



EXECUTIVE
REPORT

20
19



“Since 1870, at service of Health”

PRIM is a privately owned Spanish business group with 150 years of **experience** in the health industry and has been listed on the Madrid Stock Exchange since 1985.

PRIM is a **reference in the market** for hospital, orthopaedic and pharmaceutical supplies, in physiotherapy, thalassotherapy, thermalism, spa, rehabilitation, geriatrics and technical aids. It is an innovative, vertically-integrated organisation specialising in marketing the most advanced and proven technologies, supported by an agile and effective logistics system, a broad and highly qualified commercial network, and an efficient back-office team. Our technical and financial solvency makes PRIM a reliable company with a solid footing for the future.

The company has established a network of domestic and international **strategic alliances** that generates powerful synergies through its deep knowledge of the industry and the production and distribution of the latest and most efficient products.

The company's main competitive advantage lies in the fact its products and services are fully adapted to its customers' primary needs: excellence in **the quality** of the manufactured, distributed and marketed medical products, as well as its portfolio of services, its **flexibility** to adapt to customers' deadlines, and expert **advice** in the use of its products and services. All these assets make PRIM a unique company in the industry.

In 2019, total revenues amounted to 150.9 million Euros, 12% more than in 2018, continuing the trend of annual growth rates above 10% in the last four years.



VISION, MISSION AND VALUES

Our Vision

"We improve people's lives".

At PRIM, we are proud to belong to a Group that is focused on improving health and well-being.

PRIM's Vision, Mission and Values

guide, on a permanent basis, our business and the relationship with our stakeholders: government bodies, customers, professionals in the health care and other practitioners, shareholders, in-house team, suppliers and other external collaborators, and society at large.

Our Mission

Our Mission is:

- **improve the quality of care** in neurosurgery and spinal pathologies, providing the best service and the most advanced technology to health professionals.
- **Diminish the suffering** of patients and help them recover and return more quickly to their normal lives.
- **Provide** mobility, autonomy and health care solutions that improve people's quality of life. We want to be the best specialists and the reference company in the pharma and orthopaedic channels.
- **Select and adapt the best products** to our patients, in a customised way, to improve their quality of life and that of their families.
- **Make society aware** of the benefits of a wellness lifestyle.

Our Values

- ✔ **Commitment**, identification and involvement of everyone with our company and its objectives in order to satisfy our customers.
- ✔ **Quality** of the products and services we provide to our consumers and users.
- ✔ **Transparency** or commitment to stakeholders to provide clear and accessible information, both financial and non-financial, about our business.
- ✔ **Respect** for the laws and other applicable regulations, the Code of Ethics, the rules and procedures that put it into practice, and our commitments and obligations.
- ✔ **Integrity** in our decision making and conduct.
- ✔ **Good governance** and **social responsibility** towards our in-house team (administrators, managers and employees) and society at large.

PRIM GROUP ACTIVITY



1 Headquarter	9 Delegations
2 Factories	7 Orthopaedic clinics
2 Workshops making custom-made orthopaedics	+75 Countries in our export network
+ webshops	

TURNOVER 2019
+150M €

2018: +134M €
2017: +121M €

Domestic: 91%
International: 9%

TAX PAID
+12M €

586 in-house collaborators

60% (Male)
40% (Female)

2,892 suppliers

89% ECO
of electrical energy consumed from renewable sources

+137K € in social projects

UNE-EN-ISO 13485:2016 (PRIM, S.A.)
UNE-EN-ISO 14001:2015 (PRIM, S.A.)
UNE-EN-ISO 9001 (PRIM Orthopaedic clinics)

BREAKDOWN BY BUSINESS



PRIM HOSPITALS

This Division focuses its activity on the design, manufacture, marketing, installation and maintenance of hospital products in seven specialised healthcare areas:

- ◆ Neurosurgery, Traumatology and Biomaterials
- ◆ Endosurgery
- ◆ Neuromodulation
- ◆ Cardiovascular
- ◆ Plastic surgery
- ◆ Otolaryngology (ENT)
- ◆ Operating theatre

MAIN PRODUCTS:



NEUROSURGERY

- Dura mater-plasty
- Ultrasonic aspirators
- Neuromonitoring systems
- Hydrocephalus valves and external drainage systems
- Bipolar generators and bipolar tweezers
- Cranial stabilisation systems



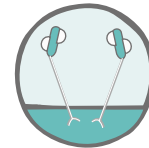
BIOMATERIALS

- Minimally invasive vertebral fracture: kyphoplasty and vertebroplasty
- Osteoinducers of human origin and allografts
- Synthetic biological osteoinducers
- Non-stick and anti-fibrotic barriers
- Cements and spinal fillers



TRAUMATOLOGY

- Pedicle screws
- Intersomatic cervical and thoraco-lumbar cages
- Posterior occipito-cervical fixation systems
- Vertebral body replacement devices
- Interspinous spacers



ENDOSURGERY

- Intelligent continuous flow insufflator
- 6K laparoscopy equipment
- Ultrasonic aspirator
- Disposable trocars
- Disposable and reusable laparoscopic dissectors and forceps
- Laparoscopic irrigation/aspiration and mechanical suture



NEUROMODULATION

- Spinal cord neurostimulation
- Radio frequency
- Peripheral nerve neurostimulation
- Stimulation to control urinary and faecal incontinence
- PENS



CARDIOVASCULAR

- Sets of sutures
- Thoracic protector
- PTCA catheters, double light and PTA with drug
- Vascular prosthesis
- Peripheral drug stents



PLASTIC SURGERY

- Dermal substitutes
- Dermatomes and meshes
- Biological matrices
- Negative pressure therapy



ENT

- Middle ear and bone anchored implants
- SAHS treatment implant
- Tubal expansion system
- Motors for otology and endoscopic surgery
- Electrophysiology and diagnostic equipment for vestibular pathology



OPERATING THEATRE

- Surgical smoke extractors
- Drains and reservoirs
- Electrosurgery
- Surgical separators
- Macerators

MAIN CLIENTS: hospitals, clinics, mutual insurance companies and medical insurance.

INDUSTRIAL AREA



PRIM ORTHOPAEDIC CLINICS

Specialised in the custom manufacture of technical orthopaedic products as well as the custom adaptation of technical aids for people with disabilities.

It has seven qualified clinics and two in-house manufacturing workshops. It is the main reference in the industry.

MAIN PRODUCTS:



- Standard and custom-made prostheses and orthoses
- Special prostheses: myoelectric, intelligent, etc.
- Products for pressure therapy, post-mastectomy and burns
- Custom adaptation of technical aids
- Products to prevent ulcers
- In-house technical service

MAIN CLIENTS: patients, end consumers, hospitals, clinics, mutual insurance companies and medical insurance.



PRIM ORTHOPAEDICS

Division dedicated to the development, production and distribution of a wide range of orthotics and prosthetics products, technical aids and mastectomy products.

It is the only national distributor that covers all orthopaedic needs

MAIN PRODUCTS:



- Orthotics (upper limb, lower limb, trunk, neck...)
- Lower and upper limb prosthetics
- Mastectomy
- Technical aids
- Custom manufacturing service.

MAIN CLIENTS: orthopaedic establishments, pharmacies, parapharmacies, mutual insurance companies, hospitals and clinics



PRIM PHARMA

This Division operates in the pharmaceutical channel, both with its own manufactured products and with domestic and international distributions. Its main market areas are: design, manufacture and marketing of products for foot comfort; distribution of orthotic, electromedicine and OTC products and technical aids; design and manufacture for third parties of products and dressings.

MAIN PRODUCTS:



- Orthotics
- Podiatry
- Technical aids
- OTC



MAIN CLIENTS: pharmacies and parapharmacies, cooperatives and pharmaceutical distributors

PRIM PHYSIOTHERAPY AND REHABILITATION

This Division focuses its activity on global equipment, including in-house manufacturing, for physiotherapy, rehabilitation and sports medicine.

MAIN PRODUCTS:



- Electrotherapy
- Laser therapy
- Magnetic therapy
- Treatment tables
- Ultrasounds
- Shock waves



MAIN CLIENTS: physiotherapists and rehabilitation doctors, hospitals, clinics, mutual insurance companies and health insurance.

PRIM SPA

Dedicated to the design and construction of integral equipment for hydrotherapy, thermalism, thalassotherapy and spa. This Division has an in-house technical service.

MAIN PRODUCTS:



- A comprehensive range for wellness areas at hotels, resorts and sports clubs
- Equipment for spas (baths, showers, pressure therapy, etc)
- Saunas and steam baths for individuals

MAIN CLIENTS: spas, hotels and other tourist accommodation, and private clients.



GLOBAL PRESENCE

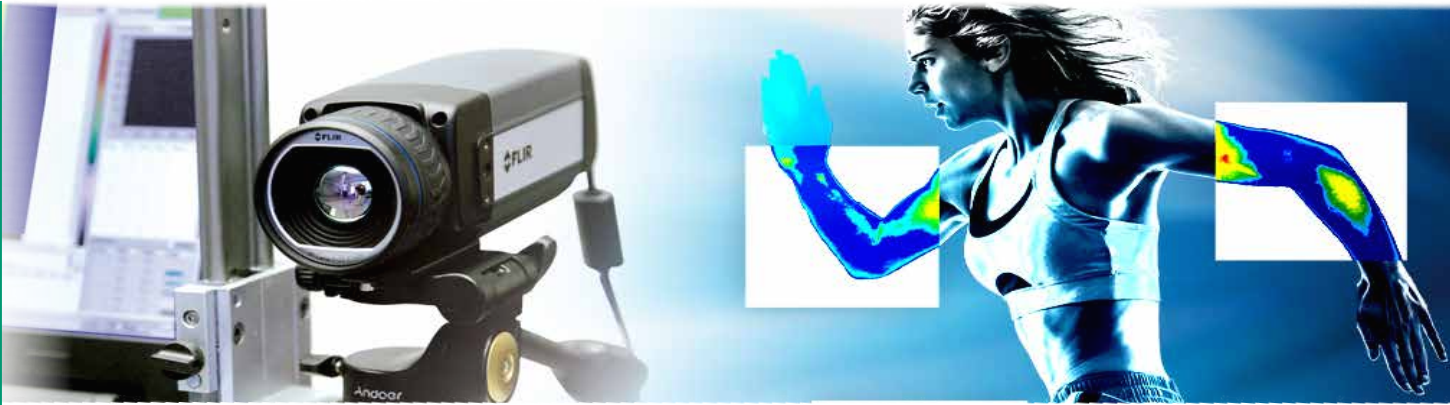


PRIM's headquarters, as well as its main manufacturing centre, are located in Móstoles (Madrid). PRIM also has a large network of delegations spread across Spain and Portugal, allowing us to meet customers' needs quickly.

Our business is predominantly in the Spanish market, which accounts for more than 91% of our turnover. However, the company also has a presence in the international market through an export network that operates in more than 75 countries and has a turnover of more than 12 million euros.

Delegations in Spain	<ul style="list-style-type: none"> • Galicia • Balearic I. • Catalonia • Basque C. 	<ul style="list-style-type: none"> • Andalusia • Valencian R. • Canary I. • Madrid R. 	Delegation in Portugal	<ul style="list-style-type: none"> • Lisbon 	PRIM Orthopaedic Clinics	<ul style="list-style-type: none"> • Galicia (4 clinics) • Madrid (3 clinics) 	
Factories	2 own factories		Workshops	2 custom manufacturing workshops		Export network	more than 75 countries

Our export network serves over 75 countries



COMMITMENT TO INNOVATION

OWN INNOVATION

PRIM views innovation from a perspective of transversality and functionality in all markets, not always necessarily related to health. In this way, the organisation benefits from improvements in industries such as textiles or the sporting world, which significantly expand the opportunities for development in the orthopaedic sector.

In 2019, these industry synergies enabled the company to pioneer the introduction of bonding technology in its own manufacturing processes.

Bonding technology is a revolution in production methods by incorporating materials that, at optimal temperature and pressure conditions, bond together, eliminating seams and additional materials such as thread.

Its use in the orthotics industry makes it possible to manufacture orthotic garments that do not produce the friction or discomfort caused by traditional seams.

Additionally, laser machinery has led to improvements in the cutting of fabrics, significantly increasing precision with respect to conventional cutting and expanding design opportunities in mass production models.

PRIM has become the first company to launch a complete range of orthoses manufactured with bonding technology.

In 2019, PRIM introduced this innovative methodology in paediatric orthopaedic garments and a range of seamless podiatry garments.

In order to guarantee the excellence in the functionality of new products and to respond to market needs, the company drew on orthopaedic and rehabilitation experts with a solid reputation in the world of rehabilitation and orthopaedics throughout the entire process.

The implementation of this new technology in orthotic manufacturing processes has not only had a positive impact on the development of new products, but has also made it possible to eliminate the use of materials such as yarn and significantly reduce the waste generated when cutting fabrics. This innovative solution has therefore given rise to the development of more sustainable orthotics.



MyPrim Kids

PRIM wanted to dedicate its first launch of seamless orthotics to the littlest among us.

In addition to eliminating all the traditional seams that sometimes cause rubbing when in contact with the skin, we used materials characterised by being particularly soft. This technological innovation in comfort has been combined with fun designs and colours, intended to encourage our brave little heroes to use them.

During this project's development phase, PRIM collaborated with the Department of Child Rehabilitation of the National Paraplegic Hospital in Toledo (Spain), which evaluated all of the prototypes in the range before they were put on the market.

GROWING TOGETHER

Thanks to its portfolio of products across its business divisions, PRIM is positioned as one of the leading healthcare technology providers in the health industry. In addition to being leaders in the manufacture of customised orthopaedic solutions, the company has technical teams specialised in finding innovative health products, developed in the domestic and international markets, through its distribution network.

Strategic alliances with the main manufacturers have facilitated the introduction of revolutionary products in the Spanish healthcare market, aimed at promoting minimally invasive surgery, minimising the risks associated with surgery and improving patients' post-operative processes.

In 2019, the company focused its efforts on introducing healthcare solutions that put the focus on the patient and on improving the workflows of health professionals.

The launch of revolutionary systems such as the ExcelsiusGPS™ robot, the AirSeal® iFS intelligent access system or the launch, in 2020, of the TASKA bionic hand, place PRIM at the forefront of health technology in these fields.

The company has also brought solutions online that improve daily life in the field of neurosurgery, such as low-profile programmable hydrocephalus valves that are not deprogrammed by external magnetic fields, a feature that is especially useful for children. Furthermore, inductive therapy, introduced in the field of rehabilitation, acts effectively against the source of pain far more quickly than traditional therapy.

The neuromodulation area has launched a new spinal cord stimulus generator, Senza II, which is much more compact and has one of the smallest footprints on the market. It can be combined with some of the best-know stimulus modes without losing its advantages, such as being able to drive with the system on and the generator's longer lifespan. This device affords doctors the possibility of having all the therapeutic options within a single device, thus avoiding explantations and secondary implantations, generating a significant positive impact on the patient's quality of life.



Image of a Taska Hand



Robot ExcelsiusGPS™

In 2019, PRIM launched the national distribution of ExcelsiusGPS™, a robotic navigation system that revolutionises minimally invasive spinal surgery. It provides a real time view of the instrument positioning and the placement of screws in the column.

From a technical perspective, using the ExcelsiusGPS™ robot makes it possible to minimise risks during surgery, improve the workflow and increase available information for better decision making.

It provides health professionals with more security by reducing stress during operations.

For the patient, it minimises the risk of suffering a spinal cord injury during an operation, significantly reduces exposure to radiation and improves post-operative conditions by encouraging minimally invasive surgery.

The distribution of the ExcelsiusGPS™ robot places PRIM at the forefront of health technology in the Spanish health system's neurosurgical services.



AirSeal® iFS

In 2019, PRIM reached an agreement to distribute AirSeal® iFS, the world's only integrated intelligent access system for laparoscopic and robotic surgery. It represents a revolutionary transformation of conventional insufflation systems.

This innovative system makes it possible to perform laparoscopic surgery at much lower intra-abdominal pressures than can be achieved with a conventional insufflator.

These characteristics make it possible to adapt laparoscopic surgery to the multimodal rehabilitation protocols (ERAS), thus improving the patient's post-operative conditions. The extraction of surgical smoke also materially increases safety for health professionals.

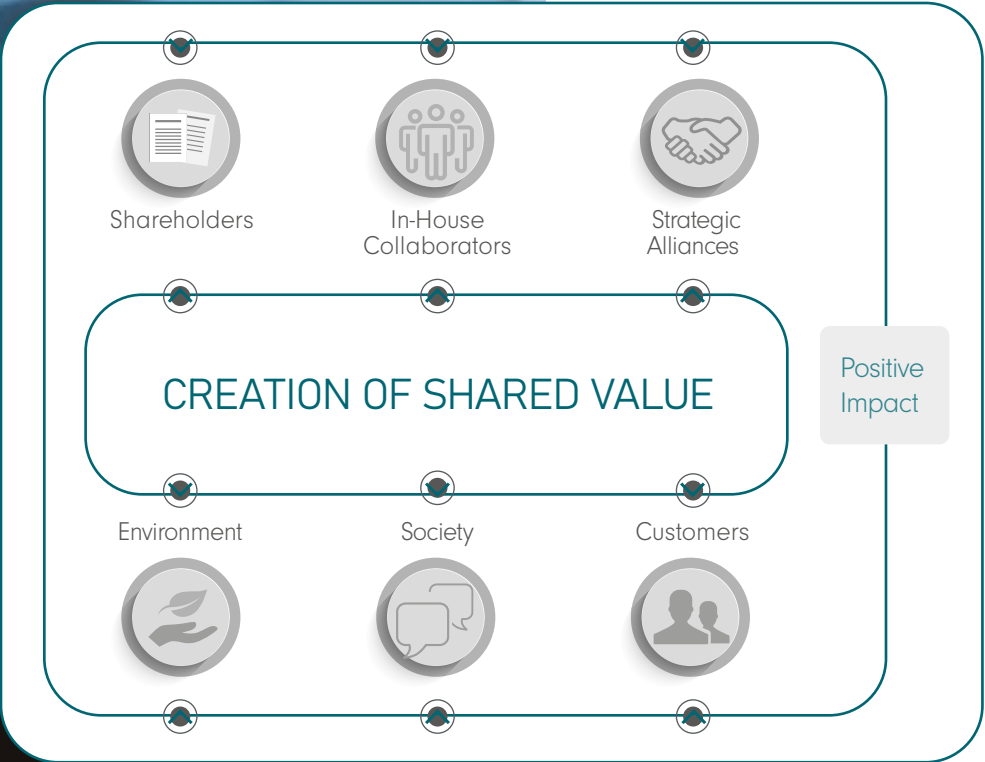


Cella Medical Solutions

Cella Medical Solutions' virtual models applied in complex surgery enable surgeons to plan an intervention using a digital simulation to create 3D virtual models of human organs. This innovative software navigates through the body's organs, thus minimising the risk of causing injuries during surgery and assessing the real scope of the pathology.

This virtual model can be printed from a 3D printer in transparent resin, providing a full, life-size image of the organs and their surroundings. Knowing the size and location of the lesion maximises the chances of successful surgery, leaving as much of the healthy organ vascularised as possible.

CREATION OF SHARED VALUE



OUR PEOPLE

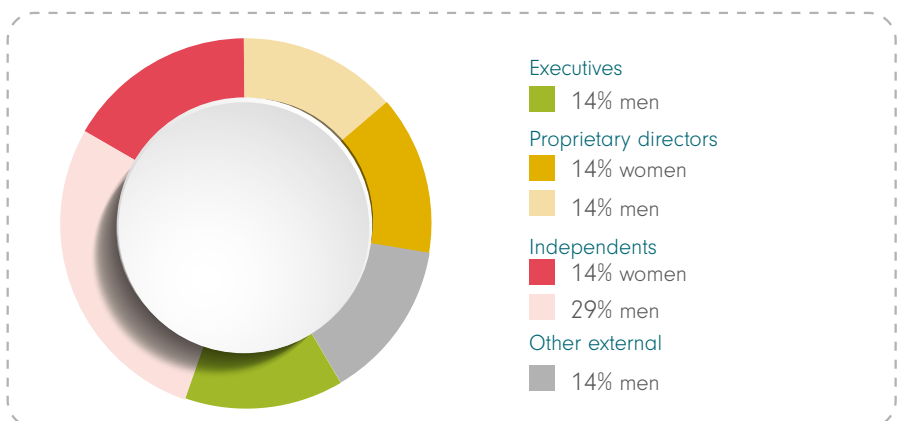
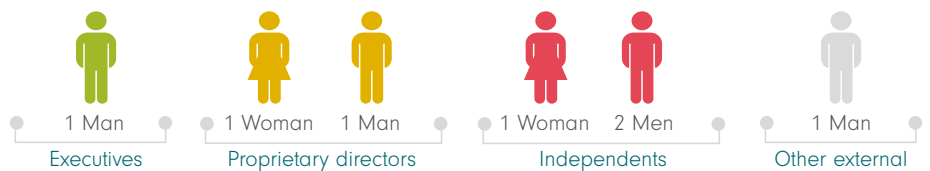
PRIM has been serving health for 150 years. Over those years, the company has positioned itself as a leader in the orthopaedic industry and as a strategic supplier of health technology in Spain, in physiotherapy, thalassotherapy, thermalism, spa, rehabilitation and technical aids.

This has been achieved thanks to the dedication of our team, who strive every day to provide the absolute best service to the health industry. Consistency, respect and team spirit are some of the most characteristic values of the in-house team that make up the great PRIM family.

With the aim of achieving excellence in people management and thus recognising their commitment, the company is immersed in adapting its management model to the requirements of the certification granted by the Más Familia Foundation as a Family-Responsible Company (efr).

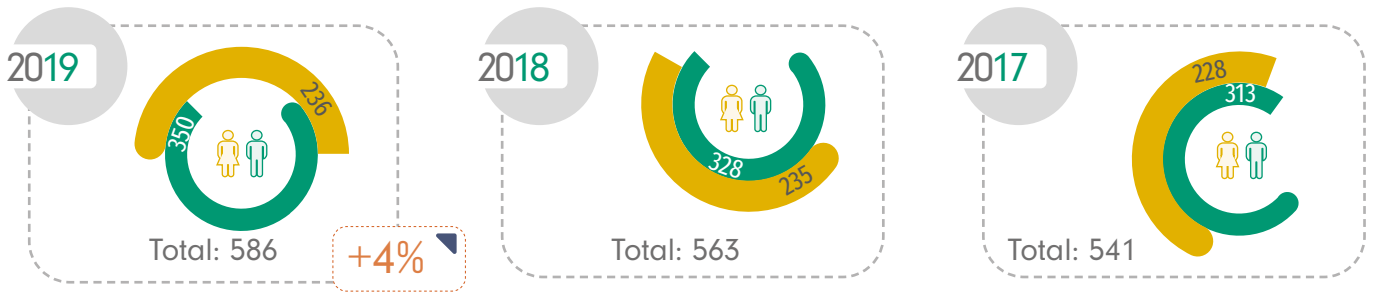
Additionally, PRIM has begun work to adapt its headquarters to obtain the Universal Accessibility certificate as per the UNE 17001-2 standard, in order to guarantee spaces free of obstacles that ensure efficient equality of opportunity for people with diverse abilities.

BOARD STRUCTURE

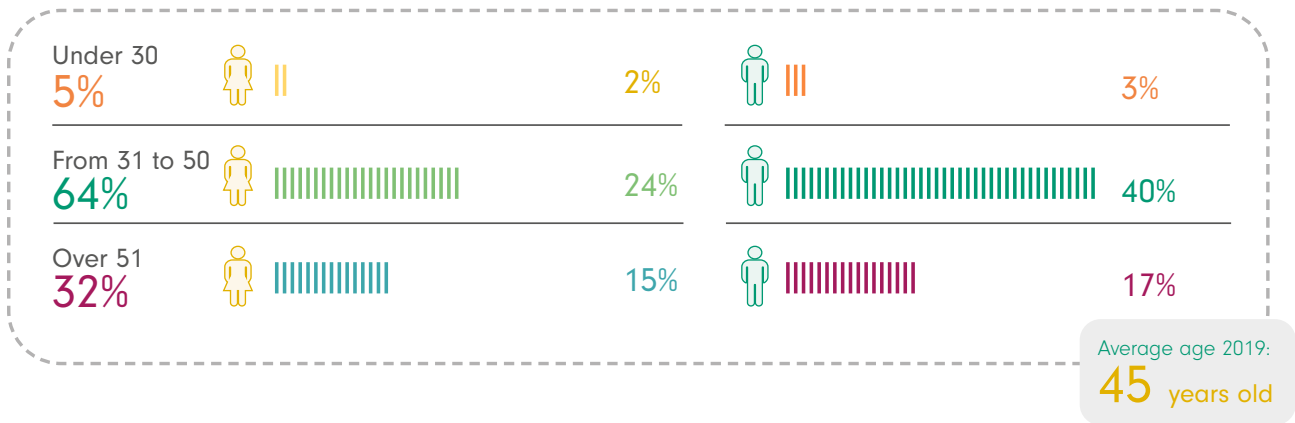


OUR TEAM IN FIGURES

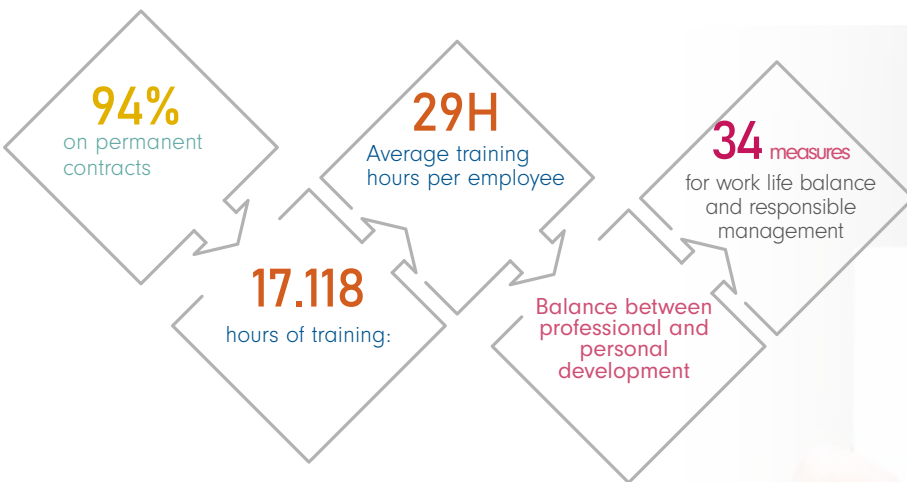
Breakdown by sex



Breakdown by age



COMMITMENT TO OUR TEAM



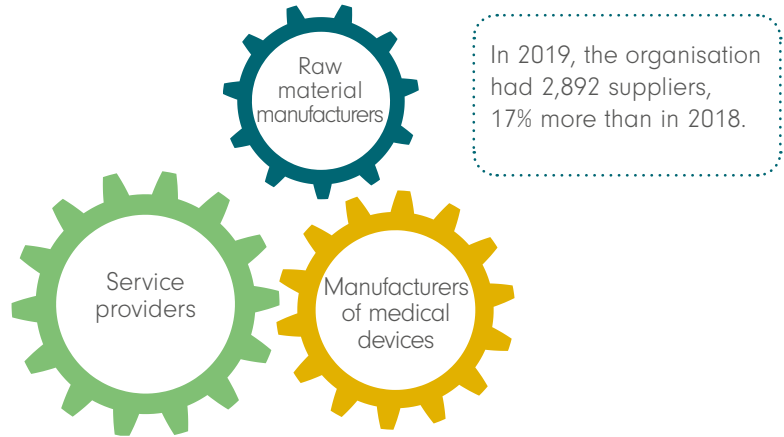
DIVERSE AND RESPECTFUL CULTURE





STRATEGIC ALLIANCES AND SUPPLY

PRIM’s supply chain is made up of suppliers with a high degree of technological specialisation and a small number of competitors in the market. The peculiarity of our supply chain influences our relationship with it, which is structured as strategic alliances to achieve PRIM’s strategic objectives.



QUALITY IN THE SUPPLY CHAIN

By means of a quality management system certified under ISO-UNE 13485, PRIM S.A. seeks to ensure that its supply chain always meets the highest quality standards, structuring its assessment in two main phases:

Before registering a new supplier/product in the system, we request and analyse the certificates, labelling and regulatory documentation applicable to the type of product in question. A new supplier or product is only registered once the Quality Department issues a compliance decision.

Upon receipt of the product in the warehouse, we inspect it to confirm it meets the requirements established and assessed during the registration and order processes.

RESPONSIBLE CONSUMPTION

PRIM works with leading strategic partners in the domestic and international health industries. Our critical suppliers, mostly manufacturers of medical devices, are companies with stringent compliance programmes.

The company also ensures mutual commitment by including responsible legal clauses in its contracts, covering the following 4 key aspects:



CUSTOMERS

PRIM's main competitive advantage lies in the fact its services are fully adapted to its customers' primary needs: excellence in the quality of medical products, flexibility to adapt to customers' deadlines, and expert advice in the use of our products and services.

The company has a solid storage and distribution network that allows it to supply products immediately, and a billing system that provides an integrated management model for customers. Efficient delivery times have enabled the company to position itself as a strategic supplier in the health industry.

CERTIFIED MANAGEMENT SYSTEM



UNE-EN-ISO
13485:2016



UNE-EN ISO
14001:2015

PRIM S.A.



UNE-EN ISO
9001

PRIM
Orthopaedic Clinics

PRIM S.A.'s activities focus chiefly on the health industry and are guaranteed by its operating license N°134-PS. The company's Quality Management System, certified under the UNE-EN ISO 13485:2016 standard, which also applies to our approved factories, governs the excellence of our products within the medical devices framework.

PRIM S.A. is also a Tissue Bank authorised by the Community of Madrid for the storage and distribution of products derived from human tissue.

For its part, PRIM Orthopaedic Clinics holds the UNE-EN ISO 9001:2015 quality certification, a hallmark in the orthopaedic industry that guarantees excellence in the custom manufacture of technical orthopaedic products and in the customised adaptation of technical aids. The company frames its integral management model within the standard's requirements.

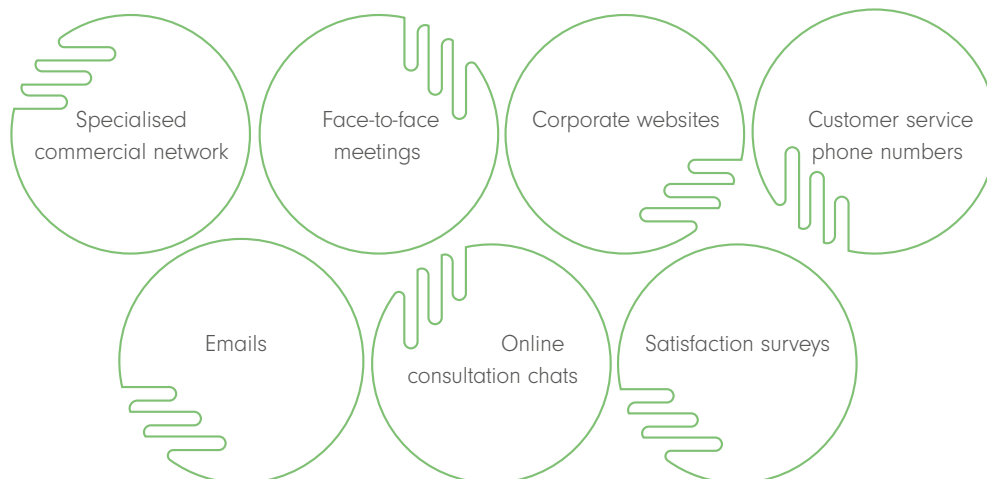
CE Marking

The organisation scrupulously complies with European and Spanish health regulations regarding the CE marking on applicable products it manufactures and imports. The marketed products are subject to specific registration and review controls to ensure that they provide the necessary type approval and/or CE marking guarantees, as applicable.

SPECIALISED CUSTOMER SERVICE

Thanks to the vertical integration of services, our specialised customer service team offers a customised service, reducing response times for technical queries and to meet customers' needs.

Multi-Channel Communication



Advice And Training

PRIM supports the distribution of its products with technical advice for their correct use, thus going beyond sales to our products' use in practice. The company also promotes synergies between industries with training processes to increase product knowledge through workshops, courses and free webinars.



Customised Orthotic Treatment Guide

The progressive incorporation of orthotics products in pharmacies has been underpinned by a plan to boost the development of information resources. In 2019, PRIM drew up the Customised Orthotic Treatment Guide with the aim of facilitating specialised advice in pharmacies and orthopaedic clinics, thus ensuring the various product lines are used properly.

This Guide includes a system of "practical questions and answers" to identify which product line, based on its properties, is best suited to treat the patient's injury, depending on his/her activity, the type of injury and the stage they are in.

INFORMATION SECURITY AND PRIVACY



PRIM scrupulously respects the data protection of the people with whom it interacts as a consequence of its activity. The company ensures compliance with applicable regulations through its internal Personal Data Protection Policy, which includes biennial external audits, as well as ongoing advice from a consultancy firm specialising in data protection, a Data Protection Officer and an internal team that coordinates compliance.

SOCIETY

PRIM came into being 150 years ago with a social purpose: improve people's lives. This spirit of social commitment continues to inspire the company's work.

PRIM contributes directly and indirectly to the United Nations Sustainable Development Goals (SDA) by working with hospitals, universities, research centres and by supporting foundations working to provide solidarity in the field of global medicine.

AREAS OF SOCIAL ACTION



01

Training

Activities to promote training and the development of technical health skills in public and private institutions.

Research

Through collaboration agreements with Research Centres and Universities, PRIM puts economic resources, manufacturing facilities and the knowledge of our specialist teams at the service of innovation.

02



03

Social Projects

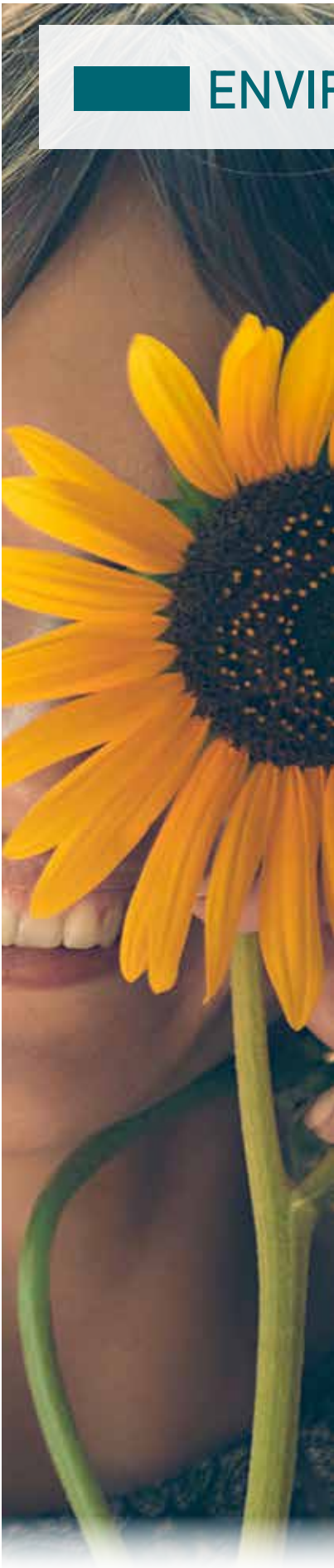
Supporting the work of social organisations in cooperation and humanitarian development in the field of health, by donating health products.

Collaborative initiatives

Collaborations with good causes that promote solidarity, collaboration and awareness among everyone at PRIM through active involvement.

04





ENVIRONMENT



UNE-EN ISO 14001:2015

PRIM S.A. guarantees its environmental management with the UNE-EN ISO 14001:2015 certification and is working to obtain it for the PRIM Orthopaedic Clinics. However, it follows the standards and procedures applicable to the Group in terms of quality and the environment.

The company extends its responsibility for the environment to its supply chain, which it has made a part of its Quality and Environmental Policy, in addition to establishing identification and monitoring procedures in relation to its suppliers.

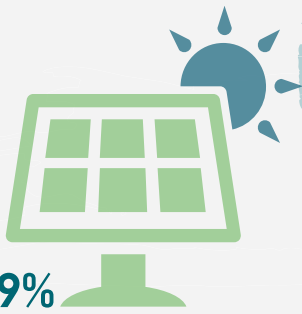
MAIN FIGURES



5,534 m³
Water consumption



6,580 GJ
Energy consumption
1,120 tonnes of CO₂
Direct emissions (Scope 1):
55.8 tonnes of CO₂
Indirect emissions (Scope 2)



89%
of electrical energy consumed from **renewable** sources

OUR ELECTRICITY CONSUMPTION IS GETTING GREENER

In 2019, the company changed its electricity supplier to one offering 100% renewable energy. The new supplier provides clean energy to PRIM Group's headquarters, factories and distribution centres, orthopaedic clinics and all our delegations throughout Spain.

The change of electricity company took place in 2019, allowing us to increase our consumption to 89% renewable, compared to 20% the previous year. As a result, CO₂ emissions from our energy consumption fell by almost 90%.

RESPONSIBLE PACKAGING

The Top Line range of orthoses has been replaced by the Neoprair models. This new line of products also adds improvements to the packaging itself, replacing polyethylene with circular cardboard containers and aluminium lids. Both materials have a significantly lower environmental impact and are recyclable and reusable.





ETHICAL CULTURE

PRIM's reputation is one of our most important assets and therefore requires special protection. For PRIM, business ethics is based on absolute respect for the law and all the rules in force, the Code of Ethics and our commitments and obligations, as well as integrity in decision-making and the daily conduct of our in-house team, without forgetting absolute respect for human rights.

The conduct rules that guide our business dealings are encapsulated in a model of ethical and regulatory compliance that includes corporate policies, mandatory internal rules and a robust risk management system.

ETHICAL CULTURE



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