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Press Release

Strong 2024 performance and a positive outlook for 2025

London, 26 February 2025 – Hikma Pharmaceuticals PLC ('Hikma' or 'Group'), the multinational pharmaceutical company, today reports its audited results for the year ended 31 December 2024.

Riad Mishlawi, Chief Executive Officer of Hikma, said:

"It's been another strong year for Hikma with double digit revenue growth, increased profits and a resilient margin. We continued to invest in the business to support our future progress, with a strategic acquisition alongside new partnerships and agreements. This momentum combined with our diversified portfolio, leading market positions and increasing investment in R&D, underpin our positive outlook for 2025 and confidence in the future."

Reported results (statutory)	**2024 $ million**	2023 $ million	Change	Constant currency[1] change
Revenue	**3,127**	2,875	9%	9%
Operating profit	**612**	367	67%	71%
Profit attributable to shareholders	**359**	190	89%	98%
Cashflow from operating activities	**564**	608	(7)%	-
Basic earnings per share (cents)	**162**	86	88%	98%
Total dividend per share (cents)	**80**	72	11%	-

Core results[2] (underlying)	**2024 $ million**	2023 $ million	Change	Constant currency[1] change
Core revenue	**3,156**	2,875	10%	10%
Core operating profit	**719**	707	2%	4%
Core EBITDA[2]	**824**	810	2%	4%
Core profit attributable to shareholders	**495**	492	1%	5%
Core basic earnings per share (cents)	**224**	223	0%	4%

[1] Constant currency numbers in 2024 represent reported 2024 numbers translated using 2023 exchange rates, excluding price increases in the business resulting from the devaluation of currencies

[2] Core results throughout the document are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments set out in Note 5 of this release. Core results are a non-IFRS measure. See page 14 for a reconciliation to reported IFRS results

STRONG FINANCIAL PERFORMANCE

- **Double-digit Group core revenue growth, ahead of expectations**
  - Group core revenue up 10%, including contribution from Xellia acquisition (9% organic). Reported Group revenue up 9%
  - Core revenue up in all three business segments – Injectables up 10%, Branded up 8% and Generics up 11%, supported by breadth of portfolio and recent launches
  - Growth in all regions, led by North America
- **Core Group operating profit up 2% to $719 million at a margin of 22.8% (2023: 24.6%)**
  - Injectables core operating profit up 5% with margin of 35.3% (2023: 36.9%). Excluding Xellia, Injectables core operating margin was 35.7%. Branded core operating profit up 11% with margin of 24.6% (2023: 23.8%)
  - Generics core operating profit down 11% with margin of 16.4% (2023: 20.5%), reflecting the expected higher royalties for our authorised generic of sodium oxybate
  - Group reported operating profit up 67%, reflecting an impairment reversal in our Generics business and lower operating profit in the previous year resulting from the impairment of our Sudan business and a legal settlement provision
- **Strong cashflow from operating activities of $564 million (2023: $608 million)**
  - Good operating performance slightly offset by increased trade receivables reflecting strong sales towards the end of the year
- **Robust balance sheet and high returns**
  - Leverage at 1.4x net debt[3] to core EBITDA (31 December 2023: 1.2x)
  - Return on average invested capital of 16.9%[4]
  - Full-year dividend of 80 cents per share, up 11%, reflecting confidence in our future prospects

CONTINUED STRATEGIC PROGRESS TO DRIVE FUTURE GROWTH

- **Invested to further expand and diversify portfolio**
  - Acquired Xellia Pharmaceuticals' US finished dosage form business, further strengthening the Injectables business
  - Agreed to acquire 17 Takeda brands licensed to Hikma, enhancing future Branded profitability
  - Strengthened R&D, manufacturing and commercial capabilities
- **Signed new agreements and partnerships**
  - Expanded our Generics contract manufacturing (CMO) business with a significant agreement with a global pharmaceutical company. Expected to start contributing meaningfully in 2027
  - Entered into exclusive commercial partnership with Emergent BioSolutions in January 2025 for Kloxxado® (naloxone HCl 8mg) in the US to increase patient access to this lifesaving medicine
- **Strong pipeline supporting consistency of new launches**
  - 132 new product launches across the business
  - Launched liraglutide injection in the US, the first approved ANDA for a generic GLP-1 referencing Victoza®, helping improve patient access to this class of medications

STRONG 2025 GROUP OUTLOOK

- Group revenue growth of 4% to 6%
- Group core operating profit in the range of $730 million to $770 million, after an increase in investment in R&D of around 20% in 2025

[3] Group net debt is calculated as Group total debt less Group total cash. Group net debt is a non-IFRS measure that includes short and long-term financial debts (Notes 10 and 13), lease liabilities, net of cash and cash equivalents and restricted cash, if any. See page 15 for a reconciliation of Group net debt

[4] Refer to page 15 for reconciliation

Further information:
A pre-recorded presentation will be available at www.hikma.com at 07:00am GMT. Hikma will also hold a live Q&A webinar at 9:00am GMT, and a recording will be made available on the Company's website.

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About Hikma:
Hikma helps put better health within reach every day for millions of people around the world. For more than 45 years, we've been creating high-quality medicines and making them accessible to the people who need them. Headquartered in the UK, we are a global company with a local presence across North America, the Middle East and North Africa (MENA) and Europe, and we use our unique insight and expertise to transform cutting-edge science into innovative solutions that transform people's lives. We're committed to our customers, and the people they care for, and by thinking creatively and acting practically, we provide them with a broad range of branded and non-branded generic medicines. Together, our 9,500 colleagues are helping to shape a healthier world that enriches all our communities. We are a leading licensing partner, and through our venture capital arm, are helping bring innovative health technologies to people around the world. For more information, please visit: www.hikma.com

Hikma Pharmaceuticals PLC (LSE: HIK) (NASDAQ Dubai: HIK) (OTC: HKMPY)
(LEI:549300BNS685UXH4JI75) (rated BBB-/stable S&P, BBB-/positive Fitch)

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STRATEGIC REVIEW

It has been another strong year for Hikma. Group core revenue growth of 10% (9% reported Group revenue growth) was ahead of our upgraded expectations and Group core operating profit of $719 million was in line with upgraded guidance.

We are the seventh largest supplier of generic medicines in the US[5], and the third largest supplier of generic injectable products by volume in that market[6]. We also maintained our position as the second largest pharmaceutical company, by sales, in the MENA region[7].

We made excellent strategic progress during the year, with momentum building across our three businesses. Continued investment in R&D and business development is strengthening our differentiated pipeline and we are enhancing our manufacturing offering and commercial presence.

We also remain focused on the sustainability topics that are most material to our business, as well as those that are most relevant to our stakeholders. During 2024 we conducted a double materiality assessment, which will inform future updates to our sustainability framework and strategy.

Injectables

Our Injectables business, which manufactures and supplies generic injectable and specialty medicines to hospitals across North America, Europe and MENA, had another successful year. We delivered an impressive top-line performance, with strong revenue growth in each of our three geographies, and core operating profit growth for the division of 5%.

During the year we were successful in acquiring the US finished dosage form business of Xellia Pharmaceuticals. This acquisition will diversify and enrich our injectables portfolio and pipeline, expand our US-based manufacturing capacity, bringing complex manufacturing technologies, and support the long-term growth of the Injectables business.

We continued to broaden and diversify our portfolio, with 89 new launches across the business, including 12 in the US. On top of this, we added products through the Xellia acquisition, which also enhanced our pipeline. With our new R&D centre in Zagreb complementing our existing footprint, we are well positioned to develop more complex products over the medium term. We are also enhancing our differentiation through partnership, one example in 2024 being the launch of our first GLP-1 product in December, liraglutide.

Our MENA Injectables business remains a solid contributor to growth, with both biosimilars and our own portfolio of medicines contributing to the strong performance. In Europe, our own products grew 20% in 2024. We benefitted from our recent entries into France, the UK and Spain and our growing portfolio of products, which enabled us to respond to market shortages.. We also had a strong year for new product submissions and approvals, supporting future growth. Our CMO business performed in line with expectations, accelerating in the second half of 2024. We will continue to pursue CMO opportunities where we see value for both us and our strategic partners.

[5] IQVIA MAT November 2024, includes all generic injectable and generic non-injectable products by sales
[6] IQVIA MAT November 2024, generic injectable volumes by eaches, excluding branded generics and Becton Dickinson
[7] Based on internal analysis by using data from the following source: IQVIA MIDAS® Monthly Value Sales data for Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and UAE, for the period: calendar year 2024, reflecting estimates of real-world activity. Copyright IQVIA. All rights reserved.

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Branded

Our Branded business, which supplies branded generics and in-licensed patented products across the MENA region, had another very strong year with good growth across most of our markets. We grew revenue 8% with a strong core operating margin of 24.6%.

We have a unique business in the region, leveraging our global expertise to meet local market needs. Over the past few years, we have been investing in enhancing our pipeline and portfolio, focusing on launching more complex and first-to-market products that are tailored to local needs, such as oncology products and medicines used to treat chronic illnesses. This has been driving our growth and supporting our strong margins. We continue to make great progress and we are gaining market share in key therapeutic areas, including in diabetes and multiple sclerosis.

Generics

Generics, which supplies oral, respiratory and other generic and specialty products to the North American retail market, had an excellent year, generating over $1 billion in revenue for the first time, with margins in line with our expectations. We are delivering growth in our more complex products, we increased our market share in sodium oxybate, and our leading nasal spray franchise performed well in 2024.

Generics core operating profit was lower than the exceptionally strong result we delivered in 2023 due to the expected increase in royalties on our authorised generic of sodium oxybate.

We have strengthened our teams across this business, including the appointment of Hafrun Fridriksdottir, our new President of Generics, and a new head of Generics R&D with significant respiratory experience. With their expertise, we are sharpening our focus on R&D to ensure we are investing in the right products and executing projects effectively.

We are also working to maintain and enhance our manufacturing strength. Importantly, we are delivering our strategy to grow our CMO offering for this business. We signed a new contract in 2024 with a global pharmaceutical company, which we expect to start contributing meaningfully in 2027. This will help support medium-term revenue growth and profitability for Generics, while improving utilisation of our Columbus, Ohio facility.

We have also focused on maximising the potential of our specialty products and post-year end, signed a partnership agreement with Emergent BioSolutions to market our Kloxxado® naloxone nasal spray. This partnership combines Hikma's excellent nasal spray manufacturing capabilities with Emergent's well-established naloxone HCl nasal spray commercial expertise and strong stakeholder engagement.

2025 Outlook

We are confident that we are well placed to deliver another year of growth in 2025.

We expect Group revenue to grow in the range of 4% to 6%. We expect core operating profit to be in the range of $730 million to $770 million, after an increase in investment in R&D of around 20% in 2025 across our three segments to support the development of our global pipeline, underpinning medium to long term growth.

We expect Injectables revenue to grow in the range of 7% to 9% and for core operating margin to be in the mid-30s, reflecting the full year impact of the Xellia acquisition and our evolving product and

geographic mix. We will continue to launch new products, leverage our high-quality manufacturing capabilities and expand in recently entered markets.

We expect Branded revenue to grow 6% to 7% in constant currency. We expect core operating margin to be close to 25%. We remain focused on growth across the MENA region and will continue to launch products and sign partnerships, bringing more chronic medications to patients.

We expect Generics revenue to be broadly flat, with a good performance from some of our more differentiated products offsetting price erosion on the base business. We will be investing more into R&D during 2025 to ensure the pipeline is well placed to support medium to long term growth and are pleased to be able to guide to core operating margin for Generics to be around 16%.

We expect Group core net finance expense to be between $90 million to $95 million, reflecting the current interest rate environment and an increase in borrowing related to the Xellia acquisition. We expect the core effective tax rate to be around 22%.

We expect Group capital expenditure to be in the range of $170 million to $190 million.

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FINANCIAL REVIEW

The financial review set out below summarises the reported and core[8] performance of the Hikma Group and our three main business segments, Injectables, Branded and Generics for the year ended 31 December 2024.

Group

	2024 $ million	2023 $ million	Change	Constant currency change
Revenue	**3,127**	2,875	9%	9%
Core revenue	**3,156**	2,875	10%	10%
Gross profit	**1,415**	1,390	2%	2%
Gross margin	***45.3%***	*48.3%*	*(3.0)pp*	*(3.2)pp*
Core gross profit	**1,448**	1,407	3%	3%
Core gross margin	***45.9%***	*48.9%*	*(3.0)pp*	*(3.2)pp*
Operating profit	**612**	367	67%	71%
Operating margin	***19.6%***	*12.8%*	*6.8pp*	*7.3pp*
Core operating profit	**719**	707	2%	4%
Core operating margin	***22.8%***	*24.6%*	*(1.8)pp*	*(1.3)pp*
Core EBITDA	**824**	810	2%	4%
Core EBITDA margin	***26.1%***	*28.2%*	*(2.1)pp*	*(1.6)pp*

Group core revenue was up 10% reflecting strong growth across all three businesses. Excluding the Xellia acquisition, Group core revenue grew 9%, ahead of our guidance range of 6% to 8%. Group reported revenue, which is stated after a $29 million provision relating to rebate adjustments following a change in prior years estimates in the US, was up 9%.

Group core gross profit grew 3% and core gross margin was 45.9%. The expected reduction in Generics profitability relating to higher royalties on our authorised generic of sodium oxybate was more than offset by a strong performance across the broader Generics portfolio as well as Injectables and Branded.

Group reported operating expenses were $803 million (2023: $1,023 million). Group core operating expenses were $729 million (2023: $700 million).

Reported selling, general and administrative (SG&A) expenses were $671 million (2023: $767 million). This change reflects the provision taken in 2023 related to a legal settlement. Core SG&A expenses were $568 million (2023: $544 million), up 4%, reflecting higher employee benefits, legal expenses and continued investment in sales and marketing in the US.

Reported and core research and development (R&D) expenses were $141 million (2023: $149 million), representing 4.5% of Group core revenue (2023: 5.2%).

Reported other net operating income was $11 million (2023: $75 million expense). This change primarily reflects the impairment reversal related to our complex respiratory portfolio in 2024, as well as the impact in 2023 relating to the impairment charge taken on our Sudanese business. Core other net operating

[8] Core results throughout the document are presented to show the underlying performance of the Group, excluding exceptional items and other adjustments set out in Note 5 of the consolidated financial statements set out in this release. Core results are a non-IFRS measure

expenses were $18 million (2023: $4 million), primarily comprising foreign exchange-related costs in Egypt.

Group reported operating profit grew 67% and Group core operating profit increased by 2%, with a core operating margin of 22.8%.

Group core revenue by business segment

	2024 $ million		2023 $ million	
Injectables	**1,324**	42.0%	1,203	41.8%
Branded	**769**	24.4%	714	24.8%
Generics	**1,037**	32.9%	937	32.6%
Others	**26**	0.8%	21	0.7%
Total	**3,156**		2,875	

Group core revenue by region

	2024 $ million		2023 $ million	
North America	**1,940**	61.5%	1,749	60.8%
MENA	**985**	31.2%	909	31.6%
Europe and ROW	**231**	7.3%	217	7.5%
Total	**3,156**		2,875	

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Injectables

	2024 $ million	2023 $ million	Change	Constant currency change
Revenue	**1,306**	1,203	9%	9%
Core revenue	**1,324**	1,203	10%	10%
Gross profit	**668**	655	2%	2%
Gross margin	***51.1%***	*54.4%*	*(3.3)pp*	*(3.3)pp*
Core gross profit	**690**	657	5%	5%
Core gross margin	***52.1%***	*54.6%*	*(2.5)pp*	*(2.6)pp*
Operating profit	**371**	358	4%	4%
Operating margin	***28.4%***	*29.8%*	*(1.4)pp*	*(1.3)pp*
Core operating profit	**468**	444	5%	6%
Core operating margin	***35.3%***	*36.9%*	*(1.6)pp*	*(1.4)pp*

Injectables core revenue grew 10% in 2024, benefiting from our broad portfolio across the three geographies, contribution from the Xellia acquisition and recent launches, including liraglutide injection, our generic GLP-1 product in the US. Excluding the Xellia impact, organic core revenue growth was 8%, at the top end of our guidance range. Injectables reported revenue grew 9%, which is stated after an $18 million provision relating to rebate adjustments following a change in prior years estimates in the US.

In North America we benefited from good demand for our broad portfolio, recent launches and growth in Canada, supported by $24 million sales contribution from the Xellia acquisition, which closed in September.

In Europe and rest of the world (ROW) we delivered good growth across all our established and recently entered markets. Our own products grew 20%, driven by our expanding portfolio and ability to address market shortages. Our CMO business performed in line with expectations, accelerating in the second half.

In MENA we saw strong growth across most of our markets, supported by new launches and good demand across our broad portfolio.

Injectables core gross profit grew 5% and core gross margin contracted due to product mix, which includes the slightly dilutive impact of the Xellia acquisition and an increased contribution from partnered products.

Injectables reported operating profit grew 4%. Injectables core operating profit grew 5% and core operating margin was 35.3%. This reflects the change in gross profit. Excluding Xellia, Injectables core operating margin was 35.7%.

During the year, the Injectables business had 20 launches in North America, 16 in MENA and 53 in Europe and ROW. We submitted 137 filings to regulatory authorities across all markets.

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Branded

	2024 $ million	2023 $ million	Change	Constant currency change
Revenue	**769**	714	8%	9%
Core revenue	**769**	714	8%	9%
Gross profit	**402**	351	15%	15%
Gross margin	***52.3%***	*49.2%*	*3.1pp*	*2.6pp*
Core gross profit	**402**	366	10%	10%
Core gross margin	***52.3%***	*51.3%*	*1.0pp*	*0.5pp*
Operating profit	**182**	95	92%	108%
Operating margin	***23.7%***	*13.3%*	*10.4pp*	*12.1pp*
Core operating profit	**189**	170	11%	20%
Core operating margin	***24.6%***	*23.8%*	*0.8pp*	*2.4pp*

Our Branded business performed very well in 2024, with good growth across most of our markets. Revenue was up 8%, at the top of our guidance range, as we benefited from a growing and diversified portfolio of oncology products and medicines used to treat chronic illnesses.

Branded reported gross profit grew 15% and core gross profit grew 10%, with core gross margin improving by a percentage point. This reflects an improving product mix driven by our shift towards higher value medicines.

Branded reported operating profit increased significantly, reflecting the impact of the $69 million impairment charge and cost in relation to halting our operations in Sudan in 2023. Core operating profit grew 11% and core operating margin expanded to 24.6%. This reflects the improvement in core gross profit, which more than offset the negative foreign exchange impact related to the currency devaluation in Egypt.

During the year, the Branded business had 36 launches and submitted 59 filings to regulatory authorities. Revenue from in-licensed products represented 27% of Branded revenue (2023: 29%).

Generics

	2024 $ million	2023 $ million	Change
Revenue	**1,026**	937	9%
Core revenue	**1,037**	937	11%
Gross profit	**346**	387	(11)%
Gross margin	***33.7%***	*41.3%*	*(7.6)pp*
Core gross profit	**357**	387	(8)%
Core gross margin	***34.4%***	*41.3%*	*(6.9)pp*
Operating profit	**167**	147	14%
Operating margin	***16.3%***	*15.7%*	*0.6pp*
Core operating profit	**170**	192	(11)%
Core operating margin	***16.4%***	*20.5%*	*(4.1)pp*

Generics core revenue grew 11% in 2024, ahead of our guidance, driven by good demand across our differentiated portfolio, particularly for our respiratory products. Generics reported revenue grew 9%, which is stated after an $11 million provision relating to rebate adjustments following a change in prior years estimates.

The decrease in Generics reported and core gross profit and the lower core gross margin of 34.4% was primarily due to the higher royalties on our authorised generic of sodium oxybate, when compared to last year. This was partially offset by an improvement in product mix across the base business.

Generics core operating profit decreased, reflecting the reduction in gross profit, which was partially offset by lower sales and marketing costs. Reported operating profit includes the impairment reversal related to our complex respiratory portfolio.

In 2024, the Generics business launched seven products and had a record number of product submissions, with ten filings submitted to regulatory authorities, as we continue to work on further enhancing our pipeline and building differentiation in our product portfolio.

Other businesses

Other businesses, which includes our 503B compounding business, as well as Arab Medical Containers (AMC), a manufacturer of plastic specialised medicinal sterile containers, and International Pharmaceuticals Research Centre (IPRC), which conducts bio-equivalency studies, contributed revenue of $26 million in 2024 (2023: $21 million) with an operating loss of $9 million (2023: $9 million loss). We are making good progress in growing our compounding business and continue to invest in building our manufacturing and commercial compounding capabilities.

Research and development

Our investment in R&D of $141 million and our business development activities enable us to continue expanding the Group's product portfolio. During 2024, we had 132 new launches and received 136 approvals. To ensure the continuous development of our product pipeline, we submitted 206 regulatory filings.

	2024 submissions[9]	2024 approvals[10]	2024 launches[10]
Injectables	137	86	89
North America	18	18	20
MENA	25	16	16
Europe & ROW	94	52	53
Branded	59	43	36
Generics	10	7	7
Total	**206**	**136**	**132**

Net finance expense

	2024 $ million	2023 $ million	Change	Constant currency change
Finance income	**8**	7	14%	14%
Finance expense	**167**	95	76%	73%
Net finance expense	**159**	88	81%	77%
Core finance income	**8**	7	14%	14%
Core finance expense	**93**	90	3%	0%
Core net finance expense	**85**	83	2%	(1)%

Reported net finance expense increased to $159 million primarily due to the remeasurement of contingent consideration related to business combinations. Core net finance expense increased to $85 million (2023: $83 million), reflecting borrowing to finance the Xellia acquisition.

We expect core net finance expense to be around $90 million to $95 million in 2025[10].

Tax

The Group incurred a reported tax expense of $93 million (2023: $89 million) and a reported effective tax rate of 20.4% (2023: 31.7%). Excluding the tax impact of exceptional items and other adjustments, Group core tax expense was $138 million (2023: $131 million). The core effective tax rate was 21.7% (2023: 20.9%).

We expect the Group core effective tax rate to be around 22% in 2025.

Profit attributable to shareholders and earnings per share

Reported profit attributable to shareholders was $359 million (2023: $190 million). Core profit attributable to shareholders was $495 million (2023: $492 million). Reported basic earnings per share was 162 cents (2023: 86 cents). Core basic earnings per share was 224 cents (2023: 223 cents).

[9] Pipeline projects submitted, approved and launched by country in 2024. MENA numbers include only the five major markets (Algeria, KSA, Egypt, Morocco and Jordan)
[10] Based on the composition of the Group's net debt portfolio as at 31 December 2024, a one percentage point increase/decrease in interest rates would result in a $6 million increase/decrease in net finance cost per year (2023: $3 million increase/decrease)

Dividend

The Board is recommending a final dividend of 48 cents per share (2023: 47 cents per share) bringing the total dividend for the full year to 80 cents per share (2023: 72 cents per share). The proposed dividend will be paid on 1 May 2025 to eligible shareholders on the register at the close of business on 21 March 2025, subject to approval at the Annual General Meeting on 24 April 2025.

Net cash flow, working capital and net debt

The Group generated operating cash flow of $564 million (2023: $608 million). This change primarily reflects increased trade receivables reflecting strong sales towards the end of the year.

Group working capital days were 240 at 31 December 2024. Compared to the position on 31 December 2023, Group working capital days decreased by three days from 243 days.

Capital expenditure was $165 million (2023: $169 million). In the US, $49 million was spent on upgrades, new technologies and capacity expansion across our Cherry Hill and Columbus sites. In MENA, $80 million was spent strengthening and expanding our local manufacturing capabilities, including for general formulations in Tunisia and Algeria, as well as strengthening our oral oncology capabilities in Algeria. In Europe, we spent $36 million enhancing our manufacturing capabilities, including adding lyophilisation capacity in Portugal.

We expect Group capital expenditure to be in the range of $170 million to $190 million in 2025.

The Group's total debt was $1,306 million at 31 December 2024 (31 December 2023: $1,191 million).

The Group's cash balance at 31 December 2024 was $188 million (31 December 2023: $215 million).

The Group's net debt was $1,118 million at 31 December 2024 (31 December 2023: $976 million). We continue to have a healthy balance sheet, with a net debt to core EBITDA ratio of 1.4x (31 December 2023: 1.2x).

Net assets

Net assets at 31 December 2024 were $2,321 million (31 December 2023: $2,209 million). Net current assets were $285 million (31 December 2023: $761 million). This primarily reflects the reclassification of the five-year Eurobond, which matures on 9 July 2025, as short-term financial debt.

The Board

The Board of Directors that served during the twelve-month period to 31 December 2024 and their respective responsibilities can be found on the Leadership team section of www.hikma.com.

Cautionary statement

This preliminary announcement has been prepared solely to provide additional information to the shareholders of Hikma and should not be relied on by any other party or for any other purpose.

Definitions

We use a number of non-IFRS measures to report and monitor the performance of our business. Management uses these adjusted numbers internally to measure our progress and for setting performance targets. We also present these numbers, alongside our reported results, to external audiences to help

them understand the underlying performance of our business. Our core numbers may be calculated differently to other companies.

Adjusted measures are not substitutable for IFRS results and should not be considered superior to results presented in accordance with IFRS.

Core results
Reported results represent the Group's overall performance. However, these results can include one-off or non-cash items which are excluded when assessing the underlying performance of the Group. To provide a more complete picture of the Group's performance to external audiences, we provide, alongside our reported results, core results, which are a non-IFRS measure. Our core results exclude the exceptional items and other adjustments set out in Note 5.

Constant currency
As the majority of our business is conducted in the US, we present our results in US dollars. For both our Branded and Injectables businesses, a proportion of their sales are denominated in a currency other than the US dollar. In order to illustrate the underlying performance of these businesses, we include information on our results in constant currency.

Constant currency numbers in 2024 represent reported 2024 numbers translated using 2023 exchange rates, excluding price increases in the business resulting from the devaluation of currencies.

Core EBITDA

Core EBITDA is earnings before interest, tax, depreciation, amortisation, adjusted for exceptional items and other adjustments (Note 5).

	2024 $ million	2023 $ million
Reported operating profit	**612**	**367**
Depreciation and impairment charges in relation to property, plant and equipment	96	110
Impairment reversals on property, plant and equipment	(16)	-
Amortisation and impairment charges in relation to intangible assets	122	131
Impairment reversal on intangible assets	(44)	-
Depreciation and impairment charges in relation to right-of-use assets	10	18
Reorganisation costs	11	-
Pre-production set-up costs	4	-
Provision for rebates adjustment	29	-
Provision related to expected North America opioid legal settlement	-	129
Provision against inventory related to halted operations in Sudan	-	17
Impairment charge on financial assets	-	29
Impairment charge on other current assets	-	2
Cost from halted operations in Sudan	-	7
Core EBITDA	**824**	**810**

Working capital days

We believe Group working capital days provides a useful measure of the Group's working capital management and liquidity. Group working capital days are calculated as Group receivable days plus Group inventory days, less Group payable days. Group receivable days are calculated as Group trade receivables x 365, divided by 12 months Group revenue. Group inventory days are calculated as Group inventory x 365, divided by 12 months Group cost of sales. Group payable days are calculated as Group trade payables x 365, divided by 12 months Group cost of sales.

Group net debt

We believe Group net debt is a useful measure of the strength of the Group financial position. Group net debt includes short and long-term financial debts (Notes 10 and 13), lease liabilities, net of cash and cash equivalents and restricted cash.

Group net debt	**31 Dec 2024 $ million**	31 Dec 2023 $ million
Short-term financial debts	(642)	(150)
Short-term leases liabilities	(11)	(11)
Long-term financial debts	(607)	(975)
Long-term leases liabilities	(46)	(55)
Total debt	**(1,306)**	**(1,191)**
Cash and cash equivalents	188	205
Restricted cash	-	10
Net debt	**(1,118)**	**(976)**

ROIC

ROIC is calculated as core operating profit after tax divided by the average invested capital (calculated as the average of the opening and closing total equity plus net debt). This measures our efficiency in allocating capital to profitable investments.

ROIC $ million	**2024**	2023
Core operating profit	719	707
Total tax	(158)	(144)
Core operating profit after tax	**561**	**563**
Net debt	1,118	976
Equity	2,321	2,209
Invested capital (at 31 December)	**3,439**	**3,185**
Invested capital (at 1 January)	3,185	3,161
Average invested capital	**3,312**	**3,173**
ROIC	**16.9%**	**17.7%**

Forward looking statements

This announcement contains certain statements which are, or may be deemed to be, "forward looking statements" which are prospective in nature with respect to Hikma's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. All statements other than statements of historical fact may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward looking words such as "*aims*", "*anticipates*", "*believes*", "*budget*", "*estimates*", "*expects*", "*forecasts*", "*goals*", "*intends*", "*objectives*", "*outlook*", "*plan*", "*project*", "*risks*", "*seek*" "*scheduled",* "*targets*" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "*could*", "*may*", "*might*", "*probably*", "*should*", "*will*" or "*would*" be taken, occur or be achieved.

By their nature, forward looking statements are based on current expectations and projections about future events and are therefore subject to assumptions, risks and uncertainties that are beyond Hikma's ability to control or estimate precisely and which could cause actual results or events to differ materially from those expressed or implied by the forward looking statements. In particular, these include statements relating to future actions, product authorisations, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, dividend payments and financial results. Where included, such statements have been made by or on behalf of Hikma in good faith based upon the knowledge and information available to the Directors on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and Hikma's shareholders are cautioned not to place undue reliance on the forward-looking statements. Forward looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Other than in accordance with its legal or regulatory obligations (including under the UK Market Abuse Regulation and the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), Hikma does not undertake to update the forward looking statements contained in this announcement to reflect any changes in events, conditions or circumstances on which any such statement is based or to correct any inaccuracies which may become apparent in such forward looking statements. Except as expressly provided in this announcement, no forward looking or other statements have been reviewed by the auditors of Hikma. Any forward looking statement above and all subsequent oral or written forward looking statements attributable to Hikma or any of its members, directors, officers or employees or any person acting on their behalf are expressly qualified in their entirety by this cautionary statement. Past share performance cannot be relied on as a guide to future performance. Nothing in this announcement should be construed as a profit forecast.

Neither the content of Hikma's website nor any other website accessible by hyperlinks from Hikma's website are incorporated in, or form part of, this announcement.

Principal risks and uncertainties

The Group faces risks from a range of sources that could have a material impact on our financial commitments and ability to trade in the future. The principal risks are determined via robust assessment considering our risk context by the Board of Directors with input from executive management. The principal risks facing the company have not materially changed over the year, and are set out in the 2024 annual report on pages 80 – 88, which will be available in March 2025. The Board recognises that certain risk factors that influence the principal risks are outside of the control of management. The Board is satisfied that the principal risks are being managed appropriately and consistently with the target risk appetite. The set of principal risks should not be considered as an exhaustive list of all the risks the Group faces.

Hikma Pharmaceuticals PLC
Consolidated income statement
For the year ended 31 December 2024

	Note	2024 Core results $m	2024 Exceptional items and other adjustments (Note 5) $m	2024 Reported results $m	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Revenue	3	**3,156**	**(29)**	**3,127**	2,875	–	2,875
Cost of sales		**(1,708)**	**(4)**	**(1,712)**	(1,468)	(17)	(1,485)
Gross profit/(loss)		**1,448**	**(33)**	**1,415**	1,407	(17)	1,390
Selling, general and administrative expenses		**(568)**	**(103)**	**(671)**	(544)	(223)	(767)
Impairment loss on financial assets, net		**(2)**	**–**	**(2)**	(3)	(29)	(32)
Research and development expenses		**(141)**	**–**	**(141)**	(149)	–	(149)
Other operating expenses		**(21)**	**(31)**	**(52)**	(9)	(71)	(80)
Other operating income		**3**	**60**	**63**	5	–	5
Total operating expenses		**(729)**	**(74)**	**(803)**	(700)	(323)	(1,023)
Operating profit/(loss)	4	**719**	**(107)**	**612**	707	(340)	367
Finance income		**8**	**–**	**8**	7	–	7
Finance expense		**(93)**	**(74)**	**(167)**	(90)	(5)	(95)
Gain from investment at fair value through profit or loss (FVTPL)		**1**	**–**	**1**	2	–	2
Group's share of profit of joint venture		**1**	**–**	**1**	–	–	–
Profit/(loss) before tax		**636**	**(181)**	**455**	626	(345)	281
Tax	6	**(138)**	**45**	**(93)**	(131)	42	(89)
Profit/(loss) for the year		**498**	**(136)**	**362**	495	(303)	192
Attributable to:							
Non-controlling interests		**3**	**–**	**3**	3	(1)	2
Equity holders of the parent		**495**	**(136)**	**359**	492	(302)	190
Earnings per share (cents)							
Basic	8	**224**		**162**	223		86
Diluted	8	**221**		**161**	221		85

Hikma Pharmaceuticals PLC
Consolidated statement of comprehensive income
For the year ended 31 December 2024

	Note	2024 Core results $m	2024 Exceptional items and other adjustments (Note 5) $m	2024 Reported results $m	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Profit/(loss) for the year		**498**	**(136)**	**362**	495	(303)	192
Other comprehensive income/(expense)							
Items that may subsequently be reclassified to the consolidated income statement:							
Currency translation and hyperinflation movement		**(55)**	**–**	**(55)**	(3)	–	(3)
Deferred tax on currency translation		**–**	**–**	**–**	1	–	1
Items that will not subsequently be reclassified to the consolidated income statement:							
Change in investments at fair value through other comprehensive income (FVTOCI)		**(6)**	**–**	**(6)**	(13)	–	(13)
Remeasurement of post-employment benefit obligations	11	**(1)**	**–**	**(1)**	–	–	–
Total other comprehensive expense for the year		**(62)**	**–**	**(62)**	(15)	–	(15)
Total comprehensive income/(expense) for the year		**436**	**(136)**	**300**	480	(303)	177
Attributable to:							
Non-controlling interests		**3**	**–**	**3**	2	–	2
Equity holders of the parent		**433**	**(136)**	**297**	478	(303)	175
		436	**(136)**	**300**	480	(303)	177

Hikma Pharmaceuticals PLC
Consolidated balance sheet
At 31 December 2024

	Note	2024 $m	2023 $m
Non-current assets			
Goodwill	9	**382**	388
Other intangible assets	9	**774**	712
Property, plant and equipment		**1,278**	1,096
Right-of-use assets		**48**	45
Investment in joint venture		**11**	10
Deferred tax assets	6	**293**	226
Financial and other non-current assets		**84**	103
		2,870	2,580
Current assets			
Inventories		**986**	891
Income tax recoverable		**24**	49
Trade and other receivables		**949**	824
Cash and cash equivalents		**188**	205
Other current assets		**116**	120
Assets classified as held for sale		**–**	11
		2,263	2,100
Total assets		**5,133**	4,680
Current liabilities			
Short-term financial debts	10	**642**	150
Lease liabilities		**11**	11
Trade and other payables		**650**	568
Income tax payable		**78**	74
Provisions	11	**122**	152
Other current liabilities	12	**475**	384
		1,978	1,339
Net current assets		**285**	761
Non-current liabilities			
Long-term financial debts	13	**607**	975
Lease liabilities		**46**	55
Deferred tax liabilities	6	**18**	25
Provisions	11	**36**	7
Other non-current liabilities	14	**127**	70
		834	1,132
Total liabilities		**2,812**	2,471
Net assets		**2,321**	2,209
Equity			
Share capital		**40**	40
Share premium		**282**	282
Other reserves		**(374)**	(282)
Retained earnings		**2,362**	2,158
Equity attributable to equity holders of the parent		**2,310**	2,198
Non-controlling interests		**11**	11
Total equity		**2,321**	2,209

Hikma Pharmaceuticals PLC
Consolidated statement of changes in equity
For the year ended 31 December 2024

	Note	Share capital $m	Share premium $m	Other reserves: Merger and revaluation reserves $m	Other reserves: Translation reserve $m	Other reserves: Capital redemption reserve $m	Other reserves: Employee benefit trust (EBT) reserve $m	Other reserves: Total other reserves $m	Translation reserve related to assets classified as held for distribution $m	Retained earnings $m	Equity attributable to equity holders of the parent $m	Non-controlling interests $m	Total equity $m
Balance at 1 January 2023		40	282	35	(302)	2	–	**(265)**	(14)	2,092	**2,135**	13	**2,148**
Profit for the year		–	–	–	–	–	–	**–**	–	190	**190**	2	**192**
Change in investments at fair value through other comprehensive income (FVTOCI)		–	–	–	–	–	–	**–**	–	(13)	**(13)**	–	**(13)**
Currency translation and hyperinflation movement		–	–	–	(3)	–	–	**(3)**	–	–	**(3)**	–	**(3)**
Deferred tax on currency translation		–	–	–	–	–	–	**–**	–	1	**1**	–	**1**
Total comprehensive income for the year		**–**	**–**	**–**	**(3)**	**–**	**–**	**(3)**	**–**	**178**	**175**	**2**	**177**
Cost of equity-settled employee share scheme		–	–	–	–	–	–	**–**	–	25	**25**	–	**25**
Dividends paid	7	–	–	–	–	–	–	**–**	–	(137)	**(137)**	(4)	**(141)**
Other comprehensive income accumulated in equity related to assets classified as held for distribution		–	–	–	(14)	–	–	**(14)**	14	–	**–**	–	**–**
Balance at 31 December 2023 and 1 January 2024		**40**	**282**	**35**	**(319)**	**2**	**-**	**(282)**	**–**	**2,158**	**2,198**	**11**	**2,209**
Profit for the year		–	–	–	–	–	–	**–**	–	359	**359**	3	**362**
Change in investments at fair value through other comprehensive income (FVTOCI)		–	–	–	–	–	–	**–**	–	(6)	**(6)**	–	**(6)**
Remeasurement of post-employment benefit obligations	11	–	–	–	–	–	–	**–**	–	(1)	**(1)**	–	**(1)**
Currency translation and hyperinflation movement		–	–	–	(55)	–	–	**(55)**	–	–	**(55)**	–	**(55)**
Total comprehensive income for the year		**–**	**–**	**–**	**(55)**	**–**	**–**	**(55)**	**–**	**352**	**297**	**3**	**300**
Cost of equity-settled employee share scheme		–	–	–	–	–	–	**–**	–	27	**27**	–	**27**
Deferred tax on equity-settled employee share scheme		–	–	–	–	–	–	**–**	–	1	**1**	–	**1**
Purchase of shares held in employee benefit trust (EBT)							(38)	**(38)**		–	**(38)**	–	**(38)**
Exercise of equity-settled employee share scheme		–	–	–	–	–	1	**1**	–	(1)	**–**	–	**–**
Dividends paid	7	–	–	–	–	–	–	**–**	–	(175)	**(175)**	(3)	**(178)**
Balance at 31 December 2024		**40**	**282**	**35**	**(374)**	**2**	**(37)**	**(374)**	**–**	**2,362**	**2,310**	**11**	**2,321**

Hikma Pharmaceuticals PLC
Consolidated cash flow statement
For the year ended 31 December 2024

	Note	2024 $m	2023 $m
Cash flow from operating activities			
Cash generated from operations	15	**689**	737
Income taxes paid		**(125)**	(131)
Income taxes received		**–**	2
Net cash inflow from operating activities		**564**	608
Cash flow from investing activities			
Purchase of property, plant and equipment		**(165)**	(169)
Proceeds from disposal of property, plant and equipment		**–**	18
Purchase of intangible assets		**(70)**	(35)
Additions to investments at FVTOCI		**(2)**	(27)
Proceeds from sale of investment at FVTOCI		**–**	1
Acquisition of businesses, net of cash acquired	17	**(150)**	(98)
Cash receipt related to assets held for sale		**10**	–
Advance payment related to non-financial assets		**–**	(23)
Payments of contingent consideration liability		**(12)**	(7)
Interest income received		**8**	7
Net cash outflow from investing activities		**(381)**	(333)
Cash flow from financing activities			
Proceeds from issue of long-term financial debts		**684**	778
Repayment of long-term financial debts		**(536)**	(841)
Proceeds from short-term financial debts		**387**	437
Repayment of short-term financial debts		**(411)**	(467)
Repayment of lease liabilities		**(21)**	(10)
Dividends paid	7	**(175)**	(137)
Distributions to non-controlling interests		**(3)**	(4)
Interest and bank charges paid		**(84)**	(82)
Purchase of shares held in employee benefit trust (EBT)		**(38)**	–
Decrease (increase) in restricted cash		**10**	(10)
Payments of co-development and earnout payment agreement		**(1)**	(1)
Net cash outflow from financing activities		**(188)**	(337)
Net decrease in cash and cash equivalents		**(5)**	(62)
Cash and cash equivalents at beginning of year		**205**	270
Foreign exchange translation movements		**(12)**	(3)
Cash and cash equivalents at end of year		**188**	205

1. Accounting policies

General information
Hikma Pharmaceuticals PLC is a public limited liability company incorporated and domiciled in the United Kingdom under the Companies Act 2006.

The Group's principal activities are the development, manufacture and commercialisation of a broad range of generic, specialty and branded pharmaceutical products across a range of dosage forms.

Basis of preparation
Hikma Pharmaceuticals PLC's consolidated financial statements have been prepared in accordance with:

i. UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

ii. International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation to fair value of certain financial assets and liabilities.

The accounting policies included in this note have been applied consistently other than where new policies have been adopted.

The presentational currency of the Group's consolidated financial statements is the US dollar, as the majority of the Group's business is conducted in US dollars.

The financial information does not constitute the Company's statutory accounts for the years to 31 December 2024 or 2023 but is derived from those accounts. The auditors have reported on those accounts and their report (i) was unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for the year to 31 December 2024 or 31 December 2023.

Adoption of new and revised standards
The following amendments to accounting standards have been issued and are effective for annual periods beginning on 1 January 2024.

IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current
IAS 1 (Amendments)	Non-current Liabilities with Covenants
IAS 7 and IFRS 7 (Amendments)	Supplier Finance Arrangements

These amendments had no significant impact on the consolidated financial statements but may impact the accounting for future transactions and arrangements.

The following new accounting standards and amendments to accounting standards that had been issued but were not mandatory for annual reporting periods ending on 31 December 2024 were not adopted early.

IAS 21 (Amendments) Effective 1 January 2025	Lack of Exchangeability
IFRS 9 and IFRS 7 (Amendments) Effective 1 January 2026	Classification and Measurement of Financial Instruments
IFRS 9 and IFRS 7 (Amendments) Effective 1 January 2026	Contracts referencing Nature-dependent Electricity
IFRS 19 (Standard) Effective 1 January 2027	Subsidiaries without Public Accountability: Disclosures
IFRS 18 (Standard) Effective 1 January 2027	Presentation and Disclosure in Financial Statements
Annual Improvements to IFRS Accounting Standards—Volume 11 Effective 1 January 2026	– IFRS 1 First-time Adoption of International Financial Reporting Standards – IFRS 7 Financial Instruments: Disclosures – Guidance on implementing IFRS 7 Financial Instruments: Disclosures – IFRS 9 Financial Instruments – IFRS 10 Consolidated Financial Statements – IAS 7 Statement of Cash Flows

The Group is currently assessing the implications of applying the new standards and amendments on the Group's consolidated financial statements.

Revenue recognition
Revenue is recognised in the consolidated income statement when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

The Group has generally concluded that it acts as principal in its revenue arrangements because it typically controls the goods before the transfer to the customer.

The Group manufactures certain medicines on behalf of customers. In most cases, control is transferred to the customer over time, as these medicines have no alternative use, and the Group has an enforceable right to payment for performance completed to date. For the majority of these arrangements, progress towards satisfying the Group's performance obligations is measured based on the units of product approved by the quality control department.

Revenue represents the amounts receivable after the deduction of discounts, value added tax, other sales taxes, allowances given, provisions for chargebacks, accruals for estimated future rebates, returns and price adjustments. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in light of contractual and historical information.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for time value of money.

Variable consideration
The ultimate net selling price is calculated using variable consideration estimates for certain gross to net adjustments.

Chargebacks
In the US, the Group sells its products directly to wholesale distributors, generic distributors, retail pharmacy chains and mail-order pharmacies. The Group also sells its products indirectly to independent pharmacies, managed care organisations, hospitals, and group purchasing organisations, collectively referred to as 'indirect customers'. The Group enters into agreements with its indirect customers to establish pricing for certain products. The indirect customers then independently select a wholesaler from which they purchase the products at agreed-upon prices. The Group will provide credit to the wholesaler for the difference between the agreed-upon price with the indirect customer and the wholesaler's invoice price. This credit is called a chargeback. The provision for chargebacks is based on historical sell-through levels by the Group's wholesale customers to the indirect customers, and estimated wholesaler inventory levels. As sales are made to large wholesale customers, the Group continually monitors the provision for chargebacks and makes adjustments when it believes that actual chargebacks may differ from estimated reserves

Returns
The Group has a product return policy that allows customers to return the product within a specified period prior to and subsequent to the expiration date. Provisions for returns are recognised as a reduction of revenue in the period in which the underlying sales are recognised.

The Group estimates its provision for returns based on historical experience, representing management's best estimate. While such experience has enabled reasonable estimations in the past, history may not always be an accurate indicator of future returns. The Group continually monitors the provisions for returns and makes adjustments when it believes that actual product returns may differ from established reserves (see Note 12 for return sensitivity analysis).

Rebates
In the US, rebates are granted to wholesaler distributors and direct customers. Rebates are also granted to healthcare authorities and certain indirect customers under contractual arrangements. Products sold in the US are covered by various programmes (such as Medicaid) under which products are sold at a discount.

The Group estimates its provision for rebates based on current contractual terms and conditions as well as historical experience, changes to business practices and credit terms. While such experience has enabled reasonable estimations in the past, history may not always be an accurate indicator of future rebate liabilities. The Group continually monitors the provisions for rebates and makes adjustments when it believes that actual rebates may differ from established reserves. (see Note 12 for rebates sensitivity analysis).

Performance obligation
Free goods
Free goods are issued to certain customers as an alternative to discounts. These free goods give rise to a separate performance obligation, which requires management to allocate the transaction price to the original goods and the related free goods. Revenue for free goods is recognised when they are transferred to the customer and a contract liability is recognised when the free goods are due but not yet transferred to the customer.

Contract manufacturing services
Contract manufacturing services that include commitments by the Group to make facility space and equipment available may be deemed to include lease components which are evaluated under IFRS 16 "Leases". For arrangements that contain both lease and non-lease components, consideration in the contract is allocated on a relative standalone selling-price basis. Revenue for these components is recognised when the related obligations are satisfied, while contract liabilities and deferred lease income are recognised for the due unsatisfied obligations.

Exceptional items and other adjustments
We use a number of non-IFRS measures to report and monitor the performance of our business. Management uses these adjusted numbers internally to measure our progress and for setting performance targets. We also present these numbers, alongside our reported results, to external audiences to help them understand the underlying performance of our business. Our adjusted numbers may be calculated differently to other companies.

Adjusted measures are not substitutable for IFRS numbers and should not be considered superior to results presented in accordance with IFRS Accounting Standards.

Core results
Reported results represent the Group's overall performance. However, these results can include one-off or non-cash items that mask the underlying performance of the Group. To provide a more complete picture of the Group's performance and to improve comparability of our consolidated financial statements to external audiences, alongside our reported results, we provide core results, which are a non-IFRS measure. We represent and discuss our Group and segmental financials reconciled between reported and core results. This presentation allows for full visibility and transparency of our financials so that shareholders are able to clearly assess the performance factors of the Group.

Core results mainly exclude:

- Amortisation of intangible assets other than software
- Impairment charge/reversal of intangible assets and property, plant and equipment
- Finance income and expense resulting from remeasurement and unwinding of contingent consideration and co-development earnout payment agreement financial liabilities
- Items which management believes to be exceptional in nature by virtue of their size or incidence, or have a distortive effect on current year earnings, including but not limited to costs associated with business combinations, one-off gains and losses on disposal of businesses, legal expenses, reorganisation costs and any exceptional items related to tax such as significant tax benefit/expense associated with previously unrecognised deferred tax assets/liabilities

Our core results exclude the exceptional items and other adjustments set out in Note 5.

Impairment of intangible assets and property, plant and equipment
At the same time each year, the Group carries out an impairment review for goodwill and intangible assets that are not yet ready for use as follows:

(a) Goodwill is allocated to cash-generating units (CGUs). These CGUs are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods

(b) Intangible assets that are not yet ready for use are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired

Where applicable, the Group carries forward and uses the most recent detailed calculation of a cash-generating unit's recoverable amount made in a preceding period, provided all of the following criteria are met:

- The assets and liabilities making up the unit have not changed significantly since the last recoverable amount calculation
- The prior calculation indicated that the recoverable amount exceeded the carrying amount of the unit by a substantial margin, reflecting significant headroom
- An analysis of events and changes in circumstances since the last calculation indicates that the likelihood of the current recoverable amount being lower than the carrying amount is remote

The Group also reviews the carrying amounts of property, plant and equipment and intangible assets that are subject to depreciation and amortisation to determine whether there is any indication that those assets are impaired. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or CGU) is lower than its carrying amount, the asset (or CGU) is written down to its recoverable amount. The resulting impairment loss is recognised immediately in the consolidated income statement.

When an impairment loss for the asset, other than goodwill, subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. However, the increased carrying amount should not exceed the carrying amount that would have been determined had there been no impairment in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statement.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

2. Going concern

The Directors believe that the Group is well diversified due to its geographic spread, product diversity and large customer and supplier base. Taking into account the Group's current position and its principal risks for a period longer than 12 months from the date of signing the consolidated financial statements, a going concern analysis has been prepared using realistic scenarios, applying a severe but plausible downside which demonstrates that the Group would maintain sufficient liquidity headroom. Therefore, the Directors believe that the Group and its subsidiaries are adequately placed to manage their business and financing risks successfully, despite the current uncertain economic outlook. Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Covenants on major financial debt arrangements are suspended while the Group retains its investment grade status from two rating agencies. As of 31 December 2024, the Group's investment grade rating was affirmed by S&P and Fitch.

3. Revenue

Business and geographical markets

The following tables provide an analysis of the Group's reported revenue by segment and geographical market, irrespective of the origin of the goods/services:

Year ended 31 December 2024	**Injectables $m**	**Generics $m**	**Branded $m**	**Others $m**	**Total $m**
North America	**877**	**1,026**	**–**	**8**	**1,911**
Middle East and North Africa	**214**	**–**	**759**	**12**	**985**
Europe and rest of the world	**202**	**–**	**10**	**6**	**218**
United Kingdom	**13**	**–**	**–**	**–**	**13**
	1,306	**1,026**	**769**	**26**	**3,127**

Year ended 31 December 2023	Injectables $m	Generics $m	Branded $m	Others $m	Total $m
North America	808	937	–	4	1,749
Middle East and North Africa	195	–	703	11	909
Europe and rest of the world	189	–	11	6	206
United Kingdom	11	–	–	–	11
	1,203	937	714	21	2,875

The top selling markets are shown below:

	2024 $m	2023 $m
United States	**1,887**	1,726
Saudi Arabia	**301**	261
Algeria	**213**	189
	2,401	2,176

In 2024, included in revenue arising from the Generics and Injectables segments are sales the Group made to three wholesalers in the US, each accounting for equal to or greater than 10% of the Group's revenue: $424 million (14% of Group revenue), $364 million (12% of Group revenue) and $307 million (10% of Group revenue). In 2023, revenue included sales made to three wholesalers: $365 million (13% of Group revenue), $370 million (13% of Group revenue) and $278 million (10% of Group revenue), respectively.

The following table provides contract balances related to revenue:

	2024 $m	2023 $m
Net trade receivables	**896**	789
Deferred income (Notes 12 and 14)	**58**	21
Refund liability (Note 12)	**151**	158
Indirect rebates and other allowances (Note 12)	**173**	145

Trade receivables are non-interest bearing and typical credit terms range from 30 to 90 days in North America, 30 to 120 days in Europe and 180 to 360 days in MENA.

4. Business segments

For management reporting purposes, the Group is organised into three principal operating divisions – Injectables, Branded and Generics. These divisions are the basis on which the Group reports its segmental information.

Core operating profit, defined as 'segment result', is the principal measure used in the decision-making and resource allocation process of the chief operating decision maker, who is the Group's Chief Executive Officer.

Information regarding the Group's operating segments is reported below:

Injectables	**2024 Core results $m**	**2024 Exceptional items and other adjustments (Note 5) $m**	**2024 Reported results $m**	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Revenue	**1,324**	**(18)**	**1,306**	1,203	–	1,203
Cost of sales	**(634)**	**(4)**	**(638)**	(546)	(2)	(548)
Gross profit	**690**	**(22)**	**668**	657	(2)	655
Total operating expenses	**(222)**	**(75)**	**(297)**	(213)	(84)	(297)
Segment result	**468**	**(97)**	**371**	444	(86)	358

Branded	**2024 Core results $m**	**2024 Exceptional items and other adjustments (Note 5) $m**	**2024 Reported results $m**	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Revenue	769	–	769	714	–	714
Cost of sales	(367)	–	(367)	(348)	(15)	(363)
Gross profit	402	–	402	366	(15)	351
Total operating expenses	(213)	(7)	(220)	(196)	(60)	(256)
Segment result	189	(7)	182	170	(75)	95

Generics	**2024 Core results $m**	**2024 Exceptional items and other adjustments (Note 5) $m**	**2024 Reported results $m**	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Revenue	1,037	(11)	1,026	937	–	937
Cost of sales	(680)	–	(680)	(550)	–	(550)
Gross profit	357	(11)	346	387	–	387
Total operating expenses	(187)	8	(179)	(195)	(45)	(240)
Segment result	170	(3)	167	192	(45)	147

Others[1]	**2024 Core results $m**	**2024 Exceptional items and other adjustments (Note 5) $m**	**2024 Reported results $m**	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Revenue	26	–	26	21	–	21
Cost of sales	(27)	–	(27)	(24)	–	(24)
Gross profit	(1)	–	(1)	(3)	–	(3)
Total operating expenses	(8)	–	(8)	(6)	–	(6)
Segment result	(9)	–	(9)	(9)	–	(9)

1. Others mainly comprises Arab Medical Containers LLC, International Pharmaceutical Research Centre LLC and the 503B compounding business

Group	2024 Core results $m	2024 Exceptional items and other adjustments (Note 5) $m	2024 Reported results $m	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Segments' results	**818**	**(107)**	**711**	797	(206)	591
Unallocated expenses[1]	**(99)**	**–**	**(99)**	(90)	(134)	(224)
Operating profit/(loss)	**719**	**(107)**	**612**	707	(340)	367
Finance income	**8**	**–**	**8**	7	–	7
Finance expense	**(93)**	**(74)**	**(167)**	(90)	(5)	(95)
Gain from investment at fair value through profit or loss (FVTPL)	**1**	**–**	**1**	2	–	2
Group's share of profit of joint venture	**1**	**–**	**1**	–	–	–
Profit/(loss) before tax	**636**	**(181)**	**455**	626	(345)	281
Tax	**(138)**	**45**	**(93)**	(131)	42	(89)
Profit/(loss) for the year	**498**	**(136)**	**362**	495	(303)	192
Attributable to:						
Non-controlling interests	**3**	**–**	**3**	3	(1)	2
Equity holders of the parent	**495**	**(136)**	**359**	492	(302)	190

1. Reported unallocated expenses primarily comprise employee costs, professional fees, IT and legal expenses. The decrease compared to the prior year is mainly attributable to provisions for legal settlements recognised in 2023 (Notes 5 and 11)

The following table provides an analysis of the Group's non-current assets[2] by geographic area:

	2024 $m	2023 $m
North America		
US	**1,518**	1,301
Canada	**30**	36
	1,548	1,337
Middle East and North Africa		
Jordan	**344**	348
Algeria	**125**	104
Morocco	**92**	89
Saudi Arabia	**75**	71
Others	**93**	75
	729	687
Europe and rest of the world		
Portugal	**147**	147
Germany	**40**	42
Others	**41**	47
	228	236
United Kingdom	**7**	11
	2,512	2,271

2. Non-current assets exclude deferred tax assets, investments at FVTOCI, restricted cash and other financial assets

5. Exceptional items and other adjustments

Exceptional items and other adjustments are disclosed separately in the consolidated income statement to assist in the understanding of the Group's core performance. Exceptional items and other adjustments have been recognised in accordance with our accounting policy outlined in Note 1; the details are presented below:

		Injectables $m	Branded $m	Generics $m	Unallocated $m	Total $m	Tax effect $m	Impact on profit for the year $m
Intangible assets amortisation other than software	SG&A	(51)	(6)	(35)	–	(92)	25	(67)
Impairment reversals on intangible assets and property, plant and equipment	Other operating income	–	–	60	–	60	(14)	46
Impairment charges on intangible assets and property, plant and equipment	Other operating expenses	(17)	(1)	(13)	–	(31)	7	(24)
Remeasurement of contingent consideration and other financial liability	Finance expense	–	–	–	(71)	(71)	16	(55)
Unwinding of contingent consideration and other financial liability	Finance expense	–	–	–	(3)	(3)	1	(2)
Provision for rebates adjustment	Revenue	(18)	–	(11)	–	(29)	7	(22)
Reorganisation costs	SG&A	(7)	–	(4)	–	(11)	2	(9)
Pre–production setup costs	Cost of sales	(4)	–	–	–	(4)	1	(3)
Exceptional items and other adjustments		(97)	(7)	(3)	(74)	(181)	45	(136)
Non-controlling interest								–
Equity holders of the parent								(136)

- Intangible assets amortisation other than software of $92 million (Note 9)
- Impairment reversals: $60 million related to complex respiratory CGU, primarily driven by improved performance and sustained forecasted profitability. Of this amount, $44 million was allocated to intangible assets (Note 9) and $16 million to property, plant and equipment
- Impairment charges: $22 million impairment on intangible assets mainly comprises $14 million related to marketing rights following the termination of business development contracts and $8 million related to a product-related intangible asset due to the discontinuation of a pipeline product (Note 9). Additionally, there were impairment charges on property, plant and equipment of $9 million mainly related to machinery and equipment associated with discontinued projects
- Remeasurement of contingent consideration and other financial liability: $71 million represents the finance expense resulting from the valuation of the liabilities associated with the future contingent payments in respect of contingent consideration recognised through business combinations (Notes 12 and 14)
- Unwinding of contingent consideration and other financial liability: $3 million represents the finance expense resulting from the unwinding of contingent consideration recognised through business combinations (Notes 12 and 14)
- Provision for rebates adjustment: $29 million represents a change in historical estimates in relation to prior years rebates
- Reorganisation costs: $11 million of reorganisation costs related to a global restructuring program. Completion of these activities is projected in 2025, with an estimated additional cost of approximately $5 million. This program will improve efficiencies across various Group functions, including R&D activities benefitting from the integration of Xellia Croatia (R&D centre)
- Pre-production setup costs: $4 million related to the manufacturing plant acquired through the Xellia business combination (Note 17). These costs are incurred during the pre-operational phase where commissioning and refurbishment of the plant is taking place. Completion of these activities is projected for early 2027, with the estimated additional expenses of approximately $25 million to be incurred in 2025 and 2026

Tax effect

- The tax effect represents the tax effect on pre-tax exceptional items and other adjustments which is calculated based on the applicable tax rate in each jurisdiction

In the previous year, exceptional items and other adjustments were related to the following:

		Injectables $m	Branded $m	Generics $m	Unallocated $m	Total $m	Tax effect $m	Impact on profit for the year $m
Impairment and cost in relation to halted operations in Sudan	[1]	(14)	(69)	–	–	(83)	(13)	(96)
Legal settlement	SG&A	–	–	–	(129)	(129)	27	(102)
Intangible assets amortisation other than software	SG&A	(47)	(6)	(35)	–	(88)	17	(71)
Impairment charge on intangible assets	Other operating expenses	(18)	–	(9)	(5)	(32)	7	(25)
Impairment charge on right-of-use assets and property, plant and equipment	Other operating expenses	(7)	–	(1)	–	(8)	2	(6)
Remeasurement of contingent consideration and other financial liability	Finance expense	–	–	–	(2)	(2)	1	(1)
Unwinding of contingent consideration and other financial liability	Finance expense	–	–	–	(3)	(3)	1	(2)
Exceptional items and other adjustments		(86)	(75)	(45)	(139)	(345)	42	(303)
Non-controlling interest								(1)
Equity holders of the parent								(302)

1. The impact on the consolidated income statement line items is shown below

– Impairment and costs in relation to halted operations in Sudan: In April 2023, violent conflict erupted in the Sudanese capital of Khartoum. The conflict subsequently escalated in other areas of the country. The Group evaluated the effect on the carrying values of the Group's assets, and as a consequence, a loss of $76 million was recognised to reflect the fall in the recoverable amount of the assets listed below. A further $7 million of employee benefits, hyperinflation and other expenses from the halted operations was classified as exceptional items on the basis that no revenue was generated after the operations were halted

		Injectables $m	Branded $m	Generics $m	Unallocated $m	Total $m
Provision against inventory	Cost of sales	(2)	(15)	–	–	(17)
Impairment charge on financial assets	Net impairment loss on financial assets	(12)	(17)	–	–	(29)
Impairment charge on intangible assets	Other operating expenses	–	(3)	–	–	(3)
Impairment charge on property, plant and equipment	Other operating expenses	–	(25)	–	–	(25)
Impairment charge on other current assets	Other operating expenses	–	(2)	–	–	(2)
Cost from halted operations in Sudan	SG&A	–	(6)	–	–	(6)
Cost from halted operations in Sudan	Other operating expenses	–	(1)	–	–	(1)
		(14)	(69)	–	–	(83)

– Provision for legal settlements: On 1 February 2024, the Group reached an agreement in principle to resolve the vast majority of the opioid-related cases brought against Hikma Pharmaceuticals USA Inc. by US states, their subdivisions, and tribal nations. The agreed-upon settlement is not an admission of wrongdoing or legal liability. The Group booked a total provision of $129 million to cover the expected settlement amount for all related cases in North America (Note 11)
– Intangible assets amortisation other than software of $88 million (Note 9)
– Impairment charge on intangible assets: $32 million mainly comprises $11 million in relation to product-related intangible assets as a result of the decline in performance and forecasted profitability and $16 million marketing rights due to the termination of business development contracts. Additionally, $5 million of impairment charge relates to software (Note 9)
– Impairment charge on property, plant and equipment and right-of-use assets: $8 million of impairment charge mainly relates to a leased property with no future plans of utilisation
– Remeasurement of contingent consideration and other financial liability: $2 million represents the finance expense resulting from the valuation of the liabilities associated with the future contingent payments in respect of contingent consideration recognised through business combinations and the financial liability in relation to the co-development earnout payment agreement (Notes 12 and 14)
– Unwinding of contingent consideration and other financial liability: $3 million represents the finance expense resulting from the unwinding of contingent consideration recognised through business combinations and the financial liability in relation to the co-development earnout payment agreement (Notes 12 and 14)

6. Tax

	2024 Core results $m	2024 Exceptional items and other adjustments (Note 5) $m	2024 Reported results $m	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Current tax						
Current year	**142**	**(2)**	**140**	117	(2)	115
Adjustment to prior years	**18**	**–**	**18**	(1)	–	(1)
Deferred tax						
Current year	**1**	**(43)**	**(42)**	11	(40)	(29)
Adjustment to prior year	**(23)**	**–**	**(23)**	4	–	4
	138	**(45)**	**93**	131	(42)	89

UK corporation tax is calculated at 25% standard rate (2023: 23.5% blended rate).

The Group incurred a tax expense of $93 million (2023: $89 million); the reported and core effective tax rates are 20.4% and 21.7% respectively (2023: 31.7% and 20.9% respectively). The reported effective tax rate is lower than the standard rate primarily due to the earnings mix.

Taxation for all jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

The charge for the year can be reconciled to profit before tax per the consolidated income statement as follows:

	2024 $m	2023 $m
Profit before tax	**455**	281
Tax at the UK corporation tax rate of 25% (2023: 23.5%)	**114**	66
Profits taxed at different rates	**(26)**	(21)
Permanent differences:		
– Non-deductible expenditure	**4**	3
– Other permanent differences	**2**	2
– Research and development benefit	**(4)**	(3)
State and local taxes	**2**	2
Temporary differences:		
– Rate change and movement in the recognition of tax losses and other temporary differences	**1**	(3)
Impact of the halted operations in Sudan	**–**	32
Change in uncertain tax positions	**(3)**	9
Unremitted earnings	**1**	(1)
Prior year adjustments	**(5)**	3
Pillar 2 Top up Tax	**7**	–
Tax expense for the year	**93**	89

Profits taxed at different tax rates relate to profits arising in overseas jurisdictions where the tax rate differs from the UK statutory rate. Permanent differences relate to items which are non-taxable or for which no tax relief is ever likely to be due. The major items are expenses and income disallowed where they are covered by statutory exemptions, foreign exchange differences in some territories and statutory reliefs such as research and development.

Rate change, tax losses and other deductible temporary differences for which no benefit is recognised include items for which it is not appropriate to recognise deferred tax.

The change in the uncertain tax positions relates to the balance the Group holds in the event a revenue authority successfully takes an adverse view of the positions adopted by the Group in 2024 and prior years. As at 31 December 2024, the Group's uncertain tax positions, excluding advanced payments, amounted to $54 million (2023: $59 million). The Group released $3 million in 2024 (2023: $13 million) primarily due to the resolution of some audits with the relevant tax authorities. The impact from the currency exchange difference was a $2 million reduction to the aggregate balance in 2024 (2023: $nil). If all areas of uncertainty were audited and all areas resulted in an adverse outcome, management does not believe any material additional tax would be payable beyond what is provided.

Prior year adjustments include differences between the tax liability recorded in the tax returns submitted for previous years and the estimated tax provision reported in a prior year's consolidated financial statements. This category also includes adjustments to the tax returns against which an adverse uncertain tax position has been booked and included under 'change in uncertain tax positions' above.

Tax contingent liabilities
Due to the Group operating across a number of different tax jurisdictions, it is subject to periodic challenge by local tax authorities on a range of tax matters arising in the normal course of business. These challenges generally include transfer pricing arrangements, other international tax matters and the judgemental interpretation of local tax legislation.

A tax contingent liability is not provided for but is disclosed if:

- tax payments are not probable in the future on challenges by tax authorities; or
- it is a present tax obligation, but the amount cannot be measured reliably

Publication of tax strategy
In line with the UK requirement for large UK businesses to publish their tax strategy, the Group's tax strategy has been made available on the Group's website.

Global minimum tax – Pillar Two
Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Group operates. The legislation became effective for the Group's financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes for the year ended on 31 December 2024.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment, the Group has identified potential exposure to Pillar Two income taxes in respect of profits earned in the UAE and Jordan. The potential exposure comes from the constituent entities (mainly operating subsidiaries) in these jurisdictions where the expected Pillar Two effective tax rate is below 15%. The top up tax has been calculated in accordance with the OECD guidance and has been included in the tax amounts disclosed above. We estimate that the total Pillar Two top up tax to be $7 million. The Group is continuing to assess the impact of the Pillar Two income taxes legislation and related updates on its future financial performance.

Deferred tax
Recognition of deferred tax assets
The recognition of deferred tax assets is based on the current forecast of taxable profits arising in the jurisdiction in which the deferred tax asset arises. A deferred tax asset is recognised to the extent that there are forecast taxable profits within a reasonable period.

This exercise is reviewed each year and, to the extent forecasts change, an adjustment to the recognised deferred tax asset may be made.

Recognition of deferred tax assets is driven by the Group's ability to utilise the deferred tax asset which is reliant on forecast taxable profits arising in the jurisdiction in which losses are incurred.

Deferred tax assets and liabilities have been offset only where it is appropriate to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	As at 31 December	
	2024 $m	2023 $m
Deferred tax assets	**293**	226
Deferred tax liabilities	**(18)**	(25)
	275	201

The table below represents the deferred tax movement in 2024:

	Returns and inventory-related provision[2] $m	Intangible assets $m	Other provisions and accruals $m	Unremitted earnings $m	Research and Development $m	Others $m	Total $m
1 January 2024	90	54	59	(3)	–	1	201
Reclassification[1]	–	–	–	–	29	(29)	–
(Charge)/credit to income	16	20	(1)	(1)	13	18	65
Equity adjustment	–	–	–	–	–	1	1
Currency translation and hyperinflation impact	(1)	1	(1)	–	–	9	8
At 31 December 2024	105	75	57	(4)	42	–	275

1. During the current year, the Group reclassified the deferred tax asset arising from Research and Development expenditures, previously included in "Others", given its materiality, in accordance with IAS 12

2. This category also includes the deferred tax related to elimination of unrealised profit

The table below represents the deferred tax movement in 2023:

	Returns and inventory-related provision[3] $m	Intangible assets $m	Other provisions and accruals $m	Unremitted earnings $m	Others $m	Total $m
1 January 2023	83	46	16	(4)	32	173
(Charge)/credit to income	7	8	43	1	(34)	25
Currency translation and hyperinflation impact	–	–	–	–	3	3
At 31 December 2023	90	54	59	(3)	1	201

3. This category also includes the deferred tax related to elimination of unrealised profit

The Group has a potential deferred tax asset of $457 million (2023: $288 million) of which $293 million (2023: $226 million) has been recognised. The unrecognised deferred tax asset comprises of tax losses, short term timing differences and non-refundable tax credits.

No deferred tax asset has been recognised on gross temporary differences totalling $273 million (2023: $288 million), with a tax effect of $65 million mainly due to the unpredictability of the related future profit streams. Of these gross temporary differences, $205 million (2023: $200 million) relate to losses, of which $202 million are UK losses that don't expire. No deferred tax is recognised against the losses due to significant uncertainty regarding future taxable income forecasts in the relevant jurisdictions. None of the non-UK losses are expected to expire in 2025. The remaining $68 million represent other unrecognised gross short-term temporary differences that relate to multiple jurisdictions.

In addition, the company has been granted Cantonal tax credits in Switzerland of $99 million (CHF90 million). These Swiss non-refundable tax credits can be utilised over a 10-year period through from the fiscal year 2024 until they expire in 2033. Due to the operation being in its infancy, it is not currently probable that the benefit of the non-refundable tax credit will be realised. Therefore, no deferred tax asset has been recognised on this item.

During the year an increase in the deferred tax liability has been recognised on temporary differences relating to the unremitted earnings of overseas subsidiaries of $1 million (2023: $1 million reduction). No deferred tax liability has been recognised on the remaining unremitted earnings of $499 million (2023: $414 million), as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Mandatory temporary exception
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 Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

7. Dividends

	Paid in 2024 $m	Paid in 2023 $m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2023 of 47 cents (31 December 2022: 37 cents) per share	**104**	82
Interim dividend during the year ended 31 December 2024 of 32 cents (31 December 2023: 25 cents) per share	**71**	55
	175	137

The proposed final dividend for the year ended 31 December 2024 is 48 cents (2023: 47 cents).

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting on 24 April 2025 and has not been included as a liability in these consolidated financial statements. Based on the number of shares in free issue at 31 December 2024 (220,431,263), the final dividend would be $106 million.

8. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Ordinary Shares in free issue during the year after deducting Treasury shares and shares held in employee benefit trust (EBT). Treasury shares have no right to receive dividends, and the employee benefit trust (EBT) has waived its entitlement to dividends. However, while the voting rights attached to treasury shares are not exercisable, shares in the EBT retain their voting rights.

Diluted EPS is calculated after adjusting the weighted average number of Ordinary Shares used in the basic EPS calculation for the conversion of all potentially dilutive Ordinary Shares.

Core basic and diluted EPS are intended to highlight the core results of the Group before exceptional items and other adjustments.

	2024 Core results $m	**2024 Exceptional items and other adjustments (Note 5) $m**	**2024 Reported results $m**	2023 Core results $m	2023 Exceptional items and other adjustments (Note 5) $m	2023 Reported results $m
Profit attributable to equity holders of the parent	**495**	**(136)**	**359**	492	(302)	190

The number of shares used in calculating basic and diluted EPS is reconciled below:

Weighted average number of Ordinary Shares in free issue	**2024 Number**	2023 Number
Basic EPS	**221,333,249**	220,862,103
Effect of potentially dilutive Ordinary Shares:		
Share-based awards	**2,160,072**	1,506,611
Diluted EPS	**223,493,321**	222,368,714

	2024 Core EPS Cents	**2024 Reported EPS Cents**	2023 Core EPS Cents	2023 Reported EPS Cents
Basic	**224**	**162**	223	86
Diluted	**221**	**161**	221	85

9. Goodwill and other intangible assets

The changes in the carrying value of goodwill and other intangible assets for the years ended 31 December 2024 and 31 December 2023 are as follows:

	Goodwill	Other intangible assets			
		Product-related intangibles	Software	Other identified intangibles	Total
	$m	$m	$m	$m	$m
Cost					
Balance at 1 January 2023	797	1,350	141	285	2,573
Additions	–	10	1	33	44
Disposals	–	–	(4)	(3)	(7)
Translation adjustments	(1)	(1)	–	2	–
Business combination	–	63	–	–	63
Balance at 31 December 2023 and 1 January 2024	**796**	**1,422**	**138**	**317**	**2,673**
Additions	–	24	–	49	73
Disposals	–	–	–	–	–
Translation adjustments	(8)	(7)	(1)	(2)	(18)
Business combination (Note 17)	2	73	–	–	75
Balance at 31 December 2024	**790**	**1,512**	**137**	**364**	**2,803**
Accumulated Amortisation and Impairment					
Balance at 1 January 2023	(408)	(793)	(98)	(150)	(1,449)
Charge for the year	–	(73)	(8)	(15)	(96)
Disposals	–	–	4	3	7
Impairment charge	–	(13)	(5)	(17)	(35)
Translation adjustments	–	1	–	(1)	–
Balance at 31 December 2023 and 1 January 2024	**(408)**	**(878)**	**(107)**	**(180)**	**(1,573)**
Charge for the year	–	(72)	(8)	(20)	(100)
Disposals	–	–	–	–	–
Impairment reversal	–	44	–	–	44
Impairment charge	–	(8)	–	(14)	(22)
Translation adjustments	–	2	–	2	4
Balance at 31 December 2024	**(408)**	**(912)**	**(115)**	**(212)**	**(1,647)**
Carrying amount					
At 31 December 2024	**382**	**600**	**22**	**152**	**1,156**
At 31 December 2023	**388**	**544**	**31**	**137**	**1,100**

Of the total intangible assets other than goodwill, $157 million (2023: $152 million) are not yet available for use.

Goodwill

Goodwill is allocated from the acquisition date to the CGUs that are expected to benefit from the synergies of the business combination. The carrying amount of goodwill has been allocated as follows:

	As at 31 December	
	2024	2023
	$m	$m
Injectables	**227**	228
Branded	**155**	160
Total	**382**	388

In accordance with the Group policy, goodwill is tested annually for impairment during the fourth quarter or more frequently if there are indicators that goodwill may be impaired. The impairment test was performed by calculating the recoverable amount of the CGUs to which the goodwill is allocated, based on discounted cash flows by applying an appropriate discount rate that reflects the risk factors associated with the cash flows under which these CGUs sit. These values are then compared to the carrying value of the CGUs to determine whether an impairment is required. Where applicable, the Group carries forward and uses the most recent detailed calculation of a cash-generating unit's recoverable amount made in the preceding period.

CGUs impairment testing

Details related to the discounted cash flow models used in the impairment tests of the CGUs are as follows:

Valuation basis, terminal growth rate and discount rate			Terminal growth rate (perpetuity)		Discount rate		
		Valuation basis	**2024**	2023	**2024**	2023	
	Injectables	VIU	**2.5%**	2.5%	**12.6%**	12.6%	Pre−tax
	Branded	VIU	**2.4%**	2.5%	**14.3%**	17.4%	Pre−tax
	Generics	VIU	**1.0%**	n/a	**10.7%**	n/a	Pre−tax
	Complex respiratory	FVLCD	**–**[1]	n/a	**8.1%**	n/a	Post-tax
Key assumptions	Projected cash flows based on: − Sales growth rates, informed by pricing and volume assumptions − Profit margins and profit margin growth rates for marketed and pipeline products − Expected launch dates for pipeline products Terminal growth rates Discount rates						
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information, informed by historical experience and management's best estimates of the future Margins reflect past experience, adjusted for expected changes in the future Establishing the launch date and probability of a successful product approval for pipeline products Terminal growth rates are based on the Group's experience in its markets Discount rates for each CGU are derived from specific regions/countries						
Period of specific projected cash flows	5 years						

1. The majority of projected cash flows for the Complex respiratory CGU extend over a seven-year period (2023: eight years)

Complex respiratory CGU

The improved performance of the Complex respiratory CGU was considered as an indicator for an impairment reversal assessment. As a result, the Group evaluated the recoverable amount of the CGU using a fair value less costs of disposal (FVLCD) model, being the higher value compared to value in use (VIU). The evaluation resulted in an impairment reversal of $60 million, with $44 million allocated to intangible assets and $16 million to property, plant and equipment on a pro rata basis. The reversal reflects sustained performance improvement and forecasted profitability, bringing the revised carrying amount of the CGU to $127 million. This valuation methodology uses significant inputs which are not based on observable market data, therefore this valuation technique is classified as a level 3 valuation.

The Group performed sensitivity analysis over the valuation of the CGU. The analysis assumed an increase/decrease of one percentage point in the discount rate or a 10% decline/improve in the projected cash flows. Applying those sensitivities would decrease/increase the value of the CGU by approximately $7 million and $22 million, respectively.

Injectables CGU

In accordance with IAS 36, the Group conducted its annual impairment test for the Injectables CGU by carrying forward the most recent detailed calculation of its recoverable amount from the preceding period. This approach was considered appropriate as the assets and liabilities of the CGU have not changed significantly since last year's recoverable amount calculation, and the previous calculation indicated that the recoverable amount significantly exceeded the carrying amount of the CGU. Additionally, an analysis of events and changes in circumstances since the prior assessment indicated that the likelihood of the current recoverable amount being lower than the carrying amount is remote.

Branded CGU

The Group conducted its annual impairment test for the Branded CGU, as it includes goodwill and other intangible assets not yet available for use. The valuation did not result in any impairment for the CGU and indicated that sufficient headroom exists even under reasonable changes in key assumptions.

Generics CGU

The Group conducted its annual impairment test for the Generics CGU, as it includes material intangible assets not yet available for use. The valuation did not result in any impairment for the CGU and indicated that sufficient headroom exists even under reasonable changes in key assumptions.

The Group monitors the development of climate-related risks and assessed the qualitative and quantitative impact which is not expected to have a material impact on the consolidated financial statements nor the recoverable amount of the CGUs.

Product-related intangible assets

Product rights not yet available for use

Product rights not yet available for use amounts to $84 million (2023: $75 million); no amortisation has been charged against them. The Group performs an impairment review of these assets annually. The result of this test was an impairment charge of $8 million in the Injectables segment due to the discontinuation of a pipeline product (2023: $3 million in the Generics segment).

Product rights

Product rights consist of marketed products of $516 million (2023: $469 million) which include two products in the injectables CGU valued at $118 million (2023: $129 million) and $52 million (2023: $nil) with a remaining useful life of eleven years (2023: twelve years) and fifteen years, respectively. Additionally, a product in the Complex respiratory CGU is valued at $120 million (2023: $87 million) following a $44 million impairment reversal allocated as part of the CGU overall reversal (see page 36). This product has a remaining useful life of seven years (2023: eight years).

The product rights have an average estimated useful life of twelve years.

Software

Software intangibles mainly represent the Enterprise Resource Planning solutions that are implemented in different operations across the Group in addition to other software applications, of which $1 million is not yet available for use (2023: $1 million). The software has an average estimated useful life that varies from three to ten years.

As at 31 December 2024, no impairment charge was identified (2023: $5 million).

Other identified intangibles

Other identified intangibles comprise marketing rights, customer relationships and trade names of $152 million (2023: $137 million) of which $72 million represent assets not yet available for use (2023: $76 million). The Group performs an impairment review of other identified intangible assets that are not yet available for use annually, and performs impairment indicators assessment for assets in use. The result of this test was an impairment charge of $1 million in the Injectables segment and $13 million in the Generics segment due to the discontinuation of certain marketing rights contracts (2023: $17 million).

Marketing rights

Marketing rights are amortised over their useful lives commencing in the year in which the rights are ready for use with estimated useful lives varying from two to ten years.

Customer relationships

Customer relationships represent the value attributed to existing direct customers that the Group acquired on business combinations. The customer relationships have an average estimated useful life of fifteen years.

Trade names

Trade names were mainly recognised on the acquisition of Hikma Germany GmbH (Germany) with estimated useful lives of ten years.

10. Short-term financial debts

	As at 31 December	
	2024 $m	2023 $m
Bank overdrafts	**4**	2
Import and export financing[2]	**14**	44
Short-term loans	**3**	–
Current portion of long-term loans (Note 13)	**621**	104
	642	150

The increase in the current portion of long-term loans is primarily attributable to the Eurobond maturing in July 2025.

2. Import and export financing represents short-term financing for the ordinary trading activities of the Group

	2024 %	2023 %
The weighted average interest rates incurred are as follows:		
Bank overdrafts	**21.03**	13.34
Import and export financing	**8.37**	7.10
Short-term loans	**5.19**	4.75

11. Provisions

	Provision for end of service indemnity $m	**Provision for legal settlements $m**	**Total $m**
Balance at 1 January 2023	32	–	32
Additions	3	129	132
Utilisations	(5)	–	(5)
Balance at 31 December 2023 and 1 January 2024	30	129	159
Additions	3	–	3
Remeasurement of post–employment benefit obligations	1	–	1
Utilisations	(5)	–	(5)
Balance at 31 December 2024	**29**	**129**	**158**

	2024 $m	2023 $m
Due within one year	**122**	152
Due after more than one year	**36**	7
	158	159

Provision for end of service indemnity relates to employees of certain Group subsidiaries and includes immaterial amounts for defined benefit plans. This provision is calculated based on relevant laws in the countries where each Group company operates, in addition to their own policies. For defined benefit plans, changes in net liability due to actuarial valuations and changes in assumptions resulted in a remeasurement loss of $1 million (2023: $nil). In 2024, the Group reclassified this provision to non-current, as most of the balance is not expected to be settled within the next 12 months.

Legal provision is related to the expected settlement amount for legal matters, of which $7 million is expected to be settled after more than one year (Note 5).

12. Other current liabilities

	As at 31 December	
	2024 $m	2023 $m
Deferred income (Note 14)	**28**	21
Refund liability	**151**	158
Contingent consideration (Note 14)	**85**	25
Co-development and earnout payment	**–**	1
Acquired contingent liability (Note 14)	**20**	13
Indirect rebates and other allowances	**173**	145
Others	**18**	21
	475	384

Deferred income includes contract liabilities related to the Group's obligations for contract manufacturing services, for which payment has been received or is receivable. It also includes contract liabilities for free goods owed to certain customers as an alternative to discounts. Additionally, deferred income comprises deferred lease income arising from the lease component within contract manufacturing services.

As at 31 December 2024, total deferred income was $58 million (2023: $21 million). The current portion of $28 million related to contract liabilities (2023: $21 million). The non-current portion of $30 million (2023: $nil) comprised $13 million in contract liabilities and $17 million in deferred lease income.

During the year, revenue of $21 million (2023: $25 million) was recognised as performance obligations were satisfied.

Refund liability relate to provisions for product returns, where the Group allows customers to return products within a specified period prior to and subsequent to the expiration date. The key assumptions included in calculating this provision are estimations of the product shelf life, estimations of revenue estimated to be subject to returns and the estimated returns rate of 1.39% (2023: 1.47%) as informed by both historical return rates and consideration of specific factors like product dating and expiration, new product launches, entrance of new competitors, and changes to contractual terms. Based on the conditions existing at the balance sheet date, a ten-basis point increase/decrease in the returns and allowances rate would increase/decrease this provision by approximately $11 million (2023: $11 million).

Indirect rebates and other allowances: mainly represent rebates granted to healthcare authorities and certain indirect customers under contractual arrangements. This includes provision for rebates adjustment of $29 million, reflecting a change in historical estimates related to prior years' rebates (Note 5).

At 31 December 2024, the provision balance relating to the indirect rebates was $100 million (2023: $96 million). The key inputs and assumptions included in calculating this provision are the historical relationship between contractual rebate payments to revenue, past payment experience, changes to pricing and sales levels, estimation of ‘in channel’ inventory at the wholesalers and retail pharmacies and estimated future sales trends (including customer mix). Based on the conditions existing at the balance sheet date, a ten-basis point increase/decrease in the rebates rate of 4.9% (2023: 4.7%) would increase/decrease this provision by approximately $2 million (2023: $2 million).

The following table provides the movement for the deferred income, refund liability and indirect rebates and other allowances for the years ended 31 December 2024 and 2023 were as follows:

	Deferred income $m	**Refund liability $m**	**Indirect rebates and other allowances $m**	**Total $m**
Balance at 1 January 2023	25	168	101	294
Additions	21	43	261	325
Utilisations	(25)	(52)	(218)	(295)
Translation adjustment	–	(1)	1	–
Balance at 31 December 2023 and 1 January 2024	**21**	**158**	**145**	**324**
Additions	58	55	334	447
Utilisations	(21)	(61)	(306)	(388)
Translation adjustment	–	(1)	–	(1)
Balance at 31 December 2024	**58**	**151**	**173**	**382**

	2024 $m	2023 $m
Current	**352**	324
Non-current (Note 14)	**30**	–
	382	324

13. Long-term financial debts

	As at 31 December	
	2024 $m	2023 $m
Long-term loans	**729**	582
Long-term borrowings (Eurobond)	**499**	497
	1,228	1,079
Less: current portion (Note 10)	**(621)**	(104)
Non-current financial loans	**607**	975
Breakdown by maturity:		
Within one year	**621**	104
In the second year	**118**	604
In the third year	**129**	100
In the fourth year	**117**	208
In the fifth year	**242**	59
In the sixth year	**1**	4
	1,228	1,079
Breakdown by currency:		
US dollar	**1,156**	1,002
Euro	**9**	21
Jordanian dinar	**7**	13
Algerian dinar	**31**	29
Moroccan dirham	**23**	11
Tunisian dinar	**2**	3
	1,228	1,079

The financial debts are held at amortised cost.

Major financial debt arrangements include:

a) $1,150 million syndicated revolving credit facility that matures on 4 January 2029. At 31 December 2024, the facility had an outstanding balance of $240 million (2023: $nil) and a fair value of $240 million (2023: $nil) and an unutilised amount of $910 million (2023: $1,150 million). The facility can be used for general corporate purposes.

b) A $500 million 3.25%, five-year Eurobond with a rating of BBB- (S&P & Fitch) that matures on 9 July 2025. At 31 December 2024, the facility had an outstanding balance of $499 million (2023: $497 million) and a fair value of $493 million (2023: $481 million). The proceeds were used for general corporate purposes. At 31 December 2024, the balance was classified as short-term financial debts (Note 10).

c) A $400 million five-year syndicated loan facility that matures on 13 October 2027. At 31 December 2024, the facility had an outstanding balance of $162 million (2023: $315 million) and a fair value of $162 million (2023: $315 million). The proceeds were used for general corporate purposes.

d) A $200 million eight-year loan facility from the International Finance Corporation and Managed Co-lending Portfolio program that matures on 15 September 2028. At 31 December 2024, the facility had an outstanding balance of $185 million (2023: $100 million) and a fair value of $185 million (2023: $100 million). The proceeds were used for general corporate purposes.

e) A $150 million ten-year loan facility from the International Finance Corporation that matures on 15 December 2027. At 31 December 2024, the facility had an outstanding balance of $63 million (2023: $86 million) and a fair value of $61 million (2023: $80 million). The proceeds were used for general corporate purposes.

Covenants on major financial debt arrangements are suspended while the Group retains its investment-grade status. As of 31 December 2024, the carrying value of long-term debt subject to covenants was immaterial, and the Group was in full compliance with those respective covenants. Covenants that must be complied with after the reporting date do not affect the classification of the related borrowings as current or non-current. Accordingly, all such borrowings remain classified as non-current liabilities.

	2024 %	2023 %
The weighted average interest rates incurred are as follows:		
Bank loans (including the current bank loans)	**6.18**	5.76
Eurobond[1]	**3.68**	3.68

1. The Eurobond effective interest rate includes unwinding of discount amount and upfront fees

14. Other non-current liabilities

	As at 31 December	
	2024 $m	2023 $m
Contingent consideration (Note 12)	**68**	16
Acquired contingent liability (Note 12)	**29**	54
Deferred income (Note 12)	**30**	–
	127	70

Contingent consideration liability represents a contractual liability arising from business combinations to make payments to third parties in the form of milestone payments that depend on the achievement of certain regulatory approvals; and payments based on future sales of certain products. The current portion of these liabilities are recognised in other current liabilities (Note 12).

The contingent consideration liability is accounted for as a financial liability at fair value under IFRS 9.

The acquired contingent liability was recognised as part of business combination. On acquisition, the acquired contingent liability was recognised at fair value under IFRS 3 'Business Combinations' and it is subsequently measured at the higher of the amount that would be recognised under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less any settlements made in respect of the liability.

15. Cash generated from operating activities

	2024 $m	2023 $m
Profit before tax	**455**	281
Adjustments for depreciation, amortisation and impairment charges/reversals of:		
Property, plant and equipment	**80**	110
Intangible assets	**78**	131
Right-of-use assets	**10**	18
Gain from investment at fair value through profit or loss (FVTPL)	**(1)**	(2)
Cost of equity-settled employee share scheme	**27**	25
Finance income	**(8)**	(7)
Finance expense	**167**	95
Foreign exchange loss and net monetary hyperinflation impact	**16**	6
Group's share of profit of joint venture	**(1)**	–
Loss on sale of assets held for sale	**1**	–
Changes in working capital:		
Change in trade and other receivables	**(144)**	(24)
Change in other current assets	**4**	(9)
Change in inventories	**(112)**	(115)
Change in trade and other payables	**78**	88
Change in other current liabilities	**36**	13
Change in provisions	**(1)**	127
Change in other non-current assets	**–**	5
Change in other non-current liabilities	**4**	(5)
Cash flow from operating activities	**689**	737

16. Reconciliation of movement in net debt

	2024 $m	2023 $m
Interest-bearing loans and borrowings (Notes 10 and 13)		
Balance at 1 January	**1,125**	1,213
Proceeds from issue of long-term financial debts	**684**	778
Proceeds from issue of short-term financial debts	**387**	437
Repayment of long-term financial debts	**(536)**	(841)
Repayment of short-term financial debts	**(411)**	(467)
Amortisation of upfront fees	**3**	2
Foreign exchange translation movements	**(3)**	3
Balance at 31 December	**1,249**	1,125
Lease liabilities		
Balance at 1 January	**66**	70
Additions	**11**	6
Business combination (Note 17)	**2**	–
Adjustments	**(1)**	–
Repayment of lease liabilities	**(21)**	(10)
Balance at 31 December	**57**	66
Total Debt	**1,306**	1,191
Cash and cash equivalents	**(188)**	(205)
Restricted cash	**–**	(10)
Net debt[1]	**1,118**	976

1. Net debt includes long and short-term financial debts and lease liabilities, net of cash and cash equivalents and restricted cash (if any). Net debt excludes co-development and earnout payments, acquired contingent liabilities and contingent consideration

17. Business combination

Xellia Pharmaceuticals (Xellia)

On 10 September 2024, the Group completed the acquisition of Xellia Pharmaceuticals' US finished dosage form (FDF) business, related assets and 100% of the issued share capital of Xellia Croatia (R&D centre) for a total consideration of $202 million. This comprises a cash payment of $153 million, a contingent consideration of up to $50 million, subject to the achievement of certain regulatory and commercial milestones minus working capital adjustment of $1 million. The acquisition has been accounted for as a business combination in accordance with IFRS 3 'Business Combinations'.

The fair value of net assets acquired in the transaction and the goodwill are provisional, with the identifiable assets and liabilities recognised as follows:

	$m
Property, plant and equipment	115
Product-related intangible assets (Note 9)	73
Inventories	14
Cash and cash equivalents	3
Right-of-use assets	2
Lease liabilities	(2)
Other payables	(5)
Net identifiable assets acquired	**200**
Add: Goodwill (Note 9)	2
Total consideration	**202**
Satisfied by:	
Cash consideration	153
Contingent consideration (Note 12)	50
Working capital adjustments	(1)
	202
Cash consideration	153
Less: cash and cash equivalents acquired	(3)
Net cash outflow arising from acquisition	**150**

The Group believes this acquisition will drive long-term growth and success by supporting the expansion of the Injectables segment while diversifying and strengthening its portfolio. Furthermore, the acquisition of the manufacturing site, along with complex manufacturing technologies, will enhance capacity and capabilities after the plant's commissioning and refurbishment is completed. Additionally, the integration of R&D teams from both companies will strengthen research and development capabilities.

The goodwill recognised reflects synergies from expanded manufacturing capacity, enhanced sales, marketing, and R&D capabilities, and the diversification of the business portfolio and is not amortisable for tax purposes. Goodwill has been allocated to the Group's Injectables segment.

Product-related intangible assets comprise product rights of $73 million measured at fair value using a Multi-Period Excess Earnings Method (MPEEM).

Property, plant and equipment mainly include land and buildings valued at $52 million, as well as machinery, equipment and assets under construction valued at $63 million. These assets were mainly valued using the cost approach.

As part of this acquisition, the Group recognised contingent consideration of $50 million as of the acquisition date. The amount was calculated on the assumption of a 100% probability of successfully achieving certain regulatory and commercial milestones. Since payment is expected within one year, no adjustment for net present value has been made to the value of the contingent consideration.

The acquisition-related cost of $2 million was recognised as an expense under selling, general and administrative expenses in the consolidated income statement.

The business was acquired on 10 September 2024, contributing $24 million in revenue on both a reported and core basis, with a $1 million reported loss for the year and a core profit of $3 million. Had the acquisition occurred on the first day of the financial year, it would have contributed approximately $83 million to the Group's core revenue and a core profit of $11 million.

18. Contingent liabilities

Standby letters of credit and letters of guarantees
A contingent liability existed at the balance sheet date in respect of standby letters of credit and letters of guarantees totalling $49 million (2023: $55 million) arising in the normal course of business. No provision for these liabilities has been made in these consolidated financial statements.

A contingent liability existed at the balance sheet date for standby letters of credit totalling $14 million (2023: $14 million) for potential stamp duty obligations that may arise from the repayment of loans by intercompany guarantors. It's not probable that any repayment will be made by the intercompany guarantors.

Legal proceedings
The Group is involved in a number of legal proceedings in the ordinary course of its business, including actual or threatened litigation and actual or potential government investigations relating to employment matters, product liability, commercial disputes, pricing, sales and marketing practices, infringement of IP rights, the validity of certain patents and competition laws.

Most of the claims involve highly complex issues. Often these issues are subject to substantial uncertainties and, therefore, the probability of a loss being sustained and/or an estimate of the amount of any loss is difficult to ascertain. It is the Group's policy to provide for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable.

In the proceedings noted herein, the Group currently believes it has meritorious defences and intends to vigorously defend itself. From time to time, however, the Group may settle or otherwise resolve these matters on terms and conditions that it believes to be in its best interest. Litigation outcomes and contingencies are unpredictable and excessive verdicts can occur. Any legal proceeding, regardless of the merits, might result in substantial costs to defend or settle or otherwise negatively affect our business.

- *In Re Generic Pharmaceuticals Pricing Antitrust Litigation*. Starting in 2016, more than 30 complaints have been filed against Group entities in the United States on behalf of putative classes of direct and indirect purchasers of generic drug products, as well as several individual direct action retailer and third party payor plaintiffs. These complaints allege that more than forty generic pharmaceutical defendants, including the Group entities, engaged in conspiracies to fix, increase, maintain and/or stabilise the prices and market shares of certain generic drug products during the periods of approximately 2010 to 2016. The plaintiffs seek unspecified treble monetary damages, which can be significantly higher than the profits Hikma made on the alleged drug products, and equitable injunctive relief under federal and state antitrust and consumer protection laws. The lawsuits have been consolidated in a multidistrict litigation (MDL) in the United States District Court for the Eastern District of Pennsylvania (In re Generic Pharmaceuticals Pricing Antitrust Litigation, No. 2724, (E.D. Pa.)). At this point in the proceedings, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.

– *Xyrem® (Sodium Oxybate) Antitrust Litigation*. Starting in June 2020, more than 20 complaints have been filed in the United States on behalf of both individual plaintiffs and putative classes of direct and indirect purchasers, as well as third party payors, of Xyrem® against certain Group entities, Jazz Pharmaceuticals PLC, and other defendants. These complaints allege that Jazz and its subsidiaries entered into unlawful "pay-for-delay" anticompetitive reverse payment agreements with Hikma in settling patent infringement lawsuits over Xyrem® and delaying generic competition to Xyrem®. The plaintiffs in these lawsuits seek treble monetary damages, which can be significantly higher than the profits Hikma makes from selling sodium oxybate, and equitable injunctive relief under federal and state antitrust and consumer protection laws. Currently, most of these cases have been consolidated for pretrial purposes in multidistrict litigation ("MDL") in the United States District Court for the Northern District of California (In re: Xyrem (Sodium Oxybate) Antitrust Litigation, No.2966, (N.D. Cal.)). A jury trial involving most of the MDL plaintiffs has been scheduled to start May 19, 2025. Hikma was also named as a defendant in a substantially similar action filed by Aetna Inc. in California state court (Aetna Inc. v. Jazz Pharms., Inc. et al, No. 22 CV 010951 (Cal. Super. Ct.)). The Aetna matter does not yet have a trial date. At this point, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.

– *Amarin Pharma Inc. v. Hikma Pharmaceuticals PLC*. In November 2020, Amarin Pharmaceuticals filed a patent infringement lawsuit against certain Group entities in the United States District Court for the District of Delaware (No. 20-cv-1630) alleging that Hikma's sales, distribution and marketing of its generic icosapent ethyl product infringe three Amarin patents that describe certain methods of using icosapent ethyl. Amarin sought an injunction barring Hikma from selling its generic product as well as unspecified damages. Hikma's product is not approved for the alleged patented methods but rather is approved only for a different indication not covered by any valid patents. In January 2022 the district court dismissed the lawsuit, and Amarin appealed the court's ruling to the United States Court of Appeals for the Federal Circuit. On June 25, 2024, the Federal Circuit reversed the district court's decision, held that Amarin has plausibly pleaded a potential claim for induced infringement, and remanded the case for further proceedings at the district court. A trial is scheduled to begin September 8, 2026. Meanwhile, Hikma has petitioned the United States Supreme Court to review the appeals court decision. At this point, the Group does not believe sufficient evidence exists to make a reasonable estimate of any potential liability.