



Rossini S.à r.l.

REPORT

ANNUAL ACCOUNTS 2025



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The information provided with respect to the Company in this presentation is unaudited. The unaudited financial information of the Company and pro-forma information presented in the Presentation has been prepared by management. Neither the unaudited financial information nor the pro-forma information was prepared with a view towards compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, GAAP or IFRS. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to such unaudited financial information or pro-forma information for the purpose of its inclusion herein and accordingly, they have not expressed an opinion or provided any form of assurance with respect thereto for the purpose of this Presentation. Furthermore, neither the unaudited financial information nor the pro-forma information takes into account any circumstances or events occurring after the period it refers to. The unaudited financial information and pro-forma information set out in this Presentation is based on a number of assumptions that are subject to inherent uncertainties subject to change. In addition, although we believe the unaudited financial information and the pro-forma information to be reasonable, our actual results may vary from the information contained above and such variations could be material. As such, you should not place undue reliance on such unaudited financial information or pro-forma information and it should not be regarded as an indication that it will be an accurate prediction of future events.



Rossini S.à r.l.
Société à responsabilité limitée

Consolidated Financial Statements
for the financial year 31 December 2025
And Report of the Independent Auditor thereof

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Independent auditor's report

To the Board of Managers of
Rossini S.à r.l.
29, Avenue de la Porte Neuve
L-2227 Luxembourg

Opinion

We have audited the consolidated financial statements of Rossini S.à r.l. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Restriction on distribution and use

This report, including the opinion, has been prepared for and only for the Board of Managers and the Shareholders of the Company, the holders of the senior secured notes issued by the Company under the Indenture dated 18 July 2024 (the “Senior Secured Notes”), Deutsche Trustee Company Limited as Trustee in relation to these Senior Secured Notes, Deutsche Bank AG, London Branch as Agent in relation to the super senior revolving credit facilities agreement originally dated 26 October 2018 as amended and restated on 15 June 2023 and 18 July 2024 (“RCF Agreement”) and the Lenders of the RCF Agreement in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of report of "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young
Société anonyme
Cabinet de révision agréé

A handwritten signature in black ink, appearing to read 'T. Bellens', is written over a stylized, horizontal line graphic.

Thomas Bellens

Luxembourg, 7 May 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	As at 31 December 2025 € (thousands)	As at 31 December 2024 € (thousands)
Net revenue	3	2,618,383	2,341,559
Cost of sales	4	(830,704)	(741,287)
Gross Profit		1,787,679	1,600,272
Selling expenses		(561,959)	(501,164)
Research and development expenses		(460,089)	(405,163)
General and administrative expenses		(170,005)	(159,180)
Other income/(expense), net		(48,932)	(21,013)
Operating expenses	4	(1,240,985)	(1,086,520)
Operating income		546,694	513,752
Finance income (expense), net	5	(214,376)	(223,944)
Pre-tax income		332,318	289,807
Income taxes	6	(103,736)	(96,792)
Net income		228,582	193,015
<i>Equity holders of the parent</i>		42,935	38,384
<i>Non-controlling interests</i>		185,647	154,631

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	As at 31 December 2025 € (thousands)	As at 31 December 2024 € (thousands)
Net income for the year		228,582	193,015
Gains/(losses) on cash flow hedges, net of tax effects	17	1,672	(1,403)
Gains/(losses) on translation of foreign financial statements		(51,993)	(331)
Gains/(losses) on equity-accounted investees, net of tax effects	10	(3,640)	(4,089)
Other gains/(losses), net of tax effects		360	1,318
Income and expense for the year recognized directly in shareholder's equity		(53,601)	(4,505)
Comprehensive income		174,981	188,510
Attributable to:		-	-
Equity holders of the parent		17,254	36,017
Non-controlling interests		157,728	152,492

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

ASSETS

	Notes	As at 31 December 2025 € (thousands)	As at 31 December 2024 € (thousands)
ASSETS			
Non-current assets			
Property, plant and equipment	7	228,849	215,216
Intangible assets	8	3,885,159	4,124,008
Goodwill	9	3,554,346	3,554,346
Other equity investments and securities	10	16,244	17,385
Other non-current assets	11	10,259	14,206
Deferred tax assets	12	136,415	94,527
Total non-current assets		7,831,272	8,019,687
Current assets			
Inventories	13	539,804	506,447
Trade receivables	14	570,154	516,743
Other receivables	15	106,488	109,024
Other current assets	16	24,591	21,387
Derivative instruments measured at fair value	17	8,074	15,376
Cash and cash equivalents	18	464,038	375,791
Total current assets		1,713,149	1,544,768
TOTAL ASSETS		9,544,421	9,564,456

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

EQUITY AND LIABILITIES

	Notes	As at 31 December 2025 € (thousands)	As at 31 December 2024 € (thousands)
Share capital		1,836	1,836
Share premium reserve		1,149,361	1,149,361
Legal reserves		184	184
Other reserves		(24,271)	21,888
Currency translation reserve		(47,802)	(22,892)
Net income		42,935	38,384
Profit carried forward		406,473	113,094
Interim dividends		(107,635)	(5,755)
Equity attributable to owners of the Parent	19	1,421,081	1,296,101
Non-controlling interests	20	3,037,765	2,729,840
Total equity		4,458,846	4,025,941
Non-current liabilities			
Loans - due after one year	21	3,464,511	4,001,867
Provisions for employee benefits	22	19,838	21,355
Deferred tax liabilities	23	548,309	585,962
Total non-current liabilities		4,032,658	4,609,184
Current liabilities			
Trade payables	24	345,410	296,963
Other payables	25	257,243	195,392
Tax liabilities	26	80,581	93,941
Other current liabilities	27	8,479	4,693
Provisions for risks and charges	28	19,152	22,092
Derivative instruments measured at fair value	29	4,862	5,633
Loans - due within one year	21	313,341	287,772
Short-term debts to banks and other lenders	30	23,849	22,845
Total current liabilities		1,052,917	929,331
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		9,544,421	9,564,456

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

£ (thousands)	Attributable to the holders of the group equity										Net income for the year Euro	Total group's equity Euro	Non-controlling interest Euro	Total consolidated Equity Euro
	Share capital Euro	Share premium Euro	Legal reserve Euro	Interim dividend Euro	Retained earnings Euro	Treasury stock Euro	Hedging reserve Euro	Currency translation reserves Euro	Other reserves Euro					
Opening balance as at 1 January 2025	1,836	1,149,361	184	(5,755)	113,094	7,365	3,540	(22,892)	10,983	38,384	1,296,101	2,729,840	4,625,941	
Change in combined equity for the year														
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share premium decrease	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share premium repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation of 2024 net income:	-	-	-	-	-	-	-	-	-	-	-	-	-	
Retained earnings	-	-	-	5,755	32,629	-	-	-	-	-	(38,384)	-	-	
Dividend paid	-	-	-	(107,635)	-	-	-	-	-	-	-	(107,635)	(139,459)	
Realisation dividend / NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution to NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other movements	-	-	-	-	9,678	-	-	-	-	-	9,678	-	8,866	
Variation of NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in the reserve for share based payments	-	-	-	-	1,661	-	-	-	-	6,265	-	7,926	8,618	
Consolidated net income	-	-	-	-	-	-	-	-	-	-	42,935	42,935	185,647	
Changes in OCI	-	-	-	-	-	-	801	(24,910)	(1,372)	-	(25,681)	(27,920)	(53,691)	
Total comprehensive income	-	-	-	-	-	-	801	(24,910)	(1,372)	42,935	17,255	157,727	174,981	
Disposal of shares to non-controlling interest (see note 20)	-	-	-	-	251,655	-	-	-	-	-	251,655	-	330,758	
Purchase of non-controlling interests	-	-	-	-	(2,244)	(51,655)	-	-	-	-	(53,899)	-	(56,914)	
Net changes in combined equity for the year	-	-	-	(101,880)	293,379	(51,655)	801	(24,910)	4,694	4,551	124,806	307,855	432,985	
Balance as at 31 December 2025	1,836	1,149,361	184	(107,635)	406,473	(44,299)	4,341	(47,802)	15,677	42,935	1,421,081	3,037,765	4,458,846	

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

€ (thousands)	Attributable to the holders of the group equity										Net income for the year	Total group's equity	Non-controlling interest	Total consolidated Equity
	Share capital	Share premium	Legal reserve	Interim dividend	Retained earnings	Treasury stock	Hedging reserve	Currency translation reserve	Other reserves					
	Euros	Euros	Euros	Euros	Euros	Euros	Euros	Euros	Euros	Euros	Euros	Euros	Euros	Euros
Opening balance as at 1 January 2024	1,836	1,721,719	-	-	49,348	9,237	4,277	(22,718)	9,548	56,386	1,829,453	2,690,205	4,519,557	
Change in combined equity for the year														
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share premium decrease	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share premium repayment	-	(572,358)	-	-	-	-	-	-	-	-	(572,358)	-	(572,358)	
Allocation of 2023 net income:														
- Retained earnings	-	-	-	-	56,202	-	-	-	-	(56,386)	-	-	-	
Dividend paid	-	-	184	(5,755)	-	-	-	-	-	-	(5,755)	(120,488)	(126,243)	
Distribution to NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other movements	-	-	-	-	13,947	-	-	-	-	-	13,947	12,361	26,308	
Variation of NCI	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in the reserve for share based payments	-	-	-	-	5,749	-	-	-	2,891	-	8,640	7,880	16,520	
Consolidated net income	-	-	-	-	-	-	-	-	-	38,384	38,384	154,631	193,015	
Changes in OCI	-	-	-	-	-	-	(737)	(174)	(1,456)	-	(2,367)	(2,138)	(4,505)	
Total comprehensive income	-	-	-	-	-	-	(737)	(174)	(1,456)	38,384	36,017	152,492	188,509	
Movement on reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	
Purchase of non-controlling interests	-	-	-	-	(11,952)	(1,892)	-	-	-	-	(13,844)	(12,509)	(26,353)	
Net changes in combined equity for the year	-	(572,358)	184	(5,755)	63,946	(1,892)	(737)	(174)	1,435	(18,002)	(533,352)	39,736	(493,616)	
Balance as at 31 December 2024	1,836	1,149,361	184	(5,755)	113,094	7,365	3,540	(22,892)	9,983	38,384	1,296,101	2,729,840	4,025,941	

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	As at 31 December 2025 € (thousands)	As at 31 December 2024 € (thousands)
Cash flow from operating activities			
Net Income		228,582	193,015
Income taxes	6	103,736	96,792
Net interest		198,391	203,606
Depreciation of property, plant and equipment	4	155,550	35,866
Amortization of intangible assets	4	172,013	252,737
Write-downs		9,731	14,330
Equity-settled share-based payment transactions		16,545	16,520
Other non-monetary components		95,128	54,569
Changes in other assets and other liabilities		8,169	28,657
		987,845	896,093
Changes in working capital			
Trade receivables		(134,836)	(86,782)
Inventories		(63,122)	(55,758)
Trade payables		49,714	30,137
Tax paid		(174,340)	(144,371)
Interest received		6,441	5,676
Interest paid		(192,900)	(186,573)
Changes in working capital		(509,043)	(437,671)
Net cash and cash equivalents from/(used in) operating activities		478,802	458,421
Cash flow from investing activities			
Net (investments)/disposals in property, plant and equipment	7	(38,135)	(34,795)
Net (investments)/disposals in intangible assets	8	(45,220)	(812,147)
Net (increase)/decrease in other non-current financial assets	13	5,179	2,000
Net (increase)/decrease in other non-current receivables		(2,660)	-
Net cash and cash equivalents from/(used in) investing activities		(80,836)	(844,942)
Cash flow from financing activities			
Bank overdrafts and short-term loans	30	(118)	(77,695)
Loans	21	466,203	1,607,764
Loan origination cost		-	(10,709)
Repayment of loans	21	(983,900)	(350,739)
Payment of leasing liabilities	21	(11,275)	(11,581)
Purchase of Treasury stock		(157,055)	(119,023)
Sales of Subsidiaries' Treasury stock		44,561	92,670
Disposal of shares to non-controlling interest	20	582,414	-
Repayment of capital and share premium		-	(572,358)
Dividends paid		(247,905)	(126,179)
Net cash and cash equivalents from/(used in) financing activities		(307,075)	432,150
Changes in net cash and cash equivalents		90,891	45,629
Net cash and cash equivalents at beginning of the period		375,791	326,641
Change in translation effect		(2,644)	3,521
Net cash and cash equivalents at end of the period		464,038	375,791

The accompanying notes are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

The consolidated financial statements of Rossini S.à r.l. (hereafter the “consolidated financial statements”) which include Recordati S.p.A (hereafter “Recordati” or the “Company”) and its subsidiaries as the “Group” are prepared for the year ended 31 December 2025.

The parent company Rossini S.à r.l. (hereafter the “Rossini” or the “Parent Company”) was incorporated on 13 July 2018 as a "Société à responsabilité limitée" within the definition of the Luxembourg Law of 10 August 1915 on commercial companies, as amended, for an unlimited period of time.

The Parent Company is registered with the Trade and Companies Register of Luxembourg with the number B226.214. The registered office of the Company is currently located at 29, Avenue de la Porte-Neuve, L-2227.

The financial year of the Parent Company runs from the 1st of January until the 31st of December of each year.

These consolidated financial statements are presented in euro (€) and all amounts are rounded to the nearest thousand euro unless otherwise stated.

The consolidated financial statements at 31 December 2025 comprise the Parent Company and its controlled subsidiaries. The companies included in the consolidated financial statements, the consolidation method applied, their percentage of ownership and a description of their activity are set out in Note 38.

The Parent Company and its affiliates are a European specialty pharmaceutical group dedicated to development, manufacturing and marketing of pharmaceutical products.

In 2025 the scope of consolidation changed following the merger between the Turkish companies, with the incorporation of Recofarma Ilaç into Recordati Ilaç.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements were prepared in accordance with the International Accounting Standards (“IFRS”) issued or revised by the International Accounting Standards Board (“IASB”) and endorsed by the European Union. The Group did not adopt any new standard, interpretation or amendment issued but not yet in force in advance.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.1 Basis of preparation - continued

These consolidated financial statements have been signed and authorised for issue by the Board of Directors (“Conseil de gérance”) on 7 May 2026.

The consolidated financial statements were prepared on a going concern basis because the Directors verified the non-existence of indicators of a financial, operational or other nature which could signal critical issues on the Group’s ability to meet its obligations in the foreseeable future and, in particular, in the next twelve months. Specifically, in making the estimates and assumptions related to the preparation of the consolidated financial statements, the impacts, including potential ones, deriving from the war in progress between Russia and Ukraine. The Group operates on the Russian market, in compliance with current regulations, and on the Ukrainian market with revenue in 2025 totalling respectively 5.9% and 0.7% of the Group’s total revenue. The Group continues to monitor the conflict, as well as any geopolitical developments and related consequences on corporate strategies, to adopt mechanisms to protect its competitive position, investments, corporate performance, and resources.

The same approach is also adopted in relation to the potential effects arising from any changes in the American legislation that could affect the pharmaceutical sector. Considering the analysis done, also in consideration of the achievement of the expected results and the relevant sector, in preparing these financial statements, no effects were currently identified that could have a significant impact on the financial statement figures.

Comparative information has been reclassified and adjusted, where necessary, to ensure consistency with the presentation adopted in the current year and compliance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on the historical cost basis, except for the financial assets available for sale included under the line “Other equity investments and securities”, derivative financial instruments (and the relative underlying hedged financial liability) for which their fair value has been applied as prescribed by IFRS 9 and defined benefit plans for which the actuarial valuation was carried out as prescribed by IAS 19.

Economies experiencing hyperinflation

The Group controls companies based in Türkiye and in Argentina. These countries have now reached a situation in which the presence of hyperinflation is the consensus, in line with international accounting standards. As of 1 January 2022 for Turkish companies and 22 April 2024, day of its incorporation, for the Argentine subsidiary, the reference standard IAS 29 “Financial Reporting in Hyperinflationary Economies” has been applied, the effects of which, mainly with reference to Turkish subsidiary, are reflected in the Group’s consolidated results as of 31 December 2025.

In particular, in accordance with the standard, the restatement of balance sheet values requires application of specific procedures and an evaluation process.

For the income statement, all items were restated applying the change in the general level of prices in effect at the date on which the revenue and costs were initially recorded in the financial statements at the reporting date. For converting the income statement thus restated into euro, the exact exchange rate as of 31 December 2025 was applied consistently, in accordance with IAS 21 in the presence of hyperinflationary economies, instead of the average exchange rate for the period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.1 Basis of preparation - continued

Regarding the balance sheet, the cash elements have not been restated, as they were already expressed in the unit of measurement as at the closing date of the period. Non-cash assets and liabilities were instead revalued from the date on which the assets and liabilities were initially recognised until the end of the period.

Application of new accounting principles as of 31 December 2025

Below is a brief description of the new principles, interpretations and amendments with **mandatory application** as of 1 January 2025. Based on our assessments they have not had any significant effects on the consolidated Financial Statements to 31 December 2025.

- *Lack of exchangeability - Amendments to IAS 21*

The amendments to IAS 21 “*Effects of Changes in Foreign Exchange Rates*” specify how an enterprise should consider whether a currency is exchangeable and determine the spot exchange rate when there is a lack of exchangeability. The amendments also require provision of information enabling readers of the financial statements to understand how the non-exchangeable currency impacts, or how it is expected to impact, the income statement, equity and financial position and cash flows of the enterprise.

Principles issued but not yet in force

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- *IFRS 18 - Presentation and Disclosures in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.1 Basis of preparation – continued

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. The initial expected material impacts on Group's financial statements are as follows:

- rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss;
- foreign exchange difference will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference;
- new disclosure will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1;
- interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.

- *IFRS 19 – Subsidiaries without Public Accountability: Disclosures*

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

- *Amendments to the classification and Measurement of the financial Instruments – Amendments to IFRS 9 and IFRS 7*

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the "Amendments"). The Amendments include:

- a clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments;
- the introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.1 Basis of preparation - continued

- *Annual Improvements to IFRS Accounting Standards - Volume 11*

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

- *Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7*

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts;
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.

- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)*

The Amendments to IAS 21 clarify how entities translate financial statements when the functional currency is non-hyperinflationary but the presentation currency is hyperinflationary, a scenario previously not clearly addressed and leading to diversity in practice; under the amendments, entities are required to translate all amounts, including comparatives, using the closing exchange rate at the date of the most recent statement of financial position, while in cases involving foreign operations with non-hyperinflationary functional currencies, comparatives are first restated using a general price index in accordance with IAS 29 and then translated, thereby ensuring consistency of inflation-adjusted information; the amendments also introduce specific disclosure requirements, including the use of the new method and summarised information about affected foreign operations, and clarify transition guidance (generally prospective in certain scenarios), with the objective of improving comparability and usefulness of financial information and reducing diversity in practice, and they are effective for annual periods beginning on or after 1 January 2027, with early application permitted.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.1 Basis of preparation - continued

Use of estimates

The preparation of the financial statements by management requires estimates and assumptions to be made, based on management's best judgement, that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. If in the future these estimates and assumptions differ from the actual circumstances, they will be amended as appropriate when circumstances change.

The balance sheet accounts which require, more than others, a higher degree of subjectivity on the part of management when making estimates and for which a change in the conditions underlying the assumptions used could have a significant impact on financial data are hereunder briefly described.

- *Goodwill*: according to the accounting standards applied by the Group, goodwill is subject to annual impairment testing in order to ascertain whether a reduction in value has occurred. These tests require, on the part of management, subjective evaluations based on available information within the Group and from the market, as well as historical experience. They also depend on factors that could change over time, influencing the valuations and estimates made by management. Furthermore, when it has been determined that a potential reduction in value may have occurred, the Group proceeds to determine it by using the evaluation methods deemed to be most adequate (see Note 9).
- *Provisions for risks*: the identification of the existence or not of a current obligation (legal or implicit) is not easy to determine in some cases. Management evaluates these events on a case-by-case basis together with an estimate of the amount of financial resources required to comply with the obligation. When management considers that the generation of a liability is only possible, the risks are disclosed in the appropriate information section on risks and liabilities, and no accruals are made (see Note 28).
- *Deferred tax assets*: recording is supported by a recovery plan based on hypotheses and assumptions which management considers to be reasonable (see Note 12).
- *Inventories*: inventories which appear to be obsolete or slow-moving are periodically tested and written down if their recoverable value is less than their book value. Write-downs are based on assumptions and estimates which derive from experience and the historical results obtained (see Note 13).
- *Financial instruments*: trade receivables are reduced by their relative provision for bad debts in order to take into account their effective recoverable value. The determination of the amounts to be written down requires that management make subjective evaluations which take into account past events, current conditions and expectations of future economic conditions.
In general, the methods for the calculation of the fair value of financial instruments, for accounting or disclosure purposes, are summarized below with regard to the main categories of financial instruments:
 - Derivative financial instruments: pricing models are adopted based on the market values of the interest rates (see Note 17 and 29);

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.1 Basis of preparation - continued

Use of estimates – continued

- Receivables and payables and unlisted financial assets: for financial instruments with maturity at more than 1 year, the discounted cash flow method was applied (discounting to the present the expected cash flows in consideration of the current interest rate conditions and creditworthiness) to determine the fair value on “first recognition”. Further measurements are made based on the amortized cost method (see Note 10, 14 and 32);
- Listed financial instruments: the market value at the reporting date is used (see Note 10).

In relation to financial instruments measured at fair value, IFRS 13 requires the classification of these instruments according to the standard’s hierarchy levels, which reflect the significance of the inputs used in establishing the fair value. The following levels are used:

- Level 1: unadjusted assets or liabilities subject to valuation on an active market;
- Level 2: inputs other than prices listed at the previous point, which are observable directly (prices) or indirectly (derivatives from the prices) on the market;
- Level 3: input which is not based on observable market data.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and the enterprises controlled by Recordati and its subsidiaries made up to 31 December each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Investment power over the entity (i.e. holds valid rights that give it the ability to actually manage business relevant to the investee entity);
- Exposure or rights to variable returns originating from the relationship with the investee entity;
- The ability to exert power over the investee entity to affect the total returns.

Generally, it is presumed that having the majority of voting rights leads to control. In support of this assumption and when the Group does not hold the majority of voting (or similar) rights, the Group considers all the relevant facts and circumstances to establish whether it controls the investee entity, including:

- Contractual agreements with other voting rights holders;
- Rights originating from contractual agreements;
- The Group's voting rights and potential voting rights.

The Group reconsiders whether it has control of an investee or not if the facts and circumstances indicate that there have been changes in one or more of the three relevant factors which define control. Consolidation of a subsidiary begins when the Group gains control of it and ceases when the Group loses control. The assets, liabilities, revenue and costs of the subsidiary acquired or disposed of during the year are included in the consolidated financial statement from the date the Group obtains control until the date the Group can no longer exert control over the company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.2 Basis of consolidation - continued

The financial statements of the subsidiaries are prepared according to the same accounting standards adopted by the Parent Company. Where necessary, consolidation adjustments are made to bring the accounting policies used in line with those used by the Company.

All intercompany transactions and balances between group enterprises, including unrealized gains, are eliminated on consolidation. Intragroup losses are also eliminated unless they indicate an impairment that requires recognition in the consolidated financial statements.

The consolidation is made with the full line-by line method. The criteria adopted for the application of this method include, among others:

- a. Elimination of the book value of investments in consolidated companies against the related shareholders' equity and the assumption at the same time of all their assets and liabilities;
- b. Elimination of intercompany payables and receivables and transactions, as well as intercompany profits and losses not yet realized;
- c. Any excess of the cost of acquisition over the net fair value of the identified assets acquired and liabilities assumed at the date of acquisition is recognized as goodwill.
- d. Non-controlling interests in the equity of consolidated subsidiaries are shown separately under equity, while non-controlling interests in the net income of such companies are shown separately in the consolidated income statement.

The financial statements of foreign subsidiaries expressed in currencies other than Euro are translated into Euro as follows:

- Assets and liabilities, with the exception of shareholders' equity, at year-end exchange rates;
- shareholders' equity at historical exchange rates, for year of formation;
- Income and expense items at the average exchange rates for the year;
- The goodwill resulting from the acquisition of a foreign company is recognized in the currency of the country in question and translated at year-end exchange rates.

Translation differences arising from this process are shown in the consolidated statement of comprehensive income.

Balance sheet

Property, plant and equipment - Property, plant and equipment is stated at purchase cost less accumulated depreciation and any recognized impairment loss. Reviews are performed when events or situations occur which indicate that the net carrying amount of the assets can no longer be recovered (see paragraph on *Impairment*).

Depreciation is computed on a straight-line basis using rates which are held to be representative of the estimated useful life of the assets:

- Industrial buildings 2.5% - 5.5%
- Plant and machinery 10% - 17.5%
- Other equipment 12% - 40%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net carrying amount of the asset and is recognized in income.

Leasing – The Group applied IFRS 16 using the modified retrospective approach.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies

Accounting model for lessee - At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of its related stand-alone price. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In this case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis of those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted to reflect any changes deriving from remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interests rate implicit in the lease. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the assets leased.

The payments due for the lease included in the measurements of the lease liability comprise:

- fixed payments (including in-substance fixed payments);
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group 's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero, the lessee recognises the change in the profit/loss for the year.

The Group presents right of use assets that do not meet the definition of investments property in “property, plant and equipment” and lease liabilities in “loans” in the balance sheet.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies - continued

Short-term leases and leases of low value assets - The Group has elected not to recognise right of use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Intangible assets - An intangible asset is recognized only if it can be identified, if it is probable that it will generate future economic benefits and its cost can be measured reliably. Intangible assets are valued at purchase cost, net of amortization calculated on a straight line basis and on the basis of their estimated useful life which, however, cannot exceed 20 years. Patents, licenses and know-how are amortized as from the year of the first sale of relevant products. Amortization of distribution and license rights is calculated over the duration of the contract, using the following rates which are held to be representative of the estimated useful life of the assets.

- Industrial Patent rights and marketing authorizations 5% - 33%
- Distribution license, trademark and similar rights 5% - 25%

Intangible assets, research and development and brands recognised at the time of acquisition and obtaining control of Recordati were recognised at their respective FV and are subsequently amortised over their useful life as disclosed above.

Goodwill - Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Transaction costs associated with the aggregation of companies are not considered acquisition costs and are recognized as expenses in the year they are incurred. Goodwill is recognized as an asset and reviewed annually in order to determine any impairment loss. This test is performed with reference to a cash-generating unit, or CGU, to which goodwill is attributed and at the level at which it is monitored.

Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of remaining goodwill is included in the determination of the profit or loss on disposal.

Impairment - At each reporting date, or more frequently if necessary, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If these indications exist, the recoverable amount of these assets is estimated to determine the amount of the write-down. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In the context of determining estimated future cash flow, the Group takes into consideration risks associated with issues linked to climate change, including applicable regulations, assessing whether these may have a significant impact on estimates of the recoverable value and, when necessary, including the effects on cash flow forecasts for estimates of value in use.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies – continued

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized. A reversal of an impairment loss is recognized as income immediately. Losses resulting from the impairment of goodwill cannot be reversed.

Equity investments in associates – An associate is an enterprise over which the Group is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting.

Financial instruments

Recognition and measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the financial instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income (“FVOCI”) – debt investment; Fair value through other comprehensive income (“FVOCI”) – equity investment; or Fair value through profit or loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset must be measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies – continued

Classification and subsequent measurement

Financial assets – continued

A financial asset must be measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made for each asset.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

- *Financial assets measured at FVTPL*
These assets related to derivative instruments and other equity investments and securities are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- *Financial assets measured at amortised cost*
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- *Debt investments measured at FVOCI*
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
- *Equity securities measured at FVOCI*
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit/loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies – continued

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as at FVTPL when it is held for trading, represents a derivative or is designated as such at the moment of initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost in using the effective interest criterion. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the assets transferred are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group derecognizes a financial liability also in the case of a change in the related contractual terms and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognized at fair value on the basis of the modified contractual terms.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivative instruments are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies – continued

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the cost of the non-financial item on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognized in other comprehensive income and presented in the translation reserve within equity. Any ineffective portion is recognized immediately in profit or loss. The amount recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Inventories - Inventories are stated at the lower of cost and net realizable value, where the market value of raw materials and subsidiaries is their substitution cost while that related to finished goods and work-in-process is their net realizable value. Inventories of raw materials, supplies and promotional material are valued at their average acquisition cost including costs incurred in bringing the inventories to their location and condition at year end. Inventories of work-in-process and finished goods are valued at their average manufacturing cost which includes the cost of raw materials, consumables, direct labour and indirect costs of production.

Inventories are written-down if market value is lower than cost as described above or in the case of obsolescence resulting from slow moving stocks.

Cash and cash equivalents - Cash in banks on demand and short-term highly liquid investments measured at market value.

Non-current assets held for sale and discontinued operations - These consist of components of an entity, whose operations and cash flows can be distinguished operationally and for financial reporting purposes, which have either been disposed of or satisfy the criteria to be classified as held for sale.

A non-current asset (or disposal group) classified as held for sale is measured at the lower of fair value less costs to sell it and its carrying amount. Non-current assets or disposal groups that are classified as held for sale are not depreciated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies – continued

Shareholders' equity - Equity instruments issued by the Company are recognized at the proceeds received. Dividends distributed by the Parent Company are recognized as payables at the moment of the resolution to distribute them. The purchase cost and selling price of treasury shares are recognized directly in equity and are therefore not recognized in the income statement.

Provisions for employee benefits - Employee benefits are recognized on the basis of the results of the measurements made according to what is established by the accounting standard IAS 19. The liability recognized in the balance sheet for post-employment benefit plans is the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost. In particular the Projected Unit Credit Method is applied.

Provisions for risk and charges - Provisions for risks and charges made when the Group has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Transactions in foreign currencies - Transactions in currencies other than the euro are initially recognized at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on exchange are included in net profit or loss for the period. Non-monetary assets and liabilities recognized at the exchange rates prevailing on the dates of the transactions are not retranslated on the reporting date.

In the consolidated financial statements, the assets and liabilities of the Group's foreign currency operations are translated at the exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in the consolidated statement of comprehensive income and included in the item "reserve from translation of financial statements in foreign currencies". This reserve is recognized as income or as expenses in the period in which the subsidiary is disposed of.

Income statement

Revenues – Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer. Revenues are stated net of discounts, rebates and returns.

Information about the nature and the timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies are as follows.

Revenues mainly comprise product sales and revenue from licensing-out agreements. Product sales represent net invoice value less estimated rebates, returns and chargebacks and are recognized when control of the goods has been transferred to a third party. This is usually when ownership passes to the customer, either on shipment or on receipt of goods by the customer, depending on the specific trading terms.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies – continued

Revenue from licensing-out agreements includes income from collaborative arrangements on the Group's products where the Group has licensed certain rights associated with those products, but retains a significant ongoing economic interest, through for example the ongoing supply of finished goods. Income may take the form of up-front payments, profit sharing and royalties. Where control of a right to use of intangible assets passes at the outset of an arrangement, revenue is recognized at one point in time. Where the substance of an arrangement is that of a right to access intangible assets, revenue is recognized over time, normally on a straight-line basis over the life of the contract. Where the Group provides ongoing services (i.e. supply of products), revenue in respect of this element is recognized over the duration of these services. Sales performance milestones are accounted for when the licensee achieves the sales target, so these are recognized at one point in time. Royalties received from the licensee are accounted for when the licensor is entitled to the payment, so these are to be recognized at one point in time.

Cost of Sales - This represents the cost of the goods sold. It includes the cost of raw materials, supplies and consumables, finished goods, and direct and indirect production expenses.

Selling expenses - These include all expenses incurred in connection with the products sold during the year, such as payroll and other costs for sales and marketing personnel, promotional expenses and all distribution costs.

Research and development expenses - Research and development costs are expensed in the income statement in the year in which they are incurred in accordance with IAS 38, except the cases for which the same IAS 38 prescribes the capitalization. IAS 38 prescribes that development costs must be capitalized when, in relation to the products of the activity, technical and commercial feasibility is achieved with high probability of success and future economic benefits are probable. These costs include amounts due under collaboration agreements with third parties.

Transactions involving share based payments – As prescribed by IFRS 2, stock option and performance share plans for the benefit of Group employees are considered part of their remuneration, the cost of which is the fair value of the rights at the date they are granted. This cost is recognized in profit and loss linearly distributed over the vesting period with a counter-item booked directly to equity.

Financial income and expenses – These include interest income and expenses, foreign exchange gains and losses, both realized and unrealized, and differences arising from the valuation of securities. Interest income and expenses are recognized in profit and loss using the effective interest method.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES – continued

2.3 Summary of material accounting policies – continued

Taxes - Income taxes are the sum of current and deferred taxes. Current taxes are based on taxable profit for the year and the tax rates in force at the reporting date are applied.

Deferred taxes are taxes expected to be payable or recoverable on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax liabilities are generally recognized all taxable temporary differences, while deferred tax assets are recognized to the extent to which it is considered probable that there will be taxable fiscal results in the future that will enable the use of the deductible temporary differences. Assets and liabilities are not recognized if the temporary differences derive from goodwill.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognized in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the subsidiary Recordati neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3. NET REVENUE

The Group's revenue is derived from contracts with customers and is not subject to significant seasonal fluctuations, except for those in the cough and cold therapeutic area.

Total net revenue in 2025 was € 2,618.4 million, up by 11.8% compared to 2024 and include € 146.3 million (versus € 10.9 million in the preceding year) for sales of Enjaymo® in the Hema-Oncological segment, of which the global rights were sold by Sanofi to Recordati on 29 November 2024. The increase is also attributable to organic growth in turnover in both business segments, despite the unfavourable currency exchange effect, amounting to a negative total of € 64.2 million.

Revenue can be detailed as follows:

€ (thousands)	2025	2024
Net sales	2,597,872	2,325,679
Royalties	10,143	10,982
Upfront payments	1,053	1,369
Various revenue	9,315	3,529
Total net revenue	2,618,383	2,341,559

The effect of the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” to activities in Türkiye, taking account of the provisions of IAS 21 “Effects of Changes in Foreign Exchange Rates”, had a positive effect on net revenue of € 12.7 million. It should be noted that the Argentine company did not recognise revenues. Royalties are related to products in the Rare Diseases segment for € 6.2 million and to those of the Specialty and Primary Care segment for € 3.9 million.

The item “Various revenue” includes € 5.7 million, corresponding to the margin on sales of the cardiovascular drug Vazkepa®, achieved by Amarin on behalf of Recordati after 24 June 2025, which was the date of transfer of the product licensing rights, and until the change in ownership of the marketing authorisation. It should be noted that as of 31 December 2025, this authorisation was transferred for eight countries, where direct sales of the product began, whereas formalities are being finalised for a further four countries. The following tables show net revenue broken down by therapeutic area and geographic area by country, with an indication of the related business segments identified by the Group.

THERAPEUTIC AREA

€ (thousands)	<i>Specialty & Primary Care</i> 2025	<i>Specialty & Primary Care</i> 2024	Rare Diseases 2025	Rare Diseases 2024	Total 2025	Total 2024
Urology	410,047	399,941	-	-	410,047	399,941
Cardiovascular	396,022	385,208	-	-	396,022	385,208
Gastrointestinal	238,935	217,498	-	-	238,935	217,498
Cough and Cold	124,295	137,280	-	-	124,295	137,280
Other treatment areas	308,581	309,309	-	-	308,581	309,309
Pharmaceutical chemicals	59,054	58,468	-	-	59,054	58,468
Hema-Oncology	-	-	414,855	253,228	414,855	253,228
Endocrinology	-	-	394,081	321,686	394,081	321,686
Metabolic and other areas	-	-	272,513	258,941	272,513	258,941
Total net revenue	1,536,934	1,507,704	1,081,449	833,855	2,618,383	2,341,559

3. NET REVENUE – continued

GEOGRAPHIC AREA BY COUNTRY

€ (thousands)	<i>Specialty & Primary Care</i> 2025	<i>Specialty & Primary Care</i> 2024	<i>Rare Diseases</i> 2025	<i>Rare Diseases</i> 2024	Total 2025	Total 2024
Pharmaceutical revenue						
U.S.A.	-	-	515,167	391,487	515,167	391,487
Italy	284,893	299,672	37,971	30,815	322,864	330,487
Spain	189,108	180,759	36,547	33,267	225,655	214,026
France	130,879	138,749	48,479	36,011	179,358	174,760
Russia, Ukraine, other CIS	155,175	128,569	28,279	21,933	183,454	150,502
Germany	101,701	108,498	74,755	52,943	176,456	161,441
Türkiye	114,297	122,427	12,251	10,357	126,548	132,784
Portugal	67,181	61,904	5,346	5,276	72,527	67,180
Other Eastern European countries	151,265	135,636	36,369	32,326	187,634	167,962
Other Western European countries	100,803	98,600	68,889	65,104	169,692	163,704
North Africa	48,164	43,755	10,766	1,984	58,930	45,739
Other international sales	134,414	130,667	206,630	152,352	341,044	283,019
Total pharmaceutical revenue	1,477,880	1,449,236	1,081,449	833,855	2,559,329	2,283,091

€ (thousands)	<i>Specialty & Primary Care</i> 2025	<i>Specialty & Primary Care</i> 2024	<i>Rare Diseases</i> 2025	<i>Rare Diseases</i> 2024	Total 2025	Total 2024
Pharmaceutical chemicals revenue						
Italy	2,705	2,879	-	-	2,705	2,879
Other European countries	19,589	16,342	-	-	19,589	16,342
U.S.A.	4,932	4,723	-	-	4,932	4,723
America (U.S.A. excluded)	4,931	6,012	-	-	4,931	6,012
Asia and Oceania	26,042	27,911	-	-	26,042	27,911
Africa	855	601	-	-	855	601
Total chemical pharmaceuticals revenue	59,054	58,468	0	0	59,054	58,468
Total net revenue	1,536,934	1,507,704	1,081,449	833,855	2,618,383	2,341,559

4. OPERATING EXPENSES

Total operating expenses for 2025 amounted to € 2,071.7 million, up compared to the € 1,827.8 million of 2024, and are classified by function as follows:

€ (thousands)	2025	2024
Cost of sales	830,704	741,287
Selling expenses	561,959	501,164
Research and development expenses	460,089	405,163
General and administrative expenses	170,005	159,180
Other (income) expense, net	48,932	21,013
Total operating expenses	2,071,689	1,827,807

The cost of sales totals € 830.7 million, up compared to the previous year representing 31.7% of revenue, in line with 2024. It includes the effects of the fair value revaluation, in accordance with accounting standard IFRS 3, for the EUSA Pharma (now Recordati UK) and Enjaymo® inventories acquired. This impacted negatively on the income statement, calculated based on the units sold in the year, amounting to € 66.8 million (compared to € 37.5 million in 2024). Excluding this effect, the incidence in 2025 and 2024 would have been 29.2% and 30.1% respectively, down due to a different sales mix effect. The effect of the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” and the provisions of IAS 21 “Effects of Changes in Foreign Exchange Rates” to activities in Türkiye was € 14.1 million, compared to € 16.4 million in 2024. It should be noted that the Argentine company has a cost of sales equal to zero.

Selling expenses grew by 12.1% in relation to the same period the previous year, at 21.5% of revenue, substantially in line with 2024. These expenses include the investments made to support the launch of the Cushing’s syndrome Isturisa® indication (approved by the FDA on 15 April 2025) and to support Enjaymo® growth and the continued geographic expansion in the Rare Diseases segment.

Research and development expenses were € 460.1 million, an increase of 13.6% compared to those of 2024 and include € 35.0 million of amortisation of the rights of Enjaymo®, acquired from Sanofi in the fourth quarter 2024, which had an impact of € 2.9 million in the previous year. In addition, the increase versus 2024 is linked to the additional activities for medical information in support of the expansion of Enjaymo® and the new Isturisa® indication, as well as ongoing clinical trials. Research and development costs, excluding amortisation and write-downs of intangible assets acquired or licensed, accounted for 6.3% of revenue, compared to 6.0% in the previous year.

General and administrative expenses increased by 6.8%, accounting for 6.5% of revenue compared to 6.8% in 2024, due to the ongoing strengthening of the general coordination structure and new IT systems investments to support the Group’s growth, as well as for the expansion of organisational structures in new markets (Brazil, Japan).

4. OPERATING EXPENSES – continued

The table below summarizes the more significant components of “Other income/(expenses), net”:

€ (thousands)	2025	2024
Non-recurring costs:		
- restructuring	17,886	5,972
- Urorec® payback	12,762	-
- EUSA Pharma acquisition	4,169	1,949
- voluntary liquidation of the Chinese branch	2,427	-
- emergency in Ukraine and Spain	69	127
Impairment of intangible assets and goodwill	9,533	14,330
Write-downs of property, plant and equipment	198	0
Other	1,888	(1,365)
Other (income)/expenses, net	48,932	21,013

Under the terms of the CONSOB Communication of 28 July 2006, on events, transactions and matters which are non-recurring or do not occur frequently in the normal course of business we can note:

- Expenses of € 17.9 million for the optimisation of the commercial organisations in the Specialty & Primary Care segment in Italy and Spain referred to approximately 90 resources and attributable to a continuous effort to focus the commercial strategy on pharmacists and specialist doctors in the key Therapeutic Areas.
- The expense of € 12.8 million for the Urorec® payback, accounted following the judgement published on 3 September 2025, with which the Council of State definitively rejected the appeal filed by the Subsidiary Recordati against the unfavourable judgement of the Regional Administrative Court (TAR) of Lazio on 19 June 2024, for which the Subsidiary Recordati itself had filed an appeal against the request received by the Italian Medicines Agency (AIFA) to produce proof of the payment made as annual payback on the sales of the drug Urorec®. Following this request, a dispute had arisen concerning the different interpretations of the application of the agreement signed at the time between the Subsidiary Recordati and AIFA, as well as the possibility of its extension. The Subsidiary Recordati any had in fact argued that the payback obligation had ceased to apply as of 2020, pointing out procedural flaws and the negative financial impact of including Urorec® in the transparency list from February 2020. The Council of State examined the Subsidiary Recordati’s arguments presented in order of priority and held that the agreement with AIFA was automatically renewed for the two-year periods after 31 December 2019. The Court also rejected the Subsidiary Recordati’s further claims that certain actions undertaken after 2021 should be regarded as having terminated the agreement. It follows that the Subsidiary Recordati is obligated to pay the payback on Urorec® for a total value of € 18.0 million. In accordance with the requirements of the accounting standards of reference, the Subsidiary Recordati has therefore increased the amount previously recognised in relation to this matter;
- the residual costs from the acquisition of EUSA Pharma, mainly relating to tech transfer fees;
- Expenses relating to the ongoing voluntary liquidation of the Chinese subsidiary in the Rare Diseases segment following the refusal to include Isturisa® on the national list of reimbursable pharmaceutical products.
- the cost of donations made after the Ukraine conflict.

4. OPERATING EXPENSES – continued

In compliance with the CONSOB Communication dated 28 July 2006, it is noted that, during 2025, there were no atypical or unusual transactions, as defined by the Communication.

Write-downs of intangible assets for € 9.5 million refer to Reagila® (€ 4.5 million), Caphosol® (€ 3.3 million) and Colopeg® (€ 1.7 million), and were determined based on specific analyses of the recoverability of the assets' value.

The item “Other” includes provisioning for the probable costs related to the remediation activities to be carried out at the Italian production site in Campoverde.

Total operating expenses are analyzed by nature as follows:

€ (thousands)	2025	2024
Material consumption	597,924	552,538
Payroll costs	448,735	410,266
Other employee costs	74,818	67,455
Variable sales expenses	104,818	96,158
Depreciation, amortization and write-downs	337,294	302,933
Utilities and consumables	55,617	53,298
Other expenses	452,483	345,159
Total operating expenses	2,071,689	1,827,807

The proportion of raw material consumption to net revenue was 22.8%, down compared to the 23.6% of 2024.

The item “Payroll costs” increased by € 38.5 million due to the higher number of employees (4,565 people in 2025 compared to 4,410 people in 2024) following the acquisition of rights to Enjaymo®, for the increased investments in the United States related to the approval of the indication of Isturisa® for Cushing’s syndrome, and for strengthening the general coordination structure. Stock option plan expenses of € 1.3 million decreased compared to the cost of € 5.2 million in the previous year, due to the last grant in 2022, under the 2021-2023 stock options plan, reaching maturity in May. In 2023, the Subsidiary Recordati adopted a new long-term incentive plan called “2023-2025 Performance Shares Plan” benefiting certain Group employees (see Note 19). The cost pertaining to the year, determined based on IFRS 2, amounted to € 15.2 million, an increase on the € 11.3 million over the previous year, mainly due to the impact for the entire period of the costs related to the attribution of 9 May 2024 and the effect of the attribution of 8 May 2025. There were 4,693 employees as of 31 December 2025, an increase over the 4,583 at the end of 2024.

Some Group employees were designated as beneficiaries of incentive plans with a five-year vesting period, granted and entirely funded by Rossini Luxembourg S.à r.l., an indirect shareholder of the Parent Company, and will benefit from a return at the expiry of the plans term if they have met a number of performance conditions. The measurement according to IFRS 2 led to an expense in the 2025 income statement of € 1.5 million, which also includes the portion relating to the incentive plans granted by Rossini Luxembourg S.à r.l. to the Chief Executive Officer of the Recordati Group.

Variable sales expenses mainly include distribution charges and royalties paid.

4. OPERATING EXPENSES – continued

Total amortisation amounted to € 327.4 million, of which € 288.5 million related to intangible assets, up by € 36.4 million over the previous year, attributable mostly to the acquisition of rights of Enjaymo® from Sanofi (€ 35.0 million for the entire 2025 compared to € 2.9 million in 2024), and € 36.4 million relating to property, plant, and equipment, up by € 3.0 million over 2024.

Write-downs amounted to € 9.7 million, compared to € 14.3 million in 2024, of which € 9.5 million for intangible assets and € 0.2 million for property, plant and equipment.

“Utilities and consumables” include mainly costs for electricity and gas, consumables and IT services and is up by 6.2% compared to 2024.

The item “Other expenses” includes costs for consulting and external services, promotion and clinical trials and non-cash charges of € 66.8 million arising from the revaluation at fair value of the inventory acquired as part of the EUSA Pharma (now Recordati UK) and Enjaymo® transactions pursuant to IFRS 3, an increase versus € 37.5 million in 2024 when the effect was almost entirely related to the sole revaluation of the inventory acquired in the context of the EUSA Pharma (now Recordati Pharma) operation, as well as the non-recurring costs of € 37.3 million (compared to € 8.0 million in the previous financial year) mainly related to the optimisation of the Specialty & Primary Care commercial organisation in Italy and Spain as part of a continuous effort to focus the commercial strategy on pharmacists and specialist doctors in our key Therapeutic Areas and on the aforementioned provision for the payback on the sales of the product Urorec®.

5. NET FINANCIAL INCOME AND EXPENSES

In 2025 and 2024 the net balance of financial components was negative respectively of € 214.4 million and € 223.9 million.

The main items are summarized as follows:

€ (thousands)	2025	2024
Net Exchange rate (gains)/Losses	(14,977)	9,342
Interest expense on loans	202,579	205,532
Turkish hyperinflation effects (IAS 29)	5,291	9,752
Net (income)/expense on short-term positions	(67)	(5,962)
Expenses on leases	2,539	2,186
Expenses for defined benefit plans	371	385
Other expenses/(Income)	18,640	2,709
Total financial (income)/expense, net	214,376	223,944

The decrease in the interest expense on loans for € 2.9 million was mainly due to the early repayment on the Notes by the Parent Company in April 2025 as well as the issue of a new debt and, in particular following the additional loan for € 850 million concluded in the fourth quarter of 2024 for the acquisition of Enjaymo®, the new loan for € 345.0 million concluded in June 2025 and the bond loan for € 125.0 million issued by Recordati on 30 September 2025. Note 21 contains the details of the loan contracts.

5. NET FINANCIAL INCOME AND EXPENSES – continued

Net exchange gains mostly unrealised, amounted to € 15.0 million and were mainly attributable to the devaluation of the US dollar, whereas during 2024, net exchange losses were recorded of € 9.3 million.

The non-cash impacts of hyperinflation in 2025 and 2024 were negative for € 5.3 million and € 6.7 million respectively, mainly due to the net effect of the revaluation of balance sheet entries of subsidiaries in Türkiye.

6. INCOME TAXES

Income taxes, amounting to € 103.7 million, include the income taxes levied on all consolidated companies as well as the Italian regional tax on production (IRAP) applicable to all Italian companies. This item increased by € 7.0 million compared to 2024. The amount includes provisioning of € 6.3 million for the effects deriving from application of the Pillar Two regulations in the tax jurisdictions of Ireland, Switzerland, United Arab Emirates and Romania. It also includes a non-recurring element of € 8.2 million for an income tax reimbursement in Ireland, partially offset by higher taxation in Türkiye. The amount also includes the impact of deferred taxes.

The current standard corporate income tax rate in Luxembourg can be reconciled with the tax rate effectively incurred on consolidated pre-tax income, as follows:

	2025	2024
	%	%
Standard income tax rate on pre-tax income of the Parent Company	23.87	24.94
Dividends from foreign subsidiaries	0.7	0.6
Pillar Two	1.1	0.6
Foreign tax rate differential	(3.2)	(1.1)
Tax benefit provided by the so-called "Patent box" in Italy	-	(1.3)
Other differences, net	0.6	0.5
Effective tax rate on income	23.2	24.24
IRAP	0.5	0.6
Effective tax rate on pre-tax income	23.7	24.84

IRAP is levied only on Italian companies and is computed applying an average rate of 4.56% to a broader taxable base calculated before the deduction of interest.

7. PROPERTY, PLANT AND EQUIPMENT

The composition and change to property, plant and equipment, including the valuation of the right to use the assets conveyed under leases, are shown in the table below:

€ (thousands)	Land & buildings	Plant & machinery	Other equipment	Investments in progress	Total
Cost					
Balance at 1 January 2024	93,543	93,136	57,677	48,149	292,505
Additions	17,079	5,654	16,402	21,122	60,257
Disposals	(12,853)	(357)	(8,009)	(407)	(21,626)
Write-downs	-	-	-	-	0
Hyper-inflation Turkey	7,346	6,866	2,712	(366)	16,558
Other changes	4,839	28,273	(470)	(38,297)	(5,655)
Balance at 31 December 2024	109,954	133,572	68,312	30,201	342,039
Additions	8,799	8,525	14,174	23,496	54,994
Disposals	(7,823)	(1,298)	(6,359)	(373)	(15,853)
Write-downs	-	(198)	-	-	(198)
Hyper-inflation Turkey	4,923	8,199	2,468	(1,969)	13,621
Other changes	(3,721)	8,760	(557)	(19,172)	(14,690)
Balance at 31 December 2025	112,132	157,560	78,038	32,183	379,913
Accumulated depreciation					
Balance at 1 January 2024	28,048	49,427	25,416	-	102,891
Depreciation for the year	9,848	13,456	12,562	-	35,866
Disposals	(8,747)	(356)	(7,671)	-	(16,774)
Hyper-inflation Turkey	2,057	4,443	1,745	-	8,245
Other changes	(189)	(424)	(2,792)	-	(3,405)
Balance at 31 December 2024	31,016	66,547	29,260	-	126,823
Depreciation for the period	9,844	14,148	14,412	-	38,404
Disposals	(6,425)	(1,265)	(6,230)	-	(13,920)
Hyper-inflation Turkey	927	4,389	1,803	-	7,119
Other changes	(1,600)	(3,641)	(2,121)	-	(7,362)
Balance at 31 December 2025	33,762	80,178	37,124	-	151,064
Balance at 31 December 2024	78,938	67,025	39,052	30,201	215,216
Balance at 31 December 2025	78,370	77,382	40,914	32,183	228,849

Increases in the item “Property, plant and equipment” amounted to a total of € 55.0 million, of which € 41.0 million for investments in property mainly for production and € 14.0 million relating to the renewal of leases of civil-use buildings and vehicles. The companies that invested most were the Subsidiary Recordati (€ 23.7 million, mostly in its production plants), the subsidiaries in Türkiye (€ 5.5 million), Spain (€ 5.2 million), Germany (€ 4.3 million), Switzerland (€ 3.6 million), Tunisia (€ 2.5 million) and Ireland (€ 1.2 million).

“Other changes” includes movements between categories and the conversion into euro of the property, plant and equipment recognised in other currencies, which led to a net decrease of € 8.5 million compared to 31 December 2024, primarily due to the depreciation of the Turkish lira.

7. PROPERTY, PLANT AND EQUIPMENT - continued

The following table shows the measurement of the right to use the assets conveyed under leases, determined as prescribed by the accounting standard IFRS 16.

€ (thousands)	Land and Buildings	Plant and machinery	Other equipment	Total
Cost				
Balance as of 1 January 2024	40,539	1,323	21,118	62,980
Additions	15,308	0	10,679	25,987
Disposals	(12,209)	0	(4,701)	(16,910)
Hyperinflation	641	0	1,730	2,371
Other changes	(93)	0	(760)	(853)
Balance as of 31 December 2024	44,186	1,323	28,066	73,575
Increases	8,017	0	5,942	13,959
Decreases	(7,563)	(946)	(3,528)	(12,037)
Hyperinflation	467	0	1,325	1,792
Other changes	(1,203)	0	(1,256)	(2,459)
Balance as of 31 December 2025	43,904	377	30,549	74,830
Accumulated amortisation				
Balance as of 1 January 2024	14,842	859	9,053	24,754
Amortisation for the year	6,129	259	6,920	13,308
Disposals	(8,246)	0	(4,672)	(12,918)
Hyperinflation	287	0	713	1,000
Other changes	(132)	0	15	(117)
Balance as of 31 December 2024	12,880	1,118	12,029	26,027
Amortisation for the year	5,853	129	7,651	13,633
Disposals	(6,164)	(946)	(3,512)	(10,622)
Hyperinflation	196	0	1,193	1,389
Other changes	(486)	0	(969)	(1,455)
Balance as of 31 December 2025	12,279	301	16,392	28,972
Net amount				
1 January 2024	25,697	464	12,065	38,226
31 December 2024	31,306	205	16,037	47,548
31 December 2025	31,625	76	14,157	45,858

Rights of use of leased assets refer mainly to the office premises of several Group companies and to the cars used by medical representatives operating in their territories.

8. INTANGIBLE ASSETS

The composition and change of intangible assets are shown in the following table:

€ (thousands)	Patent rights and marketing authorizations	Distribution, license, trademark and similar rights	Other	Advance payments	Total
Cost					
Balance at 1 January 2024	3,289,317	1,351,388	6,415	43,587	4,690,707
Additions	699,672	18,824	818	12,133	731,447
Disposals	(31)	(7,862)	(469)	(37)	(8,399)
Write-downs	-	(11,830)	-	(2,500)	(14,330)
Hyper-inflation Turkey	3,782	(385)	806	1	4,204
Other changes	(9,758)	15,738	299	(14,218)	(7,939)
Balance at 31 December 2024	3,982,982	1,365,873	7,869	38,966	5,395,690
Additions	27	22,869	3,042	34,745	60,683
Disposals	(218)	(804)	(167)	(308)	(1,497)
Write-downs	-	(9,533)	-	-	(9,533)
Hyper-inflation Turkey	2,767	378	632	2	3,779
Other changes	15,785	(36,119)	39,003	(26,962)	(8,293)
Balance at 31 December 2025	4,001,343	1,342,664	50,379	46,443	5,440,829
Accumulated depreciation					
Balance at 1 January 2024	836,041	182,594	3,889	-	1,022,524
Depreciation for the year	173,964	77,995	778	-	252,737
Disposals	(13)	(5,562)	(457)	-	(6,032)
Hyper-inflation Turkey	2,270	(309)	618	-	2,579
Other changes	(7,899)	7,432	341	-	(126)
Balance at 31 December 2024	1,004,363	262,150	5,169	-	1,271,682
Depreciation for the period	207,199	76,858	5,102	-	289,159
Disposals	(218)	(791)	(28)	-	(1,037)
Hyper-inflation Turkey	1,798	275	499	-	2,572
Other changes	(5,659)	(13,206)	12,158	-	(6,707)
Balance at 31 December 2025	1,207,484	325,286	22,900	-	1,555,670
Balance at 31 December 2024	2,978,619	1,103,723	2,700	38,966	4,124,008
Balance at 31 December 2025	2,793,859	1,017,378	27,479	46,443	3,885,159

8. INTANGIBLE ASSETS - continued

Other increases for the year mainly include:

- € 22.2 million in relation to the license and supply agreement signed with Amarin on 24 June 2025 to market the cardiovascular drug Vazkepa® (icosapent ethyl) in 59 countries;
- € 15.0 million in relation to Reagila® for the milestone to be paid in 2026 upon the almost certain achievement of the sales targets envisaged by the contract;
- € 9.8 million in relation to the licence agreement with Impact Biomedicine, Inc. for the marketing of Inrebic® (fedratinib dihydrochloride monohydrate) in Japan. The inhibitor drug, used to suppress pathological characteristics in patients with myelofibrosis, received regulatory approval from the Japanese Ministry of Health, Labour and Welfare (MHLW) in June 2025;
- € 9.0 million for investments in software;
- € 2.7 million referring to clinical studies that comply with the criteria set by the IAS 38 accounting standard on capitalisation.

Write-downs totalling € 9.5 million refer to Reagila® (€ 4.5 million), Caphosol® (€ 3.3 million) and Colopeg® (€ 1.7 million) and were determined based on specific analyses of the recoverability of the assets' value.

“Other changes” includes movements between categories and the conversion into euro of the value of the intangible assets held and booked in different currencies, which determined a net decrease of € 1.6 million compared to 31 December 2024 mainly attributable to the depreciation of the US dollar for € 7.2 million and of the Turkish lira for € 1.5 million, and to the revaluation of the Swiss franc for € 5.3 million and of the Russian ruble for € 1.8 million.

9. GOODWILL

The goodwill amounted to € 3,554.3 million as at 31 December 2025 and 31 December 2024 and relates to the acquisition of Recordati by the Parent Company on 6 December 2018 and to the EUSA Pharma Acquisition and the acquisition of TELEFIL® during the year 2022.

At the beginning of the year, the Parent Company was holding 52.53% of economic interest respectively. At the end of the year, following movements on the treasury shares and disposal of shares to non-controlling interest (note 20) , the Parent Company is holding 47.91% of economic interest respectively.

Goodwill	€ (million)
Cost	
Balance at 1 January 2025	3,554.3
Changes during the year	-
Balance at 31 December 2025	3,554.3
Carrying amount at	
31 December 2025	3,554.3

Net goodwill at 31 December 2025, amounting to € 3,554.3 million, relates to the following operational areas, which represent the same number of cash generating units:

- Specialty and Primary Care: € 693.6 million;
- Rare Diseases: € 2,860.7 million.

As reported in Note 2 “Summary of material accounting policies”, goodwill is not amortized systematically but is subject to impairment test at least once a year to determine its recoverable value. Goodwill is allocated to the individual cash-generating units identified based on the business segments and the markets on which the new acquisitions operate. A cash-generating unit to which goodwill has been allocated shall be tested for impairment annually, and when there is any indication that it may be impaired, by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit is not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the entity must recognize an impairment loss.

The recoverable amount was determined by calculating the value in use of the individual cash-generating units based on discounted cash flow (DCF analysis) originating from operating cash flow forecasts for the period used explicitly for the calculation (2026-2030) and from the cash flow beyond that period, according to the net operating income model expected in perpetuity.

The main assumptions used for calculating the value in use concern the expected operating cash flows during the period assumed for the calculation, the discount rate and the growth rate.

9. GOODWILL - continued

Operating cash flow forecasts for the period explicitly used for the calculation (2026-2030) come from the 2026 budget approved by the Board of Directors of the subsidiary Recordati on 13 February 2025 and, for 2027 to 2030, from specific forecasts prepared for the cash-generating units subject to impairment testing approved by the Board of Directors of the subsidiary Recordati on 19 March 2026. The cashflow forecast took due account of the effects of the Russia/Ukraine conflict. Considering this analysis and based on the expected results and the resilience of the pharmaceutical industry, no significant impacts have been identified yet about the measurement of the Specialty & Primary Care CGU. Nonetheless, given the complexity of the situation and uncertainties about developments in the crisis and their possible impacts, the Group continues to monitor the situation.

The discount rate used for estimates is the after-tax average weighted cost of capital which reflects current market valuations of the cost of money and the specific risk associated with the cash-generating units.

With regard to the potential risk related to climate change, considering the sector in which the Group operates, Recordati concluded that this risk has no concrete or significant impact on the company's operations and therefore does not have a significant impact on the estimate of the recoverable value of assets; it was therefore not deemed necessary to carry out a sensitivity analysis exercise on the potential impacts deriving from this risk. The Group will continue to monitor this potential risk over the years.

The following table shows the discount rates used for the impairment test for each of the two cash-generating units:

Cash generating unit	Discount rate
Specialty and Primary Care	8.81%
Rare Diseases	7.77%

The growth rates used for the period after the explicit forecast period were prudently estimated and consider the specific features of each country involved.

The impairment tests, carried out according to the procedures described for each cash-generating unit, were examined and approved by the Board of Directors of the Parent Company on 7 May 2026. For both CGUs the value in use was higher, even significantly so, than the book value of the net capital invested recognized in the financial statements as of 31st December 2025 and therefore no impairment of goodwill was recognized. In addition, as required by the impairment methodology approved by the Board of Directors of the Parent Company on 7 May 2026, a sensitivity analysis was conducted to show the possible impact on the headroom value of changes in the following parameters: long-term growth rate (+/- 0.5%), operating profit growth rate (+/- 10%) and discount rate (+/- 0.5%). The result of the analysis confirmed that there were no impairment losses.

10. OTHER EQUITY INVESTMENTS AND SECURITIES

At 31 December 2025 the details of other equity investments and securities were as follows:

€ (thousands)	Book value		Percentage stake	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
PureTech Health p.l.c. - United Kingdom	13,686	17,307	3.7%	3.7%
STRM.BIO Inc. - United States of America	2,553	-	22.4%	-
Standard BioTools Inc. - United States of America	2	3	n.s.	n.s.
Phaxiam Therapeutics S.A., France	0	73	0.4%	0.4%
Other	3	2	n.s.	n.s.
Total equity investments and securities	16,244	17,385		

The main investment refers to the U.K. company PureTech Health plc, specialising in investments in start-up companies dedicated to innovative therapies, medical devices and new research technologies. Starting from 19 June 2015, the Company's were admitted for trading on the London Stock Exchange.

As of 31 December 2025, the total fair value of the 9,554,140 shares held was € 13.7 million. The value of the investment was consequently adjusted to the stock exchange value and fell by € 3.6 million, compared to 31 December 2024, with a counter-item accounted for, net of the related tax effect, in the statement of gains and losses recognised in shareholders' equity.

During the year, the American subsidiary Recordati Rare Diseases Inc. finalised an investment of US\$ 3 million in STRM.BIO Inc., a biotechnology company that is developing a non-viral cell-derived delivery platform for safe, targeted and scalable in-vivo administration of gene therapies, initially focused on rare haematological diseases such as Fanconi anaemia and in-vivo CAR T-cell therapies, using megakaryocyte-derived vesicles to overcome the limitations of viral and synthetic systems in the context of gene editing, RNA therapies and immune cell engineering.

The value of the investment in the company Phaxiam Therapeutics S.A., resulting from the merger in 2023 between Erytech Pharma S.A. and Pherecydes Pharma S.A., listed on the French regulated market and in which 43,104 shares are held, was zeroed following the compulsory winding-up announced by that same company. The announcement specifies that removal of the listing will be requested and that no repayments may be made to shareholders. The amount of the investment as of 31 December 2024 totalled € 0.07 million, entirely written off with a counter-item accounted for, net of the related tax effect, in the statement of gains and losses recognised in equity.

11. OTHER NON-CURRENT ASSETS

As of 31 December 2025, this item amounted to € 10.3 million, a decrease of € 3.9 million compared to 31 December 2024, and mainly refers to receivables falling due beyond twelve months. It includes the discounted receivable of € 1.2 million (€ 4.0 million as of 31 December 2024) in respect of ARS Pharmaceuticals Inc. following the signing of the agreement in February 2023 for the return of the rights on ARS-1.

12. DEFERRED TAX ASSETS

As of 31 December 2025 deferred tax assets amounted to € 136.4 million (€ 94.5 million at 31 December 2024). The main deferred tax assets and their changes are presented in the two tables below:

€ (thousands)	2025	2024
Balance as of 1 January	94,527	76,674
Additions	62,590	29,764
Utilisations	(20,702)	(11,911)
Balance as of 31 December	136,415	94,527

€ (thousands)	Profits relating to intercompany sales	Revenues/costs with deferred tax effect	Patent Box	Total
Balance as of 1 January	54,849	30,562	9,116	94,527
Additions	50,512	12,078	-	62,590
Utilisations	-	(14,626)	(6,076)	(20,702)
Balance as of 31 December	105,361	28,014	3,040	136,415

The significant increase in deferred tax assets on the elimination of profits relating to intercompany sales is the result of the increase in inventories transferred between companies. The item *Patent Box* refers to the economic benefit for the direct use of intangible assets covered by subsidies and that can be used in subsequent years.

As of 31 December 2025, the Group has unused tax losses estimated to EUR 105 million for which no deferred tax asset is recognised and there are no deductible temporary differences and unused tax credits for which no deferred tax asset is recognised.

13. INVENTORIES

Inventories as of 31 December 2025 amounted to € 539.8 million (€ 506.4 million as of 31 December 2024), net of provisions for the impairment of pharmaceutical products nearing expiry and slow moving of € 18.3 million (€ 15.6 million as of 31 December 2024). During the year, the revaluations of inventories made in application of IFRS 3 after the acquisitions of EUSA Pharma (now Recordati UK) in 2022 and Enjymo® in 2024 were entirely zeroed through their release to the income statement under the item "Cost of sales" in conjunction with the sales of the products to which they refer, for a total value of € 66.8 million. This decrease, combined with the one deriving from the exchange effect mainly determined by the depreciation of the US dollar, was more than offset by higher purchases of products.

Inventories by category are broken down as follows:

€ (thousands)	31.12.2025	31.12.2024
Raw materials and supplies	151,400	100,906
Semi-finished goods and work in process	108,477	92,658
Finished goods	279,927	312,883
Total	539,804	506,447

14. TRADE RECEIVABLES

Trade receivables as of 31 December 2025 and 2024 amounted to € 570.2 million and € 516.7 million respectively. The amounts are expressed net of provisions for impairment, which as of 31 December 2025 amounted to € 14.7 million (unchanged since 31 December 2024). This item is considered consistent with positions which, for the nature of the customers or the destination markets, may be difficult to collect. The average number of days of exposure was 66, compared to 63 days in 2024.

The Group uses a matrix to measure the expected credit losses on trade receivables from individual customers, which comprise a very large number of small balances. Losses are estimated using a method based on the probability of a receivable progressing through successive stages of insolvency calculated separately for exposures in different segments based on common credit risk characteristics, such as geographical region and duration of the customer relationship. The following table provides information about the exposure to credit risk for trade receivables:

€ (thousands)	31/12/2025	31/12/2024
Current (not past due)	478,253	459,569
1-30 days past due	59,989	23,283
31-60 days past due	9,798	9,389
61-90 days past due	7,594	2,452
More than 90 days past due	29,170	36,767
Total gross trade receivables	584,804	531,460

Additional information about how the Group assesses the exposure to credit risk and provisions for doubtful accounts is provided in Note 32.

15. OTHER RECEIVABLES

Other receivables amounted to € 106.5 million, down by € 2.6 million compared to 31 December 2024. The relevant details are presented in the table below:

€ (thousands)	31/12/2025	31/12/2024
Tax receivables	85,848	79,017
Advances to employees and agents	713	3,369
Other	19,897	26,638
Total other receivables	106,458	109,024

Tax receivables include value added tax (VAT) receivable (€ 38.1 million) and advance payments of income tax paid in excess. Advances to employees and agents comprise advances on expense accounts and other receivables. The "Other" receivables item includes the advances paid to suppliers and other parties, as well as settlements due from licensors and € 3.3 million relating to the short-term discounted receivable from ARS Pharmaceuticals Inc., posted following the signing of an agreement in February 2023 for the restitution of rights to ARS-1, previously recognised among the intangible assets. Following the launch of the product, based on the contractual agreements, € 5.2 million was collected.

16. OTHER CURRENT ASSETS

Other current assets amounted to € 24.6 million (€ 21.4 million as of 31 December 2024) and relate mainly to prepaid expenses with respect to their economic competence.

17. DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE (included in current assets)

As of 31 December 2025, the value of derivative instruments included under this item amounted to € 8.1 million.

The measurement at market (fair value) of cross currency swaps entered into by the Subsidiary Recordati to hedge the US\$ 75 million loan issued on 30 September 2014 gave rise to a € 1.4 million asset as of 31 December 2025. This amount represents the potential benefit of a lower value in euro of the future dollar denominated principal and interest flows, in view of the revaluation of the foreign currency with respect to the moment in which the loan and hedging instruments were negotiated. In particular, the valuation refers solely to the derivative hedging of the US\$ 25 million tranche of the loan, provided by UniCredit. The US\$ 50 million tranche of the loan was extinguished early in September, when, in addition to the US\$ 5 million instalment nearing maturity, the instalments totalling US\$ 10 million originally due in 2026 were also repaid. The related derivative hedging taken out with Mediobanca was extinguished at the same time.

The measurement at market (fair) value of the interest rate swaps hedging a number of loans gave rise to total assets of € 2.9 million, representing the opportunity of paying in the future, for the term of the loans, the agreed interest rates rather than the variable rates currently expected. The amount relates to the interest rate swaps entered into by the Subsidiary Recordati to hedge the interest rates on the syndicated loan recently concluded to fund the acquisition of the rights to Enjaymo® (€ 2.6 million) and on the loan finalised in the first half of 2022 (€ 0.3 million) (see Note 21).

As of 31 December 2025, other hedging transactions were in place on foreign currency positions, the measurement of which was positive for € 3.8 million compared to the positive figure of € 5.1 million as of 31 December 2024, with the difference recognised to the income statement and offsetting the exchange gains arising from the valuation of the underlying positions at current exchange rates.

The fair value of these hedging derivatives is measured at level two of the hierarchy provided for in accounting standard IFRS 13 (see note 2). The fair value is equal to the current value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve which reflects the relevant benchmark interbank rate used by market participants for pricing interest rate swaps.

18. CASH AND CASH EQUIVALENTS

A breakdown is shown in the following table:

€ (thousands)	31.12.2025	31.12.2024
Demand current account deposits	444,109	296,780
Short-term time deposits	19,877	78,963
Cash on hand	52	48
Total cash and cash equivalents	464,038	375,791

Short-term time deposits consist of tied deposits with maturities of three months or less.

As of 31 December 2025, cash and cash equivalents were mainly in euros (189.0 million), Swiss francs (125.7 million), US dollars (77.0 million), Tunisian dinars (57.3 million), Polish zloty (48.7 million), Russia roubles (781.5 million), Japanese yen (1,265.4 million) and Turkish lira (246.1 million).

19. EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY*Share capital*

As of 31 December 2025, the subscribed and fully paid capital amounting to € 1,836,206.35 is represented by 183,620,635 shares with a nominal value of € 0.01 each. There are no changes from 31 December 2024.

Legal reserve

In accordance with Luxembourg law of 10 August 1915, as amended, on commercial companies, the Parent Company is required to allocate a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the sole shareholder.

Translation reserve

As of 31 December 2025, the translation reserve amounts to € -47,802,118.26 (31 December 2024: € -22,891,816.49).

Interim dividends

On 11 March 2025, the Company declared and paid an interim dividend to its sole shareholder amounting to €87,634,757.87. Additionally, on 19 June 2025, the Company declared and paid a further interim dividend to its sole shareholder amounting to €20,000,000.00.

Share premium

As of 31 December 2025 and 31 December 2024, the share premium account amounts to € 1,149,361,404.64.

Other reserves

These amount to € -24,271,029.64 at 31 December 2025 (31 December 2024: € 21,888,083.91). Other reserves include reserves for grants received and reserves for amounts booked directly to equity in application of international accounting and reporting standards.

Incentive plans

As of 31 December 2025, the subsidiary Recordati has two stock option plans benefiting certain Group employees: the 2018-2022 plan with the grant on 3 August 2018 and the 2021-2023 plan, with the grants on 6 May 2021, 1 December 2021 and 24 February 2022. The strike price for the options is the average of the Recordati's listed share price during the 30 days prior to the grant date. The options are vested over a period of five years, over four tranches starting from the second year in the case of the grant in 2018 and the three years, and in a single tranche for the 2021 and 2022 grants. They expire if they are not exercised within the eighth year after the grant date. Options cannot be exercised if the employee leaves the Company before they are vested, save for derogation approved by the competent corporate bodies.

Stock options outstanding as of 31 December 2025 are detailed in the following table:

	Strike price (€)	Quantity 01/01/2025	Granted 2025	Exercised in 2025	Cancelled and expired 2025	Quantity 31.12.2025
Grant date						
3 August 2018	30.73	716,000	-	(199,666)	-	516,334
6 May 2021	45.97	1,270,398	-	(490,305)	(3,000)	777,093
1 December 2021	56.01	130,000	-	-	-	130,000
24 February 2022	47.52	2,786,000	-	(333,864)	(54,000)	2,398,136
Total		4,902,398	-	(1,023,835)	(57,000)	3,821,563

19. EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY – continued

In 2023, the subsidiary Recordati adopted a new long-term incentive plan called “2023-2025 Performance Shares Plan” benefiting certain Group employees. The plan provides for three grants of rights to receive Company shares free of charge, one for each year covered, which, following a vesting period of three years, will allow recipients to receive shares of the subsidiary Recordati up to an amount of 175% of the amount originally granted, based on the trend of certain performance indicators. However, these rights will expire if the employee leaves the Company before they are vested. The grants took place on 27 June 2023 for 440,485 rights, 9 May 2024 for 437,634 rights and 8 May 2025 for 511,380 rights. The cost for the year, determined according to IFRS 2, amounted to € 15.2 million, an increase on the € 11.3 million in the previous year.

Some Group employees were designated as beneficiaries of incentive plans with a five-year vesting period, granted and entirely funded by Rossini Luxembourg S.à r.l., an indirect shareholder of the Parent Company, and will benefit from a return at the expiry of the plans term if they have met a number of performance conditions. The measurement according to IFRS 2 led to an expense in the income statement of € 1.5 million, which also includes the incentive plans granted by Rossini Luxembourg S.à r.l. to the Chief Executive Officer of the Recordati Group.

The Board of Directors concluded that incentive plan qualifies as a group equity-settled plan at the level of Rossini S.à r.l., with no cash obligation for the Parent Company or Recordati (see incentive plans notes).

20. NON-CONTROLLING INTERESTS

As at 31 December 2025, the Parent Company held respectively 47.91% in Recordati, which principal place of business is in Italy. The proportion of ownership held by non-controlling interest is 52.09%.

At the beginning of the year, the Parent Company was holding 52.53% of economic interest in Recordati.

On 21 February 2025, the Parent Company sold 10,456,258 shares of Recordati for an price of €582 million, received in cash. This resulted in an increase of the non-controlling interest of € 330.7 million and an impact to the group retained earning of € 251.7 million.

Following this, the Parent Company is holding 47.91% of economic interest in Recordati at the end of the year.

During the year, dividends amounting to €139 million were distributed to non-controlling interests.

Non-controlling interests as at 31 December 2025 amount to € 3,038 million (31 December 2024: € 2,730 million) and represent the amount of reserves for € 2,750 million as at 31 December 2025 (31 December 2024: € 2,575 million) and result of the period for € 186 million as at 31 December 2025 (31 December 2024: € 154 million) pertaining to third parties.

Accumulated balances of material non-controlling interes

Name	31 December 2025 € (thousands)	31 December 2024 € (thousands)
Recordati	3,037,765	2,729,840

Profit allocated to material non-controlling interest:

Name	31 December 2025 € (thousands)	31 December 2024 € (thousands)
Recordati	185,647	154,631

20. NON-CONTROLLING INTERESTS – continued

The summarised consolidated financial information of the subsidiary is provided below. The information is based on amounts before inter-company eliminations and other consolidation adjustments.

Summarised statement of consolidated income statement for 2025:

€ (thousands)	31 December 2025	31 December 2024
Revenue	2,618,383	2,341,559
Gross profit	1,787,679	1,600,272
Operating income	670,808	638,857
Pretax income	581,274	547,184
Net income	443,624	416,508

Summarised statement of consolidated financial position as at 31 December 2025:

€ (thousands)	31 December 2025	31 December 2024
Non-current assets	3,574,370	3,643,055
Current assets	1,677,907	1,491,400
Total assets	5,252,275	5,134,455
Non-current liabilities	2,279,821	2,328,587
Current liabilities	1,052,682	929,059
Total equity and liabilities	3,332,503	3,257,646
Shareholders' equity	1,919,772	1,876,809

Summarised consolidated cash flow information for the year ended 31 December 2025:

€ (thousands)	31 December 2025	31 December 2024
Cash flow from operating activities	569,897	569,918
Cash flow from investing activities	(80,836)	(844,942)
Cash flow from financing	(407,016)	372,114
Changes in net cash and cash equivalents	109,045	97,090

21. LOANS

As of 31 December 2025, loans amounted to € 3,777.9 million, up by a net decrease of € 511.7 million compared to 31 December 2024 (€ 4,289.6 million).

This item includes the liabilities deriving from the application of the accounting standard IFRS 16, representing the obligation to make the payments provided for in the existing leases for a total amount of € 49.2 million, a net decrease of € 0.3 million compared to 31 December 2024.

During 2025, loan liabilities increased by € 480.2 million, of which € 466.2 million from opening new bank loans and € 14.0 million relating to new lease contracts. Repayments over the year totalled € 983.9 million, of which € 983.8 million for loans and € 11.3 million for lease liabilities.

On 22 September 2025, the Subsidiary Recordati signed an agreement with PGIM Inc., Investment Manager of Prudential, for a Note Purchase and Private Shelf Agreement for US\$ 220.0 million. In particular, the Shelf Facility Multiborrower and Multicurrency agreement grants the Group the right to issue, over the next 3 years, bonds up to a maximum total of US\$ 220.0 million or the equivalent in €, with pricing to be defined at the time of the individual draft, with a maximum duration of 20 years and an average life of 15 years. On 30 September 2025, the Subsidiary Recordati issued a bond loan for € 125.0 million with a duration of 10 years from this amount.

In June, the loan of € 180.0 million issued in May 2021 was renegotiated with full early repayment ahead of the May 2026 deadline and the issue of a new loan, again with a pool of domestic and international lenders led by Mediobanca. Compared to the original value of € 315.0 million, in July another lender joined the consortium with an additional € 30.0 million, bringing the total value of the loan to € 345.0 million.

In September, the US\$ 50 million tranche of the bond loan issued by the Subsidiary Recordati on 30 September 2014 was extinguished: in addition to the US\$ 5 million share envisaged by the repayment plan, the remaining US\$ 10 million due in 2026 were also paid. At the same time, the cross-currency swap agreed with Mediobanca for the transformation of the original debt into € 37.3 million was extinguished, of which € 3.7 million related to the instalment in September 2025 and € 7.5 million to those originally planned for 2026. As of 31 December 2024, the fair value measurement of the hedging instrument that was positive for € 4.3 million and recognised directly as an increase in equity and as an increase in the asset item "Derivative instruments measured at fair value" was consequently zeroed with an accounting write-off (see Note 14).

The loans for 75.0 and 40.0 million Swiss francs taken out on 17 April 2020 and on 16 March 2022 respectively by the subsidiary Recordati AG with UBS Switzerland AG reached maturity and were extinguished in March with the repayment of the final instalment.

With the aim of improving management of its overall debt, in March the Subsidiary Recordati ended the loan for € 40.0 million taken out with Allied Irish Bank on 30 March 2021, in advance of its natural maturity, through the repayment of the outstanding debt of € 24.0 million.

The effect of the translation of loans in foreign currencies and of expenses incurred to place the loans, together with the early termination of a number of leases, determined a total net decrease of € 5.0 million compared to 31 December 2024.

The main other long-term loans outstanding are:

On 18 July 2024, the Parent Company issuing new Senior Secured Floating Rate Notes ("New Floating Notes") for an amount of € 850 million and new Senior Secured Fixed Rate Notes ("New Fixed Notes") together with the Floating Notes (the "Notes") for an amount of € 1,000 million. These Notes are listed on the Euro MTF market of the Luxembourg Stock Exchange.

21. LOANS – continued

New Floating Notes:

On 18 July 2024, the Parent Company issued € 850 million Senior Secured Floating Rate Notes ("New Floating Notes") due 2029 subject to an annual interest rate equal to 3 months Euribor (with 0% floor) plus 3.875% payable quarterly. The New Floating Notes will mature on 31 December 2029 (ISIN Code: XS2854309684 Regulation S and XS2854305690 Regulation R144A).

The proceeds of the issuance have been used to redeem the previously issued series of Floating Notes due 2025 issued under the existing agreement dated 30 October 2019 and bearing an annual interest rate equal to 3 months Euribor (with 0% floor) plus 3.875% (ISIN Code: XS2066721965 Regulation S and XS2066727491 Regulation R144A).

Effective as of 1 April 2025, the principal amount equal to EUR 27,407,000.00 of New Floating Notes, together with all related accrued interest, has been tendered for redemption.

On 2 April 2025, the Company made an optional redemption of a portion of the principal equal to EUR 473,593,000.00. During the year, total repayments in cash amounted to EUR 501,000,000.00.

During 2025, the Company proceeded to several interest repayments on the New Floating Notes for an aggregate amount of € 29,893,676.66.

As of year-end, the outstanding New Floating Notes and the accrued interest amount to nominal € 349 million and € nil respectively. The interest charge of the year amount to € 25.5 million. The outstanding New Floating Notes at amortized cost amounts to € 345.5 million.

New Fixed Notes:

The New Fixed Notes bear a fixed interest rate of 6.750% per annum. The maturity date of the New Fixed Notes is 31 December 2029 (ISIN Code: XS2854303729 Regulation S and XS2854304701 Regulation R144A).

The proceeds of the issuance have been used to redeem the previously issued series of Floating Notes due 2025 issued under the existing agreement dated 26 October 2018 and bearing an annual interest fixed rate of 6.750% (ISIN Code: XS1881594946 and XS1881595083).

Effective as of 1 April 2025, the principal amount equal to EUR 1,100,000.00 of New Fixed Notes, together with all related accrued interest, has been tendered for redemption. During the year, total repayments in cash amounted to EUR 1,100,000.00.

During 2025, the Company proceeded to an interest repayment on the New Fixed Notes for an aggregate amount of EUR 67,444,518.75.

As of period-end, the outstanding New Fixed Notes and the accrued interest amount to nominal € 998.9 million and € nil respectively. The interest charge of the year amount to €67.5 million. The outstanding Fixed Notes at amortized cost amounts to € 988.7 million.

The indenture dated 18 July 2024 relating to the issue of the New Notes issued by the Parent Company (the "Indenture") includes some financial covenants to be complied with, such as Look Through leverage Ratio. These financial covenants have been complied with over the year ended 31 December 2025.

21. LOANS – continued

- b) Bond loan issued by the Subsidiary Recordati on 30 September 2025 for € 125.0 million. The main economic conditions provide for a fixed interest rate with half-yearly payment of interest and a duration of 10 years, with a single instalment repayment on 28 September 2035.

The bonded loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

- c) € 345.0 million loan established by the Subsidiary Recordati with a consortium of national and international lenders led by Mediobanca. On 25 June 2025, an initial amount of € 315.0 million was agreed, before being increased by € 30.0 million in July after another lender joined. The main terms include a variable interest rate of the six-month Euribor (with a zero floor) plus a fixed spread and single instalment repayment on 25 June 2030. The issue of € 280.0 million, net of advisory and up-front fees, took place on 30 June 2025, while the remaining € 65.0 million were issued the following August.

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

- d) Loan for a total of € 850,0 million taken out by subsidiary Recordati S.p.A. in two different stages. On 30 October 2024, the Subsidiary Recordati entered into a loan with Mediobanca, UniCredit and Natixis intended for the acquisition of the rights to Enjaymo®, for a total maximum amount of € 850.0 million, guaranteed for € 700.0 million on an equal basis. A syndication process was launched immediately after, which, by involving other credit institutions, made it possible to raise an additional € 150.0 million while reallocating the overall value of € 850.0 million among the participants. The terms of the loan provide for a variable interest rate at the 6-month Euribor (with a zero floor) plus a variable spread based on a step up/step down mechanism on changes in the Leverage Ratio, and a 5-year term with semi-annual repayment of the principal starting 31 March 2027, with the final instalment on 30 October 2029. Disbursement, net of structuring and up-front fees, took place in the final quarter of 2024. The loan was partially hedged with interest rate swaps, qualifying as a cash flow hedge, effectively converting the hedged portion to a fixed interest rate. As of 31 December 2025, the fair value of the derivatives was measured as positive for a total of € 2.6 million, which was recognised directly as an increase in equity and as an increase in the asset item “Derivative instruments measured at fair value” (see Note 17).

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

21. LOANS – continued

- e) Loan for € 70.0 million taken out by the Subsidiary Recordati on 1 March 2024 with HSBC Continental Europe at a variable interest rate at the six-month Euribor (with a zero floor), plus a variable spread based on a step up/step down mechanism on changes in the Leverage Ratio, and a five-year term with semi-annual repayment of the principal starting 31 March 2025, and final instalment on 29 February 2029. The outstanding debt as of 31 December 2025 amounted to € 61.1 million. The loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan. The financial covenants, measured semi-annually, are the following:
- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
 - the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.
- These parameters are being observed.
- f) Loan for 72.0 million Swiss francs taken out on 26 February 2024 by the subsidiary Recordati AG with UBS Switzerland AG, and disbursed in April of the same year, at a fixed interest rate, with quarterly interest payments and semi-annual repayment of principal starting December 2024, through April 2029. The value in euro of the outstanding loan as of 31 December 2025 was € 53.1 million. The loan, guaranteed by the Subsidiary Recordati, includes covenants which, if not observed, could lead to a request for immediate repayment. The financial covenants, measured semi-annually, are the following:
- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
 - the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.
- These parameters are being observed.
- g) Loan for a total of € 400.0 million taken out on 16 May 2023 by the subsidiary Recordati S.p.A. with a consortium of eight national and international lenders including Mediobanca as the coordinating institution, for an individual portion of € 50.0 million. The loan is formed of two independent loans for € 300.0 million and € 100.0 million respectively, both at a variable interest rate equal to the six-month Euribor (with a zero floor) plus a variable spread based on a step-up/step-down mechanism on changes in the Leverage Ratio, with an interest payment every six months and a five-year term. The loan for a higher amount, disbursed on 14 June 2023, will be repaid in semi-annual instalments of increasing value starting from April 2024, with settlement in May 2028. The loan was partially hedged with interest rate swaps, qualifying as a cash flow hedge, effectively converting the hedged portion to a fixed interest rate. As of 31 December 2025, the fair value of the derivatives was measured at negative € 1.7 million, which was recognised directly as a decrease in equity and as an increase in the liability item “Derivative instruments measured at fair value” (see Note 29). The loan for € 100.0 million, consisting of a Capex Line that can be used within 18 months to fund specific investments, was disbursed on 13 November 2024, with semi-annual repayments on a straight-line basis starting from October 2025 for the principal half and May 2028 for the remaining half. The total debt outstanding as of 31 December 2025 amounted to € 295.6 million. The loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan.

21. LOANS – continued

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

The loan includes ESG-linked parameters as from 2024, which if complied with, reduce the interest rate applied, or an increase if these are not achieved.

- h) Loan for € 50.0 million negotiated by the Subsidiary Recordati in April 2023 with Cassa Depositi e Prestiti. The terms of the loan provide for a variable interest rate equal to the six-month Euribor (with a zero floor) plus a variable spread, an interest payment every 6 months and a ten-year term with semi-annual repayments on a straight-line basis starting from October 2025 for 70% of the principal and repayment in April 2033 for the remaining 30%. The disbursement took place on 18 May 2023. The debt outstanding as of 31 December 2025 amounted to € 47.6 million.

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

- i) Bond issued by the Subsidiary Recordati on 12 September 2022 for € 75.0 million, placed privately and fully with companies in the Prudential group. The main terms provide for a fixed rate with interest payments every six months and a term of twelve years, with repayment of the principal in five annual instalments starting in September 2030 and expiring on 12 September 2034. The transaction, aimed at continuing to raise medium- to long-term funds to further support the Group's growth, has facilitated access to favourable market conditions. It has standard market characteristics typical of the US private placement market and is substantially in line with the bond issued by the Subsidiary Recordati in 2017. The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

- j) Loan for a total of € 800.0 million negotiated by the subsidiary Recordati S.p.A. in two different stages during 2022, disbursed by a consortium of Italian and international lenders.

The terms of the loan provide for a variable interest rate at the six-month Euribor (with a zero floor) plus a variable spread based on a step up/step down mechanism on changes in the Leverage Ratio, and a five-year term with semi-annual repayment of the principal starting 31 March 2023, with the final instalment on 3 February 2027. The outstanding debt as of 31 December 2024 amounted to € 528.0 million.

21. LOANS – continued

From July 2022, the loan was partially and progressively hedged with an interest rate swap, qualifying as a cash flow hedge, effectively converting the hedged portion to a fixed interest rate. The fair-value measurement of derivative instruments as of 31 December 2025 was in some cases positive, for a total of € 0.3 million, which was posted as a direct increase of net equity and an increase to the asset item "Derivative instruments at fair value" (see Note 17), but in other cases was negative for a total of € 1.1 million, which was directly posted as a decrease in net equity and an increase to the liability item "Derivative instruments at fair value" (see Note 29).

The loan includes covenants which, if not observed, could lead to a request for immediate repayment.

The financial covenants, measured semi-annually, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

- k) Bond loan issued by the Subsidiary Recordati in May 2017 for an overall amount of € 125.0 million, privately and entirely placed with Prudential Group companies, at a fixed interest rate with repayment in annual instalments starting on 31 May 2025 through 31 May 2032. The outstanding debt as of 31 December 2025 amounted to € 109.3 million.

The bonded loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

- l) Bond loan issued by the Subsidiary Recordati on 30 September 2014, related to the US\$ 25 million tranche at a fixed rate, with repayment in half-yearly instalments starting on 30 March 2023 through 30 September 2029. During the period, US\$ 3.6 million were repaid. The total debt outstanding as of 31 December 2025 amounts to US\$ 14.3 million, equal to € 12.1 million.

The loan was simultaneously hedged by a cross currency swap, with the transformation of the original debt into € 18.7 million (€ 10.7 million at the reporting date) at a lower fixed rate. On 31 December 2025, the hedging instrument measured at fair value was positive for € 1.4 million, which was recognised directly as an increase in equity and as an increase in the asset item "Derivative instruments measured at fair value" (see Note 17).

The bonded loan includes covenants which, if not met, could lead to a request for immediate repayment of the loan.

The financial covenants, measured quarterly, are the following:

- the ratio of consolidated net financial position to consolidated EBITDA (determined for a period of twelve consecutive months) must be less than three;
- the ratio of consolidated operating income to consolidated net financial expenses (determined for a period of twelve consecutive months) must be more than three.

These parameters are being observed.

21. LOANS – continued

The composition of medium and long-term loans at 31 December 2025 is shown in the following table:

€ (thousands)	31.12.2025	31.12.2024
Parent company loans:		
Outstanding €349 million out of the €850 million New Senior Secured Floating Rate Notes subject to an annual interest rate equal to 3 M Euribor (with 0% floor) plus 3.875% payable quarterly. The maturity date is 31 December 2029 (ISIN Code: XS2066721965 Regulation S and XS2066727491 Regulation R144A).	*345,483	839,629
€1,000 million New Senior Secured Fixed Rate Notes bear a fixed interest of 6.750% p.a. payable quarterly. The maturity date is 31 December 2029 (ISIN Code: XS1881594946 and XS1881595083).	*988,731	988,427
Loans granted to the Group:		
Bond loan privately placed in 2025, at a fixed interest rate, repayable in a lump sum in 2035	*124,768	-
Loan from a consortium of Italian and international lenders led by Mediobanca, at a variable interest rate, repayable in a single installment in 2030	*341,800	-
Loan from Mediobanca, UniCredit and Natixisis, subsequently syndicated involving other credit institutions, at a variable interest rate, repayable in semi-annual instalments starting 2027 through 2029. The payable was partially converted to a fixed interest rate through interest rate swap transactions	*846,039	*844,803
Loan from HSBC Continental Europe, at a variable interest rate, repayable in semi-annual instalments starting 2025 through 2029	*61,073	*69,767
Loan from a pool of eight national and international lenders led by Mediobanca, consisting of two independent variable-rate loans repayable between 2024 and 2028 in six-monthly instalments. The payable was partially converted to a fixed interest rate through interest rate swap transactions	*295,613	*353,954
Loan from 'Cassa Depositi e Prestiti', at a variable interest rate, repayable in semi-annual instalments from 2025 until 2033	*47,646	*49,977
Guaranteed senior notes privately placed with international institutional investors in 2022 at a fixed interest rate, repayable in annual instalments starting 2030 through 2034	*74,804	*74,781
Loan from a pool of national and international banks, specifically Mediobanca, JP Morgan, UniCredit and Banca Nazionale del Lavoro, subsequently syndicated with the involvement of other international credit institutions, at a variable interest rate, repayable starting in 2023 and through 2027. The payable was partially converted to a fixed interest rate through interest rate swap transactions	*427,996	*567,191
Loan from a consortium of Italian and international lenders led by Mediobanca, at a variable interest rate, repaid early in 2025	-	*179,770
Loan from Allied Irish Bank, at a variable interest rate, repaid early in 2025	-	*27,963
Guaranteed senior notes privately placed with international institutional investors in 2017 at a fixed interest rate, repayable in annual instalments starting 2025 through 2032	*109,321	*124,938
Guaranteed senior notes privately placed in 2014 with international institutional investors, structured in two tranches: - US\$ 50 million at a fixed interest rate, converted with cross currency swap into a debt of € 37.3 million at a fixed interest rate, repaid early in 2025. - US\$ 25 million at a fixed interest rate, converted with cross currency swap into a debt of € 18.7 million at a fixed interest rate, repayable between 2023 and 2029 in six-monthly instalments.	*12,132	*36,371
Liabilities for leases granted to Recordati S.p.A.	7,657	8,544

21. LOANS – continued

Loans granted to Other Group Companies:		
Loan from UBS Switzerland AG to Recordati AG for CHF 72.0 million, at fixed interest rate, repayable in semi-annual instalments starting 2024 through 2029	53,146	68,530
Loan from UBS Switzerland AG to Recordati AG for CHF 40.0 million, at fixed interest rate, repaid in 2025	-	6,640
Loan from UBS Switzerland AG to Recordati AG for CHF 75.0 million, at variable interest rate, repaid in 2025	-	7,969
Various interest-free loans granted to Casen Recordati S.L. repayable within 2029	101	120
Liabilities for leases granted to the other Group companies	41,541	40,265
Total amortised cost of loans	3,777,852	4,289,639
Loans due within one year, classified among current liabilities	313,341	287,772
Loans due after one year, classified among non-current liabilities	3,464,511	4,001,867

* Net of expenses incurred for placing the loans, amortised on the basis of the effective interest rate. As of 31 December 2025, the remaining expenses totalled € 9.1 million, mainly related to the loans granted to Recordati S.p.A. by a loan consortium in 2025 (€ 3.2 million), in 2024 (€ 4.0 million), in 2023 (€ 0.6 million) and in 2022 (€ 0.6 million), the loan with HSBC in 2024 and with Cassa Depositi e Prestiti in 2023 (totalling € 0.2 million) and the bonds issued by Recordati S.p.A. in 2014, 2017, 2022 and 2025 (totalling € 0.5 million). The unamortised balances of expense related to the floating rate notes and fixed rate notes amount to €3.5 million and €10.5 million, respectively.

The repayment schedule for loans due after 31 December 2026, based on their amortisation plans, is as follows:

€ (thousands)	
2027	624,013
2028	431,818
2029	1,777,116
2030	379,379
2031 and subsequent years	252,185
Total	3,464,511

The weighted average interest rate as of 31 December 2025, calculated applying the rates resulting from the hedging instruments, is 3.80%.

22. PROVISIONS FOR EMPLOYEE BENEFITS

The balance as of 31 December 2025 amounted to € 19.8 million (€ 21.4 million as of 31 December 2024) and reflects the Group's liability towards its employees determined in accordance with IAS 19.

The changes in these provisions were follows:

€ (thousands)	2025	2024
Balance as of 1 January	21,355	21,239
Additions	2,022	3,486
Utilisations	(2,967)	(1,840)
Adjustment for actuarial (gains)/losses	(572)	(1,530)
Balance as of 31 December	19,838	21,355

This liability is due to the severance indemnities (TFR, Trattamento Fine Rapporto) in the Italian companies. The value of these provisions, measured in accordance with IAS 19, amounted to € 3.9 million. Other liabilities are mainly due to contribution plans in place at the French company Laboratoires Bouchara Recordati (€ 4.5 million), at the Swiss company Recordati AG (€ 3.7 million), at the US company Recordati Rare Diseases (€ 3.6 million), at the Turkish company Recordati İlaç (€ 1.1 million), at the German company Recordati Pharma (€ 0.9 million) and at the other Recordati Rare Diseases companies (€ 1.9 million). The fair value calculation made using actuarial assumptions updated to 31 December 2025 determined a decrease of € 0.6 million compared to the value of the provisions as of 31 December 2024, which is recognised in the statement of comprehensive income, net of the tax effect, as prescribed by the relevant accounting standard.

23. DEFERRED TAX LIABILITIES

Deferred tax liabilities amounted to € 548.3 million as at 31 December 2025 (31 December 2024: € 585.9 million).

Their changes are shown in the table below:

€ (thousands)	2025	2024
Balance at 1 January	585,962	630,666
Additions	5,467	4,188
Utilizations	(43,120)	(48,892)
Reclassifications	-	-
Balance at 31 December	548,309	585,962

The decrease is mainly determined by the recognition of the profit effects for the year from the reduction in deferred tax liabilities originally calculated on the higher measurements of intangible assets and inventories from Recordati Group and EUSA Pharma (now Recordati UK), which were recognised as part of the allocation of the price paid for the respective acquisitions. The balance as of 31 December 2025 mainly relates to the effects of acquisition transactions totalling € 107.6 million.

As of 31 December 2025, no deferred tax liabilities were calculated on subsidiaries' undistributed profits as, considering the current dividend policy applied by the Group and thanks to the substantial exemption from double income taxation, no significant additional tax would have to be paid by the Group.

24. TRADE PAYABLES

Trade payables, which are entirely of a commercial nature and include end-of-year provisions for invoices to be received, as of 31 December 2025 and 2024 amounted to € 345.4 million and € 296.9 million respectively.

25. OTHER PAYABLES

Other payables as of 31st December 2025 amounted to € 257.2 million, and their breakdown is provided in the table below:

€ (thousands)	31/12/2025	31/12/2024
Contributions to national medical insurance schemes	117,739	77,658
Personnel	72,256	69,494
Social security	22,184	22,246
Other	45,064	25,994
Total other payables	257,243	195,392

The change compared to 31 December 2024 is largely due to the increase in contributions to be paid to national agencies and medical insurance schemes, of which:

- € 71.7 million (an increase of € 24.4 million) payable by Recordati Rare Diseases Inc.;
- € 19.1 million (up by € 18.0 million) payable by the Italian companies, including the debt of € 18.0 million, of which € 3.6 million reclassified from the provisions for risks, for the settlement of the dispute between the Parent Company and the Italian Medicines Agency relating to the payback on the Urorec® product (see Notes 4 and 28).
- € 8.0 million (a decrease of € 1.6 million) payable by Recordati Hellas Pharmaceuticals S.A.
- € 7.7 million (a decrease of € 0.7 million) payable by Recordati Pharma GmbH and Recordati Rare Diseases GmbH to the “Krankenkassen” (German medical insurance schemes).
- € 6.1 million (€ 6.4 million as of 31 December 2024) payable by Laboratoires Bouchara Recordati S.a.s.
- € 5.1 million (€ 4.8 million as of 31 December 2024) total payable by the subsidiaries in Switzerland, Canada and Ireland.

The item “Other” rose by € 19.0 million compared to 31 December 2024 mainly due to the recognition of the milestone for € 15.0 million to be paid in 2026 upon the almost certain achievement of the sales targets envisaged by the contract for Reagila®. It also includes the payable of € 4.0 million related to the acquisition of a further 10% of the capital of Opalia Pharma reclassified among current liabilities on the basis of the put and call options provided for contractually. The fair value of this purchase option is measured at level 2 as the valuation model considers the present value of the expected payments.

26. TAX LIABILITIES

Tax liabilities as of 31 December 2025 amounted to € 80.6 million (€ 93.9 million as of 31 December 2024) and include mainly tax payables, net of advances already paid, computed by the companies on the basis of estimated taxable income, and withholding taxes payable.

27. OTHER CURRENT LIABILITIES

As of 31 December 2025, other current liabilities amounted to € 8.5 million, up by € 3.8 million compared to 31 December 2024. An amount of € 0.9 million is attributable to the adoption of the IFRS 15 accounting principle, based on which some deferred revenue is recognised in the income statement in variable instalments based on the fulfilment of the conditions for revenue recognition.

28. PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges set aside as of 31 December 2025 amounted to € 19.2 million and include tax provisions and other provisions for future contingencies to cover liabilities of uncertain timing and value. The following tables show their composition and changes.

€ (thousands)	31/12/2025	31/12/2024
For taxes	697	621
Future contingencies	18,455	21,471
Total other provisions	19,152	22,092

€ (thousands)	2025	2024
Balance as of 1 January	22,092	16,596
Additions	6,771	9,048
Utilizations	(9,711)	(3,552)
Balance as of 31 December	19,152	22,092

The various risks include provisions for restructuring costs, returned products, legal disputes and others and include € 4.7 million relating to the remediation works and security measures to be carried out at the site in Campoverde. In provisions for future contingencies as of 31 December 2024, the amount of € 3.6 million related to the dispute with the Italian Medicines Agency for the payback on the Urorec® product (see Notes 4 and 25) was recorded, reclassified in the current year to other liabilities following the settlement of the dispute and the total value to be paid. The year-end balance is mainly related to the Subsidiary Recordati and to the other Italian companies (€ 12.7 million), to the Spanish company Casen Recordati (€ 2.4 million), the subsidiaries in France (€ 1.9 million), United States (€ 0.6 million) and Portugal (€ 0.4 million).

Despite the uncertainty surrounding the ongoing disputes and litigation, the provisions set aside are considered the best estimate of these liabilities, based on the information available on the reporting date.

29. DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE (included in current liabilities)

As of 31 December 2025, the value of derivative instruments included under this item amounted to € 4.9 million.

The measurement at market (fair) value as of 31 December 2025 of the interest rate swaps hedging a number of loans gave rise to a total € 2.8 million liability, which represents the unrealised opportunity of paying in the future, for the duration of the loans, the variable rates currently expected instead of the rates agreed. The amount relates to the interest rate swaps entered into by the Subsidiary Recordati to hedge the interest rates on loans with lender consortia in 2023 (€ 1.7 million) and in 2022 (€ 1.1 million).

As of 31 December 2025, other hedging transactions were in place on foreign currency positions, the measurement of which was negative for € 2.1 million compared to the € 1.3 million as of 31 December 2024, with the difference recognised to the income statement and offsetting the exchange gains arising from the valuation of the underlying positions at current exchange rates.

The fair value of these hedging derivatives is measured at level two of the hierarchy provided for in accounting standard IFRS 13 (see note 2). The fair value is equal to the current value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve which reflects the relevant benchmark interbank rate used by market participants for pricing interest rate swaps.

30. SHORT-TERM DEBTS TO BANKS AND OTHER LENDERS

Short-term debts to banks and other lenders as of 31 December 2025 were € 23.8 million and mainly comprise temporary use of short-term credit lines by the Subsidiary Recordati, as well overdrafts of a number of foreign associates and interest due on existing loans.

On 1 March 2025, the Subsidiary Recordati renewed the revolving credit line with UniCredit, with a maximum term of 12 months and for a maximum amount of € 24 million. This credit line, which had not been used as of 31 December 2025, is a short-term financing instrument providing financial flexibility, combining irrevocability with variability of use based on specific financial requirements. The agreement signed requires compliance with financial and income conditions similar to those for other existing loans (see Note 21). These conditions were met.

On 18 July 2024, the super senior revolving credit facilities agreement originally dated 26 October 2018, as amended and restated on 15 June 2023 and as further amended and restated from time to time, between, among others, the Parent Company, the Deutsche Bank AG, London Branch as Agent and several lenders (the "RCF") was amended and restated. The amendment included i) the extension of the maturity date until the maturity of the New Notes, and ii) the amendment of certain terms and conditions (including but not limited to the increase of the RCF commitments to EUR 197,500,000, and the alignment the covenants to those contained in the Indenture (note 20)). As of 31 December 2025, the amount is undrawn and covenants are met.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

As prescribed by IFRS 7, the book values and fair values as of 31 December 2025 of financial assets and liabilities are presented below:

31/12/2025 € (thousands)	Book value	Fair value
Financial assets		
Financial assets measured at fair value		
Other equity investments and securities	16,244	16,244
Derivative instruments measured at fair value	8,074	8,074
Financial liabilities		
Financial liabilities measured at fair value		
Derivative instruments measured at fair value	4,862	4,862
Other payables	3,964	3,964
Financial liabilities not measured at fair value		
Loans		
- at variable interest rates	1,338,283	1,338,283
- at variable interest rates hedged with interest rate swaps	681,884	681,884
- at fixed interest rates	362,139	352,177
- at fixed interest rates hedged with cross currency swaps	12,133	12,244
- lease liabilities	49,198	49,198
- New Senior Secured Fixed Rate Notes and New Senior Secured Floating Rate Notes	1,334,214	1,334,214
Short-term debts to banks and other lenders	23,849	23,849

31/12/2024 € (thousands)	Book value	Fair value
Financial assets		
Financial assets measured at fair value		
Other equity investments and securities	17,385	17,385
Derivative instruments measured at fair value	15,376	15,376
Financial liabilities		
Financial liabilities measured at fair value		
Derivative instruments measured at fair value	5,633	5,633
Other payables	3,822	3,822
Financial liabilities not measured at fair value		
Loans		
- at variable interest rates	1,637,984	1,637,984
- at variable interest rates hedged with interest rate swaps	463,410	463,410
- at fixed interest rates	275,009	275,009
- at fixed interest rates hedged with cross currency swaps	36,371	36,371
- lease liabilities	48,809	48,809
- New Senior Secured Fixed Rate Notes and New Senior Secured Floating Rate Notes	1,828,057	1,828,057
Short-term debts to banks and other lenders	22,845	22,845

The financial assets and financial liabilities not disclosed above are short-term in nature and therefore their carrying amounts are considered as reasonable approximations of their fair value.

32. DISCLOSURE OF FINANCIAL RISKS

The Group constantly monitors the financial risks to which it is exposed in order to take immediate mitigating actions when necessary.

The Group aims at achieving a balanced and prudent financial structure as a basic condition for funding internal and external growth, minimising financing costs and maximising yields. Speculative investments in equities, funds or financial assets which could impair the value of the company are forbidden.

The only financial investments permitted are investments in risk-free assets and/or funds issued by major financial institutions.

The Group monitors the financial risks to which it is exposed in order to take immediate mitigating actions, whenever necessary, in compliance with the applicable legislations and regulations.

All companies belonging to the Group work only with investment grade banks.

On the basis of the above and considering that the related effects would be insignificant, no sensitivity analysis has been performed.

As prescribed by IFRS 7, the main financial risks to which the Group is exposed are disclosed below.

Credit risk - The Group closely controls its credit exposure through the allocation of credit limits to each single customer and an internal reporting system. As of 31 December 2025, the credit exposure was not critical due to the large number of customers, their geographic distribution and the average amount of each account receivable. In particular, as of 31 December 2025, total trade receivables of € 584.8 million included € 29.2 million in receivables past due by more than 90 days. Of these, € 6.8 million are receivables from public hospitals which, despite their long collection times, do not represent a significant risk situation. The provisions for doubtful accounts of € 14.7 million are considered sufficient to cover potential losses due to insolvency. The measurement of credit risk also took into account the potential impact of the Ukraine conflict.

Interest rate risk - The Group raises funds using debt and invests excess cash in money market and other financial instruments. The fluctuation of market interest rates influences the cost and returns of the debt and investment instruments, therefore affecting the Group's net financial expenses.

The Group's policy is to limit the risk arising from interest rate fluctuations by establishing fixed interest loans or variable interest loans hedged by derivative financial instruments, which are used to hedge risk and are never of a speculative nature, to minimise such fluctuations, as described in Note 21. As a result of this policy and considering the current amount of net debt, it is believed that changes in current interest rates would not have a significant impact on net financial expenses.

Foreign currency risk - The Group is exposed to foreign currency exchange rate fluctuations, which can affect its operating results and the value of its equity. All companies are subject to exchange rate fluctuations affecting trade and financial balances denominated in currencies different from their own. In order to limit this risk, in some cases, non-speculative hedging instruments are negotiated.

32. DISCLOSURE OF FINANCIAL RISKS – continued

Foreign currency risk - continued

In relation to the euro companies, as of 31 December 2025 the main net exposures in other currencies not hedged by derivative instruments, were as follows:

- net activities of 33.3 million Polish zloty;
- net activities of 4.1 million English pounds;
- net activities of 11.5 million Rumanian RON;
- net activities of 155.5 million Russian roubles;
- net activities of 28.7 million Mexican pesos;
- net liabilities of 4.0 million Swiss francs;
- net liabilities of 1.8 million US dollars.

Among the non-euro companies, as of 31 December 2025, the main net exposures in currencies other than the company's national currency and not hedged by derivative instruments are in euro, US dollars, Colombian pesos and Japanese yen. The net exposures in euro are mainly related to the companies based in Czech Republic (net activities of 4.8 million), Poland (net activities of 3.0 million), Switzerland (net activities of 2.5 million), Türkiye (net activities of 1.7 million), Tunisia (net activities of 1.4 million), Ukraine (net liabilities of 2.5 million), United States (net liabilities of 2.6 million), Australia (net liabilities of 3.0 million), Mexico (net liabilities of 4.8 million), Brazil (net liabilities of 4.8 million) and Sweden (net liabilities of 6.0 million). Net exposures in US dollars refer mainly to the companies in Switzerland (net activities of 1.6 million), Colombia (net liabilities of 6.1 million) and Brazil (net liabilities of 6.2 million). Net exposures in Colombian pesos refer mainly to the companies in the United States (net activities of 17,408.8 million) and in Switzerland (net liabilities of 6,594.3 million). Net exposures in Japanese yen refer mainly to the companies in the United States (net activities of 237.3 million) and Switzerland (net activities of 196.6 million).

For consolidation purposes, the income statements and balance sheets of the non-euro companies have been converted from their local currencies into euro. As of 31 December 2025, the net asset values of these companies, excluding goodwill, are denominated mainly in US dollars (554.2 million), Swiss francs (590.8 million), Turkish lira (4,092.8 million), Russian roubles (9,265.7 million), pounds sterling (14.8 million), Czech crowns (501.8 million), Romanian ron (59.4 million), Polish zloty (130.2 million) and Tunisian dinars (134.1 million). The effect of exchange rate variations on the conversion of these amounts is recognised in the consolidated statement of comprehensive income and booked to the translation reserve in shareholders' equity which, as of 31 December 2025, was a negative € 348.4 million.

Liquidity risk - The liquidity risk to which the Group may be exposed is represented by the inability to raise sufficient financial resources for its ongoing business and for the development of its industrial and commercial activities. The two main factors which determine the Group's liquidity are, on the one hand, the cash generated or absorbed by operations and by investments, and on the other, the expiry and renewal terms of debt or the degree of liquidity of financial investments and market conditions. As of 31 December 2025, the Group has at its disposal liquidity readily available for its operations and plentiful lines of credit granted by a number of leading Italian and international financial institutions. The terms and conditions of the Group's loans and its financial assets are set out in Notes 18, 21 and 30 which address, respectively, short-term financial investments, cash and cash equivalents, medium/long-term loans and payables to banks. The Group believes that the funds and credit lines currently available, in addition to those generated by operations and financing activities, are sufficient to meet investment needs, working capital requirements and the repayment of debts at their natural due dates.

32. DISCLOSURE OF FINANCIAL RISKS – continued

Climate change risk - the Group acknowledges a potential long-term physical and transitional risk linked to climate change and will continue to monitor this potential risk over coming years. Regarding short and medium-term risk, considering the sector in which the Group operates, Recordati has currently classified climate change as a risk without concrete or material impacts on company operations.

33. OPERATING SEGMENTS

The financial information reported by line of business and geographic area, in compliance with IFRS 8 – Operating Segments, is prepared using the same accounting principles used for the preparation and disclosure of the Group’s consolidated financial statements.

Based on the characteristics of their business, operational and strategic models two main business segments can be identified, the Specialty and Primary Care segment and the segment dedicated to treatments for rare diseases.

The identification took into account the different management and marketing strategies applied to the products belonging to the two segments. Consequently, clearly identified and separate models and organisational structures have been developed.

The geographic footprint of the Group’s Specialty & Primary Care business is focused mainly on Europe. The Group operates in the main European markets, including Central and Eastern Europe, Russia and the other C.I.S. countries, Ukraine, Turkey and Tunisia, where it has established its own subsidiaries. In the rest of the world sales of Specialty and Primary Care products are carried out mainly through licensing agreements with pharmaceutical companies of high standing. The Group has gradually extended its international presence through the acquisition of existing marketing organisations with the aim of adding our proprietary products and those obtained under multi-territorial licenses to the local portfolios.

The Group’s segment dedicated to treatments for rare diseases is a worldwide business. The Group operates through Recordati Rare Diseases, its dedicated group of subsidiaries, sharing the conviction that each person with a rare disease has the right to the best possible treatment. Our organisations work closely with specialists, health care professionals, patients, their families and associations to spread knowledge, improve diagnosis and treatment, and enable access to treatment by supporting patients. Recordati Rare Diseases operates directly in Europe, the Middle East, North Africa, the U.S.A., Canada, Mexico, Brazil, Colombia, Japan, Australia, New Zealand, China and South Korea, through its subsidiaries and highly qualified distributors in the rest of the world.

The Group’s CEO, together with the segment managers, reviews the internal management reports for each segment at least quarterly.

The two following tables show financial information for these two business segments as of 31 December 2025 and include comparative data.

33. OPERATING SEGMENTS – continued

€ (thousands)	Specialty & Primary Care segment*	Rare diseases segment	Values not Allocated**	Consolidated financial statements
2025				
Revenue	1,536,934	1,081,449	-	2,618,383
Expenses	(1,142,115)	(805,460)	(124,114)	(2,071,689)
<i>of which:</i>				
<i>depreciation & amortization</i>	<i>(95,565)</i>	<i>(111,870)</i>	<i>(121,128)</i>	<i>(328,563)</i>
<i>material items of expenses⁽¹⁾</i>	<i>(37,114)</i>	<i>(76,696)</i>	<i>(2,986)</i>	<i>(116,796)</i>
Operating income	394,819	275,989	(124,114)	546,694
2024				
Revenue	1,507,704	833,855	-	2,341,559
Expenses	(1,080,974)	(621,728)	(125,105)	(1,827,807)
<i>of which:</i>				
<i>depreciation & amortization</i>	<i>(95,565)</i>	<i>(111,870)</i>	<i>(121,578)</i>	<i>(206,435)</i>
<i>material items of expenses</i>	<i>(37,114)</i>	<i>(76,696)</i>	<i>(3,527)</i>	<i>(113,810)</i>
Operating income	426,730	212,127	(125,105)	513,752

* Includes pharmaceutical chemical operations.

⁽¹⁾ Specialty and Primary segment: restructuring (€ 17.9 million), Urorec® payback (€ 12.8 million), write-downs of intangible assets (€ 6.2 million), write-downs of property, plant and equipment (€ 0.2 million). Rare diseases segment: revaluation of inventories (€ 66.8 million), EUSA Pharma acquisition (€ 4.2 million), write-downs of intangible assets (€ 3.3 million), voluntary liquidation of the Chinese branch (€ 2.4 million).

** Amounts not allocated refer to Recordati PPA adjustments and also include Rossini S.à r.l. items because it does not consist of an operating segment being the parent company supporting the business activities of the Group.

33. OPERATING SEGMENTS – continued

€ (thousands)	Specialty & Primary Care segment*	Rare diseases segment	Values not allocated**	Consolidated financial statements
31 December 2025				
Non-current assets	1,515,755	2,042,371	4,273,146	7,831,272
Inventories	311,363	228,441	-	539,804
Trade receivables	327,785	242,369	-	570,154
Other receivables and other current assets	61,713	69,336	8,104	139,153
Cash and cash equivalents	-	-	464,038	464,038
Total assets	2,216,616	2,582,517	4,745,288	9,544,421
Non-current liabilities	36,160	113,365	3,883,133	4,032,658
Current liabilities	320,907	389,723	342,287	1,052,917
Total liabilities	357,067	503,088	4,225,420	5,085,575
Net capital employed	1,859,549	2,079,429		
31 December 2024				
Non-current assets	1,534,603	2,091,067	4,394,017	8,019,687
Inventories	293,569	212,878	-	506,447
Trade receivables	299,148	217,595	-	516,743
Other receivables and other current assets	52,772	77,639	15,376	145,787
Cash and cash equivalents	-	-	375,792	375,792
Total assets	2,180,092	2,599,179	4,785,185	9,564,456
Non-current liabilities	37,047	117,730	4,454,407	4,609,184
Current liabilities	328,477	284,331	316,523	929,331
Total liabilities	365,524	402,061	4,770,930	5,538,515
Net capital employed	1,814,568	2,197,118		

*Includes pharmaceutical chemical operations.

** Amounts not allocated refer to the items other equity investments and securities, cash and cash equivalents, loans, derivative instruments and short-term debts to banks and other lenders, and Recordati PPA adjustments;
Amounts not allocated include as well Rossini S.à r.l. items because it does not consist of an operating segment being the parent company supporting the business activities of the Group.

The pharmaceutical chemical business is considered part of the Specialty & Primary Care segment as it is mainly engaged in the production of active ingredients for finished pharmaceutical products, both from a strategic and organisational point of view. No single customer contributed more than 10% to revenue in 2025 or in 2024.

The following table shows net revenue by geographic area:

€ (thousands)	2025	2024
Europe	1,735,863	1,650,059
<i>of which Italy</i>	329,190	336,264
Asia and Oceania	204,760	156,011
America	605,343	477,463
Africa	72,417	58,026
Total	2,618,383	2,341,559

The Group's production facilities are located almost exclusively in Europe, and therefore non-current assets and investments are, for the most part, in this geographic area.

34. NET FINANCIAL POSITION

The following table summarises the Group's net financial position: This situation is in line with the CONSOB call for attention 5/21 of 29 April 2021, in compliance with "Guidelines on disclosure requirements pursuant to the Prospectus Regulations", published by ESMA on 4 March 2021 in the document "ESMA32-382-1138".

€ (thousands)	31/12/2025	31/12/2024
Deposits in bank current accounts and cash on hand	444,161	296,828
Short-term time deposits	19,877	78,963
Cash and cash equivalents	464,038	375,791
Short-term debts to banks and other lenders	(23,849)	(22,845)
Loans - due within one year	(283,380)	(248,389)
Notes issued ⁽¹⁾	(18,321)	(25,862)
Leasing liabilities – due within one year	(11,298)	(10,696)
Short-term borrowings	(336,848)	(307,792)
Short-term financial position	127,190	67,999
Loans - due after one year	(1,790,034)	(1,928,294)
Notes issued ⁽¹⁾	(1,630,899)	(2,030,615)
Leasing liabilities – due after one year	(37,900)	(38,113)
Non-current financial debt	(3,458,833)	(3,997,022)
Net financial position	(3,331,643)	(3,929,023)

(1) Includes the fair value measurement of the relative currency risk hedging instruments (cash flow hedge).

35. LITIGATION AND CONTINGENT LIABILITIES

The Subsidiary Recordati and some subsidiaries are parties to minor legal actions and disputes, the outcomes of which are not expected to result in any liability. Potential liabilities currently assessed as possible are not of significant amounts. Some agreements require the payment of future milestones as certain conditions—whose fulfilment is uncertain yet—occur, with the consequence that the contractually required payments are now merely potential. The estimated value as of 31 December 2025 is approximately € 408 million, mainly related to the acquisition of the rights to Enjaymo® and Vazkepa®, whose agreements provide for additional payments of up to US\$ 250 million and US\$ 150 million, respectively, linked to commercial milestones referring specifically to the potential achievement of certain net revenue thresholds equal to or above peak annual total sales expectations.

36. RELATED PARTY TRANSACTIONS

The Group's direct parent is Rossini Acquisition S.à r.l., with headquarters in Luxembourg, which is owned by a consortium of investment funds controlled by CVC Capital Partners.

To our knowledge, no transactions or contracts have been entered into with related parties that can be considered significant in terms of value or conditions, or which could in any way materially affect the accounts. In compliance with the disclosure obligations required by Article 38 of Italian Legislative Decree 127/91, it is hereby specified that the overall compensation of the Directors and Statutory Auditors of the Subsidiary Recordati for the performance of their specific functions, including those in other Group companies, during 2025 amounted to € 2.5 million and € 0.2 million respectively.

Compensation of directors and other key management is broken down in the following table:

€ (thousands)	2025	2024
Fixed remuneration	3,168	3,027
Non-monetary benefits	233	175
Bonuses and other incentives	1,620	2,147
Share-based payments	2,401	2,348
Total	7,422	7,697

Compensation of the Group's key management personnel includes salaries and non-cash benefits. The executive officers also participate in the Group's stock option and performance share plans.

Except for what is stated above, to our knowledge, no transactions or contracts have been entered into with related parties that can be considered significant in terms of value or conditions, or which could in any way materially affect the accounts.

37. SUBSEQUENT EVENTS

On 29 January 2026, Recordati announced the signing of a licence and partnership agreement with Moderna for the development and marketing, at international level, of mRNA-3927, an investigational product for the treatment of propionic acidemia. According to the terms of the agreement, Moderna will continue to lead the development of mRNA-3927 in collaboration with Recordati and, in case of product approval, Recordati will lead its global marketing. mRNA-3927 is a proof-of-concept post-investigational product intended to restore the activity of the enzyme propionyl-CoA carboxylase (PCC) in patients affected by propionic acidemia. If approved, the product could be the first therapeutic option available on the market capable of changing the course of this severe disease. At present, mRNA-3927 is being assessed for a possible registry-based clinical trial. The number of target participants has been reached, with initial data expected by late 2026. According to the terms of the agreement, Recordati will make an upfront payment of US\$ 50 million to Moderna and will pay up to an additional US\$ 110 million depending on the achievement of short-term regulatory and development milestones. Moderna will also be entitled to receive commercial and sales milestones, in addition to staggered royalties on annual net sales. Recordati does not foresee any significant impact on its EBITDA before the potential launch.

On 10 February 2026, the Company proceeded to a partial repayment of the share premium account for an amount of EUR 5,500,000.00 to the sole shareholder.

37. SUBSEQUENT EVENTS - continued

On 28 February 2026, a conflict began in the Persian Gulf region involving several countries. Although the Group operates only in certain parts of the affected Middle Eastern region, it continues to monitor the progress of the conflict and geopolitical developments to assess their potential impact on its personnel, supply chain, and activities.

On 31 March 2026, the Parent Company made an interest payment of the New Floating Notes for an amount of EUR 5,142,514.55.

Except for the above, no significant events occurred subsequent to the reporting date.

38. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED ACCOUNTS AS AT 31 DECEMBER 2025

Consolidated companies	Head office	Share capital	Currency	Consolidation method
ROSSINI S.à r.l. Parent Company	Luxembourg	1,836,206.35	EUR	Line-by-line
RECORDATI S.p.A. <i>Development, production, marketing and sales of pharmaceuticals and pharmaceutical chemicals</i>	Italy	26,140,644.50	EUR	Line-by-line
INNOVA PHARMA S.p.A. <i>Marketing of pharmaceuticals</i>	Italy	1,920,000.00	EUR	Line-by-line
CASEN RECORDATI S.L. <i>Development, production, and sales of pharmaceuticals</i>	Spain	238,966,000.00	EUR	Line-by-line
BOUCHARA RECORDATI S.A.S. <i>Development, production, and sales of pharmaceuticals</i>	France	4,600,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES COMERCIO DE MEDICAMENTOS LTDA <i>Marketing of pharmaceuticals</i>	Brazil	166.00	BRL	Line-by-line
RECORDATI RARE DISEASES INC. <i>Development, production, and sales of pharmaceuticals</i>	U.S.A.	11,979,138.00	USD	Line-by-line
RECORDATI IRELAND LTD <i>Development, production, and sales of pharmaceuticals</i>	Ireland	200,000.00	EUR	Line-by-line
LABORATOIRES BOUCHARA RECORDATI S.A.S. <i>Development, production, and sales of pharmaceuticals</i>	France	14,000,000.00	EUR	Line-by-line
RECORDATI PHARMA GmbH <i>Marketing of pharmaceuticals</i>	Germany	600,000.00	EUR	Line-by-line
RECORDATI PHARMACEUTICALS LTD <i>Marketing of pharmaceuticals</i>	United Kingdom	15,000,000.00	GBP	Line-by-line
RECORDATI HELLAS PHARMACEUTICALS S.A. <i>Marketing of pharmaceuticals</i>	Greece	10,050,000.00	EUR	Line-by-line
JABA RECORDATI S.A. <i>Marketing of pharmaceuticals</i>	Portugal	2,000,000.00	EUR	Line-by-line
JABAFARMA PRODUTOS FARMACÊUTICOS S.A. <i>Promotion of pharmaceuticals</i>	Portugal	50,000.00	EUR	Line-by-line
BONAFARMA PRODUTOS FARMACÊUTICOS S.A. <i>Promotion of pharmaceuticals</i>	Portugal	50,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES MIDDLE EAST FZ LLC <i>Marketing of pharmaceuticals</i>	United Arab Emirates	100,000.00	AED	Line-by-line
RECORDATI AB <i>Marketing of pharmaceuticals</i>	Sweden	100,000.00	SEK	Line-by-line
RECORDATI RARE DISEASES S.à r.l. <i>Development, production, and sales of pharmaceuticals</i>	France	419,804.00	EUR	Line-by-line
RECORDATI RARE DISEASES UK Limited <i>Marketing of pharmaceuticals</i>	United Kingdom	50,000.00	GBP	Line-by-line
RECORDATI RARE DISEASES GERMANY GmbH <i>Marketing of pharmaceuticals</i>	Germany	25,600.00	EUR	Line-by-line
RECORDATI RARE DISEASES SPAIN S.L. <i>Marketing of pharmaceuticals</i>	Spain	1,775,065.49	EUR	Line-by-line
RECORDATI RARE DISEASES ITALY S.R.L. <i>Marketing of pharmaceuticals</i>	Italy	40,000.00	EUR	Line-by-line

Consolidated companies	Head office	Share capital	Currency	Consolidation method
RECORDATI BV <i>Marketing of pharmaceuticals</i>	Belgium	18,600.00	EUR	Line-by-line
FIC MEDICAL S.à r.l. <i>Promotion of pharmaceuticals</i>	France	173,700.00	EUR	Line-by-line
HERBACOS RECORDATI s.r.o. <i>Development, production, and sales of pharmaceuticals</i>	Czech Republic	25,600,000.00	CZK	Line-by-line
RECORDATI SK s.r.o. <i>Marketing of pharmaceuticals</i>	Slovak Republic	33,193.92	EUR	Line-by-line
RUSFIC LLC <i>Development, promotion, and sales of pharmaceutical products</i>	Russian Federation	3,560,000.00	RUB	Line-by-line
RECORDATI ROMÂNIA S.R.L. <i>Marketing of pharmaceuticals</i>	Romania	5,000,000.00	RON	Line-by-line
RECORDATI İLAÇ Sanayi Ve Ticaret A.Ş. <i>Development, production, and sales of pharmaceuticals</i>	Türkiye	180,000,000.00	TRY	Line-by-line
RECORDATI POLSKA Sp. z o.o. <i>Marketing of pharmaceuticals</i>	Poland	4,500,000.00	PLN	Line-by-line
ACCENT LLC <i>Holds pharmaceutical marketing rights</i>	Russian Federation	20,000.00	RUB	Line-by-line
RECORDATI UKRAINE LLC <i>Marketing of pharmaceuticals</i>	Ukraine	1,031,896.30	UAH	Line-by-line
CASEN RECORDATI PORTUGAL Unipessoal Lda <i>Marketing of pharmaceuticals</i>	Portugal	100,000.00	EUR	Line-by-line
OPALIA PHARMA S.A. <i>Development, production, and sales of pharmaceuticals</i>	Tunisia	9,656,000.00	TND	Line-by-line
OPALIA RECORDATI S.à r.l. <i>Promotion of pharmaceuticals</i>	Tunisia	20,000.00	TND	Line-by-line
RECORDATI RARE DISEASES S.A. DE C.V. <i>Marketing of pharmaceuticals</i>	Mexico	16,250,000.00	MXN	Line-by-line
RECORDATI RARE DISEASES COLOMBIA S.A.S. <i>Marketing of pharmaceuticals</i>	Colombia	150,000,000.00	COP	Line-by-line
ITALCHIMICI S.p.A. <i>Marketing of pharmaceuticals</i>	Italy	7,646,000.00	EUR	Line-by-line
RECORDATI AG <i>Marketing of pharmaceuticals</i>	Switzerland	15,000,000.00	CHF	Line-by-line
RECORDATI AUSTRIA GmbH <i>Marketing of pharmaceuticals</i>	Austria	35,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES CANADA Inc. <i>Marketing of pharmaceuticals</i>	Canada	350,000.00	CAD	Line-by-line
RECORDATI RARE DISEASES JAPAN K.K. <i>Marketing of pharmaceuticals</i>	Japan	90,000,000.00	JPY	Line-by-line
NATURAL POINT S.r.l. <i>Marketing of pharmaceuticals</i>	Italy	10,400.00	EUR	Line-by-line
RECORDATI RARE DISEASES AUSTRALIA Pty Ltd <i>Marketing of pharmaceuticals</i>	Australia	200,000.00	AUD	Line-by-line
RECORDATI BULGARIA Ltd <i>Marketing of pharmaceuticals</i>	Bulgaria	50,000.00	BGN	Line-by-line

Consolidated companies	Head office	Share capital	Currency	Consolidation method
RECORDATI (BEIJING) PHARMACEUTICAL CO., Ltd <i>Promotion of pharmaceuticals</i>	People's Republic of China	1,000,000.00	EUR	Line-by-line
RECORDATI RARE DISEASES FZCO <i>Marketing of pharmaceuticals</i>	United Arab Emirates	1,000.00	AED	Line-by-line
RECORDATI UK LTD <i>Research and marketing of pharmaceuticals</i>	United Kingdom	10.00	EUR	Line-by-line
RECORDATI Netherlands B.V. <i>Marketing of pharmaceuticals</i>	Netherlands	1.00	EUR	Line-by-line
EUSA Pharma (CH) GmbH, in liquidation <i>Marketing of pharmaceuticals</i>	Switzerland	20,000.00	CHF	Line-by-line
RECORDATI KOREA, Co. Ltd <i>Marketing of pharmaceuticals</i>	South Korea	100,000,000.00	KRW	Line-by-line
RECORDATI RARE DISEASES MENA RHQ ⁽¹⁾ <i>Marketing of pharmaceuticals</i>	Saudi Arabia	500,000.00	SAR	Line-by-line
RECORDATI ARGENTINA S.R.L. ⁽¹⁾ <i>Marketing of pharmaceuticals</i>	Argentina	88,605,000.00	ARS	Line-by-line
RECORDATI (BEIJING) PHARMACEUTICAL CO., Ltd <i>Promotion of pharmaceuticals</i>	People's Republic of China	1,000,000.00	EUR	Line-by-line

(1) Set up in 2024

38. SUBSIDIARIES INCLUDED IN THE CONSOLIDATED ACCOUNTS AT 31 DECEMBER 2024 - continued

Consolidated companies	Recordati S.p.A. Parent Company	Recordati S.p.A.	Recordati Pharma GmbH	Bouchara Recordati S.a.s.	Casen Recordati S.L.	Recordati Rare Diseases S.à r.l.	Herbacos Recordati s.r.o.	Opalia Pharma S.A.	Recordati AG	Recordati UK LTD	Total
RECORDATI S.P.A	100.00										100.00
INNOVA PHARMA S.P.A.		100.00									100.00
CASEN RECORDATI S.L.		100.00									100.00
BOUCHARA RECORDATI S.A.S.		100.00									100.00
RECORDATI RARE DISEASES COMERCIO DE MEDICAMENTOS LTDA		100.00									100.00
RECORDATI RARE DISEASES INC.		100.00									100.00
RECORDATI IRELAND LTD		100.00									100.00
LABORATOIRES BOUCHARA RECORDATI S.A.S.				100.00							100.00
RECORDATI PHARMA GmbH		55.00			45.00						100.00
RECORDATI PHARMACEUTICALS LTD		100.00									100.00
RECORDATI HELLAS PHARMACEUTICALS S.A.		100.00									100.00
JABA RECORDATI S.A.					100.00						100.00
JABAFARMA PRODUTOS FARMACÉUTICOS S.A.					100.00						100.00
BONAFARMA PRODUTOS FARMACÉUTICOS S.A.					100.00						100.00
RECORDATI RARE DISEASES MIDDLE EAST FZ LLC						100.00					100.00
RECORDATI AB						100.00					100.00
RECORDATI RARE DISEASES S.à r.l.		84.00	16.00								100.00
RECORDATI RARE DISEASES UK Limited						100.00					100.00
RECORDATI RARE DISEASES GERMANY GmbH						100.00					100.00
RECORDATI RARE DISEASES SPAIN S.L.						100.00					100.00
RECORDATI RARE DISEASES ITALY S.R.L.						100.00					100.00
RECORDATI BV						100.00					100.00
FIC MEDICAL S.à r.l.				100.00							100.00
HERBACOS RECORDATI s.r.o.		100.00									100.00
RECORDATI SK s.r.o.							100.00				100.00
RUSFIC LLC				100.00							100.00
RECORDATI ROMÂNIA S.R.L.		100.00									100.00
RECORDATI İLAÇ Sanayi Ve Ticaret A.Ş.					100.00						100.00
RECORDATI POLSKA Sp. z o.o		100.00									100.00
ACCENT LLC		100.00									100.00
RECORDATI UKRAINE LLC		0.01		99.99							100.00
CASEN RECORDATI PORTUGAL Unipessoal Lda					100.00						100.00
OPALIA PHARMA S.A.		90.00									90.00
OPALIA RECORDATI S.à R.L.				1.00				99.00			100.00
RECORDATI RARE DISEASES S.A. DE C.V.		99.998				0.002					100.00
RECORDATI RARE DISEASES COLOMBIA S.A.S.					100.00						100.00
ITALCHIMICI S.p.A.		100.00									100.00
RECORDATI AG		100.00									100.00
RECORDATI AUSTRIA GmbH								100.00			100.00
RECORDATI RARE DISEASES CANADA Inc.		100.00									100.00
RECORDATI RARE DISEASES JAPAN K.K.						100.00					100.00
NATURAL POINT S.r.l.		100.00									100.00
RECORDATI RARE DISEASES AUSTRALIA Pty Ltd						100.00					100.00
RECORDATI BULGARIA Ltd		100.00									100.00
RECORDATI (BEIJING) PHARMACEUTICAL CO., Ltd ⁽¹⁾		100.00									100.00
RECORDATI RARE DISEASES FZCO						100.00					100.00
RECORDATI UK LTD		100.00									100.00
RECORDATI Netherlands B.V.									100.00		100.00
EUSA Pharma (CH) GmbH, in liquidation									100.00		100.00
RECORDATI KOREA, Co. Ltd									100.00		100.00
RECORDATI RARE DISEASES MENA RHQ ⁽¹⁾						100.00					100.00
RECORDATI ARGENTINA SRL ⁽¹⁾		5.00								95.00	100.00

Annex 1 - CAPITAL STRUCTURE AND DEBT INSTRUMENTS Rossini S.à r.l.

Rossini S.à r.l. (EUR thousands)	31.12.2025 (unaudited)	31.12.2024 (unaudited)
Equity	1,354,512	1,162,830
Senior secured fixed rate notes	998,900	1,000,000
Senior secured floating rate notes	349,000	850,000
Other (receivables)/payables – net	206	272
(Cash)	(35,213)	(53,368)
(Deferred charges)	(12,298)	(21,084)



Annex 1 - CAPITAL STRUCTURE AND DEBT INSTRUMENTS Rossini S.à r.l. (cont`d)

DEBT INSTRUMENTS

Senior Secured Fixed Rate Notes (€999m) and Senior Secured Floating Rate Notes (€349m)

On 26 October 2018, the Company issued Senior Secured Floating Rate Notes due 2025 ("**Floating Notes**") for an aggregate amount of €650,000,000 and 6.75% Senior Secured Fixed Rate Notes due 2025 ("**Fixed Notes**") for an aggregate amount of €650,000,000. These notes were listed on the Euro MTF market of the Luxembourg Stock Exchange. On 18 July 2024, the Company redeemed in full the Fixed Notes and the Floating Notes, including the relevant redemption premiums and accrued but unpaid interest thereon, pursuant to an indenture dated 26 October 2018 as amended and supplemented from time to time, and issued €1,850,000,000 of senior secured notes, consisting of €1,000,000,000 in aggregate principal amount of Senior Secured Fixed Rate Notes due 2029 (the "**New Fixed Notes**") and €850,000,000 in aggregate principal amount of Senior Secured Floating Rate Notes (the "**New Floating Notes**") due 2029 (collectively, the "**New Notes**"). The New Notes are governed by New York law and are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market.

The gross proceeds of the offering of the New Notes were used to (i) redeem in full the Fixed Notes and the Floating Notes, including the relevant redemption premiums and accrued but unpaid interest thereon, pursuant to an indenture dated 26 October 2018 as amended and supplemented from time to time, lastly on 30 October 2019, (ii) make a cash interim dividend distribution and a share premium repayment, respectively for €5,754,937.06 and €571,357,723.35, the proceeds of which were used by Rossini Investments S.à r.l. ("**Rossini Investments**"), an indirect parent of the Company, to redeem in full €750,000,000 Secured Extendable Notes (the "**DP Notes**"), and (iii) pay fees and expenses incurred in connection with the offering of the New Notes.

Effective on 1 April 2025, the aggregate principal amount of the New Notes equal to €28,507,000.00 has been tendered for redemption, of which €27,407,000.00 of New Floating Notes and €1,100,000 on New Fixed Notes and related accrued interest. On 2 April 2025, the Company made an optional redemption of a portion of the principal amount of the New Floating Notes equal to €473,593,000.00 of the €850,000,000.00 original New Floating Notes outstanding.

As a result of the above transactions, the New Floating Notes outstanding amount to €349,000,000.00 and the New Fixed Notes to €998,900,000.00.

The New Fixed Notes bear a fixed interest rate of 6.750% payable semi annually. The maturity date of the New Fixed Notes is 31 December 2029 (ISIN Code: XS2854303729 Regulation S and XS2854304701 R144A).

During the year 2025, the Company proceeded to an interest repayment on the New Fixed Notes for an aggregate amount of EUR 67,444,518.75. As of period-end, the outstanding New Fixed Notes and the accrued interest amount to nominal €998,900,000.00 and €nil respectively. The interest charge of the year amounts to EUR 67,444,518.00.

Annex 1 - CAPITAL STRUCTURE AND DEBT INSTRUMENTS Rossini S.à r.l. (cont`d)

DEBT INSTRUMENTS

Senior Secured Fixed Rate Notes (€999m) and Senior Secured Floating Rate Notes (€349m)

The New Floating Notes are subject to an annual interest rate equal to 3 months EURIBOR (with 0% floor) plus 3.875% payable quarterly. The maturity date of the New Floating Notes is 31 December 2029 (ISIN Code: XS2854309684 Regulation S and XS2854305690 R144A).

During the year 2025, the Company proceeded to several interest repayments on the New Floating Notes for an aggregate amount of €29,893,676.66.

As of period-end, the outstanding New Floating Notes and the accrued interest amount to nominal € 349,000,000.00 and € nil respectively.

The interest charge of the year amounts to EUR 29,893,676.66.

In 2018, for the purposes of financing part of the indirect acquisition of FIMEI S.p.A. which owned ~ 51.82% of Recordati S.p.A., the Company together with its subsidiaries and holding companies negotiated the financing arrangements listed below. After the reverse merger by incorporation of Rossini Investimenti S.p.A. and FIMEI S.p.A. in Recordati S.p.A., the above mentioned financing arrangements were still existing.

Super senior revolving facilities (“ssRCF”) agreement

The English law governed €225,000,000 ssRCF agreement (the “**Facility Agreement**”) entered into on 26 October 2018 between, among others, the Company and Rossini Investimenti S.p.A. as original borrowers and certain financial institutions. From the merger effective date, Rossini Investimenti S.p.A. was released from its obligations as a borrower and guarantor under the Facility Agreement, the Facility B has been cancelled (i.e. €30,240,000) and, as result, the amount of the ssRCF was equal to €194,760,000.

On 18 July 2024, the Facility Agreement was amended and restated including, among others, (i) the extension of the maturity date of Facility A until the maturity of the New Notes, and (ii) the increase the ssRCF commitments from €194,760,000 to € 197,500,000.



Annex 1 - CAPITAL STRUCTURE AND DEBT INSTRUMENTS Rossini S.à r.l. (cont`d)

DP Notes – Rossini Investments

Rossini Investments issued the DP Notes to the sellers of the shares in Recordati S.p.A., indirectly, to the Company (via the acquisition of FIMEI S.p.A.) in 2018. The DP Notes were issued as part of the consideration for the acquisition of such shares. An additional €63.5 million in aggregate principal amount of DP Notes may be issued to one of the sellers in connection with the exercise of certain put and/or call option rights for certain shares.

The DP Notes were listed on the 3rd market of Vienna Stock Exchange (ISIN Code: LU1880346918). The maturity date of DP Notes was 6 June 2025, unless extended. Each DP Note bore interest in cash at the rate of 2% per annum payable annually, as well as an additional 2% accrued as payment in kind interest (“**PIK interest**”, at the option of the DP Notes Issuer such payment in kind interest may be paid in cash at the end of each interest period). On 19 July 2024, Rossini Investments redeemed in full the DP Notes and paid fees and expenses incurred in connection with the transaction.

Interest bearing Loan – Rossini Investments

On 19 July 2024, Rossini Investments entered into a €250,000,000 interest bearing loan (“**IBL**”) with Rossini Holdings S.à r.l., an indirect parent entity of the Company, with a 12 % interest rate per annum (PIK) and maturity 30 June 2030. During the first half 2025, the IBL including interest has been fully repaid by Rossini Investments to Rossini Holdings S.à r.l..

PIK Notes – Rossini Acquisition S.à r.l. (“Rossini Acquisition”)

The senior PIK notes (the “**PIK Notes**”) for a total amount up to €527,000,000.00 have been issued by Rossini Acquisition in April 2025 with maturity 30 March 2030. The PIK Notes are listed on Vienna MTF Stock Exchange (ISIN Code: LU3040569595), bearing an EURIBOR 6 months plus 7 % (reset quarterly), to be paid semi-annually in arrears on 30 March and 30 September of each year, commencing from 30 September 2025, with a possibility to PIK. On 30 September 2025, the Company decided to capitalize an interest amount equal to €21,668,981.00 (being 100%) of the PIK interest. As of 31 December 2025, the nominal amount outstanding of the PIK Notes amounts to €548,668,981.00.



Annex 1 - CAPITAL STRUCTURE AND DEBT INSTRUMENTS Rossini S.à r.l. (cont`d) – not consolidated

(EUR thousand)	Subscribed capital	Share premium account	Legal reserve	Interim dividends	Result brought forward	Profit or (loss) for the year	Total
Balance as of 31 December 2024	1,836	1,149,361	184	(5,754)	6,755	10,449	1,162,830
Allocation of previous year's result	-	-	-	5,754	4,694	(10,449)	-
Interim dividends (Written Resolutions 11 March 2025)	-	-	-	(87,634)	-	-	(87,634)
Interim dividends (Written Resolutions 19 June 2025)	-	-	-	(20,000)	-	-	(20,000)
Profit or (loss) for the year	-	-	-	-	-	299,316	299,316
Balance as of 31 December 2025	1,836	1,149,361	184	(107,634)	11,449	299,316	1,354,512

EQUITY

As of 31 December 2025, the subscribed and fully paid capital amounting to EUR 1,836 thousand is represented by 183,620,635 shares with a nominal value of EUR 0.01 each and the share premium account amounts to EUR 1,149,361 thousand, with no changes compared to 31 December 2024.

Annex 2 - FINANCIAL HIGHLIGHTS Rossini S.à r.l.

Pro-forma Rossini S.à r.l. capitalization as of 31 December 2025

Rossini S.à r.l. Capitalisation	(€m)	x Proportional EBITDA	(€m)	x Proportional EBITDA
Cash and cash equivalents ⁽¹⁾	(53)	(0.1)x	(35)	(0.1)x
Senior secured fixed rate notes	1 000	2.2x	999	2.2x
Senior secured floating rate notes	850	1.9x	349	0.8x
Proportional Recordati net debt ⁽²⁾	1 132	2.5x	976	2.1x
Total net look-through debt	2 928	6.4x	2 289	5.0x
Undrawn SSRCF	198		198	
<i>Loan / PIK Notes</i> ⁽⁵⁾	264		565	
Proportional LTM EBITDA ⁽³⁾		455		475

Recordati S.p.A. Capitalisation	(€m)	x Total EBITDA	(€m)	x Total EBITDA
Rossini S.à r.l. Shares ⁽⁴⁾	5 483	6.3x	4 753	4.8x
<i>LTV</i>		33%		28%
Public Market & Treasury Shares ⁽⁴⁾	5 098	5.9x	5 398	5.4x
Market Capitalisation at €48.54 per share⁽⁴⁾	10 583	12.2x	10 151	10.2x
Recordati net debt ⁽²⁾	2 154	2.5x	2 037	2.1x
Total Recordati capitalisation	12 736	14.7x	12 188	12.3x
Recordati LTM EBITDA		866		991

Note: Footnotes relate to 31 December 2025 numbers. Based on the Company's ownership of Recordati 46.82% on a fully diluted basis (47.91% net of treasury shares as of 31 December 2025). On 21 February 2025, the Company sold 10,456,258 shares of Recordati at the purchase price of €55.70 for a total amount of €82.4m

(1) Calculated as €35.2m of cash at the Company.

(2) Effective on 1 April 2025, the aggregate principal amount of the Notes equal to €28,507,000.00 has been tendered, of which €27,407,000.00 of Floating Notes and €1,100,000 on Fixed Notes. On 2 April 2025, the Company made an optional redemption of a portion of the principal amount of the Floating Notes equal to €473,593,000.00 of the €850,000,000.00 original Floating Notes outstanding. As a result of the above transactions, the Floating Notes outstanding amount to €349,000,000.00 and the Fixed Notes to €998,900,000.00.

(3) Based on net financial position of €2,037.3 m per Recordati FY 2025 earnings release (dated 18 February 2026) and includes: cash and short-term financial investments less bank overdrafts and medium/long-term loans which include the measurement at fair value of hedging derivatives.

(4) 47.91% (calculated net of 4,769,267 treasury shares as of 31 December 2025) of Recordati EBITDA of €991.1m.

(5) Closing price as of 31 December 2025.

(6) The Interest bearing loan of €250.0m including interest has been fully repaid. The PIK Notes have been issued by the shareholder of the Company, in April 2025 with maturity in 2030. On 30 September 2025, the Company decided to capitalize an interest amount equal to €21,668,981.00 (being 100%) of the PIK interest, increasing the nominal amount outstanding of the PIK Notes to €548,668,981.00.

Annex 2 - FINANCIAL HIGHLIGHTS Rossini S.à r.l.

Rossini S.à r.l. holdings structure financial highlights for the year 2025

	Income	Expenses	Cash
<p>Rossini S.à r.l. <i>Notes Issuer</i></p> <p>46.82%</p> <p>Recordati S.p.A.</p>	<ul style="list-style-type: none"> ~127.3m dividends paid by Recordati S.p.A. in whole Y2025 ~298.9m gain from the sale of 10.5 million shares of the Subsidiary 	<ul style="list-style-type: none"> ~€97.3m related to interest expenses on the New Floating Notes (~€29.9m) and on New Fixed Notes (~€67.4m) ~€1.8m mainly related to the unutilized fees on ssRCF ~€8.8m¹ refers to the amortised cost on refinancing ~€12.0m related to the early redemption fees ~€2.9m refers to the fees on disposal of shares ~€7.1m mainly related to, administrative, bank and consulting fees. 	<ul style="list-style-type: none"> Cash Balance: €35.2m ~€127.3m dividends received from Recordati S.p.A. ~€107.6m interim dividend paid to the sole shareholder (~€28.5m) paid on the Notes tendered (~€473.6m) redemption of the Floating New Notes (~€97.3m)m Interest paid on New Floating Notes and New Fixed Notes (~€1.8m) unutilized fees paid on ssRCF ~€582m received from the sale of Recordati S.p.A. shares (~€12.0m) related to the early redemption fees (~€7.1)m paid mainly related to the administrative, bank and consulting fees.

1) ~€8.8m refers to the amortization charge of the year for the New Notes.

Annex 2 - FINANCIAL HIGHLIGHTS Rossini S.à r.l.

Consolidated EBITDA 31.12.2025

We report Consolidated YTD EBITDA as of 31.12.2025, and YTD EBITDA as of 31.12.2024 at the level of Recordati S.p.A., where EBITDA is defined as net income plus provision for income taxes plus financial income (expense), net plus amortization and depreciation. Below is a reconciliation table from net income to EBITDA for Recordati S.p.A., with all figures taken from the financial statements of Recordati S.p.A..

(EUR thousands)	QTD	YTD
	31.12.2025 (unaudited)	31.12.2024 (unaudited)
Net income	443,624	416,508
Income Taxes	137,650	130,676
Financial (income)/expense, net	89,534	91,673
Non-recurring operating expenses	37,313	8,048
Non-cash changes from PPA inventory uplift	66,766	37,511
Adjusted operating income	774,887	684,4165
Depreciation, amortization and write-downs	216,166	181,355
Consolidated EBITDA	991,053	865,771

Annex 3 – MANAGEMENT AND SHAREHOLDERS Rossini S.à r.l.

BOARD OF DIRECTORS

The board of directors (*conseil de gérance*) of the Company (the “Board”) comprises five directors appointed by CVC Funds¹. Members of the Board are appointed for an indefinite term. The Board is responsible for managing the Company in accordance with applicable laws, constitutional documents and resolutions of the shareholders’ meeting. The principal functions of the Board are to carry out the business of Rossini S.à r.l. and to legally represent the Company in its dealings with third parties. The persons set forth below constitute the Board.

Name	Title
Mr. Philip Robertson	Director
Ms. Carmen André	Director
Mrs. Katia Panichi	Director
Mr. Thomas Bryan	Director
Mrs. Monica Porfilio	Director

The following is biographical information for each of the members of the Board:

Phil Robertson. Phil Robertson was appointed to the Board of Rossini S.à r.l. on 31 July 2018. Mr. Robertson holds a degree in mathematics with economics from University College London. From 2003 to 2012, Mr. Robertson worked in the Investment and Merchant Banking divisions of Goldman Sachs in London and Sydney, focusing on M&A, private equity and leveraged finance. In 2012, Mr. Robertson joined the capital markets team at CVC in London.

Carmen André. Carmen André was appointed to the Board of Rossini S.à r.l. on 13 July 2018. She is Director of Corporate Administration with CVC Advisers (Luxembourg) S.à r.l., having joined in May 2018. She previously worked as Senior Associate for 10 years in the Corporate, Finance and Capital Market department at Dentons Luxembourg (f.k.a. OPF Partners). Ms. André also serves on the board of certain CVC Capital Partners related companies. She holds a Bachelor Degree in Law from the HELMo St Martin (Belgium).

¹CVC Funds means, collectively, funds, vehicles or limited partnerships managed or advised by any of Clear Vision Capital Fund SICAV-FIS S.A. and each of its subsidiary undertakings from time to time and CVC Capital Partners Advisory Group Holding Foundation and each of its subsidiary undertakings from time to time

Annex 3 - MANAGEMENT AND SHAREHOLDERS Rossini S.à r.l. (cont`d)

Katia Panichi. Katia Panichi was appointed to the Board of Rossini S.à r.l. on 13 July 2018. Mrs. Panichi holds an LLM in international business, trade and tax law from King's College, London (UK) and a Maîtrise in international business law from the Université Paris 1 Panthéon-Sorbonne (France). Mrs. Panichi has been a lawyer since 1999 and her principal fields of activity are corporate law, mergers and acquisitions, capital markets, finance, structured finance and securitisation.

Thomas Bryan. Thomas Bryan was appointed to the Board of Rossini S.à r.l. on 25 February 2020. Mr Bryan is a member of the CVC healthcare team and is based in London. Prior to joining CVC, he spent 6 years in the Rothschild healthcare team. He holds an MChem degree from Christ Church, University of Oxford.

Monica Porfilio. Monica Porfilio was appointed to the Board of Rossini S.à r.l. on 22 February 2021. She is chief financial and administrative officer of Rossini S.à r.l., which she joined in 2019. She has experience as chief financial officer and operating officer of financial companies in Luxembourg and management roles focused on strategy, financial and operations areas across a variety of industries. Mrs. Porfilio holds a degree cum laude in Political Science with Economics from University La Sapienza of Rome, a post-graduate degree in International Tax Law from University La Sapienza of Rome, and a Master in Business Administration from Luxembourg Business School. She is IDP-C certified director at INSEAD, and certified director of the Institut Luxembourgeoise des Administrateurs, Luxembourg (ILA). She served as Independent Director in regulated and non-regulated entities in Luxembourg.

SHAREHOLDERS

As of 31 December 2025, the CVC Funds¹ indirectly own (through intermediate holding companies) approximately 61.43% of the entire share capital of Rossini S.à r.l., the Co-Investors² indirectly own (through intermediate holding companies) approximately 30.71% of the entire share capital of Rossini S.à r.l. and Recordati managers investment vehicle indirectly owns (through intermediate holding companies) approximately 7.85% of the entire share capital of Rossini S.à r.l..

¹CVC Funds means, collectively, funds, vehicles or limited partnerships managed or advised by any of Clear Vision Capital Fund SICAV-FIS S.A. and each of its subsidiary undertakings from time to time and CVC Capital Partners Advisory Group Holding Foundation and each of its subsidiary undertakings from time to time;

²Co-Investors means (i) PSP Investments Holding Europe Ltd, (ii) StepStone AMP Opportunities Fund, L.P., StepStone Capital Partners IV, L.P., StepStone Capital Partners IV Offshore Holdings, L.P., StepStone Capital Partners IV Europe Holdings SCSp, StepStone H Opportunities Fund, L.P., StepStone K Strategic Opportunities Fund III, L.P., AlInvest LIVE Co C.V., ACIF VII C.V., ACIF (Euro) VII C.V., AG Co-Investment C.V., AJ Co C.V., and AlInvest GA Co 2018 C.V.

Annex 4 - SUBSEQUENT EVENTS Rossini S.à r.l.

On 10 February 2026, the Company proceeded to a partial repayment of the share premium account for an amount of EUR 5,500,000.00 to the sole shareholder.

On 31 March 2026, the Company proceeded with the payment of interest of the New Floating Notes for an amount of EUR 5,142,514.51.

