e-MS Experts Summit**. Our collaboration in the **Apple for life campaign** with the Fundación Esclerosis Múltiple (FEM) helped to raise awareness of the 9,000 families living with MS in Catalonia, Spain.

In 2021, with the support of Esclerosis Múltiple España, we launched our awareness campaign "**Hoy Sí Me Puedo Levantar**" ("Today, I can get up"). The campaign, designed to impart to the public a better understanding of MS, was boosted by the reputed Spanish musical band Mecano, who transferred the rights of their song, "Hoy no me puedo levantar" ("Today, I cannot get up"). This generous gesture gave the campaign an emblematic theme song.





Going beyond the physical symptoms

World Psoriasis Day

Every year, on World Psoriasis Day, 29th of October, the **International Federation of Psoriasis Associations (IFPA)** promotes awareness of psoriasis. Almirall was proud to be a sponsor of this year's campaign, the theme of which was **"Uniting for Action"**. There remains a real need for the general public to understand this disease better and fully comprehend how it affects patients' emotional health and wellbeing.

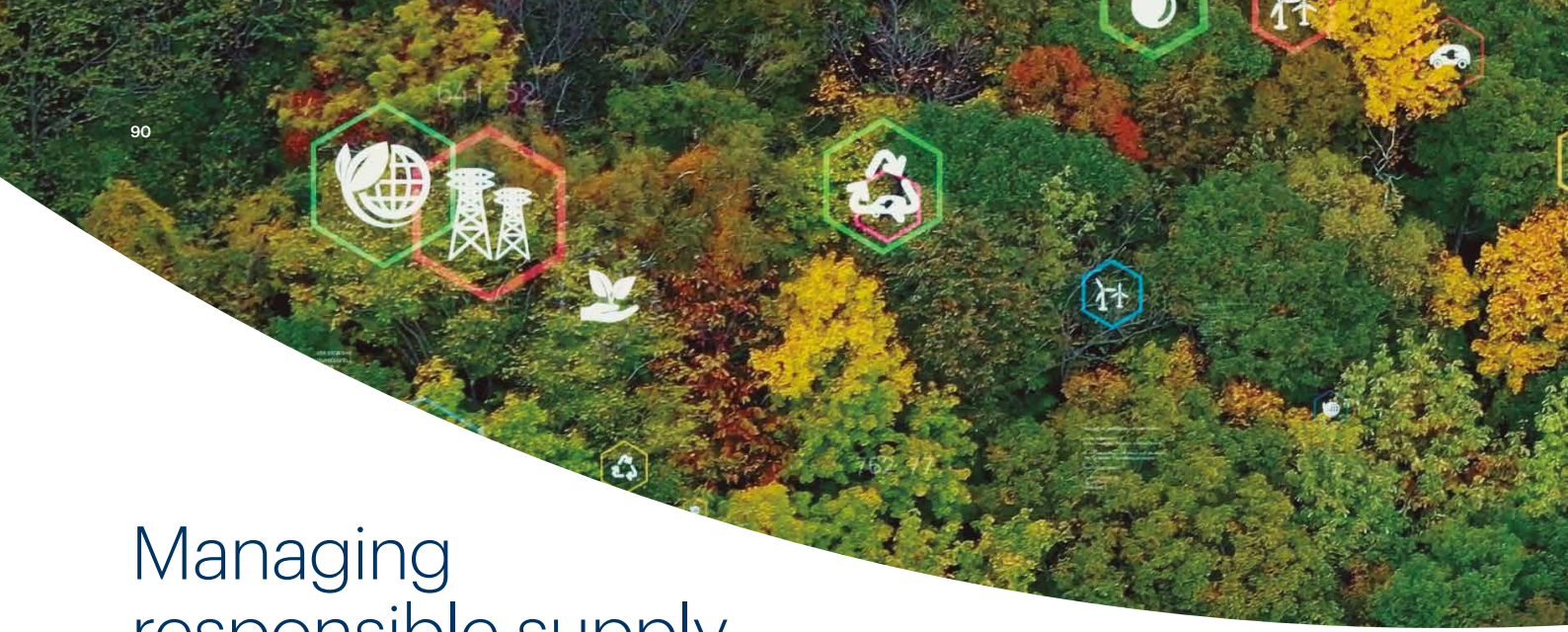
As part of this global event, we launched the campaign **"Shedding Light on Psoriasis"** to raise awareness about the daily challenges people living with this condition face and highlight the importance of considering their overall wellbeing. Psoriasis is one of the world's most prevalent skin diseases, affecting about 60 million people worldwide². Designed to have the most impact possible, we lit the façade of our headquarters in Barcelona to engage passers-by and reach society at large.

Also during the month of October, in partnership with the **Association France Psoriasis**, Almirall supported an in-depth survey which culminated in a webinar. The survey focused on the medical assistance psoriasis patients in France received during the Covid-19 pandemic. The webinar highlighted the findings of the study and it was an opportunity for open questions and discussion. The event raised awareness of the lack of available information surrounding the disease, the inadequate guidance for those seeking medical help, and the tendency for patients to experience late diagnosis. Action plans to address the study findings such as the development of discussion platforms "Cafés pso", the organisation of workshops for patients, and the creation of disease reference centres for psoriasis were proposed.

These and other similar campaigns bring us closer to our patients, helping us gain a better understanding of the challenges they face. At Almirall, engaging fully with our patients' needs drives our pioneering approach to Medical Dermatology.

¹ Dobson, S. (2021, January 19). Increase in MS prevalence in Europe. MS International Federation. <https://www.msif.org/news/2020/06/24/increase-in-ms-prevalence-in-europe/>

² Parisi R, Iskandar I Y K, Kontopantelis E, Augustin M, Griffiths C E M, Ashcroft D M et al. National, regional, and worldwide epidemiology of psoriasis: systematic analysis and modelling study BMJ 2020; 369 :m1590 doi:10.1136/bmj.m1590

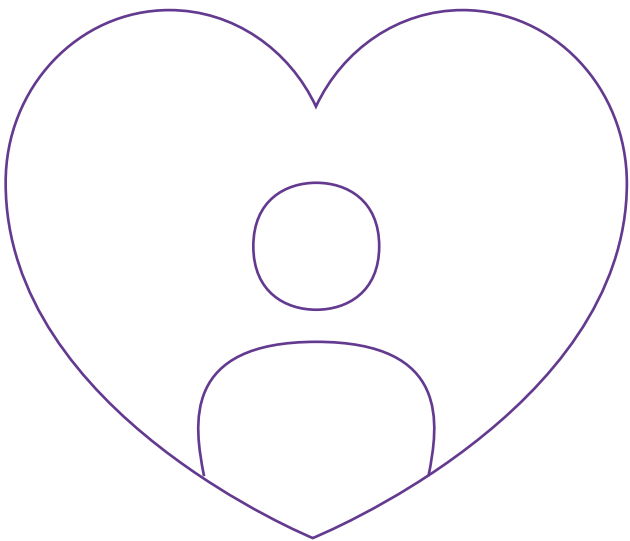


Managing responsible supply chains

At Almirall, we consider our suppliers to be an extension of our own responsibilities and a fundamental factor in the successful fulfilment of our commitments to the health community. That is why we believe that shared values around a sustainable supply chain are the foundation of long-term business relationships.

As part of our ESG plan, therefore, we have identified and initiated policies and processes to ensure that our suppliers are aligned with our Noble Purpose and the standards defined in the **Almirall Suppliers' Code of Conduct**. We also take into account if they consistently initiate and implement actions to reduce the impact of their activities on the environment, ensuring respect for business ethics, laws and regulations, as well as human rights.

The contents of our Suppliers' Code of Conduct are divided into five main areas and set the standard that we expect from them. The code must be accepted during the sourcing and qualification process:



Ethics

Anti-corruption and anti-bribery, fair competition, trade controls, responsible marketing, business integrity, privacy, intellectual property rights, product safety, animal welfare.

Labour

Working conditions, freedom of association, no child or forced labour, zero abuse and zero harassment, working hours, wages, zero discrimination, fundamental human rights, social security.

Health and safety

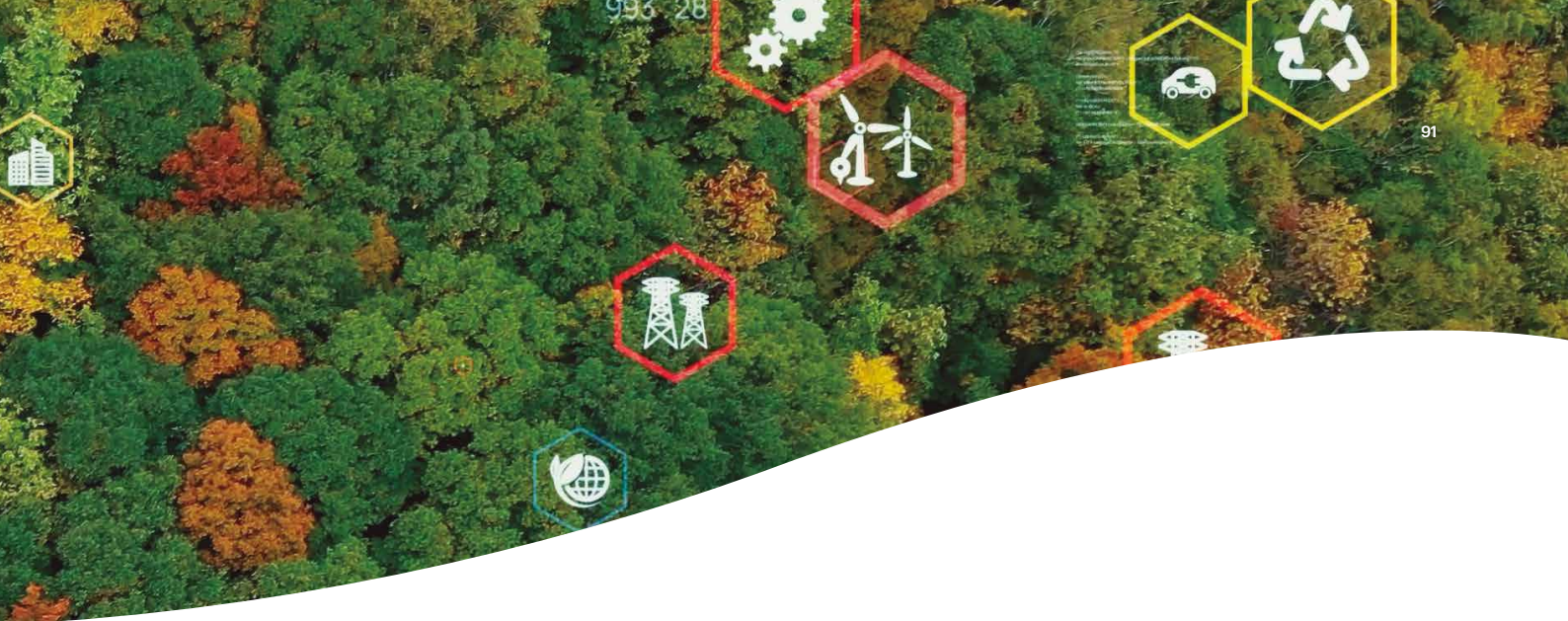
Minimum standards of protection, safety processes, emergency preparedness and response, hazard information, environmental permits, pollution prevention, waste and emissions, climate change and sustainability practices.

Quality

Product specifications and safety, audits.

Management

Compliance with the law and the contract in force, information to subcontractors and request for their compliance with our Suppliers' Code of Conduct, allocation of appropriate resources, continuous improvement, information recording, reports on non-compliance with the Code.



Our **Sustainable Procurement Programme** —embedded in the ESG strategy—assesses and certifies our suppliers under the strictest sustainability criteria, through a reputed global CSR rating firm, with the objective that we share the same ethical, environmental, and governance standards. At the end of 2021, we had results for 214 suppliers, representing 46% of the total spend managed by Global Procurement and External Sites Operations. These were included in the programme, taking into consideration pre-defined criteria. As an outcome of this exercise, only one supplier was found to be at high risk and, on average, our supply base scored above average compared with the global rating agency's network.

The programme also encompasses corrective measures as the procurement department is consistently integrating sustainability, especially environmental and social guidelines, into the procurement process. This, in turn, helps suppliers to improve their respective scorecards and sustainable

practices. We have also included specific contractual commitments in relation to compliance, CSR, and the above-mentioned Suppliers' Code of Conduct in all the contract standard templates. In 2021, we also put in place a process whereby in 2022 ESG auditing will be a compulsory prerequisite to the supplier selection process for projects with a value superior to €500,000. We work with vigilance to ensure constant evaluation, control, and implementation of appropriate measures which will secure sustainable practices in our supply chain.

During 2021, in order to measure and follow the development and success of the **Sustainable Procurement Programme**, we have defined the KPIs for the years 2021-2023 and communicated them to the company's ESG committee. These KPIs have not only been fulfilled but also substantially exceeded during this year (suppliers invited, 60%; suppliers audited, 46%, and suppliers declined, 6%).

Programme targets

	2021	2022	2023
Suppliers invited	60%	62%	64%
Suppliers audited	35%	45%	50%
Suppliers declined	20%	12%	10%

During 2021, we have also worked on improving the procure-to-pay process, gaining efficiency to better serve our internal stakeholders and suppliers with a continuous improvement mindset.

Our stakeholders are central to who we are and the way we do business. 2022 will again be a year of continued commitment to measures that ensure responsible governance. We are motivated to play an integral part in transforming the way the world does business today and tomorrow.

Valuing our people for the bright future ahead

Our foundations are built on our wish to care. We are dedicated to our patients and our workforces' true needs. Their wellbeing is firmly placed at the heart of our business. Our work culture is continually reinforced by our Noble Purpose. This approach is integral to our success. We believe that our employees' wellbeing begins at the workplace.

Amongst our many initiatives in 2021, we re-launched our engagement action plan, resulting in the creation of our collaborative space. This development, under the brand of **Our Best Present is You**, promotes communication, mindshare, and installs in our employees a sense of real commitment and belonging. We believe that such actions are essential to a productive forward-thinking work environment. The space has been structured around 5 main pillars: Purpose & Values, Talent & Leadership, Wellbeing, Recognition, Diversity & Inclusion.

In addition to this, this year we implemented our **Cultural Survey**. Again, designed to actively engage our employees within the business, the survey sought to understand better the way they work, interact, make decisions, collaborate, and support each other within the company. The results of this survey will allow us to identify how we are evolving culturally and also allow us to evaluate what measures or initiatives should be put in place to accelerate our cultural transformation. We were very pleased to have a 73% participation rate out of all our workforce. This high level of participation provided an excellent basis and reliable information to start working on a plan.

Our mission to create a caring environment has inspired many other initiatives such as the development of **"Turn it Flex"**, facilitating flexible work hours, as well as measures to ensure a healthy lifestyle through access to in-house catering as well as gym and medical services.

All of these measures are designed to promote good health and ensure increased wellbeing amongst our employees through the creation of a good life-work balance. 2021 saw the implementation of a series of conferences on health and wellness, which was well received by our Almirall team.

In 2021 we were also delighted to re-launch the highly successful sports challenge **+YOUFEELFIT**. Originally put in place in 2019, this programme is open to all our employees. A global sports challenge, supported by a web application, it encourages volunteers to compete by walking, running,

cycling, or swimming (individually or in teams). By doing so, participants gain points called **Almirometres** which are converted into money and then, in turn, donated to NGOs. In 2021, we collaborated with some new NGOs: Asociación de Afectados por la Dermatitis Atópica (AADA), the International Federation of Psoriasis Associations (IFPA), and the Skin Cancer Foundation (SCF).

At Almirall, it is because people come first that we make sure our social measures and programmes are designed to touch all of our stakeholders. Programmes such as our **"Corporate Recognition and Rewards"** demonstrate this. In 2021, we revised this programme consolidating already existing recognition initiatives as well as incorporating new ones. Amongst these are the **Purpose Awards**, which recognise teams leading projects focusing on achieving a meaningful difference to transform patients' lives. The **Values Awards** recognise our role models inspiring others through their behaviours.



Human capital

We are proud of our employees. Their dedication, honesty, and genuine motivation to transform patients' lives allow us to achieve our goals. These values form the foundations of our company and as we grow and develop in cohesion, they strengthen daily. Fuelled by our **Noble Purpose**, our employees empower the innovation and creation of new medical solutions in dermatology.

In 2021 we continued to expand and consolidate our teams in complete homogeneity. Shaped by fairness, we strive to achieve diversity and equality at all times.

We are people-oriented, prioritising the wellbeing and talent development of our professionals. Their growth and development are central to Almirall's talent management plan. We understand they are the force behind our success and this is why we work together to consistently attract, engage, develop, and maintain excellence.

This real commitment to our workforce is not new. We have received a high ranking from the independent **HR assessor CRF Institute** since 2007. This year, we have been once again named as "**Top employer**".

Number of Employees

	Women	Men
1,786	53%	47%

Age Distribution of Employees

<30	30-50	>50
7%	55%	38%

Demographic Data

Nationalities Represented	Pharmaceutical Industry Experts	Average Seniority
26	70%	13 years

Employee Training

Total Hours	Participants
19,297	6,249

Development and retention of talent

We know that talent is central to maintaining and growing a thriving work environment. This is why we are dedicated to fostering excellence in this field. We achieve this through training and personal development programmes. Every year we assess the development and professional growth of our employees through our talent review process that incorporates succession planning for an optimum workforce balance across the business model. Based on the learning model known as “70:20:10” we have developed an approach that encompasses experience-based learning, as well as academic and traditional training and personal development. The name reflects the model’s structure. It has been carefully balanced to meet employee needs, whereby 70% is based on work experience, 20% on interaction and mentoring and a further 10% on academic learning.

In 2022 we will launch our **annual learning plan** which offers various training courses. These are designed to help prepare and accompany our staff during different stages of their professional cycle. This tailored and adaptable plan, aligned with our strategy and values, encourages employees to have a “hands-on” approach and be proactive in identifying suitable training offers according to their own personal needs. To achieve such proactivity successfully, we have developed an initial personal assessment programme that allows employees to identify their strengths and align them with development opportunities according to their own requirements. The training plan is divided into four categories: Culture and Values, Business, Technological Tools, and Languages.

In 2022, to ensure better accessibility to our training programmes, we worked on the creation of a single platform. Using AI technology, it will help identify suitable training according to each profile. Within this platform we will develop Almirall’s Leadership Academy, a holistic Academy where we will provide different tools to our employees, from formal learning to digital content, to develop their leadership capabilities.

Diversity & Inclusion

Equally important to our ESG strategy is the promotion of equality, diversity, and inclusion, which are central to our core values. We regularly assess the valuation of different job positions and evaluate performance. In 2021, and onwards, we’ve been working towards building a global organisation structure through the evaluation of job positions, total compensation, and benefits. Next year we will consolidate this information, share the new job map, and build up our total rewards strategy. This initiative abides by the new Spanish legislation (Royal decree 902/3020), which focuses on reducing the pay gap between women and men. It reflects our engagement to ensure transparency, fairness, and equal access to opportunities across the business, and to set a common framework of rules and guidelines when evaluating the contribution of each position in the company. In parallel, an Equality Plan has been launched in Spain as well a Diversity & Inclusion online training, which focuses on equality and the main ideas that have shaped current debates in the field.

Our occupational health & safety commitment

We recognise the need for a rigorous occupational health and safety plan which involves all our stakeholders. In 2021, multiple preventative activities were carried out for employees. By means of our Health and Safety Team, led by the head of CSR, we are able to secure the safety of all our staff. Our emphasis on Health and Safety has meant that Almirall was one of the first chemical-pharmaceutical laboratories to obtain ISO 45001:2018 certification of its integrated management system in its operational centres in Spain and in Germany.



In 2021, we carried out 5,583 hours of training and different preventative and health promotion activities. Measures implemented to date are already demonstrating their benefits with 44% fewer accidents compared to 2020. Our accident rate continues to reduce and for those accidents with sick leave, it is 69% below the industry sector level according to the 2020 Ministry of Labour, Migration, and Social Security report.

We are committed to guaranteeing the health and safety of all our employees across the business units. Our Health, Safety, and Environment policy has been developed to ensure:

The elimination of hazards and reduction of occupational health and safety risks.

Adherence and compliance to applicable occupational health and safety management legal requirements and other requirements to which Almirall voluntarily subscribes.

Organisation and implementation of regular programmes in line with objectives and goals and in accordance with those risks and opportunities identified in occupational health and safety.

Training, involvement, and participation of both personnel and collaborating companies.

Assurance of the availability of the necessary information and resources, and adequate planning of their use.

Our ESG Plan also prioritises safety, health, and wellbeing.

Management of Covid-19

Almirall is firmly committed to promoting good health, with the aim of contributing to the health of its employees through training, communication, awareness-raising, and health monitoring initiatives that encourage healthy lifestyles and wellbeing, both inside and outside the workplace. In 2021, for the second year in a row, the health promotion campaign programme was impacted by the Covid-19 health crisis, although to a lesser extent than in the previous year. Thus, the efforts of the Health and Safety Team and its Medical Services have continued to focus on defining and implementing prevention measures and intensive surveillance of employees' health.

Given that Almirall's activities are considered essential, the company has carried out all necessary operations during the pandemic to ensure business continuity, both at industrial and R&D centres.

Safety, health, and wellbeing

<p>Health and Wellbeing</p> <hr/> <ul style="list-style-type: none"> On-site gym Take-away menu service Access to medical services on-site Physical activity challenge 	<p>Work-life balance</p> <hr/> <ul style="list-style-type: none"> Flexible schedules Nursery and school allowance Breastfeeding spaces 	<p>Mobility & Financial aid</p> <hr/> <ul style="list-style-type: none"> Flexible benefits plan for the use of public transport Parking for bicycles and electric scooters Electrical vehicles charging points
<p>Check-ups</p> <hr/> <ul style="list-style-type: none"> 1,105 medical check-ups for employees (84% increase vs 2020, returning to pre-pandemic ratios) 177 occupational risk prevention assessments (22% increase vs 2020) 	<p>Accident rates</p> <hr/> <ul style="list-style-type: none"> Global accident ratio: 4.9 accidents worldwide / 1,000 workers (44% decrease vs 2020, and 69% below the level of the pharmaceutical industry) Severity index of accidents 0.13 days lost / 1,000 worked hours 	<p>Improvement measures</p> <hr/> <ul style="list-style-type: none"> 293 corrective and improvement actions on HSE management executed (27% increase vs 2020) 5,583 hours of training in safety, health, and environment (59% decrease vs 2020, returning to 2019 level)

Governance

Board of Directors

Members

13

Proprietary Directors

3

Executive Director

1

Independent Directors

8

External Directors

1

Management Board

Members

10

Mr. Gianfranco Nazzi joined Almirall as Chief Executive Officer and Executive Director of the Board of Directors in May 2021.

Dr. Ruud Dobber joined the Board of Directors in June 2021 as Independent Director. He is also a member of the Dermatology Commission.

Dr. Karl Ziegelbauer became Almirall's Chief Scientific Officer and member of the Management Board in July 2021.

Mr. Paolo Cionini joined the Management Board in November as Chief Commercial Officer, Europe & International.

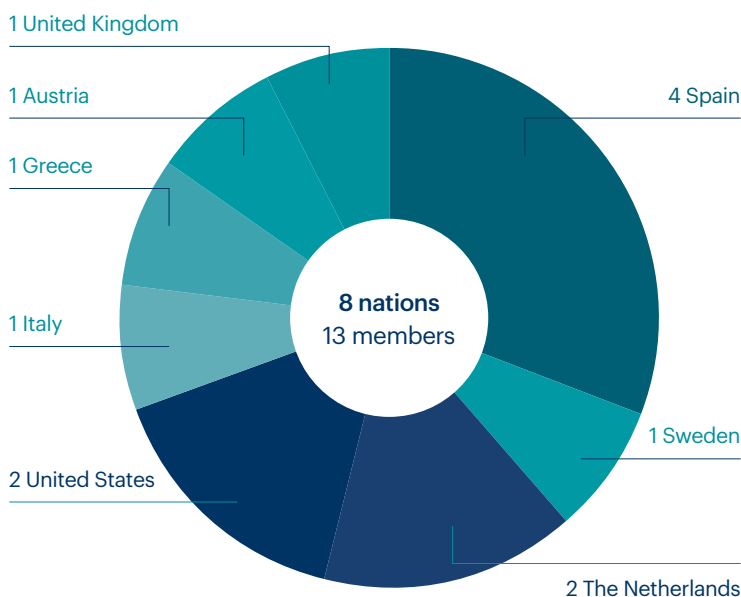
Board of Directors

In its position as a trusted independent body, the Board of Directors is dedicated to guaranteeing the equal treatment of all shareholders. The Board is responsible for ensuring that the company respects, at all times, applicable laws and regulations. Accountable to its many stakeholders, it fulfils all obligations and contracts in good faith, always respecting the customs and good practices of each respective territory where Almirall is present. The Board works to assure adherence to any additional principles of social responsibility and sustainability which have been voluntarily adopted. It is its duty to assess the quality and efficiency of its own operation, headcount diversity, and the performance and contribution of each director.

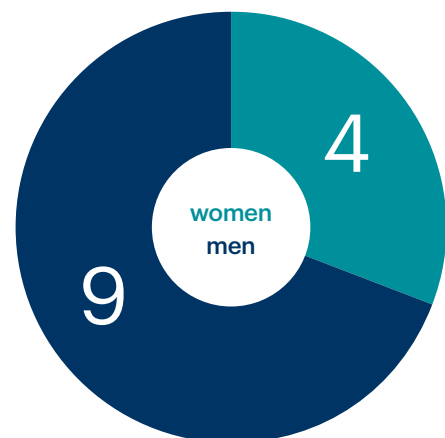
Board members are carefully selected according to established procedural guidelines. These guidelines are designed to promote transparency and therefore all proposals are meticulously analysed prior to re-election. This ensures that the Board of Directors' real needs, in terms of diversity, gender, experience, and expertise, are met. This year **Dr. Ruud Dobber** joined the Board in the capacity of an independent member.

On December 31st 2021 thirteen directors sat on the Board. In addition to this, there were two non-members. These were namely, the Secretary, Mr. José Juan Pintó Sala, and the Vice-Secretary, Mr. Joan Figueras Carreras. The Board has three commissions. These are the **Audit Commission**, chaired by Mr. Enrique de Leyva; the **Nominations and Remuneration Commission**, chaired by Mr. Gerhard Mayr, and the **Dermatology Commission**, chaired by Dr. Seth J. Orlow.

Nationality



Gender



Board of Directors

as of 31st December, 2021



Dr. Jorge Gallardo Ballart
Chairman & Proprietary Director

Member since 1997

Dr. Jorge Gallardo holds a degree in Industrial Engineering from the Escuela Técnica Superior de Ingeniería Industrial in Barcelona, and has been the Chairman of Almirall since 1988, having previously held various management positions in the company (including that of Chief Executive Officer until 2011) since his incorporation in 1965. He is a Board member of EFPIA (European Federation of Pharmaceutical Industries and Associations), where he served as the President from 1998 to 2000, and Vice President from 1966 to 1998 and from 2000 to 2002; Vice President of Farmaindustria (Spanish association of pharmaceutical industries), where he served as the President from 1993 to 1995 and from 2002 to 2004; Board member of IFPMA (International Federation of Pharmaceutical Manufacturers & Associations) since 2004; Numerary Academic of the Royal Academy of Pharmacy of Catalonia; and Academic Correspondent of the National Royal Academy of Pharmacy.



Mr. Gianfranco Nazzi
Executive Director

Executive Director since 2021

Secretary of the Dermatology
Commission

Mr. Gianfranco Nazzi holds a degree in Economics and Banking Sciences from the University of Udine and a Master's Degree in Business Administration from the Bocconi University of Milan. He joined Almirall from Teva Pharmaceuticals Industries Ltd, where he served as Executive Vice President of the International Markets Region and as a member of the Teva Executive Committee. While at Teva, he held roles of increasing responsibility and geographic scope based in both Israel and the Netherlands. Mr. Nazzi held the position of Senior Vice President Specialty Medicines Europe and President & CEO Growth Markets Region. Prior to Teva, he held a variety of senior positions at AstraZeneca, GSK, and Eli Lilly in commercial and general management roles based in the UK, Italy, Serbia, and the US.



Sir Tom McKillop
First Vice-Chairman and External Director

Member since 2007

Secretary of the Nomination and Remuneration Commission

Sir Tom McKillop began his career at ICI where he held various positions before being appointed Technical Director. In 1992 he was appointed deputy CEO and in 1994 he became CEO of Zeneca Pharmaceuticals, leading the merger of Astra and Zeneca in 1999, and becoming CEO of AstraZeneca plc until retiring at the end of 2005. Until 2009, he was the Chairman of the Royal Bank of Scotland and a Non-Executive Director of BP. He has been Chairman or non-executive director of various other healthcare companies and received numerous academic awards and honorary degrees.



Mr. Carlos Gallardo Piqué
Second Vice-Chairman and Proprietary Director

Member since 2014

Member of the Dermatology Commission

Mr. Gallardo holds an MS in industrial Engineering from the Universitat Politècnica de Catalunya and an MBA from Stanford University's Graduate School of Business. He started his pharmaceutical career at Pfizer prior to joining Almirall where he held positions of increasing seniority over nearly ten years. Since leaving Almirall as General Manager of the UK and Ireland in 2013, Mr. Gallardo served as a Board Member since 2014 and was named as the Second Vice President of Almirall's Board of Directors in 2020. In parallel, he has established a successful career as an early stage investor in disrupting healthcare technology. He is the founder and CEO of CG Health Ventures, which invests in early stage digital health and medtech companies globally, providing a unique blend of operational support and capital. Mr. Gallardo serves on a number of boards of promising early-stage companies.



Mr. Gerhard Mayr
Independent Director

Member since 2012

Chairman of the Nominations and Remuneration Commission

Mr. Mayr holds a degree in Chemical Engineering from the Swiss Federal Institute of Technology, and an MBA from the Stanford Graduate School of Business. He joined Eli Lilly & Company in 1972 where he held management positions in US, Europe, the Middle East, Asia and Latin America before being appointed President of Lilly International, and President of Lilly Intercontinental. He became Executive Vice President of Global Operations in 1998 until retiring in 2004. He served as Non-Executive Director on the boards of Bank Austria, OMV, Lonza, and Alcon. He joined the board of UCB in 2005 and until 2017 was Non-Executive Chairman of UCB. He is a Non-Executive Director of Aragen Lifesciences since 2008, and of Almirall since 2012. He was appointed to the board of the US-Egypt Presidents Council, has served on the board of Project Hope, and on various industry Advisory Boards. He continues to serve on the board of a Family Foundation, on the board of the Vienna Science Research and Technology Fund, and he is Chairman of the Scientific Advisory Board of the University of Vienna. He received Decorations of Honour for services to the Republic of Austria, for services to the State of Vienna, and is the recipient of honours from the State of Indiana and the City of Indianapolis.



Dr. Karin Louise Dorrepaal
Independent Director

Member since 2013

Member of the Audit Commission



Mr. Antonio Gallardo Torrededía
Proprietary Director

Member since 2014

Secretary of the Audit Commission



Dr. Seth J Orlow
Independent Director

Member since 2016

Chairman of the Dermatology
Commission

Dr. Dorrepaal has a PhD from the Free University of Amsterdam, following four years as a research fellow in the Netherlands Cancer Institute. She also holds an MBA from the Rotterdam School of Management. In 1990, she joined Booz Allen Hamilton, Management Consultants, where she remained until 2004, being appointed Vice President in 2000. She specialises in the pharmaceutical industry and has advised large companies on strategy, sales, marketing, and supply chain issues. In 2004, she was appointed to the Board of Executive Directors of Schering AG. Following the acquisition of this company by Bayer AG, Dr. Dorrepaal left her position. Currently she is on the Board of Directors of Gerresheimer AG, Paion AG, the Kerry Group Plc., and is on the Industry Board of Triton Private Equity (in Germany), as well as some family owned companies and non-quoted companies.

Mr. Antonio Gallardo holds a degree in Business Science from the University of Barcelona and an Executive MBA from the University of Chicago. He also has a Master's degree in Marketing from ESADE. He developed his professional career over seven years at Akzo Nobel, reaching the role of Marketing Director. In 1999 he joined Almirall as Area Manager. Later, he was Director of Pharmacy Marketing and developed a loyalty programme consisting of 10,000 pharmacies through the network of medical representatives in Spain, after which he joined the medical visit network as Area Manager and later as Division Chief. In 2008, he left Almirall to continue in the family business, where he took charge of the real estate area, as the Chairman of The Landon Group.

Dr. Orlow holds a Doctor of Medicine and a PhD in Molecular Pharmacology from the Albert Einstein College of Medicine of Yeshiva University (US) and a Bachelor of Science in Biomedical Sciences from Harvard College (US). He serves as a Senior Advisor to Pharus Securities. In the past, Dr. Orlow was, among other roles, a partner at Easton Capital Partners, co-founder of Anaderm Research Corporation, and a director of Protez Pharmaceuticals and Transave, Inc. Throughout his career, Dr. Orlow has been a Professor in the Departments of Dermatology, Cell Biology, and Pediatrics at the NYU Grossman School of Medicine, where he also served as Chair of the Ronald O. Perleman Department of Dermatology since 2006.



Ms. Georgia Garinois-Melenikiotou
Independent Director

Member since 2016

Member of the Nominations and Remuneration Commission

Ms. Garinois-Melenikiotou holds a Master's degree in Mechanical Engineering from the National Technical University of Athens, and an MBA from the Massachusetts Institute of Technology (MIT). She was Executive Vice President, Corporate Marketing at the Estée Lauder Companies, through July 2020. Before joining Estée Lauder in 2010, Ms. Garinois-Melenikiotou was with Johnson & Johnson for 27 years and worked in seven countries, holding different leadership positions, including Global President, Beauty EMEA & RoC, President of the Beauty Global Business Unit, Strategy and New Growth and President of J&J France. She is also a member of the boards of Inspire Medical, Pulmonx, Natura &CO and the Sloan School of Management at MIT.



Mr. Enrique de Leyva Perez
Independent Director

Member since 2019

Chairman of the Audit Commission

Mr. de Leyva holds an M.Sc. Degree in Civil Engineering from the Engineering School of Madrid and an MBA from Columbia Business School, where he was a Fulbright Scholar and specialised in Finance and Accounting. He has developed his career in top-level companies such as Unión Fenosa (1983-1986), and McKinsey & Company (1986-2006), in various executive positions and countries (including the UK and US) and is currently one of the founding partners of Magnum Industrial Partners, a leading Iberian private equity firm which has launched three funds to the market with c. €1.5 billion of committed capital. He also belongs to the Boards of Directors of Indra as well as several portfolio companies of the Magnum Funds. He has been Chairman or Director of companies in the Education, Energy, Industry, Health Care, B2B Services and Telecommunications industries.



Ms. Eva-Lotta Allan
Independent Director

Member since 2020

Member of the Nominations and Remuneration Commission

Ms. Eva-Lotta Allan holds a degree in Natural Sciences from Jakobsbergskolan (Stockholm) and Microbiology from the Laboratory School University (Stockholm), and a Master Certificate in Marketing from the Institute for Higher Marketing Business School (Stockholm). Ms. Allan is Chairman and member of the Audit and Remuneration Committee at Draupnir Bio, Chairman and member of the Nomination Committee at C4X Discovery, Non-Executive Director of Aleta Biotherapeutics and Crescendo Biologics, and Non-Executive Director and member of the Corporate Governance Committee and the R&D Subcommittee at Targovax ASA.



Dr. Alexandra B. Kimball
Independent Director

Member since 2020

Member of the Dermatology
Commission

Dr. Alexandra B. Kimball holds an AB in Molecular Biology from Princeton University, an MD from Yale University School of Medicine, and an MPH from Johns Hopkins School of Public Health. Professor Kimball is the President and CEO of Harvard Medical Faculty Physicians (HMFP) at Beth Israel Deaconess Medical Centre (BIDMC), member of the BIDMC Board of Directors and a dermatologist at the same centre. She is a Professor of Dermatology at the Harvard Medical School, as well as the Co-Chair of the Management Board at Beth Israel Lahey Health Performance Network (BILPN). In recognition of her research on physician workforce economics, quality of life, and outcomes, she was awarded the American Skin Association Research Award for Health Policy and Medical Education and the Mass General Hospital Bowditch Prize. Other awards include Mentor of the Year from the Women's Derm Society and the Outstanding Physician-Clinician and Lifetime Achievement Awards from the National Psoriasis Foundation. Dr. Kimball has served on the non-profit Boards of the Society for Investigative Dermatology, the Massachusetts Foundation for the Humanities and Public Policy, and the Hidradenitis Suppurativa Foundation. She is past President of the International Psoriasis Council and serves on the Advisory Committee to the Director of the National Institutes of Health.



Dr. Ruud Dobber
Independent Director

Member since 2021

Member of the Dermatology
Commission

Master of Science (University of Utrecht, The Netherlands) and PhD in Immunology (University of Leiden, The Netherlands). Dr. Dobber was appointed in January 2019 Executive Vice-President, BioPharmaceuticals Business in AstraZeneca and is responsible for product strategy and commercial delivery for Cardiovascular, Renal & Metabolism (CVRM) and Respiratory & Immunology. Prior to this, Dr. Dobber held several executive roles at AstraZeneca, among others President at AstraZeneca US and Executive Vice-President North America, Executive Vice-President Europe, Regional Vice-President Europe, Middle East and Africa, Regional Vice-President Asia Pacific or Area Vice-President Europe 1. In addition, Dr. Dobber was a member of the Board and Executive Committee of EFPIA and Chairman of the Asia division of Pharmaceutical Research and Manufacturers of America.



Mr. José Juan Pintó Sala
Secretary (non-member)

Secretary of the Board of Directors
since 2006

Mr. José Juan Pintó holds a degree in Law from the Universidad de Barcelona. A practising lawyer registered with the Bar Associations of Barcelona and Madrid, Mr. Pintó is partner and President of the law firm Pintó Ruiz & Del Valle. His areas of expertise include corporate and commercial law, litigation and arbitration, and sports law. He is an arbitrator at the Barcelona Court of Arbitration (TAB) and the Tribunal Arbitral du Sport (TAS). He is also an independent member of the UEFA Compensation Committee and the UEFA Governance and Compliance Committee, as well as serving as the Chairman of the Association of National Olympic Committees (ANOC).

Remuneration

During the financial year 2021, all amounts and compensation received by the directors were adjusted in line with the directors' remuneration policy, summarised as follows:

Directors received the fixed remuneration shown here (total remuneration for each category). In addition, those directors who are members of any Board Commission (namely Audit, Nominations, Remuneration & Dermatology) received additional remuneration for their membership and exercise of activities on these aforementioned boards. This includes a higher remuneration for those members who chair any of the aforementioned commissions. All remuneration is made by quarterly payments.

In accordance with the provisions of the Regulations of the Company's Board of Directors, it is within the Nominations and Remuneration Commission's remit to propose to the Board of Directors the remuneration policy for the directors and general managers or indeed all those who hold senior management functions. This also applies to individual remuneration and/or any other contractual conditions of executive directors, ensuring their strict observance.

The Board of Directors is also responsible for proposing the Directors' Remuneration Policy to the Annual General Meeting, which must approve it and did so at the Ordinary meeting in May 2021.

Executive Directors¹

€970,000

Independent Directors & External Directors²

€1,100,000

Proprietary Directors³

€560,000

¹ Gianfranco Nazzi (includes fixed Board remuneration, fixed annual salary and variable remunerations)

² Gerhard Mayr, Tom McKillop, Enrique de Leyva, Seth J. Orlow, Karin Dorrepaal, Georgia Garinois-Melenikiotou, Alexandra B. Kimball, Eva-Lotta Allan, and Ruud Dobber

³ Jorge Gallardo, Carlos Gallardo, and Antonio Gallardo



Board Commissions

There are three Boards of Commissions. These consist of:

- _____ **The Audit Commission**
- _____ **The Nominations and Remuneration Commission**
- _____ **The Dermatology Commission**

Each of these commissions has specific functions which are clearly defined and subject to meticulous review. Their structure, therefore, guarantees that all goals are met and all Board members fulfil their appointed roles accordingly.

The Audit Commission monitors and reviews regularly company financial information, to ensure compliance, and oversees that all legal requirements are met. In order to ensure company integrity and accuracy, Almirall implements a yearly external audit process. The Audit Commission supervises all internal audit systems and risk management practices. Other areas covered by this commission include reputational risk, sustainability risk, and information security.

Members of the Commission as of December 31, 2021

Chairman: **Mr. Enrique de Leyva Pérez**
Member: **Dr. Karin Louise Dorrepaal**
Secretary: **Mr. Antonio Gallardo**

The Nominations and Remuneration Commission

oversees the selection process and remuneration policy of all directors and senior management positions. Favouring diversity in terms of gender, race, and expertise, the Board ensures a balanced management and executive composition selected according to current company objectives and needs.

Members of the Commission as of December 31, 2021

Chairman: **Mr. Gerhard Mayr**
Member: **Ms. Georgia Garinois-Melenikiotou**
Member: **Ms. Eva-Lotta Allan**
Secretary: **Sir Tom McKillop**

The Dermatology Commission's mission is to review, discuss, and formulate appropriate strategies in dermatology in terms of Research and Development, key dermatology projects, and business development.

Members of the Commission as of December 31, 2021

Chairman: **Mr. Seth J. Orlow**
Member: **Mr. Carlos Gallardo Piqué**
Member: **Dr. Alexandra B. Kimball**
Member: **Dr. Ruud Dobber**
Secretary: **Mr. Gianfranco Nazzi**

Management Board

The Management Board's principal function is the daily management of the organisation, reporting to and under the leadership of the CEO, **Mr. Gianfranco Nazzi**. It should be noted that the Management Board is not purely responsible for those organisational decisions which do not fall under the Board of Director's jurisdiction. It is also responsible for defining the company's long-term objectives and strategies as well as establishing the guidelines and principles in terms of corporate policies. It is its role, therefore, to also develop and deploy managerial staff, ensure the allocation of resources, and preside over management and the company's financial reporting.

The Management Board's mission encompasses the following responsibilities:

Company management; inclusive of any strategic company decision unless it is one reserved uniquely for the Board of Directors. Such actions must be in accordance with the responsibilities and the general guidelines, as per those established by the Board of Directors, and/or delegated by the Board to the CEO.

Management of the organisation in accordance with those responsibilities and general guidelines stipulated by the Board of Directors and/or delegated by the Board to the CEO.

General daily decision-making or actions excluding those reserved uniquely for the Board of Directors or which are/have been specifically delegated to another committee, body, or specific person.

Organisational decisions with the exception of those reserved solely for the Board of Directors or which are/have been already delegated to another committee, body, or specific person.

Ensure a balanced work environment and maximise the strategic value of management decisions for all Almirall's employees.

Management Board Members as of 31st December, 2021

Mr. Gianfranco Nazzi Chief Executive Officer

Gianfranco Nazzi holds a degree in Economics and Banking Sciences from the University of Udine and a Master's Degree in Business Administration from the Bocconi University of Milan. He joined Almirall from Teva Pharmaceuticals Industries Ltd, where he served as Executive Vice President of the International Markets Region and as a member of the Teva Executive Committee. While at Teva, he held roles of increasing responsibility and geographic scope based in both Israel and the Netherlands. Gianfranco held the position of Senior Vice President Specialty Medicines Europe and President & CEO Growth Markets Region. Prior to Teva, Gianfranco held a variety of senior positions at AstraZeneca, GSK, and Eli Lilly in commercial and general management roles based in the UK, Italy, Serbia, and the US.

Mr. Mike McClellan Executive Vice President, Finance, CFO

Mike McClellan holds Bachelor's degrees in both Accounting and Economics from the University of Missouri. He is an experienced financial executive and has leveraged his skills to drive strong business and financial performance in roles of increasing scope, responsibility, and geographic reach mainly within the pharmaceutical industry. Before joining Almirall in 2019, he was the CFO of Teva Pharmaceuticals. He has also spent many years at Sanofi after starting his career in public accounting.

Dr. Karl Ziegelbauer Executive Vice President, R&D, CSO

Karl Ziegelbauer has a PhD in Biochemistry from the University of Tübingen (Germany). Before joining Almirall, he served as Senior Vice President and Head of Open Innovation & Digital Technologies at Bayer Pharmaceuticals. Karl has three decades of experience in drug discovery in international markets such as Germany, Japan, and the United States. He has developed most of his career at the German multinational pharmaceutical company and has assumed positions of increasing responsibility, holding Senior Vice President roles in various medical research fields. Karl has also co-authored more than 50 scientific publications covering basic research as well as drug discovery topics.

Dr. Volker Koscielny Chief Medical Officer

Volker Koscielny received his Medical Doctor Degree from the Freie Universität Berlin. He holds a Business and Managerial Economics MBA from the University of Durham. With a solid clinical, academic, and scientific background, as well as sound experience managing large teams, he has a results-oriented mentality. Before joining Almirall he held various different positions in companies such as Celgene, GlaxoSmithKline, Pfizer, Servier, or Boehringer Ingelheim. As a member of the Management Board, he leads the Medical Affairs and Medical Innovation strategy, providing guidance and a strong medical perspective as a partner to the R&D and commercial teams.

Mr. Paolo Cionini

Chief Commercial Officer Europe & International

Paolo Cionini holds a degree in Pharmacy from the University of Modena and Reggio Emilia (Italy) and has completed executive education programmes in Marketing and Finance. Paolo has three decades of professional experience in the pharma industry and joined Almirall from LEO Pharma, where he founded the Italian affiliate as General Manager in 2011. Five years later he moved on to the role of Vice President Cluster South (Spain, Portugal, Italy, and Greece) and he served as Vice President in the EUCAN Area, comprising 17 countries across three continents.

Dr. Francesca Wuttke

Chief Digital Officer

Francesca Wuttke holds a PhD in Pharmacology from Weill Cornell Graduate School of Medical Sciences and a BA from Cornell University, College of Arts and Sciences. She has broad drug development expertise with over 25 years of commercial, strategic, and transactional experience from private equity, management consulting, BD&L and technology licensing, and from co-founding AstenBioPharma Advisors, a New York City based healthcare consultancy. She has worked with diverse organisations including startups, large and specialty pharma as well as academia. She led European investments as Managing Director for the MSD Global Health Innovation Fund, LLC. Her experience in both science and business has provided proficiency in multiple areas of the pharmaceutical and biotechnology industry.

Mr. Eloi Crespo Cervera

Senior Vice President, Industrial Operations

Eloi Crespo holds a Degree in Organic Chemistry from the University of Barcelona, and an Interuniversity Master of Business Administration (MBA) from the University of Barcelona, Autonomous University of Barcelona and Polytechnic University of Catalonia. He joined Almirall in 1997 in Purchasing, where he held various positions as Purchaser, Manager, and Director. In 2010 he assumed responsibility in a new area to become Industrial Director and after eight years in this position, he was appointed Senior VP Industrial Operations.

Mr. Esteve Conesa Panicot

Senior Vice President, Human Resources

Esteve Conesa holds a Degree in Psychology from the University of Barcelona. He joined Almirall in 2002 where he took on the role of Project Leader HR Organisational Development. Since then he has held several positions in the company including HR Business Partner Industrial Operations, Head of Corporate Recruitment, and Development, People & Organisational Development Director, and Chief HR Officer US Operations. In 2018 he became Senior Vice-president, Human Resources.

Dr. Pablo Álvarez

President and General Manager, Almirall US

Pablo Álvarez has a PhD in Pharmacy, with a focus on Microbiology from the Complutense University of Madrid (Spain). He completed his postdoctoral research at MIT (Massachusetts, United States) and he has also studied business and management at IESE Business School in Barcelona (Spain). Pablo joined Almirall in 2019 as Commercial Operations Director. He was appointed as President and GM of Almirall US in 2020. Before joining Almirall, Pablo worked for McKinsey, GSK, BMS, and AstraZeneca including key positions in Europe, Latin America, China, and the US during nine years. He is experienced in product launches, implementing new business models, expanding to new geographies, and strategy development.

Mr. Joan Figueras Carreras

Corporate Director, General Counsel

Joan Figueras holds a Bachelor's Degree in Law from the University of Barcelona. He joined Almirall in 1993 as Senior Director of Legal Department, working in that position until 2013. Since then he has been General Counsel of the company and Vice-Secretary of the Board of Directors. As of 2007, he has also taken on the role of Secretary of the Management Board.

Risk management structure

Almirall's Risk Management System is based on the existence of an annual Risk Map, which prioritises the most significant risks on the company's global risk map. This system, coordinated by Internal Auditing, is based on consolidation of the analysis and assessment of events, risks, controls, and action plans to mitigate them, carried out by the business and support units that make up the different company areas. For risks related to taxation, there is also a Tax Committee for controlling, managing and minimising them.

Preparation and implementation of the **Risk Management System** is the responsibility of the company's Senior Management, and the function of overseeing its effectiveness is carried out by the **Risk Management Committee**, which is functionally linked to the **Audit Commission** and the **Chairman's Office**, given that it refers directly to an essential responsibility of the **Board of Directors** itself.

The company operates in a sector characterised by great uncertainty about the outcome of R&D expenditures and in a highly competitive market in the therapeutic areas on which it is focused. The pharmaceutical industry is an industry subject to the decisions of health authorities for both approval of products and determination of marketing conditions, as well as being a highly regulated industry in terms of the environment and aspects related to pharmacovigilance, quality, and codes of good practice in promotional activities.

These factors result in risks that are addressed by taking a conservative stance, being very selective in resource allocation, and establishing very rigorous and effective processes and controls in operations.

All risks that could have a significant impact on the achievement of company objectives are assessed. Risk factors to which the company is subject include:

Regulatory risks:

Which may arise from regulatory changes established by the various regulators, or from changes in social, environmental, or tax regulations.

Market risks:

Related to the exposure of the company's earnings and equity to variations in prices and other market variables; such as exchange rates, interest rates, raw material prices, financial asset prices, and others.

Credit risks:

Which occur due to the failure of a counterparty to meet contractual obligations, which may result in economic or financial loss for the company.

Business risks:

Due to the uncertainty of the behaviour of variables inherent to the business such as the characteristics of demand, the supply of raw materials, or the appearance of new products in the market.

Operational risks:

Any risks occurring due to inadequate internal processes, technological failures, human error, or as a consequence of certain external events. They also include legal and fraud risks and those associated with information technology and cybersecurity (cyber-attacks or security incidents that allow access to confidential information or cause a disruption of business activities).

Legal & Compliance risks:

Loss of image, litigation, fines, impossibility to promote or sell.

Reputational risks:

These include the potential negative impact associated with changes in the perception of the company from its various stakeholders.

Sustainability risks:

Related to environmental, social, and governance (ESG) risks. Special attention is paid to those issues associated with climate change, human resources, and talent recruitment, among others.





Ethics & Compliance

Code of Ethics

At Almirall, our **Code of Ethics** reinforces that we are firmly committed to our community, patients, healthcare professionals, suppliers, and investors on whose behalf we work every day. We understand that our commitment, reflected in this Code, includes achieving our strategic objectives by doing what is right, acting with integrity and responsibility, and complying with regulations related to our business and the environment in which we operate.

Further, our Code of Ethics encompasses our commitment to our Noble Purpose and Values and is designed to promote diversity, integrity, transparency, mutual respect, and protects against discrimination.

Caring enough to Speak Up!

We are committed to fostering a healthy work environment and preventing injustice. Central to this is a well-trained hierarchy, vigilant to employee needs, partnered with the implementation of a comprehensive structured system, as per our **Code of Ethics** and **Anti-Bribery and Anti-Corruption** policies. Driven by our responsible work culture, we have, however, further strengthened our ability to address unethical conduct through the development of our whistle-blower platform **Speak Up!** This channel facilitates the reporting of any inappropriate behaviour anonymously, where permitted. The system, designed to respect employee confidentiality and safeguard individual identity, allows us a more accurate means of monitoring our employees' wellbeing. It also enables rapid intervention should any action be required. The channel offers a means to denounce behaviour that compromises equality or diversity, and confidentially voice incidents such as harassment occurring within the workplace. In our quest to nurture a balanced and healthy work culture that promotes equality and collaboration, **Speak Up!** reinforces our ability to do so.

Speak Up! is equally designed to enhance our ability to fight against corruption. Our channel provides a platform to report any incidents which may potentially involve corruption or bribery. It is an effective additional way to guarantee good business practices, ethical conduct, and promote accountability throughout the business. Its highly confidential nature makes it an easy way to express openly matters of concern.



Anti-Bribery and Anti-Corruption Policy

We have zero tolerance for bribery and corrupt activities. As reflected in our **Anti-bribery and Anti-Corruption Policy**, any measures, passive or intended, to induce or influence actions or decisions for commercial, contractual, regulatory or personal gain are prohibited.

All Almirall, employees, and especially those with specific control or supervision functions, are considered responsible for the prevention, detection, and reporting of any forms of bribery or corruption. Our employees are requested to notify the corresponding manager or use the SpeakUp! channel to report any known or suspected situation including any suspicion of bribery or corruption of any kind which may occur or may have already taken place. The Chief Executive Officer and all of our Management Board members are responsible for monitoring the effectiveness of this policy through their corresponding departments within Almirall.


Other related internal codes and regulations

As with any global pharmaceutical company, we operate in a heavily regulated environment across multiple continents. We are committed to complying with all laws in the countries in which we operate. To help us in our efforts to comply with the many requirements that impact us, we have a global compliance and privacy programme in place, and we devote substantial time and resources to efforts to ensure that our business is conducted according to the relevant laws and regulations.

To ensure that our employees and business partners understand the laws and regulations as well as Almirall internal policy, we have a comprehensive training programme provided to new and current employees which includes, but is not limited to, the Code of Conduct, Anti-Bribery and Anti-Corruption policy, and interactions with healthcare professionals.

 almirall.com

 [Almirall](https://www.linkedin.com/company/almirall)

 [Almirall Pharma](https://www.youtube.com/almirall)

Feel the Science