

Annual Report | 2018



almirall

feel the Science.

Our Noble Purpose.

We have defined our purpose with the conviction that it will guide our strategy, leadership, culture and mindset. It is our reason why, our essence. Our daily work, our strategy as a company, our innovation and research, all our small and big actions take us there, ultimately.

This purpose transmits our goal to make our patient's life better. Our focus on their wellbeing. We work hard every day to offer them effective solutions but we also care and listen what they need. This purpose is our footprint, our legacy for future generations and our contribution to society.

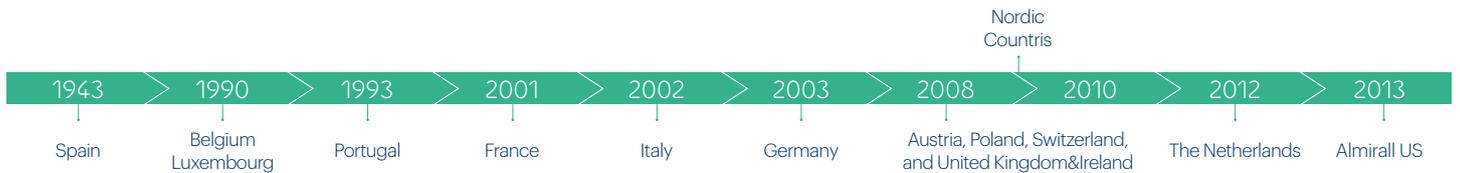
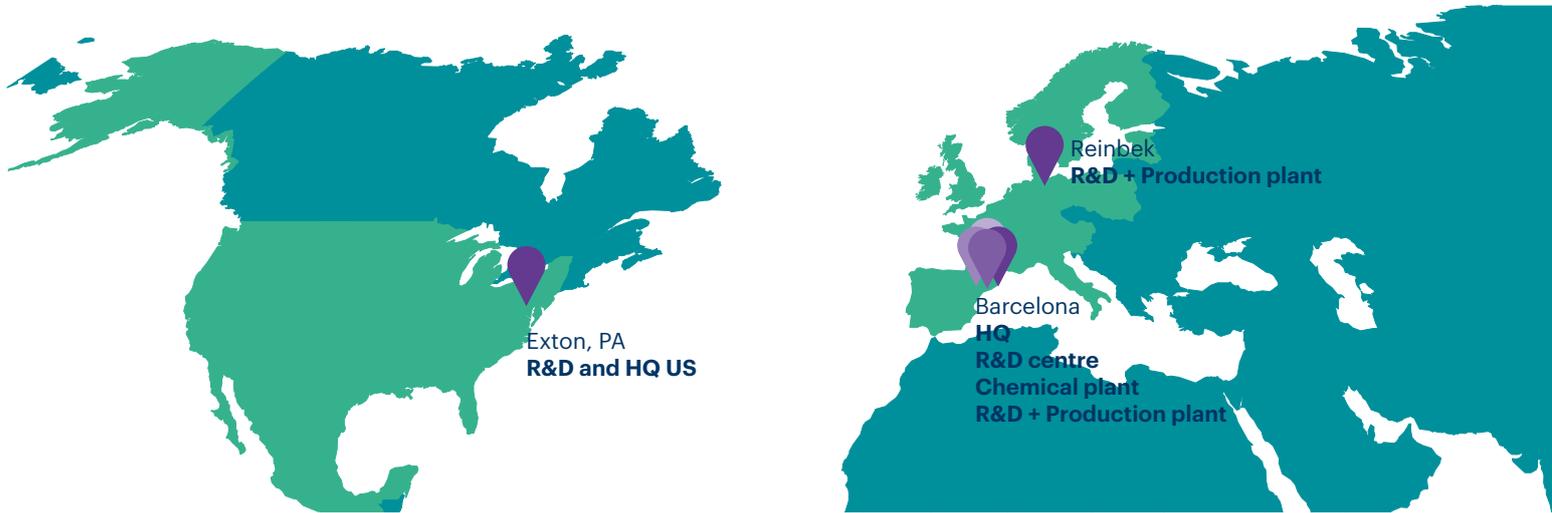
Transform the patients world by helping them realize their hopes & dreams for a healthy life.

Our Corporate Values

Caring | Dedicated | Dynamic | Expert

Our World

Direct presence in **21 countries** through **13 affiliates**.
 More than 1,800 employees are devoted to Science.



Double down on medical derma, focusing on patient sub-populations, to address **granular unmet needs**.

Our strategic direction



Capturing value through **real differentiation**.

BD and R&D efforts targeting **breakthrough innovation**, with significant external collaboration.

“Play to win”, investing in launch, M&A and capability building to maximize chances of success with an execution- focused culture.

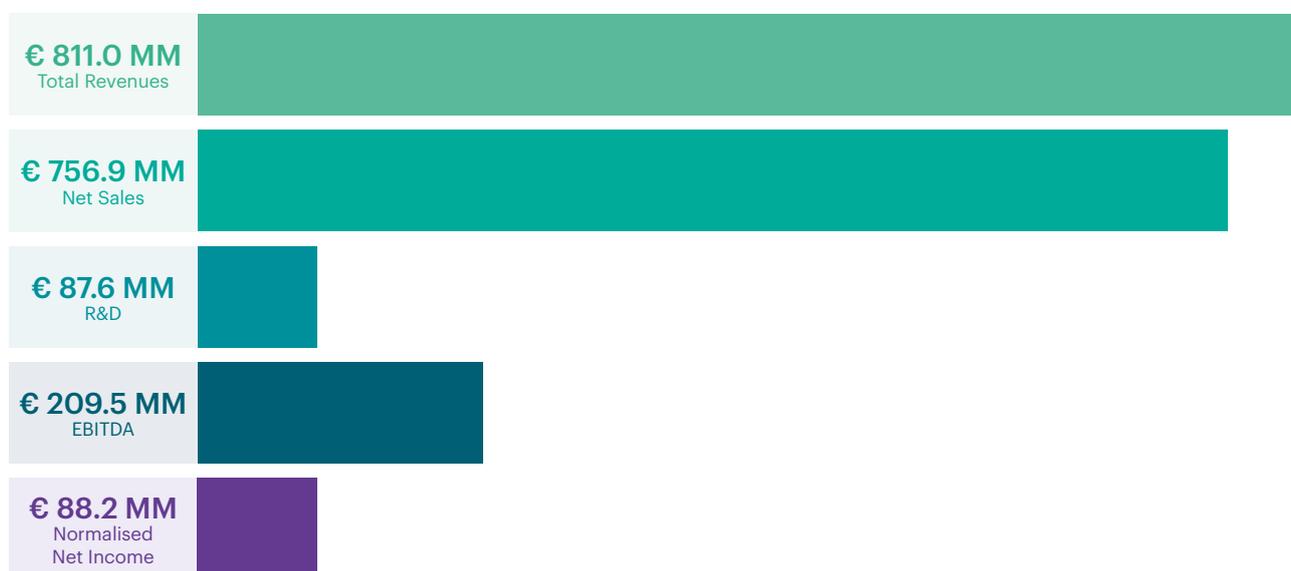
Key indicators.

% variation 2018 vs 2017

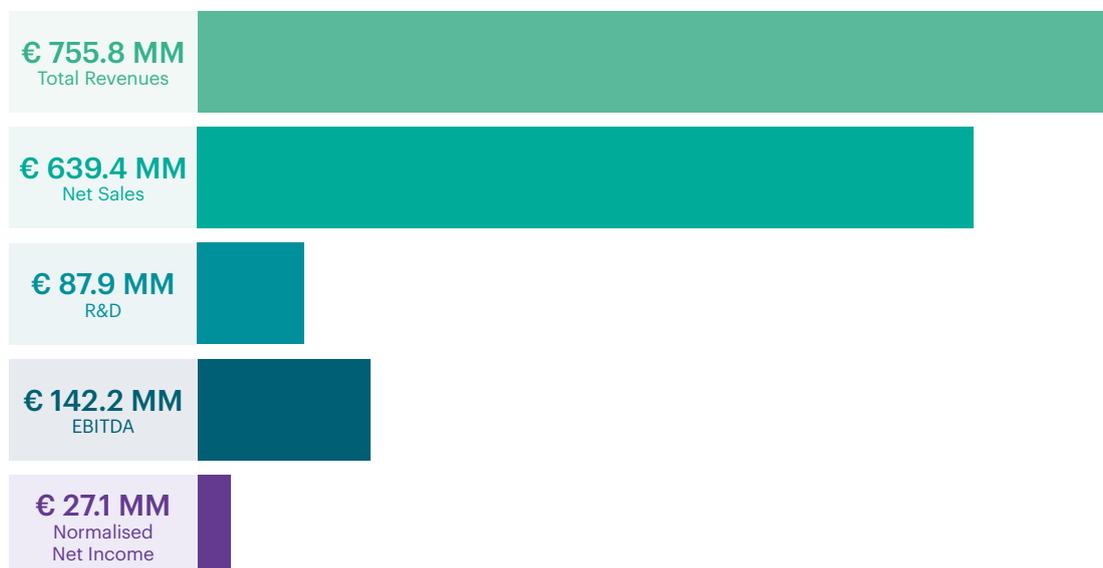
Total Revenues	+8.0%
Net Sales	+11.4%
EBITDA	+47.5%

Financial figures (€ Million).

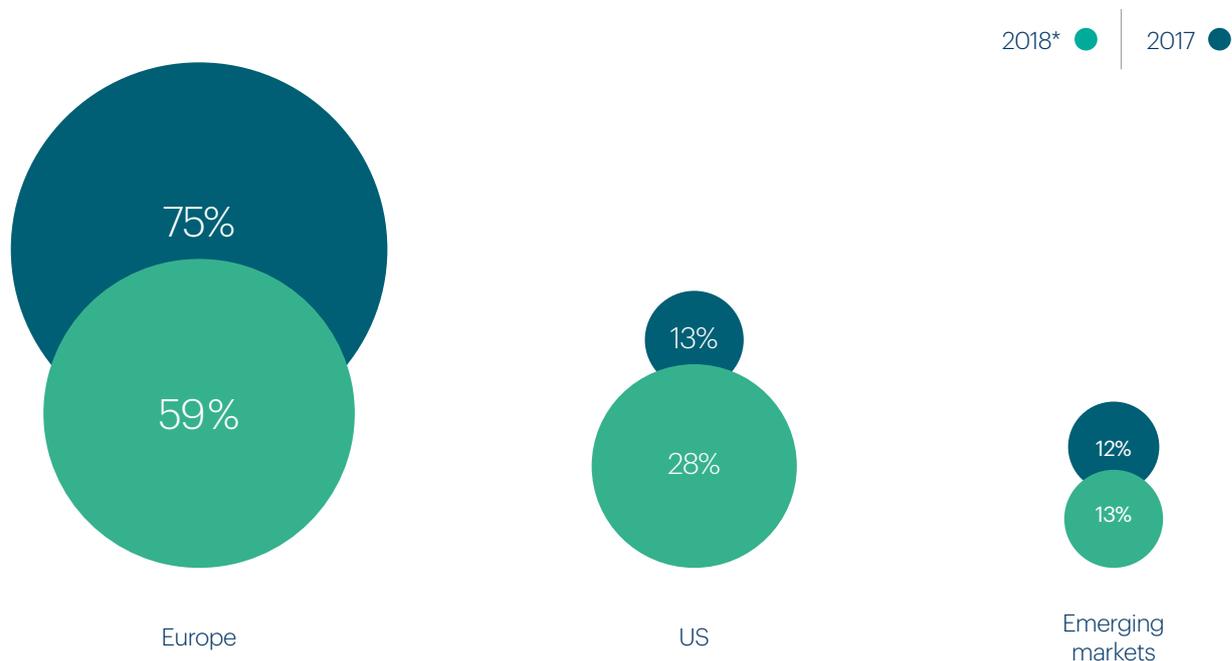
2018



2017



Net Sales by geographic area.



*Q4 Proforma New Almirall

Top leading derma products by sales (€ Million).

	Full Year 2018	Full Year 2017
Ciclopoli franchise	41.9	39.1
Solaraze	33.5	34.8
Decoderm franchise	25.8	24.8
Skilarence	18.4	2.7
Others	70.2	75.6
Total Sales	189.8	177



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SCIENCE
INNOVATION
MEDICAL SOLUTIONS
TARGETS PROFIT
FUTURE RESEARCH
SUCCESS
COMPETITION
INSPIRATION
PATIENTS
TEAMWORK
PRODUCT



Strategic review

- Message from the President
- Interview with the CEO
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Message from the President.

"Our entire team is dedicated to continuing the hard work of applying Science to provide medical solutions to you and future generations. We are committed to bettering our society and we will continue to be the company that understands the needs of our patients".

Jorge Gallardo, President of Almirall



Dear shareholders,

2018 has been a good year, full of achievements for Almirall. Together with our CEO, Peter Guenter, and our Board of Directors, we have redefined our strategy, responded strongly to challenges and advanced our goal to be an innovation leader in medical dermatology. We have achieved success by prioritising external growth via M&A and in-licensing. Medical dermatology is our key strategic area, representing now c. 50% of the company's Net Sales (Q4 Proforma New Almirall), currently driven by the European market.

In September, we also received the European Commission's approval for ILUMETRI® (tildrakizumab), our first biologic for the treatment of moderate-to-severe plaque psoriasis. It was first launched in Germany in November and was then rolled out across Europe. This represents tangible R&D progress and we will continue to develop new treatments for patients with unmet medical needs. Moreover, our position in the United States was strengthened by the acquisition of a portfolio of five products from Allergan's Medical Dermatology Unit. This portfolio includes Seysara™ (sarecycline), an innovative first-in-class oral antibiotic that was approved by the FDA in October 2018 and launched in January 2019 for moderate-to-severe acne.

2018's financial results proved that we are on the right track. Our EBITDA experienced significant growth of 47.5% in CER year-on-year, mainly driven by an increase in Net Sales, gross margin improvement and cost reduction. We have met our guidance expectations, we have been able to create value for our shareholders and we feel confident in delivering long-term profitable growth. I am especially proud to share with you that, after the acquisition of the new portfolio in US, the financial entity Credit Suisse revalued Almirall's shares at twenty euros, the highest value in our history, and Standard & Poor's improved Almirall's outlook, and maintained the rating on BB-. The achievement of this milestone is the result of a series of well-thought-out strategic decisions and a strong commitment to building our R&D pipeline, now dedicated entirely to medical dermatology, with breakthrough innovation and alliances in mind.

To build on our synergistic approach to R&D, we have further expanded AlmirallShare, our open innovation platform, with the aim of collaborating with universities, research centres, start-ups, biotechs and pharma companies all over the world, to find innovative solutions in medical dermatology. The platform has attracted the attention of a great number of scientists. We have already established two research partnerships on preclinical models for atopic dermatitis and two biotech companies have been identified as new providers of state-of-the-art experimental models.

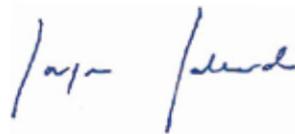
In July, we were excited to announce successful R&D results in two parallel phase-III studies of KX2-391 for actinic keratosis, both achieving the primary endpoint of complete clearance of lesions at day 57 within the face or scalp treatment areas.

We have also closed collaboration deals with innovation experts, such as Evotec, an expert in cutting-edge drug discovery and pre-clinical development; Silicoderm, a research project developing novel computational drug design methodologies; and X-Chem, a biotech company developing oral compounds for dermatological diseases.

2018 has been a year of growth, learning and milestones. Almirall's team is committed to continuing the hard work of applying Science to provide medical solutions to you and future generations. I believe in our company's purpose, in our strategic direction and in our focus on medical dermatology. We are committed to bettering our society, and we will continue to be the company that understands the needs of our patients.

Almirall is our family's legacy and we are just as dedicated to the project today as we were 75 years ago—so much so that the Gallardo family increased our stake in the company in 2018.

We thank you for your trust, continued support and investment in our company. We are pleased you are part of the Almirall family.



Jorge Gallardo, Chairman and President

Interview with the CEO.

“Our true innovation is based on patients’ needs and leads us to develop medical solutions and novel treatments to improve their quality of life”.

Peter Guenter, Chief Executive Officer



Almirall's strategic direction is now focused on medical dermatology. How is this boosting your results and what have you achieved so far?

We have refocused our strategy on medical dermatology to best address patients' unmet needs. We invest in breakthrough innovation and substantially differentiated dermatology products to provide real solutions that make patients' lives better. Medical dermatology is a very large and growing market with high unmet needs that mesh well with our capabilities, strengths, and commitment to Science and innovation.

Our medical dermatology business in Europe is performing well as a key driver of our results, accounting for around 65% of our total Rx dermatology. We are building a solid psoriasis franchise with the good progress of Skilarence® across Europe, and our first biologic, ILUMETRI®, approved by the European Commission in September, with a European rollout in progress. In September, Almirall also closed an agreement to acquire five products for acne and dermatoses from Allergan's US portfolio.

Our solid results in 2018 demonstrate that we are on the right track with our focused commitment to medical dermatology, providing value to our patients, healthcare professionals, and other stakeholders.

In 2017, you announced that M&A, in-licensing, and building an innovative R&D pipeline were top priorities. Tell us about the key milestones you reached in 2018.

First of all, I would like to highlight the increasingly innovation-driven model of our new strategic direction.

We have fully reoriented our R&D structure towards medical dermatology, increasing our investment in truly differentiated products and the hard work needed to be a front-runner in breakthrough derma innovation. Our 2018 R&D costs were €876 MM, representing 11.6% of Net Sales.

We signed a research collaboration agreement with Evotec to discover and develop first-in-class therapeutics to disrupt cell signalling for diseases such as psoriasis and atopic dermatitis. We also partnered with the Barcelona Supercomputing Centre (BSC) on the SilicoDerm project to develop high-performance computational methods to identify active compounds. In December, we signed an agreement with X-Chem, a biotech company, to discover high-value therapeutic leads for dermatological diseases.

2018 has been a key year for AlmirallShare. More than 450 scientists have registered projects and 170 proposals are under evaluation so far.

Moreover, we believe that M&A will be a significant catalyst for growth that will further establish Almirall as a patient-centred company. Our smart investment focus will identify assets in Europe and the US to not only generate shareholder value from the outset, but also further our

goal to be a leading global pharmaceutical company focused on medical dermatology. Acquiring Allergan's US dermatology portfolio is a perfect example of this strategy in action.

What is Almirall's perspective on internationalisation?

Internationalisation plays a key role in securing our current position and enables us to seize and maximise new product opportunities. We provide medical solutions and a product portfolio marketed through 13 affiliates operating in 21 countries in Europe and the US, with strategic partners in over 70 countries on five continents.

Europe accounts for approximately 59% of our total sales (Q4 proforma new Almirall). However, the US dermatology market—the largest in the world—also presents many opportunities to reinforce our growth and position. Our five new medical dermatology products acquired in US are supported by Almirall US salesforce's nationwide coverage, strong reputation among its customers, and well-developed network of stakeholders. With this acquisition, the Almirall team has taken a dynamic and agile approach to consolidating our dermatology strategy.

We have incorporated several former Allergan senior executives into our R&D and US management teams, taking advantage of their deep knowledge of the US oral acne market and the acquired portfolio, which is an excellent fit with Almirall US selling capabilities.

What are Almirall's challenges for the short and medium term?

We have a clear objective—to be a leading company worldwide in medical dermatology that patients and doctors turn to and trust in the fight against skin health diseases—and we are focusing our efforts and resources to get there.

We are investing in long-term R&D efforts 100% focused on medical dermatology. M&A and in-licensing remain a priority for us and our strong financial position enables us to seek new growth opportunities.

We are clear on where we are going and the path we need to follow. We will be flexible and ready to overcome any potential hurdles. The aim is to be the fastest to adjust and refine our course, as we play to win to achieve our goals. We have recently defined our Noble Purpose, <<Transform the patients' world by helping them realise their hopes & dreams for a healthy life>>, reflecting our reason why and our essence today and for future generations.

2018 Major Highlights.

7 February

Almirall installed an innovative photovoltaic power station in the Sant Celoni (Barcelona) chemical plant, the first solar park directly powering a production plant in Spain.

19 June

AlmirallShare launched Call 1, which looks for advanced small molecules with potential for therapeutic treatment of dermatological diseases.

27 July

Almirall received positive CHMP opinion for ILUMETRI® (tildrakizumab), the new anti-IL23 monoclonal antibody for moderate-to-severe chronic plaque psoriasis.

18 April

Almirall celebrated the 11th Skin Academy Medical Forum in Barcelona to discuss the latest therapies and innovations in medical dermatology.

26 July

Almirall announced that two phase III studies of KX2-391 for actinic keratosis achieved the primary endpoint of complete clearance of lesions at day 57.

18 September

The European Commission approved ILUMETRI® (tildrakizumab) for the treatment of moderate-to-severe chronic plaque psoriasis.

4 September

Almirall launched Skilarence® (dimethyl fumarate) in Spain for moderate-to-severe chronic plaque psoriasis.

3 August

Almirall announced an agreement to acquire an Allergan US portfolio of mature and growth brands for acne and dermatosis.

17 September

Almirall and Evotec entered into a research collaboration focused on first-in-class therapies to treat dermatological diseases through a novel approach that disrupts cell signalling.

Almirall presented safety and efficacy three-year results of tildrakizumab for moderate-to-severe chronic plaque psoriasis at the 27th EADV Congress.

21 September

Almirall closed the agreement with Allergan to acquire its US medical dermatology portfolio for acne and dermatosis.

2 October

The FDA approved Seysara™, an NCE for moderate-to-severe acne from the acquired Allergan portfolio, and the first antibiotic to be used in acne in a decade.

19 October

Almirall's subsidiary in the US changed its name from Aqua Pharmaceuticals to Almirall, LLC, which was presented during the Clinical Dermatology Congress.

28 September

Standard & Poor's improved Almirall's rating outlook, maintaining the BB- rating.

10 October

AlmirallShare launched Call 2, seeking novel targets and concepts in the treatment of dermatological diseases.

31 October

Almirall and the Barcelona Supercomputing Centre signed a collaboration agreement for SilicoDerm project, which focuses on computational drug design applied to dermatological therapeutic targets.

18 December

Almirall announced that the phase-III trial of P-3058 achieved the primary endpoint and the key secondary endpoints in the treatment of mild-to-moderate onychomycosis.

4 December

Almirall announced the launch and successful pricing of €250 MM offering of senior unsecured bonds and a €150 MM Club Bank Deal to refinance its US medical dermatology acquisition.

15 November

Almirall launched ILUMETRI® in Germany for moderate-to-severe chronic plaque psoriasis in adults.

12 December

Almirall and X-Chem signed a collaboration agreement to develop oral compounds for dermatological diseases.

26 November

Almirall completed the construction of an innovative photovoltaic plant at the Sant Andreu de la Barca (Barcelona) pharmaceutical plant.

9 November

Almirall launched the AKASI App, an innovative calculator to assess the severity of actinic keratosis on the head.



Finance and stock performance

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2018 Financial Highlights.

2018 was a solid year with strong business momentum for Almirall. The company achieved the upgraded guidance provided with Total Revenues growing at 8% at CER (Constant Exchange Rate) and Net Sales at 11.4% at CER. EBITDA came in at the higher end of the guided range provided, with a substantial 47.5% increase driven mainly by a strong Net Sales performance increase, improved gross margin, and tight cost control.

We have demonstrated our readiness to leverage opportunities that increase critical mass in key markets with our transformational acquisition of Allergan's medical dermatology portfolio, consolidating our presence in the US. We are maintaining strong cost-control measures while also investing in the business and building our dermatology franchises.

Our R&D pipeline is now fully focused on medical dermatology, with the successful European launches and rollouts of Skilarence® and ILUMETRI® and the US launch of Seysara™ in early 2019, all of which promise to be key growth drivers in the near term. Our growth remains on the right trajectory to deliver medium and long term, sustainable value to shareholders.

Total Revenues

€811.0 MM

Cash Flow from Operating Activities

€143.2 MM

Net Sales

€756.9 MM

R&D Expenses

€87.6 MM

EBITDA

€209.5 MM

Cash and Cash Equivalents

€86.3 MM

EBIT

€119.3 MM

Net Debt

€533.1 MM

Normalised Net Income

€88.2 MM

External auditors' report

The external auditors' report contains the Consolidated Financial Statements, which outline our positive results in 2018. PriceWaterhouseCoopers issued this report on 22nd February 2019, including the following documents:

- **Consolidated Balance Sheet as at 31st December 2018**
- **Consolidated Income Statement**
- **Consolidated Statement of Comprehensive Income**
- **Consolidated Statement of Changes in Equity**
- **Consolidated Cash Flow Statement**
- **Notes to the Consolidated Financial Statement**

For more information, visit www.cnmv.es and www.almirall.com, where the full content of the 2018 Consolidated Financial Statement, the notes to the accounts, and the auditors' report are available.

EBITDA at close of 2018 was €209.5 MM (+47.5% at CER, Constant Exchange Rates), due to the strong performance and the contribution of the new portfolio in the US. This is aligned with the upgraded guidance given at Q3 2018 results.

After launching in September 2017, the European rollout for Skilarence® went according to plan in 2018, generating strong sales volume and market share. The initial sales evolution after the launch in the UK, Germany, Netherlands, Nordic Countries, Belgium, and Spain has met our forecast, generating sales of €18 MM and over 28,000 units sold in Q4 2018, driven by strong performance in Germany and The Netherlands. The launch sequence continues with recent launches in Italy, with Portugal, Slovakia, the Czech Republic and Belgium anticipated shortly.

ILUMETRI® (tildrakizumab), our first biologic for psoriasis, was approved in September 2018 and launched in Europe in November, marking our entry into the biological drugs market. It has been well received in Germany, the first country to launch it, and rollout in other European countries will follow in 2019. We reached another major milestone in our strategy in Q1 2019 with the US launch of Seysara™ (sarecycline), a next-generation acne treatment and the first oral antibiotic specifically designed for dermatology in a decade, in Q1 2019. Selective investment into key brands in other strategic therapeutic areas, such as Ciclopoli®, Sativex®, Crestor® and Almax®, continues to generate profits.

Our prioritisation of external growth via M&A and in-licensing provided good results in 2018, as for example the agreement to close the Allergan portfolio deal in the US. Our healthy balance sheet enables us to pursue other acquisitions and late stage in-licensing to seek growth opportunities that align with our corporate strategy.

2018 Net Sales grew at +10.7% with good performances from key brands. Net Sales reached €756.9 MM, with Europe, a key growth driver in dermatology, accounting for sales of €189.8 MM (65.2% of total Rx dermatology).

SG&A ran at a lower rate than in 2017, despite continued investment in key European and US launches, coming in at €299.1 MM, which represents 39.5% of Net Sales excluding depreciation. At the close of 2018, EBITDA was €209.5 MM, at the top end of the Guidance range.

We had excellent operational Cash Flow generation in 2018 (€143.2 MM). At the close of 2018, the company's Cash Position was €86.3 MM. A strong improvement of Gross Margin at 70% (€ 529.2 MM) reflected an increase year on year of 330 bps, driven by good performance of key products.

Our business strategy remains tightly focused on being a global leader in medical dermatology. The in-licensing of late-stage assets and M&A, balanced with a strong commitment to innovation and R&D, continues to be a top priority.

Functional Income Statement.

In 2018, Almirall's Total Revenues reached €811.0 MM compared to €755.8 MM from the previous year. This figure includes Net Sales and Other Income.

Our key brands performed well in Europe. Strategic products like Ciclopoli® with sales of €42 MM, Sativex® with €27 MM, the Ebastel® franchise with €55 MM and Solaraze® with €34 MM.

Net Sales amounted to €756.9 MM in 2018, versus €683.9 MM the year before, boosting our medical dermatology portfolio. Other Income of €54.1 MM represented a decrease of 24.8% versus 2017 as expected.

R&D expenses accounted for €87.6 MM, or 11.6% of Net Sales, supported by the rollout of Skilarence® and ILUMETRI® and other forward-looking Phase III projects.

SG&A expenses declined by 5.4% to €372.0 in 2018 (49.1% of the Net Sales) despite investments in the rollout of Skilarence® and ILUMETRI®, and the launch of Seysara™.

Corporate Income Tax in 2018 decreased by 84.2% (€2.7 MM) versus 2017 due to deferred tax assets coming from the Allergan acquisition.

Normalised Net Income was €88.2 MM.

Almirall's Total
Revenues reached
€811.0 MM,
boosted by business
performance in
Europe.

2018 Functional Income Statement (€ MM)	2018	2017	% Var
Total Revenues	811.0	755.8	7.3%
Net Sales	756.9	683.9	10.7%
Other Income	54.1	71.9	(24.8%)
Cost of Goods	(227.7)	(228.1)	(0.2%)
Gross Profit	529.2	455.8	16.1%
% of sales	69.9%	66.6%	
R&D	(87.6)	(87.9)	(0.3%)
% of sales	11.6%	12.9%	
SG&A	(372.0)	(393.1)	(5.4%)
% of sales	(49.1%)	(57.5%)	
SGA w/o Depreciation	(299.1)	(307.3)	(2.7%)
% of sales	(39.5%)	(44.9%)	
Depreciation	(72.9)	(85.8)	(15.0%)
Other Operating Expenses	(4.4)	(8.2)	(46.3%)
EBITDA	209.5	142.2	47.3%
% of sales	27.7%	20.8%	
Depreciation & Amortization	(90.2)	(103.7)	(13.0%)
% of sales	(11.9%)	(15.2%)	
EBIT	119.3	38.5	209.9%
% of sales	15.8%	5.6%	
Gains on sale of assets	0.4	(2.2)	n.m.
Other costs	(6.1)	(10.5)	(41.9%)
Restructuring costs	(1.5)	(12.2)	n.m.
Impairment reversals / losses	(25.2)	(323.6)	(92.2%)
Net financial income / expenses	(11.9)	(11.1)	7.2%
Profit Before Tax	75.0	(321.1)	(123.4%)
Corporate Income Tax	2.7	17.1	(84.2%)
Net Income	77.7	(304.0)	(125.6%)
Normalised Net Income	88.2	27.1	225.8%
EPS normalized	€0.51	€0.16	
EPS	€0.45		

Balance Sheet.

The paragraphs below highlight the most noteworthy aspects of the group's Balance Sheet as at 31st December 2018.

The strong increase in intangible assets (from €730.3 MM to €1,121.2 MM) was mostly driven by the acquisition of Allergan's portfolio in the US.

Accounts receivables increased versus 2017, mainly due to the AstraZeneca milestones and Allergan impact.

The decrease in Non-current Liabilities (from €444.4 MM to €407.6 million) was related to the ILUMETRI[®] addendum and AstraZeneca deferred income allocated to the P&L account.

The reduction in Current Liabilities (from €348.3 MM to €241.5 MM) was mainly linked to payments relating to KX2-391, ILUMETRI[®], Crestor[®], and the Poli earn-out.

Financial Debt includes a €250 MM Convertible Bond and €150 MM Club Deal as part of the refinancing of the bridge loan used for the Allergan acquisition.

2018 Balance Sheet (€ MM)	2018	2017	% of BS
Goodwill	316.0	341.8	(25.8)
Intangible Assets	1,121.2	730.3	390.9
Property, Plant, and Equipment	115.2	128.3	(13.1)
Financial Assets	142.3	192.0	(49.7)
Other Non-Current Assets	280.4	268.7	11.7
Total Non Current Assets	1,975.1	1,661.1	314.0
Inventories	92.3	83.7	8.6
Accounts Receivables	192.8	90.5	102.3
Cash & Cash Equivalents	86.3	280.2	(193.9)
Other Current Assets	43.0	61.0	(18.0)
Total Current Assets	414.4	515.4	(101.0)
Total Assets	2,389.5	2,176.5	213.0
Shareholder's Equity	1,191.7	1,133.7	58.0
Financial Debt	548.7	250.1	298.6
Non-Current Liabilities	407.6	444.4	(36.8)
Current Liabilities	241.5	348.3	(106.8)
Total Equity and Liabilities	2,389.5	2,176.5	213.0

Refinancing of Allergan's U.S. medical dermatology portfolio acquisition.

In August 2018, Almirall entered into a definitive agreement to acquire the former US medical dermatology portfolio from Allergan, an acquisition for a cash consideration of \$550 MM. In December 2018, Almirall announced the refinancing of the bridge loan through the launch of a €250 MM senior unsecured conditionally convertible bonds with an equity neutral strategy led by JP Morgan and a €150 MM senior unsecured Club Bank Deal led by BBVA. The new debt will have 3 years maturity for the bonds and 5 years for the Club Bank Deal. The bonds were rated BB- by S&P as well as Almirall (Stable Outlook).

The pricing of the senior unsecured conditionally convertible bonds issuance by Almirall was successfully completed. The bonds have a fixed coupon of 0.25% per annum, payable semi-annually and the conversion price was set at €18.17.

On a proforma basis, our leverage is below 2.5x Net Debt/EBITDA and is expected to be lower at the end of this year. That gives us additional firepower to explore additional inorganic growth.

Conditions of the Convertible Bonds

€250 MM Senior unsecured conditionally convertible bonds due 2021

Fixed coupon of 0.25% per annum, payable semi-annually

Conversion price €18.17

Improved Debt Structure

<p>✓ Equity neutral strategy due to our intention to acquire treasury stock for the total amount issued</p>	<p>1.4% Current Treasury Stock</p>	<p>Executing an equity neutral strategy ✓</p>
<p>✓ Reduces financing costs and improves cost of capital (WACC)</p>	<p>1.3%* Total new debt</p>	<p>Low cost of debt ✓</p>
<p>✓ Low cost option improves debt structure providing financial flexibility</p>	<p><2.5x Net Debt/EBITDA</p>	<p>Firepower remains intact ✓</p>
<p>✓ Maintain leverage at our threshold of <2.5x</p>	<p>BB- S&P Ba3 Moody's</p>	<p>Credit rating ✓</p>

*Cost of debt Including bank fees for the €250 MM Convertible Bond & €150 MM Club Deal

Cash Flow.

Cash Flow from operating activities showed a substantial increase in 2018 to €143.2 MM (versus €6.1 MM in 2017) due to good Net Sales performance, improved gross margin and tight cost controls.

Financial outlook for 2019

The outlook for 2019 continues to be very positive. Our psoriasis and acne franchises will perform well and we are confident in the growth potential of our other key brands in Europe. We have consolidated the Allergan portfolio and, as a result, have expanded our footprint in the US, in particular with the launch of Seysara™. At the same time, we remain highly motivated to gain critical mass in key markets and to in-license late stage assets in medical dermatology, which will further boost our growth prospects.

For 2019, Almirall expects Total Revenues growth at low double-digit versus 2018 and EBITDA of between €290 MM – €300 MM. Net Sales are also expected to grow at low double-digit, with Other Income to grow at c. 20%.

Total Revenues

Low double-digit growth

EBITDA

Between €290 - €300 MM



Cash Flow (€ MM)	2018	2017
Profit Before Tax	75.0	(321.1)
Depreciation and Amortisation	90.2	103.7
Impairment losses	25.2	331.8
Change in Working Capital	19.4	0.4
Restructuring Payments	(5.8)	(12.7)
Other Adjustments	(66.2)	(87.2)
CIT Cash Flow	5.4	(8.8)
Cash Flow from Operating Activities (I)	143.2	6.1
Interest Collections	0.4	1.6
Ordinary Capex	(17.3)	(25.8)
Investments	(98.5)	(35.8)
Allergan investment	(483.0)	-
Divestments	8.0	0.3
Business combination payments	(17.5)	(7.5)
Cash Flow from Investing Activities (II)	(607.9)	(67.2)
Interest Payment	(2.6)	(18.9)
Dividend Payment	(22.7)	(33.0)
Debt Increase (Decrease)	296.1	(73.5)
Cash Flow from Financing Activities	270.8	(125.4)
Cash Flow generated during the period	(193.9)	(186.5)
Free Cash Flow (III) = (I) + (II)	(464.7)	(61.1)

Almirall on the Stock Exchange.

At the end of 2018, Almirall's share price was quoted as €13.37, representing a 62.45% increase over the period.

Almirall's share price was boosted by 2018's solid operational performance and the methodical execution of our medical dermatology strategy, including several concurrent launches and rollouts. The closure of the acquisition of Allergan's US medical dermatology portfolio in September was particularly transformative and led to a strong share price performance that substantially outperformed the IBEX 35.

The main indices in 2018, such as the UK's FTSE 100, fell by -12.48%, the S&P 500 by -6.24%, Germany's DAX Xetra by -18.26%, the Dow Jones by -5.63%, and the IBEX 35 by -14.97%.

Comparison of Almirall share prices vs the IBEX-35 since IPO (Base 100)



Market cap, volume, and prices

At the close of 2018, Almirall's share price was composed of 174 million shares. As a result, Almirall's market capitalisation in 2018 totalled €2,324.42 MM.

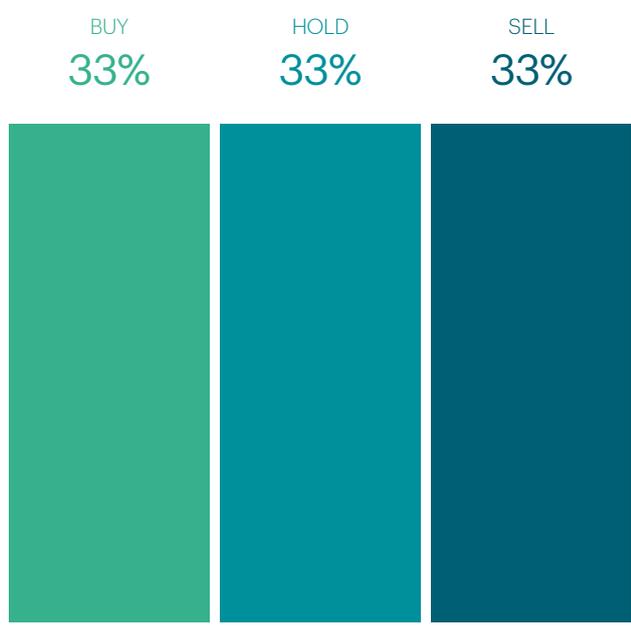
In 2018, the highest price at the close of trading for an Almirall share was €18.00 on 1st October 2018, while the lowest recorded price was €7.88 on 23rd February 2018.

As far as trading volumes are concerned, the total volume in 2018 amounted to €1,145,793,296.

Almirall share price in 2018. Main indicators

Year closing (euros)	13.37
Highest intraday level (euros)	18.00
Lowest intraday level (euros)	7.88
Annual volume (number of shares)	105,402,679
Average daily volume (number of shares)	439,285
Actual annual volume (euros)	1,285,826,573
Daily average volume (euros)	5,542,457
Trading days	255
Number of shares	173,853,667

Consensus rating as of 31st December.



The average Target Price at the end of 2018 was **€16.08** per share (based on the target price from key analysts).

Performance of Almirall Share prices on the stock exchange

Month	Trading days	Closing price	Highest	Date	Lowest	Date	Daily average
January	22	8.74	9.22	9-01	8.36	2-01	8.79
February	20	8.80	9.08	19-02	7.82	23-02	8.39
March	21	9.59	9.90	16-03	8.51	2-03	9.26
April	20	10.33	10.37	30-04	9.26	4-04	9.61
May	22	10.81	11.73	24-05	10.01	9-05	11.02
June	21	11.48	11.65	29-06	10.71	19-06	11.20
July	22	12.24	12.44	31-07	11.19	2-07	11.81
August	23	15.90	16.71	30-08	12.21	1-08	15.16
September	20	17.31	17.88	21-09	15.60	6-09	16.74
October	23	16.01	18.00	2-10	14.43	26-10	16.31
November	22	15.06	17.86	13-11	15.06	30-11	16.22
December	19	13.37	15.82	3-12	12.88	27-12	14.14

Share capital and dividends

Almirall began trading on the Spanish Stock Exchange on the 20th June 2007. At the 2018 Annual General Meeting (AGM), the Board of Directors proposed to continue its policy of paying out dividends, which aligns with our Business Development strategy.

The Ordinary General Shareholders' Meeting, held on the 10th May 2018, approved a scrip dividend of €0.19 per share or €33 MM. The dividend was paid on 1st June 2018.

According to Standard & Poor's and Moody's, the current credit rating for Almirall is: Standard & Poor's BB-, stable outlook; Moody's Ba3. The credit rating agency Standard & Poor's improved the outlook of Almirall during 2018 from negative to stable.

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

Shareholders

The following table details the information in the official registries of the Spanish Securities Commission, as at 31st December 2018, regarding the majority Almirall S.A. shareholders, both direct or indirect, holding shares over 5%.

Name or company name of direct shareholders	Number of shares 31/12	Shareholding in Almirall (%)
Grupo Plafin S.A.	71.42	41.1%
Grupo Corporativo Landon, S.L.	43.83	25.2%



Our Business

- Leadership in medical dermatology
- Other strategic areas
- Corporate Development
- Business year sales 2018

Leadership in medical dermatology.

Strong operational performance.

Over the past three years, we have made a powerful shift in our business goals towards being a key player in medical dermatology and this year we have already seen solid results. Throughout 2018, our team was dedicated to further consolidating our strategy and business model, managing our growth, and acquiring the capabilities we need to be a frontrunner in innovation and a leading speciality company with a strong focus on medical dermatology.

Our R&D is now fully orientated to dermatology. We are developing innovative products with the experience necessary to successfully design and guide much-needed therapies through all of the phases of development, trials, regulatory approval, roll-outs, and post-launch support for doctors and patients.

At the same time, we have pursued a responsive and nimble strategy for identifying key acquisitions and alliance opportunities that contribute to achieving our goals and delivering long-term profitable shareholder value, while ensuring that we are well-positioned to make a difference for patients and improve their quality of life.

Our strategic move into medical dermatology is tightly focused on developing and providing vital therapies for well-defined subsets of patients and indications. We are leveraging our talent and efforts to make the biggest difference possible and improve the lives of those suffering from skin diseases. Medical dermatology is an attractive area for our business with strong growth and many opportunities to be a leader in fulfilling high unmet needs for patients and their doctors.

Centring our efforts on patients' unmet needs drives our team to keep training and working hard to stay ahead of the curve, while increasing our connectivity with the outside world. Skin diseases are especially complex pathologies with often debilitating symptoms that disrupt a patient's quality of life and carry with them a high psychosocial burden. In all that we do, healthcare professionals are our partners in the fight to improve patients' lives and to ensure that we are always applying Science exactly where it is most needed. Our patients inspire us to listen, work hard, and adapt to their most pressing needs as we develop a vital and ample range of therapies.

Increasing our investment in R&D ensures that our pipeline is balanced, forward thinking, and always adapting to the most critical needs of our patients as we work towards our goal to be a leader in medical dermatology. Our long term plan is very robust and shows the good health of the company, our capacity for growth, and the solid base upon which we can build, expand, and better serve our stakeholders.

External growth is key. We are actively searching for additional M&A opportunities that will function as a catalyst for growth, create new opportunities to improve patients' lives, and provide us with additional means and resources to ensure successful, well-supported launches over the next years.

We continue to advance to our goal of being a major player in medical dermatology with a strong acne and psoriasis franchise, and a solid portfolio entirely focused on dermatology.

Our strategic vision

Innovative solutions for patients with unmet medical needs.

Breakthrough innovation model as the essence of our strategy.

R&D pipeline fully focused on medical dermatology.

Strategic in-licensing and M&A opportunities as a significant catalyst for growth.



Our strategic indications

In 2018, we took major steps to decisively execute our strategic plan in medical dermatology by leveraging our strong business momentum, driven by our key brands across Europe. We were able to consolidate our psoriasis franchise, reinforce our acne franchise, and cover other important skin diseases.

We have identified the following four core therapeutic indications as those with the most potential for growth for our business: **actinic keratosis, atopic dermatitis, psoriasis, and acne.**

Actinic keratosis

Actinic keratosis (AK) is a chronic skin disease characterised by rough, scaly patches that develop on areas of skin with sun damage.¹ Also known as 'solar keratoses', it is the most common type of precancerous skin lesion and long-term exposure to UV light is considered the most significant risk factor. Without early intervention and treatment of all lesions and the surrounding skin, AK can progress to invasive squamous cell carcinoma, which is a variant of non-melanoma skin cancer.²

Almirall offers two topical treatments, Solaraze® and Actikerall®. In late 2017, we signed licensing agreement with Athenex for the research, development, and commercialisation of KX2-391, a first-in-class topical treatment for AK. It received two positive phase III readouts in July 2018 and has the potential to change the standard of care for this disease.

Some of our dermatological products*

Acticlate®/Monodox® (doxycycline)

Aczone® (dapsons)

Actikerall® (fluorouracil + salicylic acid)

Aknemycin® (erythromycin 4.0% + tretinoin 0.025%)

Aknenormin® (isotretinoin)

Altabax® (retapamulin)

Azelex® (azelaic acid)

Balneum® (urea)

Blastoactiva® (Centella asiatica)

Candio-Hermal® (nystatin)

Ciclopoli® (ciclopirox olamine)

Cordran® (flurandrenolide)

Cordran® Tape (fludrocortide)

Curatoderm® (tacalcitol)

Decoderm® (fluprednidene acetate)

* Some of these products may not be available in the EU.

Atopic dermatitis

Atopic dermatitis (also known as atopic eczema) is a chronic eczematous skin disease with a hereditary component. It is the most severe and chronic type of eczema. The skin becomes itchy and inflamed, with rashes, redness and swelling normally occurring on the cheeks, arms, and legs. It often presents during childhood, but may persist into adulthood.^{3,4} In humans, it is a complex, chronic, inflammatory skin condition, affecting up to 10% of children and 4% of adults.⁵

The intense itching that it produces—and the pressing need for fully studied, systemic treatment options without undesirable side effects—exerts a particularly heavy toll. Patients, many of them small children, and their caregivers are at an increased risk of developing psychological comorbidities such as anxiety, sleep issues, and depression.⁶ The majority of AD patients use topical therapies—and are effectively ‘undertreated’ given the severity of their condition. With only one approved biologic on the market,

many patients are prescribed off-label systemic treatments that were not designed or studied for atopic dermatitis. The varying efficacy and side effects associated with these treatments make them less-than-optimal options for patients. During flare-ups, open weeping or crusted sores may develop from scratching or infections. Patients with atopic dermatitis are at an increased risk for developing skin sensitivities such as dry skin, skin infections, and hand and ocular dermatitis.⁷

Almirall offers the newly acquired Cordran® Tape (flurandrenolide), a topical corticosteroid, and Balneum®, a topical treatment, both for mild-to-moderate atopic dermatitis.

We have entered into a research collaboration agreement with the German company Evotec to discover and develop first-in-class therapeutics through a novel approach to disrupt cell signalling for debilitating dermatology diseases such as atopic dermatitis and psoriasis.

ILUMETRI® (tildrakizumab)

Monovo® (mometasone)

Mupiderm® (mupirocin)

Seysara™ (sarecycline)

Sililevo® (hydroxypropylchitosan + Equisetum arvense + methylsulfonylmethane)

Skilarence® (dimethyl fumarate)

Solaraze® (diclofenac sodium)

Tannosynt® (tannin)

Tazorac® (tazarotene)

Thiomucase® (UCP peptide Centella asiatica)

Vaniqa® (eflornithine)

Veltin® (clindamycin phosphate + tretinoin)

Verdeso® (desonide)

Verrumal® (fluorouracil + salicylic acid + dimethyl sulfoxide)

Xolegel® (ketoconazole)



Our psoriasis franchise

Psoriasis is a chronic skin disease that affects over 125 million people—nearly 3% of the worldwide population—and often requires lifelong treatment.⁸ The causes of psoriasis are unknown, though the medical community believes there is a genetic and autoimmune component.

There are several different kinds of psoriasis and the disease can range from mild to moderate-to-severe, affecting limited areas of the skin or becoming more widespread. Plaque psoriasis, the most common form, is characterised by lesions—painful red scaly patches or papules covered with silvery scales that can appear on any area of the skin. It is a high burden, disabling disease that greatly impacts the physical and emotional wellbeing of patients and their quality of life.⁹

Treatments are determined by the type and the severity of a patient's particular manifestation of psoriasis and the area of skin affected. These treatments include a range of therapeutic approaches: topical medications, phototherapy, and systemic treatments. It can be challenging for patients and their doctors to find the correct treatment or constellation of treatments that work best. To ease this process, Almirall provides educational materials that facilitate the use of our products and help psoriasis patients to work with their healthcare professionals and manage their disease.

2018 was a very active year for the consolidation of our psoriasis franchise, as we made good progress implementing our strategy and executing important product launches and rollouts.

The rollout of Skilarence®

This new oral formulation of dimethyl fumarate (DMF) is a valuable oral systemic treatment for adult patients with moderate-to-severe chronic plaque psoriasis that is uncontrolled with a topical approach. It is the first and only fumaric acid ester (FAE) approved by the European Commission for the treatment of adults with psoriasis and was initially launched in Germany, the UK and the Nordic Countries, with successful results.

It was then marketed in The Netherlands and Spain, followed by a launch in Italy in Q1 2019. Skilarence® has been well received by healthcare professionals and patients in Europe. Rollout continues in Portugal, Slovakia, the Czech Republic and Belgium.

Launch of ILUMETRI®

ILUMETRI® (tildrakizumab) is a humanised anti-IL-23p19 monoclonal antibody designed to selectively block the cytokine IL-23 in the treatment of adult patients with moderate-to-severe chronic plaque psoriasis. It is a biologic treatment administered by subcutaneous injection, with two initial doses then four injections per year during the maintenance period, offering convenience, easier compliance, and a better quality of life for patients.

Its efficacy and safety profile has been demonstrated over three years with long-term data. After attaining European Commission approval in September 2018, we successfully launched ILUMETRI® to the European market in Germany. This represents a new therapeutic option for candidates for systemic treatments and marks Almirall's entry into biologic therapies.



Our acne franchise

2018 was an exciting year for our acne franchise. With our acquisition of the majority of Allergan's medical dermatology portfolio in the US, we are consolidating and reinforcing Almirall's presence in the largest dermatology market in the world. Through this strategic transaction we expanded our range of dermatological products, complementing our existing presence and making this a transformational step for Almirall.

Acne is a very common chronic skin disorder characterised by overactive sebum secretion, which produces non-inflammatory comedones (open blackheads or closed whiteheads) and can develop into more moderate-to-severe inflammatory pustules and nodules. It tends to be a highly visible disease manifesting primarily on the skin of the face, upper back, chest, shoulders, and neck. It is frequently linked to hormonal changes or other conditions that trigger excess sebum production and often first appears in adolescence. In addition to the physical pain and discomfort it produces, acne can also be quite debilitating from a psychosocial standpoint, with adverse effects on patients' emotional wellbeing that can lead to more serious comorbidities like depression or anxiety. Seeking treatment can boost a patient's self-esteem and social life.^{10,11,12}

We aim to provide our patients and their dermatologists with a comprehensive innovative portfolio of therapeutic options to fight acne that treat the full spectrum of the disease, establishing Almirall as a key player in this area.

Seysara™ (sarecycline)

Seysara™ is the first oral antibiotic specifically indicated for the treatment of moderate-to-severe acne in patients nine years of age and older. It was approved by the US Federal Drug Administration in October 2018 and provides a truly innovative and highly anticipated treatment option.¹³ It is a new chemical entity specifically developed for the treatment of moderate-to-severe acne vulgaris, and the first oral antibiotic to be used in acne in a decade. Patients and doctors are seeking an improvement in the efficacy of currently available treatments, with a demonstrated safety and tolerability profile.

In three Phase III trials, sarecycline is proven to be safe and extremely well-tolerated by most patients. It demonstrated efficacy for patients, with rapid improvement in mean absolute and percent inflammatory lesion count reduction as early as three weeks through to week 12. Once-daily weight-based dosing provides convenience as well as tailoring an appropriate range of drug dose to the patient's body weight.^{14, 15, 16}

Almirall's acne franchise also offers other treatment options for this pathology, such as Veltin® (clindamycin + tretinoin) and Acticlate® (doxycycline hyclate).

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New portfolio in the US

Seysara™ (Sarecycline)	Aczone® (Dapsone)	Tazorac® (Tazarotene)	Cordran® Tape (Flurandrenolide)	Azelex® (Azelaic acid)
Acne	Acne	Acne Psoriasis	Dermatoses	Acne
Oral antibiotic with anti-inflammatory activity within the tetracycline class - As efficacious as oral doxycycline with improved safety and tolerability	Most prescribed non-retinoid topical for acne - Moderate efficacy and good tolerability - Good brand reputation	Topical retinoid indicated for acne (gel) and plaque psoriasis (cream)	Low-potency topical corticosteroid tape provides a "higher potency effect" - Long-term efficacy and safety experience - Unique product with significant growth potential	Indicated for the topical treatment of mild-to-moderate inflammatory acne vulgaris

Patients and professionals. Our key partners

To understand and support the patients' needs, we are working in close collaboration with healthcare professionals, medical societies, and patient organisations as an important part of our commitment to skin health. This provides us with an invaluable opportunity to listen to them, learn, and share. Over the last year, Almirall has greatly increased its presence at leading congresses, conferences, and advisory boards, attending many key events.

We are currently working in partnership with medical societies and patient organisations, among others, with:

- **The International Psoriasis Council** (IPC).
- **The European Academy of Dermatology and Venereology** (EADV).
- **The American Academy of Dermatology** (AAD).
- **The International League of Dermatological Societies** (ILDS).
- **Psoriasis from Gene to Clinic** (Psoriasis G2C).
- **The International Federation of Psoriasis Associations** (IFPA).
- **The International Psoriasis Council** (IPC).

We have also undertaken initiatives to ensure that we are listening to the patient's voice, raising awareness, and providing added value to healthcare providers:

Supporting healthcare providers

- Improving the quality of life of their patients
- Providing real solutions for challenging diseases
- Going beyond merely treating the symptoms

Taking the lead as a trusted source

- Keeping HCPs up-to-date with information and the latest trends in each therapy

Listening to patients

- Providing assistance to patient advocacy groups (PAGs)
- Discovering their unmet needs in the treatment of dermatological diseases

Exploring technological channels and tools

- Exploring new ways for better disease management
- Communicating and interacting better with the patients
- Establishing Almirall as an innovative partner in skin health

Supporting Patient Advocacy Groups (PAGs)

- Supporting international PAGs
- Participating with them in the World Psoriasis Day and other key events

Other strategic areas.

We continue to include a selection of innovative and promising products in our portfolio that complement our capabilities and our primary focus on medical dermatology. Our other therapeutic divisions, such as CNS (central nervous system), cardiovascular, gastrointestinal, among others, provide effective solutions for patients' needs. Key products such as Sativex®, for spasticity in multiple sclerosis, and OTC therapies such as Ebastel® and Almax® are positioned among our top 10 selling brands.

Our aim is to identify unmet medical needs in our therapeutic areas of interest, while supporting healthcare professionals and bringing our innovative solutions where they are most needed.

Key business development and M&A operations for 2017 and 2018 consisted of collaboration and in-licensing agreements that enhance the profitability and future prospects of our portfolio. At the end of 2017, we signed an agreement with AstraZeneca to distribute Crestor® and Provisacor® (rosuvastatin) in Spain. Rosuvastatin is remarkably synergistic with our current portfolio and sales structure in this market, leveraging our long-term experience in cardiovascular diseases. Strategic in-licensing of late-stage assets creates value for our shareholders by increasing critical mass in key markets and is further evidence of our commitment to support our patient all over the world.

Strategic products*

Actithiol® (carbocisteine + promethazine)
Airtal® (aceclofenac)
Almax® (almagate)
Almogran® (almotriptan)
Cleboril® (clebopride)
Crestor®/Provisacor® (rosuvastatin)
Dobupal® (venlafaxine)
Ebastel® (ebastine)
Elecor® (eplerenone)
Efficib® (sitagliptin + metformin)
Hidroxil® (vitamins B1 + B6 + B12)
Imunorix® (pidotimod)
Macmisor® (nifuratel + nystatin)
Parapres® (candesartan)
Rinastel® (sea water + xylitol)
Rinastel® (sea water + aloe vera and chamomile)
Sativex® (dronabinol + cannabidiol)
Silodyx® (silodosin)
Spagulax® (ispaghula)
Synflex® (naproxen)
Tesavel® (sitagliptin)

* Some of these products may not be available in the EU.



Corporate Development.

In 2018, we sharpened our focus on medical dermatology through a series of decisive mergers and acquisitions, licensing agreements, and collaborations. M&A is a priority and we are focused on scrutinising potential targets to secure a strong fit with our core business, whilst remaining financially disciplined and ensuring their proper operational integration. This approach allows us to maintain financial flexibility, while growing our leading dermatology franchise and creating shareholder value.

Corporate development in Rx dermatology

Portfolio acquired from Allergan

This transformational acquisition was a very attractive transaction that complements our existing platform, will create immediate shareholder value, and will be accretive for our earnings in the short term, while offering solid medium to long-term growth opportunities. The acquired assets enhance Almirall's portfolio in the US and position our medical dermatology franchise as a key growth driver, representing around 41% of Almirall's Net Sales in 2018*.

This bold move solidifies Almirall's position as a leader in medical dermatology, dedicated to providing health solutions to patients with considerable unmet medical needs. Given our existing business, it is a clean and fully synergistic transaction with no corporate structure, promotional force, or manufacturing facilities included in the deal. With it, we gain critical mass and growth potential in the US which is the largest medical dermatology market globally.

The transaction was closed for a cash consideration of \$550 MM and was initially funded through a bridge loan from BBVA and Santander Bank. Leverage will not exceed 2.5 times EBITDA, with a rapid deleveraging profile. This agreement also contemplates a possible earn-out, up to \$100 MM and payable in Q1/2022, depending on the performance of the acquired portfolio.

The acquired portfolio includes an NCE, Seysara™ (sarecycline), already approved by the FDA in October 2018 as the first antibiotic specifically developed for moderate-to-severe acne, along with four key mature and stable brands: Aczone® (dapson), a non-retinoid topical for acne; Tazorac® (tazarotene), a topical retinoid for acne and plaque psoriasis; Azelex® (azelaic acid), a topical treatment for mild-to-moderate acne; and Cordran® Tape (flurandrenolide), a corticosteroid-tape for dermatoses.

These last four products are recognised brands in the US market and already generated \$39.1 MM in total US sales in the three months of 2018 following their acquisition (Q4 2018). Seysara™ was launched in Q1 2019 and we expect to have peak sales in the range of \$150 MM to \$200 MM.

Medical dermatology licensing and commercialisation agreements

Almirall and Athenex entered into a strategic partnership in December 2017 to further develop and commercialise KX2-391 for the treatment of actinic keratosis and other skin conditions in the United States and Europe, including Russia. Athenex is responsible for conducting all preclinical and clinical studies leading up to US FDA approval.

In July 2018, both Phase III studies of KX2-391 for actinic keratosis (AK) met the primary endpoint of complete clearance of actinic keratosis lesions at day 57 within the face or scalp treatment areas. Almirall is providing its expertise to support development and registration in Europe and also to commercialise the product in the licensed territories. Projected peak sales for KX2-391 are expected to be in excess of €250 MM, with the potential to change the standard of care in actinic keratosis.

Other strategic licensing agreements

Almirall continues to pursue attractive partnerships in other therapeutic areas. In Q4 2017, we closed a synergistic licensing agreement with AstraZeneca for the commercialisation in Spain of Crestor® and Provisacor® (rosuvastatin). These top-selling statin medications are indicated to reduce elevated LDL cholesterol levels in the blood and are associated with a reduction in the risk of heart attack or stroke. This move generated a strong sales performance of €40 MM in 2018, boosting our EBITDA.

*Q4 Proforma New Almirall

Recent transactions and collaborations

2018

Acquisition of Allergan's US medical dermatology portfolio

Research collaboration with Evotec for first-in-class therapies to treat dermatological diseases through a novel approach that disrupts cell signalling

Collaborative research and licensing agreement with X-Chem to generate novel small-molecule therapeutics

2017

Licensing agreement with Athenex to develop and commercialise KX2-391

Acquisition of rights for Crestor®/Provisacor® in Spain

Symatase Agreement in aesthetics

2016

Acquisition of Poli Group

Acquisition of ThermiGen

Licensing agreement Sun Pharma to develop and commercialise tildrakizumab in Europe

Discovery collaborations with Nuevolution and Mercachem

2015

Acquisition of rights for Veltin® and Altabax®

Investment in Suneva Medical

2014

Transfer of rights to AstraZeneca of the respiratory franchise

2013

Acquisition of Aqua Pharmaceuticals in US

Business year sales 2018.

In 2018, Total Dermatology Sales increased to €307 MM. The European dermatology market represented a key growth driver with sales of €189.8 MM (65.2% of total Rx dermatology), boosted by Skilarence®, Solaraze®, the Ciclopoli® franchise and Decoderm® franchise.

US sales were affected positively by the Q4 results for our newly acquired Allergan medical dermatology portfolio. In the US, Net Sales of €108.7 MM represented a 25.2% increase versus 2017. We have reinforced and consolidated our position in the US through the new portfolio in this country, which is performing as expected with immediately accretive brands. The portfolio includes recognised brands in the US market, such as Aczone® (dapson), Tazorac® (tazarotene), Azelex® (azelaic acid) and Cordran® Tape (fludroxycortide), as well as Seysara™ (Sarecycline), the first new chemical entity for the treatment of acne to be approved by the FDA in a decade. We are encouraged by the initial feedback from the Seysara™ launch in the US.

The new portfolio contributed with €39.6 MM sales following the acquisition in 2018. Particularly Aczone®, a topical acne therapy acquired as part of this dermatology portfolio, debuted on our top-ten sales list, posting €24 MM in sales in the US.

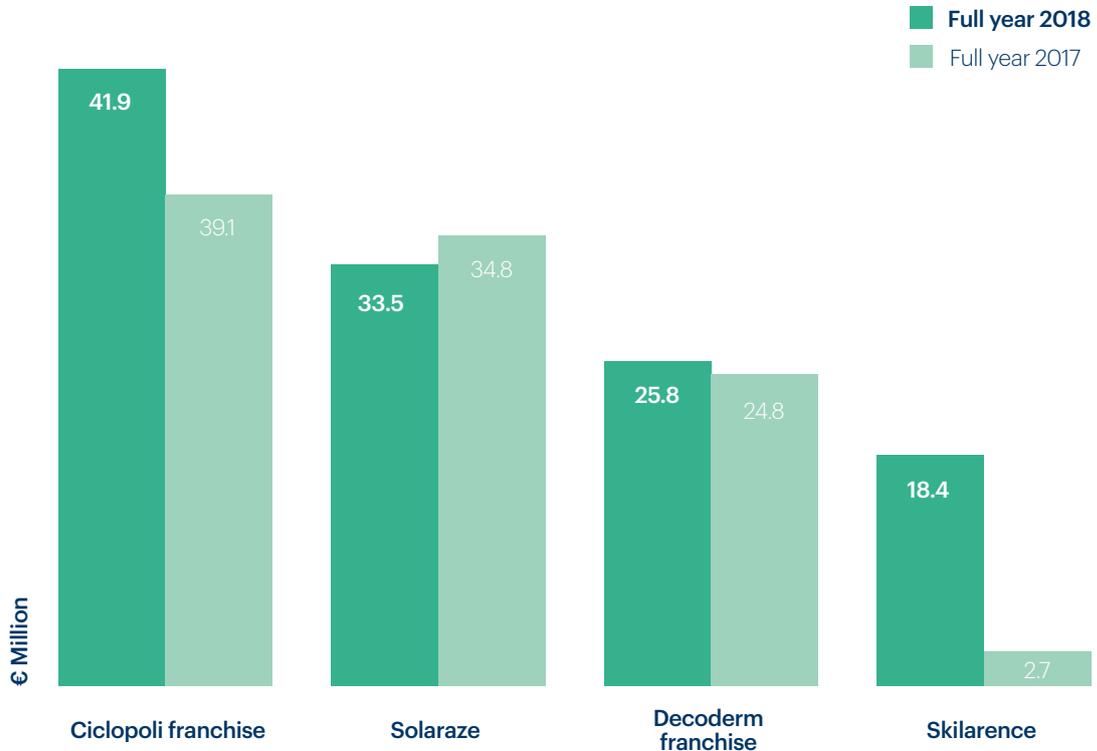
The ongoing rollout of Skilarence®, the first and only European-Commission-approved fumaric acid ester (FAE) for the treatment of adults with moderate-to-severe chronic plaque psoriasis, boosted our dermatology portfolio with €18.4 MM and more than 28 million units sales in 2018, with strong performance in Germany and the Netherlands following the launch.

Our strategic medical dermatology brands such as Ciclopoli® for onychomycosis, Decoderm® for the treatment of inflammatory or allergy-related skin diseases, and Solaraze® for actinic keratosis continue to post good results.

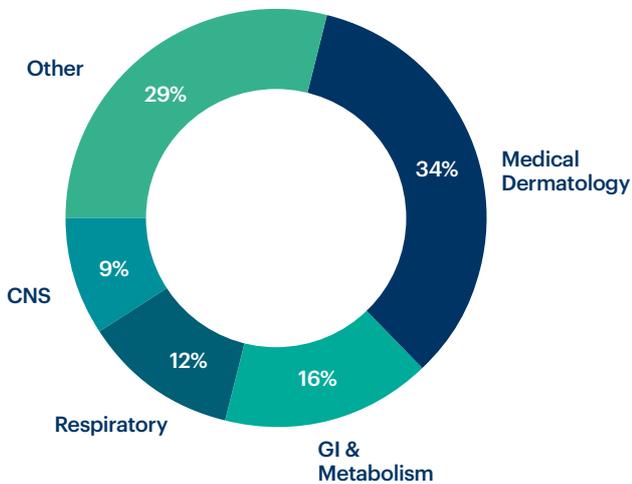
Dermatology sales breakdown (€ MM).

(€ MM)	Full year 2018	Full year 2017
Europe	189.8	177.0
US	90.4	54.0
RoW	10.9	9.6
Total Derma Rx	291.0	240.7
ThermiGen	16.0	29.0
Total Almirall Derma	307.0	269.7

Top leading derma products by sales

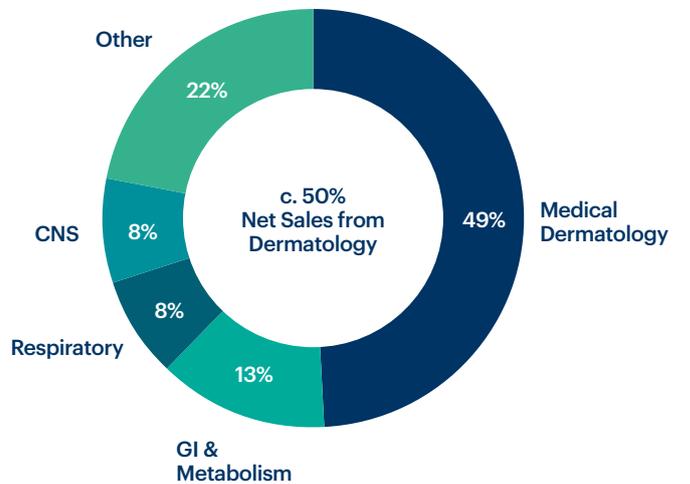


9M 2018 Net Sales by therapeutic area



Q4 2018 Net Sales by therapeutic area

Derma launches will further accelerate portfolio transformation.



A balanced product portfolio

While we maintain our focus on medical dermatology, we complement our portfolio with other therapeutic divisions where there are unmet medical needs, such as central nervous system, cardiovascular and gastrointestinal, amongst others. This includes our key brand for multiple sclerosis-related spasticity, Sativex®, which continues to see growth in the double digits (11.6%) and is performing very well with almost €27 MM sales in 2018. Crestor®, a statin medication indicated to reduce elevated LDL cholesterol levels, posted very positive results, with sales of €40 MM.

Other leading products include the Ebastel® franchise, for the treatment of the symptoms of allergic processes, with sales of €55 MM (+3.2% vs 2017); Almax®, for heartburn, with sales of €29 MM (+13.0% vs 2017); and the Airtal® franchise, for acne, with sales of €23 MM (+11.9% vs 2017).

Top leading products by sales

Products	Proprietary/In-licensing	€ MM
Ebastel® and others (ebastine)	Proprietary	55
Tesavel® & Efficib® (sitagliptin)	In-licensing	49
Ciclopoli® (ciclopirox)	Proprietary	48
Crestor® (rosuvastatin calcium)	In-licensing	40
Solaraze® (diclofenac sodium)	In-licensing	34
Almax® (almagate)	Proprietary	29
Sativex® (tetrahydrocannabinol)	In-licensing	27
Decoderm® and others (fluprednidene)	Proprietary	26
Aczone® (dapsone)	Proprietary	24
Airtal® franchise (aceclofenac)	Proprietary	23
Skilarence® (dimethyl fumarate)	Proprietary	18
Others	Proprietary / In-licensing	384
Total Net Sales		757

Net Sales by geographic area

Europe has been a key growth driver in 2018, with sales of €533.1 MM, representing 70% of total sales. Key countries such as Spain and Germany performed particularly well, with successful results. The US accounted for 14% of sales in 2018. However this has significantly increased since the September acquisition of five immediately accretive products marketed in this region. In Q4 the US portfolio accounted for 50% of sales. Among the products acquired is Seysara™, which is expected to be one of the key growth drivers for the company.

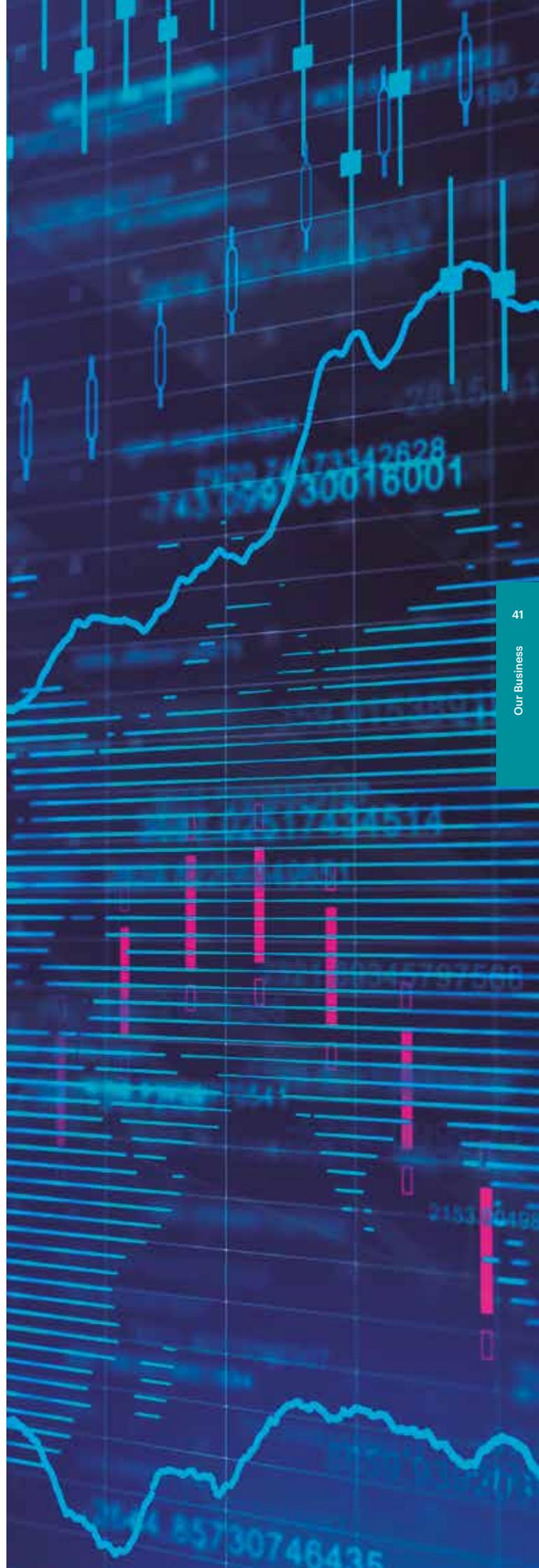
Sales outlook for 2019

Our business strategy is to invest in breakthrough innovation that will further our goal to be a global pharmaceutical leader focused on medical dermatology. Our strong cash position and solid results in 2018 will enable us to continue to pursue strategic in-licensing and M&A opportunities.

The outlook for 2019 is solid and positive. By continuing to implement our strategic direction and building on our achievements in 2018, Almirall is on the right growth trajectory to deliver long-term, sustainable shareholder value. In terms of Total Revenues, we expect to generate low double-digit growth (on a CER basis) compared to 2018 and between €290 and €300 MM for EBITDA (on a CER basis).

Net Sales are also expected to grow at a rate in the low double digit, while Other Income is expected to grow at c.+20%.

In 2019, our focus is on the consolidation of Allergan's medical portfolio contribution, as well as the performance of key brands across Europe. ILUMETRI® and Seysara™ launches will be key growth drivers for Almirall in important markets and we expect strong Skilarence® sales and rollout to continue across Europe.





Research & Development

- Medical dermatology.
Our focus on R&D
- AlmirallShare
- Our pipeline
- Innovation centres

Medical dermatology.

Our focus on R&D.

Our R&D strategy is fine-tuned in accordance with our goals to deliver true breakthrough innovation and make a real difference for patients and healthcare professionals, with a pipeline fully focused on medical dermatology. Our alliances with key partners are essential to Almirall's R&D strategy and we are progressing very well as we establish Almirall as a key player in dermatology and a global leader in the fight against skin diseases.

As a Science-based company, R&D is fundamental to our long-term growth strategy, as we strive to enter the market with profoundly differentiated products that put patients needs first. Looking towards the future, we will continue targeting our R&D investment with a proportional percentage of our Net Sales, in the range of 12%, as a catalyst for mid-to-long-term growth.

Our objective is to achieve an R&D pipeline that works in synergy with our Business Development strategy to produce true innovation and value for our stakeholders. Our focus has sharpened on fulfilling the well-defined, unmet needs of patients suffering from skin diseases by developing treatments from bench to bedside that improve their quality of life.

Our pipeline is laser-focused on the disease areas where the needs of patients are greatest and we have the best skills, expertise, and resources to develop life-changing treatments, with a balanced mix of biologic, systemic, and topical treatments. This requires an agile approach to identifying new opportunities and providing consistent support for discovery and development.

Advances in digital and computational methods have opened up new possibilities in R&D, such as advanced analytics to identify and map unmet needs. Producing insights with a data-driven approach will help us identify and prioritise the most appropriate indications, achieve better tracking of patient populations, and nominate new targets in collaboration with partners. As we build and refine our portfolio, we are proactively selecting projects that best fit our capabilities and objectives and provide us with the strongest probability to fulfil patients' medical needs and succeed.

Building our dermatology portfolio. Maximising our potential

11.6% of Net Sales dedicated to R&D.

269 employees in R&D, **15%** of our workforce.

Almirall is the top dermatology prescription drug company in Germany, the **3rd** in Europe*, and the **4th** in the US**.

*Source: IMS Retail Sales € MAT Q4 18, EU5 markets, ATC Class "D" without biologics.

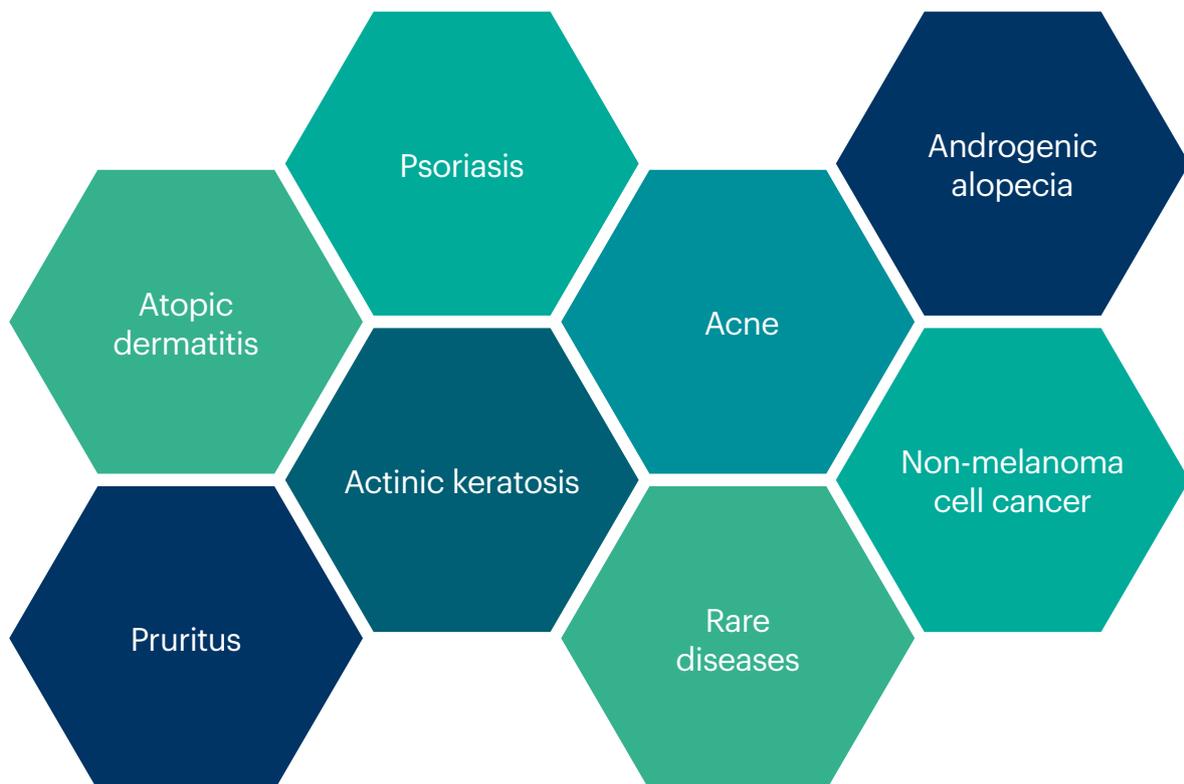
**Source: IQVIA US SMART Retail Sales in \$ MAT Q4 18, ATC "D" includes only revenues from branded and branded generics. Excludes biologics, generics and OTC.

Building our portfolio: key therapeutic indication

We are enriching our portfolio with a new medical dermatology strategy, based on an increasingly innovation-driven model. We are actively looking for opportunities with the potential to put us in the right segments at the right time. There are significant medical unmet needs in attractive niches and in larger indications such as psoriasis and atopic dermatitis. Innovation—particularly as we increase our commitment to biologics—will contribute to double-digit growth in medical dermatology. Our strong knowledge of the dermatology market together with our solid portfolio, will maximise our chances of success and leadership.

Medical dermatology is a rapidly evolving and vast field. The key to success is to be working on the right categories. We have identified the following therapeutic indications where we are sure there is a market and where there are potential products that are available for partnering with Amirall for R&D and in-licensing.

Key therapeutic Indications



Almirall's collaborative innovation

Our team is primed to proactively identify, develop, and execute strategic collaborations and partnerships that support our business goals, enhance our R&D capabilities, and expand our portfolio and pipeline in our priority areas, furthering our goal to be a leading specialty company with a strong focus on medical dermatology. Our collaborations are a key piece of our approach to targeting breakthrough innovation.

Key collaborations

Partnerships. During this year, we continued to partner with a diverse range of professionals and organisations, including patient advocacy groups, advisory panels, and healthcare providers around the world. It is vital to our priorities as a company that we keep in touch with and provide support to the “on-the-ground” needs of patients and their doctors.

Academic collaborations. With the aim of increasing our presence in US academia, we have established research collaborations with the Mount Sinai Hospital in NYC, the University of California San Diego and Johns Hopkins University, Baltimore, all of them focused on developing new solutions for patients with dermatological unmet medical needs.

Evotec. Almirall and Evotec entered in September into a research collaboration to discover and develop first-in-class therapeutics to treat dermatological diseases through a novel approach that disrupts cell signalling. It is expected to deliver highly potent and durable treatments for debilitating dermatology diseases such as psoriasis and atopic dermatitis. This collaboration combines Evotec's cutting-edge drug discovery and pre-clinical development platforms with Almirall's leading expertise in dermatology diseases, representing a step forward in our ability to offer in-demand solutions for the treatment of dermatological diseases with the best technology available and with substantial benefits for patients.

SilicoDerm. In October, we entered into a research collaboration with the Electronic and Atomic Protein Modelling Group (EAPM) from the Life Sciences Department of the Barcelona Supercomputing Centre (BSC-CNS). The SilicoDerm project encompasses the development of new protein-based 3D virtual screening methodologies for two novel therapeutic targets in the synthesis and evaluation

of the compounds identified in-silico. The new techniques developed in SilicoDerm will enable the study of thousands of compounds in a faster and a more reliable way than current computational methodologies. SilicoDerm is funded by the Spanish Ministry of Science, Innovation, and Universities (MICINN) and cofinanced by European Commission ERDF funds.

X-Chem. In December, we entered into a collaborative research and licensing agreement with X-Chem, a US-based biotech company focused on applying its industry-leading DNA-encoded library drug discovery engine to the generation of novel small molecule therapeutics. This collaboration will enrich Almirall's R&D pipeline as X-Chem screens its cutting edge, proprietary DEX™ libraries—with over 120 billion individually DNA-encoded small molecules derived from iterative combinatorial chemistry processes, where the identity of each compound is recorded in a linked DNA barcode—making possible the development of new solutions that go far beyond what is possible in conventional screening.

Barcelona Supercomputing Centre. Last December we started a collaboration to identify unprecedented target-disease associations on dermatological indications using a number of large scale public omics data sources in combination with the unique expertise and phenomenal technological capabilities of the Barcelona Supercomputing Centre (BSC).

Mercachem. The Almirall and Mercachem exclusive discovery collaboration agreement, signed in 2016, is underway and making progress in the search for new oral cytokine blockers for the treatment of inflammatory skin diseases. Supporting Mercachem's efforts to identify and develop novel small molecule therapeutics gives us access to a highly complementary groundbreaking technology that makes the identification of small molecules that can block protein-protein interactions possible.

Nuevolution. Almirall and Nuevolution's strategic collaboration continues to see good progress. In 2016, Almirall obtained rights to Nuevolution's novel ROR γ t inhibitor programme to identify and develop novel small molecule therapeutics for inflammatory skin diseases as well as Psoriatic arthritis (PsA). In return, Almirall will assume responsibility for funding further research as well as pre-clinical, clinical, regulatory, and commercial activities.

Athenex. Almirall and Athenex entered into a strategic partnership in December 2017 to further develop and commercialise KX2-391, a first-in-class dual Src kinase and tubulin polymerisation inhibitor in phase-III development as a topical medicinal product for the treatment of actinic keratosis and other skin conditions in the United States and Europe, including Russia. In July 2018, both phase-III KX2-391 studies for actinic keratosis (AK) met the primary endpoint of complete clearance of actinic keratosis lesions at day 57 within the face or scalp treatment areas, each study achieving statistical significance ($p < 0.0001$) on this endpoint. These double-blind, randomised, vehicle-controlled studies were each conducted in 31 centres in the USA and enrolled a total of 702 patients. The local skin reaction (LSR) profile was in line with the prior phase-II study results, which were reported at the annual American Academy of Dermatology (AAD) meeting in February 2018 in San Diego.

AstraZeneca. Our agreement signed in 2014 has allowed us to maximise the return and value of our respiratory assets and capabilities, while improving the financial position of Almirall. After achieving positive top-line results for Duaklir® (aclidinium bromide/formoterol) in 2017, the drug has been submitted for US FDA approval based on the positive results of the AMPLIFY study.

NANO4DERM. This public-private partnership project with ICMAB-CSIC and the Leitat Technological Centre in Nanomedicine is dedicated to the development of innovative formulations containing nano-encapsulated active ingredients. NANO4DERM is using innovation to enhance the stability of active ingredients and skin penetration of topical treatments.

Leo Pharma. We have partnered with Leo Pharma to develop a painless, minimally invasive skin sampling method that will enable more accurate and comprehensive biomarker analysis in clinical trials and exploratory research. Research is being conducted at the Hospital Clinic of Barcelona (Spain), the Technical University of Denmark, and the University of Bath (UK).



AlmirallShare.

Bringing Science and creativity together

AlmirallShare was launched in 2017 as an open innovation R&D platform designed to facilitate the establishment of collaborations in dermatological research and find innovative solutions in medical dermatology. By putting together the Science and creativity of experts around the world and Almirall's own expertise, the AlmirallShare initiative will accelerate the generation of new treatments for skin conditions. We expanded its reach in 2018 with new calls for proposals.

Our main objectives with this project are the following:

- Open up the innovation process to foster collaboration projects with partners worldwide.
- Share opportunities and knowledge with the scientific community in a structured, agile, and transparent manner.
- Identify innovative solutions to dermatological needs and challenges.

AlmirallShare aims to reach out to scientists at universities, public or private research institutions, hospitals, start-ups, and biotechnology and pharmaceutical companies to address challenges such as the identification of therapeutic targets and experimental disease models, the development of new therapeutic treatments as well as novel technologies in dermatology. Almirall converts these challenges into Calls for Proposals (CFPs) that are then published on the AlmirallShare web page, sharedinnovation.almirall.com.

Since its launch in September 2017, we have issued three CFPs. The first CFP was focused on increasing the understanding of skin pathology in our core diseases by developing translational preclinical models.

In 2018, we issued the CFP 'Adding Value to Your Assets' to find a use for existing advanced small molecules in the therapeutic treatment of diseases. It will be open on an ongoing basis.

The most recent CFP, 'Novel Targets for Skin Health', offered research funding for work on novel targets that may form the basis for new medicines in dermatological diseases. It was open until the end of February 2019.

In addition, the 'Move Your Ideas Forward' initiative provides a mechanism for researchers to submit innovative proposals that do not match any of the current CFPs. AlmirallShare has attracted the attention of Scientists from universities, research centres, and start-ups interested in dermatological research. To date, more than **450 scientists** from all the continents have signed up to the platform and over **170 proposals** have been received to date.

We have already established two exciting partnerships on preclinical models for atopic dermatitis with the University of Sheffield (UK) and University College Dublin (Ireland). Additional proposals received are being evaluated for potential strategic partnerships. On top of that, two biotech companies have been identified as new providers of state-of-the-art experimental models. Additional proposals selected from 2018 calls are currently being explored as new scientific collaborations.



Our pipeline.

Our pipeline is progressing as expected while we consolidate our focus on maturing it with true innovation coming from in-licensing and more long-term, in-house R&D. We have the capabilities and experience to manage all steps of the development process, the continued work with partners, and the ongoing learning of the regulatory procedures in both the EU and the US. We are proud of our team's proactive and results-oriented way of working and partnering with others as we dedicate our efforts to breakthrough innovation in medical dermatology.

Our key deliveries for 2018 have been the EMA approval and rollout of our first biologic, ILUMETRI® (tildrakizumab) for moderate-to-severe plaque psoriasis, marking an important milestone for Almirall in the medical dermatology area, specifically in the biological drugs market; the EU rollout of Skilarence® for moderate-to-severe plaque psoriasis, which is going according to plan with good results; and the FDA approval of Seysara™ (sarecycline), a new, innovative first-in-class tetracycline-derived oral antibiotic for the treatment of inflammatory lesions of non-nodular moderate-to-severe acne vulgaris in patients nine years of age and older, which is part of new medical dermatology portfolio acquired in the US.

Registration. 2018 was a solid year. Skilarence® is in commercialisation in several European countries. ILUMETRI® (tildrakizumab) was approved by the EMA in September 2018 and was launched in Germany. Seysara™ (sarecycline) was approved by the US FDA in October 2018. Duaklir® (acridinium bromide/formoterol) has been submitted to the US FDA for approval.

Phase III. Almirall's late-stage R&D pipeline is progressing well and has provided promising outcomes. Two phase-III pivotal efficacy studies for ALM14789 (actinic keratosis) produced positive results. Top-line phase-III results for ALM12845 (androgenic alopecia) in the US were also encouraging and showed statistical significance of the primary end-point change of target area hair count at week 24. In December, Almirall announced that clinical trials for ALM12834 (onychomycosis) met the primary endpoint of a complete cure rate and key secondary endpoints in the treatment of mild-to-moderate onychomycosis.

Early development. Early-stage research is a key piece of our forward-looking innovation strategy. We currently have one programme in this stage: ADP12734 for psoriasis.

Program	Indication	Phase
Sarecycline (US brand name Seysara™) Tildrakizumab (EU brand name ILUMETRI®) Dimethyl fumarate (EU brand name Skilarence®)	Acne (oral) Psoriasis (biologic) Psoriasis (oral)	Registration
ALM14789 ALM12845 ALM12834	Actinic keratosis Androgenic alopecia Onychomycosis	Phase III
ALM12734	Psoriasis	Early development

Innovation centres.

With two full R&D centres in Europe and one in the US dedicated to clinical and regulatory activities, Almirall has built and acquired the infrastructure needed to succeed in innovation.

1. R&D Centre in Sant Feliú de Llogregat (Barcelona, Spain). This is Almirall's flagship location with over 27,000 square metres dedicated to drug discovery, preclinical, clinical, and pharmaceutical development, with the capacity to develop new chemical entities. A large part of our R&D is conducted from bench to bedside at this cutting-edge centre, which opened in 2006, just outside Barcelona, and has 226 highly qualified employees.

2. R&D and Plant Centre in Reinbek (Germany). With over 60 years of experience in formulations for dermatology, our experts at this facility work to find new topical treatments for skin diseases.

3. R&D centre and HQ in Exton, Pennsylvania (US). Almirall, LLC is our US-based specialty pharmaceutical company. We acquire, develop, and market dermatological treatments at this facility. It is the centre of our operations in the US, with a particular focus on clinical and regulatory activities.

In addition, two chemical plants (located in Sant Celoni and Sant Andreu) and two pharmaceutical plants (in Sant Andreu and Reinbek) produce our current products safely and efficiently; they are fully prepared for future launches, and provide the active ingredients needed for R&D toxicological, preclinical, and clinical studies. 56 million units of finished Almirall products are manufactured each year.



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Corporate Social Responsibility

- Our CSR commitment
- Our team
- Health sector, scientific and academic community and patients
- Shareholders, investors, financial institutions and auditors
- Suppliers
- Society
- Data protection
- Environment

Our CSR commitment.

Our commitment to Corporate Social Responsibility (CSR) touches every part of our business and begins with and extends to each and every one of our employees. Our implementation of CSR ensures that we are accountable and responsible, as a company, for the environmental and societal impact of our activities. In the area of medical dermatology, working to facilitate access to quality healthcare, while always prioritising our patients' wellbeing is also important to the work we do. We collaborate with all of our stakeholders to ensure that ethical, social, and environmental factors are integrated into the way we do business every day. Our core strategy is based upon these four interlinked pillars that are the foundation of our CSR strategy and are intimately related to our shareholders, doctors, and patients:

- **Maximise value** for our shareholders, patients, doctors, other stakeholders, and society at large.
- **Foster a responsible business culture** that increases transparency and prizes ethical behaviour.
- **Safeguard our reputation** and project a positive image of our way of doing business.
- **Identify any potential negative impacts** of our business activities, prioritising prevention and mitigation.

The following CSR practices guide the behaviour of all Almirall employees in the execution of their duties as we work to achieve our objectives:

- Implement the principles contained in the Code of Ethics and in our Global Corporate Policy on Compliance.
- Use diverse channels to communicate effectively with our main stakeholders. Build and sustain relationships based on mutual trust.
- Promote transparency and disclosure regarding performance and activities. Protect the integrity of information by adopting controls and measures that prevent manipulation or modification.
- Operate proactively regarding non-financial risk and opportunity management.
- Create long-term shared value for shareholders and other stakeholders.
- Consider and mitigate the environmental impact of our activities.
- Comply with all applicable laws and regulations in the countries where we operate.

Maximise value

Responsible business culture

Safeguard our reputation

Identify negative impacts



Our team.

Our employees are our greatest asset. Every day they do their best to advance the important work we do and are fully dedicated to making a difference in the lives of patients around the world. Each individual team member makes an invaluable contribution towards achieving our goals. Our shared values and common purpose—as a team and as a company—guide our way of working together and supporting one another.

Almirall places a strong emphasis on talent management. Moreover, it is especially important to foster a working environment that attracts and rewards the best talent, while ensuring the ongoing satisfaction and wellbeing of our team members. Our employees are empowered and encouraged to keep learning and growing in their profession.

It is our responsibility as a company to safeguard and promote a safe and healthy workplace. We achieved OHSAS 18001:2007 Occupational Health and Safety Management Certification in 2007 and continue to adhere strictly to its standards. As a testament to our commitment to providing excellent working conditions, Almirall has been bestowed with the **Top Employers certification** for ten consecutive years (2008-2018).

Moreover, the *British Medical Journal* reported in September 2018 that Almirall was among the best performing pharmaceutical companies in terms of compliance with the European Commission's requirement to report the findings of clinical trials. Almirall's Global Clinical Operations published 100% of the results of all 2016 clinical trials (Phase II through IV, 37 in total) within 12 months of completion.

Demographic data

Total number of employees	1,805
Nationalities represented	26
Men	822 (46%)
Women	983 (54%)
Average seniority	13 years
Pharmaceutical industry experts	70%

Ages Distribution of Employees



Our values

The human aspect of our work informs our core values as an organisation. We strive to foster an atmosphere where our employees take ownership of their work and consider themselves to be key players in the evolution of our unique company. This year, we sharpened our focus on unmet needs in medical dermatology and, as such, have continued to refine our values, deepen our understanding of our stakeholders, and make our culture more agile, dynamic, open, and collaborative.

Our four values guide the way we work every day at Almirall. Each represents a commendable approach, but when we combine all four, the benefits multiply exponentially, providing us with the tools we need to work together effectively and use our knowledge and skills to improve lives:

Caring:

- We always put the patients at the center
- We listen and empathize
- We help each other to succeed

Dedicated:

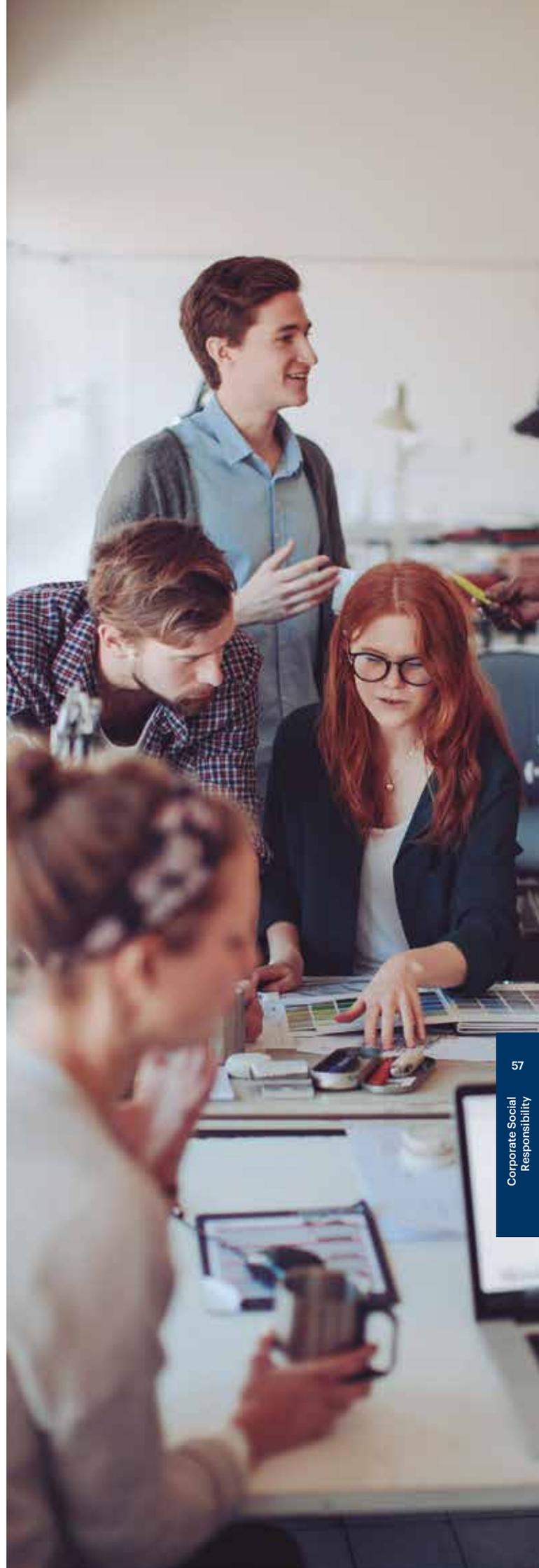
- We are committed and passionate
- We are bold and accountable
- We never give up

Dynamic:

- We are agile and keep things simple
- We empower entrepreneurial mindsets
- We challenge the status quo

Expert:

- We dare to try and learn
- We are rigorous in everything we do
- We strive to always be one step ahead



Our team's health, work-life balance, and economic welfare

Improving lives is our business and our commitment to mutual respect, health, and wellbeing must begin with our employees. Our corporate values extend to how we take care of our team members and structure our work environment.

Occupational health and safety is imperative, but we also look for opportunities to go a step further in contributing to the healthy habits, nutrition, work-life balance, and financial welfare of our workforce. In 2018, we supported incentives for participation in initiatives such as the **'European Mobility Week's 'Mix and Move!'** campaign, encouraging employees to choose sustainable transport options, among others.

As we work day in and day out to deliver innovative solutions in medical dermatology, it is critical that we ensure that our employees are always working in a safe and productive environment and that we invest in ongoing training and monitoring related to the occupational health and safety of our workforce. 2018 was another year of stability and consolidation in health and safety. We once again achieved a very good safety performance, continued to implement all necessary corrective and preventative measures, solicited and evaluated proposals for improvements, and planned for future needs.

In October 2018, we celebrated the **European Week for Safety and Health at Work**, which was dedicated this year to promoting and raising awareness about the safe use of chemical substances. The identification of potentially damaging chemicals and their risks is extremely important to our business. In 2006, the EU adopted the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), which established May 2018 as the deadline for compliance. We created an internal working group with personnel from Chemical Operations, Pharmaceutical R&D Development, Toxicology R&D, Industrial Projects, and Health, Safety, and Health & Safety and Environment to ensure that we would meet all of the registration requirements on time.



Promotion of health and balanced nutrition

- On-site fitness centres
- On-site restaurants and cafeterias; special menus offered
- On-site medical services
- Health promotion campaigns

Work-life balance

- Flexible working hours
- Special education allowance
- Kindergarten allowance
- School allowance

Economic welfare

- Personal loans
- Health, life, and corporate insurance
- Years of service bonuses
- Flexible compensation
- Parking plans, mobility plans
- Electric cars allowance

Check-ups

- Medical check-ups
- Occupational risks prevention assessments
- Checks to ensure compliance with the highest standards at our worksites in terms of safety and environmental protection

Accident rates

- A low accident rate at Almirall Spain, **46%** below the official rate for the pharmaceutical sector
- Low accident rate in the subsidiaries, with only four minor accidents at the aggregate level

Improvement measures

- **321** corrective and/or preventive measures on health and safety and environmental management
- **59** proposals for improvements to health and safety, and/or environmental management submitted by employees

Talent Development

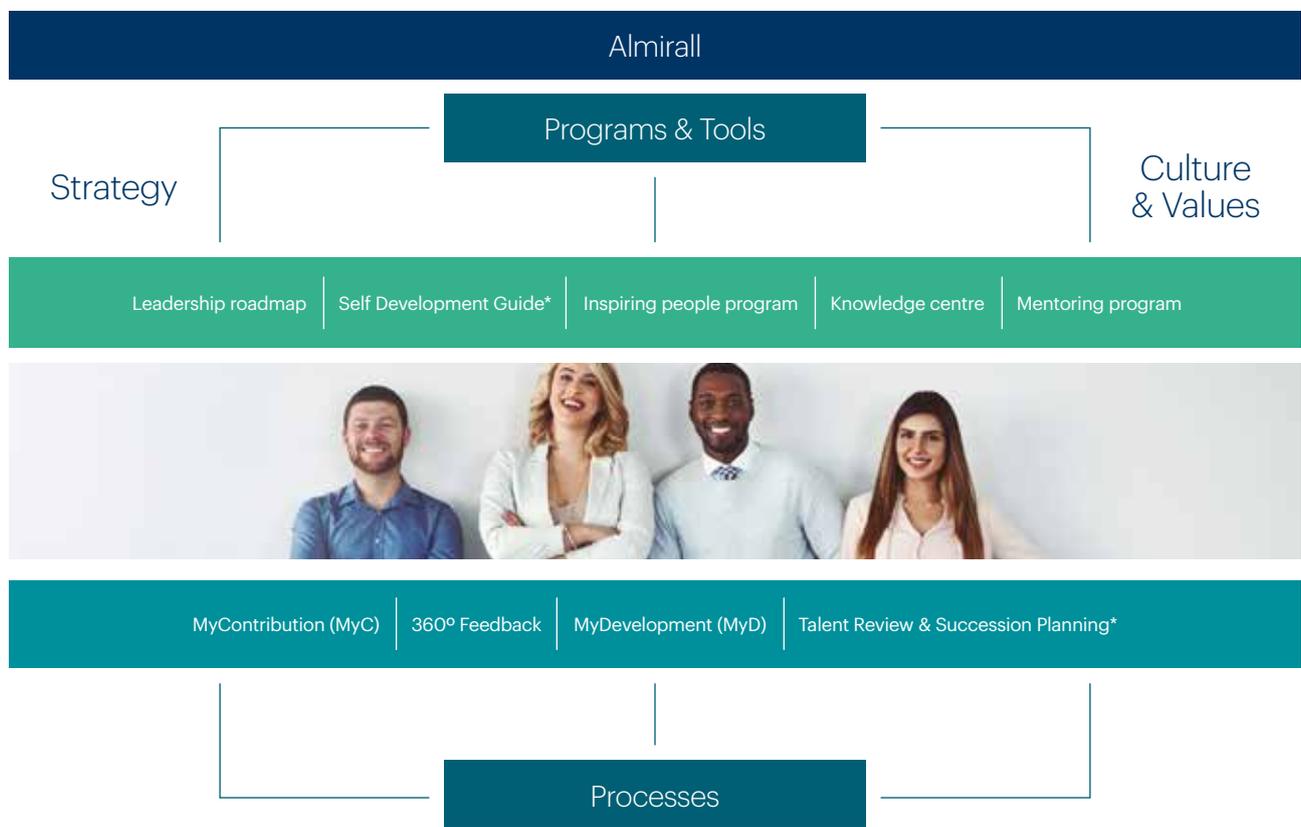
Our focus on innovation means that providing a productive work environment and the resources needed to support ongoing talent management is critical to our success. In keeping with our proactive and dynamic culture, our team members are encouraged to manage and collaborate in their own professional development.

We embrace the entrepreneurial approach of a learning organisation by implementing a 70/20/10 model for professional development. This breaks down learning in such a way that 70% of an employee's development and enrichment will stem from the experience gained through their day-to-day work. Our employees grow with the job as they are given new responsibilities, learn to solve problems, and strive meet their goals in the most effective manner possible. Another 20% of learning is achieved through feedback, mentoring, and on-the-job collaboration. The final 10% consists of more traditional educational opportunities in the form of workshops, classes, or training sessions, in person or via digital distance education.

Talent Acquisition

Our Global Talent Acquisition team identifies, attracts, and proactively works to retain the top talent we need to support our business strategy. With this goal in mind and in agreement with our corporate values, in 2018, we implemented an additional assessment methodology for the recruitment of leaders and talent for other key positions.

We have also worked to consolidate core projects, such as the onboarding program and the Employee Referral Program. The former aims to ensure the best possible seamless experience for our company's newcomers, while the latter promotes increased employee engagement in the construction of Almirall's corporate identity, a dynamic we believe to be instrumental to the future of our company.



Vacancies covered internally: **31%**

*New projects implemented this year.

Alignment with Corporate Culture & Strategic Direction

Our transformation into a company focused on medical dermatology gave rise to the need to refresh and update our strategic direction, our corporate culture, and the manner in which we project our brand to the outside world. Our values are strongly aligned with innovation and customer affinity.

In 2018, we launched an engagement survey to check in with employees in order to detect our strengths and opportunities as an organisation. Our main objective is to continue improving and developing areas that contribute to talent retention and attraction. As a result, we set priorities and identified actions to be implemented in 2019 and metrics to quantify the engagement-level progress in the final quarter of 2019. The following measures keep our employees involved with and informed about our evolution as a company and recruit them as partners in this ongoing process:

— **Senior management involvement:** We shared our new direction with members of senior management at the Annual Senior Management Meeting (ASMM). They, in turn, organised 'sharing sessions' with their team members to incorporate our new priorities and strategies into the day-to-day workflow.

— **Change management program:** These programs support the cultural and strategic evolution we are undertaking as a company. In 2018, for example, we implemented a Flexible Workplace in Sant Andreu de la Barca (Barcelona) to provide workers with a cutting-edge open workspace that is more conducive to collaboration, flexible usage of space, spontaneous meetings, and our evolving needs as a forward-thinking organisation.

Total number of training hours 30,438 hours

Hours by type of training:

Technical	21,899
Health, Safety, and Environment	4,805
Values & Competencies	4,754
Languages	3,286
Office technology	500

The health sector, scientific and academic community, and patients.

A spirit of innovation drives our work as we collaborate closely with professionals in the health sector and the scientific community to develop and launch new treatments that advance patient care, meet needs, and improve lives. The principles of transparency, proximity, and cooperation guide and govern these important relationships as we collaborate and execute programs together. We strive to understand the needs of our diverse colleagues in order to effectively and ethically engage in Science that improves the health and wellbeing of medical dermatology patients.

Our Code of Ethics is the bedrock of our commitment to corporate responsibility. It carefully and clearly delineates the rules and procedures that guide the conduct of our employees, along with the ethical standards that apply to our business activity and our relationships with all our stakeholders, including HCPs, hospitals, academic institutions, scientific companies, patient organisations, authorities, shareholders, investors, partners, competitors, suppliers, and the media.

As a new sponsor of BIOBADADERM—a registry of psoriasis patients in Spain—we are proud to collaborate with the Spanish Academy of Dermatology and Venereology, demonstrating our leadership in medical dermatology R&D. This agreement will provide access to valuable data regarding biologic and systemic treatments that will be indispensable for our new psoriasis therapies, Skilarence® and ILUMETRI®. In addition, this will enable us to forge stronger links with opinion leaders and dermatologists in Spain.

In February 2018, Ammirall collaborated with nursing experts to organise a conference on symptom management for Multiple Sclerosis (MS) spasticity. 100 participants attended workshops aimed at improving patient care and compliance and learned more about the results of the TASTE and SAVANT studies on Sativex®, reaffirming our commitment to neurological patients and the healthcare professionals who work so diligently to improve their lives. Moreover, as an active member of the European Federation of Pharmaceutical Industries and Associations (EFPIA), we are fully committed to transparency and openness in both Europe and the US. As such, we publicly disclose our collaborations and relationships according to the Healthcare Professional Code, the Patient Organisation Code, and the Disclosure Code for the reporting of transfers of value.

Promoting alliances with the medical community, academic institutions, patient associations, and other companies is fundamental to our commitment to fulfil unmet needs with an approach rooted in innovation. Dermatologists are on the frontline, caring for patients every day. Their feedback puts our team in direct contact with patients' experiences, improving the design and rollout of our therapies. We network and collaborate closely with scientific groups and attend all major dermatology meetings, conferences, and congresses, which provides an opportunity to spread awareness and strengthen our patient-centred approach.

All standards. We comply:

Applied to R&D:

- Good Laboratory Practices (GLP)
- Good Clinical Practices (GCP)
- Good Pharmacovigilance Practices (GVP)
- Declaration of Helsinki (rights of participants in clinical trials)
- Publication of the results of our clinical trials at clinicaltrials.gov and EudraCT

Applied to advertising and promotion:

- EFPIA Codes: Patient Organisation code, Healthcare Professional (HCP) code and Disclosure Code
- Ethical Codes in all countries in which we are present
- Promotional Compliance Code

Applied to manufacturing:

- Good Manufacturing Practices (GMP)
- Audits by health authorities in the countries where we market

A digital mindset

Digital technology is advancing at a rapid pace and is increasingly integrated into the healthcare context at all levels. Healthcare providers and patients now have access to medical records on the fly. Medical professionals are using quantitative diagnostic applications like AKASI (Actinic Keratosis Area and Severity Index) as part of their toolkit for assessing disease.

Almirall is actively embracing the vast potential of the digital to transform medicine and research. In 2018, our Digital Board met in Berlin and visited the Experience Studio, an immersive space dedicated to accelerating digital transformation within companies. This initiative by McKinsey&Company was transformative for the Almirall team, leading to brainstorming on new projects we could undertake—for example digital monitoring of patients and virtual clinical trials—and sparking a strong willingness to boldly lead the way down the digital path

As a case in point, we are already innovating at our Sant Andreu de la Barca plant with a production line that uses sensors and an information system to calculate and track OEE (Overall Equipment Efficiency). This allows us to measure, analyse, and improve our efficiency and quality control system in the short term, and collect data that will enable us to implement next-generation advanced technology like “big data” and machine learning in the long term.

Recognitions & honours. Excellence in 2018

TÜV Rheinland Certification and annual audit.

In 2007, we first received TÜV Rheinland certification for the health and safety management system put into place to reduce occupational risks in all of our centres and activities in Spain and Germany, in accordance with the international OHSAS standard 18001:2007 (Occupational Health and Safety Management Certification). In 2016, we completed the triennial recertification process and we again passed the second annual follow-up audit in 2018. The new international standard, ISO 45001:2018, was published in March 2018 and will eventually replace OHSAS 18001:2007. In 2018, we already initiated the process of adapting our corporate management system on safety and occupational health according to this new standard.

Mutual Recognition Agreement (MRA) with the FDA

Almirall is among the first Spanish pharmaceutical companies to be inspected under the Mutual Recognition Agreement between the FDA and European Union, which allows drug inspectors to rely on information from inspections conducted within one another's borders, thus avoiding redundant inspections. Spain was selected as one of the first countries in November 2017. In July 2018, our Sant Andreu de la Barca chemical plant was inspected over two days by the Catalan Institute of Health (ICS), acting as a proxy for the FDA. Our FDA certification was then renewed, allowing Almirall to supply active ingredients to the US market until 2022.

Correo Farmacéutico Awards

In 2018, Correo Farmacéutico, a leading Spanish pharmaceutical media outlet, awarded Almirall for two initiatives implemented for communitary pharmacists:

— ‘Píldoras para la salud de tu farmacia’, consisting of ten educational videos focused on new approaches for managing the point of sale at pharmacies according to the consumer's needs.

— Campaign ‘Mes de la Salud Articular y Muscular’, with the objective of promoting tools for detection and prevention to pharmacists to ensure that they are best serving and advising clients suffering from these pathologies. This included a test to measure patients ‘range of motion age’ and a guide to address the results and make lifestyle, nutritional, and therapeutic recommendations.

Diario Médico Best Ideas 2018 Prize.

In December, Skilarence® was a winner of the ‘Best Ideas 2018’ awards, the 17th edition organised by Diario Médico, a prominent Spanish medical news outlet that recognises innovation and exceptional contributions to the improvement of health in Spain.

Shareholders, investors, financial institutions, and auditors.

Our relationship with shareholders, investors, financial institutions, and auditors is guided by our adherence to the most demanding standards.

We cannot achieve our objectives without effective financial management and transparent reporting of results. Our economic performance is of the utmost importance. As a publicly listed company, we must not only carefully adhere to current legislation, but also make a commitment to uphold the strictest ethical standards in our relationship with our key financial stakeholders.

We engage in an ongoing process to identify and analyse the main risks that are inherent in our business and have the potential to threaten the pursuit and achievement of our company goals. Our success depends on formulating appropriate responses to potential risks and keeping all relevant financial agents correctly informed.

— **Shareholders/Investors:** Almirall's Investor Relations Area provides a space where the company can communicate with shareholders (principally minority) and they can stay up-to-date on company developments and receive information about day-to-day corporate operations and stock performance.

— **Financial Institutions:** We ensure that our organisation is always in compliance with all of the applicable regulatory standards and deadlines. We submit all the required information and documentation to the National Securities Market Commission (CNMV, Comisión Nacional del Mercado de Valores). This governmental agency is responsible for the financial regulation of the Spanish securities markets.

— **Auditors:** We comply with all of the applicable auditing standards and regulations. This applies to matters such as renewals, duration, selection procedures, composition of the selection committee, and so on. Our Audit Commission is responsible for overseeing these matters.

Almirall is classified as a Public Interest Entity (PIE), which means that we must adhere to a stricter auditing standard that safeguards the independence of our auditors. To do this, we follow the applicable EU laws, which establish a series of relationships and conflicts of interests that auditors must avoid, along with requirements that guarantee the integrity, independence, relevancy, and quality of their findings. By law, the maximum term allowed for auditors is limited to ten years, including renewals and extensions.



Suppliers.

Our Corporate Responsibility extends beyond our company to our collaborators and suppliers. We ask our partners to meet criteria that aligns with our commitment to Corporate Responsibility.

Our relationship with our suppliers is governed by our contractual obligations, strict adherence to legal requirements, and the need to oversee the quality of service.

Our respect for the law means we work hard to ensure that both our company and our suppliers comply with all applicable laws and regulations and that every participant in our value chain is treated with fairness, integrity, and respect. We are committed to eliminating any unfair, deceptive, or abusive acts or business practices. To close the loop with our suppliers, we have put a monitoring program in place to evaluate their social, ethical, and environmental practices and responsibility.

Every year we work closely with a partner to assess and certify more suppliers, using the above-mentioned process and ensuring the strictest Corporate Responsibility criteria.

Individual action plans are put into place in accordance with the results of each supplier's scorecard and any potential risks that were identified during the assessment. The ultimate goal is that all of our most important suppliers adhere to ethical, environmental, and good governance standards.

Environment:

Energy consumption and GHG (CO²), water, biodiversity, local pollution, materials, chemicals, waste, product use, etc.

Social:

Employees' health and safety, working conditions, social dialog, child and forced labour, discrimination, fundamental human rights, etc.

Ethics:

Corruption and bribery, anticompetitive practices, responsible marketing, etc.

Supply chain:

An evaluation of our suppliers to support sustainable, socially responsible, and ethical sourcing.

Society.

Almirall is a global company. As such, we must consider the social needs, obligations, and expectations present in all of the different countries where we work and operate. Our very business is health and wellbeing, so it follows that our concern for people extends beyond our company to society as a whole.

Our mission is to improve the lives of patients. We measure the social value of our work by the degree to which we are successful in developing and delivering solutions in medical dermatology that fulfil patients' unmet needs.

It is important to raise awareness about dermatological diseases and the unique challenges patients face. Our educational campaigns reach out to all segments of society to destigmatise dermatological conditions and bring attention to how they affect the lives of our patients and their families.

We also work with the media to educate the public on our core pathologies. Many of these diseases are misunderstood, under-diagnosed, and under-treated, making outreach to the general public particularly important. We distribute educational materials to media outlets and have opened channels to keep them informed about our latest initiatives.

In addition, we look for opportunities to support the work of NGOs and third-sector organisations when it aligns with our strategy and focus on medical dermatology and gives our employees a chance to have hands-on involvement in promoting our values.

Collaborating with healthcare institutions is another way we can connect with doctors and their patients. In June 2018, Almirall signed a collaboration agreement with the Fundación Jiménez Díaz University Hospital Health Research Institute (IIS-FJD) for the training of primary care professionals in the diagnosis and treatment of dermatological pathologies at the local health care centre level. This will permit a more rapid intervention for patients without requiring referral to specialists. In total, 461 primary care physicians and 107 paediatricians working in 41 different health care centres will receive this training.



Data protection.

Protecting the privacy of our stakeholders is an increasingly important part of our Corporate Social Responsibility. As always, we base our actions on Almirall's firm commitment to comply with the regulatory framework that is applicable to our business.

For this reason, and in accordance with the General Data Protection Regulations (GDPR) enacted in May 2018, our Senior Vice President Legal, Amita Kent, was appointed as the new Global Data Protection Officer of the Almirall Group, with the goal to strengthen the data protection culture in Almirall and ensure that the privacy and personal data of our stakeholders is respected and protected.

The applicable laws on data protection matters dictate her new duties and responsibilities which are aligned with those that the Data Protection Officers must uphold, including the following:

- To inform and advise the organisation and all employees who process personal data of their obligations according to the GDPR and other applicable data protection laws;
- To monitor Almirall's compliance with applicable data protection laws, in addition to Almirall's policies and standard operating procedures in relation to protection of personal data;
- To provide advice when requested, regarding data privacy impact assessments and monitor performance in accordance with the GDPR requirements;
- To cooperate with and act as the point of contact for the Supervisory Authorities.

Furthermore, a new Privacy Office, comprised of members of the corporate legal department and the function of security information has been created to support the Global Data Protection Officer in her duties and monitor the data protection compliance program within the organisation.



Environment.

Almirall has made a strong commitment to promoting sustainable development, efficient management of natural resources, and protection of the environment.

In the areas where we operate, we consider it our responsibility to measure and reduce the environmental impact of our activities. As we strive to reduce our environmental footprint, we consider the entire lifecycle of our products: R&D, the acquisition of necessary raw materials, manufacturing, and the eventual use and disposal of our products. We adhere to strict compliance with all legal regulations in the places where we operate. Furthermore, our environmental policy ensures that we are on the forefront of environmental protection by implementing energy-efficient processes, responsible resource and waste management into our business practices, and a commitment to mitigation and adaptation to climate change.

To achieve these goals and meet our responsibilities, we are challenged to keep innovating and improving, which can often require investment in the reformulation of our products and new technology.

In 2018, we successfully passed the external certification audit of the adaptation of our environmental management system to the ISO 14001:2015 standard.

Respect for the environment.

Reduction in the generation of waste in our chemical plants 7%



Reduction in the use of methylene chloride compared with 2013 61%



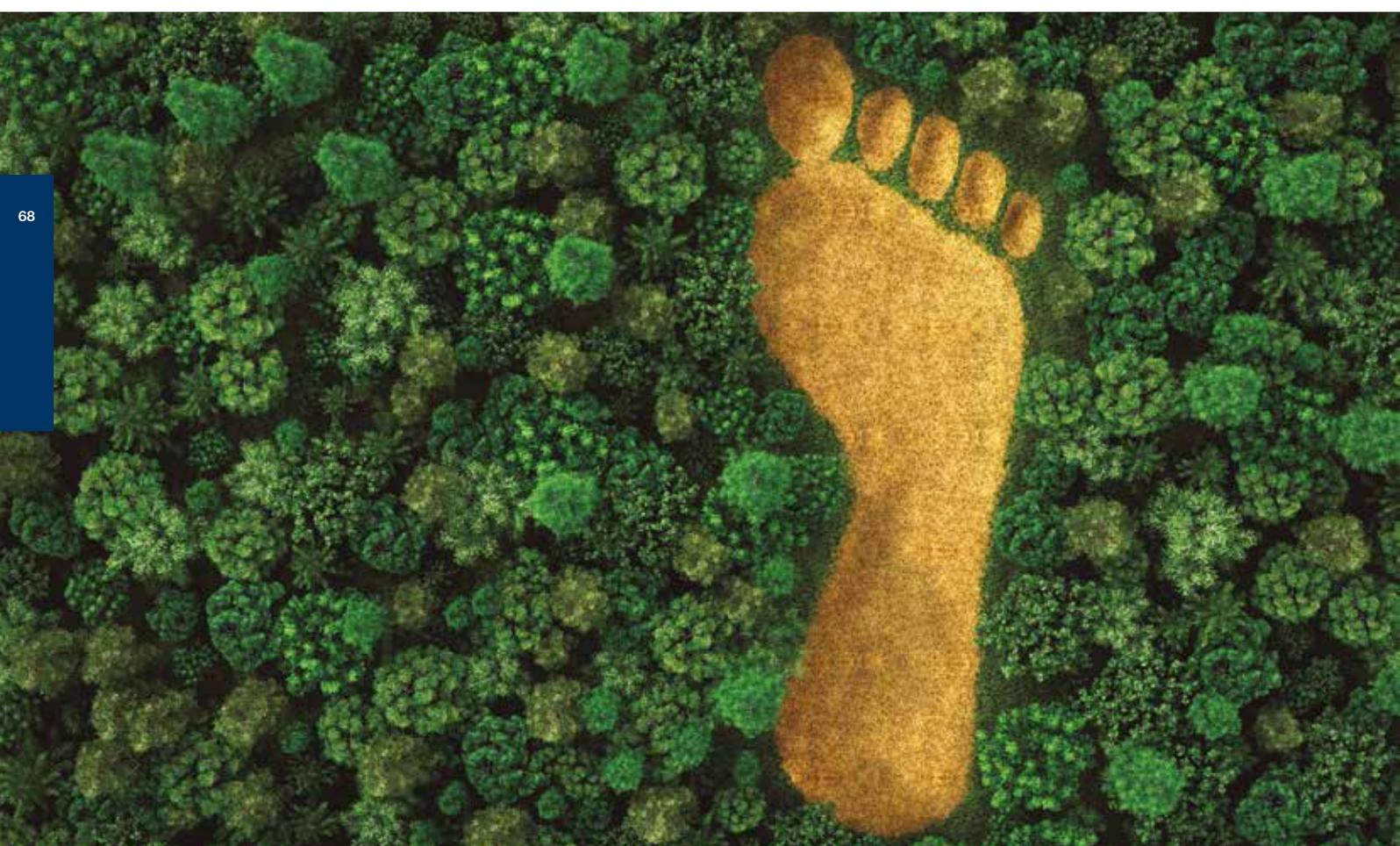
All controlled wastewater parameters below legal limits by 60%, on average



Almirall is one of the first laboratories to have obtained the ISO 50001:2011 certification for energy management



Reduction in greenhouse gas emissions during the period spanning 2014-2018 considering the purchase of renewable energy from electricity energy supplier 38%



Climate change

Climate change is one of the most serious issues facing the world today and Almirall, as a good corporate citizen, has a responsibility to mitigate the impact of our activities. We have set a target of reducing our greenhouse gas emissions by 21% during the period between 2014 and 2025 and are already working to achieve this by setting a series of goals to chart the consistent progress being made at each one of our centres.

We have implemented several initiatives to promote the sustainable use of vehicles, which have been quite successful, well received and in high demand, for example, parking spots with chargers for electric cars, available at our headquarters, R&D Sant Feliu, and our Sant Andreu plant, and economic support for buying hybrid or electrical vehicles.

In 2016-2017, we carried out a climate change risk and opportunity analysis to identify the main inherent climate change risks and opportunities with the potential to have a substantive impact on our business. The results served as the basis for the elaboration of a climate change action plan that will roll out over the next years.

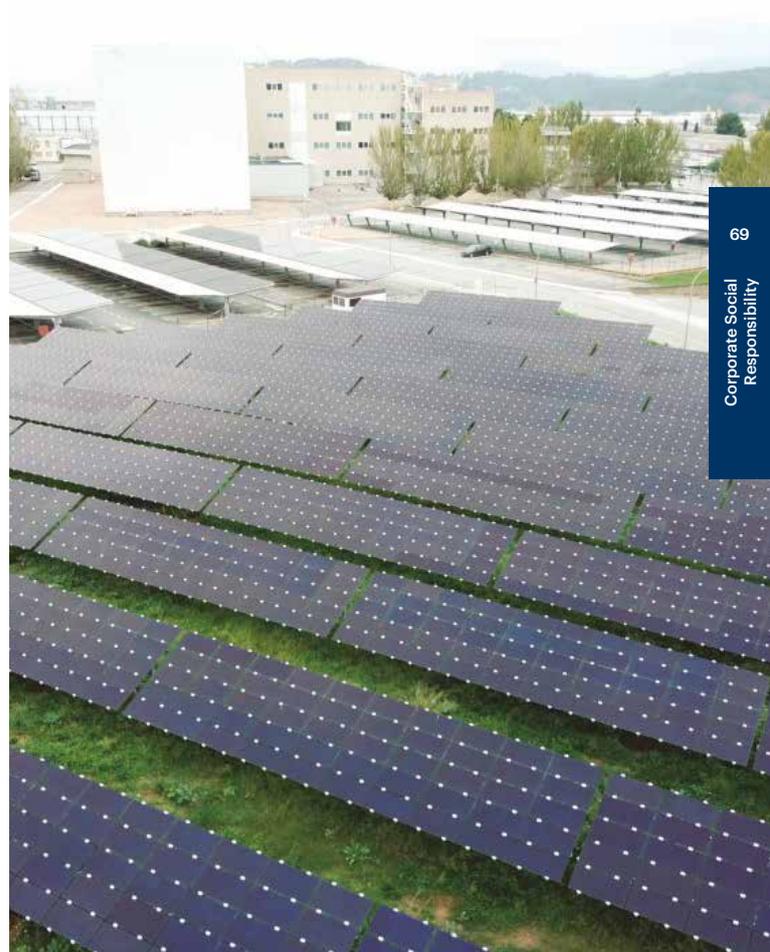
In regard to our climate change strategy, we would like to highlight our commitment to renewable energy and the steps we have taken to pursue innovation and environmental sustainability. In 2017, we completed the installation and launch of a new photovoltaic solar panel system with a rated power of 300 kW at our Sant Celoni chemical plant in Barcelona. This project constitutes the first industrial solar installation in Spain directly connected to a production plant. All of the energy produced is consumed instantaneously, on the spot, which is a particularly efficient design that reduces losses and waste due to transfers or energy storage. These solar arrays enable our Sant Celoni plant to save 16% in overall energy consumption.

In 2018, we completed another installation of a new photovoltaic solar panel with a rated power of 800kW at our Sant Andreu pharmaceutical plant in Barcelona, which will enable us to provide 14% of the electric energy that is consumed actually in this plant. The unprecedented size and power of the installation makes it is the largest of its kind in Catalonia.

Almirall is now positioned as a leader in environmental sustainability. Projects of this scope are still rare and we are proud of our role as a visionary in the area energy efficiency and the responsible use of resources. These projects mark a tremendous advance for our company and we will be building more innovative installations in the future as part of our Energy Master Plan.

Our strict compliance has achieved positive results, generating significant reductions.

Reduction in electricity consumption	3.8	
Reduction in gas use	1.7	
Metric tons of equivalent CO ₂ eliminated through our green-energy purchasing program in 2018	9,702	
kWh generated from solar panels installed at our Almirall plant in 2018	401,779	





Corporate Governance

- Board of Directors
- Audit Commission
- Nominations and Remuneration
Commission
- Dermatology Commission
- Corporate Compliance Committee
- Management Board



Board of Directors.

The primary role of the Board of Directors is to defend the interests of shareholders, guarantee transparency in the company, and ensure the integrity of all information supplied to shareholders.

In 2018, eleven directors plus the non-member secretary and vice-secretary sat on the Board of Directors.

There are three Board Commissions: the Audit Commission, the Nominations and Remuneration Commission, and the Dermatology Commission. Each Commission operates with clearly defined functions and is regularly reviewed to ensure that its members meet its stated goals to the best of their ability.

More information about the Board of Directors and the Board Commissions is available on Almirall's website.

The table below shows the members of the Board at 31st December 2018.

Chairman	Jorge Gallardo	Proprietary Director
Vice-Chairman	Daniel Bravo Andreu	Proprietary Director
Member	Antonio Gallardo Torrededía	Proprietary Director
Member	Carlos Gallardo Piqué	Proprietary Director
Member	Peter Guenter	Executive Director
Member	Tom McKillop	Independent Director
Member	Juan Arena de la Mora	Independent Director
Member	Gerhard Mayr	Independent Director
Member	Karin Louise Dorrepaal	Independent Director
Member	Seth J. Orlow	Independent Director
Member	Georgia Garinois-Melenikiotou	Independent Director
Secretary (non-member)	José Juan Pintó Sala	Non-director
Vice Secretary (non-member)	Joan Figueras Carreras	Non-director

Members of the Board in 2018

Jorge Gallardo

Chairman and Proprietary Director

- PhD in Industrial Engineering.
- Institutional positions at the EFPIA and Farmaindustria over several periods.
- Member of Spain's Royal Academy of Pharmacy and awarded the President Macià Medal for services rendered.

Daniel Bravo Andreu

Vice-Chairman and Proprietary Director

- Degree in Pharmacy.
- Partner and member of the board of directors in other companies.

Antonio Gallardo Torrededía

Member and Proprietary Director

- Degree in Business Administration and Management.
- Has held positions in several companies in the pharmaceutical sector.

Juan Arena de la Mora

Member and Independent Director

- PhD in Electronic Engineering and MBA.
- Member of the board of directors in various companies and holder of the Great Cross of Civil Merit.

Gerhard Mayr

Member and Independent Director

- Degree in Chemical Engineering and MBA.
- Has held positions in several companies in the pharmaceutical sector.
- President and member of the board of directors of several companies.

Karin Louise Dorrepaal

Member and Independent Director

- PhD in Medicine and MBA.
- Has held positions in several companies in the pharmaceutical sector.



Carlos Gallardo Piqué

Member and Proprietary Director

- Degree in Industrial Engineering and MBA.
- Has held positions in several companies in the pharmaceutical sector.

Seth J. Orlow

Member and Independent Director

- PhD in Molecular Pharmacology.
- Chairman of and professor at the New York University Department of Dermatology.

Peter Guenter

Member and Executive Director

- Master's Degree in Physical Education. Faculty of Medicine and Health Sciences.
- Has held positions in several companies in the pharmaceutical sector.
- Chief Executive Officer of Almirall.

Georgia Garinois-Melenikiotou

Member and Independent Director

- Degree in Mechanical Engineering and MBA.
- Has held positions in several companies in the pharmaceutical and dermatological sectors.

Tom McKillop

Member and Independent Director

- PhD in Chemistry.
- Institutional positions in the EFPIA and other organisations.
- Several civil awards as a member of the Academy of Medical Sciences and honorary member of the Royal Society of Chemistry.
- Knighted in 2002.

José Juan Pintó Sala

Secretary (non-member)

- Degree in Law.
- Practises in various law firms and member of the Bar Associations of Barcelona and Madrid.



Audit Commission.

Almirall implements both an internal audit function and a yearly external audit process to guarantee the integrity and accuracy of all the financial information it reports.

Risk Management is one of the Audit Commission's key functions. The Commission members continue to supervise a risk-management project that launched in 2016. They have exhaustively assessed all operational risks and also manage information security risk, reputational risk, and sustainability risk. Strengthening the company's Business Continuity Plan, developing crisis management protocols, and providing specific training, are among the other roles of the Audit Commission.

The members of the Audit Commission meet quarterly to review the periodic financial information to be submitted to the stock exchange authorities, as well as the information that will be approved by the Board of Directors and included in the annual filings.

The Board's Regulations also stipulate that the Commission must meet at the request of any of its members or any time a meeting is called by its Chair, who is, in turn, required to call a meeting whenever the Board or its Chairman requests that a report be issued or a proposal adopted and, in any event when it is deemed necessary for the proper discharge of its functions.

In November 2018, Antonio Gallardo Torrededía became a member of the Audit Commission. With the resignation of Daniel Bravo Andreu in December 2018 as member of this Commission, the Board decided to reduce the number of members from four to three and Mr. Gallardo Torrededía stepped into the role of secretary.

The table below shows the members of the Commission at 31st December 2018.

Chairman	Karin Dorrepaal
Member	Juan Arena de la Mora
Secretary	Antonio Gallardo Torrededía

Nominations and Remuneration Commission.

The Nominations and Remuneration Commission meets on a quarterly basis and is convened every time a meeting is called by its Chairman. It also meets any time the Board or its Chairman requests a report, needs to have a proposal adopted, or whenever deemed necessary for the proper discharge of its functions. The Commission reports on its activities at the first plenary meeting of the Board of Directors following the Commission's meetings.

The Commission takes minutes of its meetings, a copy of which is sent to every member of the Board. To discharge its functions adequately, the Commission may also seek advice from external experts on an as-needed basis.

The table below shows the members of the Commission at 31st December 2018.

Chairman	Tom McKillop
Member	Jorge Gallardo
Secretary	Gerhard Mayr

Dermatology Commission.

The Dermatology Commission holds quarterly meetings to assess, debate, and promote the implementation of Almirall's dermatology strategy. It also evaluates key projects in R&D and business development. The Commission keeps minutes of all its meetings, with a copy sent to all Board Members to facilitate discussion and debate of the Commission's proposals and reports. The Dermatology Commission may seek the advice of external experts on an as-needed basis.

In November 2018, the Dermatology Commission was expanded from three to four members with the addition of Carlos Gallardo Piqué.

The table below shows the members of the Commission at 31st December 2018.

Chairman	Seth J. Orlow
Member	Georgia Garinois-Melenikiotou
Member	Carlos Gallardo Piqué
Secretary	Peter Guenter

Corporate Compliance Committee.

Our compliance policy provides the organisation with a system for monitoring legal risks and is applied uniformly across the company. Its fundamental goal is to check compliance with the regulations (legal, contractual, and internal) to which Almirall is subject and to assess and control any potential liabilities that the company and/or its directors, board members, or legal representatives could be subject to as a consequence of breach.

The Committee is responsible for supporting and monitoring the implementation of and compliance with all legal regulations. Its members are the President of Almirall (who also acts as the Chairman of the Committee), the Chief Executive Officer, the Executive Vice President Global Commercial Operations, the Executive Vice President Research & Development and CSO, the Executive Vice President Finance and CFO, the Vice President Human Resources, the Vice President Legal, the Internal Audit Director, and the General Counsel, who also acts as the Committee Secretary.

The Corporate Compliance Committee is tasked with reviewing reports on legal risks and, if necessary, approving the implementation of the measures to be taken to remedy them.

Management Board.

Almirall's Management Board is the company's leading governing body within which its main organisational areas are represented. The Management Board's mission encompasses the following responsibilities:

- To manage the company and any strategic decisions of the company that are not expressly reserved for the Board of Directors, according to the responsibilities and general guidelines established by the Board of Directors and/or delegated by the Board to the CEO.
- To take organizational extraordinary decisions that are not expressly reserved for the Board of Directors or delegated to another committee, body, or person.
- To manage the organisation according to the responsibilities and general guidelines established by the Board of Directors and/or delegated by the Board to the CEO.
- To take routine organisational decisions that are not expressly reserved for the Board of Directors or delegated to another committee, body, or person.
- To maximise the work climate and the strategic value of management policies for Almirall employees.

The Management Board comprises nine members and is chaired by the CEO, Peter Guenter. The last executive to come on board was Francesca Domenech Wuttke (effective as of Q1 2019), our Chief Digital Officer. In this new role, she will be responsible for developing and executing our end-to-end digital strategy, developing and prioritising our Digital Project Portfolio, while working closely with business stakeholders and reporting directly to CEO Peter Guenter.

Members of the Management Board

Peter Guenter	Chief Executive Officer
Alfredo Barón de Juan	Executive Vice President, Global Commercial Operations
David Nieto	Executive Vice President, Finance, CFO
Bhushan Hardas	Executive Vice President Research & Development, CSO
Amita Kent	Senior Vice President, Legal and Global Data Protection Officer
Eloi Crespo Cervera	Vice President, Manufacturing & Technical Services
Esteve Conesa	Vice President, Human Resources
Francesca Domenech Wuttke	Chief Digital Officer
Joan Figueras Carreras	Corporate Director, General Counsel

“Together we have defined our noble purpose to reflect our reason why and our essence today and for future generations. It conveys our goal of improving the lives of patients, our focus on their well-being, and how we work every day to give them effective solutions, always attentive to listen to what they need”

The Management Board of Almirall

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The background features several overlapping, curved, and angular shapes in various shades of green, ranging from a light, pale green to a deep, vibrant forest green. These shapes create a dynamic, layered effect against the white background.

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